MAGISTERARBEIT

„The Influence of Hofstede´s Cultural Dimension on the Corporate Reputation of Franchise Systems: Evidence from the Fast Food Industry in the European Market"

Verfasser:

Stefan Gspurning, BSc (FH)

Statement of Authorship

I confirm that the work presented in this research proposal has been performed and interpreted solely by myself except where explicitly identified to the contrary. I confirm that this work has not been submitted elsewhere in any other form for the fulfillment of any other degree or qualification. The present research proposal corresponds completely to the electronic draft submitted.

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Vienna, 27th August 2012

Signature

(Stefan Gspurning)

Foreword

I would like to express my thanks to all of my friends, fellow students and personal mentors, who have given me the strength and motivation to finish my master studies at the University of Vienna within a short amount of time.

A special thanks goes to my parents, Othmar and Doris Gspurning, who were supporting me throughout my whole life and always kept me on the right path with unquestionable confidence in my personal and professional development. Further I am thankful to my girlfriend, Mami Taguchi, for keeping me motivated during the tough times in the research stage of this thesis and inspired me constantly with new ideas. As well as to Helmut Eder and my aunt Gerlinde Zeugswetter, who supported me regularly during my stay in the beautiful city of Vienna.

Further I would like to take the opportunity to express my appreciations to my personal mentor Albert Tien. Throughout the years Albert has become a good friend and taught me the importance of an academical background. The highly professional advices, made me realize what goals I have to achieve and where I want to go in my future.

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ANOVA	Analysis of variance
AUT	Austria
BC	Beta Coefficient
CBR	Customer-based Corporate Reputation
CC	Correlation Coefficient
CR	Corporate Reputation
GER	Germany
HUN	Hungary
IDV	Individualism/Collectivism Index
LOY	Customer Loyalty
LTO	Long-term/Short-term Orientation Index
MAS	Masculinity/Femininity Index
PDI	Power Distance Index
POL	Poland
SAT	Customer Satisfaction
SUI	Switzerland
UAI	Uncertainty Avoidance Index
WOM	Intention of Word of Mouth

1   Introduction

During my master studies in International Business Administration at the University of Vienna, I specifically put my focus on two topics, marketing and international management. Within the four semesters topics like brand reputation and international franchise-systems have been crossing my way more than a few times, and gave me the inspiration and motivation to write a master thesis that combines both of those inputs. As although brand reputation is non-physical, it is a crucial asset for a company, since it can generate monetary streams. In the case of franchise systems, reputation serves also as a key selling argument. Some of the most prominent franchise-systems can probably be found in the fast-food industry, such as Mc Donald's, Burger King and many others. In order to provide a deeper comprehension of the importance of reputation for service-oriented fast-food brands, I would like to continue and outline the research problem as well as the research questions, before going on with the underlying theoretical concepts in the following chapter.

1.1   Research Problem Definition

Rising competition in the franchised fast-food industry has made it difficult for a single brand to outshine its contestant. The potential for differentiation among the various brands is limited to only a few options. The food served, the pricing, the staff's clothes and even the architectural style of the restaurants are becoming homogeneous (cf. Thomadsen 2007). The company's reputation however, is the ingredient that can make the essential difference, when the costumer has to decide in which restaurant-chain he will spend his money. This is due to the fact that "Consumers rely on firms' reputations because they have less information than managers do about firms' commitment to delivering desirable product features like quality or reliability." (Fombrun & van Riel 1997, p. 6). The company's reputation has consequently a very powerful influence on the customer's behavior, but unfortunately "[…] reputations are seldom noticed until they are threatened." (Barnett et al. 2006, p. 26). The strategic importance, to have a premium corporate reputation, has made the term also a popular

research object, and it's difficult to say that corporate reputation has been understudied. Even though the intense research in this field, it has still left some spots out, since the focus has rarely been on the customer's perception of corporate reputation in connection with his cultural background. Cultural values are deeply integrated into an individual's cultural system and are reflected in his behavior, thinking and even affects the evaluation of corporate reputation (cf. Hofstede 2001, Trompenaars & Hampden-Turner 1998). Various studies could draw attention to these effects, and posted, the level of a company's reputation can be influenced by culture (e.g. Bartikowski et al. 2011; Duque & Lado 2010; Furrer et al. 2000; Jin et al. 2008). The definition of culture is another sensitive subject; many researchers are relying on the five cultural dimensions provided by Hofstede (2001), which are defined as power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance and long-term/short term orientation. Looking at Europe, a continent that is united in diversity, reflects the complexity of the cultural spectrum quit well. On a relative small continent, several different national identities have been developed, with different languages, different rituals, different values and even different symbols (cf. Hofstede 2001). The historical development, many wars and last the Iron Curtain, which has split Europe into East and West, have left their marks in the cultural identity of the various European countries.

For companies, which are operating in a service-oriented environment, the level of customer reputation has an even greater impact on success. Wang (2003) describes that "Reputation plays an especially important strategic role in service markets because the pre-purchase evaluation of service quality is necessarily vague and incomplete." (Wang et al. 2003, p.76). In these kind of firms, the customer is confronted not only with the final product, but also interacts on a personal level. Immediately the customer´s universe is influenced by the behavior of the staff and by the atmosphere of his surroundings, all these attributes have an influence on the satisfaction level of the customer, which again translates into a corporate reputation from the customer's point of view (e.g. Hokey Min & Hyesung Min 2011; Reimann et al. 2008, Walsh et al. 2006, Walsh and Beatty 2007). "In order to manage their reputation, service firms need to measure it and understand its connection with important customer outcome variables." (Walsh and Beatty 2007, p. 127). Besides customer satisfaction, also customer loyalty and the intention of word of mouth are considered to be closely linked customer outcome variables to the idea of corporate reputation. Raw models of such services-oriented companies can be found in the franchised fast-food industry. With an "unhealthy" labeling of their products, fast-food brands do not per se profit from a good reputation, rather

the opposite is the case. However, these restaurants have become widely-spread and are operating very successfully in the worlds markets (cf. Thomadsen 2007).

The fact that these restaurants are operating in many countries and many people already could experience these restaurants will make it an ideal starting point for a cross-cultural comparison study. Therefore, it would be very interesting to investigate this rather unstudied area, and provide evidence on how much the reputation of a franchised fast-food company gets influenced by the cultural identities in the different European countries.

1.2   Research Questions

Since reputation is of main concern, in particular the customer's view of a company's reputation, the investigation has to go in a first step into the direction of how culture is able to influence the outcome of the corporate reputation. Hence, the first research question is as follows:

RQ 1: What is the influence of Hofstede's cross-cultural dimensions on customer-based corporate reputation of franchise systems in the fast food industry in Central Europe?

The second interest lies in the cultural diversity of Europe. As mentioned in the previous chapter, Europe stands for a very diverse region in terms of cultural backgrounds. Especially the split of Europe into East and West is supposed to have an immense influence on the cultural value systems and may be reflected in the reputation judgment in the different countries. Therefore research questions two is designed as follows:

RQ 2: Is there a difference of customer-based corporate reputation judgment of franchised fast-food systems among western and eastern Central European countries?

1.3   Structure of the Thesis

In order to provide a comprehensive understanding on how the research questions were tried to answer, this chapter will enlighten what logical path this master thesis has to conquer.

Ten major units are building the frame of this paper, starting from the introduction and ending with the overall conclusion. In first the section "Introduction", it was tried to outline the central theme of this master thesis. Therefore the problem was well defined and two research questions have been developed. At the end, the goal will be to provide an accurate answer to the two research questions. To do so, the problem has to be looked at by all of its theoretical facets, which represents the research stage and will be handled in the second chapter "Theoretical Implications", where all the recent scientific findings will be summarized and looked at intensely. The theoretical outline will build the foundation for this thesis, as it is the necessary component in order to formulate in chapter three the hypotheses. The more rich the information from the research stage, the more logical and funded will the hypotheses be. Followed by the chapter "Hypothesis Development" will be chapter four "Research Design and Data Analysis", this is where the practical part begins. As a survey had to be conducted, section four will highlight how the questionnaire was designed and which variables were tried measure. At the end, all the collected data will be analyzed in detail with the help of powerful statistical methods. All these results will be looked at again in chapter five "Findings", where all the major consequences will be discussed. In addition, chapter six "Managerial Recommendation" will provide a practical translation of these finding for the daily business use, and in chapter seven the limitation as well as impulses for future research will be given. After all those units, the last chapter "Conclusion" will summarize the key findings of this paper and also gives a clear answer to the two research questions of interest. In addition chapter nine and ten will provide the bibliography as well as the appendix in order to complete this master thesis.

2   Theoretical Implications

Starting with chapter two, I would like to emphasize all the relevant theory used. As the main research interest lies in the question, if culture has any influence on the construct of corporate reputation. For that reason the two constructs, culture and reputation, have to be investigated first. Hence, this part will point out key findings in the definition of culture, in particular Hofstede's cross-cultural differences, and further enlighten the construct of corporate reputation.

A crucial part for this thesis is the understanding of cultural differences. In the past decades numbers of different views have been established on how to distinguish the different cultures and nations on our planet. In this master thesis culture will be considered as a five dimensional construct, inspired by Hofstede's doctrine (1980). The countries chosen for this thesis are Austria (AUT), Switzerland (SUI), Germany (GER), Poland (POL) and Hungary (HUN). A bit later the historical developments, the cultural universals as well as the cultural differences of these five countries will be highlighted, in order to get a deeper understanding on how Hofstede's dimensions are able to explain the cultural complexity. The other interest in this chapter is directed to the idea of corporate reputation (CR). The concept of corporate reputation implies that it can be influenced by various factors, such as satisfaction, loyalty or even the purchase intention of a customer (e.g. Hokey Min & Hyesung Min 2011; Walsh et al. 2006; Bartikowski et al. 2011; Fombrun & van Riel 1997; Caruana & Ewing 2010). However the focus lies more in the customer-based view of corporate reputation rather than in the overall corporate reputation. Further it was defined to investigate in particular the reputation level of franchised fast-food restaurants. These franchised fast-food restaurants are represented by two well-known American brands, Mc Donald's and Burger King. A key characteristic of franchised restaurants is their low service level, since the customer is asked to order his food directly at the counter and bring it to the table. However one the key success factors of these burger restaurants lies in the fast handling of food orders, this is what makes the concept of franchised fast-food restaurant so very thriving. Therefore it will be interesting to examine, how customers are rating the reputation of such low service level restaurants as well as the question, if the cultural differences between these nations is able to explain a the variation in the assessment of a company's reputational level.

2.1   What is Culture?

Well, what is culture? Everybody knows it, but hardly one can find a simple explanation for culture. Culture is an extremely complicated construct and contains of many characteristics. According to Taras et. al (2009) the term "culture" is tremendously popular, the statistics on well-liked search engines such as Google shows, that "culture" has far more hits than other popular terms like "sex" for example. But not only the numbers on the internet are impressive, also science has found its interest in culture. In the main social science electronic databases hundred of thousands articles with the keyword "culture" can be found (cf. Taras et. al 2009, p.1). Nevertheless probably one of the most recognized definitions describes culture as followed:

> '*Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitting mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values.*' (Kluckhohn 1951, p.86, n.5 [Hofstede 2001, p.9])

Over the past, more than 150 definition of culture have been generated and the numbers are still growing. And even though the immense interest in this research topic, before the work of Hofstede, cultural or cross-cultural research was not able to provide a useful set of data in order to compare different national cultural values. Several scientists have tried to quantify culture, but no one was able to provide a far-reaching and practical database such as Hofstede did. Besides, culture was often measured as a single variable; however this approach does not take into account the complexity and multidimensional approach of culture. Let's take for example countries such as Germany and Austria; despite the fact that those countries are obviously close related to each other and also share some cultural universals, it is not accurate to say that those two countries are identical in term of their cultural values. Looking at only a single cultural variable, such as language, they might be the equivalent, but that alone doesn't represent the complete cultural spectrum. By comparing other aspects, such as cultural attitudes, values or traditions, it becomes very understandable that Germany and Austria are substantially different from each other.

According to Taras et. al (2009) there are four points where the majority of scientist have agreed upon when it comes to the definition of culture. "First, it is generally agreed that culture is a complex multi-level construct. It is often depicted using an "onion" diagram with basic assumptions and values representing the core of culture, and practices, symbols, and artifacts representing the outer layers of the construct […]. Second, culture is shared among individuals belonging to a group or society. Third, culture is formed over a relatively long period. Finally, culture is relatively stable." (Taras et al. 2009, p.358). The so-called „onion" diagram contains of five layers: symbols, heroes, rituals, value. The illustration of an "onion" diagram tries to illustrate the complexity of culture. Culture contains of visible elements, such as symbols, heroes, rituals, which can be observed and are summed as practices. The other big part of the definition of culture are values, compare to the other three cultural layers, values are invisible and build up the core center of a society. The invisibility of the cultural values makes it very difficult to measure (cf. Hofstede G.H. & Hofstede G.J 2005, pp.21-22). Hence, the onion diagram explains the difficulty of measuring the cultural uniqueness's, but it leaves out the response on how to operationalize the cultural difference in quantifiable numbers. An early work of Hall (1976) presented the idea of dividing cultures into a few dimension. In his book "Beyond Cultures", Hall came up with the framework of low- and high-context cultures, and secondly with the indication of monochromic and polychromic cultures (cf. Hall 1976). The context-index of cultures describes the countries way of communication between individuals, the more context driven a society is, the more contextual cues are important. On the other hand, low-context cultures, such as Switzerland for examples, prefer to have information in clear written terms. The second dimension of monochromic and polychromic characteristics can be understood as the level of punctuality. While monochromic countries tend to be more on time and focused on manners, the polychromic countries seem to be less organized and less punctual (cf. van Everdingen & Waarts 2003, pp.222-223). The approach by Hall is very promising, but fails to reflect the relative cultural distances. A far more outstanding approach is delivered by Hofstede (1980), he understood culture also as a multidimensional construct, but different to Halls assumption of two cultural dimensions, Hofstede delivered five cultural dimensions. These five dimensions are not only describing the cultural mannerism of a nation, but also deliver relative data's. The relative cultural distance from one nation to another is an essential element for the popularity of Hofstede's findings, as it makes it possible to compare various nations with each other, according to their cultural scores.

2.1.1   Hofstede´s Cultural Doctrine

After the numerous efforts in order to operationalize culture precisely, Hofstede was the first who came up with an advantageous approach in his groundbreaking work *Culture's Consequences: International Differences in Work-Related Values* in 1980 (G. H. Hofstede 1980). For Hofstede, culture stands for "the collective programming of the mind which distinguishes the members of one human group from each other" (G. H. Hofstede 1980, p.25). His first work covered an analysis of around 116'000 questionnaires from 40 countries, collected at the IBM Corporation. The study was later expanded to around 93 countries. "Hofstede argued that many national differences in work-related values, beliefs, norms, and self-descriptions, as well as many societal variables, could be largely explained in terms of their statistical and conceptual associations with four major dimensions of national culture."(Minkov & G. Hofstede 2011, p.11). The four dimensions are defined as Power Distance (PDI), Individualism/Collectivism (IDV), Masculinity/Femininity (MAS) and Uncertainty Avoidance (UAI). Apart from Hofstede's original study, Hofstede and Bond added a fifth dimension to the cultural construct, know as Long-term vs. Short-term Orientation (LTO) (cf. G. Hofstede 1988, pp.14-21). Hofstede's work offered an extremely detailed factor-analysis of cross-cultural differences, which were particularly valuable for cross-cultural comparisons. Hofstede's doctrine in the field of cross-cultural research is cited among thousands of scientific studies in various research fields (cf. Taras et al. 2011, p.1). Other authors that were inspired by Hofstede's findings, even expanded the five dimensional model and added up more cross-cultural scopes in order to suite the complexity of culture (e.g. Schwartz 1994; Trompenaars & Hampden-Turner 1998). However these studies never reached the popularity of Hofstede.

