



ASSOCIATION FOR CONSUMER RESEARCH

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The Interplay Between Power Distance, Position in the Social Hierarchy, and Product Type: Consequences For Consumers' Preferences For Premium Over Generic Brands

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Consumers' preferences for premium over generic brands are shown to vary as a function of their position in the social hierarchy, their power distance beliefs, and the product type (functional/symbolic). The effects emerge both at the country level (using aggregate purchase data) and at the individual level (using priming techniques).

[to cite]:

Carlos Torelli, Ashok Lalwani, Jessie Wang, and Yajin Wang (2012) , "The Interplay Between Power Distance, Position in the Social Hierarchy, and Product Type: Consequences For Consumers' Preferences For Premium Over Generic Brands", in NA - Advances in Consumer Research Volume 40, eds. Zeynep Gürhan-Canli, Cele Otnes, and Rui (Juliet) Zhu, Duluth, MN : Association for Consumer Research, Pages: 153-157.

[url]:

<http://www.acrwebsite.org/volumes/1012330/volumes/v40/NA-40>

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Beyond Individualism and Collectivism: Novel Cultural Factors and Their Influence on Consumer Behavior

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Paper #1: The Interplay between Power Distance, Position in the Social Hierarchy, and Product Type: Consequences for Consumers' Preferences for Premium over Generic Brands

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Paper #2: Equality Equals Efficacy: The Effect of Power Distance Belief on Charitable Giving

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Paper #3: Eye for an Eye: The Effect of Honor Values on Consumer Responses to Brand Failures

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Paper #4: Power Distance Belief and Brand Personality

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SESSION OVERVIEW

A great deal has been learned in recent years about the role of culture in consumer psychology. However, despite the rapidly accumulating evidence of culture as a determinant of consumer behavior, nearly all of the evidence has dealt with a broad-based cultural distinction – the distinction between individualist (IND) and collectivist (COL), or independent and interdependent, cultural classifications (Shavitt et al. 2006). This distinction is profoundly important, and thus represents the most broadly used dimension of cultural variability for cross-cultural comparison (Gudykunst & Ting-Toomey, 1988). However, there are limitations on the insights afforded by any broad dimension. This session unites under a common theme of investigating novel cultural dimensions that can afford a more nuanced understanding of cultural patterns in consumer behavior. Specifically, the papers in this session focus on power distance beliefs (PDB), or the extent to which a society accepts human inequality in the distribution of power, wealth, or prestige (Hofstede 1980), and on honor cultures, or those in which a person's claim to virtue is the value of the person in his own eyes and the eyes of his society (Cohen 1998). Although both of these dimensions have emerged as reliable predictors of a variety of patterns in social behavior (e.g., reliance on fair processes or violence for resolving disputes, Brockner et al. 2001; Cohen 1998), relatively less is known about their role in consumer behavior. This session is aimed at filling this gap.

The first paper by Lalwani, Torelli, J. Wang, & Y. Wang investigates the effects of the interplay between consumers' PDB and their position in the social hierarchy (i.e., low vs. high social standing) on preferences for premium over generic brands. In a first multi-country study using actual purchases of national (more premium) brands and private labels (more generic brands), they find that, after controlling for other cultural dimensions in Hofstede (1980) framework (e.g., IND) and other relevant country-level factors (e.g., level of devel-

opment of private labels), high (vs. low) PDB was associated with *higher* preference for premium (national) brands over generic (private label) brands. This effect was stronger for functional (vs. symbolic) products. In a second study using priming procedures, low (vs. high) status consumers exhibited higher preferences for premium over generic brands of functional products, but only under high (and not low) PDB. In contrast, high (vs. low) status individuals exhibited higher preferences for premium over generic brands of symbolic products, but only under low (and not high) PDB. These findings are interpreted in terms of the instrumentality of premium brands for conveying social status, something of value in high (vs. low) PDB contexts, and particularly so for low status individuals when buying common functional products.

