The Effects of Corporate Image on Customers’ Behaviour

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ABSTRACT

This research seeks to investigate customer behaviour in relation to corporate image and corporate reputation. Studies were conducted amongst students within the School of Management at the University of Southampton. The corporate image’s effects on the customers’ behaviours are found to be significant. However, the results have implied that there are other factors influencing the customers’ behaviours such as price and quality. Companies need to manage their images in order to be more successful.

Keywords: Corporate Image, Corporate Reputation, Customer Relations

Kurumsal İmaj’ın Firma ve Müşteriler Üzerindeki Etkileri

ÖZ

Bu çalışma, kurumsal imaj’ın müşteri davranışları üzerindeki etkilerini öğrenci perspektifi ile incelemektedir. Araştırma, Southampton Üniversitesi İşletme fakültesinde gerçekleştirilmiştir. Araştırma sonuçları kurumsal imajın öneminin ve müşteri davranışlarının üzerindeki etkilerini doğrulamaktadır. Ancak, araştırma sonuçla-

1 Bu çalışma 2014 yılında Southampton Üniversitesi öğrencisi Kemal Çek’in bitirme tezinden türetilmiştir. Danışman Dr. Fatimah Zainudin gözlemciliğinde gerçekleştirilmiştir.
The importance of corporate image is increasing as the markets are becoming more competitive. The competitive markets ensure that the perceived values of different products and services are also competing with each other and the gap between them are closing. This makes the role of corporate image in that case significant. Customers are evaluating corporate image when deciding on a brand. This suggests that in today’s competitive markets customers are caring more about aspects such as image and reputation. Thus, companies are now competing with each other to develop a better corporate image and reputation. A good corporate image provides a competitive advantage for a company. In order to attract, retain and grow customers a company should have strong corporate image.

There has been a movement from the tangible based economies to the intangible based economies in the last century. The customer has become one of the vital “assets” for a business. There are several advantages of having a strong brand. One of the most important goals of a company is to build a strong brand equity. Keller (2001) who is one of the most famous authors in this subject declared on his paper ‘The power of a brand lies in what resides in the mind of customers’. This statement implies that the power of the brand depends on the perceptions of the customers over time. To develop a strong brand, a company needs to work very hard to obtain customer loyalty, brand awareness, credibility, a good corporate reputation and corporate image, good communication and better marketing standards which are also some of the important factors in being a successful company. CEO of Chartered Institute of Public Relations implied the necessity of reputation management

Anahtar Kelimeler: Kurumsal İmaj, Kurumsal Ün, Müşteri Davranışları

1. INTRODUCTION
for a company by saying “A cohesive strategy is needed for managing reputation. This is not an option anymore, but a necessity.”

Corporate image has been defined as "perceptions of an organization reflected in the associations held in consumer memory" (Keller, 1993). According to Andreassen and Lindestad (1998) corporate image is an additional information for customers and influences the decision making behaviours of the customers. In cases such as prices, values and qualities of the products and services are similar corporate image becomes more important. It is the whole of the activities of a company which produces the corporate image. The customers’ minds can be affected by these activities either positively or negatively depending on the disclosed activity. According to Grönroos (1984) “image is a filter which influences the perception of the operation of the company”. This is in line with Gummesson (1993), who states that customer perceived quality is a function of “quality in fact and quality in perception” (p. 229).

1.2. Motivation for Study

Corporate image, reputation and brand equity are terms with similar meanings and interfere with each other. Principally, reputation and image creates the brand equity for a company. All of those terms are recognised as intangible assets for a company as they are expected to provide future economic benefits to the company. Fombrun (1996) made a deeper analysis of corporate reputation. However, the literature on the brand equity is disparate across different assumptions and focused on different aspects. It can be said that the corporate reputation, image and brand equity has some conceptual and theoretical confusion (Fombrun & Van Riel, 1998). Many of the previous researches have focused on the corporate image’s effect on the company, mainly on the financial matters. However, this research implemented a marketing perspective to this issue and focused on the effects on the customers’ behaviours and attitudes towards the corporate image. Therefore, according to the need for a deeper investigation of effects of corporate image is seemed necessary.
2. Literature Review

There are many definitions of the corporate image in the literature. Cornelissen (2000) defined corporate image as "Corporate image is a product of multiple variable impression formation process located in the interaction of the stakeholder with messages, from the organization and related business, from various news media, and from other stakeholders through word-of-mouth (Cornelissen, 2000, p.122)". Zhang (2009) stated three fundamental prospects on the concept as "Company reputation helps create expectations about an offering among potential buyers. Reputation is particularly important when knowledge about the offering is low and uncertainty exists about the performance of that offering. Reputation can be enhanced by providing a high quality offering and effectively managing the information flow".

