Journal of Marketing Channels, 23:196–216, 2016

ISSN: 1046-669X print/1540-7039 online
DOI: 10.1080/1046669X.2016.1224304

A Cross-National Comparison of Brand Perceptions of Global Franchise Chains in the BRICS

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This study compares consumers' brand perceptions across the five BRICS countries. We executed a cross-national comparison of how two United States-based global franchise brands in the fast-food restaurant industry (i.e., McDonald's and Burger King) are perceived by local consumers in a host market. The cultural distance index, drawn from Hofstede's cultural typology, is used to examine cultural influences on the development of brand perceptions. Our findings confirm that the smaller the cultural distance between a host market and the United States the stronger the brand perceptions of the two iconic United States brands. In particular, South African and Indian consumers, where the cultural distance indexes are smaller compared with the United States, perceived McDonald's more positively compared with consumers in Brazil, Russia, and China. Our comparative study demonstrates that generalizations drawn from single-country studies might lead to erroneous conclusions about global marketing strategies such as standardization versus localization.

Keywords: *brand commitment, brand perception, brand reputation, brand satisfaction, BRICS, cross-national comparison, cultural distance index, global franchising, United States, word-of-mouth*

In response to the effects of globalization, a number of scholars (e.g., Alden et al., 2006; Burgess & Steenkamp, 2006; Strizhakova & Coulter, 2013; Theoharakis & Hooley, 2008; Zarantonello et al., 2013) have documented significant cross-national differences in diverse international

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markets. Nevertheless previous research has provided limited explanations for similarities and differences in consumer behaviors across countries (Lynn et al., 1993).

The aim of this article is to explore the relationship between consumers' perception of global brands (i.e., brand reputation, brand commitment, brand satisfaction, and word-of-mouth intention) in the five BRICS countries: Brazil, Russia, India, China, and South Africa. Our research focuses on BRICS economies as they are developing into key players in the global economy due to growing middle classes and sheer market size (40% of the world's population) that is very attractive for companies that want to be global.

Environments like these are marked by high economic potential but also increasing competition: researchers and practitioners therefore emphasize the need for development of practices to acquire market knowledge and enhance customer contacts, customer loyalty, and organizational performance (Reinartz et al., 2004). International marketers also need to be aware of the "glocal" identity of consumers in these markets and carefully combine global and local discourses to attract their attention (Strizhakova et al., 2012). One of our empirical conclusions is that the global marketing strategies of international brands should be adjusted depending on the cultural context of the global marketplaces as the cultural distance of a market in relation to the home country of the global brand can significantly affect brand perception.

Applying the cultural distance index (Kogut & Singh, 1988), we analyze how brand-related consumer perception of two iconic United States (U.S.)-based global brands (i.e., Burger King and McDonald's) in the fast-food industry differs across BRICS countries. We argue that the patterns of consumer perception of U.S.-based global brands will follow the pattern of the cultural distance across the BRICS. Specifically, we hypothesized that the greater the cultural distance of a particular BRICS country to the U.S., the weaker the brand perception of U.S.-based global brands in that country.

We empirically tested our hypotheses by measuring four latent constructs: brand reputation, brand commitment, brand satisfaction, and word-of-mouth intention. In a *post hoc* analysis we also used Hofstede's cultural dimension scores of the BRICS to explain the systematic differences in consumer perceptions toward U.S.-based global brands. As franchising is a popular market entry form for many firms in such an industry (Keegan & Green, 2015), we attempt to better understand how global marketing strategies of standardization versus localization influence the development of brand perceptions in diverse international markets.

The contribution of this study is twofold. First, we provide insights into how global brands' perceptions vary with national cultures by investigating differences between the BRICS countries and the U.S. Although a number of studies have investigated various facets of nomological networks involving brand loyalty and reputation (e.g., Dekimpe et al., 1997; Fournier & Yao, 1997; Hsieh, 2002), empirical investigations involving cross-national differences in brand perceptions of U.S.-based global brands remain elusive.

Second, we provide normative insights about how global brands may strategize their brand positioning in diverse international markets (cf. Holt et al., 2004; Strizhakova et al., 2008, 2011, 2012). A cultural distance between a host country and the U.S. influences marketing strategies of U.S.-based global brands. Thus, global marketing strategies for standardization versus localization may create competitive advantage and help global firms protect their market share (cf. Roth, 1995).

The remainder of the article is organized as follows. In the ensuing section, we discuss the market environments and national cultures of the BRICS countries. Next, we describe the methodology adopted for this investigation, where we detail issues such as the adopted sampling procedures, measures, and our approach to inferential analyses. The last sections present the empirical results, implications, limitations, and extensions for further research.

MARKET ENVIRONMENTS OF BRICS COUNTRIES

The importance of the BRICS countries to the global economy is undeniable in the 21st century. Five BRICS countries were the engine of economic growth during the global economic crisis of 2008 by contributing about a quarter of global gross domestic product (GDP). And, according to the World Bank's forecast, real GDP growth in China and India will be double the average of world real GDP growth from 2015 to 2017.

Additionally, the growing purchasing power of middle-income families in the BRICS countries has attracted many global firms despite geopolitical tensions. The World Bank estimated that the global middle class is likely to grow from 430 million in 2000 to 1.15 billion in 2030 (Court & Narasimhan, 2010). Much of this growth will come from the BRICS countries.

In 2000, developing countries were home to 56% of the total world's middle class: this number is expected to rise to a striking 93% by 2030 (Kharas, 2010). Both the rapid growth forecast for the middle class and the sheer size of the BRICS markets promise exceptional opportunities for global firms. Thus, it appears that the BRICS countries have become an attractive market with a robust and large middle class. Table 1 provides an overview of selected economic indices for the BRICS countries and market entry practices of the two U.S.-based global brands (i.e., McDonald's and Burger King) that we sampled in our empirical study.

Moreover, the enviable growth rate together with a large proportion of younger people in the population is drawing global firms to the BRICS countries. The

TABLE 1
Economic Development and Chain Expansion Across the BRICS Economies

Country	Level of economic development: GDP 2014[a] (millions of USD)	Average per capita GDP 2010-2015[a] (USD)	Average annual GDP growth 2011–2015[b] (%)	Chain penetration: McDonald's Year of market entry	McDonald's Number of outlets	Burger King Year of market entry	Burger King Number of outlets
South Africa	350,085	6,482	1.50	1995	161	n / a	n / a
India	2,048,517	1,581	7.30	1996	250	n / a	n / a
Brazil	2,346,076	11,384	0.10	1979	1,413	2004	108
China	10,354,831	7,590	7.30	1990	1,500	2005	63
Russia	1,860,597	12,735	0.60	1990	310	2010	42
Averages	3,392,021	7,954	3.36		727		71

Note: GDP indicates gross domestic product.
[a]Data source: http://data.worldbank.org/indicator/NY.GDP.PCAP.CD
[b]Data source: http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG

average annual GDP per capita of the BRICS countries from 2010 to 2015 is at USD7,954. The spread of the average GDP growth rate for the 2010 to 2015 period is quite disparate, ranging from 0.1% in Brazil to 7.3% in China and India, with average GDP growth across the five countries at 3.36%.

The World Bank estimated that in 2014 the proportions of the population under the age of 15 years were as follows: 24% in Brazil, 16% in Russia, 29% in India, 17% in China, and 30% in South Africa. The populations above 65 years were 8% in Brazil, 13% in Russia, 5% in India, 9% in China, and 5% in South Africa.

Especially noteworthy is that in India more than 50% of the population is said to be below the age of 25 and more than 65% below the age of 35 (Chakrabarti & Cullenberg, 2003). Ablett et al. (2007) estimate that by 2025 India's middle class, fast becoming used to Western culture (Saxena, 2010), will increase to almost 600 million people. This allure of potentially explosive future growth is evident in the market penetrations of global firms in the five BRICS countries. In fact, many U.S.-based fast-food chains focused their overseas expansions on the BRICS as their primary growth targets during the economic recession of 2008 (Tice, 2013).

However, the U.S.-based global brands have taken different overseas expansion routes in diverse international markets. Excepting Brazil, McDonald's entered the four other BRICS countries in the 1990s; Burger King entered Brazil, Russia, and China after 2000. At the time of our survey, Burger King had not yet entered India and South Africa.

