Value of Regional Brands in Europe
How Consumers in Five European Countries Co-Construct Meaning of European Brands
By Barbara Stöttinger and Elfriede Penz

While companies generate a substantial part of their revenues from trading within regions rather than on a global scale, there has been little research conducted on regional marketing initiatives (such as regional branding strategies) (Cayla/Eckhardt 2007). In the understanding that brands – embedded in a cultural context – are co-created and co-constructed by consumers in a dialogue with marketers (Bengtsson/Bardhi/Venkatakrnan 2010; Cayla/Arnould 2008), we explore the concept of regional European brands from a consumer perspective. Specifically, our interests focus on consumers' construction of Europe as a region, what European brands mean to them (or not), what they associate them with and whether there are tensions in the understanding of European brands compared to local/national or global brands. Based on focus group discussions in five European countries, our findings indicate that Europe as a region is a social construction based on geography and cultural similarity. Brand associations related to European brands are distinct from local and global brands, and are self-contained and quite elaborate at certain levels. Moreover, respondents expressed strong feelings of community, while still preserving idiosyncrasies in conjunction with regional (European) brands.

1. Introduction

“Perhaps the most distinctive skill of professional marketers is their ability to create, maintain, enhance, and protect brands” (Kotler/Keller 2009, p. 276). Branding is a major issue in a firm’s overall strategy. What holds true in the domestic context becomes even more crucial in the international environment, where multiple markets and consumer needs have to be taken into account (Douglas/Craig/Nijssen 2001). International branding has thereby developed into a prolific research area including various strands of research (Whitelock/Fastoso 2007). One of the research streams that has attracted attention is the discussion about local versus global brands, what sets them apart as well as what makes consumers choose one over the other and when.

While these efforts are highly meritorious, they disregard the fact that in today’s world company revenues are generated predominantly from trading within regions rather than on a global scale. Therefore, regional branding strategies represent a potential third branding alternative on the local – global continuum, which remains rather unexplored in current branding research (Cayla/Eckhardt 2007).

Europe and, in particular, the European Union as one of the world’s major regions with consumers from 27 member countries represents a suitable show case for exploring regional brands [1]. Regionalization has been a part of everyday life not only for corporations with the Common Market as a large, integrated market place that fosters considerable intra-EU trade. Also, European consumers experience this regionalization. The vast variety of products and services available from other (European) countries, the Europe-wide availability of similar media channels or the opportunities to travel freely in a region of 27 member countries have exposed consumers to lifestyles and products that go beyond their local/national experiences (Malhotra/Agarwal/Baibusi 1998; Palivoda/Marinova 2007; Scigliapaglia/Saghafi 2004). Thus, companies actively sought to support these cross-national consumption experiences by developing and imple-
menting Pan-European marketing strategies (Aistrich/Saghafi/Sciglimpaglia 2006; Halliburton/Hünerberg 1993). Past research on Pan-European marketing and branding strategies has predominantly taken a managerial perspective aiming at solving managerial challenges (e.g., Halliburton/Hünerberg 2004; Wierenga/Pryn/ Waarts 1996). From this angle, brand managers are perceived solely responsible for a brand, its meaning as well as brand strategies across multiple markets.

However, brands are no longer owned by companies or brand managers, but co-created and co-constructed by consumers in a dialogue with marketers within the background of a cultural context (Bengtsson/Bardhi/Venkatraman 2010; Cayla/Arnould 2008). It is through consumers’ incorporating brands into their lives that brands become meaningful to them (Berthon/Holbrook/Hulbert/Pitt 2007; Fournier 1998). Therefore, to explore the potential of regional brands, it is crucial to capture the consumers’ view and understanding of brands within their contextual setting (Bengtsson/Bardhi/Venkatraman 2010; Cayla/Arnould 2008).

In response to the considerations outlined above, we aim to advance knowledge on regional brands from the perspective of consumers rooted in a culturally and economically highly dynamic region. Specifically, we explore consumers’ construction of Europe as a region, what European brands mean to them (or not), what they associate with and whether there are tensions in the understanding of European brands compared to local/national or global brands. Finally, we aim to provide managerial starting points for developing regional, European brands.

2. Conceptual background

To explore and understand the consumers’ perspectives on regional, European brands, we substantiate our research in the tenets of Consumer Culture Theory (CCT). CCT explores brands beyond their role as a differentiation mark facilitating consumer choice. It is through consumers’ incorporating brands into their lives that brands become meaningful to them (Berthon/Holbrook/Hulbert/Pitt 2007; Fournier 1998). Consumer Culture Theory views consumption as “a historically shaped mode of socio-cultural practice that emerges within the structures and ideological imperatives of dynamic market places” (Arnould/Thompson 2005, p. 875). As such, consumers operate under certain cultural, economic and political contingencies which shape their thinking and behaviour in the marketplace (Askegaard/Arnould/Kjeldgaard 2005; Fournier 1998; Nairn/Griﬃn/Wicks 2008). This holistic approach that encompasses environmental conditions in consumer decisions serves well to theoretically capture the cultural and economic dynamics within Europe and the European Union with its 27 national/cultural and even more sub-cultural contexts. Yet, consumer culture is not equally shared by all members of the cultural group (Merz/Yi/Alden 2008). It therefore remains to be explored where consumers share similarities in thinking and acting and where they have distinctive approaches.

