

# Effective marketing strategies for global FMCG brands during COVID-19 pandemic crisis

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## Abstract

**Purpose:** This study proposes marketing strategies for global fast-moving consumer good (FMCG) brands to survive and thrive in the turbulent economic environment created by COVID-19. The authors investigate the indirect effects of consumer ethnocentrism (CET) and consumer confidence (CC) on customer equity drivers (CEDs) effectiveness in influencing repurchase intention (RI) for global FMCG brands.

**Design/methodology/approach:** This study uses the mall-intercept technique. Respondents were randomly approached at popular retail and shopping destinations in Athens, Greece, and 228 customer participants completed the survey.

**Findings:** CET and CC weaken the positive relationship between certain CEDs and RI of FMCG brands. Particularly, the effects of relationship equity (RE) and value equity (VE) on strengthening repeated purchases are higher for low-confidence or low-ethnocentric consumers. Thus, marketing strategies for enhancing value and creating stronger consumer–brand relationships are more effective in boosting repeated purchases during economic turbulence.

**Practical implications:** Practitioners and academicians can use the insights obtained from this study to determine how to allocate resources and adopt the most effective marketing strategies in local environments based on consumer preference for domestic or global products and consumer morale and expectations for future financial status.

**Originality/value:** This research unveils the mechanism behind the moderating effects of CET and CC on the effectiveness of CEDs in global FMCG settings using social identity and system justification theory. Turbulence in international and local markets due to the pandemic has revealed that marketing function needs to redesign strategies and coordinate practices to boost repeat purchases.

**Keywords:** Customer equity drivers, consumer ethnocentrism, consumer confidence, global brands

**Paper type:** Research paper

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## 1. Introduction

The recent COVID-19 crisis has affected every aspect of the global economy (Islam *et al.*, 2021). Preventative measures, such as temporary shutdowns of retailers, have disrupted financial stability (Sharma *et al.*, 2020). It has spurred anxiety in people and businesses around the globe (Zwanka and Buff, 2021). Customers have altered their purchase behaviours to alleviate their fear and uncertainty, leading to increases in demand for fast-moving consumer goods (FMCGs). Moreover, online shopping and cashless payments are on the rise (Sheth, 2020). These changes have created an unstable international environment for global FMCG brands. In this environment, only brands that are agile and implement proper marketing strategies during and after the pandemic will thrive (Nikbin, 2021). FMCGs have had to face rapid changes in consumer demands and ways of doing business. Particularly, there has been a surge in demand for grocery items, food and beverages, and home, hygiene, and personal-care products (Debata *et al.*, 2020). Homecare and laundry markets grew by 5.3% and 3.1% in 2020 and 2021, respectively (Statista, 2021). Overall, the global FMCG market is projected to reach \$15.362 billion by 2025. In Greece, particularly, the total sales of FMCGs increased by 0.6% in 2021 (€7.95 billion). Nevertheless, personal care and hygiene goods markets declined by 2.3% during 2020–2021 (IRI, 2021). Notably, FMCG brands are characterized by limited visibility and utilitarian motives that make brand attributes less significant and value perceptions highly important (Debata *et al.*, 2020).

During the current economic turmoil, consumer confidence (CC) in personal financial well-being and the national economy have weakened, leading to more conservative purchase behaviour (Hampson *et al.*, 2021). CC is a psychological index that indicates the degree of consumer optimism regarding private consumption, economic situation, and unemployment rates of a country (Ou *et al.*, 2014). When consumers perceive a risk to their financial status, they restrain private consumption or turn toward value-for-money solutions (Hampson *et al.*, 2021). The

current uncertainty in the international business environment shares several similarities with the 2008 economic crisis that led to less private spending, uncertainty, and fear for future economic prosperity (Nikbin, 2021).

Regarding global FMCG brands, a stronger feeling of responsibility toward domestic products and the national economy was generated, especially during economic recessions (Zwanka and Buff, 2021). Simply put, ethnocentric consumption became profound, which favoured domestic products over imported substitutes (Pekkanen and Penttilä, 2020). This becomes challenging for most global brands that seek to survive and flourish in local markets. This situation is expected to last until 2025 or beyond. Therefore, FMCG industry players and practitioners can no longer rely solely on their past best practices for customer retention and growth; they need to consider consumer ethnocentrism (CET) and CC as important factors for altering purchase behaviour in crisis situations, and, thus, apply newer and more resilient marketing strategies.

According to Rust *et al.* (2004) and Vogel *et al.* (2008), strategies based on brand image, perceived quality, brand associations, customer relationships, and perceived value are highly significant in boosting customer equity. Such strategies are also known as customer equity drivers (CEDs). These include brand equity (BEQ), value equity (VE), and relationship equity (RE). The CED model was chosen because it provides marketing specialists with an integrated framework for developing effective brand-related strategies (Ou *et al.*, 2014). Past research has extensively applied CEDs to service industry to propose best customer loyalty practices (Ou *et al.*, 2014; Zhang *et al.*, 2014). However, there is limited research on tangible products. More specifically, there is little empirical evidence on the applicability of CEDs to product brands, with most brands focusing on fashion industry (Zhang *et al.*, 2010; Kim and Ko, 2012). This product category is unique, as it is characterized by hedonistic and conspicuous purchase motives rather than utilitarian ones.

According to international marketing literature, foreign and domestic brands are different in terms of CED effectiveness. Some researchers argue that globally positioned brands are more appealing than domestic ones, as they exhibit higher perceived quality, prestige, image, and social responsibility (Zarantonello *et al.*, 2020). Moreover, foreign FMCGs may experience higher preference even from highly ethnocentric consumers due to lower price offerings, which is a stronger buying criterion than quality or product attributes, in which domestic brands may be superior (Balabanis and Diamantopoulos, 2016). Further, the quality of brand–customer relationships contributes significantly to customer retention, but only for domestic brands. By contrast, other researchers emphasized that domestic brands illustrate higher awareness, image, value, and trust than global brands. However, Kapferer (2002) proclaimed that global brands provide not only economies of scale and low prices but also higher quality and strong relationships with consumers, resulting in increased desire for repurchase and loyal retention. Nonetheless, the literature still lacks studies that present successful marketing strategies during recessions based on different levels of CC and CET for global FMCGs. Thus, this study aims to analyze the indirect effects of CET and CC on the effectiveness of CEDs in influencing repurchase intention (RI) of global FMCGs, especially during the economic turmoil caused by COVID-19.

Exploring CEDs' effects on repeated purchases for different consumer segments, based on CET and CC, is crucial for global businesses. Learning how to adjust to specific ethnocentric tendencies can give global players a competitive edge. According to the existing empirical literature, during economic downturns, consumers usually prefer domestic brands that provide product value, that is, good quality and convenience at a fair price (Hampson *et al.*, 2021). Domestic brands targeting less price-sensitive consumers invest in building strong consumer–brand relationships to enhance customer loyalty intention, especially during economic crises (Kumar and Kaushik, 2020). Although the literature on CET is relatively rich (Shimp and Sharma, 1987; Steenkamp, 2019), little is known about the way global brands can adjust their CEDs to different economic conditions. This study acknowledges this gap and investigates whether CET and CC modify the effectiveness of CEDs for achieving RI for global FMCGs, especially during the pandemic. Thus, the following research questions were created:

*RQ1.* What marketing strategies based on CEDs' effectiveness on RI should be adopted during and after COVID-19 when high versus low CC is concerned for global FMCG brands to succeed?

*RQ2.* What marketing strategies based on CEDs' effectiveness on RI for global FMCG brands are the most effective in high versus low CET markets during and after COVID-19?

