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*Full Length Research Paper*

# A study on the customer-based brand equity of Taiwanese and Indonesian teenagers for a global brand

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This study aimed to determine the customer-based brand equity of Taiwanese and Indonesian teenage consumers using data from 925 teenage consumers in Taiwan and Indonesia from purposive sampling. This study implemented Structural Equation Modelling (SEM) with LISREL software to test the hypotheses and certify the fitness of the research models. This research provided insight into the young teenage consumers brand equity and pointed to further opportunities for investigation in the context of emerging markets. The results showed that brand awareness (BAW), brand association (BA) and perceived quality (PQ) directly and indirectly affect brand loyalty (BL) in the constructs of customer-based brand equity between the countries. This research also showed the distinctions of customer-based brand equity between the teenage consumers in two emerging markets (Taiwan and Indonesia), and realized the crucial concept of glocalization. Those findings supported and had implications managerially for marketing strategists, and are also conceptually relevant to the future research in the field of international marketing and consumer behaviour.

**Key words:** Customer-based brand equity, teenage consumers, emerging market, glocalization, structural equation modelling.

## INTRODUCTION

Youth and marketing have been historically intertwined, representing the transnational market ideology of youth. The commercialization of space and time has been accompanied by the commercialization of youth, and marketers are targeting the young. As most of consumer models were developed in the USA with few exceptions, it will be meaningful to study consumers in the market place in transitioning economies such as some countries in Asia. The consumers in this marketplace are beginning to learn about products and brands, to develop attitudes related to marketplace globalization, and more generally, are learning about being consumers (Alden et al., 2006;

Kligman, 1996; Steenkamp and Burgess, 2002; Zhou et al., 2002). As Asia represents a new marketplace for many firms seeking to expand their global reach as they face intense competition and declining sales in mature domestic markets, these firms view Asia as a viable region to improve their profitability. Therefore, it could also enrich consumer-brand relationships in many ways using a rich conceptual vocabulary that is both theoretically and managerially useful.

Recently, the concept of brand equity has been employed to measure how consumers assess a brand overall. In particular, the measurement of customer-based brand equity is considered a crucial but challenging aspect of branding (Pappu et al., 2005). Although there have been no consistent measurement techniques, several researchers have explored brand equity measurement based on customers' perspectives (Park and Srinivasan, 1994; Washburn and Plank, 2002; Yoo et al., 2000). Aaker's (1991) incorporated definitions to measure four dimensions of brand equity, being brand awareness

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**Abbreviations:** BAW, Brand awareness; BA, brand association; PQ, perceived quality; BL, brand loyalty; SEM, structural equation modelling.

(BAW), brand association (BA), perceived quality (PQ), and brand loyalty (BL). Evaluating its comprehensiveness, the present study is based on the concept of brand equity by Aaker (1991, 1996). Previous studies have generally evaluated the finding of inter-relationships among customer-based brand equity constructs such as BAW, BA, PQ, and BL. However, the limited prior researches have examined certain relations among the construct that imply the strategic and tactical decisions about specific marketing-mix actions.

### Research problem

The previous studies left problems and rooms to extend the customer-based brand equity research. Firstly, previous studies have generally evaluated the finding of inter-relationships among customer-based brand equity construct. However, the limited prior researches have examined certain relations among the construct that imply the strategic and tactical decisions about specific marketing-mix actions. Secondly, there is a need to extend the concept of brand equity of teenage consumers since teenage consumers become the most potential segment. Thirdly, the most of brand equity models have been developed in USA with few exceptions thus there is still needed to study brand equity in other countries. And fourthly, the measurement of brand equity in service/hospitality industry still relatively limited.

By adopting the research background and research problem described above, we chose the brand equity of teenager consumers in two emerging markets, that is, Taiwan and Indonesia. Taiwan represents the advanced emerging market, while Indonesia represents the secondary emerging market. We chose Mc Donald's fast food restaurant as our object of research because Mc Donald's is one of a good example of global brand in service/hospitality industry. Mc Donald's is the world's largest restaurant chain with more than 32,000 restaurants in over 110 countries and McDonald's is dominating market share over other competing hamburger chains.

### Research aim and objectives

This research finding could provide managers and researchers a conceptual framework to describe the relationships among the brand equity constructs, especially in relation to the construct affecting BL as well as a more thorough understanding of teenage consumer behaviour. This implies better strategic decision making for marketing strategists in relation to target market definition and product, as well as better tactical decisions about specific marketing-mix actions in different markets.