Consumer culture theory has also emphasized the productive aspect of consumption. It explores “how consumers actively rework and transform symbolic meanings encoded in [...] brands” (Arnould/Thompson 2005, p. 871). Through this transformation, brands facilitate the creation of new individual and collective identities by means of brand communities that can transcend national borders (Bengtsson/Firat 2006; Cayla/Arnould 2008). Within Europe and the EU, economic and cultural boundaries have been pushed far (Malhotra/Agarwal/Baalbaki 1998; Manrai/Manrai 1995). Brands can work as ambassadors for these new social, cultural and economic realities through the formation of communities or emerging types of collective, e.g., European identity (Cayla/Arnould 2008; Özsomer/Altaras 2008; Reed/Bolton 2005). Based on the thoughts outlined above, CCT appears a highly suitable way to capture the contextual dynamics that consumers within Europe are exposed to and how they may interpret, shape and absorb regional brands into their lives.

Apart from the general tenets of CCT outlined above, past research has specifically used CCT to provide insights how consumers deal with concurrent global and local cultural inﬂuences on their lives. These contentions could also serve as guidelines how regionalization would affect consumers. Along the continuum of globalization vs. localization, researchers have advocated either for the emergence of global consumer cultures with increasing homogenization of consumption patterns (e.g., Alden/ Steenkamp/Batra 1999), while others observe the persistence of local consumption patterns towards globalization (e.g., Jackson 2004). As Merz/Yi/Alden (2008) note, real-life examples can be put forward supporting either position on the continuum. Some researchers talk about glocalization, where consumers draw from all available global and local sources, when they use brands to develop and support their social positions (Merz/Yi/Alden 2008).

Within the international marketing literature, the discussion of brands transcending one local context and moving into other geographic areas has attracted substantial research interest (Whitelock/Fastoso 2007). Past work has captured branding across markets as a dichotomy: local vs. global brands (Cayla/Eckhardt 2007). From a demand-side angle, a brand’s global nature is measured through “… the extent to which the brand is perceived as global and marketed not only locally but also in some foreign markets” (Özsomer/Altaras 2008, p. 3). In contrast, Schuiling/Kapferer (2004, p. 98) define local brands as “…brands that exist in one country or in a limited geographical area” regardless of whether they are managed by a local, international or global firm.

Past research has identiﬁed reasons/ criteria why consumers may prefer one type of brand over others (Özsomer/
Altaras 2008). Steenkamp/Batra/Alden (2003) and Holt/Quelch/Taylor (2004) found that consumers appreciate global brands first and foremost, for their perceived higher quality and, second, the prestige they offer. Schuiling/Kapferer’s (2004) study on local brands show partly contrasting results: consumers attribute local brands with higher trust and similar advantages in terms of quality and prestige than global brands. As they are produced locally, they are available at competitive prices. Moreover, local brands have the potential to create “a sustainable unique value and offer the symbolism of authenticity and prestige” (Ger 1999, p. 70). Due to their cultural attachment, local brands may be more in line with local (quality) needs (Schuiling/Kapferer 2004; Steenkamp/Batra/Alden 2003). They are endowed with trust and loyalty, based on multi-generational usage of the same brand (Johansson/Ronkainen 2005). Consumers associate pride with local brands that promote a nationally-oriented positioning (Kapferer 2002). To carve out a consumer-driven concept of regional brands and to explore potential benefits over the other two alternatives, these past findings will help us to explore communalities and to delineate boundaries between the options.

3. Methodological approach

Our methodological approach goes along interpretative social science, which is based on an empathic understanding of socially constructed meanings and behaviour and reflects consumer culture theory. When studying the meanings of European brands to consumers in culturally and economically different EU countries, the reason for research is primarily to understand and describe rather than to predict and control events. We take up the view that the concept of European brands are developed and used within a special setting in a subjective way.

To allow for breadth and at the same time findings that can be generalized, we selected our respondents from five EU countries displaying different histories and relationships to the EU [2]. Two countries, Denmark and Austria, are small, open economies and are already well-established EU-member countries. Denmark – in contrast to Austria – opted out twice (1992, 2000) to introducing the common EU currency, the Euro, after considerable public debate. The other three countries – Poland, the Czech Republic, and Slovenia are rather new EU members. These three CE countries have developed at a similar rate and have managed sustainable growth in the recent past. Historically, each of them has multiple links with Western Europe, which makes them psychologically close to the “old” European Union members (Hruzova/Soucek 2000).

We apply the method of focus group discussions to identify ideas, descriptions and narratives of the European brand concept and use consumers’ own descriptions and interpretations to provide insights into the value of European brands for consumers. The group context and lived-in consumer culture is particularly relevant for our research since people share cultural meaning systems and regional (European) brands can create transnational identities. Interaction within the focus group provides discourses, narratives and experiences vis-à-vis group membership and self-presentation in relation to regional (European) brands. As a result, the respective group’s collective orientation framework can be accessed (Bohn-sack 2008; Catterall/MacClaran 2006).

