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# Corporate images' impact on consumers' product choices: The case of multinational foreign subsidiaries

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## Abstract

The aim of this study is to ascertain the extent to which consumers' images of home and foreign business units, and their perceptions of the corporate images held by other stakeholders, influence their buying behavior. The sample consisted of high school students in the United Arab Emirates (UAE) who intended or expected to enter higher education. Using a survey questionnaire, we asked respondents about the extent to which they believed their overall impressions of foreign universities operating in the UAE were influenced by images of the institutions' home and UAE campuses and by their perceptions of the images held by other stakeholders. We found that when deciding on whether or not to buy from a foreign firm, consumers will be most influenced by the corporate images held by other stakeholders rather than the images of home and foreign business units constructed by themselves. These findings suggest that it would be advisable for firms to adopt a stakeholder perspective when developing and implementing their marketing strategy.

**Keywords:** Corporate image, product choice, buyer behavior, stakeholders, multinational subsidiaries

## 1. Introduction

The role of corporate image in influencing buyer behavior receives recognition (Barich and Kotler, 1991; Ivy, 2001; Kazoleas et al., 2001; Yeo et al., 2011) but the extent to which stakeholder images of home business units shape stakeholder perceptions of foreign subsidiary units receives scant attention. The corporate images of some foreign business units are strongly linked with the images of the home business unit(s) as well as the city, region or country in which they are located. For example, hotels in the Peninsula and Raffles chains trade internationally as being 'the best from the East', offering prestigious luxury with an oriental flavour in cities around the world. The stakeholders' images of individual Peninsula and Raffles hotels are likely based to a large extent on their flagship hotels in Hong Kong and Singapore. With the Raffles hotel in Singapore having been established in 1887 and the Peninsula Hong Kong in 1928, both flagship hotels share long histories of offering high-class hospitality in a colonial setting.

The Planet Hollywood restaurant chain clearly intends to be associated with the glamour of the Hollywood movie industry and it is commonly known that the company was originally established with the backing of Hollywood movie stars such as Sylvester Stallone, Bruce Willis, Demi Moore and Arnold Schwarzenegger. Although the chain enjoys a strong corporate image and high consumer awareness around the world, the company has gone bankrupt twice and the number of restaurants operating has declined from over 100 to just nine in 2013. A strong corporate image alone is not enough to guarantee success internationally. In higher education, prestigious Western universities have also tried

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unsuccessfully to expand abroad. For example, in 2007 the Singapore campus of the University of New South Wales closed after just four months of operation and in 2009 George Mason University closed its campus in the United Arab Emirates (UAE) three years after it was established (Becker, 2009). George Mason University suffered from a combination of problems including low student enrolments, inadequate funding and a breakdown in relations with local partners.

Firms might achieve a competitive advantage when expanding abroad by exploiting their brands and reputations. According to Barney (1997), firms will only achieve a competitive advantage from possessing a strong brand and reputation if these resources are *Valuable*, in the sense that opportunities in the firm's environment can be exploited and the effects of threats minimised; *Rare* among competitors; *Imperfectly imitable*; and if the firms themselves are *Organized*, ready and able to exploit their resources and capabilities (i.e., if the firms possess VRIO resources). It might be argued that in the over-crowded luxury segment of the international hotel market it is difficult for firms to achieve (and therefore benefit) from VRIO resources. In contrast, universities might more easily be able to develop, maintain and exploit VRIO resources.

New York University (NYU), for example, is clearly associated with its location in New York, one of the best-known American cities worldwide. Founded in 1831, NYU is now one of the largest private research-intensive universities in America. While its stylised torch logo might not be as well-known globally as McDonalds' big yellow 'M' logo, NYU nevertheless possesses a strong brand that is relatively valuable, rare and imperfectly imitable. NYU benefits from having a long history and from being large, which stakeholders might associate with long-term success, and it is located in the country which is universally believed to offer the highest quality of higher education worldwide. Considerable research indicates that position in rankings greatly influence the reputations of universities. Furthermore, the positions of individual universities in rankings are relatively stable, suggesting that it is difficult for lower ranked institutions to rise significantly in rankings (Hazelkorn, 2011; Wilkins and Huisman, 2012).