The objectives of our research is firstly to examine the direct and indirect relationships of BAW, BA and PQ toward BL in our model, and to measure systematically a

reliable and valid scale of brand equity. The second objective is to investigate whether there is distinction of customer-based brand equity between the teenage consumer in advanced emerging markets (Taiwan) and in the secondary emerging market (Indonesia).

### Research questions

The current research study addresses the following research questions:

Research question 1: Are there direct and indirect relationships of BAW, BA and PQ toward BL in our model?

Research question 2: Are there distinctions of customer-based brand equity between the teenage consumer in advanced emerging markets (Taiwan) and in the secondary emerging market (Indonesia).

The article is organized thus: Firstly we present our theoretical background, conceptual framework of customer based brand equity of teenage consumers in different marketplaces. We then introduce the empirical research designed and conducted in order to test our conceptual model. Results are then presented and managerial and theoretical implications are discussed

## LITERATURE REVIEW AND HYPOTHESES

### Brand equity

The emergence of brand equity has raised the importance of marketing strategies and provided focus for managers and researchers (Keller, 2003). The issue over brand equity has emerged as one of the most crucial topics for marketing management and has been discussed since the 1990s (Aaker, 1996; Cobb-Walgren et al, 1995; Keller, 1993; Lassar et al., 1995; Esch et al., 2006; Faircloth et al., 2001; Ramos et al., 2005).

Brand equity is a core concept concerning brand management, and it is viewed from distinct perspectives. This study focuses on the customer-based perspectives. There is a considerable debate regarding the definition of brand equity and its measurement (Yoo and Donthu, 2001). However, brand equity is accepted as the overall utility that customers place in a brand as compared to its competitors (Belen del Rio et al., 2001). Keller (2003) described brand equity as "a multidimensional concept and complex enough that many distinct types of measures are required. Multiple measures increase the diagnostic power of marketing research".

The advantage of conceptualizing brand equity from the customer-based perspective is that it enables managers to evaluate specifically how their marketing programs enhance the value of their brands in the minds of consumers.

Within the marketing literature, customer based-brand equity is generally classified into two groups (Cobb-Walgren et al., 1995; Yoo and Donthu, 2001), being consumer perception (BAW, BAs, PQ) and consumer behaviour (BL and willingness to pay a high price), which differs from Aaker (1991), who suggested the measurement of brand equity using perception and behavioural dimensions.

Aaker (1991) incorporated definitions to measure four dimensions of brand equity: BAW, BA, PQ, and BL. Evaluating its comprehensiveness, this study is based on the concept of brand equity by Aaker (1991, 1996), who established the four dimensions model of consumer-based brand equity. Previous studies have generally evaluated the finding of inter-relationships among brand equity constructs, such as whether there are associative relationships between brand equity constructs, namely the relationships between BAW and BL (Aaker, 1991; Pappu, 2005), between BAW and BA (Keller, 1993; Pitta and Katsanis, 1995; Esch et al., 2005; Pappu et al., 2005; Ramos and Franco, 2005), between BA and BL (Aaker, 1991; Keller, 1993; Faircloth, 2005; Atilgan et al., 2005), between BAW and PQ (Aaker, 1991; Keller 1993; Pappu et al., 2005), between BA and PQ (Pappu et al., 2005), and between PQ and BL (Mc Connel, 1968; Shappiro, 1970; Szybiloo and Jacoby, 1974 as reviewed by Lau and Lee, 1999; Aaker, 1991 and Pappu, 2005).

However, the limited prior researches have examined certain direct and indirect relationships among the constructs.

## Hypotheses

### *Relationships between BAW and BAs*

Aaker (1991, 1996) argued that brand equity is a multidimensional construct, which consists of BL, BAW, PQ, and BAs. Customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and has some strong, favourable, and unique BA memory. Fiske and Taylor (1995) contended that BAs could be recalled in customer's mind as emotional impressions.

BAW influences consumer's decision-making by affecting the strength of the BAs in their mind (Keller, 1993, 1997). Pitta and Katsanis (1995) also pointed out that there are several dimensions of BAW associated with BAs. They further identified that BAs of the product can be stored in consumer's minds after storing the BAW of the product in their memory. BAW and BAs were correlated (Atilgan et al., 2005; Pappu et al., 2005). Moreover, high levels of BAW positively affect the formation of the brand image (association) of the product (Ramos and Franco, 2005). Esch et al. (2006) also identified that BAW affects brand image (association). These literature reviewed lead to the formation of hypothesis H<sub>1</sub>, as follows:

H<sub>1</sub>: BAW has a positive direct effect on BAs.