The multi-lingual research team developed a discussion guideline, and research assistants were trained to run and observe the discussions. The discussion guideline started with questions on respondents’ perceptions of their life as consumers within the European Union. More specific questions were on respondents’ consumption patterns and their motivations for buying local, regional (European) or global brands and products. This was followed by thoughts on “European” brands from a hypothetical perspective (“if there was a regional (European) brand, what it would have to look like to create value for you”) to real-life cases (where respondents were asked to point out what they consider European brands).

In total, 25 focus group discussions each with five to eight participants in five EU countries were conducted. Participants were chosen on the basis of education (with or without high school graduation) and age (younger and older than 30 years), resulting into four homogenous groups (see Tab. 1). The rationale behind these delimiters draws on previous research pointing towards younger and more educated people as more receptive to pan-European marketing initiatives (Guido 1991) and more experienced with non-local brands (Schuh 2007).

Group discussions were conducted in the local language, tape-recorded and transcribed into English. The discussion transcripts as well as summaries and observations from the moderators were the basis for coding and further analyses. To gain in-depth insights on how brands are constructed and what meaning they have for consumers, a qualitative research design was used, following a grounded theory approach (Strauss/Corbin 1994; Strauss/Corbin 1998).

We followed formalized and software-based (Nvivo 8) procedures for the analysis and interpretation of the focus group discussion data. This includes next to organizing the data corpus (i.e. setting up a project with for example discussion transcripts and memos from researchers) coding, searching and modelling the data (Bauer 2007; Belk 2006; Sinkovics/Penz/Ghauri 2008). The coding scheme was developed by the research team and successively adapted while analyzing the texts. The coding strategy followed open, selective and axial coding (Strauss/Corbin 1994; Strauss/Corbin 1998). During this process, meaning derived directly from the data, i.e. consumers’ narratives, interpretations and reconstructions regarding the value of European brands. As this is a circular and interactive process of data analysis, various rounds of coding are applied to safeguard against de-
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*Tab. 1: Description of focus groups*
4. Results

Our research design involved participants from five different countries with the intention of establishing similarities and differences in consumer perceptions about regional brands. In fact, the results revealed that there are many more similarities than differences in their statements. Therefore we will point out national variations in the results only in case of striking differences.

We organize the findings along three thematic categories (see Fig. 1): (1) consumers’ construction of Europe as a “region” in culturally and economically different European countries, (2) meaning of and associations with European brands, and (3) possible tensions in the understanding of European brands compared to local/global brands. In subsequent sections of the paper, we will use these findings on the reactions from consumers to regional branding initiatives for recommendations on developing regional brands in Europe.

4.1. How consumers construct Europe as a “region”

Analyzing consumers’ perceptions of Europe as a region, similar (proximity) as well as different (distinctiveness) aspects emerged. The aspects on Europe as a region referred to the political/legal, geographic, economic and socio-cultural level.

Early in the discussion, respondents elaborated on the meaning of Europe as a region and immediately referred to the European Union as a reference point: “When we talk about Europe, we talk about the union.” (DK, m, > 30, A levels). This indicates that Europe and the EU are perceived strongly from a political/legal point of view. The European Union as a political and legal entity is a federation of countries which competes in the global political arena with America or Asia. It is perceived as the bureaucratic frame that holds everything together. Positive associations of the EU are mentioned (pro EU attitudes, such as political stability), as well as criticism related to the regulatory functions of the EU (negative EU attitudes, non transparent bureaucracy). This is not surprising since in everyday communication and media coverage the political perspective of the EU is salient due to e.g. elections or summits. Consumers’ perceptions reflect existing and well reported EU attitude measures (e.g., Eurobarometer). Most participants recognize the benefits of the European Union, but at the same time they see numerous problems which are related to it.

Respondents in the new EU member states, such as Slovenia, highlighted political aspects more frequently and in a more differentiated way: Slovenian respondents, for example, discussed positive political aspects such as the termination of borders, the unity between countries, and international understanding as well as negative political aspects, e.g. there are still some countries which are fighting each other within Europe (e.g., former Yugoslavian countries).

Another way to capture “region” that emerged during discussions were geographic boundaries. Discourses developed around Europe as a continent, and “region” was perceived by participants through geographical proximity. While politically the EU was used as reference point for defining Europe as a region, individuals used their home country, selected other countries (e.g., China) or the global marketplace as reference points for describing the regions. So while Switzerland and Norway are not part of the EU, both countries still appear in respondents’ mental map of Europe as a region. Thus, on the map, Europe is perceived as “bigger”, but not in people’s conception (e.g. DK, m, > 30, A levels). “Europe is the whole continent and EU is a multicultural nation.” (Slo, f, > 30, A levels).

Participants have similar perspectives about Europe as a region from an economic perspective. Drawing on the
advantages that the EU offers individuals (e.g. variety in products, better access to products, lower prices) respondents in different European countries have similar conceptions of Europe: Europe means good quality of life and high living standards. Again, Slovene respondents refer to the EU as an economic unit, which is becoming more and more powerful and tries to compete with the US in the global marketplace.

