

Foreign Brand Admiration Among Young Consumers in Indonesia

Sulhaini, Junaidi Sagir, Sulaimiah

Department of Management, the University of Mataram. Jl. Majapahit No.62, Gomong, Kec. Selaparang, Kota Mataram, Nusa Tenggara Bar. 83115

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ABSTRACT

This study extends the theoretical understanding of the positive and negative emotions of consumers towards foreign vs local brands by providing conceptualisation and measurement of foreign brand admiration and passive brand hate towards local brands. The study incorporates hedonic value dominance and home country image, which is the image of a consumer's own country. The results show that young consumers in a developing country are both passive brand haters towards local brands and foreign brand admirers. When they possess an inferior image of their home country, they show admiration towards foreign brands. The positive emotion is however mainly influenced by hedonic value dominance, which also have a great contribution to passive brand hate toward local brands. As they have strong negative emotion, they tend to admire foreign brands that offer more hedonic values. In comparison to the negative emotion, the positive emotion indeed has a much stronger contribution toward willingness to pay more for foreign brands. The paper provides useful managerial implications for foreign brand and local brand owners to compete in the country's market place.

SARI PATI

Studi ini memperluas pemahaman teoritis tentang emosi positif dan negatif konsumen terhadap merek asing vs lokal dengan memberikan konseptualisasi dan pengukuran kekaguman merek asing dan kebencian merek pasif terhadap merek lokal. Studi ini menggabungkan dominasi nilai hedonis dan citra negara asal, yang merupakan citra negara konsumen sendiri. Hasil penelitian menunjukkan bahwa konsumen muda di negara berkembang keduanya pembenci merek pasif terhadap merek lokal dan pengagum merek asing. Ketika mereka memiliki citra yang lebih rendah dari negara asal mereka, mereka menunjukkan kekaguman terhadap merek asing. Namun emosi positif terutama dipengaruhi oleh dominasi nilai hedonis, yang juga memiliki kontribusi besar terhadap kebencian merek pasif terhadap merek lokal. Karena mereka memiliki emosi negatif yang kuat, mereka cenderung mengagumi merek asing yang menawarkan

Corresponding author:
sulhaini@unram.ac.id

nilai lebih hedonis. Dibandingkan dengan emosi negatif, emosi positif memang memiliki kontribusi yang jauh lebih kuat terhadap kesediaan membayar lebih untuk merek asing. Makalah ini memberikan implikasi manajerial yang berguna bagi pemilik merek asing dan lokal untuk bersaing di pasar negara itu.

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INTRODUCTION

The globalization of the world market has meant that local manufacturers face higher competition in developing countries. They must compete against global brands from more developed and favourable countries, where companies have a competitive advantage in relying on their positive country image. A strong- positive reputation of a source country acts as a halo generating a favourable image and strong admiration for brands from that country. This is particularly true for young consumers. In comparison to other segments, young consumers in developing countries are viewed as a more ideal target segment for foreign brands as they have a greater admiration for foreign brands (Pham & Richards; 2015). Young consumers are trendsetter and the main consumer group of foreign brands as they are increasingly familiar and show growing acceptance to foreign brands (Frank, 2016) with strong desire for self-expression (Pham & Richards (2015) to differentiate themselves from other consumers groups (Noh, Runyan & Mosier., 2014). They also tend to be more hedonic value seekers than other consumer groups, as they often perform hedonic consumption. This is due to their characteristic which seeks more fun, pleasure and happiness in life (Nejati & Moghaddam, 2012). Therefore, it is reasonable to take young consumers as the subject of the study.

In country of origin literature, it has been known that brands from a particular country may face rejections/avoidance due to consumer animosity and ethnocentrism. However, these may be stronger in developed countries than in developing countries,

where young consumers tend to show favourable behaviour toward foreign brands. Young consumers develop and influence their relationship with particular foreign/local brands. Consumer-brand relations can be positive or negative depending on consumers' emotions towards the brands and their country origin. Nevertheless, previous studies have tended to investigate positive emotions towards a brand – for example, brand love, brand loyalty, brand devotion, brand attachment, etc. – while negative emotion tends to be neglected, despite having been recognized in the literature (Zarantonello, Romani, Grappi & Bagozzi, 2016). This study will therefore include negative emotion towards brands, i.e., passive brand hate. Furthermore, country-of-origin research has traditionally focused on the image of foreign countries as the source of products or brands, but the image of the home country (especially a developing one) remains limited (Sulhaini, 2016). It is therefore crucial to investigate the links between home country image, brand admiration, hedonic value dominance and passive brand hate toward local brands.

