

## SOCIAL CAPITAL, SELF, AND XENOCENTRISM INTERACTIONS TOWARD GLOBAL BRAND PREFERENCE BIAS IN BRAZIL

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### ABSTRACT

The present study builds on Social Capital as a construct related to the biased preference for the global, represented by intention to purchase a global brand and xenocentrism in Brazil. Survey data were analyzed using Structural Equation Modeling, regression for mediating effects, completed by latent class analysis to better comprehend the phenomenon. Results suggest that social ties and networked relationships are stimuli for global brand preference bias through three heterogeneous profiles in a developing country when mediated by xenocentrism and extension of the self. The study advances knowledge of international marketing and social capital literature. Theoretical and practical implications are discussed.

**Keywords:** social capital; extension of self; xenocentrism; global brand preference bias



## 1 INTRODUCTION

Consumers in developing countries have a bias toward global rather than local aspects (BATRA ET AL., 2000; BARTSCH ET AL., 2016; ZEREN; KARA; ARANGO GIL, 2020), related to a construed status quo (DONG ; TIAN, 2009), and understanding this preference for the global is an emerging topic of interest (ROJAS-MÉNDEZ ; KOLOTYLO, 2022), as well as consumers' response to global dispositions (DE NISCO; MASSI ; PAPADOPOULOS, 2020). This occurs for several reasons. The formation of an identity congruent with global aspects or even the perception of higher quality foreign products is some of the aspects that lead to the choice of a lifestyle that favors what is global. The search for status also requires social distinction (WU ET AL., 2017) in the construction of identity (HOGG et al., 2003), and consuming foreign values, in developing countries, is one way of making this transition (BARTSCH et al., 2016).

The global preference bias is understood as the preference for what is foreign over what is local. Xenocentrism is a representation of this bias (LAWRENCE, 2012). Founded on a preference for external groups, xenocentrism admits no equivalence between the local and the foreign. The external is seen as better, both in functional dimensions, such as quality and performance and in self-expressive terms, such as higher-order social distinction. This distinction of what is global then becomes a representation of self for consumers who prefer a global brand, for example. This bias tends not to occur in developed countries, where the phenomenon seems to be the opposite, a preference for what is local, strengthening the national identity. A country is a very heterogeneous social superordinate group, however, smaller groups, such as global lifestyle consumers found in more cosmopolitan cities, coexist in the same environment. These groups seek to structure themselves into networks of cooperation, solidarity, and mutual trust.

Social groups seek to strengthen themselves and their members. Such strengthening can manifest itself in greater political capacity in society, greater solidarity, and ability to influence other people and groups. It also allows for personal achievements, resulting from belonging to a certain network of contacts and social groups. We propose that this greater engagement be brought closer by Social Capital.

Social Capital is a rather intangible concept whose conceptualization is controversial among researchers, but it is consensus to represent this power



emanating from networks. According to Bourdieu (1980), Social Capital is a set of resources available to members of institutionalized groups or networks that generate mutual benefit for individuals and groups. These networks tacitly belong to the individuals, who benefit from them. Nahapiet and Ghoshal (1998) understand Social Capital as a composite of structural capital, which is established as a network of social connections; a relational capital, or the social contacts that each individual has and bring him reciprocity, trust, identification, and mutual collaboration; and also the cognitive capital, or the set of common views among group members, perspectives and thoughts, shared values and mutually recognized meanings, promoting identification among members. For Coleman (1988), social capital provides resources for the individual that facilitate mutual collaboration among members of the same structure. And Putnam (2000) also highlights the ties between members of a network as resources that bring cooperation and trust between individuals. Social Capital theory has been employed in several areas of knowledge where networks are formed to build political power. In the realm of consumer behavior, studies are growing.

Several studies evaluate the relationship between Social Capital and consumer responses. Some studies deal with online brand groups and consumer interaction (BOWDEN et al., 2018; ZHANG et al., 2019), teenage alcohol consumption (JORGE et al., 2018), consumer financial education (AGARWAL et al., 2011), online buying groups (CHEN et al., 2015), consumer behavior in social networks, and digital word-of-mouth (GVILI ; LEVY, 2018), loyalty in services (JONESA ; TAYLOR, 2012) and in digital transactions (CHEN et al., 2017), the use of Social Capital for consumer identity adjustment (HOGG et al., 2003), its use by societal superstructures to shape consume profiles (Ogilvie, 2010), the credibility of information in digital channels (LEVY ; GVILI, 2015), the study of social vulnerability and consumption (VISWANATHAN ET AL., 2014; SUBRAHMANYAN ; TOMAS GOMEZ-ARIAS, 2008), the persuasive role of digital influencers (LANGNER et al., 2013) and so forth. These studies have in common a transition of consumption, or consumption of experiences, from an individual to a collective level, with mutual benefit exchanges, rather than a transactional exchange (MATHWICK et al., 2008).

However, no study that we are aware of evaluates the relationship between Social Capital and global preference bias, even more in developing countries. We hypothesize that global preference bias can be explained by networking that promotes the idea that global lifestyle can distinguish people in a network of social structure.