Socio-cultural proximity also constitutes the concept of “region”. This became evident, when Turkey’s accession to the EU was discussed among respondents. Geographically, one would find arguments to include it in the region “Europe”, but from a cultural perspective (religion, tradition, norms and values, etc.) respondents do not see Turkey as part of it. Although there are a growing number of member countries, cultural differences and diversity are still and will be salient in Europe. Moreover, most participants hope that these differences as expression of their national identity will remain in the future as well. What respondents see as one of the EU’s major contribution is to have created a community by uniting the countries, while maintaining differences at the same time. This aspect of “united in diversity” was considered a central tenet in the discussion of Europe as a region.

Europe is seen to open the minds of the people, because, although inhabitants have different cultures, they still share similar problems. Europe means a home for its inhabitants not primarily for geographic reasons (same geographic area), but from an emotional perspective. In terms of values that respondents associate with Europe, freedom and living in peace were mentioned in all focus groups. Friendship, respect of human rights, and ecological values (mentioned predominantly in Slovenia and Denmark) were mentioned in the discussions. Europe also represents solidarity, tolerance and cooperation between nations, although according to Austrian subjects (> 30; A levels) Europeans need show more solidarity towards each other in the future.

Considerable discussion evolved around how “European” would become salient in the immediate consumer context. A number of participants see the salience of Europe in symbols such as the EU flag with its 12 flags (in all focus groups) and the Brussels headquarter (“The headquarters in Brussels with all the flags outside.” DK, > 30; A levels). The meaning that was assigned to the flag, however, differed. While for most Slovenian subjects the flag represents unity, Czech subjects (< 30; both education levels) did not consider it to be important at all. The European hymn was mentioned as well in many focus groups. It is mostly associated with its composer Beethoven representing the European values such as peace, love, joy and unity. Nevertheless, similar to the flag for some subjects (Czech and Slovene respondents), the hymn had no meaning whatsoever. The common currency, the Euro was mentioned in all focus groups as a cue that would make Europe salient. In most groups participants described the Euro as a positive symbol of the union; it is easier to compare prices in other countries, one does not need to change currencies. Logos on food and other types of products were put forward too as symbolizing Europe (with Danes, Austrians and Slovenes) which would outweigh the American flag and its symbols (mostly Czech respondents; < 30; A levels).

When it came to how respondents themselves would feel within this region “Europe”, statements were somewhat mixed. While for some respondents the feeling of “being European” (European identity) has not yet emerged, others struggle with multiple territorial identities (national, European) that are created by living in the region: “I feel Danish and I feel European ... so somehow I feel like the Danish values are the same as the European values, which can’t be because I mean I’m sure they are different from country to country” (DK, f, < 30, A levels).

4.2. What European brands mean to consumers (or not), associations with European brands

The meaning of and associations towards European brands were elaborated vividly in the focus group discussions. The respective product categories and brands in the discussion were cars, fast moving consumer goods such as groceries and food (wine, beer, cheese, meat, yoghurt, juice, vegetables and bread) technical goods such as consumer electronics, fashion goods such as designer clothes (Lagerfeld, Gucci) and cosmetics (Chanel, Christian Dior). The data analysis revealed that regional brands, i.e. European brands in our case, can be interpreted from different perspectives, thus the concept “European brand” has different meanings to consumers (see Fig. 2): as an indication of origin (where the product was produced), as a brand that was developed through joint efforts from European actors (e.g. companies, governments), and finally, as a regional brand associated with a single European country.
To start with, for many consumers Europe serves as an indication of where the product is produced. It is a “Made in Europe” brand signalling that the product is manufactured in Europe and NOT in the Americas or Asia. This meaning refers to the inclusion of a region (Europe, EU) and exclusion of other regions (the U.S., Asia). The meaning of brands is very much determined by aspects that refer to specific countries and associations that consumers have towards these countries.

A label “Made in Europe” would make the regional aspect salient and could serve as a proxy for perceived product quality. What we found interesting in this context, was that respondents seemed to use “made in” as a vehicle for them to visualize the abstract construct “Europe”. The shift in the discussion to the country-of-origin effect seemed to help them in getting more concrete in their thoughts and statements. While consumers acknowledge the fact that “Made in Europe” would help them distinguish European from non-European brands, the quality associations they have with “Made in Europe” are mixed. The large majority of our participants expressed their mistrust in “Made in Europe”, as they evaluate it as a disguise for the “actual” country of origin from less favourably perceived countries. A possible explanation could be that such a label is not (yet) often seen, thus seems rather unusual or makes products/brands less attributable.

“I think I would become suspicious if I saw a “Made in Europe” logo ...” (DK, f, > 30, A-levels)

“It probably means that the shirt was made in Portugal or somewhere. But the associations with Europe are of higher quality than, for example, Portugal. So instead they write “Made in Europe”. “ (DK, m, < 30, A-levels)

“It (i.e., “Made in Europe”) is not very common, because these are usually the worst quality products. Good quality products carry the country of origin label, e.g. “Made in the UK,” but never “Made in the EU”. “ (CZ, f, < 30, A-levels)

This may also explain why the EU had to withdraw plans to introduce a mandatory “Made in the EU” label after strong opposition from many member countries. To respond to the few supporters, the regulation foresaw a voluntary use of “Made in EU” (Marketing Week 2004).

