

# The Impact of Brand Quality and Brand Innovativeness on the Purchase Intention of Local Brands

Abdelraheem Abualbasal <sup>1\*</sup> and Celine Hasan <sup>1</sup>

<sup>1</sup> King Talal School of Business Technology, Business Administration Department, Princess Sumaya University for Technology, Amman, 11941 Jordan.

\* Corresponding author: A.abualbasal@psut.edu.jo.

**ABSTRACT:** Supporting local brands has long been of interest to many scholars. This study investigates the impact of brand quality and innovativeness on consumer purchase intention of local brands mediated by the attitudes of local brands. The research endeavors to uncover Generation Z's habits, given their promise to boost the national economy by supporting locally established brands. The study employed a survey-based questionnaire, which entails gathering data from students of several universities in Jordan. The sample for this research was 365 respondents; convenience sampling was employed as a sampling technique. The data were analyzed using IBM SPSS (29.01) and Amos 26 for Structural Equation and mediation analysis. The study's findings revealed that perceived brand quality and brand innovativeness significantly influence attitudes toward local brands. Additionally, there is a positive association between perceived local brand quality and brand innovativeness. Attitudes toward local brands significantly affect purchase intentions. Moreover, attitudes toward local brands mediate the relationship between perceived brand quality, brand innovativeness, and purchase intention. The study's findings offer valuable insights for local brand managers, marketers, and policymakers aiming to enhance the appeal of local brands among Generation Z. The study contributes to the existing literature by focusing on the local brand context, an understudied area. Specifically, the study investigates how Generation Z can strengthen the connections between perceived brand quality and brand innovativeness, which can contribute to the national economy by encouraging support for locally established brands.

**Keywords:** local brands, perceived brand quality, brand innovativeness, attitude toward local brands, purchase intentions of local brands, generation Z.

## I. INTRODUCTION

In today's global marketplace, consumers are presented with an increasingly diverse array of choices, ranging from local to global brands [1, 2]. As such, marketers must comprehend the factors guiding consumers' choices between these two distinct local and global brand categories. They must delve into the reasons behind consumer preferences for global brands over local ones and investigate how brand-related elements, such as perceived brand quality and innovativeness, shape individual support for local brands. Gaining this insight is pivotal for local companies seeking to maintain their competitiveness. Özsomer [2] highlights that, in various markets, global brands compete directly with robust local brands designed to cater to the specific needs and desires of the local clientele. This juxtaposition occasionally places global brands at a disadvantage if they fail to acknowledge the unique characteristics of a local market. Leveraging the intricate weave of local culture, tradition, and national identity, several local brands have risen to attain regional iconic status.

[2]. For marketers, comprehending how these perceptions and cultural associations influence consumer behavior is paramount. Local brands are faced with several challenges when competing with global brands. Local brands often face resource constraints, making it difficult to match the extensive marketing budgets and global reach of global brands. Additionally, Global brands often adopt marketing strategies emphasizing standardization and consistency in their promotional efforts across diverse international markets [3]. This approach aims to establish a unified and easily recognizable brand identity, effectively communicating the

brand's message and value proposition to consumers in different countries. However, this can sometimes be a disadvantage if global brands fail to acknowledge the unique characteristics of local markets.

In contrast, local brands customize their marketing plans to align with consumer interests by adapting their strategies to each specific market's cultural and societal norms [3]. The prevalence of global brands elicits mixed reactions among consumers. While some consumers value and admire them as status symbols, others criticize them for eroding regional differences and imposing Western cultures, potentially leading to a loss of cultural identity [4]. Success in the global market hinges on understanding the host country's culture and addressing it appropriately, as consumers closely identify with their cultural standards [5].

This research focuses on Generation Z's (i.e., 13–24 years old) attitudes toward local brands, it can significantly boost the local economy through two primary strategies: supporting local businesses and investing in their community. By prioritizing the use of their resources at independently-owned establishments, including shops, restaurants, and small businesses, they can help sustain prosperity within their community. This practice can strengthen the local economy since small businesses are more likely to hire locally and source goods and services from neighboring businesses, creating a positive economic development cycle and employment opportunities.

Through these actions, Generation Z can actively participate in building and fortifying the local economy, fostering a thriving and resilient community for future generations. Furthermore, the acceleration of globalization and the availability of social media platforms have facilitated access to diverse markets for enterprises, especially those operating locally.

The Internet has profoundly impacted global society since its widespread adoption in the 1990s. This technological advancement significantly affects Generation Z's lives, transforming how people interact, conduct business, and access information. It provides an abundance of resources and rapid delivery capabilities.

Generation Z, due to their upbringing in a digital environment [6, 7], is commonly regarded as digital natives, having grown up with this pervasive technology [8, 9]. They are pivotal in shaping consumer behavior and how individuals engage with products and brands [10]. Their experiences and preferences, shaped by the constant presence of digital communication in their daily lives, have significantly impacted the marketplace.

Organizations prioritizing building strong customer relationships and effectively leveraging social media are more likely to achieve substantial financial returns when engaging with Generation Z [7]. The increasing influence of social media on consumer behavior, particularly among Generation Z, has prompted marketers, especially those representing local products, to adopt social media as a critical channel for marketing communication and to implement strategies for effectively conveying the value of their products to customers, meeting their needs, wants, and preferences [10]. This is especially critical for reaching Generation Z, known for their heavy use of social media and the significant impact it has on their behavior [6, 7, 10, 11].

