THE RELEVANCE OF SPECIFIC CORPORATE ASSOCIATIONS AGAINST OVERALL CORPORATE IMAGE FOR CONSUMER BEHAVIOR

Bernhard Swoboda, University of Trier, Germany
Markus Meierer, University of Zurich, Switzerland
Margot Loewenberg, University of Trier, Germany

ABSTRACT

Corporate branding strategies are gaining more and more importance. Recently, a growing number of firms in the fast moving consumer goods sector, which is historically dominated by product brands, communicate their corporate brand actively towards stakeholders (Laforet and Saunders 2005). Therewith, they aim to gain a higher level of awareness in the public domain and to influence consumer behavior directly, not only indirectly by enhancing product image. Former research helps to identify what is associated with a firm (Fombrun et al. 2000; Walsh and Beatty 2007) and how single associations impact consumer behavior, e.g. the impact of social responsibility. However, companies lack knowledge on how to evaluate cross-nationally if their corporate branding strategy works. For them it is necessary to know if corporate branding adds value to a company's products and if so, how the corporate brand adds value.

Based on schema theory (e.g., Mandler 1979) and former research, we derive a threefold conceptual framework. Building upon Brown and Dacin (1997) as well as Walsh and Beatty (2007), we consider specific corporate associations as antecedents of an overall evaluation of the company, i.e. corporate image. We not only hypothesize an indirect effect of those specific corporate associations through corporate image on product loyalty, but also that they might directly influence product loyalty. This addresses companies' intentions to have an immediate impact on consumer behavior by using corporate branding. Following Lehman et al. (2008), we analyze the variation of the hypothesized cause-effect relationships across countries.

Prior to the data collection, a Monte Carlo study was conducted to decide on sample size and to determine power of the hypothesized model. The analysis is based on a cross-sectional consumer sample from Germany, France, Romania, Russia, and the USA. A FMCG manufacturer, which has standardized its international corporate branding in 2001, was chosen as stimuli. Applying quota sampling, based on the country-specific distribution of the populations in terms of age and gender, 1200 consumers above 15 years are interviewed in each country. Thus, the final dataset includes 6000 observations. Sample weights are computed based on the latest census data from the countries concerned to adjust the sample to product category, highest educational attainment, gender, and age to enhance the representativity (Asparouhov 2005). After testing measurements on their validity and reliability and assessing measurement invariance, we apply multiple group structural equation modeling using WLSMV estimation to test the hypotheses (Lubke and Muthén 2004). Further, we test significance of country-specific differences of structural parameters estimates applying corrected chi-square difference tests.

With regards to consumers' perception of the corporate brand, the results illustrate that specific corporate associations impact corporate image largely in the same way across countries, i.e. the standardization of the corporate brand seems to work in terms of a consistent external portrayal. Regarding the effect of an internationally standardized corporate brand, results provide support that the impact of corporate image on consumers' product response is positive across all countries. Thus, from a consumer's perspective, communicating the corporate brand adds value. With regards to corporate image, its impact on consumers' product response is found to be higher in collectivistic cultures. However, the analysis also reveals that consumers in the corporate brand's home market particularly value the company's favorable external portrayal. With regards to the direct impact of specific corporate associations on consumers' product response, we state that corresponding relationships exist depending on the country concerned. However, these relationships turn out to be rather complex.

Regarding theoretical implications, the present study advances knowledge on corporate branding in an international context, extending the findings of Brown and Dacin (1997) as well as Berens et al. (2005). To date most studies dealing with corporate branding focus on the services sector or on durable goods (Hsieh et al. 2004; Biehal and Sheinin 2007). Analyzing corporate branding of a FMCG firm, answers Walsh and Beatty's (2007) call to examine their customer-based reputation measure in other context than the services sector. Regarding managerial implications, the proposed model provides corporate brand managers with an instrument to evaluate whether the corporate branding strategy works across countries or not. The proposed model is suited to gather benchmark data regarding current levels of specific corporate associations and overall corporate image as well as their impact on consumers' product response.

References Available on Request.