Guest editorial

Brand management and consumer experience in emerging markets: directions for future research

The transition surrounding emerging economies is having a major influence on marketing, creating simultaneous opportunities and challenges for practitioners to grapple with. Emerging markets often constitute nations consisting of business activities that are in rapid flux and growth. Demographically, they frequently have sizable populations and a growing number of middle-class consumers with significant purchasing power. Such markets are therefore becoming ever more attractive as a key target for multinational companies.

According to Sheth (2011), as emerging markets evolve, marketers need to understand their unique characteristics and challenge existing marketing perspectives and the way business is conducted, as these were mainly developed in the context of traditional industrialized nations. Furthermore, he identified five key characteristics of emerging markets, i.e. their market heterogeneity, sociopolitical governance, chronic shortage of resources, unbranded competition and inadequate infrastructure. Due to such unique characteristics, there is a need to obtain fresh insights to help further our understanding of brand management and consumption in these marketplaces (Burgess and Steenkamp, 2006). While global brands often possess a strong brand image and have competitive advantages over local brands in emerging markets (Li *et al.*, 2014; Wang *et al.*, 2012), they frequently face challenges from local brands and meet resistance from certain consumers with strong cultural identities, as well as those with ethnocentric and traditional views (Wang and Chen, 2004; He and Wang, 2015). Moreover, as emerging market brands have evolved on the world stage, they need to compete both in local markets, as well as establishing global presence and strong international brand recognition.

This special issue, composed of six articles, aims to address these very concerns and advance knowledge surrounding brand management in emerging markets from two different perspectives. The first three papers focus on how global brands compete in emerging markets, and in contrast the three subsequent articles mainly examine issues concerning local brands and how they compete against global brands.

As many traditional western consumer markets have matured and there has been little or no growth, global brand managers have frequently been turning their attention to countries in Africa, Asia and Latin America. Leading global brands, which historically originated from Europe, North America and Japan now face a greater influx of competition from a host of local players in emerging markets. How international companies enter and compete with local players in emerging markets represents a key challenge. In their empirical study, He and Wang (2015) examined whether and how global brands can succeed when adding local cultural elements to their product design, packaging and promotion in emerging markets like China. Their findings demonstrate that compatibility between a global brand and local cultural elements enhances consumers' evaluation of a brand's perceived local iconness and purchase intention. Meanwhile, the influence of perceived cultural compatibility between global brands and Chinese elements on purchase intention is mediated by consumer perceptions of a brand's local iconness. Finally, consumer identity plays a moderating role in so much as stronger local identity enhances the effect of brand local iconness on purchase intention. Similarly, greater global identity weakens the effect of brand local iconness on consumers' intentions to purchase. Evaluation and improvement of cultural compatibility in a global brand that incorporates Chinese elements is therefore strongly recommended to international marketing practitioners when entering Chinese consumer markets.

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From a different angle, and in light of cultural resonance, Suarez and Belk adopt the brand resonance concept to depict institutional resonance as an interactive and acute phenomenon which promotes a social negotiation on a playing field where different agents forge brand meanings and reputations. Their research suggests that in the context of emerging markets, global brands face challenges in terms of serving and communicating specific cultural meanings and overcoming local tension in order to produce an appropriate fit between global and local realities. They used two case examples to demonstrate how cultural resonance can illuminate positive and negative aspects of brands and concluded that brand resonance is not entirely determined by origin (as global brands), but also by the ability to forge a meaningful dialogue with local culture through showing an accurate understanding of individual values and current tension. Several lessons can be learned from the study, including the importance for global brands to be humble rather than arrogant and identify with locals in terms of adopting a position that is aligned with the consumer target audience.

As a direct consequence of globalization, global brands, including luxury brands have expanded quickly into emerging markets. It is critical to understand that certain unique consumption patterns may differ in emerging markets, compared with developed nations, from where global brands often originate. Shaikh, Malik, Akram and Chakrabarti examined to what extent luxury brands successfully entice consumers and specifically considered the bandwagon effect. Their study provides an analysis of luxury brand consumption motivation among consumers in a less developed country. The investigation focused on the effects of consumers' interdependent and independent orientations on personality traits such as conformity, the need for uniqueness, and status consumption which in turn affect bandwagon luxury brand consumption. The authors suggest that marketing strategies should be adapted for various consumer segments with a different price range in order to position a luxury brand when certain consumers actually look for popularity instead of exclusiveness.

From a local company perspective, brands in emerging markets are striving for success as well as becoming global. While brand building among emerging market companies is still at an infancy stage, the challenge is whether such companies with their own brands can develop in a similar successful way as some strong brands from South Korea in recent years.

Although local brands in emerging markets suffer from fierce competition and chronic disadvantages, Heinberg's article, introduces a construct "animosity against the West" (AAW), which stretches the animosity construct to an inter-regional level. The study suggests that outbreaks of AAW might benefit local business by raising Chinese consumers' willingness to pay for and consume local brands. The study, using equity theory, shows that local product purchase decisions may relate to a cost benefit weigh-up decision for consumers following an outbreak of animosity. In case of an outbreak of AAW, domestic brands become more attractive for local consumers due to nationalism. Domestic firms could even try to strengthen this advantage by displaying patriotic images on their package design, or by stressing local roots of brands in ads. On the other hand, western companies, therefore, should carefully monitor the frequency and length of outbreaks of animosity. In such a situation, western companies could use more localized brand communications, including local endorsers in advertisements, or a brand name in the local language and sponsor local events.