### *Relationships between BAW, BA and BL*

Yoo et al. (2000) researched BAW with BAs and brand equity. These researchers found that BAW' relationship with BA has a significant positive effect on brand equity.

The loyalty issue has been studied extensively in the area of marketing and consumer behaviour. BL can be defined as a combination of elements including the degree of customer satisfaction and the positivity of BAs. Thus, it can be seen that if customers have higher BAs and BAW, BL will increase. Similarly in Atilgan's (2005) study, the more favourable BA consumers hold, the more their loyalty and vice versa. These literature review lead to the formation of hypotheses H<sub>2a</sub> and H<sub>2b</sub>:

H<sub>2a</sub>: BAW has a positive direct effect on BL.

H<sub>2b</sub>: BAs have a positive direct effect on BL.

### *Relationships between BAW, BA and PQ*

As studied by Aaker (1991), Keller (1993) and Pappu et al. (2005), consumers who hold favourable associations towards a brand are also likely to develop favourable perceptions of quality and vice versa.

BAW has been defined as the consumer's ability to recall that a brand is a member of a product category. When they have strong associations for the brand, consumer's BAW is likely to be elevated so as to increase the association of the high quality brand as perceived and vice a versa. The literature reviewed leads to the formation of the following hypotheses:

H<sub>3a</sub>: BAW has a positive direct effect on PQ.

H<sub>3b</sub>: BA has a positive direct effect on PQ.

### *Relationships between PQ and BL*

Several studies mentioned that BL is related to PQ (Mc Connel, 1968; Shapiro, 1970; Szybiloo and Jacoby, 1974 as reviewed by Lau and Lee, 1999). Atilgan et al. (2005) studied the relationship between the dimensions of brand equity and brand equity itself.

They concluded that BL is the most influential dimension of brand equity.

Although their study did not support the existence of a direct causal relationship between the three dimensions of BAW, BA, and PQ of brand equity, the observed pairwise comparison suggested that there is a correlation between BL, BAW, and PQ. As a result they suggested that concentration of BL should not undervalue the effect of BAW and PQ on BL. Pappu et al.'s study (2005) envisaged that consumer's perception of quality will be



associated with their BL. The more brand-loyal a consumer is, the more he is likely to perceive the brand as offering superior quality and vice versa. The literature reviewed leads to the formation of the following hypothesis:

H<sub>4</sub>: PQ has a positive direct effect on BL

#### *Mediating effect of PQ*

BAW has been defined as a consumer's ability to recall that a brand is a member of product category (Aaker, 1991). Consumers' BAW is likely to be increased when they have strong associations for the brand and when they perceive the quality of the brand to be increased and vice versa. Similarly, consumers' perception of the quality of a brand is likely to be increased when they have strong association with the brand and vice versa (Pappu et al., 2005). The literature reviewed leads to the formation of the hypothesis thus:

H<sub>5</sub>: There is an indirect relationship between BAW and BL through PQ.

#### *Mediating effect of BA*

BAW influences consumer decision making by affecting the strength of the BAs in their mind (Keller, 1993a, 1997b). Pitta and Katsanis (1995) also identified that BAs of the product can be stored in consumer's minds after BAW of the product is stored in their memory. The finding of Atilgan et al. (2005) and Pappu et al. (2005) show that BAW and BAs were correlated. The above mentioned literature review lead to the formation of the hypotheses thus:

H<sub>6</sub>: There is an indirect relationship between BAW and BL through BAs.

H<sub>7</sub>: There is an indirect relationship between BAW and PQ through BAs.

#### *The relationships between marketplace, teenager consumers and brand equity*

The study of the marketplace addresses some of the most distinctive features of the marketplace-culture intersection. Youth culture and marketing represent a transnational market ideology of youth. The dominant dimensions of this ideology can be said to be identity construction.

The ideology specifies that young consumers have an unsettled identity by being placed in between the presumably stable categories of childhood and adulthood stylized consumption. Youth cultures are increasingly shaped by and constitute global cultural flows. Appadurai

(1990) analyzed the global cultural economy by using the landscape metaphor to illustrate flows within the five "scapes": "ethnoscape" (the flow of people), "technoscapes" (the flow of technology), "finanscapes" (the flow of finance and capital), "mediascapes" (the flow of mediated images), and "ideoscapes" (the flow of ideas and ideologies).