The number of operating restaurants in each country varies. For example, McDonald's has 1,413 outlets in Brazil and 1,500 outlets in China with fewer than 500 outlets operating in each of the countries of Russia, India, and South Africa. The average number of McDonald's outlets per country is 727 across the five BRICS countries; Burger King had an average of 71 outlets per country across the three BRICS economies that it has entered as of the time of our survey.

Despite the great potential of growing consumption and market opportunities, global firms have encountered various obstacles in these emerging markets that have made the market entry and penetration of global brands in the BRICS countries challenging (Budhwar, 2001; Dash, 2006; Eckhardt & Houston, 2002). Even though each BRICS country has opened its doors to foreign investors (including many global firms) to facilitate its own economic growth, their collective track record on issues such as human rights and environmental protection often come under close scrutiny by trading partners. Moreover, global firms must find a good balance of investment risk and foreseeable return on investment by working with local strategic alliances.

For instance, the Brazilian government—and this is true of other BRICS countries as well—strongly favors the involvement of local Brazilian firms with global (foreign) firms to strengthen its domestic economy through franchising, establishing a joint venture, or acquiring equity stakes. Many global firms also like to work with local strategic alliances allowing access to unique and valuable local resources and knowledge in Brazil. However, these strategic alliance relationships are difficult to establish and maintain due to many cultural and environmental differences.

In addition, meeting the distinct demands of consumers in the BRICS countries is a complex undertaking. The meanings of global brands can be inconsistent and often paradoxical depending on the context (Eckhardt & Houston, 2002) and the particular consumer segment (Strizhakova et al., 2011, 2012) as the BRICS countries are very diverse internally. For example, China consists of 56 different races and India has 22 officially recognized languages with literatures going back more than

1,000 years. Both countries have over 4,000 years of documented history.

Until the economic liberalization in India that started in 1991, global firms were hesitant to enter the Indian market due to strong economic nationalism (Budhwar, 2001; Dash, 2006). Even though following the introduction of the English language during the British colonization there has been a segment of the population that was already quite "Westernized" in its mind-set, India's sensitivity to cultural domination by Western culture over Indian values, traditions, and religious beliefs posed potential risks for global firms. Similar sentiments may exist in other BRICS countries as well. Thus, understanding consumers in the BRICS countries and developing appropriate international marketing strategies can be a truly challenging task (e.g., Cui & Liu, 2001).

THE LINK BETWEEN CULTURE AND BRAND-RELATED CONSUMER PERCEPTION

Hofstede (2001) defined *culture* as the "collective programming of the mind that distinguishes the members of one group or category from another" (p. 9). Culture influences the way individuals perceive and evaluate different things (Hall, 1989) such that consumers' perceptions toward a global brand in a given country are formed through the lenses of its domestic culture (Foscht et al., 2008): congruency between the cultural basis of a global brand and the national culture where target consumers live is critical for the success of the global firm.

In their analysis of global brand personality, Phau and Lau (2000) suggested that a global brand personality is not consistent in culturally heterogeneous markets. A national culture provides a snapshot of how consumers decode marketing messages; thus, a global brand may be perceived differently in different markets (Donthu & Yoo, 1998). Moreover, as consumers in different markets may respond differently to the firm's strategies, international success of a global firm largely depends on the cultural adaptability of its brands in each country (Kassim & Abdullah, 2010).

There is a stream of research that has investigated the influence of national cultures on consumers' brand perceptions including brand image and reputation (Jin et al., 2008; Roth, 1995), brand satisfaction (Boylu et al., 2009; Gilbert et al., 2004; Ha et al., 2009; Kassim & Abdullah, 2010), brand commitment and loyalty (Dash et al., 2009; Ndubisi, 2004), word-of-mouth intention (Blodgett et al., 2006; Cheung et al., 2009; Kassim & Abdullah, 2010; Money et al., 1998), and service quality and satisfaction (Donthu & Yoo, 1998; Duque & Lado, 2010; Furrer et al., 2000; Kassim & Abdullah, 2010; Tsoukatos & Rand, 2007). Many previous studies developed their theoretical frameworks using Hofstede's cultural typology as many researchers appear to believe that Hofstede's cultural typology is a key to understanding cultural meanings of brand personality (Phau & Lau, 2000).

In our study we compare differences in consumers' brand perceptions (i.e., reputation, commitment, satisfaction, and world-of-mouth intention) toward U.S.-based global firms in the five BRICS countries. We use Kogut and Singh's (1988) cultural distance index that was developed based on Hofstede's cultural typology to facilitate this comparison.

Reputation

Reputation is defined as the accumulated impression of the brand value of the firm among stakeholders that have a limited amount of information about a firm (T. J. Brown et al., 2005; Davies et al., 2010; Fombrun & Shanley, 1990; Hillman & Keim, 2001). It is the "observers' collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time" (Barnett et al., 2006, p. 34); it determines the success of a firm, even its survival (Rao, 1994). Thus, it is not a single action of a firm but rather the overall "sociocultural norms" of a firm that are created by the firm's actions in a given market that determines a firm's reputation (Dacin, 1997; DiMaggio, 1988; Scott, 1987).

In a cross-national comparison of online retailing firms in the U.S. and South Korea, Jin et al. (2008) found that cultural differences have an effect on the linkage between reputation and satisfaction. Specifically, the cross-national empirical data indicated that South Korean consumers seek an external frame of reference (such as firm reputation) more than their counterparts in the U.S.: this could be attributed to a collectivistic culture in South Korea. Both the reputation–satisfaction linkage and the satisfaction–loyalty linkage were stronger in South Korea than in the U.S. Roth (1995) also found that global marketing strategies to strengthen a firm's reputation work more effectively when they fit better with national culture in a particular market.

Commitment

Commitment is "an enduring desire to maintain a valued relationship" (Moorman et al., 1992, p. 316). Consumer commitment cannot exist without irreplaceable values that are delivered by the firm (Moorman et al., 1992; Morgan & Hunt, 1994).

Consumers may have various reasons they are willing to commit to a firm. One reason may be that the consumers want to express their personalities and characteristics through their commitment to a particular firm. Another reason might be that consumers with low variety-seeking tendencies habitually patronize a product from a particular firm. And national culture may influence consumers' tendencies to form their commitment toward a particular firm.

For example, previous studies have found that relationship-based marketing is more effective than transaction-based marketing within a collectivistic culture. By analyzing individualism–collectivism as a cultural trait of individuals, Yoo (2009) found that strong collectivistic orientation increased both brand loyalty and brand equity. These relationships for four global sports brands were significantly different between highly individualistic consumers and highly collectivistic consumers regardless of the national culture. In a study of clients in the banking sector, Dash et al. (2009) showed that in a low individualistic society like India client commitment was more affected by social bonding, whereas in a high individualistic society like Canada commitment was achieved by structural bonding that is more task oriented.

Ndubisi (2004) discusses the effects that Hofstede's four cultural dimensions (i.e., power distance, individualism–collectivism, masculinity–femininity, and uncertainty avoidance) have on relationship marketing elements such as trust, equity, empathy, and commitment. Ndubisi argues that relationship marketing will be better facilitated by the low power distance context as a superiority or inferiority complex will be less likely to hinder the buyer–seller interaction. The impact of relationship marketing will also be higher in a collectivistic society where feelings of trust, empathy, and commitment are much stronger. A less competitive, less materialistic, and less assertive feministic society will also be a fertile ground for relationship marketing as will a society where uncertainty avoidance is high.

Satisfaction

Satisfaction is defined as a stakeholder's overall affective evaluation of firm performance (Crosby et al., 1990; Johnson & Fornell, 1991; Reynolds & Beatty, 1999). Satisfaction is measured based on the discrepancy between consumers' expectation about products or services from a firm and subsequent performance (Oliver, 1980). As national culture influences consumers' norms and expectations about the products or services of a global firm, cultural differences can be used to explain consumer satisfaction with the global firm across different markets (e.g., Donthu and Yoo, 1998; Furrer et al., 2000; Ueltschy & Krampf, 2001).

