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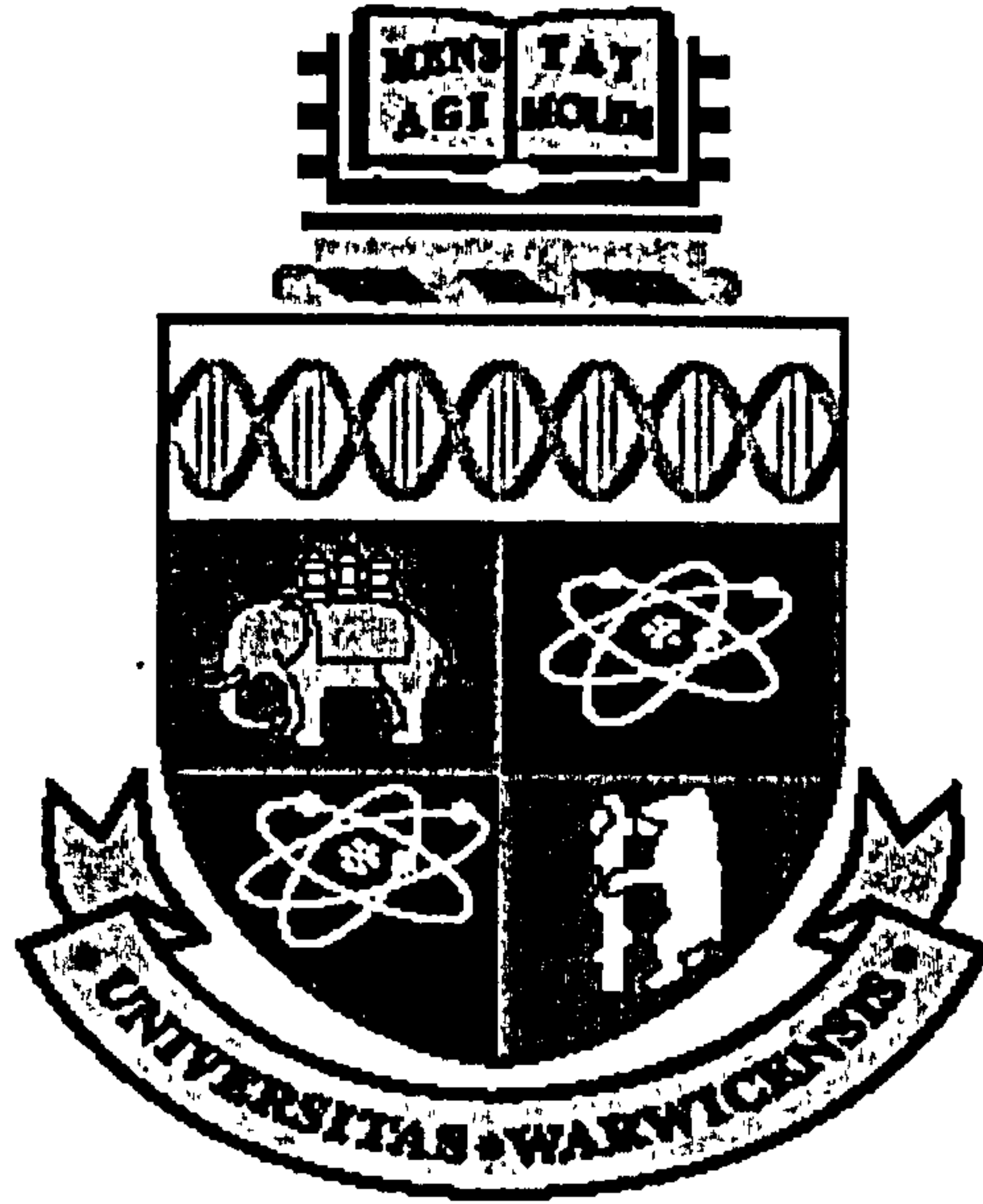
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**Determinants of Corporate Image Formation:  
A Consumer-Level Model Incorporating Corporate Identity  
Mix Elements and Unplanned Communication Factors**

**By**

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**A thesis submitted in partial fulfilment of the requirements for the degree of  
Doctor of Philosophy in Industrial and Business Studies**

**Marketing and Strategic Management Group  
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## **DEDICATION**

I would like to dedicate this thesis to my mother (Emine Olcay Karaosmanoglu), my father (Fuat Dogan Karaosmanoglu), my brother (Oben Karaosmanoglu), my sister-in-law (Dilruba Karaosmanoglu) and my sweet niece (Cagil Karaosmanoglu), whose love and support for me is second to none.

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## DECLARATION

This is to declare that:

- I am responsible for the work submitted in this thesis.
- This work has been written by me.
- All verbatim extracts have been distinguished and the sources specifically acknowledged.
- During the preparation of this thesis, some papers were prepared as listed below. The remaining parts of the thesis have not yet been published.

- 1) Karaosmanoglu, E. and Melewar, T. C. (2006) "Corporate Communications, Identity and Image: A Research Agenda", *Journal of Brand Management*, Vol. 14, No. 1/2, pp. 196-206.
- 2) Karaosmanoglu, E. and Melewar, T. C. (2005) "To What Extent Do Corporate Identity Mix Elements Influence the Perception of Corporate Identity versus Uncontrolled Communication?", in *Proceedings of the 4th International Conference of the Corporate Identity/Corporate Associations Research Group (CI/ARG)*, October 2005, Rotterdam, Holland.
- 3) Karaosmanoglu, E. and Melewar, T. C. (2005) "Controlled Communication versus Uncontrolled Communication in Corporate Image Formation: Verifying the Conceptual Framework", in *Proceedings of the 9th International Conference on Reputation Risk: The Role of Corporate Accountability and Responsibility*, May 2005, Madrid, Spain.
- 4) Karaosmanoglu, E., Melewar, T. C., Elmadag, A. B. (2005) "Multi-item Scale Development for Measuring Corporate Identity Mix (CIM) Elements", in *Proceedings of the 8th International Conference of Decision Science Institute*, July 2005, Barcelona, Spain.
- 5) Karaosmanoglu, E. and Melewar, T. C. (2004) "Linking Corporate Communication and Corporate Image Constructs: A Review of Literature and

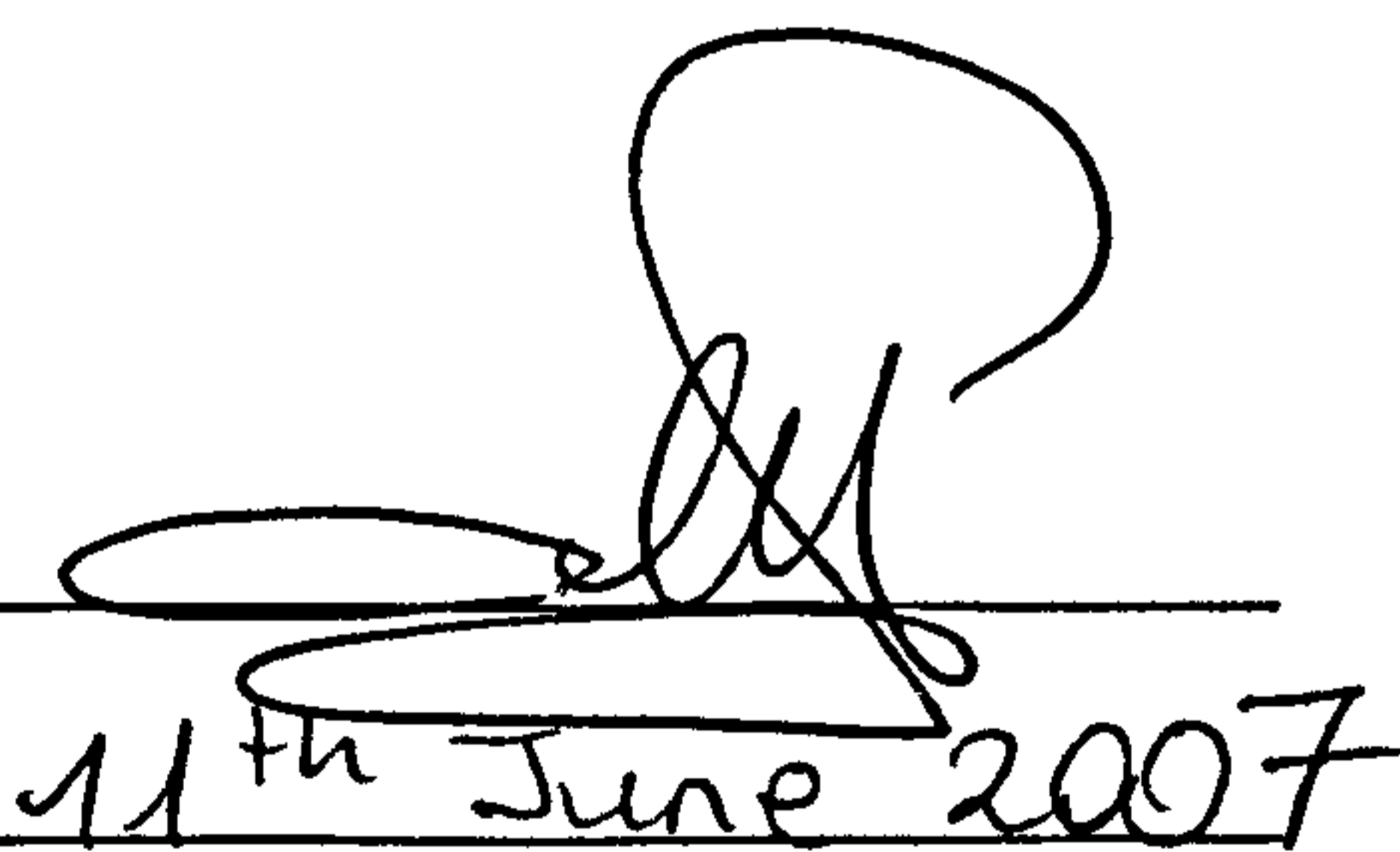
Research Hypotheses”, in *Proceeding of the 9th International Conference on Corporate and Marketing Communication*, April 2004, Coventry, UK.

- 6) Karaosmanoglu, E. and Melewar, T. C. (2003) “The Role of Corporate Communication at the Corporate Identity/Corporate Image Interface: A Communication Framework and Research Agenda”, in *Proceedings of the 32<sup>nd</sup> European Marketing Association Conference*, May 2003, Glasgow, UK.
- 7) Karaosmanoglu, E. and Melewar, T. C. (2003) “The Role of Corporate Communication in Corporate Image Formation: A Communication Framework and Research Agenda”, in *Proceedings of the 7th International Conference on Corporate Identity, Reputation and Competitiveness*, May 2003, Manchester, UK.
- 8) Karaosmanoglu, E. (2002) “An Integrated Approach to Corporate Image Management”, in *Proceedings of the Doctoral Colloquium of the Academy of Marketing Annual Conference*, July 2002, Nottingham, UK.
- 9) Karaosmanoglu, E. and Melewar, T. C. (2002) “An Integrated Approach to Corporate Image Management in MNEs”, in *Proceedings of the 7th International Conference on Corporate and Marketing Communications*, April 2002, Antwerp, Belgium.

- This work has not been submitted within a degree programme at this or any other institutions.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



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## ABSTRACT

This thesis aims to extend the current knowledge about corporate image formation process by developing a comprehensive model which incorporates corporate identity mix elements (i.e. symbolism, communication, and behaviour) and unplanned communication factors (i.e. interpersonal, intermediary and intrapersonal communication). By examining the proposed conceptual model, this study challenges the claims of anything a company does communicates its identity (Balmer, 1997, 2001; Van Riel and Balmer, 1997) by testing the impact of company-driven communication efforts on corporate image formation in the consumer context. It also adopts the understanding of corporate image is a composite product of multiple communication factors (Bhattacharya and Sen, 2003; Cornelissen, 2000) and in addition to formal communication efforts it specifically tests the role of interpersonal communication, intermediary communication and intrapersonal communication factors in corporate image formation (Cornelissen, 2000). It also addresses the gap in the literature about the role of integrated communication in corporate image formation process.

This research adopts a predominantly quantitative approach which is supported by insights from an exploratory phase that encompasses in-depth interviews and focus group discussions. The main survey data is derived from a cross-sectional survey which is conducted in Turkey. The data drawn from 439 questionnaires is analysed by multivariate data analysis techniques including exploratory factor analysis (EFA), Cronbach alpha, confirmatory factor analysis (CFA) and structural equation modelling

(SEM). The first three statistical techniques ensured that the scales developed and adapted were robust in terms of validity and reliability, and SEM application enabled testing the relationships between constructs.

The findings of this study show that not every aspect of corporate identity mix elements (e.g. corporate aesthetics, staff apparel) is considered to be salient communicators of corporate identity by consumers. They also indicate that when consumers attribute positive feelings to a company's corporate visual identity systems, when they think that marketing communication activities reflect corporate values, and when they perceive a company as socially responsible, they tend to form favourable image of that organisation. Moreover, the results highlight that interpersonal communication (word-of-mouth information exchange among close friends and relatives) and intrapersonal factors (i.e. corporate associations gap, consumer-company identification, emotional appeal, consumer-company value congruence) are determinants of corporate image formation. However, it is found that employee behaviour and intermediary communication may not activate immediate associations about corporate image; their relationships with corporate image may be dependent on other boundary conditions. Finally, it is shown that the perceived integration of corporate identity mix elements is linked to corporate image formation through the corporate associations gap. Overall, this research shows that corporate image formation process is a complex phenomenon.



## I INTRODUCTION

Scholars in marketing have already put the spotlight on the importance of creating a unique corporate identity in order to create a sustainable competitive advantage (Balmer, 2001a; Dacin and Brown, 2002; Grey and Smeltzer, 1985, 1987; Simoes et al., 2005; Van Riel and Balmer, 1997). Recent developments in the business environment such as the emergence of unionised or newly opened markets (Gardberg and Fombrun, 2002), mergers and acquisitions (Goodman, 2000), the increasing number of companies and their numerous and various products/services and more sophisticated and demanding consumers (Cornelissen and Harris, 2001; Proctor and Kitchen, 2002) have all started to force companies to focus on different ways of creating a competitive advantage. Collins and Porras (2000) claim that establishing “a cherished core ideology” built upon the company’s main purpose and values i.e. corporate identity, is a possible way of performing well over a prolonged period.

Assessing how consumers respond to a company’s identity is as important as establishing it in the first place. Since corporate identity and its perception i.e. corporate image, are interdependent concepts (Hatch and Schultz, 1997), influencing people’s perceptions of a company is also considered to be a part of strategic management (Brown and Dacin, 1997; Gray and Smeltzer, 1985), and in particular a part of the strategic communication plan. The communication activities of a company aim to influence how its image will be perceived in the eyes of the beholders (Gray and Smeltzer, 1985; Van Riel, 1995). Therefore, there is increasing pressure on organisations to plan their communication strategies more carefully.

However, corporate image is not only a product of communication activities that are controlled internally by companies. External factors such as information disseminated by intermediaries, informal communications with friends and/or relatives as well as person-specific characteristics such as an individual's emotional disposition towards a company (Cornelissen, 2000) determine how corporate image is shaped in the minds of a company's stakeholders. Furthermore, the homology between the people's attributions to a company and the specific corporate identity traits that the company wants to project defines how favourable an individual's overall impression is of that company (Dacin and Brown, 2002). Psychological research has demonstrated that coherence between a company's projected identity traits and the consumers' associations about those qualities, i.e. the corporate associations gap, provides greater influence on the public (Moriarty, 1996), "where consistency in communication can be seen as a necessary condition..." (Cornelissen and Lock, 2001, p. 428).

Although there has been a growing research interest regarding specific company actions in order to manage corporate identity such as visual standardisation for global success (Melewar and Saunders, 1999), senior management's role in employee identification (Scott and Lane, 2000) and employee communication for leveraging corporate brand performance (Harris and De Chernatony, 2001), a comprehensive model, which focuses on how consumers form images of companies by integrating company-driven communication activities and external communication factors in one model in order to examine their impact on consumers' evaluations of companies' identities has not been empirically tested (Cornelissen, 2000).

This thesis takes the discussion above into consideration, and investigates to what extent company-controlled communication activities (corporate identity mix elements) affect corporate image formation versus unplanned (uncontrolled) communication elements. It examines the direct link between consumers' attitudes towards corporate identity mix elements and overall perception of a company i.e. corporate image, as well as the contingencies in which the relationships between corporate image, emotional appeal, corporate associations gap and consumer-company identification occur. It also focuses on the role of perceived integration of the corporate identity mix elements in creating consistent corporate associations, and hence favourable corporate image.

In the following sections, first why the above subject has significance in the marketing field (Section 1.1), and second, what this research aims to examine are explained (Section 1.2). Third, the context of the study and the targeted population for the data collection are described (Section 1.3). Fourth, how the investigation was conducted, and which data collection and analysis methods were used are presented (Section 1.4). Fifth, the contribution of the research is discussed (Section 1.5). Finally, the structure of the chapters and the definitions of the key concepts are provided (Section 1.6).

### **1.1. Relevance of the Research**

Management of people's perceptions about a company (i.e. corporate image) is a part of the competitive positioning strategy (Dowling, 1986). Companies use image management for competitive and strategic needs (Barich and Kotler, 1991). It

provides an objective for advertising, informs the media, signals a company's new direction or name change, creates an understanding of and familiarity with the company behind a product or service (Bernstein, 1984; Dowling, 1986), encourages favourable behaviour towards the company and adds value to general promotion (Kennedy, 1977).

A successful corporate image enables consumers to differentiate one company from its competitors and consequently it increases the likelihood that consumers will purchase that company's products (Brown and Dacin, 1997; Hsieh et al., 2004). Andreassen and Lindestad (1998) have demonstrated that corporate image is a determinant of the customers' satisfaction with the service, of the evaluation of the perceived service quality and of the customer loyalty. LeBlanc and Nguyen (1998) also assert that corporate image has an impact on customer retention, so that a company with a favourable corporate image is more likely to retain its customers and attract the competitors' customers to switch to its brands. A favourable corporate image is also conducive to staff motivation, the recruitment and retention of skilful employees and good relations with the community, shareholders, government and investors (Dowling, 1986; Kennedy, 1977; Melewar et al., 2005). Therefore, considering image management as a part of overall company strategy is obviously beneficial for an organisation.

Keller (2000) claims that "the power of a brand lies in the minds of consumers or customers" (p.157). Similarly, the strength of a company's identity can be assessed by examining how the intended identity results in the minds of its stakeholders. Organisations want to ascertain that their core values and principles are understood

in the same way they want to position them in the marketplace. Gray and Balmer (1998) state that a strategically planned and co-ordinated communication programme rather than autonomous communication activities can build a strong image and help organisations achieve a match between their communicated identity qualities and peoples' associations about them (Abratt, 1989; Gray and Smeltzer, 1987; Melewar, 2003; Van Riel, 1995). For example, in 1983, TRW launched a television advertisement which had the slogan "The Future Isn't What It Used to Be" (Hartigan, 1987, p. 67). This message was in line with the company's core value of being future focused in that it supported their promise of being the producer of state-of-the-art products, while their printed advertisement simultaneously stressed that it was a company which generates new ideas (Hartigan, 1987). It is evident in this example that companies are keen on conveying consistent messages about themselves and hence achieving an overlap between what they claim and how they are perceived.

Brown and Dacin (1997) have found that there is a close link between consumers' associations of a company's manufacturing abilities and social responsibility and how people evaluate that company and its products. In his 1996 study, Drumwright concluded that "organisational-level associations enable the benefits of stronger organisational identification to be widespread and pervasive" (p. 84). Similarly, Bhattacharya and Sen (2003) claim that the more consumers identify themselves with a company, the more loyal they will be to that company and the more inclined they will be to promote it. They will also be more resilient to negative information about that company.

In summary, the above evidence from earlier studies shows that corporate image is a major strategic concern for the success of a company in that its successful management can have a positive impact on company performance indicators. Therefore, it is imperative to understand what types of communication affect people's perception of a company i.e. corporate image.

## **1.2. Aim of the Research**

The discussion above suggests that the way in which companies communicate their identities is crucial in order to enhance the performance outcomes of an organisation through creating a favourable company image. How the stakeholders perceive a company and what values they associate with it are a function of the communication activities. However, it is not always an easy task for decision-makers to assess which planned communication activities have an impact on corporate image formation. This fact is evident in a manager's words from a major American retailer as cited by Brown and Dacin (1997): "We do all these good things ... we build buildings, give money away ... but we don't know if we get anything out of it." (p. 68). Additionally, managers want their constituents to translate their core values exactly as intended. Abratt (1989) claims that integration of communication activities is the key for accomplishing this task. Moreover, Cornelissen (2000) and Dacin and Brown (2002) assert that corporate image management does not suggest a closed system in that it also takes into account the influence of non-company driven communication on peoples' interpretation of a company's identity.

All of these needs and facts lead to the necessity to investigate the following research questions:

1. Which corporate identity mix elements (company-controlled communication elements) are more effective for positioning a favourable image?
2. To what extent does company-controlled communication (corporate identity mix elements) influence corporate image formation versus unplanned (uncontrolled) communication?
3. Does the perceived integration of corporate identity mix elements (company-controlled communication elements) have an impact on achieving the match between the projected corporate identity traits and consumers' perceptions of those values (corporate associations gap)?

In order to address the questions above, the following was done:

- The borders of corporate identity mix elements (company-controlled communication), unplanned (uncontrolled) communication factors were drawn and the indicators of the perceived integration and corporate image constructs were conceptualised on the basis of the literature.
- The scales were operationalised in order to measure the dependent (corporate image) and the independent variables (sub-components of corporate identity mix

elements, unplanned communication factors, perceived integration of corporate identity mix elements), and their reliability and validity were empirically tested.

- The model to examine the relationships between the corporate identity mix elements (company-controlled communication elements), the unplanned (uncontrolled) communication elements, the perceived integration and the corporate image constructs was tested on the basis of the empirical data.

### **1.3. The Context and the Respondent Base of the Study**

This study examines perceptions of consumers in Turkey about the global companies chosen for this study. The rationale behind focusing on Turkey as the context for the study is as follows:

- 1 - There is little research conducted in Turkey in the field of corporate image, identity and reputation<sup>1</sup>. Previous studies mostly cover the USA and a number of European countries such as the United Kingdom, Netherlands, Germany, Belgium and Greece (e.g. Andreassen and Lindestad, 1998; Balmer, 1995; Boyle, 1996; Brown and Dacin, 1997; Fill and Diminopolu, 1999; Fombrun et al., 2000; Gürhan-Canli, 1996; Kennedy, 1977; Simoes, 2001; Thevissen, 2002; Van Riel, 2002; Westberg, 1994; Wiedmann, 2002). Since Turkey is considered as an emerging market (Garten, 1997), the relevance of westernised academic and managerial approaches in terms of corporate identity management should be challenged in Turkish context (Burgess and Steenkamp, 2006).

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<sup>1</sup> Please see the Higher Education Institute of Turkey's website <http://www.yok.gov.tr/YokTezSrv> for the theses conducted in Turkey.



2 - Melewar and Saunders (1999) state that consumers consider the company behind a brand while making purchase decisions in the new era. Balabanis et al. (2002) add that companies transacting out of their domestic environment have to put more effort into convincing consumers in collectivist countries like Turkey to have a favourable impression about them and hence buy their products and services.

Turkey is economically and culturally different from those countries mentioned above. It is classified as a developing country by the International Monetary Fund (2002). Additionally, Garten (1997) has identified Turkey as one of the emerging markets which has the potential to influence world trade significantly. Therefore, studying the subject in this context was considered to yield different perspectives than other developed market settings.

The questionnaires were applied to individuals who were resident in Istanbul. According to the year 2000 census figures, this city is in the most populated (Marmara) region of Turkey with a 25% share of the total population (Euromonitor, April 2000). It is the most populated city in Turkey with approximately 10 million people, which is 1/7th of the whole Turkish population (DIE, 2003). Moreover, its population has increased 12.4 times between 1923 and 2000 while the overall population in Turkey has increased only five times (DIE, 2003). These figures indicate that Istanbul has the potential of representing the Turkish people from different backgrounds.

The respondents were recruited on the basis of convenience in eight boroughs of Istanbul which were determined by following the cluster sampling steps (See Section 4.6.2 for details). By the cut-off date, 252 responses to the McDonald's questionnaire and 255 responses to the Renault-Mais questionnaire had been collected. After the initial data analysis, a total of 439 questionnaires were used in testing the model.

Because corporate image is defined as the overall impression about an organisation, its operationalisation requires indicating a specific company to be assessed (Elsbach and Bhattacharya, 2001). Therefore, the respondents were provided with two reference companies to assess in the questionnaires. Accordingly, McDonald's and Renault-Mais were chosen as focal companies for the following reasons:

- 1 - McDonald's and Renault-Mais were among the first ten most reputable companies based on the reputation survey completed by The Capital in 2000,
- 2 - These two companies are large enough to have a corporate communication department and are capable of investing in a wide range of corporate communication activities,
- 3 - These companies also had strategic corporate communication plans in action.

#### **1.4. Methodology and the Methods Used**

This research aims to understand which elements of company-controlled and unplanned communication are perceived as the communicators of corporate image

by consumers, as well as which of those elements are the determinants of corporate image formation. Due to its descriptive nature, it adopts a quantitative approach and uses the survey method to gather data (Churchill, 1999). Since it is a relatively underdeveloped area of research (Dacin and Brown, 2002), it incorporates information from exploratory interviews in order to gain more insights into the subject (Churchill, 1979; Dickson and Albaum, 1977; Dodd and Whipple, 1976; Sieber, 1973; Mingers, 2001).

Deshpande (1983) and Cronbach (1975) claim that using qualitative methods in the early stages of a quantitative study increases the validity of the research as well as the richness of the conclusions. Therefore, this study adopts Churchill's (1979) paradigm which suggests gathering some qualitative information in the first phase of the research before embarking on a survey. Accordingly, after reviewing the literature, the researcher collected information by conducting in-depth interviews with key informants (i.e. communication consultants and corporate communication managers) and by focus group discussions with consumers. This information was then incorporated into the research instrument design and the scale validation.

The scales were purified on the basis of the qualitative and the quantitative assessment of the questionnaire. Academic judges were recruited for the qualitative stage in order to satisfy the content validity of the measures (Carmines and Zeller, 1979; De Vellis, 1991; De Vaus, 1996). Two pilot tests preceded the main survey in order to simplify the indicators of the constructs quantitatively. Exploratory factor analysis (EFA) and reliability check using the Cronbach alpha statistic were

employed on the basis of the data collected from the pilot studies (Aaker, 1997; Babin et al., 2000; Hair et al., 1998; Tabachnick and Fidell, 2000).

Before merging the two data sets (McDonald's and Renault-Mais) for exploratory factor analysis and measurement model and structural model testing, they were separately exposed to initial data analysis in order to diagnose outliers, missing data and variables with non-normal distributions (Hair et al., 1998; Tabachnick and Fidell, 2000). This was followed by the application of exploratory factor analysis and the Cronbach alpha test (Aaker, 1997; Babin et al., 2000; Hair et al., 1998; Tabachnick and Fidell, 2000). Structural Equation Modelling was used for model testing since it is considered to be a powerful technique for testing causal relationships between constructs (Diamantopoulos, 1994; Fornell and Larcker, 1981; Steenkamp and Baumgartner, 2000). A two-step approach was taken for the model testing (Anderson and Gerbing, 1988). First the unidimensionality of the constructs was validated on the basis of the measurement models by the application of confirmatory factor analysis (CFA). Following that step, the models were tested by applying structural equation modelling which simultaneously estimates the relationships among constructs (Anderson and Gerbing, 1988; Diamantopoulos, 1994; Steenkamp and Baumgartner, 2000).

SPSS 12.0 (statistical package for social sciences) was used during the descriptive analysis, outlier examination, missing data analysis, exploratory factor analysis, reliability analysis and the normal distribution assessment (Tabachnick and Fidell, 2000). Confirmatory factor analysis and structural model testing were performed

using the Lisrel 8.7 (LInear Structural RELationships) (Hair et al., 1998; Jöreskog and Sörbom, 1993; 1996).

### **1.5. Contribution of the Study**

As mentioned earlier (See Section 1.2), this research attempts to expand current understanding in the corporate image formation debate. It aspires to make a theoretical contribution in two main areas: extending the existing theory by empirical testing, and by conceptualisation and operationalisation of constructs. It also aims to make managerial implications for decision-makers in terms of what should shape their approaches to the management of their companies' identities.

In particular, this study advances the existing views on corporate image formation by providing a comprehensive structural model, which incorporates corporate identity mix elements and unplanned communication factors. The proposed model (See Figure 3.1.) does not negate the importance of earlier corporate communication models, which tend to be biased towards organisation-centred perspectives (e.g. Abratt, 1989; Balmer and Soenen, 1999; Birkigt and Stadler, 1986; Dowling, 1986; Markwick and Fill, 1997; Simoes et al., 2005; Van Riel, 1995). However, it suggests a receivers' view (Cornelissen, 2000; Dacin and Brown, 2002, Proctor and Kitchen, 2002), which complements existing models by integrating other message sources; that are interpersonal communication, intermediary communication and intrapersonal communication (Cornelissen, 2000). Through this model, the claim of 'anything a company does communicates its identity' (Balmer, 1997, 2001; Van Riel and Balmer, 1997) in the consumer context. Additionally it considers the role of non-

company driven communication factors on corporate image formation, since Bhattacharya and Sen (2003) and Cornelissen (2000) argue that not only company-driven communication but also external factors are determinant of corporate image formation. Therefore, the relationships between interpersonal communication, intermediary communication and intrapersonal communication factors and corporate image are investigated. It also addresses the long discussion about the role of integrated communication in engendering favourable attitudes towards companies (e.g. Abratt, 1989; Einwiller and Will, 2002; Gray and Smeltzer, 1985, 1987; Van Riel, 1995).

This research also brings new insights on the current conceptualisation and operationalisation of the constructs such as the corporate image, corporate associations, corporate identity mix elements, unplanned communication factors and integrated communication. Although the majority of the sub-elements of these constructs has been conceptually discussed, their measurement scales have not been developed and verified in the consumers' context. For example, the salience of the corporate identity mix elements from the perspectives of consumers is examined. Furthermore, some constructs from other fields, such as identification and integration, are adapted to the context of this study. The robustness of all the scales developed and adapted is confirmed by the application of confirmatory factor analysis (CFA).

The complexity of the corporate image formation process required the researcher to draw insights from other research areas, such as word-of-mouth communication, corporate associations, organisational identification, value congruence and integrated

marketing communication. In this respect, this research is one of the first attempts to establish a link between those areas and the corporate identity and corporate image fields.

In terms of managerial implications, this study suggests that managers should understand that corporate image formation is a complex phenomenon, since it is determined by multiple communication factors including company-driven communication efforts and external communication elements. It suggests that decision-makers should be cautious about designing and implementing formal communication activities, since salient communicators of corporate identity related messages may change for different stakeholder groups. In addition, it asserts that managers should regularly assess what associations individuals hold about their organisations' identities, what their personality values are, and how similar individuals' associations and their self-image perceptions to what their companies' intend to convey. By doing so, this study comments that organisations may have the advantage of responding to consumers' expectations in the right time in a right manner. This research also highlights that integrated communication can be the key for decision-makers to reduce the risk of possible inconsistencies between intended corporate associations and consumers' attributions about companies' identities.

## **1.6. Outline of the Thesis**

This thesis has seven chapters (Figure 1.1) along with appendices and references. The first chapter discusses the significance, the purpose and the contribution of the

study. It continues by presenting the methodology adopted and the context in which it was studied.

Chapter II outlines the background of the corporate image studies and the definitions and the scope of the key concepts. These are: corporate image, corporate associations gap, corporate identity mix (company-controlled communication), unplanned (uncontrolled) communication, perceived integration constructs.

Chapter III presents the theoretical framework which links the above concepts together. It depicts the indicators for the constructs and sets out the hypotheses for the empirical testing.

Chapter IV describes the methodology adopted and the methods used to collect the data. It presents the preliminary research and its findings in terms of scale simplification and research instrument design. It also explains the data analysis techniques and the statistical packages used.

Chapter V presents the analysis and the findings of the main survey. It consists of the initial data analysis, respondent characteristics and the procedures for construct validation and model testing.

Chapter VI discusses the outcomes of the analysis and provides a link between the literature review and the findings.



Finally Chapter VII outlines the contribution of this study to the theory as well as to the practice. It also provides the limitations of the research and suggests directions for future research. The appendices and the references follow this section.

Figure 1.1. The Outline of the Thesis

<b>Chapter I</b>
<b>I. INTRODUCTION</b> 1.1. Relevance of the Research 1.2. Aim of the Research 1.3. Methodology of the Study 1.4. The Context and the Response Base of the Study 1.5. Contribution of the Study 1.6. Outline of the Thesis 1.7. Definition of the Concepts
<b>Chapter II</b>
<b>II. LITERATURE REVIEW</b> 2.1. Introduction 2.2. Paradigms in Corporate Image and Corporate Identity Studies 2.3. Defining the Corporate Image Concept 2.4. Defining the Corporate Associations Concept 2.5. Defining the Corporate Identity Concept 2.6. The Scope of Corporate Identity Communicators 2.7. Relevance of Integrated Communication in Corporate Image Formation 2.8. Summary
<b>Chapter III</b>
<b>III. CONCEPTUAL FRAMEWORK</b> 3.1. Introduction 3.2. Corporate Identity Mix Elements and Corporate Image 3.3. Unplanned Communication Factors and Corporate Image 3.4. Perceived integration of corporate identity mix elements and corporate image 3.5. Corporate identity mix elements versus Unplanned communication factors 3.6. Summary
<b>Chapter IV</b>
<b>IV. METHODOLOGY AND RESEARCH DESIGN</b> 4.1. Introduction 4.2. Justification of the Research Methodology 4.3. Research Design and Methods 4.4. Exploratory Fieldwork 4.5. Research Instrument and Scale Development 4.6. Main Survey 4.7. Data Analysis Techniques and Statistical Packages 4.8. Summary
<b>Chapter V</b>
<b>V. ANALYSIS AND FINDINGS</b> 5.1. Introduction 5.3. Sampling 5.4. Initial Data Analysis 5.5. Scale Refinement, Scale Validation and Modelling 5.6. Summary

<b>Chapter VI</b>
<b>VI. DISCUSSION</b> 6.1. Introduction 6.2. Measurement Scale Purification 6.3. Determinants of Corporate Image: Effects of corporate identity mix elements 6.4. Determinants of Corporate Image: Effects of unplanned communication elements 6.5. Integration of Corporate Identity Mix Elements and Its Relation to Corporate Image 6.6. Corporate Identity Mix Elements versus Unplanned Communication Factors 6.6. Summary
<b>Chapter VII</b>
<b>VII. CONCLUSION</b> 7.1. Introduction 7.2. Theoretical Implications of the Study 7.3. Managerial Implications of the Study 7.4. Limitations of the Study 7.5. Future Research Avenues 7.6. Summary

### **1.7. Definitions of Constructs and Concepts**

**Corporate image:** The individuals' overall evaluation of a company that is incorporating positioning it in comparison to its counterparts and according to what individuals construe about what others think about it (Williams and Moffit, 1997) on the basis of their values, beliefs and attitudes (Dowling, 1986; Johnson and Zinkhan, 1990; Keller, 2002).

**Corporate identity:** The sub-set of organisational values with which a company wants to identify itself to all its audiences (Johnson and Zinkhan, 1990; Zinkhan et al., 2001; Van Riel, 1995).

**Corporate associations gap:** The extent of the differences between the corporate identity traits that a company wants to project and people's associations about those values (Dacin and Brown, 2002).

**Corporate identity mix elements (company-controlled communication elements):** The communication activities that are internally planned by a company. It consists of symbolic elements (i.e. corporate visual identity system, company aesthetics and staff appearance), communication elements (i.e. marketing communication mix) and behavioural elements (i.e. company behaviour, manager behaviour, and employee behaviour) (Balmer and Soenen, 1999; Van Riel, 1995).

**Corporate visual identity systems:** The intangible symbolic elements that a company uses to reflect its values. It consists of logo, name, slogan, colour and typography (Melewar and Saunders, 1999).

**Company aesthetics:** The tangible symbolic elements such as architecture, interior design of buildings, stationary, retail stores etc. that a company uses to project its identity (Schmitt et al., 1995).

**Staff appearance:** The presentation of the intangible symbolic elements of an organisation on its employees' apparels (Kennedy, 1977; Gray and Balmer, 1998; Van Riel, 1995).

**Marketing communication mix:** The communication activities (e.g. advertising, sales promotion, sponsorship, direct selling, corporate advertising, public relations) that are planned to promote the company's products and services as well as itself (Barich and Kotler, 1991; Van Riel, 1995).

**Company behaviour:** A company's actions about ethical, environmental and recruitment issues (Brown and Dacin, 1997; Van Riel, 1995).

**Manager behaviour:** The way the managers of a company represent their company on public occasions (Gray and Balmer, 1998; Van Riel, 1995).

**Employee behaviour:** The way the employees of a company treat its customers (Kennedy, 1977; Kiriakidou and Millward, 2000).

**Unplanned (uncontrolled) communication elements:** The communication factors that are external to companies (Balmer, 2001a). It consists of interpersonal (person-to-person word-of-mouth), intermediary (word-of-mouth from mass media, NGOs, governmental institutions) and intrapersonal (previous experiences and images stored in the mind) communications (Cornelissen, 2000).

**Interpersonal communication:** The person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, an organisation, or a service (Harrison-Walker, 2001).

**Intermediary communication:** The communication between a person and non-person communicator (mass media, NGOs, governmental institutions) regarding a brand, a product, an organisation, or a service.

**Intrapersonal communication:** The psychological consequences of previous experiences and images stored in an individual's mind via previous interactions with the company and its communication activities (Cornelissen, 2000).

**Emotional appeal:** The emotional disposition of an individual towards a company (Fombrun et al., 2000).

**Consumer-company value congruence:** The extent of the overlap between the corporate identity traits that a company wants to project and the people's self perception on the basis of the same values (Sen and Bhattacharya, 2001).

**Consumer-company identification:** The oneness with or connectedness to an organisation (Ashfort and Mael, 1989).

**Company knowledge:** The extent of the knowledge that an individual has about a company (Bhattacharya and Sen, 2003).

## II LITERATURE REVIEW

### 2.1. Introduction

Research in the corporate identity and corporate image areas demonstrated that developing a favourable image among a company's stakeholders has desirable organisational outcomes such as positive response towards products and services (Brown and Dacin, 1997; Keller and Aaker, 1992a), greater customer loyalty (Andreassen and Lindestad, 1998), customer retention (Bhattacharya and Sen, 2003) and satisfaction (Nguyen and LeBlanc, 2003), and greater appeal for skilful workforce (Melewar et al., 2005). Simoes et al. (2005) assert that it is important for decision-makers to understand which factors affect the image that individuals form about their organisations, in order to gain competitive advantage. Although the literature in corporate identity and corporate image areas has discussed this issue, a comprehensive view has not been provided which delineates the types of communication which may have an influence on corporate image formation (Cornelissen, 2000).

Accordingly, this chapter reviews a range of literature in order to establish the domain of corporate image formation and the related concepts. It first provides a background by depicting the evolution of perspectives in the corporate identity and corporate image fields and states the focus of the study. It then explains the key concepts related to corporate image formation as well as the borders of the types of identity communicators by drawing insights from these paradigms.

## **2.2. Paradigms in Corporate Image and Corporate Identity Studies**

Studies of corporate image and corporate identity date to the 1950s (Balmer, 2001a; Bick et al., 2003). Since then, researchers have presented a wide range of perspectives to reach a deeper understanding about these two concepts. Since corporate image and corporate identity have been used interchangeably (Bick et al., 2003; Simoes et al., 2005), evolution of both research streams is presented to provide a comprehensive overview about the paradigms in these fields. On the basis of categorisations by Balmer (1995, 1998, 2001a), Van Riel and Balmer (1997) and Simoes et al. (2005), the visual/graphic design, organisational studies, integrated communication, marketing, and interdisciplinary perspectives are explained in the following sections. A summary of these perspectives and some key authors of each approach are also presented in Table 2.1.

### **2.2.1. Visual/graphic design paradigm**

Since early writers in fields of the corporate image and corporate identity were practitioners, the main emphasis of corporate identity studies conducted until the 1980's was on the visual/graphic design features of organisations (Balmer, 1995, 1998; Van Riel and Balmer, 1997; Simoes et al., 2005). The visual/graphic design school authors (e.g. Carter, 1975, 1976; Henrion and Parkin, 1966; Margulies, 1977; Olins, 1978, Pilditch, 1970; Selame and Selame, 1975) initially argued that symbolism used by an organisation such as nomenclatures, logos, symbols, house styles, stationary, uniforms, vehicles etc. brings visibility to a company and should be kept fashionable (Balmer, 2001a; Van Riel and Balmer, 1997).

After Kennedy's study (1977), this underlying assumption has been revised, since she demonstrated that employees of an organisation play a role in building the identity of an organisation and in its communication to external stakeholders. It was acknowledged that corporate identity influences the shared values, beliefs and behaviours of organisational members on which the corporate culture is built (Balmer, 1995; Downey, 1986), and therefore corporate symbolism should reflect characteristics of organisational culture as well as any changes to it due to alterations in corporate strategy to better position the company in the market place (Balmer, 1995; Van Riel and Balmer, 1997). Accordingly, the focus of research in this area has shifted to the examination of how visual expressions of an organisation were designed to reflect its core values and principles (Balmer, 1995; Van Riel and Balmer, 1997). The major conceptual development of the visual/graphic school was introduced by Olins (1978), who proposed that organisations express their corporate culture and corporate strategy mainly by using three visual identity styles, namely monolithic, endorsed and branded identities.

### **2.2.2. Integrated communication paradigm**

Kennedy's study (1977) demonstrated that along with formal communication activities, employees' interaction with external audiences plays a role in the corporate image formation process. This finding attracted researchers' attention (e.g. Abratt, 1989; Barich and Kotler, 1991; Bernstein, 1984; Dowling, 1986; Gray and Smeltzer, 1987; Marken, 1990; Schmitt et al., 1995; Wells and Spinks, 1999) to the issue of how corporate identity should be communicated internally and externally (Balmer, 2001a).



The scholars supporting this perspective (e.g. Abratt, 1989; Dowling, 1986; Gray and Smeltzer, 1987) suggest that company philosophy and culture should be integrated into every stage of corporate strategy. They developed multi-step plans for image formation and modification which mainly encompass the stages of defining personality characteristics of an organisation, determining the most appropriate messages and communicating them through the most appropriate communication channels, and finally doing image research to provide feedback to corporate strategy which shapes corporate identity.

The pioneering model of this era was developed by Abratt (1989) who launched the concepts of 'interface' between corporate identity and corporate image which defined the 'consistency' between the projected identity and the perceived image. His model was the first attempt to show a linear link between corporate personality, corporate identity, and corporate image which sets out the foundation for corporate image management. In the model, the importance of a communication process was emphasised. He argued that it is imperative to understand whether the corporate identity of an organisation is communicated effectively in order to make sure that stakeholders of an organisation perceive it as intended (Bick et al., 2003). Gray and Smeltzer (1987) stated that a strategically designed and co-ordinated communication programme can build a strong image and reinforce its consonance with identity. Van Riel (1995) argued that management, organisational and marketing communication efforts - which constitute corporate communication - should be integrated in terms of execution and organisational messages they convey in order to eliminate the risk of delivering contradicting cues about an organisation's identity.

### **2.2.3. Organisational studies paradigm**

Since the importance of organisational members' perceptions of their own organisation in image building has been demonstrated in the field (See Kennedy, 1977), organisational behaviour theorists (e.g. Albert and Whetten, 1985; Ashfort and Mael, 1989; Bergami and Bagozzi, 2000; Dutton and Dukerich, 1991; Dutton et al., 1994; Elsbach and Kramer, 1996; Foreman and Whetten, 2002; Gioia et al., 2000; Gioia and Thomas, 1996; Whetten and Godfrey, 1998; Whetten and Mackey, 2002) have brought another perspective by focusing on the relationship between organisations and their employees. They have proposed that the way members of companies perceive their own organisation, i.e. perceived organisational identity, and how they interpret outsiders' views of their organisation, i.e. construed organisational identity, affect their attachment to their own organisations (Dutton and Dukerich, 1991; Dutton et al., 1994), and hence organisational culture which constitutes the context for corporate identity management (Hatch and Schultz, 1997).

Cristensen and Askegaard (2001) argue that the employees' reactions to company policies and their interpretations of their interactions with external publics gives shape to the strategy development of decision-makers in terms of establishing and communicating a corporate identity. Therefore, the relationship between organisational members and their companies in terms of how they internalise their organisations' central, distinctive and enduring characteristics is of interest to corporate identity management (Albert and Whetten, 1985, Balmer, 2001a).

Drawing on social identity theory, the organisational studies perspective suggests that employees try to fulfil their self-definitional needs by defining themselves in relation to their own work places (Ashfort and Mael, 1989; Bergami and Bagozzi, 2000; Elsbach and Kramer, 1996; Gioia and Thomas, 1996). Dutton et al. (1994) and Ashfort and Mael (1989) argue that employees' effort to internalise the main characteristics of their organisations is a form of social identification. This internalisation process has been described as organisational identification, defined by Dutton et al. (1994) as "... the degree to which a member defines him- or herself by the same attributes that he or she believes define the organisation" (p. 239). If employees' own assessment of their organisation's identity (perceived organisational identity) corresponds to their own values as well as to their own interpretations of what outsiders' think about their organisation (construed organisational identity), they will tend to identify themselves with their organisation more strongly (Ashfort and Mael, 1989; Dutton et al., 1994). Dutton et al. (1994) claimed that greater organisational identification may result in outcomes desirable to the organization, such as ascendance of intra-organisational consensus, decrease in competition between sub-groups within the organisation, and a decrease in the risk of losing a qualified work force. Foreman and Whetten, (2002) demonstrated that organisational identification leads to greater personal commitment to the organisation, which in turn may make employees more willing to positively communicate the intended corporate identity to external publics.

In that respect, the role of top management in the establishment of organisational identity and identification has been stressed (Sutton and Callahan, 1987). Dutton and Dukerich (1991) showed in their study of the Port Authority of New York and New

Jersey that the ability of senior management to read the gap between its internal reality and external image defines how the cultural atmosphere inside an organisation can turn into an undesirable environment. Hatch and Schultz (1997) and Simoes et al. (2005) state that the senior management of an organisation is responsible for creating an organisational climate which nurtures the consensus between employees about their organisation's core values and main purpose, which in turn fosters a more favourable perceived organisational identity and greater organisational identification. This has been considered by marketing academics (e.g. Balmer, 2001a; De Chernatony and Harris, 2000; Harris and De Chernatony, 2001; Keller, 1999; Kennedy, 1977; Schultz and De Chernatony, 2002) as one of the vital conditions in creating a positive image about an organisation in the minds of its external audiences.

#### **2.2.4. Marketing paradigm**

This perspective approaches the concept of corporate identity from the standpoint of receivers of corporate messages (Grunig, 1993) and is mainly grounded in the branding literature (Simoes et al., 2005). Early studies by marketing academics (e.g. Bolger, 1959; Easton, 1966; Hill, 1962, Martineau, 1958; Nelson, 1962; Newman, 1953; Spector, 1961; Tucker, 1961) focused on the external perception of corporate identity (i.e. corporate image and corporate associations) and aimed to define the concept of corporate image as well as to diagnose important image characteristics (corporate associations) which an organisation should have in the eyes of its audiences (Balmer, 1998).

Hatch and Schultz (2003) asserted that complex markets and sophisticated consumers have forced companies to position their product brands by differentiating their organisations. Acknowledging that, marketing academics started considering the corporation as a brand in its entirety (Balmer, 2001a; Balmer and Gray, 2003; Bickerton, 2000; Knox and Bickerton, 2003; McDonald et al., 2001, Simoes et al., 2005). They argued that the organisation has become a strategic element in branding, since corporate branding provides an opportunity to use a company's core values as a part of its strategic selling points (Hatch and Schultz, 2000, 2003). Keller (2003) stated that emphasising the company behind its brands brings brand leveraging opportunities by extending consumers' knowledge of about a company's product brands.

Van Riel and Balmer (1997) argued that corporate branding conveys the corporate identity characteristics of an organisation, and works as a means for establishing the desired identity perception in the minds of an organisation's internal and external constituents. This assumption asserts that the centre of the marketing approach is the receiver's perceptions formed and transmitted by communicators (e.g. advertising, product/services, logo, buildings, employee behaviour etc.), which create the receiver's impression of the intended corporate identity.

Studies of marketing perspective concentrated on consumers as primary receivers, and investigated the link between the marketing related antecedents and consequences of consumers' overall evaluation of companies (corporate image) and/or specific associations that consumers have about a company's core values (corporate associations) on the basis of their beliefs, feelings and experiences about

organisations (Brown, 1998). For example; Gürhan-Canlı and Batra (2004) demonstrated the impact of corporate image on brand extension evaluations; Fill and Dimopoulou (1999) investigated the salient attributes of corporate image and their relative importance for pharmaceutical companies; Andreassen and Lindestad (1998) confirmed the relationship between a favourable corporate image and some marketing performance indicators, such as perceived quality, customer satisfaction and loyalty; LeBlanc and Nguyen (1998) studied the mediating role of corporate image on customers' retention decisions; and Brown and Dacin (1997) examined the relationship between certain corporate associations and consumers' product evaluations.

De Chernatony and Harris (2000) and Keller (1999) also stressed the contributions of employees to the external perception of an organisation. Marketing academics concluded that the possible discrepancy between an organisation's identity premise and employees' perception of this premise is critical in establishing a strong corporate brand externally (Balmer, 2001a; Balmer and Soenen, 1999; De Chernatony and Harris, 2000; Harris and De Chernatony, 2001; Keller, 1999; Schultz and De Chernatony, 2002). Some branding scholars have suggested frameworks which link employees' perception of their organisations' corporate brand and brand performance (e.g. Harris and De Chernatony, 2001). However, most studies considered employees as one of the communicators of corporate values to external audiences, and mainly concentrated on the impact of employee behaviour in transmitting organisational messages externally (Barich and Kotler, 1991; Dowling, 1986; Gray and Balmer, 1998; Ind, 1997; Keller, 1999; Kennedy, 1977; Van Riel,

1995), rather than how corporate values are communicated to organisational members.

### **2.2.5. Interdisciplinary paradigm**

In 1995, the International Corporate Identity Group (ICIG) stated that corporate identity and its management is a multifaceted phenomenon (Balmer, 1995, 1998). They claim that corporate identity management relates to a company's values and principles which constitute its personality, dissemination of organisational values internally, employees' sense making about their organisation's identity, externalising corporate identity by formal communication activities, and the influence of tertiary communication factors on perception of corporate identity (Balmer, 2001a). Accordingly they formulated the following statement:

*“Every organisation has an identity. It articulates the corporate ethos, aims and values and presents a sense of individuality that can help to differentiate the organisation within its competitive environment.*

*When well managed, corporate identity can be a powerful means of integrating the many disciplines and activities essential to an organisation's success. It can also provide the visual cohesion necessary to ensure that all corporate communications are coherent with each other and result in an image consistent with the organisation's defining ethos and character.*

*By effectively managing its corporate identity an organisation can build understanding and commitment among its diverse stakeholders. This can be manifested in an ability to attract and retain customers and employees, achieve strategic alliances, gain the support of markets and generate a sense of direction and purpose.*

*Corporate identity is a strategic issue.*

*Corporate identity differs from traditional brand marketing since it is concerned with all of an organisation's stakeholders and the multifaceted way in which an organisation communicates."*

(Balmer, 2001a, p. 291)

Birkigt and Stadler (1986) and Van Riel (1995) proposed that corporate identity cues are revealed internally and externally by strategically planned symbolic, communicative and behavioural activities of an organisation. Similarly, The ICIG statement asserts that understanding of corporate identity and corporate image concepts requires harmonising the perspectives of visual/graphic design, of communication and integration, and of organisational studies and marketing. Moreover, it states that corporate branding concerns multi-stakeholders and management of it requires both internalising and externalising of corporate values by formal communication efforts and taking necessary actions towards the possible intervening influence of informal communication factors on their planned communication activities (Balmer, 1998; Balmer and Gray, 2003, Hatch and Schultz, 2003). By this statement it has been confirmed that corporate identity management has an interdisciplinary nature (Van Riel and Balmer, 1997) and therefore while developing conceptual frameworks for studying corporate identity and corporate image related issues different concepts from other disciplines should be integrated. Simoes et al. (2005) also note that researchers should ground their analysis and discussion in a broad range of disciplines.

