

XENOCENTRISM AND BRAND PREFERENCES AMONG MILLENNIALS: THE MEDIATING ROLE OF BRAND AUTHENTICITY AND BRAND INNOVATIVENESS

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DOI: <http://doi.org/10.5281/zenodo.20636653>

Keywords

Xenocentrism, Brand Preferences, Millennials, Brand Authenticity, Brand Innovativeness, Millennials Pakistan

Article History

Received: 01 February 2026

Accepted: 17 March 2026

Published: 31 March 2026

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Abstract

This study explores how xenocentrism influences brand preferences among millennial consumers in Pakistan. Grounded in system justification theory, this research examines the mediating effect of brand authenticity and brand innovativeness. Data were collected from 387 millennials in Karachi using a structured questionnaire. Correlation and regression analyses revealed that xenocentrism significantly influences brand preferences. However, brand authenticity did not mediate this relationship, suggesting that authenticity may not be a decisive factor for xenocentric consumers. In contrast, brand innovativeness significantly mediates the effect on the relationship between xenocentrism and brand preferences. These findings provide practical insights for marketers targeting highly engaged consumers and highlight the need for policymakers to support local industries in competing against foreign brands.

Purpose – This study examines the impact of consumer xenocentrism on brand preferences among millennial consumers in Pakistan. Xenocentrism reflects a consumer's belief in the superiority of foreign brands over domestic ones, influencing purchasing decisions. The study also explores the mediating role of brand authenticity and the brand innovativeness.

Design/methodology/approach – A quantitative research approach was employed using survey data from 387 millennial consumers in Karachi, Pakistan. The study utilized descriptive statistics, correlation analysis, and regression analysis to assess the relationships between xenocentrism, brand authenticity, brand innovativeness, and brand preferences.

Findings – The results confirm that consumer xenocentrism has a significant positive impact on brand preferences, indicating a strong preference for foreign brands among Pakistani millennials. However, no significant mediating effect of brand authenticity was found. In contrast, brand innovativeness was found to significantly mediate the relationship between xenocentrism and brand preferences, suggesting that consumers highly involved in an innovation exhibit stronger xenocentric tendencies in their brand choices.

Originality/value – This study contributes to the understanding of xenocentric consumer behavior in an emerging market context. The findings offer a fresh perspective about the role of brand authenticity while highlighting the importance of innovativeness in shaping brand preferences. The study provides valuable insights for marketers seeking to develop strategies to position domestic brands more effectively in response to xenocentric tendencies among millennials.

Introduction

Brand position in the contemporary dynamic global market of competition depends on consumer preferences. People develop their brand choices based on various cultural psychological and social elements that influence how they perceive domestic versus international brands. The consumer behavior of emerging countries has undergone significant changes because of globalization due to fast-growing cultural contact with foreign markets. Consumer xenocentrism (C_XEN) represents an important modern phenomenon because it describes individuals who favor foreign products alongside their cultures and ideas instead of domestic options (Kent & Burnight 1951; Eshleman 1993). As described by Prince et al. (2016) and Cleveland et al. (2019) the xenocentric consumer views foreign-made products as superior in every aspect to domestically made substitutes. Modern media and economic aspirations alongside globalization create foreign brand preference (B_PRE) which appear more modern and built of higher quality (Balabanis & Diamantopoulos, 2016)

System Justification Theory (SJT) (Jost & Banaji, 1994) offers a compelling theoretical lens to understand this consumer bias. According to the theory, individuals tend to rationalize and legitimize existing societal and economic systems—even when such systems do not necessarily benefit them. The system justification theory is highly effective in predicting both attitudinal and loyalty biases. The C_XEN construct, derived from this theory, consistently explains biases toward both domestic and foreign products (Balabanis et al., 2016). In a branding context, xenocentric consumers may justify their preference for foreign brands as superior, based on internalized cultural narratives and global marketing exposure (Balabanis & Diamantopoulos, 2016).

The increase in digital connectivity and worldwide exposure has amplified xenocentric views, especially among millennials—a generation known for their technological proficiency, global perspective, and active participation on social media. Endless exposure to international trends and global branding has

formed their consumption behaviors in unprecedented ways (Prince et al., 2016; Rojas & Kolotylo, 2021). This shift is especially visible in emerging markets like Pakistan, where foreign brands have secured a strong position in sectors such as fashion, electronics, cosmetics, and lifestyle products. The aspiration-driven culture among Pakistani millennials has deepened xenocentric preferences which is posing significant challenges for domestic brands. Domestic companies struggling to retain market relevance, and striving to compete in a marketplace shaped by global standards and shifting cultural identities.

Two pivotal constructs that may mediate the relationship between C_XEN and B_PRE are brand authenticity (B_AUT) and brand innovativeness (B_INO). B_AUT describes the way consumers see brands as real expressions of their core values which develops trust while building emotional relationships (Beverland, 2006; Morhart et al., 2015). The concept of B_INO describes how customers view a brand as modern and innovative while its ability to develop fresh creative products aligns with current market demands (Shams et al., 2015; Kock et al., 2019). Investigating how these factors mediate the influence of C_XEN on B_PRE can provide deeper insights into consumer decision-making processes.