This study has several important implications. First, the theoretical backgrounds of CEDs, RI, CC, and CET are significant, as well as the fundamental theories that support potential direct and indirect relationships between them. Second, the marketing strategies based on different levels of CC and CET are classified based on CEDs' potential to enhance repeated purchases. These can serve as a roadmap for international marketing practitioners and researchers to develop effective marketing strategies in response to COVID-19. In addition, this study fills a knowledge gap by unveiling brand-related consumer behaviour applied in international markets. To further elaborate, CC and CET are considered as exogenous factors in an integrated model to highlight sensitive international marketing strategies that lead to repeated purchases. In other words, this study sheds light on

overlooked research areas by examining the effectiveness of CEDs on repeated purchases regarding ethnocentric tendencies during economic turmoil caused by COVID-19.

## 2. Theoretical Background

### 2.1 Customer Equity Drivers

Customer equity refers to “the discounted sum of customer lifetime value” (Kim and Ko, 2012, p. 1481), and discovering ways to manage and expand it is essential to gain a competitive advantage in an unstable economic environment (Zhang *et al.*, 2010). This is because customer equity is an innovative marketing strategy that prioritizes customers and marketing practices, which enhance lifetime value and determine revenues and profitability in the long run (Vogel *et al.*, 2008). According to Lemon *et al.* (2001), the main drivers composing customer equity are VE, BEQ, and RE.

#### 2.1.1 Value equity

Value equity (VE) is defined as a consumer’s objective assessment of a brand’s utilitarian characteristics based on the perceived benefit–cost ratio (Rust *et al.*, 2004). Usually, consumers compare the resources they expend and the benefits of the purchased product (Vogel *et al.*, 2008). The keystones of VE are quality, price, and convenience (Lemon *et al.*, 2001). Quality refers to tangible and intangible aspects of products or services in a brand’s portfolio. Price is the cost of acquiring the desired product. Consumers can now use technology to find and compare prices globally and obtain the best deal. Convenience is the ease of purchasing a product that is characterized by low levels of time, search efforts, and trading costs (Lemon *et al.*, 2001; Rosenbaum and Wong, 2009). Thus, competitive pricing, convenience, value-for-money offerings, and customer service are significant in determining VE (Dwivedi *et al.*, 2012).

In international marketing literature, it is unclear whether value perceptions are similar among consumers of different cultures. This highlights the need for further investigation of VE variations in today’s multicultural marketplace (Shukla, 2012). According to a plethora of researchers, value associations and consumption patterns may differ between Eastern and Western countries (Sheth *et al.*, 1991; Shukla and Purani, 2012). On the one hand, various studies conclude that consumers’ value perceptions and their effects on purchase decisions are similar among different cultural settings, due to the emergence of a homogenous global consumption pattern (Hofstede *et al.*, 1999). On the other hand, many scholars argue that local culture significantly influences value perceptions and consumer behaviour and that such effects vary among developed and emerging markets (De Mooij, 2004; Sharma, 2010; Shukla, 2010). In addition, Jiang and Shan’s (2018) investigation of value perception dimensions in a Chinese context and their influence on purchase intention of luxury brands revealed that function, hedonic, and social value exhibited positive effects on purchase intention. Another study, that collected data from consumers in four countries representing Western and Eastern luxury markets, analysed differences in consumer attitudes, perceptions and behaviour (Shukla, 2012). The findings indicated that the effects of value perceptions on purchase intentions varied significantly among different cultural settings. Thus, it is important to understand the heterogeneity in consumer consumption decisions and value associations in order to adapt strategic responses.

#### 2.1.2 Brand equity

Brand equity (BEQ) is defined as “a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers” (Aaker, 1991, p. 15). Thus, there are two types of BEQ: consumer-based and firm-based (Veloutsou *et al.*, 2020). Consumer-based reflects that building a strong brand depends heavily on consumers, while firm-based focuses on enhancing the financial value of a brand and is often considered a consequence of consumer-based BEQ (Chatzipanagiotou *et al.*, 2019). Based on cognitive psychology, Keller (1993) describes consumer-based BEQ as the “differential effect of brand knowledge on consumer response to the marketing of the brand” (p. 8). Essentially, BEQ shapes consumer awareness of a brand, leading to strong and favourable brand associations and easy memory recollection (Christodoulides *et al.*, 2015). This paper mainly focuses on consumer-based BEQ. Contrary to VE, BEQ is characterized by a strongly subjective, emotional, and experiential assessment of a brand and its offerings (Zarantonello *et al.*, 2020). Furthermore, it is based on image, symbolic value, and personal significance (Rosenbaum and Wong, 2009).

In international markets, several researchers have attempted to investigate BEQ of global versus local brands (Kish *et al.*, 2001; Wright and Nancarrow, 1999). Existing empirical evidence indicates that BEQ has been extensively investigated in Western economies. The rapid globalization of markets has created a need for developing strong global brands to survive and thrive in local environments. However, limited research has been conducted on consumer-based BEQ in international marketing literature that focuses on consumer perceptions (Christodoulides *et al.*, 2015). Based on the study of Christodoulides *et al.* (2015), which assessed a cross-national dataset of consumers in European countries (UK, Germany, Greece), concluded that the dimensions of brand awareness, brand associations and brand loyalty could not be always clearly discriminated among different

cultural settings. More recently, using consumer-based data of FMCG brands in developed and emerging countries, Zarantonello *et al.* (2020) argued that BEQ components (apart from brand associations) strongly affect market share of local brands as opposed to global ones. This situation strictly applied to developed economies. Conversely, the relationship between BEQ dimensions and market share was significantly stronger for global than local brands in emerging markets. Thus, BEQ perceptions may vary across different brands and cultures.

### 2.1.3 Relationship equity

Relationship equity (RE) refers to consumers' willingness to maintain an affinity for a brand despite their objective and subjective evaluations (Rust *et al.*, 2004; Vogel *et al.*, 2008). As a successful marketing strategy, it prevents customers from switching brands and maintains their loyalty. Strong consumer-brand relationships are developed through reward and loyalty and affinity programs, community-building strategies, and knowledge-building techniques (Oliver, 1999; Rust *et al.*, 2004).

Several research studies demonstrated that enhanced consumer-brand relationships increase firms' market share, thereby leading to higher customer retention and RI (Palmatier *et al.*, 2006; Dwivedi *et al.*, 2012). Further, stronger BEQ and perceived value increase the likelihood of improving a brand, market share, customer satisfaction, brand trust, purchase and repurchase intentions, and brand loyalty (Chaudhuri and Holbrook, 2001; Dwivedi *et al.*, 2012). Thus, CEDs positively affect loyalty intentions and future sales (Vogel *et al.*, 2008).

## 2.2 Repurchase Intention

Buying behaviour is inherently a complex phenomenon composed of several stages, pre- and post-purchase. Purchase intention is an effective way to predict buying behaviour (Sagheb *et al.*, 2020). Marketing managers, practitioners, and researchers widely use this construct to understand consumers' willingness to make a purchase decision (Vuong and Giao, 2020). Purchase intention has been researched extensively, with studies conducted across different cultures and various research settings. Most past research focused on the different variables that could directly affect consumers' purchase intentions. Chang and Wildt (1994) conducted research in the US market to investigate the roles of price, product information, perceived value and perceived quality. The findings concluded that perceived value is the primary factor influencing purchase intention. A cross-cultural study between American and Chinese consumers established that social-function attitudes toward luxury brands positively influence consumers' purchase intention (Bian and Forsythe, 2012). Finally, Ferraris *et al.*, (2020) examined the moderating roles of perception of goal achievement, brand-use, brand-fit and gender, in terms of cause-related marketing's impact on purchase intention. This study discovered that these variables had varying effects amongst Italian and Brazilian consumers.