Recent conceptual and empirical articles (e.g. Balmer, 2001a; Bick et al., 2003; Cornelissen, 2000; Christensen and Askegaard, 2001; Dacin and Brown, 2002; Melewar et al., 2003; Melewar and Karaosmanoglu, 2005; Simoes, 2001; Simoes et



al., 2005; Van Riel and Balmer, 1997) highlight the fact that corporate identity management and corporate image positioning studies should follow a multidisciplinary approach. For example, Bhattacharya and Sen (2003) and Gwinner and Swanson (2003) incorporated concepts from social identity theory into marketing-oriented research. The former authors introduced a new concept of consumer-company identification and developed a model in order to understand how the corporate identity related concepts (e.g. identity similarity, identity distinctiveness, identity attractiveness etc.) affect consumers' identification with companies and the consequences of this relationship. The latter researchers similarly focused on the identification concept in the context of sponsorship and carried out an empirical study to explain the relationship between fan identification and sponsorship outcomes.

Table 2.1. The characteristics of main perspectives in corporate image and corporate identity studies and some key authors.

Paradigms / Authors	Main Characteristics
<p><b>Visual/graphic Design Paradigm</b>                      Bolger (1959), Carter (1975, 1976), Chajet and Shachtman (1998), Easton (1966), Henrion and Parkin (1966), Hill (1962), Margulies (1977), Olins (1978), Pilditch (1970), Selame and Selame (1975), Simpson (1979), Tucker (1961)</p>	<ul style="list-style-type: none"> <li>• This paradigm proposes that symbolism of an organisation should provide visibility to it and reflect any change in corporate strategy, culture and communication. It should also remain up-to-date in terms of design.</li> <li>• Studies aim to examine how organisational values are reflected in a company's name, slogan, name, typography etc., how visual identity is changed during mergers and acquisitions, how visual expressions of an organisation can be kept fashionable, and how corporate brand can be identified by design.</li> </ul>
<p><b>Integrated Communication Paradigm</b>                      Aberg (1990), Abratt (1989), Balmer and Gray (1999), Berstein (1984), Dowling (1986), Gray and Smeltzer (1985, 1987), Grunig (1993), Kennedy (1977), Stuart (1995, 1998, 1999), Van Riel (1995)</p>	<ul style="list-style-type: none"> <li>• This perspective highlights the importance of effective communication of corporate identity at the corporate identity-corporate image interface. It claims that all elements of corporate identity mix of a company i.e. symbolism, communication and behaviour should be integrated to convey consistent messages in order to ensure that identity of that organisation is perceived as intended.</li> <li>• Research focuses on the degree of integration between management, organisational and marketing communications in terms of execution, philosophy and process. It aims to investigate whether the company strategy and formal communication efforts are designed to project consistent and congruent messages to all stakeholders and what causes the gap between the identity projected and the image perceived.</li> </ul>
<p><b>Organisational Studies Paradigm</b>                      Albert and Whetten (1985), Ashfort and Mael (1989), Bergami and Bagozzi (2000), Dutton and Dukerich (1991), Dutton et al. (1994), Elsbach and Kramer (1996), Foreman and Whetten (2002), Gioia et al. (2000), Gioia and Thomas (1996), Whetten and Godfrey (1998), Whetten and Mackey (2002)</p>	<ul style="list-style-type: none"> <li>• This approach views organisations as social actors with distinct, unique and enduring qualities which differentiate them from their counterparts.</li> <li>• Studies rely on the social identity theory and concentrate on the relationship between organisational members' self-definitional needs and their perception of their organisations' values as well as their interpretation of the prestige that their organisation have in the minds of external stakeholders.</li> </ul>

Source: Developed based on the literature review and categorisations by Balmer (1995, 1998, 2001a), Stuart (1995), Van Riel and Balmer (1997), Simoes et al. (2005).

Table 2.1. (continued) The characteristics of main perspectives in corporate image and corporate identity studies and some key authors.

Paradigms / Authors	Main Characteristics
<p><b>Marketing Paradigm</b></p> <p>Aaker (1996), Andreassen and Lindestad (1998), Balmer (1995, 1999), Bhattacharya and Sen (2003), Brown and Dacin (1997), Davies and Chun (2002), De Chernatony (1999), De Chernatony and Harris (2000), Fatt et al. (2000), Fill and Dimopoulou (1999), Gregory (1997), Gürhan-Canlı (1996), Ind (1997), Johnson and Zinkhan (1990), Kapferer (1992), Keller (1999, 2003), Knox and Bickerton (2003), LeBlanc and Nguyen (1998), Martineau (1958), McDonald et al. (2001), Nelson (1962), Newman (1953), Spector (1961), Zinkhan et al. (2001)</p>	<ul style="list-style-type: none"> <li>• This perspective grounds itself in the branding literature and claims that branding extends beyond the traditional marketing field and regards corporate identity management as a basis for positioning the entire company as a brand. It considers corporate identity from the receiver's standpoint by referring to concepts of corporate image and corporate associations.</li> <li>• The focus of research is on understanding the relationships primarily between consumers and companies in terms of the links between corporate image, corporate associations and company performance outcomes, such as service satisfaction, customer retention, purchasing behaviour and customer loyalty. It also refers to the role of employees in communicating their organisation's core values externally and argues that employees' perception of their organisation's identity influences their ability to represent their company to external audiences.</li> </ul>
<p><b>Interdisciplinary Paradigm</b></p> <p>Balmer (1998, 2001a), Balmer and Soenen (1999), Bick et al. (2003), Bickerton (1999, 2000), Birkigt and Stadler (1986), Cornelissen (2000), Christensen and Askegaard (2001), Dacin and Brown (2002), Hatch and Schultz (1997), International Corporate Identity Group (ICIG) (1995)<sup>1</sup>, Melewar et al. (2003), Melewar and Karaosmanoglu (2005), Moingeon and Ramanantsoa (1997), Simoes (2001); Simoes et al. (2005), Schmidt (1995), Van Riel and Balmer (1997)</p>	<ul style="list-style-type: none"> <li>• This view argues that corporate identity is managed by organisations. It claims that decision-makers communicate an organisation's identity internally and determine the characteristics which should be promoted externally. Therefore, it claims that corporate identity management relates to several disciplines ranging from organisational behaviour to marketing and psychology.</li> <li>• The focus of the research includes decision-makers' efforts to develop an intended identity, its marketing to internal and external constituents, interactions among a company's stakeholders and the influence of external communication factors on their perception of its identity, and performance indicators as a result of the reactions of several audiences to an organisation's identity, which in turn provide feedback in order to make decisions on how to revise that corporate identity.</li> </ul>

Source: Developed based on the literature review and categorisations by Balmer (1995, 1998, 2001a), Stuart (1995), Van Riel and Balmer (1997), Simoes et al. (2005).

Note 1: The statement by the International Corporate Identity Group (ICIG) appears in Balmer (1998, 2001a) and Van Riel and Balmer (1997).

### **2.2.6. Overview and The focus of the study**

As the evolution of the research streams discussed in previous sections shows that a variety of disciplines have addressed the concepts of corporate identity and corporate image from their own standpoints and have put relatively more emphasis on certain aspects of identity management and image positioning. Drawing on a similar review of previous studies (See Section 2.2 and Table 2.1), Brown et al. (2006) posited that the research in corporate identity and corporate image areas focuses on two main levels. The first one is the organisational-level, which concerns how a company develops a unique, distinctive and enduring identity, as well as what the management and communication strategies are in order to manage an organisation's identity internally and externally. The second research focus represents an individual-level investigation, which aims to understand what the stakeholders of a company think about it and how their views about the organisation are formed. This study takes the second view into consideration and examines the factors which may influence consumers' evaluations of companies (i.e. corporate image).

Brown et al. (2006) assert that previous research, which addressed corporate identity and corporate image concepts, have considered them as 'a property of the organisation' in contrast to seeing them in relation to emerging mental associations (i.e. corporate associations) when companies and individuals come into contact. Dacin and Brown (2002) argue that regardless of what a company wants to establish as its identity, the mental picture people hold about it defines what its actual identity is. Similarly,

Cornelissen (2000) argue that previous studies, which attempted to understand the relationship between corporate identity and corporate image have developed models from the companies' perspective (e.g. Abratt, 1989; Balmer and Soenen, 1999; Birkigt and Stadler, 1986; Dowling, 1986; Markwick and Fill, 1997; Simoes et al., 2005; Van Riel, 1995) rather than taking a receiver-centred approach. He claimed that this understanding has limited the knowledge about positioning a company in its stakeholders' minds to only company-driven actions. However, Cheney and Vibbert (1987) argue that corporate identity is not only defined by organisations, it evolves on the basis of receivers' responses. Cornelissen (2000) and Dacin and Brown (2002) assert that other message sources that are external to organisations also convey cues about a company's identity to individuals. This view is consistent with the interdisciplinary paradigm (See Section 2.2.5), which suggests that corporate identity and corporate image concepts are central to an organisation's success and understanding the relationship between them necessitates drawing insights from several disciplines (Brown et al., 2006; Simoes et al., 2005). Accordingly, this research takes this gap into account and develops a conceptual model from the receivers' standpoint (See Figure 3.1), which integrates interpersonal, intermediary and intrapersonal factors into the existing models and tests it in the consumers' context.

Additionally, the assumption about the corporate identity and corporate image concepts, 'being related to individuals' interpretations of company-related signs and signals received from several messages sources' (Cornelissen, 2000; Dacin and Brown, 2002), drew researchers' attention to the issue of how companies can eliminate the possible

dissonance between what they want to position in their stakeholders' minds as their identity and what individuals associate with them. As mentioned in Section 2.2.2, authors, who support the integrated communication perspective (e.g. Abratt, 1989; Dowling, 1986; Gray and Smeltzer, 1987), suggest that integration of company-driven communication efforts can help organisations to achieve consistency between what they convey and what is attributed to them. However, previous research has not addressed how integration is linked to receivers' interpretation of corporate identity cues (Dacin and Brown, 2002). Accordingly, this study also attempts to fill this gap by testing the role of integrated communication in consumer's evaluations of companies.

In the following sections of this chapter, the definitions of corporate image, corporate associations, and corporate identity concepts are provided. Furthermore, the scope of the company-driven communication efforts (i.e. corporate identity mix elements) and external factors (i.e. unplanned communication factors) is depicted. Finally, the role of integrated communication in corporate image formation is discussed.

### **2.3. Defining the Corporate Image Concept**

Even though discussions on the conceptualisation of corporate image has started in the early 1950's, the terms corporate identity, organisational identity, organisational image, and corporate image have often been used interchangeably by different authors while their definitions have overlapped (Bick et al., 2003; Brown, 1998; Simoes et al., 2005).

Each paradigm presented here has defined the corporate image concept through its own lenses. For example, graphic designers and consultants have seen the concept of corporate image as a product of “how an organisation communicates an image through a name and/or icon” (Balmer, 1998, p. 966). Marketing scholars like Martineau (1958), Newman (1953) and Spector (1961) have made an analogy between the corporate and the human personality, and claimed that corporate image is equivalent to the associations or meanings about an organisation’s personality, which Balmer (1995) defined it as the commonly shared values by an organisation’s employees. Marketing and branding academics focused on the corporate brand and claimed that corporate image is formed on the basis of the corporate brand promise of an organisation (Balmer, 2001a; Balmer and Soenen, 1999; Keller, 1999, 2003; Schultz and De Chernatony, 2002). Organisational studies perspective has conceptualised image by focusing on the internal members of an organisation and their perceptions of their organisation’s identity (Dutton and Dukerich, 1991; Dutton et al., 1994; Hatch and Schultz, 1997; Whetten and Mackey, 2002).

Since each discipline approached the image concept with its own parameters, it is difficult to formulate a general definition of the concept (Brown et al., 2006). However, comparing the definition of image in marketing and organisation studies contexts could yield some perspectives (Hatch and Schultz, 1997).

Marketing literature refers to corporate image through two different angles. One group of academics refer to corporate image as the overall impression held by the several

segments of the public (Barich and Kotler, 1991; Berstein, 1984; Bevis, 1967; Dowling, 1986, 1988; Grunig, 1993; Johnson and Zinkhan, 1990; Keller, 2002; Selame and Selame, 1975; Spector, 1961; Topalian, 1984; Zinkhan et al., 2001). The other stream of researchers uses the terms *corporate associations* and *corporate image* interchangeably although defining them similarly. They claim that corporate image is a set of functional and emotional associations that are linked to a company's identity by various stakeholders such as consumers, employees, shareholders and so on (Brown, 1998; Brown and Dacin, 1997; Dowling, 1986; Martineau, 1958; Weiss et al., 1999).

Organisational studies consider the image concept from the employees' perspective and make distinctions between how organisational members perceive their own organisation's identity, how they interpret external audiences' perception about their own organisation's identity, and how decision-makers of an organisation want their company's identity seen by outsiders. They name these three perceptions as *organisational identity* (Dutton and Dukerich, 1991; Gioia et al., 2000; Hatch and Schultz, 1997; Pratt and Foreman, 2000; Whetten and Mackey, 2002), *construed external image* (Dutton et al., 1994; Gioia et al., 2000) and *desired organisational image* (Gioia et al., 2000; Scott and Lane, 2000).

Although the subjects at the centre of the definitions differ in these two approaches, Brown (1998) and Stern et al. (2001) concluded that image is based on perceptions stored in the minds of individuals; therefore it is an individual-level concept. However, while Stern et al. (2001) has limited the definition of corporate image to the total gestalt



impression of individuals about an organisation on the basis of their beliefs, feelings and experiences, Brown (1998) argues that corporate image is also formed as a result of specific associations that individuals link to an organisation, and has proposed an overarching concept of corporate associations. He defined it as the totality of individuals' summary evaluations of a company on the basis of their belief, emotions and experiences, and their specific associations about this company's identity.

However, Dacin and Brown (1997) have demonstrated that specific organisational associations is a determinant of overall corporate evaluation, which is defined as the corporate image by Stern et al. (2001). This result implicitly makes a conceptual distinction between corporate image and corporate associations. On the basis of this inference, one can conclude that the overall impression about a company, i.e. its corporate image, should be conceptualised separately from specific organisational associations; and accordingly corporate associations should be studied as antecedents of the corporate image and not as components (cf. Brown, 1998).

When corporate image is concerned, the components of its operational definition should depict the dynamics of how people mentally position a company as a whole. According to social identity theory from the organisational studies' perspective, it could be argued that along with an individual's perception of a company, how that person perceives what others think about an organisation also affects his/her overall evaluation of that company (See Dutton et al., 1994; Hatch and Schultz, 1997). Moreover, Peteraf and Shanley (1997) argued that managers tend to position their companies as a part of a strategic

group of organisations in the same industry. Therefore, it could be assumed that this comparative positioning of organisations with reference to each other would have implications for an individual's perception of a particular organisation in an industry. Fombrun and Shanley (1990) claimed that while individuals are mentally positioning a company, they engage in more complex inference making by comparing companies to their counterparts.

Drawing on this discussion, it could be concluded that the definition of corporate image should incorporate an individual's overall impression of a company (Dowling, 1986; Johnson and Zinkhan, 1990; Keller, 2002), his/her personal judgement of the general public's opinion about that company, and his/her comparative evaluation of that company versus its counterparts in the same industry (Williams and Moffit, 1997).

In the next section, the definition of corporate associations is provided to clearly state the proposed conceptual difference between corporate image and corporate associations.

#### **2.4. Defining the Corporate Associations Concept**

As mentioned before (See Section 2.2.4), some marketing authors (e.g. Dowling, 1986; Martineau, 1958; Newman, 1953; Spector, 1961) have argued that individuals tend to describe companies by attaching them a set of meanings on the basis of their attributes, both functional (e.g. quality, reliability, service, price etc.) and symbolic (e.g. friendly, rough, welcoming etc.) (Stern et al., 2001). Similarly, authors in the corporate identity

and corporate branding fields (e.g. Balmer, 2001a; Balmer and Gray, 2003; Davies and Chun, 2002; Hatch and Schultz, 2003; Schultz and De Chernatony, 2002) discussed that as in product branding, organisations can be considered as brands in their entirety which possess functional and symbolic qualities.

Brown (1998) stated that individuals not only form a mental picture of an organisation by evaluating it as a whole (general attitudinal component), but also engage in descriptive mental associations about its central, unique and enduring characteristics which constitute its identity. Associations about organisational characteristics can be conceptualised by relying on the brand personality concept used in consumer behaviour research. Brand personality construct refers to “a set of human characteristics associated with a brand” (Aaker, 1997, p. 347). Rook (1985) argues that consumers may treat brands as if they are celebrities. Since the corporate brand is considered at the highest hierarchy of brands (Keller, 2003), organisations may be regarded as famous figures to which human personality traits could be attributed (Aaker, 1997). Inspired by this approach, Davies et al. (2001) and Davies and Chun (2002) have argued that consumers can be asked to personify an organisation or corporate brand by associating human characteristics to it. Drawing on this discussion, the corporate associations concept can be defined as follows:

*Corporate associations are the mental associations of human characteristics about an organisation in the minds of an individual in order to describe that company's identity.*

Overall, the discussion in sections 2.3 and 2.4 about the definitions of corporate image and corporate associations gap concepts suggest that the former is a holistic view about a company in the minds of stakeholders (Dowling, 1986; Johnson and Zinkhan, 1990; Keller, 2002) which is likely to be influenced by the latter which represents human characteristics' associations that emerge in an individual's mind while describing an organisation's identity attributes (Brown, 1998). However, it should be noted that decision-makers of an organisation determine what associations they would like their stakeholders to hold about their companies (Balmer and Soenen, 1999; Brown, 1998; Brown and Dacin, 1997; Brown et al., 2006; Van Rekom, 1997; Van Riel, 1995). The set of organisational attributions that the management of an organisation chooses to be known by its external audiences is defined as *the communicated identity* (Balmer, 2001b; Balmer and Greyser, 2002; Balmer and Soenen, 1999) or *the intended corporate associations* (Brown, 1998; Brown et al., 2006; Dacin and Brown, 2002). In this respect, it is necessary to understand what corporate identity means which lies at the centre of these two terms (See Section 2.5).

## **2.5. Defining the Corporate Identity Concept**

As paradigms evolved in the field of corporate identity and image studies, corporate identity has been defined using different metaphors (Cornelissen and Harris, 2001). Practitioners such as Lippincott and Margulies (1957) discussed that corporate identity is about visual design and presentation of the company outwards via visible artefacts such as logos, symbols, colours, typography etc. (Balmer, 1995; 1998; Van Riel and

Balmer, 1997). After the shift towards recognising the importance of organisational members in corporate image formation (See Kennedy, 1977), the meaning of corporate identity expanded beyond the visual expressions of an organisation incorporating corporate personality (Balmer, 1998).

Abratt (1989) defined corporate personality as “the sum total of the characteristics of the organisation. These characteristics –behavioural and intellectual- serve to distinguish one organisation from another” (p. 413). Balmer (1995) stated that those characteristics were the product of the beliefs and attitudes shared by employees of an organisation. This view was supported by several academics (e.g. Balmer, 1995, 1998; Balmer and Wilson, 1998; Balmer and Soenen, 1999; Baker and Balmer, 1997; Bernstein, 1984; Birkigt and Stadler, 1986; Ind, 1990; Markwick and Fill, 1997; Van Riel and Balmer, 1997), who considered corporate identity as a “tangible representation of the personality, the expression as manifest in the behaviour and communication of the organisation” (Cornelissen and Harris, 2001, p. 56).

Cornelissen and Harris (2001) opposed referring to human personality<sup>2</sup> as a metaphor to describe corporate identity. They argued that corporate identity cannot be a direct expression of internal reality or the personality of an organisation, since “...companies balance internal preoccupations of organisational identity with external imperatives...” (Cornelissen and Harris, 2001, p. 57). In other words, corporate identity is not a

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<sup>2</sup> It should be noted that what Cornelissen and Harris (2001) refer to as human identity metaphor is different from the one referred to in the definition of corporate associations (See Section 2.3). The former refers to the values commonly shared by organisational members which constitute an organisation's personality; the latter is the means to describe companies' identities by a company's stakeholders.

complete representation of an inner-self of an organisation; rather, it is a product of social interaction between a company and its business environment including other organisations and its stakeholders.

This view is supported by Cheney and Vibbert (1987), who asserted that corporate identity is a dialectical phenomenon. Along with strategic planning by decision-makers in terms of the selection of company attributes to be projected (Johnson and Zinkhan, 1990; Zinkhan et al., 2001; Van Riel, 1995), the responses of a company's constituents towards these qualities (Christensen and Askegaard, 2001; Dacin and Brown, 2002) define a company's identity. Drawing on the argument above, in this study corporate identity is defined as the following:

*Corporate identity is the sub-set of organisational values with which a company wants to identify itself to all its audiences.*

(Johnson and Zinkhan, 1990; Zinkhan et al., 2001; Van Riel, 1995)

## **2.6. The Scope of Corporate Identity Communicators**

This definition of corporate identity (See Section 2.5) implies that the management of organisations intentionally choose certain company characteristics to position their companies in the market place, and they disseminate these values by strategically planned communication activities, in order to achieve a desired impression about a company among its stakeholders (Cornelissen and Harris, 2001; Simoes et al., 2005;

Van Riel, 1995). Balmer (1997) states that all planned expressions of an organisation convey its identity. Van Riel (1995) asserts that company-oriented messages are disseminated by company-driven communication efforts manifested as symbolism, communication and behaviour.

Cornelissen and Harris (2001) argue that identities emerge during social interaction. Bhattacharya and Sen (2003) and Dacin and Brown (2002) support this view by stating that corporate-related messages that originate outside an organisation also shape its identity. Stuart (1999) states that even though communications can be planned by companies, unplanned communication is also significant in corporate image formation. According to Cornelissen (2000) company-controlled communication takes place amidst other forms of message sources. The information exchanged during informal one-to-one communication (interpersonal communication), the news received from mass media, NGOs, governmental institutions etc. (intermediary communication) and psychological consequences of the previous experiences and images stored in the mind (intrapersonal communication) also define the attachment level of consumers to companies and the depth of the relationships they build with them.

In summary, it is argued that the messages which possess cues about a company's identity can be delivered by two major groups of identity communicators: 1) corporate identity mix, and 2) unplanned communication factors. The next sections (See Section 2.6.1 and Section 2.6.2) explain the scope of these communication sources.

### **2.6.1. Corporate identity mix elements**

The management of a company's identity lies at the heart of the planned communication activities of an organisation (Gray and Smeltzer, 1985; 1987). Gray and Balmer (1998) state that companies use several communication tools and channels to disseminate corporate messages in order to position their organisations in their stakeholders' minds. Van Riel (1995) argues that the values and principles which define a company's identity should be embedded in its management, organisational and marketing communication activities. Thus, he suggests that all forms of company communication efforts can be classified under the following headings which constitute corporate identity mix elements: symbolism, communication, and behaviour.

#### **2.6.1.1. Symbolism**

As mentioned in Section 2.2.1, the early studies of the field of corporate image and corporate identity considered corporate identity to be equivalent to expressing a company's culture, principles and values, by using visual tools such as logo, colour, staff clothing, buildings, stationery etc. (Balmer, 2001a; Van Riel and Balmer, 1997). Recent literature suggests that corporate symbolism alone does not define an organisation's identity; rather it is one of the key aspects of corporate identity mix by which a company's identity is communicated to its stakeholders (Van Riel, 1995).



Olins (1989) stated that an organisation's symbolism conveys cues about its goals. Schmitt et al. (1995) mentioned that organisations use symbols to identify themselves to their stakeholders, to increase their recognition in the market place and to distinguish themselves from their competitors. Schmitt et al., (1995), and Schmitt and Simonson (1997) point out that when symbolic manifestations of an organisation are well-designed and consistently applied, they may enhance the appeal of a company as well as its products and services, and hence customer loyalty. Melewar and Saunders (1999) emphasised that standardised visual identification also plays a role in a company's success in the global context. Rosson (2003) reported that especially during merger and acquisitions visual identity change helps to reduce the uncertainty about what the new organisation stands for and provides guidance about where it is leading to.

Dowling (1994) argues that logos/symbols work as quality assurance for a company's stakeholders. In line with Boddewyn (1967), researchers assert that company names mostly represent a company's identity (Glynn and Abzug, 2002) and help to position it in the mind of its target audiences (Ries and Trout, 1981). Slogans communicate a company's expertise or its target market (Dowling, 1994). The right colour and typeface mark an organisation's identity by supporting other elements of corporate visual identity systems (Jenkins, 1991; Kapferer, 1992; Miner, 1992). They help emphasise specific identity attributes, such as openness to communication, or a serious business face (Balmer, 1995; Gray and Balmer, 1998). Furthermore, the application of those elements on an organisation's publications increases the likelihood of achieving greater market visibility (Melewar and Saunders, 2000; Schmitt et al., 1995; Topalian, 1984).

Drawing on architectural semiotics, it is argued that buildings, and their internal and external structure and decoration, communicate the purpose of a business and its main activities (Baldry, 1997; Seiler, 1984; Stimson, 1986), which are shaped by an organisation's identity (Dowling, 1994; Schmitt et al., 1995; Topalian, 1984). Dowling (1994) argue that particular interior and exterior architectural designs help people recall the company behind these surroundings. Lambert (1989) state that since company buildings make the environment where transactions take place, they can even be more powerful than any planned promotional activity in creating an image about an organisation.

Furthermore, since a company's stakeholders' interactions with its employees deliver organisational cues (Gray and Balmer, 1998; Kennedy, 1977; Van Riel, 1995), identification of visual design elements on company uniforms helps stakeholders recognise the company (Dowling, 1994). Reingen and Kernan (1994) reported that when the appearance of sales staff is said to be attractive, buyers tend to judge them as highly skilled, which may have a halo affect on consumers' evaluations of the organisations. Similarly, DeShields et al. (1996) argued that the physical appearance of a spokesperson determines how people respond to a company's products and the persuasion level of organisational messages.

Drawing on the literature, it is concluded that organisational symbolism is composed of three main aspects: 1) corporate visual identity systems which involves name, logo/symbol, slogan, colour and typography (Dowling, 1994; Melewar and Saunders,

1999, 2000; Topalian, 1984), 2) staff apparel (Dowling, 1994; Gray and Balmer, 1998; Kennedy, 1977; Van Riel, 1995), and 3) corporate aesthetics including printed material (e.g. stationery, promotional literature etc.) and exterior and interior design of company buildings (e.g. headquarters, plants, retail stores, offices etc.) (Schmitt et al., 1995; Topalian, 1984).

#### **2.6.1.2. Communication**

Hatch and Schultz (2003) and Knox (2004) stated that in recent years, increased competition, highly demanding consumers and faster innovations have forced decision-makers to change their marketing strategies from being product brand oriented towards corporate level branding. Keller (2003) argued that treating organisations as brands enable companies to distinguish themselves from their equivalents, which in turn may support their products and services.

Rossiter and Percy (1996) asserted that positioning a brand requires to define what the major premises of a brand are and what it offers to its targeted audiences. Harris and De Chernatony (2001) noted that “a set of functionally distinct capabilities that differentiate a brand should be derived from the brand’s core values” (p.444). Aaker (1996) claimed that a brand’s major qualities represent its identity, and defined brand identity as “a unique set of brand associations that the brand aspires to create and maintain. These associations represent what that brand stands for and imply a promise to customers from the organisation members.” (p. 68). Simoes and Dibb (2001) and Simoes et al. (2005)

argue that Aaker's (1996) definition overlaps with the definition of corporate identity (See Section 2.5), and implies that organisational values should underline individual brands' characteristics. Keller and Aaker (1992b) state that embedding company values in product brands may reduce the risk of negative response to brand extensions. Moreover, Gürhan-Canlı and Batra (2004) note that products endorsed with core company characteristics may be evaluated more positively.

In this respect, it can be expected that a company's core values can be transferred to its product/service brands, and therefore, positioning activities which aim to support products and services can also be used to promote a company in the market place. This view is supported by Duncan and Moriarty (1998) who stated that "brand messages originate at the corporate, marketing, and marketing communication level." (p. 6).

Abratt (1989) stated that corporate image management seeks for consistency among any messages companies deliver to their audiences by several communicators including products and services. Barich and Kotler (1991) and Keller (2001) mentioned that marketing communication efforts not only influence individuals' responses to product brands, but also their perceptions and evaluations of corporate brands. Drawing on this argument, Van Riel (1995) claimed that marketing communication mix elements (e.g. advertising, sponsorship, public relations activities, corporate advertising, sales promotions etc.) should be used to convey the distinctive qualities of an organisation (i.e. corporate identity).

### **2.6.1.3. Behaviour**

In line with Birkigt and Stadler (1986), Van Riel (1995) states that an organisation should take its behavioural aspect into account while communicating its identity to its target audiences. He argues that corporate identity related messages are manifested in employee behaviour, manager behaviour as well as in company actions towards social and environmental issues.

Following Kennedy's (1977) study, which showed the importance of personnel in corporate image formation, authors of the corporate identity and corporate image fields started to integrate employee behaviour as a part of organisational-level value dissemination. Balmer and Wilson (1998) assert that "corporate identity refers to an organisation's unique characteristics which are rooted in the behaviour of employees" (p. 15). Hatch and Schultz (1997) emphasize that customer service is an integral part of the daily activity of employees at almost all positions of an organisation. Kiriakidou and Millward (2000) comment that "the increasing visibility of insiders to outsiders means that employees are under pressure to interface with the customer as representatives of the organization in the way they think, feel and behave (p. 49). Harris and De Chernatony (2001) claim that employees' interactions with their companies' audiences affect brand relationships with consumers. Hemsley (1998) argue that employees are considered to be the ambassadors of brand messages, both at the product and corporate level (Balmer and Wilkinson, 1991; Harris and De Chernatony, 2001). Therefore, it can

be concluded that employee behaviour creates a basis for corporate image formation (Dowling, 1986; Gray and Balmer, 1998; Ind, 1997).

While several authors (e.g. De Chernatony and Harris, 2000; Harris and De Chernatony, 2001; Hatch and Schultz, 1997; Keller, 1999; Kennedy, 1977; Schultz and De Chernatony, 2002) mostly highlighted the role of managers in developing a shared vision of their company within their workforce, Van Riel (1995) mentioned that especially the CEOs of an organisation should also be able to communicate their company's core values to external constituents. Argenti (1998), and Hunt and Grunig (1994) note that the CEOs of organisations should be a part of the public relations activities, and appear in the media and in public occasions as spokesperson of their organisations. Scott and Lane (2000) and Simoes (2001) state that top managers are the first group of organisational members who are formally charged to represent their organisations to outsiders. Drawing on the impression management literature (e.g. Schlenker, 1980; Tedeschi, 1981), Sutton and Callahan (1987) highlight that managers should try to create credible images among their companies' target audiences in order to ensure their long-term support. In other words, managers' behaviours should convey values which companies want to be identified with in the market place (Argenti, 1998; Gray and Balmer, 1998; Hunt and Grunig, 1994).

Finally, Van Riel (1995) argues that companies' approaches towards environmental and social issues deliver cues about their identities. Studies on corporate social responsibility (e.g. Beh, 1994; Murray and Vogel, 1997; Sen and Bhattacharya, 2001; The World

Economic Forum, 1999) argue that since in recent years consumers have become more conscious about issues related to the natural environment and the quality of life, they scrutinise company's actions more to assess whether they contribute to the society in which they are doing business. Previous research on corporate social responsibility (e.g. Brown and Dacin, 1997; Barone et al., 2000; Carroll, 1991; Chappell, 1993; Keller and Aaker, 1992a; Sen and Bhattacharya, 2001; Sen et al., 2006; Turban and Greening, 1997) showed that perceptions of individuals about a company's approach to environmental and social issues, such as pollution, employee welfare, community involvement, and consumer rights etc., provides insights to consumers about its identity and results in attitudinal change. For example, Brown and Dacin (1997), and Sen and Bhattacharya (2001) demonstrated that consumers' associations about companies' social responsibility actions determine the favourability level of individuals' company evaluations.

In summary, drawing on the literature above, it is concluded that behavioural aspect of an organisation's identity mix elements refers to how well a company's employees treat consumers, how well managers represent their organisations' values in the media and public occasions, and how much a company supports environmental and social issues.

### **2.6.2. Unplanned communication factors**

The definition of corporate identity (See Section 2.5) suggests that managing corporate identity and its communication should be grounded in audiences' reception of company

messages; hence it seems necessary to study a receiver perspective in order to reveal how organisational cues are gathered and interpreted (Cornelissen, 2000). Proctor and Kitchen (2002) argue that in the post-modern world, consumers have more access to any product and/or company related information. Therefore, it would be false to assume that there is a one-way linear link between corporate identity and corporate image (Cornelissen, 2000). Some authors (e.g. Cheney and Vibbert, 1987; Dacin and Brown, 2002) point out that companies' identities are redefined according to stakeholders' responses which are based on their interactions with each other and other sources of information as well as company-driven communication activities. Proctor and Kitchen (2002) support this approach by stating that in the post-modern era, consumers are not just the passive receivers of company communication, rather, they shape what organisations should be.

Based on a similar argument, Cornelissen (2000) claimed that the organisation-centred linear models of corporate identity management (e.g. Abratt, 1989; Balmer and Soenen, 1999; Birkight and Stadler, 1986; Markwick and Fill, 1997; Van Riel, 1995) should be replaced by a complementary model encompassing external sources that are pertinent to the receivers' standpoint. In this respect, he emphasises three main communication factors which cannot be planned by companies: 1) interpersonal communication (word-of-mouth information from a close environment), 2) intermediary communication (word-of-mouth information disseminated by mass media, NGOs, governmental institutions etc.), and 3) intrapersonal communication (psychological consequences of



previous experiences and images stored in the mind). The following sections explain these factors in detail.

### **2.6.2.1. Interpersonal communication**

Research on consumer behaviour has widely accepted that interpersonal communication (i.e. word-of-mouth from close environment) influences individuals' attitudes and behaviours (Brown and Reingen, 1987; Christiansen and Tax, 2000; Harrison-Walker, 2001; Lau and Ng, 2001). For example, Sheth (1971) concluded that word-of-mouth information is more powerful than advertising in motivating consumers to try new innovations. Herr et al. (1991) demonstrated that positive word-of-mouth communication may lead to positive product evaluations. Zeithalm et al. (1993) argued that when individuals' receive favourable recommendations from their immediate environment prior to the service encounter, they are more likely to positively evaluate their service experiences. Moreover, Richins (1983) discussed that dissatisfaction with products and services may result in negative images, and hence may increase the frequency of unfavourable word-of-mouth information dissemination among consumers.

Researchers such as Bristor (1990), Buttle (1998) and Duhan et al. (1997) comment that word-of-mouth information flow among consumers not only affects individuals' approaches towards products and services, but it may also influence their views about companies. Williams and Moffitt (1997) argue that stakeholders tend to rely on recommendations from others who have experiences about a company and its products

and services. Accordingly, Cornelissen (2000) and Dacin and Brown (2002) posited that person-to-person communication among friends and relatives concerning a company may determine the image individuals hold about a company.

#### **2.6.2.2. Intermediary communication**

Literature on word-of-mouth communication mostly defined it as the oral, information exchange among people (e.g. Bristor, 1990; Buttle, 1998; Duhan et al., 1997; Harrison-Walker, 2001; Lau and Ng, 2001). However, Cornelissen (2000) argues that there are various types of other media, such as newspapers, and reports by NGOs or government institutions through which written information about companies and their products and services is delivered. Brown et al. (2005) support this view mentioning that word-of-mouth information not only occurs between individuals, but also is spread by some communication mediums. Christiansen and Tax (2001) highlight that recent technological advances such as electronic bulletin boards, e-mail and the Internet created a new environment by which consumers can easily access a vast amount of information about businesses and their actions.

In line with Kotler (1988), Van Riel (1995) comment that communication managers' responsibilities have expanded over the years, and now they deal with determining the position of the organisation in society, issuing newsworthy company-related information to the media and developing stronger relationships with the various actors of the media, non-profit organisations, and governmental institutions. Fombrun and Shanley (1990)

assert that decision-makers should regularly report transparent company information to third parties, in order to reduce the risk of negative news or information dissemination about their organisations in the public domain. They emphasise that if companies want to be regarded as reputable by their stakeholders, they should ensure that third parties express positive images about them, which in turn may influence the favourability of the information exchanged among interpersonal networks. In summary, it can be assumed that not only person-to-person information exchange determines corporate image formation, but also communication by the third parties such as the media, NGOs and governmental institutions etc. may shape individuals' views about companies (Cornelissen, 2000).

#### **2.6.2.3. Intrapersonal communication**

Cornelissen (2000) argued that personal factors also have an influence on corporate image formation. Brown (1998) and Dacin and Brown (2002) point out that individuals' filter corporate messages based on their emotions and values is a potential factor which may have an influence on consumers' overall evaluation of companies (i.e. corporate image). Bhattacharya and Sen (2003) asserted that individuals tend to have favourable views about companies that they see as social identifiers and are seen emotionally appealing identities. Proctor and Kitchen (2002) stated that "the image of the object is likely to be increasingly dependent on not just on the functions it serves but on its contributions to self-image..." (pp. 152-153). Drawing on these authors' comments the

following person-specific factors are considered as a part of intrapersonal communication.

**a. Corporate associations gap.** Brown (1998) and Brown et al. (2006) stated that individuals form mental associations about organisations' identity characteristics. However, these associations may be different from what the management of an organisation wants to position in the minds of its audiences (Balmer, 1995, 2001b; Balmer and Greyser, 2002; Balmer and Soenen, 1999; Brown et al., 2006; Kirikiadou and Millward, 2000; Van Rekom, 1997). Regardless of what an organisation wants to convey as its identity traits, the corporate associations formed in the minds of stakeholders depict the actual identity of that organisation for individuals (Brown et al., 2006). Van Riel (1995) and Van Rekom (1997) assert that the fit between the communicated identity (intended corporate associations) and the actual associations that people ascribe to a company is one of the crucial factors that determine the effectiveness of an organisation's communication efforts.

Both Brown (1998) and Dacin and Brown (2002) mentioned that corporate associations are dependent on an individual's filtering of company messages on the basis of his/her own beliefs, emotions and values. Bernstein (1984) stated that there is noise in any communication process as messages travel between the sender and the receiver. One source of noise can be a receiver's previously held feelings and experiences as the definition of corporate associations implies (See Section 2.4). Therefore, a gap between what an organisation projects as its identity and people's associations about it may be

expected. On the basis of this discussion, the corporate associations gap concept is defined as the degree of match between the identity characteristics that an organisation intends to convey and an individuals' mental associations on the basis of their beliefs, feelings and values (Dacin and Brown, 2002).

Many authors in the fields of corporate identity and corporate image mention that managers should monitor whether the associations held by individuals about their companies' symbolic and functional attributes are similar to what they intend to convey (e.g. Balmer and Soenen, 1999; Brown, 1998; Brown and Dacin, 1997; Brown et al., 2006; Van Rekom, 1997; Van Riel, 1995). Dacin and Brown (2002) assert that decision-makers should aim to engender favourable attitude towards their companies by designing and implementing communication activities which are directed to decrease the mismatch between the intended corporate associations and stakeholders reactions to them.

**b. Consumer-company identification.** Identification construct has been widely studied by organisational behaviour scholars (e.g. Brown, 1969; Hall et al., 1970; Hall and Schneider, 1972; O'Reilly and Chatman, 1986). Hall et al. (1970) defined it as "the process by which the goals of the organisation and those of the individual become increasingly integrated and congruent" (p. 176-177). O'Reilly and Chatman (1986) conceptualised it as the "involvement based on a desire for affiliation" (p. 493).

Ashfort and Mael (1989) stated that these definitions above encompass one's internalisation and maintenance of organisational values as a part of his/her own identity. However, they argued that this view overlaps with the definition of organisational commitment (See Mowday et al., 1979). Drawing on social identity theory (e.g. Tajfel and Turner, 1985) and Mael's (1988) study, they suggested that identification should be "viewed as a perceptual cognitive construct" (Ashfort and Mael, 1989, p. 21), rather than a being a concept with behavioural and affective aspects. In line with authors such as Brewer (1991), Kramer (1991), and Tajfel and Turner (1985), Ashfort and Mael (1989) argued that individuals associate themselves with certain groups to define who they are and what they belong to, and their categorisation of themselves in reference to certain groups which are associated with certain companies suggests a psychological attachment to the fate of the group, such as sharing success and failure of the group. Accordingly, Mael and Ashfort (1992) define identification as "the perceived oneness with an organisation and the experience of an organisation's successes and failures as one's own" (Mael and Ashfort, 1992, p. 103).

As the definition suggests, identification is considered to be related to organisational member-company relationships. However, recent research in organisational identification (e.g. Gwinner and Swanson, 2003; Pratt, 1998; Scott and Lane, 2000) have shown that identification can also play a role in relationship building between non-formal members and organisations. Aaker (1996) asserted that consumers also engage in deeper cognitive attachment with companies. Similarly, Bhattacharya and Sen (2003) claimed that consumers may categorise themselves in social groups which they associate

with certain companies. They have argued that consumer-company identification can be one of the psychological states which may influence individual's perceptions of organisations. Scott and Lane (2000) stated that corporate image building is "an integral part of [organisational identification], since it serves the dual purpose of making public what is special, unique, or distinctive about organizations to relevant audiences ... while simultaneously providing the mechanism through which managers explore what an organization is about—that is, what its core values and its central beliefs are." (p. 45).

**c. Emotional appeal.** Fombrun and Shanley (1990) asserted that organisations engage in promotional activities such as corporate advertising and public relations in order to raise the awareness of consumers about the better aspects of their organisations in comparison to other competing organizations. Rao et al. (2000) stated that these activities make individuals a part of the company-related information networks and also emphasise the salient aspects of their organisations' identities in the minds of individuals. Fombrun and Rindova (1996) mentioned that reputation management aims to create more favourable company-oriented information flow by positive media coverage, and hence makes the public perceive companies as respectful and trustworthy. Bhattacharya and Sen (2003) supported this view by stating that consumers' perceptions of a company as trustworthy and respectful are not only attributed to their experience with the company and its products and services, but also to what they construe about that company's reputation among the public (Bhattacharya and Sen, 2003).

Organisational identification scholars such as Ashfort and Mael (1989), Bergami and Bagozzi (2000) and Dutton et al. (1994) suggest that individuals are inclined to be attracted to companies which are evaluated as being trustworthy and respectful by others that they think of highly. Other academics (e.g. Hogg and Terry, 2000; Pratt, 2000; Scott and Lane, 2000) imply that when those attributions have a salient position in an individual's working memory; it is likely that this individual will focus and elaborate on those companies which have these qualities. Therefore, it could be inferred that an organisation's emotional appeal can be defined as the emotional predisposition of an individual towards a company on the basis of its reputation of trustworthiness and respectfulness in the public mind.

Fombrun et al. (2000) demonstrated that the emotional appeal of organisations with regard to these two attributes is one of the essential components of reputation management. Since corporate reputation is considered to be an aggregate form of corporate images held about a company over time (Gotsi and Wilson, 2001), it can be assumed that emotional appeal is a determinant of corporate image formation process. Additionally, Bhattacharya and Sen (2003) discuss that consumers are unlikely to build deeper relationships with companies as employees do, since organisations do not have as a central role in consumers' lives as they do for organisational members. Therefore, they assume that companies should have an emotionally appealing aspect for consumers to use them as social identifiers.



**d. Consumer-company value congruence.** The value congruence concept has been widely investigated in person-organisation fit and self-image research streams (e.g. Edvardsson and Gustavsson, 1991; Ekinici and Riley, 2003; Kristof, 1996; O'Reilly et al., 1991; O'Reilly and Chatman, 1986; Sen and Bhattacharya, 2001; Sirgy, 1982b; Sirgy and Samli, 1985). O'Reilly et al. (1991) argued that values serve as defining elements around which employees develop a sense of belonging to their employer organisations. Bergami and Bagozzi (2000) stated that organisational members tend to incorporate favourable aspects of the companies they work for to fulfil their self-enhancement and self-consistency needs (See Dutton et al., 1994). Kristof (1996) asserted that employees tend to compare their own values to their employer organisations' and seek for similarities in order to define their social identity (See Ashfort and Mael, 1989). To sum up, person-organisation fit studies claim that individuals seek value congruence between their own values and that of their organisations and defined the value congruence as the degree to which the individuals' values match the organisations' (O'Reilly et al., 1991).

Sirgy's (1982a) self-congruence theory suggests that people tend to describe products and services with the same attributes by which they evaluate themselves. In line with Grubb and Grathwohl (1967), Sirgy (1982a) claims that goods convey symbolic meanings and their consumption may evoke self-related associations. In other words, the associations individuals make about the qualities of products and services may activate their self-schema including the concept of 'who I am', and motivate them to link their attributions about products and services to their own self-image perceptions.

Previous research on the self-image concept has shown that self-congruence theory has behavioural and attitudinal consequences. For example, Sirgy and Samli (1985) reported that there is a relationship between people's perception of their self-image and their evaluations of product image as well as of store image. Hong and Zinkhan (1995) showed that self-concept determines brand preference, brand attitudes and purchase intentions. Sen and Bhattacharya (2001) argued that self-image concept can be studied at the company-level, and demonstrated that when an organisation's values match individuals' own self-image, they are more likely to evaluate that company positively.

All in all, in line with authors such as Bhattacharya and Sen (2003), Cornelissen (2000) and Stuart (1995), the factors explained in sections 2.6.1, and 2.6.2 are considered to be the main group of corporate identity communicators upon which individuals base their views about companies. Proctor and Kitchen (2002) comment that in the future the success of companies will be mostly dependent on positioning organisations in their stakeholders' minds. Therefore, it is important for decision-makers to understand which communication tools and channels are more influential in its constituents' decision-making processes (Abratt, 1989). Brown and Dacin (1997) state that even though organisations are putting substantial effort into managing their identities, they still do not know whether it is the planned communication or external response to their efforts that influences the overall image that people hold about their companies. Therefore, this study addresses this question and aims to investigate the relative impact of the two major groups of identity communicators on corporate image formation.

## **2.7. Relevance of Integrated Communication in Corporate Image Formation**

As discussed in the integrated communications paradigm section (See Section 2.2.2), the realisation of the importance of consistency between the presentation of corporate identity and its perception led researchers to pay attention to the concept of integrated communications (Bernstein, 1984; Gray and Smeltzer, 1985; Van Riel and Balmer, 1997). This perspective bridged marketing theory and communication fields, which is implicitly highlighted in Keller's (1993) words:

*"...the entire marketing program should be co-ordinated to create congruent and strong brand associations...helping to produce a consistent and cohesive brand image. Marketers should judge the consistency and cohesiveness of the brand image with the business definition in mind and how well the specific attributes and benefits that the product or service is intended to provide to consumers satisfy their core needs and wants."*

(Keller, 1993, p. 15)

Since the early 1990s, the theory of integration has been considered to be at the centre of corporate and marketing communications (Caywood et al., 1991; Duncan and Everett, 1993; Phelps et al., 1996; Kitchen and Schultz, 1998, 1999; Schultz and Kitchen, 1997). It was argued that 'integration' of communications is profoundly related to organisational performance indicators since it may give the opportunity to reduce inefficiency in efforts and materials used (Beard, 1997) by strategic planning and execution (Duncan and Everett, 1993).

Since the launch of the term 'integration' to marketing theory, various definitions have been used mostly by researchers in integrated marketing communications field. Duncan and Moriarty (1993) defined integrated marketing communications as "the strategic co-ordination of all messages and media used by an organisation to influence its perceived brand value." (p. 33). Schultz (1993) and Schultz and Kitchen (1997) stated that;

*"IMC is a concept of marketing communications planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines (for example, general advertising, direct response, sales promotion, and public relations) ... and combines these disciplines to provide clarity, consistency, and maximum communications impact."*

(Schultz, 1993, p. 17; Schultz and Kitchen, 1997, p. 9)

The American Association of Advertising Agencies Integrated Communications Committee (AAICC) described IMC as:

*A concept of marketing communications planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines and provides clarity, consistency and maximum communications impact through the seamless integration of discrete message.*

(Yeshin, 1998, p. 68)

All these definitions emphasise three main points which are also supported by Low's (2000) study: 1) a common communication message, 2) co-ordinated planning and

execution of communication tools, and 3) similar (consistent) message dissemination by each communication activities.

Van Riel (1995) asserts that the concept of integration not only relates to marketing communication activities, but also concerns organisational and management communication activities which are embodied by symbolism, communication and behaviour of a company. He claims that integration is also sought at the corporate level in order to create consistency in individuals' perceptions about a company's identity.

The essence of corporate identity management is grounded in handling possible problems at the moment of identity-image transformation (Abratt, 1989; Stuart, 1995). The integration of corporate identity mix elements can be considered to be the key for a consonance between the projected corporate identity and the perceived corporate image (Abratt, 1989; Van Rekom, 1997). When corporate identity cues are converted to corporate associations in the minds of a company's constituents, it is expected that stakeholders' perceptions will be congruent with the communicated identity of that organisation (Balmer, 1998). Therefore, the major focus of corporate identity communication is the potential gap between the intended corporate associations and their perception (Dacin and Brown, 2002), because the possibility of misperception due to misrepresentation of the corporate identity cues is high. As in any communication process, the noise between the two ends of this process (i.e. sender and receiver) widens the gap (Bernstein, 1984). There can be two intervening problems throughout this transformation: The first is the psychological filtering of receivers (Brown, 1998) and

the second is the fragmented use of company-driven communication activities (i.e. corporate identity mix elements) (Abratt, 1989).

From the perspective of corporate identity management, influencing the former directly is not easy, since it is about the beliefs, values and mood of the people (Brown, 1998; Dacin and Brown, 2002). However, organisations have significant control over the selection and co-ordination of corporate identity mix elements as well as the delineation of messages disclosed (Van Riel, 1995) which may allow them to reduce the possible loss of congruence between intended corporate associations and people's attributions about these company characteristics. The better preparation of company messages, the proper selection of channels and tools to carry them and the better co-ordination of company-driven communication efforts are the foundation for motivating consumers to form similar corporate associations to what is projected (Balmer, 1998; Gray and Smeltzer, 1987; Van Rekom, 1997) and to evaluate companies favourably as a whole (Olins, 1978; Bernstein, 1984, Van Riel, 1995).

Duncan and Moriarty (1998) claim that consumers are inclined to integrate brand messages. Harris (1997) supports this view by highlighting Prof Sandra Moriarty's words: "The brain does not distinguish an advertising message from a PR message. Instead, it gathers information from an untold number of contact points and assimilates it into one picture" (Harris, 1997, p. 93). This argument implies that individuals tend to search for consistency. Since companies aim to create a consonance among company messages by integrating formal communication activities (i.e. corporate identity mix

elements), it can be assumed that consumers may also be inclined to assess the ability of companies in integrating corporate identity mix elements in terms of message coherence and co-ordination of activities. In other words, consumers' attributions about the extent to which a company's identity mix elements are integrated may determine their judgements about a company's identity values and hence overall evaluation of that company's image.

As a conclusion, integration in the context of corporate identity management entails co-ordinated execution of corporate identity mix elements and alignment of these elements to serve a common corporate identity message by conveying similar messages to each other (See Low, 2000).

## **2.8. Summary**

In light of the interdisciplinary paradigm which suggests that concepts from different disciplines should be integrated while studying corporate image formation (See Section 2.2.5), this chapter reviewed an extant literature incorporating views from corporate identity and corporate image management, word-of-mouth communication, corporate associations, organisational identification, value congruence and integrated marketing communication fields. It first presented the perspectives in corporate identity and corporate image fields in order to provide a historical background on which the definitions of corporate image, corporate associations and corporate identity concepts were built. It then discussed the scope of corporate identity communicators which

transmits company related information to individuals while they are forming an image of a company. The next chapter outlays the theoretical framework, which depicts the relationships between corporate identity mix elements, unplanned communication factors, integrated communication and the corporate image concept.



### III CONCEPTUAL FRAMEWORK

#### 3.1. Introduction

The management of a corporate identity requires an understanding of the dynamics of identity communication in terms of how corporate identity is translated into corporate image (Stuart, 1995) by internal and external stakeholders of an organisation (Dacin and Brown, 2002). Although it is well studied and argued that a company's planned communication efforts influence the image people hold about that organisation (Balmer, 1998; Balmer and Soenen, 1999), there is a paucity of research in the corporate identity and corporate image literatures on understanding the impact of company-driven communication efforts and external communication factors on corporate image formation (Cornelissen, 2000; Dacin and Brown, 2002). Moreover, although there have been discussions about the importance of integrating a company's planned communication efforts in order to create consistent identity associations in the minds of stakeholders (Abratt, 1989; Einwiller and Will, 2002; Gray and Smeltzer, 1985, 1987; Van Riel, 1995), there is still a lack of empirical research which demonstrates mechanisms by which integration relates to the corporate image concept.