These flows increase the availability of symbols and meanings in consumers' everyday lives in a way that much of what is available in one place is also available in another place (Waters, 1995).

They can also lead to an increasingly globalized fragmentation (Firat, 1997) in which the consumer has at hand a multitude of resources for dealing with everyday life.

The globalization processes constituted by these flows shape socio-cultural reality in dialectical processes between the consumer and consumer culture (Holt, 2002), and more generally between the local and the global (Friedman, 1990; Giddens, 1991).

Wilk (1995) conceptualized global youth culture as a manifestation of a transnational, market-based ideology that is manifested through dialectics between the structures of common difference and the adaptation and objectification of these structures in local contexts.

This is what Robertson (1992) terms glocalization. Glocalization is a combination of the words "globalization" and "local," which suggests the unique local and situated forms and widespread effects, including global processes. We investigate a variety of patterns and practices of young consumers in two marketplaces. From the literature, the following hypothesis is formed:

H<sub>8</sub>: There is distinction of customer based brand equity between the teenage consumer in two emerging markets (Indonesia and Taiwan).

Based on the literature review and research hypotheses as illustrated above, this study developed the framework of this research as shown in Figure 1. The proposed research framework presents the relationship between the four constructs of customer-based brand equity, namely BAW, BA, PQ and BL.

## RESEARCH METHODS

### *Sample*

By using the purposive sampling method, this study obtained the data of 925 teenage consumers from McDonald's restaurant in Taiwan and Indonesia. From 418 samples of Taiwan, the majority were male = 50.2%, as opposed to Indonesia's samples, from 507 the most were female = 70.7%. Most of the samples were high school students in two marketplaces, with the Taiwan sample = 50.7% and Indonesia samples = 51.5%. Their age range is from 13 to 19 years old. The average age is the same in the two market places (17 years old), Taiwan = 20.7% and Indonesia sample = 24.3%. Other demographic information include their frequency to visit the restaurant in the two marketplaces (the most being 4-5 times

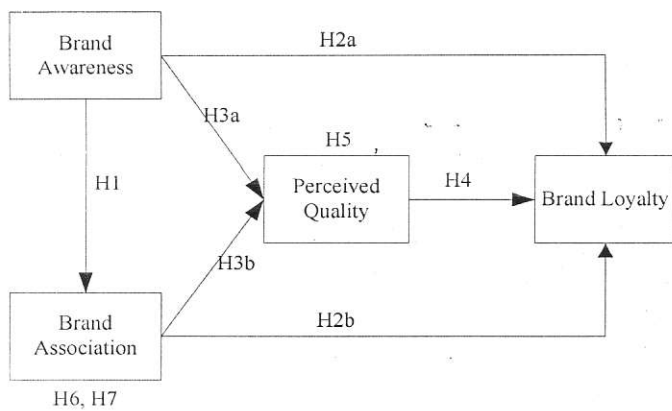


Figure 1. Research framework.

a month: 66.7% in Taiwan and: 65.7% in Indonesia). In the two marketplaces, the average income is less than NTD 3000 dollars monthly, with 50.7% in Taiwan, and 73.2% in Indonesia with less than IDR 750,000. The purpose for visiting the restaurant was to eat (32.4% in Taiwan and 72.0% in Indonesia). The reason for visiting the McDonald's restaurant was because of its cleanliness (28.2% in Taiwan), and fashion (47.3 % in Indonesia). They do not have any preference of taste in Taiwan (40.4%), although the taste preference was spicy in Indonesia (54.4%). They stated that advertising did not influence them (64.8% in Taiwan, 64% in Indonesia). In the two countries, they are not influenced by new products (76.5% in Taiwan and 55% in Indonesia). The respondents in the two countries also visit other fast food restaurants, such as KFC (70.9% in Taiwan, and 55.3% in Indonesia). They usually visit the location of McDonald's around shopping centres (43.2% in Taiwan and 82.4% in Indonesia).