Thus, this paper aims to determine the influence of Social Capital on global brand preference bias. This influence was tested by the extension of self and xenocentrism as mechanisms mediating this preference. This study advances in relation to previous studies on the bias of preference for the global first by proposing the perspective of social networks as a way to explain the phenomenon, in an alternative way to the Theory of social identity, and its proposition of favoring ingroup to the detriment of the outgroup (TAFEL; TURNER, 1986), contributes to an ongoing discussion on consumer dispositions and the preference for buying foreign products in Latin America (ZEREN; KARA ; ARANGO GIL, 2020).

The absence of studies with this perspective is configured as a gap in the extant literature, as the economy and customs in society move towards a perspective of networks, in addition to the vision of social groups only. The study is justified insofar as researchers that adopt this perspective of networks can be important to explain the bias of preference for the global, as consumers feel they belong to a social network structure, rather than to solely social groups that he or she defends (ingroup) or derogates (outgroup), which within the bias studied here, works in the opposite way (preference to the outgroup over the ingroup). This perspective has not been considered in previous studies. The accumulation of evidence of this proposal can bring new and complementary explanations for the preference bias for the global. The study, therefore, contributes to the extant literature on the preference for the global bias, by proposing an alternative in its understanding.

To conduct the study, the data were analyzed by means of structural equation modeling (SEM) using Lisrel software, based on a covariance matrix. Conditional regression tests were conducted to test for the mediation of the intervening mechanisms of Extension of Self and Xenocentrism in the relationship of Social Capital with Global Brand Purchase Intention. To profile the unobserved heterogeneity, a latent class analysis was performed with all variables of the study.

## 2 THEORETICAL FOUNDATIONS

### 2.1 GLOBAL PREFERENCE BIAS



Social identity theory posits that individuals distinguish themselves from one another and define them as part of the social process as members of a group that distances themselves from one another. Highly susceptible to situational factors, the environment can promote the development of new identities. This can occur even through contact with foreign cultures and globalization and consequently trigger the formation of a global identity (HOWARD, 2000; ALDEN ET AL., 2006; ARNETT, 2002; STEENKAMP; DE JONG, 2010; NG ; BASU, 2019).

Globalization has allowed individuals to possess a global or local identity, or even feel a relationship with both identities, the so-called global, and even become disenchanted with these cultures, the so-called alienated or uninvolved (NG; BASU, 2019). In common, these social identity mechanisms establish consumer preferences for what is local (ethnocentrism), what is global (xenocentrism), and identities that are more permeable to both preferences (cosmopolitanism), among other variations, such as the country-of-origin effect, animosity, disidentification, and omnivorousness. This paper adopts as global preference bias, typical of developing countries, the global brand purchase intention, and xenocentrism.

This bias for the global reflects o the preference for brands (RIFF; YAGIL, 2020). Global brands are those that consumers can find with the same name in several countries, including standardized marketing strategies, giving them recognition and endorsement of belonging to a global community, and some of these brands become global icons. For this reason, they are associated with quality, prestige, and higher aspirational value, and consequently perceived as more valuable than local. This sense of belonging to a global network means that brand choices can be motivated by this aspect, in the construction of a global identity, recognized anywhere, representing symbolically an obtained hierarchically superior social position, represented by a network of consumers with the same concern (Akturan & Bozbay, 2017).

## 2.2 XENOCENTRISM

Individuals looks for similarities in desirable reference groups in contrast to other reference groups that are considered harmful (ZEUGNER-ROTH et al., 2015; CAMACHO et al., 2020). In xenocentrism, the foreigner is preferred over the local (BALABANIS; DIAMATOPOULOS, 2016). The term xenocentrism consists of



devaluing local cultural aspects and replacing them with foreign cultural values. Therefore, xenocentric individuals are defined as those individuals who have a preference for a society different from their original one, favoring everything over the other rather than their own.

This concept brings a negative evaluation of the internal group in relation to the external group or reference group (LAWRENCE, 2012; ROJAS-MÉNDEZ; CHAPA, 2019). Xenocentric consumers move away from consuming what is local. The xenocentric consumer is therefore defined as the individual who prefers products or services from society other than his or her own. Consumer xenocentrism has been established as an internalized belief of the inferiority of local products, triggering a propensity to favor foreign products as a means of achieving higher perceived status. In this way, xenocentrism represents a preference for the global, based on a search for a foreign identity, to the detriment of the local one, which is characteristic of developing countries, and mainly constitutes the bias for the global.

## 2.3 SOCIAL CAPITAL

For Bourdieu, SC is a form of capital inherent to the relationships that provide useful information and assistance when necessary for its various actors. SC is intrinsically linked to the accumulation and mutual exchange of advantages. It is defined as the aggregation of actual or potential resources that are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, belonging to a network – that provides to each of its members, with the support of the collectivity's own capital, a 'credential' that gives them credit, in the various senses of the word (BOURDIEU, 1980).

