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Cross-national invariance of the effect of personal collectivistic orientation on brand loyalty and equity: the United States versus South Korean consumers

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Abstract

Purpose – This study seeks to examine whether or not the effect of personal cultural orientation on brand-related consumer behaviors functions invariably at the individual level in two culturally opposite countries (South Korea and the USA).

Design/methodology/approach – Data were collected from college students from South Korea and the USA. A total of 415 eligible questionnaires were collected: 212 South Korea and 203 USA. Data analysis was conducted using Multivariate analysis of variance.

Findings – It was found that personal collectivistic orientation had a significant effect on both brand loyalty and equity among both Americans and Koreans. Brand loyalty was higher among people of high collectivism than those of low collectivism across brands in both the US and South Korean samples. Likewise, brand equity was also higher among people of high collectivism than those of low collectivism across brands in both countries. These findings indicated that regardless of their national culture, collectivist consumers would show higher brand loyalty and equity than individualist consumers.

Research limitations/implications – One limitation was that only one product category was examined in only two countries. Future research will need to validate the findings by including more product categories across more countries. In addition, other types of personal cultural orientation need to be investigated.

Originality/value – One major contribution of the study is that it examines the personal cultural orientation, not stereotyping consumers by their country or subculture membership. The other contribution is that the effect of personal collectivistic orientation holds regardless of country-level culture.

Keywords Collectivism, Brand loyalty, Brand equity, Culture, United States of America, South Korea

Paper type Research paper

Culture has been understood as one of major factors affecting global marketing decisions such as marketing program standardization vs localization. Standardization is successful only when market segments showing homogeneous cultural orientations are pursued across countries (Levitt, 1983; Samiee and Roth, 1992). A lot of studies have indicated the importance of cultural homogeneity in developing global marketing programs. However, by taking a country as a unit of analysis for culture, most studies

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seemed to ignore cultural diversity within a country (Schwartz and Bilsky, 1990). In fact, stereotyping a country as having only one culture is problematic unless a nation is entirely homogeneous in various socio-demographic aspects. When the subcultures of a country are heterogeneous, classifying the country into one specific type of culture or searching for the modal characteristic of the country (e.g. national culture) is meaningless due to lack of representativeness of such a description. For example, the USA is well known to have distinct subcultural groups based on ethnicity and race. In Canada, English- and French-speaking consumers show very different consumer behaviors from each other (Laroche *et al.*, 2003). China and India consist of diverse ethnic groups speaking different dialects and languages, whose speakers do not easily understand each other's language. Thus, treating a country as having one common culture does not correctly reflect the reality of the cultural diversity among the citizens of the nation. Furthermore, taking even a subculture as a unit of analysis ignores individual differences of the population. Individual members of a subculture show very different cultural orientations. Individual differences in cultural orientation are often found to be greater than nation-level or subculture-level differences. Thus, homogeneous consumers should be identified by their individual characteristics in terms of cultural orientations rather than their membership to a nation or subculture. For instance, it is possible, regardless of his or her country membership, for a consumer to be classified as an individualist (or collectivist) based on his or her cultural tendencies.

The purpose of this study is to examine whether the effect of personal cultural orientation on brand-related consumer behaviors functions invariably at the individual level in two culturally opposite countries (South Korea and the USA). Specifically, collectivism was investigated as a trait of representative personal cultural orientation, whereas brand loyalty and brand equity were investigated as representative brand-related consumer behaviors. Unlike most cultural studies that have examined culture at the country or subculture level, this study examines an individual's cultural orientation. As a result of this study, first, the importance of personal cultural orientation would be recognized in global performance of marketing and management activities. If personal cultural orientation is found to play a significant role in building a strong brand, it should be modeled as an important factor in studying globalization issues on marketing activities. Second, incorporating various types of personal cultural orientation in the theory would facilitate the effective and efficient global marketing strategy to build a brand in the international market. The knowledge of the cultural impact is useful from a managerial perspective. A culture-free thesis which looks for universality of theories across cultures is vulnerable to individual differences in cultural orientation because it tends to be developed based on the assumption that consumers share very common cultural values both within a nation and across nations.

In summary, this study examines the role of personal cultural orientation in consumer behaviors, noting that recent nations are too complex and subculturally heterogeneous, so their national characters or modal personalities cannot be described in a stereotypical manner. National character may not exist as Hofstede (2001) admitted. Thus, instead of individual nations as independent wholes of culture, this study adopts personal cultural orientation as a meaningful variable. With the increasing globalization of consumer markets, a deeper understanding of how consumers' cultural values influence their consumption behaviors is indeed inevitable for more success in the global markets.

Hypotheses development

Brand loyalty and equity have been accepted as two popular and credible metrics of marketing success in the market (Rust *et al.*, 2004). Building brand loyalty and equity is a worthy marketing objective because they warrant business success and revenues. Specifically, brand loyalty has been well known to take a key role in generating steady, long-term profits because loyal customers do not demand heavy promotional efforts for persuasion, and they happily pay premium prices for the benefits and quality of the brand that alternative brands cannot provide (Chaudhuri and Holbrook, 2001). Similarly, market share can be obtained through brand loyalty as the same loyal customers repeatedly purchase the brand, resisting competing brands' marketing programs and situational factors. Brand equity also allows a firm to charge price premiums while maintaining the market share (Aaker, 1991). Aaker (1991) asserts that brand equity generates cash flow to a firm because it enhances brand loyalty and the efficiency and effectiveness of marketing programs, reduces reliance on promotional spending, provides a platform for growth through brand extensions, and provides a competitive advantage that builds a real barrier to competing brands. For those reasons, both brand loyalty and equity contribute to brand profitability.