Tsoukatos and Rand (2007) found that culture determines both consumer satisfaction and the importance of service quality in consumers' minds. Ha et al. (2009) stated that firms in high-context cultures like China or South Korea must provide more employee-related customer services to increase consumer satisfaction. And Min and Min (2013) revealed significant differences in the importance of quality of service attributes based on national culture differences. They examined the quality of service attributes in the fast-food restaurant industry in the U.S. and South Korea, finding that Korean consumers are significantly more concerned with "atmospheric" impressions (such as cleanliness of the restaurant) although U.S. consumers value the taste of the food itself.

Word-of-Mouth Intention

Consumers' *word-of-mouth (WOM) intention* refers to consumer willingness to share their experiences about a firm with other consumers (J. J. Brown & Reingen, 1987; Reynolds & Beatty, 1999). WOM communication plays an important role in shaping consumers' attitudes and behaviors (Anderson, 1988). However, the patterns of WOM communication are very different across nations influenced by national cultures.

Cheung et al. (2009) explored similarities and differences in WOM behavior between two culturally different markets (i.e., China and the U.S.) by applying the cultural dimensions from both the Global Leadership and Organizational Behavior Effectiveness Research Program (GLOBE) and Hofstede's research. The study reveals important differences in WOM motivation and influence. For example, consumers in a collectivistic society like China are more likely to engage in WOM and seek information from other consumers compared with consumers in an individualistic society like the U.S. Money et al. (1998) also found that Japanese firms tend to rely much more on WOM than the U.S. firms as Japanese consumers are influenced by a highly collectivistic and risk-averse culture in Japan and, therefore, seek information through strong social ties when they make buying decisions.

Culture and Perception Link Summary

The reviewed studies provide strong evidence that cultural differences between a national culture in a host market compared with a national culture where a global brand originated influence consumers' brand perceptions (i.e., brand reputation, brand commitment, brand satisfaction, and brand world-of-mouth intention). We extend this stream of research by examining consumers' brand perceptions in the five BRICS countries using Kogut and Singh's (1988) cultural distance index that is rooted in Hofstede's cultural typology. In particular, we applied Kogut and Singh's cultural distance index to explain how cross-country differences between the country culture of a global brand and the host country's culture shape brand perceptions in the BRICS.

THE EFFECT OF CULTURAL DISTANCE ON BRAND-RELATED CONSUMER PERCEPTION

The concept of cultural distance has received considerable attention in cross-national comparisons reported in

TABLE 2
BRICS Cultural Distance from the U.S. by Country

Country	PDI	$(PDI_j – PDI_{US})^2$	IDV	$(IDV_j – IDV_{US})^2$	MAS	$(MAS_j – MAS_{US})^2$	UA	$(UA_j – UA_{US})^2$	CD
Russia	93	22.333	39	124.694	36	373.778	95	1521	5.63
India	77	6.333	48	4.694	56	0.444	40	256	1.91
China	80	9.333	20	910.028	66	113.778	30	676	3.44
South Africa	65	–5.667	65	220.028	63	58.778	49	49	0.77
Brazil	69	–1.667	38	148.028	49	40.111	76	400	2.51
United States	40		91	1667.361	62	44.444	46	100	0.00
Mean	70.67		50.167		55.33		56		
Variance (V_i)		320.27		614.967		126.27		600.4	

Note: PDI indicates power distance; IDV indicates individualism–collectivism; MAS indicates masculinity–femininity; UA indicates uncertainty avoidance; CD indicates cultural distance.

the international business literature with Hofstede's cultural typology and measures widely used by the scholars in many fields (e.g., Barkema et al., 1997; Kogut & Singh, 1988; Pothukuchi et al., 2002; Shenkar, 2001; Sousa & Bradley, 2006). Even though there are some concerns related to the reliability and validity of Hofstede's cultural dimension scores (e.g., Kogut & Singh, 1988; Furrer et al., 2000; Sivakumar & Nakata, 2001), the numerical codification of cultural traits by Hofstede is very useful.

Although Drogendijk and Slangen (2006, p. 362) argue that "it may be premature to dismiss Hofstede's work as outdated or as inaccurately reflecting national cultures" (cf. de Mooij, 2000; Falkenreck & Wagner, 2010), the field has not found a replaceable measure that can be used to explain cross-national comparisons. However, many scholars have continued their endeavors to better utilize Hofstede's cultural dimension scores in different study contexts.

Based on four of Hofstede's cultural dimensions (i.e., power distance, individualism–collectivism, masculinity–femininity, and uncertainty avoidance), Kogut and Singh (1988) created one aggregate measure of cultural distance between countries. They used this cultural distance index to study entry mode decisions of foreign firms into the U.S. and found that cultural distance influences the choice of entry mode.

Since then, the cultural distance index has been used in a vast array of research areas but mostly in studies of foreign direct investment, entry mode choices, and operations of multinational enterprises (e.g., Barkema et al., 1997; Barkema & Vermeulen, 1997; Brouthers & Brouthers, 2001; Gomes & Ramaswamy, 1999; Gómez-Mejia & Palich, 1997; Kallunki et al., 2001; Kim et al., 1993; Luo & Peng, 1999; Morosini et al., 1998; Tihanyi et al., 2005).[1] However, the cultural distance index has received much less attention in the marketing literature (e.g., Sousa & Bradley, 2006; Srivastava, 2011).

[1] Tihanyi et al. (2005) found 67 studies published in the most relevant management and business journals that applied cultural distance. They used 55 of them for their meta-analysis.

Our empirical study attempts to explain differences in consumers' perceptions of two iconic U.S.-based global brands in the five BRICS countries based on Kogut and Singh's (1988) cultural distance index. We consider the implications of the results for the marketing strategies of global firms in the BRICS.

As argued in the meta-analytic review on cultural distance studies by Tihanyi et al. (2005), a higher cultural distance between host and home country makes it more unlikely for a global firm to succeed when entering the host market as cultural distance acts as a barrier for consumers in the host market (Manev & Stevenson, 2001). Yeniyurt et al. (2007) have shown that global firms are more reluctant to launch their brands in a culturally distant market.

First, global firms have difficulties in acquiring adequate information about the host market's environment and learning about the host market in general due to the host market's cultural distance from the firm's home culture (Sousa & Bradley, 2006). Second, a larger cultural distance makes the task of identifying and interpreting market signals from a host market more challenging (Eriksson et al., 2000) as individual consumers' perceptions and behaviors in a host market are influenced by their own national culture (Sousa & Bradley, 2006). Finally, Roth (1995) suggested that a global firm's marketing strategies perform better in a host market if they fit with the cultural conditions.

We therefore believe that brands of U.S.-based global franchise chains are perceived differently in a host country depending on the cultural distance of that host country from the U.S. Using Kogut and Singh's (1988) cultural distance concept, the cultural distance indexes between the five BRICS countries and the U.S. (i.e., the home country of the global brands used in our study) are summarized in Table 2.

Based on the findings of the literature previously cited, we argue that cultural distance between the five BRICS countries and the U.S. will have an impact on consumers' brand perceptions (i.e., brand reputation, brand commitment, brand satisfaction, and brand word-of-mouth intention) toward two U.S.-based global franchise chains. Specifically, we hypothesize that the greater the cultural distance of a particular BRICS country from the U.S., the weaker the brand perception of the U.S.-based global franchise chains in that host country. More formally we hypothesize the following:

Hypothesis 1: Consumers' perceptions of brand reputation will be lower the larger the cultural distance between the U.S. and the host BRICS countries.

Hypothesis 2: Consumers' perceptions of brand commitment will be lower the larger the cultural distance between the U.S. and the host BRICS countries.

Hypothesis 3: Consumers' perceptions of brand satisfaction will be lower the larger the cultural distance between the U.S. and the host BRICS countries

Hypothesis 4: Consumers' word-of-mouth intention will be lower the larger the cultural distance between the U.S. and the host BRICS countries.

METHODOLOGY

Sampling Context and Procedures

We gathered data from the five BRICS countries. Data was collected by using both stratified quota sampling and convenience sampling procedures in major cities in each country (i.e., Rio de Janeiro in Brazil, Moscow in Russia, Mumbai in India, Shenzhen in China, and Cape Town in South Africa) where global franchise chains operate.