The proposed conceptual model (Figure 3.1) seeks to address a gap in corporate image studies by incorporating corporate identity mix elements (symbolism, communication and behaviour) and unplanned communication factors (interpersonal, intermediary and intrapersonal communication) into one comprehensive model in order to assess both the individual and the relative impact of the sub-dimensions of these two major group of

identity communicators on corporate image formation. This model empirically tests whether anything a company does communicates its identity (Balmer, 1997, 2001; Van Riel and Balmer, 1997) and whether corporate image is a composite product of company-controlled and non-company driven communication (Bhattacharya and Sen, 2003; Cornelissen, 2000).

Based on the attribution theory, the conceptual model (Figure 3.1) proposes that consumers' positive attributions about a company's symbolic expressions (corporate visual identity systems, corporate aesthetics, staff apparel), marketing communication mix elements (products/services, brand advertising, corporate advertising, public relations activities, sponsorships, direct selling etc.) and behavioural aspects (manager, employee, and company behaviour) increase the likelihood of achieving a favourable image about that company in the minds of its stakeholders.

Additionally, it suggests that positive word-of-mouth commentary delivered by interpersonal sources (close friends and relatives), as well as through intermediary channels (the mass media, opinion leaders, NGOs, governmental institutions etc.) determines people's evaluations of a company's image. It also argues that there are direct and indirect relationships between corporate image formation and intrapersonal factors, namely the corporate associations gap, consumer-company identification, emotional appeal and consumer-company value congruence. Furthermore, it hypothesises that positive attribution of consumers about the integration level of corporate identity mix elements is linked to corporate image through the corporate associations gap.

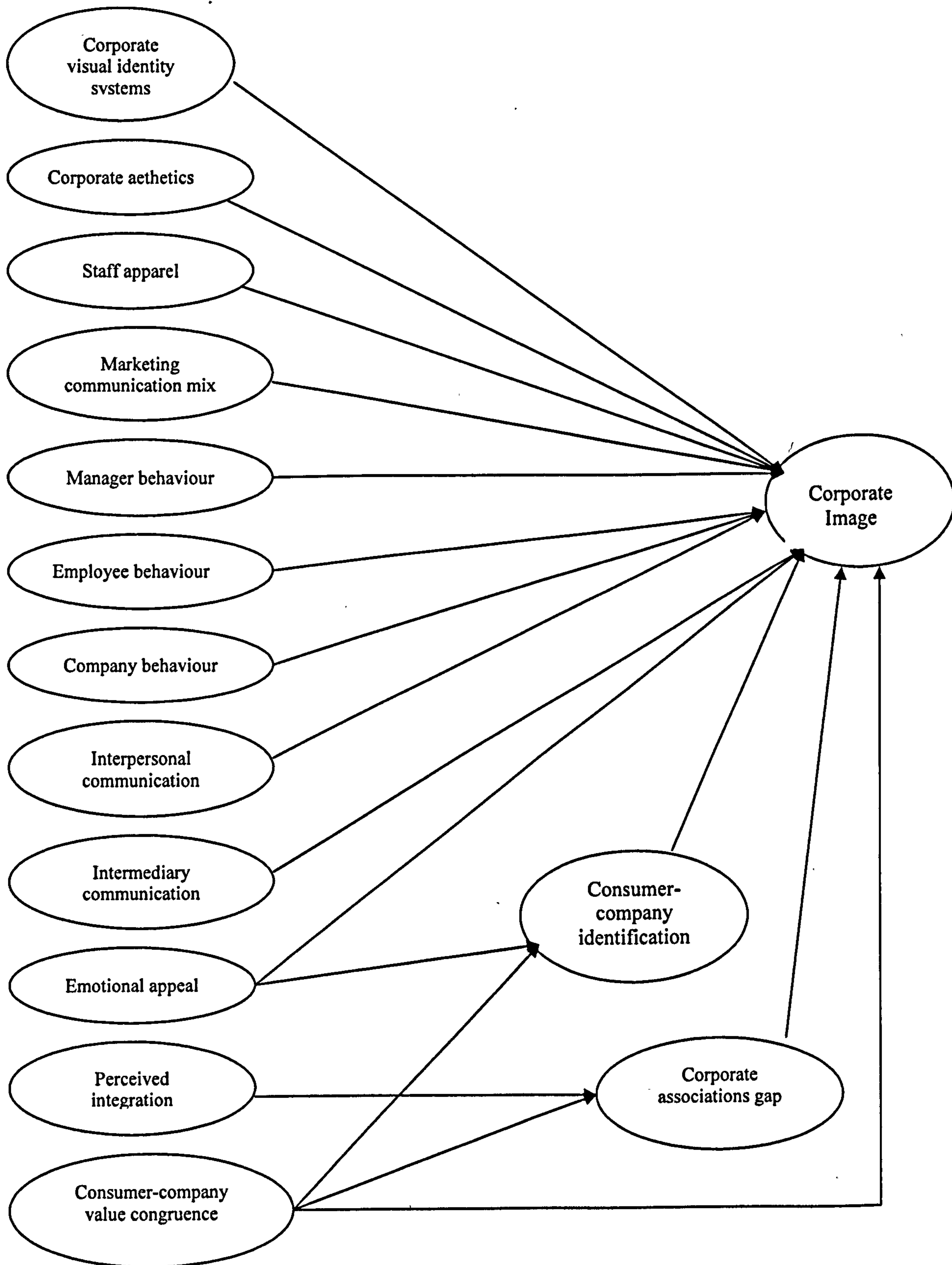


Figure 3.1. The conceptual framework.

It should be noted that while this research acknowledges that several stakeholders such as employees, investors and distributors are involved in building corporate identity and its perception as corporate image (Dacin and Brown, 2002; Van Riel and Balmer, 1997), it focuses only on consumers and their perceptions of organisations' images. From a marketing point of view, the non-organisational public can be deemed more important for a company, since managing identity can be a strategic tool for attracting potential customers, increasing existing customers' loyalty, thereby increasing sales and market share. In this respect, consumers can be considered as the primary external stakeholders of organisations and should be treated as a strategic asset to gain a competitive advantage in the long run (See Bhattacharya and Sen, 2003).

Figure 3.1 illustrates a consumer-level conceptual framework which demonstrates the links between the corporate image concept and the sub-dimensions of corporate identity mix elements and unplanned communication factors as well as the perceived integration of company-controlled communication. Discussions about the relationships between concepts and the related hypotheses (See Table 3.1) are presented in the following sections (See Section 3.2 and Section 3.3).

### **3.2. Corporate identity mix elements and corporate image**

Gray and Balmer (1998) state that a company's identity is translated into an image in the public's mind through various communication tools and channels. Therefore, it is assumed that consumers' evaluations of a company's communication activities are the

antecedent of the corporate image. In other words, when consumers have positive attitudes towards an organisation's formal communication efforts (i.e. symbolism, communication, and behaviour), they will be more likely to interpret the messages sent by those communicators positively and hence will be more likely to form a favourable image about that company.

This assumption is grounded in the attribution theory (Graham, 1991; Kelley, 1967; Weiner, 1992). Attribution theory was developed by social psychologists (e.g. Heider, 1958; Jones et al., 1972; Weiner, 1974, 1986) to understand the causes of individuals' own and others' success and failure. It tries to explain how people interpret the cause of behaviour upon which they build their reactions towards that particular behaviour (Kelley and Michela, 1980). It suggests that attributions are contingent on three factors: first, a person's perception or observation of the behaviour; second, a person's belief that the other individual's behaviour was intentional; and third, a person's perception of whether or not the behaviour of the other person occurred as a result of an external force (Malle, 1999; 2003).

Since studies have demonstrated that attributions are predictors of subsequent emotional, cognitive, and behavioural responses (See Struthers et al., 1998; Weiner, 1985, 1986), the attribution theory has been used extensively in marketing studies (Folkes, 1984; Valle and Wallendorf, 1977). There has been evidence to show the relationships between negative attributions about employee behaviour and customer complaints (e.g. Curren and Folkes, 1987; Richins, 1983), customer satisfaction (e.g.

Oliver and DeSarbo, 1988) and repurchase intentions (Folkes et al., 1987). However, attribution theory has not been applied to corporate image studies.

In the literature, it has been argued that consumers' evaluations of corporate image are based on intentional corporate identity messages (Brown, 1998; Brown et al., 2006; Dacin and Brown, 2002), transmitted by symbolism, communication and behaviour of a company (Van Riel, 1995). Attribution theory posits that a person's perception about the success or failure of another individual can be attributed to the other person's intentional behaviour (Weiner, 1986)<sup>3</sup>. By extension of this argument, it can be concluded that people's evaluations of a company's image will be dependent on their perceptions of that organisation's intentional communication efforts. In other words, when consumers' have positive attributions about planned communication activities of an organization, they will be more likely to have a favourable image about that company. Drawing on this conclusion, the propositions about the relationships between consumers' reactions to corporate identity mix elements (i.e. symbolism, communication and behaviour) and corporate image are presented in the following sections.

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<sup>3</sup> It should be noted that Weiner (1986) also argues that people's attributions will be contingent on situations which force other people behave in a certain way. In the context of this study, these external forces can be the business environment, competition, industry identity and so on (See Balmer and Soenen, 1999) which can force companies to change their communication strategies. Since the study only focuses on corporate identity mix elements, those factors are not discussed here. Furthermore, it is assumed that consumers will not be able to easily judge whether a company's planned communication activities changed due to such external forces. They would rather see the immediate result of such forced modifications in communication activities of an organisation.

### **3.2.1. Symbolism**

Although there has been a shift from a simplistic view of ‘corporate identity as visual expressions of an organisation’ towards a multi-faceted approach of ‘corporate identity as all expressions of a company’ (Cornelissen and Harris, 2001), the importance of symbolism in communicating corporate identity is still widely acknowledged (Baker and Balmer, 1997; Van Riel and Balmer, 1997).

Schmitt et al. (1995) assert that the visual expressions of an organisation provide a powerful way to identify a company as well as to distinguish it from its counterparts, since they represent the distinctive qualities of a corporation which stem from its personality (Bernstein, 1984). The literature (See 2.6.1.1) suggests that the scope of an organisation’s visual expressions encompasses a wider range of areas. Specifically, corporate identity of a company is projected by corporate visual identity systems (logo/symbol, name, slogan, colour and typography) (Dowling, 1994; Melewar and Saunders, 1999, 2000; Topalian, 1984) and their applications on staff apparel (Dowling, 1994; Gray and Balmer, 1998; Kennedy, 1977; Van Riel, 1995) and corporate aesthetics including printed material (e.g. stationery, promotional literature etc.) and exterior and interior of company buildings (e.g. headquarters, plants, retail stores, offices etc.) (Schmitt et al., 1995; Topalian, 1984).

Since visual aspects of an organisation trigger awareness and recognition about it in people’s minds (Dowling, 2001; Rosson, 2003), they activate individuals’ affect

reactions (Henderson and Cote, 1998). Van Riel (1995) notes that well designed and applied corporate symbols may evoke an emotional response. Henderson and Cote (1998) claim that when individuals like logos, their positive reactions can transfer from the logo to the company and hence they may be motivated to evaluate organisations more favourably. The same affect transfer can be assumed for the other symbolic aspects of an organisation including the other elements of corporate visual identity systems, corporate aesthetics and staff apparel. Thus it is assumed that consumers' attitudes towards symbolic expressions of an organisation will reveal how they evaluate the company as a whole. Based on this argument, the following hypotheses are derived:

H1a: The more positive the attitude that consumers have towards a company's visual identity systems, the more favourable the image they have about that company.

H1b: The more positive the attitude that consumers have towards a company's corporate aesthetics, the more favourable the image they have about that company.

H1c: The more positive the attitude that consumers have towards a company's staff apparels, the more favourable the image they have about that company.

### **3.2.2. Communication**

Markwick and Fill (1997) claim that marketing communications should be used to convey the distinctive qualities of a corporate identity. Van Riel (1995) defines marketing communication as the form of communication targeted to support the products and services of the organisation. Therefore, in addition to products and



services, advertising, sales promotion, sponsorship and direct selling are also considered as part of a corporate identity mix (Barich and Kotler 1991; Van Riel 1995). Corporate advertising (Argenti, 1998) and public relations activities (Hunt and Grunig, 1994), which are directed at company recognition and familiarity rather than individual products/services, contribute to communicating a company's identity as well. Barich and Kotler (1991) and Keller (2001) state that marketing communication activities not only aim to position a company's products and services in the market, but also to promote the company itself. Therefore, it is concluded that the favourability of consumers' views about a company will be enhanced by their attributions about how well the marketing communication activities reflect the intended identity that a company wants to create in the minds of consumers. Hence it is proposed that;

**H2: The more consumers perceive that the marketing communication mix elements of a company reflect its identity well, the more favourable the image they have about that company.**

### **3.2.3. Behaviour**

The elements of this dimension are employee behaviour, manager behaviour and company behaviour (Van Riel, 1995). Ind (1997) claims "perceptions of an organisation are determined, directly or indirectly, by managers and staff" (p.83). Since employees and senior managers are the face of an organisation (Kennedy, 1977; Dowling, 1986; Hemsley, 1998), managers' interactions with external audiences at social events

(Argenti, 1998; Hunt and Grunig, 1994) and employees' contact with consumers determine what consumers would think of an organisation (Harris and De Chernatony, 2001; Kennedy, 1977; Kiriakidou and Millward, 2000; Gray and Balmer, 1998). Company behaviour includes actions about environmental and social issues. Notably, due to high consumer consciousness about and surveillance of company actions in recent years, corporate behaviour toward environmental or charity issues are considered as a key economic success factor by business leaders (Beh, 1994; Murray and Vogel, 1997; The World Economic Forum, 1999). This shows that attributions of consumers' to corporate social responsibility activities of organisations influence their perceptions of companies (Brown and Dacin, 1997; Sen and Bhattacharya, 2001). Drawing on this discussion, it is claimed that managers' ability to represent a company's values, the way employees treat consumers and companies' actions towards social responsibility issues have a considerable impact on corporate image formation. Accordingly, it is posited that;

H3a: The more consumers perceive the managers of a company representing their company's values well, the more favourable the image they have about that company.

H3b: The more consumers perceive the employees of a company treating customers well, the more favourable the image they have about that company.

H3c: The more consumers perceive a company as socially responsible, the more favourable the image they have about that company.

### **3.3. Unplanned communication factors and corporate image**

Cornelissen (2000) claims that formal communication takes place amidst other unplanned communication mechanisms, namely *interpersonal* (word-of-mouth from a close environment), *intermediary* (word-of-mouth disseminated by mass media, NGOs, governmental institutions) and *intrapersonal* (psychological consequences of previous experiences and images stored in the mind). Accordingly, he argues that reception of positive informal information about a company via intermediary sources as well as via one-to-one conversations has an impact on how consumers perceive a company's identity. Moreover, the favourability of the image consumers hold about a company is dependent on people's psychological state. Therefore, in order to test the relationships between the external factors as stated by Cornelissen (2000) and corporate image, the following unplanned communication elements are examined.

#### **3.3.1. Interpersonal communication**

In the marketing literature, it is well accepted that consumers give substantial importance to non-marketing dominated sources of information while forming opinions about products. In this respect, word-of-mouth communication (WOM) has been considered as an input into consumer decision making (Halstead, 2002; Harrison-Walker, 2001; Lau and Ng, 2001; Richins, 1983). In consumer research, it is widely accepted that informal, person-to-person information exchange (i.e. WOM) about an organisation or a product is one of the major determinants of consumer attitude and

behaviour change (Brown and Reingen, 1987; Christiansen and Tax, 2000). Several researchers (e.g. Bristor, 1990; Duhan et al., 1997) consider that positive word-of-mouth information received from friends and relatives is a significant communication factor in engendering favourable view about a company or a product. In this respect, it is concluded that positive informal information received from interpersonal sources can result in a positive attitude towards a company, creating a more favourable image of that company (Cornelissen, 2000; Dacin and Brown, 2002). Thus, it is hypothesised that:

H4: The more positive word-of-mouth consumers receive from their close friends and relatives about a company, the more favourable the image they have about that company.

### **3.3.2. Intermediary communications**

In a manner similar to that discussed in Section 3.3.1, positive news disseminated by the mass media, NGOs and opinion leaders etc. can influence consumers' perceptions of companies. Christiansen and Tax (2000) argue that the development of new technologies for information exchange like the internet has extended the definition of word-of-mouth from being only person-to-person. They assert that the information delivered by different medium also play a role in word-of-mouth communication. Fombrun and Shanley (1990) state that managers should make sure that transparent company information is available in the media in order to create a favourable impression in the public domain. They also assert that companies should also strive for

positive coverage in newspapers and in reports by non-profit organisations or governmental institutions as much as possible to help shape consumers' views about their organisations. In recent years, especially, increasing consumer consciousness about social and environmental issues has led to the search for more company behaviour related issues (Brown and Dacin, 1997; Sen and Bhattacharya, 2001). Cases such as Enron (corporate malfeasance) and McDonald's (obesity issues) show that unplanned media exposure is an essential aspect of external communication, which has a significant impact on consumers' perceptions of organisations. Therefore, it is proposed that news received from intermediaries can influence consumers' perceptions of companies' identities, and thus:

H5: The more positive word-of-mouth consumers receive from intermediary sources, such as the mass media, NGOs, opinion leaders etc. about a company, the more favourable the image they have about that company.

### **3.3.3. Intrapersonal communication**

Under intrapersonal communication factors the direct and indirect impact of person-related factors on corporate image formation are examined. The underlying assumption is that consumers' overall evaluation of companies (corporate image) takes place under certain conditions that are pertinent to individuals' filtering of corporate messages on the basis of their feelings and values. In this study four individual-specific factors are

examined: corporate associations gap, consumer-company identification, emotional appeal, and consumer-company value congruence.

It is suggested that companies' images are more positively evaluated when consumers hold mental associations similar to the values that companies intend to define themselves with in the market place (corporate associations gap) (Dacin and Brown, 2002), and when they use companies to have a sense of identification (consumer-company identification) (Bhattacharya and Sen, 2003). It is also proposed that consumers tend to hold favourable images about companies that attract them emotionally (emotional appeal) and that project values that are congruent with their self-image (consumer-company value congruence). Furthermore, this research argues that emotional appeal is an antecedent of consumer-company identification and that consumer-company value congruence is a determinant of consumer-company identification and the corporate associations gap. Finally, it claims that along with the direct impacts of emotional appeal and consumer-company value congruence on corporate image, there is a mediated relationship between the former concept and corporate image through consumer-company identification as well as between the latter concept and corporate image via both consumer-company identification and corporate associations gap. In the following, the propositions for each relationship are presented.

### **3.3.3.1. Corporate associations gap**

As mentioned in the literature review (see Section 2.2.4) marketing researchers (e.g. Martineau, 1958; Newman, 1953; Spector, 1961) devoted attention to defining desirable symbolic and functional corporate image attributes that individuals associate with organisations to form mental descriptions of them (Brown et al., 2006; Stern et al., 2001). Recent research in marketing has discussed that corporate associations are part of the corporate image formation process (Brown, 1998; Dacin and Brown, 2002). For example, Brown and Dacin (1997) and Keller and Aaker (1993) have shown evidence about the link between consumers' overall evaluation of companies and their responses to products, and Sen and Bhattacharya (2001) have found that there is a relationship between the consumer-company value fit and overall company assessment (see Brown, 1998 for other studies of corporate associations).

Many authors assert that finding the right set of corporate attributes to be communicated to a company's stakeholders and achieving a homology between the intended corporate associations and people's associations about them is one of the key challenges managers face (Balmer and Soenen, 1999; Brown, 1998; Brown and Dacin, 1997; Brown et al., 2006; Van Rekom, 1997; Van Riel, 1995). Since people's judgements about a company's identity are based on their emotions, beliefs and experiences (Brown, 1998), there may be a gap between what a company communicates as its identity and how individuals' interpret it (Balmer, 1995, 2001b; Balmer and Greyser, 2002; Balmer and Soenen, 1999; Brown et al., 2006; Kirikiadou and Millward, 2000; Van Rekom, 1997).

For example, Weiss et al. (1999) showed that the difference between an organisation's own perception of its reputation and its sales force's judgement has implications for sales force structure. Similarly, it is assumed that the difference between consumers' associations about a company's intended identity and that organisation's own definition of it (i.e. the corporate associations gap) affects consumers' overall assessment of a company's image (Dacin and Brown, 2002). Therefore, it is proposed that;

H6a: The smaller the corporate associations gap, the more favourable the image consumers have about a company.

### **3.3.3.2. Consumer-company identification**

Social identity theory posits that people define themselves as members of certain social groups or by belonging to certain categories such as gender, ethnicity, political parties and so on (Brewer, 1991; Kramer, 1991; Tajfel and Turner, 1985). Ashfort and Mael (1989) argued that an individual's desire to define himself/herself with regards to an organisation (i.e. consumer-company identification) is a form of social identification in order to fulfil his/her self-definitional needs such as oneness and belongingness. Recent research on organisational identification (e.g. Gwinner and Swanson, 2003; Pratt, 1998; Scott and Lane, 2000) showed that people tend to identify themselves with organisations with which they are not formally involved. Bhattacharya and Sen (2003) claim that when consumers see that a company is well respected by others whose opinions they value, they will be more likely to develop a similar view in order to be



able to be a part of that group of people. Drawing on this argument, it is proposed that consumer-company identification is one of a psychological state which could affect how consumers perceive a company as a whole. Therefore, it is posited that;

H6b: The greater the consumer-company identification, the more favourable the image they have about that company.

### **3.3.3.3. Emotional appeal**

Fombrun et al. (2000) demonstrated that corporate reputation is based on non-rational and emotional reasons along with rational assessments. Since corporate reputation is formed as an aggregation of corporate images that stakeholders hold over time (Gotsi and Wilson, 2001), one could assume that an individual's emotional connection to an organisation also has an influence on corporate image formation. Fombrun and Rindova (1996) assert that reputation management aims to create a certain level of respect and trust among the public by showing that a company is capable and willing to contribute to societal issues.

As discussed before, companies try to achieve a positive exposure in the mass media in order to create a general impression about their organisations in the market place as being good corporate citizens (Fombrun and Shanley, 1990). Bhattacharya and Sen (2003) claim that consumers are emotionally attracted to companies which have respected and trusted identities among the public, since they feel worthy when they

construe that the organisations they consider as reputable are also well regarded by individuals they hold in high esteem. Drawing on this conclusion, it is proposed that the emotional predisposition of consumers towards a company which is triggered by the collectively shared public view about that organisation will influence the image held about that company. Hence,

**H6c: The more consumers find a company's identity emotionally appealing, the more favourable the image they have about that company.**

The argument above by Bhattacharya and Sen (2003) also implies that the relationship between emotional appeal and corporate image is likely to be contingent upon an individual's feeling of self-worth. They claim this issue relates to the consumer-company identification concept (See Section 3.3.3.2), which argues that individuals are inclined to use organisations as social identifiers in order to fulfil self-oriented needs such as defining who they are with respect to social groups, which associate themselves with certain companies (O'Reilly and Chatman, 1986). Therefore, it could be assumed that the relationship between emotional appeal and corporate image is also mediated by the extent to which consumers identify themselves with organisations which are well regarded by others. Thus, it is claimed that:

**H6d: There relationship between emotional appeal and corporate image is mediated by consumer-company identification.**

#### **3.3.3.4. Consumer-company value congruence**

Research on person-organisation fit, and self-concept and value congruence has shown that value congruence can favourably influence attitudes and behaviours of individuals (Edvardsson and Gustavson, 1991; Ekinci and Riley, 2003; Kristof, 1996; O'Reilly et al., 1991; O'Reilly and Chatman, 1986; Sen and Bhattacharya, 2001; Sirgy, 1982b; Sirgy and Samli, 1985). Grubb and Grathwohl (1967) argued that the perception of an individual's own self, i.e. self-concept, is nurtured by the consumption of goods since consumers use products as symbolic meaning communicators.

Sirgy's (1981, 1982a, 1982b) self-image/product-image congruity theory claims that the value attributed to a product may evoke a person's self-schema involving self-concept "I" and the linkage between this particular attribute and the self-image of that person. For example, when a product is considered to be a luxury item by an individual, this may activate the self-schema and that individual may then define himself/herself as "I am a luxury product user".

Previous research on value congruence has shown that this concept has an influence on image concept in different settings. For example, Sirgy and Samli (1985) demonstrated that when consumers perceive a close match between their own self-image and a product's they tend to have positive associations about a store's image. O'Reilly et al.'s study (1991) showed a similar result in an organisational context, that is, the match between personal and organisational values stimulates positive emotions in employees

towards their organisations which may lead to higher staff motivation and to greater organisational commitment. Sen and Bhattacharya (2001) demonstrated that when consumers perceive that an organisation's social responsibility (CSR) and company ability (CA) values match with their own self-image, they are more likely to evaluate that company positively. Accordingly, it is proposed that:

H6e: The greater the consumer-company value congruence, the more favourable the image consumers have about a company.

Moreover, Dacin and Brown (2002) assert that the degree of match between what an organisation intends to convey as its identity characteristics and individuals' associations of those qualities to that company (i.e. corporate associations gap) can be dependent on consumers' perceptions of how close an organisation's values are to their own self-image. Further, Brown and Dacin (1997) showed that CSR and CA related corporate associations have an influence on consumers' evaluations of organisations. Therefore, it can be concluded that the impact of consumer-company congruence on corporate image is likely to be mediated by the corporate associations gap i.e. the difference between what an organisation projects as its identity and what consumers attribute to it. Therefore, it is posited that;

H6f: The relationship between consumer-company value congruence and corporate image is mediated by the corporate associations gap.

### **3.3.3.5. Antecedents of consumer-company identification**

Dutton et al. (1994) claim that “[T]he greater the attractiveness of the perceived identity of an organisation, the stronger [is] a person’s identification with it” (p. 244). This proposition implies that a company should have an emotionally appealing point for consumers before they engage in deeper relationship building with companies such as using them social identifiers. As mentioned in Section 3.3.3.3, when consumers think that people they value also respect and trust companies that they find reputable, they will be more likely to consider these organisations in helping to define who they are in their social environments (Bhattacharya and Sen, 2003). Therefore, it is assumed that the emotional appeal of an organisation is a determinant of consumer-company identification, and hence it is proposed that;

H6g: The more consumers perceive a company’s identity emotionally appealing, the more they identify themselves with that company.

Furthermore, studies on person-organisation fit (e.g. O’Reilly and Chatman, 1986; O’Reilly et al., 1991) have shown that the match between employees’ personal values and organisational values motivate deep and meaningful relationship building between employees and employer companies. Research on organisational identification (e.g. Ashfort and Mael, 1989; Bergami and Bagozzi, 2000; Dutton et al., 1994) suggests that employees tend to internalise positive aspects of an organisation’s identity in order to support their self-related needs such as defining who they are and what they belong to

(Dutton et al., 1994). Similarly, it is assumed that as consumers perceive that they share similar defining attributes with organisations, they may be more inclined to define themselves in relation to these companies (i.e. consumer-company identification) in order to fulfil the need of associating themselves with a certain social group (Sen and Bhattacharya, 2001). Therefore, it is assumed that consumer-company value congruence is an antecedent of consumer-company identification. Hence it is posited that;

H6h: The greater the consumer-company value congruence, the greater the consumer-company identification.

#### **3.3.3.6. Antecedents of the corporate associations gap**

Sen and Bhattacharya (2001) demonstrated that corporate social responsibility (CSR) and corporate ability (CA) associations and consumer-company value congruence are interdependent concepts. As discussed above (See Section 3.3.3.4) consumers perceive smaller discrepancy between company-projected identity traits and consumers' associations about those values when they believe those values to be congruent with their own personality (Dacin and Brown, 2002). Therefore, it is proposed that;

H6i: The greater the consumer-company value congruence, the smaller the corporate associations gap.

Furthermore, Bhattacharya and Sen (2003) assert that consistent projection of intended corporate associations by promotional activities of an organisation is a necessary condition to achieve the match between consumers' attributions about an organisation's identity characteristics and the associations that a company want to position in their minds. This condition has been considered as related to planned communication efforts of an organisation rather than to unplanned communication factors, and thus its relation as an antecedent of the corporate associations gap is argued in the next section which addresses the role of perceived integration of corporate identity mix elements in corporate image formation.

### **3.4. Perceived integration of corporate identity mix elements and corporate image**

As a part of corporate identity management, managers should try to project their companies' identities consistently in order to achieve a favourable image in the minds of their stakeholders (Abratt, 1989; Berstein, 1984). Balmer and Soenen (1999) argue that different people may have different perceptions of an organisation's identity, since individuals' associations about companies are subject to their interpretations of organisational attributes on the basis of their own values, feelings and experiences (Brown, 1998; Dacin and Brown, 2002).

Psychological research has demonstrated that coherent images provide greater influence on publics (Moriarty, 1996), "where consistency in communication can be seen as a necessary condition..." (Cornelissen and Lock, 2001, p. 428). This premise and the

desire for eliminating dissonance between what a company communicates as its identity and people's associations about it indicates that integrated company-controlled communication (i.e. corporate identity mix elements) is a key element in corporate identity management (Simoes et al., 2005).

Drawing on the integrated marketing communications literature (e.g. Duncan and Everett, 1993; Duncan and Moriarty, 1998; Fitzgerald and Arnott, 2000; Kitchen and Schultz, 1998, 1999; Low, 2000; Novak and Phelps, 1994; Schultz and Kitchen, 1997), it is suggested that strategically designed and co-ordinated corporate identity mix elements (i.e. symbolism, communication and behaviour) can build a strong image and reinforce its consonance with the communicated identity (e.g. Gray and Smeltzer, 1987; Van Rekom, 1997; Van Riel, 1995; Van Riel and Balmer, 1997).

Bhattacharya and Sen (2003) claim that consumers will be more able to assess companies' identity characteristics when they perceive a coherent representation of organisational values by companies. Van Rekom (1997) and Van Riel (1995) claim that the likelihood of this condition occurring is contingent on the level of integration among a company's identity mix elements. Accordingly, it is assumed that consumers' attributions about the integration level of a company's formal communication efforts in terms of co-ordinated execution and delivery of common and/or similar messages by aligned communication tools/channels (Low, 2000) may have consequences in terms of corporate associations. In other words, when consumers perceive the corporate identity mix elements of an organisation to be integrated, they tend to judge the company's



identity values as consonant with what it intends to convey (i.e. smaller corporate associations gap), and as a result they hold a more favourable company image.

Drawing on this discussion, it is proposed that perceived integration of corporate identity mix elements is an antecedent of the corporate associations gap, and the impact of the former on corporate image is mediated by the latter. Hence, the following hypotheses are developed:

H6j: The greater the perceived integration of corporate identity mix elements, the smaller the corporate associations gap.

H6k: The relationship between the perceived integration of the corporate identity mix and corporate image is mediated by the corporate associations gap.

### **3.5. Corporate identity mix elements versus Unplanned communication factors**

Bhattacharya and Sen (2003) and Cornelissen (2000) argue that corporate image is not only a product of company-driven communications but also non-company controlled messages. Bhattacharya and Sen (2003) mention that which of these factors make the consumers build deeper relationships with companies still remains elusive. Brown and Dacin (1997) state that even though managers emphasise the importance of corporate identity mix, companies still do not know which of its elements are influential in building favourable corporate images. Dacin and Brown (2002) assert that research in the corporate identity and corporate associations areas should focus on the role of 'direct

communications from the corporation', 'word-of-mouth or third party communications', and 'emotions and feelings of individuals' in understanding how the constituents of organisations build impressions of them and make a comparison between organisational and external communication factors' relative impact on corporate image formation. Williams and Moffit (1997) reported that although the business and personal factors play a role in corporate image formation, the organisational factors (i.e. company buildings, employees, advertising, philanthropy and being a larger insurer) are more powerful than external factors. Drawing on this conclusion, the following hypothesis is developed which assumes a similar comparison for the two major groups of identity communicators (corporate identity mix elements versus unplanned communication factors) defined in this study:

H7: The effect of the corporate identity mix elements (company-controlled communication elements) is stronger than the unplanned (uncontrolled) communication factors on corporate image.

### **3.6. Summary**

This chapter reviewed the literature in corporate identity and corporate image areas and incorporated insights from different fields in order to build the conceptual model illustrated in Figure 3.1. On the basis of the literature, the relationships between the corporate image construct and corporate identity mix elements as well as unplanned communication factors are explained and relevant hypotheses, which are summarised in

Table 3.1 and illustrated in Figure 3.2 are stated. In the next chapter, the research design adopted to develop scales for constructs as well as to test the model proposed is outlined.

Table 3.1. The hypotheses.

Hypotheses
H1a: The more positive the attitude that consumers have towards a company's corporate visual identity systems (CVIS), the more favourable the image they have about that company (IMAG).
H1b: The more positive the attitude that consumers have towards a company's corporate aesthetics (AEST), the more favourable the image they have about that company (IMAG).
H1c: The more positive the attitude that consumers have towards a company's staff apparels (EAPP), the more favourable the image they have about that company (IMAG).
H2: The more consumers perceive the marketing communication activities of a company reflect its identity well (COMM), the more favourable the image they have about that company (IMAG)
H3a: The more consumers perceive the managers of a company as representing the company's values well (MBEH), the more favourable the image they have about that company (IMAG).
H3b: The more consumers perceive the employees of a company as treating customers well (EBEH), the more favourable the image they have about that company (IMAG)
H3c: The more consumers perceive a company as socially responsible (CBEH), the more favourable the image they have about that company (IMAG)
H4: The more positive word-of-mouth consumers receive from their close friends and relatives about a company (CWOM), the more favourable the image they have about that company (IMAG).
H5: The more positive word-of-mouth consumers receive from intermediary sources such as media, NGOs, opinion leader etc. about a company (EWOM), the more favourable the image they have about that company (IMAG).
H6a: The smaller the corporate associations gap (IGAP), the more favourable the image consumers have about the company (IMAG).
H6b: The greater the consumer-company identification (IDNT), the more favourable the image they have about that company (IMAG).
H6c: The more consumers perceive a company's identity emotionally appealing (EMOT), the more favourable the image they have about that company (IMAG).
H6d: There relationship between emotional appeal (EMOT) and corporate image (IMAG) is mediated by consumer-company identification (IDNT).
H6e: The greater the consumer-company value congruence (CNGR), the more favourable the image consumers have about a company (IMAG).
H6f: The relationship between consumer-company value congruence (CNGR) and corporate image (IMAG) is mediated by corporate associations gap (IGAP).
H6g: The more consumers perceive a company's identity emotionally appealing (EMOT), the greater the consumer-company identification (IDNT).
H6h: The greater the consumer-company value congruence (CNGR), the greater the consumer-company identification (IDNT).
H6i: The greater the consumer-company value congruence (CNGR), the smaller the corporate associations gap (IGAP).
H6j: The greater the perceived integration of corporate identity mix elements (INTG), the smaller the corporate associations gap (IGAP).
H6k: The relationship between the perceived integration of the corporate identity mix (INTG) and corporate image (IMAG) is mediated by corporate associations gap (IGAP).
H7: The effect of the corporate identity mix elements (company-controlled communication elements) is stronger than the unplanned (uncontrolled) communication factors on corporate image.

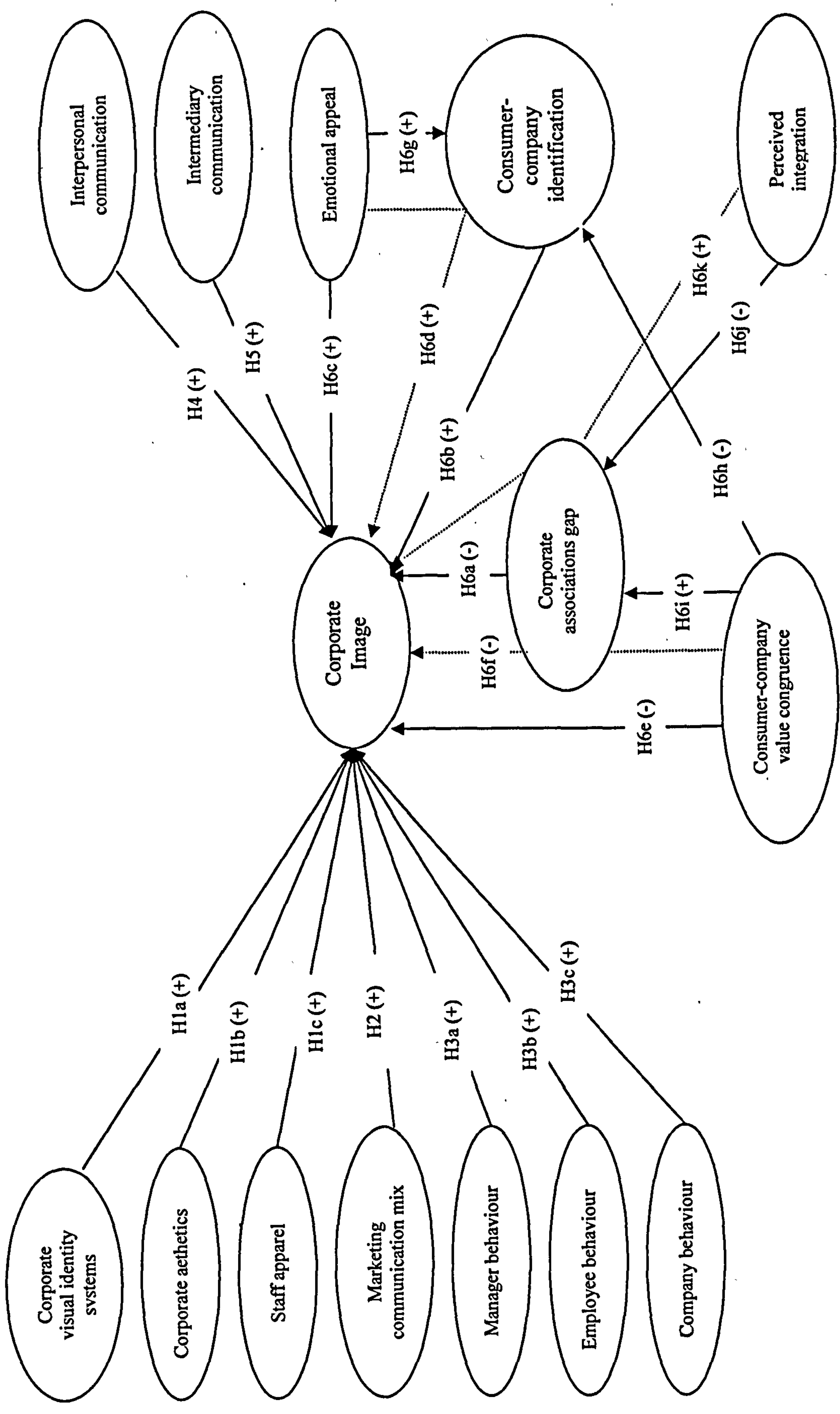


Figure 3.2. The relationships between constructs and the relevant hypotheses.

Note: The dotted lines represent indirect relationships.

## **IV METHODOLOGY AND RESEARCH DESIGN**

### **4.1. Introduction**

This chapter outlines the methodological foundations and the research design of the study in terms of data collection and scale purification methods and procedures. Section 4.2 presents the reasoning for choosing the adopted methodology. Section 4.3 explains the research design and the methods of data collection. The exploratory fieldwork and the details of the main survey and sampling are outlined in Section 4.4 and Section 4.5, respectively. The scale purification and research instrument design on the basis of the preliminary research and pilot testing of the questionnaire are presented in Section 4.6. Finally, in Section 4.7 the statistical methods and the software packages used to analyse the data are described.

### **4.2. Justification of the Research Methodology**

Burrell and Morgan (1979) and Deshpande (1983) suggest that before embarking on any investigation, researchers should define a set of underlying assumptions, i.e. a paradigm, which serves as a guideline in order to understand the subject studied as well as to generate valid and reliable results.

Although paradigms can be classified in different ways, they are conventionally grouped under two major schools of thoughts: a) positivism and, b) phenomenology (idealism)

(Cassell and Symon, 1994; Deshpande, 1983). Positivism is associated with deductive theory testing. It tries to explain the phenomenon under investigation by verifying or falsifying the hypotheses which are designed to describe the causal relationships between its sub-elements (Burrell and Morgan, 1979; Deshpande, 1983). Through this approach researchers try to reach generalisable conclusions (Creswell, 1994; Deshpande, 1983). On the other hand, phenomenology is concerned with inductive theory building, where a researcher studies a phenomenon through directly experiencing the individuals' own interpretations of the world (Bryman, 2001). It aims to explore how the dynamics of a phenomenon work by letting the characteristics of the subject unfold themselves during the investigation (Bryman, 2001; Burrell and Morgan, 1979; Creswell, 1994).

When deciding which of the paradigms would lead to more rigorous investigation, the nature of the research question and objectives of the study should be considered, because particular research methodologies are more suited to certain research problems and objectives. This study addresses the claim stated by Balmer (1997, 2001) and Van Riel and Balmer (1997) which argues that anything a company does communicates its identity and also the assertion by Bhattacharya and Sen (2003) and Cornelissen (2000) which emphasises that corporate image is also formed on the basis of external communication factors. Hence, it investigates which corporate identity mix elements (company-controlled communication elements) and unplanned (uncontrolled) communication factors determine people's evaluation of companies and their values. In other words, this research is concerned with the causal links between company-driven

and non-company driven communication factors and corporate image. Since it is directed to theory verification rather than theory generation, it follows a hypothetico-deductive approach (Burrell and Morgan, 1979; Deshpande, 1983). Due to the descriptive and theory testing nature of this research, a methodology which relies on the positivist paradigm is deemed appropriate in order to identify the possible regularities in corporate image communication (Burrell and Morgan, 1979).

Academics such as Mingers (2001) and Robey (1996) suggest that paradigms should not be treated as mutually exclusive. They believe that the use of different paradigms and their pertinent investigation methods could be appropriate for achieving certain research objectives. Although the positivist paradigm was principally adopted for this study, the following reasons required the consideration of inductive investigation methods:

1 – The literature review revealed that the scope of corporate identity mix has gone beyond the visual expressions of an organisation (symbolism) including promotional activities (communication), staff behaviour and the company's acts concerning social issues (behaviour) (Balmer, 1999, 2001; Van Riel, 1995). Some authors (e.g. Dacin and Brown, 2002; Gray and Smeltzer, 1987; Van Riel, 1995) assert that companies communicate their identities to their different stakeholders (e.g. employees, investors, customers etc.) by using different elements of corporate identity mix. Since this study focused on consumers' perceptions of organisations, specifying the content of corporate identity mix elements (symbolism, communication and behaviour) with respect to consumers was necessary.

2 – Turkey was chosen as the context for this research. Since Turkey is an emerging market (Garten, 1997), Burgess and Steenkamp (2006) argue that it is required that researchers and management of organisation pay special attention to the applicability of westernised academic and practical approaches to marketing discipline. Since individual tastes, social values and national income distribution vary considerably in emerging markets (Burgess and Steenkamp, 2006; Garten, 1997; Bilgin et al., 2004), relevance of the approaches from the Western world should be challenged. A review of previous research revealed that little research has been conducted in Turkey in the field of corporate image and its related areas<sup>4</sup>. This situation and Turkey being an emerging market required the researcher to carry out preliminary fieldwork in order to gain further insights into the practices of corporate image, and the corporate communication management of global companies operating in Turkey.

A pragmatic view was taken to achieve these objectives (Robey, 1996). In order to increase the validity of the research, an inductive approach was utilised prior to the main survey. The qualitative data collection techniques were used in this phase (Deshpande, 1983). Accordingly, Churchill's (1979) paradigm was employed which suggests a quantitative approach with multi-method engagement in the initial stages of an investigation. In the following section, the research design based on the above discussion and the methods used in each step are described.

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<sup>4</sup> See the Higher Education Institute of Turkey's website <http://www.yok.gov.tr/YokTezSrv> for the research conducted in Turkey.



### **4.3. Research Design and Methods**

Along with authors advocating pluralist methodologies (e.g. Deshpande, 1983; Mingers, 2001; Robey, 1996) the researcher believes that ignoring the possible contribution of the methods deemed as relevant to non-positivist approaches (e.g. in-depth interviews) possibly limits the understanding of researchers who use the positivist approach. The results of investigations which adopt methodologies using both qualitative and quantitative methods can provide more insightful knowledge of issues of interest (Churchill, 1979; Dickson and Albaum, 1977; Dodd and Whipple, 1976; Mingers, 2001; Sieber, 1973). For example, exploring the field of interest by carrying out some preliminary in-depth interviews with key informants in the field could lead to some new insights which would not have been captured by a literature review alone. Accordingly, this research adopts Churchill's paradigm (1979) which integrates a qualitative paradigm while being predominantly quantitative in nature (Figure 4.1).

The following methods were used in each phase of the research design: exploratory fieldwork, questionnaire development and a main survey, as suggested by Churchill (1979). This study draws on the literature mainly in areas of corporate identity, corporate image and corporate communication in order to specify the domain of the research and also to build the conceptual framework and hypotheses to be tested. The items of measurement (corporate identity mix and unplanned communication factors) were defined by literature review (Churchill, 1979). In order to gain greater familiarity with the practice of corporate identity management, the researcher carried out in-depth

interviews with corporate communication and identity consultants as well as in-depth interviews with communication managers in the companies selected. This approach helped the researcher to operationalise the concepts by examining them in real life situation, since any theoretical or conceptual argument needs to be tested in actual application (Allen and Janiszewski, 1989).

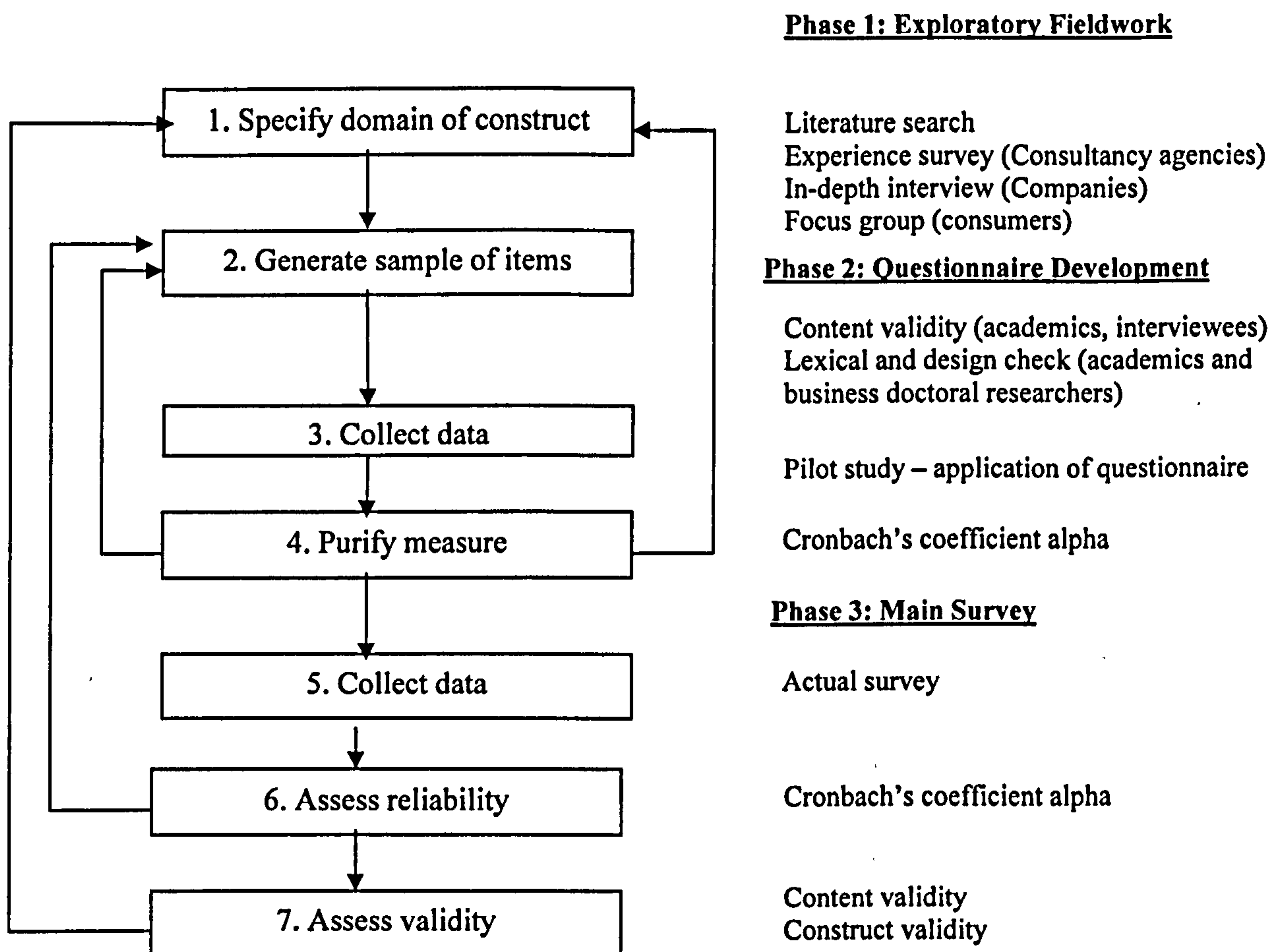


Figure 4.1. Procedure for developing better measures.

Source: Churchill, G. A. Jr. (1979). "A Paradigm for Developing Better Measures of Marketing Constructs", *Journal of Marketing Research*, Vol. 16, February, pp. 66.

Since this research examines consumers' perceptions of global companies, focus groups were conducted to understand the views of individuals about the subject. Using these steps, the measures of the research instrument were determined and purified (Churchill, 1979; Sieber, 1973). Based on focus group discussions, the content and wording of the questionnaire have become clearer to its audience (Sieber, 1973). Finally, this preliminary stage helped in interpreting the data gathered and drawing conclusions (Sieber, 1973).

A survey method was adopted in the main data collection stage, since positivism entails testing the hypotheses developed on large samples (Carson et al. 2001). Van Riel et al. (1998) suggest that surveys provide an opportunity to contact a large audience with moderate cost (time and funding).

The research methods in corporate image studies differ depending on the scope of the study. When the study goes beyond investigating the salient attributes of an organisation's image, the general tendency of choosing qualitative methods shifts to quantitative techniques (Van Riel et al., 1998). The studies by Andreassen and Lindestad (1998), Gürhan-Canlı (1996), Kennedy (1977), LeBlanc and Nguyen (1998), Simoes (2001), Stuart (1995) and Williams and Moffit (1997) demonstrated that when a researcher wants to examine the concepts of corporate image and corporate identity in relation to other marketing concepts, quantitative methods are more appropriate than qualitative ones. These researchers all conducted their studies by recruiting a large

number of respondents and using questionnaires as the data collection instrument. In the next sections, details of each stage mentioned above are presented.

#### **4.4. Exploratory Fieldwork**

This study carried out an exploratory research for the following reasons: (1) to gain an in-depth understanding of the research subject owing to the fact that it is a relatively under-researched area (Dacin and Brown, 2002), (2) to obtain insightful information into the corporate communication and identity management context; (3) to experience the actual practice in the field in order to understand whether the proposed research questions were relevant; (4) to generate uncovered hypotheses and purify measures for the questionnaire (Churchill, 1979). As suggested by Carson et al. (2001), when there is a need for unfolding what surrounds a phenomenon, a qualitative approach is more suitable. Therefore, at this stage qualitative data collection methods were adopted in order to allow possible issues emerge (Eisenhardt, 1989), which might have not been diagnosed during the literature review stage. The information gathered on the basis of the qualitative data helped to ensure that all possible items were investigated and relevant items were included in the questionnaire (Churchill, 1979). At the end of this stage, the researcher was able to integrate the practices of the phenomenon in the field with preliminary notions of its operation in theory (Bonoma, 1985).

Data was gathered from an experience survey, company interviews and focus groups (Churchill, 1979; Eisenhardt, 1989). First, the researcher contacted communication

consultancy agencies based in Istanbul, which have global clients. They provided some ideas and insights to the study. The discussions mainly covered the major characteristics of the corporate identity management and/or corporate communication strategies that are adopted by global companies, as well as the main areas in which they provide consultancy. (See Appendix 1 for interview questions). The list of the agencies was provided by the Public Relations Consultants Association (Turkey)<sup>5</sup>. Discussions with the first five consultants, who agreed to meet the researcher, were sufficient (Melewar, 2001). The details of the interviewees and the topics that were covered during the discussions are illustrated in Table 4.1.