Other studies have indicated that long-term purchase intention generally leads to repeated purchases (Sagheb *et al.*, 2020). RI refers to consumers' decision to buy the same product or service of a particular brand multiple times (Hellier *et al.*, 2003). Most of the time, consumers engage in a series of actions instead of a single action (Curtis *et al.*, 2011). In literature, there are two types of repurchase behaviours: RI and word-of-mouth intention or brand recommendation.

Although RI shares similarities with customer loyalty, it is not the same. According to Oliver (1999), customer loyalty is "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour" (p. 34). The main difference is that customer loyalty is an attitude and RI is a behavioural outcome. Further, high RI does not guarantee loyalty and vice versa (Dick and Basu, 1994). Curtis *et al.* (2011) stated that brand loyalty elicits actual purchase, rather than consumer disposition to repurchase. Thus, verbal statements of preference do not necessarily assure brand loyalty. For these reasons, RI was preferred over customer loyalty. This paper focuses exclusively on RI.

## 2.3 Consumer Ethnocentrism

Consumer ethnocentrism (CET) has been extensively investigated as a variable that predicts consumers' purchase behaviour of domestic and imported brands (Balabanis and Siamangka, 2017; Yen, 2018). Simply put, CET prevents consumers from buying imported goods, as it is considered unpatriotic and damaging to the national economy.

A broadly used theoretical framework to explain CET is social identity theory, which suggests that individuals tend to express biased opinions towards out-group members due to dissimilarities (Tajfel and Turner, 1986; Zeugner-Roth *et al.*, 2015). Balabanis *et al.* (2019) applied this theory to global and domestic products assuming that "consumers' strong identification with their home country (in-group bias) leads them to protect their country's balance of trade and employment by preferring domestic brands" (p. 41). Moreover, in-group favouritism derives from individuals' inherent need to attribute to themselves a positive social identity compared to out-group members. Therefore, highly ethnocentric consumers tend to evaluate domestic brands more favourably and are biased against foreign brands, exhibiting weak purchase intention toward the domestic brands (Balabanis *et al.*, 2019) and attributing a higher quality to foreign ones (Balabanis and Diamantopoulos, 2004).

Nevertheless, many researchers stated that social identity theory overlooks attachment to the in-group and positivism toward out-groups (Balabanis *et al.*, 2019). According to Balabanis and Diamantopoulos (2016), consumer preference for global brands is widespread, even among ethnocentric individuals. They used system justification theory to explain this paradox. The theory suggests that consumers with social justification motives have positive attitudes toward foreign brands, exhibiting higher purchase and loyalty intentions (Shepherd *et al.*, 2015). Similarly, Supphellen and Rittenburg (2001) indicated that CET creates more positive consumer perceptions in the case of high-quality global brands.

Further, Josiassen *et al.* (2011) proved that although highly ethnocentric consumers hold positive attitudes toward domestic goods, they also purchase imported substitutes and vice versa. This notion is dependent on the country-of-origin effect, product category, and cosmopolitanism (Balabanis and Diamantopoulos, 2004; Makrides *et al.*, 2021). For instance, highly ethnocentric consumers may concurrently like foreign wine and dislike imported cameras. This is because a country's image regarding specific product categories may vary. Further, cosmopolitan consumers with moderate to high ethnocentrism levels may exhibit a positive attitude toward foreign products but have an interest in local companies (Makrides *et al.*, 2021).

Past empirical evidence has also indicated that ethnocentric tendencies vary by country and individual characteristics (Makrides *et al.*, 2021). For example, consumers from developed countries possess weaker CET compared to those from developing countries (Maksan *et al.*, 2019). Furthermore, individuals who are highly cosmopolitical tend to purchase and be loyal to foreign brands (Han and Nam, 2019; Makrides *et al.*, 2021; Prince *et al.*, 2020). Based on Cleveland *et al.* (2011), Greek consumers were found to be highly cosmopolitical and to exhibit higher purchase intention toward global brands compared to other nations. This was more prominent in relation to personal care brands. Other research works have shown that CET is not triggered in countries where consumers perceive domestic production as poor or non-existent (Watson and Wright, 2000). This means that highly ethnocentric consumers, who recognize the absence of domestic alternatives, usually form a purchase decision based on available foreign brands.

Balabanis *et al.* (2019) added that brand-loyal consumers tend to manifest favourable attitudes toward them, which leads to repurchases even in the presence of ethnocentric tendencies. Yet, this attitude is reliant on situational and contextual factors, such as product category. In summary, literature has shown that CET is an important variable for marketing practitioners in planning global branding and loyalty strategies.

## 2.4 Consumer Confidence

COVID-19 has created uncertainty and financial issues for many consumers around the world (Hampson *et al.*, 2021; Sharma *et al.*, 2020). Consequently, household spending declined dramatically, and price-conscious behaviours became popular, leading consumers to pessimistically make estimations about their finances, which guided their purchase decisions. Akhtar *et al.* (2020) argued that this negative state increases consumer hesitation to proceed with a purchase or motivates them to alter their brand choice. Recently, CC has received much attention in marketing research, as it effectively predicts economic instability outcomes regarding consumer behaviour (Ou *et al.*, 2014). During economic turmoils, CC is low, leading to lower consumption and more frugal purchases.

Although CC is a reliable construct for economists (Curtin, 2007), little is known of its application in marketing (Ou *et al.*, 2014). Previous findings demonstrated that CC explains the changes in consumer spending (Benhabib and Spiegel, 2019), customer satisfaction (Ou *et al.*, 2014), loyalty intentions (Hunneman *et al.*, 2015), and CET (Hampson *et al.*, 2018). While CC has received criticism regarding its usefulness and predictive value of future household expenditure, it is still preferred over other constructs (i.e., GDP) in marketing research, because it considers consumer willingness and ability to purchase in relation to subjective evaluations of the economic climate and household finances (Hunneman *et al.*, 2015). Therefore, CC is deemed more suitable for explaining consumer behaviour (Ou *et al.*, 2014).

## 3. Hypotheses

### 3.1 Interaction Effects of CET

The literature indicates that foreign and domestic brands are different in terms of CEDs' effectiveness. Some researchers argue that globally positioned brands are more appealing than domestic brands, as they exhibit higher perceived quality, prestige, image, and social responsibility (Zarantonello *et al.*, 2020). This means that foreign brands have higher BEQ, which is more prominent in emerging economies than developed ones. By contrast, Schuiling and Kapferer (2004) concluded that domestic brands illustrate higher awareness, image, value, and trust than their global counterparts. Therefore, foreign brands are associated with low BEQ. Nevertheless, Ding *et al.* (2017) compared Greek and Chinese consumers and concluded that the relationship between BEQ and purchase intention is positive for both domestic and imported brands.

Conflicting results were also found for foreign FMCGs. Specifically, these brands have higher preference of even highly ethnocentric consumers due to their low prices. This buying criterion is stronger than quality or product attributes, in which domestic brands may score higher (Balabanis and Diamantopoulos, 2016). Most often,

foreign brands achieve economies of scale and standardization, which result in low-cost production and low-price policies (Zarantonello *et al.*, 2020). Thus, Kapferer (2002) proclaimed that global brands provide not only economies of scale and low prices but also higher quality, which results in an increased desire to repurchase and stay loyal. Further, foreign brands of high perceived quality may follow a price-premium strategy to attract the elite of customers.