This paper provides interesting contributions. First, the study aims to extend the theoretical understanding of the positive and negative emotions of consumers towards foreign vs local brands by incorporating hedonic value dominance and home country image, which is the image of the consumer's own country and not the source of imported products/brands. On this topic, the current study extends the concept of home country image by integrating the country's position in regional/ international development in terms of politics,

economics and technology. Second, the study provides conceptualization and measurement of foreign brand admiration and passive brand hate towards local brands. Third, the study provides evidence of the antecedents and the outcomes of these consumer attitudes.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Home country image

From a brand origin perspective, country-of-origin image has been defined as consumers' perception of the country where the brand originates (Yasin, Noor & Mohamad, 2007). Country image reflects how consumers perceive the economic development of a particular country where the global political status and human capital status of that country influence their perception (Herstein, Roger & Jaffe, 2014). A country with strong positions regarding those dimensions will be perceived as powerful and generate advantages for the brands originating from it. Therefore, brands from western-developed countries will enjoy more advantages over brands from developing countries. Western brands are more admired in international markets.

Previous studies primarily focused on the image of the foreign countries from which global brands come and how that image underlines consumers' behaviour. Explanation regarding the role of home country image on domestic consumers emotion is still limited. Nonetheless, based on the work of Laroche, Papadopoulos, Heslop & Mehdi (2005), Sulhaini (2006) defined home country image as domestic consumers' perception towards their own country from the cognitive and affective dimensions. That image influences consumers' perceptions of domestic products/brands, which in turn are associated with their emotional attachment to their own country, their national pride, and what they think of their country's power/influence in terms of global/regional development. An analysis of home country image integrating the country's global/regional position allows us to understand in greater detail consumers' perceptions of their

own country. That position refers to a nation's level of influence on the development of politics/democracy and on both global and regional economics. Therefore, home country image here is defined as how domestic consumers perceive the competencies of their own country in term of its innovation, technology, workmanship, economic and political power, and international reputation.

A country's name is viewed as a brand in the international market (Bruwer & Buller, 2012). A country's strong reputation stimulates that country's positioning and competitiveness in the international market. A brand is a sign of quality and of the level of customer value, risk and trust. A country's name can therefore be an important sign of the quality of the products or brands originating from that country. Knowing the country of origin of a brand can be the most simple way of evaluating the brand's value and performance. Therefore, the image of the source country plays a great role on consumers evaluation. The image of the source country in consumers' minds will determine how they perceive the brands. That image reflects what consumers think and how they feel about the source country. Yasin et al. (2007) found that the image of the country of origin of a brand influences brand perception and consumer attitude towards the brand. Favourable information regarding the source country generates a favourable image of the brand and strong preferences towards that brand.

The credibility of the source country generates a favourable brand image (Thanasuta, Patoomsumawan, Chaimahawong & Chiaravutthi, 2009), meaning that if the source country has a strong, positive reputation, brands from that country will enjoy a favourable image and strong admiration among consumers in developing countries. They tend to be excited by brands from developed countries, which they view as being of higher quality. Previous studies have found a number of reasons why consumers in developing countries admire foreign brands. Foreign brands are viewed as being of better quality than local ones (Herstein et

al., 2014), as using more advanced technology and being more fashionable and better designed (Zhou, Yang & Hui, 2010). Foreign brands are associated with strong functional value, enhanced symbolic benefits and a source of identity (Kaufmann, Laureiro, & Manarioti, 2016). Kinra (2006) found that Indian consumers tend to perceive foreign brands as being more reliable and safer than local brands, which are viewed as having low status and esteem. They also perceive foreign brands as providing the benefits of uniqueness, emotional value, and higher quality (Kumar, Lee, & Kim, 2009), as being luxurious, exclusive, and innovative, and having a better appearance and an upper-class image (Jin, Chansarkar, & Kondap, 2006). The glamorous appearance of foreign brands makes them more admired than local brands (Zhou et al., 2010). This inferiority complex of local consumers in developing countries creates a greater desire to imitate the lifestyle of consumers in developed countries, which includes having and admiring foreign brands. As in India, foreign brands in Thailand, particularly European brands in the automotive industry, are admired for the luxurious lifestyle they represent (Thanasuta et al., 2009). Therefore, the hypotheses below is proposed:

H1. The more favourable the home country image, the weaker the admiration towards foreign brands.

