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Managing brands globally: A cross-cultural study of the BMW brand in Australia and Germany

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Abstract

Brands no longer can be treated as constructs that are solely created by marketers. Instead, brands need to be understood as evolving systems that interact with their surroundings. As much by their original creators, brands are shaped by the views, looks and habits of their end-users, distributors and other influencing factors. With the rise of global trade, more and more brands are introduced to new cultural contexts. These new settings have to be thoroughly analysed and taken into account when managing brands globally. This study aims to develop a way for practitioners to evaluate their brands within international contexts. The real world case of BMW is used to assess three criteria for successful branding, in a survey of customers in Australia and Germany. For the BMW brand, overall brand perception is similar in the two countries but associations linked with the brand's core values are different. The BMW owners consider different purchase criteria and have different reasons for buying a BMW, and take different competitor brands into consideration. While the results of this study revolve around BMW brand, some general conclusions on cross-cultural branding are drawn.

Keywords

Brand management, cross-cultural brand identity, country-of-origin, cross-cultural marketing, globalisation

Introduction

The role of branding is changing with globalisation. Once concerned with the management of a coherent brand identity in a relatively homogeneous market, modern branding strategies must be sensitive to cultural differences across countries (Gürhan-Canli 2000). With new and diverse markets being served, brand management has to become more versatile. The international marketer's debate over adaptation or standardisation is not relevant for marketers' needs in global branding, which are to depict unity without forcing sameness (Blumenthal 2001; Hsieh & Lindridge 2005; Vrontis 2003).

Generally, most researchers agree (e.g., Aaker 2002; Keller 2003; Porter 2004) three criteria are essential for successful branding strategies. The first criterion is *coherence* to the brand's heritage; the second is *resonance* with consumer demands; and the third

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is *differentiation* from competitors. First, an effective brand management system has to be coherent, that is, brand managers need to apply an emic view to understand how their brand identity is understood, and what image variables and associations are referred to in different markets. Next, to generate offers that resonate with consumers, the consumers' needs have to be understood on a local level since their demands might not be transferable from one market to the other. Finally, the competitors' landscape and the competitors' strengths and weaknesses have to be explored to identify brand threats as well as opportunities while claiming a unique position within the marketplace. Despite the importance of the topic, from the practitioners' perspective research, literature on global branding issues is limited. Furthermore, findings are controversial, especially the widespread Country-Of-Origin (COO) literature often struggles to take on a holistic view of the nature of brands, markets and nationality dynamics alike (Hsieh 2004).

Thus, choosing a real-life case, this paper demonstrates a way to evaluate brands and to provide some valuable information for practitioners. It looks at the criteria for successful branding and analyses the BMW brand by applying a factorial brand structure. The factorial approach draws from Hsieh (2004) and takes a brand's image dimensions and underlying associations into account.

The article has six sections. First, relevant literature is reviewed. Then the research setting is explored and hypotheses developed to reflect the three branding criteria. In the next section, an online customer survey is described. The perception and acceptance of BMW's three core values or image dimensions is tested. This is followed by a description of the results from the analysis of brand associations in the two countries by applying a set of salient beliefs about automobiles. Then, discussion about BMW's consumer preferences and competitors are evaluated to equip marketers with an understanding of their brand and of consumer needs and competitors' positioning. Finally, limitations and future research is presented.

While the findings are limited to the BMW brand and two countries, the conceptual framework can be transferred by brand managers to other brands, brand categories and regions. With it, they can develop a global branding strategy that is effective because it strikes a balance between adaptation and standardization.

Literature review

Cross-cultural influences on marketing and branding strategies:

In broad terms, three criteria are essential for successful branding strategies. The first criterion is *coherence* to the brand's heritage; the second is *resonance* with consumer demands; and the third is *differentiation* from competitors. (Aaker 2002; Keller 2003; Porter 2004)

First and foremost, an effective brand management system has to be coherent to consumers. Rather than looking at brands merely from an institutional perspective, marketers must frame their brands from a consumer's perspective. At the global level, despite former assumptions about a standardised marketplace and standardised demands (Levitt 1983), a number of researchers show that cultural differences in terms of

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ethnocentrism (e.g., Gürhan-Canli 2000; Moon 2004) and information processing (e.g., Alden 1994; Ettenson 1993) exert substantial influences on consumers purchasing behaviour. In other words, marketers need to understand how 'culture' shapes each of the influencing factors.