Aaker (1991) defines brand loyalty as "a measure of the attachment that a customer has to a brand" (p. 39). It has been well established that loyal consumers show more favorable response to marketing stimuli than non-loyal or switching segments of consumers (Grover and Srinivasan, 1992). In this research, brand loyalty refers to overall attitudinal commitment toward the brand as an attitudinal index of behavioral brand loyalty. This is in contrast to some previous research that has focused on the behavioral aspects of brand loyalty (Guadagni and Little, 1983; Gupta, 1988). In the current research, brand equity is defined as "the difference in consumer choice between the focal branded product and an unbranded product given the same level of product features" (Yoo *et al.*, 2000, p. 198). Such a consumer response difference between the focal brand and the unbranded product can be interpreted as the long-term marketing success uniquely accumulated and attributable to the brand name of the focal brand. Brand equity is the extra value embedded in its name, as perceived by the consumer, compared to an otherwise equivalent product with no name.

Individualism–collectivism are the most popularly researched dimension of culture in social sciences (Hofstede, 2001). Individualism "pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family," and collectivism, as its opposite, "pertains to societies in which people from birth onwards are integrated into strong, cohesive ingroups which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty" (Hofstede, 1991, p. 51). In individualist societies, people prefer to act as individuals rather than as members of groups. "I" exists by itself rather than as part of "we." In an individualist society, where self-concept and free will or freedom prevail, people develop a greater sense of autonomy and personal achievement as opposed to a sense of collectivism and importance of social and security needs (Hofstede, 2001).

Individualism is related to competition, independence, self-orientation, idiocentrism, freedom, self-confidence and fairness, whereas collectivism is related to co-operation, interdependence, others-orientation, allocentrism, harmony, conformity, friendship, forgiveness and social usefulness (Hui, 1984; Triandis *et al.*, 1988). Hui and Triandis (1986) conceptualized collectivism–individualism as sacrifice vs hedonism, extension of self to ingroup vs self as distinct entity from ingroup, and concern for ingroup versus

self-reliance and emotional distance from the ingroup. More meaningfully, Schwartz and Bilsky (1987) observed both in a German sample and an Israeli sample that motivational domains such as self-direction, enjoyment and achievement were consistently loaded on the individualism dimension. Other domains such as prosocial, security and restrictive conformity were loaded on the collectivism dimension. Triandis *et al.* (1993) summarized that collectivism is to give priority to the goals of collectives, while individualism is to give priority to the goals of individuals. Therefore, collectivists have less willingness to make unique personal decisions on their own; they feel locus of control is on the ingroup where they belong rather than on their side; and they pursue harmony in the ingroup rather than their own needs and wants.

Collectivism and brand loyalty

As reviewed above, collectivists show more interdependence and dependence when making a decision, whereas individualists show more independence. Collectivists will be more likely to mind others' opinions over their own and accommodate ingroup harmony. Furthermore, they do not make their final decision until hearing from others and are ready to compromise their opinions when they see discrepancy in opinions. Therefore, collectivists will be more vulnerable to the majority opinion and influential others, giving up their original, initial thoughts. In contrast, individualists will be less likely to yield their own decisions to, and accept, others'. Their goal is to maximize their own welfare. Among individualists, "I" (i.e. consumers) benefit because "you" (i.e. firms) suffer. It is obvious that firms such as manufacturers, service providers and retailers receive financial benefits whenever customers purchase their products. However, they are expected to do their best because individualist customers put their interest first and do not tolerate low quality, which sometimes require the firm's great sacrifices and efforts (Donthu and Yoo, 1998). In contrast, among collectivists, "we" (i.e. both consumers and firms as a community) are more emphasized than either "I" or "you." Accordingly, among individualists, severe market competition that may bring more welfare to individuals at the firm's costs is more tolerated than among collectivists.

Competition hurts harmony among members of the society as it divides winners from losers. But, individualists consider competition desirable, even when it leads to damaging other members of the society involved, believing that it would make the best product or service available to the whole society. As a result, individualists do not mind switching from one brand to another by pursuing the greatest satisfaction of their own, which results in low loyalty to any particular brand. In contrast, collectivists value harmony, friendship and co-operation. Therefore, for collectivists to give up their loyalty to a focal brand and to switch to other brands would not be easy as it could break the relationship with the product providers. Such arguments lead to the following hypothesis: collectivist consumers will show higher brand loyalty than individualist consumers will. To examine the invariance of this hypothesis across nations, we will test it in two countries known to show opposite cultures in the collectivism-individualism dimension of culture. Therefore, collectivist consumers will show higher brand loyalty than individualist consumers will in a collectivist society (*H1a*) as well as in an individualist society (*H1b*).