Fombrun (1996) defined reputation as ‘a perceptual representation of a company’s past actions and future prospects that describe the firm’s overall appeal to all its key constituents when compared to other leading rivals.’ Fombrun (1996) also stated that reputation is the social identity of a company and it is an intangible asset which directly affects its performance and have an effect on its survival. Fombrun (1996) stated in his book that a positive reputation has a positive impact on the efficiency and increases effectiveness and benefits a company. Corporate image, reputation, brand equity, and goodwill are terms with similar meanings and connected to each other. Principally, reputation and image creates brand equity and brand equity may create the goodwill. All of those terms are recognised as intangible assets for a company as they are expected to provide future economic benefits to the company. These issues are justifying the importance of corporate image. The link between goodwill and reputation is revealed as ‘A firm with a good overall reputation owns a valuable asset — “goodwill”: brand names, corporate logos and customer loyalty’ (Shapiro, 1982).

The Executive Partner of Reputation Institute Ulf Nielsen said “The best companies in the world like BMW, and The Walt Disney Company work systematically with their reputation. Reputation is
an integrated part of their company strategy and they are seeing the business benefits," emphasizing the importance of reputation and managing reputation. These two companies seem to have a positive reputation and a strong image on the people’s conscious minds. Furthermore, Henard et al. (2010) has three different assumptions about corporate reputation which are, "(1) reputation develops over time through repeated interactions; (2) reputation is multifaceted; and (3) different constituents will have different perceptions of a firm’s reputation". Firms also compete with each other to have a better reputation and there are several factors effecting customer loyalty. These factors include the corporate social responsibility of the firm, price of products, and quality of products. These factors and customers pre-existing thoughts and perceptions about companies influence the customers’ loyalty (Henard et al., 2010). This research values the assumptions made by Henard et al. (2010).

Nguyen (2001) implied that corporate image is, therefore, the result of an aggregate process by which the public compares and contrasts the various attributes of firms. Another author indicate reputation in a marketing research as ‘brand equity’ and linked the development of brand equity with the credibility of a company (Aaker, 1996). It is stated that corporate social responsibilities also have an effect on a company while building a corporate image. Companies also invest in reputation and image when they are investing in social investments. The CSR activity of a company helps them to achieve a successful corporate image. The CSR activities helps them to introduce a positive and ethical appearance to the consumers. Ethical actions of a company are also crucial as customers consider the ethical issues of a company and can make an overall impression by those attitudes such as environmental, corporate social responsibilities of a company. (Larsen, et al., 2001). ‘These strategies help managers build firm reputation, maintain sales, and gain customer goodwill and third party promotion.’(Peloza, 2006). The aspects of corporate image can be separated into tangible and intangible essences and the intangibles are the emotions, perceptions, loyalty of a customer towards the firm (Nguyen & Leblanc, 2001).
There are a variety of definitions for corporate image and reputation in the literature. "Aaker and Keller (1990) defined corporate reputation as a perception of quality associated with corporate name. Furthermore, Keller (1993) defined corporate image as perceptions of an organization reflected in the associations held in consumers’ memory. Nguyen and LeBlanc (1998) defined corporate image as a subjective knowledge, or attitude such as ideology, corporate name, and reputation and delivery system quality level." All of these definitions emphasize the importance of customers’ perceptions and their loyalty. Generally, corporate image and reputation is created by the customers’ ideas, feelings, and experiences towards a company. The results of the research proved that service quality, customer satisfaction and customer loyalty affect the corporate image and reputation. As a result of the research, it is said that ‘corporate image and reputation is really considered to be an issue of attitudes, feelings, beliefs toward the organization and it may play a critical role in selecting of one corporate brand over another.’ Which again shows the role of image and reputation on the customers’ loyalty success.

2.1 Potential Benefits of Corporate Image

The achievement of a strong corporate image has many potential benefits implied by various scholars. Zhang (2009) suggests that good corporate reputation have advantages such as attracting new customers, increasing customers’ loyalty, making products easier to sale and thus increasing profit. A successful corporate reputation also develops an active trust between the customers and the company. Similar studies have stated that good corporate reputation could implement a customer trust and customer loyalty which results in a higher demand for products (Nguyen and Leblanc, 2001). Robertson and Gatignon (1986), stated that a good reputation makes a company more successful in a market. Montgomery (1975) believed that the reputation is essential as it represents the quality, value, uniqueness, and promotion of a product. Raj (1985) stated that a positive reputation helps developing a better market share position. For example, Shapiro (1982) stated that, a company which is known to be ‘credible’
would mean it has a reputation of honesty and this can be resulted in the customers’ “price reliance”. The price reliance is the customers’ perceptions on prices. Furthermore, the economists see the reputation as an important aspect of the famous ‘gaming’ situations. ‘In a repeated game situation (e.g., a sequential bargaining, a chain store game, or a multi-stage auction) a player’s reputation determines other players’ expectations of his behaviour in future games (Rosenthal and Landau, 1979).’ Therefore, a reputation of a company plays an important role in customers’ decision making process.