We selected two U.S.-based global brands in the fast-food industry to study (i.e., McDonald's and Burger King) for the following three reasons ordered without regard to importance. First, they are of similar age having been established in the same era: McDonald's in 1954 and Burger King in 1955. Second, both offer similar product categories (i.e., hamburgers) with iconic product items (i.e., Big Mac from McDonald's and Whopper from Burger King) generating corporate brand recognition. Third, they have similar franchise governance structures.

Our goal was to collect a minimum of 30 participants for each of the brands in each of the five BRICS countries. We should also note that at the time of data collection Burger King did not operate in India and South Africa (see Table 3). The final data set comprised a total of 291 unique respondents with 176 responses focused on McDonald's and 115 focused on Burger King.

The data collection was conducted by trained interviewers who distributed identical structured questionnaires to randomly chosen consumers near to or at the focal franchised restaurants with a request to participate in a short survey aimed at evaluating the brand reputation, brand commitment, brand satisfaction, and word-of-mouth intention toward the two franchise chains' brands. Respondents were also requested to provide some basic demographic data regarding their age, gender, and the frequency that they patronized these franchise chains' brands in the past year. The eligible participants must have patronized at least one of the two focal franchise chains in the past year to be qualified to take the survey.

TABLE 3
Country-Wise, Brand-Wise Realized Samples and Response Rates

Country	Brands		Total
	McDonald's	Burger King	
South Africa	30	0	30
India	33	0	33
Brazil	32	32	64
China	32	32	64
Russia	49	51	100
Totals	176	115	291
Response rate			
Contacted	372	164	
Qualified	208	142	
Useable questionnaires	176	115	
Useable response rate	85%	80%	

A total of 372 individuals were contacted for the McDonald's survey; 208 had patronized McDonald's in the past year and resulted in an 85% useable response rate (i.e., 176 / 208). The analogous numbers for Burger King were 164 prospected, 142 qualified, yielding a useable total response rate of about 80% (i.e., 115 / 142).

A respondent was permitted to complete only one of the two surveys (i.e., the same individual was not allowed to complete the surveys pertaining to both McDonald's and Burger King). As respondents had to be prequalified to participate, we followed the guidelines of the Council of American Survey Research Organizations for calculating the response rates in such situations (Wiseman & Billington, 1984).

For some countries the questionnaires had to be translated into the local language prior to administration. In such cases, the familiar translation back-translation regimen was followed using Anglophones and native language speakers to ensure that the content and the thrust of the questions remained unchanged.

Unfortunately, given the nature of our sampling design, it was not possible to independently assess nonresponse bias. Given the very high response rates achieved, we hope that concerns about nonresponse biases, if they exist, are mitigated.

Measures

As noted previously, our survey included four latent constructs (i.e., brand reputation, brand commitment, brand satisfaction, and word-of-mouth intention) and three other variables (i.e., age, gender, and the frequency that respondents had patronized the focal franchise chain in the previous year). The questionnaires across the two brands were identical except, of course, the name of the franchise chain.

In addition, we supplemented our database by adding six additional pieces of economic indices gleaned from secondary sources. These included (a) number of outlets within the municipal boundaries, (b) outlet density (i.e., populations of cities that were sampled divided by the total number of a brand's outlets in those cities; hence, the larger numbers indicate fewer extant outlets and capture the essence of market penetration by the chains), (c) populations in cities that were used to draw samples from, (d) purchasing power parity of local currencies, (e) year the chains entered a particular country, and (f) the total number of outlets in the sampled countries. Full descriptions of all measures are presented in the Appendix.

Latent Constructs

Four latent constructs (i.e., brand reputation, brand commitment, brand satisfaction, and word-of-mouth intention) were measured using scales with 7-point Likert-type anchors: 1 corresponded to *strongly disagree* and 7 to *strongly agree*. Consumers' perceptions of brand reputation in the marketplace were measured by employing an adapted version of the five-item external reputation scale developed by Fombrun et al. (2000) and Wang et al. (2006). The six-item brand commitment measure was based on scales originally developed by Chaudhuri and Holbrook (2002) and adapted to the current research context. The four-item brand satisfaction measure was borrowed from Crosby et al. (1990) and Ganesan (1994). The four-item word-of-mouth intention measure was borrowed from File et al. (1992). Scale items are shown in the Appendix.

We evaluated the psychometric properties of these latent measures in several ways. We commenced this scrutiny by running exploratory factor analysis both one construct at a time (to check unidimensionality and convergent validity) and all four constructs simultaneously to see if four factor structures emerged. Both sets of analyses yielded supportive results. As shown in Table 4, the reliability of all four scales was assessed by computing coefficient α (Cronbach, 1951) estimates for the BRICS countries. Coefficient α values ranged from .76 to .90 (Table 4) and were all above the conventional benchmark of .70 (Nunnally & Bernstein, 1994).

Discriminant validity was estimated by comparing the average variance extracted (AVE) estimates with their corresponding shared variances (intercorrelations) for the four constructs across the BRICS countries. Discriminant validity is considered demonstrated if the intercorrelations are smaller than their corresponding AVE estimates (Fornell & Larcker, 1981). Our largest intercorrelations value was .64, lower than our smallest AVE value, thus demonstrating discriminate validity.

Finally, following Podsakoff et al. (2003) we also tested for the threat of common methods biases using the prescribed Harman's single-factor tests. The evidence suggests an absence of common methods variance. Given the pedigree of these four latent scales as well as the previously demonstrated psychometric properties, the individual scale items were collapsed to create composite construct scores for use in all subsequent inferential analyses.

Cultural Distance Index

Kogut and Singh (1988) developed a cultural distance index that is based on four dimensions of Hofstede's framework. Cultural distance represents the cultural difference between a particular country and the U.S. (as the U.S. is the home country of both fast-food chains examined in this study). The following equation shows how the index is calculated:

$$CD_j = \sum_{4}^{i=1} \{(I_{ij} - I_{iUS})^2 / V_i\} / 4$$

CD_j represents cultural distance between country *j* and the U.S., I_{ij} is the country *j*'s score on the *i*th cultural dimension, I_{iUS} is the score of the U.S. on the *i*th dimension, and V_i is the variance of the score dimension. Table 2 shows the main elements of the calculation for all dimensions.

Manifest Measures

Tables 5 and 6 show the broad demographic statistics of the five BRICS countries and their intercorrelations. As mentioned previously, in addition to these four latent constructs, we obtained measures of age, gender, and the frequency that respondents had patronized the focal franchise chain in the past year. Gender was a nominal measure whereas age and patronage frequency questions were asked in open-ended format, thereby yielding metric-level measures.

The descriptive statistics revealed that the proportion of female respondents in the five BRICS countries is 53.6%. Overall in the BRICS countries female respondents represented 50% of McDonald's respondents whereas 59% of Burger King patrons were women.

TABLE 4
Country-Wise, Brand-Wise Response Styles, Average Variance Extracted, and Reliabilities[a]

Construct	Number of items[b]	Index	Mean					McDonald's		Burger King	
			South Africa	India	Brazil	China	Russia	AVE	α	AVE	α
Brand reputation	5	Agreement[c]	0.53	0.49	0.36	0.40	0.27	0.42	.77	0.44	.78
		Disagreement[d]	0.00	0.00	0.03	0.07	0.05				
		Acquiescence[e]	0.53	0.49	0.33	0.33	0.22				
Brand commitment	6	Agreement	0.49	0.48	0.12	0.27	0.06	0.58	.90	0.49	.84
		Disagreement	0.00	0.00	0.19	0.13	0.17				
		Acquiescence	0.49	0.48	–0.07	0.14	–0.11				
Brand satisfaction	4	Agreement	0.52	0.49	0.39	0.38	0.32	0.66	.88	0.62	.87
		Disagreement	0.00	0.00	0.04	0.05	0.04				
		Acquiescence	0.52	0.49	0.35	0.33	0.28				
Word-of-mouth intention	4	Agreement	0.43	0.41	0.24	0.31	0.12	0.61	.84	0.50	.76
		Disagreement	0.00	0.00	0.07	0.14	0.13				
		Acquiescence	0.43	0.41	0.17	0.17	–0.01				

Note: AVE indicates average variance extracted.

[a]Individual country-wise, brand-wise reliabilities were also computed and, despite low counts (see Table 1), all Cronbach's α were ≥ .70. These detailed tables are available from the authors.