## Measures

Measures of brand equity consist of the four constructs of customer-based brand equity. Multiple items were used to measure each of the constructs of BAW, BA, PQ and BL. The questionnaires adopted from Kim and Kim (2004) and Atilgan et al. (2005), which are also based on Aaker's model, and were translated into Chinese and Indonesian versions. A small group of academic experts reviewed them to ensure the syntax, semantics and integrity of the questionnaire. This study's questionnaires contained 34 statements and conducted a pre-test. The data in this pre-test study were collected through self-administered questionnaires distributed to respondents of teenager customers in the spot location of McDonald's restaurants. Pre-test and modification of questionnaires resulted in 28 items. The questionnaires were then hand distributed to the respondents in the spot location of McDonald's restaurants in the two marketplaces, Taiwan and Indonesia. This study implemented Structural Equation Modelling (SEM) with LISREL software to examine the hypotheses, because as mentioned by Steenkamp and Baumgartner (2000), SEM provides some benefits for marketing modelling and managerial decision making. The particular uses of SEM are very appropriate to the analysis used in this study, such as measurement analysis, and cross sectional analysis. In addition, the SEM path analysis method uses the integrated model analysis with path analysis and confirmatory factor analysis, whose structural model can determine all direct or indirect causal relationships, and can conduct parameter estimation in order to examine its significance.

## ANALYSES AND RESULTS

### Measurement model

This study chose Maximum Likelihood Estimation (MLE) estimation procedure. The study investigated reliability and validity. The reliability of the construct is acceptable if Cronbach's  $\alpha$  exceeds 0.70 and item-to-total correlations are greater than 0.50 (Hair et al., 1998). Cronbach's  $\alpha$  coefficient, item-to-total correlations, mean and standard deviation in this research achieved high reliability.

The values of skewness were less than 2 and kurtosis was less than 7, meaning that the data are normal, meeting the normality assumption (Curran et al., 1996). This study presented correlations matrices in Table 1. The correlation coefficients indicate the correlations between variables are significant.

The discriminant validity analysis resulting in a significant difference in  $\chi^2$  indicates that the two constructs are not perfectly correlated and that discriminant validity is achieved (Bagozzi and Phillips, 1982). All of the  $\chi^2$  differences in this study are greater than 3.84, which is a good evidence for the dimensions' discriminant validity. It shows that the four constructs are distinct.

This study performed confirmatory factor analysis on the four variables: BAW, BA, PQ, and BL. This study used LISREL 8.8 to test more rigorously the construct measure and consider item candidates for deletion from the measurement model.

However, we considered both statistical indicators and theoretical issues before deleting any items. The final measurement model showed strong levels of fit: CFI > 0.97; NNFI > 0.95; RMSEA < 0.05; SRMR < 0.06 (Bentler, 1992; Browne and Cudeck, 1989; Hu and Bentler, 1999). In addition, the values of the normalized chi-square measure ( $\chi^2/df$ ) had values between 1.0 and 5.0, which is the range of acceptance (Schumacker and Lomax, 1996) as follows: CFI = 0.98, NNFI = 0.97; RMSEA = 0.050, SRMR = 0.050,  $\chi^2 = 236.58$ ; DF = 113;  $\chi^2/DF = 2.09$ .

Finally, we conducted tests to assess if common methods would be problematic for the interpretation of the results. According to the techniques of Harmon's single factor test, if a single factor emerges from the factor analysis or one factor accounts for more than 50 % of the variance in the variable, common method variance is present (Matilla and Enz, 2002).

Our analysis revealed 3 factor structures with no general factor present (the first factor account for 34% variance). It provided support for the absence of such general bias in the finding (Matilla and Enz, 2002).

### Structural model

We tested the proposed structural model shown in Figure 1 using measures that resulted from measurement model analysis. Figure 2, Tables 2 and 3 display the result of this analysis. The proposed structural model had the

Table 1. Correlations among constructs.

Variable	Mean	SD	BL	PQ	BA	BAW
BL	3.96	0.74	1			
PQ	3.72	0.81	0.65(**)	1		
BA	3.77	0.77	0.67(**)	0.86(**)	1	
BAW	4.09	0.80	0.38(**)	0.21(**)	0.40(**)	1

\*\*Correlation is significant at the 0.01 level (2-tailed).