Zhang *et al.* (2014) examined the relationship between CEDs and loyalty intentions in different cultures, such as China and Western societies. The research findings on bank services and supermarket products indicated that the positive effect of VE and BEQ is weaker in China than in Western countries. More analytically, low-CET consumers (Chinese people) exhibited a weaker positive effect of VE and BEQ on RI. A more recent empirical study investigated the effect of CET on the relationship between perceived quality, brand image, perceived price, and willingness to buy domestic products in consumers from developing countries (Yen, 2018). The results showed that CET moderates the positive effect of perceived quality, image, and price on purchase intention of domestic brands. Such positive effects are stronger when high-ethnocentric consumers perceive a more positive brand image, higher quality, and low prices of domestic brands.

In contrast, Winit *et al.* (2014) argued that global products and services that underwent price increases exhibit lower levels of purchase intention. Upward price adjustments of foreign brands result in higher purchase intention of domestic alternatives and vice versa. They found that CET moderates the relationship between price perceptions and purchase intention. Regarding global brands, CET reduces the positive effect of price on purchase intention.

Rosenbaum and Wong (2009) assessed the interaction effect of CET by conducting multi-group comparisons (high vs low ethnocentric consumers). More analytically, they explored the indirect effects of CET on the relationship among CEDs, service quality, customer loyalty, and word-of-mouth intention. The research findings showed that CET encourages customers to be loyal and express favorable opinions of a local automobile brand. Moreover, high-ethnocentric customers are less responsive to VE elements, such as product quality, price, and convenience. Meanwhile, they positively evaluated service quality. However, low-ethnocentric segments placed greater importance on value offerings, focusing on quality, price, and convenience. In contrast, CET did not have a significant indirect effect on the relationship between BEQ, RE, and purchase intention. A lack of significant indirect relationship was also found for repurchase. Niros *et al.* (2018) explored a sample of Greek consumers and found that CET attenuates the positive relationship between VE and RI of global chocolate brands. Further, no significant effect was found for BEQ and RE. Based on this information, to answer RQ1, and because customers with high or low levels of CET react differently to marketing strategies, the following research hypotheses were formulated:

*H<sub>1</sub>*: CET moderates the relationship between BEQ and RI of foreign brands. The positive relationship between BEQ and RI of global brands is stronger for low-ethnocentric consumers than for high-ethnocentric ones.

*H<sub>2</sub>*: CET moderates the relationship between VE and RI of foreign brands. The positive relationship between VE and RI of global brands is stronger for low-ethnocentric consumers than for high-ethnocentric ones.

*H<sub>3</sub>*: CET moderates the relationship between RE and RI of foreign brands. The positive relationship between RE and RI of global brands is stronger for low-ethnocentric consumers than for high-ethnocentric ones.

### 3.2 Interaction Effects of CC

Cognitive appraisal theory is usually adopted to support the relationship between CC and purchase behaviour. It suggests that internal or external stressors can modify individuals' emotions and reactions. More analytically, a consumer's reaction to a stressor is explained by an appraisal–emotional–behavioural process (Hampson *et al.*, 2021). Individuals predict the extent to which a stressor (i.e., economic uncertainty – low CC) evokes an emotional response (i.e. fear), which, in turn, leads to behavioural adaptations (i.e., low purchase intentions, low consumption expenditures, increased price consciousness, etc.) (Hampson *et al.*, 2021). Prior empirical studies have shown that price-conscious behaviour is an adjustment for consumers experiencing budget-related shortages (Nikbin, 2021). For instance, Hampson and McGoldrick (2017) concluded that during the Great Recession of 2008, price consciousness was employed as a coping strategy to mitigate perceived financial fear.

Ou *et al.* (2014), among others, proposed valuable CC-based implications for marketing practitioners. Ou *et al.* (2014) suggested, “Service industries should consider CC as an important criterion for effectively adjusting customer loyalty [CEDs] strategies to their specific situation” (p. 339). They further added that during economic turmoil, CC is low, and thus, consumers seek value-for-money offerings, emphasizing VE (and in specific cases BEQ) as an effective customer retention policy. Hampson *et al.* (2018) argued that an additional coping strategy during financial disruption is consumer intention to purchase domestic brands to protect the national economy. Therefore, low-confidence consumers tend to exhibit an increased preference for locally made products to decrease financial despair and uncertainty. In contrast, Winit *et al.* (2014) suggested that foreign brands can offer

lower prices due to standardization and economies of scale. Consequently, such consumers, who might also be price-conscious, tend to prefer global brands, as they are cheaper than domestic brands.

Not only price, utility, and brand relations are also perceived as important attributes of buying decisions in high-uncertainty situations—low CC (Lymperopoulos *et al.*, 2010). Based on utility theory, consumers exhibit strong positivism toward brands that have superior functional characteristics such as FMCGs. Although CC is significant in the international marketing community, little is known about its effect on FMCG brands. To fill this gap, Lymperopoulos *et al.* (2010) showed that CC indirectly affects purchase intention of FMCGs. Niros *et al.* (2018) also indicated a significant negative interaction effect of CC on the relationship between RE and RI of global chocolate brands. They further indicated that Greek consumers with low CC greatly rely on relationship-building strategies to repurchase a global brand during economic turmoil.

Limited research has treated CC as an indirect predictor of the relationship between CEDs and repurchases, especially for global utilitarian brands. Ou *et al.* (2014) evaluated this effect for service industries and gave useful evidence on customer retention strategies during economic recessions. Thus far, there is no sufficient empirical evidence on the indirect effects of CC on different product categories of foreign brands. Based on the discussions in this section, and to answer RQ2, the following research hypotheses were created:

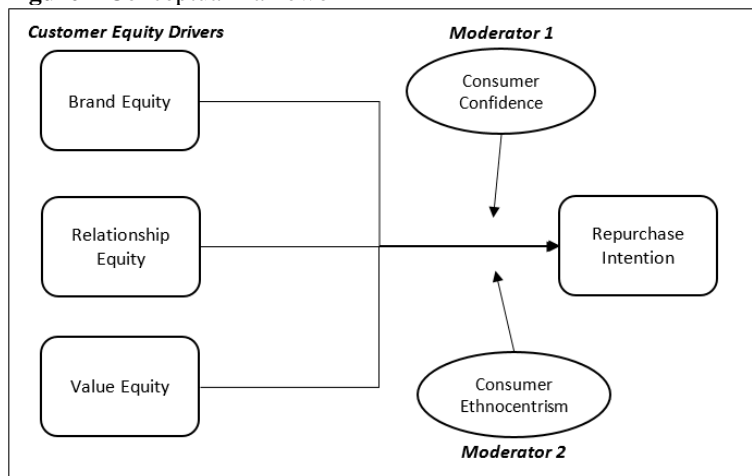
*H<sub>4</sub>*: CC moderates the relationship between BEQ and RI of foreign brands. The positive relationship between BEQ and RI of global brands is stronger for low-confident consumers than high-confident ones.

*H<sub>5</sub>*: CC moderates the relationship between VE and RI of foreign brands. The positive relationship between VE and RI of global brands is stronger for low-confident consumers than high-confident ones.

*H<sub>6</sub>*: CC moderates the relationship between RE and RI of foreign brands. The positive relationship between RE and RI of global brands is stronger for low-confident consumers than high-confident ones.

Figure 1 presents the research model with the proposed relationships among the constructs.

**Figure 1** Conceptual framework



## 4. Methodology

### 4.1 Sample and process

The data were collected in Athens, Greece, from July to September 2020. Athens has rich consumer culture and infrastructure with various import brands. Potential shoppers were randomly approached at popular retail (i.e. hypermarkets, supermarkets etc.) and shopping destinations through a street survey or mall-intercept process. Data were collected when consumers were leaving after purchasing a global FMCG product; thus, participants had a recent purchase and consumption experience. Although the survey was performed when COVID-19 was on the rise, pandemic-related restrictions were partially alleviated in Greece at the time, making participant recruitment more convenient. Nonetheless, preventative protocols and hygiene measures were taken. For instance, the questionnaire was distributed electronically via a tablet that was cleaned after every use. Research assistants wore a mask while inviting adult consumers to participate in the study.