Despite growing interest in the concept, academic research on C_XEN remains limited and fragmented (Prince et al., 2016; Diamantopoulos et al., 2019). Although much is known about B_PRE and global consumer behavior, the specific influence of C_XEN on B_PRE among millennials in developing markets is under-researched. Previous studies have extensively examined ethnocentrism (preference for local products) and cosmopolitanism (a global orientation), yet the role of C_XEN in shaping B_PRE is relatively underexplored. Moreover, while existing literature links C_XEN to product evaluations and purchase intentions (Camacho et al., 2020; Cucato et al., 2023), few studies have investigated mediating mechanisms that explain how C_XEN translates into actual B_PRE. The interplay between C_XEN, B_AUT, and B_INO presents a multifaceted landscape influencing consumer B_PRE. Xenocentric

consumers may inherently perceive foreign brands as more authentic and innovative, leading to a preference for these brands over domestic alternatives. However, the mediating roles of B_AUT and innovativeness in this relationship warrant further exploration. While existing literature provides foundational insights into the individual roles of C_XEN, B_AUT, and B_INO, several gaps remain. Notably, there is a lack of comprehensive studies examining the combined mediating effects of B_AUT and innovativeness on the relationship between C_XEN and B_PRE.

This research aims to fill this gap by exploring how C_XEN affects B_PRE among millennials in Pakistan. The focus of the study is on the mediating roles of B_AUT and B_INO. By integrating these constructs, the research seeks to contribute to a more comprehensive understanding of the mechanisms through which xenocentric tendencies shape consumer behavior. Since xenocentric consumers frequently link foreign brands to qualities like authenticity and innovation therefore it is important to explore these mediating factors to better understand consumer behavior. This insight is not only significant academically but also provides practical benefits to local and global marketers aiming to connect with millennial consumers in developing markets.

It is imperative to understand the psychological foundations of C_XEN and its impact on B_PRE in the context of increasing global competition. This study offers empirical evidence on xenocentric consumer behavior within Pakistan that contributes to the growing academic discourse on global consumer culture. Beyond its theoretical contributions, the research also provides practical insights for brand strategists, marketers, and policymakers seeking to enhance the competitive positioning of local brands among urban millennials. The findings are expected to support international brands in reinforcing their appeal, while also equipping domestic brands with strategies to counteract foreign B_PRE and rebuild consumer confidence.

Literature Review and Hypotheses Development

Consumer Xenocentrism

The concept of C_XEN was first introduced by sociologists Donald P. Kent and Robert G. Burnight in their 1952 paper "Group Centrism in Complex Societies," published in the *American Journal of Sociology*. They defined C_XEN as "a view in which a group other than one's own is perceived as superior, with all other groups, including one's own, being evaluated in reference to it". In the context of consumer behavior, Balabanis and Diamantopoulos (2016) further conceptualized C_XEN as the belief in the superiority of foreign products over domestic ones, driven by perceptions of domestic inferiority and the desire to maintain social status. Eshleman (1993) emphasized that C_XEN reflects the inclination to favor products, styles, or ideas from other cultures, particularly when these are perceived as superior to one's own cultural offerings.

C_XEN is the tendency of consumers to favor foreign brands over domestic alternatives, often driven by the belief that foreign products are more authentic, offer higher quality, prestige, and innovation. Cleveland (2009) asserts that C_XEN captures the extent to which consumers view foreign offerings as superior to domestic products, regardless of actual product quality. Empirical studies have reinforced the notion that C_XEN is a multidimensional construct comprising foreign admiration and domestic rejection (Balabanis & Diamantopoulos, 2016). This has led to the observation that xenocentric consumers frequently prefer foreign products even when local products are of comparable or superior quality (Mueller et al., 2015; Mueller & Rene, 2016). According to Thoumrungroje (2024), xenocentric consumers often fail to acknowledge the superiority of domestic products, and when they do, they still prefer foreign alternatives, sometimes even when these are of inferior quality. This phenomenon is further illustrated by Lawrence (2012), who found that xenocentric consumers tend to focus on the flaws of local products while simultaneously elevating foreign goods to a superior status.

Moreover, research indicates that such consumers associate foreign brands with higher

prestige and superior quality, reinforcing their preference for these products (Rojas-Méndez & Chapa, 2020; Davydova et al., 2019). Empirical evidence also suggests that C_XEN significantly influences B_PRE across both developed and emerging economies (Mueller et al., 2020). C_XEN shapes purchasing decisions across various product categories, favoring foreign brands even in markets where local alternatives are strong competitors (Balabanis & Diamantopoulos, 2016). Additionally, research indicates that C_XEN is positively correlated with attitudes toward imported goods, product quality perceptions, and purchase intentions (Venugopal et al., 2022; Ghaffar et al., 2023). Specifically, millennials tend to show a pronounced inclination toward foreign brands when they exhibit xenocentric attitudes. Based on these findings, we hypothesize:

H1: Consumer xenocentrism has a positive impact on brand preferences.