Meanwhile, comparing different emerging countries deserves research attention because brands from emerging markets are expanding into other fast-growing economies. According to Diallo and Siqueira in their article on experiences of store brands in emerging markets, the researchers found that brand experience is a key factor that helps explain why consumers choose a given brand among others and why certain experiences may vary between different emerging markets. The authors examined the effect of previous experience with store brands on purchase intention in two emerging countries that are geographically close but culturally different. Their results indicate that previous positive experience with store brands has a positive effect on consumer purchase intention in both countries investigated. In Brazil, store brand price perceptions mediate rather strongly the relationship between previous experience with store brands and purchase intention. In contrast, this effect is weak in Colombia. Store brand perceived risk has significant mediation effects in Brazil, but no mediation effects were found in Colombia. Due to differences in cultural contexts, marketing communication should adopt different approaches to each country, i.e. emphasize the price advantages of store brands in Brazil, but focus on other factors such as quality in Colombia. Because they are culturally bound, risk perceptions toward store brands should also be managed carefully. It would be possible to target premium consumer segments with standard store brands in Colombia, while a more sophisticated approach is necessary in Brazil, e.g. co-branding or launching more premium store brands.

In looking at competing brands, i.e. private (or local) vs national (or global) brands, Herstein, Drori, Berger and Barnes examined why private brands command relatively less market share than national brands in emerging markets. They discovered that private brands have the opportunity to positively contribute to a retailer, as they can influence a retail store's image and personality. Specifically, their impact on store image is higher when such brands are premium quality, or represent fashionable products. In addition, retail chain stores that successfully differentiate via adopting private brand strategies tend to have useful customer information, i.e. sales scanner data, generate strong customer loyalty and appeal to price-sensitive consumers looking for quality products at reasonable prices. Retailers that successfully market private labels are therefore in a better position to discover new consumer trends and can often develop high value added offerings to meet ongoing consumer demands. One reason that private brands play a less significant role in emerging markets derives from the fact that retailers in emerging economies tend not to be considered as brands in their own rights, and this influences the way consumers perceive private labels and how they are managed.

With limited space, this special issue addresses only a small portion of brand management issues in emerging markets and several questions still need to be answered in further studies. Future research, for example should examine how consumer use of brand signals, such as brand image and self-identity may differ in emerging markets, compared with those in developed countries? How symbolic meanings associated with global brands can be changed and modified to suit local conditions? Do global brand managers consider local cultural values when entering emerging markets? How brand symbolism influences consumption patterns, such as conspicuous consumption of luxury brands? What factors distinguish consumer use of authentic vs counterfeit brands? When a number of leading global brands have for decades been operational in a number of emerging markets, have consumer perceptions and attitudes toward such brands changed over these years? If so, how have these changes happened and what theories can best explain the process? How can research in this area contribute to theoretical development in terms of brand management over time?

As stated at the outset, with often a fast-growing middle class and other wealthy consumer segments, emerging markets have become an attractive target for global luxury brands. Despite this, several highly admirable global brands have lost their "high-end" status among such consumer segments. So how have these changes associated with brand image occurred and to what extent does it influence the competitiveness of such global brands relative to local brands? How can marketers of such global brands respond to consumer taste changes and reposition their brands to appeal to more sophisticated and demanding consumers within the context of emerging markets? How can global brands differentiate their positioning strategies when targeting different consumers of various social and economic backgrounds? When emerging market brands compete locally and globally, which factors and elements of emerging market brands are more or less likely to be accepted by consumers in developed countries? Can national identity and cultural heritage help emerging market brands to develop unique positions in the global marketplace? What are the theoretical implications for brand positioning when developing global, local or glocal strategies? Do national identity, cultural heritage and consumer ethnocentrism help emerging market brands to compete in local markets? What other direct, moderating or mediating variables can influence the competitiveness of these brands in local and global markets?

Companies from emerging markets have been striving to build strong global brands. How can brands from emerging markets continue to compete over the long term? Are consumers in developed countries likely to change their perceptions and acceptance of brands from emerging markets? What is the theoretical underpinning that explains such changes and what managerial implications are there for practitioners in terms of developing brand strategies when going global? Through international joint ventures with world known corporations or through merging or acquiring global brands like Lenovo acquiring IBM's PC business, many emerging market brands have entered global markets with high visibility at a rapid pace. Does having such brand alliances or co-branding strategies leverage secondary brand associations and will it enhance consumer perceptions as well as brand equity? When brands from emerging markets enter and compete in the global marketplace, how do they influence consumer perceptions and experience in such countries? How does going global enhance the competitiveness of emerging market brands? How can an emerging market brand's perception of being global influence brand equity? In which ways can research in this area contribute to the theoretical development in customer-based brand equity? This special issue is intended to stimulate scholarly inquiry into such important theoretical and managerial issues.

We hope as readers you find this subject fascinating and as scholars it serves to motivate and encourage further studies from you to help address some of the burning issues we have attempted to raise in this editorial. Research in this area is somewhat scant, so we hope this special issue will help provide a catalyst for further research endeavors that can advance our knowledge and understanding of the subject at large and make useful contributions to both theory and practice.

Cheng Lu Wang
Department of Marketing and Quantitative Analysis, University of New Haven, West Haven, Connecticut, USA
Jiaxun He
Department of Business Administration, School of Business, East China Normal University, Shanghai, China, and
Bradley R. Barnes
Sheffield Business School, Sheffield, UK

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