In summary, the hypotheses insist that an individualist consumer will show individualistic attitudes and behaviors, whereas a collectivist consumer will show collectivistic attitudes and behaviors. Furthermore, this argument will remain unchanged regardless of the type of society where the consumer resides. However, that

does not deny that the society influences an individual's development of cultural orientation. Because the society provides the context in which what values are more acceptable, her citizens show significantly different attitudes and behaviors, compared to citizens of other societies. Therefore, the effect of the society (country in this study) is expected to be significant. But the point is that, despite significant societal effect, the effect of an individual's cultural orientation would stand out. A related issue is the variable "society" (or country) does not represent only her culture but all sorts of non-cultural characteristics unique to her. Therefore, it could be dangerous to equal a society to culture.

Collectivism and brand equity

Donthu and Yoo (1998) found that, compared to collectivist customers, individualist consumers show higher expectations of service quality, as they, self-centered, pursue their own interests trying primarily to maximize their own satisfaction without their interests interrupted by other people. Individualists expect the service provider to respect and care about them, to show empathy and attention, and to give them confidence about the services they are receiving. In contrast, collectivist consumers are willing to tolerate poor services and do not want to break the harmonious relationship with the service provider because according to their worldview, the members of a society are mutually dependent and interdependent on each other. Collectivist consumers are flexible and adapt their service expectations to the situations. If possible, they are willing to lower their expectations not to upset the harmony. Therefore, although both individualist and collectivist consumers value good quality services, individualists put their own satisfaction above the good relationship with the firm, whereas collectivists put the good relationship with the firm above their own satisfaction. Accordingly, when they cannot get the service quality they wanted to, individualists are likely to break the good relationship with the firm. In contrast, collectivists are likely to lower their expectations to keep the good relationship with the firm.

Brand equity is defined as the incremental value of a product due to its brand name in comparison to other functionally equivalent brands (Yoo *et al.*, 2000). Under the assumption that the two brands compared are identical except for the brand name, collectivists will appreciate the focal brand more than individualists will. The reason is that, as evidenced in services sectors (Donthu and Yoo, 1998), collectivists will show lower expectations for the focal brand in order to keep harmony with, and be more compassionate with, the product manufacturer. That way, the focal product will earn higher brand equity among collectivists than from individualists. This hypothesis is expected to hold in two culturally opposite countries: collectivist consumers will show higher brand equity than individualist consumers will in a collectivist society (*H2a*) as well as in an individualist society (*H2b*).

Methodology

A sample of countries

South Korea and the USA were selected as they are known to be distinctively different countries in collectivism-individualism. According to Hofstede (2001), Korea rates very low on the individualism index (18 points or the 43rd in rank out of 53 countries), whereas the USA rates very high (91 points or the first in rank). Thus, these two countries fairly encompass the two extremes of the collectivism-individualism continuum of the countries of the world.

Stimuli and instrument

In this study, athletic shoes were selected for three reasons. First, the variance of the overall product values of packaged goods is explicitly attributable to the brand name variance (Simon and Sullivan, 1993). Athletic shoes, the technology of which is quite standardized among leading brands, are an adequate product category for brand research. Second, the type of consumers of this study is very familiar with the product category. Their high knowledge and experience would produce reliable and valid responses to the questionnaire. Third, several brands of the product category are available and well known in both South Korea and the USA. Specifically, four specific brands were selected among them for the study: Adidas, Nike, Puma and Reebok. It must be noted that although the selected brands were available in both countries, their market strengths were quite different, meaning that the between-country differences of brand loyalty and equity for each brand do not result from only culture represented by each country but also from brand strengths within the country. Therefore, it would be a correct interpretation that each country represents nation-level culture as well as market.

The questionnaire was developed first in English language for American consumers, and then it was translated into the Korean language for a Korean version of the questionnaire. Then, the Korean questionnaire was back translated for a check of translation equivalence (Triandis *et al.*, 1972) and self-administered to college students in the USA and Korea. Participation was voluntary and each participant was asked to reply to the questionnaire of one brand only, which was randomly assigned. Participants were not allowed at all to choose any other version of the questionnaire to avoid self selection bias. They did not know the existence of other questionnaires.

Participants

College students were selected for the study for three reasons. First, the sample should satisfy relevant segment criteria; for example, housewives for washing machines and rich people for luxury cars (Farley and Lehmann, 1994). College students are highly relevant to athletic shoes. They are a primary target segment for the product category, making their responses valid. Second, students are well-matched samples to each other. The sample comparability is required for a cross-cultural study to avoid a confounding effect, in which the cross-cultural study results are interrupted by something else other than cultural differences (Douglas and Craig, 1983; Levitt, 1983). Third, when theory validation, not cross-country description, is the primary purpose of the research, well-matched samples are more desirable than representative samples because they allow more exact theoretical predictions and reduce false statistical conclusion validity (Calder *et al.*, 1981).

Table I reports the characteristics of participants from the two countries. After excluding a few invalid responses, the eligible sample size was 415 (212 Koreans and 203 Americans). The samples showed differences in demographics. They were significantly different ($p < 0.0001$) in gender, age, household size and work status. The American sample had more female, older and full-time students. And their family size was smaller. But, such differences appeared to be a natural reflection of the true college student populations of the USA and South Korea.