Next, offers need to be generated to resonate with consumers, and therefore consumers' needs have to be understood on a local level since their demands might not be transferable from one market to the other. Consumers' needs have to be identified and referred to in product and branding strategies. For example, the two cultural dimensions of power distance and individualism do affect marketing and branding strategies (Roth 1995). In countries with low power-distance (such as Germany, Netherlands and Argentina), functional brand images are most appropriate; while in countries with high power distance (such as China, France, Belgium), social and sensory images work best. Highly individualistic cultures (for example, European countries) are best reached by addressing functional, variety, novelty and experiential needs, whereas group membership and affiliation benefits are the dominant needs in low individualistic countries (like Asian countries).

Finally, it is necessary to differentiate from competitors. In other words, the competitor's landscape and the competitor's strengths and weaknesses have to be explored to identify brand threats as well as opportunities while claiming a unique position within the marketplace. For example, socioeconomic development affects marketing and branding strategies (Roth 1995). An emphasis on functional brand image strategies enhances brand performance when regional socioeconomics are low. On the other hand, when regional socioeconomics are high and consumers have wide exposure and easy access to Western consumer culture through media and mobility, emphasis should be shifted from functional to social and sensory brand images to maximize output.

Furthermore, the country of origin (COO) affects marketing and branding strategies. Since its proven influence on belief formation (Erickson 1984, Han 1989), the COO effect has been identified as an important cue that might be used by global marketers to positively influence consumers' perception of the brand. Despite its importance and numerous studies, there are no clear answers to when and how to leverage the COO effect. Some studies account for strong COO effects influencing consumer's perception (like product integrity, price value) (Papadopoulos 1990) or even buying behavior (Cai 2004) while others draw more limiting conclusions. In general, the more sophisticated a product is, the more salient will be the COO effect (Zhang 1996). This COO effect depends on product category and cannot be transferred easily from one category to the other (Ahmed et al. 2004). For example, the COO bonus for Swiss-made watches may not be the same as for Swiss-made fashion.

Thus the COO effect is not an intangible bonus that can be added on to products easily. For a start, price premiums are by no means pre-assigned (Agrawal 1999). As well, different perceptions and buying behaviors for products from different countries are due to actual differences in product quality and those differences have been learnt by consumers over time. Thus the usefulness of research findings from studies in which different COO effects are ascribed to exactly the same product can be questioned – that 'same' TV-set or t-shirt may not be exactly the same. Any COO bonus that is not

justified by real quality differences would diminish and consumers would adjust their perceptions.

Another reason behind the different research findings about the COO effect is the difference in the methodologies of the studies. The shift from single-cue to multi-cue studies, the latter looking at purchasing situations more closely, causes the COO effect or brand-name effect to diminish. Factors such as price, warranty, service level and other extrinsic cues get more important and over-rule the COO effect. Current multi-cue COO studies such as the ones by Baker (2002), Beverland (2002) and Hsieh (2004) all conclude by stressing the importance of context. Once the context changes, so does the use and effects of COO. This conclusion means that every brand-market combination has to be looked at individually, respecting its specific context.

From this contextual viewpoint, two broad options exist for marketers. One is to make the most out of a given context; the other is to actively shape it, with the latter promising more return but also carrying higher risks. To apply either one of the options successfully, a deep understanding of the context is required. Brand managers not only need to take different cultural contexts into account, they also need to monitor these contexts and re-adjust their branding strategies to the dynamics that rule the marketplace. This research aims to provide that understanding.

Research setting

This research studied a well known brand, in two countries. Managing brands globally is important in the automotive industry (Diez, 2005) and the Bavarian car manufacturer BMW is an appropriate example. BMW is regarded as one of the most successful brands ever. According to Interbrand, BMW is the thirteenth most valuable brand worldwide and the third most valuable automotive brand, after Toyota and Mercedes-Benz.

In its home of Germany, it has been an export champion (Milne 2006; N.a. 2005), and in its automotive sector, it is the leader in selling globally (N.a. 2005). While German car manufacturers cover almost 20% of the world market, their market share in some premium segments is as high as 70% (Diez 2005). In 2005, the BMW Group (BMW, MINI, Rolls Royce) generated roughly 73% of their revenue abroad (von Petersdorf et al. 2005).

The two countries in the study were Germany, the origin country, and Australia. Australia is different from Germany in ways that are suitable for this research: it is outside Europe, has a different language and market size (Australia's population is about one quarter that of Germany), has a market that is dominated by US (General Motors Holden and Ford) and Japanese (Toyota) car manufacturers, and is culturally different.

