The Impact and Level of Cultural Values and Ethically-Minded Consumer Behavior on the Consumer-Based Brand Equity of Nestle: Evidence from Pakistani Cultural Context

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ABSTRACT : This research report inquires the level of cultural values in rural and urban areas of Lahore. It also checks the impact of two independent variables namely; cultural values and ethically-minded consumer behavior on the consumer-based brand equity. Nestle Pakistan Limited is taken as the case company to ascertain the consumer-based brand equity by deriving evidence from Pakistani cultural context. The study is conducted by qualitative research method. The primary data has been collected through an adopted questionnaire from a total of 300 respondents of rural and urban areas of Lahore, collectively. Equal representation of respondents from rural and urban areas has been carried out for the study. SPSS 20 is used as the statistical tool to perform demographic analysis, reliability and validity testing, regression analysis and correlation analysis of the collected data. The humble findings of the study reflect that the level of cultural values is higher in rural areas of Pakistan as compared to urban areas. The correlation analysis reveals that overall Pakistani cultural values are negatively associated and negatively correlated with the consumer-based brand equity of Nestle Pakistan Limited. The ethically-minded consumer behavior of Pakistani consumers is also negatively associated with consumer-based brand equity of Nestle Pakistan Limited. However, the study of rural and urban areas of Pakistan suggests that cultural values and ethically-minded consumer behavior do not yield prominent impact on the consumer-based brand equity of Nestle Pakistan Limited. Certain limitations of the current study and suggestions for future research are also listed in the study.

Keywords: Pakistan, Rural Area, Urban Area, Consumer-based Brand Equity, Ethically-minded Consumer Behavior, Attitude-Behavior Gap.

I.   INTRODUCTION

Unfortunately in Pakistan, the international brands have defined the character of local market than the local brands. The multinational corporations (MNCs) have overwhelming presence in the market. They prove to be local icons and a symbol of grace for the consumers to flaunt, whereas, the local brands suffer in the competition. multinational corporations (MNCs) are the corporations which operation in more than two States beyond their national borders known commonly as international or global brands such as Nestle, Unilever, McDonalds, General Electric, etc (Amir, et al., 2016).

In a developing country like Pakistan due to lack of technological advancement, energy crisis and lack of governmental support to existing industries; the local brands are incompetent against the multinational corporations therefore; the consumers prefer to purchase global brands and perceive them more trustworthy than local brands. Dimofte, et al., (2008) and Ozsomer, (2012) argue that, if competent enough; local brands can attain an increased level of strength in local market due to in-depth awareness of local cultures and proud representation of local market.

Shimutwikeni (2012) defines culture as the socially transmitted behavioral patterns of a society or community. Culture greatly influences how individuals think, communicate and behave. When observed, Pakistani culture is revealed as a very conservative patriarchal society. In this male-dominated culture, men are considered supreme while the women are generally bound to obey. This patriarchal conception is a common notion and it is reflected in almost every sphere of life. For instance, Pakistani media runs several different ads (Butt, et al., 2011) in which the advertisers reflect women subordination and male dominance in corporate settings and while performing household chores. The power relations are depicted through different gender roles.

According to Singh (2013) no one is born with a shared set of values and behavioral patterns but people get acquainted with social norms by interacting in their surrounding environment and their thinking gets attuned with the society in which they grow up. In the Western Societies, the majority of cultural values practiced by individuals reflect individualism however; Eastern societies are majorly prone to pass collectivism through generations. Modern means of communication play remarkable role is spreading cultural values across regions.

As reported by Shimutwikeni the contemporary wave of globalization has highlighted the significance of understanding diverse cultures in the world to promote global businesses, trade negotiations, etc in a harmonized manner.

Similarly, a pressing issue observed in marketing strategies is careful consideration of responsibilities namely social and environmental responsibilities collectively known as ethical considerations. Western Nations, Europeans and Japanese especially pay great heed to ethical-minded behavior on the consumers end therefore, the corporations observe minute concerns of the consumers and abstain from socially and environmentally ill- behavior (Sarmad, 2015). Whereas, in the third world and developing Nations the consumers have ethical-minded attitude but lack to implement in their behavior and do not pay heed to careful and responsible consumerism. Accessing this ignorant attitude-behavior gap the producers do not produce diligently as they have to do in Western States.

According to Keller (1993), customer-based brand equity reflects that a brand resides in the minds of consumers as a "cognitive construal" implying the consumer to be the true owner of a brand. In consumer-based approach, the strength of a brand is reflected by positive associations of consumer experiences with respect to the brand and its products. Consumer-based brand equity gets easily affected negatively in developed States as people boycott irresponsible firms and brands but in developing and third world States due to lack of information and awareness the firms earn heaps of money even if they behave irresponsibly (Zwick, 2016).