Even though the samples were different in demographics, they, as major consumers of athletic shoes, showed a tremendous amount of experiences with athletic shoes. As reported in Table I, 98 per cent of Americans and 92 per cent of Koreans

	Americans (n = 203) ^c	Koreans (n = 212)	Comparison between Americans and Koreans
<i>Gender</i>			$\chi^2 = 36.2^*$
Male	47% ^a	76%	
Female	53%	24%	
Age: mean (SD)	24.1 (5.6)	22.0 (2.4)	t-value = 4.8*
Size of household: mean (SD)	3.2 (1.5)	4.3 (1.3)	t-value = -8.3*
<i>Work status</i>			$\chi^2 = 161.5^*$
Full-time	38%	2%	
Part-time	43%	19%	
Not working	19%	79%	
<i>Purchase and ownership of athletic shoes</i>			
Have bought athletic shoes	98%	92%	$\chi^2 = 6.2^{**}$
Currently own athletic shoes	95%	91%	$\chi^2 = 1.8$ (n.s.) ^c
<i>Brand-level purchase experiences of athletic shoes</i>			
Have bought Puma	33%	26%	$\chi^2 = 0.6$ (n.s.)
Have bought Reebok	83%	38%	$\chi^2 = 22.7^*$
Have bought Adidas	57% ^b	62%	$\chi^2 = 0.2$ (n.s.)
Have bought Nike	96%	66%	$\chi^2 = 14.1^{***}$

Notes: ^aPercent within culture; ^bpercent of the participants who were asked to evaluate for the brand; ^cnot significant at 0.10 level; * $p < 0.0001$, ** $p < 0.01$ and *** $p < 0.001$

Table I.
Sample characteristics

personally bought athletic shoes, whereas 95 per cent of Americans and 91 per cent of Koreans owned them. Purchase experiences were higher among Americans, but the ownership showed no difference. Americans and Koreans showed similar purchase experiences for Adidas and Puma, both German brands. But Americans showed more purchase experiences for Nike and Reebok, both American brands, than Koreans did.

Four versions of the questionnaire were developed, one for each of the four brands. Participants were requested to evaluate only one version, which was randomly assigned. As shown in Table II, the number of American participants in the study of each brand was 51 for Adidas, 49 for Nike, 50 for Puma and 53 for Reebok, whereas that of Koreans was 47 for Adidas, 54 for Nike, 54 for Puma and 57 for Reebok. There was no significant difference in the sample size per brand between the two countries ($\chi^2 = 0.56$).

Measures

The measures were adopted from Yoo and Donthu. Personal collectivism-individualism (Yoo and Donthu, 2005) was measured by six items:

- (1) Individuals should sacrifice self-interest for the group that they belong to.
- (2) Individuals should stick with the group even through difficulties.
- (3) Group welfare is more important than individual rewards.
- (4) Group success is more important than individual success.
- (5) Individuals should pursue their goals after considering the welfare of the group.
- (6) Group loyalty should be encouraged even if individual goals suffer.

Table II.
Sample size and
measure reliability

Measures	Sample size (<i>n</i>)		Reliability	
	Americans	Koreans	Americans	Koreans
<i>Personal collectivistic orientation</i>				
Puma	50	54	0.84	0.80
Reebok	53	57	0.84	0.79
Adidas	51	47	0.68	0.80
Nike	49	54	0.85	0.77
All brands	203	212	0.81	0.79
<i>Brand loyalty</i>				
Puma	50	54	0.93	0.94
Reebok	53	57	0.83	0.91
Adidas	51	47	0.85	0.86
Nike	49	54	0.70	0.90
All brands	203	212	0.85	0.90
<i>Brand equity</i>				
Puma	50	54	0.87	0.90
Reebok	53	57	0.94	0.90
Adidas	51	47	0.77	0.91
Nike	49	54	0.88	0.92
All brands	203	212	0.90	0.91

A higher score means collectivistic tendencies, whereas a lower score means individualistic tendencies. Brand loyalty (Yoo and Donthu, 2001) was measured in three items:

- (1) I consider myself to be loyal to X.
- (2) X would be my first choice.
- (3) I will not buy other brands if X is available at the store.

In the items, X refers to the focal brand assigned to the participant. Brand equity (Yoo and Donthu, 2001) was measured in four items:

- (1) It makes sense to buy X instead of any other brand, even if they are the same.
- (2) Even if another brand has the same features as X, I would prefer to buy X.
- (3) Even if there is another brand as good as X, I prefer to buy X.
- (4) Even if another brand is not different from X in any way, it seems smarter to purchase X.

All items were measured with a five-point scale of 1=strongly disagree and 5=strongly agree. The reliability of all the measures hired in this study was greatly satisfactory in the studies where the measures were originally created.

The mean scores of brand loyalty and brand equity were significantly different brand to brand in each country, but personal collectivism was not. Across four brands, collectivism consistently remained similar, showing no difference ($F=0.86$ for the US sample and $F=0.72$ for the Korean sample). This showed that cultural orientation was free from the brand evaluated in the questionnaire and that the sample assigned to each version of the survey was equivalent in terms of cultural orientation.