Hedonic value dominance

Hedonic behaviour has been studied mainly in association with shopping experiences both off- and online. Thus, dimensions of this construct are more relevant to consumer shopping behaviour. Nonetheless, the literature shows that hedonic values reflect the emotional or psychological worth of brand purchases; these include joy, fun, playfulness, excitement and escaping everyday activities (Carpenter & Moore, 2009) and are generated by multisensory experiences and fantasy. Thompson (2011) defined hedonic values as a lifestyle choice that promotes consumer gratification, pleasure and social prestige through

the acquisition of products/brands that require an above-average income. For the purposes of the study, hedonic value dominance refers to a consumer's tendency to seek emotional or psychological values such as fun, pleasure, feeling better, enjoying life and gratification from a brand.

A brand offers both utilitarian and hedonic values, where consumers' objective and subjective reasons underpin their buying decisions. Consumers purchase brands for two basic reasons: consummatory affective (hedonic) gratification and instrumental utilitarian/cognitive gratification (Voss, Spangenberg & Grohmann, 2003). A consumer's attitude towards a brand involves those two reasons. The significant role of hedonic value was elaborated by Steg, Perlaviciute, Van der Werff & Lurvink (2012), where affective motives and hedonic aspects play a key role in consumer behaviour. Consumers' choice of brands entails emotions and personal or subjective goals, such as pleasure and comfort. Furthermore, hedonic value is more subjective and personal, leading to more fun and excitement than utilitarian value. Consumer evaluation of hedonic value tends to be more affective and related to non-tangible attributes or brand association (Ryu, Han & Jang, 2010).

Hedonic values stemming from a particular brand can be discussed in terms of the following affective aspects: they can be fun, delightful, thrilling, enjoyable, happy, pleasant, playful, cheerful, amusing and funny (Voss et al., 2003). These include the following three values: social, emotional and epistemic. Social value is obtained in association with social groups, emotional value is a brand's ability to arouse feeling or affective status, and epistemic value is achieved through the experience of consumption (Prebensen & Rosengren, 2016).

Young consumers search for a brand that offers high hedonic values (Noh et al., 2014), as they are hedonic-value seekers of fun, enjoyment, fantasy, playfulness, good feeling, pleasure, excitement and something they like (Prebensen & Rosengren,

2016). Hedonic consumers are viewed as pleasure-oriented consumers who are mainly motivated by the desire for pleasure, fantasy and fun (Ryu et al., 2010). They will prefer brands that appear cosmopolitan and modern (Lee, Knight & Kim, 2008). Therefore, hedonic-value consumers who are pleasure-seeking tend to be more open to foreign brands, as these brands are associated with global participation or global citizenship (Pham & Richard, 2015). They will tend to search for foreign brands that make them feel good and provide, joy and pleasure (Kumar et al., 2009).

Foreign brands are associated with status and esteem, which are the emotional values created by the brands (Lee et al., 2008). Therefore, hedonic-value consumers will admire foreign brands, as they offer emotional value. Foreign brands are hedonic in nature, as they provide gratification value (Seo & Buchanan-Oliver, 2015). Foreign brands signal hedonic values (Thompson, 2011). Therefore, hedonic-value seekers will admire foreign brands. Furthermore, Marticotte, Arcand & Baudry (2016) suggested that negative emotion may also exist, although as consumers do not have direct experience, this is not an expression of dissatisfaction. Thus, it is possible to argue that passive brand hate towards local brands increases even without negative experiences of them. They may not like a brand because they perceive it as not offering what they want or are searching for. They simply hate the brand because it is symbolically unappealing (Lee et al., 2008). Local brands will be hated when consumers perceive them to be unable to fulfil their symbolic requirements. Simply, local brands are hated as they do not offer hedonic values.

Hypotheses 2 and 3 are formulated as follows:

- H2.** The greater the hedonic value dominance, the greater the admiration towards foreign brands.
- H3.** The greater the hedonic value dominance, the greater the passive brand hate towards local brands.

Foreign brand admiration

Brand admiration is an emotional brand association held by consumers (Aaker, Garbinsky & Vohs, 2012). Similar to the concept of brand love, both constructs indicate positive emotions, which are similar to the ones has towards other people. These consist of a strong affective attachment to the brand. However, they differ fundamentally in terms of consumer experience with the brand. Brand love has been strongly associated with the outcomes of high satisfaction from long-term relationship/experience with a brand. It is a strong emotional experience (Carroll & Ahuvia, 2006). Indeed, this can lead to brand evangelism (Marticotte et al., 2016). Satisfied consumers can be brand lovers. Brand admiration, on the contrary, does not necessarily involve experiences, as consumers may admire a brand or have a great willingness to have/use it, but be unable to buy it due to insufficient income. Thus, brand admiration can be held by consumers who do not necessarily experience satisfaction or perceive the excellence of using the brands. This is the case in developing countries, where consumers admire foreign brands (western brands in particular). Foreign brand admiration means a positive emotion towards brands originating from other countries, as consumers positively evaluate the brand's ability to fulfil their desires. Consumer perception of foreign brand ability may not always come from their own experience. They admire the brand because they perceive that the brand offers what they really want.

