

GLOBAL AND LOCAL BRANDS IN MERGERS AND ACQUISITIONS

**A STUDY ON THE EFFECT OF
MERGERS AND ACQUISITIONS
ON BRAND IMAGE AND
PURCHASE INTENTION**

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Preface

Thank you for reading this master thesis.

For me, writing a master thesis has enlightened the value of education at Wageningen University and Research. During my studies, I have learned a lot; from theories, to conducting research, to running analyses. All these things, I could apply now in my master thesis. However, what I did not see beforehand, was that a master thesis does not only include using everything I had learned before. It required me to make decisions about which paths to go in and which paths to not take. By making decisions like this every day, writing a master thesis has taught me much more than just applying theories, methods, and analyses. Above all, it taught me to appreciate the value of making your own choices. It has taught me to take decisions according to the path I want to follow, to follow up on this path regardless of setbacks, and to succeed as a result of the process. It has helped me grow as an academic thinker and at the same time awoke an ambition of bringing my knowledge into practice more than any other course had previously done.

The person I would like to thank most of all is my supervisor, Frans Verhees, who has provided me not only with clear and concise feedback, but also with a perspective of looking ahead. This helped me to recognize the consequences of each decision I made during my thesis. Next to that, I would like to thank him for his enthusiasm for the topic and his involvement during the process of writing this thesis. I think I could not have asked for a better supervisor. Also, I would like to thank my second reader, Ellen van Kleef, for her thoroughness and willingness to help. Furthermore, I would like to thank her for her feedback on the thesis proposal which revealed a new perspective on the conceptual framework and method section. Lastly, I would like to thank my fellow students who have read my thesis for the thesis ring sessions and have provided me with feedback and support.

Abstract

Driven by a gap in literature and the practical issue of merger and acquisition (M&A) failures, this research provides a first investigation into the effect of M&As between global and local brands on the brand image and purchase intentions of a local brand. Drawing on literature on M&As and international branding, a conceptual framework was developed and tested in the Dutch beer industry. In this experimental study with a cross-sectional nature, a survey was used in which respondents ($n = 151$) were randomly allocated to different M&A situations. Findings revealed a mediating effect of brand globalness on the relationship between M&A situation and purchase intention. Whereas globalness changes, local brand image associations of localness, authenticity, credibility, price, and flavour were found to be stable across M&A situations. Furthermore, it was found that, next to globalness, global brand image associations of low price and low flavour intensity (i.e. low in sourness and fullness), and local brand image associations of authenticity are key determinants of purchase intentions. Therefore, this research suggests the employment of a glocal branding strategy including both global and local brand image associations to enhance the success of a M&A between global and local brands.

Keywords: International branding, global and local brands, mergers and acquisitions, brand image associations, purchase intentions

List of abbreviations

AB Inbev	Anheuser-Busch Inbev
ABA	American Brewers Association
AMA	American Marketing Association
ANOVA	Analysis of Variance
AVE	Average Variance Extracted
CBS	Central Bureau for Statistics
CI	Confidence Interval
COO	Country Of Origin
FCQ	Food Choice Questionnaire
KMO	Kaiser-Meyer-Olken
LSD	Least Significant Difference
M&A	Merger and Acquisition
MANOVA	Multivariate Analysis of Variance
MANCOVA	Multivariate Analysis of Covariance
PCA	Principal Component Analysis
SPSS	Statistical Package for the Social Sciences
VIF	Variance Inflation Factor

Table of contents

Preface.....	II
Abstract	III
List of abbreviations	IV
1. Introduction	1
2. Theoretical background.....	4
2.1. What is a brand?.....	4
2.2. What is branding?.....	4
2.2.1. Brand identity	5
2.3. Brand image	6
2.3.1. Sources of brand image	7
2.3.2. Linking brand identity and brand image.....	7
2.4. What are mergers and acquisitions?	8
2.4.1. Integration strategies in horizontal M&As	9
2.4.2. Product brand integration strategies	10
2.4.3. Effects of brand architecture	11
2.5. Brand portfolio	11
2.5.1. Global brands	11
2.5.2. Local brands	12
2.5.3. Brand image associations of global and local brands	12
2.6. Purchase intention	16
2.6.1. The moderating effect of market segment.....	17
2.6.2. The direct effect of M&A on purchase intention	19
2.7. Conceptual framework	20
3. Method	22
3.1. The beer industry.....	22
3.2. Design.....	23
3.2.1. Beer brands.....	24
3.2.2. Respondents.....	24
3.2.3. Measurement of variables.....	25
3.2.4. Validity and reliability of measurement scales.....	27
3.2.5. Procedure.....	31
3.2.6. Data analysis.....	33
4. Results	36
4.1. Manipulation check	36

4.2. Main survey	36
4.2.1. Sample characteristics	36
4.2.2. Brand image across manipulation groups.....	38
4.2.3. The effect of brand image on purchase intention	40
4.2.4. Mediating effect brand image associations	41
4.2.5. Purchase intention across conditions.....	42
5. Conclusion.....	43
6. Discussion	44
6.1. Scientific relevance	44
6.2. Managerial relevance	46
6.3. Limitations.....	47
6.4. Suggestions for further research.....	49
References	52
Appendix	64
Appendix A: The beer industry	64
Appendix B: Survey statements	65
Appendix B.1. Manipulation check.....	65
Appendix B.2. Main survey.....	65
Appendix C: Manipulation check survey	68
Appendix D: Main survey	74
Appendix D.1. End of survey group 1.....	89
Appendix D.2. End of survey group 2.....	90
Appendix D.3. End of survey group 3.....	90

1. Introduction

“A key aspect of marketing due diligence is to study the transaction through the customer’s eyes” – Kumar and Hansted Blomqvist (2004, p.2).

The quote by Kumar and Hansted Blomqvist sheds light on a prevailing issue that is often neglected in managerial decision-making, namely the importance of a consumer perspective in mergers and acquisitions (M&As). M&As can be described as the popular, yet risky, activity of one firm merging with or taking over another firm (Granata & Chirico, 2010). In practice, approximately sixty percent of M&As are not successful (Lewis & McKone, 2016). It is argued that most M&As fail as a result of firms not taking into account the perspective of the consumer (Kumar & Hansted Blomqvist, 2004; Lee, Lee, & Wu, 2011). The consequences of M&A failures are severe as it often leads to diminished brand reputations and share prices (Bahreini, Bansal, Finck, & Firouzgar, 2019). An example of a lack of focus on the consumer perspective is reflected by the sale of Rolls-Royce to Volkswagen which led to national resentment in the UK due to Rolls-Royce’s image of national pride. Yet, the subsequent sale of Rolls-Royce to BMW did not converge similar consequences. Instead consumers perceived the brand image of Rolls-Royce to be similar to the brand image of BMW (Basu, 2006).

From a firm-level perspective, a M&A is often considered a source of external expansion that facilitates fast growth. Also, a M&A is seen as an instrument to increase capacity and competitiveness in a dynamic economic environment in which new and competitive brands are arising at an increasingly fast pace (Lee et al., 2011; Lipponen, Olkkonen, & Moilanen, 2004). Important in M&As is the integration of brands which is largely determined by the brand architecture of the acquiring firm. The brand architecture of the acquiring firm determines the role an acquired firm’s brand plays in comparison to the acquiring firm’s brand (Aaker & Joachimsthaler, 2000). From a consumer perspective, a firm and its products are perceived in terms of brand image(s) (Burmman, Jost-Benz, & Riley, 2008). Brand image can be described as the brand associations in the mind of the consumer that are based on the perceptions consumers have about a brand (Keller, 1993). As brand name, brand identity, or brand ownership may change due to M&As, brand associations can be replaced or altered.

Currently, many M&As have a global character and transform once local and independent markets into one interconnected marketplace (Steenkamp & De Jong, 2010). Hence, strategic decisions such as which brands to keep, which ones to sell, and which ones to acquire or assimilate under the international brand name need to be made when building an international portfolio of global and local brands (Douglas, Craig, & Nijssen, 2001). Nevertheless, a countermovement is noticeable with the consumer’s increased interest in local products as a rising sentiment against globalization (Garavaglia & Swinnen, 2017). For global firms, a strategic response to the increasing threat posed by local brands is pursuing M&As with local brands (Basu, 2006). At an increasing pace, global brands such as Unilever and Heineken are partaking in M&A activities to add brands to their portfolio’s and to remain competitive (Basu, 2006; Jaju, Joiner, & Reddy, 2006). Yet, there is no guarantee that a M&A with a local brand will lead to a successful outcome. For a local brand, its brand image is a key strategic asset (Kumar & Hansted Blomqvist, 2004). However, due to the possibility of spill-over effects, the global brand image of the acquiring firm may be, partially, transferred to the local brand image of the acquired firm. Therefore, it is important to take into account the brand

images of the global and local brand to understand which brand associations are important to keep and which ones can be altered or changed. The current research responds to this issue by approaching the event of a M&A from a consumer perspective by taking into account the importance of brand image.

With the rising popularity of local brands as a countermovement to globalization, global and local brands have attracted increasingly more interest from both marketing practitioners as well as from academics. In literature, global brands are considered the symbols of the interconnected marketplace and can be described as brands that are present in markets in various countries under the same name with marketing strategies that are typically similar and centrally coordinated (Özsomer & Altaras, 2008; Yip, 1995). Local brands can be defined as brands originating from the consumer's home country or geographic area that are associated with the local market (Eckhardt, 2005; Özsomer, 2012). According to Davvetas, Sichtmann, and Diamantopoulos (2015), global brands were accepted by customers because of, amongst others, their perceived superiority in quality. In turn, this may result in a market advantage (Steenkamp, Batra, & Alden, 2003). However, Schuiling and Kapferer (2004) argue that local brands are superior in their responsiveness to local needs and demands. This may lead to an image advantage over global brands (Kapferer, 2002). These perspectives clearly indicate the distinctiveness of global and local brands. Yet, regardless of the increasing amount of M&As between global and local brands as a strategic response to local brand popularity, previous definitions of global and local brands in literature highlight the focus on global and local brands as two separate groups (Winit, Gregory, Cleveland, & Verlegh, 2014). Therefore, there is a lack of research investigating the event of M&As of global and local brands in which both brands are assimilated under the same corporate umbrella.

Extant literature focuses on each of the key research constructs in this research separately, namely M&As, global and local brands, or brand image and purchase intentions. Firstly, literature on M&As focuses on the antecedents and outcomes based on the financial value of M&As such as the added value of a M&A in terms of financial performance (Piesse, Lee, Lin, & Kuo, 2013; Halebian, Devers, McNamara, Carpenter, & Davison, 2009). Also, research shows that the acquiring firm's value is often not enhanced in neither the short-term nor the long-term whereas the acquired firm most of the time does experience increasing returns (Asquith & Kim, 1982; Houston, James, & Ryngaert, 2001). Yet, literature on acquisition-based growth strategies such as M&As often fails to acknowledge brand image as a key strategic asset (Kumar & Hansted Blomqvist, 2004), resulting in the neglect of a consumer perspective (Lee et al., 2011). Secondly, numerous studies have focused on global and local brands in terms of country-of-origin (COO) (Sichtmann, Davvetas, & Diamantopoulos, 2019). COO is often described as the geographical area to which a brand is believed to belong according to its customers (Thakor & Kohli, 1996). It is often used for indicating the degree of brand globalness or localness in which one does not rule out the other. A brand can be operating globally while retaining ties to its local communities (Winit et al., 2014). In this research, the potential influence of COO on brand image associations is acknowledged, yet, it is not considered as a key characteristic of global and local brands. Rather, global and local brands are defined in terms of ownership and geographic distribution with a focus on differentiating brand image associations between global and local brands. Thirdly, brand image is conceptualized in a variety of ways with important definitions provided by Aaker (1991) and Keller (1993). Furthermore, brand image associations have been shown to affect purchase intentions (Aaker, 1992; Faircloth, Capella, & Ahord, 2001). Yet, relevant studies that have applied brand image in combination with M&As are limited. An exception is posed by Lee and colleagues (2011) focusing on M&As and brand image with regard to an acquiring

firm that is characterised by a weak brand image and an acquired firm with a strong brand image. Furthermore, Simonin and Ruth (1998) have investigated the effect of a M&A on brand image and consumer attitudes. Yet, a study that incorporates all three constructs has not taken place regardless of the practical issues at hand. These practical issues concern the increasing popularity of local brands, M&As that are used as a strategic response by global brands and the neglect of a consumer perspective in M&As. Therefore, this research will investigate effect of different M&A situations on the brand image of a local brand and takes purchase intention into account as an important outcome variable.

Theoretically, this research represents a first investigation into the effect of different types of M&As between a global and a local brand on the brand image and purchase intentions of a local brand. Furthermore, this research adds to the current literature by filling a void in academic knowledge through a) investigating the possibility of spill-over effects of brand image associations in M&As between global and local brands, b) investigating the potentially differentiating effect of the global brand's brand architecture on the local brand image and purchase intention, c) investigating the effect of brand image associations on purchase intentions, and, additionally d) investigating the moderating effect of market segmentation. Furthermore, this research will add to the practical understanding of brand management by providing managers with a) evidence regarding the effect of a M&A on brand image associations from a consumer perspective, b) strategic insights into the effects of various brand image associations revealing which associations are important drivers of local brand purchase intentions to enhance managerial understanding of where to put branding efforts in the future and c) advice regarding an effective branding strategy in M&As. Hence, this research aims to answer the research question:

What is the effect of a merger and acquisition between a global and a local brand on the brand image and purchase intentions of a local brand?

2. Theoretical background

When diving deeper into the literature on branding, questions arise such as ‘What is a brand?’ and ‘What is branding?’. These questions are answered first in order to create a clear understanding of the term ‘brand’ and the branding approach that is taken in this research. Hereafter, important concepts in the field of branding are discussed, namely brand identity and brand image. Also, mergers and acquisitions are discussed, after which different brand image associations of global and local brands are elaborated upon. Hereafter, purchase intention is defined. Also, market segmentation is elaborated upon. Lastly, the conceptual framework is presented showing the theorised relationships between the constructs used in this research.

2.1. What is a brand?

A definition of the term ‘brand’ that has often been used in literature is given by the American Marketing Association (AMA). According to the AMA (2017), a brand is “a name, term, design, symbol, or any other feature that identifies the seller’s good and service as distinct from those of other sellers”. Brands provide significant benefits for both consumers as for firms. Brands enable consumers to assign ownership and responsibility to the source or maker of a product. At the same time, brands function as a source of differentiation and meaning in the mind of the consumer (Keller, 2003b). For firms, a strong brand is considered a source of competitive advantage and often results in firms having greater bargaining power and market performance (De Chernatony, McDonald, & Wallace, 2013). In the current competitive marketplace, a brand thus acts as a means of differentiation while at the same time enabling consumers to detract meaning from the brand. As Keller (1993) argues, a brand differs from a product in the sense that a brand consists out of a product complemented with other dimensions that help differentiate the brand from competitors. The elements that are incorporated within a brand will lead to consumer perceptions and feelings towards that brand and largely determine its success (Keller, 1993). These elements are often described in terms of physical and emotional or intangible attributes (Aaker, 2014).

In previous literature, the term ‘brand’ has often been described on the basis of either physical or emotional attributes (Knox, 2000; Wood, 2000). This separation in defining a ‘brand’ can be allocated to two different approaches to branding that have been developed in the past. These two approaches include a) a classical approach, defining a brand in terms of its physical and functional elements as a basis for differentiation and b) a behavioural approach, which focuses on the symbolic and intangible elements of a brand as perceived by the consumer (Świtała, Gamrot, Reformat & Bilińska-Reformat, 2018). More recently, others have combined these approaches by stating that a brand should emphasize on the value a firm promises to deliver to its customers through physical, intangible, and emotional features (Aaker, 2014). Aligning with the definition of a brand given by Keller (1993) and the AMA (2017), this research considers a brand as a combination of products and/or services added with a name, term, design, symbol, or any other feature that distinguishes the products and services of one seller from others.

2.2. What is branding?

As consumers are confronted with choices regarding products from different brands all day long, the goal of a brand is to act as a means of differentiation and meaning creation in the mind of the consumer. In order to reach this goal and to aid the consumer in their decision-making process, an appropriate branding strategy is required. In line with the definition of the term ‘brand’, branding is considered the marketing activity of creating a name, symbol, design, or any other feature that differentiates the products and services of one

seller from those of another seller. An important aspect of branding is the creation of mental structures and knowledge about the brand in the mind of the consumer that help the consumer to organize the brand knowledge in such a way that it aids their decision-making process (Keller, 2003b). When branding causes favourable mental structures and brand knowledge, this is likely to result in long-term customer-brand relationships that are valuable for a firm.

These mental structures and brand knowledge can be created based on two different marketing strategies, namely corporate branding or product branding. A holistic approach to brand management is taken in corporate branding. Corporate branding reflects firms positioning themselves as brands in which the corporate name and the brand are the same (De Chernatony, 1997; Stuart, 2018). Corporate brands consist out of the shared core values of the brand, the structure and internal culture in which all members of the firm are behaving according to a shared brand identity (Burke, Dowling, & Wei, 2018; De Chernatony, 1997; Harris & De Chernatony, 2001; Hatch & Schultz, 2003). Examples of corporate brands include Nike and Philips. Whereas corporate branding focuses on the use of internal assets to support its products and services from the perspective of all stakeholder groups, product branding takes the perspective of the consumer by focusing on individual brands and products/services and their quality, service and features (Burke et al., 2018; De Chernatony, 1997). Product branding can be defined as building separate brand identities for different products. In the case of product branding, a firm may own multiple product brands that result in different brand images in the mind of the consumer that vary from product brand to product brand. Examples of a product brands include brands such as Dove and Axe from Unilever.

Corporate and product branding are not two mutually exclusive strategies and can exist next to each other. Especially global brands may apply these two strategies simultaneously by shifting the emphasis on product or corporate brands in different regions and contexts (Urde, 2003). They may decide to focus their marketing activities on product brands in one country or region while focusing their marketing activities on the corporate brand in another country or region. Yet, this research will consider a product branding approach when investigating brand image from a consumer perspective. The reason for choosing a product branding approach originates from the idea that corporate branding aims to take into account all stakeholders in its branding strategy while product branding typically focuses on the consumer as its most important stakeholder (Hatch & Schultz, 2003). As a result, from a consumer perspective, it is easier to form a brand image about a product brand instead of a corporate brand.

From a corporate branding approach, models of brand identity and brand image are considered highly relevant due to their influence on brand values, brand equity and brand value (Balmer, 1995; Schroeder, 2017; Urde, Greyser, & Balmer, 2007). However, as corporate branding builds onto the idea of product branding regarding differentiation and preference, models of brand identity and brand image can also be applied to product branding.

2.2.1. Brand identity

A strategic approach to managing a brand is the creation of a comprehensive brand identity (De Chernatony, 2001). A brand identity can be defined as “a unique set of brand associations that the brand strategist aspires to create or maintain” (Aaker, 1996, p.68). According to Aaker (1991), a brand identity refers to the brand meanings that make a brand distinguish itself over time, how it promises to deliver these meanings, and defines the associations by the consumer on what the brand stands for. Therefore, brand identity is an important determinant of a firm’s success through its influence on the creation of a brand image in the mind of the consumer when adequately transferred (Park, Jaworski, & MacInnis, 1986). Central to the creation of a brand identity lies the goal of a differentiating and unique brand to create a

competitive advantage (Kapferer, 1986; Keller, 2003b). An important step in the process of brand identity creation is the mapping of points of parity and points of difference with competitors. Thereby, enabling a firm to focus on those brand characteristics that diversify its brand identity from its competitors (Keller, 2003b). This notion of differentiation and uniqueness lies central to the definition of brand identity given by Kapferer (2000), who defined brand identity as the brand's meaning that is created and communicated by the firm.

Underlying these definitions is the assumption that a brand identity solely focuses on internal aspects of branding and that it should be consistent and stable over a longer period of time. However, De Chernatony (2010) and others (da Silveira, Lages, & Simões, 2013) recognize the importance of the external environment in developing a successful brand identity. More well suited might be to approach brand identity as enduring over time, holding that a brand identity should be constant yet flexible. In line with this view, a brand identity should be constantly evaluated on which elements should stay constant and which should be flexible with regard to the external stakeholders such as the consumer. Accordingly, De Chernatony (2001) argues that the brand identity structures consist of a core identity that is based on brand values and an extended brand identity that is influenced by the consumer's needs and wants. Thereby, this research combines the stable and dynamic definitions of a brand identity by stating that a brand identity is the brand meanings that are created based on the brand strategists' aspirations and the consumer's needs and wants.