Hypothesis development

The three criteria for brand effectiveness outlined earlier (coherence, resonance and differentiation) were chosen as a grid to develop hypotheses that foster brand, consumer and market understanding.

Coherence of the brand:

A fundamental knowledge of brand perception is essential in developing brand strategies that are in line with the brand's heritage and are accepted as an enhancement. The perception of automotive brands suggests that the factorial structure of brands varies across markets on two levels (Hsieh & Lindridge 2005). They are the level of the brand image dimensions – perception and acceptance of its core values - and the level of their attributes - the associations representing the image (Hsieh 2004). First, looking at the brand image dimensions and their effects on perception and acceptance, it is hypothesized that:

H1a: The perception of the BMW core values is different in Australia and Germany.

H1b: The acceptance of the BMW core values is different in Australia and Germany.

On a deeper level, looking at attributes, it is hypothesized that:

H2: Associations that relate to the BMW core values are different in Australia and Germany.

Resonance of the brand:

Understanding consumer needs is a key success factor in marketing. Companies have to deeply explore and understand consumers' preferences to cater for different functional, symbolic and sensory needs. They need to understand the driving factors behind a consumer's purchase and more so, they need to know how consumers actually make purchasing decisions in favour of one brand over the other.

Cultural differences across markets and their effects on consumer behavior, marketing and branding have been identified (Roth 1995; Lowe 2005). By acknowledging the interdependence of consumers, culture and brands (Luna 2001, Holt 2002 and 2004, Holden 2004), brand management has become complicated. In the past, markets have been perceived as national aggregates, which could be ranked and understood according to etic criteria. Cultural dimensions can be used to describe nations, as done above using Hofstede (2001). However, Hofstede's dimensions have been criticized for two reasons: for their static understanding of culture and their focus on differences. Perhaps, in order to deliver true insights, culture cannot be defined *a priori*. Rather than using a pre-set list of criteria or dimensions, culture could be viewed as a facet of evolving relationships within a market (Holden 2004). Culture results in exclusive clusters of affinity that need to be explored.

Thus, to discover different consumer tastes and preferences in Australia and Germany it is hypothesized that:

H3: There are different purchasing criteria for Australian BMW purchasers when compared with German BMW purchasers.

H4: The core trade-off criteria in favour of a BMW are different between Australian and German BMW purchasers.

Differentiation of the brand:

The way competitors position their brand in the marketplace plays an important role in one's own branding and marketing strategy. Rather than applying me-too strategies and imitating others, brands need to differentiate themselves and claim new territories to be recognized uniquely. In line with H3 and H4 that suggest different purchase criteria and core trade-offs, it is hypothesized that the relevant sets of BMW owners in Australia and Germany are different, that is:

H5: Australian and German BMW owners consider different brands as alternatives to purchasing a BMW.

Methodology

An online questionnaire in the native language of the two countries was used to conduct the research. The questionnaire used a 5-rank rating scale from completely disagree (not at all important) to completely agree (very important). Peer review and back translation was applied to provide measurement equivalence (Malhotra 1996). The respondents were sampled through BMW driver clubs, BMW-related business contacts and private mail-outs. Of the 139 respondents, 41 Australians and 52 Germans regularly drive a BMW and were further considered for the analysis.

How were the concepts in the hypotheses measured? Consider the core values first. BMW's marketing director Wolfgang Armbrecht outlined BMW's core values to the media in 2005 (Lotter 2005): dynamic, cultured and challenging. Within BMW's organisation these core values play an important role. Their reach goes far beyond developing communication strategies. As Armbrecht says: 'These values determine what we do, even in product development. We ask ourselves: is our product really dynamic? Can it be challenging? Are there, for example, groundbreaking innovations? And, what are the aesthetic moments, which characterize our products as typically BMW, providing for a unique character.' (Lotter 2005) To test these three core values, they were encoded in consumer language. Sets of descriptive phrases that express the core value's meaning from Lotter (2005) were used to measure their brand-fit. Then items adapted from Hsieh and Lindridge's (2005) list of 'salient beliefs about an automobile' were used to test consumers' associations to BMW's core values and purchase criteria. The items have been shown to be relevant in previous research and cover functional as well as symbolic and sensory needs.