For Coleman (1988), individuals have interests in opportunities and resources, and it is these mutual interests that foster the social interdependencies that maximize their utility, and thus rationally choose the best opportunities taken and permanent social relationships are established, whether of authority or trust. The SC acts as a network of relationships, not always formally structured, with which the individual is involved, capable of providing a series of resources to him (BOURDIEU, 1986). It is inferred that involvement in groups provides its participants with a collective sense of actions, and information exchange, as well as other byproducts that bring mutual



benefit. Social capital promotes local development, with a potential effect on the preference of aspects universally accepted as beneficial to the same community (VELTMEYER, 2019). This is observed in several social dimensions, such as political issues, collaborative consumption, and social well-being (RINGIM ; SHUAIB, 2017). We hypothesize that, as global brands represent status, and quality, there must be a preference for these brands as a way of signifying symbolic capital (Bourdieu, 2000) representing benefits to their consumers. The terms Self and identity are used to clarify subjectively who individuals are. In the realm of consumption, the concept of extension of the Self was presented by Belk (1988) as a mechanism used by individuals to expand and enrich their sense of identity.

## 2.4 EXTENSION OF SELF

Consumers associate characteristics of brands with their self-image (self). When acquiring products, consumers take possession of these objects and incorporate them to their identity characterizing the term “extended Self”, which can be described as the extension of their identity through the goods they have acquired (BELK, 1988; PONCHIO; STREHLAU, 2011). Consumers aim to incorporate the meanings and symbolism present in the purchased good to compose the construction of the Self and the identity he seeks (DA SILVA et al., 2020). Consequently, consumers search for products whose brands favor their personalities (Kasiri et al., 2017).

Thus, consumers consider brands that are symbolic and whose attributes are congruent with their identity (WALLACE et al., 2017). On the other hand, consumers tend to distance themselves from brands whose features and attributes go against their values and personality (MATZLER et al., 2016). Therefore, extending the Self goes beyond ownership for its own sake. It involves a connection with the symbolisms contained in the good (KIESLER; KIESLER, 2005). The extension of the self is consistent with Social Capital, as brands act as an approximation of symbolic capital in the theory of social capital. The instrumentalization of symbolic capital allows brands to be these symbols representative of individuals with social capital.

## 2.5 THEORETICAL MODEL



Figure 1 shows the model proposed to test the hypotheses of this study, reconciling the concepts of Social Capital (BORDIEU, 1986), Extension of Self (BELK, 1988), Xenocentrism and Global brand purchase intention (BARTSH et al., 2016) to understand global bias preference. To the extent that social groups create networks to build mutually beneficial relationships, and in developing countries, it is expected that there will be a bias towards global preference, as this signals more status, as a social representation of distinction and superiority, a positive influence of Social Capital on Global Brand Purchase Intention and Xenocentrism is expected.

H1: Social Capital will have a positive and significant influence on Global Brand Purchase Intention;

H2: Social Capital will have a positive and significant influence on Xenocentrism;

The search for objects that can represent our identity is something observed in the literature as a way to increase our vision of ourselves, incorporating to our identity the characteristics of the desired object (or brand) (BELK, 1988). This identity will represent a vision of ourselves composed of global aspects, as a preference of individuals from developing countries (BARTSCH et al., 2016). And Xenocentrism is represented by a preference for what is global (LAWRENCE, 2012), leading to congruent consumption manifestations, such as Global Brand Purchase Intention. It leads us to the following hypotheses:

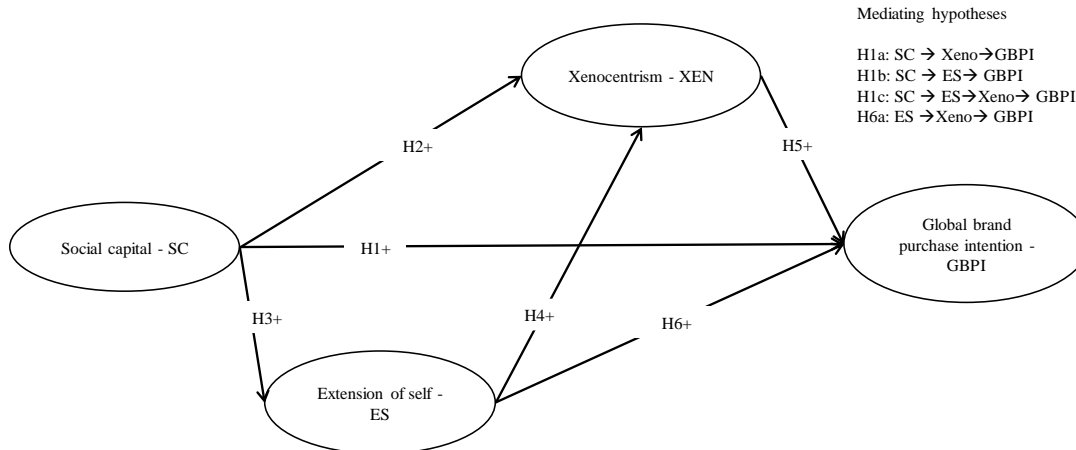
H3: Social Capital will have a positive and significant influence on Extent of Self;

H4: Extent of Self will have a positive influence on Xenocentrism;

H5: Xenocentrism will have a positive influence on Global Brand Purchase Intention;

H6: Extent of Self will have a positive influence on Global Brand Purchase Intention;





**Figure 1.** Conceptual framework

Further, we propose that while individuals who prefer what is global have this preference for the global in a congruent way with their identity and with their purchase choices, this leads to both Xenocentrism and Extended Self being mediating mechanisms of the global preference bias manifested by Global Brand Purchase Intention as a behavioral antecedent. Xenocentrism has already been tested in previous studies as a mediating construct of consumer responses (CLEVELAND ; BALAKRISHNAN, 2019) and particularly in the preference for global brands (BALABANIS ; DIAMANTOPOULOS, 2016; DIAMANTOPOULOS ; DAVYDOVA, 2019), however, not yet empirically proposed or tested for the relationship between Social capital and preference for global brands.