2.3. Brand image

In branding literature, brand image is considered a key determinant of powerful brands and is conceptualized by researchers in a variety of ways (Aaker, 1991; Keller, 1993; De Chernatony, 1999; Pappu, Quester, & Cooksey, 2005). Important definitions of brand image are proposed by Aaker (1991) and Keller (1993). Aaker (1991) describes brand image as the brand associations in the mind of the consumer that are organized and linked to memories of a brand such as price and functionality. Aaker approaches brand image from a marketing point of view and focuses on marketing mix elements as important factors influencing brand image. Keller (1993) argues that brand image reflects the brand associations in the mind of the consumer that are based on the perceptions consumers have about a brand. These associations contain the meaning of the brand, typically reflect abstract and intangible elements of brand knowledge, and result in the favourability, uniqueness, and strength of a brand (Keller, 2003a; 2003b). The definitions proposed by Aaker (1991) and Keller (1993) are similar yet different with regard to their components and mental representations. The definitions both point out that the power of a brand resides in the mind of the consumer (Keller, 1993). However, whereas Aaker goes deeper into the influence of marketing mix elements on brand image, Keller approaches brand image from a consumer psychology perspective. This research applies the definition of brand image given by Keller (1993) due to its focus on abstract and intangible elements of brand knowledge that are represented in the brand associations in the mind of the consumer.

According to Keller (1993), the concept of brand knowledge is an important determinant of long-term customer-brand relationships. A customer-brand relationship is a multi-dimensional concept and relates to the depth and significance of the emotional connection between a consumer and a brand (Fournier, 1998). Brand knowledge represents the consumer's ability to link a certain brand memory with a variety of associations and comprises of both brand awareness and brand image. Brand awareness relates to how easily and how often a consumer is reminded of a particular brand, under which situations this occurs, and which cues are elicited in the mind of the consumer to remind them of the brand. Therefore, brand awareness relates to the consumer's ability to remember, recall, and notice a particular brand (Keller,

2003a). Brand image reflects the brand associations in the mind of the consumer that are based on the perceptions consumers have about a brand (Keller, 1993). As the definitions of brand knowledge and brand image are highly similar, these concepts are considered interchangeable in this research.

2.3.1. Sources of brand image

Brand image, just as brand identity, comprises out of elements that are stable and elements that are of a dynamic nature (van Osselaer & Janiszewski, 2001). This holistic perspective towards brand image opens the window to investigate the different origins of the creation of brand image. In the current competitive economic environment, marketers aim to leverage brand image structures that are most beneficial. In literature, different sources of brand image associations are proposed. An important theory on sources of information that drive brand image associations is proposed by Keller (2003b).

The definition of brand image as proposed by Keller (1993) does not focus on the different sources of brand image associations (Keller, 2003a). A danger that is recognized by Keller's later work (2003b) is that in consumer research on branding, a too narrow focus is adopted. Previous research often assumes that brand knowledge is created through the differential effect of a brand's marketing mix (Keller, 1993; Krishna, 2013; Pham, Geuens, & De Pelsmacker, 2013). Yet, as argued by Keller's (2003b) adaptation and extension to his previous definition of brand knowledge, a multitude of brand image sources reflecting effects and results of marketing activities need to be acknowledged. According to Keller (2003b), brand image associations can be driven by different types of information resulting from a brand's marketing mix. These different types of information are brand awareness, attributes, benefits, visualisation, thoughts, feelings, attitudes, and experiences.

It is argued that, next to the different informational sources of brand image based on Keller's consumer brand knowledge dimensions (2003b), there are more entities that are able to change or create new associations with a brand in the mind of the consumer. Marketers may link other entities to their brand such as people, things, brands, and places. Thereby, they are able to leverage the knowledge that is associated with an entity by linking it to their brand (Keller, 2003b). Research on these secondary leveraging effects has been done in a variety of subjects, such as country-of-origin (Adina, Gabriela, & Roxana-Denisa, 2015), social media effects (Saxton, Gomez, Ngoh, Lin, & Dietrich, 2019; Booth & Matic, 2011) and corporate branding (Brexendorf & Keller, 2017). Despite of their relevance and influence on consumer-brand relationships (Schuiling & Kapferer, 2004), global and local brands are areas that have not yet been investigated in light of potential leveraging effects with brand image. Therefore, this research will broaden the research on secondary leveraging effects on brand image associations by investigating global and local brands as important entities that have differentiating effects on brand image.

2.3.2. Linking brand identity and brand image

In literature, the link between brand identity and brand image has been investigated numerous times often in terms of a gap between brand identity and brand image (De Chernatony, 1999; Roy & Banerjee, 2014; Nandan, 2005). A gap between brand identity and brand image is present when a firm is not able to synchronize its brand identity with the perceived brand image by the consumer. This often leads to brand deterioration and chances of success will likely be limited as a result. This synchronization of brand identity and brand image is, therefore, crucial to the success of a brand and is called brand identity and brand image consistency (McEnally & De Chernatony, 1999). In order to achieve this consistency between

brand identity and brand image, it is important for a firm to consistently send out the values that are central to its brand identity (McEnally & De Chernatony, 1999; Park, Rabolt, & Jeon, 2008).

When a brand identity is transferred to the consumer, supported by communication mechanisms, associations with the brand are formed in the mind of the consumer that together shape a brand image (Roy & Banerjee, 2014). Hence, the decoding of a brand's identity facets is a key process determining brand image (Nandan, 2005). Therefore, when the brand identity is managed successfully, this should be reflected by and result in a favourable brand image from the perspective of the consumer. When brand identity and brand image are aligned, long-term customer-brand relationships may emerge (Nandan, 2005). The conceptualization of brand identity and brand image together with the link between both concepts is shown in Figure 1.

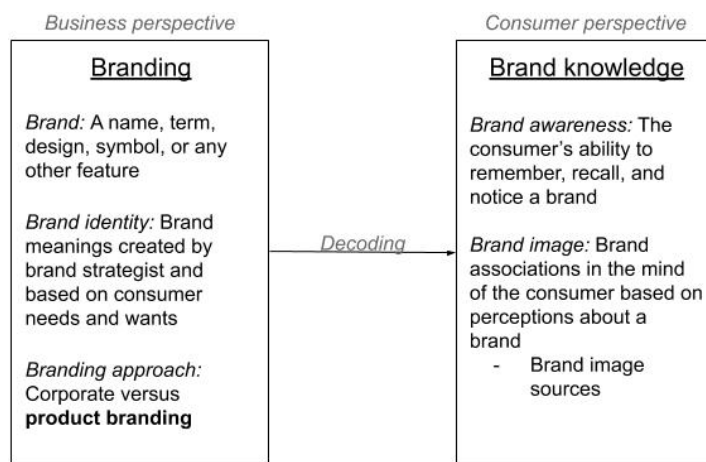


Figure 1 Theoretical framework (derived from Aaker, 1996; AMA, 2017; Keller, 1993; Keller, 2003b)

2.4. What are mergers and acquisitions?

A M&A plays an important role in the external expansion of a firm or brand facilitating fast growth when handled successfully (Piesse et al., 2013). In general, a M&A is the popular, yet risky, activity of one firm merging with or acquiring another firm (Granata & Chirico, 2010). From a branding perspective, a M&A can be described as the transfer of ownership of a firm or brand to another firm (Lee et al., 2011). A division can be made between mergers and acquisitions, two terms that are frequently used interchangeably. A merger is considered the consolidation of at least two firms that together form a 'new' legal entity. In algebraic terms, this can be described as $A + B = C$. An acquisition can be defined as the activity in which an acquiring firm gains control and ownership over more than 50% of the target firm (Piesse et al., 2013). Algebraically, this means $A + B = A$ (or B).

Furthermore, M&As are performed in a variety of industries and at different industry levels. Generally, there are three different categories of M&As that differ in terms of relatedness namely horizontal, vertical, and conglomerate M&As (Kitching, 1967; "Mergers and Acquisitions", 2009). A horizontal M&A takes place when both the acquiring firm and the target firm operate in the same industry and at the same industry level. A vertical M&A differs from a horizontal M&A in the sense that both firms operate in the same industry, yet at different stages. Lastly, in a conglomerate M&A, the acquiring firm and the target firm are not related, they operate in different business sectors ("Mergers and Acquisitions", 2009). Considering that there is high competition when firms operate in the same industry and at the

same industry level, significant gains in market share might result from horizontal M&As (Capron, 1999). As brands act as a means of differentiation between firms in the same industry and at the same industry level (Keller, 2003b), horizontal M&As are considered most relevant in this research.

2.4.1. Integration strategies in horizontal M&As

Research has studied different types of mergers and acquisitions in terms of brand integration strategies (Basu, 2006; Jaju et al., 2006; Papavasileiou, 2009). Brand integration strategies determine how an acquired brand is integrated with the acquiring firm's brand and/or brand portfolio (Kumar & Hansted Blomqvist, 2004). Brand integration strategies form a crucial issue in horizontal M&As and influence the associations consumers have with a brand (Jaju et al., 2006; Vu, Shi, & Hanby, 2009). Brand integration strategies are determined by different types of brand architectures. A brand architecture describes the role a corporate brand plays in relation to the product brands in its brand portfolio (Aaker & Joachimsthaler, 2000). In Aaker and Joachimsthaler's (2000) research, a brand relationship spectrum was developed showcasing a distinction between different brand integration strategies that arise from four different brand architectures, namely house of brands, endorsed brands, subbrands and branded house.

A house of brands and a branded house architecture stand at opposite ends of the same spectrum. A branded house can be described as a brand strategy in which the corporate brand spans across its whole brand portfolio consisting out of descriptive subbrands. The corporate brand acts as an umbrella under which the products in its portfolio operate. An example is the corporate brand Nike with descriptive subbrands such as Nike Airmax sports shoes and Nike Performance sports clothing. Whereas this strategy does enhance clarity in terms of a shared brand identity, it requires compromises regarding the limited ability to target specific customer segments. On the other hand, a house of brands strategy involves independent product brands in a corporate brand's brand portfolio. An example of this strategy is Proctor & Gamble (P&G) with product brands as Always and Head & Shoulders in its brand portfolio with little or no link to P&G. An important reason for using a house of brands strategy is that it enables the acquiring firm to target a niche market with a specialised value proposition to connect with its customers. In between the branded house and house of brands strategy are the endorsed brands and the subbrands. Endorsed brands are closely related to the house of brands strategy due to the idea that endorsed brands operate independently as product brands yet are supported by the corporate brand. An advantage of such a strategy for the endorsed brand is a potential increase in perceived awareness, trust, and quality. However, vice versa, the endorsed brand poses limited advantages for the corporate brand. Examples are KitKat and Nescafé that are endorsed by Nestlé. Lastly, subbrands are closely related to the branded house strategy since the subbrands are connected to the corporate brand. In this situation, the corporate brand acts as the key point of reference, whereas the subbrand adds attribute associations. Often a subbrand acts as an extension of the corporate brand through entering new customer segments such as Microsoft Office by Microsoft and Sony Xperia by Sony (Aaker & Joachimsthaler, 2000). However, since the house of brands and the branded house are most likely to result in different brand integration strategies with regard to product brands, this research focuses on these two brand architectures.

2.4.2. Product brand integration strategies

This research approaches the issue of M&As and brand images from a product branding perspective. Therefore, the role a M&A plays in the brand image of a product brand is discussed by going deeper into brand integration factors that affect brand image. A key decision that needs to be made in brand integration strategies regards the relationship a product brand has with its customer (Kumar & Hansted Blomqvist, 2004). Does the target firm maintain its customers, or does it eliminate one segment in favour of another segment? From a consumer perspective, there are several elements of product brand integration strategies proposed in literature that influence brand image associations, such as brand name (Jaju et al., 2006; Kumar & Hansted Blomqvist, 2004; Aaker & Joachimsthaler, 2000), perceived fit (Bless & Schwarz, 2010; Woisetschlger, Backhaus, & Cornwell, 2017), control (Kumar & Hansted Blomqvist, 2004), and message (Basu, 2006).

Brand name is often discussed as an important differentiator between different brand architectures and represents a signifier that elicits cues in the mind of the consumer (Aaker & Joachimsthaler, 2000; Keller, 2003a). When the acquiring firm's brand portfolio is structured in a house of brands architecture, the brand name of the product brand is likely to be retained. Yet, when the acquiring firm's brand portfolio is organized as a branded house, the product brand name is likely to be replaced by the brand name of the corporate brand (Aaker & Joachimsthaler, 2000). Another important aspect of M&As from a consumer perspective is the degree of fit between both brands (Woisetschlger et al., 2017). However, as this research focuses on horizontal M&As, it is argued that some degree of fit is present since both firms in the M&A operate in the same industry and at the same industry level. Also, control is mentioned as a key factor in brand integration processes. Control is often described in terms of shares or assets of the target firm that are owned by the acquiring firm (Kumar & Hansted Blomqvist, 2004). As control is approached from a financial point of view, this research will not take control into account as a factor influencing consumer perceptions. Lastly, message is proposed as an important element in a firm's product brand integration strategy (Basu, 2006). Message can be described as the position a brand aims to take in the mind of the consumer. Therefore, it is argued that message is equivalent to the brand identity of a firm as both focus on differentiation and meaning creation (Keller, 2003b).

Since brand name and brand identity are important elements in brand integration strategies in different brand architectures, brand name and brand identity are considered relevant to this research (Aaker & Joachimsthaler, 2000). As can be seen in the Figure 2, this research focuses on M&As with a brand integration strategy that is based on brand name (corporate vs. product brand name) and brand identity (corporate vs. product brand identity). The decision for a brand integration strategy is led by the brand architecture of the dominant brand, which often is the acquiring brand in M&As (Jaju et al., 2006).

		Brand name	
		Product	Corporate
Brand identity	Product	House of brands	Subbrand
	Corporate	Endorsed brand	Branded house

Figure 2 Product branding strategies (Adapted from Aaker & Joachimsthaler, 2000)

2.4.3. Effects of brand architecture

The brand architecture of the acquiring firm determines the brand integration strategy of the acquiring brand with the acquired brand (Aaker & Joachimsthaler, 2000; Kumar & Hansted Blomqvist, 2004). Therefore, in this research, the brand architecture of the acquiring firm is considered to have an important effect on the acquired firm's brand image. This research will focus on the brand architectures of a 'house of brands' and a 'branded house' as these result in brand integration strategies that are expected to influence the associations consumers have with a brand (Jaju et al., 2006; Kumar & Hansted Blomqvist, 2004). For horizontal M&As in which the acquiring firm's brand portfolio is organized in a 'house of brands' architecture, the brand name and the brand identity of the acquired firm are maintained (Aaker & Joachimsthaler, 2000). Hence, it is expected that in case of a 'house of brands' brand architecture, the global brand's image will have limited effect on the local brand's image. This entails that the brand image of the local brand is likely to remain consistent. However, when a 'branded house' brand architecture is held by the acquiring firm, the acquired firm's brand is likely to be eliminated in favour of the acquiring firm's brand (Aaker & Joachimsthaler, 2000; Basu, 2006). Hence, the brand name and brand identity of the acquired firm's brand are replaced by those of the acquiring firm's brand (Aaker & Joachimsthaler, 2000). In this case, it is expected that the brand image of the acquired, local brand is significantly impacted by brand image of the acquiring, global brand.

2.5. Brand portfolio

When building a multinational firm, the development of a brand portfolio and a corresponding branding strategy are important aspects that need to be taken under consideration (Schuiling & Kapferer, 2004). A brand portfolio is created when a firm markets more than one brand (Wiles, Morgan, & Rego, 2012). Important in the creation of a brand portfolio is the balance between global and local brands (Schuiling & Kapferer, 2004). Prior research has shown that both global brands and local brands incorporate differentiating and meaningful associations and influence consumer perceptions of a brand (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000; Özsomer, 2012; Steenkamp et al., 2003). In defining the concepts of a global and a local brand, research often defines these concepts in terms of perceived brand globalness and localness (Davvetas & Halkias, 2019; Sichtmann et al., 2019; Steenkamp et al., 2003), country-of-origin image (Adina et al., 2015; Riefler, 2012) and geographic distribution and ownership (Winit et al., 2014). In this research, brand globalness and localness and geographic distribution and ownership are reflected in the definitions of global and local brands. Yet, regardless of country-of-origin image representing an extrinsic cue that activates different intrinsic cues depending on a brand's country of origin (Verlegh & Steenkamp, 1999), country-of-origin image is not considered a key characteristic that differentiates global brands from local brands.

2.5.1. Global brands

In this research, a global brand is defined as a brand that is known under the same name by consumers in different countries and that typically makes use of centrally coordinated marketing strategies (Özsomer & Altaras, 2008). Global brands typically exist either as independent multinational firms or as part of a brand portfolio of product brands in which both global and local brands are represented (Schuiling & Kapferer, 2004). Examples of global brands include McDonalds and Nike, who have often been presented as symbols of globalization (Cayla & Arnould, 2008). From a firm level perspective, an important advantage

of a global brand is the costs associated with its production and marketing activities. Since a global brand is typically produced and marketed similarly across multiple countries, it comprises of one brand name, one brand identity is created, and one brand image is the result from a consumer's point of view. Thereby, significant economies of scale in terms of research and development (R&D), manufacturing, and marketing arise that are financially beneficial and that create barriers to entry for competitors (Schuiling & Kapferer, 2004; Yip, 1995).

Based on previous research, Özsomer (2012) created 5 characteristics of global brands based on which global brands are positioned in the marketplace, namely 1) wide availability and awareness, 2) ambitions of achievement and growth, 3) low risk and convenience, 4) ethical and environmental responsibility (such as sustainability) and 5) standardization across countries. Noteworthy is that from a consumer perspective, associations of global brands are mainly formed based on wide availability and awareness (Özsomer, 2012; Riefler, 2012; Steenkamp et al., 2003), low risk and convenience (implying associations of quality) (Dimofte, Johansson, & Ronkainen, 2008; Holt, Quelch, & Taylor, 2004; Winit et al., 2014) and status (Schuiling & Kapferer, 2004; Steenkamp et al., 2003). Also, due to standardization of products and marketing activities, global brands are less likely to develop long-term customer-brand relationships (Schuiling & Kapferer, 2004).

2.5.2. Local brands

A local brand is a brand that originates from and operates in a consumer's home country or geographic area and that is associated with the local market (Eckhardt, 2005; Özsomer, 2012). Regardless, next to the characteristic of limited geographic distribution, a local brand can be owned by either a local or a global firm (Schuiling & Kapferer, 2004). Whereas global brands are often perceived as being stronger and more powerful due to their size (Dimofte et al., 2008), local brands are often perceived as being unique and original due to local adaptations. They represent the pride of the local area and culture, which is often reflected by high levels of awareness and availability in the local market they operate in. As a result, they are able to build long-term customer-brand relationships (Schuiling & Kapferer, 2004). According to research executed by Cayla and Arnould (2008), consumer culture theory provides a useful explanation as to why local brands lead to more long-term customer-brand relationships. This ethnocentric approach to branding puts emphasis on brands as cultural symbols and differentiates between consumers as members of certain cultures that can be bound to one country or geographic area. The consumer culture theory presents one approach to the branding of local brands. Another approach is the acknowledgement of the consumer's need for authenticity (Grayson & Martinec, 2004) and uniqueness (Brewer, 1991). As local brands are better able to build authentic and unique associations through their brand identities (Ger, 1999), these factors can favourably influence brand image perceptions of local brands.

2.5.3. Brand image associations of global and local brands

The brand image associations from a consumer perspective that are considered in this research have differentiating effects depending on differences between global and local brands. Whether these differences turn out positively or negatively depends on the interpretation of the individual consumer (Mick, 1986; Steenkamp et al., 2003). Yet, in this research, global and local brands and their brand images are not only examined separately. Due to the local brand's popularity (Garavaglia & Swinnen, 2017), global brands are attacked by independently owned local brands and may be best off by integrating local brands in their brand portfolio's (Özsomer, 2012). However, when both global and local brands are

integrated in the same brand portfolio, the relatedness of both brands is likely to increase in the mind of the consumer as a result of cognitive networks. A model that explains this relationship is the associative network memory model (Keller, 1993). According to this model, brands in one product category are related to one another due to global (or local) brand associations that are activated and that facilitate the retrieval of local (or global) brand associations. Both brands are related in the mind of the consumer due to related cognitive networks that are a result of the substituting effect of both product brands (Özsomer, 2012). When encountering a stimulus such as the event of a M&A, the consumer is likely to modify its previous brand associations as they receive, interpret, and combine the information of the M&A. The information integration theory describes this process of the creation or modification of associations based on different stimuli (Anderson, 1981). Thereby, in M&As, brands act as objects that can be, partially, transferred (Bergkvist & Taylor, 2016). Hence, the brand image of a global brand is likely to be, partially, transferred to the brand image of a local brand when engaging in a M&A due to the spill-over effects that takes place when leveraging the brand image of the global brand (Simonin & Ruth, 1998).