However, the label “made in” is not perceived very helpful information nor fully trusted, even if a country is mentioned. For some product categories, like cars, consumers are well aware of the international supply chain that companies use nowadays to manufacture their products.

“mmh...yes, I check where the product comes from. However, I am aware that when it says “Made in Germany”, it was produced by Turks in Germany and “Made in USA” means produced by Mexicans (laughter).” (PI, m, < 30, A-levels)

As mentioned before, the discussion about “Made in Europe” was triggered by discussants to materialize the concept of European brands. While a vivid discussion emerged, some consumers (DK, A) later on questioned the overall importance of COO for their purchasing decisions. When it came to buying clothes and shoes, for example, they would rather look at overall product quality, price or design.

A second way how our respondents defined European brands was as being the result of a collaboration or joint effort in developing and producing a product, such as the Eurofighter.

“Airplanes and such things. One country alone cannot achieve this. Space research ...”. (A, m, > 30, no A-levels)

The actors are multiple companies or governments, who enable the collaboration of companies from different regions within Europe. In contrast to firms’ international supply chain activities, where economies of scale are the primary focus, and consumer reactions thus often less favourable (as discussed previously), the European production process by multiple actors or different regions are evaluated positively.

“A film done in co-production.” (CZ, f, < 30, no A-levels)

The idea of European production is referred to as “big”:

“I think it is very big. It is working together in different countries.” (DK, m, > 30, A-levels)

Finally, a third way how respondents conceptualized “European brand” was as a European brand associated with a single European country. Respondents explained this seemingly contradictory positioning as European brands being associated with single countries of origin and promoted within Europe. When asked, what they would consider typical European brands, respondents mentioned German (Volkswagen, BMW, and Mercedes), French (Citroen, Peugeot) or Czech (Skoda) car brands. Wine is a typical European product as well, in particular, with reference to world famous French, Italian and Spanish brands. Beer was also described as a European by Danes and Austrians. Nokia was mentioned as the most prominent example of a technical brand in Europe. Electronics from Scandinavia and products from Bosch were also mentioned as European. In terms of clothes, brands from Spain (Zara) and France (Lagerfeld) were mentioned as European. Finally, the UK is associated with elegant ties and clothing brands in general (by Danish and Slovene respondents).

When asked what a European brand would stand for, the following statement represents many similar definitions in the data.

“I think they must be in all European countries and they have a good market share. All over the place they have good products they are really a European brand or company”. (DK, f, < 30, A-levels)

As a consequence, European brands are advertised using a standardized approach; consumers recognize that ads
are not adopted. In some markets, like Denmark, respondents would even expect the same language, i.e., English, to prevail across markets. As an example for a strong European brand, the Swiss brand Nestlé was put forward, which again points to the concept of region being geographically or socio-culturally formed, as Switzerland is not part of the EU.

“For me, Nestlé represents one of the strong European brands.” (DK, m, < 30, A-level)

When it comes to the associations respondents would have with European brands, they ascribed them with more appealing design, superior quality (as compared to non-European brands), and a premium price. Image-related associations referred to certain product categories, such as clothing or cosmetics, however, quality, i.e. functional value dominates even these.

“I have the impression that the goods that we consider European products are often those, where the balance between quality and price is the best. And then you don’t really care whether that ham is from Germany or from Norway. Because you just see it’s a good product.” (DK, m, < 30, A-levels)

“European products are of higher quality.” (SLO, f, < 30, A-levels),

“A typical European product is marked by quality and service.” (SLO, m, < 30, grad A-levels)

“They look better.” (CZ, f, > 30, no A-levels)

Despite the high price, the price/performance relationship of European brands was judged superior. However, less affluent consumers from CEE countries stressed the premium price of a European brand as a major drawback.

“... and we don’t have the money for it (laughing).” (PL, f, > 30, no high school grad)

“... and they are very expensive, that’s right.” (PL, m, > 30, no A-levels)

Participants mentioned ecological standards and labour laws imposed by the EU that would result in environmentally-friendly products manufactured under fair labour conditions (European products). Especially, the latter aspect was mentioned unsolicited, very distinctly, and frequently in the discussions.

“I would definitely say that the EU guarantees better working conditions. When you think about a product from China, you always think: oh, has this been made by child labour? What about pollution, what about protection of the workers...? If it is a product coming from an EU country, I feel comfortable, being sure of that fact that the labour laws within the EU have been obeyed.” (DK, m, > 30, A-levels)

This clear distinction in “good” European and “bad” products “Made in China” or Asia was also raised in the context of consumer electronics, where respondents (e.g., DK, > 30, A-levels) indicated to deliberately NOT choose products from China or Asia.