The second paper by Winterich and Zhang explores the effects of the link between PDB and perceived outcome efficacy on charitable giving. Because people in high (vs. low) PDB cultures are more likely to accept social inequalities and to believe that everyone should have a defined place within the social order, they are hypothesized to have lower outcome efficacy (i.e., the expectation that one can contribute to effective solutions), which in turn should decrease their charitable giving to aid others (i.e., aiding others will not change the social order). An exploratory study using multi-country data on charitable giving showed that PDB negatively predicted percentage of giving, private philanthropy, and volunteering at the country-level, even after controlling for other cultural (e.g., IND) and country-level factors (e.g., GNP). A series of studies measuring PDB at the individual-level or using priming procedures further showed that high (vs. low) PDB resulted in less charitable giving via lower perceptions of outcome efficacy. These findings have important implications for understanding cross-cultural patterns in charitable giving beyond predictions using the IND-COL distinction.

The third paper by May, Monga, and Kalaigianam focuses on an unexplored variable in consumer research—endorsement of honor values, and its effect on responses to brand failures. Across three lab studies and one archival data study on real consumer complaints across different U.S. states (known to vary in ascription to honor values), the authors find that endorsement of honor values positively predicts retaliatory behavior in the case of a brand failure. They also find that this relationship is stronger in the event of a process (vs. outcome) failure and is attenuated when high-honor consumers are given the opportunity to personally punish the service person responsible. Perceptions of abuse were found to mediate the effects. These findings contribute to our understanding of the cultural factors that can trigger vengeful behavior and consumer satisfaction.

The final paper by Wang, Wang, and Fang investigates the effect of PDB on consumers' assessments of desirable personality traits ascribed to brands. In a series of studies, the authors find that high (vs. low) PDB increases the likelihood of associating favorably-evaluated personality traits with in-group (vs. out-group) brands (i.e., rating in-group brands higher in terms of desirable personality traits than out-group brands). They further demonstrate that consumers' tendencies to categorize brands according to the social groups they represent mediate the relationship between PDB and ascribing desirable personality traits to in-group (vs. out-group) brands.

The papers share several important linkages on affording a more nuanced understanding of cultural patterns in consumer behavior be-

yond the IND-COL classification, while adding slightly different perspectives. Collectively, the papers provide evidence for the effects of power distance beliefs and culture-of-honor values on consumption decisions both at the cultural group level (i.e., entire countries or regions within a country) as well as at the individual level, which highlights the usefulness of these novel cultural factors. The papers also illuminate on some of the psychological processes associated with these cultural dimensions (e.g., low outcome efficacy in high PDB cultures, perceptions of being abused in cultures of honor, or brand social categorization). In keeping with the theme of the conference (Appreciating diversity), the papers in this special session investigate a diverse set of consumption-related outcomes (e.g., brand preferences and choices, charitable giving, brand evaluations, complaining behavior) that are culturally-patterned when considering the dimensions of power distance and honor values. The findings in this session should appeal specifically to scholars interested in cross-cultural consumer behavior, donating behavior, advertising, branding and more generally to those interested in the psychological processes underlying product evaluation.

**The Interplay between
Power Distance, Position in the Social Hierarchy, and
Product Type: Consequences for Consumers' Preferences
for Premium over Generic Brands**