1.1 Problem Statement

Due to increased influx of multinational corporations in Pakistani market, the local industries face competition in creating credible recognition and popularity. While the famous corporation gains competitive advantage. Pakseresht (2010) highlights that; marketers realize the significance of 'intangible assets' along with 'tangible assets' to enhance the perceived value of their brands in global market. Such intangible assets include responsible behavior towards the societies in which they operate, working globally while acting locally by following cultural values of the host State and the attitude to cater for the ethical considerations of marketing as a result the MNCs gain trust and loyalty of consumers towards their brands and products. Such association enhances the ability of consumers to make quick purchase decisions in the presence of numerous brand options for a single product. Thus by increasing sales the corporation attains wealth to develop efficiency and excel in market against competitors. However, eminent scholars such as Han (2014), Sarmad (2015) and Zwick (2016) are of the view that a consumer's desire is productive but also problematic, precisely because what it demands is always irreducible to need. Still there are many ways consumers can use their spending power to make a difference to the world one of which is ethical consumerism. Hence, this study is aimed to ascertain the level and impact of cultural values and ethically-minded consumer behavior on the consumer-based brand equity (CBBE) in the Pakistani cultural context.

1.2 Objectives

The objectives of this study are:

a.   To calculate the level of cultural values by generating evidence from Pakistani cultural context.
b.   To ascertain the impact of cultural values on the consumer-based brand equity of Nestle.
c.   To check the effect of ethically-minded consumer behavior on the consumer-based brand equity of Nestle.

1.3 Research Questions

This research aims to answer the following questions:

1.   What is the level of cultural values in rural and urban settings of Pakistan?
2.   Do cultural values have impact on consumer-based brand equity of a multinational corporation (MNC)?
3.   Does ethically-minded consumer behavior have effect on the consumer-based brand equity of a multinational corporation (MNC)?

II.   LITERATURE REVIEW

Bilgin et al., (2010) give the historical account in their book, "Global Security and International Political Economy" that before the 1970s, foreign direct investments were considered as a new form of colonialism by the newly decolonized States in the third world. However; Gilpin, (2001) and, Giuliani & Macchi (2013) state that after the second half of 1970s, the world FDI increased and gradually the third world States opened up to free market economy and adopted liberalization. Economic liberalism increased foreign direct investment many folds share in their study that the oil companies in Nigeria namely Shell, etc generated high revenues for the government and elites but the local inhabitants faced the violation of their basic human rights due to suppression by military personnel in their inhabited area. The waste generated by oil drilling caused excessive environmental degradation, too. The American Multinationals have been in the limelight for lobbying the governments to formulate the policies which cater for their interests such as waging war in countries, formulating favorable domestic policies, altering taxation policies, etc.

Pakseresht (2013) states that Multinational corporations have emerged as powerful actors in the international political economy due to extravagant favorability of their brands on the consumers' end. Economically and technologically less developed States like Pakistan and African States lack to compete in the international market due to inefficient use of natural resources however, economic giants such as China and United States contribute into the global market greatly (Shahzad, 2015).

2.1 Multinational Corporations in Pakistan

Unfortunately in Pakistan, the international brands have defined the character of local market than the local brands. The MNCs have overwhelming presence in the market and prove to be local icons and a symbol of grace for the consumers to flaunt, whereas, the local brands suffer in the competition. The MNCs untiringly devise strategies to act locally and attain trust of local consumers in host States likewise as listed in the Annual Report of 2007, Unilever at the beginning of the current millennium launched "Path to Growth" strategy; following which it lessened its 1600 brands to just the top 400 so that it captures the local brands by competing them in a focused manner (Ozsomer, 2012).

2.2 Case Company: Nestle as a Global Brand

Nestle is a world renowned multinational firm headquartered in Vevey, Switzerland, which started in 1867 by the efforts of Henri Nestle. Across the globe, Nestle has 328,000 employees ("Nestle", 2017). Nestle has its global presence remarkably in 196 States. While only 86 States consists production plants across the globe.Nestlé Pakistan Limited is a subsidiary of Nestlé S.A (Switzerland), in Pakistan. Nestle entered into Pakistani market in 1988 by acquiring shares in Milk Pak Limited and ultimately taking over the control of Milk Pak in 1992.

Nestle achieved the 'Best Company Award' amongst top twenty-five Corporate Sectors by Karachi Stock Exchange at a stretch for 12 years (1999-2011). Nestle also secured the 'Corporate Social Responsibility Award' amongst top ten Firms by Pakistan Centre for Philanthropy for four years (2006-2010) ("Recognition and Awards", 2017).

In Pakistan, Nestle focuses on four key areas namely; nutrition, rural development, water and environmental sustainability and quality assurance of the products processed and produced ("Focus Areas", 2017).Nestle is headquartered in Lahore. As remarked by Peter Brabeck-Letmathe, Ex-CEO Nestle, Pakistan is the fourth largest producer of milk in the world (42 million tonnes /annum) (Dunya News. (2017). "Pakistan: Fourth Largest Milk Producing Country in the World", para. 01) so to benefit from the production capability; Nestle has set-up world's largest state-of-the-art milk processing plant in Kabirwala, Punjab in 2007. Apart from it, Nestle has four more production facilities in Pakistan; one multi-product factory in Sheikhupura and three bottled water plants, one in Islamabad and two in Karachi (Nestle All Press Release, 2017).