Herbig and Milewicz (1995) indicate the importance of having a good corporate reputation is significant in its effects on the firm’s revenues. Shapiro (1982) stated that as the reputation increases, the sales of a company also increase. People’s buying decisions are more likely to be influenced by the image of a company. It is stated that another benefit of corporate reputation is that it would be easier to advertise and the impact of advertisements and promotions on customers would be higher for a product. The marketing channels of a reputable company which has a high brand awareness would be more effective.

Abd-El-Salam et al. (2013) suggested that companies with better reputation are more successful in attracting, retaining and growing customers. Previous studies such as (Doney and Cannon, 1997; Fomurun et al 2000; and Page and Fearn, 2005) used a stakeholder approach and analysed the customers’ attitudes towards reputation. It is stated that other than reputation and image, the customer satisfaction and the quality of the products and services also has an influence on the customers’ loyalty on buying. Oliver (1999) explains the development of the customer loyalty as ‘product superiority, personal fortitude, social bonding, and their synergistic effects’. Oliver (1999) also stated that corporate image affects customers’ attitudes and loyalty to a product and a company. (Nguyen and Leblanc, 2001) claimed that corporate image is related with both physical and behavioural attributes of the firm, such as business name, business logo, architecture, variety of products/services, and the impression of quality communi-
cated by each person interacting with the firm’s clients. It can also be said that a company’s suppliers will trust more on the company when carrying out transactions with each other. It is stated that the existence of a successful corporate image and reputation leads to value creation amongst the suppliers of the company. Corporate image is also an intangible asset therefore it is difficult for a company to achieve and maintain it. Having a good corporate image is highly beneficial for a company in a competitive environment. The results of the research indicated that the companies with better corporate image tend to sustain a more successful financial performance and profit outcomes than others.

Brand awareness and brand recognition can increase customers’ satisfaction and therefore, customers’ loyalty. A brand without a strong brand equity may spend more on marketing in order to maintain the desired sales volume (Aaker, 1996). Corporate image and corporate reputation are two variables that are substantially related. However, to measure these two variables is a complex process. This study reflects the complexity of measurement. The corporate image is divided into two components as functional and emotional (Kennedy, 1977). The functional component is related with the physical habits and attitudes of the company and it is said to be easy to measure, on the other hand, the emotional component is related with the emotional and behavioural attitudes and habits towards a firm. The emotional factors are not easy to measure and not easy to be scaled and in this research the emotional factors are analysed. Mitchell and Goldrick (2001) believed that there is a specific and important relation between image and managing performance as it influences the corporate profit. Dolphin (2004) suggests that in the United Kingdom a good reputation increases sales. However, implementing higher prices may not be a convenient way. A good reputation also attracts good and skilled employees. Therefore, we can say that skilled employees are highly likely to choose the companies with higher reputation.

Reputation is also reflected as a signal which shows the quality of companies’ products and it is a signal providing future
performance clues (Vendelo, 1998). Kartalia (2000) emphasized that not recognizing and failing to manage the reputation and image may be the biggest mistake a company can make. The first finding of Dolphin’s (2004) research that in order to be a ‘winning company’, reputation should be a vital factor among a competitive market. The second finding is that the communication managers of companies act as a guardian of reputation in order to maintain their corporate reputation. It is stated that a sound reputation equals a success. Gaines-Ross (1997) notes that ‘the intangible equity in a corporate reputation is an organization’s most enduring and lasting asset – requiring thoughtful management and communications.’ Dolphin (2004). If brand managers win the hearts and minds of the customer, they have an easier time retaining and acquiring customers.

2.2 Potential Risks of Corporate Image

In theory, corporate image is a concept as simple as the perceptions of an organisation reflected in consumers’ memory as defined by Keller. In practice, however, the broad range of marketing and the people’s conscious minds are making it a complex issue for companies.

Firms compete with each other to have a better reputation and image to have a stronger brand which may have them to win the competition. Corporate reputation cannot be easily developed. In addition, it can be missed with less effort and once it is lost it takes too much effort and time to redevelop (Zhang, 2009). Customers use the perceptions of the reputation of brands while evaluating its products’ quality and price and this affects their final choices. Different range of products having the same brand name may influence each other. Hence, one product known as having a good quality and therefore a good reputation in customers’ satisfaction may lead those customers to choose another product of the same brand name (Moorthy, 1985). However, the impact may be the other way round if a product has a low quality. The customers’ dissatisfaction will lead customers not to buy the other product (Kartalia, 2000). Therefore, it can be easily said that reputation
is directly linked with the quality of products and having a ‘good quality products’ reputation is important and it increases the firm’s credibility. Brand loyalty can be affected by various factors of brand equity. However, there might be some cases where brand loyalty does not depend on the brand equity factors. This makes the issue of brand equity controversial. For example, customers may be loyal to a brand with low expected quality or a brand with a higher quality and performance may be ignored (Aaker, 1996).