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The ones chosen for this research were:

- swiftness of the engine
- dealer services
- uniqueness of the car
- fuel economy
- sporty driving capabilities
- latest technology
- exclusive ambience
- made to last
- superior finish
- reliability
- crash ratings
- high speed performance
- elegant styling
- value for money

Apart from descriptive statistics to explain the characteristics of the Australian and German sample, independent-sample t-tests were used to explore differences between the samples. Also Spearman's rank order correlation was applied to explore sample relationships. Spearman's rank order correlation was chosen over multiple regressions and Pearson's correlation because of sample size restrictions and the limited range of scores (Tabachnik & Fidell 2001). For Spearman's rank order correlation, outliers were identified and retained, limiting their range to +/- 1.5 deviations (Tabachnik & Fidell 2001).

Findings

The socio-demographics of the samples in the two countries are similar with slightly more male drivers (86% males) in Germany than Australia (76% males). Most drivers in both countries have achieved a higher level of education, that is, at least a bachelor degree or similar. They belong to middle and upper income classes, with the average Australian driver being slightly younger and earning slightly less than the average German driver.

For their BMW models, the 3series sedan was the one that accounts for the biggest share in both country samples. The 3series makes up just above 50% of the cars driven by respondents in Germany and Australia. The up-market BMW 5series and 7series have a higher share in the German sample than the Australian sample whereas the SUV X5series and BMW's roadsters (Z3 and Z4) are more common in the Australian sample. The different split of sedans versus SUVs and roadsters represents overall market characteristics of the two countries.

The perception and acceptance of BMW core values

H1a: The perception of the BMW core values is different in Australia and Germany.

H1b: The acceptance of the BMW core values is different in Australia and Germany.

To test the BMW core values for differences in perception amongst BMW owners of the two countries, independent sample t-tests were conducted. Each of three core values was measured and results show no significant differences between Australia and Germany. The level of acceptance measured by the mean rank for each of the core values is on a high level in both countries. BMW owners very much agree with the values overall and 'dynamic' is the value item associated most highly with BMW in Australia and Germany. In Australia, 'dynamic' is followed by 'cultured' and 'challenging'. In Germany, rank two and three are opposite – 'challenging' and then 'dynamic'. The slightly higher rank of the value item 'cultured' in Australia might stem from the exclusive importer status the brand enjoys in Australia.

As a result, H1a and H1b cannot be supported for BMW owners. The perception of BMWs core values is similar in Australia and Germany, as is the high acceptance of those values.

The associations of the core values

H2: Associations that relate to the BMW core values are different in Australia and Germany.

To show what items out of the list of salient beliefs about automobiles is associated with the core values, a Spearman's rank order correlation test was conducted. Table 1 lists the relationships between BMW's core values and the associated items.

Consider those relationships. While 'dynamic' is associated with sensory items like 'sporty driving capabilities' and 'high-speed performance' in both countries, symbolic items like 'uniqueness of the car' and 'exclusive ambience' also contribute highly towards 'dynamic' only in Germany. It seems that Germans refer more to the aura of the car when thinking of 'dynamic', while Australians focus more on sheer performance figures. Differences in connotation also exist for the core value 'cultured'. With superior finish being associated the most with 'cultured' in both countries, Germans associate slightly more functional attributes like 'crash ratings', 'reliability' and 'dealer services' with 'cultured'.

On the other hand, Australians tend towards more symbolic items like 'exclusive ambience' and 'elegant styling'. The items associated most with the third core value, 'challenging' are of symbolic nature in both countries. 'Superior finish' and 'exclusive ambience' are named first by Australians and Germans while 'uniqueness of the car' is another symbolic item associated with 'challenging' in Germany.

Thus H2 is strongly supported for the core values 'dynamic' and 'cultured' that both relate to different associations in the two countries. Support for 'challenging' is small. The latter core value is perceived similarly in Australia and Germany with only a slight shift towards individualistic matters ('uniqueness of the car') in Germany.