Understanding how Generation Z's digital upbringing influences their brand preferences and purchase intentions is critical for local brand managers and marketers. This research focuses on Generation Z's attitudes toward local brands, investigating how they can significantly enhance the local economy by supporting local brands. By prioritizing locally established brands, Generation Z can support in contributing to the local economy and employment opportunities.

Despite the literature on consumer behavior and brand preference, there is a notable gap regarding the impact of brand quality and innovativeness on the purchase intentions of local brands, particularly among Generation Z in Jordan. This research aims to fill this gap by examining how perceived brand quality and innovativeness influence Generation Z's purchase intentions toward local brands, mediated by their attitudes toward these brands.

#### Research Questions:

1. How does perceived local brand quality influence attitudes toward local products? (H1)
2. How is the perceived quality of local brands associated with brand innovativeness? (H2)
3. How does perceived innovativeness of local brands influence attitudes toward local brands? (H3)
4. How do attitudes toward local brands influence purchase intentions toward local brands? (H4)
5. Do attitudes toward local brands mediate the relationship between perceived brand quality and purchase intention? (H5)
6. Do attitudes toward local brands mediate the relationship between brand innovativeness and purchase intention? (H6)

## II. LITERATURE REVIEW

### 1. PERCEIVED BRAND QUALITY

Perceived quality, as defined by Asshidin et al. [12], encompasses a consumer's holistic evaluation of a brand's excellence, considering intrinsic and extrinsic cues. Intrinsic cues, such as product performance and durability [13], are inherent to the product or service, significantly influencing the consumer's quality perception. In contrast, extrinsic cues, including the brand name and advertising [14], refer to external factors affecting the consumer's perception of the brand, distinct from the physical product itself. Notably, perceived quality is a pivotal aspect of a brand's image and wields substantial influence over consumer purchasing decisions [15]. Fournier [16] underlines that consumers perceive a brand's quality through interactions, including advertising, packaging, and customer service. Zeithaml [17] provides a broader perspective, defining perceived quality as 'the consumer's judgment about a product's overall excellence or superiority.' It is further emphasized that a product's perceived excellence or superiority relative to alternative options is crucial in determining whether it is considered high or low quality. Li and Wyer [18] have revealed that consumers may gauge products based on the quality standards of the country where they are manufactured. This aligns with the research findings of Pappu et al. [19], who emphasize that the country of origin, where products are made or assembled, may impact consumer quality assessments and purchasing decisions beyond the influence of the brand name. However, these studies primarily focus on global brands, leaving a gap in understanding the perceived quality of local brands, particularly in developing countries. In assessing a product, consumers may compare it to products from countries renowned for high-quality production and pass judgment accordingly.

Furthermore, consumers often associate global brands with elevated quality, assuming that achieving international recognition necessitates meeting rigorous excellence standards. Moreover, consumers in developing countries are increasingly cognizant of the high-quality products accessible to consumers in developed countries, aspiring to access such products themselves [12]. This awareness can be attributed to the increasing prevalence of television, the internet, and improved global communication networks [12]. Consequently, consumers in developing countries frequently seek to emulate the perceived luxurious Western consumption patterns by patronizing the brands they are exposed to [1].

Certain countries may be associated with higher product quality, while others may be linked to lower rates. Batra et al. [1] found that consumers in developing countries tend to favor brands perceived as having a foreign origin for reasons beyond quality considerations, and this positive attitude toward foreign brands intensifies as the foreignness perception increases. Dimofte et al. [20] support this notion, indicating that consumers in developing nations often regard foreign brands as superior in quality compared to local brands, seeking to associate themselves with the global community. This trend may devalue domestic brands relative to international ones. Additionally, there is a widespread consumer perception that products produced by local brands in developing countries are of lower quality, lacking originality, and need to be updated compared to global brands [21, 22]. This preference for global brands may lead to disregarding local brands and failing to recognize their potential, resulting in cultural dependence on foreign commodities and imagery [21]. However, Ger [21] suggests that local brands can counteract this preference by harnessing cultural resources, leveraging various forms of global media, and utilizing electronic commerce to express their authenticity and quality. They can take control of production and the presentation of their culture, thereby promoting a positive image for their products in both domestic and foreign markets. Local brands may also be better positioned to offer higher quality products as perceptions of quality can vary across different markets, and globally standardized products may only sometimes cater to specific markets' unique needs and preferences. This advantage stems from local brands' more profound understanding of their target market's culture, customs, and preferences, allowing them to tailor their products and services to meet consumers needs better.

Furthermore, local brands may have access to regional resources, materials, and production methods specific to their target market, giving them an edge in providing better quality products at a more competitive price. Therefore, it is paramount for local brands to effectively convey their excellence, foster favorable perceptions, and secure consumer loyalty while ensuring that the customer experience aligns with the brand's quality positioning [14]. As previously mentioned, some researchers argue that global brands are perceived as higher quality due to their international recognition [20], others like Ger [21] suggest that local brands can counteract this perception by leveraging cultural resources and emphasizing their authenticity. This argument highlights the need for further research on how local brands in developing countries can enhance their perceived quality to compete effectively with global brands. In light of the above, we propose the following hypothesis:

**H1:** Perceived local brand quality positively influences attitudes toward local products.

## 2. BRAND INNOVATIVENESS

Eisingerich and Rubera [23] define brand innovativeness as 'the extent to which consumers perceive brands as capable of providing new and practical solutions to their needs.' Brand innovativeness refers to a brand's ability to introduce novel and unique products, services, or marketing strategies. This attribute is paramount as it can drive growth and profitability for the brand [24]. How consumers perceive a brand's proclivity for innovation, or its 'perceived innovativeness' [25], is instrumental in shaping their opinions about the brand [26]. It is worth noting that the perception of brand innovativeness can vary even among brands owned by the same parent company [27]. This variability suggests that innovativeness is not solely determined by the company's reputation but also by the individual brand's efforts and consumer experiences. For instance, while consumers might view Xbox as highly innovative, they may perceive the brand Windows, both Microsoft-owned, as less creative [28]. Consequently, companies may introduce multiple brands with distinct levels of perceived innovativeness to establish each brand's unique positioning in consumers' minds, thus gaining a competitive edge [29]. Moreover, brand innovativeness is often intricately connected to the perceived quality of a brand, as consumers tend to associate innovative brands with high-quality products or services [30]. Recent studies by Naz et al. [29] and Hanaysha and Abdullah [31] have shown a positive correlation between perceived quality and innovativeness. When a brand consistently meets the needs and desires of its customers, it fosters a deep sense of commitment and loyalty among them [23]. Furthermore, a brand's reputation for innovation is closely tied to the success of its creative ideas in the market. A firm must consistently introduce ideas that need to be perceived as innovative [25]. Conversely, if a firm's statements always prove successful, they are likely to be seen as creative and novel, thus enhancing the firm's reputation for innovation [25]. Therefore, it is essential for a brand not only to generate innovative ideas but also to effectively execute and bring these ideas to the market to be recognized as genuinely innovative. As a result, we propose the following hypothesis:

**H2:** Perceived quality of local brands is positively associated with brand innovativeness.

Furthermore, the perception of a brand's ability to introduce novel and inventive products or concepts to the market is commonly referred to as brand innovativeness [27]. This encompasses introducing entirely new products or incorporating new features or technologies into existing products. Consumers who view a brand as innovative are more inclined to try the brand's products and services, which, in turn, contributes to more positive overall attitudes toward the brand. Such positive attitudes are pivotal in building consumer trust and fostering brand loyalty [27].

Moreover, consumers who prioritize supporting local businesses may opt for local brands, even if these brands are less innovative than some of their larger, multinational counterparts. Ultimately, consumers' values and goals can influence the relationship between innovativeness and their attitudes toward local brands. Research suggests that consumers may react negatively to global brands, disregarding local cultural differences [23]. In contrast, brands that authentically reflect local culture tend to be more successful in establishing strong customer relationships in various regions worldwide. The most successful global brands are those that take cultural factors into account and manage them effectively [23]. While brand innovativeness is often linked to perceived quality [32], the extent to which this applies to local brands in developing countries is less explored. Research by Ger [21] and Guo [22] indicates that local brands are often perceived as less innovative, which may affect their competitiveness. This gap calls for more studies focusing on how local brands can enhance their innovativeness to improve consumer attitudes. Based on these considerations, we propose the following hypothesis:

**H3:** Perceived innovativeness of local brands positively influences attitudes toward local brands.

An individual's attitude refers to their overall evaluative response to an object, person, situation, behavior, or other entity. This attitude is shaped by their core beliefs regarding the conduct and their perceptions of its potential outcomes [33]. Attitudes have long been recognized as a fundamental determinant of behavioral intentions and actual behavior [34]. According to the Theory of Reasoned Action [35], attitudes play a central role in shaping an individual's behavioral intentions, representing the determination to engage in a specific behavior [35]. Similarly, the Theory of Planned Behavior [36] also underscores the pivotal role of attitudes in shaping behavior. Thus, a consumer's likelihood of purchasing a brand is positively influenced by their attitude toward that brand [37]. The strength of an individual's intentions can reliably indicate their future behavior, as intentions can predefine future actions accurately [35]. Therefore, we propose the fourth hypothesis as follows:

**H4:** Attitudes toward local brands positively influence purchase intentions toward local brands.



Consumers may choose one brand over its competitors if they believe it offers high-quality products or features that align with their desires and expectations [17]. This perception of quality can distinguish and establish a brand as superior to its competitors [38], increasing consumer preference and brand loyalty. Recent studies suggest that consumers may favor global brands over local ones, possibly due to the belief that international brands offer superior quality [20]. Consumers may assume that a brand must possess exceptional characteristics to gain global acceptance, increasing the likelihood of choosing international brands over local ones. Several variables can influence one's intent to purchase a product, with consumer perceptions being a significant determinant [39]. Consumer perceptions can directly impact purchase intentions and indirectly affect them through various constructs such as attitudes, motivations, and brand understanding [39]. While consumer perceptions are critical in shaping purchase intentions, they are not the sole determinants. While attitudes are a well-established predictor of purchase intentions, the specific factors influencing attitudes toward local brands, especially in developing countries, need further exploration. Studies like those by Batra et al. [1] and Dimofte et al. [20] suggest that consumers in these regions often prefer global brands, which may be due to perceived quality differences or cultural influences. Additionally, variables like personal, psychological, and demographic characteristics can influence purchase intention. A favorable perception of a brand's quality leads to positive feelings toward the brand. These positive feelings, in turn, translate into a stronger will to purchase products from that brand. In other words, when consumers perceive a brand as high-quality, they are more likely to have a favorable attitude toward it and, ultimately, are more likely to make a purchase [40]. Similarly, brand innovativeness significantly impacts consumer attitudes and purchase intentions, with a positive correlation. There is a need to investigate how local brands can improve their perceived quality and innovativeness to positively influence consumer attitudes and purchase intentions. This gap is crucial for developing strategies to enhance local brands and support the development of economy in these regions. Therefore, we present the fifth and sixth hypotheses:

**H5:** Attitudes toward local brands mediate the relationship between perceived brand quality and purchase intention.

**H6:** Attitudes toward local brands mediate the relationship between brand innovativeness and purchase intention.

The proposed conceptual research model for this study is presented in Figure 1.