The annual report of 2010 generated by Nestle reflects that it has invested more than PKR51 Billion in Pakistan since its inception. In 2016, Nestle made investments of PKR4.1 Billion in Pakistan including expansion of capital ownership and developmental projects (Business Recorder. (2017). "Nestle Pakistan Limited Recorder Report", para.10). Despite the socio-political situation of the country, Nestle Pakistan Ltd has been able to generate an astounding revenue of PKR102.98 billion (approximately $977 million) in 2015 which was a record 7% increase as compared to the previous year (2014) in which the annual revenue was PKR 96 billion. However, in 2016 the Gross Domestic Product (GDP) of Pakistan was $284.185 billion. So it can be assumed that the multinational firms generate enough revenue to influence developing economies. The year 2016 closed for Nestle with the net sales revenue of more than PKR112 billion with a 35.2% increase in profit than the previous year (Nestle All Press Release, 2017).

Aaker (1991) and Keller (1993) have conceptualized consumer-based brand equity (CBBE) as an offshoot of cognitive-psychology approach in the arena of marketing practices. The views of both the scholars remain predominantly worthy in the study of consumer-based brand equity (CBBE).

2.3 Keller Model of Consumer-Based Brand Equity

As stated by Heding (1993) and Knudtzen & Bjerre (2009), the theory of brand management was remarkably revolutionized by Kevin Lane Keller's article 'Conceptualizing, measuring, and managing customer-based brand equity' which was published in the Journal of Marketing. He gave a new insight and unleashed the concept of 'consumer-based brand equity'. According to the model to access consumer-based brand equity suggested by Keller (1993), the worth of a brand in the cognition of the consumer is studied through the evaluation of 'brand knowledge' which constitutes of 'brand awareness' and "brand image'. Brand awareness is the top priority for the researcher to inquire the brand knowledge out of a consumer while evaluating consumer-based brand equity of a particular brand, if a consumer is unaware of the market presence of the particular brand that the brand awareness does not exist in the first place and it is useless to waste time over such a consumer however, the consumer who is able to recognize and recall the brand from his memory delivers his brand awareness to the researcher.

Second priority during the inquiry of brand knowledge for the researcher is to assess the perceptions of the consumer about the particular brand, such conceptualization is called brand image. It can be negative or positive based on the memories of the consumer associated with the brand product (ibid. p. 94.). After the assessment of brand knowledge on the consumer's end the consumer-based brand equity can be assessed which can either be positive or negative based (Keller, 1993) on the level of favorability to the product or service of the brand as compared to others brands present in the market.

2.3.1 Significance for Firms (Problem Identification)

A favorable brand attains a social and economic value that allows it to retain its presence in market for longer durations such as Coca-Cola, Disney, IKEA and General Electric. These giant corporations have been ruling in the market since 1886, 1923, 1943, and 1978 respectively. Therefore, it is eminent that a socially popular image increases the positive consumer-based brand equity and subsequently the economic value of an MNC by increasing product sales many folds hence satisfying the prime objective of the corporation.

2.4 Cultural Values

Kotler et al, (2004) and Umar & Tahir, (2007) defines culture as "the set of values, thinking patterns, and attitudes based on perceptions and behavioral tendencies which a person derives and apprehends by its social interactions as a member of a society."According to Geert Hofstede's culture can be defined as "the collective programming of the cognition which differentiates one sort of people from the other." Daniels et al, (2011) and Banutu-Gomez, (2014) defines culture as the 'collectively acceptable norms of a group's attitudes, values, and beliefs'.

After studying cultural impacts on the international business discourses, Shimutwikeni (2012) generated his report resulting that; the cognitive ability of individuals is influenced by the culture he follows. The individual's decision making power and thought process as well as the perspective towards life is under influence of the cultural values he follows[i] such as few cultures prefer strong uncertainty avoidance however certain others never fear to take risks while making tricky decisions.

Singh (2013) suggests that culture of a society is not assessed by individual behavior of a person but it reflects the collective phenomena of a group. Individuals can behave differently that is why the behavior of an individual should not be stereotyped as the culture of a community. For instance, if some women wear revealing clothes in Pakistan; their rebellious behavior does not reflect Pakistani culture at large.

2.4.1 Hofstede's Model of Cultural Value Dimensions

Professor Gerand Hendrick Geert Hofstede is a Dutch social- psychologist and a staunch researcher on cross-cultural communications amongst groups and organizations. He structured the 'Cultural Dimension's Theory' in the late 1970s after extracting data of IBM employees from seventy countries to evaluate how cultural differences shape workplace (organizational) values across various societal settings in different countries. In 1980, Hofstede published his renowned book named as "Culture's Consequences" which later led him to be the pioneer of comparative inter-cultural research by 1990s. Latif, (2016) studied the differences between the cultural values of Pakistan and New Zealand by using Hofstede's model and remarks that his theory, model and ideas are considered as the framework for the research on cross-cultural communications. According to Hofstede, the cultural values dimension model allows a researcher to assess the key values of any culture which distinguish one culture from another; at ease. As suggested by Hofstede in his book, "Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations across Nations" (2001) the five prime dimensions which allow the cultural values to be assessed are named as; Power Distance Index, Masculinity versus Femininity, Uncertainty Avoidance Index, Individualism versus Collectivism and Time Orientation.