Data collection instruments included several detergents, sunscreen, and hygiene products of both foreign and domestic brands. Initially, the questionnaire was created in English and then translated to Greek. Therefore, a back-translation process was used to achieve maximum comparability. Further, systematic sampling was

conducted, in which every tenth shopper leaving the retail shops was approached and requested to complete the questionnaire. Data were collected on different days of the week to minimize periodicity and non-coverage issues. In total, 860 people completed the questionnaire. After excluding the non-valid ones, 396 responses (46.04% response rate) were used—228 for imported brands and 168 for domestic brands. However, data for foreign brands were strictly used as the main research interest. The sample was robust in terms of participants' demographic characteristics. In the sample, 59% were females and 41% were males. Additionally, 29% of the sample was aged between 18 and 25 years, followed by 20.9% between 26 and 35, 21.2% between 36 and 45, 19.6% between 46 and 55, and 9.3% more than 56 years of age. These demographic proportions are similar to Greek national statistics.

#### 4.2 Measurement

For all variables, 5-point Likert scales were employed (1 = strongly disagree / (will become) much worse and 5 = strongly agree / (will become) much better). An in-depth presentation of constructs is presented in Table 1. BEQ was measured with four items: strength, attractiveness, uniqueness, and likeness of a brand. This construct was originally developed by Rust *et al.* (2004) and further applied and improved by Vogel *et al.* (2008). VE measurement was taken from Rust *et al.* (2004) and assessed using three items. This scale assesses the price–quality ratio and convenience. RE was based on a three-item scale developed by Rust *et al.* (2004); it measures consumer tendency to form strong relationships with a brand.

To measure CC, a three-item scale was adapted from Ou *et al.* (2014). This is used to evaluate consumer projections of future modifications in household finances and the national economic climate. CET was measured using a shortened version (10 items) of the original 17-item CETSCALE (Shimp and Sharma, 1987). This construct investigates affective reaction, cognitive bias, and behavioural preference for foreign products or brands. Finally, RI was measured using three items to assess consumer willingness to purchase a brand in the near future. This scale was adapted from Chaudhuri and Holbrook (2001).

#### 4.3 Evaluation of Measurement Model

To test constructs' reliability and validity, exploratory factor analysis (EFA) was conducted using SPSS (21.0). The maximum likelihood and Promax rotation method indicated that six factors were extracted based on the threshold of eigen value ( $\lambda > 1$ ). The six-factor model retained 20 of the 26 items, accounting for 64.49% of the cumulative variance. Each item displayed satisfactory standardized factor loading (mostly above 0.70), as Table 1 illustrates. Further, the internal consistency of the scales was examined using the Cronbach's Alpha ( $\alpha$ ) test. The results indicated reliability scores of above the commonly accepted threshold of 0.70 (BEQ = 0.82; VE = 0.88; RE = 0.72; RI = 0.90; CET = 0.91; CC = 0.80). Consequently, convergent validity is supported.

**Table 1** Reliability and validity of constructs

Constructs	Original items	Standardized regression weight	Cronbach's alpha
<b>Brand equity</b> Rust <i>et al.</i> (2000) Vogel <i>et al.</i> (2008)	BEQ1. X is a strong brand.	0.744 <sup>a</sup>	0.817
	BEQ2. X is an attractive brand.	0.822	
	BEQ3. X is a unique brand.	0.627	
	BEQ4. X is a likable brand.	0.694	
<b>Value equity</b> Rust <i>et al.</i> (2000)	VE1. The price–quality ratio of product X is very good (*).		0.879
	VE2. I can buy this product at places that are convenient for me.	0.824 <sup>a</sup>	
	VE3. I can make use of the product of this company at any time and place I want.	0.954	
<b>Relationship equity</b> Rust <i>et al.</i> (2000)	RE1. I have a confidential relationship with the company.	0.709 <sup>a</sup>	0.722
	RE2. I attach much value to the company (*).		
	RE3. I am very enthusiastic about the company.	0.802	
<b>Consumer ethnocentrism</b> Shimp and Sharma (1987)	CET1. Greek products, first, foremost, and last (*).		0.911
	CET2. Purchasing foreign-made products is considered un-Greek-like.	0.772 <sup>a</sup>	
	CET3. It is not right to purchase foreign products because it puts Greek people out of jobs.	0.827	
	CET4. A real Greek should always buy Greek-made products.	0.726	



	<i>CET5</i> . We should purchase products manufactured in Greece instead of letting other countries get rich off us.	0.835	
	<i>CET6</i> . There should be very little trading or purchasing of goods from other countries unless out of absolute necessity.	0.715	
	<i>CET7</i> . Greek should not buy foreign products because this hurts the Greek economy and causes unemployment.	0.775	
	<i>CET8</i> . Curbs should be put on all imports.	0.767	
	<i>CET9</i> . It may cost me in the long run, but I prefer to support Greek products (*).		
	<i>CET10</i> . We should buy only those products from foreign countries that we cannot obtain within our own (*).		
<b>Consumer confidence</b> Ou <i>et al.</i> (2013)	<i>CC1</i> . Has the financial situation of your household become better, stayed the same, or become worse in the last 12 months?	0.779 <sup>a</sup>	0.804
	<i>CC2</i> . How will the financial situation of your household develop in the upcoming 12 months?	0.871	
	<i>CC3</i> . What will happen to the overall economic situation in Greece during the upcoming 12 months?	0.648	
<b>Repurchase intention</b> Chaudhuri and Holbrook (2001)	<i>RI1</i> . I will buy this brand the next time I will buy this product category.	0.940 <sup>a</sup>	0.901
	<i>RI2</i> . I intend to keep purchasing this brand.	0.901	
	<i>RI3</i> . I will continue to buy other brands/products from this firm (*).		

**Notes:** <sup>a</sup> Fixed parameter, (\*) Item deleted in the validation process

Furthermore, the common latent factor (CLF) method was employed in AMOS (21.0) to account for common method bias, which may be a potential problem when both dependent and independent variables are generated from the same set of respondents. This technique compares an unconstrained common method factor (CMF) model to a zero-constrained one. Specifically, a latent factor was inserted into the CLF model and connections were made with every observed item therein. Therefore, standardized regression weights from this model were compared to standardized regression weights from the model without CLF. The comparison with chi-square ( $\chi^2$ ) test was found to be significant, which signaled significant shared variance among the factors. Consequently, CMF was retained in the factor imputation process.

Confirmatory factor analysis was also performed on AMOS (21.0) to investigate scale validity. Results confirmed the presence of six factors, and the overall measurement model yielded an excellent fit:  $\chi^2/d.f. = 1.57$ ; CFI = 0.96; TLI = 0.95; GFI = 0.90; RMSEA = 0.04; SRMR = 0.04. Standardized factor loadings ranged from 0.63 to 0.95 and were statistically significant at  $p < 0.001$ . The latter signified the existence of convergent validity (Table 1). Further, average variance extracted (AVE) and composite reliability (CR) exceeded the threshold values of 0.50 and 0.70, respectively, providing further evidence for convergent validity among constructs. Concerning discriminant validity, no cross-loadings were found, and each factor correlated with one another at less than 0.70. Moreover, the variance extracted for every construct (main diagonal of Table 2) was greater than the squared correlation estimate (values below the diagonal). Therefore, the discriminant validity criteria were met.