Semiotics provides a useful basis for exploring consumer perceptions of global and local brands and the creation of meaning (Akaka & Alden, 2010; Grayson & Martinec, 2004; Mick, 1986). Semiotics is considered the study of sign and symbol systems that, through interpretation, are linked to something else. Yet, for a sign or symbol to be linked to a certain entity, a certain level of awareness of the interpretant needs to be present (Mick, 1986). According to semiotics, signs can exist as icons, indexes, and symbols. Whereas iconic signs imitate or resemble the ‘original’ object, indexical signs relate to the corresponding object through facts and causal relationships. Next to that, symbolic signs require interpretation to connect the sign with the object. Yet, according to signalling theory, information asymmetry exists between firms and consumers (Winit et al., 2014). Firms create brand identities and use these brand identities to manipulate signals concerning the brand’s positioning (Erdem & Swait, 1998). Hence, global and local brands can be defined on the basis of their signs corresponding to different brand characteristics (Winit et al., 2014). These brand characteristics translate into brand image associations that are perceived by consumers in terms of iconic, indexical or symbolic signs that correspond to or are connected with the global or local brand (Özsomer, 2012).

Global and local brands are important attributes that carry meaningful associations concerning the value of a brand and greatly influence brand image and brand preference formation (Batra et al., 2000; Özsomer, 2012; Steenkamp et al., 2003). Even more so, research has shown that consumers perceive global brands differently from local brands (Lee et al., 2011). Global and local brands and their underlying sources may act as signifiers standing in for brand image associations that are formed in the mind of the consumer. While acknowledging the multitude of potential brand image associations, this research utilizes 1) globalness, 2) localness, 3) authenticity, 4) distribution, 5) credibility, and 6) price as important differentiating factors of global and local brands. Hence, brand image associations are utilized in this research as a basis for differentiation in terms of global and local brand images. Since this research aims to investigate the effect of different M&A situations on brand image, a general hypothesis has been formulated (see hypothesis 1a).

H1a: Mergers with and acquisitions by global brands influence the brand image of an acquired local brand.

Global and local brands have often been examined in terms of brand globalness and localness (Sichtmann et al., 2019). Brand globalness and localness approach the concepts of global and local brands from the perspective of the consumer. In this research, brand globalness is defined as the degree to which consumers perceive a brand as globally present. Brand localness is defined as the degree to which consumers perceive a brand as associated with the local market (Steenkamp et al., 2003; Swoboda, Pennemann, & Taube, 2012). Since these concepts require the interpretation of the consumer for global or local associations to take place, brand globalness and localness are symbolic signs. The following hypotheses have been developed for testing whether different M&A situations affect the brand globalness and brand localness of a local brand.

H1b: An independent local brand is perceived as less global than a local brand that has merged with or is acquired by a global brand.

H1c: A local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture is perceived as less global than a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture.

H1d: An independent local brand is perceived as more local than a local brand that has merged with or is acquired by a global brand.

H1e: A local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture is perceived as more local than a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture.

Local brands are competitive based on their connection to local culture, traditions, and needs (Ger, 1999). Thereby, they reflect the consumers tendency to seek authenticity in brands and purchase intentions (Holt, 2002). Authenticity has recently received an increasing amount of attention and has been conceptualised in literature in numerous ways (Schallehn, Burmann, & Riley, 2014). Yet a clear and concise definition is largely lacking. A definition that is often proposed in literature and that is used in this research describes authenticity as a brand's link to local culture that is presented through its originality and values (Hernandez-Fernandez & Lewis, 2019; Özsomer, 2012). Hence, authentic brands are often denoted as real, original, and have a well-grounded set of values (Hernandez-Fernandez & Lewis, 2019). Authenticity can be seen as both an indexical sign as it may represent what a brand claims to be and as an iconic sign since it may convey emotional attributes that influence a brand's image (Morhart, Malär, Guèvremont, Girardin, & Grohmann, 2015). Yet, to view an authentic brand as an icon of local culture, pre-existing knowledge of the interpretant is required. This authenticity of local brands is often not embodied by global brands since commercialisation undermines authenticity (Holt, 2002; Özsomer, 2012). Rather, global brands are symbols of homogenization and standardization that are typically less responsive to local needs and wants (Schuiling & Kapferer, 2004). Therefore, the following hypotheses have been developed:

H1f: An independent local brand is perceived as more authentic than a local brand that has merged with or is acquired by a global brand.

H1g: A local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture is perceived as more authentic than a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture.

A fourth characteristic that is considered a key differentiator between global and local brands from a consumer perspective is the low risk that is often associated with the global brand in terms of credibility (Dimofte et al., 2008). Credibility can be defined as the believability of the intentions of an entity (Morhart et al., 2015). Credibility is argued to act as an indexical sign in terms of the expertise and trustworthiness of the brand and its employees. From a consumer's point of view, a brand is perceived as trustworthy when it aims to consistently deliver what it has promised. The brand's expertise is translated in terms of the brand's ability to deliver what it has promised (Erdem & Swait, 2004). Also, credibility is often materialized through risk and quality perceptions. Research shows that due to consumer perceptions of higher status ratings and quality, consumers associate global brands with low risk (Steenkamp et al., 2003). Perceived risk can be operationalised as the uncertainty consumers associate with a purchase decision when they do not know the consequences (Shiffman & Kanuk, 2003). Consumer perceptions of higher quality of global brands are likely to be the result of the idea that quality is important for global success (Keller, 1998). Hence, perceived quality is defined in this research as the consumer's evaluation of product or service superiority or excellence (Zeithaml, 1988). For finding out whether credibility is higher for local brands that have merged with different types of global brands, the following hypotheses have been created:

H1h: An independent local brand is perceived as less credible than a local brand that has merged with or is acquired by a global brand.

H1i: A local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture is perceived as less credible than a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture.

Differences between global and local brands also exist in terms of distribution (Özsomer, 2012; Riefler, 2012; Steenkamp et al., 2003). Distribution is an important aspect differentiating global and local brands as it translates into indexical signs such as the availability and awareness of a brand. A global brand is characterised by high-actual reach and wide availability in many countries across the world. Yet, this holds that only a limited number of brands can be considered truly global brands (Nijssen & Douglas, 2011). A local brand solely operates in the geographical area from which it originates (Özsomer, 2012). Resulting is a higher availability and a higher awareness of global brands than of local brands. Hence, hypotheses on differences in distribution between an independent local brand and a local brand that has merged with or is acquired by a global brand have been created.

H1j: An independent local brand is perceived as less widely distributed than a local brand that has merged with or is acquired by a global brand.

H1k: A local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture is perceived as less widely distributed than a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture.

Finally, also price acts as an indexical sign that holds differences between global and local brands and that impacts brand evaluations (Winit et al., 2014). Price has often been described in literature as being part of a firm's marketing mix. Yet, price perception from a consumer perspective has not been studied in depth despite of its importance to branding and in the consumer decision-making process (Winit et al., 2014). Thereby, the underlying mechanisms

determining price difference perceptions of global and local brands are unknown (Özsomer, 2012). Consumers mentally create a price range entailing their willingness to pay and are likely to evaluate brands more positively when prices fall into their price range. This also entails that prices that fall outside of a consumer's price range are either perceived to be of low quality when prices are below a consumer's price floor whereas when prices exceed the consumer's price ceiling, they are perceived as poor value for money (Winit et al., 2014). In general, global brands are characterised by lower prices due to economies of scale and standardisation resulting from cost reductions on packaging and efficiencies in R&D, manufacturing, and logistics (Winit et al., 2014). Therefore, the following hypotheses have been created:

H1l: An independent local brand is perceived as more expensive than a local brand that has merged with or is acquired by a global brand.

H1m: A local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture is perceived as more expensive than a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture.

2.6. Purchase intention

A consumer's purchase intention can be described as the stage in the consumer decision-making process in which the consumer is willing to purchase a product (Dodds, Monroe, & Grewal, 1991; Wells, Valacich, & Hess, 2011). Therefore, it represents the consumer's conscious plan to carry out the activity of purchasing a brand (Spears & Singh, 2004). Purchase intention is a typical dependent variable related to brand image (Bergkvist & Taylor, 2016) and is added to this research to ensure that brand image associations translate into useful managerial brand outcomes. Brands function as facilitators in the decision-making process when deciding on purchasing products (Keller, 2008) and are used by marketers to enhance the consumer's decision-making process by stimulating the consumer to create an actual willingness to purchase their product.

Once a consumer is aware of a brand, brand image associations are crucial in the consumer's evaluation and comparison of alternative brands (Keller, 2008). Important brand image associations taken into account in this research are related to the brand image associations that have differential effects for global and local brands. Furthermore, brand image associations are important drivers of purchase intentions (Aaker & Keller, 1990). Purchase intentions are often measured based on different situational contexts (Giacalone, Bredie, & Frøst, 2013). When a brand image is created based on all brand associations in the mind of the consumer (Keller, 2003a), it is used in the evaluation and comparison of alternative brands and affects the consumer's willingness to buy a product from a certain brand (Aaker & Keller, 1990; Kotler & Bliemel, 2001; Nandan, 2005). Hence, it is argued that brand image acts as a mediating variable between the influence of a merger or acquisition between a global and local brand on purchase intention (see hypothesis 2).

H2: The influence of a merger or acquisition between a global and a local brand on purchase intention is mediated by brand image.

2.6.1. The moderating effect of market segment

This research poses that the effect of brand image on purchase intention is likely to be moderated by the market segment to which a consumer belongs. According to Smith (1995), market segmentation involves the process of splitting a heterogeneous market, that is characterized by diversity in demand, into smaller homogeneous subsets, that are characterized by similar product preferences and purchase behaviours (Hassan & Katsanis, 1991; Smith, Bruner, & White, 1956). Segmentation is considered one of the key aspects of marketing effort (Kotler, 1983). In literature, segmentation principles are often based on geographic, demographic, psychographic, and behavioural characteristics (Kotler & Armstrong, 2001; Gunter & Furnham, 1992). Although recent segmentation research is based on larger volumes of data and more sophisticated modelling methods, the marketing principles as proposed by Gunter & Furnham (1992) are argued to still be valid (Wind & Bell, 2007). In Table 1, the conceptualisation of each segmentation principle is shown and is based on research by Gunter and Furnham (1992).

Table 1 Segmentation principles (Adapted from Gunter and Furnham, 1992)

Segmentation principle	Conceptualisation
Geographic	Divide market segments according to market scope factors (e.g. global and local markets) and geographic market measures (e.g. using standardized market areas such as country and city)
Demographic	Divide market segments according to demographic factors (e.g. age, gender, education) and socio-economic factors (e.g. economic factors and social class)
Psychographic	Divide market segments according to personality and lifestyle profiles (e.g. personality traits, environmental concern)
Behavioural	Divide market segments according to actual buying behaviour that relies on aspects such as situations, attitude, and loyalty (Kotler & Keller, 2009)

Traditionally, market segmentation of global and local consumer segments was based on geopolitical variables resulting in country segments (Hassan & Katsanis, 1991). Yet, by solely focusing on geopolitical variables, this approach neglects heterogeneity within country segments and, at the same time, it neglects homogeneous consumer segments that cross country borders (Hassan & Katsanis, 1991). Currently, in segmentation research, a focus typically lies on socio-demographic variables as a basis of market segmentation between global and local brands (Steenkamp & De Jong, 2010). For example, research has shown that important socio-demographic variables that have differential effects on either brand globalness or localness are age, gender, and income. Steenkamp and De Jong (2010) have found that older people and women are more positive towards local brands. Also, people who have experienced an increase in income are more likely to favour local brands as an increase in income is argued to generate a higher demand for variety (Steenkamp & De Jong, 2010).

For market segmentation purposes, preference-based market segmentation is also utilized often in marketing research, particularly considering food choice (MacFie & Thomson, 1994). Preference is often described as the selection of one item over another (Kardes, 1999). In this research, preference is regarded in terms of brands focusing on preferences for either global or local brands. Research has shown that market segmentation based on preference results in stable segments that are of practical use (Honkanen, Olsen, & Myrland, 2004). When combining preference-based segments with socio-demographic characteristics, detailed market segments are likely to arise (Honkanen et al., 2004). In this research, two segments are likely to arise out of preference-based market segmentation (Jaeger, Worch, Phelps, Jin, & Cardello, 2020). These two segments consist out of one segment of consumers who generally prefer global brands over local brands and one segment with consumers who prefer local brands over global brands. In turn, these segments are likely to have different effects on the relationship between local brand image and purchase intention. Hence, market segments based on consumer preference and socio-demographic variables are argued to be an important moderating variable strengthening or weakening the relationship between the brand image of a local brand and the corresponding purchase intentions (Steenkamp et al., 2003; Winit et al., 2014). Therefore, the following hypothesis has been formulated:

H3a: The effect of brand image on purchase intention depends on the market segment to which a consumer belongs.

Each brand image association influences purchase intention in a different way. Therefore, depending on the market segment to which a consumer belongs, either the globally oriented market segment or the locally oriented market segment, each brand image association may translate into different purchase intentions. Thus, the two segments can have either strengthening or weakening effects on the relationship between a brand image association and the purchase intention of a local brand. For each brand image association, hypotheses are created in correspondence with literature on the strengthening or weakening effect of globally or locally oriented consumers on purchase intention.

First, brand globalness and localness are important drivers of purchase intentions (Batra et al., 2000; Gammoh, Koh, & Okoroafo, 2011; Steenkamp et al., 2003; Winit et al., 2014). On the one hand, brand globalness often results in positive associations regarding quality and status (Steenkamp et al., 2003). Yet, on the other hand, local brands are often purchased as a response against globalization in developed countries (Garavaglia & Swinnen, 2017). Hence, the following hypotheses have been formulated:

H3b: The effect of brand globalness on purchase intention is stronger for globally oriented consumers.

H3c: The effect of brand localness on purchase intention is stronger for locally oriented consumers.

Authenticity is also argued to be an important determinant of the consumer's purchase intentions (Holt, 2002). This is reflected by the consumer's tendency for seeking authenticity in the brands they purchase (Holt, 2002). Since local brands often exhibit a greater degree of authenticity due to their connection to local culture, originality, and values (Hernandez-Fernandez & Lewis, 2019; Özsomer, 2012), authenticity is likely to have a stronger effect on

purchase intention for locally-oriented consumers than for globally-oriented consumers. Hence, the following hypothesis has been developed:

H3d: The effect of authenticity on purchase intention is stronger for locally oriented consumers.

Credibility is also a key determinant of purchase intention since the more credible a brand is perceived to be, the more likely it is that a consumer will purchase a brand (Erdem & Swait, 2004). As global brands often reflect higher degrees of credibility in terms of trustworthiness and expertise operationalised through high quality and low risk associations (Erdem & Swait, 2004; Steenkamp et al., 2003), it is argued that the effect of credibility on purchase intentions is strengthened for globally oriented consumers. Therefore, the following hypothesis has been formulated:

H3e: The effect of credibility on purchase intention is stronger for globally oriented consumers.

The fourth brand image association that is argued to influence purchase intention is distribution. Distribution is often translated through availability and awareness associations (Steenkamp et al., 2003). Whereas local brands are only available in one geographical area, global brands are characterised by worldwide reach and availability (Nijssen & Douglas, 2011; Özsomer, 2012). Due to these differences in distribution between global and local brands, globally oriented consumers are more likely to value worldwide distribution than locally oriented consumers. Therefore, the following hypothesis was created:

H3f: The effect of distribution on purchase intention is stronger for globally oriented consumers.

Lastly, price associations are important drivers of purchase intentions. Often, global brands are able to lower their prices due to economies of scale and standardisation advantages (Winit et al., 2014). Differences in price perceptions between global and local brands have not been studied in depth (Özsomer, 2012). Yet, due to the lower prices of global brands, it becomes more likely that the prices of global brands fall into the consumer's price range. For locally oriented consumers, prices are argued to be of lesser importance due to the higher prices that are often asked for local brands (Winit et al., 2014). Therefore, price associations are argued to have a stronger effect on purchase intentions for globally oriented consumers. Hence, the following hypothesis has been developed:

H3g: The effect of price on purchase intention is stronger for globally oriented consumers.

2.6.2. The direct effect of M&A on purchase intention

In this research, it is argued that the type of M&A also has a direct effect on purchase intention when brand image is not included in the model. This relationship is expected to be moderated by the market segment to which a consumer belongs. The direct effect investigates whether differences can be found in the consumer's purchase intentions of a local brand that either operates independently, that has merged with or is acquired by a global brand with a 'house of brands' brand architecture, or a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture. Since the local brand's popularity is likely to be the result of a rising sentiment against globalization (Garavaglia & Swinnen, 2017), it is expected that consumers who previously bought an independent local brand are likely to abandon the local brand when having merged with or being acquired by a global brand. Furthermore, research has shown that there is a significant direct effect of brand

localness on purchase intention whereas no significant results were found for the direct effect of brand globalness on purchase intention (Steenkamp et al., 2003). Therefore, it is expected that the consumer's likelihood to purchase an independent local brand is higher than the consumer's purchase intention of a local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture or a 'branded house' brand architecture. Furthermore, it is expected that consumers are more likely to purchase a local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture than a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture. The reason for this expected difference can be allocated to the idea that in the 'branded house' brand architecture, the local brand's name and brand identity are replaced by those of the global firm's brand (Aaker & Joachimsthaler, 2000). Therefore, the following hypotheses have been developed:

H4a: The consumer's purchase intention of an independent local brand is higher than the consumer's purchase intention of a local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture.

H4b: The consumer's purchase intention of an independent local brand is higher than the consumer's purchase intention of a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture.

H4c: The consumer's purchase intention of a local brand that has merged with or is acquired by a global brand with a 'house of brands' brand architecture is higher than the consumer's purchase intention of a local brand that has merged with or is acquired by a global brand with a 'branded house' brand architecture.

2.7. Conceptual framework

As a result of the theoretical background, a conceptual framework is developed and tested in this research. The conceptual framework lies central to this research as it focuses on the effect of different M&A situations including global and local brands on the brand image and purchase intentions of a local brand. The dependent variable in this conceptual framework is the consumer's purchase intention of a local brand. In research regarding marketing communication and brand image associations, it is common to use an independent variable that enables the comparison of a manipulation versus a no-manipulation situation. Hence, in this research the independent variable reflects three manipulations, namely, an independent local brand, a local brand that has merged with or is acquired by a firm that has a 'house of brands' brand architecture, and a local brand that has merged with or is acquired by a firm that has a 'branded house' brand architecture. In this research, the global brand is considered the acquiring firm and, therefore, determines the brand architecture of the brand portfolio under which the local brand is kept or assimilated. The relationship between the dependent variable and the independent variable is expected to be mediated by the brand image of the local brand. Next to that, the effect of the local brand's image on purchase intention is expected to be moderated by the market segment to which a consumer belongs. By accounting for the segment to which a consumer belongs, this research is able to find out whether the effect of brand image on purchase intention is stronger for a particular market segment. For example, associations corresponding to local brands are likely to have a stronger impact on the purchase intention of a local brand for a locally oriented market segment. Yet, for a globally oriented market segment, local brand image associations are of minor importance in

their decision-making process and the resulting purchase intentions. Next to the mediated path, also the possibility of a direct effect of the manipulation of M&A situation on purchase intention is accounted for in this conceptual framework.

The reason for only including the brand image associations and purchase intentions of the local brand stems from research finding that the local brand's popularity is likely to be a result of a rising sentiment against globalization (Garavaglia & Swinnen, 2017). As a result, a M&A between a global and a local brand may result in negative consequences for the local brand whereas a global brand is likely to benefit from an increase in reach. Due to a M&A, a local brand may no longer be perceived as being local. Moreover, consumers may doubt whether a local firm is able to maintain its brand identity, resulting in changes in local brand image associations in the mind of the consumer (Lee et al., 2011). In turn, a change in brand image associations is likely to affect the consumer's purchase intentions of a brand. Therefore, a local brand merging with or being acquired by a global brand may severely impact the success of the M&A since it may result in consumers abandoning the local brand as it can no longer be considered as a means to fight globalization. This effect of M&A situation on purchase intention can take place either directly or indirectly through the mediating effect of brand image. In Figure 3, the conceptual framework is presented showing the relationships between the variables and the corresponding hypotheses.