On the other hand some authors suggest that a firm can charge high premium prices as a result of a positive reputation to earn extra profits (Shapiro, 1983). This can be seen as a disadvantage for customers as they are paying money for both the product’s reputation and its base price. In the long-run this approach may lead to loss of customers and decrease the demand of the product.

However, the study also showed that the existence of corporate reputation and image creates an impact on the short run and it is less important in the long run (Roberts and Dowling, 2002). Shapiro’s (1983) carried out a product-level analysis and the results have shown that reputation from previous financial performances of a firm influence the stakeholders and investors, which may have a positive effect on the firm success.

Building a strong brand equity is a long term process. Managers often want to achieve or feel the pressure to achieve short term profits and benefits. Investments on brand image have less effect on the short term activities, therefore in some cases there may not be enough focus on the brand equity creating investments. Roberts and Dowling (2002) suggested four different types of stakeholder types and the main point is that each group may use different factors in deciding and making judgements about a firm. Corporate image is derived from a wide range of sources. Although some sources can be controlled by the firm, others cannot. Moreover, Howard (1998) suggests that ‘everything an organization does, and does not do, has a direct impact on its corporate image’ (p.41).
2.3 Brand Equity and Brand Equity Model

Brand equity has been defined as “outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name” (Ailawadi, Lehmann, and Neslin 2003, p. 1). They state the importance of achieving a good brand name for a company in selling a product to customers. According to Keller a strong brand equity lead to a higher customer demand, more recommendations, higher customer loyalty and it will be easy to retain the customers.

Keller (1993) developed a customer based brand equity and stated customers’ mind-set metrics which identified brand’s strengths and weaknesses. These metrics are satisfactory in evaluating the strengths and weaknesses. However, those metrics were insufficient in evaluating their effect on the financial position of a company. As it is stated previously; Keller (p. 48) believed that it is the customers’ perceptions on their minds about a brand. There are two major components of the mind-set equity as ‘brand awareness and familiarity and brand associations.

Keller’s Customer-Based Brand Equity (CBBE) (2001) Model suggests the key factors in achieving a successful brand which might benefits the company. The steps are brand identity, brand meaning, brand responses and brand relationships. Keller (2001) suggested those steps as a pyramid which implies that you have to fulfil one step before moving on to the next one. There are also six elements which are important while fulfilling those steps. These elements are salience, performance, imagery, judgments, feelings, and resonance. The first step is brand identity which is simply the salience of a brand. This is also related with the brand awareness. The second step is the brand meaning. Brand meaning suggests delivering the correct meaning of the brand. Performance is one of the key elements of this step which maintains the customer satisfaction/dissatisfaction. The performance of a brand is the sum of all the characteristics and features of a product. Imagery is the other key element of the second step. The imagery refers to the psychological and social perspectives of the customer satisfaction/dissatisfaction. The third step is the brand response which is the judge-
ments and feelings of the customers about a brand. This implies the customers’ responses to a brand. Your customers’ responses to your brand fall into two categories: “judgments” and “feelings.” These are the two building blocks in this step. Customers can make judgments about a brand’s quality, credibility, consideration and superiority. The fourth step is the brand resonance which is about the extent of the connection of the customers and the brand. This is the top level of the pyramid in which every brand is willing to achieve this point. The brand resonance is needs an emotional and psychological bond between the customer and the brand. This is the step where the customer loyalty is created (Keller, 2001).

3. Research Methodology

As mentioned before the objectives of this research are:

1) To evaluate the corporate image’s effects on the customer behaviour.

2) To evaluate why corporate image and reputation are important for a company.

3) To investigate how people see Apple’s image compared to other technology companies

To collect the primary data an internet-mediated questionnaire was issued by the researcher. The questionnaire was sent to over 200 participants and a 69 people have responded and participated. The questionnaire consisted of Likert Scales, Closed format questions, Dichotomous questions, and ranking questions was used to explore the specified areas of research. The Likert scale had responses from Strongly Agree (1) to Strongly Disagree (5) and a Not Applicable option which is for participants who would not want to answer the question or don’t know the answer. The ranking questions asked the participants to list the responses from 1 to 6 where 1 is the most likely and 6 is the least likely option. The following are the meanings that can be linked with the numbers:

This seeks to achieve macro-level exploration of the perceptions of the students on corporate image. The data collected would be used to complement the previous literature and try to achieve
a better and a more up to date idea on the effect of the corporate image on buying behaviours. The questionnaire method was chosen because of it is a more suitable method to gather data related to consumers’ behaviours towards corporate image (Huberman and Miles, 2002).