**Table 2** Discriminant validity of constructs

Constructs	CR	AVE	BEQ	VE	RE	CET	CC	RI
BEQ	0.815	0.526	<b>0.726</b>					
VE	0.885	0.795	0.142	<b>0.891</b>				
RE	0.728	0.573	0.657	-0.054	<b>0.757</b>			
CET	0.913	0.600	-0.015	0.101	0.077	<b>0.775</b>		
CC	0.813	0.595	0.053	0.082	0.203	-0.216	<b>0.771</b>	
RI	0.918	0.848	0.377	-0.016	0.489	-0.127	0.165	<b>0.921</b>

**Notes:** CR: composite reliability; AVE: average variance extracted; BEQ: brand equity; VE: value equity; RE: relationship equity; CET: consumer ethnocentrism; CC: consumer confidence; RI: Repurchase intention

Values on the main diagonal are the variances extracted; values below the diagonal are the squared correlations.

Finally, multicollinearity was evaluated using variable inflation factor (VIF) and tolerance indicator for each independent variable. Values above 3 for VIF usually imply potential problems, as well as tolerance values less than 0.20. However, some researchers argued that VIF above 10 indicates serious multicollinearity issues (O'Brien, 2007). The multicollinearity diagnostic results showed a VIF of slightly above 3 for RE (3.36) and BEQ (3.2). Nevertheless, the tolerance index was above 0.31 for every factor. Therefore, no alarming multicollinearity issues emerged.

## 5. Results and discussion

### 5.1 Consumer Ethnocentrism and Repurchase Intention

To verify the research hypotheses, structural equation modeling (SEM) was conducted using AMOS (21.0). The research model tested the interaction effects of CET and CC on the relationship between CEDs and RI regarding imported FMCG brands. The final model yielded an excellent fit:  $\chi^2/d.f. = 1.85$ ; CFI = 0.99; TLI = 0.96; GFI = 0.97; RMSEA = 0.06; SRMR = 0.05. Further, R<sup>2</sup> estimate of RI was excellent at level 0.69, indicating that approximately 69% of the RI variance is explained by BEQ, VE, RE, and the interaction effects of CET and CC. The causal model indicated that CET positively affects the RI of global brands ( $\beta = 0.22$ ;  $p < 0.001$ ). Because respondents were asked to recall a brand they purchased, perceptions were formed based on past experiences. This positive direct effect demonstrated that global brands are extensively repurchased even by highly ethnocentric consumers. This validates Balabanis *et al.*'s (2019) research, according to which consumers experienced in foreign brands tend to be loyal and harbor favorable attitudes and RI even when CET is high. CET's positive effects may also be explained by the fact that highly cosmopolitan consumers tend to form positive attitudes and behaviours toward global brands, although they may exhibit high-ethnocentric tendencies (Makrides *et al.*, 2021).

System justification theory can be used to explain this finding. Specifically, consumers with high CET and social justification motives tend to form positive attitudes about global brands and, thus, exhibit higher RI. Empirical evidence from Shepherd *et al.* (2015) and Balabanis and Diamantopoulos (2016) are corroborated by these results. The positive relationship between CET and RI may also be explained by the country-of-origin, customer involvement, product category, domestic production, and individual characteristics (Balabanis and Diamantopoulos, 2004). For instance, high levels of cosmopolitanism and low levels of CET are distinctive characteristics of Greek consumers, indicating high RI of foreign brands (Cleveland *et al.*, 2011). Finally, the positive influence of CET on purchase decisions may be explained by poor domestic production, resulting in a lack of locally made alternatives (Watson and Wright, 2000).

### 5.2 Brand Equity, Consumer Ethnocentrism and Repurchase Intention

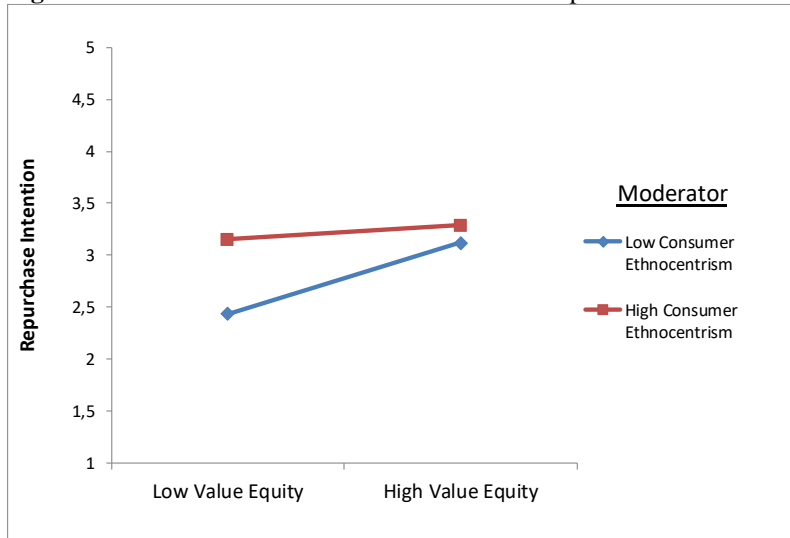
Concerning BEQ's effect on RI, the results obtained were contrary to previous assumptions. BEQ negatively predicts RI at a significant level ( $\beta = -0.44$ ;  $p < 0.001$ ). Thus, global brands are perceived as inferior in terms of quality, awareness, and associations, leading to fewer repeated purchases. However, they are superior for overall perceived value, which increases consumer RI. This observation is based on the positive and significant effect of VE on RI ( $\beta = 0.21$ ;  $p < 0.001$ ). These findings are supported by Schuiling and Kapferer's (2004) results that foreign brands have low levels of BEQ. Moreover, Balabanis and Diamantopoulos' (2016) findings are also supported, as high purchase intention of foreign brands is linked with low-price perceptions.

The interaction effect of CET on the relationship between BEQ and RI was not significant. This means that different ethnocentric customer segments do not exhibit significant ( $p > 0.05$ ) variations in the effectiveness of BEQ on RI, thus rejecting  $H_1$ . Therefore, the empirical findings of Zhang *et al.* (2014) and Yen (2018) are not accepted, meaning low-CET consumers do not exhibit weaker or stronger positive effects of BEQ on RI. Nonetheless, Rosenbaum and Wong's (2009) concluding remarks were confirmed, as it was found that CET does not significantly moderate the influence of BEQ on purchase intention.

### 5.3 Value Equity, Consumer Ethnocentrism and Repurchase Intention

Regarding VE effects, we found that CET impedes the positive relationship between VE and RI at a significant level ( $\beta = -0.14$ ;  $p = 0.01$ ). More analytically, VE as a loyalty strategy is more effective on repeated purchases of a global brand for low-ethnocentric consumers than high-ethnocentric ones. This is mainly explained by low ethnocentric consumers' reliance on value cues, such as low price and convenience to exhibit high RI (Figure 2). Therefore,  $H_2$  is supported. The finding that CET reduces the positive influence of price value on purchase intention is in line with Winit *et al.* (2014), who found that upwards price adjustments of foreign brands lead to higher purchase intention of domestic alternatives and vice versa. In contrast, the effectiveness of VE on repeated purchases of global brands is lower for high-ethnocentric consumers. Therefore, the empirical findings of Rosenbaum and Wong (2009) are also confirmed. The research study of Niros *et al.* (2018) is supported, which found that CET attenuates the positive relationship between VE and RI of global brands.