H1a: Xenocentrism will mediate the relationship between Social Capital and Global Brand Purchase Intention;

H1b: Extent of *self* will mediate the relationship between Social Capital and Global Brand Purchase Intention;

H1c: Extent of *self* and Xenocentrism will mediate the relationship between Social Capital and Global Brand Purchase Intention;

H6a: Xenocentrism will mediate the relationship between the Extent of *self/identity?* and Global Brand Purchase Intention

### 3 METHOD



The study was conducted with a convenience sample in with potential consumers of global brands in the city of São Paulo. A pre-test of the survey instrument was carried out with the objective of validating the understanding of the scales before the final collection. The collection instrument was available to respondents through a link that directed them to the final collection.

### 3.1 MEASURES

The study measured the constructs Xenocentrism (XEN) by means of Lawrence's scale, Social Capital (SC) was measured by means of a scale developed by the authors with items generated based on Ponte and Mattoso (2015), Holt (1998), and Bourdieu (2007) and consumer behavior researchers and validated by specialists. The nomological network to validate the scale was conducted in this study. The extension of Self was measured through items from the Sivadas and Machleit's (1994) scale. Global Brand Purchase Intention (GBPI) had items adapted from Chandran and Morwitz's (2005) scale. All items were anchored on an 11-point Likert scale, ranging from 0 ("Strongly Disagree"), to 10 ("Strongly Agree"). All items were back-translated to Portuguese, and analyzed by the same specialists mentioned earlier.

### 3.2 DATA ANALYSIS CRITERIA

The data were analyzed using Lisrel 10.20 (JÖRESKOG; SÖRBOM, 2015) software for Structural Equation Modeling (SEM), and its fit criteria were based on Hair, Black, Babin, Anderson, and Tatham (2019). The chi-square ( $\chi^2$ ) value is observed, which should be as small as possible. The  $\chi^2$  is sensitive to the sample size, and other fit indicators are established. Root Mean Square Error of Approximation, or RMSEA, indicators were also analyzed. Another indicator of structural model fit was the Normalized Fit Index (NFI), which should vary between 0 and 1, the closer it is to 1, the better. It is calculated by the proportion of the difference in the  $\chi^2$  value for the model adjusted by the researcher in relation to the null model divided by the  $\chi^2$  for the null model.

The Comparative Fit Index (CFI) was also observed, which is a reformulated version of the GFI, or Goodness Fit Index, considering the normalization of the indicators, also ranging between 0 and 1, and the closer it is to 1, the better. Being normalized, values close to 0.90 are ideal. For the final adjustment of the model, the



indicators of model reliability were observed, Cronbach's Alpha (CA), Composite Reliability (CR), convergent validity, Average Variance Extracted (AVE) above 50%, and discriminant, square root of the construct's AVE above the correlation of the same construct with the others.

The conditional mediation tests were performed in SPSS v.21 software, using Process<sup>®</sup> macro 4 (single mediation) and 6 (double mediation), following the procedures described by Hayes (2017). For these tests, we sought to observe the confidence interval (CI) of the effect indicators, which could not contain zero, in addition to a p-value less than or equal to 5%. To test for heterogeneity, we employed latent class analysis, which allows for establishing a probability of individuals pertaining to a certain group, according to some variable of interest (RHEAD; ELLIOT; UPHAM, 2018). Group unobserved pattern is crucial to comprehend distinct aspects of the sample according to the phenomena studied.

### 3.3 RESULTS AND ANALYSIS

#### 3.3.1 Sample

To achieve the objectives of this study, a survey was conducted with 125 valid respondents achieved randomly. These participants were approached via a link that directed to the survey instrument with the validated scales and other demographic items. Among these participants, 59% were female, the average age was 29 years (sd=13 years). A heterogeneous sample is important for the purposes of this study seeking to represent the characteristics of the underprivileged population, reflecting different points of view about the same phenomenon.

#### 3.3.2 Model fit

Initially, the maximum likelihood method was used for structural model fitting. The residuals were observed for item retention. After a few rounds of adjustment, the final structural model achieved a good quality of adjustment/fit.

The  $\chi^2$  value was 33.70 (degrees of freedom=21), and RMSEA = 0.069. The GFI was 0.947. The standardized RMR was 0.040. The CFI indicator was 0.974, and finally, the NFI was 0.936. The indicators of model reliability, convergent validity, and



discriminant validity were evaluated, reaching the established parameters, and allowing hypothesis testing to be performed. These indicators are shown in Table 1.