2.4.2 Significance of Understanding Cultural Values of Host State for Marketers

Barbash & Taylor (1997) argue that culture frames the socially transmitted behavioral patterns, belief systems and distinct values practiced by any given community. Nationality and culture are two separate terms however, both are interlinked in one respect or another such as; the Punjabi culture is different from Sindhi culture in Pakistan but both these communities hold the same Pakistani nationality. Therefore, it can be assumed that cultures can be distinct within a nation.

Banutu-Gomez (2014), analyzes that successful penetration into host State market is only possible if managers pay heed to the ethics, language and culturally sensitive intricate details of the host society to attract and increase consumer loyalty. Banutu-

Gomez (2014) reflects the deep insight that the host State's culture should be apprehended in detail before entering into its market to increase and strengthen consumer-based brand equity of the products to be launched by the global firm. Even the slightest misunderstanding and ignorance regarding culturally sensitive issues can lead to utter failure of the product or service, ultimately defamation of the brand breeds monetary implications for the firm. Ethical values, cultural considerations, legal and moral concerns of a society should be understood in detail to gain most out of a venture in different cultural settings.

Successful multinational firms such as Proctor & Gamble, Kentucky Fried Chicken, McDonalds, Coca-Cola, Nestle, etc receive excessive public attention due to being corporate giants. Any unethical practice costs such companies the scourge of defamation and decrease in sales. So, famous firms have to meet ethical, moral and legal standards to retain powerful consumer-based brand equity. The global firms which fail to abide by the acceptable norms of the host society are considered unethical and such corporations fail to retain market presence for long (Banutu-Gomez, 2014).

2.4.3 Account of Pakistani Culture and Overview of cultural values in Pakistani context

Islamic Republic of Pakistan is home to 196 million inhabitants out of which 51.45% population consists of males and females account for 49%. The world's sixth most populous State is located in South Asia and attained independence on 14th August, 1947. Pakistani culture is a product of various cultural influences from Central Asia, Indian subcontinent and the Middle East. The ethnic groups in Pakistan differ in practicing cultural values but key cultural values such as collectivism and patriarchal dominance (Amir et al. 2016) are commonly observed practices in the whole country.

However, in (2003) Pakistan became one of the most urbanized in South Asia. This social change is a drastic move in the history of the country as people are prone towards urbanization. Media has provoked

the western values in Pakistani people and people tend to modernize their lifestyle than ever before. According to the International Labor Organization Report (2005) and Umar et al. (2007), the urban population of Pakistan was 30% which somehow increased to 36% by the end of 2016 (Pakistan Population. 2016). This rapid urbanization reflects that the cultural values and preferences of people are gradually facing metamorphosis.

The cultural values followed in Pakistan are greatly influenced by religious morals. Pakistan means the land of the pure, spiritual purity and piety are considered prestigious attributes. The roots of spiritualism lie in the practical implementation of Islamic values thus; sexual conservatism and gender gap is strictly followed as opposed to the West (Umar et al., 2007).

2.5 Ethically-Minded Consumer Behavior

An 'ethically minded consumer' is the one who is aware of the consumer ethics and observes the mechanism of a firm to ensure that it does not breach the code of ethics either environmentally, socially or morally before choosing to buy any product or service of that firm. Muncy & Vitell, (1992) and Butt et al., (2011) suggest that the ethically minded consumer behavior is the socially and environmentally responsible manner adopted by a consumer, such a behavior is considered morally acceptable.

Ethical consumerism is a diverse phenomenon because the consumers enlist a diverse range of ethical issues in this regard (such as the issues vary from animal security to water pollution and human rights to the depths of religious concerns). The issues vary from societies and regions to States and communities thus making it a grave concern for marketers. Murphy & Bendell, (2001) and Eleni, et al., (2015) are of the view that ethically minded consumer behavior enables a shift of power from the producers to the consumers; consumers voice their concerns and emerge as "the counterbalancing force to capitalists."

2.5.1 The Significance of Observing Ethics for Marketers and Consumers

Zwick & Carrington (2016) state that ethical consumerism is the attitude which has emerged as a counterforce against the ills generated by capitalism such as environmental degradation and human rights violation, economic disparity as well as numerous social and moral ills. However, the ethically minded consumers fail to 'walk their talk' and translate their behavior and liking into practical implementation through their attitude while buying products or services.

A study conducted by Ahmad, et al., (2005) suggests that Malaysians and Pakistanis are more economically concerned and less ethically concerned while choosing a product to buy. Both these States have adverse economic conditions therefore it can be assumed that due to economic constraints and lack of adequate ethical knowledge the consumer behavior is less ethically motivated. The reason of backwardness and lack of awareness regarding consumer ethics in Asian States is because this concept has not been deeply investigated in the Asian countries as compared to the Western States specially United States of America. While, the ethical belief systems are more complex in Asian States or developing States due to complex cultural settings as compared to the Western countries.

Brunk, (2010) and Butt et al, (2011) states that if consumers develop negative notions about a particular brand, product or firm; the level of consumerism decreases and brand equity weakens. Safi & Ramay (2013) report that ethically responsible firms can attract more consumers and the product quality can embed the brand with positive consumer-based brand equity. Hence, the brand association and consumer loyalty is achieved.

