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Key words: **Brand Management, Corporate Identity, Stakeholder Expectations**

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Abstract

Corporate identity and image are shaped by the entirety of perceptions of a variety of stakeholders, both existing and potential ones, such as customers, suppliers, employees, general public, opinion makers, and government officials. Our study is an empirical investigation of corporate brand image and impact on one such stakeholder group made up of prospective employees. A large multinational, a technical and scientific research firm, a major recruiter of graduates from campuses of reputable universities across the nation was chosen as the subject. This paper develops and tests a path model of the antecedent factors affecting corporate brand image and specific expectations that stakeholders may have of a corporate brand. Based on a thorough literature review, a corporate brand image model that treated as antecedents the four constructs, awareness of organisation's products, perceptions about culture, personality of the focal firm, and general expectations was proposed. Specific expectations that respondents may have about working with the firm was modeled to be influenced by the corporate brand image of the firm surveyed and also by the mentioned four antecedent constructs. The model is fitted to empirical data obtained from a national sample of 368 respondents using LISREL 8.5 methodology, and strong support was found for five, partial support for two of the nine hypotheses tested. Substantial evidence can be seen for the mediating role of corporate brand image in shaping specific expectations that stakeholders have from the corporate brand. Practical significance and managerial implications for marketing investments and organisational performance are detailed.

Introduction and Survey Methodology

Corporate branding and its impact on stakeholders is a relatively unexplored area. Corporate identity and image are shaped by the entirety of perceptions of a variety of stakeholders, both existing and potential ones, such as customers, suppliers, employees, general public, opinion makers, and government officials. Our study is an empirical investigation of corporate brand image and impact on one such stakeholder group made up of prospective employees. This group, arguably, is a crucial resource in knowledge intensive, professional services and research oriented organisations. A large multinational, a technical and scientific research firm, a major recruiter of graduates from the best university campuses across the nation was chosen as the subject. Given the recent growth in the information technology and other new economy sectors, the focal firm's attractiveness as a prospective employer and its preference ranking among young technical graduates needed to be enhanced or at least maintained. In other words, management of corporate brand image and associated outcomes that shape stakeholder expectations are key concerns. Our study proposes to make contributions to the field of corporate branding by examining empirically corporate brand image, its antecedents and impact on the perceptions of stakeholders.

We outline in the next section, on the basis of a thorough literature review (Aaker 2004; Baker and Balmer 1997; Balmer 1995; Balmer 1998; Balmer 1998; Balmer 1999), a corporate brand image model that treated as antecedents the three constructs, awareness of organisation's products, perceptions about culture, and personality of the focal firm. In addition, given the potential employment relationship that respondents can enter into with the focal firm, general expectations that respondents have from jobs was included as the fourth antecedent construct. Specific expectations that respondents may have about working with the firm was a construct that was of ultimate interest. This key construct was modelled to be influenced by the corporate brand image of the firm surveyed and also by the four antecedent constructs.

A national sample of 368 respondents studying in graduate degree programmes leading to professional qualifications suitable for entry level scientist positions with the subject firm were surveyed using detailed measures for all the six constructs mentioned. The model was tested using LISREL 8.5, and strong support was found for five, and partial support for two of the nine hypotheses tested, and substantial evidence can be seen for the mediating role of corporate brand image in shaping specific expectations that stakeholders have from organisations. In the final section, practical significance and managerial implications for marketing investments and organisational performance are detailed.

Proposed Model, Constructs and Hypotheses

The following model was proposed based on an exhaustive literature review (Kapferer 1994; Baker and Balmer op. cit.; Balmer op. cit.; Moorthi 2002). Several adaptations were made to these scales to suit the context. The model is furnished below. As mentioned earlier, we treat as antecedents the four constructs, awareness of organisation's products, perceptions about culture, personality of the focal firm, and general expectations in the proposed model. Specific expectations was modelled to be influenced by corporate brand image of the firm surveyed and also by its constituents, the four antecedent constructs. Details of the six constructs, and the *nine paths* depicting interrelationships among the constructs explored i.e. hypotheses follow. Please note that corporate brand image is shown to be mediating the effect of the antecedents apart from having a direct influence of its own on the specific expectations that stakeholders have of the corporate brand.