In line with Churchill (1979), Melewar (2001) and Van Riel (1995) suggest that any study in the corporate identity management field should first embark on a situation analysis via exploratory interviews with company managers. Birkigt and Stadler (1986) assert that “[the] managers’ role in corporate identity management is to make sure that the identity of an organisation is formed in the minds of an organisation’s stakeholders as it is planned” (cited in Christensen and Askegaard, 2001, p. 306). Van Riel and Balmer (1997) add that senior managers are responsible for “...marshalling the corporate identity mix (communication, symbolism and behaviour)” (p.341) in order to meet that objective. Subsequently, the researcher conducted in-depth interviews with four senior managers from each global company accessed.

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<sup>5</sup> This association is also a member of the International Public Relations Association based in London.

Table 4.1. Details of in-depth interviews with consultants and senior managers.

Interview Date	Organisation	Interviewee Position	Interview Approx. Duration	Topics Discussed
<b>Consultancy Companies</b>				
18/03/03	Global Tanitim Halkla Iliskiler ve Arastirma Ltd. Sti.	General Manager (IPRA <sup>6</sup> World President 2003 -2004)	60 min.	<ul style="list-style-type: none"> <li>- Type of services they provide to global companies in terms of corporate communication and corporate identity management</li> <li>- Their experiences of what global companies understand from corporate identity, corporate identity management and corporate communication</li> <li>- The environment affecting corporate communication and its implications</li> <li>- The possible forms or formats of corporate communication to communicate the identity of a global company</li> <li>- The awareness level of consumers about corporate cues conveyed by symbolism, behaviour, communication of global companies</li> <li>- The primary channels and tools of communication that consumers react to in terms of image building</li> <li>- The information elaboration process of consumers about a global company</li> </ul>
18/03/03	Global Tanitim Halkla Iliskiler ve Arastirma Ltd. Sti.	Account Director	60 min.	
27/03/03	MPR Marketing Public Relations A. S.	Project Coordinator	60 min.	
09/04/03	Zarakol Iletisim Hizmetleri A. S.	General Manager	90 min.	
12/04/03	Green Active PR Ltd. Sti.	General Manager	75 min.	
<b>Global Companies</b>				
28/03/03	Pfizer Ilaclari Ltd. Sti.	Corporate Communications Manager	75 min.	<ul style="list-style-type: none"> <li>- The understanding of corporate identity and its management in general</li> <li>- Discussion about each company's own corporate identity</li> <li>- The channels and tools used to reflect their corporate identities</li> <li>- The description and classification of corporate communication activities regarding symbolism, behaviour, communication</li> <li>- The details of corporate communication strategy with emphasis on its execution and implication</li> <li>- Discussion of integrated corporate communication</li> <li>- Discussion of consistency between company-controlled communication and unplanned communication</li> </ul>
09/04/03	Renault-Mais Ltd. Sti.	Communication Director	60 min.	
11/04/03	McDonald's Restaurantlari Ltd. Sti.	Public Relations-Communications Manager	75 min.	
15/04/03	Kodak Ltd. Sti.	Marketing Communication Manager	75 min.	

<sup>6</sup> International Public Relations Association.

The companies were chosen from the list of the Reputation Survey 2000 by 'The Capital' which is one of the most reputable business magazines in Turkey<sup>7</sup>. The researcher contacted corporations with the highest reputation in Turkey according to that survey. The corporate communication directors or managers of the first four global companies which provided access were interviewed. The interviewees were responsible for corporate and marketing communication strategies for their organisations. The researcher introduced questions which were pertinent to the channels and tools used by the companies to project their images and the management of these communication elements. The details of the company interviews are presented in Table 4.1 (See also Appendix 2 for interview questions).

The discussions with consultants and in-depth interviews with managers were unstructured and undisguised. A question sheet was available in order to check whether all the areas of interest were covered during the interviews (See Appendix 1 and 2). In consultancy interviews, the discussions covered more general aspects about corporate identity management and corporate communications, whereas in the company interviews, more specific themes were addressed in terms of the companies' own practices (Gillham, 2000). All interviews were conducted face-to-face with single respondents both from communication agencies and companies (Churchill, 1999).

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<sup>7</sup> The scale Reputation Quotient, which was used in that survey, was developed by Fombrun and Shanley (1990) initially and revised by Fombrun et al.(2000). It is a widely used scale, and its reliability and validity have been proved by many studies. Please see some examples of those studies in Corporate Reputation Review, 2002, Vol. 4, No. 4.

Since the aim of the research is to understand the extent to which communication factors have influence on the general public's perception, four focus groups were conducted. Focus group technique allowed the researcher to gain further insights into what people think about the global companies operating in Turkey (Churchill, 1979; Fern, 1982; Krueger, 1994) and enabled the researcher to obtain a large amount of information on the topic in a limited time (Morgan, 1998). The groups consisted of five participants to encourage a sufficient level of group interaction as to foster discussion (Greenbaum, 2000; Krueger, 1994). In terms of social background, each group was homogenous (Greenbaum, 2000) whereas between-group and in-group heterogeneity in terms of age, gender, marital status and occupation were allowed (Glaser and Strauss, 1967).

Since exploratory investigations are less concerned with reaching a group of subjects who are representative of the main population (Miles and Huberman, 1994), the researcher recruited focus group members on the basis of convenience criterion. Accordingly, the members of Istanbul Technical University, Turkey (ITU) were contacted. The academic staff from the Faculty of Management was excluded due to the fact that the faculty themselves could already have experience of focus group technique (Churchill, 1999). In order to satisfy the number of participants for each session, the initial contacts were asked to suggest other people who might be interested in contributing. As a result of this snowballing, others outside ITU participated in the focus groups as well. Open-ended questions were asked about what images they held about the global companies they named and what types of communication affected their perceptions (See Appendix 3 for focus group discussion questions). The sessions took



place in venues which were convenient for the participants to travel to and where the researcher was able to provide a comfortable environment with low cost. The details of focus groups and topics covered are presented in Table 4.2.

The next section explains how the information was integrated into questionnaire development.

Table 4.2. The details of focus groups and the core points discussed.

Date	Group Size	Profile of Participants	Session Duration (App.)	Core Points Discussed
07/04/03	5 people	Age range: 30-60 Gender: 2 female/3 male Marital status: All married Social group: C2 (less than average income / standard household / lower education level)	90 min.	<ul style="list-style-type: none"> <li>- General discussion about the impressions of consumers about the global companies in Turkey</li> <li>- The participants' general knowledge about the companies they mentioned</li> </ul>
09/04/03	7 people	Age Range: 23-65 Gender: 4 female/3 male Marital status: 1 single/6 married Social group: B (average income / standard household / higher education level)	90 min.	<ul style="list-style-type: none"> <li>- The sources of information that the participants seek about a global company to understand what it stands for</li> <li>- The impact of each points of contact (the tools and channels of symbolism, behaviour, communication) on the participants in terms of corporate image formation?</li> </ul>
03/04/03	5 people	Age range: 28-61 Gender: 2 female/3male Marital status: 2 single/3 married Social group: C1 (less than average income / standard household / standard education level )	90 min.	<ul style="list-style-type: none"> <li>- The perception of participants in terms of supportiveness and/or complementarity between the corporate communication channels and tools</li> </ul>
11/04/03	5 people	Age range: 27-48 Gender: 1 female/4 male Marital status: 1married/4 single Social group: A (higher income / higher standard household / higher education level)	90 min.	<ul style="list-style-type: none"> <li>- The interaction between the participants' views about a global company and the messages delivered via non-company planned communication channels</li> </ul>

## **4.5. Research Instrument and Scale Development**

The questionnaire development consisted of the procedure of scale development and issues of validity and reliability. The steps described in the next sections were followed in order to develop better measures for the constructs examined (Churchill, 1979) as well as to design a better data collection instrument (Sieber, 1973).

### **4.5.1. Specifying the domain of the construct**

The first step in questionnaire development is specifying the domain of the construct. In this stage, the researcher must thoroughly draw the borders of the constructs under investigation. The robustness of the conceptual framework relies on a good quality literature review covering all related areas (Melewar, 2001).

The focus of this study is the role of company driven and non-company driven communication in corporate image building. Therefore, the literature review comprises of studies into corporate identity, corporate image, corporate reputation, corporate communication and integrated marketing communication. On the basis of theoretical information obtained, the conceptual framework (See Figure 3.1 in Chapter III) was developed. Ultimately, corporate identity mix (symbolism, communication, behaviour) and unplanned (uncontrolled) communication (intrapersonal, interpersonal, and intermediary communication) were defined as each one consisting of three components. Corporate image was considered as a three-item construct. Table 4.3 illustrates the main constructs and their sub-components (See also Chapter II and III for literature review).

Table 4.3. Questionnaire sections, subject areas measured and sources.

Question	Questionnaire Section and Constructs	Sources
	<b>I. FILTER QUESTIONS</b>	
1	Knowledge about the presence of the company	<ul style="list-style-type: none"> <li>• The researcher</li> </ul>
2	General knowledge about the company	<ul style="list-style-type: none"> <li>• The researcher</li> </ul>
	<b>II. CORPORATE IMAGE</b>	
3	General impression about the company	<ul style="list-style-type: none"> <li>• Brown and Dacin (1997); Sen and Bhattacharya (2001); Williams and Moffit (1997)</li> </ul>
4	Others impression about the company	<ul style="list-style-type: none"> <li>• Williams and Moffit (1997)</li> </ul>
5	Impression about the company in comparison to its competitors	<ul style="list-style-type: none"> <li>• Williams and Moffit (1997)</li> </ul>
	<b>III. CONTROL VARIABLES<sup>8</sup></b>	
6a.	Frequency of restaurant visits	<ul style="list-style-type: none"> <li>• The researcher</li> </ul>
6b.	Car ownership	<ul style="list-style-type: none"> <li>• The researcher</li> </ul>
14	Company knowledge	<ul style="list-style-type: none"> <li>• The researcher</li> </ul>
	<b>IV. CORPORATE ASSOCIATIONS GAP</b>	
7	Evaluation of the company's values on the basis of the corporate identity traits adjectives mentioned	<ul style="list-style-type: none"> <li>• Adjectives taken from the studies by Aaker (1997), Brown and Dacin (1997), Davies and Chun (2002), Gardberg and Fombrun (2002), Groenland (2002), Sen and Bhattacharya (2001) and Westberg (1994)</li> <li>• McDonald's interview and Renault-Mais interviews</li> <li>• Focus group discussions</li> <li>• Academic judges</li> </ul>
	<b>V. CORPORATE IDENTITY MIX (COMPANY-CONTROLLED COMMUNICATION)</b>	
	<b>V. A) SYMBOLISM</b>	
8	Impression of the Corporate Visual Identity Systems (CVIS), i.e. logo, name, slogan and colour/typography	<ul style="list-style-type: none"> <li>• Adapted the original items from the study by Melewar and Saunders (1999)</li> <li>• Focus groups</li> </ul>
9	Impression of the Corporate Aesthetics i.e. interior design and the architecture of the company buildings	<ul style="list-style-type: none"> <li>• Items generated on the basis of the Schmitt et al. (1995)'s anecdotal article</li> <li>• Adapted the original items from the study by Williams and Moffit (1997)</li> </ul>
10	Impression of the Staff Apparel i.e. the clothing of the employees and managers	<ul style="list-style-type: none"> <li>• Kennedy (1977); Gray and Balmer (1998); Van Riel (1995)</li> </ul>

<sup>8</sup> Question 6 was modified according to the nature of the sector that the two reference companies belong to. Question 6a was present in the questionnaire in which McDonald's was the reference company. Question 6b was used in the questionnaire in which Renault-Mais was the focal company.

Question	Questionnaire Section and Constructs	Sources
	<b>V. B) COMMUNICATION</b>	
11	Impression of the company's marketing communication activities' ability to reflect company values	<ul style="list-style-type: none"> <li>Items taken from the anecdotal studies by Barich and Kotler (1991); Gray and Balmer (1998); Gray and Smeltzer (1985, 1987); Hunt and Grunig (1994); Van Riel (1995)</li> <li>Focus group discussions</li> <li>McDonald's interview</li> <li>Renault-Mais interview</li> </ul>
	<b>V.C) BEHAVIOUR</b>	
	C.a) Employee behaviour	
12	Impression of the way the employees treat consumers and their ability to represent the company's values	<ul style="list-style-type: none"> <li>Kennedy (1977); Dowling (1986); Kiriakidou and Millward (2000); Van Riel (1995)</li> </ul>
	C.b) Company behaviour	
12	Impression of the company's approach to social issues	<ul style="list-style-type: none"> <li>Adapted the original items from the study by Brown and Dacin (1997)</li> <li>Groenland (2002); Gardberg and Fombrun (2002); Balmer and Soenen (1999)</li> </ul>
	<b>VI. UNPLANNED COMMUNICATION</b>	
	VI.a) Interpersonal communication	
13	Word-of-mouth from close environment	<ul style="list-style-type: none"> <li>Adapted the original items from the study by Harrison – Walker (2001) and Janda et al. (2002)</li> <li>Steidl and Emery (1997); Cornelissen (2000)</li> </ul>
	VI.b) Intermediary communication	
13	Word-of-mouth from the media, NGOs and opinion leaders	<ul style="list-style-type: none"> <li>Adapted the original items from the study by Harrison – Walker (2001) and Janda et al. (2002)</li> <li>Steidl and Emery (1997); Cornelissen (2000)</li> </ul>
	VI.c) Intrapersonal communication	
15	Emotional appeal: The extent to which the consumers are attached to the companies on an emotional basis than rational	<ul style="list-style-type: none"> <li>Adapted the original items from the studies by Gardberg and Fombrun (2002) and Groenland (2002)</li> </ul>
15	Consumer-company identification: The extent to which the consumers identify themselves with the companies	<ul style="list-style-type: none"> <li>Adopted the original items from the studies by Mael and Ashfort (1992) and Gwinner and Swanson (2003)</li> </ul>
17	Consumer-company value congruence: The extent to which the values of the consumers are congruent with the values of the companies	<ul style="list-style-type: none"> <li>Same as for the Question 7 for the evaluation of the company's values on the basis of the adjectives mentioned</li> </ul>

Question	Questionnaire Section and Constructs	Sources
16	<p><b>VII. PERCEIVED INTEGRATION</b></p> <p>Perceived integration of company-controlled communication</p>	<ul style="list-style-type: none"> <li>• Adapted the original items from the study by Low (2000)</li> <li>• Duncan and Everett (1993); Nowak and Phelps (1994)</li> </ul>
18 - 26	<p><b>VIII. DEMOGRAPHICS</b></p> <p>Age Gender Marital Status Town/City Household size Net family income Education level Employment status Household possessions</p>	<ul style="list-style-type: none"> <li>• The researcher</li> <li>• <a href="http://www.die.gov.tr">www.die.gov.tr</a></li> </ul>

#### 4.5.2. Item generation

The second step of Churchill's (1979) paradigm is generating the items that capture the domain of the construct. Most of the items representing the constructs and their sub-components were generated for the initial item pool from the existing literature. The issues emerging from the exploratory research were also integrated.

Multi-item scales were used for each construct (Churchill, 1979). While the majority of the scales were created by the researcher, some of the scales were based primarily on items demonstrating high reliability and validity in previous studies. The details of the scales and their resources are mentioned in Table 4.3. The initial measurement for corporate visual identity systems was based on Melewar and Saunders's (1999) study. The scales used in the studies by Brown and Dacin (1997), Gardberg and Fombrun (2002) and Groenland (2002) were adapted for measurement of company behaviour. The items of the interpersonal communication scale were gathered from the studies by Harrison-Walker (2001) and Janda et al. (2002). This scale also was adapted for the measurement of intermediary communications by modifying the wording. The items for the emotional appeal scale were adapted from Gardberg and Fombrun (2002) and Groenland (2002), and the consumer-company identification scale was adopted from Mael and Ashfort (1992) and Gwinner and Swanson (2003). Perceived integration was measured by the scale adapted from Low (2000). In order to measure the corporate associations gap<sup>9</sup> and consumer-company value congruence, corporate identity traits were taken from the studies by Aaker (1997),

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<sup>9</sup> In order to measure this construct a company questionnaire was applied to the companies (McDonald's and Renault-Mais) which were used as a reference in the questionnaires. The questionnaires included the same corporate identity traits which were used in the questionnaires applied to consumers.

Brown and Dacin (1997), Davies and Chun (2002), Gardberg and Fombrun (2002), Sen and Bhattacharya (2001), and Westberg (1994). The traits mentioned by the two companies (McDonald's and Renault-Mais) chosen as a reference for the questionnaires were also incorporated. Corporate image construct's measurement was based on the scale by Williams and Moffit (1997). For the other constructs, items were taken from non-empirical articles. The information from the interviews with the consultants and the company managers as well as from focus group discussions were also incorporated (Table 4.3). The questionnaire statements for those items were formed by the researcher. Finally, the first draft of the questionnaire was designed. Table 4.4 shows the initial number of items for each construct.

This process resulted in the generation of 30 items for symbolism (CVIS – 20 items, corporate aesthetics – 4 items, staff apparel – 6 items), 9 items for communication, 10 items for behaviour (manager behaviour – 2 items, employee behaviour – 2 items, company behaviour – 6 items), 53 items for intrapersonal communication (emotional appeal – 3 items, consumer-company identification – 6 items, consumer-company value congruence – 44 items), 6 items for interpersonal communication, 6 items for intermediary communication, 44 items for corporate associations gap (corporate identity traits), 5 items for perceived integration of controlled communication, 3 items for company knowledge, and 3 items for corporate image. In total the first draft of the questionnaire comprised of 169 items (Table 4.4).



Table 4.4. The constructs and the number of initial items.

Constructs		No. of Initial Items
Corporate Image		3 items
Corporate Associations Gap (Corporate Identity Traits) *		44 items
<b>Corporate Identity Mix (Company-controlled Communication)</b>		
<u>Symbolism</u>		
<i>Corporate Visual Identity Systems (CVIS)</i>	Name	4 items
	Logo	4 items
	Slogan	4 items
	Colour	4 items
	Typography	4 items
<i>Corporate Aesthetics</i>		4 items
<i>Staff Apparel</i>		6 items
<u>Communication</u>		
<i>Marketing Communication Mix</i>		9 items
<u>Behaviour</u>		
<i>Management Behaviour</i>		2 items
<i>Employee Behaviour</i>		2 items
<i>Company Behaviour</i>		6 items
<b>Unplanned (Uncontrolled) Communication</b>		
<i>Interpersonal Communication</i>		6 items
<i>Intermediary Communication</i>		6 items
<i>Intrapersonal Communication</i>		
Emotional appeal		3 items
Consumer-company Identification		6 items
Consumer-company Value Congruence *		44 items
Perceived Integration		5 items
Company knowledge (Control Variable)		3 items

\* The same corporate identity traits were used in order to measure the corporate associations gap and the consumer-company value congruence. Please see Section 4.4.4 for further explanation of the calculation of these constructs during the analysis.

### 4.5.3. Purifying measures

This third step of Churchill's (1979) paradigm involves reliability and validity testing for the scale items. It was conducted by an expert judge assessment (academics), a practitioner check (communication consultants and communication managers interviewed) and the application of the first draft of the questionnaire to a sample of individuals (Churchill, 1979; Melewar, 2001).

Before using a survey instrument, it must be tested to ensure that the data collected will be meaningful and accurate. As Litwin (1995) states, "what matters is not how

quantitative the data are but how well the survey instrument performs” (p. 4). Therefore validity and reliability assessments were considered at this stage.

Validity requires that the research instrument “...measures the constructs which they are intended to measure” (Peter, 1979, p. 6). Therefore the constructs of scientific research should be built on a comprehensive literature review in order to provide a sound theoretical base (Churchill, 1979; Melewar, 2001). Primarily the items and/or dimensions of a construct should be checked to see to what extent they reflect the concepts i.e. content validity (De Vaus 1996; De Vellis, 1991). The wording of the questionnaire also should be considered since a non-random measurement error may occur due to poor question wording which causes systematic bias and thus affects validity (Litwin, 1995; Simoes, 2001).

Reliability entails that “...measures are free from error and therefore yield consistent results” (Peter, 1979, p. 6). It thus shows whether the scales are reproducible (Litwin, 1995). Although there are different methods for measuring reliability (See Carmines and Zeller, 1979; Litwin, 1995) Cronbach’s alpha as an internal consistency method is widely used by researchers. It is a measure that reflects how well the different items purport to measure different aspects of a construct (Carmines and Zeller, 1979; Litwin, 1995). Nunnally (1978) and De Vaus (2002) state that an alpha equal to or above 0.70 shows that the items make a reliable set.

In this research the necessary checks for validity and reliability measurement discussed above were applied and the scales have been purified in the following two steps.

#### **4.5.3.1. Qualitative assessment**

In this first step, the primary assessment of a measure's validity, i.e. content validity, is addressed to evaluate the overall validity of the measures used in the data collection instrument (Peter and Churchill, 1986). Content validity shows the extent to which scale items reflect the content of the constructs and capture their dimensions (Carmines and Zeller, 1979; De Vaus, 1996; De Vellis, 1991). Although content validity is a subjective measure, it provides an acceptable indication of the adequacy of the questionnaire (Litwin, 1995) to ensure the research instrument includes appropriate items and is of suitable length. Therefore, academics were asked to evaluate the items included in the scales to highlight any omissions and redundant or irrelevant items (Litwin, 1995). Their elimination of items has been cross-examined with the responses given by the consultants and managers interviewed as well as focus group participants.

The initial items were assessed by 5 academic expert judges. Firstly two academics commented on the English version of the questionnaire. Seven identity traits - 'the best', 'domestic', 'popular', 'compassionate', 'democratic', 'charming' and 'activist' - were taken out since the judges mentioned that the meanings of these adjectives might not be clear to the respondents. They also made suggestions to tighten up the English of sections about company aesthetics, communication, behaviour, perceived integration, emotional appeal, interpersonal and intermediary communication assessment. After the amendments, the questionnaire was translated into Turkish by a professional bilingual translator who is also an academic in management studies. Another three bilingual academics evaluated the research instrument by looking at

both its English and Turkish versions (Craig and Douglas, 2000). They raised concerns about the heavy content and complex wording of the perceived integration and consumer-company identification scales. Subsequently, the researcher revised these constructs' wording in Turkish. Finally, the Turkish version of the questionnaire was back translated into English by the researcher and another bilingual business PhD student (Craig and Douglas, 2000; Malhotra and Birks, 2003). The following corporate identity traits, which were translated into English differently by the latter two researchers, were taken out: 'conservative', 'cooperative', 'risk averse', 'enlightened', 'fair', 'reliable', 'daring', 'pretentious', 'genuine', 'stylish', 'tough', 'spirited', 'warm', 'glamorous', 'strong', and 'high quality'. Minor corrections were made for the rest of the sentences in the questionnaire. The translators took an iterative approach while revising the questions. They double checked both Turkish and English versions until they agreed on the wording of each sentence (Craig and Douglas, 2000). Based on this filtering, a refined list of a total of 21 items for corporate identity traits was concluded. The number of the items for the other constructs remained the same.

An experience survey was conducted with four corporate identity and communication consultants (Churchill, 1979). During the interviews, the consultants were asked to define the content of symbolism, communication and behaviour constructs. Four directors of corporate communication from the companies accessed engaged in a similar exercise (Churchill, 1979). They were asked to state which activities their companies perform in these three areas while communicating their companies' identities to consumers. The majority of the interviewees mentioned that 'annual reports', 'website' as well as 'direct mail' were not salient communicators of

identity. Additionally, managers interviewed mentioned that executives of their companies hardly appeared in public occasions in order to represent their organisation as a part of their companies' corporate communication strategies. They rather took part in communicating with investors, politicians, distributors, employees etc.

Finally, four focus group discussions were conducted to double-check the relevance of the item list to consumers (Churchill, 1979). The focus group discussions supported the findings from the interviews with managers. The participants mentioned that they hardly see managers of a company and have little access to companies' annual reports, websites and direct mail. Consequently, the former three items and the 'management behaviour' construct and its relevant items as well as the items related to 'managers' appearance' under the staff apparel construct were excluded from the research instrument. As a result of this refinement, the items for the communication construct were reduced from 9 to 6 items by the exclusion of the annual reports, websites and direct mail items. The behaviour construct became two-dimensional: employee communication (2 items) and company behaviour (6 items). Staff apparel was measured by three items related only to front-line employees' appearance (Table 4.5).

When the focus group participants were asked to elaborate on the components of corporate visual identity systems (CVIS), they referred to colour and typography as an attached single attribute of company logos. Therefore, these items were aligned into one component. Subsequently, CVIS was composed of a total of 16 items (name

– 4 items; logo - 4 items; slogan - 4 items; colour/typography - 4 items). The list of the constructs and the reduced number of items are illustrated in Table 4.5.

Table 4.5. The constructs and the number of initial and final items.

Constructs		No. of Initial Items	After Qualitative Assessment	After Quantitative Assessment
<b>Corporate Image</b>		3 items	3 items	3 items
<b>Corporate Associations Gap (Corporate Identity Traits) (1)</b>		44 items	21 items	21 items
<b>Corporate Identity Mix (Company-controlled Communication)</b>				
<b>Symbolism</b>				
<i>Corporate Visual Identity Systems (CVIS)</i>	Name	4 items	4 items	13 items
	Logo	4 items	4 items	
	Slogan	4 items	4 items	
	Colour (2)	4 items	4 items*	
	Typography (2)	4 items		
<i>Corporate Aesthetics</i>		4 items	4 items	4 items
<i>Staff apparel</i>		6 items	3 items	3 items
<b>Communication</b>				
<i>Marketing Communication Mix</i>		9 items	6 items	5 items
<b>Behaviour</b>				
<i>Management Behaviour</i>		2 items	Excluded	-
<i>Employee Behaviour</i>		2 items	2 items	1 items
<i>Company Behaviour</i>		6 items	6 items	6 items
<b>Unplanned (Uncontrolled) Communication</b>				
<i>Interpersonal Communication</i>		6 items	5 items	4 items
<i>Intermediary Communication</i>		6 items	5 items	4 items
<i>Intrapersonal Communication</i>				
Emotional appeal		3 items	3 items	3 items
Consumer-company Identification		6 items	6 items	5 items
Consumer-company Value Congruence (3)		44 items	21 items	21 items
<b>Perceived Integration</b>		5 items	5 items	5 items
<b>Company knowledge (Control Variable)</b>		3 items	3 items	3 items

- (1) Corporate identity traits were used to measure the corporate associations gap construct. The construct was measured as a difference score variable. The difference scores were calculated as the difference between the company managers' evaluation of their own organisation's identity and the respondents' evaluation of this particular company on the basis of the adjectives stated. Please see Section 4.5.4 for its detailed calculation.
- (2) On the basis of the information from the focus group discussions, colour and typography components of CVIS are aligned into one component.
- (3) The adjectives (corporate identity traits) to assess the corporate associations gap were used to measure consumer-company value congruence as well. This latter construct was measured as a difference score variable too. In this case, the difference scores were calculated as the difference between the respondents' evaluation of the focal company and their own personalities on the basis of the adjectives mentioned. Please see Section 4.5.4 for its detailed calculation.

The last check of the research instrument in terms of appearance and lexical correctness was conducted by 3 academics and 5 business doctoral researchers before the pilot test of the questionnaire on a sample of individuals (Simoes, 2001).

#### **4.5.3.2. Quantitative assessment: pilot study 1 and pilot study 2**

As a result of the qualitative assessment, the revised draft of the questionnaire was prepared and the researcher proceeded to the pilot testing phase (Churchill, 1979; Melewar, 2001; Simoes, 2001). The aim of this phase was to test whether the constructs were valid and reliable. The pilot testing also had the purpose of diagnosing whether there were any remaining inconsistencies in the questionnaire in order to ensure that it was easily understood and completed by individuals. Two pilot studies were carried out which are explained in the following paragraphs respectively.

##### **a. Pilot Study 1**

The questionnaire was tested on a sample of undergraduate and masters students<sup>10</sup>. To begin with, the researcher started to apply the entire questionnaire to students, but it was found that this exercise was slowing down the data collection process owing to the length of the questionnaire, which was to be completed in the classroom

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<sup>10</sup> The undergraduate students were from the Management Engineering and Industrial Engineering Departments of Istanbul Technical University and the Business Administration Department of Marmara University. The masters students were from the Business Administration Department of Marmara University, Bilgi University, Yeditepe University and Managerial Engineering and Economics Master Programmes of Istanbul Technical University. These universities were chosen in order to have representative social status backgrounds for the students. The Istanbul Technical University and Marmara University are state universities where mostly B1, C1 and C2 social status students prefer to go, since the tuition fees are much lower compared to private universities i.e. Bilgi University and Yeditepe University. These two latter universities were chosen to balance the sample with regard to respondents of social status A.

environment. On the basis of practicality, the researcher divided the questionnaire into three separate versions for each of the two reference companies. This procedure meant two versions of the same questionnaire [one for McDonald's (Mc) and one for Renault-Mais (RM)] and ultimately three drafts for each version, i.e. McPilot 1, McPilot 2, McPilot 3, RMPilot 1, RMPilot 2, RMPilot 3<sup>11</sup>. Appendix 4 and Appendix 5 show the number of questionnaires collected for each version, and the demographics of the respondents.

The responses from each version were input separately into the statistical package for social sciences (SPSS). The correlations, factor structures and coefficient alphas were computed to have an initial impression of the reliability of the scales created by the researcher, as well as the ones adopted from the other studies. Although each sample did not provide a minimum number of five cases per item (Nunnally, 1978; Peter, 1979) and the measure of sampling adequacy was below the acceptable level for a few constructs (Kaiser-Mayer Olkin's measure of sampling adequacy statistic less than 0.50) (Hair et al, 1998), the results of reliability testing as well as factor analysis were encouraging (See Table 4.6).

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<sup>11</sup> McPilot1 and RMPilot1 versions included the following questions of the final questionnaire: 1-7 and 16-26.

McPilot2 and RMPilot 2 versions included the following questions of the final questionnaire: 1-3, 11-12, 17-26.

McPilot 3 and RMPilot3 versions included the following questions of the final questionnaire: 1-12, 18-26.

Please see Appendix 7 and Appendix 8 for the final version of the questionnaire.



Table 4.6. Reliability and factor analyses results for each construct on the basis of the Pilot Study 1.

Constructs	No. of items	Cronbach alpha Mc Data	Cronbach alpha RM Data	Sample Size (N)	No. of Factors	Mc Data		RM Data	
						MSA	Variance explained	MSA	Variance explained
Corporate Image (1)	3 items	0.625	0.651	183 - McPIP3	1	0.630	57.14%	0.659	59.46%
Corporate Associations Gap (Corporate Identity Traits) (2)	21 items	N/A	N/A	160 - RMP1P3	N/A	N/A	N/A	N/A	N/A
<b>Corporate Identity Mix (Company-controlled Communication)</b>									
<u>Symbolism</u>									
Corporate Visual Identity Systems (CVIS)	Name								
	Logo								
	Slogan								
	Colour/typography								
Corporate Aesthetics	13 items	0.836	0.860	97 - McP3 89 - RMP3	3	0.739	81.97%	0.788	75.00%
Staff apparel	4 items	0.865	0.822		1	0.810	70.33%	0.778	65.20%
	3 items	0.881	0.854		1	0.500	88.80%	0.695	77.69%
<u>Communication</u>									
Marketing Communication Mix	5 items	0.808	0.807	97 - McP3 89 - RMP3	1	0.726	62.98%	0.663	72.00%
<u>Behaviour</u>									
Employee Behaviour	2 items	0.893	0.765	97 - McP3	1	0.500	89.99%	0.500	80.43%
Company Behaviour	6 items	0.851	0.686	89 - RMP3	1	0.775	63.07%	0.661	61.67%

(1) Since McP1 and McP3 as well as RMP1 and RMP3 questionnaires included the items for measuring both corporate image and corporate identity traits, the cases from both samples were merged in order to increase the sample size for the factor and reliability analyses. Thus the sample size for McPIP3 was 183 and for RMP1P3 was 160.

(2) For corporate identity traits, factor analysis and reliability tests were not run, since those items were only used in order to calculate the difference scores for the corporate associations gap as well as consumer-company value congruence constructs rather than testing the dimensionality of corporate identity traits. Please see Section 4.4.4 for the explanation of these constructs.

Note 1: Mc: McDonald's, RM: Renault - Mais.

Note 2: McPIP3: McDonald's pilot study-1 questionnaire 1 and 3, McP2: McDonald's pilot study-1 questionnaire 1, McP1: McDonald's pilot study-1 questionnaire 1, RMP1P3: Renault-Mais pilot study-1 questionnaire 1 and 3, RMP2: Renault-Mais pilot study-1 questionnaire 2, RMP1: Renault-Mais pilot study-1 questionnaire 1.

Note 3: MSA: Kaiser-Meyer-Olkin Measure of Sampling Adequacy.

Note 4: Due to the limited number of observations, missing values were replaced with the mean in factor analysis.

Table 4.6. (Continued) Reliability and factor analyses results for each construct of interest on the basis of the Pilot Study 1.

Constructs	No. of items	Cronbach alpha Mc Data	Cronbach alpha RM Data	Sample Size (N)	No. of Factors	Mc Data		RM Data	
						MSA	Variance explained	MSA	Variance explained
<b>Unplanned (Uncontrolled) Communication</b>									
<i>Interpersonal communication</i>	5 items	0.793	0.865	110 - McP2	1	0.687	62.65%	0.817	65.33%
<i>Intermediary communication (3)</i>	5 items	0.761	0.887	98 - RMP2	1	0.500	81.12%	0.745	74.81%
<i>Intrapersonal communication</i>									
Emotional appeal	3 items	0.860	0.861	110 - McP2 98 - RMP2	1	0.713	78.17%	0.729	78.30%
Consumer-company identification	5 items	0.885	0.885		1	0.841	75.95%	0.826	75.72%
Consumer-company value congruence (2)	21 items	N/A	N/A		N/A	N/A	N/A	N/A	N/A
<b>Perceived integration</b>	5 items	0.462	0.499	97 - McP1 71 - RMP1	2	0.537	61.47%	0.495	63.96%
<b>Control Variable</b>	3 items	0.857	0.906	110 - McP2 98 - RMP2	1	0.713	77.63%	0.751	84.05%

(2) For corporate identity traits, factor analysis and reliability tests were not run, since those items were only used in order to calculate the difference scores for the corporate associations gap as well as consumer-company value congruence constructs rather than testing dimensionality of corporate identity traits. Please see Section 4.4.4 for the explanation of these constructs.

(3) The first run of the factor analysis resulted in a two-factor solution rather than a one-factor solution by using the McP2 data. The statistics for this analysis are as follows: MSA=0.759, Variance explained = 71.95%.

Note 1: Mc: McDonald's, RM: Renault - Mais.

Note 2: McPIP3: McDonald's pilot study-1 questionnaire 1 and 3, McP2: McDonald's pilot study-1 questionnaire 1, McP1: McDonald's pilot study-1 questionnaire 1, RMP1P3: Renault-Mais pilot study-1 questionnaire 1 and 3, RMP2: Renault-Mais pilot study-1 questionnaire 2, RMP1: Renault-Mais pilot study-1 questionnaire 1.

Note 3: MSA: Kaiser-Meyer-Olkin Measure of Sampling Adequacy.

Note 4: Due to the limited number of observations, missing values were replaced with the mean in factor analysis.

Factor analysis was run for each of the constructs to test whether they were unidimensional and/or multi-dimensional as they are theoretically defined. Nunnally (1978) mentions that this assessment is necessary to ensure that the empirical measures are valid. The latent root criterion (Eigenvalue >1.00) was used to determine the number of factors (Hair et al., 1998). The items which had communalities less than 0.60<sup>12</sup> as well as the ones with less than 0.50 factor loadings were excluded in each run (Hair et al., 1998). The items which were loaded to more than two factors, as well as to the theoretically unexpected factors, were taken out. Finally, factors with single items were dropped. The Bartlett Test of Sphericity (BTS) was significant for all factor analyses run, which shows that correlations among variables were present (Hair et al., 1998). Except Staff apparel, employee behaviour, intermediary communication and perceived integration constructs, the Kaiser-Mayer-Olkin measure of sampling adequacy (MSA) was above 0.60 for the rest of the constructs which indicates an acceptable level (Hair et al., 1998) (Table 4.6).

All the constructs showed high reliability levels except the perceived integration construct. This was due to the fact that the factor analysis for this construct resulted in two factors (rather than one factor) which was not expected theoretically (See Table 4.6). As Carmines and Zeller (1979) state, this result was due to a non-random measurement error. The two items which were loaded to one factor were negatively constructed, whereas the rest of the items which were loaded to the second factor were stated positively. It was concluded that the structure of the response sets triggered a general tendency to respond to the items in a similar manner, which

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<sup>12</sup> For the following constructs the items which had communalities less than 0.50 were excluded from the analysis since the communalities for the majority of the items were between 0.50 and 0.65: corporate image, company behaviour, communication and interpersonal communication.

resulted in a two factor solution. Accordingly, the reversed items reconstructed positively (Carmines and Zeller, 1979).

Another issue was concerned about the measurement of the intermediary communication construct. The first run of the factor analysis for this construct unexpectedly resulted in a two factor solution on the basis of the McP2 data (Kaiser-Mayer-Olkin's measure of sampling adequacy (MSA) = 0.759, Variance explained = 71.95%). After dropping the items with communalities less than 0.60, a one factor solution was achieved. Although the variance explained increased to 81.12%, the sampling adequacy dropped dramatically (MSA = 0.500). In contrast, the same analysis resulted in a one factor solution for the RMP2 data in the first run. In order to address this issue, a qualitative assessment for content validity was carried out before the second pilot test. On the basis of the expert judgement, one more item was dropped from the five-item measure<sup>13</sup> and the wording of the remaining statements was amended. Since the items for the interpersonal communication construct were stated on the basis of the same principles of the intermediary communication construct, the same changes were applied to the former too. As a result, both constructs were composed of four items (See Table 4.7).

## **b. Pilot Study 2**

After the refinement of the scales on the basis of the Pilot Study 1, all items were incorporated into one questionnaire for each focal company. Both questionnaires had the same items in order to have a standardised data collection instrument for each

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<sup>13</sup> Note that the items from factor solutions of each pilot data set were merged in order to have a standardised research instrument for the main survey.

reference company. However, the wording differences for certain items were still kept as they appeared in the first pilot study (e.g. in Renault-Mais questionnaire sales points were mentioned in the statements instead of restaurants) (See questions VI, IX, X and XI in Appendix 7 and Appendix 8). The main aim of the second pilot study was to pre-test the complete questionnaire. Qualitative and quantitative assessment of the research instrument was completed by following the stages below.

Before the questionnaires were applied to a sample of individuals, another expert judgment check was conducted by 2 academics for the English version (Litwin, 1995). This procedure was to ensure that the problems related to the measurement of the perceived integration, intermediary and interpersonal communication constructs (See pilot study 1) were eliminated in order to meet the content validity requirements (Litwin, 1995). On the basis of this exercise all negatively constructed items for measurement of the perceived integration construct were restated positively. Interpersonal and intermediary communication scales were reduced to 4 items and their wording was also slightly changed. The judges also agreed that the second item of the employee behaviour construct<sup>14</sup> was not suggesting behaviour very clearly. Accordingly, it was dropped from the questionnaire, thus this construct became a single item measure (See questions XI, XIII and XVI in Appendix 7 and Appendix 8). After those changes, the translation and back-translation procedure was repeated for the items of the constructs which necessitated amendment (Craig and Douglas, 2000; Malhotra and Birks, 2003). As a result of this procedure, a refined list of 101 items emerged (Table 4.7).

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<sup>14</sup> In McDonald's questionnaire: The employees of the company's restaurants such as cashiers, waiters/waitresses etc. represent it very well  
In Renault-Mais questionnaire: The employees of the company such as salesmen, after sales service staff etc. represent it very well

The questionnaire was applied to a convenience sample of 46 respondents for the McDonald's questionnaire and 30 respondents for the Renault-Mais questionnaire (See Appendix 6 for the details of the each sample). Since the sample sizes for each data set were very small, factor analysis was not performed. Despite the fact that the minimum five subjects per item criterion was not satisfied (Nunnally, 1978; Peter 1979), the researcher still carried out a reliability test in order to assess whether the constructs, especially the revised items, would yield encouraging results. Table 4.7 illustrates that the Cronbach alpha statistics were 0.671 and higher for both data sets which is above the acceptable level of 0.60 (Nunnally, 1978). Thus, based on the analysis, no changes were made and the questionnaire design was finalised.

Table 4.7. Reliability measures for the constructs on the basis of Pilot Study 2.

Constructs	No of items	Cronbach alpha Mc Data	Cronbach alpha RM Data
<b>Corporate Image</b>	3	0.824	0.671
<b>Corporate Associations Gap (Corporate Identity Traits) *</b>	21	N/A	N/A
<b>Corporate Identity Mix (Company-controlled Communication)</b>			
<u>Symbolism</u>			
<i>Corporate Visual Identity Systems</i>	13	0.913	0.897
<i>Corporate aesthetics</i>	4	0.858	0.889
<i>Staff apparel</i>	3	0.761	0.915
<u>Communication</u>			
<i>Marketing Communication Mix</i>	5	0.919	0.919
<u>Behaviour</u>			
<i>Employee Behaviour</i>	1	N/A	N/A
<i>Company Behaviour</i>	6	0.893	0.791
<b>Unplanned (Uncontrolled) Communication</b>			
<i>Interpersonal communication</i>	4	0.877	0.934
<i>Intermediary communication</i>	4	0.828	0.910
<i>Intrapersonal communication</i>			
Emotional appeal	3	0.957	0.721
Consumer-company identification	5	0.906	0.905
Consumer-company congruence *	21	N/A	N/A
<b>Perceived integration</b>	5	0.890	0.872
<b>Company knowledge (Control Variable)</b>	3	0.824	0.915

\* For the corporate identity traits, reliability test was not run, since those items were only used in order to calculate the difference scores for the corporate associations gap as well as the consumer-company value congruence constructs rather than proving it as a scale. Please see Section 4.5.4 for the explanation of these constructs' calculation.

Note: Due to the small number of cases, the missing values were replaced with the mean.

#### **4.5.4. Questionnaire design**

Since corporate image is defined as the overall impression about an organisation, its operationalisation requires indicating a specific company to be assessed. Therefore, the respondents were provided with two reference companies to assess in the questionnaires. Accordingly, McDonald's and Renault-Mais were chosen as focal companies by following a similar logic to Elsbach and Bhattacharya's (2001) study. The reasons for selecting these two companies were as follows: (1) McDonald's and Renault-Mais were among the first ten most reputable companies based on the reputation survey by The Capital in 2000, (2) These companies are large enough to have a corporate communication department and are capable of investing in a wide range of corporate communication activities, (3) These companies also had strategic corporate communication plans in action. These two latter facts increased the likelihood of an individual being exposed to the majority of these companies' communication activities so that they could have sufficient knowledge to provide an opinion about the questions asked in the questionnaire.

Two separate questionnaires were prepared. In the first one, the respondents were asked to evaluate the questions by referring to McDonald's, and in the second one, they were asked to assess Renault-Mais. The sections and the constructs were the same for both questionnaires; however, the nature of the business that these two companies are involved in, i.e. service and manufacturing, required modifications in the wording of certain items (See questions VI, IX, X and XI in Appendix 7 and Appendix 8).

Petty and Cacioppo (1986) in their elaboration likelihood model assert that the involvement of the subject to the object to be evaluated defines the level of elaboration occurring in the communication process. For example, an individual may be motivated and able to assess a company's products and services closely but may be less interested in its buildings. While for the former situation a high elaboration occurs leading to rational opinion forming, in the latter situation a person refers to peripheral cues (low level of elaboration) such as the shape of the building without attaching any meaning to it. On the basis of this discussion, it could be concluded that the respondent's psychological and physical distance from the aspects of corporate identity mix (corporate communication) elements and unplanned (uncontrolled) communication elements will vary on the high elaboration and low elaboration continuum. Therefore, Stuart (1995) proposes that based on the totality of the individual's concrete and abstract conviction, a middle level of elaboration is more likely to occur during the assessment of the communication channels and tools that the respondents come across (See Poiesz, 1988; Van Riel, 1995). According to Van Riel (1995), in that situation, attitude measurement is the proper method for corporate image research since it allows the respondents to compare and appraise the attributes of image and communication factors.

Consequently, the attitude scale method was used and applied in the questionnaires measuring the opinions of respondents by five-point Likert-type scales and evaluating the corporate identity traits on seven-point scales (Van Riel et. al., 1998) which aimed to calculate the values for the corporate associations gap and the consumer-company value congruence constructs. These two constructs were



considered as single item measures after the computation of difference scores. The details of their calculation are explained as follows.

As has been acknowledged in early studies in the field, the associations of individuals about an organisation are always subject to their interpretation of corporate identity messages on the basis of their own beliefs, values and emotions etc. (Dacin and Brown, 2002). Therefore, there is always a gap between the intended corporate identity traits and an individual's associations of these characteristics to the organisation. In order to test the influence of the corporate associations gap on corporate image, the degree of match between the corporate identity traits that are intended to be created in the minds of the consumers by companies and the associations of the respondents about those company characteristics was measured as absolute difference scores (See p. 39 for the calculation method) (Sirgy and Danes, 1981; Sirgy and Samli, 1985; Van Rekom; 2003).

The observed values for the corporate identity traits (21 adjectives) were drawn from the company evaluation form (See Appendix 10). This form was completed by the managers of the focal companies who were responsible for communicating the corporate identity of their organisations. As a result of this exercise, 9 forms from McDonald's and 6 forms from Renault-Mais were collected<sup>15</sup>. The observed values for consumers' associations about corporate identity traits were obtained from the

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<sup>15</sup> In McDonald's, 9 managers were indicated by the Public Relations Director of the organisation. In Renault-Mais 6 managers were indicated by the Corporate Communication Director. The forms were distributed by these two directors in their own organisations and returned to the researcher. Special emphasis was put on the fact that the managers should have referred to the company's planned identity and evaluate the traits on the basis of this information rather than their own perceptions of their organisations' identity.

main survey (See question VII in Appendices 7 and 8). The calculation of the difference scores was as follows:

$G = \sum |T_i - A_{ij}|$  where, G – Corporate Associations Gap

$T_i$  - Average of the evaluation of corporate identity by managers along identity trait  $i$ ;

$A_{ij}$  - Evaluation of corporate association by consumers along corporate identity trait  $i$  by  $j$ th individual

As Sirgy (1982a) states, the way that an individual will see themselves (i.e self-image) is linked to how this person expresses themselves in social environments. He argues that the congruence between an individual's self-image and this person's perception of a product's image has attitudinal and behavioural results in terms of store image and buying intentions. Similarly, it could be concluded that consumers will have positive images about companies with values that are congruent with their self-image (Sen and Bhattacharya, 2001). Similar to corporate associations gap measurement, in order to test the impact of consumer-company value congruence on corporate image, the degree of the match between self-image and corporate associations was measured as absolute difference scores (Sirgy and Danes, 1981; Sirgy and Samli, 1985). The observed values for consumers' associations about corporate identity traits and for their self-image were obtained from the main survey (See questions VII and XVII in Appendices 7 and 8).

The consumer-company value congruence is calculated as follows:

$C = \sum | A_{ij} - S_{ij} |$  where, C – Consumer-company Value Congruence

$A_{ij}$  - Evaluation of corporate association by individual along corporate identity trait  $i$  by  $j$ th individual;

$S_{ij}$  - Evaluation of an individual's own personality along personality dimension  $i$  by  $j$ th individual<sup>16</sup>

The survey instrument began with two open-ended filter questions aiming to assess the familiarity of the respondent with the reference company (Williams and Moffit, 1997). This section was also intended to get the respondents more involved in the subject of the questionnaire. The remainder of the questions comprised of the statements for measuring the attitudes of respondents towards the reference company, its communication activities and external communication factors. The questionnaire ended with a section which aimed to gather the demographic qualities of the individuals. The control variables i.e. restaurant visiting pattern (McDonald's questionnaire), car possession (Renault-Mais questionnaire) and company knowledge (both questionnaires) were also present in the questionnaire. Table 4.3 shows the questionnaire sections, and the sources for the scales and/or items. It should be noted that the scales which were drawn from previous studies were adapted on the basis of the information gathered from the exploratory stage of this study (Menon et. al., 1999; Simoes, 2001).

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<sup>16</sup> It should be noted that same adjectives were used to measure the corporate identity traits and personality traits in order to be able calculate difference scores on the same characteristics.

After the initial analysis, necessary changes were made to the questionnaire. The final version of the questionnaire was 6 pages including the cover sheet (See Appendix 7 and Appendix 8). Its layout was tested by expert judges and PhD students. The front sheet of the survey contained the general instructions for the fieldworkers. The purpose of the survey and a brief description of the background of the researcher and her affiliation were explained to the respondents. A confidentiality guarantee was also given.

## **4.6. Main Survey**

### **4.6.1. Method**

Churchill (1991) states that survey research is presumed to have high external validity; that is, the results can be generalised to a population. The structured-undisguised survey, where a formal questionnaire is prepared, is the most popular data collection method because of the simplicity and flexibility of the research technique (Churchill, 1999; Van Riel et. al., 1998).

Since attitude scales require the respondents to consider each statement carefully, it is necessary for the respondent to be given time to go through the questions. In this study, fieldworkers were used during the administration of the questionnaire in order to allow the respondents to have sufficient time to consider the items (Churchill, 1999) and to make sure that each question was understood and answered.

The fieldworkers were hired from a professional fieldwork company and were given a briefing by the researcher on the instructions to be followed during the application

of the questionnaires. They conducted the questionnaires face-to-face with respondents. This procedure allowed the researcher to eliminate the risk of having a high percentage of missing data due to external events. It also guaranteed that the questionnaire was completed by the respondent who was targeted (Wilson, 1997).

#### **4.6.2. Target population and sampling**

The lack of attention to emerging markets in terms of corporate image studies has led the researcher to focus on Turkey as the context of the study<sup>17</sup>. Garten (1997) states that Turkey is one of the emerging markets which may influence the world trade substantially. The studies of corporate image as well as corporate identity and corporate reputation have covered the US and a number of European countries such as the United Kingdom, Netherlands, Germany, Belgium and Greece (e.g. Andreassen and Lindestad, 1998; Balmer, 1995; Boyle, 1996; Brown and Dacin, 1997; Fill and Diminopolu, 1999; Fombrun et al., 2000; Gürhan-Canli, 1996; Kennedy, 1977; Simoes, 2001; Thevissen, 2002; Van Riel, 2002; Westberg, 1994; Wiedmann, 2002).

Burgess and Steenkamp (2006) argue that economic instability and social diversity may disrupt implementation of marketing approaches developed for highly industrialised countries in emerging markets such as Turkey. Therefore, a continuous marketing information gathering and analysis on these issues is important in order to be able to respond to any likely changes in the market. In terms of corporate identity and its perception, especially the change in social and cultural norms and values in

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<sup>17</sup> Please see the Higher Education Institute of Turkey's website <http://www.yok.gov.tr/YokTezSrv> for the theses conducted in Turkey.

emerging markets may be of concern for organisations. Social and cultural environment may not only have an impact on how consumers' evaluations of companies as a whole and their perceptions of specific company identity traits in comparison to their own values, but also on which communication channels attract attention of individuals while forming corporate image. Therefore, developing a comprehensive model which integrates company-driven communication factors and external factors and testing it in an emerging market environment may be important for organisations in order to understand the dynamics of corporate image formation in terms of international marketing practices.

Furthermore, as Melewar (2001) states, as a result of the corporate expansion and globalisation of interest, global companies have started to face communication threats. Balabanis et al. (2002) state that the companies transacting out of their domestic environment have to put more effort into convincing the consumers in collectivist countries like Turkey to buy their products and services. In their study, they have demonstrated that the consumers from collectivist cultures are more resistant to purchasing products and services offered by global companies. They suggest that if global companies could influence the acceptance of consumers in such markets, they might be less affected by issues related to ethnocentrism. Therefore, studying the subject in Turkey was considered to be likely to yield interesting results.

The survey was conducted in Istanbul. According to the year 2000 census figures, this city is the most populated city in Turkey with approximately 10 million people, which is 1/7th of the whole Turkish population (DIE, 2003). It is located in the most

populated (Marmara) region of Turkey with a 25% share of the total population (Euromonitor, April 2000). Its population has increased 12.4 times between 1923 and 2000, whereas the overall population in Turkey has increased only five times for the same period (DIE, 2003). These figures indicate that Istanbul can be considered as embracing the Turkish people from different backgrounds, thereby showing a high potential of representing the overall population.