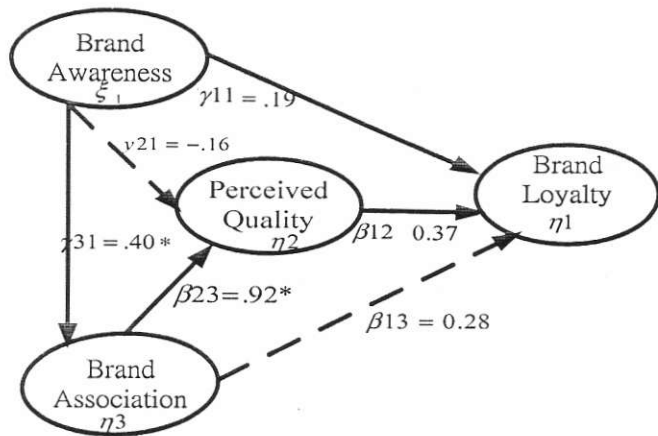


Figure 2. Result of proposed model.

NNFI= 0.97; CFI= 0.98; RMSEA= 0.050; SRMR= 0.050;  $\chi^2$  (113) 242.12;  $\chi^2/DF = 2.14$ . Solid lines = significant paths. Dashed line = not significant paths.

following levels of fit: NNFI= 0.97; CFI= 0.98; RMSEA= 0.050; SRMR= 0.050;  $\chi^2$  (113) 242.12;  $\chi^2/DF = 2.14$ . The structural model showed acceptable levels of fit in terms of sample size and model complexity (Bagozi and Yi, 1988). Path analysis showed the direct and indirect relationships among constructs across the two samples, Taiwan (TW) and Indonesia (INA).

**Direct relationships (Direct effect)**

We found that the direct relationships between constructs are positive and significant, except that the direct relationship of BA (BA) -> BL (BL), BAW (BAW) -> PQ (PQ) are not significant. Therefore hypotheses H<sub>2a</sub>, H<sub>3b</sub>, H<sub>1</sub>, H<sub>4</sub> are supported, while hypothesis H<sub>3a</sub>, H<sub>2b</sub> are not supported. Table 2 shows the results of the direct effect between constructs.

**Indirect relationships (Mediating effects)**

We found that there is an indirect effect between BAW and BL (indirect effect= 0.19, p<0.05) although it is not

mediated by PQ, as the path of PQ->BL is not significant. As such, it does not support hypothesis H<sub>5</sub>.

Although there is an indirect effect between BAW and BL (indirect effect= 0.19, p<0.05), it is not mediated by BAs, as the path of BA-> BL is not significant. Thus hypothesis H<sub>6</sub> is not supported.

A mediation effect was obtained in the relationship between BAW and PQ as there is an indirect effect between BAW and PQ through BA. Thus hypothesis H<sub>7</sub> is confirmed (indirect effect= 0.37, p<0.05). In Table 3, we see the mediating effect of Perceive Quality and BA.

**Distinction of customer based brand equity between the teenage consumers in two emerging market.**

To test H8 we refer to Brockman and Morgan's study (2006). We used multi-group analysis within LISREL 8.8 to assess the moderating variable effect on structural model (Joreskog and Sorbom, 2001). The test is conducted with a two test approach. Table 4 displays the results.

Although not existing in all links, we found a significant difference in the chi-square values among the groups. The marketplace moderated the relationship between BAs and PQ, PQ and BL, BA and BL. Table 5 shows the comparison of structural model between the two marketplaces.

We see that there is distinction between the two market places in the link between PQ and BL, whereas Taiwan does not have a significant path, while Indonesia has a significant path. Thus hypothesis 8 is supported and there is a distinction of customer based brand equity between the teenage consumer in the two emerging markets of Indonesia and Taiwan.

**DISCUSSION**

Analysis results of hypotheses showed that hypotheses H<sub>1</sub>, H<sub>2a</sub>, H<sub>3b</sub>, H<sub>4</sub>, H<sub>7</sub> and H<sub>8</sub> are supported as expected, although H<sub>2b</sub>, H<sub>3a</sub>, H<sub>5</sub>, and H<sub>6</sub> are not supported.

The distinction between two marketplaces is found in the link between PQ and BL. It could be described that the PQ of teenage consumers in Taiwan is not crucial. The level of PQ between global and local brands in the Taiwan sample is not distinct due to the higher level of

**Table 2.** Direct effect.

Path		T-value	Std. coefficient	Hypothesis	Result
BAW>BL	$\gamma_{11}$	2.50	0.19*	H <sub>2a</sub>	Supported
BAW-> PQ	$\gamma_{21}$	-2.97	-0.16	H <sub>3a</sub>	Not supported
BAW->BA	$\gamma_{31}$	6.12	0.40***	H <sub>1</sub>	Supported
PQ-> BL	$\beta_{12}$	2.04	0.37*	H <sub>4</sub>	Supported
BA->BL	$\beta_{13}$	1.42	0.28	H <sub>2b</sub>	Not supported
BA-> P	$\beta_{23}$	8.34	0.92***	H <sub>3b</sub>	Supported

Note: |T| $\geq$ 1.96, \*p<0.05 level; |T| $\geq$ 2.58, \*\*p< 0.01 level; and |T| $\geq$ 3.29, \*\*\*p< 0.001 level.