[b]The four latent constructs do not include negatively worded items.

[c]We thank the reviewers for their suggestion to compute these index scores. Instead of the procedure of Baumgartner and Steenkamp (2001), we followed the original article that examined response styles by Bachman and O'Malley (1984). As our data points in each country ranged from 30 to 100, we believe presenting the *means* of the agreement index, disagreement index, and acquiescence index are most appropriate. The agreement index was computed following the procedure of Bachman and O'Malley (1984). The *agree* responses were coded 1 and the other six response categories were coded 0. A *mean* was computed.

[d]The disagreement index was computed following the procedure of Bachman and O'Malley (1984). The *disagree* responses were coded 1 and all others were coded 0.

[e]The *acquiescence index* is defined as the proportion of *agree* responses chosen minus the proportion of *disagree* responses chosen (cf. Bachman & O'Malley, 1984, pp. 498–499).

Across all five BRICS countries, respondents were relatively young. Ages ranged from 21.58 in South Africa to 29.40 in China for McDonald's and from 19.68 in Brazil to 23.72 in China for Burger King.

The frequency of patronage exhibited differences across the five BRICS countries (ranging below 2 trips in a year in Brazil, China, and South Africa to above 20 trips in a year in Russia and India). The number of outlets within the municipal boundaries, outlet density, populations of sampled cities, purchasing power parity, year of market entry, and total number of outlets in the sampled countries are listed in Table 6. The demographics of consumers for the two global franchised brands in the BRICS countries are comparable.

Notably, McDonald's entered the BRICS earlier than Burger King. Considering these five countries, both U.S.-based global firms entered the Brazilian market first. McDonald's entered Brazil in 1979 and Burger King entered the same market in 2004. Meanwhile, both firms have waited to enter both India and South Africa. McDonald's entered both India and South Africa markets much later than Brazil, Russia, and China; Burger King had not entered India and South Africa at the time of data collection. The total number of McDonald's outlets in these five countries is much larger than the total number of Burger King outlets in these five countries as McDonald's entered the BRICS countries before Burger King.

Approach to Inferential Analysis

As the primary goal of this investigation was to unearth differences across the BRICS countries on four latent constructs and a number of manifest measures, Multivariate Analysis of Variance (MANOVA) with follow-up univariate Analysis of Variance (ANOVA) and paired comparisons was deemed to be the appropriate inferential procedure. MANOVA is useful when there are multiple metrically scaled criterion (or dependent) variables and one or more categorical predictor variables (Green, 1978).

We performed a MANOVA–ANOVA analysis to test the perceptual differences existing across the BRICS countries on four latent variables (i.e., brand reputation, brand commitment, brand satisfaction, and word-of-mouth intention). Table 7 presents the comparison between the two brands in five BRICS countries. As McDonald's and Burger King have used different global marketing strategies, we provided separate MANOVA results for each brand in Table 7.

TABLE 5
Descriptive Statistics and Correlations

Variable	Brand	*Mean*	*SD*	Correlations[a]											
				1	2	3	4	5	6	7	8	9	10	11	12
1. Brand reputation	McDonald's	5.76	0.78	1											
	Burger King	4.89	1.02	1											
2. Brand commitment	McDonald's	4.41	1.46	.319	1										
	Burger King	3.74	1.20	.370	1										
3. Brand satisfaction	McDonald's	5.35	1.09	.586	.586	1									
	Burger King	5.26	1.24	.515	.543	1									
4. Word-of-mouth intention	McDonald's	4.61	1.59	.317	.640	.618	1								
	Burger King	4.77	1.36	.519	.606	.638	1								
5. Age	McDonald's	25.17	6.95	–.094	.134	.044	–.072	1							
	Burger King	22.44	5.56	–.159	–.061	.017	–.086	1							
6. Frequency of patronage	McDonald's	12.48	19.24	.221	.026	.149	.076	.008	1						
	Burger King	13.79	24.99	.084	.077	.118	.102	.077	1						
7. Number of outlets within municipal boundaries	McDonald's	153.16	211.38	–.117	–.136	–.208	–.193	.252	–.301	1					
	Burger King	12.20	10.13	.304	.047	.271	.344	–.298	–.158	1					
8. Outlet density	McDonald's	127,553	63,276	–.018	.518	–.180	–.147	.276	.274	–.325	1				
	Burger King	3,081,578	4,194,110	–.154	.260	–.038	.183	.147	–.294	–.643	1				
9. Populations of sampled cities	McDonald's	15,849,949	19,515,373	–.119	–.069	.237	.387	.310	–.256	.988	–.185	1			
	Burger King	10,770,177	6,128,093	–.018	.358	–.155	–.014	.012	–.464	–.232	.894	1			
10. Purchasing power parity	McDonald's	10.90	7.75	.097	.094	.162	.026	.205	.597	–.480	.680	–.375	1		
	Burger King	9.40	7.26	–.175	–.364	–.135	–.388	.176	.536	–.412	–.432	–.791	1		
11. Year of market entry	McDonald's	1990.00	5.76	.101	.573	.280	.309	.221	.224	–.189	.647	–.087	.574	1	
	Burger King	2006.94	2.77	–.177	–.363	–.137	–.390	.178	.535	–.420	–.424	–.785	1.000	1	
12. Total number of outlets in the sampled countries	McDonald's	690.26	583.50	–.167	–.327	–.227	–.281	.049	–.402	.790	–.503	.732	–.725	–.715	1
	Burger King	66.21	27.48	.280	.256	.271	.344	–.278	–.428	.818	–.086	.370	–.861	–.865	1

Note: $N = 291$ (McDonald's: $n = 176$ of which 88 are male and 88 female; Burger King: $n = 115$ of which 47 are male and 68 female).

[a]For McDonald's, correlations ≥ .124 are significant at $p \le .05$ (two tailed); for Burger King, the analogous number is $r \ge .154$.

The findings from the combined brands across the five BRICS countries are shown in Table 8. Because Burger King had not entered two BRICS countries (i.e., India and South Africa) at the time of data collection, we believed that testing and presenting the country effect among five BRICS countries by collapsing respondents from the two different brands instead of developing the randomized block design of a MANOVA test examining the country effect as well as the brand effect was appropriate. This aggregated approach also helps us generalize our findings.

When there are three or more groups in a MANOVA–ANOVA analysis, it is customary to carry out simultaneous multiple paired comparisons that constrain the experiment-wise error to a prespecified level (usually .05) using procedures (such as Tukey's) to pinpoint precisely where the differences lie. Thus, Tukey's simultaneous multiple paired comparisons test was used to ferret out the exact sources of differences across the five countries.

RESULTS AND DISCUSSION

Our results indicate that, in general, cultural distance influences consumers' perceptions toward the two U.S.-based franchise chains' brands. There are several notable findings in our cross-national comparative study. We summarize the findings in Table 9.

Figures 1 and 2 show our findings on brand reputation and word-of-mouth intention. In a nutshell, the smaller the cultural distance index between a host market and the U.S. the better local consumers' brand perceptions toward these brands. For example, South African consumers with the smallest cultural distance index rated the highest on all four latent constructs of brand perceptions (brand reputation = 5.85; brand commitment = 5.83; brand satisfaction = 5.86; word-of-mouth intention = 5.80). India is ranked second smallest for cultural distance from the U.S. and as expected the means of Indian consumers' brand perceptions toward McDonald's followed after the means of South African consumers' perceptions

TABLE 6
Demographic Variables of Age and Frequency of Patronage and Economic Indices

Brand	Country	*n*	Age		Frequency of patronage		Number of outlets within municipal boundaries	Outlet density	Populations of sampled cities	Purchasing power parity	Year of market entry	Total number of outlets in the sampled countries
			Mean	*SD*	*Mean*	*SD*						
McDonald's	South Africa	30	21.58	1.29	1.29	0.69	2.00	118,750	237,500	5.72	1995	161
	India	33	29.36	7.35	22.91	10.11	43.00	255,996	11,007,835	21.23	1996	250
	Brazil	32	21.63	1.24	1.31	0.64	143.00	79,133	11,316,149	1.77	1979	1413
	China	32	29.40	10.69	1.38	1.51	603.00	93,050	56,109,732	4.22	1990	1500
	Russia	49	23.34	5.11	27.23	27.44	49.98	100,042	5,124,461	17.43	1990	310
Burger King	South Africa	—	—	—	—	—	—	—	—	—	—	—
	India	—	—	—	—	—	—	—	—	—	—	—
	Brazil	32	19.68	0.98	1.58	1.48	28.00	404,148	11,316,149	—	2004	108
	China	32	23.72	7.89	1.83	2.10	2.00	9,806,184	19,612,368	—	2005	63
	Russia	51	23.33	4.96	28.71	31.57	9.00	542,174	4,879,566	—	2010	42