This research assesses the extent to which features relating to the organization's home and foreign business units influence a potential consumer's overall perceptions of a foreign business unit's image attractiveness (i.e., a multinational firm's foreign subsidiary). The study also seeks to ascertain the extent to which images held by other stakeholders influence consumers' buying behavior. In this research, a home business unit refers to a university's main campus (where it is based) and a foreign business unit refers to an international branch campus, i.e. a campus owned by the university that operates abroad using the university's name and which offers degree programmes awarded from the home country.

For the purpose of this research, we define stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p. 46). The study was conducted in the UAE and the respondents were high school students in their final or penultimate year of secondary education. We asked respondents to report on the images they held of foreign universities operating international branch campuses in the UAE and their intended destination for higher education.

## **2. Literature review and research hypotheses**

External stakeholders' mental associations about an organization are linked to a variety of theoretical terms and concepts, which include corporate associations and corporate evaluation (Brown and Dacin, 1997); corporate identity (Bhattacharya and Sen, 2003); corporate image (Brown et al., 2006); image (Barich and Kotler, 1991); organizational image (Hatch and Schultz, 1997); organizational reputation (Scott and Lane, 2000); and reputation (Bick et al., 2003). Stuart (1999) suggests that corporate image is an individual's immediate impression of

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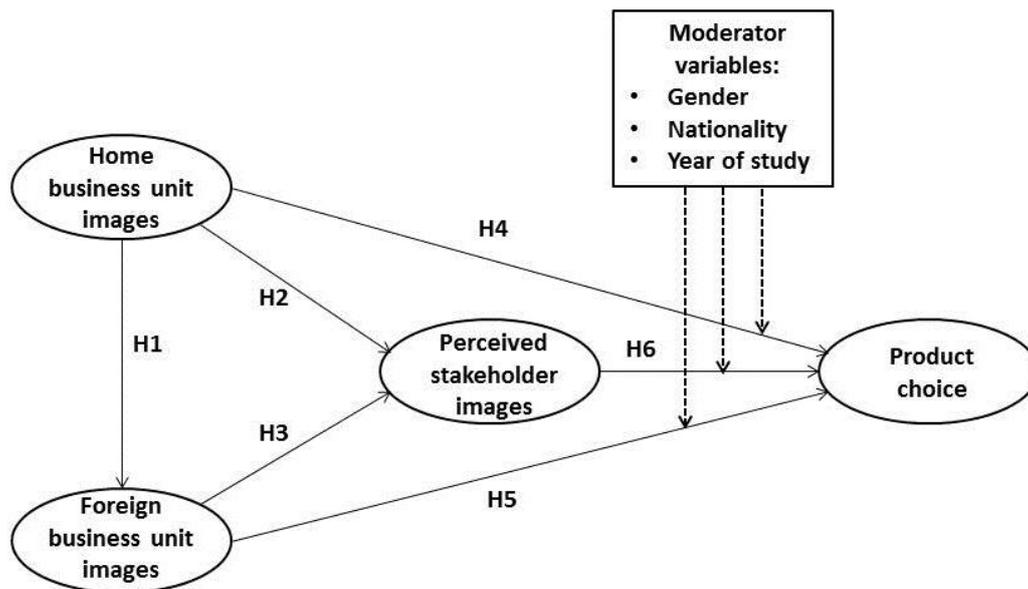
an organization whereas corporate reputation results from stakeholders' holding consistent corporate images over time.

Whilst recognising that some of the variables used in this research might be reputational indicators, such as institutions' positions in rankings and the extent to which they employ 'top' professors, this research is primarily concerned with the corporate images that stakeholders constructed at a specific moment in time. Perceived organizational prestige and reputation supported by indicators or public recognition of high quality education provision – such as the achievement of high positions in rankings and the acquisition of international accreditations – are key influences on the images of universities constructed by stakeholders (Pampaloni, 2010; Wilkins et al., 2013). Well-known universities can possess strong brands and reputations, and potential consumers (e.g., students) and other stakeholders (e.g., parents, employers and funding bodies) around the world can recognise these. Hence, institutional reputations help determine perceived home campus images, and home campus images then likely have an influence on the construction of foreign campus images.