Consumers in developing countries are foreign-brand admirers, as they perceive foreign brands to offer high quality and emotional value. They may not actually be very familiar with the brands, but they already have a favourable perception of their quality (Bhardwaj, Kumar & Kim, 2010). In developing countries, consumers demonstrate a strong admiration for foreign brands, which are perceived to be more reliable and safer than local brands (Kinra, 2006). Foreign brand admiration is stronger because consumers perceive them to offer high prestige, high social status and superior quality (Bhardwaj et al., 2010;). Local culture in developing

countries in Asia indicates that appearances are importance in social life; thus, consumers will search for brands that offer symbolic meaning, such as status, prestige and self-image. Moreover, consumers tend to buy brands not for their utility but to save face or secure their reputation (Pham & Richard, 2015). It is also argued that in a high-context culture, brands become a source of identity, as when a consumer admires a brand to achieve social recognition (Kashif, Awang, Walsh, & Altaf, 2015).

Moreover, income disparities are high in those countries, and consumers tend to buy foreign brands as status symbols and to display luxury and prestige. Consumers want foreign brands that signal wealth, status and power (Zhu, Yu & Hu, 2016) to create their own identity (Phau & Leng, 2008). In these countries, this is a growing trend, as foreign brands (particularly western ones) and modern lifestyles are becoming important symbols of global citizenship, and consumers need foreign brands as symbols (Pham & Richard, 2015) or to express a modern self-image (Halkias, Davvetas, & Diamanopoulos, 2015). They require foreign brands for symbolic, status-related reasons and for their high quality (Kumar et al., 2009).

The relationship between foreign brand admiration and passive brand hate towards local brands remains ambiguous. First, foreign brand admiration leads to passive brand hate. When consumers have strong positive emotions towards foreign brands, they tend to show negative emotion towards local brands or competing brands (Marticotte et al., 2016). Thus, admiring foreign brands may lead to passive brand hate towards local brands. On the other hand, passive brand hate generates foreign brand admiration. Since consumers in developing countries have negative preferences for local brands, they tend to admire foreign brands (Kumar et al., 2009). When consumers view certain brands as unattractive, they will seek more attractive alternatives. In the consumer-brand relationship, it is possible that when consumers are unhappy with a brand, they will turn to more attractive alternative

brands that have more value. Thus, the second direction holds in the study.

Young consumers lack pride in local brands, which are inferior to foreign ones (Zhu et al., 2016), this inferiority complex creates a negative emotion towards local brands, as young local consumers will perceive them as being of low quality and low prestige; moreover, if consumers used them, they would not be socially respected. A study in India indicated that local consumers have an unfavourable perception of local brands and thus have a greater preference towards foreign brands (Bhardwaj et al., 2010).

Passive brand hate deriving from a desire for avoidance can grow stronger over time, and passive brand-haters search for alternative brands, i.e., foreign brands, which they view as more acceptable and attractive; they will maintain their desire for avoidance of local brands (Grégoire, Tripp & Legoux, 2009). Moreover, the desire for foreign brands, particularly from developed countries, results in a greater willingness by consumers to pay higher prices (Thanasuta et al., 2009). When they admire these brands, they are willing to pay higher prices (Srivastava, 2011). In addition, young consumers are considered seekers of distinction in their desire to create a distinct lifestyle, and they are motivated to use brand products in an effort to get their peers to perceive them as cool. They admire brands that make them feel good and are willing to pay premium prices for them (Noh et al., 2014). The next hypotheses are proposed as follows:

H4. The greater the passive brand hate towards local brands, the greater the admiration towards foreign brands.

H5. The greater the admiration towards foreign brands, the greater the willingness to pay more for foreign brands.