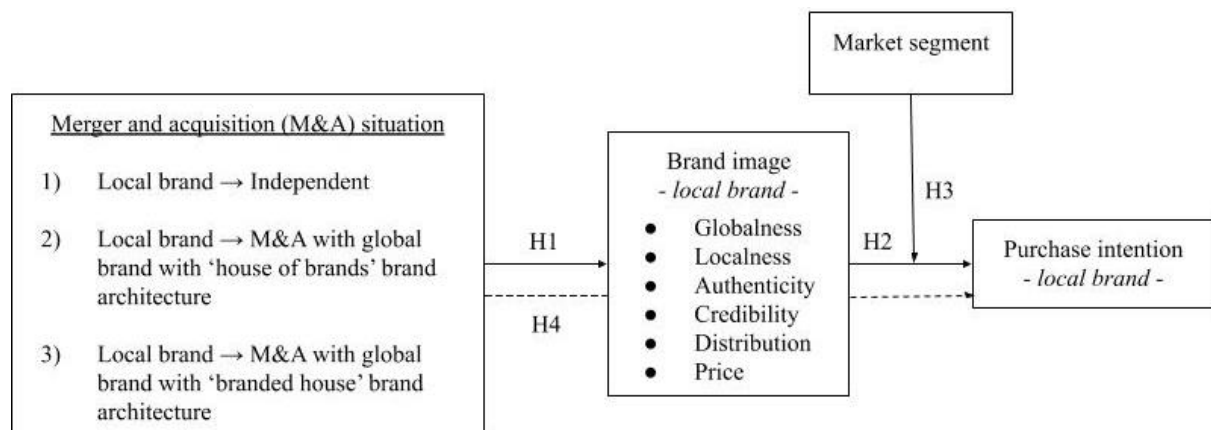


Figure 3 Conceptual framework

3. Method

This research was of empirical and quantitative nature and has tested the hypotheses that were derived from both gaps and findings in the literature on the basis of an experiment. The experiment existed out of scenario-based surveys, each testing different conditions in the conceptual framework. This experiment was conducted in a developed country, namely the Netherlands. In 2018, the Netherlands was ranked amongst the top three most globalized countries in the world (Duffin, 2019). As a result of globalization, consumers have direct access to a large number of brands that originate from and operate in foreign and/or domestic countries (Hsieh, 2002). This infers that consumers in the Netherlands are able to choose products from a large variety of brands that operate both nationally and internationally. A product category in which the number of brands has significantly increased in the last couple of years is beer. While in almost every product category oligopolies are starting to take vast shapes, in the beer industry the opposite is happening. Whereas in the 20th century, global beer brands were reducing and eliminating local beer brands, nowadays local beer breweries are popping up everywhere (Garavaglia & Swinnen, 2017). In the Netherlands, the number of beer breweries significantly increased in the last century as can be seen in Figure 4. What is more, the number of local beer breweries even increased by a factor 6 from 40 in 2007 to 270 in 2017 (Centraal Bureau voor de Statistiek [Central Bureau for Statistics, CBS], 2017). Therefore, this research considered the beer industry in the Netherlands as a suitable setting for conducting the experiment.

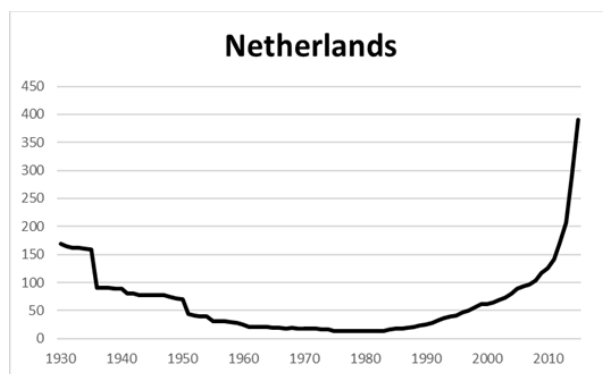


Figure 4 Number of breweries 1930-2015 (Swinnen & Emmers, 2017)

3.1. The beer industry

The beer industry greatly exemplifies the popularity of local brands that are entering the market at an increasing pace. Due to local beer breweries targeting niche markets, the beer industry is transforming (Garavaglia & Swinnen, 2017; Murray & O'Neill, 2012). The term, local beer brewery, is often used interchangeably with the term craft brewery. Yet, these two terms differ in meaning. The American Brewery Association (ABA) defines a craft beer brewery in terms of 'small', 'independent', and 'innovative' (2019). In this definition, small stands for the size of the brewery and is applicable for beer breweries that produce at most three percent of the annual sales of beer in a country. In the Netherlands, a craft brewery's size is explained in hectolitres (i.e. 1 hectolitre is equal to 100 litre) and can go up to 1,000,000 hectolitres per year ("Definition CRAFT-brewer", n.d.). Independent refers to the ownership of the beer brewery and considers a craft beer brewery as independent when at most 25% of the brewery is owned by another alcohol industry member that is not a craft brewer itself. Innovative refers to the craft brewers using traditional styles while at the same time adding unique flavours and developing new styles (ABA, 2019). In this research, a local beer brewery is one that is also characterized by its small size and innovative styles, yet, the

ownership of a local beer brewery can vary from independent to owned by a global firm if the local beer brewery remains to operate solely in its original environment (Schuiling & Kapferer, 2004). Therefore, a local beer brand is a beer brand that originates from and operates in a consumer's geographic area and that is associated with the local market (Eckhardt, 2005; Özsomer, 2012). Next to that, a global beer brand can be defined as a beer brand that is known under the same name by consumers in different countries and that typically makes use of centrally coordinated marketing strategies (Özsomer & Altaras, 2008).

As a response to the consolidation and homogenization of the global beer market in the 20th century, consumers became more interested in local products. This enhanced local breweries to tap into niche markets that were not covered by the homogenization of global beer brands, also known as the craft beer revolution (Garavaglia & Swinnen, 2017). This trend signals the shift in the consumer's preference for global to local beer brands with respect to characteristics such as uniqueness, authenticity and innovativeness and pushes global beer brands to act upon this shift (Gatrell, Reid, & Steiger, 2018). As a result, beer consumers cannot be regarded as one homogeneous group and can be divided into separate market segments (Calvo-Porrá, Orosa-González, & Blazquez-Lozano, 2019). A strategic reaction to the shift in consumer preference by large multinational beer brands is direct entry into the local beer market through M&As (Garavaglia & Swinnen, 2017). An example of a successful corporate brand with both global and local product brands in its portfolio is the brewery Anheuser-Busch InBev (AB Inbev), who offers only six global brands and over 200 local brands. In Appendix A, more information regarding the rising popularity of local beer brands and previous research in the field of global and local beer brands can be found.

3.2. Design

The goal of this study was to find out whether the brand image associations and purchase intentions of a local brand differ as a result of merging with or being acquired by a global brand. Hence, in this research, the effect of a M&A on purchase intention was tested via an indirect path and a direct path. In the indirect path, brand image was argued to act as a mediator between the three different M&A situations and purchase intention. In the direct path, the effect of M&A situation was measured directly through its influence on purchase intention. In this experiment, real brands were utilized together with fictitious M&As (Diamantopoulos, Smith, & Grime, 2005; Martínez & De Chernatony, 2004).

This study incorporated a between-subjects design with a cross-sectional nature in which a survey with three conditions was developed corresponding to three different manipulations of M&A situations. Accordingly, three different versions of the survey were created, and respondents were randomly allocated to one of the three conditions. The first condition was the local brand condition. In this condition, respondents were exposed to a local brand that operated independently and were asked to evaluate the brand image and purchase intentions of the independent local brand. The second condition was the house of brands condition in which respondents were exposed to a local brand that had merged with or was acquired by a global brand that had a 'house of brands' brand architecture. Respondents were asked to evaluate the local brand image and, corresponding, purchase intention of the local brand that had merged with or was acquired by a global brand that had a 'house of brands' brand architecture. The third condition was the branded house condition. In this condition, respondents were exposed to a local brand that had merged with or was acquired by a global brand with a 'branded house' brand architecture and were also asked to evaluate the local brand image and purchase intention of the local brand they had been exposed to. Hence, the brand image and purchase intentions of the local brand were evaluated by each experimental group, yet according to different M&A situations.

Brand image was operationalised and measured through the brand image associations 1) globalness, 2) localness, 3) authenticity, 4) credibility, 5) distribution, 6) price, and 7) flavour. Purchase intention was evaluated based on different situational contexts corresponding to in-home and out-of-home contexts. The relationship between local brand image and the purchase intention of the local brand was expected to be moderated by the market segment to which a consumer belonged. For the allocation of respondents to market segments, the survey administered the respondent's evaluation of statements regarding their preference for global or local beer brands. Finally, also socio-demographic characteristics of the respondents have been administered. The survey was of quantitative nature and was based on a seven-point Likert scale for testing brand image and purchase intentions (Dodds et al., 1991; Putrevu & Lord, 2013; Plumeyer, Kottmann, Böger, & Decker, 2019; Sichtmann et al., 2019).

For ensuring that the results of the two experimental groups that were exposed to a M&A were not confounded by differences in associations of globalness of the global brands, a manipulation check was conducted prior to conducting the main survey. In the manipulation check, next to evaluating globalness of both global beer brands, respondents were asked to indicate which brand architecture corresponded to which global beer firm. In the manipulation check, a within-subjects design was used in which all respondents evaluated the same statements for both global beer brands. All items utilized for measuring the variables in this research can be found in Appendix B.

3.2.1. Beer brands

In this research, one local beer brand and two global beer brands were utilized. The experiment has been conducted in the province, Gelderland. The local beer brewery that was selected originates from and operates solely in Nijmegen. For selecting the local beer brand, there were three requirements derived from the definition of a craft beer brewery that should be met (ABA, 2019). Firstly, the beer brewery must be small, meaning that it produces less than 1,000,000 hectolitres per year ("Definition CRAFT-brewer", n.d.). However, in this research, a lower limit has been chosen of 10,000 hectolitres since it aimed to consider only local beer brands that operated on a small scale (i.e. who operated solely in one province in the Netherlands). Also, the local beer brewery must have been operating independently. Thirdly, the beer brewery should have made use of innovative styles and flavours as a means of differentiation. Therefore, the beer brewery that has met the requirements and that was selected in this research was Brouwerij de Hemel.

Two global beer brands have been utilized representing the required brand architectures, namely a 'house of brands' and a 'branded house'. To increase the likelihood that respondents were familiar with the global beer brand they were exposed to, the two global beer brands that were selected are amongst the top ten largest beer brands in the world ("Top 10 largest beer", 2018). Out of the ten largest beer brands, two global beer firms were selected that were popular in the Netherlands, namely Anheuser-Busch Inbev (AB Inbev) and Heineken. In this research, AB Inbev was considered a global beer firm with a 'house of brands' brand architecture and Heineken has been operationalised as a global beer brand whose brand portfolio is based on a 'branded house' brand architecture.

3.2.2. Respondents

There were three requirements for respondents to participate in this research, namely respondents needed to be of age 18 or above, they needed to be beer consumers, and they had to be familiar with the local beer brand and, if applicable, the global beer brand they were exposed to at the beginning of the survey. The first requirement concerning the age of above 18 was adopted in this research due to the legal consideration that only people of 18 years or above are legally permitted to buy beer in the Netherlands. Therefore, respondents that were

aged below 18 have been excluded from this research. Secondly, respondents needed to be consumers of beer since this was considered the main target population for firms in the beer industry. Hence, an entry limit for the number of days of beer consumption per year was set on at least once per two months, meaning that participants had to consume beer at least six days per year. Thirdly, this research took into account that respondents needed to be familiar with the local beer brand and, if applicable, the global beer brand they were exposed to since this allowed for brand image associations to take place. Therefore, the main survey first administered if a respondent met the three requirements before he or she was able to continue the survey.

3.2.3. Measurement of variables

3.2.3.1. *Purchase intention*

The dependent variable in this research was the consumer's purchase intention of a local brand. Purchase intention is often measured in terms of a three-item, seven-point Likert scale (i.e. 1=Completely disagree, 7=Completely agree) as adopted by Putrevu and Lord (2013) and Sichtmann and colleagues (2019). Hence, in this research, statements adopted from Putrevu and Lord (2013) were utilized in the survey and measured the consumer's purchase intentions based on the likelihood to purchase, consider purchasing, and willingness to purchase. Furthermore, a time limit of two months was included and different situational contexts were tested for (Calvo-Porrall et al., 2019; Giacalone et al., 2013; Gómez-Corona, Escalona-Buendía, García, & Chollet, 2016) (see Appendix B).

3.2.3.2. *Brand image*

The brand image of a local brand was argued to act as a mediator according to the conceptual framework that was developed. The brand image associations that were selected from literature and utilized for operationalising brand image were 1) globalness, 2) localness, 3) authenticity, 4) credibility, 5) distribution, and 6) price. Yet, since the experiment was based on a survey concerning the Dutch beer industry, flavour was added as a seventh key differentiating factor between global and local brands. Flavour has often been mentioned in literature concerning the beer industry as a means by which local beer breweries typically differentiate themselves (Garavaglia & Swinnen, 2017; Jaeger et al., 2020). Local beer breweries are characterised by unique combinations of flavours and the development of innovative styles (ABA, 2019). Yet, global brands are characterised by standardisation in products and in marketing activities across countries (Özsomer, 2012; Schuiling & Kapferer, 2004). Important to notice, is that, in this research, brand image associations were only measured for the local brand. All statements utilized for measuring the brand image associations were evaluated based on a seven-point Likert scale ranging from completely disagree to completely agree (i.e. 1 = Completely disagree, 7 = Completely agree).

First, the degree to which a respondent perceived the local brand as global or local has been measured with help of two different scales for measuring brand globalness and localness. The scales for measuring brand globalness and localness that were adopted in this research have often been utilized in research concerning global and local brands (Davvetas & Halkias, 2019; Sichtmann et al., 2019). Brand globalness was measured based on a three-item scale developed by Steenkamp and colleagues (2003) and brand localness has been measured using a three-item scale adopted from Swoboda and colleagues (2012).

Secondly, for measuring authenticity, previous research has conceptualised authenticity in a variety of ways, often presenting authenticity as a multidimensional construct (Bruhn, Schoenmüller, Schäfer, & Heinrich, 2012; Morhart et al., 2015; Napoli, Dickinson, Beverland, & Farrelly, 2014; Schallehn et al., 2014). Nevertheless, the dimensions that are used for measuring authenticity vary between the different studies. Dimensions that are often

included are continuity, symbolism, integrity, and originality (Bruhn et al., 2012; Morhart et al., 2015). Yet, in literature, no clear explanation for the concept's multidimensionality can be found. Therefore, this research approached authenticity as a unidimensional construct and has adopted only those statements for measuring authenticity from literature that corresponded to the definition of authenticity that was used in this research. In this research, brand authenticity has been described as a brand's link to local culture that is presented through its originality and values (Hernandez-Fernandez & Lewis, 2019; Özsomer, 2012). A four-item scale was developed using the statements derived from Bruhn and colleagues (2012) and Morhart and colleagues (2015). In Appendix B, all statements utilized for measuring the constructs in this research can be found.

Thirdly, brand credibility has been measured with use of a six-item scale as developed by Erdem and Swait (1998; 2004). In previous research, brand credibility has been operationalised in terms of two underlying constructs that scored high on reliability, namely trustworthiness and expertise. Therefore, in this research, trustworthiness and expertise, were utilized for measuring brand credibility.

The fourth and fifth brand image associations, namely distribution and price, were measured with help of items derived from the revised version of the Food Choice Questionnaire (FCQ) and from recent research executed on consumer perceptions of global and local brands (Fotopoulos, Krystallis, Vassallo, & Pagiaslis, 2009; Steenkamp et al., 2003; Steptoe, Pollard, & Wardle, 1995). The FCQ represents a 32-item scale in which search, credence and experience aspects of intrinsic and extrinsic food attributes are used for measuring the consumer's motivation to buy certain food (Steptoe et al., 1995). Yet, instead of measuring the importance of different motivations for food choice, the food choice motivation statements from the FCQ were utilized in this research as important brand elements underlying the brand image associations of distribution and price. For measuring distribution, availability and awareness were considered two important characteristics that were taken into account in this research. Therefore, two statements regarding availability were derived from the FCQ and one statement regarding a brand's creation of global awareness and availability was taken from research executed by Steenkamp and colleagues (2003). For measuring the associations consumers had with the price of the local brand, two statements were derived from the FCQ.

Lastly, research on flavour in the beer industry often focuses on the intensity of specific flavours (Pickering, Bartolini, & Bajec, 2010). Global, mainstream, beer brands are often characterised by low flavour intensities whereas local beer brands are often characterised by their high flavour intensity. Flavours that are often stronger for local beer brands include bitterness, sweetness, and sourness, and are often experienced as being higher in fullness (Allison & Uhl, 1964; Jaeger et al., 2020; Pickering et al., 2010). Therefore, in this research, flavour was operationalised and measured based on a four-item measurement scale comprising out of sweetness, bitterness, sourness, and fullness.

3.2.3.3. Market segments

In this research, consumer preference for either global or local brands was considered a useful market segmentation base for segmenting consumers into globally and locally oriented market segments (Aquilani, Laureti, Poponi, & Secondi, 2015; Jaeger et al., 2020). A multi-item measurement scale for measuring the consumer's preference was created for its application to the Dutch beer industry. Three different situational contexts were mentioned, and respondents were asked to indicate in which situation they would either prefer a beer from a global beer brewery or a beer from a local beer brewery. The situational contexts that were used consisted out of in-home and out-of-home consumption situations. It was assumed that in the 'in-home'

consumption situation the focus lies on beer as an experience whereas in the ‘out-of-home’ consumption situation the focus lies on the experience of having a drink with other people instead of on the beer itself (Gómez-Corona et al., 2016). One in-home situation, at home, and two out-of-home situations, at a restaurant and at a bar, were utilized. All statements regarding global or local beer brand preferences were evaluated based on a seven-point Likert scale (i.e. 1 = Completely disagree, 7 = Completely agree).

3.2.4. Validity and reliability of measurement scales

Principal Component Analyses (PCAs) were conducted to reveal whether the expected measurement scale items of brand image associations, purchase intention, and market segmentation were affirmed by the data gathered in the main survey. First, it was checked whether the data met the assumptions for conducting a PCA. Hence, the data was checked for outliers and linearity of relationships using standardized residuals represented by z-scores, scatterplots, and histograms. Furthermore, sampling adequacy was checked with help of the Kaiser-Meyer-Olken (KMO) measure and was considered acceptable for values of 0.5 and above (Kaiser, 1974). Bartlett’s test of sphericity was considered acceptable when significant, indicating that correlations between items (overall) significantly deviated from zero.

Once all assumptions were met, the measurement scales of the brand image associations derived from literature were investigated in terms of internal validity. Expected to arise out of the data gathered by the main survey were seven brand image associations. Yet, the scree plot and the eigenvalues indicated that six components should be extracted. Component 6 had an eigenvalue below 1, namely .997. Yet, it was retained since 1) the scree plot indicated a second elbow shape in favour of a six-component solution and 2) the six-component solution corresponded most closely to the expected brand image associations derived from literature. To determine the rotation method, both oblique rotation (i.e. Oblimin rotation in SPSS) and orthogonal rotation (i.e. Varimax Rotation in SPSS) were done. The component correlation matrix was obtained using oblique rotation. The component correlation matrix was used to reveal whether significant correlations were present between the extracted components. It was found that no significant correlations between the different components were present. This is an indication of discriminant validity and allowed for independent variables to arise (Field, 2014). Hence, as the oblique rotation extracted components whose correlations were negligible, the solution provided by orthogonal rotation was used (Pedhazur & Schmelkin, 1991). Varimax rotation was done based on a fixed number of six components.

As a result of the six-component solution, the two items measuring distribution loaded on different components with low factor loadings. Hence, the scale for measuring distribution was eliminated and the corresponding hypotheses H1i, H1j and H3f were not tested. Also, as the items measuring sweetness and bitterness loaded on different components with low factor loadings, these two items were removed. The removal of sweetness and bitterness caused the reliability score of flavour to steeply increase. Overall, as the PCA showed that most items loaded onto the expected components, face and content validity are argued to be satisfactory. In Table 2, an overview of all factor scores (above 0.3) and extracted components from the survey items can be found.