Constr	ltem	FL	AVE	CR	CA	VIF	Mean	sd	GBP	XEN	ES	SC	
GBPI	ICE	0.89					2.73						
	2	0	0.76	0.86	0.86	1.52	2	6.15	2.6	<b>0.87</b>	-	-	
	ICE	0.86	6	7	3	8	2.60	6	8	<b>5</b>	-	-	
XEN	4	0					9						
	X1	0.75					1.78						
	0	0.54	0.70	0.70	1.53	8	4.69	2.5	r=0.	<b>0.74</b>	-	-	
ES	X2	0.73	8	8	9	8	1.70	6	0	70	<b>0</b>	-	
	0						9						
	ES	0.87					2.28						
SC	1	0					1						
	ES	0.74	0.66	0.86	0.81	1.25	2.58	4.65	2.6	r=0.	r=0.	<b>0.81</b>	
	2	0	4	5	3	1	7	9	7	41	47	<b>5</b>	
SC	ES	0.83					1.67						
	3	0					4						
	CC	0.99					2.26						
SC	1	0	0.74	0.85	0.82	1.13	4	5.72	2.6	r=0.	r=0.	r=0.	<b>0.86</b>
	CC	0.72	9	3	9	0	2.14	4	8	29	35	25	<b>6</b>
	6	0					8						

**Table 1** – Reliability, convergent and discriminant validities

\*LF=Factorial loading; CR=Composite reliability; CA= Cronbach alpha; VIF=Variance inflation factor; sd=Standard deviation; In black bold letters the square root of AVE (Average variance extracted); r= correlation index; GBPI = Global brand purchase intention; XEN = Xenocentrism; ES = Extension of self; SC = Social capital.

To test the possibility of common method variance bias, Harman’s one-factor test was evaluated, by means of a non-rotated factorial analysis with all variables purified and should not result in only one factor responsible for most of the variance of



the solution found. Besides this, the common tracer test was also performed, in which the bivariate correlations between the constructs are compared to the partial correlation controlling for a variable with no theoretical relationship with the others. If there is no significant variation in the correlation coefficients, we can understand that there are indications of no method bias in the study. Table 2 presents these results.

Construct	Item	Component			Correlation vs bivariate correlation			
		1	2	3	GBPI	XEN	ES	CS
GBPI	ICE4	0.734			1	<b>0.551</b>	<b>0.360</b>	<b>0.299</b>
	ICE2	0.714		-0.460				
XEN	X1	0.674			0.549	1	<b>0.390</b>	<b>0.262</b>
	X2	0.659						
ES	ES1	0.675	-0.427		0.361	0.396	1	<b>0.251</b>
	ES2	0.615	-0,442					
	ES3	0.671	-0.480					
SC	CC1	0.550	0.574	0.458	0.297	0.250	0.246	1
	CC6	0.465	0.661	0.465				
Variance		41.53%	15.90%	14.71%				

**Table 2.** Test of variance common to the method

EFA: KMO=0.711,  $\chi^2 = 479.186$ ,  $df=36$ ,  $p < 5\%$

\*in bold letters the value of the partial bivariate correlations, with the effect of the marker variable deduced;  $df$ =degree of freedom; KMO = Kaiser-Meyer-Olkin; EFA = Exploratory factorial analysis.

These results support the assumption that there is no common bias in the method. The marker variable used in the partial correlation was composed of social desirability items since the study is based on self-report. We observed the extraction of 3 non-rotated factors in the exploratory factor analysis, and non-significant differences between the correlations between the main variables of the study and the same correlations controlled for social desirability.



### 3.4 HYPOTHESIS TESTING

The hypotheses were tested using a SEM based on a covariance matrix, in Lisrel software. Hypothesis 1, which indicates the relationship between Social Capital and Global Brand Purchase Intention (GBPI) (H1:  $SC \rightarrow GBPI$ ;  $\beta = 0.04$ ;  $t=0.48$ ,  $p$ -value  $>5\%$ ), is not supported by the results. This indicates that the power and benefits generated by the group are not enough to generate the intention to purchase a foreign brand. However, hypothesis 2 was confirmed (H2:  $SC \rightarrow XEN$ ;  $\beta = 0.26$ ;  $t= 2.35$ ;  $p$ -value  $<5\%$ ) about the direct relationship between Social Capital and Xenocentrism opening the possibility of a significant indirect relationship with the purchase intention of foreign brands.