Maignan (2001) conducted a study in France and Germany which reflected that the adherence to observe ethical concerns by consumers was the second most prioritized concern lead by legal concerns and followed by philanthropic concerns which were tailed by economic concerns. However, Visser (2005) reported that in Africa and other developing Nations, economic concerns retained as the top priority of the consumers and ethical concerns remained at the least prioritized concern. He suggested that Corporate Social Responsibility Pyramid for developing countries was different from Carroll's Classic Pyramid.

Webb, et al., (2008) suggest that the consumer satisfaction level drops down if the organization or firm fails to accede to the demands of the consumers thus causing the consumer loyalty to decrease.
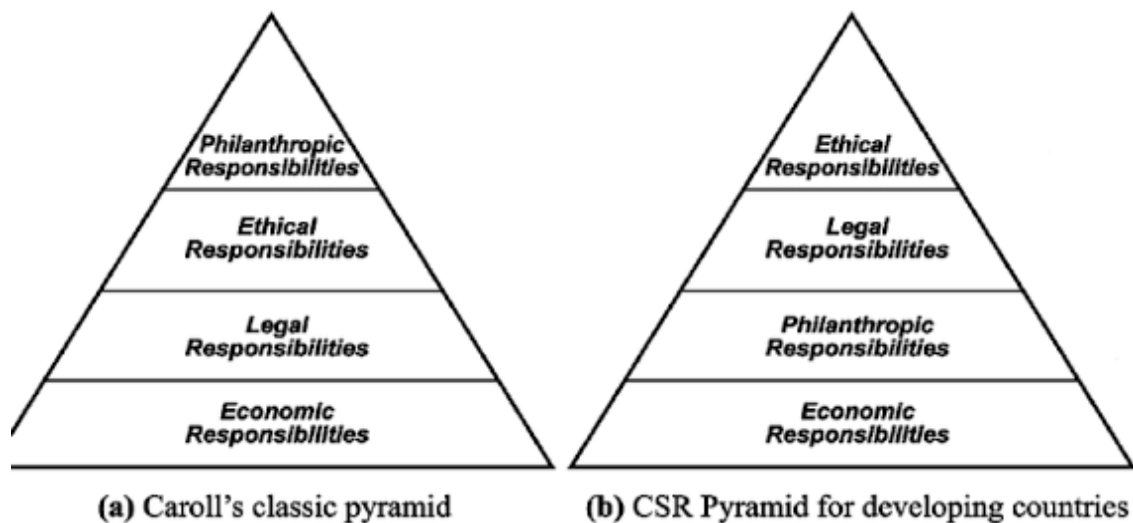
Figure 2.1: Caroll's Classic Pyramid and CSR Pyramid for developing countries

2.5.2 Significance of studying Ethically-Minded Consumer Behavior

Ethical consumer decision making is a least studied concept as suggested by Eilen et al (2015) If it is studied generously, then the consumer behavior would become easy to rationalize and problem could possibly be apprehended at ease. Vitell, (2003) suggests that environmental friendly consumer behavior is a less studied attitude of the consumers by researchers.

A cross national study of ethical consumption amongst the millennials by Bucic et al (2012) reflects that sufficient study regarding ethical consumerism amongst different age groups lacks to suffice the need of hour. Especially, it states that the ethically-minded consumer behavior of 'Millennials' is less studied. The millennials are the future adult consumers and collectively they yield enough wallet power to influence economies by their concerns and considerations. While, the studies conducted by Noble et al., (2009), Smith, (2011) and Bucic et al., (2015) reflect that their concerns are unclear, due to conflicting goals; a moment they gratify their needs, the next moment they strive for social improvement at large. Therefore, ethical-mindedness on their part should be studied to analyze their considerations and make adequate changes to production techniques.

2.6 Research Hypotheses:

From the best of researcher's knowledge no previous research has checked the relationship of cultural values and ethically-minded consumer behavior on consumer based brand equity. On the basis of this fact current research has proposed the following hypotheses;

H_1: Cultural values of Pakistani consumers have affect on Consumer-Based Brand Equity of Nestle Pakistan Ltd.

H_2: Ethically-minded consumer behavior of Pakistani consumers has effect on Consumer-Based Brand Equity of Nestle Pakistan Limited.

(Please refer to complete research report for hypothesized research model)

<div align="center">III.   RESEARCH METHODOLOGY</div>

3.1 Population Sample and Sample Size: Respondents from the rural and urban areas of Lahore city from the province of Punjab in Pakistan are taken as the population of this study. In total 300 respondents are selected for conducting the research; 150 respondents from rural area and 150 respondents from urban area.

3.2 Tool for Data Collection: A questionnaire is prepared by using three adopted scales. The scales are namely; the Cultural Values Scale (CV Scale-2009) which was adopted from Prasongsukarn (2009)., Ethically-Minded Consumer Behavior Scale was adopted by Sudbury-Riley and Kohlbacher (2015) and the scale to measure Consumer Based Brand Equity was adopted by Schivinski & Dabrowski (2014). It is a 55 item questionnaire.

3.3 Procedure of Data Collection: Two areas of urban and rural setting are selected randomly for collection of data and snowball sampling is used for selection of respondents. Data is collected personally by the researcher with the help of structured questionnaire.