The sampling procedure followed the steps of cluster sampling (Churchill, 1999). This technique was chosen firstly because it is the most used sampling method in large-scale surveys which involve face-to-face questionnaire collection. Secondly, it is more economical compared to other sampling techniques (Churchill, 1999). The researcher focused on eight boroughs in Istanbul which were systematically chosen from the list of areas by the DIE's categorisation (2003). The fieldworkers started contacting every flat in each building on the main street of each area. They then moved to one parallel street and so on. The male and female consumers who were at least 18 years-old and who had at least successfully completed secondary school education were considered eligible for the study. The fieldworkers contacted the residents at weekends in October and November 2004 so as to ensure that potential respondents who are employed could also be reached (Churchill, 1999).

#### **4.7. Data Analysis Techniques and Statistical Packages**

Data analysis was completed in three stages. In the first stage, the content and the relevance of the multi-item scales were refined on the basis of the quantitative and qualitative data gathered from the exploratory stage of the research. In the second

stage, scales were validated on the basis of the quantitative data obtained from the main survey. Lastly, the final model was tested.

Churchill's (1979) procedure for multi-item scale development was adopted in order to develop the scales. The qualitative information was used to ensure the content validity (De Vellis, 1991; De Vaus 1996). Exploratory factor analysis (EFA) was performed in the first pilot study in order to reduce the number of items and to identify any patterns in the data (De Vaus, 2002; Tabachnick and Fidell, 2000). A Coefficient alpha check was applied to the quantitative data gathered from both pilot studies in order to assess the reliability of the scales (Carmines and Zeller, 1979; Churchill, 1979; Peter, 1979). Confirmatory factor analysis was performed on the main survey data in order to assess the scales' validity before structural model testing (Diamantopoulos and Siguaw, 2000; Gerbing and Anderson, 1988; Hair et al., 1998). Finally, the relationships between constructs were tested by Structural Equation Modelling (SEM).

Descriptive analysis, outlier examination, missing data analysis, exploratory factor analysis, reliability analysis and the tests for the assumptions of multivariate analysis were performed using SPSS 12.0 (statistical package for social sciences) (Tabachnick and Fidell, 2000). Lisrel 8.7 (Linear Structural Relationships) was used to perform both the confirmatory factor analysis and the structural model testing (Hair et al., 1998; Jöreskog and Sörbom, 1993; 1996).



The next sections describe the use of exploratory factor analysis (EFA), coefficient alpha and confirmatory factor analysis (CFA) for scale development and validation as well as the use of structural equation modelling (SEM) for model evaluation.

#### **4.7.1. Exploratory factor analysis and reliability assessment**

Exploratory factor analysis is a method which examines patterns in data in order to extract underlying latent factors (De Vaus, 2002). It is used for identifying the latent factors that account for co-variation among the variables and for summarising and reducing a larger set of observed variables to a smaller number of factors (Tabachnick and Fidell, 2000; Hair et al., 1998).

According to Hair et al. (1998) and Jöreskog and Sörbom (1993), this analysis is very useful when summated scales need to be constructed for further testing in structural models. It helps to assess the proposed dimensionality and the appropriateness of the selected variables for each construct of interest. In this study, the principal component approach was used since the aim of the researcher was to identify a minimum set of variables which accounted for the maximum variance in the data (Hair et al., 1998). The number of factors was defined on the basis of the latent root criterion (Eigen value >1.00). The use of this method was to ensure that “any individual factor should account for the variance of at least a single variable” (Hair et al., 1998, p. 103). In order to achieve the best possible interpretation of the factors, the varimax rotation method was used. This is an orthogonal rotation technique which is suitable for reducing the number of variables to smaller subsets. Additionally, the significance of the factor loadings which determines the correlation

between the variable and the underlying factor was assessed. The factor loadings above  $\pm 0.50$  were considered practically significant (Hair et al., 1998). Furthermore, the communalities which indicate the amount of variance each variable shares with the rest of the variables in the analysis were examined (Hair et al., 1998). The variables with communalities less than 0.60 was deemed as not contributing to the variance explained and were therefore dropped from the analysis (De Vaus, 2002).

For the factors derived from the exploratory factor analysis, Cronbach alpha was computed in order to test whether each subset of items were internally consistent (Carmines and Zeller, 1979; Litwin, 1995; Parasuraman et al., 1998). That is a method which is widely used in social sciences (Churchill et al., 1974; Churchill, 1979; De Vaus, 2002; Litwin, 1995; Peter, 1979). The values equal to or above 0.70 were considered to be of an acceptable level of reliability (De Vaus, 1996; Nunnally, 1978).

#### **4.7.2. Confirmatory factor analysis and measurement model estimation**

Confirmatory factor analysis (CFA) is used to test whether the pre-specified relationships on the basis of the theory are present in the data (Hair et al., 1998; Huang, 2001; Jöreskog and Sörbom, 1993). It is a stricter assessment of construct validity to ensure that the theoretical meaning of a construct is empirically captured by its indicators (Bagozzi et al., 1991; Steenkamp and Trijp, 1991).

As mentioned earlier, the validity of a construct is an essential condition for further theory testing and development (Carmines and Zeller, 1979; Steenkamp and Trijp,

1991). In order to claim that a construct is valid the following criteria should be assessed: (1) unidimensionality of a construct (Gerbing and Anderson, 1988; Steenkamp and Trijp, 1991) (2) reliability, (3) convergent validity, (4) discriminant validity, and (5) nomological validity (Gerbing and Anderson, 1988; Peter, 1981; Steenkamp and Trijp, 1991).

Anderson and Gerbing (1982, 1988) recommend that model-testing should be conducted in two separate stages. The first stage is the development of a measurement model which confirms the relationships between a construct and its indicators. The second stage is the testing of the structural model to show the causal relationships between latent constructs (Anderson and Gerbing, 1982; Chau, 1997; Diamantopolous and Siguaw, 2000). This approach helps to tackle any likely confusion in interpreting the models when they are estimated simultaneously (Anderson and Gerbing, 1988).

Testing of the measurement model is assisted by CFA (Chau, 1997; Diamantopoulos and Siguaw, 2000; Huang, 2001). When the measurement model is estimated using CFA, the five fundamental dimensions of construct validation mentioned above can be assessed. The following paragraphs explain the role of these criteria in assessing construct validity.

Unidimensionality of a construct should be achieved before any attempt at further theory testing (Anderson and Gerbing, 1988); since it demonstrates that the multiple indicators of a construct are internally consistent and externally distinct from other measures. CFA ensures that a construct is unidimensional so that it is composed of a

set of logical (theoretical) indicators (Hair et al., 1998; Hattie, 1985; Gerbing and Anderson, 1988; Steenkamp and Trijp, 1991). It permits the computation of the criteria for assessing nomological validity, convergent validity and discriminant validity.

Nomological validity refers to the examination of the hypothesised relationships between constructs and the empirical links between indicators and their underlying dimensions (Peter, 1981; Peter and Churchill, 1986). In other words it concerns the overall fit of a model. Lages (2000) and Steenkamp and Trijp (1991) suggest the utilisation of the goodness-of-fit indices in order to assess nomological validity. These measures are presented in Section 4.7.3.

Convergent validity is the extent to which the latent variable correlates to indicators pre-specified to measure the same latent variable (Anderson and Gerbing, 1988; Bagozzi et al., 1991; Gerbing and Anderson, 1988; Peter and Churchill, 1986; Steenkamp and Trijp, 1991). It is assessed by an item's own reliability ( $\rho$ ), composite reliability ( $\rho_c$ ) and average variance extracted ( $\rho_v$ ) (Anderson and Gerbing, 1988; Babin et al., 2000; Fornell and Larcker, 1981). Additionally, the statistically significant t values corresponding to the factor loadings for each item are taken as indicative of convergent validity (Bagozzi et al., 1991; Chau, 1997).

An individual item's reliability ( $\rho$ ) shows the amount of variance explained by a manifest variable in its relevant construct (Bagozzi et al., 1991; Diamantopoulos and Siguaw, 2000). Jöreskog and Sörbom (1993) assert that squared multiple correlations ( $\rho$ ) show the strength of the linear relationship between an indicator and the

construct it relates to. The threshold value of 0.50 and above is considered to be indicative of convergent validity (Hair et al., 1998). It is calculated as  $\rho_j^2 = \lambda_j^2 / [\lambda_j^2 + \text{Var}(\epsilon_j)]$  where  $\rho_j$  is squared multiple correlation of the  $j$ th indicator,  $\lambda$  is indicator loadings and  $\epsilon_j$  is error variance of the  $j$ th indicator (Fornell and Larcker, 1981).

Fornell and Larcker (1981) suggest that in addition to an individual item's reliability assessment, a construct's overall reliability, i.e. composite reliability, should be assessed. CFA also allows the computation of composite reliability (Gerbing and Anderson, 1988; Hair et al., 1998). Unlike the conventional reliability statistics, composite reliability ( $\rho_c$ ) assessment assumes unequal item reliabilities (Bollen, 1989).  $\rho_c$  value above 0.70 indicates an acceptable level (Hair et al., 1998). It is calculated as  $\rho_c = (\sum \lambda)^2 / [(\sum \lambda)^2 + \sum (\theta)]$  where  $\rho_c$  is composite reliability,  $\lambda$  is indicator loadings,  $\theta$  is error variance of the indicator and  $\Sigma$  is summation over the indicators of the latent variable (Diamantopoulos and Siguaw, 2000; Fornell and Larcker, 1981; Hair et al., 1998).

Fornell and Larcker (1981) mention that "neither [ $\rho_j^2$  nor  $\rho_c$  alone] measures the amount of variance that is captured by the construct in relation to the amount of variance due to measurement error" (p. 45). They suggest that the average variance extracted ( $\rho_v$ ) should be calculated in order to assess the total variance accounted for by the latent construct and its indicators. Diamantopoulos and Siguaw (2000) mention that "...  $\rho_v$  values [the average variance extracted] less than 0.50 indicate that measurement error accounts for a greater amount of variance in the indicators than does the underlying construct" (p. 91). This raises questions about the validity of the indicators and the measure used (Diamantopoulos and Siguaw, 2000; Fornell

and Larcker, 1981). The average variance extracted ( $\rho_v$ ) is calculated as  $\rho_v = \frac{\sum (\lambda^2)}{[\sum (\lambda^2) + \sum (\theta)]}$  where  $\rho_v$  is average variance extracted,  $\lambda$  is indicator loadings,  $\theta$  is error variance of the indicator and  $\sum$  is summation over the indicators of the latent variable (Diamantopoulos and Siguaw, 2000; Fornell and Larcker, 1981; Hair et al., 1998).

Discriminant validity shows the extent to which the indicators of one construct are distinct from the items of other latent variables (Chau, 1997; Garver and Mentzer, 1999; Peter, 1981; Peter and Churchill, 1986). When the correlation between two constructs is significantly lower than 1.00, the presence of discriminant validity is indicated (Anderson and Gerbing, 1988; Bagozzi et al., 1991). Anderson and Gerbing (1988) suggest that “discriminant validity can be assessed for two estimated constructs by constraining the estimated correlation parameter ( $\phi_{ij}$ ) between them to 1.00 and then performing a chi-square difference test on the values obtained for the constrained and unconstrained models” (p.416) (cf. Jöreskog, 1971). The two models (constrained and unconstrained) should be tested for every possible pair of constructs one at a time rather than including all latent variables in the test simultaneously (Anderson and Gerbing, 1988). Bagozzi and Philips (1982) assert that “a significantly lower  $\chi^2$  [chi-square] value for the model in which the trait correlations are not constrained to unity would indicate that the traits are not perfectly correlated and that discriminant validity is achieved” (p. 476).

### **4.7.3. Structural equation modelling and assessment of model fit**

After estimating the measurement model, structural equation modelling is applied to test the structural model which shows the causal relationships among the latent constructs (Anderson and Gerbing, 1988). Hair et al. (1998) state that “[Structural Equation Modelling (SEM)] provides the appropriate and most efficient estimation technique for a series of separate multiple regression equations estimated simultaneously” (p. 17). The aim of a model’s overall fit is to confirm the consistency of a theoretical model and the estimated model which is based on the observed values (Diamantopoulos and Siguaaw, 2000; Hair et al., 1998). The model’s overall fit is evaluated on the basis of both incremental and absolute goodness of fit measures. There are many statistics developed to test the overall fit of a model, however none of them alone can provide an absolute assurance of model fit. Each measure can be superior to the others under different conditions such as “sample size, estimation procedure, model complexity, violation of underlying assumptions of multivariate normality and variable independence” (Diamantopoulos and Siguaaw, 2000, p. 83).

Absolute fit measures establish the extent to which the sample covariances are reproduced by the observed covariance or correlation matrix (Hair et al., 1998). Some most common absolute fit indices are chi-square ( $\chi^2$ ), root mean square error of approximation (RMSEA), goodness-of-fit index (GFI) and adjusted goodness-of-fit index (AGFI).

The chi-square statistic ( $\chi^2$ ) is "... a test of perfect fit in which the null hypothesis is that the model fits the population data perfectly" (Diamantopoulos and Siguaw, 2000, p. 83). When it is statistically significant, it indicates that the null hypothesis is rejected. Unlike the conventional hypotheses testing, this is a condition for claiming good model fit in structural model estimation. Chi-square value is computed as " $(N - 1) F_{min}$  where  $N$  is the sample size,  $F_{min}$  is the value of the fitting function ... at convergence [and] ...the relevant degrees of freedom is calculated as  $\frac{1}{2} k(k+1) - t$ , where  $k$  is number of observed variables and  $t$  is number of parameters to be estimated" (Diamantopoulos and Siguaw, 2000, p.83).

Another absolute fit measure is root mean square error of approximation (RMSEA). It shows the degree of fit between the model and the population covariance matrix (Diamantopoulos and Siguaw, 2000). It is measured as " $(F_o/DF)^{1/2}$ , where  $F_o$  is the population discrepancy function value ... and  $DF$  are the degrees of freedom" (Diamantopoulos and Siguaw, 2000, p. 85). Values between 0.05 and under 0.08 are indicative of acceptable fit (Hair et al., 1998; Diamantopoulos and Siguaw, 2000). Any value below 0.05 shows good fit, whereas any value above 0.08 shows poorer fit (Diamantopoulos and Siguaw, 2000).

The goodness-of-fit index (GFI) is a non-statistical measure which indicates the overall degree of fit while being free from the degrees of freedom (Hair et al., 1998). It compares the squared residuals predicted with the observed values. Values ranging from 0.80 to 0.89 are indicative of reasonable fit (Doll et al., 1994). Values between 0.90 and 1.00 are considered to be a good fit (Diamantopoulos and Siguaw, 2000).



The adjusted goodness-of-fit index (AGFI) is an extended version of GFI that is “adjusted by the ratio of degrees of freedom for the proposed model to the degrees of freedom for the null model” (Hair et al., 1998, p.657). Although the recommended threshold value is 0.90 and above (Hair et al., 1998), values ranging from 0.80 to 0.89 are considered to be a reasonable fit (Doll et al., 1994).

Incremental fit measures compare the fit of the targeted model with a null model in which the variables are uncorrelated (Diamantopoulos and Siguaw, 2000; Hair et al., 1998). Some of the most common incremental fit measures are normated-fit index (NFI), non-normated fit index (NNFI) and normated comparative fit index (CFI)

The Normated-fit index (NFI) compares the base model with the suggested model without considering the degrees of freedom. It is computed as  $(\chi^2_{\text{null}} - \chi^2_{\text{proposed}}) / \chi^2_{\text{null}}$  where  $\chi^2$  is chi-square value (Hair et al., 1998, p. 657). It can have values between 0 and 1.00. Even though there is not an absolute threshold value, 0.90 and above is mostly recommended as an indication of good fit (Hair et al., 1998).

The non-normated fit index (NNFI) (Tucker-Lewis index) compares the null and the proposed models by taking the degrees of freedom of both models into consideration. It is calculated as  $[(\chi^2_{\text{null}} / df_{\text{null}}) - (\chi^2_{\text{proposed}} / df_{\text{proposed}})] / (\chi^2_{\text{null}} / df_{\text{null}})$  where  $\chi^2$  is chi-square value and  $df$  is degrees of freedom (Hair et al., 1998). Unlike all the indices in incremental fit indices, NNFI take values greater than 1.0 (Diamantopolous and Siguaw, 2000). However, the recommend level of good fit value is the same (0.90 and above is as accepted good fit) (Doll et al., 1994; Hair et al., 1998).

The normated comparative fit index (CFI) is another relative fit index which is more appropriate when analysis is run on a smaller sample size (Hair et al., 1998). Values 0.90 and above are usually considered to be a good fit (Mueller, 1996).

In this thesis, the two-step approach as suggested by Anderson and Gerbing (1988) was adopted so that the testing of the structural model was preceded by the estimation of the measurement model. This approach allowed the researcher to establish valid constructs to be put into further theory testing so as to prove causal relationships between them. Structural equation modelling made it possible to confirm the pre-specified links between the endogenous and exogenous variables by running simultaneous multiple regression analyses (Hair et al., 1998).

#### **4.8. Summary**

Throughout this chapter, the research design of the study and the details of each stage have been presented. The research design incorporated information from three stages of data collection. First, the exploratory research was conducted which composed of in-depth interviews and focus group discussions. This phase did not only provide more insights into the subject of interest, it also supported the design of the research instrument. Following that step, two pilot studies were conducted successively. The last stage consisted of a survey, the results of which are explained in the next chapter.

## V. ANALYSIS AND FINDINGS

### 5.1. Introduction

The findings of the main survey of this thesis are presented in this chapter. It is composed of four main sections. In the following sections, first the details of the sampling in terms of sample size and respondent profiles are presented. Second, the initial data examination is discussed. Third, the scale validation and the measurement models are explained. Finally, the structural model and the related findings are illustrated.

### 5.2. Sampling

#### 5.2.1. Sample size

By the cut-off date, 252 questionnaires for McDonald's questionnaire and 255 for Renault-Mais questionnaire had been collected. A total of 439 questionnaires were used during scale validation and model testing (See Sections 5.4, 5.4.1, 5.4.2. and 5.4.3), however the sample size calculation was done on the basis of the two data sets. The following sample size computation methods were performed to test whether the number of cases was representative of the main population:

1.  $n = \frac{z^2 * s^2}{H^2 * X^2}$  where,  $z$  - approximation of standard normal variable  $z$   
 $s$  - estimated standard deviation  
 $H$  - Level of precision<sup>18</sup>  
 $X$  - the statistical estimation of the main population mean ( $\mu$ ) (Churchill, 1999)

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<sup>18</sup> The degree of precision when estimating the highest admissible interval between the sample mean and the population mean (Churchill, 1999; Malhotra and Birks, 2003).

2.  $n_2 = s^2 * z^2 / H'^2$  where, s – standard deviation of the sample was considered as the estimation of the main population's parameter ( $\sigma$ )  
z – standard normal variable  
H' – Level of precision (In this case H was multiplied with X in order to get an absolute value)  
(Malhotra and Birks, 2003)

3.  $n_3 = 0.8333^2 * z^2 / H'^2$  where, 0.8333 – standard deviation of the population<sup>19</sup>  
z – standard normal variable  
H' – Level of precision (In this case H was multiplied with X in order to get an absolute value)  
(Malhotra and Birks, 2003)

Even though Hair et al.'s (1998) recommendation about the sample size (at least five observations for each variable) was not met, the figures in Table 5.1 prove that the number of cases were sufficient for each data set (Churchill, 1999).

Table 5.1 summarises the results of the sample size calculations for six variables at 0.01 and 0.05 precision levels (H). The value of z was 1.96 at the 95% confidence level for all computations. The table shows that the number of cases for each data set was well above the highest sample size ( $n_1=135$  for the McDonald's case), which ensures that the number of questionnaires collected was sufficient to perform further analysis (Churchill, 1999).

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<sup>19</sup> The range of a normally distributed variable is approximately equal to plus or minus three standard deviations, hence the value 0.8333 (Churchill, 1999; Tull and Hawkins, 1990).

Table 5.1. Sample size estimation on the basis of the McDonald's and the Renault-Mais data sets.

McDonald's Data							Renault-Mais Data						
Variable	X	s	H	n1	n2	n3	Variable	X	s	H	n1	n2	n3
Please state your general impression about McDonald's	3.81	0.92	0.1	23	22	18	Please state your general impression about Renault-Mais	4.05	0.56	0.1	8	7	16
I like the name of the company	3.94	0.85	0.1	19	18	17	I like the name of the company	4.10	0.66	0.1	10	10	16
This company respects consumer rights	3.87	0.99	0.1	19	18	17	This company respects consumer rights	3.98	0.85	0.1	18	18	17
I hear positive things about this company from the media, opinion leaders, government institutions and NGOs etc.	3.97	0.87	0.1	34	32	22	I hear positive things about this company from the media, opinion leaders, government institutions and NGOs etc.	4.11	0.71	0.1	12	12	16
I feel good things about this company	3.50	1.02	0.1	33	31	22	I feel good things about this company	3.62	0.83	0.1	21	20	20
I receive similar messages from each of the communication activities of the company	3.46	0.99	0.1	20	20	19	I receive similar messages from each of the communication activities of the company	3.83	0.72	0.1	14	14	18
Please state your general impression about McDonald's	3.76	0.85	0.05	93	90	74	Please state your general impression about Renault-Mais	3.97	0.70	0.05	12	12	17
I like the name of the company	3.81	0.92	0.05	74	71	69	I like the name of the company	4.05	0.56	0.05	30	29	65
This company respects consumer rights	3.94	0.85	0.05	76	73	68	This company respects consumer rights	4.10	0.66	0.05	41	39	63
I hear positive things about this company from the media, opinion leaders, government institutions and NGOs etc.	3.87	0.99	0.05	135	129	87	I hear positive things about this company from the media, opinion leaders, government institutions and NGOs etc.	3.98	0.85	0.05	73	71	67
I feel good things about this company	3.97	0.87	0.05	131	126	89	I feel good things about this company	4.11	0.71	0.05	48	46	63
I receive similar messages from each of the communication activities of the company	3.50	1.02	0.05	82	79	75	I receive similar messages from each of the communication activities of the company	3.62	0.83	0.05	85	82	81

Note: X – mean; s – standard deviation; H<sub>c</sub> – Level of precision; n1, n2, n3 sample sizes on the basis of each method.

### 5.2.2. Sample characteristics

As mentioned in Section 4.6.2, the data for the main survey was collected in Istanbul, Turkey. Two samples of individuals were recruited from eight boroughs of Istanbul. Since it is important to ensure that a sample is representative of the main population (Churchill, 1999), the figures of the sample demographics were computed and compared with the main population figures both for the McDonald's and the Renault-Mais cases. Table 5.2 summarises the profile of each group of respondents.

The characteristics of the respondents such as age, gender, marital status, education level, income level and employment status were asked in the questionnaire. It was found that 48.4% of the respondents were female in the McDonald's case, while 44% of the respondents were female in the Renault-Mais case. These figures reflected that the gender distributions for both of the respondent groups were representative of the main population ( $\pi_{\text{female}} = 49.1\%$ ;  $\pi_{\text{male}} = 50.4\%$ ). Almost 60% of the respondents in both data sets were between the ages 18 and 35 ( $p_{\text{Mc18-35}} = 55.7\%$  and  $p_{\text{RM18-35}} = 58.3\%$ ). When compared to the main population figure ( $\pi_{18-35} = 55.9\%$ ), this finding showed that the targeted respondents were recruited properly.

The average and the median ages were 36.18 and 34 respectively in the McDonald's case whereas the former value was 35.54 and the latter value was 32 in the Renault-Mais data. The youngest respondent was 18 years-old and the oldest respondent was 69 years-old in both respondent groups.

Table 5.2. Demographics of the McDonald's and the Renault-Mais cases compared to the main population figures.

Demographics	McDonald's Data (%)	Renault-Mais Data (%)	Main Population (%)
<b>Gender</b>			
Female	48.4	44.0	49.1
Male	51.6	56.0	50.4
<b>Age</b>			
18-35	55.7	58.3	55.9
36-55	33.5	31.7	34.7
56+	10.9	10.1	9.4
<b>Marital status<sup>1</sup></b>			
Single	35.7	34.9	30.5
Married	64.3	65.1	69.5
<b>Education level</b>			
Secondary school and below	57.0	57.8	64.9
High school	28.5	28.4	23.4
University and above	14.5	13.8	11.7
<b>Income level<sup>2</sup></b>			
Less than 1,000 YTL	41.2	36.2	n/a
1,001 TL – 2,000 YTL	46.6	49.1	n/a
2,001 – 3,000 YTL	7.7	7.8	n/a
3,001 YTL and above	1.8	6.0	n/a
<b>Employment status</b>			
Employed	43.9	49.1	47.0
Unemployed	56.1	50.5	53.0
<b>Occupation</b>			
Top executive or manager, Owner of a large or medium size company, Lawyer, dentist, architect etc.	7.1	14.7	5.4
Office/Clerical staff, Civil servant	11.9	12.4	13.0
Worker, Craftsman	24.9	22.0	28.6

1) Widow and divorced individuals were added to the single category, and individuals living with their partners were included in the married category.

2) The amount of net income per month is presented in YTL rather than billion TL (See questions XIII in Appendix 7 and 8) in this table, since the last six digits were removed from the currency in Turkey by January 2005. For example, 1 billion TL correspond to 1000 YTL.

Note 1: McDonald's case sample size N = 221 except income level (N = 115); Renault-Mais case sample size N = 218 except employment status (N = 217) and income level (N = 215)

Note 2: The figures of the main population are gathered from DIE (State Institute of Statistics Prime Ministry Republic of Turkey) (2003) 2000 Census of Population Turkey: Social and Economic Characteristics of Population, DIE Printing Division, Ankara.

Note 3: n/a: not available in DIE statistics.

Approximately one third of the respondents in both samples were single ( $p_{Mc-single} = 35.7\%$  and  $p_{RM-single} = 34.9\%$ ). 14.5% of the respondents in the McDonald's case and 13.8% of the subjects in the Renault-Mais case were graduates of a higher education

institute. Almost half of both samples consisted of individuals in employment ( $p_{Mc-employment} = 43.9\%$  and  $p_{RM-employment} = 49.1\%$ ). These findings confirm that the marital status, education level and employment characteristic of the both samples were very close to the main population figures ( $\pi_{single} = 30.5\%$ ,  $\pi_{university+} = 11.7\%$ ,  $\pi_{employed} = 47\%$ ). Almost all of the percentages related to the occupation profile of the respondents in both samples were close to the main population figures except for the first occupation category in Table 5.3 for the Renault-Mais data. There was a larger discrepancy between the sample and the main population values for this occupation group ( $p_{RM-occupation} = 14.7\%$  vs.  $\pi_{occupation} = 5.4\%$ ). However, this finding was not considered to be a serious problem. Since cars are much more expensive products than fast food, it could be expected that a higher proportion of the respondents who were familiar with and interested in answering the Renault-Mais questionnaire could be from higher salaried positions such as top executives, middle managers, doctors etc.

In order to assess the familiarity of respondents with the two case companies, respondents were queried about (a) the restaurant visiting pattern – in the McDonald's questionnaire, and (b) car ownership – in the Renault-Mais questionnaire. In addition, company knowledge, i.e., how knowledgeable respondents were about these firms, was assessed as a common control variable.

64.3% of the respondents mentioned that they visit McDonald's just a few times a year and 35.7% of the respondents stated that they visit McDonald's more frequently (a few times a month or a week). There was no statistically significant difference between the less frequent visitors and more frequent visitors in terms of company



knowledge ( $t_{Mc} = -1.346$ ,  $p_{Mc} = 0.180 > 0.05$ ). 39% of the respondents in the Renault-Mais sample mentioned that they or a member of their family used to or currently own a Renault car. There was no statistically significant difference between car owners and non-owners on the basis of the company knowledge that they have about Renault-Mais ( $t_{RM} = 1.026$ ,  $p_{RM} = 0.307 > 0.05$ ). All of these results showed that the respondents in each sample had a sufficient level of contact with and information about the case companies in order to have the ability to answer the questions in the questionnaire.

The response rate<sup>20</sup> was reported as 60.43% for the McDonalds data and 53.57% for the Renault-Mais data by the fieldwork company which helped the researcher to collect the questionnaires. Non-response rate<sup>21</sup> was mentioned as 39.56% and 46.43% for the McDonald's and Renault-Mais data sets respectively. The higher response rates can be due to the facts that the questionnaires were completed face-to-face and they were collected at the weekends, which might have decreased the number of not-at-homes. Churchill (1999) states that these procedures help reduce the likelihood of non-response bias. Furthermore, the higher response rate for McDonald's data compared to Renault-Mais data can be considered expected since the Public Relations and Communication manager of McDonald's stated that according to their own survey McDonald's was the most visible company in Turkish market in 2004 which might have led to the lower number of refusals.

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<sup>20</sup> The response rate was calculated as the minimum number i.e.  $\text{Response rate} = \frac{\text{Completed questionnaires}}{\text{Completed questionnaires} + \text{Refusals} + \text{Not at homes} + \text{Terminations}}$ .

<sup>21</sup> The non-response rate was calculated as  $\frac{\text{Refusals} + \text{Not at homes} + \text{Terminations}}{\text{Completed questionnaires} + \text{Refusals} + \text{Not at homes} + \text{Terminations}}$ .

### **5.3. Initial Data Analysis**

The aim of the initial data examination was to ensure that the data was ready for further application of the multivariate data analysis technique. As well as helping the researcher to attain a basic understanding of the data, this stage also gave the opportunity to detect any violation of the underlying assumptions of the multivariate techniques applied (Hair et al., 1998). As recommended by Hair et al. (1998) and Tabachnick and Fidell (2000), the following analyses were performed: (1) graphical and descriptive analysis, (2) analysis of outliers, (3) analysis of missing data, and (4) test of normality.

First, the frequency tables were tabulated both for the McDonald's and the Renault-Mais data sets in order to find any values outside the value range for each variable due to wrong insertion of the codes into the SPSS data sheet. Next, the shape of the distributions for each variable was examined by looking at the histograms and stem and leaf diagrams. Finally, box and whisker plots were plotted and outliers noted (Hair et al., 1998; Tabachnick and Fidell, 2000).

Hair et al. (1998) mention that it is better to delete the outliers which are considered to be non-representative of any observations in the population; otherwise they should be retained in order to increase the generalisability of the multivariate analysis. The questionnaires with missing answers for more than 25% of the items were removed from both the McDonald's and the Renault-Mais samples. Coincidentally, this group of cases also included all of the problematic outliers. As a result of the procedure described, 31 cases were excluded from the McDonald's sample and 37 cases were

discarded from the Renault-Mais sample. The total sample size was 439 on which the item refinement, scale validation and model testing stages of data analysis were based.

Since missing data may threaten the generalisability of the findings of a study, it is important to further examine the patterns, if any, in missing values (Hair et al., 1998). The researcher analysed the randomness of missing data by a) performing a t-test which compares observations with and without missing values for each variable on the other variables and, b) running an overall test of randomness of missing data i.e. the Little's MCAR test (Hair et al., 1998). A significant difference between missing and non-missing values as a result of the former test shows that there is a possibility of non-random missing data. The latter test compares the observed missing data pattern with the expected missing data pattern. A non-significant level of the MCAR test indicates that the missing data were distributed totally randomly (Hair et al., 1998).

The missing value analysis for the McDonald's data showed that there was a potential pattern in the data towards not responding to the variables presented in Table 5.3. Many of the t values were significant ( $p < 0.05$ ) for each variable on the other variables. In these situations Hair et al. (1998) suggest that if the variables have a theoretically core role in the research, they could still be kept for further analysis. On the basis this argument, the items in Table 5.3 were still included in the data analysis of the measurement models (See Section 5.4.2).

Table 5.3. The variables with possible missing data patterns in the McDonald's data on the basis of t-test.

Construct	Item
Corporate Visual Identity Systems (CVIS)	<ul style="list-style-type: none"> <li>• The slogan of the company communicates what it stands for</li> <li>• It is easy to recall the slogan of the company</li> <li>• The slogan of the company makes me have positive feelings towards the company</li> </ul>
Company Behaviour	<ul style="list-style-type: none"> <li>• This company supports corporate giving</li> <li>• This company treats its employees very well</li> <li>• This company cares about environmental issues</li> <li>• This company treats the local public very well</li> </ul>
Marketing Communication Mix	<ul style="list-style-type: none"> <li>• The sponsorship activities of the company reflect the image defined in the paragraph above</li> </ul>
Intermediary Communication	<ul style="list-style-type: none"> <li>• The media, opinion leaders, government institutions and NGOs etc. talk about this company frequently</li> <li>• I hear positive things about this company from the media, opinion leaders, government institutions and NGOs etc.</li> <li>• The media, opinion leaders, government institutions and NGOs etc. are proud of this company</li> <li>• The media, opinion leaders, government institutions and NGOs etc. recommend this company</li> </ul>
Perceived integration	<ul style="list-style-type: none"> <li>• It seems that all communication activities of the company are planned and executed by the same person or people</li> </ul>

**Note:** During the t-test, the variables that were missing values for less than 5% of cases were omitted from the analysis. It was considered that the likelihood of a missing value pattern occurring was small when less than 5% of the respondents did not answer that question (variable).

Little's MCAR test showed a significant difference ( $p < 0.05$ ) between the observed and expected missing data patterns which confirms the result of the former test (Hair et al., 1998). In order to deal with the potential bias in results due to non-random missing values, the main data analysis for the McDonald's case was based on the data in which the missing values were replaced with estimated mean (EM) values. Since EM, being a maximum likelihood estimation method, makes the most accurate and reasonable estimates possible compared to mean substitution, case substitution, regression imputation and multiple imputation (Hair et al., 1998), it was considered to be the most appropriate technique to solve the missing data pattern issue in the McDonald's data.

**Table 5.4. The variables with possible missing data patterns in the Renault-Mais data on the basis of t-test.**

<b>Construct</b>	<b>Item</b>
Corporate Aesthetics	<ul style="list-style-type: none"> <li>• The architecture and the interior design of the company's buildings, sales and after sales service centres etc. communicate what it stands for</li> <li>• I like the architecture and the interior design of the company's buildings, sales and after sales service centres etc.</li> <li>• The architecture and the interior design of the company's buildings, sales and after sales service centres etc. are easily recognised</li> <li>• The architecture and the interior design of the company's buildings, sales and after sales service centres etc. make me have positive feelings towards the company</li> </ul>
Staff Apparel	<ul style="list-style-type: none"> <li>• The apparel of the employees such as salesmen, after sales service staff etc. communicate what the company stands for</li> <li>• I like the apparel of the employees such as salesmen, after sales service staff etc.</li> <li>• The apparel of the employees such as salesmen, after sales service staff etc. make me have positive feelings towards the company</li> </ul>
Employee Behaviour	<ul style="list-style-type: none"> <li>• The employees of the company such as salesmen, after sales service staff etc. treat customers very well</li> </ul>
Company Behaviour	<ul style="list-style-type: none"> <li>• This company supports corporate giving</li> <li>• This company treats its employees very well</li> <li>• This company cares about environmental issues</li> <li>• This company treats the local public very well</li> <li>• This company respects consumer right</li> <li>• This company treats people with high standards</li> </ul>

**Note:** During the t-test, the variables that were missing values for less than 5% of cases were omitted from the analysis. It was considered that the likelihood of a missing value pattern occurring was small when less than 5% of the respondents did not answer that question (variable).

Although the t-test analysis for the Renault-Mais data showed a potential missing value pattern for the items in Table 5.4, few t-values for each variable on the other variables showed a significant difference between observations with missing values and without missing values. This result indicated that a missing data pattern was unlikely to be present in the Renault-Mais data. The Little's MCAR test corroborated this finding. The significance level of the Little's MCAR test was 0.77, which showed that the missing values may be regarded as completely random (Hair et al., 1998). In these cases, Hair et al. (1998) suggest that any imputation method for missing values could be used. Since the merged data sets were used in further stages

of the data analysis, the researcher chose EM imputation in order to have consistency in solving the missing data issue.

On the basis of the graphical assessment as well as skewness and kurtosis measures, it was found that the majority of variables showed departure from normality. Although this outcome meant violation of underlying assumptions of structural equation modelling, Bagozzi and Yi (1988) assert that "... in managerial and social science research it is unlikely that the statistical assumptions will ever be met in a strict sense" (p. 81). Bentler and Chou (1987) state that in structural equation modelling "... normal theory maximum likelihood (ML) estimators are almost always acceptable even when data are non-normally distributed" (p.89). Although application of ML instead of asymptotic distribution free estimation methods may yield an untrustworthy  $\chi^2$  (Chi-square) statistic and standard errors, if the model fit indices show reliable results it may be concluded that this problem has been overcome (Bentler and Chou, 1987). Therefore, none of the data transformation approaches to achieve normality were applied at this stage.

#### **5.4. Scale Refinement, Scale Validation and Modelling**

In theory development and testing, achieving construct validity is an essential step (Steenkamp and Trijp, 1991; Peter, 1981). In order to prove that a construct has a theoretical and observational meaning (Bagozzi, 1980a), the following criteria should be satisfied: 1) unidimensionality, 2) reliability, 3) convergent validity, 4) discriminant validity, and 5) nomological validity (Bagozzi, 1980a; Gerbing and Anderson, 1988; Nunnally, 1978; Steenkamp and Trijp, 1991).

Even though confirmatory factor analysis should be applied in order to examine construct validity more strictly rather than using traditional methods (Gerbing and Anderson, 1988; Steenkamp and Trijp, 1991), it is still important to perform exploratory factor analysis and a Cronbach alpha test in the early stages of a scale validation in order to simplify the scales (Aaker, 1997; Babin et al., 2000). In the next section, the results from exploratory factor analysis and reliability assessment by Cronbach alpha measures are explained. This is followed by the confirmatory stage of scale validation (See Section 5.4.2). Lastly, the model testing is explained in Section 5.4.3.

All the analyses explained in the following sections are based on the merged data sets (sample size= 439). Combining the two data sets was considered necessary in order to make the framework and scales used in this study generaliseable across sectors (cf. Aaker, 1997). Although it could still be argued that the two companies chosen as focal organisations cannot fully represent all the sectors, a general view can still be achieved since the nature of the businesses that these two companies are involved in (McDonald's and Renault-Mais) covers two major industries i.e. services and manufacturing industries.

#### **5.4.1. Exploratory factor analysis and reliability assessment**

Exploratory factor analysis (EFA) is a useful technique in the early stages of scale refinement and validation (Aaker, 1997; Babin et al., 2000) since it allows the researcher to have a preliminary understanding of the relationships between the indicators and their relevant constructs. It becomes especially useful when there is

very little known in theory about the constructs under investigation (Gerbing and Anderson, 1988). Since most of the items were generated from anecdotal articles and some were adapted from empirical studies (See Table 4.3), it was necessary to apply EFA.

The constructs were tested in three separate groups because Menon et al. (1996) suggest that when there are many constructs to be examined, assessing fewer measurement models yields more reliable results. Since this approach was taken for the confirmatory factor analysis, the EFA was applied to the same construct groups as well. The categorisation was based on the literature review. The constructs which were considered theoretically related were joined together, hence the first two groups were the corporate identity mix elements (company-controlled communication elements), and unplanned (uncontrolled) communication elements. The remaining constructs which could not be included in those two categories were grouped together, thereby the third group consisted of the corporate image construct (dependent variable), the perceived integration dimension (antecedent of the corporate associations gap and the consumer-company identification constructs) (See Figure 3.1) and the company knowledge control variable.

Table 5.5 shows that four major factors were suggested as the dimensions of the corporate identity mix elements (company-controlled communication elements). That is to say that the eigen values of four underlying factors were bigger than one (Hair et al., 1998). The sample was adequate for the factor analysis in that the Kaiser-Mayer-Olkin measure of sampling adequacy (MSA) was 0.924, which is considered as marvellous (Kaiser, 1974), and the Bartlett Test of Sphericity (BTS)



suggested that the bivariate correlations among the scales' items were significantly different from zero (BTS= 6142.91,  $p=0.000$ ). These four factors captured an acceptable level of 66.91% of the variance (Hair et al., 1998).

In the literature review (See Chapter III), corporate identity mix elements (company-controlled communication elements) were defined as consisting of the following multi-item measures<sup>22</sup>: corporate visual identity systems (CVIS), corporate aesthetics (AEST), staff apparel (EAPP), company behaviour (CBEH) and marketing communication mix elements (COMM). This factor structure was not confirmed by the outcome of the EFA (Table 5.5).

Even though all of the 13 items for the CVIS construct were not reserved by the analysis, the remaining 7 items in the first factor were able to cover the content of the CVIS. In contrast to the theory, the items for the corporate aesthetics and the staff apparel constructs resulted in one factor rather than two separate dimensions (Factor 2). The items for the company behaviour (Factor 3) and the marketing communication mix elements (Factor 4) were retained as theoretically expected (Table 5.5).

Even though Cronbach alpha cannot indicate a construct's unidimensionality (Gerbing and Anderson, 1988), it can demonstrate that the items in each factor are consistent with each other (Carmines and Zeller, 1979). Table 5.5 shows that all Cronbach alphas for the four factors were above the recommended alpha level 0.70 (Nunnally, 1978). Hence, it was confirmed that each factor can be regarded as a

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<sup>22</sup> Employee behaviour is also a part of corporate identity mix elements. However, since it is measured with only one item it was not included in exploratory factor analysis which was aimed to refine the multi-item measures.

reliable construct. Overall, it was concluded that the above factors can be considered as a basis for the next confirmatory stage.

Table 5.5. Exploratory factor analysis results for the corporate identity mix (company-controlled communication) elements.

Factors and Related Items	Factor Loadings	Cronbach Alpha
<b>Corporate Visual Identity Systems (CVIS)</b>		
I like the name of the company	0.633	0.895
The name of the company makes me have positive feelings towards the company	0.750	
I like the logo of the company	0.664	
The logo of the company makes me have positive feelings towards the company	0.765	
The slogan of the company makes me have positive feelings towards the company	0.756	
I like the colour and typography used on all visual materials of the company	0.653	
The colour and typography used on all visual materials of the company make me have positive feelings towards the company	0.750	
<b>Corporate Design (CD)</b>		
I like the architecture and the interior design of the company's buildings, restaurants etc.	0.558	0.805
The architecture and the interior design of the company's buildings, restaurants etc. make me have positive feelings towards the company	0.555	
I like the appearance and apparel of the employees such as cashiers, waiters/waitresses etc.	0.785	
The appearance and apparel of the employees such as cashiers, waiters/waitresses etc. make me have positive feelings towards the company	0.775	
<b>Company Behaviour (CBEH)</b>		
This company supports corporate giving	0.671	0.905
This company treats its employees very well	0.710	
This company cares about environmental issues	0.751	
This company treats the local public very well	0.799	
This company respects consumer right	0.798	
This company treats people with high standards	0.803	
<b>Marketing Communication Mix (COMM)</b>		
The company's tv, radio or printed advertisings about its products and services reflect the image defined in the paragraph above	0.832	0.901
The public relations activities of the company to promote itself as well as its products reflect the image defined in the paragraph above	0.868	
The products and services of the company reflect the image defined in the paragraph above	0.735	
The sponsorship activities of the company reflect the image defined in the paragraph above	0.789	
The company's tv, radio or printed advertisings to promote itself reflect the image defined in the paragraph above	0.800	
Kaiser-Mayer-Olkin measure of sampling adequacy = 0.924		Total variance explained = 66.91%
Bartlett Test of Sphericity= 6142.91, p=0.000		

**Note 1:** The items which had communalities less than 0.50, the ones with less than 0.50 factor loadings as well as the ones which were loaded to more than one factor were excluded (Hair et al., 1998).

**Note 2:** Principal component analysis and orthogonal varimax rotation were used.

The internal consistency of each factor was assessed by the Cronbach alpha measure. In the light of the conclusion above, the following rearrangements of the items and their underlying constructs with their re-specified labels were considered as the most relevant dimensions of the corporate identity mix elements (company-controlled communication elements):

**Factor 1 - corporate visual identity systems (CVIS):** This factor encompasses the visual expressions of the organisation (Melewar and Saunders, 1999) which reflect the values of an organisation via its symbols (Balmer, 1995). Even though six items were excluded, the remaining seven items involve the main aspects of CVIS i.e. name, logo, slogan and colour/typography.

**Factor 2 - corporate design (CD):** This factor embraces the more tangible aspects of corporate symbolism i.e. the architecture of the company buildings and the staff apparels (Schmitt et al., 1995). It incorporates the items from the company aesthetics and the staff apparel dimensions which were initially defined in theory as separate constructs.

**Factor 3 - company behaviour (CBEH):** This third factor refers to the actions of a company concerning environmental, ethical and recruitment issues (Balmer and Soenen, 1999; Sen and Bhattacharya, 2001) and encompasses all of the theoretically defined items.

**Factor 4 - marketing communication mix (COMM):** This last factor represents all the activities to promote a company's products and services (Barich and Kotler, 1991;

Van Riel, 1995) as well as itself (Argenti, 1998; Hunt and Grunig, 1994). Consistent with the theory, all the initial items were retained in this factor.

The three factor structure below (Table 5.6) was concluded for the unplanned (uncontrolled) communication elements. The factors which had eigen values greater than 1.00 were preserved. The MSA measure of sampling adequacy (MSA = 0.910) (Kaiser, 1974) and Bartlett Test of Sphericity (BTS=7624.34, p=0.000) demonstrated that the EFA was applied correctly. The amount of variance explained by these three factors was 78.95% (Hair et al., 1998).

Cronbach alpha statistics for each factor ( $\alpha_{\text{factor1}} = 0.947 > 0.70$ ,  $\alpha_{\text{factor2}} = 0.877 > 0.70$ ,  $\alpha_{\text{factor3}} = 0.964 > 0.70$ ) confirmed that the items in each factor were internally consistent (Nunnally, 1978) (Table 5.6). This result indicated that these factors can be considered as the basis for the confirmatory factor analysis (CFA) application.

In contrast to the theory, it was found that both the intermediary (EWOM) and the interpersonal communication (CWOM) items were loaded on the same factor rather than two distinct dimensions. The researcher concluded that while people were forming an image of a company, the reception of informal information about that company may be more important than from whom or from which media that information was disseminated. Thereby the loading of all items onto one single factor was considered theoretically acceptable. The second and the third factors resulted as expected, that is, all items for the emotional appeal (EMOT) and the consumer-company identification (IDNT) constructs loaded to their underlying dimensions.

Table 5.6. Exploratory factor analysis and Cronbach alpha results for the unplanned (uncontrolled) communication elements.

Factors and Related Items	Factor Loadings	Cronbach Alpha
<b>Word-of-mouth (WM)</b>		
My close friends and relatives talk about this company frequently	0.815	
I hear positive things about this company from my close friends and relatives	0.815	
My close friends and relatives recommend this company to me	0.827	
My close friends and relatives encourage me to make purchases from this company	0.849	
The media, opinion leaders, government institutions and NGOs etc. talk about this company frequently	0.860	0.947
I hear positive things about this company from the media, opinion leaders, government institutions and NGOs etc.	0.832	
The media, opinion leaders, government institutions and NGOs etc. are proud of this company	0.853	
The media, opinion leaders, government institutions and NGOs etc. recommend this company	0.844	
<b>Emotional Appeal (EMOT)</b>		
I feel good things about this company	0.835	0.877
I respect this company	0.820	
I trust this company	0.797	
<b>Consumer-company Identification (IDNT)</b>		
I care about what others think about this company	0.867	
When I talk about this company I say “we” instead of “they”	0.931	0.964
The success of this company is my success	0.939	
If someone appreciates this company, I feel proud	0.941	
If there is bad news about this company in media, I feel embarrassed	0.932	
Kaiser-Mayer-Olkin measure of sampling adequacy = 0.910	Total variance explained = 78.95%	
Bartlett Test of Sphericity= 7624.34, p= 0.000		

**Note 1:** All items were retained. There were no items with communalities less than 0.50 and with factor loadings less than 0.50. None of the items were loaded to more than one factor either (Hair et al., 1998).

**Note 2:** Principal component analysis and orthogonal varimax rotation were used.

On the basis of the EFA results, the factors for unplanned (uncontrolled) communication elements were described and named as the following:

**Factor 1 – word-of-mouth (WM):** This factor demonstrates a more generalised word-of-mouth construct which encompasses person-to-person informal communication as well as the information conveyed by intermediaries (e.g. media, opinion leaders, non-profit organisations etc.) (Cornelissen, 2000). It is comprised of eight items. The first four items were initially defined under the intermediary communication

construct (EWOM) and the latter four items were considered under the interpersonal communication construct (CWOM) in theory.

Factor 2 – emotional appeal (EMOT): This factor presents one's emotional disposition towards a company (Gardberg and Fombrun, 2002; Fombrun et al., 2000). It consists of the initially defined indicators.

Factor 3 – consumer-company identification (IDNT): This factor is composed of the items which are related to one's connectedness to an organisation (Ashfort and Mael, 1989; Gwinner and Swanson, 2003; Mael and Ashfort, 1992). All of the theoretically defined features are present in this factor.

Finally, EFA was applied to the remaining constructs i.e. corporate image, company knowledge and perceived integration. The MSA measure of sampling adequacy (MSA = 0.835) and the Bartlett Test of Sphericity (BTS= 3259.93,  $p= 0.000$ ) showed that the EFA was appropriately performed (Kaiser, 1974). As a result of the analysis, a three factor solution was concluded on the basis of the latent root criterion (all factors' eigen values > 1.00). Additionally, the total variance explained by these three factors was 78.28% which confirmed that the factors captured the reality well (Hair et al., 1998) (Table 5.7). Consistent with what was defined in the theory, all of the items to measure the corporate image (IMAG), the company knowledge (KNOW) and the perceived integration (INTG) constructs resulted in their underlying factors. On the basis of this finding, the retention of these three factors was concluded before application of the confirmatory factor analysis.

Table 5.7. Exploratory factor analysis results for the dependent, antecedent and the control variables.

Factors and Related Items	Factor Loadings	Cronbach Alpha
<b>Company Knowledge (KNOW)</b>		
I know the products and services of this company very well	0.886	0.922
In general, I know a lot about this company	0.932	
I can describe this company to others in detail	0.904	
<b>Corporate Image (IMAG)</b>		
Please state your general impression about McDonald's	0.840	0.822
What do you think about what impression other people have about McDonald's?	0.859	
Please state your impression about McDonald's compared to other companies in the same sector	0.808	
<b>Perceived Integration (INTG)</b>		
All communication activities of the company have similar objectives	0.872	0.917
All communication activities of the company are aligned to convey a common message	0.871	
I receive similar messages from each of the communication activities of the company	0.811	
It seems that all communication activities of the company are planned and executed by the same person or people	0.831	
All communication activities of the company aim to convey a common message	0.870	
Kaiser-Mayer-Olkin measure of sampling adequacy = 0.835		Total variance explained = 78.28%
Bartlett Test of Sphericity= 3259.93, p= 0.000		

**Note 1:** All items were retained. There were no items with communalities less than 0.50 and with factor loadings less than 0.50. None of the items were loaded to more than one factor either (Hair et al., 1998).

**Note 2:** Principal component analysis and orthogonal varimax rotation were used.

The definition of the factors and their labels are presented below:

**Factor 1 – company knowledge (KNOW):** This factor presents the control variable which was used to assess the level of knowledge the respondents have about the case companies. Bhattacharya and Sen (2003) state that respondents should have a certain level of knowledge in order to be able to evaluate a company on its qualities and actions.

**Factor 2 – corporate image (IMAG):** This factor encompasses the items that were designed to measure people's general impression of a company (Dowling, 1986;

Johnson and Zinkhan, 1990; Keller, 2002). It retained the theoretically suggested features by Williams and Moffit (1997).

**Factor 3 – perceived integration (INTG):** This factor represents the respondents' perceptions of how well all communication activities of an organisation are integrated (Low, 2000; Van Riel, 1995). Consistent with theory, all indicators of this factor also remained.

Churchill (1979) states that “Though [exploratory factor analysis] may be satisfactory during the early stages of research on a construct, the use of factor analysis in a confirmatory fashion would seem better at later stages” (p. 69). Since the introduction of covariance structure models and accompanying computer programs such as LISREL (Jöreskog and Sörbom, 1993), researchers are now able to assess the validity of a construct (i.e. unidimensionality) in a stricter manner (Steenkamp and Trijp, 1991). Anderson and Gerbing (1982; 1988) state that the causal relations between the underlying constructs and their related indicators should be specified properly by confirmatory factor analysis before imposing any causal relations among the constructs. Therefore, in the next stage, confirmatory factor analysis was performed in order to assess the construct validity of the scales.