EXTENDED ABSTRACT

In his celebrated treatise on the "leisure class," Veblen (1899) introduces the notion of conspicuous consumption as a way of conveying one's wealth and social status to others. This observation has spawned considerable research explaining why and when consumers prefer premium or luxury brands that are instrumental for symbolizing high-status (e.g., Rucker and Galinsky 2008; Han, Nunes, and Dreze 2010). As judged by the global growth of these brands, consumers in every culture appear to rely on these brands for enhancing their status. Nevertheless, some researchers suggest that there seems to be a higher need for premium brands as status symbols in cultures that accept and expect power differences between citizens (i.e., those that are high in power distance belief or PDB) (de Mooij & Hofstede 2010; Kim & Zhang 2011). In these cultures, people emphasize status, prestige, and wealth as these form the basis of their standing in society (Hofstede 2001), which in turn leads these people to prefer premium (vs. generic) brands. However, the empirical evidence for this premise is mixed at best. Although some small-scale studies suggest that consumers high (vs. low) in PDB attach more importance to products' brand names (Bristow and Asquith 1999; Robinson 1996), other large-scale studies show no relationship between power distance and the role of brands as signals (Erdem, Swait, and Valenzuela 2006). We propose that past research on the topic has neglected to consider important factors that moderate the link between PDB and preference for premium brands. Specifically, we investigate in this research the impact of one's position in the social hierarchy (high vs. low) and the type of product under consideration on the link between PDB and preference for premium brands.

One's position in the social hierarchy can be a strong determinant of consumer behavior. Because high-status individuals often accumulate wealth and acquire power (Magee and Galinsky 2008), research suggests that they develop preferences for products offering utility (e.g., performance, quality, Rucker and Galinsky 2009), rather than for the sake of ascertaining status. However, high-status consumers facing choices of luxury products can still choose high-status products that only those "in the know" can recognize (i.e., most expensive products with 'quieter' logo designs, Han et al. 2010).

In other words, high-status individuals can be quite discerning in their product choices and can choose functional, performance based products in one context, and high-prestige products in another. This is consistent with the view that high power/status individuals engage in situation-specific judgment and behavior (Guinote & Vescio 2010). In contrast, low status/power individuals tend to respond in less situation-specific ways (Guinote & Vescio 2010), and to base their choices more on status affordances than on performance-based reasons (Rucker and Galinsky 2009). Because in high (vs. low) PDB societies prestige and wealth shape vertical relationships between socio-economic classes, the tendencies just described should be particularly strong in high (vs. low) PDB contexts. We thus propose that under high PDB, and when choosing among functional products that offer utility, low- (vs. high-) status individuals should be more likely to prefer premium brands associated with status over generic brands promoted on the basis of performance. However, because for symbolic products most people would rely on social identity criteria like prestige and status, both high and low-status consumers would prefer premium over generic brands. These effects should be weaker (or absent) in low PDB contexts that do not emphasize prestige and wealth in shaping social relationships.

Based on the notion that private labels are commonly positioned as generic brands that offer a price discount for lower or comparable quality, relative to national brands (Vaidyanathan & Aggarwal 2000), study 1 operationalized the relative preference for generic (vs. premium) brands as the market share of private labels in the country. We estimated a linear model with the country-level share of private label brands (from Euromonitor database; N = 519) for different product categories varying along the functional-symbolic continuum (e.g., hair care, household care, or apparel) as the dependent variable, and country-level scores for power distance, uncertainty avoidance, masculinity, and individualism (Hofstede, 2001), the GINI coefficient (a measure of country's income inequality), the level of private label development in the country, the level of product symbolism, and the interaction between this last term and the power distance score as predictors. As expected, power distance emerged as a significant negative predictor of private label share, suggesting that in high (vs. low) PDB countries consumers prefer less private label than premium brands. Furthermore, this effect was qualified by a significant PDB x product symbolism interaction, such that the negative relationship between PDB and private label share was higher for functional compared to symbolic products. Considering that the sample in the study comprised low and middle status consumers, these findings support the hypothesis that in high PDB contexts, low and mid-status consumers prefer premium over generic brands, and particularly so for functional products.

In study 2, we manipulated power distance belief (high vs. low) and status (high vs. low) between subjects and asked participants about their preferences for premium over generic brands of functional and symbolic products (within-subjects). Results showed that in the high PDB condition, low (vs. high) status participants exhibited greater preferences for premium (over generic) brands of functional products. In contrast, they showed similar higher preferences for premium brands of symbolic products. These differences were not observed in the low PDB condition.