Primary data is chosen to be collected as it would suggest new ideas and create a unique information for the research (Easterby-Smith et al., 2008). The approach is inductive as the study is not based on the theories suggested by previous literature. The research aims to achieve a new set of ideas and information about the effect of corporate image on customers’ behaviours and the way of changing their attitudes. The University of Southampton School of Management students are seem to be reliable sources of information as they are assumed to have sufficient overall knowledge about the subject seeking to be investigated.

The reason of using an internet-mediated questionnaire was that Saunders et al (2009) suggested that the "researchers to be independent of what is being observed". 'Interpretive studies assume that people create and associate their own subjective and intersubjective meanings as they interact with the world around them. Interpretive researchers thus attempt to understand phenomena through accessing the meanings participants assign to them' (Orlikowski and Baroudi, 1991). This is an interpretive study as it will assess the perceptions of the students towards corporate image. Moreover, Saunders et al. (2009) suggested the interpretivist approach as one of the best options for marketing related research.

According to Philips and Stawarski (2008) the number of questions is an important aspect of an effective questionnaire as too many questions might reduce the response rate; hence, with regard to his statement, the number of questions is adjusted. Furthermore, considering that the statements that are used in the Likert Scale questions are positive declarations, the negative options was opted to be presented first in order to prevent the participants being affected by the scales (Brace, 2008). In addition, the questions were formed in accordance with the personal taught and
judgements of the researcher as well as being related with the past academic literature to convert into the most suitable way of gathering the research questions (Cresswell & Clark, 2007).

In order to gather the information an online survey method was chosen. There are advantages of using online surveys such as the ease of questionnaire construction and also it is easier to reach the selected population as all of the students are contacted via their university e-mail accounts. It is also assumed that students are checking their emails regularly. This method did not limit the time given to the students to complete the questionnaire and the timing become more flexible time to do the surveys. This is less time consuming and more effective in terms of delivering the questionnaires than handing the questionnaires to the participants and also a larger number of sample size can be achieved by the online method (Saunders et al., 2009, p.363). The researcher has personal right gathered from the ethics committee of the School of Management in order to send the questionnaire to the participants. Data collection was carried out during a period of one month in February 2014. To provide an in depth analysis of the data graphs, tables and several statistical methods are used. The questionnaire data gathered in the form of responses was subjected to statistical analysis. Firstly, a brief introduction about the population is given, secondly descriptive statistics is used to provide a general impression and summarize the data. Correlation analysis and regression analysis are used to assess the strength of the relationships.

4. Results and Findings

4.1 Descriptive Statistics

A total of 69 respondents from the Southampton University Management School responded to the questionnaire.

The descriptive statistics provides a comparison and description of the variables numerically. At the initial stage, Exploratory data analysis (EDA) was found to be a useful approach, which suggests summarising the main characteristics of the data set and the population with the usage of visual methods (Turkey, 1977).
Furthermore, appropriate measures of central tendency and dispersion measures were applied to the questions mostly the Likert scale constructs to provide the most frequently occurring values, middle values and averages including all data values (Saunders et al., 2009).

All questionnaires were entered and aggregated into an SPSS Worksheet, allowing the mean and mode to be calculated for each characteristic.

Of the 69 respondents, 51.4% were female and 48.6% were males. It is a good thing that the male/female gender division is similar to each other. This will help a better understanding of the each gender’s attitudinal influences. Vast majority of the respondents were aged between 18-24, as most of the students of the university vary within these age limits. 87% of the respondents were undergraduates and 13% were postgraduates.

**Figure 1:** Respondents’ age spread.

Appropriate measures of central tendency and dispersion is choosen carefully to illustrate the descriptive statistics of the Likert Scale questions. Mean, mode, median and standard deviation of the variables were analysed.
Figure 2: Overview of Likert-scale constructs