Despite the wide recognition of Hofstede's doctrine and his broad application in science, the paradigm of Hofstede also faces a few limitations. According to Shivakumar and Nakata (2001) some of the major critiques were that the Hofstede's reduction to only a few dimensions is to simple for a cultural index; that the measuring of culture in only one single multinational corporation, such as IBM, is not representative and also that his measuring is ignoring within-country heterogeneity (cf. Sivakumar & Nakata 2001, pp.555-559). Further Hofstede's work doesn't not take into account the changing of cultures over time, therefore it is questionable if the indices, which were collected almost 40 years ago, are still significant today (cf. Taras et al. 2011, p.2). But "Hofstede always believed that his dimensions reflect

stable national differences." (Minkov & G. Hofstede 2011, p. 12). The relative cultural scores should be measured over centuries and Hofstede predicts that his indices won't change within one century (cf. G. Hofstede 2001, pp.34-36). With stable national differences Hofstede demonstrates, that his indices are relative scores and are evaluating the countries by their cultural distance to each other and therefore stays stable over time. However several studies were able to show that in fact culture is able to change relative quickly, either over times or through certain events (e.g. Inglehart & Baker 2000; Olivas-Luján et al. 2004; Smith 2000; Tang & Koveos 2008). Nevertheless, inspired by Hofstede's doctrine and its known limitations, it has been tried to generate similar broad cross-cultural comparison studies, with the consequence, that most of them have faced the very same limitations as Hofstede's doctrine or they failed to provide such a large and far-reaching dataset (cf. Taras et al. 2011, p.2).

2.1.2   Cultural Value Differences

The popularity and broad acceptance in the scientific community of Hofstede's paradigm were reason enough to use these indices for this paper, as it provides an ideal foundation, in order to investigate the differences of customer-based corporate reputation (CBR) judgments among different nations. As mentioned before, Hofstede "introduced the 'dimension' paradigm, showing that cultural differences between modern nations could be meaningful measured and ordered along a discrete set of dimensions, representing different answers to universal problems of human societies. […] Power Distance (related to the problem of inequality), Uncertainty Avoidance (related to the problem of dealing with the unknown and unfamiliar), Individualism-Collectivism (related to the to the problem of interpersonal ties)[…][,] Masculinity-Femininity (related to emotional gender roles) […] and Long- versus Short-Term Orientation (related to deferment of gratification)." (G. T. Hofstede 2006, p.883). As declared prior, Hofstede administered his original study in 40 countries and later expanded the number of countries to around 93 (cf. de Mooij & G. Hofstede 2002, p.63). The high number of investigated countries is providing an ideal basis to compare different nations according to the CBR level.

2.1.2.1   Power Distance

The first dimension is referred to as Power distance. According to Hofstede (2001) "*Power distance* […] is the extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally. The basic problem involved is the degree of human inequality that underlies the functioning of each particular society."(G. Hofstede 2001 p. xix). Therefore the higher the score in this dimension, the more a society is willing to accept social inequality in the power distribution. Looking at a country like Slovakia, who has according to Hofstede's study one of the highest scores in this dimension, and comparing it with Austria, who has the lowest score in this index, we find fundamental differences. While the Slovaks are accepting and expecting that some people in their society have more power than others; the Austrians prefer to have very flat hierarchies, where everyone has equal rights and power. It can be assumed, that the different historical development in those countries must have had an enormous influence on the scores for this dimensions. As Austria was part of Western Europe and Slovakia has been building up a society under communism.

2.1.2.2   Individualism-Collectivism

"*Individualism* on the one side versus its opposite, *collectivism* […], [which] is the degree to which individuals are supposed to look after themselves or remain integrated into groups, usually around the family. Positioning itself between these poles is a very basic problem all society face."(G. Hofstede 2001 p. xx). Particularly the degree of individualism describes how much the society expects from someone to take care of himself. The higher the score, the more individuality is expected from the members of the society. As an example America and Japan will provide a good understanding for this dimension. The Americans are highly focused on individualism, and everyone is supposed to be able to create his own "American Dream". At the same time, if an individual fails in the American society, he also is expected to take care of himself and stay resilient. On the other hand, in a society like Japan, collectivism plays a much more important role. The society therefore also expects from individuals to behave the same way as all the others. Concerning consumer behavior, it has

been found, that countries with a high score on individualism, tend to care more for them self and also spend more money on their health (cf. De Mooij 2011, p.189).

2.1.2.3   Masculinity-Femininity

The following dimension is considered to show the societies ability for achievements, great courage and material recognitions. Hofstede states that *"Masculinity* versus its opposite, *femininity* […], refers to the distribution of emotional roles between the genders, which is another fundamental problem for any society to which a range of solutions are found; it opposed 'tough' masculine to 'tender' feminine societies." (G. Hofstede 2001 p. xx). The higher the score in this index, the harsher the society is and consists of a man-valued cultural orientation. Whereas a low score indicates, that feminine values are playing an central role, as the community is taking care of its members and focuses on emotional rather than materials achievements.

Although this dimension is describing the differences between emotional roles of the gender, the masculinity-femininity index is not about gender equality in a society. It indicates rather the 'trade-off' between the interest of the family and of the job (cf. G. T. Hofstede 2006, p.894). Concerning the level of MAS within a culture and the related consumer behavior, there are some significant relations. For example, a masculine culture tends to shop more often for status symbols, such as nice cars, expensive watches or jewelries. The masculine cultures are often showing a significant correlation to the use of mineral water, which holds as a status symbol. On the contrary feminism cultures tend to shop rather for household goods than status symbols (cf. de Mooij & G. Hofstede 2002, p.62).

2.1.2.4   Uncertainty Avoidance

Probably the most remarkable dimension is considered as uncertainty avoidance, which indicates how much a society tries to avoid uncertain situations. Hofstede (2001) clarifies that

"*Uncertainty avoidance* […] is the extent to which a culture programs its member to feel uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, different from usual. The basic problem involved is the degree to which a society tries to control the uncontrollable."(G. Hofstede 2001, p. xix). According to de Mooij and Hofstede (2002) the higher the indices the more the society needs rules in order to structure their day and create routines. On the other hand in weak UAI cultures, who are less dependent on rules, they tend to be much more innovative and experimental. Looking at the shopping behavior of consumers, UAI plays next to the previously explained index MAS an important role. Especially when it comes to the choice of food. It has been found that in cultures with a high level of UAI, it is much more likely that these cultures are looking for pure and fresh foods. Consequently, cultures with a low score on UAI tend to eat more convenience and unhealthy food than their cultural opponents (cf. de Mooij & G. Hofstede 2002, p. 64). So it looks like that cultures with high UAI tend to be healthier. Further Reimann (2008) describes that "*high uncertainty avoidance* refers to higher stress levels and an inner urge to be busy; robust superegos and more showing of emotions; acceptance of aggressive behavior of self and others; less tolerance and acceptance of unclear situations; less acceptance of dissent and a strong need for consensus, clarity, and structure." (Reimann et al. 2008, p. 66).

2.1.2.5   Long-term Orientation

Apart from the four previously discussed dimension, the fifth dimension of long-term vs. short-term orientation, has been added by Hofstede in a later stage and was not part of the original study conducted by Hofstede in 1980. Hofstede (2001) defines his fifth dimension as following: "*Long-term* versus *short-term orientation* [...] refers to the extent to which a culture programs its members to accept delayed gratification of their material, social, and emotional need." (G. Hofstede 2001, p. xx). A good example of LTO can be found in the recent political agenda, taking the financial European decisions. The more countries tend to save money, in order to cut their debts, the nations is supposed to be long-term oriented. While contrary, a country that rather spends more money is seen to be short-term oriented.

2.1.3   Culture in Central Europe

As shown in *Figure 1* below, eight countries are considered to represent Central Europe. Those countries are: Austria, Czech, Germany, Hungary, Poland, Slovenia, Slovakia and Switzerland. The main connection of those countries is rather their geographical position in Europe than their historical development. Nevertheless, Central Europe is somewhat of a new region.
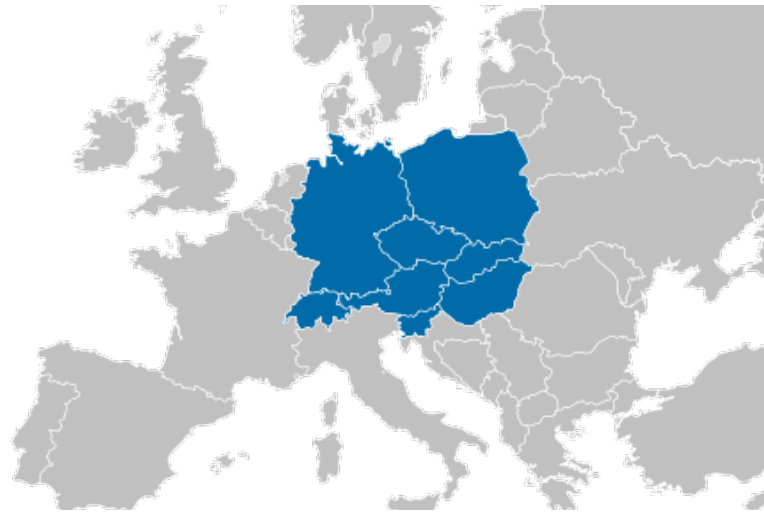
Figure 1 Map of Central Europe (Anon 2011)

Since the end of World War II this region has been separated through the so-called Iron Curtain. Austria, West Germany and Switzerland were part of the "free" Western Europe, while Czech, East-Germany, Hungary, Slovenia, Slovakia and Poland were referred to as "satellite states" under control by the UDSSR. Botev (2012) points out that "Central […] Europe is becoming increasingly diverse, not just socially and economically, but also demographically, as the countries in the region have mastered different development paths and vary in terms of the speed of the social, economic and political transformation that they are undergoing." (Botev 2012, p.69). For companies, who are operating in this region of Europe, have to be aware of the heterogeneity of this area. Duque and Lado (2010) are saying, that "the global customer is more a myth than a reality". (Duque & Lado 2010, p.676). This implies that companies should carefully adopt their concepts according to the individual cultural characteristics of the market that they are about to penetrate.

Thus, for this study we will reduce the number of Central European countries and only consider Austria, Germany, Switzerland, Poland and Hungary. Throughout the entire five cultural dimensions, the considered five European countries do not show a consistent picture. While assumed, that Eastern and Western countries would be much easier to separate from each other, the opposite is the case. Only in the dimensions PDI and UAI the two groups seem to reflect such a separation, while the other indices do not indicate such obvious dissimilarity.

	PDI	IDV	MAS	UAI	LTO
Austria (AUT)	11	55	79	70	31
Germany (GER)	35	67	66	65	31
Switzerland (SUI)	26	69	72	56	40

Table 1 Western Central European Indices (G. J. Hofstede & Minkov 2010)

The first three countries considered, Austria, Germany and Switzerland, are the so-called Western European countries. In the case of Switzerland it has to be mentioned, that only the Swiss German part is considered in this thesis. Due to the fact that according to Hofstede (2005) "[…] the concept of a common culture applies to societies, not to nations." (G. H. Hofstede & G. J. Hofstede 2005, p.18). Although Switzerland has a strong national identity, it contains of a mix of four different language regions with difference historical and cultural backgrounds. Looking at *Table 1* above provides the value of the cultural indices by Hofstede and Minkov (2010). Especially in the dimension of PDI the German-speaking countries are scoring very low compare to the Eastern countries in *Table 2*.

	PDI	IDV	MAS	UAI	LTO
Poland (POL)	68	60	64	93	32
Hungary (HUN)	46	80	88	82	50

Table 2 Eastern Central European Indices (G. J. Hofstede & Minkov 2010)

The considered Eastern Central European countries are Poland and Hungary. Those countries are part of the European Union since 2004. The economical and social transition of those

countries is tremendous. While being shut off from the European market by the Iron Curtain, they suddenly became part of the European Union and have now access to the world largest single market. Despite the quick systematic changes, Kolman et al. (2003) quotes that " the 40 years under socialist rule have had an impact on these societies that makes it unlikely that a durable equilibrium will soon be found." (Kolman et al. 2003, p.86). The study by Kolman et al. (2003) not only found differences from Eastern and Western European countries, but also clearly showed that even within the Eastern European countries the cultural scores are very heterogeneous. Nonetheless, literature is providing assistance on this issue and enables us to create a logical cultural map of Central Europe. As the historical development in the investigated five countries plays a prominent role in the national identity of the countries, it cannot be left out (cf. Skinner et al. 2008, pp.197-201). According to Hofstede (2001) the dimension PDI and UAI are showing a high correlation, especially for European countries. This due to the fact that Europe can be split into different historical clusters, as "The level of uncertainty avoidance effects the way how power is exercised there."(G. Hofstede 2001, p.150). By taking the PDI and UAI values of each country and putting them into a cultural map, the two clusters can be observed in *Figure 2* very well.
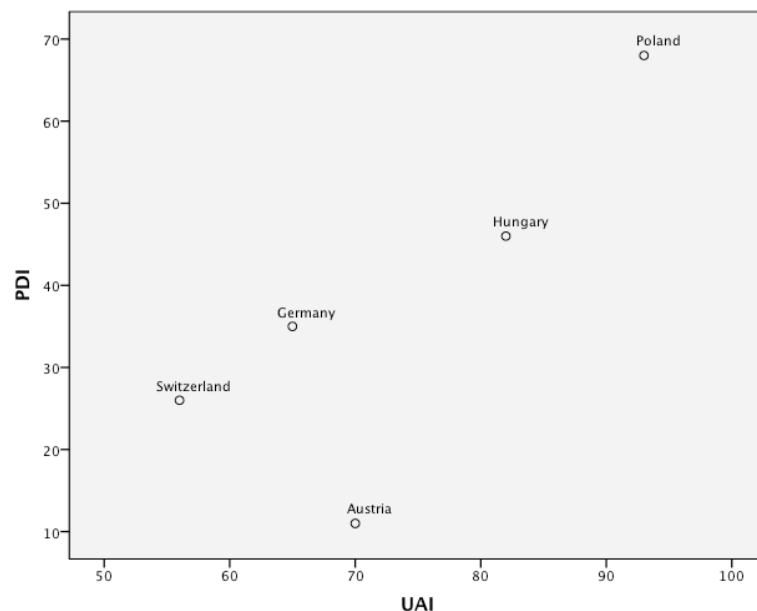
Figure 2 Cultural Map of Central Europe (own)

2.2   Corporate Reputation

After examining the meaning and the multidimensional approach of culture, including the groundbreaking cross-cultural study conducted by Hofstede (1980), *Chapter 2* continuous now and takes a look at the idea of corporate reputation.