All the measures showed satisfactory reliability as reported in Table II. Reliability coefficients for the overall US sample were 0.81 for collectivism, 0.85 for brand loyalty and 0.90 for brand equity; for the overall Korean sample, reliability coefficients were 0.79 for collectivism, 0.90 for brand loyalty and 0.91 for brand equity. When reliability was computed at the brand level, all reliability coefficients exceeded 0.70 except one.

Data analysis and results

This research utilized a 2 (country: the USA and South Korea) \times 4 (brand: Adidas, Nike, Puma and Reebok) \times 2 (personal collectivistic orientation: high and low) between group factorial design. The country variable would show whether there could be country differences, making it possible to examine the pure effect of personal collectivistic orientation not confounded by the effect of country. The groups of high collectivism (high CO) and low collectivism (low CO) were formed on the basis of median split. The sample size for American high and low CO was 85 and 118 participants, respectively, and that for Koreans was 92 and 120. The two groups of comparison could not have the exact same sample sizes because some participants crowded around the median score of collectivism. Although the discrete dichotomy of the median split loses some information, there are three major advantages of using the dichotomy rather than the raw scores in this research. First, it makes it easier for readers to understand the effect of collectivism. Second, if the nominal dichotomy variable shows a significant result, the raw scores do more so. Third, the dichotomous grouping is consistent in format with two other independent variables.

Table III provides descriptive statistics of the two dependent variables (brand loyalty and brand equity) for 16 groups (two countries \times four brands \times two levels of personal collectivistic orientation). In addition, the table shows that the sample of 415 observations was split across the 16 groups in a very balanced manner.

Multivariate analysis of variance (MANOVA) was conducted to test the effect of three independent variables on two dependent variables (brand loyalty and brand equity). For the factorial design, the multivariate test (Box's M) for the assumption of homoscedasticity was insignificant ($p > 0.05$), failing to reject the null hypothesis of homogeneity of variance-covariance matrices. In the Levene's univariate test for each dependent variable, brand loyalty showed an insignificant result ($p > 0.20$), confirming homoscedasticity, but as for brand equity, the significance level was 0.05, indicating the possible heteroscedasticity. However, given the relatively large sample size, it could be concluded that the assumption of homoscedasticity was well met.

Table IV exhibits the multivariate test results by MANOVA for both main and interaction effects of the three independent variables on the two dependent variables. First, only one interaction term (brand \times country) was significant, but not others. This appears very reasonable because a brand's market power is different country-by-country. In particular, it must be highlighted that no interaction term between country and personal collectivistic orientation involved was significant, supporting the research hypothesis that the effect of personal collectivistic orientation does not change between countries. Figure 1 visually shows insignificant interaction effect of personal collectivistic orientation as represented by parallel lines, indicating that brand loyalty was higher among people of high collectivism than those of low collectivism across brands in both the US and Korean samples. Likewise, Figure 2 also shows that brand

Country	Brand	Independent variables		Dependent variables				n	
		Personal collectivistic orientation		Brand loyalty Mean	SD	Brand equity Mean	SD		
USA	Adidas	High		2.14	0.94	2.62	0.57	23	
		Low		1.89	0.65	2.41	0.66	28	
	Nike	High		3.20	0.81	3.49	0.69	20	
		Low		2.89	0.79	3.12	0.82	29	
	Puma	High		2.12	0.87	2.49	0.82	19	
		Low		1.73	0.72	2.23	0.52	31	
	Reebok	High		2.39	0.95	2.50	1.02	23	
		Low		2.46	0.77	2.49	0.67	30	
	Korea	Adidas	High		1.93	0.70	2.51	0.86	23
			Low		1.82	0.57	2.07	0.67	24
Nike		High		2.25	0.96	2.64	0.73	23	
		Low		1.91	0.66	2.26	0.77	31	
Puma		High		1.98	0.64	2.20	0.53	22	
		Low		1.52	0.54	1.91	0.50	32	
Reebok		High		2.07	0.73	2.41	0.66	24	
		Low		1.71	0.72	2.25	0.69	33	
USA		Adidas	-		2.01	0.79	2.50	0.62	51
		Nike	-		3.01	0.80	3.27	0.78	49
	Puma	-		1.88	0.79	2.33	0.66	50	
	Reebok	-		2.43	0.84	2.50	0.83	53	
Korea	Adidas	-		1.87	0.64	2.29	0.79	47	
	Nike	-		2.06	0.81	2.42	0.77	54	
	Puma	-		1.71	0.62	2.03	0.53	54	
	Reebok	-		1.86	0.74	2.32	0.68	57	
USA	-	High		2.45	0.98	2.76	0.88	85	
	-	Low		2.24	0.86	2.56	0.74	118	
Korea	-	High		2.06	0.76	2.44	0.71	92	
	-	Low		1.73	0.64	2.13	0.67	120	
-	Adidas	High		2.04	0.83	2.57	0.72	46	
		Low		1.86	0.61	2.25	0.68	52	
-	Nike	High		2.69	1.01	3.03	0.82	43	
		Low		2.38	0.87	2.68	0.90	60	
-	Puma	High		2.05	0.75	2.34	0.69	41	
		Low		1.62	0.64	2.07	0.53	63	
-	Reebok	High		2.23	0.85	2.45	0.85	47	
		Low		2.06	0.83	2.37	0.68	63	
U.S.	-	-		2.33	0.92	2.64	0.81	203	
Korea	-	-		1.87	0.71	2.26	0.71	212	
-	Adidas	-		1.94	0.72	2.40	0.71	98	
-	Nike	-		2.51	0.94	2.83	0.88	103	
-	Puma	-		1.79	0.71	2.17	0.61	104	
-	Reebok	-		2.13	0.84	2.40	0.76	110	
-	-	High		2.25	0.90	2.60	0.81	177	
-	-	Low		1.98	0.80	2.34	0.74	238	

Table III.
Descriptive statistics of brand loyalty and brand equity for groups of country by brand by collectivism

equity was also higher among people of high collectivism than those of low collectivism across brands in both samples.