4.3. Are there any tensions in the understanding of European brands compared to local and global brands?

As outlined above, individuals raised a lot of positive aspects when it comes to choosing European brands. While global brands were hardly any issue in the discussion, local brands attracted a lot of discussion time. Global brands only appeared as a contrast to European, as they were predominantly subsumed as U.S. brands. When asked about their preferences for European vs. local brands and the relevant circumstances, consumers found themselves in a conflict of interests and perceptions. While they do consider European brands (e.g., in food) as good quality, they at the same time criticize EU regulations for these products (which have to be adhered to by European brands). EU food regulations (e.g., regulations on the size and shape of cucumbers) are not trusted by consumers and counterbalance quality concerns. Particularly with food, participants included a lot of emotional statements in their arguments, even to the extent that they developed negative “fantasies” about other (EU) countries’ food products.

“There is definitely a difference from the Danish food and cosmetics law. What you are allowed to put into food. Sometimes EU law in this area is not as strict as Danish law. So being a part of the European Union, we sometimes have to allow chemicals in our food that we otherwise would not allow.” (DK, m, < 30, A-levels)

While European brands often include some superior aspects (quality, etc.), local brands help consumers to express their pride or sense of belonging (e.g. SLO, CZ) or are considered special (e.g. trendy in DK). Only a few aspects are seen in both, European and local brands, e.g. quality. The preference for local products seems to be limited to a few product groups only, such as dairy products, vegetables and fruit as well as meat products.

Some consumers believe that it is important to buy local brands in order to support the economy of one’s home country. This reason for preferring local brands was mentioned in all focus groups, but the Austrian focus group discussed this issue most intensively. However, at the same time, consumers consider European brands as higher (quality, production standards, etc.) and they perceived “European” promoting similar cultural values and a sense of togetherness (e.g. by working together). This drives consumers into a certain dilemma: while consumers see a certain obligation to choose local brands because of their nationality and can easily come up with local brands they are proud of, they know at the same time European products, which are similarly good. The next difficulty in choosing European over local brands might arise from the negative connotation of the “Made in Europe” label and the positive evaluation of attributes that are perceived in European brands. These two views conflict and relate to the different perspectives of Europe as a region (see 4.1.).
Therefore, consumers who think “European” and “local” are somewhat puzzled in their actual purchase decision. A possible solution to this unpleasant situation is for example choosing distinct rather than similar decision criteria (e.g. quality). For instance, participants mentioned short routes of transport for food as one aspect that favours local over European products. In another case, Italian pasta was preferred over local pasta because of Italians’ expertise in pasta-making.

One solution for the confusion about brands being European or local goes back to the country-of-origin discussion, yet with a different twist. Respondents focus on the value of the brand (and its manufacturer) and exclude the regional connotation.

“I look at the company, and not where the product was produced. If it were a Mercedes, but produced in France, if it looked exactly the same, then it would not interest me if it were a French product, but only that it is a Mercedes.” (PL, m, < 30, A-level)

It is even difficult to determine where local brands come from. This is the case for specific brands (e.g., Skoda):

“Also it is hard to define what Czech is. Our car producer Skoda is German today. A part of a product is produced here, another there. We also have Japanese or Korean factories and the workers are Czechs, so they will be selling a Japanese product that was produced with Czech hands.” (CZ, f, > 30, no A-levels)

Some consumers avoid possible problems in determining the local/regional origin of a company or a product. More specifically, participants call products, like cars from Germany, European while being quite aware of the fact that they actually have a “country” of origin.

“About a Mercedes one would perhaps not say that it is German, but European.” (A, m, < 30, A-level)

In some cases, disputes arose among consumers as to whether a product could be considered European or not.

Soeren: “Carlsberg and Tuborg, which are basically both Carlsberg, have become extremely trendy.”

Janina: “One could also say that Carlsberg is also a European product. It comes from Europe!”

Camilla: “It is Danish. Carlsberg is for me particularly Danish.” (DK, <30, grad)

5. Discussion

From the analysis of focus group discussions, several themes evolved related to Europe as a region and the concept of a regional European brand. In the following, we reflect our findings with related aspects from existing theory to derive a more comprehensive picture of our results.

Along the same lines of what Cayla/Eckhardt (2007) discovered about Asia as a region, Europe as a region is a social construction drawing on economic and socio-cultural references rather than an entity clearly definable through geographic or political boundaries.

From a branding perspective, it seems that consumers decouple the region from the existing political framework which is used by manufacturers in their Pan-European marketing strategies (e.g., Guido 1991; Halliburton/Hünerberg 2004; Vandermerwe 1989). Instead, respondents conceive “region” based on like-mindedness and socio-cultural proximity. Thus, although the European Union as a political entity has undoubtedly strongly impacted its citizens’ living environment, it does not constitute the “natural shape” for a regional background of a brand. Similar to Cayla/Eckhardt’s (2008) findings, our respondents describe the region as an imagined transnational space tied together by social and cultural communalities. Geographic or political boundaries are granted less importance. A substantial difference to Cayla/Eckhardt’s (2008) work, however, emerged. In their study, they described how marketing managers aimed at creating a pan-regional identity and consciousness by drawing on socio-cultural aspects from various Asian countries, and then morphing them to an extent that their individual country aspects would be completely blurred. Our respondents see Europe as a region in a different way: as a federation of unique and diverse countries, which are united within Europe. This rich diversity is something that characterises Europe from a consumer’s perspective and needs to be preserved/highlighted in one way or the other in regional marketing initiatives. So unlike an Asian regional identity, a European consciousness would have to strongly build on these differences.