IV.   FINDINGS

4.2.1 Reliability Analysis of all Variables
Reliability analysis was performed through SPSS 20 and Cronbach Alphas are mentioned against each scale in **Table 4.14, Table 4.15 and Table 4.16.** All scales used in the study are found to be reliable as the Cronbach's alphas of consumer-based brand equity, cultural values and ethically-minded consumer behavior are 0.895, 0.615 and 0.700 respectively. According to Nunally and Bernstein, 1978 (as cited by Aslam, 2011) Cronbach's alpha greater than 0.5 indicates acceptable reliability of the data in social sciences.

i)   Consumer-Based Brand Equity

Table 4.14: Statistics reflecting reliability of consumer-based brand equity

Cronbach's Alpha	N of Items
0.895	4

Measure reliability of data is being done with the help Cronbach's Alpha. SPSS 20 is making use for performing the test. Data is reliable if the value of Cronbach's Alpha is more than 0.50. Cronbach's Alpha of all the statements of consumer-based brand equity is 0.895 which indicates that data of consumer based brand equity is more reliable.

ii) Cultural Values

Table 4.15: Statistics reflecting reliability of cultural values

Cronbach's Alpha	N of Items
0.615	5

Similarly, Cronbach's alpha of all the statements of cultural values is 0.615 which indicates that data of cultural values is reliable.

iii) Ethically-minded Consumer Behavior

Table 4.16: Statistics reflecting reliability of ethically-minded consumer behavior

Cronbach's Alpha	N of Items
0.700	10

Cronbach's alpha of all the statements of ethically-minded consumer behavior is 0.700 which indicates that data of ethically-minded consumer behavior is reliable.

4.2.2 Correlation Analysis of all Variables

Table 4.17: Statistics reflecting correlation analysis

EMCB	1	-.154**	.048
CBBE		1	-.162**
CV			1

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Table 4.4 represents correlation matrix for all variables of the study. Ethically minded consumer behavior is negatively correlated with consumer based brand equity and cultural values are also negatively correlated with consumer-based brand equity. However, ethically-minded consumer behavior is positively correlated with cultural values.

4.2.3 Regression Analysis

R square represents the kind of percentage variance in dependent variable by independent variables. Value of adjusted R square is 25.8%. This value is acceptable. The value F describes that how much the independent variables have collectively significant relationship with dependent variables. Coefficient of F test provides the value which is equal to 7.432 and p value of F test is equal to 0.001 i.e. value of p <0.01.

Value of p represents the percentage of real and by chance relationship. If the value of is 0.05 then this indicates that there is five percent probability that the relationship is by chance and ninety five percent probability that relation is real. Moreover, table no. 4.5 indicates that ethically-minded consumer behavior is strong predictor of cultural values. It provides the value of β= -0.419 and value of p> 0.05. From this it is concluded that 1 unit raises in ethically-minded consumer behavior will raise the level of consumer-based brand equity up to -41.9%. This relationship shows that ethically-minded consumer behavior is negatively associated with consumer-based brand equity.

Cultural values provide the values of β = -25% and value of p < 0.01.

Discussion: This analysis highlights the negative relationship between cultural values and consumer-based brand equity. Furthermore one unit change in cultural values will create the variation of 25% negatively in consumer-based brand equity.

From above discussion, it is concluded that cultural values and ethically-minded consumer behavior can decrease the level of consumer-based brand equity.

Table 4.18: Statistics reflecting model summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.419a	.258	.216	.96083

a. Predictors: (Constant), EMCB, CV

Table 4.19: Statistics reflecting ANOVA[b]

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.722	2	6.861	7.432	.001[a]
	Residual	273.268	296	.923		
	Total	286.991	298			

a. Predictors: (Constant), EMCB, CV

b. Dependent Variable: CBBE

Table 4.20: Statistics reflecting coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.948	.518		11.484	.000
CV	-.250	.092	-.155	-2.729	.007
EMCB	-.419	.162	-.147	-2.588	.010

a. Dependent Variable: CBBE

*** Significant at the 0.01 level.
**Significant at the 0.05 level.
*Significant at the 0.10 level.

4.3 Comparison of the Level of Cultural Values from Pakistani Cultural Context

i) Level of Cultural Values in Rural Area

Table 4.21: Statistics reflecting level of cultural values in rural areas of Pakistan

	N	Minimum	Maximum	Mean
CV	150	1.80	4.95	3.5164
Valid (list wise)	150			

The level of cultural values is relatively high in rural areas as compared to urban areas of Pakistan. Hence, the statistics show that people in rural areas have an inclination towards collectivism, tend to avoid uncertain situations, accept unequal power distribution amongst genders and hierarchies, rank high on assertiveness and reflect masculinity in the societal behavior.

ii) Level of Cultural Values in Urban Area

Table 4.22: Statistics reflecting level of cultural values in rural areas of Pakistan

Valid	150
Missing	0
Mean	3.4730

The level of cultural values is relatively low in urban areas as compared to rural areas of Pakistan. Hence, the statistics show that people in urban areas have an inclination towards individualism, tend to take risks, reflect low power distance and reflect femininity in the societal behavior.