Higher education is a complex product where product quality is dependent upon the quality of the teaching staff, learning resources, physical environment and the students themselves. Students typically visit their campus several times a week for lectures, seminars or recreation and many live on campus, so the size, location and attractiveness of a campus can be very influential in determining their choice of institution. Sturmer (1972) claims that the physical environment of a campus should not only mirror and support the learning process but that it should also reflect the distinctive values and aspirations of those who use the university.

Campus architecture and location are part of a university's corporate identity (Melewar and Storrie, 2001) and therefore architecture and location are likely to be features used by stakeholders to construct corporate images. Kazoleas et al. (2001) found that campus landscaping and size of campus were 'dominant images' among the range of images held by an individual at any one point in time. In a study involving two samples, Arpan et al. (2003) found that athletic excellence and a university being a fun place/students having fun were among the factors that most affected an individual's image ratings. Students who are interested in athletics and having fun are likely to assess the availability of sports and leisure facilities on a campus. It might be expected that when constructing an image of a foreign campus an individual will focus on the features and facilities of that campus. However, if the home campus is very old and has a strong heritage then favorable images of the home campus might positively influence images constructed of the foreign branch campus.

Pampaloni (2010) found that university features such as university size, campus location, housing and the individual's perception of social life were among the key influences in determining a student's choice of institution. In a survey of 1,549 high school students in England, Wilkins et al. (2013) found that the greatest influences on students' choice of institution (and country of study) were financial factors, such as cost of tuition fees and accommodation; entertainment and atmosphere – atmosphere on campus and the ability to pursue leisure interests; quality and reputation of institution; career and work issues; country reputation for high quality higher education; and foreign experiences – such as having a diverse international community on campus or gaining experience of living in a foreign culture.



**Fig. 1.** Conceptual model.

Building on the existing literature on corporate image and consumer behavior we developed a conceptual model (Figure 1) that suggests the possible relationships between the home and foreign business unit images constructed by an individual and the influence of these images – as well as the individual’s perception of images held by other stakeholders – on product choice.

Thus, we hypothesize and test the following statements. H1: The more a potential consumer is positively influenced by images of a firm’s home business unit, the more the individual is positively influenced by images of the firm’s foreign business unit. H2: The more a potential consumer is positively influenced by images of a firm’s home business unit, the more the individual perceives that stakeholders hold positive images of the firm’s foreign business unit. H3: The more a potential consumer is positively influenced by images of a firm’s foreign business unit, the more the individual perceives that stakeholders hold positive images of the firm’s foreign business unit. H4: The more a potential consumer is positively influenced by images of a firm’s home business unit, the greater the individual’s intentions to purchase a product/service from the firm’s foreign business unit. H5: The more a potential consumer is positively influenced by images of a firm’s foreign business unit, the greater the individual’s intentions to purchase a product/service from the firm’s foreign business unit.

Consumers often seek information and opinions from others when they have decided to buy a product but are unsure of which specific item to purchase (Narayan et al., 2011). In these situations, word of mouth from trusted others can be a valuable source of information that helps the consumer to reduce perceived risks (Bettman, 1973). The rise in popularity of word of mouth communication as a source of personal information results from consumers’ desire for accurate and trustworthy information about products, services and companies (Murray, 1991). Previous research has generally concluded that parents and peers are two of the strongest sources of influence on the purchase decisions of teenage children (Goodrich and Mangleburg, 2010). In recent years, however, the increased use of the Internet by young people for product and company information has diminished the differentiating effect of information provided by parents and peers on product choices (ibid.).

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In a higher education context, personal recommendations (Mazzarol and Soutar, 2002), particularly from family members and friends (Gatfield and Chen, 2006; Shanka et al., 2005) and media sources, such as rankings (Padlee et al., 2010; Wilkins and Huisman 2011), have greatly influenced consumers (prospective university students) in their choice decisions and buying behavior. In considering future employment prospects, students also consider graduate employment rates and how employers seem to perceive and interact with different universities, such as the extent to which they offer internships (Binsardi and Ekwulugo, 2003; Bodycott, 2009; Gatfield and Chen, 2006; Wilkins and Huisman 2011).