Brand Authenticity

The concept of authenticity is derived from the Latin and Greek terms *Authentikos* and *Authenticus*, which denote genuineness and trustworthiness (Cappannelli, 2004). Authenticity in the context of brands refers to the perception that a brand is true to its core values, delivering consistency, honesty, and sincerity in its market presence (Rosado et al., 2022). According to Morhart (2015), B_AUT captures how consumers perceive a brand as trustworthy, sincere, and committed to maintaining its identity.

Authenticity has become an increasingly important factor in consumer decision-making, as consumers today are more inclined to engage with brands they perceive as transparent, consistent, and true to their roots. Authenticity has been shown to foster long-term consumer trust, positively influencing brand loyalty and preference (Napoli et al., 2014; Beverland, 2006). An authentic brand is seen as more credible and desirable, resulting in stronger consumer connections and purchase intentions (Audrezet et al., 2020). Research has also highlighted that xenocentric consumers are more likely to develop a strong affinity for foreign brands perceived as authentic, while

simultaneously rejecting domestic alternatives (Jussara et al., 2022).

Furthermore, studies show that C_XEN can enhance perceptions of product quality and generate positive attitudes toward foreign brands (Balabanis & Diamantopoulos, 2016). Recent studies revealed that B_AUT, often built through heritage, transparency, and consistency, can be overshadowed by the prestige attached to foreign products in xenocentric mindsets (Huaman-Ramirez et al., 2019). Diamantopoulos et al. (2019) suggest that xenocentric consumers are particularly drawn to foreign brands that they perceive as authentic. Cucato (2025) explored the role of authenticity, finding that while C_XEN alone did not directly influence local B_PRE, its impact was mediated by perceived B_AUT, reinforcing the notion that authenticity serves as a key factor in shaping consumer preferences. Based on these insights, we hypothesize:

H2a: Consumer xenocentrism has a positive impact on brand authenticity.

H2b: Brand authenticity has a positive impact on brand preferences.

H2c: Brand authenticity positively mediates the relationship between consumer xenocentrism and brand preferences.

Brand Innovativeness

Innovation refers to the development and application of new ideas, products, or processes to meet consumer needs and secure competitive advantages in the market (Jiménez & Sanz-Valle, 2011; Vincent et al., 2004). In the business context, B_INO encompasses an organization's ability to introduce new products, services, and groundbreaking technologies (Damanpour, 1991; Hurley et al., 1998). The strategic focus on innovation enables brands to differentiate themselves in the marketplace by providing cutting-edge solutions that attract and retain consumers (Verganti, 2008).

B_INO plays a pivotal role in shaping consumer perceptions. Innovative brands are often associated with higher quality, advanced technology, and superior functionality, traits that influence consumer preferences (Falah et al., 2022). As innovation becomes an essential competitive tool in today's fast-paced market, it helps brands build consumer trust and market

leadership (Nedergaard & Gyrð-Jones, 2013; Colton, 2012). Srinivasan et al. (2002) highlighted that successful innovations serve as barriers to entry for competitors, further reinforcing a brand's position as a market leader. Research has shown that B_INO is positively associated with consumer loyalty and preference (Miwa, 2023).

For xenocentric consumers, the perception of B_INO enhances their preference for foreign brands. According to Zhou and Hui (2003), when consumers are motivated by design and functionality, foreign brands are often perceived as trendsetters, which strengthens their appeal. Furthermore, B_INO not only enhances the attractiveness of a brand but also amplifies the effect of B_AUT, thus influencing consumer

preferences more effectively. Huaman-Ramirez et al. (2019) suggests that B_INO reinforces the foreign B_PRE and can act as a buffer even when familiarity or authenticity is lacking. Brands that are both perceived as authentic and innovative present a compelling value proposition to consumers (Nedergaard & Gyrð-Jones, 2013). Therefore, we hypothesize:

H3a: Consumer xenocentrism has a positive impact on brand innovativeness.

H3b: Brand innovativeness has a positive impact on brand preferences.

H3c: Brand innovativeness positively mediates the relationship between consumer xenocentrism and brand preferences.