Table 2 Factor loadings for survey items with Varimax rotation

	Component					
	Credibility	Globalness	Localness	Authenticity	Flavour	Price
Brouwerij de Hemel has the ability to deliver what it promises.	.841					
Brouwerij de Hemel delivers what it promises.	.832					
Over time, my experiences with Brouwerij de Hemel have led me to expect it to keep its promises, no more and no less.	.791					
Brouwerij de Hemel has a name you can trust.	.707					
Brouwerij de Hemel reminds me of someone who is competent and knows what he/she is doing.	.667					
Brouwerij de Hemel does not pretend to be something it is not.	.663					
I think that beer from Brouwerij de Hemel is sold all over the world.		.911				
I think that consumers around the world buy beer from Brouwerij de Hemel.		.893				
I think Brouwerij de Hemel is a global brand.		.886				
Brouwerij de Hemel is part of the culture of Nijmegen.			.840			
To me, Brouwerij de Hemel represents what Nijmegen is all about.			.830			
To me, Brouwerij de Hemel is a very good symbol of Nijmegen.			.758			
I think Brouwerij de Hemel stays true to itself.				.844		
Brouwerij de Hemel is a brand that cares about its customers.				.605		
Brouwerij de Hemel is a brand that reflects				.598		

important values people care about.	
Brouwerij de Hemel clearly distinguishes itself from other beer brands.	.373
In general, beer from Brouwerij de Hemel tastes full.	.809
In general, beer from Brouwerij de Hemel tastes sour.	.788
Beer from Brouwerij de Hemel is cheap.	.789
Beer from Brouwerij de Hemel is good value for money.	.760

Note. Extraction method: Principal Component Analysis; Rotation method: Varimax with Kaiser Normalization; Rotation converged in 9 iterations.

To determine whether the items used for each component were represented by a single construct, PCAs were conducted per component with the corresponding items that loaded onto each component. For each PCA, a two-component solution was selected to see whether all items did indeed load onto one component and Varimax rotation was used. The components were assessed using three criteria. These three criteria include 1) a latent root of the second component below one, 2) a scree plot showing a one-component solution by looking at the elbow shape of the latent roots, and 3) a variance explained by the first component of 60 per cent or more (Hair, Anderson, Tatham, & Black, 1992). Furthermore, item loadings should be at least .60 on the first unrotated component. Reliability was measured using Cronbach's alpha (α). Cronbach's α is a measure of internal consistency indicating whether the items in one construct are correlated with each other (Churchill, 1979). A Cronbach's α with a value of around .7 or higher is considered acceptable (Cortina, 1993; Field, 2014). Yet, as the value of the Cronbach's α is dependent upon the number of items included in a scale, represented in the numerator of the equation, it is taken into account that a lower number of items on a scale is likely to decrease the Cronbach's α .

All items, except for distribution and flavour, loaded onto the expected brand image associations and were tested for internal reliability based on Cronbach's α . Using reliability analysis, the internal reliability was found to be relatively high for four out of the resulting six brand image association components. The scale measuring brand globalness comprised out of the expected three items and scored well on internal reliability ($\alpha = .895$). The brand localness scale also contained the expected three items and had a relatively high reliability ($\alpha = .815$). The scale measuring brand authenticity comprised of four items and scored well on internal reliability ($\alpha = .733$). The brand credibility scale contained the expected six items and had a relatively high Cronbach's α ($\alpha = .883$). The scale measuring price associations contained the expected two items ($\alpha = .504$) and the flavour scale comprised of the two items that were retained ($\alpha = .536$). The scales measuring price and flavour were the least reliable with Cronbach's α lower than .7. This may largely be due to the low number of items that loaded onto these two constructs and the exploratory nature of these two constructs (Churchill, 1979; Cortina, 1993). Yet, due to the high factor loadings of the items pertaining to these scales and the number of components that should be retained considering the eigenvalues, these two

constructs were not removed. Furthermore, the brand image association components revealed high and positive internal correlations between items per component. Also, discriminant validity was demonstrated by greater average variance extracted (AVE) estimates compared to shared variances (i.e. squared correlations) between each pair of components (Fornell & Larcker, 1981). Hence, construct validity was demonstrated by item loadings that revealed appropriate measurement scales of the brand image associations.

Secondly, the dependent variable, purchase intention, was investigated for internal validity and reliability. A PCA was conducted with use of Varimax rotation selecting a two-component solution. All nine items measuring purchase intention in the three different situational contexts loaded onto the first component and were verified in terms of content and convergent validity. Furthermore, reliability analysis showed that the measurement scale of purchase intention was a reliable scale with a Cronbach's α of .941.

Lastly, the market segmentation scale was investigated. A PCA was conducted with the items corresponding to market segmentation. A two-component solution was selected and Varimax rotation was used. The PCA showed some minor deviations from the expected item loadings. After rotation, it was confirmed that the item regarding the consumer's preference for global or local beer brands in the situational context, in a bar, loaded on a second component. As eigenvalues clearly indicated a one-component solution and internal validity improved with the removal of the out-of-home consumption situation, in a bar, this consumption situation was removed from the measurement scale. Hence, a one-component solution emerged including the consumer's preference for global or local beer brands in the in-home situational context, at home, and the out-of-home context, in a restaurant. The reliability analysis of the market segmentation scale including the 'at home' and 'in a restaurant' situational contexts revealed a low Cronbach's α of .391. The low Cronbach's α may be a result of the exploratory nature of the construct, market segmentation, and may also be due to the low number of items on the scale, namely two. Hence, the market segmentation scale was retained. Yet, this is reflected by a poor convergent validity of the market segmentation scale as the correlation between the two items was low. As it turned out that the data was normally distributed, market segmentation has been used as a score. In Table 3, the outcomes of the PCAs can be found together with an overview of the corresponding Cronbach's α .

Table 3 Measurement scale properties

Measure	Number of items	Latent root second component	Variance accounted for	Lowest item loading	Cronbach's alpha
<i>Brand image</i>					
Globalness	3	.303	83%	.892	.895
Localness	3	.477	73%	.827	.815
Authenticity	4	.731	57%	.660	.733
Credibility	6	.670	64%	.740	.883
Price	2	.659	67%	.819	.504
Flavour	2	.622	69%	.830	.536
<i>Purchase intention</i>	9	.946	68%	.793	.941
<i>Market segmentation</i>	2	.747	63%	.791	.391

3.2.5. Procedure

In this research, a manipulation check was conducted on the global brands utilized in this research prior to conducting the main survey. Hence, the manipulation check was done to ensure that the results of the main survey were not confounded due to perceived differences in brand globalness nor due to AB Inbev not being perceived as having a ‘house of brands’ brand architecture or Heineken not being perceived as having a ‘branded house’ brand architecture. Both the manipulation check and the main survey were created with use of Qualtrics and were distributed in Dutch and English. Hence, participants were able to choose the language they were most comfortable with for evaluating the statements in the surveys.

3.2.5.1. Manipulation check

The manipulation check consisted out of a survey. Participants were gathered with use of convenience sampling and were contacted via email. In the email, a short description was given concerning the subject of the survey, the expected time frame (i.e. 2 minutes), and the anonymity of their answers together with a link to the survey. Only participants that met the requirement of being familiar with both global beer firms, Heineken and AB Inbev, were able to continue the survey. The manipulation check survey was open for four days after which the manipulation check survey was closed, and the data was analysed. No demographic variables were collected as they did not serve the purpose of the manipulation check. At the end of the survey, it was emphasised that the survey was conducted solely for scientific purposes and that no link was present between the survey and the global beer firms, AB Inbev and Heineken. The survey items utilized for the manipulation check can be found in Appendix B and the survey can be found in Appendix C.

The purpose of the survey was twofold. First, the manipulation check measured whether the brand globalness of the two global beer brands utilized in this research were equivalent. Secondly, the manipulation check was used to test whether the perceived brand architectures of AB Inbev and Heineken were equivalent to the brand architectures that were expected. Respondents were asked to evaluate three items regarding globalness for each global beer brand. Hereafter, the definitions of a ‘house of brands’ and a ‘branded house’ brand architecture were explained. After reading the definitions, respondents had to indicate which global beer firm, Heineken or AB Inbev, was most closely related to which brand architecture based on a seven-point Likert scale. A ‘house of brands’ and a ‘branded house’ brand architecture were explained as:

A house of brands strategy is a strategy in which a firm has independent product brands in its corporate firm’s brand portfolio. An example of this strategy is Proctor & Gamble (P&G) with product brands as Always and Head & Shoulders in its brand portfolio with little or no link to P&G. Hence, corporate brands who follow a ‘house of brands’ strategy are characterised by a brand portfolio with product brands that are not linked to the corporate brand in terms of brand name or brand identity (i.e. meanings, values, and promises).

A branded house strategy is a strategy in which the corporate firm acts as an umbrella under which the products in its portfolio operate. An example is the corporate brand Nike with descriptive subbrands such as Nike Airmax sports shoes and Nike Performance sports clothing. Hence, corporate brands who follow a ‘branded house’ strategy are characterised by a brand portfolio with subbrands that are linked to the brand name and brand identity (i.e. meanings, values, and promises) of the corporate brand.

3.2.5.2. Main survey

In order to gather respondents, this research has made use of convenience sampling and Facebook Advertising. The survey has been distributed via social media channels including advertisements on Facebook and via social networks starting with the author's network. A message was included in all communications giving a general description of the subject and goal of the survey, of the expected time frame of the survey (i.e. 5-8 minutes), and of an incentive that would be raffled among respondents (i.e. five www.bol.com gift cards with a value of €10). Prior to starting the survey, respondents were ensured that their answers would only be used for scientific purposes, that their participation was anonymous, and that their answers would be treated confidentially. Furthermore, it was disclosed that by continuing the survey, respondents gave consent to the use of their answers for scientific purposes. Only participants who met the requirements of being aged 18 or above, being a regular beer consumer, and being familiar with Brouwerij de Hemel, and if applicable, AB Inbev or Heineken, were able to continue the survey. The survey was open for a time frame of ten days. Respondents were requested to finish the survey before the end date of the survey.

When having met the three entry requirements, respondents received information regarding Brouwerij de Hemel, and if applicable (i.e. only for respondents who were randomly allocated to the house of brands condition or the branded house condition), information regarding a M&A with a global beer brand (i.e. AB Inbev or Heineken). Respondents who were randomly allocated to the local brand condition were asked to evaluate Brouwerij de Hemel as an independent beer brewery originating from and operating in Nijmegen. Hence, the following text was presented:

Brouwerij de Hemel is a beer brewery that originates from and operates independently in the area of Nijmegen.

Respondents allocated to the house of brands condition were first exposed to an introduction in which the local beer brewery, Brouwerij de Hemel, had merged with or was acquired by the global beer brewery, AB Inbev. In this introduction, the brand architecture of AB Inbev was explained based on a 'house of brands' brand architecture by indicating some of the global beer brands that are part of the brand portfolio of AB Inbev.

Brouwerij de Hemel is a beer brewery that originates from the area of Nijmegen and that was acquired by AB Inbev. AB Inbev is a large beer firm that operates all over the world with beer brands such as Budweiser, Corona, and Stella Artois.

Respondents in the branded house condition were exposed to an introduction in which the local beer brewery, Brouwerij de Hemel, was acquired by a global beer brewery, Heineken. In this introduction, the 'branded house' brand architecture of Heineken was brought to the attention by naming beer brands that are part of Heineken's brand portfolio and that share the Heineken brand name.

Brouwerij de Hemel is a beer brewery that originates from the area of Nijmegen and that was acquired by Heineken. Heineken is a large beer firm that operates all over the world with beer brands such as Heineken and Heineken 0.0%.

Lastly, respondents were asked to answer questions regarding their socio-demographic variables. Since demographic variables are often considered being sensitive information, they were asked for at the end of the survey and providing a response was voluntarily. Hence,

whereas for evaluating the statements regarding brand image associations, purchase intentions, and market segmentation, the ‘forced response’ option in Qualtrics was enabled, the ‘forced response’ option was switched off for the questions regarding socio-demographic variables. Demographic and socio-economic variables that were asked for in this survey and that are commonly used in marketing literature and for market segmentation purposes include age, gender, nationality, education, income, and income change (Galloway, Mitchell, Getz, Crouch, & Ong, 2008; Steenkamp & De Jong, 2010).

During the survey, respondents were able to track their progress in the survey with help of a bar displayed at the bottom of the page. At the end of the survey, respondents were able to leave their email address in order to have a chance at winning one of the five www.bol.com gift cards with a value of €10. Furthermore, at the end of the survey, respondents were thanked for their participation, were reassured that their answers would only be used for scientific purposes, were made aware of the fact that the survey was conducted solely for scientific purposes and that no link was present between the survey and the beer brands mentioned. Lastly, for respondents in the house of brands condition and the branded house condition, it was also emphasised that the M&As between the local beer brewery, Brouwerij de Hemel, and the global beer brand, AB Inbev or Heineken, and the corresponding descriptions were fictitious and made up solely for the purpose of this research. Approximately two weeks after the end date of the survey, respondents who had won one of the five gift cards were contacted via email. In Appendix D, the main survey, the introductory text, and the end of the survey texts can be found.

3.2.6. Data analysis

For analysing the data obtained from the survey, SPSS IBM version 26 was used. Independent samples t-tests, multivariate analysis of variance (MANOVA), multivariate analysis of covariance (MANCOVA), analyses of variance (ANOVA), and regression analyses were used in the analyses. Data were cleaned and all respondents with missing values were filtered out from the following analyses. The measures used in this research were tested for internal validity using principal component analysis (PCA) and the internal reliability was assessed with use of Cronbach’s α . Hereafter, factor scores were generated for each construct and were used for further analyses. To determine whether significant results were present, a p value of .05 was used as this is considered common in research regarding brand image and purchase intentions (Driesener & Romaniuk, 2006; Gómez-Corona et al., 2016).

3.2.6.1. Manipulation check

A manipulation check was conducted to investigate the brand globalness and brand architecture of the two global brands utilized in this research, AB Inbev and Heineken. A PCA was conducted on brand globalness for the purpose of investigating and verifying the validity of the brand globalness scale. Also, internal reliability was tested using Cronbach’s α . A reliable one-component solution emerged ($\alpha = .755$).

Two paired samples t-tests were used to test for differences in brand globalness and brand architecture of AB Inbev and Heineken. Paired samples t-tests were chosen because of a within-subjects design in which all respondents evaluated the brand globalness and brand architecture of both global beer brands. The first paired samples t-test tested whether brand globalness differed between AB Inbev and Heineken and was tested using factor scores. The second paired samples t-test was conducted to test whether differences were present between the brand architectures of AB Inbev and Heineken. Hence, it was tested whether AB Inbev

was perceived as having a ‘house of brands’ brand architecture and Heineken a ‘branded house’ brand architecture.

3.2.6.2. Main survey

For estimating the effect of the manipulation of different M&A situations (i.e. conditions) between global and local brands on the brand image of the local brand (H1), this research has made use of a multivariate analysis of variance (MANOVA), a multivariate analysis of covariance (MANCOVA), and analyses of variance (ANOVAs). First, it was checked whether the data met all the requirements for conducting a MANOVA. Hence, outliers were tested for using scatterplots and boxplots, univariate normality was investigated using Q-Q plots and the Shapiro-Wilk test, and homogeneity of variance-covariance matrices were tested for.

Firstly, a MANOVA was done by using multivariate F values obtained by Wilks’ Lambda (Wilks’ λ). Since significant results emerged out of the MANOVA, at least condition’s brand image was significantly different from the other conditions. Hence, a post hoc test was conducted using Fisher’s Least Significant Difference (LSD) to identify which conditions contributed to the overall significant effect on brand image. LSD was chosen as this is a quite liberal method that avoids the Type II error and detects possible effects (Field, 2014; Scheffé, 1953). Partial eta squared (partial η^2) was used as a measure of effect size (Field, 2014).

To control for the influence of age on the effect of condition on brand image associations, a MANCOVA was conducted in which age was added as a covariate. Hence, the assumptions of homogeneity of covariances matrices including age and homogeneity of regression slopes were tested for. Wilks’ λ was used to determine whether age functioned as a covariate.

As the MANOVA indicated significant differences in brand image as a whole between the different conditions, there was a need for conducting ANOVAs. In addition to the assumptions of no outliers and univariate normality that were already checked for the MANOVA, an ANOVA requires data to reflect homogeneity of variances. This was checked using Levene’s test of equal variances. Also, multicollinearity was investigated using the variance inflation factor (VIF). ANOVAs were conducted to find out which brand image associations differed across conditions.

Secondly, a multiple regression analysis has been performed in order to find out whether the brand image associations of the local brand, Brouwerij de Hemel, had a significant effect on purchase intention. Assumptions were checked prior to conducting the multiple regression analysis. The first assumption is normality of residuals which was checked with the use of a normal probability (P-P) plot. Homoscedasticity was checked with a scatterplot. Linearity can be assumed when data is normally distributed and homoscedastic (Field, 2014). Finally, multicollinearity was checked using the VIF. VIF’s that exceed a value of four indicate issues with multicollinearity (Hair, Black, Babin, & Anderson, 2010).

In the multiple regression analysis, purchase intention was regressed on all six brand image associations and market segmentation. Hence, an F-test was used to estimate the effect of brand image associations on purchase intention. In general, F-ratios greater than one generally reveal a good model (Field, 2014). Next to that, R^2 was used as an indicator of the variance that was explained by the model.

The relationship between local brand image and purchase intention was expected to be moderated by the market segment to which a consumer belongs (H3). The data on market segmentation was measured as a score. An interaction effect was created by multiplying the factor scores of each brand image association component with the factor score of market segmentation. These interaction effects were added to the model and the model was re-estimated.

Thirdly, it was found that globalness significantly differed by condition and that globalness significantly influenced purchase intention. Therefore, the PROCESS tool version 3.4 developed by Hayes (Hayes & Little, 2018) was used to investigate the mediating effect of globalness on the relationship between the independent variable, condition, and the dependent variable, purchase intention (H2) (model 4 in PROCESS tool). Furthermore, as the independent variable in the model, condition, was a categorical variable, the multi-categorical option was selected. Using the multi-categorical option, conditions were dummy coded using indicator and sequential options to enable comparisons between conditions.

To determine whether a significant mediation effect of globalness was present, the relative indirect effects of globalness with bootstrap estimation of confidence intervals were utilized. Significant mediation effects were concluded for confidence intervals that did not include a value of zero (Hayes & Little, 2018). Effect sizes that were previously included in the PROCESS tool, such as R squared mediation and kappa-squared, have been criticized and were eliminated from the PROCESS tool version 3.4 (Lachowicz, Preacher, & Kelley, 2018; Wen & Fan, 2015). Hence, effect size was not reported due to a lack of agreement on useful effect size measures for mediation (Hayes & Preacher, 2014; Lachowicz et al., 2018).

Finally, for testing the direct effect of condition on purchase intention (H4), a one-way analysis of variance (ANOVA) was executed. A one-way ANOVA was utilized since this analysis allows for testing the differentiating effect of different conditions on one continuous dependent variable. The assumptions of no outliers, normally distributed data, homogeneity of variances, and no multicollinearity were checked for. Next to the main effect of condition on purchase intention, the moderating effect of market segmentation on the relationship between condition and purchase intention was investigated. Therefore, an interaction effect was added to the model by multiplying the categorical variable, condition, with the factor score for market segmentation. Hereafter, the model was re-estimated including the interaction effect of condition with market segmentation score.

4. Results

This chapter presents the results from the manipulation check and main survey.

4.1. Manipulation check

The manipulation check was conducted among 19 respondents and showed that 45 per cent of all respondents was not familiar with AB Inbev. This issue did not occur for the familiarity with Heineken.

The effectiveness of the manipulation utilized in the main survey was assessed by investigating the brand globalness and brand architecture of the global beer brands, AB Inbev and Heineken. It was expected that AB Inbev and Heineken would be perceived as equally global. Yet, brand globalness for AB Inbev ($M = -0.52$) was significantly lower ($t(18) = -2.65$, $p = 0.016$) than for Heineken ($M = 0.52$). This result may have been present due to respondents not being equally familiar with AB Inbev as with Heineken. Hence, to potentially solve the issue posed by familiarity with AB Inbev, in the main survey, AB Inbev was introduced together with some of its most popular global product brands in the Netherlands, namely, Budweiser, Jupiler, and Corona.

The brand architectures of AB Inbev and Heineken were significantly different from one another as was expected ($t(10.14) = 3.50$, $p = 0.006$). AB Inbev was associated more with a 'house of brands' brand architecture ($M = 8.89$) and Heineken was more associated with a 'branded house' brand architecture ($M = 4.00$).