The findings in this research are consistent with the notion that, in high (vs. low) PDB contexts, people low (vs. high) in status prefer premium (over generic) brands due to their instrumentality for conveying social status, something of value in high PDB contexts. Furthermore, this is particularly the case with functional products that are often more likely to be impacted by cultural factors (Lee and Shavitt 2006; Monga and John 2010). A third study for which

data collection is underway explores the mediating role of the instrumentality of premium brands for fulfilling status concerns on the reported effects.

Equality Equals Efficacy: The Effect of Power Distance Belief on Charitable Giving

EXTENDED ABSTRACT

Charitable giving differs significantly across cultures, with Australia and New Zealand found to be the most generous countries in the world (Charities Aid Foundation 2010). Though not among the wealthiest countries, these countries are both characterized by low power-distance belief. Power-distance belief (PDB hereafter) has been defined as the degree of power disparity the people in a culture expect and accept (Hofstede 1984, 2001; Oyserman 2006). Can such a belief impact consumers' charitable giving? Though much attention has been given to individualism/collectivism (Aaker and Lee 2001; Oyserman and Lee 2007), Oyserman (2006) notes that PDB was the first cultural factor identified by Hofstede (1984). We theorize that the accepted inequality among those with high PDB results in lower perceptions of outcome efficacy, which represents the evaluation of the extent to which one can contribute to effective solutions (e.g., Stern et al. 1999; Van Liere and Dunlap, 1978). In turn, those with higher PDB donate less.

The central difference between high- and low-PDB cultures does not lie in actual power disparity per se, but in people's attitudes toward power disparity. Consumers in high PDB cultures tend to be more likely to accept inequality. Accordingly, high PDB cultures facilitate a norm that everyone should have a "defined" place within the social order. Consumers who are aware of these social orders feel the existing social order should be well respected and any effort in altering this order tends to be regarded as fruitless (Bourdieu 1984; Miller et al. 1993). Thus, we expect consumers in this social order-salient mindset to believe that aiding others will not change the social order, or, in other words, have low outcome efficacy.

In contrast to high PDB cultures, the norm in low PDB cultures is to maintain and respect the equality inherent in social interactions (Hofstede 1984, 2001). Even though an actual disparity in power may exist, individuals in these cultures do not believe that differences in power, wealth, and prestige are inevitable (Oyserman 2006). As such, consumers may seek out opportunities to achieve equality and should believe that aiding others will make a difference in changing the unjust social order. Given the expectation and acceptance of (in) equality in (high) low PDB cultures, we theorize that PDB influences 1) perceptions of outcome efficacy when aiding others (due to unavoidable social order) to achieve equality, and 2) charitable giving. Specifically, high PDB consumers will have lower perceptions of outcome efficacy and donate less to charities to aid others than low PDB consumers.

Exploratory analysis revealed that country-level power-distance belief (Hofstede 2011) predicted percentage of giving, private philanthropy, and volunteering at the country-level, even after controlling for collectivism, education, GNP, and income inequality. Therefore, we conducted a series of studies to examine this pattern at the individual level and demonstrate causality. In the first study, we measured PDB of online survey participants and, after a filler task, asked them to choose between a donation to a charity or a bonus payment for themselves. PDB predicted choice of donation, regardless of self-construal, such that those with higher PDB were less likely to choose the donation. Study 1B replicated this finding when PDB was made temporarily accessible using a sentence-scrambling task (Zhang, Winterich, and Mittal 2010). We next examined the underlying

mechanism of outcome efficacy (Steg and de Groot 2010). As in Study 1, measured PDB predicted donation intentions, but, importantly, this effect was mediated by outcome efficacy such that those with higher PDB had lower outcome efficacy which led to lower donation intentions.