<table>
<thead>
<tr>
<th>Likert Scale Questions</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Awareness</td>
<td>4.0145</td>
<td>4</td>
<td>Agree</td>
<td>0.75718</td>
</tr>
<tr>
<td>2 Describing Image</td>
<td>3.6087</td>
<td>4</td>
<td>Agree</td>
<td>0.78996</td>
</tr>
<tr>
<td>3 Credibility</td>
<td>4.0147</td>
<td>4</td>
<td>Agree</td>
<td>0.74298</td>
</tr>
<tr>
<td>4 Image&amp;Reputation Motivation</td>
<td>3.9130</td>
<td>4</td>
<td>Agree</td>
<td>0.87008</td>
</tr>
<tr>
<td>5 Logo Motivation</td>
<td>3.4348</td>
<td>4</td>
<td>Agree</td>
<td>0.97737</td>
</tr>
<tr>
<td>6 Sacrificing Quality</td>
<td>2.9565</td>
<td>3</td>
<td>Disagree</td>
<td>1.11718</td>
</tr>
<tr>
<td>7 Apple-Better Image</td>
<td>4.5362</td>
<td>4</td>
<td>Agree</td>
<td>4.92168</td>
</tr>
<tr>
<td>8 Ethical Activities</td>
<td>3.3623</td>
<td>3</td>
<td>Agree</td>
<td>0.96970</td>
</tr>
<tr>
<td>9 CSR</td>
<td>3.1884</td>
<td>3</td>
<td>Agree</td>
<td>0.87909</td>
</tr>
<tr>
<td>10 Continue buying Apple</td>
<td>3.6087</td>
<td>4</td>
<td>Agree</td>
<td>0.97343</td>
</tr>
<tr>
<td>11 Applying Jobs</td>
<td>3.3913</td>
<td>4</td>
<td>Agree</td>
<td>1.07399</td>
</tr>
</tbody>
</table>

Figure 3: Visual representation of Likert-scale constructs mean measures.

The figures above illustrates the descriptive statistics for the Likert scale questions. The statistics demonstrates the respondents’ perceptions on various aspects of the corporate image. The key figures that needs to be highlighted are:

The Apple’s image has the highest mean value of ‘4.5362’ which demonstrates the success of Apple. Awareness and Credi-
bility also have mean values higher than 4 which is significantly a high and positive demonstration (4.0145 and 4.0147). These three variables have the highest mean values. On the other hand, sacrificing quality has the lowest mean value ‘2.9565’. CSR, Ethics and Applying for jobs also have relatively low mean values of less than ‘3.50’.

The Crosstabulation below provides further insight into the phenomenon that corporate image have an effect on students’ behaviours towards a product. The relationship between the corporate image awareness and the motivation by image is analysed.

**Figure 4: Awareness* Image Motivation Crosstabulation**

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>100.0%</td>
<td>1.4%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>2.9%</td>
<td>5.9%</td>
<td>2.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td>7.1%</td>
<td>14.7%</td>
<td>5.9%</td>
<td>10.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>100.0%</td>
<td>64.3%</td>
<td>64.7%</td>
<td>58.8%</td>
<td>63.8%</td>
<td></td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>28.6%</td>
<td>17.6%</td>
<td>29.4%</td>
<td>21.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

In order to assess the familiarity of respondents ‘with the corporate image and reputation, respondents were asked questions about the awareness and the ability to describe the corporate image and reputation. With regard to the level of awareness, the crosstabulation table is seeking to investigate whether people who aware of corporate image are being motivated by the image of a company. It can be said that people who agree that they are aware of corporate image are also agree that they get motivated by the image of a company. The crosstabulation showed high percentages about the relations of image motivation and awareness.
4.2 Correlation Analysis

The descriptive statistics have provided an overview summary of the responses and further investigation is required to assess the relationships between the variables. Correlation analysis is chosen as it enables the evaluation of the relationship strength between pairs of variables (Saunders et al., 2009). However, a limitation exists in using the correlation analysis method as it does not provide a cause-effect relationship measurement (Saunders et al., 2009). All of the Likert Type questions are supporting the effect of corporate image on customers.

The correlation analysis test have yielded the results as given below:

It can be stated that with a correlation coefficient of 0.523 there is a strong relationship between describing the corporate image and being motivated to buy by the image. This supports the main objective of the thesis. Accordingly, it can be stated that there is also a relatively strong relationship between the importance of credibility and the corporate image motivation with the coefficient of 0.415. Not surprisingly, the association between Ethical and CSR activities questions have displayed to have a strong relationship with a score of (0.505, P<0.1). Image motivation and Logo has a (0.408, P<0.1) coefficient. Other variables displaying significant correlations with awareness are credibility and being able to describe the image (0.368, P<0.1 and 0.354, P<0.1). Interestingly, awareness and sacrificing quality have shown a very low relationship with a coefficient of 0.001.

When ethical and CSR activities were correlated against the Jobs perspective the results have shown a negative correlation coefficient and a very small correlation coefficient (-0.138 and -0.064). This implies an indirect relationship. The logo and Apple continue to develop its image with a medium level of association (0.367, P<0.1). Corporate image of Apple and the overall image have shown a negative relationship with a low size effect (-0.181).
4.3 Regression analysis

In this research, regression analysis was used to measure the strength of association between consumers’ behaviours and corporate image. The regression analysis is used to provide additional data supporting the correlation analysis results.