Bhattacharya and Sen (2003) claim that a particular organization likely attracts consumers if becoming a customer of the organization would satisfy the individual's self-esteem needs. Individuals typically develop similar views to other stakeholders whose opinion they value in order to gain respect, approval and group membership (Bhattacharya and Sen, 2003). Thus, undergraduate students might choose to study at a university that would make their parents, relatives and teachers proud. In doing so, the student would feel a sense of achievement and would satisfy their self-esteem needs.

From this reasoning, we hypothesize the following statement. H6: The more a potential consumer perceives that stakeholders hold positive images of a firm's foreign business unit, the greater the individual's intentions to purchase a product/service from the firm's foreign business unit.

The student choice literature suggests that gender, nationality and year of study can act as influences on student decision-making (Chen, 2008; Vrontis et al., 2007). Hence, we propose that gender, nationality and year of study act as moderators on product choice in our conceptual model. Thus, if the results provide support for these propositions, then the relationships between our exogenous and endogenous variables will change according to the moderating variable applied (Hair et al., 2010).

### **3. Method**

#### ***3.1 Sample and data collection***

The sample consisted of students at international schools in the UAE, who were in their final or penultimate year of secondary education, and who intended or expected to enter higher education. Using a survey questionnaire, respondents were asked about the extent to which they believed their overall impressions (images) of foreign universities operating in the UAE were influenced by features (images) of the institutions' home and UAE campuses. Then, respondents stated the extent to which they believed a range of stakeholders held attractive images of a particular university in the UAE and the extent to which they were interested in gaining a place to study at that institution. Given that social identity theory would suggest that in-group members are likely to hold similar perceptions and views about an organization (Ashforth and Mael, 1989; Tajfel, 1978), we also asked the respondents to consider the likely views of other students who they considered were similar to themselves.

Using a convenience sampling approach, 796 questionnaires were sent to five schools in March 2012. The respondents then completed the questionnaires over an eight-week period. Of the 466 completed questionnaires that were returned, 384 were deemed usable, resulting in a usable response rate of 48.2%. The sample is broadly representative of the UAE expatriate population, with 53.9% of respondents classifying themselves as South Asian, 14.3% European, 13.8% Middle Eastern and 7.3% African. The sample comprised 53.1% females and 46.9% males; 51.0% were in their penultimate year of secondary education and 49.0% were in their final year. Some 66.7% of respondents believed that they held a distinct and accurate image of at least one foreign university operating in the UAE.

#### ***3.2 Measures***

Our conceptual model involves one exogenous (independent) variable, which relates to the images of the organization's home business unit – named home images – and three endogenous (dependent) variables, named foreign images, perceived stakeholder images and product choice. Measures were taken from the literature but modified to suit the context of higher education institutions operating in foreign countries. Appendix A presents all the measures and the Cronbach's alpha values as evidence of internal consistency. The measures for home images and foreign images were adapted from scales used in Cubillo et al. (2006), Kazoleas et al. (2001), Pampaloni (2010), and Wilkins et al. (2013). The measures for perceived stakeholder images were adapted from Sojkin et al. (2012) and Sung and Yang (2008), while the measures for product choice were taken from Wilkins and Huisman (2013).

All items were answered using a seven-point Likert-type scale where 1 = strongly disagree and 7 = strongly agree. A draft version of the questionnaire was subjected to a pretest that involved 23 students at four international schools in the UAE during one week in January 2012. These four schools did not participate in the final survey so there was no possibility that an individual could participate in the study twice. Students participating in the pre-study also took part in semi-structured face-to-face individual interviews, which each lasted 20-30 minutes. In addition to gaining contextual background information, the interviews were used to gain feedback and suggestions about the draft survey questionnaire. Although these interviews did not generate any new items, the suggestions of respondents led to the rephrasing and wording of several questions, to aid clarity and ease of understanding.

### 3.3 Measurement model and preliminary analysis

Adopting the approach suggested by Fornell and Larcker (1981), we assessed the reliability of items by examining their internal consistency values and the loadings of items on their corresponding construct. Composite reliability values of 0.76 for home images, 0.74 for foreign images, 0.89 for perceived stakeholder images, and 0.95 for product choice indicate strong internal consistency among construct items. All loadings between indicators and latent constructs are statistically significant ( $p < .001$ ), and the standardized paths between the indicators and factors are all above .40 and are therefore meaningful (Chin, 1998). The correlations between all constructs are, as expected, positive and significant. Table 1 presents the mean values, standard deviations and correlations.