TABLE 7
Effects of Country for the Two Brands

		McDonald's			ANOVA results		Burger King			ANOVA results			Hofstede cultural dimension				
Dependent variables	Country	*n*	*Mean*	*SD*	*F*	*p*-value	*n*	*Mean*	*SD*	*F*	*p*-value	CD	PD	IDV	MAS	UA	Substantive conclusions
Brand reputation	South Africa	30	5.85	0.73	1.69	.15	—	—	—	5.92	.01	0.77	49	65	63	49	Perceived brand reputation in Russia and China, where cultural distance is great, is very different for the two brands. Localization of global brands requires greater efforts in countries where cultural distance is relatively large.
	India	33	5.68	0.78			—	—	—			1.91	77	48	56	40	
	Brazil	32	5.56	0.92			32	5.39	0.70			2.51	69	38	49	76	
	China	32	5.61	0.75			32	4.64	1.05			3.44	80	20	66	30	
	Russia	49	5.94	0.72			51	4.73	1.08			5.63	93	39	36	95	
Brand commitment	South Africa	30	5.85	0.87	57.97	.01	—	—	—	11.93	.01	0.77	49	65	63	49	Consumers in India and South Africa where Burger King has not yet entered are strongly committed to McDonald's. The overall brand commitment for both brands in Brazil, Russia, and China is comparable.
	India	33	5.73	0.77			—	—	—			1.91	77	48	56	40	
	Brazil	32	3.40	0.98			32	4.03	0.86			2.51	69	38	49	76	
	China	32	4.30	1.02			32	4.24	1.09			3.44	80	20	66	30	
	Russia	49	3.31	1.07			51	3.24	1.27			5.63	93	39	36	95	
Brand satisfaction	South Africa	30	5.86	0.88	5.70	.01	—	—	—	4.48	.01	0.77	49	65	63	49	Very similar patterns of findings compared with brand commitment are found. Countries where Burger King has not entered experienced high satisfaction.
	India	33	5.79	0.70			—	—	—			1.91	77	48	56	40	
	Brazil	32	4.94	1.37			32	5.79	0.82			2.51	69	38	49	76	
	China	32	4.99	0.97			32	4.96	1.00			3.44	80	20	66	30	
	Russia	49	5.26	1.10			51	5.12	1.48			5.63	93	39	36	95	
Word-of-mouth intention	South Africa	30	5.81	0.78	21.70	.01	—	—	—	13.27	.01	0.77	49	65	63	49	Even though consumers in Russia and China did not perceive Burger King as a more reputable brand compared with McDonald's, they are more likely to speak about Burger King to others than about McDonald's.
	India	33	5.76	0.76			—	—	—			1.91	77	48	56	40	
	Brazil	32	4.35	1.57			32	5.66	1.04			2.51	69	38	49	76	
	China	32	4.13	1.53			32	4.75	1.11			3.44	80	20	66	30	
	Russia	49	3.59	1.51			51	4.22	1.41			5.63	93	39	36	95	

Note: CD indicates cultural distance. PD indicates power distance. IDV indicates individualism–collectivism. MAS indicates masculinity–femininity. UA indicates uncertainty avoidance. Multivariate (MANOVA) Summary (Wilks' Lambda converted to *F*): McDonald's: $F_{(4,\,168)} =$ 10.64, $p < .01$; Burger King: $F_{(4,\,109)} = 7.45$, $p < .01$.

TABLE 8
Effects of Country for Combined Brands

Dependent variables	Country	n	*Mean*	*SD*	Hofstede cultural dimension: CD	PD	IDV	MAS	UA	ANOVA results: F	p-value	*Post hoc* subsets[a]: Group 1	Group 2	Group 3	Substantive conclusions
Brand reputation	South Africa	30	5.85	0.74	0.77	49	65	63	49	3.88	.004		√		Brand reputation of the U.S. franchised brands in China (collectivistic and favorable toward risk) is the lowest; the *means* of brand reputations are high in South Africa and India where the cultural distance from the U.S. is low.
	India	33	5.68	0.78	1.91	77	48	56	40				√		
	Brazil	64	5.48	0.81	2.51	69	38	49	76			√	√		
	China	64	5.13	1.03	3.44	80	20	66	30			√			
	Russia	100	5.32	1.10	5.63	93	39	36	95			√	√		
Brand commitment	South Africa	30	5.83	0.88	0.77	49	65	63	49					√	Russia with a high cultural distance from the U.S. has the lowest brand commitment. Consumers in India and South Africa are strongly committed to the U.S. franchised brands.
	India	33	5.74	0.77	1.91	77	48	56	40					√	
	Brazil	64	3.72	0.97	2.51	69	38	49	76	60.41	.001	√	√		
	China	64	4.27	1.05	3.44	80	20	66	30				√		
	Russia	100	3.27	1.17	5.63	93	39	36	95			√			
Brand satisfaction	South Africa	30	5.86	0.90	0.77	49	65	63	49					√	Chinese consumers rated lowest in brand satisfaction; consumers in South Africa are mostly satisfied with the U.S. franchised brands. The level of satisfaction of consumers in Brazil, Russia, and India is not distinctively different.
	India	33	5.79	0.70	1.91	77	48	56	40				√	√	
	Brazil	64	5.36	1.20	2.51	69	38	49	76	5.06	.001	√	√	√	
	China	64	4.97	0.98	3.44	80	20	66	30			√			
	Russia	100	5.19	1.30	5.63	93	39	36	95			√	√		
Word-of-mouth intention	South Africa	30	5.80	0.79	0.77	49	65	63	49					√	The level of word-of-mouth intention from low to high in order: Russia, China, Brazil, India, South Africa. As cultural distance decreases, consumers are more likely to speak about the U.S. franchised brands.
	India	33	5.76	0.76	1.91	77	48	56	40					√	
	Brazil	64	5.01	1.47	2.51	69	38	49	76	20.46	.001		√		
	China	64	4.44	1.36	3.44	80	20	66	30			√	√		
	Russia	100	3.91	1.49	5.63	93	39	36	95			√			

Note: CD indicates cultural distance. PD indicates power distance. IDV indicates individualism–collectivism. MAS indicates masculinity–femininity. UA indicates uncertainty avoidance. Multivariate (MANOVA) Summary (Wilks' Lambda converted to F): $F_{(4,\,286)} = 17.63$, $p < .001$.

[a]Using Tukey's simultaneous multiple paired comparisons test we compared the five countries on each dependent variable. The tick marks (√) in a group column indicate those countries whose means do not differ significantly at alpha = .05 on the dependent variable. Countries that are ticked in more than one column for a given dependent variable could not be distinctly grouped

TABLE 9
Country-Wise, Construct-Wise Overview of the Results

		Mean			
Country	Cultural distance (U.S. = 0)	Brand reputation	Brand commitment	Brand satisfaction	Word-of-mouth intention
South Africa	0.77	5.85[a]	5.83[a]	5.86[a]	5.80[a]
India	1.91	5.68[a]	5.74[a]	5.79[a]	5.76[a]
Brazil	2.51	5.48[a]	3.72[b]	5.36[a]	5.01[a]
China	3.44	5.13[b]	4.27[c]	4.97[b]	4.44[a]
Russia	5.63	5.32[c]	3.27[a]	5.19[c]	3.91[a]

[a]Hypothesis supported.
[b]Hypothesis partially supported.
[c]Hypothesis not supported.