Corporate reputation has been investigated over a long time. Like "culture" also "corporate reputation" can be seen as a rather complicated multi-layered construct. But corporate reputation often doesn't come alone, as corporate reputation has been denoted to have linkages to a various additional variables. According to scientific research, corporate reputation can be linked to (1) customers satisfaction (e.g. Hokey Min & Hyesung Min 2011; Walsh et al. 2006), (2) competitiveness (e.g. Brown 2003), (3) loyalty (e.g. Bartikowski et al. 2011; Fombrun & van Riel 1997; Caruana & Ewing 2010), (4) brand equity (e.g. Lai et al. 2010), (5) performance (e.g. Rose & Thomsen 2004), (6) positive word of mouth (e.g. Fombrun & van Riel 1997) and (7) trust (e.g. Jin et al. 2008). But not only researchers are interested in the topic of corporate reputation. Many managers throughout the globe are seeing the reputation of their enterprise as one of the key performance indicator for success. Fombrun and van Riel (1997) stated that "managers can make *strategic* use of a company's reputation to signal its attractiveness." (Fombrun & van Riel 1997, p.6). However, corporate reputation gets often confused with corporate image. But there is a significant difference between these two conceptions. While image can change relatively quickly, corporate reputation is far more stable and has to be earned over a long period of time. For example, a company can present actively to its stakeholders, that it is environmentally responsible, and attempts to form a certain image to the outside audience. Reputation on the other hand is the uninfluenced long term perceptions of the stakeholders of the company, which can be good or bad (cf. Walker 2010, p.366). To be more precise, a definition of corporate reputation is necessary. According to Walker (2010) the most-cited definition of corporate reputation originates from Fombrun (1996):

> *"A perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals."(Fombrun 1996, p.72)*

The definition above assumes, that apart from the evaluation of the past action and future expectations from a stakeholder towards the company, corporate reputation only becomes a vital asset when it is compared to other leading rivals. Several authors suggested that a company with a high reputation can benefit from a competitive advantage over its contestants and is expected to appeal more consumers (e.g. Gotsi & Wilson 2001; Groenland 2002). For example, if two companies are producing similar items in a similar price range, it can be anticipated, that the company with the better corporate reputation has an advantage over the other enterprise. In some cases it is also possible, that a company can ask for a premium price, since the customer is often willing to pay more for a company with a higher reputation. As typically the customer will add to a good corporate reputation a certain monetary value. But in this understanding corporate reputation is a quite broad subject, Fombrun and van Riel (1997) have described that corporate reputation could be seen in various lights. It can have an 'economical', 'strategical', 'marketing', 'organizational', 'sociological', 'accounting' or even an 'integrative' aspect (cf. Fombrun & van Riel 1997, pp.6-10). In the following, we will narrow down the definition of corporate reputation and focus mainly on the customer's view of corporate reputation. Looking at corporate reputation within a cultural context, two dimensions seem to play a considerable role. According to Falkenreck and Wagner (2010) "A company's reputation is more important in cultures with high power distance and high masculinity that in those with low power distance and low masculinity." (Falkenreck & Wagner 2010, p.34).

2.2.1 Customer-based Corporate Reputation

Remarkably more important than corporate reputation, which principally is the evaluation of the total actions of a company by all its stakeholders, is the concept of customer-based corporate reputation (CBR). The difference is here the specific focus on only one group of stakeholders, which is represented by the group of customers. Walsh and Beatty (2007) have defined CBR as:

> *"[...] the customer's overall evaluation of a firm based on his or her reactions to the firm's goods, services, communication activities, interactions with the firm and/or its*

representatives or constituencies (such as employees, management, or other customers)
and/or known corporate activities, and will hereafter be referred to as CBR [Customer-
based corporate reputation]." (Walsh & Sharon Beatty 2007, p.129).

This definition of Walsh and Beatty (2007) implies that the stakeholder group "customers" has some superior features compared to all the other stakeholder groups. For example managers or other experts often are evaluating public companies according to economical attributes. These experts might care mainly about the balance sheet, the asset and debts of the company, and make their final judgment on the financial strength of the company. This result will give the experts a basis to develop their reputational reflection of the company. Those valuations are highly professional, but they do not have to reflect the actual customers opinion. As on the other hand, the customer is confronted with other dimensions; he doesn't care about the company's balance sheet, but rather on things like, if the firm was able to fulfill his needs, if the staff was friendly and flexible, if the service quality was pleasurable, if the consumed products met his expectations and so on. Therefore different stakeholder groups may evaluate the corporate reputation of an enterprise differently (e.g. Walsh & Sharon Beatty 2007; Wartick 2002). The customer bases his verdict for the reputational level of a company not only on its past activities and future expectation, but rather on his own personal experience with the corporation. This reflects that the overall corporate reputation can differ from the actual customer-based corporate reputation. Further the customer is judging the reputation very subjectively and therefore, even these opinions can vary within the stakeholder group "customers" itself. This accuses that the structure of that single stakeholder group is very heterogeneous.

Nevertheless, a good reputation does not always have to be favorable for a company. A positive evaluation of CBR also rises the expectation of the customer to receive a superior product/service quality level (cf. Rhee 2006, p.102). Looking at a company like Apple Inc. can underline this fact quite well. While Apple is known to enjoy a high reputation level among its customers, as they brought up industry-changing devices such as the iPhone or iPad, they are also facing the danger of failing to serve the high customers expectations. By being an innovative company, the customers adjust also their expectations towards the enterprise. Therefore Apple has to deliver constantly new innovations that are able to outshine its competitors; otherwise the customer will be disappointed. This again might affect the CBR

judgment and the customer is not willing anymore to pay a premium price for Apples gadget, as they are relatively less innovative than expected.

Due to the fact that reputation is considered to be a multidimensional construct, we have to take a step further and highlight all the dimension that are influencing the customers judgments towards a certain company and the associated CBR level.

2.2.2 Customer Outcome Variables

As declared previously, CBR is nearly as complex as culture, and it can be linked to multiple variables such as satisfaction, performance, trust, loyalty, purchase intention, word of mouth, brand equity and/or competitiveness (see *Chapter 2.2*). Since numerous authors have investigated many of those links, I would like to give a brief overview on three specific variables, which have a strong bond to the level of customer-based corporate reputation and therefore play a significant part in order to operationalize the measuring for the corporate reputation from a customer point of view.

Throughout the literature research, it was experienced, that the construct of CBR was rarely linked directly to Hofstede's doctrine, but scientist rather have picked one or more of the CBR outcome variables and measured the influence of one or more cultural dimensions (e.g. Bartikowski et al. 2011; Duque & Lado 2010; Furrer et al. 2000; Jin et al. 2008). Three of the most investigated customer-outcome variables according to Hofstede's work were customer satisfaction (SAT), customer loyalty (LOY) and the intention of word of mouth (WOM). Although all these outcome variables seem to have a strong correlation to the construct of CBR, it is vital to understand in which direction this connections exists and further, if those variables have any connection towards the goal of this study.

2.2.2.1   Customer Satisfaction

Customer satisfaction is a concept that principally provides information about the customers experience with a certain company. If the customer is pleased with the experienced service level of the company, or even better, if his expectations have been exceeded, the more likely he will have positive associations towards the company and he will be satisfied with their performance. This concept of SAT is closely linked to CBR and was investigated by several authors (e.g. Hokey Min & Hyesung Min 2011; Walsh et al. 2006). A positive customer satisfaction level is able to positively influence the customers-based corporate reputation valuation, and vice versa. The relationship between SAT and CBR is in both ways significant (cf. Walsh et al. 2006, p.414). Jin et. al. (2008) approves this theory and states that "literature confirms that firm reputation provides a halo effect to lead consumers to a higher satisfaction level." (Jin et al. 2008, p.325). This so called "halo effect" refers to the human psychology and is a well-known topic in marketing research. It basically means that a person takes one attribute, here the level of reputation, and suggest that all other attributes of the enterprise have to be similar, without ever having experienced the other attributes of the corporation. In some cases "The halo effect created by a good reputation lets customers evaluate the retailer more favorably, even when performance is not satisfactory."(Jin et al. 2008, p.326).

Regarding the stated research questions, it will be more relevant to see the customer satisfaction in a service-oriented context. Reimann et al. (2008) indicates that "a service provider can increase overall customer satisfaction by either improving customer perceptions of a service or by lowering their expectations of it." (Reimann et al. 2008, p.64). So the more the customer expects from the company, the more likely he will be dissatisfied, when the company is not able to meet this expectations. On the contrary if the service firm is able to raise the quality of the service level it will be more likely to satisfy the customers anticipations. Further Reimann et al. (2008) found a link between culture and the level of satisfaction. In particular he pointed out that Hofstede's dimension of UAI would have an influence on the level of SAT. The more tolerant a society is, or the lower the index of UAI, the easier the customer can be satisfied (cf. Reimann et al. 2008, p.70). Duque and Lado (2010) found a similar relation, but indicated that the level of PDI has an influence on the satisfaction level. The lower the level of PDI the more difficult to satisfy the customer (cf. Duque & Lado 2010, pp.686-688).

2.2.2.2   Customer Loyalty

The second outcome variable is known as customer loyalty. How loyal a customer is towards an enterprise is often measured in terms of his 'repeat purchasing frequency' or how much items of the same brand someone is buying over a certain time period (Gupta 2008, p.518). Some authors even describe two dimension of loyalty, such as 'purchase loyalty' and 'attitudinal loyalty' (Bartikowski et al. 2011, pp.966-967). Whereas the purchase loyalty stands for the 'willingness' to buy a certain brand and attitudinal loyalty points out the 'commitment' towards a certain brand (Chaudhuri & Holbrook 2001, p.83). Although we will handle customer loyalty as a single variable, we should be aware that this split exists.

Nevertheless customer loyalty is extremely valuable for a company, since the customer already intends to favor the company's product compare to others. This would suggest that the loyalty of the customer also indicates a higher corporate reputation level. Because in order to become a loyal customer, the client should have made already some positive personal experiences with the company in the past. These positive experiences can further be backed up by a positive corporate reputation, as a good reputation can lead to a higher satisfaction level and therefore to a more pleasurable experience. Nonetheless that customer-based corporate reputation is an important driver for customer loyalty and vice versa, many authors implied that this relation is only in one direction noteworthy and have postulates that CBR has a significant and positive relation towards customer loyalty (e.g. Bartikowski et al. 2011; Walsh & SE Beatty 2009).

What makes the loyal customer so valuable for the company is the fact, that loyal customers generate a constant stream of monetary returns, which helps to cover regularly a part of the company's expenses. Therefore a company has to try to get as many loyal customers as possible. Further the study provided by Bartikowski et al. (2011) connected LOY not only towards CBR, but also argued that LOY is moderated by culture. As we know from Hofstede's definition of cross-cultural differences, it is suggested that LTO is influencing the link between CBR and LOY (cf. Bartikowski et al. 2011, p.971). LOY is seen as essential, when the level of LTO within a culture is high. The more long-term oriented a culture, the stronger the linkage between CBR and LOY.

2.2.2.3   Word of Mouth

The last outcome variable considered is the intention of word of mouth. Several studies have indicated, that there exists a strong correlation between CBR and the intention for a positive word-of-mouth behavior (e.g. Walsh et al. 2009; Bartikowski et al. 2011). While the exploration on this relationship has been more focused on how CBR affects WOM, the correlation suggests that this connection is directed in both ways (cf. Falkenreck & Wagner 2010). That a positive WOM can be a very powerful tool to attract new customer is well known. So stated File et al. (1992) that "Word-of-mouth has been found to decrease customers' perception of risk and increase their intention to buy the service." (File et al. 1992, p.6). The recommendation by an opinion leader can be a substitution for an own personal experience with a certain company. Usually people tend to believe the advices from opinion leaders, as they are not influenced by the enterprise and therefore are independent and trustful. However, it is generally known that people tend to share negative experiences more often than positive once. Concerning cultural values, Falkenreck and Wagner (2010) are arguing that in countries with a low score on IDV, which means a more collective culture, a positive WOM has high positive impact on the customer-based corporate reputation (cf. Falkenreck & Wagner 2010, p.32). This due to the fact, that it is anticipated, that the more collective a country is, the more people tend to share information's among each others. This on the other hand raises the possibility for the intention of WOM.

2.2.3   Measurement Concerns

After knowing what CBR stands for, the next step would be to find a way to measure CBR and its outcome variables SAT, LOY and WOM correctly. As corporate reputation, or better customer-based corporate reputation, cannot be observed directly, it is going to be rather hard to find an accurate method of measuring. Walker (2010) has summarized five points regarding the measurement of corporate reputation, these implications are providing a good basis for the understanding on what is important, when it comes to quantify corporate reputation. (cf. Walker 2010, pp.372-374):

1. *Measurement should examine perceived reputation*
2. *Corporate reputation is an issue-specific, aggregate perception.*
3. *The comparative nature of corporate reputation need not be limited to other firms.*
4. *Measurement of corporate reputation should permit the construct to be positive and negative.*
5. *Corporate reputation is relatively stable and enduring.*

The first point takes into account, that it is vital to measure not the factual representation of corporate reputation, but rather the subjective perceived reputation by the specified stakeholder group (cf. Wartick 2002, pp.375-379). In our study, individual customers are representing the single stakeholder group. Secondly, it will be important to focus only on an issue-specific perception, in our case we look at the CBR level of two franchised restaurant-chains. The third point states clearly that it is not necessary to compare different firms in contradiction of their corporate reputation level, but it will be also acceptable if we compare reputation levels of industries among societies. Further Walker (2010) mentioned that the researcher should not only focus on positive reputed companies. The investigated companies, Burger King and Mc Donald's, were chosen randomly and not upon their reputation levels. And as the last point, we have to take into account, that corporate reputation is a relatively stable construct, which makes it considerably different than corporate image (cf. Walker 2010, p.357). This means in our case, that this cross-sectional study is able to provide valuable data.

2.3   Fast-Food Industry

Two of the largest representative brands in the worldwide fast-food market are probably Mc Donald's and Burger King. Also in the case of Central Europe, where those two American fast-food restaurants have by far the highest impact and therefore are ideal candidates to be researched. Further not only the prominence makes those fast-food restaurants so interesting to research, but also the fact, that both of those franchised brands offer a very similar conception and food assortment. In the following, I would like to take a look at Mc Donald's and Burger King in more detail.

2.3.1   Mc Donald's and Burger King

Mc Donald's and Burger King have generated in 2011 worldwide revenues of over $29.3 billion (Anon 2012a; Anon 2012b). However the restaurant-chains do not differ that much from each other, both brands offer the customer a homogenous experience throughout all their restaurants, starting from their menus, their uniforms and even the architectural style of their restaurants. This homogeneity is one of the keys success factors for the concepts of Mc Donald and Burger King. Their customers know exactly what they can expect from the brand, as they get the same experience all over the world when entering one of those restaurants (cf. Thomadsen 2007, p.294). Almost all of the restaurants within the brands are sold as a franchise concept and are operated by independent franchisees. "These franchisees, which pay the franchisor a fixed franchise fee plus a percentage of revenues, operate largely as independent businesses within a framework of a national brand—purchasing their inputs from approved suppliers and setting their own prices." (Thomadsen 2007, p.794). On one hand the franchisor can shift some of the operational risk towards the franchisee, and on the other hand, the franchisee can benefit from the worldwide reputation of the brand, the corporate marketing campaigns and the experience of the franchisor. The relevance of franchising is very important for both competitors, and allows them to generate a relative fast international growth rate, while they are still able to adopt some local specialties. Mc Donald's states in their annual report 2011, that they see themselves mainly as "franchisor and believe franchising is important to delivering great, locally-relevant customer experiences and driving

profitability."(Anon 2012a, p. 9). Both companies are showing stable developments, although the competition among fast-food restaurants has become more aggressive over the years. Only by looking at the variety of different fast-food concepts that are out there, is showing how hard the competition has to be. Not only the numbers of competitors have climbed, but also other circumstances, such as the financial crisis, are making pressure on the profitability. Min and Min (2011) stated that "[…] fast-food restaurants have experienced intense competition in the recent years due in part to the saturation of a fast-food restaurant market and the worldwide economic downturn." (Hokey Min & Hyesung Min 2011, p.283).