**Table 3.** Indirect effect.

Path	Indirect effect	Hypothesis (H <sub>7</sub> )
BAW->BA->PQ	0.37***	Supported

IT  $\geq$ 1.96, \*p<0.05 level; |T| $\geq$ 2.58, \*\*p< 0.01 level; and |T| $\geq$ 3.29, \*\*\*p< 0.001 level.

**Table 4.** Chi square difference test (moderating variable: marketplace).

Hypothesis moderated path	Difference in chi- square value
BA-PQ	3.99
PQ -BL	9.2
BA -BL	7.83

**Table 5.** The comparison of structural model between two marketplaces.

Constrained factor loading	Taiwan Std. estimate	t-value	Indonesia std. estimate	t-value
BA- BL	1.05	1.91	-0.15	-0.54
PQ-BL	-0.39	-1.03	0.81	2.43
BA-PQ	1.03	4.28	0.83	4.9

development and market infrastructure in Taiwan as compared to Indonesia. For Indonesian teenage consumers, PQ is a crucial variable affecting BL, as PQ toward local brands is lower than global brands. Although BA is most crucial for the Taiwan sample, in Indonesia's case we found that BAW was still the most crucial variable affecting BL due to the lower level of development and market infrastructure in Indonesia affecting consumer availability of global branded products and services. McDonald's is the biggest fast food company with restaurants in the hospitality industry implemented for local adaptation, including adapting its menu to the local cultures where it is expanding. Thus, McDonald's also implements the strategy of glocalization.

The distinctions between the Taiwanese and Indonesian McDonald's are as follows. Taiwan's McDonald's has been working to both localize its menu and promote healthy, active lifestyles in recent years. These efforts have included new menu choices, such as

rice burgers and salads. In addition, Taiwan McDonald's has teamed up with the National Council on Physical Fitness and Sports in order to promote a campaign aimed at encouraging healthy eating and exercise. McDonald's in Taiwan has also become an attractive and cool venue for studying. Students can stay in the restaurant for hours to study or do homework with classmates, and even to have an academic course with a tutor after school.

McDonald's outlets have also been popular in Indonesia. In addition, the mildly Western taste of a burger and fries is an alternative to local fare. Indonesian youth use McDonald's in the same way that Western youth gravitate toward shopping malls (Turner, 2003). McDonald's is simply a convenient, clean, and cool place to be. The company has once more adapted to the local taste by introducing sweet iced tea, spicy burgers, and rice. As Indonesian consumers prefer hot spicy tastes, there is chilli sauce as an essential part of Indonesian cuisine in McDonald's Indonesia and the McRice meal



with spicy meat. The economic crisis in early 1998 forced McDonald's to experiment with a cheaper menu as the price of burgers was high. McDonald's customers remained with the company to consume McTime, and PaNas. For many years, McDonald's in Indonesia has the largest Muslim followers in the world with the halal sign on its food and publicity. While the certificate from the leaders of Islam pronounced that McDonald's might be lacking in nutrition and redeeming qualities, it specified that at least the meat was bled properly, reassuring its Muslim customers that its products are halal, that is, religiously clean or permissible. A post-sunset meal is offered as a special during Ramadan, the month of fasting for Muslim.

From the aspect of teenage consumers between two marketplaces, the simultaneous processes of diffusion and appropriation of both youth cultural styles and modes of identity can be summed up in Robertson's (1992) concept of glocalization. Glocalization implies that the global always become localized, and the local becomes globalized (Thompson and Arsel, 2004). The "teenage culture" on a global scale shares a youthful lifestyle that values growth and learning with an appreciation for future trends, fashion and music (Hassan and Katsanis, 1991). These arenas operate to both homogenize youth cultural style expression at a structural level, and also enable distinction at the micro-cultural level. Thus, we could also describe this distinction between two groups of teenage consumers. Taiwanese teenage consumers are mostly Buddhists. Wattanasuwan and Elliott (1999) demonstrate in their study that a locally based youth culture of teenage Buddhists will find it difficult to maintain a conception of identity and consumption that does not include an idea of being an individual consumer. They hence tend to the Western (late-modern) model of identity. However, some Taiwanese (Chinese) people do not consume beef at all, believing that it is improper to eat cattle that work on farms, whose help to provide foods such as rice and vegetables.