FIGURE 1: Proposed model and interrelationships among the six main constructs
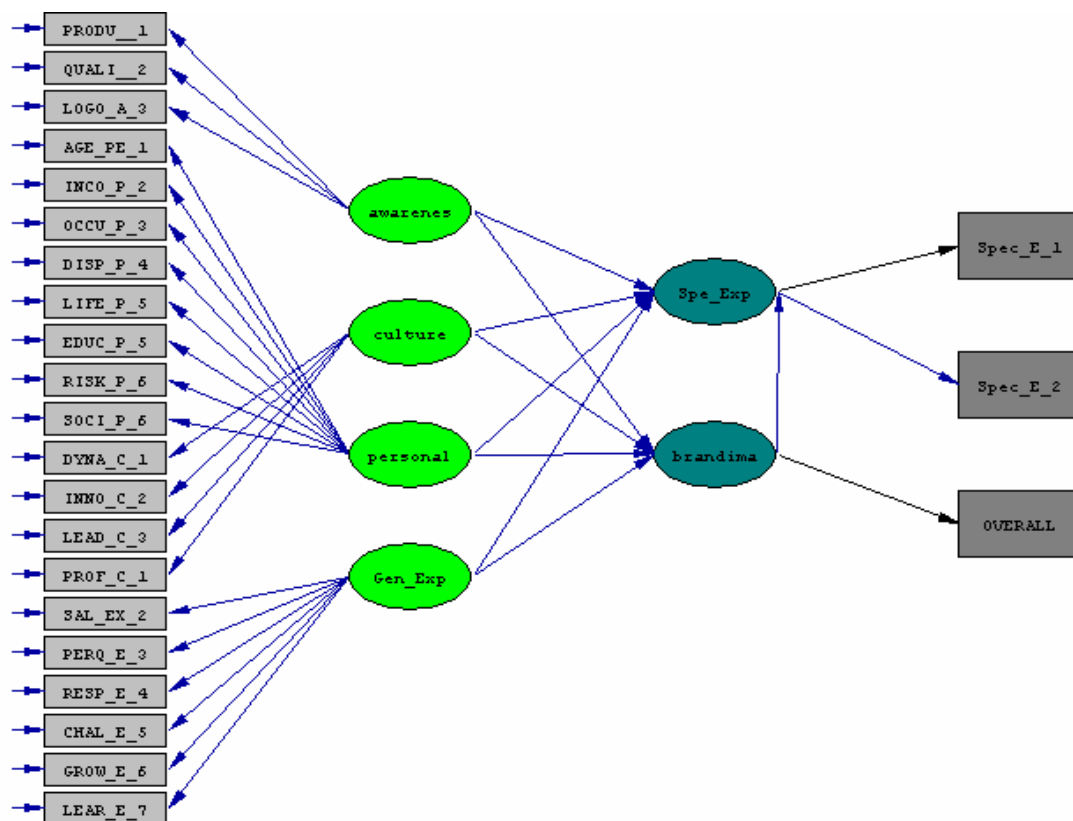
Details for the Six Constructs

Corporate Brand awareness: Brand awareness (Eunsang and Kijewski 1995; Keller 2003;Laurent and Kapferer and Roussel 1995; Percy and Rossiter 1992) is recognition and recall that consumers have of the products and services of an organisation. A few of the cited works (e.g. Laurent et al. 1995) have made attempts to distinguish between top-of-the mid recall and recall-in-purchase situations. We operationalise the awareness construct as a three item measure comprised of respondents' knowledge of products and services the focal firm makes, a quality assessment, and recall of the logo of the firm studied.

Corporate Brand Culture: In defining corporate brand culture Hatch and Schultz (1997; 2001; 2003), refer to organisational culture manifested 'in the ways employees all through the ranks feel

about the company they are working for' (2003 p. 1048). This is an insider evaluation of culture. Kapferer (1994) and Schmidt and Ludlow (2003) deal with brand level culture. For Keller (2003), 'cultural facet provides the link between brand and firm, particularly when they bear the same name (e.g., IBM, Sainsbury, Renault, and Nestle)…A brand's degree of freedom is largely dependent on the corporate culture, of which it becomes the most visible sign' (p. 46). We adopt a view of culture as seen by external stakeholders given the nature of our sample respondents. Respondents are asked to indicate their perceptual evaluation of the cultural characteristics of the subject firm. The four traits measured using bipolar continuous scales with five categories each are dynamism, innovativeness, leadership and professionalism.