4.2. Main survey

A total of 574 respondents entered the main survey. Yet, not all respondents were able to continue the survey as a result of not meeting the three requirements regarding age, beer consumption, and familiarity with the beer brand(s) they were exposed to. 506 Respondents met the first two requirements. Unfortunately, not all respondents were familiar with the beer brewery(-ies) they were exposed to. Hence, after data cleaning, a total of 151 respondents (i.e. local brand condition: $n = 52$, house of brands condition: $n = 44$, branded house condition: $n = 55$) successfully finished the survey whose data were used for analyses.

4.2.1. Sample characteristics

An overview of the (socio-demographic) characteristics of all respondents per condition can be found in Table 4. No significant differences were found in beer consumption, gender, nationality, level of education, and income between the three conditions. The socio-demographic variable, change in income, was not included in Table 4 as it did not provide any additional information regarding respondent characteristics. Only for the characteristic 'age', significant differences were found between the means of the local brand condition ($M = 27.191$), the house of brands condition ($M = 33.263$), and the branded house condition ($M = 27.182$) ($F(2,148) = 3.896$, $p = .022$). An LSD post hoc test revealed that the average age of respondents that were assigned to the house of brands condition was significantly higher than in the local brand condition ($p = .016$) and the branded house condition ($p = .014$). No statistically significant difference was found between the age of respondents in the local brand condition and the branded house condition ($p = .996$). Despite of significant differences in age between conditions, it was found that age did not function as a covariate on the relationship between conditions and brand image associations (Wilks' $\lambda = 0.861$, $p = .089$). Furthermore, socio-demographic characteristics were not related to market segmentation score nor purchase intention.

Table 4 Sample characteristics per condition

Respondent characteristics	Local brand condition (n=52)		House of brands condition (n=44)		Branded house condition (n=55)		Total (n=151)	
	n	%	n	%	n	%	n	%
<i>Age</i>								
18-24	35	67.3	21	47.7	34	61.8	90	59.6
25-43	10	19.2	11	25	16	29.1	37	24.5
44-55	5	9.6	6	13.6	2	3.6	13	8.6
56-74	2	3.8	6	13.6	3	5.5	11	7.3
75+	0	0	0	0	0	0	0	0
<i>Gender</i>								
Male	24	46.2	25	56.8	27	49.1	76	50.3
Female	27	51.9	19	43.2	28	50.9	74	49
<i>Average number of days of beer consumption</i>								
6-50	10	19.2	5	11.4	7	12.7	22	14.6
51-100	12	23.1	13	29.5	13	23.6	38	25.2
101-150	13	25	15	34.1	16	29.1	44	29.1
151-200	3	5.8	3	6.8	10	18.2	16	10.6
201-250	10	19.2	4	9.1	4	7.3	18	11.9
251-300	3	5.8	0	0	2	3.6	5	3.3
301-350	1	1.9	3	6.8	3	5.5	7	4.6
<i>Education</i>								
Trade/technical/vocational education (VMBO)	1	0.7	2	4.5	0	0	3	2
General secondary education (HAVO)	2	3.8	0	0	1	1.8	3	2
Pre-university education (VWO/Gymnasium)	0	0	1	2.3	1	1.8	2	1.3
Secondary vocational education (MBO)	7	13.5	7	15.9	4	7.3	18	11.9
Higher professional education (HBO)	15	28.8	18	40.9	20	36.4	53	35.1
Bachelor's degree	14	26.9	6	13.6	14	25.5	34	22.5
Master's degree	12	23.1	10	22.7	15	27.3	37	24.5
Doctorate degree	1	1.9	0	0	0	0	1	0.7
<i>Income</i>								
€0-€2000	27	51.9	16	36.4	26	47.3	69	45.7
€2000-€4000	5	9.6	8	18.2	11	20	24	15.9
€4000-€6000	7	13.5	4	9.1	5	9.1	16	10.6
€6000-€8000	0	0	3	6.8	1	1.8	4	2.65
€8000+	2	3.8	0	0	1	1.8	3	1.99

Note. Counts and percentages may not add up to the total number of participants due to missing values; Age groups were formulated corresponding to Generation Z, Y, X, Baby Boomers, and Traditionalists.

4.2.2. Brand image across manipulation groups

A MANOVA was conducted to find out whether brand image as a whole (i.e. having added up all brand image associations) did differ significantly between the three conditions (H1a). The assumptions for carrying out a MANOVA were checked. The assumptions of independence and random sampling were checked since this research made use of a between-subjects design and respondents were randomly allocated to a condition. Furthermore, univariate normality was checked since multivariate normality cannot be checked in SPSS (Field, 2014). The Shapiro-Wilk test indicated non-normality for globalness, localness, and credibility. Yet, as the F-statistic is quite robust to deviations from normality, its interpretation is argued to be valid (Field, 2014). The last assumption concerns homogeneity of covariance matrices. This assumption was met since sample sizes were roughly equal.

Using Wilks' λ , it was found that there was a significant effect of condition on brand image as a whole (Wilks' $\lambda = 0.837$, $F(2, 148) = 2.213$, $p = .011$; partial $\eta^2 = .085$). This result indicates that M&As by global brands significantly influence the brand image of an acquired local brand. Hence, hypothesis 1a was accepted. The partial η^2 indicates that only 8.5 per cent of the variance in brand image can be explained by condition membership.

As a significant MANOVA emerged, a series of one-way ANOVAs were carried out for each brand image association as a continuous dependent variable and with M&A situation represented by the three conditions as the categorical independent variable. All assumptions were checked. The assumption of independence was already checked for the MANOVA. Homogeneity of variances was checked indicating that all variances were equal except for globalness. Hence, Welch's F was used since globalness had a quite high mean with a large variance (Field, 2014). Furthermore, no multicollinearity was present since the VIF had a value of 1.093.

The one-way ANOVA for globalness using Welch's F test indicated that a statistically significant difference was present between the local brand condition, house of brands condition and branded house condition ($F(2,148) = 5.698$, $p = .005$). It was expected that an independent local brand would be perceived as less global than a local brand that has merged with or is acquired by a global brand (H1b). The LSD post hoc test indicated that the mean scores of globalness were only significantly different between the local brand condition ($M = -0.281$) and the house of brands condition ($M = 0.421$) ($p = .001$). Yet, no statistically significant differences were found between the local brand condition and the branded house condition ($M = -0.071$) ($p = .263$). Yet, even though not significant, the mean score of globalness in the local brand condition is lower than the mean score in the branded house condition. However, as an independent local brand was not perceived to be significantly less global than both the house of brands and branded house conditions, hypothesis 1b was not supported.

Statistically significant differences for globalness were found between the house of brands condition and the branded house condition ($p = .013$). It was expected that a local brand in the house of brands condition would be perceived as less global than a local brand in the branded house condition (H1c). Yet, hypothesis 1c was rejected since the significant result indicated that the mean score of globalness for a local brand in the house of brands condition was higher than for a local brand in the branded house condition. The mean scores of brand globalness per condition are shown in Figure 5.

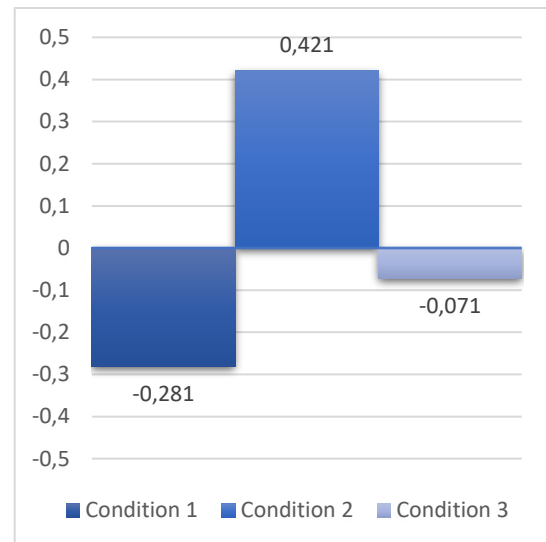


Figure 5 Mean scores globalness per condition

The one-way ANOVAs indicated that there were no statistically significant differences between the different conditions for the resulting five brand image associations. As no statistically significant differences were found for localness ($p = .365$), the hypothesis that an independent local brand is perceived as more local than a local brand that has merged with or is acquired by a global brand was rejected (H1d). Also, as a local brand in the house of brands condition was not perceived to be significantly more local than a local brand in the branded house condition, hypothesis 1e was rejected as well. No significant differences were present for authenticity between the conditions ($p = .660$). Therefore, hypothesis 1f and 1g were both rejected. The one-way ANOVA for credibility did not reveal any significant differences between conditions ($p = .157$). Hence, hypothesis 1h and 1i were rejected. For the brand image association, price, the one-way ANOVA also did not return any significant results ($p = .916$). This resulted in the rejection of hypotheses 1l and 1m. Lastly, for flavour, the one-way ANOVA also did not reveal any significant differences between the three conditions ($p = .243$). The mean scores for each brand image association per condition can be found in Table 5.

Table 5 Mean scores brand image associations per condition

	Condition		
	Local brand	House of brands	Branded house
Globalness	-0.281	0.421	-0.071
Localness	-0.060	-0.117	0.150
Authenticity	0.071	0.037	-0.097
Credibility	0.028	0.120	-0.186
Price	-0.044	0.040	0.010
Flavour	0.109	-0.212	0.067

4.2.3. The effect of brand image on purchase intention

A multiple regression analyses has been conducted for measuring the effect of the brand image associations on purchase intention. The dependent variable, purchase intention, is continuous and unbounded, meaning that variability in the outcome was not constrained. Furthermore, normality was not an issue since the extracted normal probability (P-P) plot showed that the model had normally distributed errors. Next to that, homoscedasticity was checked with help of a scatterplot showing no clear pattern and equally distributed points. Hence, linearity was assumed to not be an issue. Lastly, multicollinearity did not form any issues since the VIFs all had values between 1.074 and 1.870 indicating no cases of multicollinearity (Field, 2014). Hence, all assumptions were met.

4.2.3.1. Main effects brand image on purchase intention

The multiple regression indicated that globalness, localness, authenticity, credibility, price, flavour, and market segment collectively significantly explain the variance in purchase intention ($F(7,143) = 10.311, p < .001, R^2 = .335$) (model 1). It was found that the significant explanation of variance in purchase intention can partially be attributed to a significant positive relationship between globalness and purchase intention ($b = 0.162, p = .029$). Also, the relationship between authenticity and purchase intention was significantly positive ($b = 0.279, p = .004$). Also, the brand image association, price, significantly explained the variance in purchase intention ($b = 0.225, p = .003$). Note that the positive beta corresponds to the association of low price. Lastly, flavour (i.e. more sour and more full) was significantly negatively related to purchase intention ($b = -0.248, p = .001$). The other brand image associations, namely localness ($p = .109$) and credibility ($p = .346$) did not significantly predict purchase intention. In Table 6, the findings from the multiple regression can be found.

Table 6 Multiple regression model 1: Regression purchase intention on brand image associations and market segmentation

	<i>b</i>	SE B	<i>p</i>	Confidence Interval
Constant	0.000	0.068	$p = 1.000$	(-0.134, 0.134)
Globalness	0.162	0.074	$p = .029$	(0.017, 0.308)
Localness	0.130	0.081	$p = .109$	(-0.029, 0.289)
Authenticity	0.279	0.094	$p = .004$	(0.093, 0.465)
Credibility	-0.088	0.093	$p = .346$	(-0.273, 0.096)
Low price	0.225	0.073	$p = .003$	(0.080, 0.370)
Flavour (sour & full)	-0.248	0.071	$p = .001$	(-0.388, -0.108)
Market segment	0.110	0.071	$p = .127$	(-0.031, 0.251)

Note. $N = 150$; $R^2 = .335$; $F = 10.311$; unstandardized coefficients and standard errors are reported.

4.2.3.2. Moderating effect market segmentation

The relationship between brand image associations and purchase intention was expected to be moderated by market segment (H3) (model 2). For the mean value of market segmentation, model 2 resulted in a significant R^2 of .368 ($p < .001$). Model 2, including the interaction effects, was able to explain a total of 36.8 per cent of the variance in purchase intention ($F(13,137) = 6.143, p < .001$). Yet, the change in R^2 of .044 from model 1 (without interaction effects) to model 2 (with interaction effects) appeared to not be significant ($F \text{ change}(7,137) = 1.357, p = .229$). Therefore, model 2 was not able to explain significantly more variance in purchase intention than model 1. Hence, the relationship between brand image and purchase intention did not depend on the market segment to which a consumer belongs (rejecting H3a).

The non-significant moderation effect of market segment can be attributed to the non-significant interaction effects between market segment and globalness ($p = .448$), localness ($p = .451$), credibility ($p = .482$), price ($p = .708$), and flavour ($p = .611$). Hence, hypothesis 3b, stating that the effect of brand globalness on purchase intention is stronger for globally oriented consumers was rejected. Also, hypothesis 3c was rejected since no moderation effect was present on the relationship between localness and purchase intention. Hypothesis 3e was rejected as well since no significant moderation effect was present on the relationship between credibility and purchase intention. Also, hypothesis 3g was rejected since the effect of price on purchase intention was not significantly moderated by market segments. Finally, also the relationship between flavour and purchase intention was not significantly moderated by the market segment to which a consumer belongs. As no overall moderation effect was present, the significant interaction effect of authenticity with market segmentation was considered negligible ($b = 0.267, t = 2.480, p = .014$). Hence, hypothesis 3d was rejected.

4.2.4. Mediating effect brand image associations

The mediation analyses revealed that a significant indirect effect was present on the relationship between condition and purchase intention through globalness. The mediating effect of globalness holds for the local brand condition versus the house of brands condition ($b = 0.205, 95\% \text{ CI } [0.059, 0.405]$). This indicates that globalness increases due to a M&A with a global brand with a 'house of brands' brand architecture relative to an independent local brand. Also, globalness positively influences purchase intentions. As market segments did not affect the relationship between globalness and purchase intention, this finding holds across all respondents and not only for those that are globally oriented as was expected. A non-significant indirect effect was found for the local brand condition versus the branded house condition ($b = 0.061, 95\% \text{ CI } [-0.033, 0.182]$). This logically follows the ANOVA results indicating a non-significant difference in globalness between the local brand condition and the branded house condition. Lastly, mediation did occur for globalness between the house of brands condition versus the branded house condition ($b = -0.144, 95\% \text{ CI } [-0.317, -0.017]$). The negative beta is caused by the finding that globalness is lower for a local brand in a M&A with a global brand with a 'branded house' brand architecture than in a M&A with a global brand with a 'house of brands' brand architecture. Also, a positive influence of globalness on purchase intention is present. This entails that the model including the mediation effect of globalness is a better fit than the direct model for estimating the effect of condition on purchase intention. Yet, the mediation effect of globalness only holds for the local brand condition versus the house of brands condition and for the house of brands condition versus the branded house condition. Nevertheless, as mediation was not present for brand image as a whole, including all brand image associations, hypothesis 2 was rejected.

4.2.5. Purchase intention across conditions

A one-way ANOVA was conducted to find out whether there was a direct effect of condition, the categorical independent variable, on purchase intention, the continuous dependent variable. Furthermore, it was investigated whether there was a significant moderation effect of market segmentation on the relationship between condition and purchase intention. First, it was ensured that all assumptions were met by checking for independence, random sampling, heterogeneity of variances, and normality. The assumptions of independence and random sampling were met since respondents were randomly allocated to one of the conditions. Also, the heterogeneity of variance assumption was met since Levene's test showed that all variances were equal ($p = .267$). The assumption of normally distributed errors was checked using a Q-Q plot and showed that errors were normally distributed.

4.2.5.1. Main effect purchase intention across conditions

The one-way ANOVA revealed that no significant differences were present for purchase intention between the three conditions ($F(2,147) = 2.256, p = .108$). The ANOVA indicates that the factor score means of purchase intention for the local brand condition ($M = -.228$), the house of brands condition ($M = .036$), and the branded house condition ($M = .187$) did not significantly differ from one another. As the type of merger and acquisition situation was expected to affect purchase intention, hypothesis 4 was rejected. Even more so, as can be seen in Figure 6, the mean scores for purchase intention increase with condition which shows opposite directional effects as to what was expected.

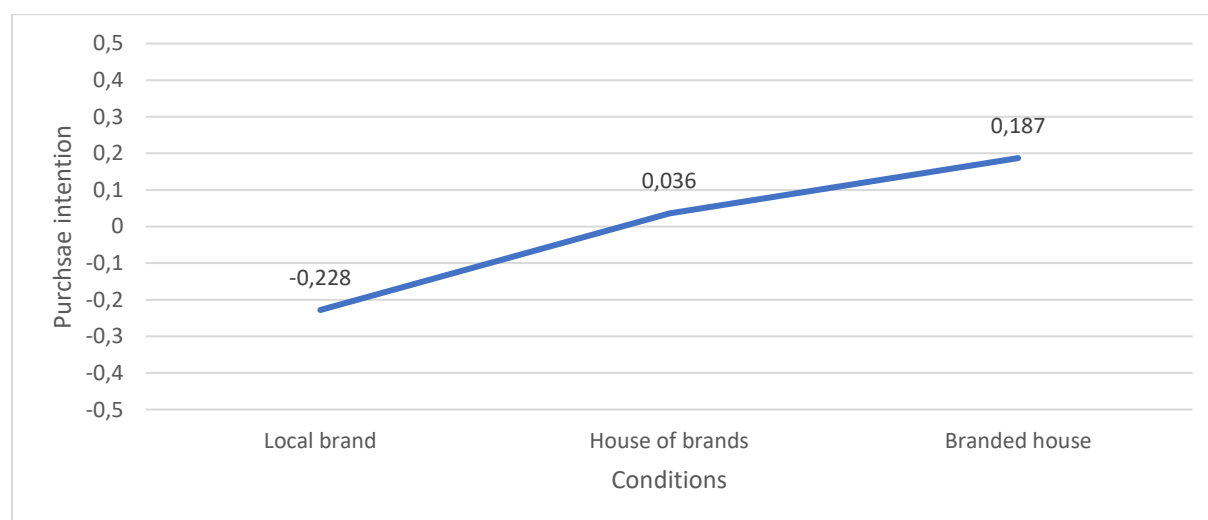


Figure 6 Regression purchase intention on conditions

4.2.5.2. Moderating effect of market segmentation

The re-estimated model including the interaction term of market segmentation with condition revealed that there was no significant moderating effect of market segment on the relationship between condition and purchase intention ($F(21,103) = 0.804, p = .709$). More specifically, the interaction term of market segment with condition was found to be non-significant ($p = .883$). As no significant moderation effect was present, there is no indication that the consumer's purchase intentions of an independent local brand would be higher for locally oriented consumers. Also, there is no indication that the consumer's purchase intentions of a local brand that has merged with or is acquired by a global brand are higher for globally oriented consumers.

5. Conclusion

This research has developed and tested a conceptual framework integrating literature on M&As and (international) branding with the aim of answering the following research question:

What is the effect of a merger and acquisition between a global and a local brand on the brand image and purchase intentions of a local brand?

To answer this question, the present research looked into the direct and indirect effects of different M&A situations on purchase intentions. Drawing on the results, there was no direct effect of M&A situation on purchase intention. Hence, no support was found for hypothesis 4. Therefore, it can be concluded that the consumer's purchase intention of a local brand does not change as a direct result of a local brand merging with or being acquired by a global brand. Also, market segment did not strengthen or weaken the direct effect of M&A situations on purchase intentions.

Results showed that an indirect effect of a M&A between a global and a local brand on purchase intention is present, which operates through associations of globalness. This indicates that differences in M&A situations affect associations of globalness and, in turn, globalness positively influences purchase intentions. This mediating effect of globalness holds for the local brand condition versus the house of brands condition and for the house of brands condition versus the branded house condition. In contrast to globalness, brand image associations of localness, authenticity, credibility, price, and flavour did not spill-over from the global brand onto the local brand across M&A situations. Therefore, all hypotheses concerning the effect of M&A situations on brand image associations were rejected apart from hypothesis 1a indicating a significant difference in brand image as a whole. Also, hypothesis 2 was rejected regarding the mediating effect of brand image as a whole. Results on the effects of brand image associations on purchase intentions, revealed that, next to globalness, associations of authenticity, low price, and low flavour intensities (i.e. low in sourness and fullness) are positively related to purchase intentions as well. Market segment did not moderate this relationship between brand image associations and purchase intentions. Hence, hypothesis 3 was rejected.