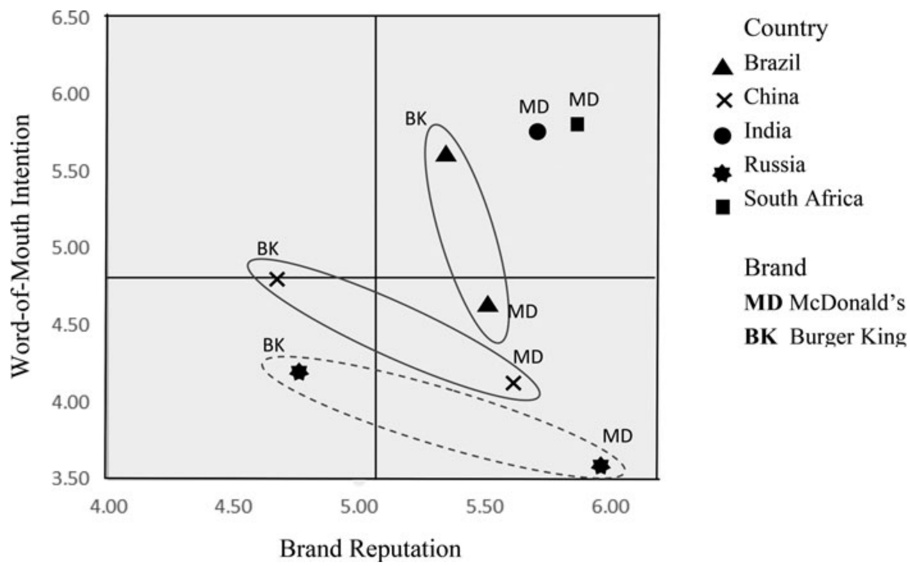

FIGURE 1 Effects of country for the two brands.

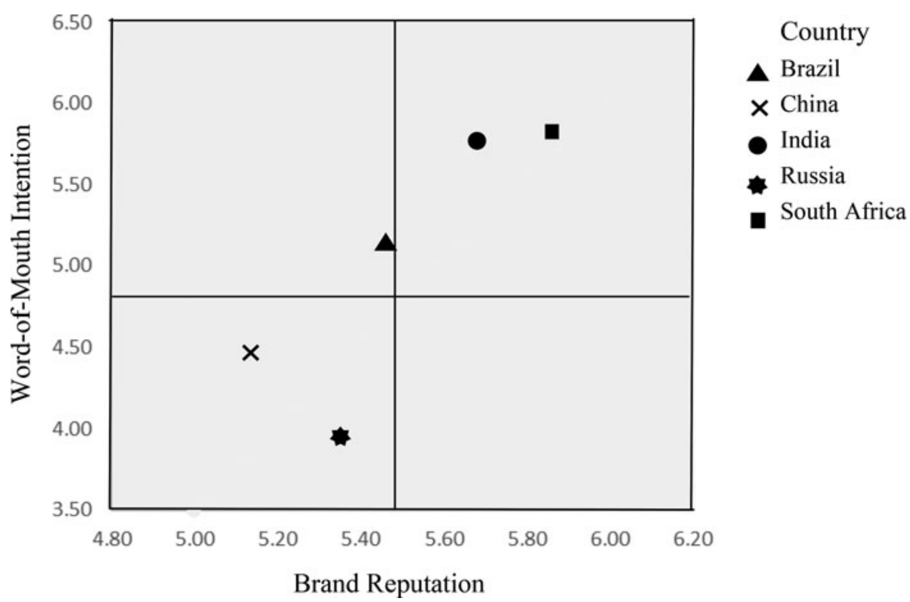

FIGURE 2 Effects of country for combined bands.

(brand reputation = 5.68; brand commitment = 5.74; brand satisfaction = 5.79; word-of-mouth intention = 5.76).

Hypothesis 4 examined the relationship between cultural distance and word-of-mouth intention. As we predicted, the mean of this construct score (South Africa = 5.80 → India = 5.76 → Brazil = 5.01 → China = 4.44 → Russia = 3.91) followed the order of the cultural distance indexes from the smallest to the greatest (South Africa = 0.77 → India = 1.91 → Brazil = 2.51 → China = 3.44 → Russia = 5.63).

Our findings extend, support, and confirm the empirical work of Srivastava (2011), who found that psychic distance and, particularly, cultural distance have an effect on brand acceptance. Psychic distance exists in the minds of individuals and it explains a considerable proportion of marketing and brand-related program adaptation. Thus, the greater the psychic distance, the greater the effort required to develop a successful business relationship.

As the environmental sensitivity of foods is high, consumers in a host market tend to be more reluctant to accept foreign brands and products. Consumers in a host market where the national culture is similar to the U.S. are more likely to have a favorable view toward U.S.-based global brands. Managers of global brands need to develop a marketing strategy that adapts to country-specific social and cultural environmental conditions to succeed in a host market (Keegan & Green, 2015). Taken together, the previously mentioned pattern of findings shows that a global brand has a greater chance of developing a much stronger and positive relationship with consumers in a host country when the cultural distance between the brand's home country and the host country is low.

Turning to the more fine-tuned inferences from an examination of Tukey's comparisons across the five BRICS countries, we found that South Africa and India fell into a unique group for brand commitment and word-of-mouth intention as the two countries were not indicated as a distinctive group for brand reputation and brand satisfaction (Table 8). For both brand reputation and brand satisfaction, Brazil was positioned in the middle for all *post hoc* subgroups. Brazilian consumers have relatively low brand commitment toward the two globally franchised brands although the brands have relatively high reputation, satisfaction, and word-of-mouth intention.

Many sociologists argue that Brazilian consumers perceive dining out in fast-food outlets or purchasing processed foods to be status symbols for lower middle-class consumers (Garcia-Navarro, 2015; Hoyer & MacInnis, 2008). U.S.-based global brands have a relatively high reputation due to their country-of-origin effects; however, Brazilian consumers' relatively high satisfaction may have come from their ability to consume such global brands rather than satisfaction with the quality of the products. At the same time, consumers' commitment toward these global brands in Brazil is relatively low.

This phenomenon can be a critical threat to global firms in the long run as the success of global brands in a host market like Brazil can easily disappear if consumers no longer relate to such global brands as a status symbol. In other words, the global firms should not be trapped by enjoying the success from their brand equity but need to build their market competitiveness based on high-quality products that local consumers would continuously patronize. Global franchise chains like McDonald's and Burger King need to consider whether rapid market penetration through master franchise, area development, and subfranchise agreements is the key to their success and if sporadic market development and a skimming price strategy is strategically suitable for a global firm to maintain its prestige in a host market.

Most brand perceptions were rated low by consumers in China and Russia. Global firms need to carefully evaluate their brand relationships in China. With the growth of the Chinese economy, the size of the middle-income population has continually increased. As many Chinese consumers dine out for all three meals, the fast-food restaurant industry in China is likely to expand tremendously unlike in the U.S. where the industry has already matured and become saturated. Thus, it is important for global franchise chains like McDonald's and Burger King to develop their relationships with Chinese consumers in the early stage of their in-country business development.

The low brand perception findings for Russia are somewhat surprising. This is especially so considering how frequently Russian consumers report patronizing McDonald's and Burger King on a yearly basis.

Managers marketing global brands in China and Russia may consider allocating more of their budgets for advertisements in different media, such as television, radio, Internet, and billboard, to remind populations of their presence in China and Russia as word-of-mouth intention in China and Russia is low. Global firms should also consider developing promotional campaigns by issuing coupons or distributing samples. Recruiting local consumers as brand ambassadors to enhance consumers' dialogues about brand experiences may also strengthen brand relationships.

CONCLUSION

As the economies in the BRICS countries have changed so dramatically over the last two decades, both local governments and consumers have welcomed the entry of many global firms. Despite the undeniable market potential and opportunities, not every global firm has succeeded in the BRICS countries (Sehgal et al., 2010). A strong global brand awareness in the diverse international markets certainly provides a competitive advantage to win over local consumers at first sight; however, the newness and attractiveness wane over time. Global firms cannot sustain their businesses in the BRICS countries if they fail to form a strong brand relationship with local consumers.

In this study, we explore cross-national differences in consumers' brand perceptions in the BRICS countries using the cultural distance index that is based on Hofstede's cultural typology. A key contribution of this effort is to provide a baseline for descriptive materials by examining country-level differences of two iconic global brands (i.e., McDonald's and Burger King) and their brand relationship with local consumers. Hence, this study sheds light on how the brand reputation and global marketing strategy literatures can gain insights from cross-national comparisons.