Our respondents approached the concept of a regional European brand from three different perspectives: as a brand/product that would bear the “Made in EU” sign, as a brand/product evolving from a joint European effort or as a regional brand associated with a single European country.

The topic “Made in Europe” triggered an intensive discussion and emerged in multiple ways: as a way to materialize the concept of European brand, as a differentiator for brands from outside (Europe), as a cue that would make “European” salient, with specific attribution to quality features and – with a negative connotation – as a way to “hide the true origin” or to confuse or leave consumers confused (when it comes to international supply chains). In line with Schweiger/Häubl/Friederes (1995), respondents perceive such a generalizing label to level out difference between quality leaders and laggards among the EU countries.

The “Made in Europe”-connection to the European brand taps into a prolific research stream of country-of-origin research, which has produced an immense body of knowledge. In her excellent state-of-the-art paper, Pharr (2005) points to the complex nature of COO, which is shaped by symbolic and emotional components as well as cognitions. This complexity may partly explain the
mixed findings within this research and particularly its effectiveness in predicting purchase intention. Recently, research has stressed the fact that consumers’ real knowledge of a brand’s COO (e.g., Samiee/Shimp/Sharma 2005) or their ability to correctly identify brand COO (Balabanis/Diamantopoulos 2008) is limited. While automotive brands have effectively associated country affiliations to their brands, COO information in inexpensive packaged goods is less conspicuous. Our findings may complement Samiee/Shimp/Sharma (2005) to a certain extent. While we also observed strong COO associations with cars, our respondents perceived the country to synonymously represent the region, which may serve as a starting point for promotion of regional brands. In the other consumer product categories (food), consumers did hold strong COO-brand opinions, where they would deliberately choose products from the local area. What needs to be explored further, however, is our respondents’ actual purchasing behaviour. While the indicated a strong preference for local and/or European brands, this fact needs to sustain in a reality check of actual purchase behaviour. This appears called for, as Balabanis/Diamantopoulos (2008) attribute the reason for COO ineffectiveness in predicting purchase with either the limited recognition of brand origins or the unimportance and unworthiness of retention in memory.

While the previous comments shed a critical light on COO, we do see the usefulness of highlighting the COO, particularly in the context of regional European brands. As Swaminathan/Page/Gürhan-Canli (2007) stress, brand attitudes have been shown to vary based on country of origin and demonstrated to be an important facet of a consumer’s relationship with a brand. They see brand country-of-origin for consumers to help differentiate between in-group members and out-group members by communicating reference group identity. This argument may be particularly valid in the context of the establishment and development of a European identity. Brands flagged as European would support the in-group feeling of Europeans (vs. the out-group of U.S. and Asian citizens); vice versa, European brands would allow consumers to express and strengthen their growing European identity through integrating such brands in their lives. Moreover, as ethnocentrism is a strong predictor of COO (Balabanis/Diamantopoulos 2004; Chryssochoidis/Krystallis/Perreas 2007) evaluations and thus would favour local over European brands, it may be used to focus on non-ethnocentric consumers, when promoting European brands. For consumers with limited experience with the product category, COO was shown to have a stronger effect than for experienced consumers (Josiassen/Lukas/Whitwell 2008; Maheswaran 1994). So again from a segmentation perspective, this may be a helpful lead to use “European” as a COO cue.

A second major discussion thread focused on a European brand as a brand/product evolving from a joint European effort, such as the Eurofighter or European movies. Unlike the discussions about product categories like food or cars, this aspect of joint effort seemed to be less concrete and more diffuse, as no immediate consumer brands of that nature stuck out. This may also be due to the fact that the actors in branding for such kind of joint products are different/more diffuse. While with cars or food, European brands are established by manufacturers and absorbed and established by consumers, this category of European brands shows a strong involvement not only from people, but also organizations (Berthon/Holbrook/Hulbert/Pitt 2007), like the European Union (in case of the Eurofighter) or European film promotion agencies (with European movies).

The third definition approach from a consumer perspective was the “European brand with a single country association”. In terms of attributes such European brands would have, respondents provided performance-related features (Kuhn/Alpert/Pope 2008) such as superior quality and image-related attributes (Keller 2001). These image-related-attributes came from the individual European countries associated with the brand, which were often perceived as European rather than, for example, German or French. In our view, this reflects the discussion on Europe as a region, where country idioms are important and should prevail, while still being part of a bigger unity. In the context of European brands, this means that individual country characteristics (e.g., technical superiority of German cars) are used as proxies for European brand quality.

When it comes to embedding our research into the existing literature on global vs. local brands, we draw on existing findings that illustrate the consumer perspective on both brand positions and contrast them with our findings on regional European brands. First, respondents articulated in their discussions a stronger conflict/trade-off between local and regional/European brands, rather than global brands. As mentioned before, global brands were subsumed as being American and thus appeared in the discussion just when defining what European was (vs. American as the out-group).