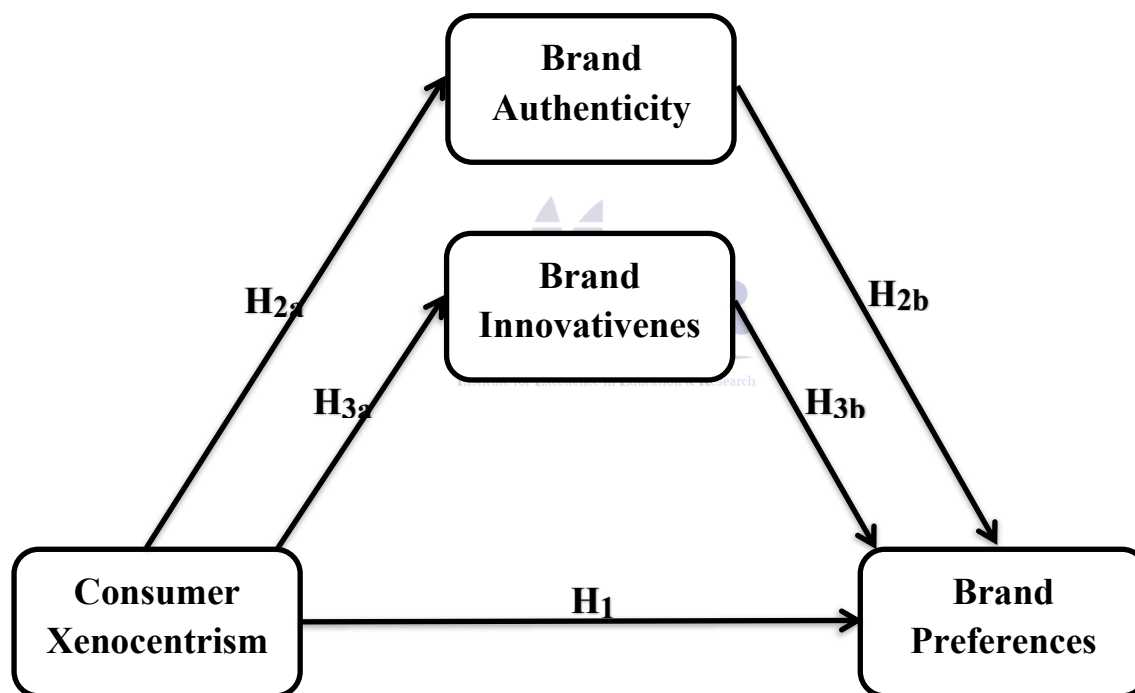


Fig 1: Conceptual Framework

H_{2c}: Xenocentrism → Brand Authenticity → Brand Preferences
 H_{3c}: Xenocentrism → Brand Innovativeness → Brand Preferences

Methods and Materials
Measurement Selection

This study employed a structured survey questionnaire to collect data from millennials in Karachi. The questionnaire was divided into two sections. The first section gathered socio-demographic details, including gender, age, marital status, education level, employment status, and monthly income. These variables

provided a comprehensive understanding of the sample population. The second section assessed key constructs using validated scales from prior research, ensuring reliability and validity. Each construct was measured using a five-point Likert scale ranging from "1 = Strongly Disagree" to "5 = Strongly Agree," allowing respondents to express the degree of their agreement with each statement.

The measurement of C_XEN was based on the Xen-Scale by Balabanis and Diamantopoulos (2016), consisting of ten items (e.g., “I trust a foreign product more than the local ones”) that assess perceptions of foreign versus local product quality, trust in foreign brands, and social influences on purchasing behavior. B_PRE were measured using five items (e.g., “Foreign brands are my preferred brands over any other brands”) adapted from Jamal and Al-Marri (2007) and Overby and Lee (2006), evaluating respondents' inclination toward foreign brands over local brands. B_AUT was assessed using five items (e.g., “Foreign brands possess a clear philosophy which guides the brand promise”) adapted from Schallehn, Burmann, and Riley (2014), measuring perceptions of brand integrity and authenticity. B_INO was measured through seven items (e.g., “The foreign brands I purchase are highly innovative”) adapted from Fazal-E-Hasan et al. (2019), capturing perceptions of a brand's uniqueness, innovation, and product quality. By employing established scales and a quantitative approach, this study ensures data reliability and construct validity, enabling robust analysis of the relationship between C_XEN, B_AUT, innovativeness, and B_PRE among Pakistani millennials.

Sampling Technique

This study employed convenience sampling due to its practicality, accessibility, and time efficiency in gathering data from Pakistani millennials. Since no official sampling frame exists for this target population, probability sampling was not feasible. The research aims to examine the behaviors and preferences of millennials in Pakistan, a distinct demographic group facing specific socio-economic challenges and opportunities. Focusing on Karachi, the largest city and economic hub of Pakistan, allows for an in-depth investigation of the diverse and rapidly evolving consumer behaviors of urban millennials. This approach enables the study to capture variations in gender, education,

employment status, and socio-economic background that influence consumer behavior. To mitigate the risk of non-responses and incomplete surveys, the final valid sample size was adjusted to 387 respondents, ensuring the reliability and validity of the study findings.

Data Collection Method

Data were collected using a structured questionnaire designed to gather quantitative insights into B_PRE, attitudes toward B_AUT and innovativeness, and xenocentric consumer behavior among millennials in Karachi. The survey consisted of closed-ended questions and Likert scale items to facilitate a comprehensive quantitative analysis.