In Study 3, we examined the moderating role of charity recipient to causally test our proposed psychological process of outcome efficacy (Spencer, Zanna, and Fong 2005). If consumers with higher PDB choose not to donate because they believe inequality will exist regardless of their efforts to aid less fortunate others, then these consumers should not differ from those with lower PDB in their donations when the donation benefits others regardless of social class. This study considered recipients to be the general public or specifically the poor and needy. The study was a 2 (PDB prime: high vs. low) X 2 (charity recipient social class: lower vs. higher) between-subjects design with a non-profit organization described as advocating art for everyone and improving communities versus advocating art for families in poverty. Results revealed a significant interaction between PDB and charity recipient such that PDB predicted donation likelihood for lower social class charity recipients but not for higher social class charity recipients. Moreover, outcome efficacy mediated this effect on donation likelihood, supporting our theorizing.

A final study sought to identify a boundary condition for the effect of PDB on charitable giving such that consumers, regardless of PDB, would donate to a charity aiding those in the low social class at the same rate that those with low PDB do. We focus on cause involvement as the potential moderator. PDB was primed between-subjects and involvement with the arts was measured continuously with participants asked to allocate 50 cents to a charity for the arts versus a bonus payment to themselves. A significant interaction revealed that PDB only predicted donation allocation for those with low cause involvement. When cause involvement was high, donation allocations did not differ by PDB. Again, outcome efficacy mediated this effect such that those with greater cause involvement had higher perceptions of outcome efficacy even when in the high PDB condition.

These results have important theoretical implications for understanding the drivers of charitable giving, particularly cultural factors beyond collectivism. By understanding the role of outcome efficacy in this effect, we can suggest ways in which this effect of PDB can be overcome to increase donations, which may be particularly important given the increasing standard of living among consumers from developing countries such as BRIC. We hope this research advances understanding of factors influencing charitable giving, moving from individual and cultural level variables beyond those of self-construal or collectivism.

Eye for an Eye: The Effect of Honor Values on Consumer Responses to Brand Failures

EXTENDED ABSTRACT

Brand failures are becoming increasingly common and publicized. Examples include the recent recall of Tylenol products from the market place, the unreasonable increase in Netflix prices, and the listing of Bank of America and AOL in MSN money's "customer service hall of shame." Compounding these problems, huge advancements in social media allow consumers to exact revenge on businesses that have wronged them. Social networking websites (e.g., Facebook) and anti-business websites (e.g., walmartsucks.com) allow consumers to retaliate with far more ease and speed than ever before. Despite the vast amount of research which has been done in the area of brand failures (Ahluwalia et al. 2000; Dawar and Pillutla,

2000; Folkes 1984; Klein and Dawar, 2004; Pullig, Netemeyer, and Biswas, 2006), there is no research that addresses the role that honor values may play in consumers' response to such failures.

People who endorse honor values believe that one's worth or value is not necessarily a given; it must be earned and acknowledged by others (Pitt-Rivers 1966). Honor values are important because they vary not only across individuals, but also across geographic regions and cultures. People who endorse honor values are particularly sensitive to abuse (Ijzerman et al. 2007; Cohen et al. 1996). Cohen et al. (2006) found that people who do not endorse honor values were relatively unaffected by a person bumping into them and muttering an insult, while people who do endorse honor values were more likely to perceive abuse. Drawing upon this research, we propose that, people who strongly endorse honor values are more sensitive to brand failures, and therefore more likely to engage in retaliatory behaviors, such as complaining to the firm, spreading negative word of mouth, or posting negative online reviews.

In study one, participants were primed with either high or low honor and then exposed to a scenario that depicted a restaurant service failure. As expected, the participants in the high honor condition expressed a greater desire for vengeance than the participants in the low honor condition did.