It can be concluded that the effect of M&As between global and local brands on purchase intentions operates through the mediation of globalness. It was found that the brand image associations of a local brand are relatively stable across M&A situations except for globalness. Furthermore, this empirical study identified global brand image associations of globalness, low price, and low flavour intensities, and local brand image associations of authenticity as key determinants of purchase intentions. Therefore, this research suggests the employment of a glocal branding strategy based on a combination of global and local brand image associations to enhance the success of a M&A between global and local brands. Further research is required to find out what the effects of M&As between global and local brands are across countries and product categories.

6. Discussion

This chapter focuses on the interpretation of the results in light of both theoretical and practical insights that have been gained. Furthermore, limitations of the present research and suggestions for further research are elaborated upon.

6.1. Scientific relevance

This research fits into the recent stream of research in international branding literature. International branding literature has its origins in international marketing strategy and often focuses on the consumer's associations of global and local brands in terms of globalness and localness (Whitelock & Fastoso, 2007; Wong & Merrilees, 2007). This research has investigated differences between global and local brands on the basis of semiotic theory. It was argued that global and local brands comprise out of dynamic networks of signs represented by specific brand image associations. Furthermore, M&As were argued to cause spill-over effects to take place between the global and local brands in terms of brand image associations. Next to that, the effect of certain brand image associations on the consumer's purchase intention of local brands was investigated together with the moderating effect of market segments. With its focus on local brands in M&As in terms of brand image associations and purchase intentions, this research makes a unique contribution to literature. The theoretical contributions of this research are fivefold, namely a) identifying the possibility of spill-over effects of brand image associations between global and local brands, b) identifying the stability of local brand image associations, c) an investigation into the potentially differentiating effect of the global brand's brand architecture in a M&A, d) assessing the influence of brand image associations on purchase intention and, additionally, e) identifying globalness as an important mediating variable between certain M&A situations and purchase intention.

The first contribution of this research to literature includes the investigation of spill-over effects that occur in M&As between global and local brands. Existing literature tends to focus on individual constructs that differ between global and local brands (Davvetas & Halkias, 2019). This research has integrated and combined previous findings into the conceptualization of the most important brand image associations that differ between global and local brands. Based on these brand image associations, this research goes one step further by investigating the spill-over effects in M&As between global and local brands. In this research, it was found that, in M&As, the greatest spill-over effect of global brands on local brands is present for the brand image association, globalness. Hence, globalness acts as the most important sign that differentiates independent local brands from local brands that have merged with or are acquired by global brands. This is in line with previous research indicating greater perceived brand globalness of global brands than local brands (Sichtmann et al., 2019). This research provides a deeper understanding of changes in brand image associations as a result of M&As. Hence, it contributes to literature by linking research on M&As with research on (international) branding by identifying the brand image association, globalness, as an important differentiator between independent local brands and local brands that have merged with or are acquired by global brands.

A second contribution to existing literature is the finding that local brand image associations, except for globalness, are quite stable, even after having merged with or being acquired by a global brand. This is in line with literature stating that brand image comprises out of both

stable and dynamic elements (van Osselaer & Janiszewski, 2001). Based on literature, brand image associations that differ between global and local brands were identified. However, as shown by the results, except for globalness, there are no spill-over effects of global brands on local brands in M&As in terms of localness, authenticity, credibility, price, and flavour. This indicates that associations corresponding to local brands, namely localness, authenticity, and high flavour intensity, are not affected by M&As with global brands. Furthermore, associations corresponding to global brands, namely credibility, low price, and low flavour intensity, are not spilled over onto the local brand's image. This finding provides a first insight into the stability of the brand image of a local brand.

A third contribution to literature relates to the finding that, except for globalness, the brand architecture of a global brand does not affect the brand image of a local brand in M&As. As brand name was argued to be an important aspect of a local brand's image (Davvetas & Halkias, 2019; De Meulenaer, Dens, & De Pelsmacker, 2015), it was expected that a 'branded house' brand architecture, in which the name of the local brand would be changed for a version of the global brand name (Aaker & Joachimsthaler, 2000), would affect brand image. In this research, only globalness significantly differed between the M&As with different brand architectures. Greater values for globalness were found for M&As in which the global brand had a 'house of brands' brand architecture than a 'branded house' brand architecture. This conflicts with the expectation that a 'branded house' brand architecture would affect the brand image of an acquired brand more severely due to a change in brand name (Basu, 2006). What also contradicts expectations derived from existing literature (Aaker & Joachimsthaler, 2000; Basu, 2006), is the finding that there are no differences in localness, authenticity, credibility, price and flavour, between a 'house of brands' brand architecture and a 'branded house' brand architecture. These conflicting findings may be a result of the global brands used in this research. This suggestion is discussed in the limitations section of this chapter.

A fourth contribution to literature concerns the importance of brand image associations in the consumer's decision-making process. Purchase intention is significantly positively influenced by globalness, authenticity, low price, and low flavour intensity (i.e. low in sourness and fullness), regardless of the consumer's preference for global or local brands. In literature, globalness and localness are argued to significantly affect purchase intention (Batra et al., 2000; Gammoh et al., 2011; Steenkamp et al., 2003). The finding regarding the positive effect of globalness on purchase intention corresponds to existing literature. Yet, conflicting with literature is the finding that localness was not significantly related to purchase intention in this research. This may be due to the notion that Dutch consumers are relatively globally minded (Jaeger et al., 2020). Furthermore, in this research, credibility was not found to be a significant determinant of purchase intention. This finding conflicts with existing literature, stating that credibility positively affects purchase intentions (Erdem & Swait, 2004). In line with existing literature, authenticity was found to significantly and positively affect purchase intention (Holt, 2002). Furthermore, as lower prices are more likely to fall into the consumer's price range (Winit et al., 2014), low prices were found to positively affect purchase intention. Finally, low flavour intensity was also found to significantly influence purchase intention which confirms findings in existing literature in the beer industry regarding global and local brands (Gómez-Corona et al., 2016). Therefore, this research contributes to current international branding literature by identifying brand image associations corresponding to global and local brands that significantly influence purchase intention.

A fifth and particularly important contribution to literature concerns the mediating effect of globalness on the relationship between different M&A situations and the consumer's purchase intention. Local brand image associations of globalness increase as a result of a M&A with a global brand and positively affect purchase intention. This counters the argument that the local brand's popularity is the result of a rising sentiment against globalization (Garavaglia & Swinnen, 2017) and reinforces the notion that global brands are perceived as accepted by society at large (Keller, 1998). Furthermore, this is also reflected by the finding that market segments of globally and locally oriented consumers do not affect the relationship between globalness and purchase intention nor the direct effect of M&A situation on purchase intention. The combination of the findings regarding the mediating effect of globalness and the importance of both global and local brand image associations determining purchase intentions, underlines the success of 'glocal' branding strategies. The conceptualisation and application of glocal branding strategies is an area that has not received much attention in literature (Sichtmann et al., 2019). Therefore, this research adds to literature by integrating findings on M&As with brand image associations from a consumer perspective. Hence, it is argued that M&As based on glocal branding strategies may be successful when taking into account important brand image associations of globalness, authenticity, low price, and low flavour intensity as driving factors of purchase intentions.

6.2. Managerial relevance

In the current competitive and interconnected global marketplace, M&As are often perceived as a source of external expansion that allow firms to enter new markets (Kumar & Hansted Blomqvist, 2004). When M&As between global and local brands take place, global and local brand managers share the goal of making the M&A a success. Whereas often little attention is paid to the implementation and integration of branding strategies (Kumar & Hansted Blomqvist, 2004), the findings in this research indicate important managerial implications in terms of brand image associations and purchase intentions of local brands in M&As with global brands. This research adds to the practical understanding of brand management by providing managers with a) evidence regarding the effect of a M&A on brand image associations from a consumer perspective, b) strategic insights into the effects of various brand image associations revealing which associations are important drivers of local brand purchase intentions to enhance managerial understanding of where to put branding efforts in the future, and c) advice regarding an effective branding strategy in M&As.

An important managerial implication derived from the findings in this research is the mediating effect of globalness between M&A situation and purchase intention. The findings indicate that perceptions of globalness of a local brand increase as a result of a M&A with a global brand and that greater perceptions of globalness lead to higher purchase intentions. Therefore, it can be concluded that from a local brand's perspective, a M&A is a potentially successful strategy benefiting purchase intentions through increased associations of globalness. This research also found that a M&A with a global brand with a 'house of brands' brand architecture leads to greater degrees of globalness than a M&A with a global brand with a 'branded house' brand architecture. This finding based on brand architecture needs to be re-evaluated due the potential effect of domestic and foreign brand origins on globalness and is discussed in the limitations section of this research.

A second important finding with managerial relevance is that a combination of global and local brand image associations positively affects purchase intention. This is concluded based

on the finding that brand image associations of globalness, authenticity, low price, and low flavour intensity (i.e. low in sourness and fullness) are important determinants of purchase intentions. Where local brands are typically perceived as more authentic, global brands often exhibit greater degrees of globalness, have lower prices, and have lower flavour intensities (Jaeger et al., 2020; Özsomer, 2012; Sichtmann et al., 2019; Winit et al., 2014). Authenticity is both a symbolic sign that reflects local culture and an indexical sign that reflects an important set of well-grounded values (Hernandez-Fernandez & Lewis, 2019; Özsomer, 2012). Furthermore, associations of globalness, low price, and low flavour intensities are argued to be more present in global brands (Jaeger et al., 2020; Sichtmann et al., 2019; Winit et al., 2014). Hence, in general, brand managers are advised to focus on branding strategies based on a combination of global brand image associations of globalness, low price, and low flavour intensity, and local brand image associations of authenticity to enhance purchase intentions.

Thirdly, building on top of the managerial implication regarding global and local brand image associations affecting purchase intentions, it is argued that an effective branding strategy to enhance the success of a M&A between a global and a local brand is a glocal branding strategy. By combining associations related to global and local brands, global and local brands in M&As actively pursue a glocal strategy which involves global presence while remaining ties with local communities (Godey & Lai, 2011; Ritzer, 2003). Hence, glocal brand strategies are considered to positively affect the consumer's purchase intentions. This is in line with the emerging culture of glocalized consumption (Kjeldgaard & Askegaard, 2006), stating that consumers create bivariate consumption identities that are open to both local and global brands rather than a focus on either one of them (Arnett, 2002). From a branding perspective, managers can put a focus on the hybridization of global and local brand image by remaining those local brand image associations that favourably influence purchase intention and highlight those that are presented by the global brand in the M&A to reinforce spill-over effects to take place. Hence, to enhance the success of a M&As between global and local brands, it is advised to implement a glocal branding strategy based on the creation of an interlinked brand identity emphasizing both global and local brand image associations.

6.3. Limitations

This research presents a first investigation into the effect of different M&A situations on local brand image associations and corresponding purchase intentions. Therefore, the findings are not argued to be conclusive and some limitations need to be taken into account. The limitations include 1) the potential effect of domestic and foreign brand origins on the findings, 2) the measurement scale used for measuring market segmentation, and 3) the generalizability of this research in terms of product category, country, and respondent characteristics. Suggestions are made serving as solutions for the limitations presented.

A first limitation that has an important effect on the conclusions drawn in this research is posed by the notion that the differences in globalness across conditions are potentially affected (more) by the brands chosen to correspond with the selected brand architectures than by the brand architectures on their own. This limitation arose as a result of the finding that the house of brands condition revealed significantly higher levels of globalness than the branded house condition. Therefore, this research contemplates the influence of schema theory on its findings. Schema theory states that information about entities is structured according to particular domains in the mind of the consumer. These structures help form expectations,

categorize, and process information of a certain stimuli and aid in the consumer's decision-making process (Fiske & Taylor, 1991; Sujan & Bettman, 1989).

The global brands used in this research were chosen due to their expected differences in the brand architectures of both global brands. The manipulation check indicated that consumers perceived AB Inbev to have a 'house of brands' brand architecture and Heineken to have a 'branded house' brand architecture. Furthermore, the manipulation check survey also indicated that Heineken was perceived to be more global than AB Inbev. Yet, in terms of perceived brand globalness, existing literature has shown that globalness differs not only between local and global brands but also between different types of global brands. As argued in research regarding perceived brand globalness and schema theory, global brands can be sub-divided into domestic global brands and foreign global brands (Sichtmann et al., 2019; Sujan & Bettman, 1989).

Domestic global brands are perceived differently from foreign global brands through the distinct schema's that are used in the mind of the consumer. Domestic global brands are likely to show different associations that are not shared by other global brands and that lie more closely to local brands. Vice versa, foreign global brands have different associations as they do not incorporate a certain degree of localness and are, therefore, perceived as more global.

According to the schema that is activated in the mind of the consumer, different associations take place (Sujan & Bettman, 1989). Applying schema theory to this research, it can be argued that Heineken may be perceived more as a domestic global brand whereas AB Inbev may be perceived more as a foreign global brand. This explains the finding that a local brand that has merged with or is acquired by AB Inbev is perceived as more global than a local brand that has merged with or is acquired by Heineken. As Heineken can be perceived as a domestic global brand, its associations lie more closely to those of a local brand. These differentiating characteristics of domestic and foreign global brands tend to weight strongly in the consumer decision-making process (Sujan & Bettman, 1989). As schema theory was not taken into account in this research, boundaries are put on the interpretation of findings regarding the differences between the brand architectures.

To control for the influence of differences in global brands, it is advisable to include a measure for identifying the schema that is used. In previous research, the scales used for measuring brand globalness (Steenkamp et al., 2003) and localness (Swoboda et al., 2012) were utilized to identify the brand schema that was activated by consumers (Halkias, Micevski, Diamantopoulos, & Milchram, 2017). Whereas the globalness of the global brands, AB Inbev and Heineken, was assessed in the manipulation check survey, localness was not measured in the manipulation check survey. Furthermore, to avoid a bias in responses due to carry-over effects from the first global brand onto the second, a between-subjects design might be a better tactic for measuring globalness and localness of global brands instead of the within-subjects design that was used in the manipulation check survey. Also, to be able to get findings resulting from differences across brand architectures, one could conduct this research in another country where both global brands, AB Inbev and Heineken, have foreign origins such as Germany. Also, it can be useful to focus on either foreign global brands or domestic global brands.

A second limitation in this research concerns the measurement scale developed for market segmentation. The purpose of this measurement scale was to enable the segmentation of

globally and locally oriented consumers. Yet, the internal validity and reliability of the market segmentation scale were a first indication that much work can still be done in the subject of segmenting globally and locally oriented consumers. This was affirmed by the non-significant moderation effect of market segmentation on the relationship between brand image associations and purchase intention and on the relationship between M&A situations and purchase intention. To potentially solve the issue posed by the non-reliable market segmentation scale, other useful methods of market segmentation utilized in international branding research include market segmentation based on socio-demographic characteristics (Davvetas et al., 2015; Galloway et al., 2008), involvement in product category (Beldona, Moreo, & Mundhra, 2010; Taylor & DiPietro, 2019; Zaichkowsky, 1985) and consumer ethnocentrism (Shimp & Sharma, 1987; Steenkamp et al., 2003).

A third limitation is posed by the generalizability of the findings in this research. Next to the limitations posed above, this research has three constraints in terms of generalizability. These three constraints on generalizability are posed by limitations in product category, country, and consumer characteristics. Suggestions are made for improvements in generalizability in further research. First, this research made use of the beer industry as a case for testing its hypotheses. Yet, research has shown that the associations consumers have with global and local brands can vary across product categories (Davvetas & Diamantopoulos, 2016; Halkias, Davvetas & Diamantopoulos, 2016).

A second limitation of generalization refers to the execution of this research in one province in the Netherlands. Hence, this limits the generalizability of this research throughout the Netherlands. Also, since the Netherlands is a highly globalized developed country, findings in terms of brand image associations and purchase intentions may differ compared to other countries that are less developed or that value traditionalism (Alden, Steenkamp, & Batra, 1999; Duffin, 2019; Steenkamp & De Jong, 2010). Even more so, whereas market segmentation was focused on finding locally or globally oriented consumers, locally oriented consumers in the Netherlands may still be relatively globally minded (Jaeger et al., 2020).

A third limitation to the generalizability of this research arises out of the sampling method that was chosen. As a result of data collection from convenience sampling and an online survey distributed via Facebook (advertising), respondents were not evenly distributed across age categories and education. Hence, it needs to be acknowledged that the sample used in this research overrepresented consumers between the age of 18 and 24 and who were more highly educated (i.e. higher professional education and up).

This research can be considered a first investigation into the effect of a M&A between a global and a local brand on the local brand's image and purchase intentions. Hence, the findings in this research are not claimed to be generalizable across product categories, countries nor consumers. To enable generalization across a broader range of countries and product categories, the survey should be conducted in a variety of countries and product categories. Lastly, to increase diversity in respondent characteristics such as age and education, sampling should be conducted via a variety of distribution platforms, including both online and offline platforms.

6.4. Suggestions for further research

Suggestions for further research have been formulated. Therefore, next to the suggestions made for improving the study design based on the limitations, the recommendations for

further research discussed in this section include 1) investigating the stability of local brand image, 2) adding cultural characteristics as moderating variables, 3) investigating differences in brand image associations between global, local and glocal brands, and 4) revealing the true impact of M&As between global and local brands on customer loyalty and brand continuation/survival. The first two recommendations focus on suggestions to further the current research question and the last two recommendation focus on additional subjects of research that complement the current research.

The first recommendation for further research is to develop a deeper understanding of the stability of the local brand's image. Research on changes in local brand image due to M&As is scant with an exception posed by Lee and colleagues (2011), who have studied the spill-over effects between a local brand's image of superiority and an inferior global brand's image. Yet, the stability of local brand image associations such as localness, authenticity, and high in flavour intensity, has not been studied in depth. This also provides an opportunity to identify a broader range of brand image associations related to local brands. Furthermore, a deeper investigation into the stability of local brand image associations improves the understanding of both social scientists and marketing practitioners concerning effective branding strategies to enhance the success of a M&A. A promising avenue to investigate the local brand image stability is to apply different methods for conducting market research. For example, instead of the cross-sectional nature of the current research, further research can make use of a longitudinal design, measuring local brand image associations over time. This enables the identification of long-term changes in brand image associations. Hence, tracking studies may be useful.

A second recommendation concerns the potentially moderating effect of differences in cultural characteristics across the world on the effect of a M&A on the consumer's purchase intentions. To enable the understanding of the effect of M&As between global and local brands in a global context, national-cultural factors are important to take into account (Steenkamp & De Jong, 2010). A theoretical framework based on national-cultural variables that is often utilized for explaining differences between countries and/or cultures is developed by Hofstede (2011). These dimensions of cultural differences, namely individualism/collectivism, power distance, masculinity/femininity, uncertainty avoidance, indulgence/restraint, and long/short-term orientation, each contribute to the consumer's preference for either global brands or local brands (Steenkamp & De Jong, 2010). For example, it is expected that an increase in power distance leads to greater purchase intentions of local brands whereas cultures with lower power distances are likely to result in more global brand purchases (Steenkamp & De Jong, 2010; Sichtmann et al., 2019). As this research was conducted in the Netherlands, the finding of a positive influence of globalness on purchase intention may be a result of the country's low score on power distance (Hofstede-insights, n.d.). This indicates that in the Netherlands, locally oriented consumers may still be relatively globally minded (Jaeger et al., 2020). It would be interesting to conduct this research in a country that scores average or high on power distance such as France (Hofstede-insights, n.d.). This is likely to lead to a greater positive influence of localness on purchase intentions. Also, this enhances the possibility to discover a locally oriented customer segment. In turn, this enables the investigation of whether local brand consumers would abandon a local brand when it has merged with or is acquired by a global brand.

A third recommendation relates to the emerging importance of glocal branding strategies both in literature and in practice. The finding that a combination of brand image associations corresponding to both global and local brands increases the consumer's purchase intention together with the emergence of a glocalized consumption culture that responds to glocal branding strategies (Kjeldgaard & Askegaard, 2006) reveals an important opportunity for future research. As glocal branding strategies have not been given much attention in current international branding literature (Özsomer, 2012; Sichtmann et al., 2019), an interesting area to investigate are the differences in brand image associations and purchase intentions between global, local, and glocal brands. In order to increase knowledge on glocal branding strategies, it is useful to first distinguish between two ways of developing a glocal branding strategy. Glocal brands are argued to either exist out of a local brand that has grown to operate globally as well or to exist out of a foreign global brand that has developed ties to local communities through, for example, M&As with local brands (Riefler, 2012; Sichtmann et al., 2019). As there is a lack of literature on the effects of glocal branding strategies (Sichtmann et al., 2019), an exploratory and qualitative study into the consumer's associations with both types of glocal brands is argued to be a good starting point. Hereafter, by testing whether the emerged brand image associations hold on a broader scale, they can be compared to global and local brand image associations derived from literature.