#### **5.4.2. Confirmatory factor analysis and measurement models**

Anderson and Gerbing (1988) recommend a two-step approach in structural equation modelling which “allows tests of the significance of all pattern coefficients ... [and] ... provides a particularly useful framework for formal comparisons of the



substantive model of interest with next most likely theoretical alternatives” (p.422). In this method, first the validity of the constructs is tested by confirmatory factor analysis (CFA) i.e. measurement model assessment. Second, the relationships between those constructs (structural equation model) are examined. In this section the measurement models for the corporate identity mix elements (company-controlled communication elements), the unplanned (uncontrolled communication) elements and the dependent, antecedent and control variables are discussed.

As mentioned before, confirming the unidimensionality of a construct is the first step in proving that a common trait represents a set of indicators (Gerbing and Anderson, 1988; Hattie, 1985; Steenkamp and Trijp, 1991). CFA is a technique to test whether the theoretically imposed structure of the underlying constructs exists in the observed data (Anderson and Gerbing, 1982). It allows the assessment of how well all the manifest variables of the same construct relate to each other, i.e. convergent validity, by the computation of composite reliability and average variance extracted for each factor (Bagozzi et al., 1991; Fornell and Larcker, 1981; Gerbing and Anderson, 1988; Hair et al., 1998). It is also used for testing how distinct the indicators of a construct are from the manifest variables of the other underlying dimensions i.e. discriminant validity (Anderson and Gerbing, 1982; 1988). In any measurement model assessment by CFA, it is also necessary to confirm the overall validity of the model, i.e. nomological validity. The goodness-of-fit indices are used to test the nomological validity of the measurement models (Lages, 2000; Steenkamp and Trijp, 1991).

The maximum likelihood (ML) estimation method was used in all measurement model estimations by CFA. Even though ideally the asymptotic distribution free estimation methods should be used when the normality assumption of the multivariate analysis is violated (See Section 5.3 for the test of normality), ML could still be applicable as an estimation method when the sample size does not meet Hair et al.'s (1998) criterion of having at least five observations for each variable (Anderson and Gerbing, 1988; Bentler and Chou, 1987). The model fit indicators were utilised in model validation in order to solve the likely problem of an unreliable  $\chi^2$  (Chi-square) statistic and standard errors due to ML application (Bentler and Chou, 1987). Moreover, the covariance matrix was used in all the CFA tests since it yields more reliable values for the  $\chi^2$  statistic and measurement errors compared to the correlation matrix (Jöreskog and Sörbom, 1993). All the parameters of the indicators and the latent variables were estimated freely.

In the first run of the CFA for the corporate identity mix elements (company-controlled communication elements), the model fit measures did not indicate a valid four factor solution. The RMSEA (root mean square error of approximation) was above the acceptable level of 0.08 (Garver and Mentzer, 1999) and the  $\chi^2$  statistic was statistically significant ( $p < 0.05$ ) (Anderson and Gerbing, 1982). Anderson and Gerbing (1988) suggest that in order to improve the model fit, the problematic indicators can be treated in the following ways: 1) removing items from further analysis, 2) relating items to a different factor, 3) relating the items to more than one dimension, and 4) using correlated measurement errors. The first two options are recommended over the two latter ones, since it is more likely that unidimensionality

will be achieved (Anderson and Gerbing, 1988). Nonetheless, Anderson and Gerbing (1988) mention that any re-specification should be also theoretically justified.

Accordingly, the items of the corporate visual identity systems (CVIS) and the corporate design (CD) constructs were merged because these two dimensions are theoretically closer to each other than the other two factors (company behaviour and marketing communication mix). Moreover, the items which required modification belonged to the corporate design factor. The three factor measurement model did not show a good fit, either. Consequently, the four problematic items which were initially included in CD were iteratively excluded from further analysis and the  $\chi^2$  differences between the previous and the current models were computed in each run until no statistically significant difference was found between the measurement models (Anderson and Gerbing, 1988; Steenkamp and Trijp, 1991). Exclusion of all the items initially defined as relating to the staff apparel (EAPP) and the corporate aesthetics (AEST) constructs was considered to be theoretically acceptable. In the preliminary research, members of the focus groups did not mention the design of staff apparel before the researcher asked them to elaborate on what they thought about the appearance of the front line employees of the organisations that they chose to talk about. Similarly, the discussion about the exterior and the interior design of the companies' buildings was initiated by the researcher not by the focus group attendants. This was considered as an indication that while consumers are evaluating a company's image they tend not to consider those elements as salient as the corporate visual identity systems. Therefore, those items and the related constructs were excluded from further analysis.

Additionally, three items were excluded from the corporate visual identity systems construct (CVIS), two items from the company behaviour (CBEH) factor and one item from the marketing communication mix elements (COMM) dimension due to high modification values. The deleted items under corporate visual identity systems are as follows: 1) I like the name of the company, 2) I like the logo of the company and, 3) I like the colour and typography used on all visual materials of the company. Discarding those items was considered theoretically acceptable since the remaining four items still covered the theoretically defined items of name, logo, slogan and colour and typography.

The two items – “The company supports corporate giving” - and, - “The company treats its employees well” - under the company behaviour construct (CBEH) were also deleted. The interviews with the managers from both of the case companies revealed that these organisations were not heavily engaged in corporate giving. This fact reduced the possibility of the respondents being aware of the companies’ corporate giving attempts. A similar conclusion was made for the latter item. Since the nature of the issue requires more internal information about the companies, it was highly likely that the respondents could not easily assess this feature. Therefore, the exclusion of these items was considered to be theoretically correct.

Lastly, the following item from the marketing communication mix construct (COMM) was deleted: “The public relations activities of the company to promote itself as well as its products reflect the image defined in the paragraph above”. During the pilot testing of the questionnaire, it was noticed that the respondents were not clear about the difference between the public relations activities and sponsorship

activities. Since it was not diagnosed on the basis of the exploratory factor analysis which was applied to the pilot test data as well as the main survey data, the item was still reserved. However, the confirmatory factor analysis assessment showed a higher covariance between that and the remaining items of the construct. Therefore, this item was excluded.

Table 5.8 shows the final measurement model structure. Although the  $\chi^2$  statistic demonstrated a poor fit<sup>23</sup>, the other two absolute fit indices (root mean square error of approximation – RMSEA= 0.036, and goodness-of-fit measure – GFI= 0.96) and all the incremental fit indices (normated fit index – NFI= 0.98, non-normated fit index – NNFI= 0.99, normated comparative fit index – CFI= 0.99, and adjusted goodness-of-fit index – AGFI= 0.94) showed a good model fit (Bagozzi et al., 1991; Doll et al., 1994; Fornell and Larcker, 1981; Garver and Mentzer, 1999; Hair et al., 1998; Mueller, 1996) (See Section 4.5.2 for descriptions of the indices). On the basis of this result, the measurement model was concluded as nomologically valid (Lages, 2000; Steenkamp and Trijp, 1991).

The figures in Table 5.8 are evidence that convergent validity was achieved. All the *t* values of the items were significantly greater than the critical value of 1.96 at the 0.95 confidence level (Bagozzi et al., 1991; Chau, 1997). All indicators showed higher individual reliabilities (SMC) than 0.50. The three constructs had high composite reliabilities ( $\rho > 0.70$ ) and the average variance extracted for each

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<sup>23</sup> Since the  $\chi^2$  statistic is sensitive to sample size, this was considered an acceptable condition (Bagozzi et al., 1991; Hair et al., 1998). Thus the measurement model was assessed on the basis of the other fit indices.

construct was above 0.50 (Fornell and Larcker, 1981). The Cronbach alphas were above 0.70 as well (Nunnally, 1978).

Table 5.8. Measurement model for corporate identity mix (company-controlled communication) elements.

Model Fit Indicators*	$\chi^2$	df	RMSEA	GFI	NFI	NNFI	CFI	AGFI
	103.31	51	0.036	0.96	0.98	0.99	0.99	0.94
Variables							SMC	t-value
<b>Corporate Visual Identity Systems (CVIS)</b>								
The name of the company makes me have positive feelings towards the company							0.65	14.93
The logo of the company makes me have positive feelings towards the company							0.72	17.28
The slogan of the company makes me have positive feelings towards the company							0.55	11.99
The colour and typography used on all visual materials of the company make me have positive feelings towards the company							0.63	14.24
<b>Company Behaviour (CBEH)</b>								
This company cares about environmental issues							0.64	14.09
This company treats the local public very well							0.75	17.06
This company respects consumer right							0.72	16.15
This company treats consumers with high standards							0.64	13.39
<b>Marketing Communication Mix (COMM)</b>								
The company's tv, radio or printed advertisings about its products and services reflect the image defined in the paragraph above							0.59	13.50
The products and services of the company reflect the image defined in the paragraph above							0.58	14.30
The sponsorship activities of the company reflect the image defined in the paragraph above							0.67	17.64
The company's tv, radio or printed advertisings to promote itself reflect the image defined in the paragraph above							0.70	15.56
Internal Consistency	Composite Reliability ( $\rho$ )		Cronbach Alpha ( $\alpha$ )		Average Variance Extracted (AVE)			
Corporate Visual Identity Systems	0.875		0.874		0.64			
Company Behaviour	0.898		0.896		0.69			
Marketing Communication Mix	0.875		0.873		0.64			
* $\chi^2$ - Chi square; df - degrees of freedom; RMSEA - Root mean square error of approximation; GFI - Goodness-of-fit index; NFI - Normated-fit index; CFI - Comparative-fit index; AGFI - Adjusted goodness-of-fit index; SMC - Squared multiple correlation ( a variable's own individual reliability)								
Nomological validity: Satisfied. RMSEA < 0.08; NFI, NNFI and CFI => 0.95; GFI and AGFI => 0.90								
Convergent validity: Satisfied. All t-values => 1.96 (significant at 0.95 confidence level); All SMC => 0.05 and, All AVE => 0.50								

Next, each construct's unidimensionality under the unplanned (uncontrolled) communication elements was tested by CFA. The final measurement model's overall assessment showed that a four factor structure was adequate<sup>24</sup> (RMSEA= 0.054; GFI= 0.94; NFI= 0.98; NNFI= 0.99; CFI= 0.99 and AGFI= 0.92) (Table 5.9) (Bagozzi et al., 1991; Doll et al., 1994; Fornell and Larcker, 1981; Garver and

<sup>24</sup> The  $\chi^2$  statistic was statistically significant which suggests a difference between the current and the previous models. However, it was concluded that since the  $\chi^2$  statistic is sensitive to sample size, the other goodness-of-fit indices were to be used for assessing the model fit (Bagozzi et al., 1991; Hair et al., 1998).

Mentzer, 1999; Hair et al., 1998; Mueller, 1996), thereby nomological validity was confirmed (Lages, 2000; Steenkamp and Trijp, 1991). The interpersonal communication (CWOM), intermediary communication (EWOM) and consumer-company identification (IDNT) constructs were revised, whereas the emotional appeal (EMOT) dimension remained the same. The following steps were taken to reach the measurement model structure in Table 5.9:

Table 5.9. Measurement model for unplanned (uncontrolled) communication elements.

Model Fit Indicators	$\chi^2$	Df	RMSEA	GFI	NFI	NNFI	CFI	AGFI
	186.29	71	0.054	0.94	0.98	0.99	0.99	0.92
Variables							SMC	t- value
<b>Interpersonal Communication (CWOM)</b>								
My close friends and relatives talk about this company frequently							0.73	22.52
I hear positive things about this company from my close friends and relatives							0.83	22.76
My close friends and relatives recommend this company to me							0.73	21.90
<b>Intermediary Communication (EWOM)</b>								
The media, opinion leaders, government institutions and NGOs etc. talk about this company frequently							0.77	23.59
I hear positive things about this company from The media, opinion leaders, government institutions and NGOs etc.							0.77	20.75
I hear positive things about this company from The media, opinion leaders, government institutions and NGOs etc.							0.76	22.58
<b>Emotional appeal (EMOT)</b>								
I feel good things about this company							0.82	16.22
I respect this company							0.85	19.01
I trust this company							0.50	13.13
<b>Consumer-company Identification (IDNT)</b>								
If someone criticises this company, I feel personally insulted							0.71	23.94
I care about what others think about this company							0.73	26.95
The success of this company is my success							0.87	32.41
If someone appreciates this company, I feel proud							0.91	36.90
If there is bad news about this company in media, I feel embarrassed							0.84	26.30
Internal Consistency	Composite Reliability ( $\rho$ )		Cronbach Alpha ( $\alpha$ )		Average Variance Extracted (AVE)			
Interpersonal Communication	0.906		0.906		0.763			
Intermediary Communication	0.908		0.906		0.767			
Emotional appeal	0.885		0.877		0.722			
Consumer-company Identification	0.960		0.956		0.828			
* $\chi^2$ – Chi square; df – degrees of freedom; RMSEA – Root mean square error of approximation; GFI – Goodness-of-fit index; NFI – Normated-fit index; CFI – Comparative-fit index; AGFI – Adjusted goodness-of-fit index; SMC – Squared multiple correlation (Variable's own individual reliability)								
Nomological validity: Satisfied. RMSEA < 0.80; NFI, NNFI and CFI => 0.95; GFI and AGFI =>0.90								
Convergent validity: Satisfied. All t-values => 1.96 (significant at 0.95 confidence level); All SMC and AVE => 0.50, All $\rho$ > 0.70								

First, even though the exploratory factor analysis for the unplanned (uncontrolled) communication elements suggested merging the items for the interpersonal

(CWOM) and intermediary communication (EWOM) constructs (see Section 5.4.1) the four factor solution was tested again. The result of the CFA for the four factor solution showed a better model fit than the three factor solution (See Table 5.9 for the factors). The  $\chi^2$  difference between the competing models (the three factor solution versus the four factor solution) was 290.03, which is above the  $\chi^2$  critical value of 7.815 at the 0.95 confidence level for three degrees of freedom (Anderson and Gerbing, 1988). However, there were still some items with high modification figures in the four factor model. The same procedure for re-specifying the measurement model for the corporate identity mix elements (company-controlled communication elements) was followed to achieve a better model fit (Anderson and Gerbing, 1988). The indicators, which showed high modification indices, were iteratively taken out of the analysis. The  $\chi^2$  difference was computed for the competing models until no statistically significant difference was found between the models (Anderson and Gerbing, 1988; Steenkamp and Trijp, 1991). As a result, the interpersonal communication (CWOM), and intermediary communication (EWOM) constructs were composed of three items. The content of the constructs were in line with the theory (Anderson and Gerbing, 1988) i.e., they consisted of favourability, recommendation and frequency features of word-of-mouth communication (Harrison-Walker, 2001; Janda et al., 2002).

Second, the item “When I talk about this company I say “we” instead of “they”” was deleted from the consumer-company identification construct (IDNT), since its error term was correlated highly with those of the other items. This exclusion did not jeopardise the theoretical essence of the construct (Anderson and Gerbing, 1988), since five of the manifest variables were still preserved.



The convergent validity assessment yielded a positive result. For each variable, *t* values were statistically significant (all *t* values > 1.96, *p*= 0.05) (Bagozzi et al., 1991; Chau, 1997). All measures indicated higher squared multiple correlations (SMC) than the threshold value of 0.50 and all average variances extracted were above 0.50. Each of the constructs had composite reliabilities greater than 0.70 (Fornell and Larcker, 1981). The Cronbach alphas of the four factors were also above the criterion value ( $\alpha_{cwom} = 0.906 > 0.70$ ,  $\alpha_{ewom} = 0.906 > 0.70$ ,  $\alpha_{emot} = 0.877 > 0.70$ ,  $\alpha_{idnt} = 0.956 > 0.70$ ) (Nunnally, 1978) (Table 5.9).

Finally, the corporate image (IMAG), the perceived integration (INTG) and the company knowledge (KNOW) constructs' validities were assessed by CFA. The goodness-of-fit indices evidenced that the measurement model was valid, thereby confirming nomological validity (Lages, 2000; Steenkamp and Trijp, 1991) (Table 5.10). The RMSEA measure was 0.054, which is within the acceptable range of 0.05 and 0.08 (Garver and Mentzer, 1999), and NFI, NNFI, CFI were above the 0.95 threshold value and GFI and AGFI were above the 0.90 critical value (Bagozzi et al., 1991; Doll et al., 1994; Fornell and Larcker, 1981; Garver and Mentzer, 1999; Hair et al., 1998; Mueller, 1996)<sup>25</sup> (Table 5.10). All of the items for the company knowledge (KNOW) and the corporate image (IMAG) constructs were retained. However, the indicator - "All communication activities of the company have similar objectives" - was deleted from the perceived integration construct (INTG) since its error term correlated highly with the other manifest variables' error terms and the modification indices suggested re-specification of the factor (Anderson and Gerbing,

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<sup>25</sup> Similar to the former measurement model's fit assessment, the  $\chi^2$  was not considered as a model fit indicator since it statistically suggested a worse fit. It was concluded that this result may have occurred due to the sensitivity of the  $\chi^2$  statistic to sample size (Bagozzi et al., 1991; Hair et al., 1998).

1988). The removal of this indicator was regarded as acceptable since the remaining four items still covered the essence of the integration concept by including the common message, aligned activities and coordinated planning and execution features (Anderson and Gerbing, 1988).

Table 5.10. Measurement model for the dependent, antecedent and control variables.

Model Fit Indicators	$\chi^2$	df	RMSEA	GFI	NFI	NNFI	CFI	AGFI
	87.48	32	0.054	0.96	0.98	0.98	0.99	0.93
Variables							SMC	t - value
<b>Company Knowledge (KNOW)</b>								
I know the products and services of this company very well							0.71	21.70
In general, I know a lot about this company							0.94	30.81
I can describe this company to others in detail							0.76	4.33
<b>Corporate Image (IMAG)</b>								
Please state your general impression about McDonald's							0.76	14.03
What do you think about what impression other consumers have about McDonald's							0.66	13.73
Please state your impression about McDonald's compared to other companies in the same sector							0.44	11.37
<b>Perceived Integration (INTG)</b>								
All communication activities of the company are aligned to convey a common message							0.68	15.57
I receive similar messages from each of the communication activities of the company							0.63	17.92
It seems that all communication activities of the company are planned and executed by the same person or people							0.67	17.40
All communication activities of the company aim to convey a common message							0.77	18.07
Internal Consistency	Composite Reliability ( $\rho$ )		Cronbach Alpha ( $\alpha$ )		Average Variance Extracted (AVE)			
Company Knowledge	0.924		0.922		0.803			
Corporate Image	0.828		0.822		0.619			
Perceived Integration	0.899		0.896		0.689			
$\chi^2$ – Chi square; df – degrees of freedom; RMSEA – Root mean square error of approximation; GFI – Goodness-of-fit index; NFI – Normated-fit index; CFI – Comparative-fit index; AGFI – Adjusted goodness-of-fit index; SMC – Squared multiple correlation (Variables own individual reliability)								
Nomological validity: Satisfied. RMSEA < 0.08; NFI, NNFI and CFI => 0.95; GFI and AGFI =>0.90								
Convergent validity: Satisfied. All t-values => 1.96 (significant at 0.95 confidence level); All SMC =>0.50 (except the last item under the IMAG construct), All AVE => 0.50, All $\rho$ > 0.70								

The result of the CFA application showed that the convergent validity was satisfied. All t values of the manifest variables were higher than the critical value of 1.96 at the 0.95 confidence level (Bagozzi et al., 1991; Chau, 1997). Almost all indicators' individual reliabilities (SMC) were above the threshold value of 0.50 except the last item under the corporate image construct (Fornell and Larcker, 1981). Since this last item's SMC value was close to 0.50 (the value= 0.44), the retention of the item was considered acceptable. All of the constructs showed high composite reliabilities (All  $\rho$  > 0.70) and the average variance extracted for each factor was above 0.50 (Fornell

and Larcker, 1981). Additionally, the Cronbach alphas for the three underlying dimensions were 0.922, 0.822, and 0.896, respectively, thereby exceeding the threshold value of 0.70 (Nunnally, 1978) (Table 5.10).

Discriminant validity of the measures was assessed on the basis of the criteria recommended by Anderson and Gerbing (1988). The models were estimated twice for every possible pair of constructs in the measurement models. In the first model, the phi correlation between the constructs was set to vary (unconstrained model) and in the second one, the phi was constrained to 1.00 (constrained model) (Anderson and Gerbing, 1988). The  $\chi^2$  difference and the degrees of freedom were computed for both the constrained and the unconstrained models. The results showed that all the models in which the phi was set to unity displayed a worse fit (All  $\chi^2$  differences > 3.841,  $df=1$  and  $p= 0.05$ ) (Table 5.11), thereby confirming discriminant validity (Bagozzi and Philips, 1982).

In summary, the results of the nomological, convergent and discriminant validity assessments of the measurement models yielded statistically and theoretically valid constructs. The necessary re-specifications were done for the corporate visual identity systems (CVIS), the corporate design (CD), the company behaviour (CBEH), the marketing communication mix (COMM), the interpersonal communication (CWOM), the intermediary communication (EWOM), the consumer-company identification (IDNT) and the perceived integration (INTG) scales on the basis of the statistical requirements which were also theoretically justified (Anderson and Gerbing, 1988). As a result, fourteen items were dropped from the CFA models (See Tables 5.7, 5.8, 5.9). Subsequently, the underlying latent variables for the next model testing stage were robustly established.

Table 5.11. Comparison of Unconstrained and Constrained Models in the Assessment of Discriminant Validity

Models	$\chi^2$	Df	$\chi^2$ dif.	Models	$\chi^2$	df	$\chi^2$ dif.	Models	$\chi^2$	df	$\chi^2$ dif.
Unconstrained CVIS/CBEH	59.19	19	-	Unconstrained COMM/CWOM	80.11	19	-	Unconstrained EWOM/IMAG	14.08	8	-
Constrained CVIS/CBEH	185.04	20	125.07	Constrained COMM/CWOM	754.24	20	674.13	Constrained EWOM/IMAG	394.83	9	380.75
Unconstrained CVIS/COMM	27.32	19	-	Unconstrained COMM/EWOM	70.99	19	-	Unconstrained EMOT/IDNT	88.59	19	-
Constrained CVIS/COMM	95.96	20	68.64	Constrained COMM/EWOM	746.6	20	675.61	Constrained EMOT/IDNT	717.4	20	626.11
Unconstrained CBEH/COMM	52.62	19	-	Unconstrained COMM/EMOT	85.39	19	-	Unconstrained EMOT/INTG	31.58	13	-
Constrained CBEH/COMM	132.3	20	79.68	Constrained COMM/EMOT	681.4	20	596.01	Constrained EMOT/INTG	598.65	14	567.07
Unconstrained CVIS/CWOM	34.13	13	-	Unconstrained COMM/IDNT	118.61	34	-	Unconstrained EMOT/IMAG	14.96	8	-
Constrained CVIS/CWOM	886.32	14	852.19	Constrained COMM/IDNT	1909.93	35	1791.32	Constrained EMOT/IMAG	349.07	9	334.11
Unconstrained CVIS/EWOM	15.22	13	-	Unconstrained COMM/INTG	120.2	25	-	Unconstrained KNOW/IMAG	7.59	8	-
Constrained CVIS/EWOM	843.13	14	827.91	Constrained COMM/INTG	1142.76	27	1022.56	Constrained KNOW/IMAG	441.16	9	433.57
Unconstrained CVIS/EMOT	13.25	13	-	Unconstrained COMM/IMAG	88.99	19	-	Unconstrained KNOW/INTG	42.6	13	-
Constrained CVIS/EMOT	686.97	14	673.72	Constrained COMM/IMAG	457.4	20	368.41	Constrained KNOW/INTG	1196.93	14	1154.33
Unconstrained CVIS/IDNT	55.21	26	-	Unconstrained CWOM/EWOM	23.01	8	-	Unconstrained KNOW/CVIS	31.66	13	-
Constrained CVIS/IDNT	1041.9	27	986.68	Constrained CWOM/EWOM	321.55	9	298.54	Constrained KNOW/CVIS	966.93	14	935.27
Unconstrained CVIS/INTG	49.68	19	-	Unconstrained CWOM/EMOT	19.34	8	-	Unconstrained KNOW/CBEH	41.43	13	-
Constrained CVIS/INTG	1032.6	20	982.96	Constrained CWOM/EMOT	614.09	9	594.75	Constrained KNOW/CBEH	1190.9	14	1149.47
Unconstrained CVIS/IMAG	30.11	13	-	Unconstrained CWOM/IDNT	57.4	19	-	Unconstrained KNOW/COMM	68.85	19	-
Constrained CVIS/IMAG	274.33	14	244.22	Constrained CWOM/IDNT	818.69	20	761.29	Constrained KNOW/COMM	1780.17	20	1711.32
Unconstrained CBEH/CWOM	77.18	19	-	Unconstrained CWOM/INTG	37.46	13	-	Unconstrained KNOW/CWOM	7.79	8	-
Constrained CBEH/CWOM	818.39	20	741.21	Constrained CWOM/INTG	784.67	14	747.21	Constrained KNOW/CWOM	713.98	9	706.19
Unconstrained CBEH/EWOM	87.09	19	-	Unconstrained CWOM/IMAG	7.59	8	-	Unconstrained KNOW/EWOM	24.53	8	-
Constrained CBEH/EWOM	822.55	20	735.46	Constrained CWOM/IMAG	384.75	9	377.16	Constrained KNOW/EWOM	724.92	9	700.39
Unconstrained CBEH/EMOT	80.68	19	-	Unconstrained EWOM/EMOT	16.92	8	-	Unconstrained KNOW/EMOT	22.62	8	-
Constrained CBEH/EMOT	663.71	20	583.03	Constrained EWOM/EMOT	614.1	9	597.18	Constrained KNOW/EMOT	651.26	9	628.64
Unconstrained CBEH/IDNT	145.7	34	-	Unconstrained EWOM/IDNT	54.9	19	-	Unconstrained KNOW/IDNT	57.96	19	-
Constrained CBEH/IDNT	1847.4	35	1701.3	Constrained EWOM/IDNT	806.57	20	751.67	Constrained KNOW/IDNT	893.14	20	835.18
Unconstrained CBEH/INTG	65.43	19	-	Unconstrained EWOM/INTG	31.82	13	-	Unconstrained IMAG/INTG	50.29	13	-
Constrained CBEH/INTG	1209.3	20	1143.84	Constrained EWOM/INTG	778.64	14	746.82	Constrained IMAG/INTG	478.12	14	427.83
Unconstrained CBEH/IMAG	84.49	19	-	<b>Note:</b> $\chi^2$ - dif. - Chi-square difference.							
Constrained CBEH/IMAG	435.77	20	351.28	<b>Discriminant Validity:</b> Satisfied - All $\chi^2$ - difference > 3.841 (for one degree of freedom at the 0.95 confidence level)							

### 5.4.3. Assessment of model fit

It was mentioned in Section 5.4.2 that a two-step approach in structural equation modelling was followed (Anderson and Gerbing, 1988). Following the measurement model estimation, the model which presents the causal relationships between the exogenous (independent) and endogenous (dependent) variables is discussed in the following paragraphs.

During the analysis, no constraints were imposed to almost all of the parameters relating to manifest and latent variables except employee behaviour (EBEH), consumer-company value congruence (CNGR) and corporate associations gap (IGAP). Since these the first concept was measured with only one indicator and the two latter concepts were calculated as difference scores of aggregated values (See Section 4.5.4), the link between the manifest and the latent variable is set to unity and the measurement error of the indicator is set to zero (Bagozzi, 1980b; Diamantopoulos and Siguaw, 2000; Jöreskog and Sörbom, 1993). The covariance matrix was preferred to the correlation matrix due to the fact that the latter causes problems in terms of the  $\chi^2$  (chi-square) statistic and measurement error computation (Jöreskog and Sörbom, 1993).

Before analysing the structural links, the overall fit of the model to the observed data was examined in order to assess whether the model was valid. Table 5.12 represents the figures for the goodness-of-fit indices. Although the  $\chi^2$  value was statistically significant ( $\chi^2= 1187.44$ ,  $df= 582$ ) at a 0.000 significance level, thereby indicating

poor fit<sup>26</sup>, the other absolute and incremental fit indices demonstrated that the model was an adequate representation of the relationships proposed between the constructs. RMSEA was 0.042, which is below the cut-off value of 0.50 (Garver and Mentzer, 1999; Hair et al., 1998). The GFI and AGFI were 0.87 and 0.85, respectively. There appears to be some difference regarding the recommended threshold value of 0.90 (Hair et al., 1998). However, Doll et al. (1994) and Durande-Moreau and Usunier (1999) suggest that a criterion of 0.80 is considered acceptable. Since the values for GFI and AGFI were within the acceptable range of 0.80 and 0.90, the model fit was considered acceptable. The NFI, NNFI and CFI measures demonstrated that the model can be evaluated as a good fit. The figures for the latter indices were 0.97, 0.99 and 0.99, respectively, which are above the 0.95 criterion value (Diamantopoulos and Siguaw, 2000; Doll et al., 1994; Hair et al., 1998; Hu and Bentler, 1999; Mueller, 1996). Overall, the model fit indices confirmed that the model was valid.

Table 5.12. Model fit indicators.

Model Fit Indicators	$\chi^2$	df	RMSEA	GFI	NFI	NNFI	CFI	AGFI
	1187.44	582	0.042	0.87	0.97	0.99	0.99	0.85

\*  $\chi^2$  – Chi square; df – degrees of freedom; RMSEA – Root mean square error of approximation; GFI – Goodness-of-fit index; NFI – Normated-fit index; Non-normated fit index; CFI – Comparative-fit index; AGFI – Adjusted goodness-of-fit index;

**Model fit: RMSEA < 0.05; NFI, NNFI and CFI => 0.95, GFI and AGFI within the acceptable range of 0.80 and 0.90.**

The research hypotheses were tested on the basis of the structural model above (Figure 5.1). An examination of the path estimates and t values in Figure 5.1 illustrates that twelve of the paths had statistically significant coefficients. Nine of the t values were above the 1.96 critical value at the 0.05 significance level. The t values for the relationships between company behaviour (CBEH) and corporate image (IMAG),

<sup>26</sup> As mentioned in Section 5.3.2., the  $\chi^2$  statistic was de-emphasized in the assessment of model fit. Since it is sensitive to sample size (Bagozzi et al., 1991; Hair et al., 1998), the other fit indices were used to assess the validity of the overall model.

marketing communication mix (COMM) and corporate image (IMAG) as well as emotional appeal (EMOT) and corporate image (IMAG) were significant at the 0.90 confidence level ( $t_{critical}=1.283$ ,  $p=0.10$ ).

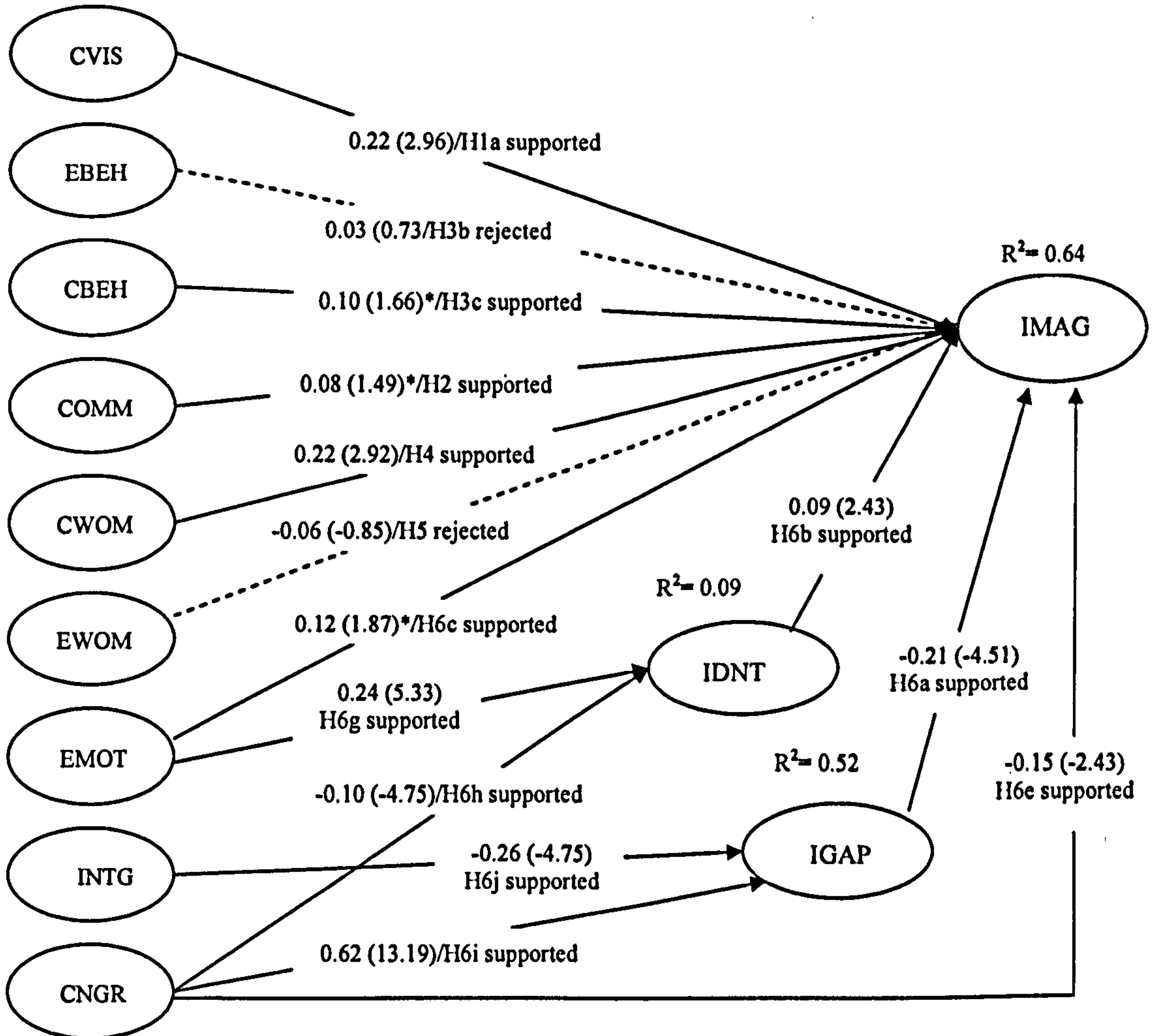


Figure 5.1. The structural model, standardised coefficients, t values and variance explained.

\* t value => 1.282 (significant at the 0.90 confidence level), and all other t-values => 1.96 (significant at the 0.95 confidence level)

Note 1: The less the value for CNGR, the higher the value for IDNT; the higher the value for INTG, the less the value for the IGAP; the less the value for the IGAP, the higher the value for the IMAG; the less the value for CNGR, the less the value for IGAP; and the less the value for CNGR, the more the value for IMAG.

Note 2: R<sup>2</sup> – variance explained, CVIS – corporate visual identity systems, EBEH – employee behaviour, CBEH – company behaviour, COMM – marketing communication mix, CWOM – interpersonal communication, EWOM – intermediary communication, EMOT – emotional appeal, INTG – perceived integration, CNGR – consumer-company value congruence, IDNT – consumer-company identification, IGAP – corporate associations gap, IMAG – corporate image.

Note 3: The dashed line indicates a non-significant path.

Note 4: The t values are presented in brackets.

The aim of this thesis is to predict the direct causal relationships between corporate image (IMAG) and corporate visual identity systems (CVIS), employee behaviour (EBEH), company behaviour (CBEH), marketing communications mix (COMM), interpersonal communication (CWOM), intermediary communication (EWOM), emotional appeal (EMOT), consumer-company identification (IDNT), consumer-company value congruence (CNGR) and corporate associations gap (IGAP) as well as the indirect links between corporate image (IMAG) and emotional appeal (EMOT), perceived integration (INTG) and consumer-company value congruence (CNGR).

Regarding the direct relationships, it was found that only three of the corporate identity mix (company-controlled communication) elements, i.e. corporate visual identity systems (CVIS), company behaviour (CBEH) and marketing communication mix elements (COMM), had a statistically significant impact on corporate image (IMAG). CVIS was significant at the 0.95 confidence level ( $t_{CVIS} = 2.96 > 1.96$ ) (H1a accepted), whereas CBEH and COMM were significant at the 0.90 confidence level ( $t_{CBEH} = 1.66 > 1.283$  and  $t_{COMM} = 1.49 > 1.283$ ) (H2 and H3c accepted). The influence of employee behaviour (EBEH) on corporate image (IMAG) was not confirmed ( $t_{EBEH} = 0.73 < 1.96$ ) (H3b rejected). Among the corporate identity mix elements, the CVIS construct had the highest impact on the corporate image construct ( $\gamma_{CVIS-IMAG} = 0.22$ ) (Figure 5.1). That is, ceteris paribus, a one unit increase in CVIS resulted in a 0.22 increase in IMAG. The two coefficients for the company behaviour (CBEH) and the marketing communication mix (COMM) constructs were 0.10 and 0.08, respectively.



The direct relationships imposed between interpersonal communication (CWOM), consumer-company identification (IDNT), consumer-company value congruence (CNGR), corporate associations gap (IGAP), emotional appeal (EMOT) and corporate image (IMAG) were confirmed. The t values of the paths between the first four constructs and IMAG were 2.92, 2.43, -2.43 and -4.51, respectively, which were statistically higher than the critical t value of 1.96 at the 0.05 significance level (H4, H6b, H6e, H6a accepted). The relationship between EMOT and IMAG was significant at the 0.90 confidence level ( $t_{EMOT-IMAG} = 1.87 > 1.283$ ) (H6c accepted). However, no direct causal link was found between intermediary communication (EWOM) and corporate image (IMAG) ( $t_{EWOM-IMAG} = -0.85 < 1.96$ ) (H5 rejected).

As a result of this assessment, the following hypotheses were supported (Table 5.13): a positive relationship between the attitude of consumers towards a company's corporate visual identity systems (CVIS) and corporate image (IMAG) (H1a); a positive relationship between consumers' perceptions of a company's marketing communication activities' ability to reflect its values (COMM) and corporate image (IMAG) (H2); a positive relationship between the perceptions of consumers about a company's social responsibility activities (CBEH) and corporate image (IMAG) (H3c); a positive relationship between the favourability of the word-of-mouth information that consumers receive about a company from their close environment (CWOM) and corporate image (IMAG) (H4); a negative relationship between consumers' perceptions of the overlap between a company's identity traits and their own associations about that company's values (IGAP) and corporate image (IMAG) (H6a); a positive relationship between a consumer's level of identification with a company (IDNT) and corporate image (IMAG) (H6b); a positive relationship between

consumers' emotional appeal to a company (EMOT) and corporate image (IMAG) (H6c) and a negative relationship between consumers' perceptions of the overlap between a company's values and their evaluation of themselves on the same values (CNGR) and corporate image (IMAG) (H6e) and (Table 5.13).

The examination of the corresponding path estimates and t values (Figure 5.1) for the links between emotional appeal (EMOT) ( $\gamma_{EMOT-IDNT} = 0.24$ ,  $t_{EMOT-IDNT} = 5.33$ ), consumer-company value congruence (CNGR) ( $\gamma_{CNGR-IDNT} = -0.10$ ,  $t_{CNGR-IDNT} = -4.75$ ) and consumer-company identification (IDNT) demonstrated that the two former dimensions predicted the latter factor. As a result the hypotheses H6g and H6h were supported. That is, when consumers have a favourable emotional disposition towards a company and when they think that a company's values are congruent with their own values, they are more likely to identify themselves with that organisation.

The evaluation of the structural equation regarding the relationships between perceived integration (INTG), consumer-company value congruence (CNGR) and corporate associations gap (IGAP) showed that the first two constructs are determinants of the latter one. The standardised estimates and t values showed that the path between INTG and IGAP as well as the path between CNGR and IGAP were statistically significant. The t values for each relationship were -4.75 and 13.19, respectively, well above the critical value of 1.96 at the 0.95 confidence level (Figure 5.1). These findings indicated that there was a negative relationship between perceived integration (INTG) and corporate associations gap (IGAP) and a positive relationship between consumer-company value congruence (CNGR) and corporate associations gap (IGAP), leading to the support of hypotheses 6j and 6i (Table 5.13).

Table 5.13. The results in terms of the rejected and supported hypotheses.

Hypotheses	Result
H1a: The more positive the attitude that consumers have towards a company's corporate visual identity systems (CVIS), the more favourable the image they have about that company (IMAG).	Supported
H2: The more consumers perceive the marketing communication activities of a company reflect its identity well (COMM), the more favourable the image they have about that company (IMAG).	Supported
H3b: The more consumers perceive a company as socially responsible (CBEH), the more favourable the image they have about that company (IMAG).	Supported
H3c: The more consumers perceive the employees of a company as treating customers well (EBEH), the more favourable the image they have about that company (IMAG).	Not supported
H4: The more positive word-of-mouth consumers receive from close friends and relatives about a company (CWOM), the more favourable the image they have about that company (IMAG).	Supported
H5: The more positive word-of-mouth consumers receive from intermediaries sources such as media, NGOs, opinion leaders etc. about a company (EWOM), the more favourable the image they have about that company (IMAG).	Not supported
H6a: The smaller the corporate associations gap (IGAP), the more favourable the image consumers have about that company (IMAG).	Supported
H6b: The greater the consumer-company identification (IDNT), the more favourable the image consumers have about that company (IMAG).	Supported
H6c: The more consumers perceive a company's identity emotionally appealing (EMOT), the more favourable the image they have about that company (IMAG).	Supported
H6d: There relationship between emotional appeal (EMOT) and corporate image (IMAG) is mediated by consumer-company identification (IDNT).	Supported
H6e: The greater the consumer-company value congruence (CNGR), the more favourable the image consumers have about that company (IMAG).	Supported
H6f: The relationship between consumer-company value congruence (CNGR) and corporate image (IMAG) is mediated by the corporate associations gap (IGAP).	Supported
H6g: The more consumers perceive a company's identity emotionally appealing (EMOT), the greater the consumer-company identification (IDNT).	Supported
H6h: The greater the consumer-company value congruence (CNGR), the greater the consumer-company identification (IDNT).	Supported
H6i: The greater the consumer-company value congruence (CNGR), the smaller the corporate associations gap (IGAP).	Supported
H6j: The greater the perceived integration of the corporate identity mix elements (INTG), the smaller the corporate associations gap (IGAP).	Supported
H6k: The relationship between the perceived integration of the corporate identity mix elements (INTG) and corporate image (IMAG) is mediated by the corporate associations gap (IGAP).	Supported
H7: The effect of the corporate identity mix elements (company-controlled communication elements) is stronger than the unplanned (uncontrolled) communication factors on corporate image.	Not supported

All the incremental effects on the corporate image were also statistically evident. The emotional appeal factor's (EMOT) indirect effect on the corporate image (IMAG) construct was present through the consumer-company identification dimension (IDNT) ( $\gamma_{EMOT-IDNT} * \beta_{IDNT-IMAG} = 0.02$ ,  $t_{EMOT-IMAG} = 2.22 > 1.96$ ) (H6d accepted). Similarly, it was found that there was a statistically significant indirect relationship

between perceived integration (INTG) and corporate image (IMAG) via the corporate associations gap (IGAP), that is, the t value of this relationship was above the critical value of 1.96 at the 0.05 significance level ( $\gamma_{\text{INTG-IGAP}} * \beta_{\text{IGAP-IMAG}} = 0.05$ ,  $t_{\text{INTG-IMAG}} = 3.50 > 1.96$ ) (H6k accepted). Finally, the indirect relationship between consumer-company value congruence (CNGR) and corporate image (IMAG) via the corporate association gap (IGAP) was confirmed ( $\gamma_{\text{CNGR-IGAP}} * \beta_{\text{IGAP-IMAG}} = -0.01$ ,  $t_{\text{CNGR-IMAG}} = -4.60 > 1.96$ ) (H6f accepted).

Baumgartner and Homburg (1996) recommend that any model estimation attempt should be subject to testing the role of mediating relationships by comparing the constrained and unconstrained models. They argue that the model which fits well should always be compared to the most plausible model to show whether it is a better model than the nearest likely model. Therefore, even though the incremental effects were confirmed as stated above, a further analysis is taken in order to test whether the models, in which the relationships between emotional appeal (EMOT), consumer-company value congruence (CNGR), perceived integration (INTG) and corporate image (IMAG) are unconstrained, perform better than the models with mediations are imposed (constrained model). In other words, this further analysis aimed to address whether consumer-company identification (IDNT) and corporate associations gap (IGAP) constructs fully or partially mediate the relationships between emotional appeal (EMOT) and corporate image (IMAG); consumer-company value congruence (CNGR) and corporate image (IMAG); and perceived integration (INTG) and corporate image (IMAG).

As suggested by Diamantopoulos and Sigauw (2000), two models were estimated. First, the direct links between emotional appeal, consumer-company value congruence, perceived integration and corporate image were excluded by setting the gamma coefficients to zero for those relationships (i.e model 1). Second, the gamma coefficients for direct relationships were estimated freely (i.e. model 2) (See Figure 5.1 for the illustration of direct links). The improvement in model fit was assessed by the chi-square difference test ( $D^2$ ). The difference between the chi-square values for the two models was computed and the result was compared with the chi-square value with one degree of freedom ( $\chi^2_{critical}=3.841$ ). The model with smaller chi-square was considered a better model (Diamantopoulos and Sigauw, 2000). The  $D^2_{EMOT-IDNT-IMAG}$  ( $\chi^2_{model1} - \chi^2_{model2} = 100.41 > \chi^2_{critical}=3.841$ ) for testing the mediating role of consumer-company identification (IDNT) in the relationship between emotional appeal (EMOT) and corporate image (IMAG) showed that consumer-company identification partially mediates the relationship between EMOT and IMAG. Similarly, the  $D^2_{CNGR-IGAP-IMAG}$  ( $\chi^2_{model1} - \chi^2_{model2} = 13.55 > \chi^2_{critical}=3.841$ ) and the  $D^2_{PI-IGAP-IMAG}$  ( $\chi^2_{model1} - \chi^2_{model2} = 11.37 > \chi^2_{critical}=3.841$ ) demonstrated that the relationships between consumer-company value congruence and corporate image as well as between perceived integration and corporate image are partially mediated by corporate associations gap. These results confirmed that the incremental impact of emotional appeal, consumer-company value congruence and perceived integration on corporate image were valid<sup>27</sup>.

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<sup>27</sup> All t values for the paths in all of the constrained and unconstrained models were higher than critical t value of 1.96. All absolute and incremental goodness of fit indicators (i.e. CFI, GFI, NFI, NNFI and AGFI) showed a good fit (the values were above 0.95) for all the models tested, except the RMSEA values which were much higher than the threshold value of 0.08 for the unconstrained models.

On the basis of these findings, it was concluded that the hypotheses 6d, 6f and 6k predicted the following relationships (Table 5.13): When an individual has a positive emotional disposition towards a company (EMOT), they identify themselves with that company more (IDNT), so that this person's overall impression of that organisation may be more positive (IMAG). Furthermore, when consumers think that the communication activities of an organisation are well integrated so that they convey consistent messages (INTG), they may perceive that that company's values overlap with what that organisation wants to project and what they associate with it (IGAP), thereby a more favourable corporate image can be achieved (IMAG). Moreover, when a consumer perceives that their self-evaluation is congruent with their evaluation of a company's values, he/she may be more inclined to make closer associations to the identity traits that that company intends to reflect (IGAP), thereby a more favourable corporate image can be held by consumers (IMAG).

The explanatory power of the structural equations was assessed on the basis of the squared multiple correlations (SMC) for structural equations which indicate the amount of variance in the dependent (endogenous) variable accounted for by the independent (exogenous) variables. 64% of the variance in the IMAG construct was explained by the factors (CVIS, CBEH, COMM, CWOM, EMOT, IDNT, CNGR, IGAP, INTG), which had statistically significant relationships with it. The squared multiple correlations value for the structural equation demonstrating the relationships between the consumer-company identification (IDNT), the emotional appeal (EMOT) and the consumer-company value congruence (CNGR) constructs was 0.09. This value showed that 9% of the variance in the IDNT construct was explained by the EMOT and the CNGR factors. Similarly, 52% of the variance in the corporate

associations gap (IGAP) construct was explained by the perceived integration (INTG) and the consumer-company congruence (CNGR) dimensions.

Finally, the relative impact of each dimension on the corporate image construct was assessed in order to test whether corporate communication mix (company-controlled communication) elements were more influential than unplanned (uncontrolled) communication factors on corporate image. The comparisons were based on the values of the standardised coefficients for the total effects of exogenous latent variables on endogenous latent variables. It was found that when all else was held constant corporate visual identity systems (CVIS) and interpersonal communication (CWOM) caused the biggest change in corporate image (IMAG). Their impacts were equal in that either when CVIS or CWOM increases one unit, IMAG increases 0.22 units. The second major factor was emotional appeal (EMOT). Ceteris paribus, this dimension caused a 0.14 increase in corporate image. It was followed by the company behaviour (CBEH) and the consumer-company identification (IDNT) dimensions. Their standardised coefficients were 0.10 and 0.09, respectively. The marketing communication mix elements (COMM) and the perceived integration (INTG) factors were the next two factors which led to a 0.08 and 0.05 change in IMAG, respectively. The impact of the consumer-company value congruence (CNGR) and the corporate associations gap (IGAP) constructs were equal (the coefficient value= -0.02). On the basis of these figures, it could not be concluded that all of the corporate identity mix elements were more influential than the unplanned (uncontrolled) communication factors as was claimed in the theory (H7 rejected). For example, the results showed that corporate visual identity systems (CVIS) and interpersonal communication (CWOM) have the same impact on corporate image (IMAG). However, it could be concluded that some of the corporate identity mix elements can individually be more

influential on corporate image compared to some of the unplanned communication elements. For example, while company behaviour (CBEH), being one of the company-controlled communication elements, was found to have more impact on corporate image (IMAG) than consumer-company identification (IDNT), it was shown that CBEH was less influential than emotional appeal (EMOT).

In summary, the majority of the relationships proposed between the constructs were statistically confirmed except for the causal links between the employee behaviour (EBEH), intermediary communication (EWOM) and corporate image (IMAG) constructs. In conclusion, hypotheses H1a, H2, H3c, H4, H6a, H6b, H6c, H6d, H6e, H6f, H6g, H6h, H6i, H6j and H6k were supported whereas hypotheses H3b, H5 and H7 did not predict the expected relationships.

## **5.5. Summary**

In this chapter, the findings of the study were presented. Firstly, the initial data examination in order to prepare the data for further analysis was explained. The characteristics of the two respondent groups were then illustrated. This section was followed by the explanation of the exploratory factor analyses results which helped to refine the scales for the confirmatory stage. The measurement models and the structural model were assessed on the basis of 439 cases. The findings showed statistically significant relationships between corporate image (IMAG) and almost all forms of company controlled communication elements (i.e. corporate visual identity systems – CVIS; company behaviour – CBEH; marketing communication mix elements – COMM) except employee behaviour (EBEH). Except for the link between intermediary communication (EWOM) and corporate image (IMAG), all the



relationships between corporate image (IMAG) and the unplanned (uncontrolled) communication elements (i.e. interpersonal communication – CWOM; emotional appeal – EMOT; consumer-company identification – IDNT and consumer-company value congruence - CNGR) were statistically significant. Furthermore, the results confirmed that perceived integration (INTG) and consumer-company value congruence (CNGR) were the antecedents of corporate associations gap (IGAP) and emotional appeal (EMOT) and consumer-company value congruence (CNGR) were the determinants of consumer-company identification (IDNT). The directions of the significant relationships between the constructs were as theoretically expected (See Figure 5.1). A more detailed discussion of the findings is provided in Chapter VI.

## **VI DISCUSSION**

### **6.1. Introduction**

The goal of this study was to examine the influences of company-driven communication (corporate identity mix elements) and external communication (unplanned communication factors) on corporate image formation. Consequently, the scope of corporate identity mix elements as well as unplanned communication factors and each of these antecedents' impact on corporate image formation were explored from the perspectives of consumers. Moreover, the role of integrated corporate identity mix elements in consumers' perceptions of a company's image is investigated.

The general findings in this study are that: a) corporate aesthetics, staff apparel and manager behaviour are not considered to be salient communicators of corporate image by consumers, b) corporate identity mix elements, other than employee behaviour, have a positive impact on corporate image, c) interpersonal communication positively influences the corporate image that people hold about a company, whereas there is not a direct relationship between intermediary communication and corporate image, d) intrapersonal communication factors are determinants of the corporate image, and e) perceived integration of corporate identity mix elements positively influences corporate image through corporate associations gap.

This chapter discusses the results of the data analysis presented in Chapter V with support from the theory presented in the literature review and the information obtained from the exploratory interviews and focus group discussions (See Table 4.1 and Table

4.2). First, the results of scale purification are presented. Second, the findings of hypothesis testing which demonstrate the influence of two major groups of corporate identity communicators (i.e. corporate identity mix elements and unplanned communication factors) on corporate image are reviewed and compared with theoretical expectations. Finally, the relationship between integrated company-driven communication (corporate identity mix elements) and corporate image is explained.