A multi-modal data collection approach was adopted, combining online and offline methods to ensure a diverse and representative sample. The online survey was disseminated through social media platforms and digital communities commonly used by Karachi-based millennials, including Facebook, Instagram, LinkedIn, and WhatsApp. This method facilitated broad participation, reaching individuals from diverse educational and socio-economic backgrounds. In addition to online distribution, in-person data collection was conducted in popular millennial-frequented locations such as universities, cafes, and shopping districts.

This approach encouraged participation, improved response rates, and allowed for clarification of survey questions, thereby enhancing data quality. To ensure a robust dataset, approximately 950 survey requests were distributed. Out of these, 515 participants completed the questionnaire, resulting in a response rate of 54.2%. Thus, the final dataset after the cleaning of data consisted of 387 valid responses from Pakistani millennials.

Characteristics of Sample

The demographic profile of the respondents is summarized in Table 1, which includes information on gender, age, education level, income and employment.

Table 1: Characteristics of the Sample

Sample Characteristics	Frequency	Percentage
Gender		
Female	152	39.3%
Male	235	60.7%
Age		
28 - 32	150	38.8%
33 - 37	141	36.4%
38 - 42	96	24.8%
Marital Status		
Divorced	2	0.5%
Married	291	75.2%
Un-Married	94	24.3%
Education		
Below Secondary	2	0.5%
Graduate	305	78.8%
Post Graduate	80	20.7%
Employment		
Freelancer	20	5.2%
Government	26	6.7%
Housewife	84	21.7%
Private Sector	185	47.8%
Self Employed / Business	42	10.9%
Unemployed / Retired	30	7.8%
Income		
Less than 50,000	75	19.4%
51,000 - 100,000	130	33.6%
101,000 to 150,000	92	23.8%
151,000 to 200,000	33	8.5%
More than 200,000	57	14.7%

N = 387; Note: Income in Pak Rupees

Data Analysis and Results

The data analysis in this study was primarily conducted using IBM SPSS to ensure the robustness and validity of results. These methods were selected because they align with the study's positivist research philosophy, quantitative approach, and hypothesis-driven framework, allowing for a structured examination of the relationships between C_XEN, B_AUT, B_INO, and B_PRE. Correlation, regression, and mediation analyses were conducted using SPSS to ensure statistical rigor, accuracy, and meaningful insights into the role of C_XEN in shaping B_PRE. The selection of these methods, along with the justified exclusion of alternative techniques, strengthens the credibility and reliability of the research findings.

Measurement Model

The model's goodness of fit was evaluated using model-fit measures (CMIN/df, CFI, SRMR, and RMSEA) and all values met the accepted criteria (Ullman, 2001; Hu and Bentler 1998, Bentler, 1990). The four factors (C_XEN, B_PRE, B_AUT, B_INO) model showed a strong fit with CMIN/df = 2.953, CFI = .929, SRMR = .049, and RMSEA = .070.

Reliability and Validity Measures

Table 2 presents the reliability and validity statistics for the constructs measured in this study. The evaluation of these metrics follows the approach recommended by Gefen, Straub, and Boudreau (2000), which emphasizes both convergent and discriminant validity, as well as internal consistency. Convergent validity was assessed using the Average Variance Extracted

(AVE), following the criterion established by Fornell and Larcker (1981). An AVE value greater than 0.50 indicates that a construct explains more than half of the variance of its indicators, which is considered acceptable. In this study, all AVE values exceeded the 0.50 threshold, suggesting adequate convergent validity across constructs. Internal consistency reliability was evaluated using both Cronbach's Alpha and Composite Reliability (CR). According to widely accepted benchmarks (e.g., Eisingerich & Rubera, 2010), values above 0.70 are considered acceptable indicators of reliability. The results in Table 2 demonstrate that values for all constructs surpass this

criterion, confirming the internal consistency of the measurement scales. To assess discriminant validity, the Fornell-Larcker criterion was employed. This method stipulates that the square root of the AVE for each construct should be greater than the highest squared correlation between that construct and any other in the model.

As shown in Table 2, all constructs satisfy this requirement, thereby confirming the presence of discriminant validity. Overall, the constructs used in this study exhibit strong reliability, as well as convergent and discriminant validity, ensuring the soundness of the measurement model.

Table 2: Model Reliability and Validity Measures

	CR	AVE	MSV	ASV	C_XEN	B_INO	B_PRE	B_AUT
C_XEN	.921	.539	.326	.215	0.734			
B_INO	.928	.649	.466	.278	0.469***	0.806		
B_PRE	.953	.803	.326	.221	0.571***	0.504***	0.896	
B_AUT	.913	.679	.466	.203	0.424***	0.683***	0.248***	0.824

Note: Significance of Correlations: $p < 0.100$, * $p < 0.050$, ** $p < 0.010$, *** $p < 0.001$

Correlation Analysis

Table 3 presents the correlation matrix for the variables under study, revealing significant relationships between C_XEN, B_PRE, B_AUT, and B_INO.