Corporate Brand Personality: Brand personality is a well researched concept (Azoulay and Kapferer 2003; Austin et al 2003; Diamantopoulos et al 2005; Phau and Lau 2000). Corporate brand personality is 'human characteristics or traits that can be attributed to a brand' (Keller 2003 p.444). The simplest and most direct way suggested by Keller (2003) is to solicit responses to questions such as 'If the brand were to come alive as a person, what would it be like? What would it do? Where would it live? What would it wear? Who would it talk to and what would it talk about?' Given that corporate brand personality as opposed to product level brands are infrequently studied, we operationalise the concept using an 8-item scale that captures corporate brand's age, income, occupation, disposition, lifestyle, education, risk taking ability and social status. We use bipolar continuous scales with five categories each similar to the one employed with the earlier construct.

Corporate Brand Image: Corporate images are 'view of the organization developed by its stakeholders; the outside world's overall impression of the company including the views of customers, shareholders, the media, the general public, and so on' (Hatch and Schultz 2003 p. 1048). We operationalise corporate brand image using one single indicator that captures the overall impression and evaluation by respondents of the subject firm.

General Expectations: Relating to the stakeholders studied, we explore their general career perceptions. Respondents' expectations were measured using a six item scale that asked them to rate on a five point Likert scale the importance of salary, perquisites, responsibility, challenge, growth and learning. These items put together measure the general expectations respondents have and are obtained *without any reference to any organisation.* Employer brand image can be defined in analogous terms as explored for products. Functional benefits of the employer brand describe elements of employment with the firm that are desirable in objective terms, like salary, benefits, learning, growth etc. Symbolic benefits relate to perceptions about prestige of the firm, and the social approval applicants imagine they will enjoy if they work for the firm (Backhaus and Tikoo, 2004). Potential employees will be attracted to a firm if it possesses the required characteristics to sufficient degrees. In other words, this construct takes into account alternative employment opportunities as well as absolute minimum expectations that graduates may have given their professional qualifications.

Specific Expectations: The perceptions that prospective employees have *with respect to the organisation* under study measured using a two-item scale included an evaluation of the attractiveness of the focal firm as a place to work in, and an overall rating for the organisation as a career option. Employer attractiveness is defined as "the envisioned benefits that an employee sees in working for an organisation" (Berthon et al 2005).

Measures for the Six Constructs:

Table 1 has detailed scales for the six constructs discussed above. Please note that we have used five point scales for all the 24 items that make up the six constructs. It is to be noted that the brand personality scale uses reversed coded scales. The Cronbach (1951) alphas indicating internal consistencies came to 0.5523, 0.8094, 0.6622, 0.6943, and 0.7056 for brand awareness, brand culture, brand personality, general expectations, and specific expectations constructs respectively. With the sole exception of the first, all the rest are in the acceptable range or better, close to 0.7 which is generally considered acceptable for reliabilities. Brand awareness scale has only three items and addition of more items could have helped. 'Measure improvement is an important

direction for further research to overcome measurement limitations' (Diamantopoulos 1996 p. 172).

Table 1: Measures employed in the corporate branding empirical investigation			
Construct	Measures	Scale	Construct Reliability Cronbach Alpha
Brand Awareness	I know the range of products and services XYZ makes XYZ gives products of superior quality I know XYZ's logo	5 point 1-strongly agree, 5-strongly disagree	0.5523
Brand Personality (reverse scaled)	Age Income Occupation Disposition Lifestyle Education Risk taking ability Social status	5 point (reverse scale negative - postive) 1-very low, 5-very high Blue collar(1) - White Collar (5) Small town(rural) - Cosmopolitan (global) Conservative - Adventurous	0.8095
Brand Culture	Dynamic (1) - Inert (5) Innovator (1) - Imitator (5) Leader (1) - Follower (5) Professional (1) - Slack (5)	5 point postive - negative semantic differential	0.6622
General Expectations	How imporant is salary? How imporant are perquisites? How imporant is responsibility? How imporant is challenge? How important is growth? How important is learning?	5 point 1-very high, 5-very low	0.6943
Specific Expectations	As a career option, XYZ is a good place to bet on? XYZ is the ---------------- option as a career for me	5 point 1-strongly agree, 5-strongly disagree 1-first, 2- second, 3- third, 4-fourth, 5-fifth	0.7056
Brand Image	Overall what is the rating you give to XYZ (the brand) ?	5 point 1 = excellent, 5 = poor	single item measure

Hypotheses

The following nine hypotheses are proposed. These correspond to the nine paths that are depicted in the proposed model and concern the interrelationships among the six constructs. H1-H4 and H5-H8 are about the effect of the four antecedents on corporate brand image and specific expectations respectively. H9 proposes corporate brand image as a predictor for specific expectations. In other words, the expectations that stakeholders may have of a corporate brand are modelled to be driven by their perceptions of corporate brand image, awareness, culture, and personality as well general expectations they may have. These general expectations, as said earlier, may be relative driven both by the alternatives available as well as absolute minimum standards that respondents possess.