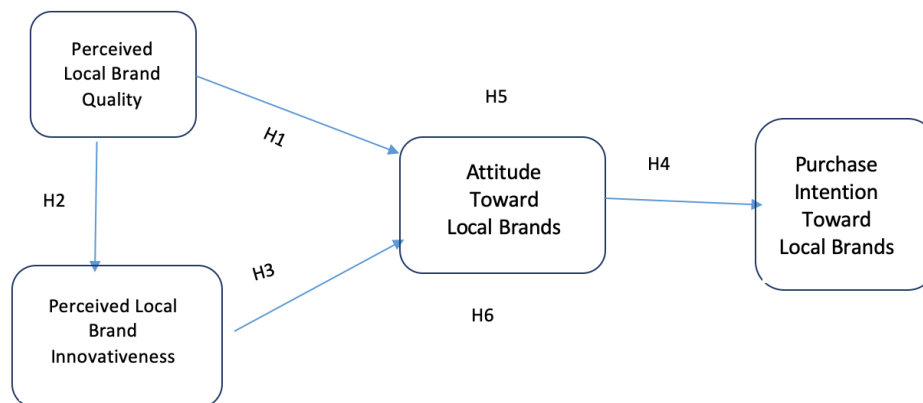


FIGURE 1. Research conceptual model.

### III. METHODOLOGY

We employed quantitative methods and a survey approach to collect data from participants.

The data collection process commenced with developing a comprehensive survey questionnaire designed to capture relevant information accurately and effectively. Initially, a draft questionnaire was created based on a thorough review of existing literature and consultations with subject matter experts to ensure it addressed all key areas of interest. This draft was then subjected to a pilot test involving a small, representative sample of the target population to identify any ambiguities or issues. Feedback from this pilot test was used to refine and

enhance the questionnaire, improving clarity and relevance. A formal validation process assessed the final version, including its reliability and validity through statistical analysis and expert review. This ensured that the questionnaire reliably measured the intended variables and produced consistent results across different contexts and groups. Once validated, the survey was administered to the entire sample, with data collection procedures monitored to maintain high standards of accuracy and integrity throughout the process.

A total of 365 responses were collected through convenience sampling. Table 1 presents respondents' characteristics, including gender, age, educational level, family business ownership status, and whether they have an entrepreneurial education background. The data collected was analyzed using IBM SPSS (version 29.01) and IBM Amos 26, employing Structural Equation Modeling and moderation analysis. These analytical methods we used IBM SPSS for initial data cleaning and basic statistics for our data analysis. Then, we turned to AMOS for more advanced work, like Structural Equation Modeling (SEM) and mediation analysis. SPSS helped us get a handle on the general patterns in our data. At the same time, AMOS allowed us to build and test complex models to see how different variables interacted and influenced each other. We used SEM to explore these relationships in depth and conducted mediation analysis to understand how certain variables acted as intermediaries.

### 1. PROFILE OF RESPONDENTS

Three hundred sixty-eight individuals in Amman, Jordan, participated in this study. Among these respondents, 59.7% were male, and 40.3% were female. Most participants fell within the age range of 18 to 26, constituting 97% of the total. A smaller portion of respondents, 1.4%, fell into the 27-43 age group, while 1.6% were aged 44-59. Regarding their educational background, most respondents held a bachelor's degree or lower (81.4%). Additionally, 14.2% had a high school diploma, 3.3% possessed a master's degree, and 1.1% had a doctorate.

Regarding family business ownership, 57.5% of respondents reported that their families did not own a business, while 42.5% came from families with their businesses. Concerning entrepreneurial education, 59.7% of respondents had a background in entrepreneurship education, while 40.3% did not have any form of entrepreneurial education.

Most respondents were Generation Z and had attained a bachelor's degree or lower. Additionally, a notable percentage of participants had experience with family business ownership and had received entrepreneurial education.

**Table 1.** Demographic distribution.

		Frequency	Percent	Cumulative
Gender	Female	147	40.3	40.3
	Male	218	59.7	100
Age	18-26	354	97	97
	27-43	5	1.4	98.4
	44-59	6	1.6	100
Educational Level	High School Diploma	52	14.2	14.2
	Bachelor's degree or lower	297	81.4	95.6
	Master's degree	12	3.3	98.9
	Doctorate Degree	4	1.1	100
Family own Business	Yes	155	42.5	42.5
	No	210	57.5	100
Entrepreneurial Background	Yes	218	59.7	59.7
	No	147	40.3	100
Education				

### 2. MEASUREMENT SCALES

Table 2 includes the four established measurement scales used to assess perceived brand quality, local brand innovativeness, attitude toward local brands, and purchase intention toward local brands. Using a five-point

Likert scale with response options ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), respondents were asked to measure their agreement with 16 measuring items. The perceived brand quality scale was adapted from Zhou et al. [41] and consisted of four things. The local brand innovativeness scale, adapted from Eisingerich and Rubera [23], also consisted of four items. The attitude toward local brands and purchase intention toward local brands scales were adapted from Šapić et al. [42] and consisted of four and four items, respectively.

Confirmatory Factor Analysis (CFA) was conducted using AMOS 26 to assess the measurement model. This analysis examined factor loadings for each item, revealing that two items (LINB4 and ATTLB1) had low factor loadings, each less than 0.05, as depicted in Table 2. Consequently, these two items were excluded from the analysis.