Using AMOS 18.0, a measurement model was estimated before examining structural model relationships. The confirmatory factor analysis suggests that the data fits the model reasonably well ( $\chi^2_{(124)} = 249.81, p < 0.001; \chi^2/df = 2.015; NFI = .945; CFI = .971; RMSEA = .051$ ). To assess discriminant validity, a perfectly correlated model was created and compared against the model where traits correlated freely. Large differences between the  $\chi^2$  and CFI values for the two models provide support for evidence of discriminant validity. Thus, the results of  $\Delta \chi^2_{(17)} = 1314.01, p < .001; \Delta CFI = .296$  indicate that the model possesses good discriminant validity.

**Table 1** Means, standard deviations and correlations.

Construct	M	SD	1	2	3	4
1. Home images	4.70	1.27	1			
2. Foreign images	4.40	1.18	0.50	1		
3. Perceived stakeholder images	4.40	1.47	0.24	0.39	1	
4. Product choice	3.86	1.78	0.17	0.35	0.76	1

All correlations are significant at the 0.01 level (2-tailed).

## 4. Results

To test our hypotheses, we created a structural model with home images as the only exogenous variable and foreign images, perceived stakeholder images and product choice as the endogenous variables. The model estimates indicate that the data fits the model reasonably well ( $\chi^2_{(122)} = 231.17, p < .001; \chi^2/df = 1.895; NFI = .949; CFI = .975; RMSEA = .048$ ). Table 2 shows the unstandardized coefficients, standard errors and critical ratios for the estimated paths. The relationships between home images and foreign images ( $\beta = .490; p < .001$ ), foreign images and perceived stakeholder images ( $\beta = .907; p < .001$ ) and perceived stakeholder images and product choice ( $\beta = .721; p < .001$ ) are positive and significant, offering support for H1, H3 and H6.

We created a second (simple) structural model in which the perceived stakeholder images construct was omitted. The relationships between home images and foreign images ( $\beta = .493; p < .001$ ) and foreign images and product choice ( $\beta = .641; p < .001$ ) were positive and significant, offering support for H1 and H5. As the relationship between foreign images and product choice was non-significant in the original model, we can conclude that perceived stakeholder images acts as a mediator in the relationship between foreign images and product choice.

**Table 2** Summary of results for hypothesis testing.

	Hypothesis	<i>B</i>	<i>SE B</i>	C.R.	<i>p</i>	Hypothesis supported?
H <sub>1</sub>	Home images > Foreign images	.490	.072	6.842	***	Yes
H <sub>2</sub>	Home images > Perceived stakeholder images	-.017	.129	-.130	.896	No
H <sub>3</sub>	Foreign images > Perceived stakeholder images	.907	.188	4.812	***	Yes
H <sub>4</sub>	Home images > Product choice	-.023	.074	-.304	.761	No
H <sub>5</sub>	Foreign images > Product choice	.028	.105	.268	.788	No
H <sub>6</sub>	Perceived stakeholder images > Product choice	.721	.049	14.591	***	Yes

\*\*\*  $p < .001$

We conducted multi-group analysis to discover whether gender, nationality and year of study have moderating effects upon the relationships in our model. This involves the comparison of two models. The first model has all hypothesized parameters freely estimated whereas the second model has all of the relationships thought to be affected by a moderator constrained to be equal across all groups. Support for moderation exists if the fit of the second model is significantly worse. Comparison of the estimates for each pair of models did not yield support for gender ( $\chi^2_{(14)} = 22.41; p = .071$ ), nationality ( $\chi^2_{(70)} = 82.87; p = .139$ ) or year of study ( $\chi^2_{(14)} = 20.64; p = .111$ ) having moderating effects upon the relationships in our model.