## **6.2. Measurement Scale Purification**

Since the scales for the sub-elements of corporate identity mix elements were developed primarily on the basis of conceptual articles, their operationalisation and validation are presented first. As explained in Chapter IV, the item pool for scales was subjected to qualitative and quantitative refinement. Content validity of scales was assessed by academics, and consequently, some items were excluded on the basis of the information obtained from the interviews and focus group discussions. In addition, the developed scales were tested by statistical data reduction techniques in Pilot Study 1 (EFA) and in the main data analysis (EFA and CFA). As a result, theoretically and operationally valid and reliable scales were developed and hypothesis testing was performed with the scales listed in Tables 5.8, 5.9 and 5.10. In the following paragraphs, some inferences are made on the basis of scale development and refinement issues.

First, the qualitative assessment of the adjective pool which aimed to measure the gap between intended corporate associations and people's evaluations of companies' identities, as well as the congruence between individuals' self-image and their

perceptions of company values, have shown that different traits may have different meanings for different cultures and even sometimes exact translation of some words cannot be achieved. This may raise concerns in using the same personality traits when describing companies' identities and individuals' personal values. For example, the researchers who translated the questionnaire into Turkish pointed out that the meaning of 'cooperative' in Turkish suggests a negative personal quality, in that a cooperative individual is considered to be disloyal to his close friends by sharing information about their personal life with third parties. Therefore, in line with Ekinci and Riley's (2003) discussion about the applicability of one set of adjectives to both company and personal value assessments in different settings, it is argued that the development of anonymous scales for measuring corporate associations gap and consumer-company value congruence is hard to achieve. However, observation of respondents during the pilot studies has shown that the identity traits pool was adequate for this study, since none of the individuals commented on the irrelevance of the adjectives in terms of their ability to describe both companies and their personalities. Besides, concerns about the adequacy of the adjectives in terms of their meanings for a Turkish audience, as well as in terms of their relevance to both company and individual level assessments, were addressed during the qualitative assessment.

Second, the operationalisation of corporate identity mix elements seems to depend on which communication tools are mostly used by companies with regards to different stakeholders. This issue especially concerns the concepts of corporate aesthetics, staff apparel, manager behaviour and marketing communications mix elements. Managers interviewed mentioned that their role is more significant in internal communication of the market position that their organisations want to achieve, rather than being directly

responsible for conveying organisational messages to consumers. For example a manager interviewed states that;

“... we have a slogan ‘Life is Ours, Life is Work’. Everybody [in the company] should understand why we say ‘for a better life’, so that they can give this message when they are interacting with others outside the organisation. The management of our organisation works for achieving that through our department [PR department]....”

[Corporate Communications Manager, Pfizer]

This quotation is consistent with the view of organisational behaviour theorists (e.g. Albert and Whetten, 1985; Hatch and Schultz, 1997) and corporate identity and corporate branding scholars (e.g. Balmer, 2001a; Harris and De Chernatony, 2001; Kennedy, 1977; Simoes et al., 2005) about the role of decision-makers in corporate identity management. They assert that the management of an organisation is responsible for creating an organisational environment which can motivate the staff to internalise their companies’ values, which in turn may encourage the employees to convey similar messages to outsiders.

The managers interviewed also asserted that only in special cases are their top managers publicly seen. Otherwise, they are mostly involved in managing relationships with governments and investors. This is evident in the following statement by a manager:

“....there was a case about a child being locked inside the refrigerator of one of the McDonald’s restaurants by the manager of that restaurant...We immediately organised a press conference...At that time we had an Austrian general manager, [name],...he attended the conference...I believe that his presence has conveyed the message...goodwill...Other than on this occasion he did not appear in public...Top management mostly deal with Ankara [the capital of Turkey where the Parliament is located]”

[Public Relations-Communications Manager, McDonald’s]

This situation as shown in the extract above was also supported by the information obtained from the focus group discussions. None of the discussants were able to recall seeing a global company’s manager in public. As a result of this evidence, it was concluded that manager behaviour is not a part of the behaviour aspect of the corporate identity mix elements in the consumer context. Moreover, since managers are not seen publicly, it is not possible for consumers to attribute anything to their clothing and its relation to their overall judgement of a company. Accordingly, items related to managers’ physical appearance were excluded from the staff apparel concept.

Another point related to measurement scale purification was about the refinement of the marketing communication activities of an organisation, since there is a wide-range of tools which are used for promotional purposes (Fill, 1999). The main idea was to draw the borders of the communication aspect of the corporate identity mix elements in the consumer context. For example, the managers interviewed mentioned that they

send annual reports to their shareholders, potential investors and their supply chain members but not to potential buyers or their current customers. The following quotation from the interview data highlights the most relevant marketing communication mix elements:

“...[McDonald’s] generally promotes its products and services more [than the company itself]. We don’t have printed ads but we have TV ads...Corporate [advertising] is done occasionally. 10% corporate [advertising], 90% product and services [advertising], I mean commercially. When you look at it from the PR aspect, in terms of visibility in the mass media, again 60% is related to products...However, we have changed the balance in recent years; corporate PR has increased in the last two years in terms of the news about us in the mass media...For example, McDonald’s is the official sponsor of the World Cup...We have done a very good activity as [McDonald’s] Turkey. We took five kids to the final match of the World Cup. It has received very good coverage and attention.”

[Public Relations-Communications Manager, McDonald’s]

Overall, these examples of the scale refinement process illustrate that the combination of items for corporate identity mix elements is dependent on the stakeholder group in question. This conclusion is parallel to the argument by academics that developed multi-step corporate image implementation programmes (e.g. Abratt, 1989; Dowling, 1986; Gray and Smeltzer, 1987). Their plans suggest that companies should define the set of promotional tools according to each stakeholder group they target.

There were two other issues related to company buildings and employees' outlook. As explained in Section 5.4.2, the items related to the corporate aesthetics and staff apparel concepts did not yield a statistically valid factor<sup>28</sup> on the basis of a CFA application. This finding indicates that consumers do not consider these factors to be salient communicators of corporate identity. The following quotation from a manager also suggests that corporate aesthetics are more important in the communication of a company's identity to its employees than consumers:

“...for example, symbols for external people are different, there are also symbols for internal workers. For example, I know that our headquarters building in New York is a symbol for our employees...”

[Corporate Communications Manager, Pfizer]

Another point is also inferred from the discussions with focus group members. The following statement shows that consumers do not make immediate inferences about a company's overall image while evaluating the appearance of its buildings, or its employees' physical appearance. Rather, they relate their views on buildings and on staff apparels to their purchase experiences. The following quotations give some supporting insights to this interpretation:

“...you can find everything you are looking for in there [Carrefour retail stores]...hmm, since it is a spacious place, shopping is easier, it isn't cramped...”

[A female attendant, Focus Group #1]

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<sup>28</sup> <sup>28</sup> The items related to corporate aesthetics and staff apparel constructs were merged together and redefined as corporate design after the EFA application (See Table 5.5).



“...it [Metro, retailer] has a bulky building. I mean when I say bulky, it is dark, huge...but in Carrefour, I can find everything. I can buy clothes, go to the cinema, eat...”

[A male attendant, Focus Group #3]

“...they try to achieve some standardisation in their restaurants...people serving dress up similarly and they always look clean...it says the food and their restaurants are clean...”

[A female attendant, Focus Group #4]

“...it is nice to see nice looking staff around [in Zara stores]...it gives you a pleasant feeling about the atmosphere...”

[A female attendant, Focus Group #2]

Two main points can be drawn from these extracts. First, different stakeholders in different countries can base their views about a company's image on different indicators. This inference is similar to the findings of reputation management studies (Fombrun et al., 2000; Groenland, 2002; Thevissen, 2002). For example, while Thevissen (2002) demonstrated that Belgian consumers put more emphasis on behaviour, communication and personal factors when they are evaluating a company's reputation, Brown and Perry (1994) argued that American business analysts and executives pay more attention to financial performance indicators. Secondly, consumers' views about some company-driven communication factors cannot be directly related to the corporate image concept, but to other concepts like store atmosphere or store image as it appears to be in the quotations presented above. The

literature on store image (e.g. Donovan and Rossiter, 1982; Martineau, 1958; Thang and Tan, 2003) confirms that physical appearance of company buildings and the clothing of employees are attributes of store image.

Overall, as a result of the measurement scale purification process discussed earlier, it was concluded that manager behaviour, corporate aesthetics and staff apparel concepts were not relevant to corporate image assessments of consumers. Therefore, three hypotheses related to these three concepts and their relationships with corporate image, H1b, H1c and H3a, were regarded as redundant; thus those constructs were excluded from the model (See Figure 5.1). However, it should be noted that this conclusion might be contingent on the business type the case companies belong to. Both McDonald's and Renault-Mais transact in business-to-consumer markets, and this might have led the irrelevance of those company-driven communicators in the consumer context. On the other hand, since relationship and key account management issues, which aim building long-term trust and reputation, are crucial for the success business-to-business organisations (Anderson and Narus, 1984; de Ruyter et al., 2001; Nicholson et al., 2001), manager behaviour, corporate aesthetics and staff apparel may have a significant impact on buyers' perceptions of their suppliers' images and the values they associate with their supplier organisations.

Another issue about measurement scale development and refinement is related to confirming the unidimensionality of the constructs as theoretically defined. EFA and CFA applications to the main data show that the majority of the refined items resulted

in their theoretically defined factors<sup>29</sup> and that they are internally homogenous and externally distinct from each other (See Section 5.4.1 and Section 5.4.2). For example, the corporate image construct was confirmed as being a three-item measure as defined by Williams and Moffit (1997). Similarly, the consumer-company identification scale resulted in one factor. Although the number of items in the scale was reduced, the remaining items still captured the essence of the concept as defined by Ashfort and Mael (1989).

In summary, two main points can be drawn from the scale refinement process. First, when scales are developed based on anecdotal studies, their content validity has to be ensured by a thorough qualitative assessment with the support of an extensive literature review, preliminary interviews with key informants and focus groups discussions with relevant individuals (Churchill, 1979). Second, the usability of the adapted scales from other studies in a new context should be examined qualitatively in order to assess their applicability to the context of a study. They should also be tested quantitatively in order to ensure that the same factorial structures are achieved for the scales (Craig and Douglas, 2000; Douglas and Nijssen, 2003). In this study, these two conditions were demonstrated in Section 5.4.1 and Section 5.4.2.

### **6.3. Determinants of Corporate Image: Effects of corporate identity mix elements**

The objective of this study was to draw upon consumers' perspectives to explore the types of communication that determine corporate image formation. One of the two

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<sup>29</sup> The items related to corporate aesthetics and staff apparel constructs were merged together and redefined as corporate design (See Table 5.5). However, this construct was not found statistically valid by the CFA application. Although the items for interpersonal and intermediary communication constructs appeared to compose one single factor, more stringent assessment by CFA demonstrated that these two were separate concepts.

major groups of communicators elicited on the basis of the literature review is the corporate identity mix elements (i.e. symbolism, communication and behaviour) (Van Riel, 1995). As suggested by the first research question (See Section 1.2), the direct impact of each of the sub-factors under symbolism, communication and behaviour aspects of corporate identity mix elements on corporate image are examined. Based on Attribution Theory (Kelley and Michela, 1980; Malle, 1999, 2003; Weiner, 1974, 1986), it was hypothesised that people's attributions of a company's planned communication activities affect their evaluations of the company as a whole (i.e. corporate image).

It should be noted that, as an outcome of the preliminary fieldwork, items related to manager behaviour and the clothing of managers were excluded from the list of sub-elements under behaviour and symbolism aspects of corporate identity mix elements. The quantitative analysis on the main data indicated that corporate aesthetics and staff apparel elements did not compose statistically significant aspects of corporate symbolism for consumers. As a result of qualitative and quantitative assessments, manager behaviour, corporate aesthetics and staff apparel constructs were dropped from the model (See Section 6.2). Therefore, only the results related to the relationships between corporate image and the remaining corporate identity mix elements are discussed in the following section.

The hypothesis testing demonstrated that apart from employee behaviour, consumers' positive attributions about a company's identity mix elements have a positive influence on corporate image formation (H1a supported). First, it was found that when corporate visual identity systems evoke an emotional response in the minds of

consumers, individuals tend to transfer their positive feelings towards that organisation (Henderson and Cote, 1998). This finding is in line with the research conducted by Interbrand Schechter (1994) which demonstrated that the evaluation of company logos influences company evaluations. As mentioned in the literature, by the use of visual expressions, organisations aim to achieve awareness and recognition in the market place (Dowling, 2001; Rosson, 2003) and distinguish themselves from their competitors (Schmitt et al., 1995). This study's results show that affection triggering symbolism can lead to these desirable outcomes, since emotionally attractive visual identity systems can achieve greater impact on individuals' memories (Henderson and Cote, 1998).

Second, the results of the hypothesis testing revealed that a company can enhance its image by means of its marketing communication activities. Keller (2001) states that marketing communication tools/channels are the means by which a dialogue between companies and consumers is established. Marketing communications not only support products and services of an organisation but also allow marketers to address company-level values embedded in that company's brands (Markwick and Fill, 1997). For example, the in-depth interview with the McDonald's' Public Relations-Communications manager revealed that in their advertisements they highlight the fact that they hire local people and buy 98 percent of the ingredients locally, in order to convey that they provide quality food and they contribute to Turkey's economy. McDonald's Turkey, by embedding company values in promotional tools seeks to engender a more favourable attitude towards the organisation. Consistently, H2 receives statistical support as evidence to this claim, that is, when consumers interpret

that marketing communication mix elements reflect a company's values well, they hold a favourable image about that company.

Third, as hypothesised in H3c, it was found that there is a direct relationship between consumers' attributions about a company's social responsibility actions and corporate image (H3c supported). This finding confirmed the results of previous studies, which showed the link between corporate social responsibility associations and company evaluation (e.g. Brown and Dacin, 1997; Sen and Bhattacharya, 2001). This is consistent with the results of the interview with McDonald's, which implied that social and economic issues matter to their targeted consumer segments. Similarly, the corporate communication manager of Renault-Mais mentioned that they organise community education programmes in schools in order to increase children's awareness about the unpleasant consequences of non-compliance with traffic rules. He stated that they receive positive feedback from their customers for being involved in such events.

Although the direct impact of these three company-driven communication factors on corporate image were reported, the statistical analysis showed that employee behaviour does not directly influence corporate image formation (H3b not supported). This unexpected outcome can be attributed to possible mediating variables, which may be the inserting boundary conditions for the relationship between employee behaviour and corporate image. The services marketing literature suggests that the performance of front-line employees is an integral part of the perceived service quality offered by an organisation (e.g. Berry and Parasuraman, 1991; Bitner, 1990; Crosby et al., 1990; Parasuraman et al, 1988). Nguyen and LeBlanc (1998) assume that if contact personnel treat individuals well during the service exchange, consumers evaluate the

service quality they receive more favourably and as a consequence, they may hold a more positive image about that company. Similarly, Bolton and Drew (1992) and Cronin and Taylor (1992) assert that since customer satisfaction is based on consumers' judgements about specific features of service encounters such as their interactions with employees, the satisfaction derived from each service encounter can have an impact on corporate image. Therefore, it could be concluded that the relationship between corporate image and consumers' attributions about employee behaviour is contingent upon the perceived service quality and satisfaction with the service experience offered by the organisation. In other words, in contrast to the literature on corporate image and identity (e.g. Kennedy, 1977; Dowling, 1986; Gray and Balmer, 1998), an indirect relationship between employee behaviour and corporate image through perceived service quality and customer satisfaction from the service may be assumed in future studies.

In summary, these findings highlight the importance of consumers' attributions about a company's planned communication efforts on their overall view of an organisation (i.e. corporate image). The results demonstrated that while there is a direct relationship between individuals' attributions about a company's visual identity systems, marketing communication mix elements and behaviour towards social, ethical and recruitment issues and corporate image formation, the influence of consumers' attributions about employee behaviour on corporate image may be dependent on conditions such as perceived service quality and customer satisfaction. In the next section, the role of unplanned communication factors in corporate image formation is discussed.

#### **6.4. Determinants of Corporate Image: Effects of unplanned communication elements**

Another major group of communicators influencing corporate image formation is unplanned communication factors (i.e. interpersonal, intermediary and intrapersonal communication elements) (Cornelissen, 2000). In order to be able to reach a conclusion about the second research question which aims to compare the influences of corporate identity mix elements and unplanned communication factors on corporate image formation (See Section 1.2), the impact of each external factor on corporate image formation is also examined. The underlying assumption of this investigation is that individuals do not only base their views about organisations on company-driven messages. Communication that is generated outside an organisations' control also plays a role in consumers' perceptions of a company's image. In other words, Cornelissen (2000) claims that corporate image is a product of unplanned communication factors along with communication by corporate identity mix elements.

The statistical evidence from this study demonstrated that while interpersonal communication (i.e. word-of-mouth recommendation received from close environment) positively influences the corporate image that consumers hold (H4 supported), intermediary communication (i.e. word-of-mouth information delivered by the media, NGOs, governments, opinion leaders) do not have an impact on corporate image formation (H5 not supported). This finding is consistent with research in the word-of-mouth area (Bristor, 1990; Brown et al., 2005; Brown and Reingen, 1987; Christiansen and Tax, 2000; Duhan et al., 1997; Halstead, 2002; Harrison-Walker, 2001; Lau and Ng, 2001; Richins, 1983) by showing that person-to-person



information exchange among people that are strongly tied to each other (e.g. close friends and relatives) evokes attitudinal change towards companies.

Although the direct impact of word-of-mouth information delivered by third parties was not statistically confirmed, it could be argued that company-related positive information delivered by intermediaries may have an implicit influence on person-to-person recommendations. However, it should be noted that this condition has not been tested in this study. Future studies may address this inference which is in line with Brown and Reingen (1987) who found that strong-ties such as friends and relatives are influential in attitudinal change, whereas weak-ties such as the media, NGOs, governments, opinion leaders etc. function as bridges which support the flow of information among strongly bound individuals. This may indicate that consumers may perceive their close environment to be a more credible source of information than third parties. It can be said that this condition can be more valid for emerging countries such as Turkey, since it has a more collectivist culture than other western countries (Balabanis et al., 2002). Burgess and Steenkamp (2006) assert that individuals' interaction and human networks in emerging market cultures influence information dissemination substantially. Therefore, it can be argued that while implementing communication strategies in emerging markets, companies should focus on using intermediary information sources to trigger information flow among closely tied individuals as a communication strategy.

It was also proposed that along with interpersonal and intermediary communication, individuals' psychological filtering of company attributes (i.e. intrapersonal communications) may have an impact on their perceptions of companies' images. The

hypothesis testing evidenced that consumers are more likely to evaluate companies positively, when the corporate associations gap is small, i.e. consumer's associations about a company's identity are similar to those that companies intend to create in their minds (H6a supported), and when they use companies as social identifiers (i.e. consumer-company identification) (H6b supported).

These findings support the arguments by scholars (e.g. Balmer, 1995, 2001b; Balmer and Greyser, 2002; Balmer and Soenen, 1999; Brown, 1998; Brown et al., 2006; Kirikiadou and Millward, 2000; Van Rekom, 1997) which claim that intended corporate associations are subject to people's filtering on the basis of their feelings, beliefs and experiences, which may lead to a mismatch between what is projected and what is perceived. Brown and Dacin (1997) state that the dissonance between intended corporate associations and people's attributions about them may lead to misjudgements about a company's products and services.

Moreover, findings also indicate that consumer-company identification is one of the intrapersonal communication factors, which positively influences corporate image formation. Drawing on social identity theory (e.g. Brewer, 1991; Kramer, 1991; Tajfel and Turner, 1985), this outcome extends the research in organisational identification (e.g. Ashfort and Mael, 1989; Bergami and Bagozzi, 2000; Dutton et al., 1994) to the context of consumer (See Bhattacharya and Sen, 2003), showing that not only employees but also external audiences (consumers) identify themselves with organisations in order to make sense of who they are and what they belong to. In line with Bhattacharya and Sen (2003), this study highlights that strategies that encourage

consumers' identification with organisations may be the key to achieving customer loyalty and retention.

The analyses also showed that peoples' emotional predisposition towards an organisation (i.e. emotional appeal) and the congruence between consumers' perceptions of their self-image and their mental descriptions about that company's identity characteristics are positively related to the corporate image they hold about a company (H6c and H6e supported). This result can indicate that it is important for companies to create a general notion among the public about their companies as being respectful and trustworthy (Fombrun and Rindova, 1996; Fombrun and Shanley (1990), since this may serve as an emotionally appealing point for consumers to evaluate their organisations positively (Bhattacharya and Sen, 2003).

It also appears that when consumers think that their personal values are represented by organisations, they are more inclined to form positive attitudes towards those companies. This inference is in line with the research in person-organisation fit, and self-concept and value congruence (Edvardsson and Gustavson, 1991; Ekinici and Riley, 2003; Kristof, 1996; O'Reilly et al., 1991; O'Reilly and Chatman, 1986; Sen and Bhattacharya, 2001; Sirgy, 1982b; Sirgy and Samli, 1985) which asserts that the match between personal and organisational values leads to attitudinal and behavioural consequences.

The results also supported the theoretical expectation that individuals' emotional predisposition towards companies and the fit between organisational values and consumers' descriptions of their personality characteristics (consumer-company value

congruence) are two of the antecedents of consumer-company identification (H6g and H6h supported). Moreover, it was found that consumer-company value congruence is one of the antecedents of the corporate associations gap (H6i supported). Support for these hypotheses indicate that along with their direct influence on corporate image, the impact of emotional appeal and consumer-company value congruence are also partially mediated by consumer-company identification and the corporate associations gap respectively (H6d and H6f supported).

To sum up, the investigation of the influences of unplanned communication factors on corporate image demonstrated that interpersonal communication positively relates to corporate image, whereas intermediary communication may not be as persuasive a source as word-of-mouth information received from close environment in terms of corporate image formation. The hypothesis testing relating to intrapersonal factors showed that all of the contingencies among the sub-elements of intrapersonal factors (i.e. emotional appeal, consumer-company identification, consumer-company value congruence and corporate associations gap) and the relationships between these indicators and the corporate image concept exist.

These findings above can have implications for international marketing practices in emerging markets such as Turkey. As social identity theory asserts (e.g. Brewer, 1991; Kramer, 1991; Tajfel and Turner, 1985), the way that people define themselves affect the way they express their values and their interactions with others. For example, McDonald's might be seen as a company which has luxury restaurants to meet up with cool friends. Burgess and Steenkamp (2006) and Garten (1997) emphasise that in emerging markets social networks and cultural diversity play a very substantial role in

individuals' value systems and their identification with entities such as companies, products, brands etc. Bilgin et al. (2004) state that since urbanisation happen very quickly in emerging markets, values individuals hold change very quickly compared to consumers from rural areas. For example, while modernity communicated by global brands is highly appreciated by consumers in urban areas, local-orientation stressed by domestic companies is preferred more in rural areas (Arnold and Quelch, 1998; Burgess and Steenkamp, 2006). This variation requires companies develop different strategies in terms of which company values should be disseminated as their corporate identity to these two major segments.

It can be suggested that global companies which prefer to focus only on the elite group in big cities in emerging markets should highlight a corporate identity embedding values which are associated with highly developed countries. Burgess and Steenkamp (2006) argue that global organisations may launch their existing brands in emerging markets with very little or no change in urban areas in emerging countries. Arnold and Quelch (1998) assert that global businesses can even charge consumers with premium prices since they are willing to pay more for those brands in order to be identified with the elites in big cities. Global companies which also target rural areas should focus on local consumer characteristics. In order to be able to gather this information, it may be better for those types of organisations to acquire a local company or establish a joint venture with domestic organisations and use their brands and market intelligence (Arnold and Quelch, 1998).

## **6.5. Integration of Corporate Identity Mix Elements and Its Relation to Corporate Image**

The third research question of this study (See Section 1.2) addresses the gap in corporate image research related to providing empirical support for the measurement and relevance of integrated communication in corporate image formation from the perspective of receivers. Many of the conceptual articles in the field (e.g. Abratt, 1989; Bernstein, 1984; Einwiller and Will, 2002; Gray and Smeltzer, 1985, 1987; Olins, 1978; Van Rekom, 1997; Van Riel, 1995) discussed the integration issue from the companies' standpoint and suggested that companies should integrate corporate identity mix elements to achieve favourable corporate image and similar corporate associations as they intended to create in the minds of consumers. However, they have failed to provide evidence for how integration can be measured in the consumers' context and how consumers' attributions about the integration level of company-driven communication efforts (i.e. corporate identity mix elements) relate to corporate image formation.

The findings of this study demonstrated that the definition of integration is derived from the integrated marketing communications literature (e.g. Duncan and Everett, 1993; Duncan and Moriarty, 1998; Fitzgerald and Arnott, 2000; Kitchen and Schultz, 1998, 1999; Low, 2000; Novak and Phelps, 1994; Schultz and Kitchen, 1997) is valid in the consumers' context. CFA application confirmed that consumers perceive the integration concept as comprising three major aspects: 1) alignment of formal communication activities to share a common company message, 2) dissemination of

similar messages, and 3) co-ordinated execution of company-driven communication efforts (See Low, 2000).

Moreover, the results of the hypothesis testing showed that the perceived integration of the corporate identity mix is one of the antecedents of the corporate associations gap (H6j supported). It was also shown that consumers' perceptions of the integration level of a company's formal communication efforts may lead to more favourable corporate images when consumers make associations about a company's identity characteristics that are similar to which that organisation wants to convey (H6k supported). These findings supported the assumption that perceived integration of company-driven communication activities is related to individuals' own psychology (Moriarty, 1996) and it evokes judgemental associations (i.e. corporate associations gap) and attitudinal consequences (i.e. corporate image) (Keller, 2001). Overall, it may be concluded that integration may motivate consumers to hold a favourable image about a company by reducing the perceived dissonance between the intended corporate associations that a company wants to create in consumers' minds and individuals' mental descriptions about these company values.

#### **6.6. Corporate Identity Mix Elements versus Unplanned Communication Factors**

Another issue was highlighted by Brown and Dacin (1997) that managers of organisations still did not know whether it was their planned communication efforts or external factors also defined what images consumers hold about their companies. As Dacin and Brown (2002) suggested, in this respect it was fruitful to investigate the relative impact of these two major groups of identity communicators (i.e. corporate

identity mix elements versus unplanned communication factors) on corporate image formation, which has not been addressed by previous studies. Drawing on Williams and Moffit's (1997) study, it was hypothesised that company-planned communication will be more influential than non-company driven communication factors. The results showed that it was not possible to conclude that corporate identity mix elements are more influential than unplanned communication factors<sup>30</sup> (H7 not supported). For example, it was found that corporate visual identity systems and interpersonal communication shared the same importance level ( $\beta_{CVIS} = \beta_{CWOM} = 0.22$ ), and emotional appeal of an organisation ( $\beta_{EMOT} = 0.14$ ) had higher impact than company behaviour ( $\beta_{CBEH} = 0.10$ ) on corporate image.

However, when a comparison was made within each group of corporate identity communicators, it was found that corporate visual identity systems (CVIS) is the most influential corporate identity mix element in corporate image formation process. It was followed by company behaviour and marketing communication mix elements. This finding may indicate that people tend to store positive emotions evoked by company features which are more enduring (i.e. CVIS) than which change more often as a response to business environment (i.e. marketing communication activities).

When the relative impact of unplanned communication factors was investigated, the analysis showed that interpersonal communication was more influential than intrapersonal factors (i.e. emotional appeal, consumer-company identification, consumer-company value congruence, and corporate associations gap). This result may indicate that information exchange between friends and relatives motivate

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<sup>30</sup> The comparison was based on the values of the standardised coefficients for the total effects of exogenous latent variables on endogenous latent variables (See Section 5.4.3).



individuals more immediately while making interpretations about a company than making inferences about organisations in comparison to self-related judgements.

## **6.7. Summary**

In this chapter, the research findings of this study are discussed in relation to theoretical expectations. The chapter begins with comments on the results of the measurement scale refinement and hypotheses testing. The outcomes indicated that some sub-elements of corporate identity mix elements (i.e. corporate aesthetics, staff apparel and manager behaviour) may be removed from the proposed model. The structural equation modelling application demonstrated that almost all of the proposed relationships between the antecedents defined and corporate image exist. However, the relationships between employee behaviour and intermediary communication were not statistically significant.

Briefly, the findings indicated a direct positive relationship between corporate visual identity systems, marketing communication mix elements, company behaviour, and corporate image. The results also showed that the corporate associations gap, consumer-company identification, emotional appeal and consumer-company value congruence directly affect corporate image. Additionally, it was found that emotional appeal and consumer-consumer value congruence are antecedents of consumer-company identification, and that emotional appeal has an indirect relationship with corporate image through consumer-company identification. Moreover, the findings demonstrated that consumer-company value congruence is a determinant of the corporate associations gap, and it indirectly influences corporate image through the

corporate associations gap. However, an unclear result was found for the relative impact of each corporate identity mix elements and unplanned communication factors on corporate image. Finally, the argument that 'the link between the perception of integrated company-driven communication and corporate image exists via the corporate associations gap' was also confirmed.

In the next section, the theoretical and managerial implications of these findings will be presented. The limitations of the research and potential future research avenues will also be noted.

## **VII CONCLUSION**

### **7.1. Introduction**

Although there are several conceptual articles and few empirical studies which aim to increase our understanding of corporate image and corporate identity communication, there is still a lack of empirical research to determine which corporate identity mix elements and unplanned communication factors motivate consumers during the company image formation process in the minds of consumers. Moreover, little is known about how the integration of company-controlled communication activities (corporate identity mix elements) relates to corporate image formation.

In this chapter, first the theoretical contribution of this thesis in terms of these two gaps in the field is discussed. Second, the managerial implications of the study's findings are described. This is followed by a discussion of the methodological and theoretical limitations of the research. Finally, some future research avenues are suggested.

### **7.2. Theoretical Implications of the Study**

This thesis extends the existing understanding about the types of communication which have influence on corporate image formation in a number of areas. In the following, theoretical implications related to the relationships between the corporate image concept and each sub-component of corporate identity mix elements and unplanned communication factors are presented.

The major contribution of this research is that it is one of the first attempts to incorporate corporate identity mix elements and unplanned communication factors into one model, and examine each communicator's impact on corporate image formation from the consumer's perspective. Prior studies have investigated the role of some company-driven communication activities individually in conveying corporate identity messages to different audiences. However, a comprehensive approach, which takes the communicators both internal and external to companies into consideration, has not been tested. By examining an integrative model in the consumer context, this research challenges the claims of 'anything a company does communicates its identity' (Balmer, 1997, 2001; Van Riel and Balmer, 1997) and 'corporate image is a composite product of multiple communicators including formal communication efforts and external communication factors' (Bhattacharya and Sen, 2003; Cornelissen, 2000). Additionally, it provides empirical evidence about the influence of integration of company-controlled communication activities (corporate identity mix elements) on corporate image. Therefore, drawing on the interdisciplinary paradigm (See Section 2.2.5), this study is one of the first empirical works that synthesises concepts from corporate identity and corporate image management, word-of-mouth communication, corporate associations, organisational identification, value congruence and integrated marketing communication literatures to explain the corporate image formation process in a more holistic manner.

In the proposed model, the direct impacts of sub-elements within the three main aspects of corporate identity mix elements (i.e. symbolism, communication and behaviour) on corporate image are evaluated. Direct influences of interpersonal communication and intermediary communication on the corporate image concept are

also assessed. Moreover, the mediators between intrapersonal communication factors (corporate associations gap, consumer-company identification, emotional appeals and consumer-company value congruence), as well as their direct and indirect relationships with the corporate image concept, are tested. The relationship between perceived integration of corporate identity mix elements and corporate image is also examined. The theoretical implications of these points mentioned here are presented in the following sections.

### **7.2.1. Corporate identity mix elements**

This study concludes that corporate image is based on multiple indicators, including communication by corporate identity mix elements and unplanned communication factors. Although the impact of the majority of the sub-elements in these two major groups of identity communicators on corporate image is reported on the basis of the data analysis, in the section about measurement scale purification (Section 6.2) it is argued that the salient sub-features of corporate identity mix elements may differ for different types of stakeholders. The findings illustrated that the symbolism aspect was perceived as equivalent to corporate visual identity systems, and the behaviour element was deemed as consisting of employee and company behaviours. The corporate aesthetics, staff apparel and manager behaviour dimensions appeared to be irrelevant in the consumer context (See Section 6.2). This was supported by similar results in the reputation management field (e.g. Brown and Perry, 1994; Fombrun et al., 2000; Groenland, 2002; Thevissen, 2002), which also showed that different indicators may attract different stakeholders' attentions in different contexts. This

finding suggests that future research should be cautious in identifying what constitutes corporate identity mix elements with regards to different stakeholders.

Moreover, it can be concluded that Balmer's (1997) claim of 'anything a company does communicates its identity' may be revised by adding 'salient formal communication factors may change for different stakeholder groups' as a contingency. This view complements the approach of scholars who proposed corporate image implementation plans (e.g. Abratt, 1989; Dowling, 1986; Gray and Smeltzer, 1987). They acknowledge that all formal communication activities of an organisation should possess the characteristics of its identity; however, they stress that these efforts should be designed to meet the different expectations of company's constituent groups, and specific sets of activities should be emphasised more in communicating a company's identity to each target group of stakeholders.

Another point about the relevance of the sub-elements of corporate identity mix in the consumer context should be mentioned. In this research, consumers' affection-based attributions about corporate aesthetics and staff apparel were considered. The evidence from focus group discussions demonstrated that if the functional aspects of these two concepts (e.g. space, cleanliness etc.) are examined, a potential link between them and corporate image may be assumed. However, it should be noted that consumers may not form an immediate reaction towards companies on the basis of their assessments of these two concepts. Drawing on the store image literature (e.g. Donovan and Rossiter, 1982; Martineau, 1958; Thang and Tan, 2003), it could be argued that corporate aesthetics and staff apparel can be regarded as stimuli which affect

consumers' perceptions of store images, which in turn, may have an impact on their corporate image formation.

The results of the hypothesis testing demonstrated that, apart from the relationships between employee behaviour and intermediary communication factors and corporate image, all of the theoretically expected relationships between the revised set of constructs on the basis of their relevance to the consumer context and corporate image existed. In the following, theoretical implications of the statistically significant and non-significant relationships between each communication factor and corporate image are presented.

The analysis showed that people's emotion-based reactions about a company's corporate visual identity systems positively influence the corporate image they hold. This evidence reaffirms the corporate identity management literature (e.g. Van Riel, 1995) which claims symbolism triggers an affective response in the minds of consumers. This finding also confirms research in symbolism (e.g. Cohen, 1989; Henderson and Cote, 1998; Peter, 1989; Robertson, 1989) claiming that when consumers like or have positive feelings towards a company's symbols, they are more likely to hold a favourable image towards that organisation.

The evidence from the hypothesis testing showed that consumers' attributions about the ability of marketing communication activities to reflect a company's values may lead to attitudinal consequences at company level such as corporate image formation. The results complement the view that marketing communication activities are an integral part of corporate identity management (Van Riel, 1995), which indicates that

they have a wider spectrum of influence than just supporting the brands of a company (Keller, 2001; Markwick and Fill, 1997).

This research also suggests that the influence of consumers' attributions about employee behaviour is more complex than the straightforward positive relationships as suggested by the literature in corporate image and identity areas (e.g. Dowling, 1986; Gray and Balmer, 1998; Kennedy, 1977). As argued in Section 6.3, the quality of interaction between contact personnel and consumers is considered to be one of the major indicators of service quality (Berry and Parasuraman, 1991; Bitner, 1990; Crosby et al., 1990; Parasuraman et al., 1988) and customer satisfaction (Bolton and Drew, 1992; Cronin and Taylor, 1992). However, the influence of employee behaviour on corporate image may be contingent on perceived service quality and satisfaction from the service rather than being direct. In other words, it is claimed that although employee behaviour may not evoke immediate attributions about a company's image in the minds of consumers, the organisationally desired consequences of employee behaviour may have a direct impact on corporate image formation. This inference is supported by Nguyen and LeBlanc's study (1998) which established a link between services marketing related concepts and the corporate image literature.

This study showed that company behaviour towards social responsibility issues determine what consumers think of organisations. This finding is in line with the research in corporate associations and corporate social responsibility (e.g. Brown and Dacin, 1997; Sen and Bhattacharya, 2001) and it highlights that company aspects which are not product related such as social responsibility efforts may act as a



catalyser with increase consumer-company interaction which may lead to a stronger bond between consumers and organisations.

### **7.2.2. Unplanned communication factors**

This research complements the literature on word-of-mouth communication (e.g. Bristor, 1990; Brown et al, 2005; Brown and Reingen, 1987; Christiansen and Tax, 2000; Duhan et al., 1997; Halstead, 2002; Harrison-Walker, 2001; Lau and Ng, 2001; Richins, 1983) by showing that information exchange among closely tied individuals (e.g. friends and relatives) results in attitudinal changes at company level as well. It can also be stated that although intermediary communication's direct impact on corporate image formation is not evident, the results may indicate that word-of-mouth messages by third parties could be acting as the means of information flow among strongly-tied individuals (Brown and Reingen, 1987; Weimann, 1983). This implication suggests that intermediary communication is more complex than it has been assumed by the corporate image literature, such that there may not be a direct relationship between intermediary communication and corporate image as suggested by the current literature (e.g. Cornelissen, 2000; Frombrun and Shanley, 1990).

One of the main issues highlighted by this study is related to the conceptualisation of the corporate image and the corporate associations gap concepts. As argued in the literature review (See Section 2.3 and Section 2.4), corporate image is a holistic mental picture about a company (Dowling, 1986; Johnson and Zinkhan, 1990; Keller, 2002) which is determined by the descriptive mental associations about its central, unique and enduring characteristics that constitute its identity (Brown, 1998). The

results of the CFA demonstrated that the definition of corporate image as the net result of an individuals' overall impression about a company which incorporates their views on the company's comparative position in its sector and what they construe about what others think about that organisation is conceptually valid. The hypothesis testing also confirmed that the corporate associations gap was a determinant of corporate image formation. Therefore, the theoretical expectations about the definitions of corporate image and the corporate associations gap were met. This inference complements the research in corporate associations (e.g. Balmer, 1998; Brown and Dacin, 1997) and corporate branding (e.g. Davies and Chun, 2002; Schultz and De Chernatony, 2002).

By highlighting the importance of consonance between intended identity associations and their perceptions (i.e. corporate associations gap), this research reaffirmed that the identity of an organisation is developed dialectically (Cheney and Vibbert, 1987). Dacin and Brown (2002) argue that since a company's communication efforts affect its constituents' response to that organisation, the definition of intended corporate associations is determined by both the organisation and the feedback from its stakeholders. This study showed that if there is a mismatch between consumers' mental descriptions about organisations' identities and what is intended, this may force companies to alter their definition of the corporate associations that they want to achieve in the minds of individuals.

Another key contribution of this research lies in establishing the role of a company's intended corporate associations in creating stronger bonds between consumers and companies on the basis of personal and organisational value congruence. This study showed that greater consumer-company value congruence has a direct impact on

corporate image and the corporate associations gap. It also demonstrated that there is a mediated relationship between consumer-company value congruence and corporate image via consumer-company identification. These findings complement research on consumer-brand congruity (e.g. Aaker, 1997; Fournier, 1998) and self-image and value congruence fields (e.g. Edvardsson and Gustavson, 1991; Ekinci and Riley, 2003; Sen and Bhattacharya, 2001; Sirgy, 1982b; Sirgy and Samli, 1985). Similar to the argument about consumers' perception of congruence between their own personality values and that of product brands may lead to stronger consumer-brand relationships (Aaker, 1997; Fournier, 1998), Sen and Bhattacharya (2001) argued that consumers' perceptions of congruity with companies on self-relevant characteristics can serve to nurture their self-definitional needs such as oneness and belongingness, by identifying themselves in relation to companies considered reputable by others they think of highly (Ashfort and Mael, 1989).

By implicating consumer-company identification as one of the key drivers of corporate image formation, this research contributes to the research in person-organisation fit (e.g. Kristof, 1996; O'Reilly and Chatman, 1986; O'Reilly et al., 1991) and organisational identification areas (e.g. Ashfort and Mael, 1989; Bergami and Bagozzi, 2000; Dutton et al., 1994). These two research streams have focused on understanding the dynamics of employee-organisation relationships. The framework in this study extended this approach to the non-formal membership situations and demonstrated the likelihood of organisational identification occurring in the consumer context. Moreover, the model pinpointed the role of two individual-specific factors (i.e. emotional appeal and consumer-company value congruence), which underlie consumer-company identification. It is evidenced that when individuals construe that a

company is perceived as trustworthy and respectful by people they think of highly, this evokes an emotionally appealing point about that organisation which in turn prepares the foundation for consumer-company identification. Moreover, the argument about self-image and value congruence that suggests when consumers perceive that an organisation possesses similar values to theirs, they are more likely to use that organisation as a social identifier was confirmed (e.g. Edvardsson and Gustavsson, 1991; Ekinci and Riley, 2003; O'Reilly et al., 1991; Sen and Bhattacharya, 2001; Sirgy, 1982b; Sirgy and Samli, 1985).

Overall, on the basis of the theoretical implications presented in sections 7.2.1 and 7.2.2, it is concluded that corporate image formation process is a complex phenomenon, which is influenced by company-driven and non-company driven communication factors. The discussion in Section 6.6 supports this view. It is found that it is not possible to assume that company planned communication can outperform the impact of external communication factors on corporate image formation. It may rather be argued that corporate image is a product of multiple communication sources. As Cornelissen (2000) claims, the models which propose one way link between corporate identity and corporate image (e.g. Abratt, 1989; Balmer and Soenen, 1999; Birkigt and Stadler, 1986; Dowling, 1986; Markwick and Fill, 1997; Simoes et al., 2005; Van Riel, 1995) should be revised and restructured by incorporating external forces as communicators of identity.

### **7.2.3. Integration of corporate identity mix elements**

This study also contributes to the corporate identity and corporate image management field by addressing the issue of integration. Although many authors in the field (e.g. Abratt, 1989; Einwiller and Will, 2002; Gray and Smeltzer, 1985, 1987; Van Rekom, 1997; Van Riel, 1995) have discussed the role of integrated corporate identity mix elements, this study furthered their arguments by providing empirical evidence for its measurement and relevance to corporate image formation as a response to the call for contextualising integration issue in communication field (e.g. Cornelissen and Lock, 2001; Van Riel, 1995). In line with the integrated marketing communication literature (e.g. Duncan and Everett, 1993; Duncan and Moriarty, 1998; Fitzgerald and Arnott, 2000; Kitchen and Schultz, 1998, 1999; Low, 2000; Novak and Phelps, 1994; Schultz and Kitchen, 1997), this research shows that the integration of corporate identity mix elements can be articulated as co-ordinated execution of communication activities and alignment of these activities to disseminate similar and/or commonly shared messages (Low, 2000). Additionally, this study complements the view of scholars (e.g. Bhattacharya and Sen, 2003; Gray and Smeltzer, 1987; Van Rekom, 1997; Van Riel, 1995; Van Riel and Balmer, 1997) who claim that consumers' attributions about the integration of corporate identity mix elements may lead to judgemental and attitudinal consequences such as evaluation of intended corporate associations and perception of corporate image (See Keller, 2001).

### **7.3. Managerial Implications of the Study**

On the basis of the theoretical implications discussed in the previous section, this study offers some practical guidelines for managers to achieve a favourable image about their organisations in consumers' minds. This study's findings suggest that managers should recognise that corporate image formation is a complex process that is influenced by multiple communication factors including company-driven communication efforts and external communication elements. In the following, some suggestions about how managers could interpret the findings of this study in terms of corporate image management.

By demonstrating that different corporate identity mix elements may be regarded as salient corporate identity communicators by different stakeholders, this research complements the views of scholars who developed multi-step corporate image implementation plans (e.g. Abratt, 1989; Gray and Smeltzer, 1987; Dowling, 1986). Therefore, it should again be highlighted that managers should define the set of promotional tools according to different stakeholders groups and equip them with corporate messages which are more appealing to those particular audiences.

The research results showed that symbolism is an important part of corporate identity management, since its elements evoke an emotional response in the minds of consumers (Henderson and Cote, 1998, Van Riel, 1995). Therefore, managers should put greater emphasis on the emotional aspect of the symbols their organisations use, rather than simply keeping them as fashionable. For example, Van Riel et al. (2001) note that corporate symbols are more stable elements of corporate identity mix,

because they tend to stay unchanged longer than other aspects such as marketing communication activities, which need to respond to market and consumer taste changes immediately. Therefore, they suggest that the maintenance of visual expressions of an organisation in terms of the corporate messages they represent should not be neglected.

By establishing that marketing communication activities may lead to favourable corporate image formation, this study suggests that managers should consider marketing communication activities as a conduit of company-level messages as well. As we have seen in McDonald's case, marketing communication messages about product/service brands should be in tune with a company's core values (such as contributing to the local economy and providing quality food) in order to ensure that a unifying company image is presented. This approach may allow companies to benefit from brand leveraging opportunities due to cognitive consistency influenced by projection of similar and/or supporting messages about a brand and the company behind it (Keller, 2003). Furthermore, endorsement of company values in marketing communication activities may reduce the risk of negative response to brand extensions (Keller and Aaker, 1992b) and product evaluations (Gürhan-Canli and Batra, 2004).

The findings of this study about the relationship between company behaviour and corporate image suggest that managers should pay more attention to regular assessments showing whether or not the company is being perceived as socially responsible. Sen and Bhattacharya (2001) found that consumers' evaluations of companies are especially sensitive to negative attributions about these organisations' reactions toward issues of social responsibility. In the light of this study's findings and

Sen and Bhattacharya's (2001) supporting argument, it can be suggested that companies should embed the philosophy of being socially responsible in their definition of corporate identity. However, there may be companies which treat their activities in the area of social responsibility as a prompt response to the business environment, rather than being a part of that organisation's core ideology. Decision-makers of such organisations should, at least, research which of the company behaviour related issues receive more support from their key consumer segments, and then try to integrate those values into that company's definition of intended corporate associations. Moreover, Brown and Dacin (1997) reported that social responsibility associations have an influence on product evaluations through company evaluations. Therefore, it can be suggested that assessing consumers' views about a company's social responsibility-oriented actions may lead to increased purchasing behaviour, and hence higher market share.

The finding about the word-of-mouth communication by intermediaries showed that the delivery of company-related messages by third parties may increase the information flow among people rather than being persuasive in individuals' decision-making about companies. From a managerial point of view, it may be fruitful for managers to focus on their consumers who are more likely to follow third party word-of-mouth information about their companies and try to influence these consumers' interpretations of non-company driven messages by designing promotional media which are directed only to these company-related information seeking individuals. By doing so, organisations can be more proactive in addressing any discrepancies between what is said by third parties and what the company wants to convey. This approach may in turn motivate key customers to revise their views about their



companies and deliver favourable recommendations to their close environments. As Bowman and Narayandas (2001) assert, each contact initiated by word-of-mouth information dissemination by company related information seekers is an important factor for building better relationships with consumers.

The study's finding that shows consumer-company identification positively influences corporate image implies that identification is a way of ensuring deeper consumer-company relationships. Therefore, managers should ask themselves which identification building strategies they can use to motivate consumers to engage in using companies as social identifiers (Bhattacharya and Sen, 2003). It may be argued that service companies may benefit from identification encouraging activities more than product selling organisations, since the level of consumer-company interaction is higher in the services context (Berry and Parasuraman, 1991; Zeithaml et al, 1990, 1996; Zeithaml and Bitner, 1996; 2003) which gives an individual more opportunity to express him/herself. Nonetheless, Bhattacharya and Sen (2003) assert that companies which produce several products for the same target market can also utilise the halo effect of consumers' identification with their organisations to market their products.

If implementing consumer-company identification strategies is considered to be beneficial by companies, managers should allocate more resources to articulating and communicating their organisations' identities coherently through organisationally controllable channels; i.e. corporate identity mix element. These company-driven efforts should aim to create more consumer-company interactions which can serve to increase customer loyalty and retention. Furthermore, managers should collect information about identity-related messages which are disseminated by non-company

controlled communication mechanisms, in order to be able to diagnose and eliminate the possible discrepancies.

The finding that the corporate associations gap has a positive relationship with corporate image suggests that communicating corporate identity is linked to understanding how specific corporate associations are held by different stakeholders, including consumers, who are the subjects of this study. Dacin and Brown (2002) assert that companies should not only be aware of how consumers perceive the specific qualities of their brands; they should also monitor how consumers evaluate the unique and distinctive characteristics of their organisations. Brown and Dacin (1997) demonstrated that specific corporate associations have a positive impact on product evaluations directly and through overall company evaluation (i.e. corporate image). It can be argued that any mismatch between intended corporate associations and consumers' perception of these associations (i.e. corporate associations gap) may also lead to the inconsistency between the specific product qualities and consumers' attributions about them. As a result, products of an organisation may be misplaced in the minds of consumers, and they may switch to competing brands. In order to avoid any market share loss due to such mechanisms, managers should ensure that company-driven communication activities reflect what they want their consumers to associate with their organisations.

The idea behind consumer-company value congruence is that managers should go beyond seeing consumers as just buyers of their products, and consider them as a part of the corporate identity creation process (Cheney and Vibbert, 1987). Ekinci and Riley (2003) state that understanding consumers' personality characteristics can be

translated into using similar qualities in the creation of new products and services. Similarly, managers can use the same values to position their companies in the market place, and then revise the definition of intended corporate associations for their own organisations. If the consumer-company value congruence assessment is carried out periodically by companies, any changes in consumer tastes could be detected and reflected in the definition of intended corporate associations. By doing so, companies can benefit from differentiating themselves from their counterparts at the right time in the right manner.

Moreover, diagnosing values which constitute individuals' views of their self-image may help managers develop promotional strategies. As mentioned in the literature (See Section 2.5), corporate identity is communicated by messages embedded in an organisation's symbolism, communication and behaviour (Van Riel, 1995). In its broader sense, these company-driven communication efforts should integrate the personal values of individuals in any promotional messages in order to evoke positive associations about companies' identities, and hence motivate overall favourable evaluations about organisations.

Furthermore, by establishing that the attributions of consumers about the integration of corporate identity mix elements may lead to a smaller corporate associations gap and hence more favourable corporate image, this study re-emphasised the key role of integrated company-controlled communication (i.e. corporate identity mix elements) in corporate identity management (Simoes et al., 2005). As the definition of integration on the basis of empirical evidence indicates, it may be suggested managers should ensure that the symbolism, communication and behaviour aspects of corporate

identity mix should be strategically co-ordinated and should have common objectives and convey similar and/or supporting messages about their companies' identities (Gray and Smeltzer, 1985, 1987; Van Riel, 1995). The results of the study show that integration of company-driven communication elements may help organisations to decrease the likelihood of dissonance between intended corporate associations and consumers' perceptions about these qualities which in turn may positively influence their evaluation of the company image.

Finally, this study highlights that corporate image formation is influenced by multiple elements including company and non-company driven communication factors and the relative importance of each indicator may change on the basis of its relevance according to the stakeholders targeted. It can be argued that better understanding of how these factors are measured and relate to each other can help managers to develop effective communication plans and allocate resources among activities more efficiently.

#### **7.4. Limitations of the Study**

Since this study is one of the first attempts to address the role of corporate identity mix elements and unplanned communication factors in corporate image formation, there are some limitations pertinent to sampling, survey approach and measurement issues which are presented in the following paragraphs.

As with other marketing studies, lack of access to a complete sampling framework has led the researcher to employ a non-probability sampling method i.e. a convenience

sample of individuals from the clusters selected (See Section 4.6.2). Even though convenience samples can be considered appropriate for theory testing, a probability sampling technique should be used in order to eliminate the potential bias in terms of validity and generalisability of the scales used in this study (See Churchill, 1999).

Another shortcoming is the employment of a cross-sectional survey design, which provides only a snapshot of relationships between variables at a point in time (Churchill, 1999). In that sense, the ability of this survey technique to capture the causal relationships between the constructs in question is considered to be limited to the inferences derived from the underlying theories, which are reflected in the hypotheses, rather than from the data (Rudenstam and Newton, 1992). Therefore, it should be noted that the interpretations of the study's findings are based on the theoretical background in Chapter II and Chapter III, and are supported by insights obtained from interviews with identity consultants and managers as well as from focus group discussions with consumers. Besides, it should be remembered that due to its non-longitudinal nature, cross-sectional data is open to the effect of specific conditions that are pertinent to the particular time at which the data was collected. This may lead to reservations about the generalisability of a study's results over time (Churchill, 1999).