Second, as personal collectivistic orientation had no interaction effect when combined with any other variable, the main effect of it was valid and could be

Effect	Statistical tests	Value	F	Hypothesis df	error df	p-value	η^2	Personal collectivistic orientation
Brand	Pillai's Trace	0.148	10.636	6	798	0.000	0.074	51
	Wilks' Lambda	0.853	10.948	6	796	0.000	0.076	
	Hotelling's Trace	0.170	11.260	6	794	0.000	0.078	
	Roy's Largest Root	0.160	21.228	3	399	0.000	0.138	
Collectivism ^a	Pillai's Trace	0.041	8.591	2	398	0.000	0.041	
	Wilks' Lambda	0.959	8.591	2	398	0.000	0.041	
	Hotelling's Trace	0.043	8.591	2	398	0.000	0.041	
	Roy's Largest Root	0.043	8.591	2	398	0.000	0.041	
Country	Pillai's Trace	0.097	21.388	2	398	0.000	0.097	
	Wilks' Lambda	0.903	21.388	2	398	0.000	0.097	
	Hotelling's Trace	0.107	21.388	2	398	0.000	0.097	
	Roy's Largest Root	0.107	21.388	2	398	0.000	0.097	
Brand X collectivism	Pillai's Trace	0.013	0.861	6	798	0.523	0.006	
	Wilks' Lambda	0.987	0.859	6	796	0.525	0.006	
	Hotelling's Trace	0.013	0.857	6	794	0.526	0.006	
	Roy's Largest Root	0.007	0.972	3	399	0.406	0.007	
Brand X country	Pillai's Trace	0.068	4.659	6	798	0.000	0.034	
	Wilks' Lambda	0.933	4.662	6	796	0.000	0.034	
	Hotelling's Trace	0.071	4.665	6	794	0.000	0.034	
	Roy's Largest Root	0.050	6.710	3	399	0.000	0.048	
Collectivism X country	Pillai's Trace	0.002	0.326	2	398	0.722	0.002	
	Wilks' Lambda	0.998	0.326	2	398	0.722	0.002	
	Hotelling's Trace	0.002	0.326	2	398	0.722	0.002	
	Roy's Largest Root	0.002	0.326	2	398	0.722	0.002	
Brand X collectivism X country	Pillai's Trace	0.009	0.611	6	798	0.721	0.005	
	Wilks' Lambda	0.991	0.611	6	796	0.722	0.005	
	Hotelling's Trace	0.009	0.610	6	794	0.722	0.005	
	Roy's Largest Root	0.008	1.120	3	399	0.341	0.008	

Note: ^aPersonal collectivistic orientation

Table IV.
MANOVA tests for
group differences in
brand loyalty and brand
equity

interpreted directly without adjustment. It was significant at the 0.0001 level, strongly supporting the research hypothesis of this study. Accordingly, univariate tests (ANOVA) were conducted to examine the impact of personal collectivistic orientation on brand loyalty and equity between countries. Their independent variables were personal collectivistic orientation, brand, country and their full interaction terms, which were included for the purpose of getting the pure main effect of personal collectivistic orientation and detecting any existence of interaction effect. As shown in Table V, it turned out that there was no interaction effect between brands and personal collectivistic orientation. However, as hypothesized, personal collectivistic orientation had a significant main effect on both brand loyalty and equity among both Americans and Koreans without interaction. Specifically, personal collectivistic orientation was a determinant of brand loyalty ($F=13.01$, $p < 0.0001$) and brand equity ($F=14.17$, $p < 0.0001$). Therefore, personal collectivistic orientation had a significant effect on brand loyalty and equity, both as a set and separately. The effect sizes of personal collectivistic orientation for brand loyalty and equity were 0.247 and 0.216, respectively, as shown by η^2 .