4.4 Comparison between impact of cultural values and ethically-minded consumer behavior on consumer-based brand equity of nestle in urban and rural areas of Pakistani cultural context

i) Correlation Analysis of Rural Area

Table 4.23: Statistics reflecting the correlation analysis of dependent and independent variables in rural areas of Pakistan

	EMCB	CBBE	CV
EMCB	1	.048	-.009
CBBE		1	-.207*
CV			1

Table 4.23 represents correlation matrix for all variables of the study. Ethically minded consumer behavior is positively correlated with consumer based brand equity while cultural values are negatively correlated with consumer-based brand equity in rural settings. However, ethically-minded consumer behavior is negatively correlated with cultural values in rural area.

ii) Regression Analysis of Rural Area

R square represents the kind of percentage variance in dependent variable by independent variables. Value of adjusted R square is 4.5% which reveals that it is not a good relationship because the acceptable value is more than 25%. The value F describes that how much the independent variables have collectively significant relationship with dependent variables. Coefficient of F test provides the value which is equal to 3.429 and p value of F test is equal to 0.001 i.e. value of p <0.01. Value of p represents the percentage of real and by chance relationship. If the value of is 0.05 then this indicates that there is five percent probability that the relationship is by chance and ninety five percent probability that relation is real. Moreover, table no. 4.26 indicates that ethically-minded consumer behavior is strong predictor of cultural

values. It provides the value of β= 0.195 and value of p> 0.10. This implies that ethically-minded consumer behavior has insignificant positive impact on consumer-based brand equity. This relationship shows that ethically-minded consumer behavior is positively associated with consumer-based brand equity in rural

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.212a	.045	.032	1.17460

a. Predictors: (Constant), CV, EMCB

setting.

Cultural values provide the values of β = -34.7% and value of p < 0.01. This analysis highlights the negative relationship between cultural values and consumer-based brand equity. Furthermore one unit change in cultural values will create the variation of -34.7% negatively in consumer-based brand equity.

Table 4.24: Statistics reflecting the model summary

ANOVA   **Table 4.25: Statistics reflecting ANOVA**[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.461	2	4.731	3.429	.035a
	Residual	201.435	146	1.380		
	Total	210.896	148			

a. Predictors: (Constant), CV, EMCB

b. Dependent Variable: CBBE

Table 4.26: Statistics reflecting the Coefficients[a]

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
CBBE	(Constant)	4.355	1.049		4.153	.000
	EMCB	.195	.344	.046	.568	.571
	CV	-.347	.136	-.206	-2.551	.012

a. Dependent Variable: CBBE
*** Significant at the 0.01 level.
**Significant at the 0.05 level.
*Significant at the 0.10 level.

iii) Correlation Analysis of Urban Area

Table 4.27: Statistics reflecting the correlation analysis of dependent and independent variables in urban area of Pakistan

	EMCB	CBBE	CV
EMCB	1	-.274**	.096
CBBE		1	-.014
CV			1

Table 4.27 represents correlation matrix for all variables of the study. Ethically minded consumer behavior is negatively correlated with consumer based brand equity and cultural values are also negatively correlated with consumer-based brand equity in urban settings. However, ethically-minded consumer behavior is positively correlated with cultural values.

iv) Regression Analysis of Urban Area

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.274a	.075	.063	.52500

Table 4.29: Statistics reflecting ANOVAᵇ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.295	2	1.647	5.977	.003ᵃ

Table 4.28: Statistics reflecting the model summary

	Residua					
	Total	43.811	149			

a. Predictors: (Constant), CV, EMCB

b. Dependent Variable: CBBE

a. Predictors: (Constant), CV, EMCB

R square represents the kind of percentage variance in dependent variable by independent variables. Value of adjusted R square is 7.5%. This value is not acceptable because value more than 25% is acceptable. The value F describes that how much the independent variables have collectively significant relationship with dependent variables. Coefficient of F test provides the value which is equal to 5.977 and p value of F test is equal to 0.001 i.e. value of $p < 0.01$.

Value of p represents the percentage of real and by chance relationship. If the value of is 0.05 then this indicates that there is five percent probability that the relationship is by chance and ninety five percent probability that relation is real. Moreover, table 4.30 indicates that ethically-minded consumer behavior is strong predictor of cultural values. It provides the value of $\beta = -0.399$ and value of $p > 0.05$. From this it is concluded that 1 unit raises in ethically-minded consumer behavior will decrease the level of consumer-based brand equity up to -39.9%. This relationship shows that ethically-minded consumer behavior is negatively associated with consumer-based brand equity.

Cultural values provide the values of $\beta = 1.4\%$ and value of $p > 0.10$. This implies that cultural values have insignificant positive impact on consumer-based brand equity.

Table 4.30: Statistics reflecting the Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.264	.404		13.031	.000
	EMCB	-.399	.116	-.275	-3.453	.001
	CV	.014	.089	.012	.154	.878

a. Dependent Variable: CBBE
*** Significant at the 0.01 level.
**Significant at the 0.05 level.
*Significant at the 0.10 level.

Discussion: From the best of researcher's knowledge the relationship between the tested dependent (consumer-based brand equity) and independent (cultural values, ethically-minded consumer behavior) variables have not been tested in previous researches therefore, the current study reveals humble findings by the researcher.