Passive brand hate towards local brands

Brand hate is still a new concept. It has been

understood as an extreme negative affective element of consumer attitude towards a particular brand. It is the result of negative emotion shown by consumers (Bryson, Atwal & Hulten, 2013). Brand hate can also result from various causes, including issues other than country of brand origin. Brand hate can also take two different forms: active and passive. It can be the result of dissatisfaction and shame and is an extreme form of dislike for a brand (Zarantonello et al., 2016). It is caused by a desire for revenge and/or for avoidance, which lead to different actions (Grégoire et al., 2009). Active brand hate emerges from a strong desire to harm, attack, revenge, punish and destroy hated brands. Active brand hate involves active attacks, such as a boycott or protest, or influencing other consumers' attitudes towards a brand through negative word of mouth or active involvement in brand opposition. These are some of the vengeful actions taken by consumers. Therefore, it can be said that active brand hate is derived from consumers' desire for revenge. Meanwhile, passive brand hate results in cutting off relations with or simply avoiding the brand without active confrontation towards it. Furthermore, passive brand hate is the desire to avoid, escape or flee from particular brands. When consumers simply do not like the idea of

having or using a certain brand and tend to avoid it, then passive brand hate is motivated by a desire for avoidance. Thus, this study examines passive brand hate only, since it is unlikely that domestic consumers will boycott or take active/aggressive action towards local brands; thus, they have no intention of taking revenge or of punishing and causing harm to local brands.

Passive brand hate reflects consumer rejection of purchasing or consuming brands due to perceived brand inferiority, feeling of shame, negative experiences or dissatisfaction with those brands. This kind of rejection is difficult to observe and recognise (Rindell, Strandvik & Wilen, 2013). Feelings of hatred towards a brand negatively determine consumer willingness to pay premium prices (Kashif et al., 2015). Therefore, it is reasonable to say that negative feelings towards local brands drives willingness to pay higher prices for more attractive alternative brands, i.e., foreign brands. The last hypothesis can be proposed as follows:

H6. The greater the passive brand hate towards local brands, the greater the willingness to pay more for foreign brands.

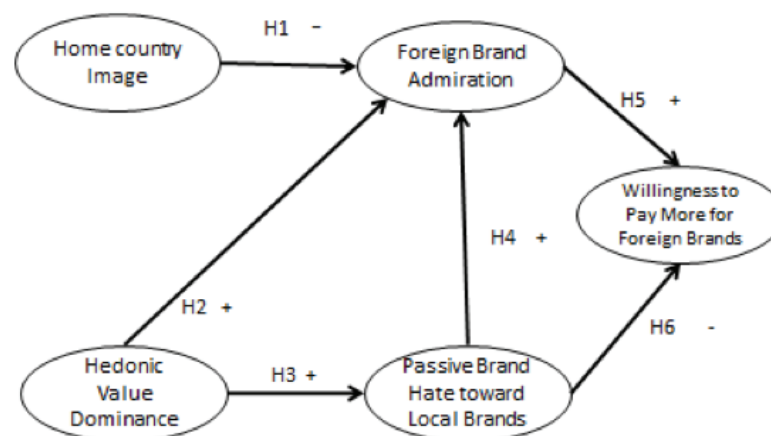


Figure 1. Conceptual Framework

Briefly, the discussions and identified hypotheses can be illustrated as fitting the conceptual framework below.

METHODS

Data collection and samples

Data were collected through self-administrated questionnaires distributed in classroom settings at the University of Mataram, Lombok-Indonesia, where 48.6 percent of the respondents attended their first year of college together, and 51.4 percent were in their second and the third year of study in the Faculty of Economics and Business. The student samples were within the scope of the study, i.e. young consumers aged from 17 to 24 and were still single. Total number of distributed questionnaire was 233 for students of eight faculties. However after removing the outliers and uncompleted questionnaire, 214 questionnaires were retained for further analysis. Respondents were 44.9 percent were male, and 55.1 percent were female. They were given a brief introduction of what the questionnaire was about and were provided with short, clear instructions on how to answer the questionnaire. In order to avoid framing them, the questionnaire was deliberately structured, with the measurement of willingness to pay more for foreign brands placed first, followed by other constructs, with home country image coming last. All items on the questionnaire were written in Bahasa, Each respondent was asked to rate every statement on the questionnaire from "0 to 10". For the purpose of the study, an electronic product category was chosen, since it has been noted that Indonesian electronic products have an unfavourable product image in the world market (Chu, Chang, Chen & Wang, 2010). This study will reveal how local consumers perceived local brands in this product category.

Item generation and content validity assessment

In order to maintain content validity, item generation for all variables involved several steps. First, the relevant literature was screened for country-of-origin effect, consumer behaviour and psychology.