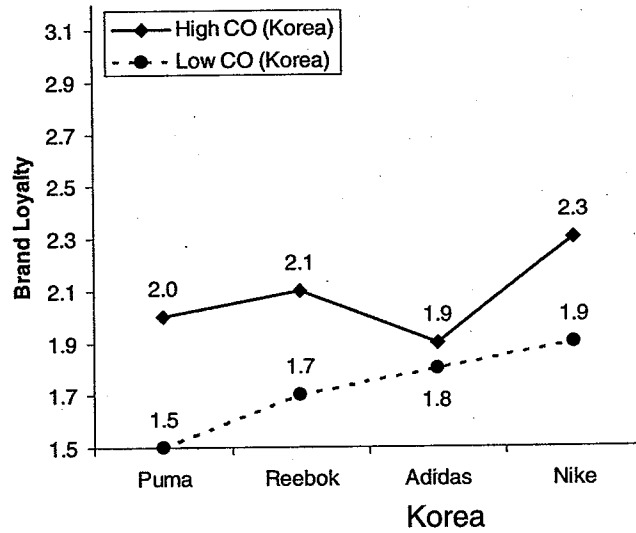
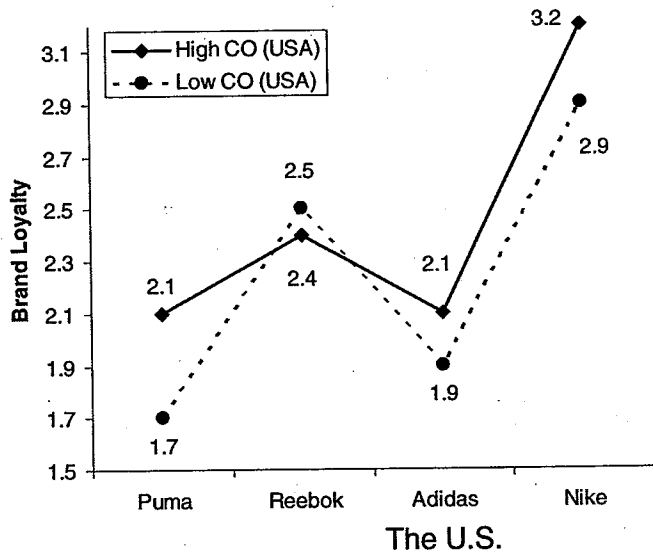


Figure 1.
Graphical presentations
of no interaction effect of
personal collectivistic
orientation on brand
loyalty

In addition, ANOVA analysis conducted separately for each of the USA and Korea, personal collectivistic orientation was a determinant of brand loyalty ($F = 11.15$, $p < 0.001$) and brand equity ($F = 11.27$, $p < 0.001$) among Koreans. Therefore, *H1a* and *H2a* were supported. Personal collectivistic orientation was also a significant determinant of brand loyalty ($F = 3.21$, $p < 0.10$) and brand equity ($F = 4.09$, $p < 0.05$) among Americans. Therefore, *H1b* and *H2b* were also supported. It is interesting to observe that the brands showed a highly significant effect on brand loyalty and equity in the US sample, but no significant effect in the Korean sample, whereas the effect of personal collectivistic orientation was significant in both samples although it was

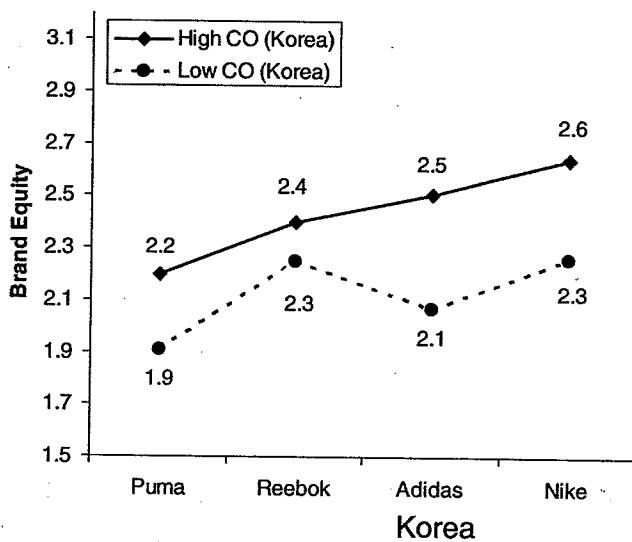
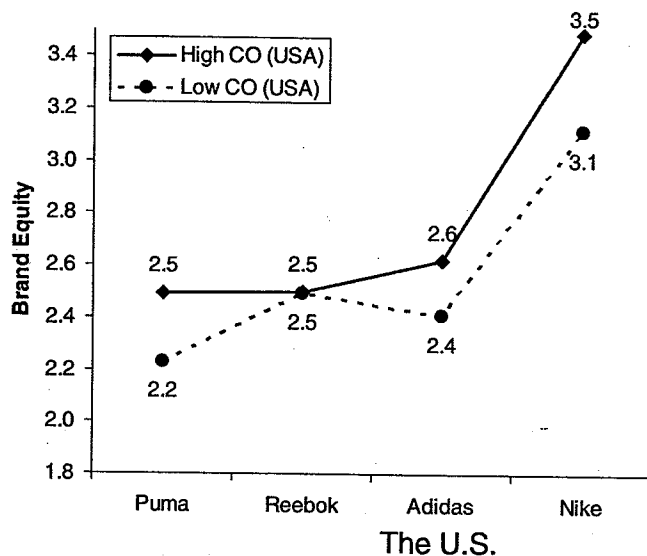


Figure 2.
Graphical presentations
of no interaction effect of
personal collectivistic
orientation on brand
equity

weak in the US sample. This difference between two countries strongly implies that consumers in a country of individualist culture rely on brand excellence rather than other people's opinions for their brand judgment and behaviors. In contrast, consumers in a country of collectivist culture show tendencies to conform to other people's opinions, not caring much about the brand quality. It could be concluded that, influenced by their societal culture, consumers in an individualist culture would show individualistic behaviors, whereas those in a collectivist culture would show collectivistic behaviors. However, it is noteworthy that in both countries of opposite cultures the effect of personal cultural orientation was more apparent, affecting brand loyalty and equity significantly.