Table 1 Core value associations

Germany			Australia		
dynamic	1	Uniqueness of the car ^(a) (r = .583, r ² = 34%)	dynamic	1	Dealer services (r = .294, r ² = 9%)
	2	Exclusive ambience ^(b) (r = .479, r ² = 23%)		2	High-speed performance (r = .223, r ² = 5%)
	3	Sporty driving capabilities ^(c) (r = .389, r ² = 15%)		3	Sporty driving capabilities (r = .222, r ² = 5%)
	4	Swiftness of the engine (r = .341, r ² = 12%)		4	-
	5	High-speed performance (r = .313, r ² = 10%)		5	-
cultured	1	Superior finish ^(b) (r = .432, r ² = 19%)	cultured	1	Superior finish ^(b) (r = .532, r ² = 28%)
	2	Crash ratings ^(c) (r = .354, r ² = 13%)		2	Reliability (r = .374, r ² = 14%)
	3	Exclusive ambience (r = .325, r ² = 11%)		3	Crash ratings (r = .334, r ² = 10%)
	4	Reliability (r = .323, r ² = 10%)		4	Exclusive ambience (r = .320, r ² = 20%)
	5	Dealer services (r = .296, r ² = 9%)		5	Elegant styling (r = .305, r ² = 9%)
challenging	1	Superior finish ^(c) (r = .419, r ² = 18%)	challenging	1	Superior finish ^(c) (r = .434, r ² = 19%)
	2	Exclusive ambience ^(c) (r = .410, r ² = 17%)		2	Exclusive ambience ^(c) (r = .412, r ² = 17%)
	3	Uniqueness of the car ^(c) (r = .386, r ² = 15%)		3	-
	4	-		4	-
	5	-		5	-

Notes:

r = value of Spearman's Rank Order Correlation

r² = coefficient of determination (shared variance)

^a p < .001; ^b p < .01; ^c p < .05

Purchase criteria and their trade-offs.

Next, consider the purchase criteria of H3 and H4.

H3: There are different purchasing criteria for Australian BMW purchasers when compared with German BMW purchasers.

H4: The core trade-off criteria in favour of a BMW are different between Australian and German BMW purchasers.

Table 2 shows the eight most important purchase criteria for the two countries.

Table 2 Purchase criteria importance

Germany		Australia	
1	reliability (mean = 4.735)	1	reliability (mean = 4.643)
2	crash-ratings (mean = 4.618)	2	made to last (mean = 4.536)
3	superior finish (mean = 4.529)	3	superior finish (mean = 4.536)
4	made to last (mean = 4.471)	4	sporty driving capabilities (mean = 4.429)
5	dealer services (mean = 4.353)	5	elegant styling (mean = 4.429)
6	elegant styling (mean = 4.235)	6	swiftness of the engine (mean = 4.357)
7	swiftness of the engine (mean = 4.147)	7	uniqueness of the car (mean = 4.214)
8	sporty driving capabilities (mean = 4.029)	8	high-speed performance (mean 4.107)

The sensory and symbolic interpretation of BMW's core values is only partly reflected by the actual purchase criteria importance of the consumer. Especially German BMW buyers rank rather rational items like 'reliability', 'crash-ratings' and 'made to last' very high. In both countries 'reliability' is the number one mentioned purchase criteria. The three criteria 'dealer services', 'crash ratings' and 'uniqueness of the car' show significant differences for the two countries. 'Dealer services' and 'crash ratings' are only relevant for German buyers whereas 'uniqueness of the car' is only important for Australians.

The low German rating for 'uniqueness of the car' is interesting. On the one hand, it is the highest ranked item for the strongest core value ('dynamic'). On the other hand, it is of least importance of all items when asked for actual purchase criteria. Similarly 'exclusive ambience' is associated highly with BMW values, yet BMW owners rank it very low on purchase criteria importance in Germany. Further research and in-depth interviews would have to be conducted to better clarify the revealed gap between brand value associations and purchase criteria of BMW owners. A more direct way of asking for purchase criteria might cause the status cautious Germans to downgrade items that stand out from the norm and are linked with an upper class automobile.

The significantly lower importance of 'dealer services' and 'crash ratings' for Australians versus Germans can be derived from actual differences in the Australian car market environment. Australians rely more on external service providers such as petrol stations or independent garages when maintaining their car. Hence, 'dealer services' are not as important for the Australian consumer. For the low score of 'crash ratings' in Australia, the low overall awareness of the safety issue can be accounted. Despite its high relevance in statistics in Australia - accidents per inhabitant are more frequent and more fatal in Australia than they are in Germany (Irtad 2007) - hardly any automotive manufacturer has been communicating car safety in Australia until now. In conclusion, H3 is partially supported due to the significant difference in relevance of three purchase criteria ('dealer services', 'crash ratings' and 'uniqueness of the car').

In turn, consider H4 about the trade offs among purchase criteria. When asked what aspects of the car finally made them choose a BMW over another brand, consumers in the two countries reply differently. In Australia, the item 'sporty driving' generates the

strongest effect in favour of a BMW with 35% of the Australians name this item as the one they based their decision in favor of a BMW. On the other hand, in Germany, there is no clear item that stands out. 'Value for money' is named by 18% of the sample. It is the most important item for German owners in regards to their final choice in favor of a BMW, only by a slight lead. 'Elegant styling', 'superior finish', 'swiftness of the engine' and 'sporty driving capabilities' all receive 14% of the votes and come in second.