This review provided directions for building a conceptual domain of each variable and preliminary items list. Next, in order to obtain a richer set of items for each variable, discussions with colleagues in the Department of Management at the University of Mataram were carried out. They provided useful insights and enriched the items. Some modifications were made as the result of the process. Throughout the item-generation process, the identified items captured all aspects as contained in the literature review section. Respondents were asked to rate their country in term of innovative, design, and creative capabilities, advanced technology, ability to produce strong brands and high quality products and the country's international reputation and roles in economics and politics. They were also asked to indicate the extent to which they seek for hedonic values such as: proud, glamour, comfort, cheerful, feel great and respected. In order to measure respondents' positive emotion (i.e. foreign brand admiration), they were asked to indicate to what extends they had positive feeling toward foreign brands such as: liking, special, passion, attentive, tempting, thinking, admire, desire and adorable. Meanwhile, negative emotion (passive brand hate toward local brands) covered negative feelings on local brands in term of the following items: worried, ashamed, disappointed, resentment, displeased and need for avoidance. Five of those items were adopted and adapted from the work of Zarantonello et al. (2016) while the last item (need for avoidance) was included since it is the main characteristic of passive hate (Grégoire et al., 2009). Last but not least, willingness to pay more covered four items, namely: "I tend to buy foreign brands, even more expensive, when I need electronic products"; "Although more expensive than local brands, I choose foreign brands"; "Foreign brands deserve to be sold at more expensive prices"; and "High-quality foreign brands are worth selling at a higher price"

Measurement model analysis

Evaluation of validity and reliability of measures was carried out in order to analyse the measurement model, and the results are shown in Appendix.

Table 1. Discriminant validity

Construct	Mean	Std.dev	1	2	3	4	5
Foreign Brand Admiration (1)	7.01	1.33	<i>0.791</i>				
Hedonic Value Dominance (2)	7.49	1.32	0.553	<i>0.758</i>			
Home Country Image (3)	6.87	0.63	-0.292	-0.076	<i>0.765</i>		
Passive Brand Hate Toward Local Brand (4)	5.38	2.00	0.503	0.391	-0.118	<i>0.890</i>	
Willingness to Pay More for Foreign Brand (5)	7.06	1.30	0.668	0.459	-0.196	0.396	<i>0.830</i>

All significant at $p < .05$, the diagonal (in italics) shows the square root of the average variance extracted for each construct

It reveals that only one item of foreign brand admiration had to be deleted, as it had a loading factor less than the threshold of 0.60 (Chin, 1998), while the others were well above the threshold and were all significant at $p < 0.05$. It also indicates Cronbach's alpha values and composite reliability as being greater

than the common cut-off value of 0.70 (Hair, Black, Babin, Anderson & Tatham, 2010). Furthermore, the average variance extracted (AVE) for each construct was calculated, and the results indicated that the values are above the common threshold of .50 (Hair et al., 2010). These indicate reliability and convergent validity of the scales.

In order to carry out the discriminant validity test, the square root of the AVE of each construct was compared to its correlation with the other construct

(Fornell & Larcker, 1981). The result is shown in Table 1, which indicates that discriminant validity is established. Furthermore, the measurement model was purified, showing that the model fit statistics achieved an acceptable fit of the measurement model to the data; CMIN/DF: 2.132; $p < 0.001$; GFI: .940; AGFI: .904; TLI: .950; CFI: .962; RMSEA: .067.

RESULTS AND DISCUSSION

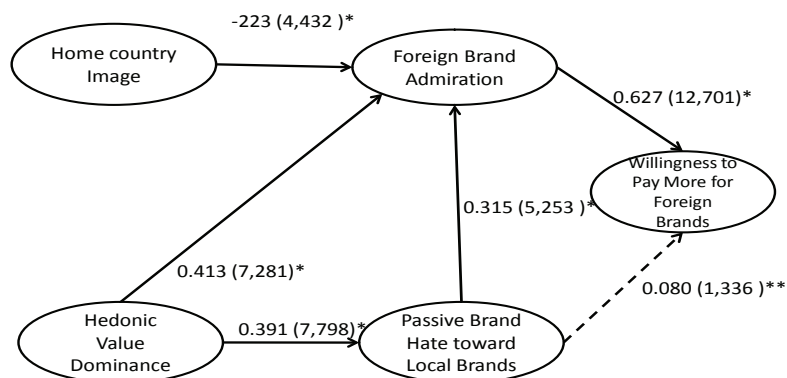
Hypotheses Testing

The structural model analysis was used to carry out hypotheses testing in order to examine the causal relationship among variables. The structural model was tested and also reached a good level of fit, i.e., CMIN/DF: 2.100; $p < 0.001$; GFI: .941; AGFI: .905; TLI: .955; CFI: .966; RMSEA: .066. The results of the hypotheses test are summarised in Table 2 and illustrated by Figure 2.