In study two, we examine the effects of regional variations in honor. For example, residents of some states in the American South are more likely to endorse honor values (Cohen and Nisbett 1994; Nisbett and Cohen 1996). We examined transactional data spanning a twelve year period (1997-2009) from a U.S. catalog retailer. The database provides information on issuance of special coupons given to pacify angry customers (who were wronged by the retailer). We consider issuance of such coupons as a proxy for customer complaining to the firm because consumers who express their anger and complain are given these special coupons. Complaining is an important kind of vengeful behavior (Bechwati and Morrin 2003). No other coupons were issued in this period. We supplemented this database with demographic data, state-level honor scores (Nisbett et al. 1996), and individualism scores (Vandello and Cohen 1999). We estimated a probit model that links coupons issued to honor scores. We also controlled for several factors (e.g., individualism/collectivism, income, age, years of schooling, and population). We predicted and found that honor is positively related to issuance of coupons. Individualism is not significantly related to the likelihood of coupon issuance.

In study three, we examine the effects of honor on retaliatory behavior across process and outcome failure situations. An outcome failure refers to when an aspect of the promised product or service is not performed, resulting in an economic loss (e.g., a restaurant that served poor quality food). A process failure refers to a situation in which the product or service is not delivered in a satisfactory manner, resulting in a social loss (e.g., status, esteem) (e.g., a restaurant where the waiter ignores the customer) (Chan and Wan 2008). We used a 2 (ascription to honor values: high vs. low) X 2 (failure type: outcome failure scenario vs. process failure scenario) between subjects design. We used a different stimulus in this study, consisting of a computer service failure scenario. Honor was measured using an honor scale (Cohen and Nisbett 1994). Because process failures tend to be more social in nature, and honor values are associated with social situations, we predicted that a stronger effect of honor values on vengeful behavior would emerge in the process failure than in the outcome failure conditions. Our results supported our prediction and perceptions of abuse by the firm mediated the effects of honor on retaliatory behavior.

In study four, we examine the process mechanism. We used a 2 (ascription to honor values: Republicans vs. Democrats) X 2 (punishment: present, absent) between subjects design. In this study, honor was operationalized using political party identification. In general, the Republican Party endorses issues that are important to high honor consumers (e.g., gun ownership, strong national defense; Cohen 1996). A pretest confirmed this intuition, as Republicans scored higher on an honor scale than Democrats did. Since people who endorse honor values believe that honor is something that can be both lost and regained, and are driven to maintain honor, giving these people an opportunity to restore lost honor should attenuate the desire to retaliate against the brand. We predicted that for people high in honor, desire to engage in retaliatory behavior against the brand after the service failure would be lower when allowed to have a hand in punishing the offending service employee vs. when not allowed, whereas for people low in honor there would be no significant difference across conditions. Our results supported our prediction and perceptions of abuse mediated the effects of honor and punishment on retaliatory behavior.

Our findings make important contributions to the area of branding, brand failures, and cultural values.

Power Distance Belief and Brand Personality

EXTENDED ABSTRACT

Brands, as consumption symbols, carry important cultural meanings in consumers' minds. Past research has showed that different cultures influence consumers' perceptions of various brand personality dimensions (e.g., Aaker et al. 2001). In this research, we investigate the effect of power distance belief (PDB hereafter) on brand personality evaluations. PDB refers to the extent to which people "accept and expect that power is distributed unequally" (Hofstede 2001, p. 83). Though marketing scholars gradually recognize the importance of examining the influence of PDB on consumer behavior, only a handful of studies have done so (e.g., Zhang, 2011). We extend the current stream of research on PDB to variations in consumers' assessments of personality traits ascribed to brands and identify the underlying mechanism of these variations.

People with high PDB expect to see unequal power distribution in a society and attend to differences among various classes within the social hierarchy (Gaertner et al. 1989). Therefore, we argue that they are more aware of in-group--out-group differences and thus tend to regard in-group members as more superior than out-group members. In this research, we extend this social categorization concept to the brand level. Since brands carry important symbolic meanings, we expect that consumers may also arrange brands into a hierarchy according to the groups that these brands symbolize. We refer to this as an individual's brand social categorization tendency. People high in PDB, who accept power disparity in a society and believe that power should be distributed unequally, should cognitively develop a high tendency to arrange objects such as brands in a hierarchy according to the groups associated with these brands. In contrast, people with low PDB would perceive relatively equal power distribution in a society, which should lower their tendency to categorize brands in this manner. Therefore, we expect that high (vs. low) PDB should increase the likelihood of associating favorably-evaluated personality traits with in-group (vs. out-group) brands. More importantly, we propose that brand social categorization tendency mediates the relationship between PDB and ascribing desirable personality traits to in-group (vs. out-group) brands.