## 5. Discussion

### 5.1 Summary of findings

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We hypothesised that if an individual is positively influenced by an organization's home business unit, they will be positively influenced by the organization's foreign business unit; they will perceive that other stakeholders also hold positive images of the foreign business unit; and they will hold greater intentions to purchase a product/service from the foreign business unit. The fact that our home images variable received the highest mean score demonstrates the extent to which consumers perceive that they judge foreign operations on the merits of the organization's home operations – where the organization is based or where it has its headquarters – rather than on the qualities of the foreign business unit itself. Surprisingly, the results of our structural equation modelling yielded no support for H2 or H4, so while consumers may perceive that they are influenced by home images, this variable does not in fact appear to determine their buying behavior. Interestingly, in the original structural model, foreign images was not significantly related to product choice, therefore there is also no support for H5. The relationship between these variables was only significant when perceived stakeholder images was ignored (in the simple structural model).

Although there is consensus in the literature that word of mouth communication has become one of the most popular sources of product and company information among consumers, we do not know the extent to which stakeholder perceptions and opinions of a firm influence other consumers' buying behavior, compared to the individual's own perceptions of the firm's home and foreign corporate images. In Figure 1, the paths labelled H4 and H5 represent the influence of an individual's self-constructed corporate images on product choice, while the path labelled H6 represents the influence of the individual's perceptions of the images held by other stakeholders. Our research also considers the extent to which stakeholders might themselves be influenced by a firm's home and foreign corporate images (the paths labelled H2 and H3 in Fig. 1).

The relationships between foreign images and perceived stakeholder images, and perceived stakeholder images and product choice are both positive and significant, offering support for H3 and H6. Furthermore, perceived stakeholder images acts as a mediator in the relationship between foreign images and product choice. These findings highlight the importance of other stakeholders in influencing the buying behavior of individuals.

Finally, we did not identify any variables that exerted a moderating effect on the relationships between home or foreign images and product choice, or perceived stakeholder images and product choice. This suggests that diverse groups of consumers act in a homogeneous way in the specific context of our research.

## ***5.2 Theoretical contributions***

Researchers and marketing practitioners universally accept that corporate images can have a very influential role in shaping consumers' decision-making and purchasing behavior. This research makes several contributions to our understanding of how consumers evaluate foreign organizations and the influences on their buying decisions. In particular, we examined whether the home and foreign business unit images constructed by individuals and the images these individuals believe other stakeholders hold influence their decision-making. Although theoretical models of student choice (e.g. Cubillo et al. 2006; Vrontis et al. 2007) recognise the influences of parents, friends and the media, some empirical research, (e.g. Chen 2008; Maringe 2006; Pampolini 2010; Soutar and Turner 2002) has concluded that institutional characteristics are much more influential than interpersonal or informational sources. In contrast, our main (original) structural model found that perceived stakeholder images was the only significant determinant of product choice.

The theoretical models of student choice (e.g. Cubillo et al. 2006; Vrontis et al. 2007) tend to consider interpersonal influences in the form of advice, persuasion or expectations from family or friends, which have a direct effect on students' choices. Our research suggests that

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consumers value other stakeholders' opinions; hence consumers' choices are affected by their *perceptions* of other stakeholders' organizational (or product) images. Consumers might act in this way so that they can receive recognition when people important in their lives acknowledge that they made the 'right' purchase decisions, and as a result they will gain respect and satisfy their personal esteem needs. As such, our findings introduce a new dimension into theories on consumer decision-making.

### **5.3 Managerial implications**

Corporate brands can be used by organizations as image-building devices that denote ownership and convey the symbols associated with the firm's key values (Balmer and Gray, 2003). Organizations can develop corporate brands that convey a rich heritage, ownership of strong assets and capabilities, and possession of desirable values and qualities, which define what the organization stands for and what it will deliver to consumers (Aaker, 2004). However, the findings of this research suggest that multinational enterprises cannot rely on strong corporate brands and successful operations in their home countries to achieve positive perceptions of their foreign operations among potential consumers abroad. Although we based this research on international branch campuses in the higher education market, we argue that the findings are generalizable and applicable to multinational organizations in diverse business and service sectors.

When deciding on whether or not to buy from a foreign firm, consumers will be most influenced by the corporate images held by other stakeholders rather than the images of home and foreign business units constructed by themselves. It is important therefore that the images and product quality of foreign business units satisfy the needs and expectations of all stakeholders. This might require firms to invest heavily in premises, equipment and human resources. Given that foreign business units often lack the economies of scale enjoyed by home business units, firms will often have to forego short term profit in order to invest for the long term, to boost the foreign business unit's corporate image and reputation.