Table 2. The result of hypotheses testing

Hypotheses	β	t value	Conclusion
H1: Home country image – Foreign brand admiration	-0.223	4,432*	Supported
H2: Hedonic value dominance – Foreign brand admiration	0.413	7,281*	Supported
H3: Hedonic value dominance – passive brand hate toward local brands	0.391	7,798*	Supported
H4: Passive brand hate toward local brands – Foreign brand admiration	0.315	5,253*	Supported
H5: Foreign brand admiration – Willingness to pay more for foreign brands	0.627	12,701*	Supported
H6: Passive brand hate toward local brands – Willingness to pay more for foreign brands	0.080	1,336**	Partly supported

Note: Significant at : * $p < 0.0001$; ** insignificant at $p < 0.05$ but significant at $p < 0.10$



Notes: *path significant at $p < 0.001$. The dashed lines indicate insignificant paths.

Figure 2. The Result

The results indicate that only the last hypothesis is partly supported, while the others are well-supported by the data. The link between foreign brand admiration to willingness to pay for more is the strongest path. This is followed by link between hedonic value dominance – foreign brand admiration. Hedonic value dominance positively relate to the two emotions, which however the positive emotion have the strongest impact on willingness to pay for more

The path between the negative emotion toward willingness to pay for more is partly supported because negative emotion has no significant impact on willingness to pay for more at $p < 0.05$. It is worth observing, however, the effect could not be definitely ignored or excluded because the path just is significant at $p < 0.10$. The following discussion analyses the results in greater depth.

Discussion and theoretical implications

The first hypotheses expected a negative effect of home country image on foreign brand admiration and the result supported it. This means that when young consumers have inferior image of their home country they will have a greater admiration toward foreign brands, vis versa. The inferior image arouses their belief that foreign brands are of better quality since coming from countries with

a more positive image. Carroll & Ahuvia (2006) explained that brand love develop overtime as a result of a long-term favourable relationship with a particular brands. Nonetheless, young consumers in developing countries may not be able to have such relationship with foreign brands due to financial reasons and thus they do not have brand love to foreign (western) brands. Indeed, they show strong admiration toward foreign brands stemming from inferior image of home country. They view the country as not having a positive image internationally, not being innovative and creative, and not having a high enough capability to produce high-quality/prestige brands. Young consumers build their belief in their own country's capabilities, which in turn underlines their positive emotions towards foreign brands. Unfavourable information regarding the home country may create an inferior image of that country among young consumers, leading them to be foreign brand admirers and to view the brands as attractive and adorable.

Conversely, this study also suggests that when they have a favourable image and are proud of their home country as they view the nation has positive image internationally, and is innovative and creative as well as high capability in producing high quality products and brands, they may not be foreign brand admirers. Young consumers build their belief

of their own country's capability which in turn underlines their emotions toward foreign brands. Favourable information regarding the home country creates positive image of the country among young consumers leading to lack of interest and desire toward foreign brands.

As expected, hedonic value dominance plays a major role in foreign brand admiration. This finding supports those of Phau & Leng (2008) that young consumers as hedonic-value seekers tend to have a positive attitude towards foreign brands. They rely on artificial cues (such as having/using foreign brands) for their status signalling or improving their social position (Nelissen & Meijers, 2011). The current study suggests that foreign brand admiration among young consumers in Indonesia is induced by hedonic value dominance. The stronger the dominance among young consumers, the greater their admiration towards foreign brands, as they view foreign brands as offering what they want, i.e., the impression of luxury, pride, the feeling of being respected or important, and happiness. Young Indonesian consumers admire foreign brands for social status signalling, as the brands can display wealth and luxury life style.

Furthermore, the stronger the dominance, the stronger the passive brand hate towards local brands. This suggests that as hedonic-value seekers, they will have a strong negative emotion towards local brands and hold an inferior image of them. Having or using local brands is embarrassing, disappointing and unpleasant, and thus, those brands should be avoided. Moreover, as the results of hypothesis (H4) show, when consumers have a negative emotion towards local brands, they will look for alternatives, i.e., foreign brands. They will admire foreign brands, which are viewed as more attractive, special, modern, luxurious, desirable, adorable, and likeable. They admire foreign brands yet have a rather negative view of local brands. This supports the findings of Bhardwaj et al. (2010) in India.

Willingness to pay more for foreign brands is greatly affected by the positive emotion. The stronger the foreign brand admiration, the stronger the willingness to pay more for foreign brands. As foreign brands are perceived to offer more values, it is worth paying higher prices for them. Accordingly, while young consumers hold a rather negative emotion towards local brands, they may not reluctant to pay more for foreign brands, as they view foreign brands as offering what they cannot receive from local brands. However, the study suggests that foreign brand admiration has a greater impact on willingness to pay more for foreign brands than the negative emotion on local brands, meaning that their willingness is aroused more by their positive impression of foreign brands than by the negative emotion towards or inferior image of local brands.