H1:   Corporate brand awareness positively influences corporate brand image.
H2:   Corporate brand culture positively influences corporate brand image.
H3:   Corporate brand personality positively influences corporate brand image (reverse scale).
H4:   General expectations positively influence corporate brand image.
H5:   Corporate brand awareness positively influences specific expectations.
H6:   Corporate brand culture positively influences specific expectations.
H7:   Corporate brand personality positively influences specific expectations (reverse scale).
H8:   General expectations positively influence specific expectations.
H9:   Corporate brand image positively influence Specific expectations.

Results and Conclusions

In fitting the model to the data, there were no convergence problems or offending estimates. Detailed estimates, model fit indices, t-values are placed in the Figures 2-3 in the enclosed Appendix. The standardised coefficients and t-values for nine hypothesised paths are available in Table 2 below. Four hypotheses - H1, H5, H6 and H7 have strong support. H2 and H3 have found partial support in that sign of the estimate is in the expected direction. H4 and H8 have no support whatsoever for the impact of general expectations. H9 supports the mediating role of corporate brand image. The effects and their decomposition are in Table 3 below.

Table 2: Results of the tested Hypotheses for interrelationships among constructs

	Link	Expected Sign	Standardised Estimate	T-value	Result
H1	Brand Awareness - Corp Brand Image	+	0.26	3.38	Full support: sign and estimate as per prior expectations
H2	Brand Culture - Corp Brand Image	+	0.08	0.90	Partial support: sign as per prior expectations
H3	Brand Personality - Corp Brand Image	-	-0.01	-0.09	Partial support: sign as per prior expectations
H4	General Expectations - Corp Brand Image	+	-0.02	-0.30	No support: neither sign nor estimate as per prior expectations
H5	Brand Awareness - Specific Expectations	+	0.52	6.78	Full support: sign and estimate as per prior expectations
H6	Brand Culture - Specific Expectations	+	0.45	4.96	Full support: sign and estimate as per prior expectations
H7	Brand Personality - Specific Expectations	-	-0.22	-2.32	Full support: sign and estimate as per prior expectations
H8	General Expectations - Specific Expectations	+	-0.07	-1.05	No support: neither sign nor estimate as per prior expectations
H9	Corp Brand Image - Specific Expectations	+	0.12	2.12	Full support: sign and estimate as per prior expectations

Table 3: Effect Decomposition

Construct	Effect on Specific Expectations			Effect on Corp Brand Image		
	Direct	Indirect	Total	Direct	Indirect	Total
Brand Awareness	0.49	0.03	0.52	0.26	-	0.26
Brand Culture	0.44	0.01	0.45	0.08	-	0.08
Brand Personality	-0.22	0.00	-0.22	-0.01	-	-0.01
General Expectations	-0.07	0.00	-0.07	-0.02	-	-0.02
Corp Brand Image	0.12	-	0.12	-	-	-

Figure 4: Structural and reduced form equations							
Structural Equations							
Spe_Exp = 0.12*brandid + 0.49*awarenes + 0.44*culture - 0.22*personal - 0.067*Gen_Exp, Errorvar.= 0.50 , R² = 0.50							
	(0.053)	(0.079)	(0.089)	(0.092)	(0.065)	(0.11)	
	2.21	6.21	4.95	-2.35	-1.03		
brandid = 0.26*awarenes + 0.081*culture - 0.0082*personal - 0.021*Gen_Exp, Errorvar.= 0.95 , R² = 0.086							
(0.078)	(0.091)	(0.094)	(0.068)		(0.074)		
3.38	0.90	-0.088	-0.30		12.90		
Reduced Form Equations							
Spec_Exp = 0.52*awarenes + 0.45*culture - 0.22*personal - 0.070*Gen_Exp, Errorvar.= 0.51, R² = 0.49							
	(0.077)	(0.091)	(0.094)	(0.066)			
	6.78	4.96	-2.32	-1.05			
brandid = 0.26*awarenes + 0.081*culture - 0.0082*personal - 0.021*Gen_Exp, Errorvar.= 0.95, R² = 0.086							
	(0.078)	(0.091)	(0.094)	(0.068)			
	3.38	0.90	-0.088	-0.30			

Conclusions, Implications and Key Contributions

The following conclusions can be drawn on the basis of the results in Tables 2, Table 3 and Figure 2-4.