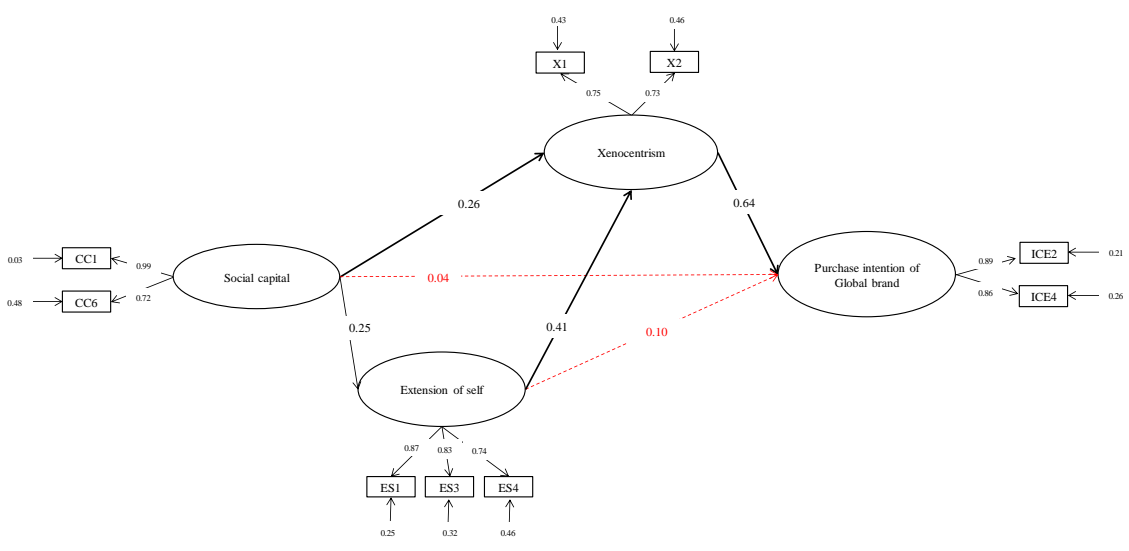
Hypothesis 3, about the relationship between Social Capital and Extent of Self was also confirmed (H3:  $SC \rightarrow ES$ ;  $\beta = 0.25$ ;  $t= 2.49$ ;  $p$ -value  $<5\%$ ), again indicating a possible mediation for the relationship between Social Capital and Global Brand Purchase Intention. The 4th hypothesis of the study, the relationship between Extent of Self and Xenocentrism, was confirmed (H4:  $ES \rightarrow XEN$ ;  $\beta = 0.41$ ;  $t= 3.53$ ;  $p$ -value  $<5\%$ ), indicating the relationship between identity and preference for the global. Finally, the fifth hypothesis of the study, the relationship between Xenocentrism and Purchase Intention of foreign brand was supported (H5:  $XEN \rightarrow GBPI$ ;  $\beta = 0.64$ ;  $t= 4.38$ ;  $p$ -value  $<5\%$ ), although the sixth hypothesis was not (H6:  $ES \rightarrow GBPI$ ;  $\beta = 0.10$ ;  $t= 0.91$ ;  $p$ -value  $>5\%$ ).

The conditional hypotheses proposed the mediation of Xenocentrism, and Extent of Self in the tested model. The first mediation, H1a, tested the relationship between Social Capital and Global Brand Purchase Intention,  $CS \rightarrow XEN \rightarrow GBPI$ , and was supported, as shown by its effect size and 95% confidence interval (CI) (effect=0.127, CI 95% [0.030; 0.250],  $p<0.05$ ), indicating an alternative to the unsupported direct relationship between Social Capital and Global Brand Purchase Intention. On the other hand, the relationship between Social Capital and Purchase Intention mediated by Extent of Self, H1b ( $SC \rightarrow ES \rightarrow GBPI$ ), was not supported (effect=0.058, CI 95% [-0.005; 0.139],  $p>0.05$ ). Alternatively to the unsupported direct relationship, between Extent of Self and Purchase Intention, the mediation of Xenocentrism was tested in hypothesis H6a ( $ES \rightarrow XEN \rightarrow GBPI$ ), and was supported (effect=0.174, CI 95% [0.086; 0.271],  $p<0.05$ ).



The indirect relationship between SC and GBPI, mediated by Extent of self (H6a) was not confirmed (effect=0.058, CI 95% [-0.005; 0.139],  $p>0.05$ ). This suggests a conditional relationship for purchase that is neither directly (ES → GBPI), nor indirectly (SC → ES → GBPI), supported by Extension of the self. That is, identity being augmented is not, in this study, a primary mechanism in explaining the global preference bias when it comes simply to purchase. It is suggested that the integration of brand and identity is a mechanism that leads to preference (xenocentrism), but not enough to generate the purchase.

However, when testing dual mediation, H1c, SC → ES → XEN → GBPI, the proposed intermediating mechanism of the mediating interaction between the Extention of Self and Xenocentrism was found to be significant (effect=0.013, CI 95% [0.001; 0.064],  $p>0.05$ ). This result suggests that for Social Capital to lead to Global Brand Buying Intention, there must be, in conjunction, a brand and identity integration mechanism that leads to a trait of xenocentrism (the main trait of preference for the global), and then the behavioral intention to buy something global. The final structural model can be seen in Figure 2.



**Figure 2. Results**

\* standardized coefficients

The adjusted model was able to explain Global Brand Purchase Intention significantly ( $R^2=50.3\%$ ), allowing direct and conditional relationships to be observed. Taken together, these results suggest evidence that Social Capital is not able to



generate Purchase Intention for global brands by itself. For there to be this relationship, the study indicated that the Xenocentrism trait gives rise to the indirect effect.