Mc Donald's and Burger King are some of the most important fast food restaurants in the world. Mc Donald's has over 33'510 restaurants in 119 countries, of those restaurants around 80% are operated by franchisees (cf. Anon 2012a). On the other hand Burger King only operates around 12'000 in 67 countries. Even though Burger King has far less branches, compared to Mc Donald's around 96% of Burger Kings restaurants are operated by franchisees. Interesting is also the information, that "McDonald's will locate away from Burger King and allow each firm to dominate in its own area if the market is large enough. Burger King, on the other hand, always works to avoid direct competition with McDonald's unless there is a large demand source, such as a mall, which would provide Burger King with enough customers to overcome its inability to be a strong competitor against McDonald's." (Thomadsen 2007, p.803). And although both restaurants have different strategies according to their choice of locations, both companies are represented in Central Europe quite well. However the quantity of restaurants in these countries differ very much (see *Table 3*).

Country (Population)	Mc Donald's	Burger King	Total	Per Mio P.
Austria (8,9 Mio)	179	32	211	23.6
Germany (81,8 Mio)	1418	676	2097	25.8
Switzerland (7,9 Mio)	152	32	184	23.3
Poland (38,5 Mio)	282	27	309	8.0
Hungary (9,9 Mio)	98	30	98	12.9

Table 3 Number of Fast Food Restaurants in Central Europe (Anon 2012c)

Looking at the total number of branches, Mc Donald's has a clear lead in the total amount of fast-food restaurants in Central Europe. While in Western Europe fast-food restaurants have been in place for more than 40 years, the Eastern European countries were no able to get access to those restaurant chains before 2008. A reason why American fast-food companies have started to expand to Eastern Central Europe much later is not surprising, due to the historical development in Europe after the Second World War, and the influence during the Cold War of the UDSSR in Eastern Europe, made it not easy for American companies to set a foot in the Eastern European market. Of course with the figures in *Table 3* we are not able to make any statement about the CBR level of the two franchised fast-food companies in the five considered countries of interest, but it gives a first overview on how widely spread the fast-food chains are.

For the purpose of this thesis however, it was found, that it would not be accurate enough to compare the two brands against each other, as Mc Donald's is far more widespread. But rather to merge the data from the two franchised restaurant-conceptions and measure the CBR level for the two American fast-food chains as a whole. With this process, the sample size will become larger and will provide a more representative outcome for the fast-food franchise industry in Central Europe in general.

2.3.2   Reputation of Franchise-Restaurants

When it comes to reputation of franchise restaurants, certain factors are more significant than others, especially since restaurants are considered to be service-oriented firms. According to Walsh and Betty (2007) five dimensions are essential when judging a service firm´s corporate reputation from a customer perspective: "*Customer Orientation, Good Employer, Reliable and Financially Strong Company, Product and Service Quality, and Social and Environmental Responsibility.*" (Walsh & Sharon Beatty 2007, p.133).

While all five dimensions are vital for the firm´s reputation, when it comes to find a linkage for service-oriented corporation towards the customers reaction (customer satisfaction,

customer loyalty, trust and word of mouth), *Product and Service Quality, Good Employer* as well as *Customer Orientation* have found to be highly correlated. These findings are stressing two main points. First of all, the construct of CBR is also in the case of service-oriented firms of a multidimensional nature, and second, that reputation affects the 'customer's reaction' towards the service enterprise (Walsh & Sharon Beatty 2007, p.139). The strong linkage of the three variables, *Product and Service Quality*, *Good Employer* and *Customer Orientation*, towards the customer's reaction is reasonable. Those three variables are directly observable when the customer attempts a restaurant. Although especially in fast-food restaurants the interaction between the staff and the customer is on a minimum level, the customer is experiencing how he gets threated, how the food quality is, how the atmosphere of the store is, if the staff seems to be happy at work, if the staff is able to fulfill the customers needs and so on. The direct observations of those variables are therefore much more influential then the other two dimensions, *Reliable and Financially Strong Company* and *Social and Environmental Responsibility*. The last two dimensions become more important, if the service firm is confronted with critical and actively information-seeking customers. However, the customer's evaluation of the corporate reputation can vary across other customers, since everyone has their personal rating system and evaluates service quality with their own standards. Nonetheless, Wang et al. (2003) describes that "Reputation plays an especially important strategic role in service markets because the pre-purchase evaluation of service quality is necessarily vague and incomplete." (Wang et al. 2003, p.76). The reputation not only influences the pre-purchase decision of the customer, but also is positively associated to the loyalty of the customer and customer satisfaction (cf. Walsh & Sharon Beatty 2007, pp.130-131). A higher level of CBR, SAT and LOY will keep the customer longer in the restaurant. And the longer the customer stays in the fast-food restaurant, the more likely, that he will consume more. To achieve that the customer spends more time in the fast food restaurant can be accomplished by the willingness of the franchise corporation to adapt local manner or new trends (cf. Hokey Min & Hyesung Min 2011, pp.293-297). For example looking at Mc Donald's, since couple of years they have changed their menus and introduced salads, fruits and other healthy foods. This was an answer to the rising consciousness in our society of a healthy lifestyle. Not only healthy foods have found their way to Mc Donald's, but also new concepts like the Mc Café have been introduced successfully into their conception, this as a response to the rising popularity of hangout-spots such as Starbucks. So in order to stay competitive, the franchise restaurant is advised to stay innovative and brave enough to make constantly little adjustment to their business model.

3   Hypotheses Development

After completing the theoretical background and the most important literature regarding culture and reputation has been reviewed, I would like to continue with the formulation of the hypotheses. Again, the goal of this work is to give a profound answer to the two research questions stated in the very beginning of this thesis.

RQ 1: What is the influence of Hofstede's cross-cultural dimensions on customer-based corporate reputation of franchise systems in the fast food industry in Central Europe?

RQ 2: Is there a difference of customer-based corporate reputation judgment of franchised fast-food systems among western and eastern Central European countries?

Through the theoretical excursus, a deep understanding on what culture stands for and which cross-cultural dimensions can be linked towards the conception of CBR could be gained (see *Table 4*). Since CBR correlates to various outcome variables, like SAT, LOY and intention of WOM, and the fact that some of the cultural dimensions are having direct influences on these outcome variables, shows that there is a connection between culture and reputation. Consequently it can be assumed, that those cultural dimensions have at least an indirect influence on CBR.

Cultural Dimension	Link to CBR	Literature
PDI	Customer Satisfaction	Duque and Lado (2010)
IDV	Word of Mouth	Falkenreck and Wagner (2010)
	Health Lifestyle	De Mooij (2011)
UAI	Customer Satisfaction	Reimann et al. (2008)
	Purity of Food	De Mooij and G. Hofstede (2002)
MAS	Status Symbols	De Mooij and G. Hofstede (2002)
LTO	Customer Loyalty	Bartikowski et al. (2011)

Table 4 Summary of Literature Supporting the CBR-Link (own)

The five cultural dimensions already have been confirmed to be useful indicators, when it comes to explain cross-cultural behaviors (cf. Singh 2006, p.185). A key assumption for the following hypotheses is the significant correlation from CBR with SAT, LOY and WOM, described by Walsh and Beatty (2006, 2007, 2009). Further the perception of service quality performances holds also a central role, since we are dealing here with fast-food restaurants, which are obviously judged by the customer awareness of the experienced service level. The higher the customer expectation of the aggregate of the service level, the more difficult it will be to satisfy the customers expectations (cf. Reimann et al. 2008, p.64). Additional we have strong signals that cultures with low PDI values, tend to be harder to satisfy in terms of the perceived service quality (cf. Duque & Lado 2010, pp.686-688). If low PDI level leads to lower satisfaction, it can be anticipated, that this also leads to a lower rating of CBR. Therefore we postulate the first hypothesis as followed:

H1: Customer satisfaction has a significant, positive effect on customer-based corporate reputation. This effect is weaker in low PDI cultures (e.g. AUT, GER and SUI) than in high PDI cultures (e.g. POL and HUN)

For the second cultural dimension, the level of individualism, which determines how close together people are in a society, there are two indications given by scientist towards a linkage with CBR. Unfortunately these two indications are not thriving in the same directions. There is proof, that countries scoring low on IDV, meaning collective nations, tend to share information within the group more frequently than in individualistic countries. This connects to the idea of positive word of mouth (cf. Falkenreck & Wagner 2010, p.32). Contrary to that statement, de Mooij (2011) suggest that more individualistic countries tend to care more for their health, which is a trivial thought when talking about fast food restaurant (cf. de Mooij 2011, p.189). But de Mooij (2011) failed to deliver a significant result. Therefore regarding the given facts, it will be assumed that:

H2: The intention of Word of Mouth has a significant, positive effect on customer-based corporate reputation. The effect is weaker (H2a) in high IDV cultures (e.g. GER, SUI and HUN) and stronger (H2b) in low IDV cultures (e.g. AUT and POL).

Uncertainty avoidance, stating how structured and prepared a society is, also has been investigated throughout the time, and various connections are estimated. Concerning consumer behavior in European countries de Mooij (2011) could provide data, that cultures with high UAI levels are strongly demonstrating that the society is focusing on pure and healthy foods (cf. de Mooij 2011, p.189). Since fast-food restaurants are considered to be unhealthy and highly processed, we would expect that high UAI countries have a negative attitude towards those corporations. Support for this assumption is provided by Reimann et al. (2008), who postulate that high UAI countries are less tolerant and therefore harder to satisfy (cf. Reimann et al. 2008, p.70). And a low customer satisfaction indicates a lower reputation level, this leads to hypothesis 3:

H3: *Customer satisfaction has a significant, positive effect on customer-based corporate reputation. This effect is weaker (H3a) in high UAI cultures (e.g. AUT, HUN and POL) and stronger (H3b) in low UAI cultures (e.g. SUI and GER).*

The argumentation for the next hypothesis is unfortunately less supported by recent scientific research, than the other cultural dimensions. Nevertheless, the level of masculinity in a country has influence on the shopping behavior of the consumer. So stated de Mooij and Hofstede (2002) that in masculine cultures people tend to buy more status symbols, whereas feminine cultures are more concerned about the goods for their households (cf. de Mooij & G. Hofstede 2002, p.62). Trying to build a bridge towards the conception of CBR, we might assume that masculine dominated cultures eat out more often, in order to show their financial status. If those individuals tend to go more to eat at restaurants, they also might judge the CBR level higher, therefore we assume:

H4: High MAS cultures (e.g. AUT and HUN) evaluate customer-based corporate reputation more positive than low MAS cultures (e.g. GER, SUI and POL).

Long- versus Short-term Orientation of societies provides the last cultural dimension by Hofstede (2001). Although the fifth dimension was introduced almost 20 years later than the

original cultural indices, Bartikowski et al. (2011) suggests that the more the country is long-term oriented, the more strong the customer loyalty. As high LTO cultures tent "[…] to build stronger relationships with their service provider […]." (Bartikowski et al. 2011, p.971). This delivers indications that:

H5: Customer-based corporate reputation has a significant, positive effect on Customer Loyalty. This effect is weaker (H5a) in low LTO cultures (e.g. AUT, GER and POL) and stronger (H5b) in high LTO cultures (e.g. SUI and HUN).

Hypotheses 1,2,3,4 and 5 are mainly dealing with the first research question, and are heavily focusing on how the five cultural dimensions are connected towards the CBR. The second research question however stays unanswered. In order to fill this gap, a sixth hypothesis has to be formulated. By investigating the cultural differences of Central Europe in *Chapter 2.1.3* a cultural map was drawn concerning Hofstede's cultural dimensions. However this picture was everything else but clear. Only two dimensions, PDI and UAI, provided an evident cultural difference. Especially the level of PDI offered a clear approach to separate Western Central Europe (Austria, Germany and Switzerland) from Eastern Central Europe (Poland and Hungary). Looking at Hypothesis 1 above, we will express that Eastern European countries are more likely to positively evaluate a fast-food restaurants reputation than their Western opponents. Support for this indication comes also from Hofstede (2001), as he shows, that in cultures with a high PDI level, people try to demonstrate their achievements and status by showing off what they have. Since Mc Donald's and Burger King have been expanding to Eastern Central Europe rather late, and therefore only a few fast-food restaurants are operated in those countries, the access to those restaurants is limited to only a few habitants. While on the other hand in Austria, Germany and Switzerland fast-food restaurants are accessible for almost everyone. The prestige win for Eastern European people by dining out at the franchised fast-food restaurant is therefore much higher. This implies that:

H6: Eastern Central European countries (e.g. POL and HUN) are evaluating the franchise-restaurants customer-based corporate reputation significantly more positive than Western Central European countries (e.g. AUT, GER and SUI).

4   Research Design and Data Analysis

The formulated hypotheses in the previous chapter will be tested now empirically. As declared earlier, several variables play an essential role in order to test those hypotheses, next to the main variable customer-based corporate reputation, also customer satisfaction, customer loyalty and the intention of word of mouth have to be operationalized and measured. To follow the logical path, I would like to introduce the way of how the variables were deliberated and how the questionnaire was developed, before going on and start with the actual statistical examination. Derived from the six hypotheses a research design was constructed and can be observed in the *Figure 3* below.
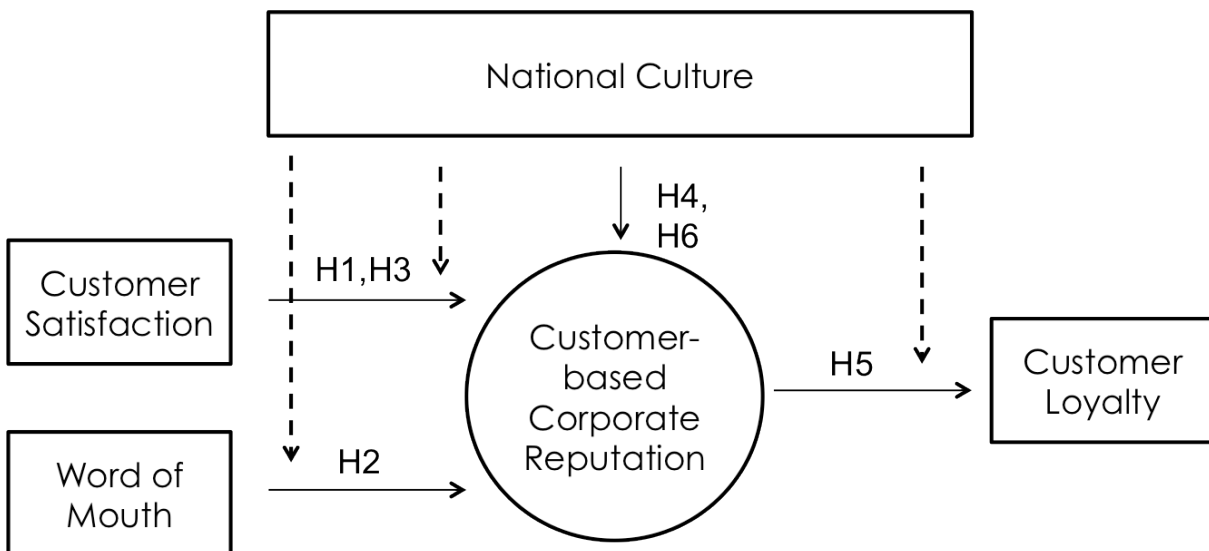
Figure 3 Research Model (own)

4.1   Research Method

The empirical part of this study contains data from five European countries (Austria, Germany, Switzerland, Poland and Hungary). The actual survey was conducted by students of the University of Vienna. The students were advised to gather information about the

customer's evaluation of the reputation of two franchised fast-food brands, in our case, we specifically focused on Mc Donald's and Burger King. To keep it simple, a convenience sample was drawn, and in every of those five European countries 30 random customers from Mc Donald's as well as 30 random customers from Burger King have been asked to participate in our survey. In total a sample size of 300 persons was generated. The customers filled out the questionnaire directly at their chosen fast-food restaurant. The approach of convenience samples is also used in other studies related to corporate reputation, and therefore a valid method for this thesis (e.g. Bartikowski et al. 2011; Walsh & Sharon Beatty 2007). In *Table 5* below, the sample characteristics are exposed in detail. Looking at that table, it can be indicated, that most of the people, who were participating in the survey, were between 20 to 39 years old (79.5%) and well educated. That the customers at the fast-food restaurant are rather young was expected, since mostly young people look for cheap and quick food possibilities. Additional the distribution between male and female is very balanced.