**Figure 5:** Image motivation and awareness model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.181 (^a)</td>
<td>.033</td>
<td>.018</td>
<td>.75027</td>
</tr>
</tbody>
</table>

Evidence from the table showed that the adjusted R\(^2\) of 0.033 indicates that 3.3 per cent of variance in the image motivation can be explained by the overall awareness.

**Figure 6:** Ethical Activity and Image motivation model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.038 (^a)</td>
<td>.001</td>
<td>.013</td>
<td>.87592</td>
</tr>
</tbody>
</table>

Evidence from the table showed that the adjusted R\(^2\) of 0.01 indicates that 1 per cent of variance in the image motivation can be explained by the effect of ethical activities on customers’ behaviours.

**Figure 7:** Image motivation and Sacrifice quality model summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.147 (^a)</td>
<td>.022</td>
<td>.007</td>
<td>.86698</td>
</tr>
</tbody>
</table>

Evidence from the table showed that the adjusted R\(^2\) of 0.022 indicates that 2.2 per cent of variance in the image motivation can be explained by sacrificing quality.

**Figure 8:** Multiple Regression Model Summary (Sacrifice Quality, Credibility, Ethical Activity, Image Motivation and Awareness)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.384 (^a)</td>
<td>.147</td>
<td>.094</td>
<td>.72064</td>
</tr>
</tbody>
</table>
When assessing the effect of becoming aware of corporate image on the variables which are sacrificing quality, credibility, ethical activity and image motivation linear regression analysis was used. The values R and R² where R represents the correlation coefficient. In this regression model, 14.7% of variability in the sacrificing quality, credibility, ethical activity and image motivation can be explained by the corporate image awareness.

4.4 Price and Price Premium

Figure 9: Respondents’ Paying Price Premium Perceptions

In question 10, respondents were asked whether they are willing to pay an extra price premium to buy a better image brand’s product. 55.4% of the respondents answered this question as ‘Yes’ whereas 32.4% of the respondents as ‘No’ and only 12.2% of the respondents as ‘No Idea’. This clearly shows that the majority of the respondents have an idea on paying a price premium as only 12.2% have chosen to answer as ‘No Idea’. It can be said that more than one of the 2 people are willing to pay the extra price premium.

The next question asked the respondents the amount of price premium to be paid for the ‘Image and Reputation’. The statisti-
cal analysis of that question is more compelling and needs to be highlighted with more details. 40% of the respondents are willing to pay 5-10% price premium, 9.2% are willing to pay more than 10% price premium, 12.3% are willing to pay Less than 5%, and interestingly 38.5% answered as having no idea about how much price premium to pay.

**Figure 10:** Respondents’ Perceptions on the amount of Price Premium

In the previous question majority of the people are ready to pay price premium but the amount of the price premium is diversified between various amounts. It can be said that people are certain on whether or not to pay a price premium but many of the respondents have no idea on how much to pay for a product.

**Figure 11:** Respondents’ Order of Importance Table

<table>
<thead>
<tr>
<th></th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
<th>5th</th>
<th>6th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>20</td>
<td>28</td>
<td>12</td>
<td>3</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Quality</td>
<td>38</td>
<td>23</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Image</td>
<td>1</td>
<td>8</td>
<td>19</td>
<td>20</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>CSR</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>10</td>
<td>13</td>
<td>42</td>
</tr>
<tr>
<td>Loyalty</td>
<td>3</td>
<td>6</td>
<td>10</td>
<td>16</td>
<td>27</td>
<td>6</td>
</tr>
<tr>
<td>Value</td>
<td>4</td>
<td>3</td>
<td>23</td>
<td>18</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

The responses made by the respondents are weighed such that the instruments which had the first place on the rankings multiplied by
six and the sixth place rankings multiplied by 1 and divided by the total number of responses which is 69. For example Price: \((\frac{(20\times6)+(28\times5)+(12\times4)+(3\times3)+(2\times2)+(0\times1)}{69})\). This means that the largest average ranking indicates the top answer choice.

According to the rankings made by the respondents; Quality showed a better performance than the other instruments. Quality have the highest average of ‘5.289’, this implies that people do care the most about the quality when buying. Price is the second most important instrument with an average of ‘4.71’. Interestingly, Image and Value items showed a very close averages 3.11 and 3.12 respectively. Customer loyalty took the 5th place with an average of 2.84 and disappointingly CSR had the least average of responses and seen as the least important item.