Brand experiences influence stakeholders' perceptions of organizations. Organizations that want to build stakeholder loyalty and improve their reputations need to consider the sensory, behavioral, affective and intellectual experiences of stakeholders when they interact with the corporate brand (Arbratt and Kleyn, 2012). Sensory experiences result when consumers use their senses to perceive brand-related stimuli whereas behavioral experiences relate to the actions that individuals associate with consumption of a brand. Affective experiences can result in individuals having strong emotions for a brand and intellectual experiences can lead an individual to being curious about a brand, encouraging cognitive reflection. Consumers cannot build strong brand images without any experience of the brands (Arbratt and Kleyn, 2012), so it is the task of marketers to provide and manage such experiences.

This research confirms the importance of various stakeholders in influencing the choices of individual consumers, but stakeholders themselves have varying needs and expectations (Freeman, 1984). This suggests that it would be advisable for firms to adopt a stakeholder perspective when developing and implementing their marketing strategy. Well-crafted corporate and marketing communication strategies can be valuable in ensuring that stakeholders receive and positively process information about the firm that is in alignment with the firm's desired identity.

Organizations can use market research and internal self-evaluation of the firm's corporate images to identify the strengths and weaknesses of their images, which can aid the development of suitable image-building strategies. As the images held by different stakeholders can differ at any point in time (Kotler and Fox, 1995), organizations need to recognize that all stakeholders are not equal in terms of the extent to which they can affect, or

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be affected by, the firm's performance. Therefore, organizations need to focus their efforts on satisfying their primary stakeholders.

Stakeholders communicate with a firm's potential consumers using various methods, such as face-to-face word of mouth and online communications that include personal emails, review websites and media organization websites. Organizations must attempt to monitor and manage these channels of communication. Firms should encourage existing customers to engage in positive word of mouth, and firms can even reward customers for doing so, for example, by giving them discounts if they introduce new customers to the firm. Although corporate brand and image building are key components of any firm's marketing mix, a firm is more likely to achieve positive word of mouth if it provides high quality products and service and if customers perceive that they receive value for money. Organizations, therefore, need to develop and maintain a marketing strategy where corporate brand and image complement and support the other components of the strategy as well as being complemented and supported by those components.

#### ***5.4 Limitations and further research***

This research has limitations. The study includes a relatively small sample and examines one industry in a single country. To enable generalizability of our findings, more studies are needed across different industries and geographic regions. Cultures and consumer tastes vary in different parts of the world, so it is possible that individual perceptions of organizational images will vary too. The existing literature already recognizes that in different cultures interpersonal relationships and communication exert different levels of influence over consumer decision-making, which requires firms to employ different marketing strategies in different foreign markets (de Mooij, 2011; Samli, 1995).

#### **Appendix A. Measurement scales.**

All items were answered using a seven-point Likert-type scale where 1 = strongly disagree and 7 = strongly agree.

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To what extent do you think each of the following influence your overall impression of a particular foreign university operating in the UAE?

**Home images**

Has educated Nobel prize winners  
Holds international accreditations  
Position of university in rankings  
Employs the top professors  
(Cronbach's alpha = .75)

**Foreign images**

Attractiveness of UAE campus  
Location of UAE campus  
Availability of sports and leisure facilities at UAE campus  
Size of campus in UAE  
(Cronbach's alpha = .73)

*With regard to a named (chosen by the respondent) foreign university operating in the UAE:*  
To what extent do you agree with the following statements?

**Perceived stakeholder images**

My friends would be impressed if I went here  
This university gets mainly positive coverage in the media  
My parents would be proud if I went here  
This university is highly respected by employers  
I would feel a sense of achievement to study here  
(Cronbach's alpha = .89)

**Product choice**

This university is/will be on my shortlist of universities to attend  
I am determined to gain a place at this university  
People like me want to attend this university  
I will not apply to this university (reverse coded)  
People like me do not go to this university (reverse coded)  
(Cronbach's alpha = .95)

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