Characteristic		Percentage
Age	10-19	8.7
	20-29	59.6
	30-39	19.9
	40-49	6.7
	50+	5.7
	No answer	1.0
Gender	Male	49.8
	Female	50.2
	No answer	0.3
Education	Compulsory Education	2.7
	Apprenticeship	8.3
	High School	30
	University	53
	Other Education	2.7
	No answer	3.3

Table 5 Sample Characteristics (n=300; own)

4.1.1   Questionnaire

The questionnaire, which was developed by a marketing research institution from the United States of America, was provided to us for this particular survey. Nevertheless, in order to answer the research questions, the customers should be confronted with a questionnaire that is able to capture all the reputational dimensions for service-related companies. Therefore the survey was split up into four sections. The first measured the level of corporate reputation, the second was seeking for the general customer's opinion about their brand experience with the franchised fast-food restaurant. Section three was more specific and measured the customer's brand experience at the particular restaurant of his choice. And the last section was designed to deliver classification characteristics, such as demographic information's and further general evidence of the customers eating habits. In the section one, two and three the respondents were asked to evaluate the reputation of the corporation and their brand experience on a multi-item 7-point Likert-type scales (1 = strongly disagree; 7 = strongly agree). As the concept of CBR and its related outcome variables are difficult to measure, several items have to be in place in order to provide a stable statistical measuring method (cf. File et al. 1992, p.12). All items that were used to operationalize the four latent variables, were provided by the above mentioned marketing research institution. This means, that it was not possible to test the questionnaire beforehand and guarantee its internal validity. However, the item-scales were developed according to recent scientific research and have already been tested empirically by those researchers (e.g. Chaudhuri & Holbrook 2002; Crosby et al. 1990; File et al. 1992; Lai et al. 2010).

As we are specifically interested in the stakeholder group "customers", the chosen items had to reflect the actual customer's perception of the particular franchise system. At first, the customers were asked to judge the company's reputation. This "reflects what customers think about a firm, and whether they judge it to be esteemed, worthy and meritorious compared with its competitors." (Wang et al. 2006, p.184). Therefore the questionnaire supported five items, which basically are measuring the overall perception of the customer experience with the firm, the long-term future of the company and its comparative perception with other competitors. All items to measure customer-based corporate reputation are based on the study of Lai et al. (2010). The second important variable customer satisfaction, or brand satisfaction, which has shown to be highly correlated with CBR, was evaluated in order to discover, if the customer is satisfied with the franchised fast-food brand. This reflects not only

the perceived quality of the consumed products, but also serves as an indicator for the service level of the franchise brands. As a result a four-item scale was in place to operationalize the concept of customer satisfaction. The study from Crosby et al. (1990) investigated how salespersons are able to influence the customer's perception of the received quality (trust and satisfaction) in service firms, and detected that the interpersonal relationship from seller and customer plays an important role for the level of customer satisfaction. The third variable measured was the impact of the customer's intention of a positive word of mouth, which helps to clarify, if the customer is willing to recommend to his friends the particular franchised fast-food restaurant or not. According to File et al. (1992) a four-item scale is able to measure the WOM variable. All four items load on the factor WOM significantly. Customer loyalty, or commitment, is the last factor that has been of high interest for this thesis. The quantification of this factor is based on the findings of Chaudhuri and Holbrook (2002), and is an indication for the customer's relationship towards the company, which was measured with six items. The questionnaire supplementary measured the level of purchase intention and the specific degree of customer satisfaction at the local fast food restaurants and not for the overall brand. As we are more interested in the overall perception of the franchised fast food brand, we ignore both of those measurements.

Although the questionnaire is based on scientific findings, we have to make sure that the asked questions are internally consistence with their related latent variable. Therefore a validation of these measurements has to be performed, before passing on to the actual analysis.

4.1.2   Measurement Validation

As it was very convenient to receive a fully prepared questionnaire, there was a clear danger to lose the control over the result of the study, as maybe something else is measured than actually intended. To gain back the control of the questionnaire, it is essential to look at all the item-scales in detail and validate, that the items are measuring what they should. A good method to do that is the reliability analysis. As all the questions are drawn from other studies

in the field of corporate reputation and already have proven their validity these respective studies, we can assume that those questions are reflecting the different constructs quit well. Even so, a reliability analysis is able to recheck those assumptions and provides indication on how strong the items in the survey are related to their underlying latent construct. The outcome of the reliability analysis is the Cronbach's Alpha, which can get values between 0 and 1. "A Cronbach's α of 0.7 and over is considered desirable for the internal consistency of a scale." (Singh 2006, p.181).

	AUT (n=60)	GER (n=60)	SUI (n=60)	POL (n=60)	HUN (n=60)	ALL (n=300)
CBR	0.779	0.910	0.854	0.810	0.636	0.827
SAT	0.910	0.935	0.969	0.925	0.854	0.933
WOM	0.508	0.357	0.518	0.484	0.583	0.417
LOY	0.848	0.865	0.916	0.911	0.906	0.898

Table 6 Cronbach's Alpha (own)

Shown in *Table 6* above, all Cronbach's Alpha can be observed for each country, as well as an overall score for all of the 300 participants. For the construct of CBR only Hungary shows a poor score, but since all other countries having high scores, this situation is still acceptable. However, on the construct of WOM we face much bigger issue, all scores are way too little, which indicates no internal consistency for those items. The four-item scale chosen for WOM is based on the work from File et al. (1992). One of those four items called "seek out to other franchised fast-food restaurant to patronize" seems to measure something else than the intention of word of mouth. Therefore the WOM scale has been reduced to three-items, and *Table 7* supports that this decision delivers now excellent Cronbach's Alpha scores.

	AUT (n=60)	GER (n=60)	SUI (n=60)	POL (n=60)	HUN (n=60)	ALL (n=300)
WOM*	0.810	0.820	0.864	0.774	0.692	0.816

Table 7 Cronbach's Alpha for WOM corrected (own)

4.2   Statistical Analysis

After the validation of the relevant items, we continue with the actual statistical analysis. This allows the investigation of the six hypotheses and indicates clearly, if those assumptions can hold up against the reality. All of the following analyses have been conducted with the help of SPSS 20, a powerful analytical software tool, which is widely used in the field of social scientific research.

All the relevant data, apart from the demographic variables, have been composed with the help of a 7-point Likert-type scale. The Likert-scale is a very common measure for surveys and provides decent numbers. However the collected data's are ordinal scaled, which means that they are simply providing a ranking of answers. This means that they are only of limited use for a strong scientific analysis. Ordinal-scaled figures are not able to inform us about the distance between each category of the Likert-scale. So the variation from "agreed" to "strongly agreed" might be much larger than the variation from "neutral" to "somewhat agree". For the purpose of this study however, we treat the data from the Likert-type scale as if the scales are split up into intervals and therefore getting an advanced level of measurement. The assumption of interval scaled information enables us also to use more dominant statistical instruments, such as the regression and variance analysis. Through the assumption of interval scaled data, it is indicated to test these data's upon their normal distribution. By a simple visual check, it can be validated that the collected data set is providing such an evidence of a normally distribution. Therefore we can continue with our assumption and handle the data from now on definitely as interval scaled. Moreover, it will be assumed, that all the items in this survey, which are measuring a defined construct, are equally weighted.

4.2.1   Comparison of Means

For the next step, the means of the constructs have been calculated. With the help of SPSS 20 this task is very simple, since the items are equally weighted. The resulting means can be

observed in the *Figure 4*. By a straightforward visual comparison of the values in *Figure 4,* interesting outlooks for the six hypotheses can already be estimated.

Apparently all the countries are evaluating CBR and SAT quite high, while WOM and LOY are showing rather low values, this could entail that SAT and CBR have a strong relationship to each other. Only Poland seems to judge the four latent variables relatively close to each other than the rest of the observed countries. Although at this point we are no able to make a statement about which of these relations have a significant connection, but the fact that almost all countries separate CBR and SAT from WOM and LOY is noteworthy.

	AUS	GER	SUI	POL	HUN	ALL
■ CBR	5.368	5.17	5	4.913	5.44	5.178
■ SAT	5.082	4.667	4.879	4.913	5.238	4.956
■ WOM	3.472	3.189	3.339	4.511	3.583	3.619
■ LOY	3.164	2.745	3.142	3.828	3.506	3.277
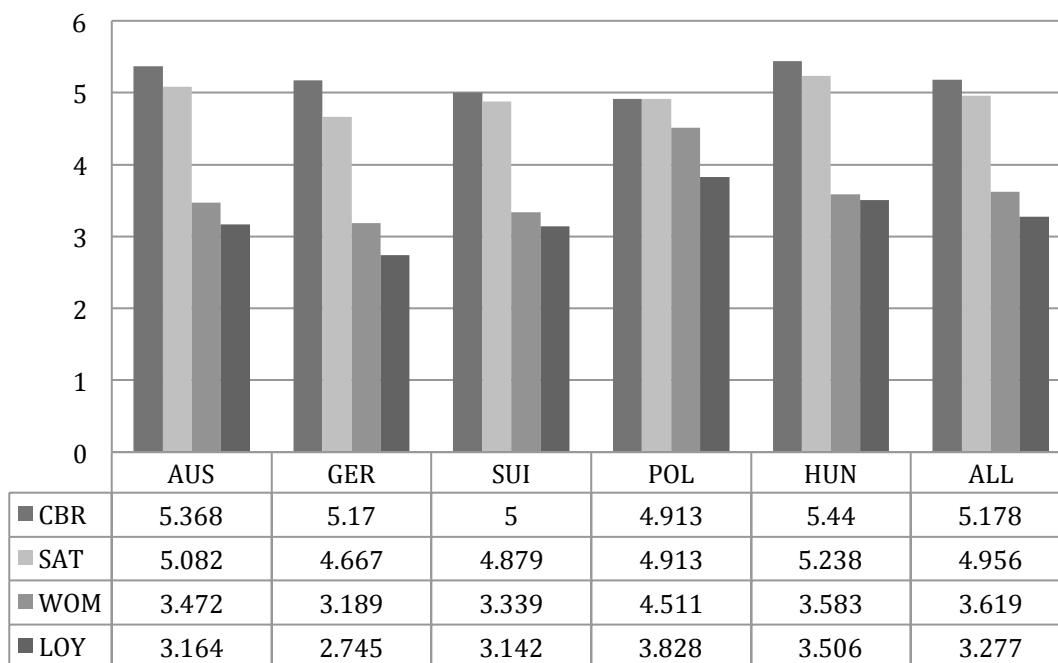
Figure 4 Comparison of Means (own)

Comparing the single values, it can be specified that Hungary (5.44) and Austria (5.37) score very high on CBR, while Poland (4.91) scores the lowest on the CBR of franchised fast-food restaurants. The construct with the lowest scores appears to be LOY; especially Germany (2.75) does not seem to be loyal towards McDonalds and Burger King. On the other hand Poland (3.83) has the highest result in this section. Obviously the judgment from the Polish people differs only slightly from the other nations. Looking at the differences from Western and Eastern European countries, only the level of WOM seems to separate those two regions.

While Western Europeans are less likely to talk about their positive experience with the fast food restaurant, the Eastern European countries are more likely to recommend the franchise restaurant to their colleges. As we know, that the interpretation of the simple means for the four constructs CBR, SAT, WOM and LOY is vague, we need additional evidence of the relationship between those latent variables in the spotted countries. Therefore a correlation analysis has been executed.

In *Table 8* the entire correlation coefficients are listed. Since we are dealing with assumed interval scaled data's, the best way to test correlation between latent variables for significant relationships is the Pearson-Coefficient. The main interest of this study lies only on the correlation between CBR and the three variables SAT, WOM and LOY. *Table 8* provides mostly significant results for these variables, and the correlations coefficients (CC) have scores between 0.322 and 0.735, which indicates low to medium correlations. Therefore, most of the correlations according to Pearson test criteria's are significant, only in the case of Austria the variable WOM and the concept of CBR seem to show no significant connection. Nevertheless looking at the overall picture, we can say that CBR is significantly connected to SAT (0.592), WOM (0.351) and LOY (0.429).

	AUT (n=60)	GER (n=60)	SUI (n=60)	POL (n=60)	HUN (n=60)	ALL (n=300)
CBR	1.000	1.000	1.000	1.000	1.000	1.000
SAT	0.427**	0.719**	0.735**	0.411**	0.508**	0.595**
WOM	n.s.	0.539**	0.535**	0.268*	0.345**	0.317**
LOY	0.325*	0.495**	0.628**	0.267*	0.322**	0.393**

Table 8 Correlation Coefficients (own; ** = highly significant, *= significant)

While the correlation coefficients are indicating the strength of the relationship between the constructs, we do not yet know in which direction the variables are related. But that investigation will be part of the next section, where we propose a regression analysis followed by an analysis of variance. Both analyses are widely used structural test methods.