It seems that Australians show more enthusiasm and emotions towards the brand. The aspect that makes the Australians decide in favor of a BMW ('sporty driving') is in line with BMW's prime core value 'dynamic'. The Germans are less distinct in their decision making process and seem to need more rational arguments ('value for money') to support their decision. In conclusion, H4 is supported because the core trade-offs in favour of a BMW are different for Australian than for German BMW owners.

Brand alternatives

The final H5 considers brand alternatives.

H5: Australian and German BMW owners consider different brands as alternatives to purchasing a BMW.

The different purchase and trade-off criteria of H3 and H4 carry on to different competitors taken into account during the decision process. In Germany, BMW competes mainly against Audi (39%) and Mercedes (33%). Only 7% of German BMW owners took a Porsche into account while 21% thought of 'other brands' as an alternative.

In Australia, the main competitor is again Audi, yet only 20% took this brand into account whereas 14% considered a Subaru and only 12% indicated Mercedes as an alternative choice. Only 6% were thinking of buying a Porsche instead and a remarkably high 42% thought of 'other brands' in Australia. Subaru, hardly known in Germany, enjoys a reputation for high performance engines and sporty cars in Australia. In addition, Subaru's cars all come as all-wheel-drives, which might further add to the brand's popularity in rugged Australia.

Overall, the German market seems more consolidated with only two strong competitors for BMW whereas the Australian market is highly cluttered. Audi and Subaru take the lead in the Australians relevant set, whereas no less than 42% were also thinking of 'other brands' such as Toyota, Honda, Holden (GM) and many more.

In conclusion, H5 is supported because Australian and German BMW owners consider different brands as alternatives to purchasing a BMW.

Discussion

The study provides insights on brand perception, consumer needs and competitor positioning in regards to BMW and the automotive market in Australia and Germany.

For the BMW brand, overall brand perception is similar in the two countries but associations linked with the brand values are different. Also, BMW owners from the two countries consider different purchase criteria and mention different reasons for buying a BMW. Further, the two sample groups took different alternative brands into consideration.

From a brand management perspective, similarities only exist at a very broad level. The brand values chosen by BMW prove to have a strong universal appeal - the value item 'dynamic' is seen as the prime BMW core value in both countries. Yet, local differences exist. The way the core values are interpreted by the consumer appears to be quite different. The Australians focus on sensory associations and performance figures, whereas the Germans link more symbolic and design features with BMW's core values. Looking at purchase criteria and reasons for buying a BMW, prospective owners in Germany are convinced most by rational arguments while Australians seek the ultimate performance in the car.

Combining the findings provides for a better understanding of the BMW brand. These strategic brand management implications for the two countries are suggested. In Germany, a focus on rational driven quality matters and, in the meantime, a further strengthening of the brand essence, 'dynamic', would take consumer needs into account while delivering a unique point of differentiation against Audi and Mercedes. BMW in Australia is already very much in line with consumer needs. It could broaden its consumer base by focusing more on general market needs like superior finish and elegant styling, which would also set a further point of difference against its local, performance-driven competitor Subaru.

Besides the very specific implications for BMW a few general findings and references to other research arise. The study found brand differences to be primarily on the level of associations and not on an overall level. This confirms Hsieh and Lindridge's (2005) findings that differences in brand perception are due to different cultures and different levels of economic development. The different positioning of German brands in the Australian marketplace and the fact that other nationality brands such as Subaru are seen as a serious alternative for BMW in Australia further suggests that the COO effect does not occur on overall ratings and has a rather low impact although it might have some effect on ratings on specific attributes (Johansson et al. 1985).

Also, this study has implications about the question of whether the traits of brand personalities of global brands are recognized as traits of their country of origin or whether consumers in other cultures take out the brand personality traits that fit their own culture (Mooij 2003). From this study, one can infer that the latter is more likely. Brands from the same country of origin such as BMW, Audi and Mercedes from Germany are seen quite differently in the two countries. Their common country heritage does not overrule specific local personality traits associated with the brands.

Limitations and future research

Cross-cultural marketing and COO related studies are often time divergent and too modeled, which leaves them with little practical relevance. This study presented an in-depth analysis that provides a real-world case with tangible insights. Further, real-world brand-market situations should follow this study to broaden the picture on the topic by practical cases. As well, research to clarify exactly *why* the identified differences exist.

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