The regression analysis of rural area reflects that ethically-minded consumer behavior does not have prominent impact on consumer-based brand equity of Nestle. Cultural values of rural Pakistani consumers can decrease the level of Nestle's consumer-based brand equity in rural settings.

The regression analysis of urban area reveals that ethically-minded consumer behavior can decrease the level of consumer-based brand equity of Nestle and cultural values of Pakistani urban areas do not have prominent impact on Nestle's consumer-based brand equity in urban settings.

Findings: The findings of the study suggest that the level of cultural values vary in rural and urban areas of Pakistan. Rural areas have higher level of cultural values than urban areas therefore; marketers should focus on devising strategies which are coherent with the local culture to gain more popularity in rural areas of Pakistan.

In overall Pakistani cultural context the study reveals that cultural values are negatively correlated with consumer-based brand equity of Nestle Pakistan Limited. The cultural values are negatively associated with consumer-based brand equity of Nestle Pakistan Limited. Ethically-minded consumer behavior is negatively associated with consumer-based brand equity of Nestle Pakistan Limited.

In rural areas, cultural values can decrease consumer-based brand equity (CBBE) of Nestle Pakistan Limited and they are negatively correlated with CBBE of Nestle Pakistan Limited. Ethically-minded consumer behavior of rural people in Pakistan has no prominent impact on consumer-based brand equity of Nestle Pakistan Limited and it has positive correlation with the CBBE of Nestle Pakistan Limited. However, cultural values and ethically-minded consumer behavior are negatively correlated with each other in rural areas of Pakistan.

In urban areas, cultural values can decrease consumer-based brand equity (CBBE) of Nestle and they are negatively correlated with CBBE of Nestle Pakistan Ltd. Ethically-minded consumer behavior of urban people in Pakistan has no prominent impact on consumer-based brand equity of Nestle Pakistan Limited and it has negative correlation with the CBBE of Nestle Pakistan Limited. However, cultural values and ethically-minded consumer behavior are positively correlated with each other in urban areas of Pakistan.

V.   CONCLUSION

Foreign investments have increased many folds by rise of economic liberalism. The multi-national corporations have conquered the host markets across borders as global corporate giants and practice a great deal of political and economic influence. Multinational corporations utilize their enormously

generated revenue on marketing to attain global fame and recognition. Consumers across the globe become aware of famous brands and thus consumer-based brand equity strengthens; which allows the increase of sales and in return the global business enjoys competitive advantage. However, cultural values vary from region to region and lay impact on marketing strategies of multinationals because culturally homogenized corporation attracts the consumers greatly but the MNCs have become somehow successful in injecting westernization into non-western cultures, too. Thus, a global society is created through spreading western values by advertisements, fabrication and publicity. Multinational corporations have spread into the third world since past few decades and in certain instances they have been involved in unethical business practices in an effort to spend less and earn more but because of lack of awareness ethical consumerism is still a far cry in the third world States. In Western States, ethical responsibilities ought to be fulfilled by corporations to earn consumer-based brand equity but the global South still weighs the economic concerns as primary factor while leaving social, moral and environmental concerns on the back foot.

Therefore, the objective of this study was to explore the level of cultural values in urban and rural areas of Pakistan to understand the differences in the thinking patterns of both the communities. Secondly, the study was aimed at calculating the impact of cultural values and ethically-minded consumer behavior on the consumer-based brand equity of a renowned global giant, Nestle in the Pakistani cultural context.

Previous studies have revealed the differences in attitude and behavior of ethical consumers but the relationship between CBBE and ethical consumption was not seen by the researcher. Some studies also revealed the level of cultural values in Pakistan but no direct relationship with CBBE was checked prior to the current study. The current study addressed the issue and collected the data from 300 respondents through an adopted structured questionnaire.

Moreover, current study attempted to make an addition to the existing literature of consumer-based brand equity, cultural values and ethically-minded consumer behavior, collectively. Previously no study was collectively conducted to compute the effects of these independent variables on consumer-based brand equity.

Limitations: The study has few limitations and suggested some issues to be addressed in future research. Firstly, methodologically limitation i.e. data was collected through a structured questionnaire in this study to find causal relationship between independent and dependent variables. Ethnographic research design is required to validate the hypothesized relationship between variables, in case of cultural values and consumer-based brand equity. Secondly, from the best of researcher's knowledge this study reveals relationship between variables which have not been studied previously therefore, no comparison of current and previous findings could be made. Thirdly, the data for the study has been collected from only one major city of Pakistan and it cannot reflect the whole Pakistani cultural context. Studies from smaller cities may vary from the current findings.

Suggested Areas of Research: In future studies, various major and minor cities of Pakistan can be concluded to compare the differences in the levels of cultural values and for further investigation with consumer-based brand equity. The impact of ethically-minded consumer behavior on consumer-based brand equity can be assessed by observational research method because it is a relatively new relationship. The level of attitude-behavior gap of ethical consumers in third world States can be researched through unstructured interviews in future to contribute in the field of knowledge by analyzing detailed perspectives of literate and illiterate consumers.

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