### 3. CONSTRUCT RELIABILITY AND VALIDITY

Both Cronbach's Alpha and Composite Reliability were used to assess Construct Reliability. The results showed that Cronbach's Alpha for each construct exceeded the required limit of .70 [43]. Composite Reliability ranged from .784 to .87, above the benchmark of .70 [44]. Therefore, Construct Reliability was established for each construct in the study, as presented in Table 2.

The convergent validity of the scale items was also assessed using Average Variance Extracted (AVE) as proposed by Fornell and Larcker [45]. The average variance-extracted value was above the threshold value of .50 for all constructs. Therefore, the scale used in the present study has the required convergent validity, as shown in Table 2.

**Table 2.** Measurement model evaluation.

Construct	Item	Loadings	CR	$\alpha$	AVE
Perceived Local Brand Quality	PQ1	1.00	0.875	.853	.644
	PQ2	.808			
	PQ3	.717			
	PQ4	.621			
Perceived Local Brand Innovativeness	LBI1	.820	.784	.780	.551
	LBI2	.759			
	LBI3	.635			
	LBI4	Deleted			
Attitude Toward Local Brand	ATLB1	Deleted	0.876	.880	0.779
	ATLB2	.879			
	ATLB3	.886			
	ATLB4	.816			
Purchase Intentions of Local Brands	PIoLB1	.782	0.872	.828	0.578
	PIoLB2	.714			
	PIoLB3	.719			
	PIoLB4	.765			

### 4. DISCRIMINANT VALIDITY

Fornell and Larcker criterion and Heterotrait-Monotrait (HTMT) ratio were used to evaluate discriminant validity. Fornell and Larcker's criterion were utilized to determine discriminant validity by establishing that the square root of AVE for a construct is greater than its correlation with other constructs in the study, as presented in Table 3. However, Fornell and Larcker's criterion has been criticized, and a new method called the HTMT ratio has been increasingly used to assess discriminant validity. This study did not fully establish discriminant validity using the Fornell and Larcker criterion. However, when HTMT ratios were used, all ratios were less than the required limit of .85, except for one ratio very close to the threshold at a value of .868 [46] in Table 4.

As presented in Table 5, all Variance Inflation Factor (VIF) values were well below the threshold value of 5. Based on this result, it can be concluded that collinearity among predictor constructs is not likely to be a significant issue in the structural model.

**Table 3.** Discriminant validity analysis.

	PLBQ	PLBI	ATLB	PITLB
PLBQ	.803			
PLBI	0.698***	0.742		
ATLB	0.697***	0.559***	0.847	
PITLB	0.593***	0.507***	0.864***	0.721

**Table 4.** HTMT discriminant validity analysis.

	PLBQ	PLBI	ATLB	PITLB
PLBQ	—			
PLBI	0.768	-		
ATLB	0.641	0.643	-	
PITLB	0.549	0.597	0.868	-

**Table 5.** Collinearity test.

Dependent Variable	Independent Variable	VIF
PITLB	ATLB	1.501
	LBIN	1.639
	PLBQ	1.630
ATLB	PLBI	1.475
	PLBQ	1.475

## IV. RESULTS AND DISCUSSION

### 1. MEASUREMENT MODEL

The overall model fit was assessed using various fit measures, including CMIN/df, GFI, CFI, TLI, SRMR, and RMSEA. The results indicated that all values fell within commonly accepted thresholds [47, 48, 49]. The four-factor model, encompassing perceived quality, local brand innovativeness, attitude toward local brands, and purchase intention of local brands, demonstrated a favorable fit with the data, as presented in Table 6. Specifically, the CMIN/df value was 3.122, GFI was 0.922, TLI was 0.938, SRMR was 0.589, and RMSEA was 0.076.

**Table 6.** Measurement model.

Fit Indices	Recommended Value	Source(s)	Obtained Value
P	insignificant	Bagozzi and Yi (1988)	.000
CMIN/df	3-5	<2(Ullman,2001) to 5 (Schumacker & Lomax,2004)	3.122
GFI	>.90	Hair et al (2010)	.922
CFI	>.90	Bentler (1990)	.954
TLI	>.90	Bentler (1990)	.938
SRMR	<.08	Hu and Bentler (1998)	.0589
RMSEA	<.08	Hu and Bentler (1998)	.076

### 2. HYPOTHESIS TESTING

The hypothesized direct relationships in the research model were tested and are presented in Table 7. The results indicate that perceived brand quality significantly and positively affects attitudes toward local brands (beta = 0.37, p = 0.001). Similarly, local brand innovativeness significantly and positively impacts perceived brand quality (beta = 0.34, p = 0.001) and attitudes toward local brands (beta = 0.39, p = 0.001). Furthermore, the



influence of attitudes toward local brands on purchase intention toward local brands is significant ( $\beta = 0.65$ ,  $p = 0.001$ ). Consequently, hypotheses H1, H2, H3, and H4 receive empirical support. In summary, perceived brand quality, local brand innovativeness, and attitudes toward local brands emerge as key determinants of purchase intention toward local brands among Generation Z consumers in Jordan. The study also aimed to investigate how attitudes toward local brands influence purchase intentions for local brands by mediating the relationship between perceived brand quality and brand innovativeness.