1. The proportion of the corporate brand image explained is rather low 8.6% whereas Specific Expectations construct is explained very well.

2. Corporate brand image is impacted most by the brand awareness construct.

3. Specific expectations construct is explained by all the other five constructs but general expectations.

4. General expectations construct has little impact.

5. Corporate brand image mediates best the impact of brand awareness. This is expected given No. 2 above.

6. Corporate brand image on its own is a significant predictor of specific expectations.

These results have several managerial implications. They are:

1. Expectations that stakeholders have of a corporate brand are affected by a variety of factors. Based on the results of the study, we think that managers may need to take into account that all constructs that have strong impact on stakeholder expectations. Marketing communications may need to focus on multiple factors.

2. Corporate brand image has a significant direct impact on the expectations of stakeholders. To maintain and/or to enhance brand image, managers will have to address the variety of antecedents that affect corporate brand image.

3. It appears that corporate brand image varies with the type of stakeholder studied. In this study we used only one set of stakeholders that are external to the firm. Employees and other internal stakeholders or those who have close working relationships (say customers or suppliers) may have more knowledge of the firm and hence may form a more considered and detailed assessment of corporate image. In the current study, perhaps the impact of culture, personality etc on corporate brand image does not seem significant, perhaps owing to the fact that being external stakeholders, respondents may not be taking into account all relevant information. However, all these factors have a clear impact on specific expectations. Maybe respondents have a partial but situation-specific understanding of the firm studied. Respondents may be judging a prospective employer relative to the set of firms that they may be considering as potential employment opportunity set. This makes the task hard for firms and corporate brand managers given

that they need to position their firm relative to competition. In the graduate market, this could well mean competing with the best of Fortune 500 firms. No firm is isolated from the effect of interlinked nature of expectations that stakeholders have.

4. Marketing and other senior managers may have to plan targeted communication approaches that vary by stakeholders. Multiple communications appear needed to enhance return on marketing investments, and performance will be best when marketing and promotion activities are customised to the audiences.

The study's key contributions are threefold. We provide an empirically validated view of the corporate brand image construct, its antecedents and impact on stakeholders. The tested model identifies important paths and their significance. A second key contribution is in the scales customised for the specific stakeholder group made up of prospective employees investigated. A third and final contribution is in linking theory and practice by detailing managerial implications of this important subfield of marketing, and suggesting ways of gaining competitive advantage in recruiting best possible talent which underpins excellence in the services sector firms.

## Limitations and future research avenues

This study is exploratory and attempts to provide empirical support to a variety of theoretical constructs and their interrelationships posited in the literature. This contribution can be supplemented by improving measures and through extending the study by increasing sample sizes incorporating perceptions about several firms in the place of the single firm studied in the current investigation. Longitudinal studies will help in tracking changes in brand image. For our part, we are attempting to capture multiple stakeholder view of corporate image and its impact by surveying a few of the other key stakeholders as well. We are also in the process of extending the survey to include cross-cultural data from Malaysia and UK.