**Figure 2** Interaction effect of CET on the relationship between VE and RI

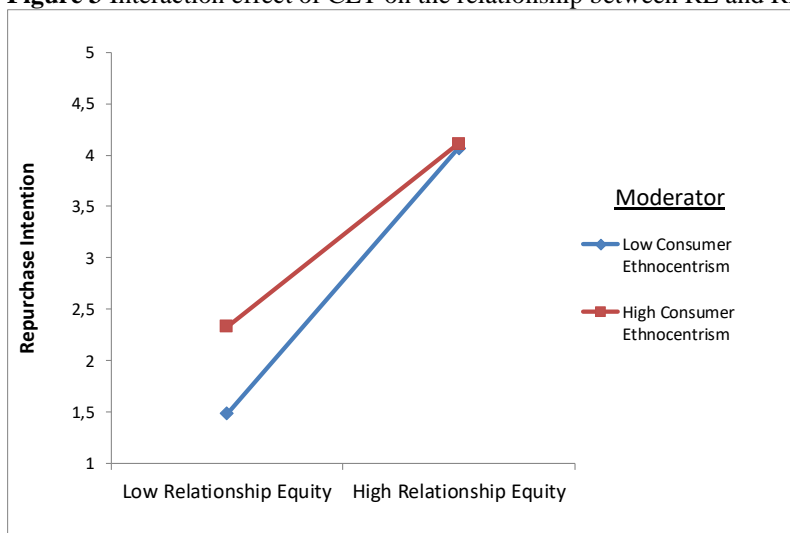


#### 5.4 Relationship Equity, Consumer Ethnocentrism and Repurchase Intention

The direct effect of RE on RI was found to be positive ( $\beta = 1.09$ ) and significant at a level below 0.001. Analytically, building strong relationships with customers increases the likelihood to repurchase a global brand. The positive direct link between RE and RI was also supported by Dwivedi *et al.* (2012), who concluded that enhanced consumer–brand relationships lead to higher customer retention and RI probability. Note that, RE exhibited a standardized regression coefficient greater than one. According to Deegan (1978), such an event can legitimately occur, but is sometimes linked to high levels of multicollinearity. However, multicollinearity was not a major issue in this research, as the VIF indicator slightly exceed the threshold of 3 for RE.

The interaction analysis among CET, RE, and RI indicated that CET significantly attenuates the positive effect of RE on RI ( $\beta = -0.20$ ;  $p = 0.03$ ). Analytically, the effectiveness of RE on RI is stronger in low-ethnocentric consumers than high-ethnocentric ones. In other words, low-ethnocentric consumers exhibit higher RI of global brands in making investments in relationship-building techniques (Figure 3). Consequently,  $H_3$  is supported. Thus, the positive relationship between RE and RI of global brands is stronger for low-ethnocentric consumers than high-ethnocentric ones. These findings contradict the results of Rosenbaum and Wong (2009) and Niros *et al.* (2018).

**Figure 3** Interaction effect of CET on the relationship between RE and RI



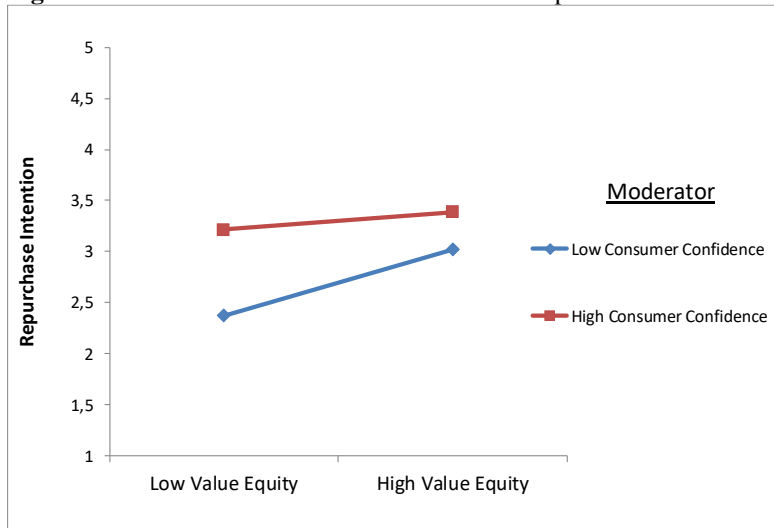
#### 5.5 Consumer Confidence, Customer Equity Drivers and Repurchase Intention

CC positively affects RI of global brands. Analytically, low levels of CC lead to lower repeat purchases of foreign-made products. This is because during financial turmoil, (low-CC) consumers tend to reduce their purchases and exercise more cautiousness, in that they seek value from different product categories even being under the umbrella of the same brand (Ou *et al.*, 2014; Akhtar *et al.*, 2020). Based on these results,  $H_4$  is rejected.

Thus, CC does not moderate the relationship between BEQ and RI at a significant level ( $p > 0.05$ ). This is in line with Niros *et al.* (2018).

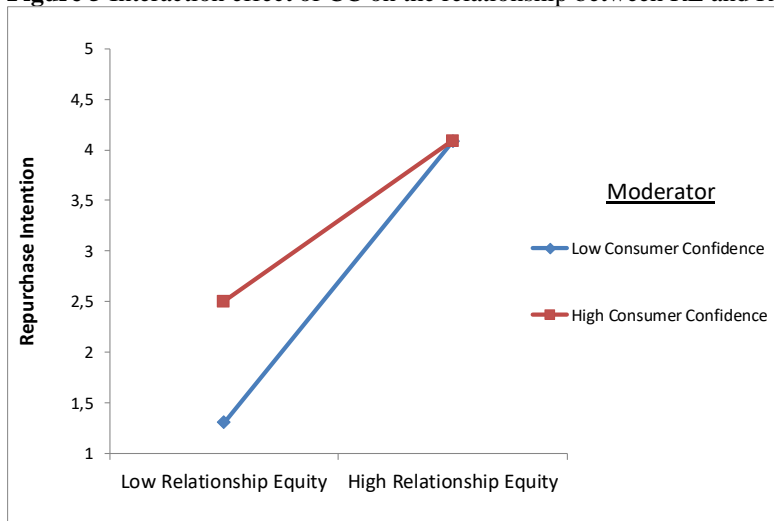
Considering the relationship between VE and RI, it was found that CC impacts this positive effect at a significant level ( $\beta = -0.12$ ;  $p = 0.01$ ). Specifically, the effectiveness of VE as a loyalty strategy for repeated purchases of global brands is stronger during economic turmoil as compared to economic stability. In other words, less-confident consumers regarding their financial well-being heavily rely on value to exhibit higher RI of global brands (Figure 4). Therefore,  $H_5$  was validated, as the positive relationship between VE and RI of global brands is stronger for low-confident consumers than high-confident ones. Ou *et al.*'s (2014) findings are supported, as they found that value cues are important to form strong customer retention when CC is low.

**Figure 4** Interaction effect of CC on the relationship between VE and RI



Considering RE, low-confident consumers place high importance on relationship-building strategies to exhibit higher RI of foreign brands (Figure 5). Consequently, RE is a more effective strategy for determining RI of low-confident consumers than high-confident ones. Therefore, it was established that CC significantly attenuates the positive influence of RE on RI ( $\beta = -0.30$ ;  $p = 0.001$ ), thereby supporting  $H_6$ . These findings are in line with those of Niros *et al.* (2018), who argued that there is a significantly negative interaction effect of CC on the relationship between RE and RI of global brands. Table 3 summarizes the results.