Table 3: Correlation Matrix

Pearson's	Mean	Std. Deviation	C_XEN	B_PRE	B_AUT	B_INO
C_XEN	34.312	6.637	1			
B_PRE	15.674	4.756	.506**	1		
B_AUT	18.193	3.732	.429**	.262**	1	
B_INO	25.245	5.035	.427**	.483**	.629**	1

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

The mean score for C_XEN was 34.312 (SD = 6.637) and showed a strong positive correlation with B_PRE ($r = 0.506$, $p < 0.01$), indicating that higher levels of C_XEN are associated with greater preference for foreign brands among millennials. C_XEN also showed moderate positive correlations with B_AUT ($r = 0.429$, $p < 0.01$) and B_INO ($r = 0.427$, $p < 0.01$), suggesting that millennials who favor foreign products tend to perceive them as both authentic and innovative. B_PRE had a mean

score of 15.674 (SD = 4.756) and were positively correlated with B_AUT ($r = 0.262$, $p < 0.01$) and more strongly with B_INO ($r = 0.483$, $p < 0.01$). This suggests that a higher preference for certain brands is linked to perceptions of innovation and, to a lesser extent, authenticity. B_AUT itself had a mean of 18.193 (SD = 3.732) and was strongly correlated with B_INO ($r = 0.629$, $p < 0.01$), indicating that brands perceived as authentic are also seen as more innovative.

Hypothesis Testing

This chapter presents the comprehensive results of hypothesis testing conducted using IBM SPSS and the PROCESS macro developed by Hayes (2013) to assess simple linear regression and mediation effects. Each hypothesis was systematically tested according to the research

framework, and the results are discussed in detail to provide clarity on the relationships hypothesized in this study. This detailed approach ensures that all aspects of the hypotheses are addressed and that the results contribute to a deeper understanding of the study's research questions.

Table 4: Regression Results

Hypothesis	Independent Variable	Dependent Variable	β	R ²	F	SE	t-Value	p-Value	Hypothesis Testing
H1	C_XEN	B_PRE	.363	.256	132.506	.032	11.510	< .001	Supported
H2a	C_XEN	B_AUT	.241	.184	86.607	.026	9.306	< .001	Supported
H3a	C_XEN	B_INO	.324	.182	85.677	.035	11.57	< .001	Supported
H2b	B_AUT	B_PRE	.334	.069	28.449	.063	5.334	< .001	Supported
H3b	B_INO	B_PRE	.456	.233	116.902	.042	10.812	< .001	Supported

The results show that C_XEN significantly predicts B_PRE, with 25.6% of the variance explained ($\beta = 0.363, p < 0.001$). Additionally, C_XEN also predicts B_AUT ($\beta = 0.241, p < 0.001$) and B_INO ($\beta = 0.324, p < 0.001$), explaining 18.4% and 18.2% of their respective

variances. B_AUT positively influences B_PRE ($\beta = 0.334, p < 0.001$), explaining 6.9% of the variance, while B_INO has a stronger impact on B_PRE ($\beta = 0.456, p < 0.001$), explaining 23.3% of the variance. All relationships are statistically significant ($p < 0.001$).

Table 5: Mediation Effects

Outcome Variable	Predictor	β	R ²	F	SE	t	p	LLCI	ULCI
B_PRE	C_XEN	.287	.361	71.973	.033	8.644	<.001	.222	.352
B_AUT	C_XEN	.241	.184	86.607	.026	9.306	<.001	.190	.291
B_INO	C_XEN	.324	.182	85.677	.035	9.256	<.001	.254	.392
B_AUT	-	-.223	-	-	.069	-3.237	.001	-.358	-.087
B_INO	-	.398	-	-	.051	7.814	<.001	.297	.498

Indirect Effects

Hypothesis - Indirect Path	Effect	BootSE	BootLLCI	BootULCI	Mediation
Total Indirect Effect	.075	.025	.027	.123	Yes (Partial Mediation)
H2c: C_XEN → B_AUT → B_PRE	-.054	.020	-.097	-.017	No (Not Supported)
H3c: C_XEN → B_INO → B_PRE	.129	.025	.081	.180	Yes (Supported)

In the present analysis, the mediation effects of B_AUT and B_INO in the relationship between C_XEN and B_PRE were examined using Hayes' (2022) PROCESS macro (Model 4). The results indicate that C_XEN has a significant direct effect on B_PRE ($\beta = .287, p < .001$), and also significantly predicts both

B_AUT ($\beta = .241, p < .001$) and B_INO ($\beta = .324, p < .001$), suggesting that individuals with higher levels of consumer xenocentrism are more likely to prefer foreign brands and perceive them as authentic and innovative. The total indirect effect of C_XEN on B_PRE was also significant ($\beta = .075, \text{BootSE} = .025,$

95% CI [.027, .123]), indicating partial mediation. Specifically, B_INO showed a significant and **positive** indirect effect ($\beta = .129$, BootSE = .025, 95% CI [.081, .180]), supporting H3c and confirming that perceived innovativeness mediates the relationship between C_XEN and brand preference.