### 4.5 Analysing Apple’s Case

**Figure 12:** Respondents’ Order of Choices of each Brand

<table>
<thead>
<tr>
<th></th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
<th>5th</th>
<th>6th</th>
<th>7th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple</td>
<td>44</td>
<td>13</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Samsung</td>
<td>12</td>
<td>35</td>
<td>15</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>HTC</td>
<td>3</td>
<td>6</td>
<td>22</td>
<td>12</td>
<td>15</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Sony</td>
<td>5</td>
<td>7</td>
<td>12</td>
<td>23</td>
<td>8</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Nokia</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>20</td>
<td>22</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>Blackberry</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>15</td>
<td>44</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>14</td>
<td>25</td>
<td>23</td>
</tr>
</tbody>
</table>

In the next ranking response question, which is about the choice of brands, people were asked to rank the items in order of most likely option to buy. The same method of analysis was used in this question as in the previous question and the weighted averages of the values have taken.

Not surprisingly, Apple showed the highest value which is 6.2 and Samsung showed 5.54. In this dissertation Apple is assumed to be a company with high reputation and image. These values justifies the decision of using Apple as an example of a highly reputable and a company with a successful image. HTC showed a
fairly better value than Sony and they have values 4.04 and 3.97 respectively. Nokia took the fifth place with an average of 3.58.

Moreover, respondents value the ‘other’ item more than the Blackberry. The other item had a value of 2.55 and Blackberry had an average of 2.52.

One of the questions was designed to investigate the ‘feelings’ of using an Apple product. The Pie Chart below illustrates the findings.

Figure 13: Respondent’s Feelings when using Apple.

Respondents seem to be satisfied mostly when using an Apple product. The ‘Satisfied’ response achieved a 32.4% of the responses. Group belonging instrument has the second most accepted feeling with 18.9%. Popularity has a score of 16.2% and Safety has 10.8% respectively. Change, Empowered and Inspired options have the lowest percentage of the responses with 9.5%, 6.8% and 5.4% respectively.

5. Conclusion

This study demonstrates the increasing importance of the corporate image and the reputation for companies. The findings claimed that the customers are being affected by the image and re-
putation of a company. However, it is the factors that are creating the image that needs to be managed. Amongst the most significant of findings there are other things that needs to be achieved for a strong brand equity such as the quality and the price levels of a brand. Companies should achieve an image of having quality and good price products. As Keller (1993) defined corporate image as perceptions of an organization reflected in the associations held in consumers’ memory. Companies should learn the ways of influencing and meeting with the customers in their conscious minds. Apple is significantly one of the most successful companies in this case. It can be concluded that Apple has achieved the top of the pyramid of Keller’s brand equity model and has a larger brand equity and stronger brand image than its competitors. Zhang’s (2009) findings on this subject were justified since company reputation and image are very important factors influencing the customers’ behaviours. However, it is most effective when it is achieved with the mix of quality and the price firstly. In the competitive environment of this century these are fundamental factors in being a real success.

5.2 Research Implications

This study offers a deep analysis into the corporate image and reputation’s contribution and relationship with the success of a company. It provides an understanding of the customers’ behaviours influenced by the image and reputation. It will be valuable for people who are willing to gain more information about people’s perceptions on brand image. This would be helpful for students and companies as well as decision makers providing insights for the further research. Moreover, as the Apple’s success is proven, this study would be useful for the Apple Inc. in gaining insights about people’s perceptions.

This study demonstrates that companies need to achieve and maintain a ‘successful and strong’ corporate image in order to be more successful in the competitive environment. The effect of corporate image may not be effective in some cases where price and quality matters. Firms should invest more on corporate image
and reputation as people care about those aspects while making decisions in an uncertainty.

5.3 Research Limitations and Future Research Suggestions

There are some limitations associated with this research. The internet mediated questionnaire method is not a suitable method for using open-ended questions. However, as this is a marketing study, there is a need for qualitative data as well as quantitative data. The current research is attempted to gather mainly the quantitative data. The quantitative data is a weak method when attempting to identify the reasons for those relationships. Therefore, using quantitative research along with qualitative research such as structured interviews, and other sources of data will provide more accurate results.

This research can be improved if, both a questionnaire and an interview can be used to better analyse respondents’ behaviours. Additionally, the sample size of 69 is not fully representative of the total population. Using a larger sample would yield more representative and credible results. The sample size is also only the School of Management students which again limits the representativeness of the research. Given the limited time and other resources and this study could not be generalised for the entire UK population. Overall, this research’s measurement results were acceptable in terms of reliability and validity. Future research can be conducted to overcome these limitations. Future research areas for this subject are available as the world is now in a digital marketing era and the marketing environment is highly suitable for competition.
REFERENCES


Turkey, J. W., (1977), Exploratory Data Analysis, Addison-Wesley: Massachusetts.