**Figure 5** Interaction effect of CC on the relationship between RE and RI



**Table 3** Results of interaction analysis

Structural paths	<i>Import brands</i>		Hypothesis result
	Standardized coefficient	t-value	

	BEQ ---> RI	-0.436***	-5.636	-
	VE ---> RI	0.205***	4.886	-
	RE ---> RI	1.092***	14.468	-
	CET ---> RI	0.222***	5.173	-
	CC ---> RI	0.300***	7.098	-
<b>H<sub>1</sub></b>	BEQ x CET ---> RI	0.028	0.312	<b>Rejected</b>
<b>H<sub>2</sub></b>	VE x CET ---> RI	-0.137**	-2.824	<b>Supported</b>
<b>H<sub>3</sub></b>	RE x CET ---> RI	-0.201**	-2.222	<b>Supported</b>
<b>H<sub>4</sub></b>	BEQ x CC ---> RI	0.140	1.774	<b>Rejected</b>
<b>H<sub>5</sub></b>	VE x CC ---> RI	-0.119**	-2.448	<b>Supported</b>
<b>H<sub>6</sub></b>	RE x CC ---> RI	-0.298***	-3.637	<b>Supported</b>

**Notes:** \*\*p < 0.05; \*\*\*p < 0.001

Consequently, the most effective marketing strategies are VE and RE, especially for low-CC and low-CET customers. Specifically, price discounts, high quality–price ratio, high distribution intensity to discount stores, and easy availability to store are some of the VE practices that may enhance repeated purchases of global brands during economic turmoil. Further, investments in customer relationship management are also essential during the current pandemic. VE and RE strategies alone would not be very effective during economic stability or prosperity and for high-ethnocentric consumers.

## 6. Implications

### 6.1 Theoretical Implications

This empirical research has important implications for researchers. First, it fills a gap in international marketing literature by proposing marketing strategies for boosting repeated purchases, which global FMCG brands can use to succeed during and after COVID-19. Specifically, marketing strategies are proposed based on CEDs' effectiveness on RI for different customer segments of CET and CC. For instance, low-ethnocentric consumers during economic uncertainty (low CC) value convenience, price–quality ratio, and discounted prices to repurchase a global FMCG brand. In other words, VE is the most effective strategy for low CC and CET markets. Meanwhile, RE is an effective strategy for those markets. More analytically, relationship-building initiatives, such as two-way communication through omnichannel presence and loyalty programs, are effective for low-CC and low-CET customers. Consequently, this study is the first to empirically investigate the indirect effects of CET and CC on the relationship between CEDs and RI of global FMCG brands.

Second, it reviews important studies in international marketing literature and presents the theoretical background of CET, CC, CEDs, and RI of global brands and their patterns. Both direct and indirect effects are presented to gain a complete picture of the topic and its essence. Third, the findings provide insightful marketing strategies that global FMCG brands may exploit to survive and boost sales during and after COVID-19. Fourth, this study sheds light on overlooked research areas by examining the effectiveness of CEDs on repeated purchases regarding ethnocentric tendencies during economic turmoil. Lastly, there are practical implications for global FMCG firms and foundations. Future researchers may benefit from this study whose results have strong theoretical and practical importance.

### 6.2 Managerial Implications

This research explores the indirect effects of CET and CC on the relationship between loyalty strategies and RI in the FMCG sector. We answered two research questions regarding marketing strategies' effect on repeated purchases of global brands for customers of different levels of CET and CC. Both variables were considered the basic determinants of RI and crucial factors for consumer segmentation. Specifically, when CET is low, both VE and RE are highly effective in increasing RI, meaning that tactics that enhance perceived value (low cost–high convenience) and consumer–brand relationships are more attractive. This is because of the social identity theory, according to which ethnocentric consumers tend to perceive positive information about domestic brands and pay no attention to foreign brands, making CEDs less effective in high CET (Zeugner-Roth *et al.*, 2015).

Moreover, high-CET consumers cannot easily identify and attach to global brands, unless justification theory is triggered (Balabanis and Siamagka, 2017). According to system justification theory, when domestic production is weak, high-ethnocentric consumers tend to prefer imported products, although this is harmful to the local economy in the long run (Balabanis and Diamantopoulos, 2016). Some basic implications for brand managers concern the manipulation of brand origin perceptions (Ding *et al.*, 2017). High-ethnocentric consumers are usually individuals of low income and have low educational levels, and they find it difficult to recognize the brand origin, leading to brand origin confusion. In such situations, the negative effect of CET in decision-making is reversed (Abdellah-Kilani and Zorai, 2019).

Regarding the moderating effects of CC on RI of global FMCGs, these were proven to be negative as well. Consumers with high morale and optimism in terms of economic conditions (high CC) tend to be less influenced

by incentives such as RE and VE compared to those with low CC. This can be justified by the fact that, during economic turbulence, consumers tend to take fewer risks than during periods of economic growth (Ou *et al.*, 2014). Therefore, a suggested strategy in low CC would be to extensively invest in RE and VE. However, as soon as the national economy grows up (hand in hand with CC), consumers will purchase more, showing decreased effectiveness of both VE and RE on RI. Therefore, global brand managers have a clear direction to segment and target global markets according to CET and CC, allocating their budget more efficiently. For instance, markets with low CC and low CET are the most attractive, because CEDs are more effective and vice versa. Significant strategies for international practitioners and global FMCG brands that aim for those markets are VE and RE strategies. For instance, price discounts, high quality-price ratio, high distribution intensity to discount stores, and easy availability and accessibility to stores would be interesting tactics regarding the VE strategy (Nikbin, 2021). Moreover, investments in customer relationship management (CRM) would provide a competitive advantage to global brands seeking to boost repeated purchases and thrive in an international environment full of uncertainty and fear during this pandemic. For instance, a strong omnichannel presence may facilitate two-way communication between global brands and consumers. Another interesting tactic would be automated customer support to offer immediate response to customer requests and complaints. Further, reward programs for loyal customers could enhance customer engagement and boost repeated purchases. Such programs may include price discounts on certain products after exceeding a particular number of purchases.

Regarding the direct outcomes of CEDs on repeated purchases, the results are mixed. For instance, the direct effect of BEQ on RI is negative and significant, which stresses the general tendency of FMCG buyers to averse branded offerings, indicating a great need for manufacturers to reexamine their policies on introducing or extending a private label product line (Molinillo *et al.*, 2016). In consumer behaviour aspects, FMCGs are limited in visibility, and BEQ does not provide an incentive to repurchase a value offering.

Surprisingly, RE exerts stronger direct effects on RI than VE. This is attributed to the need to establish and extend communication, trust, and strong relationships for global FMCG brands as basic antecedents of RE (Dwivedi *et al.*, 2012). Therefore, CRM campaigns and other loyalty programs need to be practiced and intensified overseas. Further, building communities can be a decisive factor in forging consumer relationships. Especially in the FMCG sector, products are viewed as “me-too” products and the basic differentiating factor is RE (Molinillo *et al.*, 2016). Lastly, VE is a supplementary direct tool for improving RI, as FMCGs must offer a satisfactory price–quality ratio, convenience, and ease of access. This can be achieved by making products available on shelves or providing customer service and ensuring ease of use and clear product information (Dwivedi *et al.*, 2012).

### 6.3 Limitations and Future Research

A limitation of this study is that the sample focused on detergent, sunscreen, and hygiene products of foreign brands. These categories have moderate customer involvement and poor domestic production, which may mislead the effects of CET. Furthermore, this research was limited to Greek consumers with their unique cultural characteristics. Thus, similar research must be conducted in other countries to compare the effects of CET and CC. Cultural factors, such as ethnicity, play a central role in forming ethnocentric tendencies. However, this study did not consider such factors, which must be investigated in the future. Additional research could explore the effects of CET and CC in B2B settings or even expand to luxury products or other categories with higher levels of customer involvement. The current research model could be also extended to include the indirect effects of cosmopolitanism and economic animosity, which could portay additional exogenous factors that alter the effectiveness of international marketing strategies. This idea is reinforced by the already challenging global supply chain and the uncertainties caused by the Russo-Ukrainian War.

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