To understand the distinction with Indonesian teenage consumers who are mostly Muslim, we refer to Maira (2004) who introduces the notion of "youthscape," understood as "a site for local youth practices" that is embedded with local and global forces. In her study of South Asian Muslim youth, this youthscape is characterized by two types of identities: flexible and dissenting citizenship. "Flexible citizenship" refers to the way local youth negotiate the global youth consumer cultural forms with their own traditional backgrounds, while "dissenting citizenship" articulates a position of criticism against U.S. This marketplace is a space for articulating and performing glocalized versions of youth culture, always contextualized locally and always shaped by the global ideoscape of youth and youth consumption practices. For example, teenage consumers in Indonesia love to eat McDonald's product, although they are required to eat halal food. Therefore, McDonald's product in

Indonesia should be halal as well.

## Conclusion

In conclusion, this research provides insight into the young teenage consumers brand equity and points to further opportunities for investigation in the context of emerging markets. The second contribution of this research is that the results established the four constructs model of consumer-based brand equity with distinct constructs, consistent with the conceptualization of Aaker's model (1991, 1996). This is similar to Cobb-Walgren et al. (1995) and Pappu et al. (2005), and is contrasted with the findings of Yoo and Donthu (2001, 2002) and Washburn and Plank (2002) that also based on Aaker's conceptualization although it observed only three brand equity dimensions. Another contribution is that the present research enriches the consumer-based brand equity measurement by testing and found that there are direct and indirect relationships among constructs of brand equity, whereas previous studies showed and identified associative relationship among constructs of brand equity. By analyzing the moderating effect of the marketplace we found that there is distinction in customer-based brand equity between the teenage consumers in two emerging markets.

The interpretation of the distinct findings across the two samples is that each group sample in each marketplace has unique characteristics and distinct environments regarding the level of development, market infrastructure and culture, including religion. Another crucial finding is that glocalization becomes a very important phenomenon both from the practise of McDonald restaurants and teenager consumers in both marketplaces. This could also describe the distinction between teenage consumers in the two marketplaces.

## IMPLICATIONS

This finding supports and has implications conceptually for the future research in the field of international marketing and consumer behaviour. Managerially, the managers could adopt the customer-based brand equity in their marketplace and relate it to the necessary marketing efforts. The Taiwan sample has implication for managers to maintain or strengthen their efforts in relation to BA, such as to promote their cleanliness, cheerful atmosphere, good taste and price, and friendly staffs, as the reason for Taiwanese teenage consumer visiting the restaurants are because of the cleanliness (28.2%) and because of the climate or environment (20.7%). The findings of Indonesian sample has suggested that managers have to maintain and strengthen their efforts upon BAW in order to reach consumer's recognition, such that the name of the brand can be

quickly recalled to their mind. This may be achieved by more aggressive advertising and also promoting new products. From the survey, we also found that 64% of Indonesian teenager samples stated that advertising influenced their visit to the restaurant, and 44% of them were also influenced by the new products of McDonalds. In addition, they must also maintain and strengthen their efforts upon PQ as the brand has a high quality, by continuing to promote the high standard of service quality and healthy products of McDonald's against its stigma as junk food.

The crucial strategy of glocalization in McDonald's restaurants must be continued as consumers in each country also practice glocalization. The descriptive statistics of demographic characteristics and information about individual habits of the consumers in this research may also be considered, or be an example for managers to retrieve information from their customers.

### Limitation and future research suggestions

There are, however, several limitations to the study. This research describes the causal relationships between brand equity constructs without relating them to their antecedents such as marketing efforts. In addition, we do not relate them to their consequences such as the value of the firm, which might be more useful for marketing strategies.

Although this research has conducted universal questionnaires, the use of varied samples affected the outcomes. Consequently, the future research constructs in the brand equity model should be developed to measure its operation and management across samples. Also, this indicates that the scale items from marketing should address the characteristics of each sample, including the physical, environmental, and socio-cultural features in diverse settings as cross-national and regional research, which is necessary to formulate international marketing strategies.

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