The mediation analysis results in Table 8 indicate significant indirect effects for perceived brand quality and local brand innovativeness on intention toward purchasing local brands mediated by attitude toward local brands. Specifically, the indirect path from perceived brand quality to intention toward purchase local brand through attitude toward local brand had an unstandardized estimate of 0.243 (95% CI [0.160, 0.350],  $p < 0.001$ ), supporting H5. Similarly, the indirect path from local brand innovativeness to intention toward purchase local brand through attitude toward local brand had an unstandardized estimate of 0.258 (95% CI [0.168, 0.341],  $p = 0.002$ ) supporting H6. These findings suggest that perceived brand quality and local brand innovativeness influence consumers' intention to purchase local brands by mediating their attitudes toward the local brand. The direct effects of perceived brand quality on purchase intention toward local brands and brand innovativeness on purchase intention toward local brands were found insignificant in the presence of mediators ( $b = .012$ ,  $P = .780$ , and  $b = .062$ ,  $P = .174$ , respectively). Therefore, there was a full competitive mediation of attitude toward local brands between perceived brand quality and brand innovativeness on purchase intention toward local brands. The summary of the mediation analysis is presented in Table 8.

**Table 7.** Hypothesis testing.

Hypothesized direct Relationship	Beta	SE	t-value	p-value	Decision
H1: PLBQ->ATLB	.37	.060	6.192	0.001	Accepted
H2: PLBQ-PLBI	.34	.036	9.416	0.001	Accepted
H3: PLBI->ATLB	.39	.062	6.37	0.001	Accepted
H4: ATLB->PITLB	.65	.036	18.092	0.001	Accepted

**Table 8.** Mediation summary.

Relationship	Direct Effect	Indirect Effect	Confidence Interval		P-value	Conclusion
			Lower Bound	Upper Bound		
PLBQ->ATLB->PITLB	.012 (.780)	.243	.160	.350	.000	Full Mediation
PLBI->ATLB->PITLB	.062 (.174)	.258	.394	.615	.002	Full Mediation

### 3. DISCUSSION

The study confirmed that perceived brand quality and innovativeness significantly impact consumers' purchase intentions toward local brands. Consumers' attitudes toward local brands mediate this impact. Consequently, the influence of brand quality and innovativeness on purchase intentions for local brands is fully and competitively mediated by consumers' attitudes toward local brands. Our findings that consumers' attitudes toward local brands mediate this impact resonate with the Theory of Planned Behavior [36], which emphasizes the role of attitudes in shaping behavioral intentions. High perceived brand quality promotes positive consumer attitudes, increasing the likelihood of purchases [14, 50]. Therefore, local brands can enhance customer acquisition and loyalty by elevating their perceived quality. This supports Fournier's [16] assertion that brand interactions, including advertising and customer service, shape quality perceptions. For instance, Dimitri's Coffee, a successful local brand in Jordan, has expanded to eight branches by consistently focusing on high-quality coffee and customer service. Their emphasis on quality has fostered positive consumer attitudes and loyalty, representing the importance of perceived brand quality.

Local brands must emphasize their innovativeness to stimulate purchase intentions, as suggested by Hubert et al. [51]. The study's findings indicate that brand innovativeness enhances brand attitudes and customer satisfaction, as innovation is especially critical in competitive markets where consumers highly value novel products.

Our study also established a significant positive relationship between local brand innovativeness and perceived brand quality. The positive relationship between brand innovativeness and perceived brand quality aligns with Hanaysha and Abdullah [31] and Naz et al. [29], highlighting the significance of innovative efforts in enhancing brand perception. Firefly Burger, another Jordanian success story, has leveraged brand innovativeness to expand to 72+ branches in 13+ countries. By introducing unique and innovative menu items and dining experiences, Firefly Burger has successfully differentiated itself from competitors, demonstrating how brand innovativeness can drive growth and consumer loyalty.

To leverage the positive impact of brand innovativeness on perceived brand quality, local brands should focus on developing innovative products or services that set them apart from competitors. Moreover, they can communicate their innovative efforts to consumers through various marketing channels, including social media, to enhance their brand reputation and reach Generation Z, known for their heavy use of social media. For instance, brands can improve product performance and durability, as suggested by Zeithaml [17], and leverage extrinsic cues like brand name and advertising [14]. Dimitri's Coffee's success in Jordan demonstrates how a focus on high-quality products and enhancing customer experiences can foster positive consumer attitudes and loyalty. Additionally, local brands should focus on developing innovative products or services that set them apart from competitors. Firefly Burger's expansion to multiple countries showcases the power of brand innovativeness in driving growth and customer satisfaction. Communicating these innovative efforts through social media can enhance their brand reputation and reach Generation Z, who heavily use these platforms [10].

Despite the common preference for global brands over local ones, our study's findings demonstrate that local brands can compete and influence purchase intentions by emphasizing perceived brand quality and innovativeness. By prioritizing these factors, local brands can cultivate favorable attitudes toward their brand among their target audience, leading to increased support for their brand. These results underscore the importance of local brands investing in building a positive brand image and reputation, as it effectively influences consumer behavior toward supporting local brands. Additionally, the fact that most of our sample belongs to Generation Z and a considerable portion has entrepreneurial educational backgrounds may suggest that individuals with an entrepreneurial mindset in this generation are more inclined to value local brands over global ones.

#### 4. LIMITATION

Regarding limitations, firstly, the demographic data were limited to the Jordanian context, which may limit the generalizability of the findings to other regions or countries. Secondly, the research primarily focused on brand-related factors such as perceived brand quality and brand innovativeness, with less attention to other potentially influential factors such as brand awareness, loyalty, and pricing. Thirdly, the study relied on self-reported data, which may be subject to biases such as social desirability and recall bias. Additionally, the study did not account for cultural variables that could influence consumer behavior differently across various contexts. Despite the study's limitations, it is a starting point for further research in the local brand field.