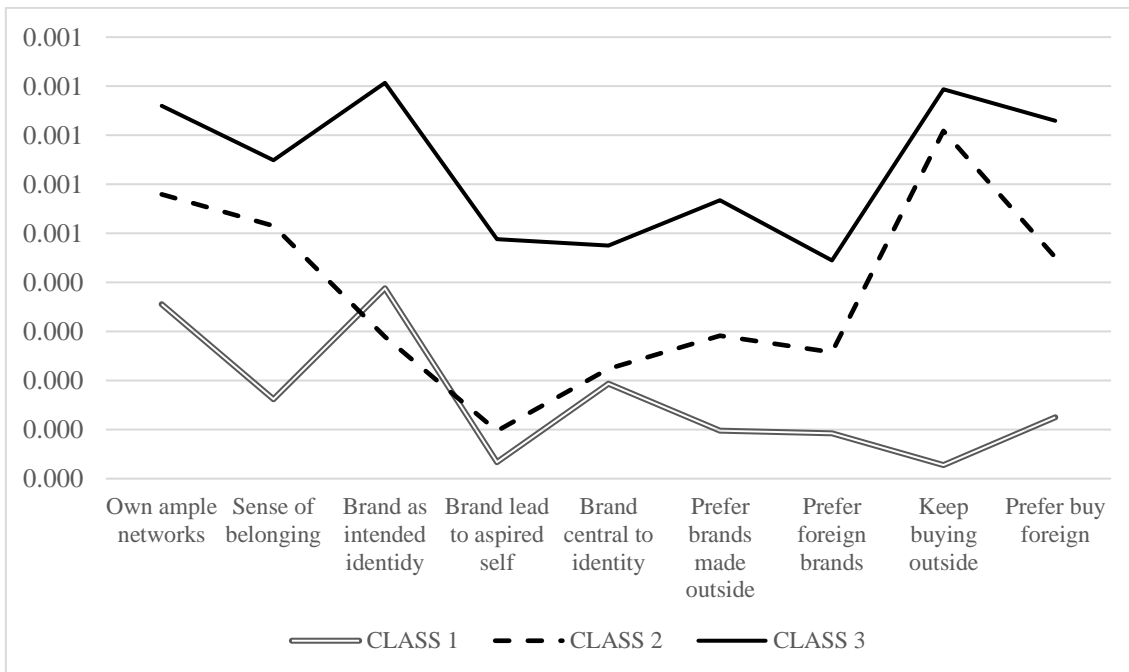
That is, the power and benefits generated to members of social networks and groups do not directly lead to the purchase of foreign products as we predicted, and this may be due to the fact that the political power of Social Capital does not require global brands to reflect the group. It requires that people in the group possess the trait of preference for the global as an antecedent. Social Capital leads to greater Xenocentrism (H2), suggesting that, on the other hand, it is a by-product of it to prefer what is foreign (over what is local). There is a consensus in developing country society that what is international is better than what is local (Bartsh et al., 2016), the global preference bias, but this is not reflected in a direct preference.

The mechanism is composed of a specific trait, xenocentrism, even if there is not, initially, an identification of the brand with the self (H3a). It is interesting to note that even if the brand has identification with the self, the global brand purchase is not directly predicted by this congruence with the identity. It again requires the intermediation of Xenocentrism, as one pathway, but also, as another pathway, dual intermediation, with both identity extension and xenocentrism interacting.

These initial results suggest that for Social Capital to lead consumers to buy the global brand, rather than brand congruence with one's identity, the trait of preference for foreign aspects must predominate. We also tested the profile of the sample regarding the constructs of the study using latent class analysis (NYLUND-GIBSON ; CHOI, 2018), to simulate the circuit social-capital→extension of self→xenocentrism→intention to buy foreign brands, as a proxy of the phenomenon. We found three heterogeneous classes, the (1) "low-connected-non-for foreign", the (2) "middle-connected-pro-foreign", and the (3) "high-connected-high-for-foreign". These classes somehow mimic the pattern experienced in individuals when social capital stimulates them to connect brands to their selves, their xenocentrism trace of personality, and their inclination to buy foreign brands. Figure 3 shows the pattern revealed.







**Figure 3.** Latent profiles in the sample

The results bring evidence of the heterogeneity that can be observed in people from developing countries when it comes to preference for global, identities and their social ties. Contrary to expected when seeing results on the average and aggregate terms, individuals have a different spectrum of opinions and do not usually agree totally with each other. Class 1 individuals disregard alliances and networked relations. Although brands are important for their identities, they may not be used for aspiring purposes.

They simply do not want brands from outside. Not for their identity, and political intentions, nor for consumption. This profile contrasts with class 3, whose members consider their ties and bonds as an important aspect of their lives, placing emphasis on self-extension through brands, particularly foreign ones, as representatives of their lifestyle and socio-political positioning, as they are xenocentrism supporters' individuals. Stuck in the middle, class 2 resembles class 3, in minor levels, except for their diminished reliance on self-extension.

Taken together, these results show that bias towards the global is not a consensus, and individuals differ fundamentally on the topic, and companies and policymakers should consider these aspects in their strategies and actions.

## 4 DISCUSSION

### 4.1 Conclusion

The objective of this study was to analyze the relationship between Social Capital and the global preference bias, represented both by Xenocentrism, as a mediating variable, and by Global Brand Purchase Intention, along with the intermediation of the Extent of the Self. The results suggest that one of the byproducts of social interactions, institutionalized or not, is a preference for the global.