Conversely, B_AUT also showed a **statistically significant but negative** indirect effect ($\beta = -.054$, BootSE = .020, 95% CI [-.097, -.017]). This finding contradicts the hypothesized positive mediation (H2c), and therefore **H2c is not supported**. The direction of the effect suggests a **suppression effect**, indicating that higher perceptions of authenticity slightly weaken the positive influence of consumer xenocentrism on brand preference.

These results suggest that while perceived innovativeness enhances brand preference among xenocentric consumers, perceived authenticity may introduce cognitive dissonance or value incongruence in this context, weakening preference. Overall, these findings contribute to a more nuanced understanding of the interplay between cultural orientations and brand perceptions in influencing consumer behavior.

Discussion and Conclusions

This study investigated the influence of C_XEN on B_PRE among millennials in Pakistan, with particular attention to the mediating effects of B_AUT and B_INO. Findings from the regression analysis revealed a significant and positive relationship between C_XEN and B_PRE. In essence, individuals who demonstrate a stronger preference for foreign goods tend to favor international brands over local alternatives. This aligns with earlier research, which suggests that xenocentric consumers often view domestic products as inferior (Balabanis & Diamantopoulos, 2016; Cleveland et al., 2009). The standardized regression coefficients further substantiate this association, indicating a strong and statistically meaningful link between xenocentric attitudes and a pronounced preference for global brands. These findings are consistent with prior research in other emerging economies, where xenocentric consumers have been shown to favor foreign products, largely due to the

perceived higher quality and elevated status associated with international brands (Xie et al., 2023; Venugopa et al., 2022). Beyond supporting existing evidence, the present results also add meaningful insight to the broader field of consumer behavior by underscoring how cultural orientations—particularly C_XEN—significantly influence brand selection across different product categories (Prince et al., 2016; Rojas-Méndez & Chapa, 2020).

The analysis revealed that B_AUT did not play a statistically significant mediating role in the relationship between C_XEN and B_PRE. Interestingly, the indirect effect was negative, suggesting a potential inverse dynamic—higher levels of C_XEN may reduce the perceived relevance or value of B_AUT. Among Pakistani millennials who exhibit a preference for foreign products, the notion of authenticity—often associated with sincerity, heritage, and local cultural identity (Kennick, 1985; Fine, 2003; Boyle, 2003)—may be viewed as less appealing or even at odds with their attraction to modern, globally recognized brand imagery (Balabanis & Diamantopoulos, 2016).

While prior research consistently highlights authenticity as a cornerstone of brand trust and consumer loyalty (Napoli et al., 2014; Beverland, 2006; Audrezet et al., 2020), its influence appears to be highly context-dependent. For example, authenticity may carry greater weight in sectors such as luxury, heritage, or artisanal goods (Cucato, 2023), whereas attributes like innovation and trendiness tend to resonate more strongly in fast-paced industries like technology and fashion—domains particularly relevant to the millennial demographic. Although some scholars have argued that authenticity can align with xenocentric tendencies when linked to perceptions of genuine foreign quality (Cucato, 2025), the findings of this study suggest otherwise. Here, authenticity did not enhance B_PRE—perhaps because it conflicted with the aspirational, cosmopolitan image sought by xenocentric millennials.

In contrast, B_INO emerged as a significant mediator in the relationship between C_XEN and B_PRE. Consumers with xenocentric tendencies are more likely to associate foreign brands with innovation, which in turn

reinforces their preference for these brands. This observation aligns with earlier research that connects innovation with greater brand appeal and enhanced perceptions of quality (Srinivasan et al., 2002; Nedergaard & Gyrd-Jones, 2013). Numerous studies have pointed out that international brands are frequently perceived as embodying cutting-edge technology, sophisticated design, and superior craftsmanship—qualities that resonate strongly with xenocentric consumers (Miwa, 2023; Falah et al., 2022).

These findings underscore the pivotal role that innovation plays in shaping consumer preferences, particularly among millennials. As a generation that is deeply responsive to evolving trends and rapid technological progress, millennials are naturally drawn to brands that signal novelty, advancement, and a forward-thinking image. This insight reinforces the view that, for millennials in Pakistan, innovativeness is not just a functional attribute but may also symbolize modernity, global citizenship, and upward mobility—qualities often associated with foreign brands in post-colonial and developing economies. Thus, B_INO may operate as both a product-centric and identity-relevant attribute for xenocentric consumers.