More tensions arose, when it came to the choice between local and European brands. Quite similar with the arguments that are put forward in favour of global brands, European brands were associated with perceived higher quality (Holt/Quelch/Taylor 2004; Steenkamp/Batra/Alden 2003), while local brands were associated with trust, authenticity or more in line with local needs (Schilling/Kapferer 2004; Steenkamp/Batra/Alden 2003; Kapferer 2002). As high product quality was associated with both brand categories, respondents were seeking heuristics to deal with these tensions, like seeking other criteria (length of distribution channel, or confusion over brand/product origin).

What we found remarkable in the responses, how respondents dealt with COO, which could indicate a local brand (German cars for German consumers) or a European brand (German cars for Danish consumers). In some
cases, disputes arose among consumers as to whether a product could be considered European or not, and was settled in a way that it could be both. There did not seem to be any conflicts arising from this fact in the discussion, rather it implicitly emerged, that the COO use would render different territorial identities salient and cater to them. So for the German consumers, a German car would naturally be a local brand choice (local identity salient); for the Danish consumers, it would definitely be a European brand (alluding to their European identity).

This ties in to COO (local or regional) as a means to strengthen transnational identities (Cayla/Eckhardt 2008; Swaminathan/Page/Gürhan-Canli 2007).

6. Conclusions and directions for future research

Within this paper, our objective was to advance knowledge on the concept of a regional European brand from a consumer’s perspective. Specifically, we aimed at exploring consumers’ construction of Europe as a region, what European brands mean to them (or not), what they associate them with and whether there are tensions in the understanding of European brands compared to local/national or global brands.

Consumer culture theory points to the role that brands have for consumers: they become meaningful to them through incorporation into their lives and help create new individual and collective identities through (transnational) brand communities; and brands are no longer considered as owned by companies, but co-created and -developed by consumers. Our findings indicate that while our respondents perceive themselves as part of a European region, this new collective identity (“being European”) may not yet be expressed through distinctly European brands. While respondents have very strong feelings what “European” was (many diverse countries united in one federation) and which specific values Europeans share, this concept has not been shaped enough (by marketing managers) to immediately be applied in a marketing context (positioning) and subsequently incorporated and re-formulated by consumers including such regional brands in their lives.

At a next level, regional brand managers may take a more active role in regional brand building. Based on our findings, we observed that Europe as a region (in contrast to its member states) requires stronger definition. As its past as a region (in the sense of community and belonging) is rather short, this calls for proactive shaping of its brand equity overshadowing individual national brand associations within the region. Creating new, powerful brand stories that let the regional brand emerge as a new and distinct concept different from its global and local counterparts appear to be a promising avenue. Such a newly-created regional brand concept may promote the sense of community and shared consciousness in the region, as well as support transnational connections among consumers (Cayla/Eckhardt 2008; Holt/Quelch/Taylor 2004). From the discussions, it emerged that this European spirit is based more on a common future than the (many times bilateral, partly conflict-driven) past Europeans share.

Our research has several limitations: (1) in our approach, we concentrated on the concept of a regional brand. To fully explore the justification of a regional (European) brand, it appears essential to compare regional brands and their value with local and global brands in the same product category. This may further substantiate their potential on the branding continuum. (2) We purposefully used a recall approach to identify consumers’ reconstruction of regional brands. Applying recognition (e.g., definition of regional brand), i.e. a guided and less open approach might support respondents in their discourses. Finally, (3) the concept of regional brands has now been explored in two regional contexts (Asia, Europe). To extend its explanatory power, further research endeavours in the Americas or other continents are called for.

Notes

[1] The accession waves in the mid-1990s and 2005 have sparked research on the notion of “pan-European brands” (e.g., Halliburton/Hünerberg 2004; Lütter/Schlieper 1995; Whitelock/Roberts/Blakeley 1995; Paliwoda/Marinova 2007). These attempts have remained mainly descriptive, providing an account of the status-quo in regional branding activities across the EU. Our research goes beyond this, as it explores the justification for regional (EU) brands from a consumer perspective.

[2] In this context, one could argue for the selection of Europe as a region other than the European Union. We settled for the EU, as it is the legal and political entity rather than the geographic area that provides the boundaries for liberalized trade activities. As the findings later show, this separation was also an issue among discussants.

References


Stöttinger/Penz, Value of Regional Brands in Europe


Keywords
Regional Brand, Consumer Culture Theory, Country of Origin, European Consumer Behaviour, Focus Groups


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Univ.-Prof. Dr. Hans H. Bauer, Mannheim, Univ.-Prof. Dr. Andrea Gröppel-Klein, Saarbrücken, Univ.-Prof. Dr. Luuk Hildebrandt, Berlin, Univ.-Prof. Dr. Hans Mühlbacher, Innsbruck, Univ.-Prof. Dr. Henrik Sattler, Hamburg, Univ.-Prof. Dr. Dr. h.c. Udo Wagner, Wien, Univ.-Prof. Dr. Joachim Zentes, Saarbrücken.

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