4.2.2   Linear Regression Analysis

Since we know that there is an obvious connection of the latent variables, we take a step further and generate a regression analysis. According to Bartikowski et al. (2011) a "regression analysis provides a reasonable approach for estimating direct as well as interaction effects of continuous variables […]."(Bartikowski et al. 2011, p.969). To understand what the regression analysis exactly is testing, and how we can interpret the outcome, I would like to give a short clarification. This statistical tool basically puts the dependent variable (Y) and the independent variable (X) in the following mathematical equation:

$$Y = b_0 + b_1 X + e$$

Equation 1 Single Regression Model (own)

As we want to test, if the independent variable is able to predict the outcome of the dependent variable, the regression analysis tests the null hypothesis that between all the variables of a model no relationship exists and therefore the regression coefficients of the test population are all zero. If one of the regression coefficients is significantly different from zero, the null hypotheses can be refused. Since we have only one independent variable; the regression analysis will only test one b_1.

$$H_0: \; b_1 = 0$$

Equation 2 Null Hypothesis (own)

In line with the formulated hypotheses, we have expressed, that national culture will have an influence on the relation between CBR and SAT, CBR and WOM as well as LOY and CBR. For all three models we have postulated that the independent latent variables have a significant and positive linear influence on the dependent variable. To prove that we first have to express the models of interest:

  Model 1:   CBR = f (SAT)
  Model 2:   CBR = f (WOM)
  Model 3:   LOY = f (CBR)
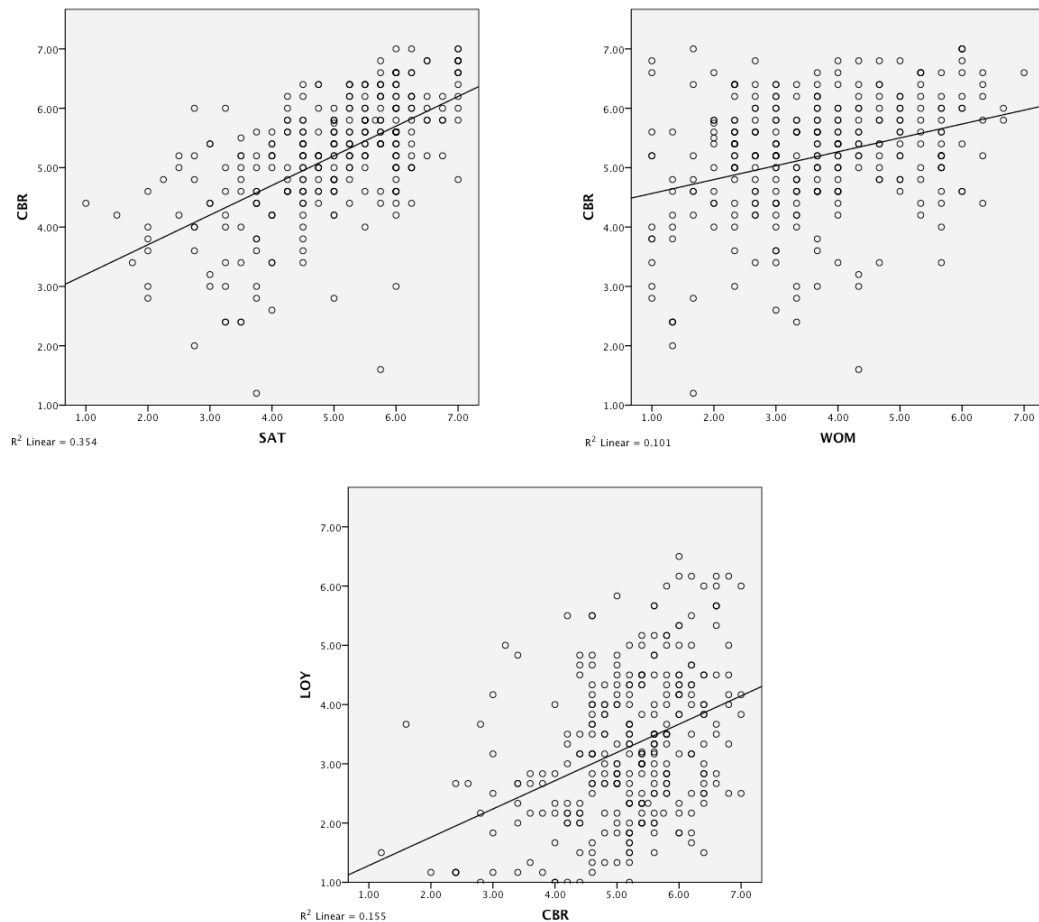
Figure 5 Model Aggregations (own)

The outcome of the regression analysis shows in *Figure 5* the linear relationship between the tested variables, combined for all the considered countries. A vital value that helps to understand the model validity is R-Square. The R-Square value clarifies, how much the independent variable is able to explain the variance of the dependent variable. For example, in model 1 the R-Square is 0.354, this means that the customer satisfaction can explain 35.4% of the total variance of customer-based corporate reputation. The other 64.6 % however, are not explained by this model and might been caused by other variables. While model 1 has an acceptable R-Square value, model 2 and model 3 are showing very moderate values. In model 2 the variable WOM can only explain 10.1% of the variance of CBR and in model 3 CBR predicts 15.5% of the variance of LOY. Although the R-Square values have a respected explanation value for the formulated models, we do not yet know, how strong and especially how significant the variables are related. In order to prove the significance of the model, the regression coefficients and more importantly the beta coefficient have to be considered.

According to the null hypothesis all the beta-coefficients should be zero. Observing *Table 9* below, we instantly see, that besides model 2, all beta-coefficients are bigger than zero and mostly highly significant ($p \leq 0.01$), and the T-values in brackets are bigger than 2. The beta-coefficient is indicating, how much the dependent variable changes when we change independent variable and if the relationship is positive or negative. For example, let's look at model 1 for Germany, when customer rates the satisfaction level by +1, then the CBR value will change positively by + 0.719. Like before, only in the case of Austria, there is a no significant relationship from WOM towards CBR. However all the other countries are providing strong evidence, that the assumed models are valid.

Given this clear result, the first conclusion on the hypotheses can be drawn. For H1 and H3 the regression model is highly significant and proves that SAT has a positive relation towards CBR, and although Model 3 has a rather low R-Square value, the relation from CBR towards LOY is significant and positive as well, which supports H5. For model 2 however, H2 is only partly true. While Germany, Switzerland, Poland and Hungary do indicate a positive and significant relation from WOM to CBR, Austria fails to deliver such a significant result, and therefore H2 cannot be fully supported.

	Model 1	Model 2	Model 3
AUT	0.427**	n.s.	0.325*
	(3.593)		(2.619)
GER	0.719**	0.539**	0.495**
	(7.869)	(4.879)	(4.340)
SUI	0.735**	0.535**	0.628**
	(8.244)	(4.826)	(6.142)
POL	0.411**	0.268*	0.267*
	(3.430)	(2.121)	(2.111)
HUN	0.508**	0.345**	0.322*
	(4.496)	(2.800)	(2.588)
ALL	0.595**	0.317**	0.393**
	(12.786)	(5.775)	(7.387)

Table 9 Beta Coefficients and T-values (own; **=highly significant, *= significant)

4.2.3   Analysis of Variance

The next statistical exploration is called analysis of variance (ANOVA), and is typically used when scientists are performing experiments. Therefore the dependent variable, in our case CBR, should be interval scaled while the independent variable is supposed to be nominal scaled. Comparing to the regression analysis in the previous chapter, the variance analysis differs in the fact, that we assume now that a specific independent factor influences the dependent variable, and that one of the factor-levels affects the dependent variable significantly different than the others. The null hypothesis postulates that all factor levels are equal to zero. If there are more than two factor-levels and the analysis of variance delivers significant results, it can be assumed that at least on factor level is unlike the others, but in order to know which factor level is significantly different a Post-hoc test have to be performed.

CBR	Square Sum	Df	Mean of the squares	F	Sig.
Between the Groups	0.000	1	0.000	0.000	0.984
Within the Groups	317.409	298	1.065		
Total	317.409	299			

Table 10 ANOVA with Factor "Central Europe (own)

For the first experimental design, the factor to examine is called "Central Europe". As throughout this thesis it was anticipated that Western Europe (Austria, Germany and Switzerland) will evaluate CBR significantly different than the Eastern European countries (Poland and Hungary). After performing the ANOVA with the two variables, there is no significant difference and the null hypothesis cannot be rejected. *Table 10* above provides the detailed data; with a significance level of 0.984 and a F-value of 0.000 it is absolutely clear, that the factor-levels "West Central Europe" and "East Central Europe" have no different influence on the level of CBR. Given the fact that these two geographical regions also do not differ evidently in their cultural indices delivered by Hofstede (2001), these result is suitable, which consequently leads to the rejection of H6.

Since the factor "Central Europe" does not deliver any significant results; we will perform a supplementary analysis on a country-level. As mentioned earlier, Hofstede's (2001) indices don't draw a clear picture regarding the five countries of interest, especially when we group the country in East and West. For the second ANOVA, we will take the factor "countries". With this factor five factor-levels are given, represented by the five individual countries. Looking at *Table 11* the outcome of this analysis is more promising, as a low significance is provided ($p \le 0.05$). In order to find out which countries CBR value is significantly different from the others a Post-hoc test was performed, with the consequences, that no significant result between the countries could be found (see *Table 22*).

CBR	Square Sum	Df	Mean of the squares	F	Sig.
Between the Groups	12.381	4	3.095	2.993	0.017
Within the Groups	305.028	295	1.034		
Total	317.409	299			

Table 11 ANOVA with Factor "Countries" (own)

Due to the awareness that at least one of the countries does evaluate CBR differently, although the post-hoc was not successful, it would be interesting to know, if one of the cultural dimensions is responsible for that outcome and is able to reflect the result above. Therefore five additional factors, this time Hofstede's cultural dimensions, have been tested with to the concept of ANOVA. Hence each cultural dimension has been divided in two factor-levels, grouped in countries with "High Cultural Indices" and countries with "Low Cultural Indices", according to the stated hypotheses in *Chapter 3*.

CBR	Square Sum	Df	Mean of the squares	F	Sig.
Between the Groups	8.621	1	8.621	8.320	0.004
Within the Groups	308.789	298	1.036		
Total	317.409	299			

Table 12 ANOVA with Factor "MAS" (own)

The only cultural index that has delivered a significant result was the level of masculinity. The significance level of 0.004 signals a strong difference in the evaluation of CBR among cultures with different MAS levels. As a result societies with high scores on MAS are evaluating CBR significantly better, than cultures with low scores on MAS. This finding is totally in line with our assumptions and strongly supports H4. To validate this conclusion a Levene-test was performed, which tests the variances of the samples. Unfortunately a weak significant result was delivered, which means that the variances of the samples are different from each other and usually does not carry the findings of the ANOVA. Nevertheless since we already have positively checked our data upon their normal distribution and we have equal sample sizes for each country, we can ignore the Levene-test for this time.

4.3   Test of the Hypotheses

4.3.1   Hypotheses 1-5

Starting with hypothesis one, where it was anticipated, that first of all customer satisfaction has a positive and significant influence towards the concept of customer-based corporate reputation (H1). Followed by the assumption, that this linkage would be weaker (H1a) in cultures with a low score on PDI and stronger (H1b) in countries with a high PDI score. This due to the suggestion of Duque and Lado (2010) who stated, that in low PDI countries, customers are much harder to satisfy than in high PDI countries (cf. Duque and Lado 2010, pp.686-688). The first basic suggestion, the relationship from SAT towards CBR, was confirmed to be correct in our case. All the correlation coefficients, which are giving an indication of how strong the variables are connected, are also showing significant results and specifying a medium strength of the correlation of the two variables SAT and CBR. Moreover, even the beta coefficients reflected that the postulated model is acceptable, as the beta coefficients are highly significant ($p \leq 0.01$) and positive. All these findings do support H1, which implies that H1 cannot be rejected. However, looking at the *Table 13*, it becomes obvious that although the formulated model is valid, it does not seem to have any connection to the cultural dimension of PDI. The beta coefficients should be lower in countries with low

PDI scores and higher in countries with a high PDI score. The one extreme Poland with a PDI Score of 68 has the lowest beta coefficient, while on the other side Austria, with the lowest score in PDI, has the second lowest score beta coefficient. To make sure that there is absolutely no significant difference in the valuation of SAT and CBR according to the PDI level, an ANOVA was performed. The analysis of variance with the factor "PDI" supports those conclusions and does not show any significant result. To summarize, a significant and positive relationship from SAT towards CBR has been confirmed, which supports H1. However, no difference of this relationship from SAT and CBR occurred, when it is compared to the level of a countries PDI score, which means that H1a and H1b have to be rejected.

	PDI	Model 1 (BC)	SAT (Means)	CBR (Means)
POL	68	0.411	4.91	4.91
HUN	46	0.508	5.24	5.44
GER	35	0.719	4.67	5.17
SUI	26	0.735	4.88	5.00
AUT	11	0.427	5.08	5.37

Table 13 Hypothesis 1 (own)

The second hypothesis, suggested that the intention of word of mouth would have a positive and significant influence towards the customer-based corporate reputation (H2). And further that in countries with a low score on IDV this assumed model would have a stronger (H2b) effect than in countries with a high score on IDV (H2a). Signals for these hypotheses were delivered by Falkenreck and Wagner (2010), who indicated that countries with a low score on individualism tend to share more information among each other (cf. Falkenreck and Wagner 2010, p.32). But concerning the first argument of hypothesis 2, *Table 14* below provides only limited support. While Hungary, Switzerland and Germany are delivering highly significant results on this linear model, Poland is only providing slightly significant results, while Austria does not verify this relation at all. Therefore H2 can only be partly accepted, while H2 has to be rejected in the case of Austria. Also the strength of the effect does not seem to vary across countries with different IDV scores. Whereas Hungary, with the highest score on IDV has a

very low beta coefficient, Poland on the other side of the IDV scale scores even lower on the beta coefficient. The countries with a medium level of IDV however show a higher beta coefficient. According to those findings, also H2a and H2b have to be rejected. Further, the analysis of variance did not show any indication that the level of IDV has any influence on the connection between WOM and CBR.

	IDV	Model 2 (BC)	WOM (Means)	CBR (Means)
HUN	80	0.345	3.58	5.44
SUI	69	0.535	3.34	5.00
GER	67	0.539	3.19	5.17
POL	60	0.268	4.51	4.91
AUT	55	n.s.	3.47	5.37

Table 14 Hypothesis 2 (own)

Hypothesis 3 follows the same assumption as Hypothesis 1, and postulates a positive and significant relationship from SAT towards CBR. As this relationship has already been proven beforehand, we do not reject H3. Different to the Hypothesis 1, is that this time we do not look at the level of PDI, but rather on the level of UAI. Uncertainty avoidance was found to have an influence on the level of satisfactions of customers. Reimann et al. (2008) stated that in countries with lower scores on UAI, people tend to be more tolerant, which would mean that those people are easier to satisfy, since they are more likely to accept lower service quality for example (cf. Reimann et al. 2008, p.66). And also de Mooij and Hofstede (2002) were able to deliver praiseful indication in that direction, and postulated, that countries with high scores of UAI tend to consume more pure foods (cf. de Mooij and G. Hofstede 2002, p. 64). This means that they are less likely to dine at "unhealthy" fast-food restaurant, and if they would eat there, they are probably less satisfied with the quality of the food. Therefore in countries with a high score on UAI the relationship between SAT and CBR are supposed to be weaker (H3a) and in countries with a low score on UAI it should have a stronger (H3b) effect. As in *Table 15* summarized, H3a and H3b seems to be supported. Since we grouped Poland, Hungary and Austria in the high UAI score countries and Germany and Switzerland in the low UAI countries, we can observe that indeed these two groups show different beta

coefficients. While the first group of low scoring countries displays less strong coefficients, the group of high UAI countries demonstrates much higher beta coefficients. Though without the grouping, this effect is not as obvious, especially when taking a look at the case of Hungary. With the second highest score on UAI, the beta coefficient is higher than for Austria. Also in this situation the analysis of variance was conducted, while there was no significant result found for the level of UAI and the level of CBR, however a very low significance (0.048) was found for the level of UAI and SAT. This brings the conclusion, that in case of the formulated hypothesis, where we defined groups of low scoring UAI and high scoring UAI countries, H3a and H3b are not being rejected.