Importantly, the continued presence of a significant direct relationship between C_XEN and B_PRE—even after considering the mediating role of innovativeness—indicates a case of partial mediation. This finding implies that while perceptions of innovation do contribute to the appeal of foreign brands, they do not fully explain the influence of C_XEN on consumer preferences. It is likely that additional psychological or emotional drivers—such as the perceived prestige of international brands, the desire for social distinction, or a lack of trust in local product quality—also play a direct role in shaping brand choices. This layered relationship highlights that innovativeness serves as a key mechanism, but not the only one, through which xenocentric attitudes are translated into consumer behavior.

Overall, the findings contribute to a more nuanced understanding of how xenocentric attitudes interact with brand-level perceptions to shape consumer behavior. They highlight the

pivotal role of B_INO as a bridge between cultural orientation and brand choice while questioning the universality of authenticity as a mediating factor across all consumer groups and market contexts.

Theoretical and Practical Implications

From a theoretical perspective, this study contributes to the understanding of C_XEN influencing B_PRE, particularly in developing economies. While previous studies have largely focused on Western contexts, this research provides insights into how C_XEN shapes consumer behavior in an emerging market like Pakistan. The findings suggest that the impact of C_XEN on B_PRE may be mediated by different factors, such as perceptions of B_INO, rather than by B_AUT, as has been traditionally emphasized in Western consumer behavior literature.

Additionally, the study highlights the significance of B_INO in the consumer decision-making process, particularly for millennials, and underscores the importance of considering innovation as a key driver of B_PRE in globalized markets. By extending the body of knowledge on consumer behavior in emerging markets, this research opens avenues for further exploration of how globalization influences brand perceptions and purchasing decisions in non-Western countries.

The findings from this study carry significant implications for marketing strategies targeting xenocentric consumers, particularly in emerging markets such as Pakistan. Given that B_INO plays a critical role in shaping B_PRE among millennials, marketers aiming to engage with this demographic should emphasize the innovative aspects of their products. Companies should focus on highlighting technological advancements, unique designs, and forward-thinking features that distinguish their products from competitors.

Xenocentric consumers are more likely to perceive foreign brands as innovative, and this perception plays a crucial role in influencing their preferences. As such, marketing campaigns should strategically communicate the innovative attributes of foreign brands, positioning them as leaders in technological and creative developments. This approach is likely to

enhance the appeal of foreign brands among millennials, who are drawn to products that reflect the latest trends and advancements.

Moreover, the study suggests that B_AUT, while a key factor for certain consumer segments, does not significantly mediate the relationship between C_XEN and B_PRE among millennials in Pakistan. Therefore, local brands competing with international brands should focus on building an image of innovation rather than authenticity. This approach may help local brands position themselves as competitive alternatives to foreign products in a market where innovation is highly valued.

Limitations and Future Directions

While this study provides valuable insights into the relationship between C_XEN, B_PRE, B_AUT, and B_INO, certain limitations must be acknowledged. First, the study employed a convenience sampling method, which, although practical, may limit the generalizability of the findings. The sample was drawn exclusively from millennials in Karachi, which, while relevant to the study's objectives, may not fully represent consumer behavior across different age groups or geographic locations. Future research should incorporate probability sampling techniques and expand the sample to include millennials from different cities or socio-economic backgrounds to enhance the external validity of the results.

The study relied on self-reported data, which may be subject to social desirability bias or response bias. Participants may have overestimated their preference for foreign brands or provided responses they believed were socially acceptable. Future studies could incorporate experimental designs or longitudinal approaches to observe actual consumer behavior over time, reducing the limitations of self-reported data. Additionally, incorporating qualitative methods, such as in-depth interviews or focus groups, could provide a deeper understanding of the psychological and cultural factors that drive xenocentric consumer preferences.

The study focused only on B_AUT and B_INO as mediators in the relationship between C_XEN and B_PRE. However, consumer preferences are shaped by a wide range of

factors, including social status, perceived prestige, product quality, and emotional attachment to foreign brands. Future research could explore additional mediating and moderating variables, such as consumer ethnocentrism, brand loyalty, and cultural capital, to provide a more comprehensive understanding of how C_XEN influences purchasing decisions. Moreover, examining cross-cultural differences by comparing consumer preferences in Pakistan with those in other emerging or developed markets would provide valuable comparative insights. Future studies could also examine whether the impact of C_XEN varies across different product categories, as previous research suggests that certain industries, such as fashion and technology, are more influenced by xenocentric tendencies compared to others.

Finally, this study primarily examined millennial consumers, who are known for their global exposure, digital connectivity, and openness to foreign brands. However, younger consumers, particularly Generation Z, are emerging as a dominant market segment with distinct values, expectations, and digital behaviors. Future studies should explore how C_XEN influences B_PRE among Generation Z consumers and whether their decision-making process differs from that of millennials. Additionally, research could assess how local brands can effectively compete with global brands by leveraging cultural identity, sustainability, and innovation-driven marketing strategies.

By addressing these limitations and exploring new research avenues, future studies can further advance the understanding of C_XEN and its implications for consumer behavior, branding strategies, and marketing practices in both emerging and global markets.

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