In general, consumers in the BRICS countries imputed superior quality to McDonald's and Burger King due to the country-of-origin effects of these U.S.-based global brands (Batra et al., 2000; Leclerc et al., 1994). There is a general preference for nonlocal brands that tend to be scarcer and more expensive, rendering them more desirable from a reference group point of view (Bearden & Etzel, 1982) and a desire to emulate the lifestyle and glamour of Western societies vicariously through consumption of these Western brands (Venkatesh & Swamy, 1994). However, even within the five BRICS countries differences of brand perceptions toward these two iconic franchise chains' brands still remain.

As predicted, McDonald's has been better positioned in host markets such as South Africa and India where the cultural distance is small. But it is not clear whether the strong brand position of McDonald's in South Africa and India is enhanced by limited local-market competition as Burger King had not yet entered these two markets.

Global franchising firms face the challenge of coping with the tension arising from efficiency motives associated with the extension of a standardized global marketing and brand strategy and the need to adapt their products and marketing efforts to local market conditions to enhance consumer acceptance and rapid assimilation. McDonald's has continued to broaden its product portfolio by offering high-quality coffee and health drinks in addition to the original three menu items of burgers, fries, and soft drinks.

For example, in Germany consumers can enjoy Big Macs with beer and in Italy consumers can have espresso and cold pasta dishes. In Singapore and Hong Kong McRice and shrimp burgers are sold. It appears that over time through its global expansion efforts McDonald's has learned that it cannot offer only the standard U.S. menu to its consumers around the world.

By adaptation and innovation McDonald's continues to serve the needs of a diverse consumer market that is shaped by demographic, economic, and local cultural factors around the world. For example, young consumers in India could express stronger consumer ethnocentrism and nationalism and still belong to the segment of early adopters of new global brands. Global firms need to be aware of the "glocal" identity of such consumers and carefully combine global and local discourses to attract their attention (Strizhakova et al., 2012). To meet Indian consumers' demand, McDonald's introduced local alternatives like the vegetarian McAloo Tikki potato burger to attract vegetarian consumers in India as both beef and pork are forbidden foods for the Hindus and the Muslims, respectively, the two dominant religious groups in the country (Hannon, 2012).

In addition, McDonald's communicates with local consumers by using a wide range of advertising campaigns in different countries. For example, although McDonald's has created television advertising campaigns using successful soccer players in the United Kingdom, it advertises in newspapers and popular magazines in China as television advertising campaigns are less effective in East Asia (Vignali, 2001). Even though the company is mindful of the efficiency imperatives implicit in the savings in operating costs possible through a strategy of standardization, it adapts to the local market environments through judicious localization.

Like its market competitor, McDonald's, Burger King continues to attract local consumers by adjusting its products to suit local consumers. After the company was forced to exit the French market due to a lack of localization in the 1980s (Fancourt et al., 2012), it began to better adapt to local consumers' preferences. For instance, it now offers products like halal or kosher meat-based products in the Middle East and Israel that conform to local tastes, culture, and religious beliefs.

However, Burger King keeps its identity through a standardized marketing strategy within its franchise system and strengthens its product by providing customization. For example, Burger King promotes "have it your way" so consumers can enjoy their own customized Whopper, the best-selling Burger King menu item in the world. Local consumers can customize the Whopper by adding ingredients like beetroot or fried egg to the Whopper.

Burger King also has run standardized communication throughout its global marketing strategy using its Super Fans promotion. The "Burger King," the main spokes-character of the Burger King chain, has been translated appropriately and been successfully presented in global marketplaces. Using the Internet, the company has launched the SimposonizeMe.com website to promote its brand worldwide. It has worked with the producer of the *Simpsons* movie as its Super Fans are closely relevant to the target viewers of this movie. It appears that Burger King has adopted a somewhat different route to local adaptation than McDonald's and has not diversified its international menu to the extent McDonald's has done but instead has chosen to rely more on the "have it your way" strategy to customization.

Overall, our research indicates that franchise chains that have not expanded globally should consider entry into a host market where the cultural distance is low. Even though Burger King is actually in the relatively early stages of expansion in the BRICS countries, Burger King's market selection is somewhat counterintuitive. This pattern of results shows that the market advantages from the country-of-origin effects may eventually fade as the market competition grows; this consumer-level phenomenon would have a domino effect when a global franchise chain or a local master franchisee recruits local partners or franchisees. Thus, global brands should strengthen their market position by offering greater value to consumers in each host country through adequate global marketing strategies.

By the way of limitations, we recognize that our results are based on perceptions of past patrons of McDonald's and Burger King and conceivably a comparison of these perceptions with those of other fast-food patrons at large could be potentially insightful. We also note that when the purchasing power index is used in any analysis, the issue of the applicability of such comparisons to the specific product category emerges. Admittedly, something like the focused but informal "Big Mac Index" measuring the purchasing power parity between two currencies would have shed more particularized light into this comparison were it not for the inclusion of the Burger King chain in the investigation. To the best of our knowledge, a parallel index for Burger King does not exist although it could be calculated for empirical comparisons.

Our sampling method ignores the effect of the size of the chains operating in different country-markets on patron perceptions. Admittedly, we were not able to test consumers' brand perceptions of many other global brands in the fast-food restaurant industry such as KFC, Subway, Taco Bell, Wendy's, and so on. If resources were not an issue, we would have liked to determine sample sizes differentially in different countries and possibly link them to extant chain sizes in those markets.

One could also argue that using Hofstede's cultural typology may not have explained psychic distance of individual consumers who are influenced by economic and political environments at an individual level rather than country level. When global firms define target markets they typically look for a group of consumers who behave in the same manner across countries despite consumer differences in age, gender, and income at the individual-consumer level (Keegan & Green, 2015). In other words, we should have identified the target market, especially demographic segments of consumers, in each BRICS country and then collected data from comparable consumers. Consequently, how individual-level psychic-distance differences have influenced the development of brand perceptions of global brands should be carefully considered rather than rationalizing the differences based only on country-level cultural distance.

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APPENDIX

Summary of Measures From Primary Data

Brand Reputation

1. My overall perceptions of total experience with this franchise system are very good.
2. My perceptions of this franchise system compared to its competition are very good.
3. I believe in the good long-term future for this franchise system.
4. I believe that the market standing of this franchise system is good.
5. The market visibility of this franchise system in the marketplace is high.

Brand Commitment

1. I am committed to patronizing this franchised brand.
2. I would be willing to pay a higher price to dine in this franchised brand over other brands.
3. I will buy this brand next time I dine out.
4. I intend to keep purchasing this brand.
5. I feel that the values of this system match my own.
6. This brand and I appear to share similar values.

Brand Satisfaction

1. I am satisfied with this franchised fast-food restaurant.
2. I am pleased with this franchised fast-food restaurant.
3. I am favorably disposed toward this franchised fast-food restaurant.
4. My experiences with this brand have been positive.

Word-of-Mouth Intention

1. I would recommend to other people that they should dine out at this brand of franchised fast-food restaurant.
2. I would recommend this franchise system to other people interested in dining out.
3. I would gladly talk about my experiences with this brand of restaurants to other people.
4. I would like to seek out other franchised fast-food restaurants to patronize.

Gender

Respondents were directly asked to check the appropriate box in the questionnaire.

Age

Respondent were directly requested to write in their ages.

Frequency of Patronage

Respondents were asked to indicate the number of times they had dined at the focal franchise chain during the past year.

Summary of Measures From Secondary Data

Number of Outlets Within the Municipal Boundaries

Using secondary data sources, this number was computed by totaling the number of outlets for each brand in all the cities that were sampled within each country.

Outlet Density

Using secondary data sources, this number was computed by dividing the total populations of the cities that were sampled by the total number of brand outlets in those cities.

Populations of Sampled Cities

Using secondary data sources, this number was computed by taking a simple total of the populations of the sampled cities within each country.

Purchasing Power Parity

Using secondary data sources, this was simply the purchasing power parity of local currencies at the end of year 2010.

Year of Market Entry

Using secondary data sources, this number simply listed the year that the two chains entered various country markets.

Total Number of Outlets in the Sampled Countries

Using secondary data sources, this number was simply the total count of the number of outlets of each franchise brand operating in each sampled country.