	UAI	Model 1 (BC)	SAT (Means)	CBR (Means)
POL	93	0.411	4.91	4.91
HUN	82	0.508	5.24	5.44
AUT	70	0.427	5.08	5.37
GER	65	0.719	4.67	5.17
SUI	56	0.735	4.88	5.00

Table 15 Hypothesis 3 (own)

In hypothesis 4, it was implicated, that the level masculinity determines the level of customer-based corporate reputation. While there was only little supporting literature for this hypothesis, de Mooij and Hofstede (2002) provided an interesting suggestion and stated that the higher society scores on the masculinity index, the more likely, that its members want to show off that they are able to afford to dine out, in order to demonstrate their achieved status (cf. de Mooij & G. Hofstede 2002, p. 62). For low scoring MAS countries, which are therefore more feminine oriented, it was indicated that those cultures tend to care more for the households and probably eat more at home and deliver the family homemade foods. Those points led to the formulation of hypothesis 4, where it was declared, that in high MAS cultures it is more attractive to dine out, which delivers a higher reputation of the restaurant, and on the other hand that in low MAS countries people eat more at home, and evaluate the reputation of fast-food restaurants lower. Given these assumptions and taking a brief look at *Figure 6*, this relation has been proven with a significant result. High scoring countries on

Masculinity (Hungary and Austria) do evaluate CBR significantly more positive than low scoring MAS countries (Switzerland, Germany and Poland). The performed analysis of variance delivers a highly significant result with a value of 0.004 (see *Table 12*). In this case H4 is not being rejected.

	HUN	AUS	SUI	GER	POL
MAS	88	79	72	66	64
CBR	5.44	5.368	5	5.17	4.913
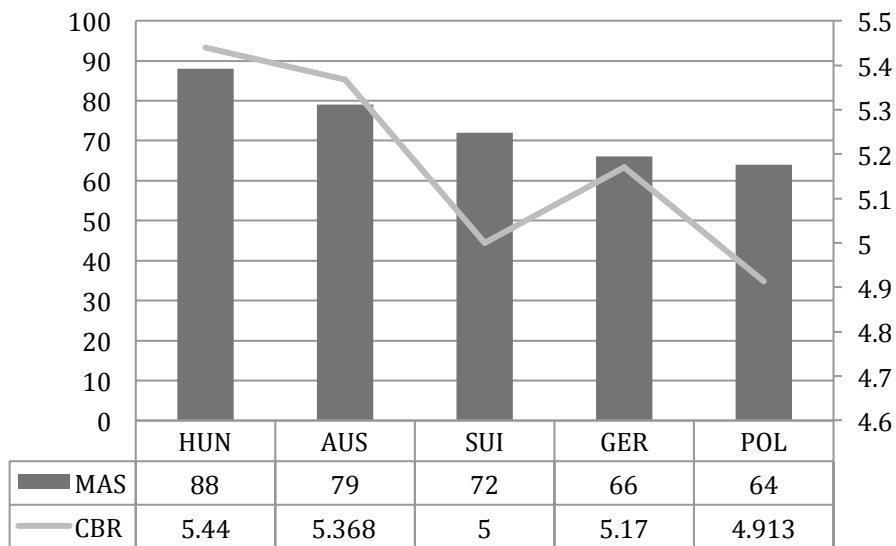
Figure 6 Hypothesis 4 (own)

The fifth hypothesis, deals with the most recent cultural dimension known as Long-term vs. Short-term Orientation. Bartikowski et al. (2011) delivered figures, that the more long-term oriented a nation is, the more people like to build up long lasting relationships and proved that there is a linkage from customer-based corporate reputation towards the loyalty of a customer (cf. Bartikowski et al. 2011, p.971). Projecting these findings to this thesis, it was implied to find the same linkage of CBR and LOY (H5), and that in countries with low LTO scores this relationship is weaker (H5a) than in countries with a high LTO scores (H5b). For all countries that were part of this study, the linear model of the independent variable CBR and the dependent variable LOY is showing a significant and positive relation. Unfortunately the level of LTO does not seem to have any influence on this relation, and leads to the conclusion that H5a and H5b have to be rejected. As in the previous cases, we also performed an analysis of variance on these findings, and checked if the high and low scoring groups of LTO have a significantly different influence of the relationship from LOY and CBR in general, but no significant results could be found (see *Table 21*).

	LTO	Model 3 (BC)	LOY (Means)	CBR (Means)
HUN	50	0.322	3.51	5.44
SUI	40	0.628	3.14	5.00
POL	32	0.267	3.83	4.91
AUT	31	0.325	3.16	5.37
GER	31	0.495	2.75	5.17

Table 16 Hypothesis 5 (own)

4.3.2 Hypothesis 6

In order to provide also clarification for the question if West Central Europe and East Central Europe do evaluate the level of CBR differently for franchised fast-food restaurants, hypothesis 6 was designed. Comparing the national cultural dimensions among each other, the two geographical regions mainly differ in two ways. The Western countries score lower in PDI and UAI, while the Eastern opponents score high in PDI and high in UAI. Already we indicated that low PDI countries tend to be harder to satisfy, contrary for high UAI countries the same was found. However we have postulated that the effect of the level of PDI should be stronger as fast-food restaurants, such as Mc Donald's and Burger King, are quite new in the Eastern European market. The prestige win by eating at such a rare restaurant should be higher in Eastern than in Western Europe. But since H1a and H1b already have been rejected, strong indications are given that there might be no difference at all. The analysis of variance with the factor "Central Europe" brought also no significant results, which consequently leads to the termination that H6 has to be rejected. There is no significant difference in the evaluation of CBR found between the two European regions.

5 Findings

5.1 Hofstede and Franchise Systems

According to the provided statistical analysis and the data, which has been gathered in Austria, Germany, Switzerland, Poland and Hungary, it can be summarized, that in deed cultural values seem to influence the customer perception upon the reputational level of a company. Various authors already proved that links between customer outcome variables and customer-based corporate reputation do exist, and some of those links are influenced by culture (e.g. Falkenreck & Wagner 2010; Reimann et al. 2008; De Mooij 2011; Bartikowski et al. 2011; Duque & Lado 2010). The research model that was drawn in *Chapter 4,* according to those findings, reflected the relations between customer satisfaction, word of mouth, customer loyalty and customer-based corporate reputation. Besides in the case of Austria, the analysis could provide additional evidence that these associations also appear to be valid in our sample. Customer satisfaction has a significant and positive influence on the customer-based corporate reputation and the customer-based reputation has a significant and positive influence on customer loyalty.

In case of model 1, the relationship is evident and can be explained by a simple analogy. Being customer of a fast food restaurant, it is expected that the better the quality of the food, the better the restaurant is able to fulfill the customer's needs and the cleaner the restaurants, the more likely that the customer leaves the fast-food chain with a satisfied feeling. When the customer thinks he was treated well, and the money he spent was well invested, it is a clear indication that the customer develops positive feeling towards the brand, which translates into a higher reputation level for the fast-food restaurant. Inspired by Falkenreck et al. (2010), it was understood that the level of uncertainty avoidance would have an influence on that relationship. And indeed, our sample was able to support those findings too. It seems that the higher the level of UAI the weaker the relationship from SAT and CBR. This result is in line with de Mooij and Hofstede´s (2002) discovery, that in high UAI cultures people tend to eat healthier and more pure food than in low UAI countries. As especially in the fast-food industry there is a common understanding of the public, that the food served in those restaurants is rather unhealthy. In particular Mc Donald's and Burger King, who mainly serve a variation of American burgers, French fries and lager-sized lemonade drinks, have to deal with the "unhealthy" labeling. For the model 2, which assumed that the more people talk

about their positive experience made at a franchised fast-food restaurant, they are also supposed to rate the corporate reputation higher. For most countries this relation was positive and significant, only Austria was not in line with model/hypothesis 2. Generally it was witnessed that in all the countries the intention of word of mouth is relative low compare to the other measured variables. An explanation for this phenomenon can probably also be connected to the "unhealthy" labeling of the investigated franchised restaurant chains. The purpose to share information can be personal motivated. If someone is able to give good advices to others, he will be seen as someone with a good taste, which will affect his personal status. In the case of fast-food restaurants, it might be different. First of all, although many people eat at Mc Donald's or Burger King, they don't want to raise the attention that they like to eat cheap, fast processed and unhealthy food. This could negatively influence someone's personal reputation. And secondly, at a global fast-food chain, the food menu is more or less the same and everyone already knows what to expect, therefore there is no special need to share information that is already well known with others. Unfortunately the sample data did not give any indication that any of the cultural dimensions has an influence on the relationship between WOM and CBR. At last, this empirical research found significant evidence that the level of customer-based corporate reputation is positively associated to the level of customer loyalty. This outcome was expected, as already Bartikowski et al. (2011) located that relation. Nonetheless, also model 3 was not able to deliver any connection to any of the cultural dimensions of Hofstede. The assumption that the level of LTO would have an influence on the linkage between CBR and LOY had to be rejected.

However, much more interesting was the fact, that the masculinity index had a significant influence on the customer-based corporate reputation. Although only very limited data was available of scientific research papers concerning the MAS index and corporate reputations, de Mooij and Hofstede (2002) gave a hint, that masculine driven countries tend to shop more for mineral water and for status symbols, and feminine countries are more focused on households. This verdict led to the assumption, that if feminine cultures are focusing on household goods, they probably also eat more at home, as the family is of main concern. Therefore the family should receive healthy and homemade food. Masculine cultures however focus more on their jobs, meaning they have less time to care about health or food, but rather about their achieved status. The easiest way to get food is to eat out, although it is a little more expensive. But to say that someone is able to dine out, can be pointed out as a status symbol. Looking at the empirical result of hypothesis 4, a significant effect was found. This

again indicates that there is a significant difference on how high MAS and low MAS countries evaluate the reputation of a franchised fast-food brand. This means in our case, that according to the data available for the five Central European countries and in line with the stated hypothesis 4, the higher the level of MAS, the more positive the evaluation of the franchised fast-food system.

5.2   Central Europe and Franchise Systems

The second research question was interested in the judgment of customer-based corporate reputation between Western and Eastern Central European countries. It was assumed, that probably the countries, where higher PDI levels were measured, would evaluate CBR significantly more positive than countries with a low PDI score. Hofstede (2001) described that in countries with high PDI scores, people tend to show off their status. This status symbol is in our case the fast-food restaurants, this especially in countries, where the American brands are relatively new in the market. Mc Donald's as well as Burger King have entered the Polish and Hungarian market just in the recent years, while in countries like Austria, Germany and Switzerland those brands are established since decades. Further we have seen that the total number of operated restaurants is much higher in Western Europe than in Eastern Europe. The logical conclusion declared that in Eastern Europe the personal prestige win for eating at one of those two brands will be much higher, and therefore also influences positively the customer's satisfaction level as well as the customer's perception of the corporate reputation level. According to the five countries of interest, the previous assumption could not be validated as no significant difference for East and West was found. By comparing the CBR means from all the individual countries, some interesting facts were found. Hungary was evaluating the reputation of franchised fast-food systems with the highest score (5.44), while the other East European country, Poland, scored the lowest on CBR (4.91), this already indicated that the two Eastern countries have different evaluation system although both of them share a high PDI score.

6 Managerial Recommendation

To deliver practical use for the results of this thesis, I would like to provide a managerial recommendation. This will help to practically interpret the empirical results of this thesis.

In the case of franchised fast-food systems, it was found, that customer satisfaction is one of the main driver that influences the level of a company's reputation. Therefore the manager's attention should be on how to raise the satisfaction level of their customers. This thesis provides further evidence that especially in cultures with a high UAI level, the linkage of SAT and CBR can be influenced negatively. Hence it is advised, that in countries with a high UAI level, where people care about the purity of food, fast-food restaurants should be concerned to deliver healthy foods and get a clean image. Mc Donald's already is thriving in the right direction. In the recent year they have not only started to adjust their menus to the rising health awareness of our society, for example by the introduction of salads and wraps, but they went much further and even changed the corporate design of the Mc Donald's brand. The former red and yellow logo was replaced by a green and yellow design, which represents a healthier image. This behavior should be adopted by other franchise fast-food systems as well. Further fast-food brands are recommended to communicate to their customers, where they get the food from, how the food is processed and label clearly the nutrition facts of their foods. This generates a more transparent picture of the served food, reflects the company's effort to handle their customers concerns seriously, and indicates that the global franchise brand knows its social and environmental responsibilities.

The other main finding highlights the corporate reputation level as a single variable, as it was found that high scoring MAS cultures are evaluating a company significantly more positive than low MAS cultures. Translating these findings into practical use, will mean, that fast-food brands that are eager to achieve international growth are advised to expand in a first step in countries with high MAS scores. This reduces the risk of failure; as such countries tend to care more about convenience and status symbols. On the other hand, if the franchise brand is operating in countries with low MAS score, the brand should highlight its concerns about the family. Introducing special family menus or offer special attraction to children's, such as play field or small toys. This might help in order to accomplish a superior reputation level in low MAS countries.

7   Limitations and Future Research

Although some significant results were delivered, the statistical analysis has been failed to discover support for all of the six hypotheses. Throughout the analysis, various limitations could have been identified. One of the biggest surprises was the fact, that there is no significant difference in the evaluation of customer-based corporate reputation between the Western and Eastern European countries. The circumstance that only five countries have been consider for an empirical analysis could be one of the reasons for this outcome. Therefore it is suggested for further studies, either to test this hypothesis by expanding the number of countries or simply by taking totally different Eastern and Western European countries.

Additionally it has to be considered, that in each country no more than 30 persons have participated in the survey for each fast-food brand. This gives a maximum of 60 participants per country, which is not little, but also not representative. A higher sample size probably delivers different results and brings a deeper understanding of the impact of corporate reputation in the case of franchised fast-food systems. Another limitation is the fact, that the sample drawn for this study was a convenience sample. Although this is a valid research method, it also may affect the representativeness of the population.

Looking at the chosen brands, Mc Donald's and Burger King, it is not sure whether these two brands are the most favorable brands to investigate. Although both of them are globally spread and very useful when comparing cross-cultural differences, they both represent rather the unhealthy group of fast-food restaurants. Other franchised-brands such as Vapiano or Subway might show different outcomes. Also the fact that Mc Donald's and Burger King have an American origin might influence the customer's perception of quality and reputation.

Concerning the cultural indices of Hofstede (2001), it was found that MAS and UAI seem to have an effect on CBR. Although Hofstede (2001) delivered one of the most satisfying identification of cross-cultural difference, which is also widely accepted throughout the scientist's community, it would be interesting to test, if other cultural definitions are showing significant effects as well.

8 Conclusion

During the various stages of this thesis, profound knowledge was developed, when it comes to the constructs of culture and reputation. In the beginning of this thesis, it was defined to answer the two research questions in detail.