We conducted a series of studies to test our hypotheses. Study 1 explored the relationship between PDB and brand personality traits.

The sample consisted of 926 coffee consumers in three major cities in Mainland China. Participants were instructed to think about a coffee store brand they frequently go to (in-group brand). Power distance beliefs (PDB) and five dimensions of brand personality were measured. The results showed that PDB exerted a significantly positive influence on the ratings for the five brand personality traits (all p s < .05).

Study 2 used two experiments to test the potential mediation effect of brand social categorization tendency. In Study 2A ($N = 64$), participants were either primed with high or low PDB. They were then given ten brands of sportswear and were asked to imagine each brand as a person and categorize the brands as in-group members, out-group members, and those with no clear associations with either group. Brand social categorization tendency was measured by three items, adapted from Gaertner et al. (1994) (e.g., I usually feel that the brands belong to different social classes). The main dependent variable was the perceived difference between in-group and out-group brands. Results showed that individuals with high PDB displayed greater brand social categorization tendencies than those with low PDB. Furthermore, participants in the high-PDB condition perceived a greater difference between in-group and out-group brands ($M = 5.82$) than those in the low-PDB condition ($M = 4.41$, $F = 16.92$, $p < .05$). To enhance generalizability and the robustness of our finding, we conducted Study 2b using a different categorization measure in a different product category.

In Study 2b ($N = 62$), Chinese participants followed a similar procedure with a few exceptions. Ten familiar brands of cell-phones were used as stimuli, and participants were asked to categorize these ten brands by drawing circles including the brands they thought belonged to the same group. We expected that the stronger the social categorization tendency participants have, the more circles that they should draw. The results showed that participants in the high-PDB condition drew more circles ($M = 3.47$) than those in the low-PDB condition ($M = 2.56$; $F = 16.31$, $p < .05$), indicating that individuals with high (vs. low) PDB tend to categorize brands more in terms of their associations with social groups. Next we conducted Study 3 to directly test brand social categorization tendency as mediator of the relationship between PDB and the extent to which desirable personality traits are ascribed to brands.

In Study 3, upon the completion of the PDB priming task, participants were asked to imagine Adidas (an in-group brand, from a pretest) and XTEP (an out-group brand) as individuals and to rate

the two brands on the “competence” dimension (rated as the most important brand personality trait in sportswear category based on the pretest). Results indicated that individuals in the high-PDB condition associated Adidas more with the desirable “competence” dimension ($M = 5.44$) than those in the low-PDB condition ($M = 4.79$, $p < .05$). In contrast, individuals in the high-PDB condition associated XTEP less with the same dimension ($M = 3.19$) than those in the low-PDB condition ($M = 3.70$, $p < .05$). Further, participants in the high- (versus low-) PDB condition perceived the difference between the desirable trait ascribed to the in-group and the out-group brand as significantly larger ($M_{\text{high-PDB}} = 2.24$, $M_{\text{low-PDB}} = 1.10$, $p < .05$). In sum, these findings suggest that high (vs. low) PDB increases the likelihood of associating favorably evaluated personality trait with in-group (vs. out-group) brands. Furthermore, our mediation analysis showed that this effect was mediated by participants’ tendency to categorize brands according to their associations with social groups.

Our research makes important contributions to the current brand personality literature by investigating the link to a less-researched cultural dimension: power distance beliefs. Brand social categorization tendency was found to mediate the relationship between PDB and the difference in desirable personality traits ascribed to in-group and out-group brands.

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