Lastly, whereas the findings of this research are bound to brand image associations and purchase intentions, the true impact of the findings regarding brand image associations and purchase intentions can be revealed by including a measure of brand loyalty. Brand loyalty is critical to the success of a firm (Chaudhuri & Holbrook, 2001). Furthermore, brand loyalty is a key determinant of customer revenue and retention. Therefore, the financial value of customer brand loyalty can be assessed by calculating the customer lifetime value (Zhang, Dixit, & Friedmann, 2010). Moreover, by monetizing findings on brand loyalty in terms of customer lifetime value, valuable insights on the effects of M&As on long-term branding strategies can be gained. Through monetization, literature on M&As becomes even more integrated with literature on international branding. Hence, indicating an interesting opportunity for further research.

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Appendix

Appendix A: The beer industry

Across the world, from developing countries to the US and European countries, a shift in the consumption pattern of consumers is visible from global beer brands to local beer brands (Swinnen & Briski, 2017). This shift in consumption patterns and the corresponding trend of local beer breweries targeting niche markets are forming important threats for global beer brands (Rutishauser, Rickert, & Sanger, 2015). For example, in the last 10 years, the number of local beer breweries expanded by a factor 6 in the Netherlands (CBS, 2017). Encouraged by the consumer's preference for uniqueness, authenticity, and innovativeness and as a response to globalization, existing research has increasingly tapped into the field of local and global brands. Regarding the beer industry, research on global and local beer brands typically tends to look at the reasons for the re-emergence of local beer breweries (Garavaglia & Swinnen, 2017), the economics of global and local beer brands (Swinnen, 2011; Tremblay & Tremblay, 2005), and the differences between the markets global and local beer brands target (Murray & O'Neill, 2012). Little research has focused on the brand image of global and local brands in the beer industry. One of the few articles published on this topic considers the Spanish beer industry and looks at the differences in consumer evaluations between and preference for global and local beer brands with respect to their brand value and its components (Calvo-Porral & Levy-Mangin, 2015). This research in the Spanish beer industry illustrates that consumer evaluations and preference for global and local brands vary and that these differences may be allocated to differences in brand image associations. Yet, this study did not investigate brand image dimensions as important factors influencing the consumer's purchase intention. Also, this study did not take into account the event of a M&A involving both a global beer brand and a local beer brand.

Next to that, research on the emergence of local beer breweries has typically been executed in countries such as the United States (Adam, 2006), Denmark (Bentzen & Smith, 2017), and Germany (Adam, 2006). Limited research has investigated the emergence of local beer brands in the Netherlands, with the exception of one chapter written by Van Dijk, Kroezen, and Slob (2017) concerning the history and the emergence of local beer breweries in the Dutch beer market. However, their research did indicate that important drivers of the emergence of local beer breweries are 1) consumer resistance to globalization and 2) the change in consumer preference for food and beverages (van Dijk et al., 2017). Therefore, the research by Van Dijk and colleagues (2017) does acknowledge the importance of the shift in consumer evaluations and preference for local brands, however, it ignores the underlying mechanisms that support this positive evaluation of local brands. Therefore, this research will dive deeper into brand image dimensions and M&As as important factors affecting the brand associations consumer have with global and local beer brands and the corresponding purchase intentions.

Appendix B: Survey statements

Appendix B.1. Manipulation check

Appendix B.1.1. Perceived globalness of the global beer brand

(Steenkamp, Batra, & Alden, 2003)

- I think this is a global brand.
- I think that consumers around the world buy (brand).
- I think (brand) is sold all over the world.

Appendix B.1.2. Brand architecture of the global beer brands

A house of brands strategy is a strategy in which a firm has independent product brands in its corporate firm's brand portfolio. An example of this strategy is Proctor & Gamble (P&G) with product brands as Always and Head & Shoulders in its brand portfolio with little or no link to P&G. Hence, corporate brands who follow a 'house of brands' strategy are characterised by a brand portfolio with product brands that are not linked to the corporate brand in terms of brand name or brand identity (i.e. meanings, values, and promises).

A branded house strategy is a strategy in which the corporate firm acts as an umbrella under which the products in its portfolio operate. An example is the corporate brand Nike with descriptive subbrands such as Nike Airmax sports shoes and Nike Performance sports clothing. Hence, corporate brands who follow a 'branded house' strategy are characterised by a brand portfolio with subbrands that are linked to the brand name and brand identity (i.e. meanings, values, and promises) of the corporate brand.

Please indicate which strategy is represented by each of the two firms, AB Inbev and Heineken.

- | | |
|-------------------|------------------------|
| - House of brands | Heineken -----AB Inbev |
| - Branded house | Heineken -----AB Inbev |

Appendix B.2. Main survey

Appendix B.2.1. Purchase intention

(Putrevu & Lord (2013) and adapted to fit the beer industry)

- It is very likely that I will buy (local beer brand) in the next two months...
 - At a supermarket/shop for drinking at home
 - At a restaurant
 - At a bar
- I will purchase (local beer brand) the next time I want beer (between now and two months' time)...
 - At a supermarket/shop for drinking at home
 - At a restaurant
 - At a bar
- I will definitely try (local beer brand) in the next two months...
 - At home
 - At a restaurant
 - At a bar

Appendix B.2.2. Brand image

Appendix B.2.2.1. Brand globalness and localness

(Steenkamp, Batra, & Alden, 2003)

- I think this is a global brand.
- I think that consumers around the world buy (brand).
- I think (brand) is sold all over the world.

Appendix B.2.2.2. Brand localness

(Swoboda, Pennemann, & Taube, 2012)

- (Brand) is part of the (local province) culture.
- To me, (brand) represents what (local province) is all about.
- To me, (brand) is a very good symbol of (local province).

Appendix B.2.2.3. Brand authenticity

(Adapted from Bruhn, Schoenmüller, Schäfer, & Heinrich, 2012; Morhart, Malär, Guèvremont, Girardin, & Grohmann, 2015)

- I think (Brouwerij de Hemel) stays true to itself.
- (Brouwerij de Hemel) is a brand that reflects important values people care about.
- (Brouwerij de Hemel) is a brand that cares about its customers.
- (Brouwerij de Hemel) clearly distinguishes itself from other beer brands.

Appendix B.2.2.4. Brand credibility

- Expertise: (Erdem & Swait, 2004)

- The brand reminds me of someone who is competent and knows what he/she is doing.
- The brand has the ability to deliver what it promises.

- Trustworthiness: (Erdem & Swait, 2004)

- This brand delivers what it promises.
- Over time, my experiences with this brand have led me to expect it to keep its promises, no more and no less.
- This brand has a name you can trust.
- This brand does not pretend to be something it is not.

Appendix B.2.2.5. Brand distribution

(Fotopoulos, Krystallis, Vassallo, & Pagiaslis, 2009)

- (Brand) is transported over long distances.
- (Brand) is easily available in stores and restaurants.

Appendix B.2.2.6. Brand price

(Fotopoulos, Krystallis, Vassallo, & Pagiaslis, 2009)

- (Brand) is cheap.
- (Brand) is good value for money.

Appendix B.2.2.7. Brand flavour

(Jaeger, Worch, Phelps, Jin, & Cardello, 2020)

- (Brand) tastes sweet.
- (Brand) tastes bitter.
- (Brand) tastes sour.
- (Brand) tastes full.

Appendix B.2.3. Market segmentation

Indicate below in which situation you would prefer a beer from a global beer brewery (e.g. Grolsch, Heineken, Carlsberg, Jupiler) or a beer from a local beer brewery (e.g. Oersoep, Kompaan, VandeStreek).

- At home
- At a restaurant
- At a bar

Appendix C: Manipulation check survey

Start of Block: Default Question Block

Q1 Dear participant,

Thank you for participating in this survey.

This survey is part of a master thesis in partial fulfilment of the MSc Management, Economics and Consumer Studies at Wageningen University and Research, the Netherlands.

The goal of this research is to gain insights into consumer evaluations of beer brands.

Your participation is anonymous, and answers are treated as confidential and are only used for the purpose of this research.

This survey will approximately take 2 minutes of your time. You are required to answer all questions and statements in this survey. At the top right corner of this page, you can select the language you prefer for completing the survey (English or Dutch). Please note that the survey will be accessible until 02-02-2020.

By proceeding to the beginning of the survey, you automatically agree with the use of your answers for the purpose of this research.

Please answer each question based on what first comes to mind.

If you have any questions or remarks, please feel free to contact: caroline.majoor@wur.nl.

Thank you for your participation.

Kind regards,

Caroline Majoor

End of Block: Default Question Block

Start of Block: Participation requirements

Q4 To what extent are you familiar with the beer breweries mentioned below?

	Extremely unfamiliar (1)	Very unfamiliar (2)	Slightly unfamiliar (3)	Neither unfamiliar nor familiar (4)	Slightly familiar (5)	Very familiar (6)	Extremely familiar (7)
AB Inbev (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heine ken (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Participation requirements

Start of Block: AB Inbev globalness

Q5 Please rate the following statements concerning AB Inbev:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I think AB Inbev is a global firm. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think that consumers around the world buy beer from brands owned by AB Inbev. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think AB Inbev sells beer brands all over the world (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

End of Block: AB Inbev globalness

Start of Block: Heineken globalness

Q7 Please rate the following statements concerning Heineken:

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I think Heineken is a global firm. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think that consumers around the world buy Heineken. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think that Heineken is sold all over the world. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

End of Block: Heineken globalness



Start of Block: Brand architecture

Q9 Please read the following two explanations of different branding strategies, a 'house of brands' strategy or a 'branded house' strategy, for organizing a firm's brand portfolio (i.e. A brand portfolio is created when a firm markets more than one brand):

A house of brands strategy is a strategy in which a firm has independent product brands in its corporate firm's brand portfolio. An example of this strategy is Proctor & Gamble (P&G) with product brands as Always and Head & Shoulders in its brand portfolio with little or no link to P&G. Hence, corporate brands who follow a 'house of brands' strategy are characterised by a brand portfolio with product brands that are not linked to the corporate brand in terms of brand name or brand identity (i.e. meanings, values, and promises).

A branded house strategy is a strategy in which the corporate firm acts as an umbrella under which the products in its portfolio operate. An example is the corporate brand Nike with descriptive subbrands such as Nike Airmax sports shoes and Nike Performance sports clothing. Hence, corporate brands who follow a 'branded house' strategy are characterised by a brand portfolio with subbrands that are linked to the brand name and brand identity (i.e. meanings, values, and promises) of the corporate brand.

Q10 Please indicate which brand portfolio strategy is applied by AB Inbev and Heineken:

	Branded house	House of brands
AB Inbev		
Heineken		

End of Block: Brand architecture

Dear Participant,

Thank you for your participation in this survey. Your answers will be treated anonymously and confidentially.

Please note that this research was conducted purely for scientific purposes and that AB Inbev and Heineken are not linked to this research.

If you have any questions or remarks, please feel free to contact: caroline.majoor@wur.nl.

Thank you for your participation.

Kind regards,

Caroline Majoor

Appendix D: Main survey

Start of Block: Enter the survey text

Dear Participant,

Thank you for participating in this survey.

This survey is part of a master thesis in partial fulfilment of the MSc Management, Economics and Consumer Studies at Wageningen University and Research, the Netherlands.

The goal of this research is to gain insights into consumer evaluations of beer.

Your participation is anonymous, and answers are treated as confidential and are only used for the purpose of this research.

This survey will approximately take 5 to 8 minutes of your time. You are required to answer all questions and statements in this survey. Please answer each question based on what first comes to mind. At the top right corner of this page, you can select the language you prefer for completing the survey (English or Dutch). Please note that the survey will be accessible until 17-02-2020.

By leaving your e-mail address at the end of the survey, you have a chance at winning one of the five www.bol.com gift cards with a value of €10.

By proceeding to the beginning of the survey, you automatically agree with the use of your answers for the purpose of this research.

If you have any questions or remarks, please feel free to contact: caroline.majoor@wur.nl.

Thank you for your participation in this survey.

Kind regards,

Caroline Majoor

End of Block: Enter the survey text

Start of Block: Participation requirements

Q2 What is your age?

▼ 1 (1) ... 100 (100)

Page Break

Q4 How many days a year do you consume beer?

▼ 0 (1) ... 365 (366)

Page Break

End of Block: Participation requirements

Start of Block: Group 1

Q10 To what extent are you familiar with beer brewery 'Brouwerij de Hemel'?

	Extremely unfamiliar (1)	Unfamiliar (2)	Slightly unfamiliar (3)	Neither unfamiliar nor familiar (4)	Slightly familiar (5)	Familiar (6)	Extremely familiar (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Group 1

Start of Block: BI Independent local beer brewery

Q11 Please read the following information regarding 'Brouwerij de Hemel':

Brouwerij de Hemel is a beer brewery that originates from and operates independently in the area of Nijmegen.

Page Break

Q14 Please rate the following statements regarding 'Brouwerij de Hemel':

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I think Brouwerij de Hemel is a global brand. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think that consumers around the world buy beer from Brouwerij de Hemel. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think that beer from Brouwerij de Hemel is sold all over the world. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Q15 Please rate the following statements regarding 'Brouwerij de Hemel':

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Brouwerij de Hemel is part of the culture of Nijmegen. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To me, Brouwerij de Hemel represents what Nijmegen is all about. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To me, Brouwerij de Hemel is a very good symbol of Nijmegen. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Q16 Please rate the following statements regarding 'Brouwerij de Hemel':

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
I think Brouwerij de Hemel stays true to itself. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brouwerij de Hemel is a brand that reflects important values people care about. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brouwerij de Hemel is a brand that cares about its customers. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brouwerij de Hemel clearly distinguishes itself from other beer brands. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Q17 Please rate the following statements regarding 'Brouwerij de Hemel':

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Brouwerij de Hemel reminds me of someone who is competent and knows what he/she is doing. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brouwerij de Hemel has the ability to deliver what it promises. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Q18 Please rate the following statements regarding 'Brouwerij de Hemel':

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Brouwerij de Hemel delivers what it promises. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Over time, my experiences with Brouwerij de Hemel have led me to expect it to keep its promises, no more and no less. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brouwerij de Hemel has a name you can trust. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brouwerij de Hemel does not pretend to be something it is not. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Q19 Please rate the following statements regarding 'Brouwerij de Hemel':

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Beer from Brouwerij de Hemel is transported over long distances. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beer from Brouwerij de Hemel is easily available in stores and restaurants. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Q20 Please rate the following statements regarding 'Brouwerij de Hemel':

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
Beer from Brouwerij de Hemel is cheap. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beer from Brouwerij de Hemel is good value for money. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Q21 Please rate the following statements regarding 'Brouwerij de Hemel':

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
In general, beer from Brouwerij de Hemel tastes sweet. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, beer from Brouwerij de Hemel tastes bitter. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, beer from Brouwerij de Hemel tastes sour. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In general, beer from Brouwerij de Hemel tastes full. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: BI Independent local beer brewery

Start of Block: PI independent local beer brewery

Q40 Please answer the following statements regarding your purchase intentions of beer from beer brewery 'Brouwerij de Hemel':

Q42 When I see beer from 'Brouwerij de Hemel' on the shelves in the supermarket or liquor store, in the next two months I will definitely try it.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q78 When I see beer from 'Brouwerij de Hemel' on the menu in a restaurant, in the next two months I will definitely try it.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q79 When I see beer from 'Brouwerij de Hemel' in a bar, in the next two months I will definitely try it.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q40 When I see beer from 'Brouwerij de Hemel' on the shelves in the supermarket or liquor store, it is very likely that I will buy it in the next two months.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q76 When I see beer from 'Brouwerij de Hemel' on the menu in a restaurant, it is very likely that I will buy it in the next two months.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q77 When I see beer from 'Brouwerij de Hemel' in a bar, it is very likely that I will buy it in the next two months.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page Break

Q80 When I see beer from 'Brouwerij de Hemel' on the shelves in the supermarket or liquor store, the next time I want beer I will purchase it.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q81 When I see beer from 'Brouwerij de Hemel' on the menu in a restaurant, the next time I want beer I will purchase it.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q82 When I see beer from 'Brouwerij de Hemel' in a bar, the next time I want beer I will purchase it.

	Strongly disagree (1)	Disagree (2)	Somewhat disagree (3)	Neither agree nor disagree (4)	Somewhat agree (5)	Agree (6)	Strongly agree (7)
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>




End of Block: PI independent local beer brewery

Start of Block: Market segmentation 1

Q72 Thank you for evaluating the statements regarding beer brewery 'Brouwerij de Hemel'. The following statements do not concern 'Brouwerij de Hemel'. Please evaluate the following statements based on the information that is provided together with the statement.

Page Break

Q51 Please indicate below in which situation you would prefer a beer from a global beer brewery (e.g. Grolsch, Carlsberg, Stella Artois) or a beer from a local beer brewery (e.g. Oersoep, Kompaan, VandeStreek).

	Global beer brewery	Local beer brewery			
	1	2	3	4	5
At home					
At a restaurant					
At a bar					

End of Block: Market segmentation 1

Start of Block: Sociodemographics 1

Q52 What is your gender?

☐ Male

☐ Female

Q53 What is your nationality?

☐ Dutch

☐ Other, namely: _____

Q54 What is the highest degree or level of education you have completed? (Or are currently enrolled in)

- ☐ No schooling completed (1)
 - ☐ Nursery school (2)
 - ☐ Primary school (3)
 - ☐ High school (4)
 - ☐ Trade/technical/vocational training (5)
 - ☐ Associate degree (6)
 - ☐ Bachelor's degree (7)
 - ☐ Master's degree (8)
 - ☐ Doctorate degree (9)
-

Q55 Did your income per month change over the last 3 years?

- ☐ Gone down a lot (1)
 - ☐ Gone down (2)
 - ☐ Remained the same (3)
 - ☐ Gone up (4)
 - ☐ Gone up a lot (5)
 - ☐ Prefer not to answer (6)
-

Q75 What is your household income per month before taxes?

- ☐ €0 - €2000 (1)
- ☐ €2000 - €4000 (2)
- ☐ €4000 - €6000 (3)
- ☐ €6000 - €8000 (4)
- ☐ €8000 + (5)
- ☐ Prefer not to answer (6)

End of Block: Sociodemographics 1

Start of Block: Prize 1

Q56 If you are interested in winning one of the five www.bol.com gift cards with a value of €10, please feel free to leave your email address below.

End of Block: Prize 1

Appendix D.1. End of survey group 1

Dear Participant,

Thank you for your participation in this survey. Your answers will be treated anonymously and confidentially.

Please note that this research was conducted purely for scientific purposes and that Brouwerij de Hemel is not linked to this research.

If you left your e-mail address, you will be contacted before the end of February if you have won one of the five www.bol.com gift cards with a value of €10.

If you have any questions or remarks, please feel free to contact: caroline.majoor@wur.nl.

Thank you again for helping me in fulfilling my master's degree!

Kind regards,

Caroline Majoor

Appendix D.2. End of survey group 2

Dear Participant,

Thank you for your participation in this survey. Your answers will be treated anonymously and confidentially.

Please note that this research was conducted purely for scientific purposes and that Brouwerij de Hemel and AB Inbev are not linked to this research. Next to that, the event of a merger and acquisition (M&A) between Brouwerij de Hemel and AB Inbev was created solely for the purpose of this research and does not reflect reality.

If you left your e-mail address, you will be contacted before the end of February if you have won one of the five www.bol.com gift cards with a value of €10.

If you have any questions or remarks, please feel free to contact: caroline.majoor@wur.nl.

Thank you again for helping me in fulfilling my master's degree!

Kind regards,

Caroline Majoor

Appendix D.3. End of survey group 3

Dear Participant,

Thank you for your participation in this survey. Your answers will be treated anonymously and confidentially.

Please note that this research was conducted purely for scientific purposes and that Brouwerij de Hemel and Heineken are not linked to this research. Next to that, the event of a merger and acquisition (M&A) between Brouwerij de Hemel and Heineken was created solely for the purpose of this research and does not reflect reality.

If you left your e-mail address, you will be contacted before the end of February if you have won one of the five www.bol.com gift cards with a value of €10.

If you have any questions or remarks, please feel free to contact: caroline.majoor@wur.nl.

Thank you again for helping me in fulfilling my master's degree!

Kind regards,

Caroline Majoor