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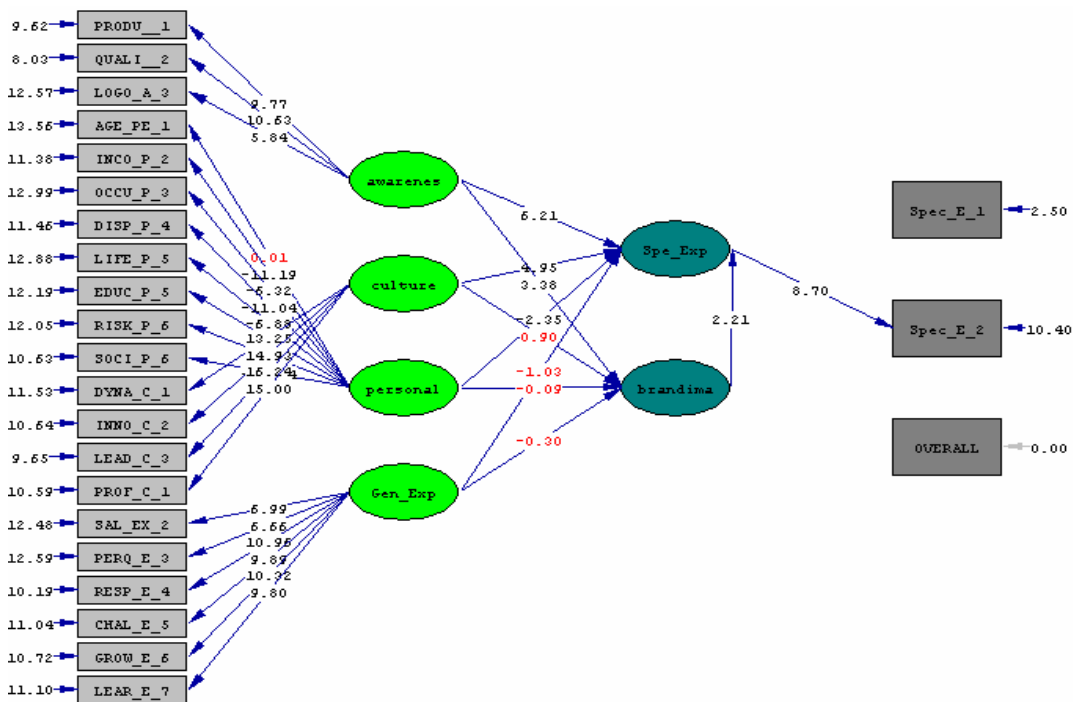
Appendix

FIGURE 2: Results of the tested model - standardised estimates and fit indices
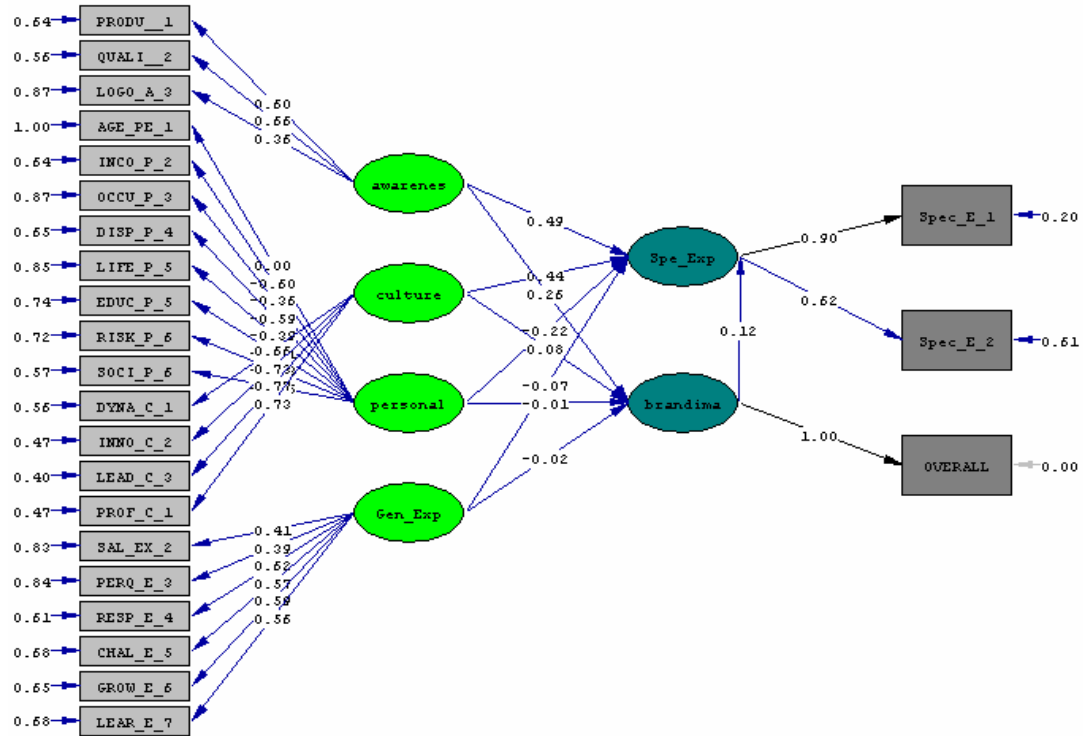
Chi-Square=568.21, df=238, P-value=0.00000, RMSEA=0.061

GFI = 0.89; AGFI = 0.86; NFI = 0.86; NNFI = 0.90; CFI = 0.91; IFI = 0.91 and RFI = 0.83

FIGURE 3: Results of the tested model – t values

Chi-Square=568.21, df=238, P-value=0.00000, RMSEA=0.061