There is evidence that one of the ways to seek and sustain relationships of solidarity, cooperation, and mutual trust, in addition to the personal benefits of belonging to a cohesive social network, Social Capital, is to develop a preference for what is foreign, as a way to demonstrate this individual and group power. Otherwise, Social Capital stimulates a preference for what is global, xenocentrism, resulting in a behavioral intention to purchase foreign brands, even if they do not have an identified relationship between brand congruence and self. These results reinforce that social groups create their own norms and values in order to establish how individuals can manifest their group belonging. These results imply that those with a preference for the global over the local can exercise individual and group power over other social agents.

### 4.2 THEORETICAL IMPLICATIONS

Drawing on international marketing literature, the findings of this study contribute to the social capital literature and its interaction with consumer behavior by adding explanations of the phenomenon of preference for what is global. This phenomenon had not been studied by Social Capital theory yet. The behaviors connected to the global lifestyle seem to be related to the power generated by group members due to this connection.

For the academy, the study advances in previous studies (MERINO ; GONZALEZ, 2008; OZSOMER, 2012; BALABANIS ; DIAMANTOPOULOS, 2016; DIAMANTOPOULOS et al., 2019) by proposing the perspective of contact networks of reciprocity as a way to explain the preference bias for the global. As consumers perceive themselves as members of a global network when preferring a global brand, the prospect of favoring the outgroup alone limits the understanding of the



phenomenon, in a world in which global and sharing aspects take on more and more space, as in the collaborative economy, in consumer communities, and in the collapse of borders between countries. This study is original and proposes a pioneering perspective based on the theory and concept of social capital.

In a way, the global lifestyle empowers individuals with a distinction from other social groups that do not share this value. This preference manifests itself in several ways. Although developing countries in Latin America consume their own culture, it is worth noting how they consume even more the culture produced in the USA and Europe, despite its great proximity to boundary countries. The Cultural Capital, which according to Bourdieu represents the accumulation of knowledge appropriated by the individual, is interrelated to the Social Capital, to exercise dominance of one group over another(s). Cultural (and economic) capital as a function of Social Capital establishes the ways in which groups and individuals establish their power and benefits. An individual's social position is also established by the cultural assets he or she possesses and develops in his or her network of contacts, not only by economic position and material possessions.

The preference for the global reproduces a pattern established culturally, and globally, that what is foreign is superior (materially). In short, consuming what is foreign is a byproduct of Social Capital in terms of cultural capital, as a way of establishing and reinforcing a consumer group's power. Global branding and xenocentrism are manifestations of both cultural and even to some extent, economic capital, and develop as a preference and lifestyle in the structure of the micro relations of the groups and networks cultivated by the consumer.

By identifying three heterogeneous profiles, the study produces evidence that bias towards the global is not a consensus among individuals from developing countries. Although the phenomenon is more pronounced in these societies (BARTSH et al., 2016), one may not regard it as assumed, as no study so far addressed this topic through latent class analysis. This signifies that further research could consider different profiles to advance the understanding of the phenomenon.

### 4.3 Managerial implications

This study also contributes to organizations by collaborating in the understanding of how individuals from developing countries consume what is foreign. It suggests that organizations understand the motivations of consumers to form contact networks and



establish themselves as entities that promote and act in these groups. The study also suggests to companies elaborate on segmenting their markets on international grounds to establish strategies able to deal with different profiles.

Studies have confirmed that loyalty and purchase intention is due to the conceptions people have about brands and their local-globalness (KOLBL; ARSLANAGIC-KALAJDZIC; DIAMANTOPOULOS, 2019), so there has been mounting evidence directing efforts to consider markets as global arenas, even though brands opt to deliver locally. Consumers compare how global a brand is, and how much it adds to their personality, and a superordinate categorization of brands affects consumer brand response (DAVVETAS; HALKIAS, 2019). Digital transformation and habits are changing rapidly the way consumers engage with brands and understanding more deeply these connections to position the brand is urgent (LABRECQUE; SWANI ; STEPHEN, 2020).

National brands from developing countries face the competition of global brands and their economic power, and struggle to overcome and nurture their brands. Our study suggests that some consumers, despite their preference for global brands, can live together with a low preference for global brands also. However, these strategies and brand management marketing actions must consider consumers' preferences for their identity. The aspirational aspect of identity is closely linked to brands and capturing these subtleties in consumer-brand relationships is challenging, but promising at the same time, leading to brand strategy choices on which attributes must be promoted and explored to win consumers.

#### 4.4 LIMITATIONS AND FUTURE STUDIES

Despite its huge representativeness in Latin America, this study deals with global marketing but was conducted solely in Brazil. This poses some restrictions to the profile of the respondents herein to represent the phenomenon under scrutiny. We strived to mitigate this aspect by observing the heterogeneity in the sample and discussing its implications. This heterogeneity may somehow resemble that expected in the region, but a more diverse sample, in its cultural dimension would be an important aspect to be considered. Global bias is a phenomenon in developing countries, but developing countries differ from each other.



We also isolated the constructs employed in the study, and it causes some limitations of traits captured from the sample. New studies can move in this direction observing other traits such as ethnocentrism and cosmopolitanism, among other personality traits specifically. The study lacks probing of the direct relationship between social capital and global brand purchase intention. We expect it was due to sample characteristics not being controlled in the study. Further studies could elaborate on these aspects to advance knowledge on the topics discussed.

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