MANAGERIAL IMPLICATIONS

The findings of the study provide interesting guidelines for marketers of global brands competing in the country's market. First, they can take advantage of consumers' positive emotion towards foreign brands. A positive image of the source country can increase consumers' value perception towards their brands. Next, marketing campaigns may emphasise brand origin and communicate a positive image. Nonetheless, the study also provides recommendations for local brand owners to change their brand image by increasing hedonic values for young consumers. This should be accompanied by a dissemination of positive information regarding the company's and the country's capability and reputation among young local consumers. This can be carried out in cooperation with the government.

CONCLUSION

This study aim at contributing to the literature of country of origin effect by providing interesting findings regarding consumer positive and negative emotion toward foreign vs local brands by incorporating hedonic value dominance and home country image as the antecedents of the emotions. The study provided conceptualisation

and measurement of foreign brand admiration and passive brand hate toward local brands. The study also proposed a concept of home country image as the image of the consumers own country and not the source of imported products/brands. It included a country's position in regional/international development on politic, economic and technology. The image has a negative effect on foreign brand admiration, while hedonic value has positive impacts on passive brand hate toward local brands and foreign brand admiration. Further, passive brand hate toward local brands hold by young consumers underline their admiration toward foreign brands as they search for better alternative. They are foreign brand admirers and passive brand haters toward local brands. The positive and negative emotions may contribute to their willingness to pay more for foreign brands. Nonetheless, the positive emotion has much stronger impact on young consumers' willingness to pay more for brands that they admire.

Limitations and future research

The study has provided evidence of the links between young consumers' negative and positive emotions towards foreign and local brands. Nonetheless, like most previous empirical studies, this study has several limitations that could provide future research opportunities. The cross-sectional approach limits the development of a stronger conclusion about the interrelations examined. Qualitative approaches can also be alternatives that would obtain a deeper understanding of the phenomena. In addition, the study only assessed the emotions towards foreign vs local brands in one product category and in a single country; therefore, the conclusions of the current study cannot be generalised to all product categories and countries. Further studies are required to investigate young consumers' emotions using more varied product categories in various developing countries. ■

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APPENDIX. Measures used in the study

Items						Item Loading
Home Country Image	Mean: 6.87	SD:0.963	α: 0.911	CR: 0.927	AVE: 0.585	
Innovative capability						0.720
Mastery of advanced technology						0.864
Design capability						0.784
Creative capability						0.761
Ability to produce high-quality products						0.780
Ability to develop great brands						0.718
The nation has an important role in politics in the international world						0.772
The nation has an important role in the economic field in the international world						0.755
The nation has a good reputation in the international world						0.720
Hedonic Value Dominance	Mean: 7.49	SD:1.318	α:0.882	CR: 0.904	AVE: 0.574	
I always look for brands that make me proud (proud)						0.703
I always look for brands that make me happy (happy)						0.799
I always look for brands that give the impression of luxury (glamour)						0.833
I always look for brands that make me comfortable (comfort)						0.653
I always look for brands that make me cheerful (cheerful)						0.823
I always look for brands that make me respected friends (respected by peers)						0.763
I always look for brands that make me look great among my friends (feel great)						0.713
Passive brand hate towards local brands	Mean: 5.38	SD:2.009	α:0.947	CR: 0.958	AVE: 0.791	
Local brands are very dubious (worried)						0.789
Local brands are embarrassing (ashamed)						0.896
Local brands are disappointing (disappointed)						0.903
Local brands are very disgusting (disgusted)						0.921
Unpleasant local brands (displeased)						0.904
Local brands should be avoided (need for avoidance)						0.918
Foreign Brand Admiration	Mean: 7.014	SD:1.331	α:0.947	CR: 0.930	AVE: 0.626	
I really like foreign brands (liking)						0.759
For me, foreign brands are always special (special / unique)						0.864
I always love foreign brands (passion)						0.807
I always pay attention to foreign brands (attentive)						0.793
For me, foreign brands are very tempting (tempting)						0.694
To me, foreign brands deserve to be admired (admire)						0.805
To me, foreign brands deserve to be praised (adorable)						0.803
I cannot forget foreign brands (thinking)						0.793
<i>I just want a foreign brand (desire)*</i>						
Willingness to Pay More	Mean: 7.06	SD:1.300	α: 0.848	CR: 0.898	AVE: 0.690	
I tend to buy foreign brands, even when more expensive, when I need electronic products						0.833
Although more expensive than local brands, I choose foreign brands						0.896
Foreign brands deserve to be sold at more expensive prices						0.843
High-quality foreign brands are worth selling at a higher price						0.742