#### V. CONCLUSION

The study's conclusions have significant practical implications for local brands aiming to acquire and retain customers. Our findings suggest that improving perceived quality and innovativeness positively impacts consumer attitudes toward the brand, subsequently influencing the purchasing intentions of Generation Z. This study's key findings indicate that perceived brand quality and innovativeness significantly impact consumers' purchase intentions toward local brands, consumers' attitudes toward local brands mediate the relationship between brand quality, brand innovativeness, and purchase intentions, and there is a significant positive relationship between local brand innovativeness and perceived brand quality.

This research highlights the importance of local brands emphasizing their quality and innovativeness to foster positive consumer attitudes and drive purchase intentions. Local brand managers and marketers can leverage these findings to develop strategies that enhance their brand's desirability, especially among Generation Z. Theoretically, the study contributes to the literature by filling the gap regarding the impact of

perceived brand quality and innovativeness on consumer behavior toward local brands in developing countries.

Future studies should explore how cultural variables influence the relationship between perceived brand quality, brand innovativeness, and purchase intentions. Furthermore, they can investigate the effects of other marketing variables on purchase intentions, such as brand awareness, loyalty, and pricing. Expanding the study to include different regions and countries will provide comparative insights across diverse cultural contexts, further enriching the literature on local brands. Furthermore, future research should examine factors specific to certain regions that can influence purchase intentions toward local brands. For example, understanding the impact of major consumer movements or shifts in public sentiment, which may drive consumers to prefer local brands over global ones, can provide valuable insights. This approach can help identify contemporary issues and trends that significantly affect consumer choices.

### Funding statement

The authors wish to acknowledge that no specific funding or support was provided for this study.

### Author contribution

Both authors made an equal contribution to the development and planning of the study.

### Conflicts of Interest

The authors declare no conflicts of interest.

### Data Availability Statement

Data are available from the authors upon request.

### Acknowledgments

The authors would like to acknowledge the assistance of the Editor and Reviewers in the preparation of the article for publication.

## REFERENCES

1. Batra, R., Ramaswamy, V., Alden, D. L., Steenkamp, J. B. E., & Ramachander, S. (2000). Effects of brand local and nonlocal origin on consumer attitudes in developing countries. *Journal of Consumer Psychology*, 9(2), 83-95.
2. Özsumer, A. (2012). The interplay between global and local brands: A closer look at perceived brand globalness and local iconness. *Journal of International Marketing*, 20(2), 72-95.
3. Vaziri, M., Llonch-Andreu, J., & López-Belbeze, P. (2023). Brand clarity of local and global brands in fast-moving consumer goods: An empirical study in a Middle East country. *Journal of Islamic Marketing*, 14(1), 1-22.
4. Ismail, Z., Masood, S., & Tawab, Z. M. (2012). Factors affecting consumer preference of international brands over local brands. In *2nd International Conference on Social Science and Humanity* (pp. 54-59).
5. Banerjee, S. (2008). Strategic brand-culture fit: A conceptual framework for brand management. *Journal of Brand Management*, 15, 312-321.
6. Bellaaj, M. (2021). Why and how do individual entrepreneurs use digital channels in an emerging market? Determinants of use and channel coordination. *International Journal of Emerging Markets*, (ahead-of-print).
7. Prakash Yadav, G., & Rai, J. (2017). The Generation Z and their social media usage: A review and a research outline. *Global Journal of Enterprise Information System*, 9(2), 110-116.
8. Nguyen, L. H., & Nguyen, H. P. (2020). Generation Z in Vietnam: The quest for authenticity. In E. Gentina & E. Parry (Eds.), *The New Generation Z in Asia: Dynamics, Differences, Digitalisation* (pp. 135-148). Emerald Publishing Limited.
9. Turner, A. (2015). Generation Z: Technology and social interest. *The Journal of Individual Psychology*, 71(2), 103-113.
10. Waworuntu, E. C., Mandagi, D. W., & Pangemanan, A. S. (2022). 'I see it, I want it, I buy it': The role of social media marketing in shaping brand image and Gen Z's intention to purchase local products. *Society*, 10(2), 253-271.
11. Hamdi, M., Indarti, N., Manik, H. F. G. G., & Lukito-Budi, A. S. (2022). Monkey see, monkey do? Examining the effect of entrepreneurial orientation and knowledge sharing on new venture creation for Gen Y and Gen Z. *Journal of Entrepreneurship in Emerging Economies*.
12. Asshidin, N. H. N., Abidin, N., & Borhan, H. B. (2016). Perceived quality and emotional value that influence consumer's purchase intention toward American and local products. *Procedia Economics and Finance*, 35, 639-643.
13. Zeng, W., & Kim, E. (2024). How perceived local iconness of culturally mixed products enhances purchase intention: The mediating role of consumer perceived value. *Asia Pacific Journal of Marketing and Logistics*.
14. Aaker, D. A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. New York: Free Press.
15. Mukhtar, M., Khan, Z. U., Ahmad, M. B., & Irfan, M. (2024). The impact of perceived quality and brand loyalty on venture's equity: The mediating role of customer trust. *Journal of Entrepreneurship and Business Venturing*, 4(1).
16. Fournier, S. (1998). Consumers and their brands: Developing relationship theory in consumer research. *Journal of Consumer Research*, 24(4), 343-373.

17. Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2-22.
18. Li, W. K., & Wyer Jr, R. S. (1994). The role of country of origin in product evaluations: Informational and standard-of-comparison effects. *Journal of Consumer Psychology*, 3(2), 187-212.
19. Pappu, R., Quester, P. G., & Cooksey, R. W. (2007). Country image and consumer-based brand equity: Relationships and implications for international marketing. *Journal of International Business Studies*, 38(5), 726-745.
20. Dimofte, C. V., Johansson, J. K., & Bagozzi, R. P. (2010). Global brands in the United States: How consumer ethnicity mediates the global brand effect. *Journal of International Marketing*, 18(3), 81-106.
21. Ger, G. (1999). Localizing in the global village: Local firms competing in global markets. *California Management Review*, 41(4), 64-83.
22. Guo, X. (2013). Living in a global world: Influence of consumer global orientation on attitudes toward global brands from developed versus emerging countries. *Journal of International Marketing*, 21(1), 1-22.
23. Eisingerich, A. B., & Rubera, G. (2010). Drivers of brand commitment: A cross-national investigation. *Journal of International Marketing*, 18(2), 64-79.
24. Aaker, D. (2007). Innovation: Brand it or lose it. *California Management Review*, 50(1), 8-24.
25. Kunz, W., Schmitt, B., & Meyer, A. (2011). How does perceived firm innovativeness affect the consumer? *Journal of Business Research*, 64(8), 816-822.
26. Boisvert, J., & Ashill, N. J. (2011). How brand innovativeness and quality impact attitude toward new service line extensions: The moderating role of consumer involvement. *Journal of Services Marketing*, 25(7), 517-527.
27. Pappu, R., & Quester, P. G. (2016). How does brand innovativeness affect brand loyalty? *European Journal of Marketing*.
28. Shams, R., Brown, M., & Alpert, F. (2020). A model and empirical test of evolving consumer perceived brand innovativeness and its two-way relationship with consumer perceived product innovativeness. *Australasian Marketing Journal*, 28(4), 171-180.
29. Naz, S., Asrar-ul-Haq, M., Iqbal, A., & Ahmed, M. (2023). Relationship between brand innovativeness and customer satisfaction: A moderated mediation model from Generation M perspective. *Journal of Islamic Marketing*, (ahead-of-print).
30. Lassar, W., Mittal, B., & Sharma, A. (1995). Measuring customer-based brand equity. *Journal of Consumer Marketing*, 12(4), 11-19.
31. Hanaysha, J., & Abdullah, H. H. (2015). The impact of product innovation on relationship quality in the automotive industry: Strategic focus on brand satisfaction, brand trust, and brand commitment. *Asian Social Science*, 11(10), 94-104.
32. Chen, J., Liang, M., & Wei, Y. (2024). The influence of brand innovativeness on consumer purchase intentions towards domestic global brands in emerging markets: Evidence from China. *Journal of Consumer Behaviour*, 23(3), 1208-1218.
33. Jose K, A., & Sia, S. K. (2022). Theory of planned behavior in predicting the construction of eco-friendly houses. *Management of Environmental Quality: An International Journal*, 33(4), 938-954.
34. Ajzen, I., & Fishbein, M. (1980). *Understanding attitudes and predicting social behavior*. Englewood Cliffs, NJ: Prentice-Hall.
35. Fishbein, M., & Ajzen, I. (1975). *Belief, attitude, intention and behavior: An introduction to theory and research*. Reading, MA: Addison-Wesley.
36. Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211.
37. Laroché, M., Kim, C., & Zhou, L. (1996). Brand familiarity and confidence as determinants of purchase intention: An empirical test in a multiple brand context. *Journal of Business Research*, 37(2), 115-120.
38. Yoo, B., Donthu, N., & Lee, S. (2000). An examination of selected marketing mix elements and brand equity. *Journal of the Academy of Marketing Science*, 28(2), 195-211.
39. Rubera, G., Ordanini, A., & Griffith, D. A. (2011). Incorporating cultural values for understanding the influence of perceived product creativity on intention to buy: An examination in Italy and the US. *Journal of International Business Studies*, 42, 459-476.
40. Chi, H. K., Yeh, H. R., & Yang, Y. T. (2009). The impact of brand awareness on consumer purchase intention: The mediating effect of perceived quality and brand loyalty. *The Journal of International Management Studies*, 4(1), 135-144.
41. Zhou, K. Z., Li, J. J., Zhou, N., & Su, C. (2008). Market orientation, job satisfaction, product quality, and firm performance: Evidence from China. *Strategic Management Journal*, 29(9), 985-1000.
42. Šapić, S., Kocić, M., & Filipović, J. (2018). Brand and consumer characteristics as drivers of behavior towards global and local brands. *Zbornik radova Ekonomskog fakulteta u Rijeci: časopis za ekonomsku teoriju i praksu*, 36(2), 619-645.
43. Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). New York: McGraw-Hill.
44. Hair, J. F., Anderson, R. E., Babin, B. J., & Black, W. C. (2010). *Multivariate data analysis: A global perspective* (7th ed.).
45. Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
46. Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43(1), 115-135.
47. Bentler, P. M. (1990). Comparative fit indexes in structural models. *Psychological Bulletin*, 107(2), 238-246.
48. Hu, L. T., & Bentler, P. M. (1998). Fit indices in covariance structure modeling: Sensitivity to underparameterized model misspecification. *Psychological Methods*, 3(4), 424-453.
49. Ullman, J. B. (2001). Structural equation modeling. In B. S. Tabachnick & L. S. Fidell (Eds.), *Using multivariate statistics*. Boston, MA: Pearson Education.
50. Yoo, B., & Donthu, N. (2001). Developing and validating a multidimensional consumer-based brand equity scale. *Journal of Business Research*, 52(1), 1-14.
51. Hubert, M., Florack, A., Gattringer, R., Eberhardt, T., Enkel, E., & Kenning, P. (2017). Flag up! Flagship products as important drivers of perceived brand innovativeness. *Journal of Business Research*, 71, 154-163.