Source	Dependent variable	Sum of squares	Df	Mean square	F	p-value	η^2
Overall	Brand loyalty	73.568	15	4.905	8.705	0.000	0.247
	Brand equity	54.495	15	3.633	7.323	0.000	0.216
Brand	Brand loyalty	30.273	3	10.091	17.911	0.000	0.119
	Brand equity	24.119	3	8.040	16.206	0.000	0.109
Collectivism ^a	Brand loyalty	7.357	1	7.357	13.058	0.000	0.032
	Brand equity	7.030	1	7.030	14.170	0.000	0.034
Country	Brand loyalty	20.801	1	20.801	36.920	0.000	0.085
	Brand equity	15.142	1	15.142	30.522	0.000	0.071
Brand X collectivism	Brand loyalty	1.278	3	0.426	0.756	0.519	0.006
	Brand equity	1.283	3	0.428	0.862	0.461	0.006
Brand X country	Brand loyalty	10.883	3	3.628	6.439	0.000	0.046
	Brand equity	7.566	3	2.522	5.084	0.002	0.037
Collectivism X country	Brand loyalty	0.219	1	0.219	0.388	0.534	0.001
	Brand equity	0.303	1	0.303	0.611	0.435	0.002
Brand X collectivism X country	Brand loyalty	1.127	3	0.376	0.666	0.573	0.005
	Brand equity	0.177	3	0.059	0.119	0.949	0.001

Table V.
ANOVA tests for group differences in brand loyalty and brand equity

Note: ^aPersonal collectivistic orientation

Conclusion

Unlike most previous research, this study examined the role of personal cultural orientation rather than culture at the country or subculture level. Specifically, collectivism-individualism was defined as a cultural trait of individuals. Thus, it was hypothesized that the effect of collectivistic values would hold at the individual level regardless of country-level culture. To see this proposition be true, the USA and Korea that show a very opposite culture to each other were selected. The analysis proved that in both countries personal collectivistic orientation had significant effect on brand loyalty and equity. Regardless of their national culture, collectivist consumers showed higher brand loyalty and equity across four brands of athletic shoes than individualist consumers. It is true that a nation is the sum of her individual citizens and her culture is the sum (average) of individual citizens' cultural orientation. However, simply because the national-level culture is merely the average of individuals' cultural values, it cannot represent every individual's cultural orientation. Therefore, personal cultural orientation should be a very important basis of cross-cultural market segmentation. This study empirically finds that the effect of personal cultural orientation holds in two countries whose national-level culture was greatly opposite to each other.

Managerial implications

With the increasing globalization of consumer markets, managers need to understand deeply how consumers' cultural values influence their consumption behaviors. Managers will be able to relate directly with the findings of this study and use them for their brand management strategies in the domestic and international market. The results of the analysis of the cultural impact suggest that managing global brands requires consideration of cultural differences, not necessarily only at the national level, but also at the individual level. To ensure success in brand management in the global

market, understanding the role of personal cultural orientations is essential. Cultural differences influence how the brand loyalty and equity of a product is built.

Culture may be evaluated and identified at the whole country level (e.g. Korea, the USA and Germany), at the subculture level (e.g. business people, blue-collar workers, Hispanic Americans and Asian Americans), and at the individual level. But, the results of this study suggest that in culturally opposite markets it will be more marketing effective and efficient to target collectivists that show more favorable brand loyalty and equity than individualists.

The findings suggest the same efforts of marketing produce different results in brand loyalty and equity depending on a consumer's cultural orientation. Therefore, when developing global marketing programs, managers should consider the effect of personal cultural orientation that affects brand loyalty and equity. This effect provides some answers for a question such as which marketing strategy, standardization or adaptation, would be appropriate to establish global brand strength. Global standardization (i.e. executing the same standardized program in any country of the world) should be the choice for global brand creation for those individuals whose cultural orientation produces more positive attitudes and behaviors towards the brand. Globalization is a critical factor for the survival and success of today's businesses as the international market becomes an important source of sales and the domestic and foreign competitors compete in the domestic market. To achieve global marketing excellence, a firm needs to understand with how much invariance personal cultural orientation operates as a determinant of consumer attitudes and behaviors towards a brand.

A major goal of this study was to investigate the invariance of the effect of personal cultural orientation on brand loyalty and equity in culturally opposite countries. The essential finding of the study is that brand loyalty and equity are affected by personal cultural orientation. Thus, an efficient way to develop a brand strategy is to group or segment the individuals based on the characteristics of cultural orientation and to invest marketing efforts into the most favorable cultural segments to maximize marketing efficiency and effectiveness.

The findings of the study suggest that culture type affects brand loyalty and equity. Brand loyalty and equity are expected to be higher under high personal collectivistic orientation (i.e. low individualistic orientation). When a subculture, a country or a group of consumers is characterized by a specific culture type, culture matters and marketing managers need to adjust their expectation on the brand performance in the market. When going to a market of favorable culture toward brand loyalty and equity, marketing managers can expect better performance in the market for the same amount of marketing efforts.

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