Throughout the theoretical excursus, the data collection and the analysis, all aspects of the questions were highlighted and investigated carefully. However, at the beginning of this paper, it was assumed that the Eastern Central Europe and Western Central Europe would be evaluating the customer-based corporate reputational levels much differently than the results of this thesis actually were able to underline. It has to be declared, that the cultural influence from East and West Europe is much less trivial, when it comes to the construct of reputation for service oriented franchise restaurants, than expected. According to Hofstede (2001), culture is anchored deep in every individual and determines how we think and act. These behaviors should be accounted in the values of each cultural dimension. However, when it comes to the reputation of companies, these five dimensions together are not able to explain the different judgments. Nevertheless, by looking more deeply into each dimension, it was found, that indeed the level of masculinity and the level of uncertainty avoidance have an influence on the level of corporate reputation. In the case of masculinity a direct effect was found, the more masculine a society is, the better it evaluates the reputation of franchise-systems in Central Europe. In the case of uncertainty avoidance, the link is a bit more complex, as this cultural dimension has only an indirect effect on customer-based corporate reputation. This implies that the lower the level of uncertainty avoidance, the higher the customer satisfaction level, and this again has a direct positive effect on the level of customer-based corporate reputation.

These findings are stressing the answer of the second research question. West and East Central European Countries do evaluate the reputation of franchised fast-food restaurants not significantly different to each other. Although especially Mc Donald's and Burger King are relatively new in the Eastern market, it was assumed, that this fact will make it more desirable to visit the restaurant chains and therefore are rated with a higher reputation. But the statistical analysis failed to reflect such a scenario and therefore we have to note, that East and West Europe does not evaluate the reputation level of franchised fast-food brands differently.

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10 Appendix

10.1 Appendix A (Zusammenfassung)

Das Ziel dieser Arbeit lag in der Beantwortung der zu Beginn erstellten Fragen. Durch den weiteren Exkurs in die Theorie und der Datenerhebung vor Ort, konnte das Verständnis bezüglich der Reputation von Franchise-Systemen verschärft und erweitert werden. Letztendlich lieferte die statistische Auswertung der Daten einige interessante Antworten.

Es bleibt festzuhalten, daß von Anfang an vermutet wurde, daß der Einfluß der kulturellen Werte zwischen West- und Osteuropäischen Ländern massiv größer sein wird, als von den ermittelten Zahlen schlußendlich dargelegt werden konnte. Hofstede hatte in seinen Arbeiten immer wieder hervorgehoben, daß die Kultur eines Menschen sein Denken und Handeln bestimmen (vgl. Hofstede 2001). Jedoch gab es nur wenige Belege dafür, wie stark und vor allem welche Dimension Einfluß auf die Reputation von Franchise-Unternehmungen hat. In unseren Fall muß nochmal spezifiziert werden, daß die Konzentration auf der Kundenwahrnehmung der Reputation von Franchise-Systemen lag. Die statistische Auswertung hat gezeigt, daß in unserem Fall hauptsächlich die Dimension Maskulinität sowie der Grad der Unsicherheitsvermeidung den Haupteffekt auf die Bewertung der Reputation haben. Je höher der Maskulinitätsgrad einer Gesellschaft, desto besser werden Franchise-Systeme in den gewählten fünf Ländern beurteilt. Anders dagegen beim Index Unsicherheitsvermeidung, hier war die Tatsache entscheidend, daß dieser in der Lage ist die Kundenzufriedenheit zu beeinflussen, welche sich schlußendlich wieder in der Reputation spiegelt. Die anderen drei Dimensionen nach Hofstede sind nicht in der Lage die unterschiedlichen Reputationswerte zu erklären. Weiter wurde versucht zu erörtern inwiefern sich Ost- und Westeuropäische Länder in der Bewertung von Franchise-Systemen generell unterscheiden. Durch die historischen Eigenheiten der beiden Regionen wurde vermutet, daß Fast-Food Marken, in Osteuropa ein höheres Ansehen genießen, da diese dort noch relativ neu sind. Es war bereits zu Beginn schwer Ost- und Westeuropa aufgrund ihrer kulturellen Werte nach Hofstede zu trennen, deshalb war es auch nicht weiter verwunderlich, daß keine signifikanten Unterschiede im Bewertungsmuster von Franchise-Systemen zwischen Ost- und Westeuropa gefunden werden konnte.

10.2   Appendix B (Questionnaire)

Dear Franchise Customer:

Thank you for your willingness to participate in this important survey on your experiences with this franchised restaurant. Please be reassured that your individual identity will never be revealed. So, please be frank. This survey should take approximately, 10 minutes to complete.

Thank you again in advance for your cooperation.

SECTION 1: This section seeks your opinions about how you feel about this franchised fast-food restaurant business in general. To answer, review the statements below, and indicate your answers by checking the boxes that best reflect your opinions.

	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
My overall perceptions of total experience with this franchise system are very good.							
My perceptions of this franchise system compared to its competitors are very good.							
I believe in the good long-term future for this franchise system.							
I believe that the market standing of this franchise system is good.							
The market visibility of this franchise system in the marketplace is high.							

SECTION 2: This section seeks your opinions about your brand experiences in this franchised fast-food restaurant. To answer, review the statements below, and indicate your answers by circling the rate that best reflect your opinions.

	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
I am satisfied with this franchised fast-food restaurant.							
I am pleased with this franchised fast-food restaurant.							
I am favorably disposed toward this franchised fast-food restaurant.							
My experiences with this brand have been positive.							

All things considered, it is highly likely that I will actually dine at this brand of franchised fast-food restaurant again? ·············

Do you intend to dine again in this franchised fast-food restaurant brand in near future?   Yes   No

	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
I would recommend to other people that they should dine out at this brand of franchised fast-food restaurant.							
I would recommend this franchise system to other people interested in dining out.							
I would gladly talk about my experiences with this brand of restaurants to other people.							
I would like to seek out other franchised fast-food restaurants to patronize.							

I am committed to patronizing this franchised brand. ················

I would be willing to pay a higher price to dine in this franchised brand over other brands. ································

I will buy this brand the next time I dine out. ····························

I intend to keep purchasing this brand. ·······························

I feel that the values of this franchise system match my own. ·····

This brand and I appear to share similar values. ······················

SECTION 3: This section seeks your opinions about your <u>brand experiences at this restaurant</u> among this franchised restaurant chain locations. To answer, review the statements below, and indicate your answers by checking the boxes that best reflect your opinions.

Satisfaction with this restaurant among *this* franchised fast-food restaurant chain *location*

	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree
I am satisfied with my dining experience in this restaurant.							
I am pleased with my dining experience in this restaurant.							
My dining experience in this restaurant created a favorable feeling toward this brand.							
My dining experience in this restaurant is excellent.							
I feel content with my experience in this restaurant.							

Location of this franchised restaurant chain _____

SECTION 4: Classification Questions: This final set of questions is asked so that we can combine your answers with other like-minded individuals. They are not meant to identify you. We <u>absolutely guarantee</u> that your <u>individual identity</u> will never be revealed.

Your Gender?   Male   Female   Your Approximate Age?   _____   years

How many years of post high school education have you had? _____ years

How frequently do you eat at this franchised restaurant chain? _____

How often do you dine out per week? _____

What are your three most favorite menu items in this franchise restaurant chain?
[1] _____ [2] _____ [3]_____

Any comments for the research team?

_____

Thank you very much for your participation in this important survey.

10.3 Appendix C (ANOVA)

CBR	Square Sum	Df	Mean of the squares	F	Sig.
Between the Groups	0.000	1	0.000	0.000	0.984
Within the Groups	317.409	298	1.065		
Total	317.409	299			

Table 17 ANOVA with Factor "PDI" (own)

CBR	Square Sum	Df	Mean of the squares	F	Sig.
Between the Groups	0.285	1	0.285	0.268	0.605
Within the Groups	317.124	298	1.064		
Total	317.409	299			

Table 18 ANOVA with Factor "IDV" (own)

CBR	Square Sum	Df	Mean of the squares	F	Sig.
Between the Groups	1.787	1	1.787	1.687	0.195
Within the Groups	315.623	298	1.059		
Total	317.409	299			

Table 19 ANOVA I with Factor "UAI" (own)

SAT	Square Sum	Df	Mean of the squares	F	Sig.
Between the Groups	5.891	1	5.891	3.945	0.048
Within the Groups	444.961	298	1.493		
Total	450.852	299			

Table 20 ANOVA II with Factor "UAI" (own)

CBR	Square Sum	Df	Mean of the squares	F	Sig.
Between the Groups	0.350	1	0.350	0.329	0.567
Within the Groups	317.059	298	1.064		
Total	317.407	299			

Table 21 ANOVA with Factor "LTO" (own)

10.4   Appendix D (Post-Hoc Test)

Abhängige Variable: CBR
Scheffé-Prozedur

| (I) country of data collection	(J) country of data collection	Mittlere Differenz (I–J)	Standardfehler	Signifikanz	95%-Konfidenzintervall	
					Untergrenze	Obergrenze
Austria	Germany	.19750	.18565	.889	–.3780	.7730
	Hungary	–.07250	.18565	.997	–.6480	.5030
	Poland	.45417	.18565	.203	–.1213	1.0297
	Switzerland	.36750	.18565	.419	–.2080	.9430
Germany	Austria	–.19750	.18565	.889	–.7730	.3780
	Hungary	–.27000	.18565	.715	–.8455	.3055
	Poland	.25667	.18565	.752	–.3188	.8322
	Switzerland	.17000	.18565	.933	–.4055	.7455
Hungary	Austria	.07250	.18565	.997	–.5030	.6480
	Germany	.27000	.18565	.715	–.3055	.8455
	Poland	.52667	.18565	.093	–.0488	1.1022
	Switzerland	.44000	.18565	.233	–.1355	1.0155
Poland	Austria	–.45417	.18565	.203	–1.0297	.1213
	Germany	–.25667	.18565	.752	–.8322	.3188
	Hungary	–.52667	.18565	.093	–1.1022	.0488
	Switzerland	–.08667	.18565	.994	–.6622	.4888
Switzerland	Austria	–.36750	.18565	.419	–.9430	.2080
	Germany	–.17000	.18565	.933	–.7455	.4055
	Hungary	–.44000	.18565	.233	–1.0155	.1355
	Poland	.08667	.18565	.994	–.4888	.6622

Table 22 Scheffé Post-Hoc Test (own)
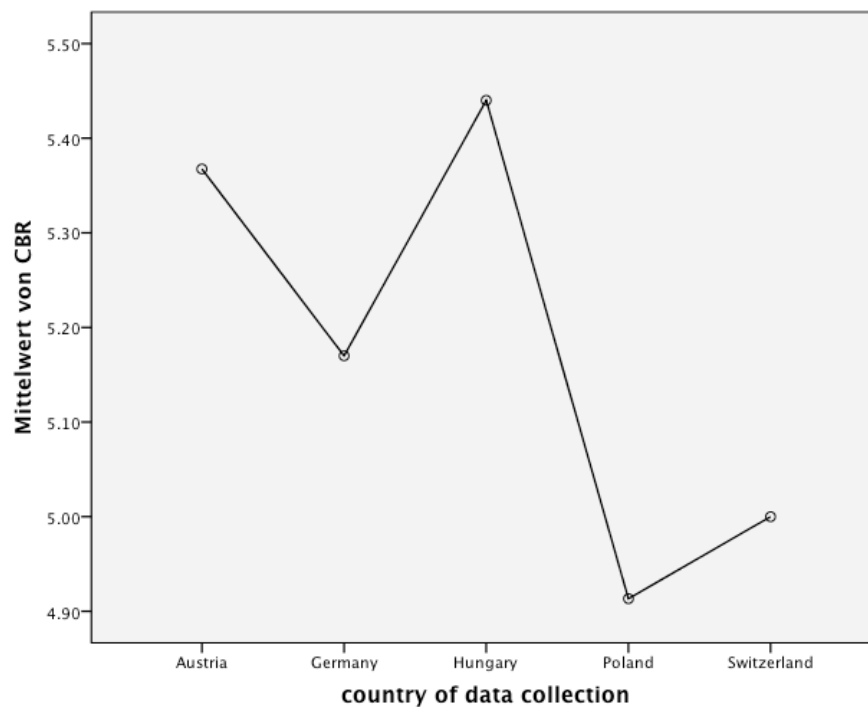
Figure 7 Comparison of Means CBR (own)

10.5   Appendix E (Curriculum Vitae)

Curriculum Vitae
Stefan Gspurning

Personal data

Date of birth:	18.11.1984
Address:	Engerthstrasse 241-247/9/14
	1020 Vienna
Mobile:	+43 (0) 699 181 149 07
E-mail:	stefan.gspurning@swissonline.ch
Nationality:	Swiss / Austrian
Civil status:	Single
Military service:	Completed

Higher Education

10.2010 – today	**Master in International Business Administration** University Vienna (Austria) - Major in Marketing
10.2006 – 09.2009	**Bachelor of Science in Business Administration (∅ 5.0)** University of Applied Sciences Northwestern Switzerland - Major in Finance (engl.)
02.2008 – 06.2008	**Erasmus-Semester in Paris (France)** Institut Supérieur du Commerce de Paris
08.2000 – 06.2004	**Professional school with Professional baccaulearate** BBBaden in Baden (AG)

Professional Occupation

09.2009 – 08.2010	**Internship in Tokyo (Marketing Department)** Robert Bosch Corporation (Japan), Automotive Aftermarket - Transfer-Pricing for internal sales - Preparation and analysis of 2010 pricing, sales and turnover
03.2009 – 08.2009	**Assistent** Swiss Takeover Board (SIX Group)
07.2008 – 08.2008	**Temporary employment** Holcim Group Support Ltd. (Switzerland)
06.2007 – 08.2007	**Research paper for ABB Turbo Systems AG** ABB Turbo Systems AG (Switzerland) - Subjective analysis of the logistic-tool FELIOS - Work on a questionnaire followed by several interviews - Analysis and summary

Stefan Gspurning   Engerthstrasse 241-247/9/14   AT-1020 Vienna
                              +43 (0) 699 181 149 07   stefan.gspurning@swissonline.ch

11.2005 – 10.2006	**Internship for the division „Occupational Health & Safety"**
	Holcim Group Support Ltd. (Switzerland)
	- Research in Industrial Hygiene
	- Incident Management Database
	- Conference Preparation
08.2000 – 08.2004	**Apprenticeship as Automation engineer**
	LfW Lernzentren (Switzerland)

Other experience

12.2010 – today	**Sponsored student by the students@bosch program**
	Robert Bosch GmbH, Karlsruhe (Germany)
	Robert Bosch Corporation, Tokyo (Japan)
09.2009 – today	**Brewery Gspurning&Tien in Lenzburg (AG)**
	Establishment of the first own start-up company. The primary business is the manufacturing and distribution of a local beer.
07.2004 – 04.2005	**Military service (completed)**
	Served for the Army Medical Service

Language

German	**Native language**
English	**Very good**
	- Language studies in Hawaii (USA, 2005 & 2006)
	- Certificate in American Academic English „English 101"
	- TOEFL Score: 230 (computer-based, 2006)
French	**Good**

Skills

Computer	Mac OS X, Windows, MS Office, AutoCAD, SAP
Others	Intercultural communication, Financial Markets
Activities	Soccer, Fitness, Travelling

References

Available upon request

Stefan Gspurning   Engerthstrasse 241-247/9/14   AT-1020 Vienna
                          +43 (0) 699 181 149 07   stefan.gspurning@swissonline.ch