The third limitation of this study is that only two reference companies (McDonald's and Renault-Mais) were targeted as focal companies to be assessed via questionnaires. Even though the items for the scales were drawn from anecdotal articles which provided perspectives from several business areas, and the two companies belong to the two major industries (i.e. services and manufacturing), further studies should

regard other case companies from different business contexts in order to increase the validity and generalisability of the scales.

As mentioned in Chapter III, this study has considered a single group of stakeholders, consumers, in order to be able to have greater control over the testing of an exploratory model. However, it should be noted that corporate identity and corporate image concepts relate to several stakeholders such as employees, distributors, investors etc. (Dacin and Brown, 2002; Van Riel and Balmer, 1997). Therefore, the validity and generalisability of the scales used in this study should be tested in other stakeholder-oriented models.

The fifth shortcoming of this study is the appropriateness of the adjectives used to assess a company's identity. Although these adjectives were compiled from studies which showed high reliability (i.e. Aaker, 1997; Brown and Dacin, 1997; Davies and Chun, 2002; Gardberg and Fombrun, 2002; Groenland, 2002; Sen and Bhattacharya, 2001; Westberg, 1994), the adequacy of these adjectives for defining different companies' identities (cf. Aaker, 1997) may be questionable. Furthermore, the usability of the same qualities for individuals' own personality assessments should also be quantitatively explored (Ekinci and Riley, 2003). Development of such a scale, and the testing of its dimensionality both for company identity evaluation and individuals' own value assessment, was out of the scope of this study. However, the appropriateness of the adjectives chosen was ensured by qualitative assessment of the adjective pool by academics and by eliminating some of the qualities on the basis of their meaningfulness for the Turkish respondents (See Section 4.5.3.1). Additionally, respondents did not raise any concerns about the relevance of the adjectives used in

terms of company identity and their own personality assessments during the pilot applications of the questionnaires.

The sixth point is related to the collection of the information about the two case companies' intended corporate identity associations. As mentioned in the research design, a questionnaire (See Appendix 9) which included the compiled identity traits was applied to the decision-makers who are involved in the corporate identity or corporate communication management of their organisations. However, since the distribution of this questionnaire was carried out by the key manager interviewed in each case company, there may be questions about whether the targeted respondents evaluated their company's identity or not. Nonetheless, the introductory part of the questionnaire clearly stated that the questionnaire should be distributed to managers who are involved in the decision-making process of corporate identity management and communication. The importance of this issue was also emphasised in the follow-up emails sent to the key interviewees.

Seventh, since the research instrument is composed of scales which are generally based on the anecdotal studies and the statements in the scales used were formed as questions by the researcher, the replication of the study on different samples and in different country contexts is necessary, in order to increase the validity and reliability of the measures used. Despite this limitation, the results of exploratory and confirmatory factor analyses (See Chapter V) show that a sound research instrument was developed.

Finally, it should be mentioned that the results may show a potential bias, due to the usage of difference scores to measure the corporate associations gap and consumer-company value congruence concepts (See Peter et al., 1993). Despite the criticisms about the reliability of difference score measures and too high correlations between gap scores and theoretically related variables, the mathematical calculation of gap scores was considered as usable in this study, as the debate on the superiority of direct measurement of gap scores is still unresolved (Ekinci and Riley, 2003).

Although there are some limitations pertinent to this study's findings, the researcher believes that the potential bias in results can be overcome by conducting further studies. In the next section, some future research avenues are suggested to point out the limitations discussed here along with some further areas of investigation relevant to corporate image formation and its consequences.

### **7.5. Future Research Avenues**

First, the model tested here should be replicated, using a random sample of consumers, in order to eliminate the potential bias due to convenience sampling in terms of validity and generalisability of the scales adapted and developed in this research.

This study has demonstrated the salient communicators of corporate identity for consumers by incorporating corporate identity mix elements and unplanned communication factors in one model. In line with the existing literature, it is acknowledged in this thesis that corporate identity and corporate image concepts relate to multi-stakeholders (Dacin and Brown, 2002; Van Riel and Balmer, 1997).



Therefore, it is argued that there is still a need to identify which of the corporate identity mix elements appeal more to other stakeholders of companies such as employees, investors and distributors, and how their perceptions of external factors interplay with company-controlled communication. Furthermore, it is suggested that examining the drivers of similarities and differences between diverse stakeholders' views on what communicates identity may offer managers different perspectives to enable the development of effective communication strategies.

This study has grounded the argument about the impact of company-driven communication on corporate image in Attribution Theory, which argues that observers' (consumers) interpretations of others' intentional behaviours (companies' planned communication activities) affect their reactions to other people (Malle, 1999; Malle, 2000). This research addresses consumers' attributions of a company's communication of its identity by corporate identity mix elements; however, it does not take into account how the consumers' interpretation process of corporate identity cues occurs; this could be examined in a further study.

In addition, Attribution Theory argues that people's attributions about others' behaviours are also contingent on situations which force other people to behave in a certain way (Weiner, 1986). Accordingly, it could be claimed that some macro environmental factors such as business environment, country-of-origin, industry identity etc. (See Balmer and Soenen, 1999) may have an influence on the design and implementation of a company's planned communication activities. Those external factors may also affect individuals' attributions of company-driven communication as being forced by these external factors. Such a situation may change their perceptions

about companies' identities. Therefore, macro environmental conditions and individuals' attributions about them in terms of their influence on a company's communication activities should be explored in further studies.

As mentioned in the theoretical implications (See Section 7.2), the impact of employee behaviour and intermediary communication on corporate image are more complex issues than suggested by existing studies in the corporate identity and corporate image fields. It was argued that the influence of employee behaviour on corporate image may be mediated by the consequences of the quality of interactions between contact personnel and consumers such as service quality and customer satisfaction (e.g. Nguyen and LeBlanc, 1998). Similarly, the direct impact of intermediary communication may be related to certain conditions occurring, such as the credibility level of sources (e.g. Brown and Reingen, 1987). Therefore, conditions related to these potential factors and their role in corporate image formation should be addressed in future studies.

It should also be noted that the unplanned (uncontrolled) communication factors considered in this research are not an exhaustive list of external elements. There may be other personal factors such as demographic characteristics of individuals (e.g. age, gender, occupation etc.) or other self-related factors (self-distinctiveness, self-esteem, self-continuity, self-enhancement etc.) (See Bhattacharya and Sen, 2003), which may have an influence on corporate image formation. An extended model can be tested by the inclusion of these potential variables.

As mentioned in the research limitations, a pool of adjectives was extracted from other studies in order to assess individuals' views on the case companies' intended identity associations. Brown (1998) suggests that corporate associations is a multidimensional concept, which includes corporate responsibility, corporate ability, exchange partner, employee and product associations. Since this model was an initial attempt to test several identity communicators on corporate image, such theoretical dimensionality and perceived gaps in each possible association category was not tested, in order to make the model less complex. Researchers might consider examining whether corporate associations include these dimensions by adopting Aaker's (1997) methodology for exploring brand personality dimensions and they might investigate the impact of each possible factor on corporate image. Researchers can also refer to studies by Brown and Dacin (1997) and Sen and Bhattacharya (2001) for methodological issues.

In this study, only the antecedents of corporate image formation are investigated. As mentioned in the literature corporate image is related to company performance indicators such as customer satisfaction and retention, loyalty, purchase/repurchase intention etc. (e.g. Andreassan and Lindestad, 1998; Bhattacharya and Sen, 2003; Dacin and Brown, 2002; Nguyen and LeBlanc, 1998). Accordingly, in future studies, the consequences of corporate image in terms of such desirable company outcomes can be addressed. Researchers can refer to Dacin and Brown (2002) for an extensive list of other company outcomes related to corporate image and corporate associations.

This research also is one of the few attempts to investigate a corporate image formation model outside the US and Europe. As mentioned in the methodology, the

research in corporate image field and related areas (e.g. Andreassen and Lindestad, 1998; Balmer, 1995; Boyle, 1996; Brown and Dacin, 1997; Fill and Diminopolu, 1999; Fombrun et al., 2000; Gürhan-Canli, 1996; Kennedy, 1977; Simoes, 2001; Thevissen, 2002; Van Riel, 2002; Westberg, 1994; Wiedmann, 2002) has not considered countries like Turkey as a research context which are culturally different from developed countries (Balabanis et al, 2002; Garten, 1997). Since the applicability of theories to different cultural settings is important in achieving external validity in theory testing, as in the example of a recent call for cross-cultural research in the reputation management area (See Corporate Reputation Review, 2002, Vol. 4, No. 4), this research can be considered as a call for expanding research in the corporate image area within emerging markets. Burgess and Steenkamp (2006) support this view by arguing that relevance and applicability of marketing practices and theories should be challenged in emerging markets since they differ in economic, social and cultural structures than western countries.

## **7.6. Summary**

This research contributes to a better understanding of corporate image formation issues. First, its findings relating to the development and validation of the salient communicators of corporate image in the consumer context were explained. Second, a structural model incorporating corporate identity mix elements and unplanned communication factors was tested. Accordingly, the theoretical implications of the study in reference to corporate image and corporate identity studies were discussed by drawing supporting insights from the fields of integrated marketing communications,

corporate social responsibility, word-of-mouth communication, corporate associations, organisational identification, self-image, value congruence and services marketing.

In conclusion, although several limitations have been mentioned, this research established a platform for furthering our understanding of corporate image formation phenomena. The researcher believes that the findings of this research provide significant theoretical implications and substantial managerial recommendations. The author sincerely hopes that this thesis will stimulate and encourage researchers to build upon the findings presented here.

## Appendix 1 – Consultancy Interviews Question Sheet

<p><b><u>Title of interviewee:</u></b></p> <p><b><u>Name of agency:</u></b></p> <p><b><u>Date:</u></b></p> <p><b><u>Place:</u></b></p> <p><b><u>Length of discussion:</u></b></p> <p><b><u>Interviewer:</u></b></p>
<p><b><u>Introduction:</u></b> My name is Elif Karaosmanoglu. I am a PhD student in Warwick Business School in the United Kingdom. I have worked as a research assistant in Istanbul Technical University in the Department of Management Engineering. I am also a graduate of the same department. I have completed my MBA in Marmara University in the Institute of Social Sciences. I have carried out a research entitled “A Study of Corporate Image for Turkish Automobile Manufacturers in Turkey” during my master’s. I am currently furthering this study from a different perspective for my PhD Thesis.</p>
<p><b><u>Aim of the Research:</u></b> The main focus of the research is to explore the influence of corporate communications on the perceptions of consumers while building an image of a global company. In order to provide a comprehensive picture of corporate communication applications by global companies in Turkey, this preliminary stage of the research constitutes interviews with corporate communication or corporate identity consultants. For this objective, I would like to ask you the following questions in order to have an agenda for our discussion.</p>
<p><b>Questions<sup>31</sup></b></p>
<p>1. What type of services do you provide to global companies in terms of corporate communication and corporate identity management?</p>
<p>2. How does the environment affect corporate communication and its implications?</p>
<p>3. How would you define the concept of corporate identity and corporate identity management?</p>
<p>4. Will you please give your opinion for the following definition of corporate identity, which is done by Cees Van Riel who is an academic and expert in the area? Please indicate your level of agreement and why or why not?</p> <p><b><u>Definition:</u></b> “Corporate identity is the strategically planned expressions of self-presentation of an organisation via the cues given by its symbols, behaviour and communication”</p>
<p>5. According to your experience what do global companies understand from corporate identity, corporate identity management and corporate communication?</p>
<p>6. What could be the possible forms or formats of corporate communication to communicate the identity of a global company?</p>
<p>7. What do you think constitutes symbolism, behaviour and communication? How would you classify your activities of your company’s identity communication under these headings?</p>

<sup>31</sup> All questions are generated by the researcher.

### **Questions**

- |  |
|--|
| 8. How much are the consumers aware of corporate cues conveyed by symbolism, behaviour, communication and corporate brand structure of global companies? |
| 9. How do consumers elaborate of the information about a global company?   |
| 10. Which channels and tools of communication have more priority for consumers in corporate image building?  |

I would like to thank you again for your kind cooperation and valuable time.

## Appendix 2 - Company Interviews Question Sheet

<p><b><u>Title of the interviewee:</u></b></p> <p><b><u>Name of company:</u></b></p> <p><b><u>Date:</u></b></p> <p><b><u>Place:</u></b></p> <p><b><u>Length of the interview:</u></b></p> <p><b><u>Interviewer:</u></b></p>	
<p><b><u>Introduction:</u></b> My name is Elif Karaosmanoglu. I am a PhD student in Warwick Business School in the United Kingdom. I have worked as a research assistant in Istanbul Technical University in the Department of Management Engineering. I am also a graduate of the same department. I have completed my MBA in Marmara University in the Institute of Social Sciences. I have carried out a research entitled "A Study of Corporate Image for Turkish Automobile Manufacturers in Turkey" during my masters. I am currently furthering this study from a different perspective for my PhD Thesis.</p>	
<p><b><u>Aim of the Research:</u></b> The main focus of the research is to explore the influence of corporate communications on the perceptions of consumers while building an image of a global company. In order to provide a comprehensive picture of corporate communication applications by global companies as to explore the relevant items to build reliable scales and a questionnaire, which is to be applied to consumers in the main survey, this preliminary stage of the research constitutes interviews with corporate communication managers of global companies. For this objective, I would like to ask you to answer the following questions regarding your company's identity-related communication and its management.</p>	
Questions	Source
1. This study is about investigating the role of corporate communication in image building. First I would like to ask you what your organisation understands about what corporate identity and corporate identity management are.	The researcher
2. How would you describe the corporate identity of your company?	Stuart, 1995
3. How would you describe the corporate image of your company?	Stuart, 1995
4. Is this the image you want to communicate as a reflection of your company's identity to the public? How much do you think you achieved? Is there still miscommunication or undercommunication of the image you want to convey?	The researcher
5. How are the corporate image messages conveyed to the general public?	Abratt and Mofokeng, 2001
6. Which communication channels and tools do you use to project your overall image to the general public?	Van Riel, 1995
7. Can you classify these channels and tools you mentioned in general categories?	The researcher



Questions	Source
<p>8. What do you think about the following definition of corporate identity?  <u>Definition:</u> "Corporate identity is the strategically planned expressions of self-presentation of an organisation via the cues given by its symbols, behaviour and communication"</p>	<p>Van Riel, 1995, p. 36</p>
<p>9. What do you think constitutes symbolism, behaviour and communication? How would you classify your activities of your company's identity communication under these headings?</p>	<p>The researcher</p>
<p>10. If we focus on your corporate communication again, will you please visualise your approach to identity communication? Is it a part of your corporate communication strategy or is it a tactical tool?</p>	<p>The researcher</p>
<p>11. Does your company have a specific or particular corporate identity management plan? If yes, can you explain it?</p>	<p>Abratt and Mofokeng, 2001</p>
<p>12. How much do you invest on identity communication? What is the distribution of it to the areas such as visual design (logo, interior design etc.) promotion activities (public relations, sponsorship, advertising etc.)?</p>	<p>The researcher</p>
<p>13. Is there a specific combination of channels and tools for image positioning? Will you please explain how these interact with each other?</p>	<p>The researcher</p>
<p>14. If we focus more, can you explain how your company's visual expressions (logo, name, slogan, colour, typography, architecture, interior design, stationary, retail stores) convey your company's identity? What particular message do they convey? How do they interact with each other and the other forms of communication you use?</p>	<p>The researcher</p>
<p>15. Can you explain how your activities for product/services marketing communication (advertising, sales promotion, sponsorship, direct selling) and corporate advertising, public relations convey your company's identity? What particular message do they convey? How do they interact with each other and the other forms of communication you use?</p>	<p>The researcher</p>
<p>16. Can you explain how your company's behaviour in social responsibility areas, your managers and employees' behaviour in daily interactions with the members of the public convey your company's identity? How do they interact with each other and the other forms of communication you use?</p>	<p>The researcher</p>
<p>17. Why do you use monolithic, endorsed or branded corporate brand structure? How does it help you to distinguish yourself from your competitors in the minds of the public? How does it interact with the other identity communication elements?</p>	<p>The researcher</p>
<p>18. How much are the channels and tools applied supportive and/or complementary of each other? Or are they planned to work as autonomous communication systems targeted to different purposes?</p>	<p>The researcher</p>

Questions	Source
19. What do you think about how much the other factors i.e. word-of-mouth, the information retained in the memory and intermediaries have impact on the effectiveness of your company's identity communication? How do they interplay with your company's corporate communication?	The researcher
20. Is there any image tracking mechanism in place?	Abratt and Mofokeng, 2001
21. Has the company been involved in any image-repair exercise in the last five years? If yes, how was it handled?	Stuart, 1995 Van Riel, 1995
22. What do your surveys search for? What kind of information are you looking for by these surveys?	The researcher
23. (After a summary of the interview) Is this summary sufficient enough to point out the important and salient issues? Do you want to add something, which you believe we didn't consider?	The researcher

I would like to thank you again for your kind cooperation and valuable time.

### Appendix 3 – Focus Group Discussions Question Sheet

<p><b>Group No:</b></p> <p><b>Description of participants:</b></p> <p><b>Date:</b></p> <p><b>Place:</b></p> <p><b>Length of session:</b></p> <p><b>Moderator:</b></p>
<b>Questions<sup>32</sup></b>
<b>Opening questions:</b>
<ol style="list-style-type: none"> <li>1. Will you please introduce yourself to us? (Ask all members)</li> <li>2. Can you give a name of a global company you recall?</li> </ol>
<b>Introductory questions:</b>
<ol style="list-style-type: none"> <li>3. The aim of this session is to understand your opinion about the impact of communication activities of global companies while you are reaching a conclusion about their overall image. Can you give your reason of remembering the global company you mentioned?</li> <li>4. Do you have a positive or negative image of this company? Why?</li> <li>5. What do you think about what corporate identity means?</li> </ol>
<b>Transition questions:</b>
<ol style="list-style-type: none"> <li>6. How do you decide about what you exactly feel about a global company? What sort of information and information channels affect your decision?</li> <li>7. Will you please name communication channels and tools used by global companies to clarify what sort of company they are?</li> </ol>
<b>Key questions:</b>
<ol style="list-style-type: none"> <li>10. If you think all the elements mentioned now, which of them most attract you while building an image of a global company?</li> <li>11. In which of them do you specifically look for a clue about the company?</li> <li>12. How do you relate the information which you got from the sources that you mentioned to each other?</li> <li>13. Do you tend to seek some sort of communality, or sameness or complementarity among the communication channels you elaborate? Why or why not?</li> <li>14. Let's focus on some particular elements of corporate communication. Will you please explain how much the company logo, name, colours and other symbols used, company buildings' architecture, interior design, stationary influence your impression of a global company? Why?</li> <li>15. Will you please explain how much do your experience of company products/services, advertising, sales promotion, direct selling activities of companies influence your decision about a global company? Why?</li> <li>16. Will you please explain how much employee behaviour, manager behaviour in daily contacts and company's overall behaviour in public issues influence your impression of a global company? Why?</li> </ol>

<sup>32</sup> All questions were generated by the researcher. The sequence of the questions were based on the recommendation by Krueger (1994).

**Key questions (continued):**

18. How do the other communication sources such as what you heard from others, watched or read in some media affect your opinion about a company?

**Ending questions:**

20. If you were a manager in a global company, who is responsible for the company communication to create a positive public image, what would your communication strategy be? Which communication activities would you organise? In which communication elements would you invest? Why?

21. Let's summarise the key points of our discussion (the moderator and assistant moderator give a brief summary of the responses to questions) Does this summary sound complete? Do you have any changes or additions?

22. The goal is to understand which types of communication elements used by global companies are influential while you are forming overall image of a global company. If you think we have missed out some points, will you please mention them?

I would like to thank you again for your kind cooperation and valuable time.

**Appendix 4 - Pilot Study 1 respondents' demographics for the three drafts of the questionnaire (McP1, McP2 and McP3) for the McDonalds reference company.**

<b>McP1</b>				
<b>Gender – Age/Year/Social Status</b>		<b>Female</b>	<b>Male</b>	<b>Total</b>
<b>Age</b>	18 - 20	22	16	38
	21 - 23	24	35	59
	<b>Total</b>	<b>46</b>	<b>51</b>	<b>97</b>
<b>Year</b>	Second year	23	21	44
	Third year	7	8	15
	Fourth year	14	20	34
	Master	2	2	4
	<b>Total</b>	<b>46</b>	<b>51</b>	<b>97</b>
<b>Social status</b>	A Social group	23	25	48
	B Social group	15	13	28
	C1 Social group	6	7	13
	C2 Social group	2	6	8
	<b>Total</b>	<b>46</b>	<b>51</b>	<b>97</b>
<b>McPilot 2</b>				
<b>Age</b>	21 - 26	37	46	83
	27 - 31	6	19	25
	<b>Total*</b>	<b>43</b>	<b>65</b>	<b>108</b>
<b>Year</b>	<b>Master (total)</b>	<b>44</b>	<b>66</b>	<b>110</b>
<b>Social status</b>	A Social group	31	41	72
	B Social group	7	13	20
	C1 Social group	4	5	9
	C2 Social group	2	5	7
	<b>Total*</b>	<b>44</b>	<b>64</b>	<b>108</b>
<b>McPilot 3</b>				
<b>Age</b>	18 - 20	28	15	43
	21 - 24	15	27	42
	<b>Total**</b>	<b>43</b>	<b>42</b>	<b>85</b>
<b>Year</b>	First year	3	8	11
	Second year	25	11	36
	Third year	9	11	20
	Fourth year	6	12	18
	<b>Total**</b>	<b>43</b>	<b>42</b>	<b>85</b>
<b>Social status</b>	A Social group	19	15	34
	B Social group	10	10	20
	C1 Social group	7	7	14
	C2 Social group	6	9	15
	<b>Total***</b>	<b>42</b>	<b>41</b>	<b>83</b>

\* Two cases were missing.

\*\* One case was missing.

\*\*\* Three cases were missing.

**Note:** MCP1: McDonald's questionnaire draft 1; MCP2: McDonald's questionnaire draft 2; MCP3: McDonald's questionnaire draft 3.

**Appendix 5 - Pilot Study 1 respondents' demographics for the three drafts of the questionnaire (RM1, RM2 and RM3) for the Renault-Mais reference company.**

<b>RMP1</b>				
<b>Gender – Age/Year/Social Status</b>		<b>Female</b>	<b>Male</b>	<b>Total</b>
<b>Age</b>	18 - 20	17	13	30
	21 - 23	11	29	40
	<b>Total*</b>	<b>28</b>	<b>42</b>	<b>70</b>
<b>Year</b>	Second year	16	19	35
	Third year	3	4	7
	Fourth year	9	20	29
	<b>Total</b>	<b>28</b>	<b>43</b>	<b>71</b>
<b>Social status</b>	A Social group	13	18	31
	B Social group	8	10	18
	C1 Social group	6	7	13
	C2 Social group	4	7	11
	<b>Total</b>	<b>28</b>	<b>43</b>	<b>71</b>
<b>RMP2</b>				
<b>Age</b>	21 - 26	37	36	73
	27 - 31	8	15	23
	<b>Total**</b>	<b>45</b>	<b>51</b>	<b>96</b>
<b>Year</b>	<b>Master (total)</b>	<b>47</b>	<b>51</b>	<b>98</b>
<b>Social status</b>	A Social group	31	36	67
	B Social group	14	10	24
	C1 Social group	0	4	4
	C2 Social group	1	1	2
	<b>Total***</b>	<b>46</b>	<b>51</b>	<b>97</b>
<b>RMP3</b>				
<b>Age</b>	18 - 20	29	24	53
	21 - 24	9	27	36
	<b>Total</b>	<b>38</b>	<b>51</b>	<b>89</b>
<b>Year</b>	First year	1	10	11
	Second year	23	20	43
	Third year	9	17	26
	Fourth year	5	4	9
	<b>Total</b>	<b>38</b>	<b>51</b>	<b>89</b>
<b>Social status</b>	A Social group	17	16	33
	B Social group	13	17	30
	C1 Social group	4	9	13
	C2 Social group	4	9	13
	<b>Total</b>	<b>38</b>	<b>51</b>	<b>89</b>

\* One case was missing.

\*\* Two cases were missing.

\*\*\* One case was missing.

**Note:** RMP1: Renault-Mais questionnaire draft 1, RMP2: Renault-Mais questionnaire draft 2; RMP3 Renault-Mais questionnaire draft 3.

**Appendix 6 - Pilot Study 2 Respondents' Demographics for McDonald's and Renault-Mais Data Sets.**

<b>McPilot Study 2</b>				
<b>Gender – Age/Class/SStatus</b>		<b>Female</b>	<b>Male</b>	<b>Total</b>
<b>Age</b>	18-24	9	4	13
	25-31	18	6	24
	32-38	4	4	8
	<b>Total*</b>	<b>31</b>	<b>14</b>	<b>45</b>
<b>Marital status</b>	Married+partnership	11	7	18
	Single+widow+divorced	20	7	27
	<b>Total*</b>	<b>31</b>	<b>14</b>	<b>45</b>
<b>Social status</b>	A Social group	17	7	24
	B+C1 Social group	13	7	20
	<b>Total**</b>	<b>30</b>	<b>14</b>	<b>44</b>
<b>RMPilot Study 2</b>				
<b>Age</b>	18-31	8	7	15
	32-52	5	10	15
	<b>Total</b>	<b>13</b>	<b>17</b>	<b>30</b>
<b>Marital status</b>	Married+partnership	4	9	13
	Single+widow+divorced	9	8	17
	<b>Total</b>	<b>13</b>	<b>17</b>	<b>30</b>
<b>Social status</b>	A Social group	10	10	20
	B+C1+C2 Social group	3	7	10
	<b>Total</b>	<b>13</b>	<b>17</b>	<b>30</b>

\* One case was missing.

\*\* Two cases were missing.

Note 1: Mc: McDonald's and RM: Renault-Mais.

Note 2: None of the cases were students.

## **Appendix 7 – Questionnaire – McDonald’s Reference Company**



### **Aim of the Research (Please read it to the respondents)**

This research project is conducted by Elif Karaosmanoglu who is currently a PhD student in the Warwick Business School, UK. This study focuses on understanding how consumers perceive global companies in Turkey and what communication factors affect their impressions of these organisations.

We would like to ask your valuable time to complete the questionnaire as a part of this research. Your cooperation is very essential to the completion of this project and hence Elif Karaosmanoglu’s PhD studies successfully.

All responses will be treated in strict confidence and it will not be possible to identify individuals as a result. The data will be used in an aggregated form.

Thank you in advance for your kind cooperation.

Yours Sincerely,

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### **Notes to the fieldworkers:**

1. Please read the questions very clearly and slowly enough in order to give sufficient time to the respondents to elaborate on the statements.
2. Please read the labels of the scales clearly in order to indicate how they could express their opinion on the basis of the scale points.
3. Please especially be careful with question XII while you are reading it. It is very important to give sufficient time to the respondents to understand the company’s identity statement first. Then please read each statement with placing the each label of the scale point to the blank space in the statement.
4. Please do not insist to get an answer for the questions that the respondents tend to leave as “missing” or “don’t know”.



I. Have you ever heard about the McDonald's company?

- Yes                       No (Finalise the questionnaire)

II. How would you describe McDonald's as a company? Please write a couple of sentences and/or adjectives about what this company reminds you.

.....  
 .....  
 .....

III. Please state your general impression about McDonald's by ticking the most appropriate option below.

Very unfavourable	Unfavourable	Neutral	Favourable	Very favourable
1	2	3	4	5

IV. What do you think about what impression other people have about McDonald's? Please tick the most appropriate option below.

Very unfavourable	Unfavourable	Neutral	Favourable	Very favourable
1	2	3	4	5

V. Please state your impression about McDonald's compared to other companies in the same sector and tick the most appropriate option below.

Very unfavourable	Unfavourable	Neutral	Favourable	Very favourable
1	2	3	4	5

VI. How often do you visit McDonald's restaurants?

- Never     A few times year     A few times a month     A few times a week     Other (Please state).....

VII. In the section below, there are some adjectives to understand the image you have about McDonald's in your mind. Please state how much these adjectives describe McDonald's and tick the most appropriate option below for each adjective.

	Not at all	A little bit	Some	Neither/Nor	Pretty much	Very much	Completely
Honest	1	2	3	4	5	6	7
Considerate	1	2	3	4	5	6	7
Effective	1	2	3	4	5	6	7
Innovative	1	2	3	4	5	6	7
Sensitive	1	2	3	4	5	6	7
Expert	1	2	3	4	5	6	7
Trustworthy	1	2	3	4	5	6	7
Caring	1	2	3	4	5	6	7
Exciting	1	2	3	4	5	6	7
Leader	1	2	3	4	5	6	7
Responsible	1	2	3	4	5	6	7
Fun	1	2	3	4	5	6	7
Competitive	1	2	3	4	5	6	7
Young	1	2	3	4	5	6	7
Dynamic	1	2	3	4	5	6	7
Modern	1	2	3	4	5	6	7
Welcoming	1	2	3	4	5	6	7
Successful	1	2	3	4	5	6	7
Progressive	1	2	3	4	5	6	7
Capable	1	2	3	4	5	6	7
Creative	1	2	3	4	5	6	7

VIII. The section below is prepared to understand your impression about McDonald's various visual expressions. Please evaluate McDonald's according to the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The name of the company communicates what it stands for	1	2	3	4	5	
I like the name of the company	1	2	3	4	5	
It is easy to recall the name of the company	1	2	3	4	5	
The name of the company makes me have positive feelings towards the company	1	2	3	4	5	
The logo of the company communicates what it stands for	1	2	3	4	5	
I like the logo of the company	1	2	3	4	5	
It is easy to recall the logo of the company	1	2	3	4	5	
The logo of the company makes me have positive feelings towards the company	1	2	3	4	5	
The slogan of the company communicates what it stands for	1	2	3	4	5	
I like the slogan of the company	1	2	3	4	5	
It is easy to recall the slogan of the company	1	2	3	4	5	
The slogan of the company makes me have positive feelings towards the company	1	2	3	4	5	
The colour and typography used on all visual materials of the company communicate what it stands for	1	2	3	4	5	
I like the colour and typography used on all visual materials of the company	1	2	3	4	5	
The colour and typography used on all visual materials of the company are easily recognised	1	2	3	4	5	
The colour and typography used on all visual materials of the company make me have positive feelings towards the company	1	2	3	4	5	

IX. The section below is prepared to understand your impression about the appearance of McDonald's buildings. Please evaluate McDonald's according to the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The architecture and the interior design of the company's buildings, restaurants etc. communicate what it stands for	1	2	3	4	5	
I like the architecture and the interior design of the company's buildings, restaurants etc.	1	2	3	4	5	
The architecture and the interior design of the company's buildings, restaurants etc. are easily recognised	1	2	3	4	5	
The architecture and the interior design of the company's buildings, restaurants etc. make me have positive feelings towards the company	1	2	3	4	5	

X. The section below is prepared to understand your impression about the appearance of McDonald's staff. Please evaluate McDonald's according to the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The apparel of the employees such as cashiers, waiters/waitresses etc. communicate what the company stands for	1	2	3	4	5	
I like the apparel of the employees such as cashiers, waiters/waitresses etc.	1	2	3	4	5	
The apparel of the employees such as cashiers, waiters/waitresses etc. make me have positive feelings towards the company	1	2	3	4	5	

XI. This section below is prepared to understand your impression about McDonald's attitude and behaviour towards various social issues. Please evaluate McDonald's according to the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The employees of the company's restaurants such as cashiers, waiters/waitresses etc. treat customers very well	1	2	3	4	5	
This company supports corporate giving	1	2	3	4	5	
This company treats its employees very well	1	2	3	4	5	
This company cares about environmental issues	1	2	3	4	5	
This company treats the local public very well	1	2	3	4	5	
This company respects consumer right	1	2	3	4	5	
This company treats people with high standards	1	2	3	4	5	

XII. In this section below, there is a paragraph which explains what image McDonald's wants to convey to the public. Please read the paragraph carefully and state your opinion about how much the following communication activities reflect the defined image in the paragraph. Please tick the most appropriate option below for each statement.

McDonald's is the biggest company in the fast-food sector in the world, which offers healthy fast-food with high standards; provides a clean and hygienic environment and fast and high quality service; has fun, welcoming and friendly restaurants and cares for the public, especially for the children.

	Not at all reflect	Somewhat not reflect	Neither/Nor reflect	Somewhat reflect	Completely reflect	Don't know
The company's tv, radio or printed advertisings about its products and services reflect the image defined in the paragraph above	1	2	3	4	5	
The public relations activities of the company to promote itself as well as its products reflect the image defined in the paragraph above	1	2	3	4	5	
The products and services of the company reflect the image defined in the paragraph above	1	2	3	4	5	
The sales promotions offered by the company reflect the image defined in the paragraph above	1	2	3	4	5	
The sponsorship activities of the company reflect the image defined in the paragraph above	1	2	3	4	5	
The company's tv, radio or printed advertisings to promote itself reflect the image defined in the paragraph above	1	2	3	4	5	

XIII. The section below is prepared to understand what you receive from external communicators about McDonald's. Please state your opinion about the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
My close friends and relatives talk about this company frequently	1	2	3	4	5	
I hear positive things about this company from my close friends and relatives	1	2	3	4	5	
My close friends and relatives recommend this company to me	1	2	3	4	5	
My close friends and relatives encourage me to make purchases from this company	1	2	3	4	5	
The media, opinion leaders, government institutions and NGOs etc. talk about this company frequently	1	2	3	4	5	
I hear positive things about this company from the media, opinion leaders, government institutions and NGOs etc.	1	2	3	4	5	
The media, opinion leaders, government institutions and NGOs etc. are proud of this company	1	2	3	4	5	
The media, opinion leaders, government institutions and NGOs etc. recommend this company	1	2	3	4	5	

XIV. In the section below, there are statements to understand how much knowledgeable you are about McDonald's. Please state your degree of agreement with the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
I know the products and services of this company very well	1	2	3	4	5	
In general, I know a lot about this company	1	2	3	4	5	
I can describe this company to others in detail	1	2	3	4	5	

XV. In the section below, there are some statements to understand how you feel about McDonald's. Please state your degree of agreement with the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
I feel good things about this company	1	2	3	4	5	
I respect this company	1	2	3	4	5	
I trust this company	1	2	3	4	5	
If someone criticises this company, I feel personally insulted	1	2	3	4	5	
I care about what others think about this company	1	2	3	4	5	
When I talk about this company I say "we" instead of "they"	1	2	3	4	5	
The success of this company is my success	1	2	3	4	5	
If someone appreciates this company, I feel proud	1	2	3	4	5	
If there is bad news about this company in media, I feel embarrassed	1	2	3	4	5	

XVI. The section below is prepared to understand your impression about what the interaction and relationship level of the communication activities of McDonald's with each other are. Please state your degree of agreement with the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
All communication activities of the company have similar objectives	1	2	3	4	5	
All communication activities of the company are aligned to convey a common message	1	2	3	4	5	
I receive similar messages from each of the communication activities of the company	1	2	3	4	5	
It seems that all communication activities of the company are planned and executed by the same person or people	1	2	3	4	5	
All communication activities of the company aim to convey a common message	1	2	3	4	5	

XVII. In the section below, there are some adjectives to understand the personality traits of a person. Please state how much these adjectives describe your personality by ticking the most appropriate option below for each adjective.

	Not at all	A little bit	Some	Neither/Nor	Pretty much	Very much	Completely
Honest	1	2	3	4	5	6	7
Considerate	1	2	3	4	5	6	7
Effective	1	2	3	4	5	6	7
Innovative	1	2	3	4	5	6	7
Sensitive	1	2	3	4	5	6	7
Expert	1	2	3	4	5	6	7
Trustworthy	1	2	3	4	5	6	7
Caring	1	2	3	4	5	6	7
Exciting	1	2	3	4	5	6	7
Leader	1	2	3	4	5	6	7
Responsible	1	2	3	4	5	6	7
Fun	1	2	3	4	5	6	7
Competitive	1	2	3	4	5	6	7
Young	1	2	3	4	5	6	7

	Not at all	A little bit	Some	Neither/Nor	Pretty much	Very much	Completely
Dynamic	1	2	3	4	5	6	7
Modern	1	2	3	4	5	6	7
Welcoming	1	2	3	4	5	6	7
Successful	1	2	3	4	5	6	7
Progressive	1	2	3	4	5	6	7
Capable	1	2	3	4	5	6	7
Creative	1	2	3	4	5	6	7

XVIII. Your age.....

XIX. Your gender

- Female     Male

XX. Your marital status

- Married     Single     Living with partner     Widow     Divorced

XXI. The town/district you live.....

XXII. How many people including you are living in your house?.....

XXIII. Please state the net income of your family per month (including all benefits, rent income and salaries etc.)

- Less than 500million TL     501 million TL – 1 billion TL  
 1, 001 billion TL – 1,5 billion TL     1,501 billion TL – 2 billion TL  
 2,001 billion TL – 2,5 billion TL     2,501 billion TL – 3 billion TL  
 3,001 billion TL – 3,5 billion TL     More than 3,501 billion TL

XIV. Please state the last degree you have earned.

- Secondary school and below     High School     Undergraduate     Masters and above

XV. Please tick the most appropriate option below that indicates your employment status.

I am currently employed

- Top executive or manager  
 Owner of a large or medium size company  
 Lawyer, dentist, architect etc.  
 Office/Clerical staff  
 Worker  
 Civil servant  
 Craftsman  
 Other (Please state).....

I am not employed

- Student  
 House wife  
 Retired

XVI. Please state which of the followings you (or your family) own.

- Apartment     Lap top     Dish washer     DVD/VCD player  
 Summer house     Home theatre     Car     Microwave oven  
 Personal computer     Pet     Freezer     Credit card  
 Savings account

## **Appendix 8 – Questionnaire – Renault-Mais Reference Company**



### **Aim of the Research (Please read it to the respondents)**

This research project is conducted by Elif Karaosmanoglu who is currently a PhD student in the Warwick Business School, UK. This study focuses on understanding how consumers perceive global companies in Turkey and what communication factors affect their impressions of these organisations.

We would like to ask your valuable time to complete the questionnaire as a part of this research. Your cooperation is very essential to the completion of this project and hence Elif Karaosmanoglu's PhD studies successfully.

All responses will be treated in strict confidence and it will not be possible to identify individuals as a result. The data will be used in an aggregated form.

Thank you in advance for your kind cooperation.

Yours Sincerely,

Elif Karaosmanoglu  
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University of Warwick  
Gibbet Hill Road  
Coventry CV4 7AL  
United Kingdom  
Phone: 00442476522675  
Email: elif.karaosmanoglu@phd.wbs.ac.uk

### **Notes to the fieldworkers:**

1. Please read the questions very clearly and slowly enough in order to give sufficient time to the respondents to elaborate on the statements.
2. Please read the labels of the scales clearly in order to indicate how they could express their opinion on the basis of the scale points.
3. Please especially be careful with question XII while you are reading it. It is very important to give sufficient time to the respondents to understand the company's identity statement first. Then please read each statement with placing the each label of the scale point to the blank space in the statement.
4. Please do not insist to get an answer for the questions that the respondents tend to leave as "missing" or "don't know".

I. Have you ever heard about the Renault-Mais company?

- Yes       No (Finalise the questionnaire)

II. How would you describe Renault-Mais as a company? Please write a couple of sentences and/or adjectives about what this company reminds you.

.....  
 .....  
 .....

III. Please state your general impression about Renault-Mais by ticking the most appropriate option below.

<b>Very unfavourable</b>	<b>Unfavourable</b>	<b>Neutral</b>	<b>Favourable</b>	<b>Very favourable</b>
1	2	3	4	5

IV. What do you think about what impression other people have about Renault-Mais? Please tick the most appropriate option below.

<b>Very unfavourable</b>	<b>Unfavourable</b>	<b>Neutral</b>	<b>Favourable</b>	<b>Very favourable</b>
1	2	3	4	5

V. Please state your impression about Renault-Mais compared to other companies in the same sector and tick the most appropriate option below.

<b>Very unfavourable</b>	<b>Unfavourable</b>	<b>Neutral</b>	<b>Favourable</b>	<b>Very favourable</b>
1	2	3	4	5

VI. Have you or anyone in your family owned a Renault car before and/or do you or anyone in your family have a Renault car now?

- Yes       No

VII. In the section below, there are some adjectives to understand the image you have about Renault-Mais in your mind. Please state how much these adjectives describe Renault-Mais and tick the most appropriate option below for each adjective.

	<b>Not at all</b>	<b>A little bit</b>	<b>Some</b>	<b>Neither/Nor</b>	<b>Pretty much</b>	<b>Very much</b>	<b>Completely</b>
Honest	1	2	3	4	5	6	7
Considerate	1	2	3	4	5	6	7
Effective	1	2	3	4	5	6	7
Innovative	1	2	3	4	5	6	7
Sensitive	1	2	3	4	5	6	7
Expert	1	2	3	4	5	6	7
Trustworthy	1	2	3	4	5	6	7
Caring	1	2	3	4	5	6	7
Exciting	1	2	3	4	5	6	7
Leader	1	2	3	4	5	6	7
Responsible	1	2	3	4	5	6	7
Fun	1	2	3	4	5	6	7
Competitive	1	2	3	4	5	6	7
Young	1	2	3	4	5	6	7
Dynamic	1	2	3	4	5	6	7
Modern	1	2	3	4	5	6	7
Welcoming	1	2	3	4	5	6	7
Successful	1	2	3	4	5	6	7
Progressive	1	2	3	4	5	6	7
Capable	1	2	3	4	5	6	7
Creative	1	2	3	4	5	6	7

VIII. The section below is prepared to understand your impression about Renault-Mais various visual expressions. Please evaluate Renault-Mais according to the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The name of the company communicates what it stands for	1	2	3	4	5	
I like the name of the company	1	2	3	4	5	
The name of the company makes me have positive feelings towards the company	1	2	3	4	5	
The logo of the company communicates what it stands for	1	2	3	4	5	
I like the logo of the company	1	2	3	4	5	
The logo of the company makes me have positive feelings towards the company	1	2	3	4	5	
The slogan of the company communicates what it stands for	1	2	3	4	5	
It is easy to recall the slogan of the company	1	2	3	4	5	
The slogan of the company makes me have positive feelings towards the company	1	2	3	4	5	
The colour and typography used on all visual materials of the company communicate what it stands for	1	2	3	4	5	
I like the colour and typography used on all visual materials of the company	1	2	3	4	5	
The colour and typography used on all visual materials of the company are easily recognised	1	2	3	4	5	
The colour and typography used on all visual materials of the company make me have positive feelings towards the company	1	2	3	4	5	

IX. The section below is prepared to understand your impression about the appearance of Renault-Mais buildings. Please evaluate Renault-Mais according to the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The architecture and the interior design of the company's buildings, sales and after sales service centres etc. communicate what it stands for	1	2	3	4	5	
I like the architecture and the interior design of the company's buildings, sales and after sales service centres etc.	1	2	3	4	5	
The architecture and the interior design of the company's buildings, sales and after sales service centres etc. are easily recognised	1	2	3	4	5	
The architecture and the interior design of the company's buildings, sales and after sales service centres etc. make me have positive feelings towards the company	1	2	3	4	5	

X. The section below is prepared to understand your impression about the appearance of Renault-Mais staff. Please evaluate Renault-Mais according to the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The appearance and apparel of the employees such as salesmen, after sales service staff etc. communicate what the company stands for	1	2	3	4	5	
I like the appearance and apparel of the employees such as salesmen, after sales service staff etc.	1	2	3	4	5	
The appearance and apparel of the employees such as salesmen, after sales service staff etc. make me have positive feelings towards the company	1	2	3	4	5	



XI. This section below is prepared to understand your impression about Renault-Mais attitude and behaviour towards various social issues. Please evaluate Renault-Mais according to the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
The employees of the company such as salesmen, after sales service staff etc. treat customers very well	1	2	3	4	5	
This company supports corporate giving	1	2	3	4	5	
This company treats its employees very well	1	2	3	4	5	
This company cares about environmental issues	1	2	3	4	5	
This company treats the local public very well	1	2	3	4	5	
This company respects consumer right	1	2	3	4	5	
This company treats people with high standards	1	2	3	4	5	

XII. In this section below, there is a paragraph which explains what image Renault-Mais wants to convey to the public. Please read the paragraph carefully and state your opinion about how much the following communication activities reflect the defined image in the paragraph. Please tick the most appropriate option below for each statement.

Renault-Mais is the leader company in Turkish automobile manufacturing sector, which produces visual, bold, daring, warm, comfortable, safe and economical cars which are innovative in design; provides good after sales service; cares for environmental issues and aims to contribute to the public and the Turkish economy.

	Not at all reflect	Somewhat not reflect	Neither/Nor reflect	Somewhat reflect	Completely reflect	Don't know
The company's tv, radio or printed advertisings about its products and services reflect the image defined in the paragraph above	1	2	3	4	5	
The public relations activities of the company to promote itself as well as its products and reflect the image defined in the paragraph above	1	2	3	4	5	
The products and services of the company reflect the image defined in the paragraph above	1	2	3	4	5	
The sponsorship activities of the company reflect the image defined in the paragraph above	1	2	3	4	5	
The company's tv, radio or printed advertisings to promote itself reflect the image defined in the paragraph above	1	2	3	4	5	

XIII. The section below is prepared to understand what you receive from external communicators about Renault-Mais. Please state your opinion about the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
My close friends and relatives talk about this company frequently	1	2	3	4	5	
I hear positive things about this company from my close friends and relatives	1	2	3	4	5	
My close friends and relatives recommend this company to me	1	2	3	4	5	
My close friends and relatives encourage me to make purchases from this company	1	2	3	4	5	
The media, opinion leaders, government institutions and NGOs etc. talk about this company frequently	1	2	3	4	5	
I hear positive things about this company from the media, opinion leaders, government institutions and NGOs etc.	1	2	3	4	5	
The media, opinion leaders, government institutions and NGOs etc. are proud of this company	1	2	3	4	5	
The media, opinion leaders, government institutions and NGOs etc. recommend this company	1	2	3	4	5	

XIV. In the section below, there are statements to understand how much knowledgeable you are about Renault-Mais. Please state your degree of agreement with the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
I know the products and services of this company very well	1	2	3	4	5	
In general, I know a lot about this company	1	2	3	4	5	
I can describe this company to others in detail	1	2	3	4	5	

XV. In the section below, there are some statements to understand how you feel about Renault-Mais. Please state your degree of agreement with the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
I feel good things about this company	1	2	3	4	5	
I respect this company	1	2	3	4	5	
I trust this company	1	2	3	4	5	
If someone criticises this company, I feel personally insulted	1	2	3	4	5	
I care about what others think about this company	1	2	3	4	5	
When I talk about this company I say "we" instead of "they"	1	2	3	4	5	
The success of this company is my success	1	2	3	4	5	
If someone appreciates this company, I feel proud	1	2	3	4	5	
If there is bad news about this company in media, I feel embarrassed	1	2	3	4	5	

XVI. The section below is prepared to understand your impression about what the interaction and relationship level of the communication activities of Renault-Mais with each other are. Please state your degree of agreement with the following items by ticking the most appropriate option below for each statement.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Don't know
All communication activities of the company have similar objectives	1	2	3	4	5	1
All communication activities of the company are aligned to convey a common message	1	2	3	4	5	1
I receive similar messages from each of the communication activities of the company	1	2	3	4	5	1
It seems that all communication activities of the company are planned and executed by the same person or people	1	2	3	4	5	1
All communication activities of the company aim to convey a common message	1	2	3	4	5	1

XVII. In the section below, there are some adjectives to understand the personality traits of a person. Please state how much these adjectives describe your personality by ticking the most appropriate option below for each adjective.

	Not at all	A little bit	Some	Neither/Nor	Pretty much	Very much	Completely
Honest	1	2	3	4	5	6	7
Considerate	1	2	3	4	5	6	7
Effective	1	2	3	4	5	6	7
Innovative	1	2	3	4	5	6	7
Sensitive	1	2	3	4	5	6	7
Expert	1	2	3	4	5	6	7
Trustworthy	1	2	3	4	5	6	7
Caring	1	2	3	4	5	6	7
Exciting	1	2	3	4	5	6	7
Leader	1	2	3	4	5	6	7
Responsible	1	2	3	4	5	6	7
Fun	1	2	3	4	5	6	7

	Not at all	A little bit	Some	Neither/Nor	Pretty much	Very much	Completely
Competitive	1	2	3	4	5	6	7
Young	1	2	3	4	5	6	7
Dynamic	1	2	3	4	5	6	7
Modern	1	2	3	4	5	6	7
Welcoming	1	2	3	4	5	6	7
Successful	1	2	3	4	5	6	7
Progressive	1	2	3	4	5	6	7
Capable	1	2	3	4	5	6	7
Creative	1	2	3	4	5	6	7

XVIII. Your age.....

XIX. Your gender

- Female                       Male

XX. Your marital status

- Married       Single               Living with partner               Widow               Divorced

XXI. The town/district you live.....

XXII. How many people including you are living in your house?.....

XXIII. Please state the net income of your family per month (including all benefits, rent income and salaries etc.)

- |   |  |
|---|--|
| <input type="checkbox"/> Less than 500million TL            | <input type="checkbox"/> 501 million TL – 1 billion TL   |
| <input type="checkbox"/> 1, 001 billion TL – 1,5 billion TL | <input type="checkbox"/> 1,501 billion TL – 2 billion TL |
| <input type="checkbox"/> 2,001 billion TL – 2,5 billion TL  | <input type="checkbox"/> 2,501 billion TL – 3 billion TL |
| <input type="checkbox"/> 3,001 billion TL – 3,5 billion TL  | <input type="checkbox"/> More than 3,501 billion TL      |

XIV. Please state the last degree you have earned.

- Secondary school and below       High School               Undergraduate               Masters and above

XV. Please tick the most appropriate option below that indicates your employment status.

I am currently employed

- Top executive or manager  
 Owner of a large or medium size company  
 Lawyer, dentist, architect etc.  
 Office/Clerical staff  
 Worker  
 Civil servant  
 Craftsman  
 Other (Please state).....

I am not employed

- Student  
 House wife  
 Retired

XVI. Please state which of the followings you (or your family) own.

- |  |                                       |                                      |   |
|--|---------------------------------------|--------------------------------------|---|
| <input type="checkbox"/> Apartment         | <input type="checkbox"/> Lap top      | <input type="checkbox"/> Dish washer | <input type="checkbox"/> DVD/VCD player |
| <input type="checkbox"/> Summer house      | <input type="checkbox"/> Home theatre | <input type="checkbox"/> Car         | <input type="checkbox"/> Microwave oven |
| <input type="checkbox"/> Personal computer | <input type="checkbox"/> Pet          | <input type="checkbox"/> Freezer     | <input type="checkbox"/> Credit card    |
| <input type="checkbox"/> Savings account   |                                       |                                      |   |

## Appendix 9 – Corporate Identity Traits Evaluation Form for Companies



This document is related to the doctoral research project on corporate communications and corporate image formation carried by Elif Karaosmanoglu under the supervision of Dr. T. C. Melewar in the Warwick Business School, UK. The following scale is developed to understand how the views of consumers' about global companies' images match with what the companies want to convey. Please evaluate your company's identity by answering the following question. Thank you very much for your interest and cooperation.

Elif Karaosmanoglu  
PhD Warwick Business School, UK

P.S. Please do not answer this questionnaire unless you are a member of the decision-making process in terms of corporate identity or corporate communication management of your company.

Please state how much these adjectives describe the identity that your company wants to convey to the consumers and tick the most appropriate option below for each adjective (Please either bold the option, change the colour or put the letter X).

	Not at all	A little bit	Some	Neither/Nor	Pretty much	Very much	Completely
Honest	1	2	3	4	5	6	7
Considerate	1	2	3	4	5	6	7
Effective	1	2	3	4	5	6	7
Innovative	1	2	3	4	5	6	7
Sensitive	1	2	3	4	5	6	7
Expert	1	2	3	4	5	6	7
Trustworthy	1	2	3	4	5	6	7
Caring	1	2	3	4	5	6	7
Exciting	1	2	3	4	5	6	7
Leader	1	2	3	4	5	6	7
Responsible	1	2	3	4	5	6	7
Fun	1	2	3	4	5	6	7
Competitive	1	2	3	4	5	6	7
Young	1	2	3	4	5	6	7
Dynamic	1	2	3	4	5	6	7
Modern	1	2	3	4	5	6	7
Welcoming	1	2	3	4	5	6	7
Successful	1	2	3	4	5	6	7
Progressive	1	2	3	4	5	6	7
Capable	1	2	3	4	5	6	7
Creative	1	2	3	4	5	6	7

Your position in the company:.....

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