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İŞLETME ANABİLİM DALI
ÜRETİM YÖNETİMİ VE PAZARLAMA (İNGİLİZCE) BİLİM DALI

IMPACT OF CORPORATE IMAGE COMPONENTS

ON PERCEIVED PRICE:

A RESEARCH IN IT SECTOR

Yüksek Lisans Tezi

FATMA BEHİYE BİÇER

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Danışmanı: DOÇ. DR. F. MÜGE ARSLAN

İstanbul, 2008

Marmara Üniversitesi
Sosyal Bilimler Enstitüsü Müdürlüğü

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ÖZET

Kurumsal İmaj Bileşenlerinin Fiyat Algısına Etkisi:

Bilgi Teknolojileri Sektöründe Bir Araştırma

Günümüzde, globalleşme, uluslararası pazarların birleşmesi ve artan rekabet nedeniyle rakipler arasında farklılaşmak ve hayatta kalmak firmalar için hayati önem taşımaktadır. Kurumsal imaj, şirketlerin kendilerini farklılaştırması, rekabet gücü yaratması, güçlendirmesi ve devam ettirmesini sağlayan en önemli ve güçlü araçlardan biridir. Firmaların var olma ve varlıklarını sürdürmede önemli olan bir diğer unsur ise fiyatlandırma ve fiyat algısıdır. Bu çalışmanın ana amacı, kurumsal imaj kavramını, kurumsal imaj bileşenlerini ve fiyat algısını incelemek, tanımlamak ve kurumsal imaj bileşenlerinin fiyat algısına etkisini incelemektir. Yapılan araştırma sonucunda, kurumsal imaj bileşenlerinin fiyat algısına etkisi olduğu görülmüştür.

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ABSTRACT

Nowadays, due to globalization, merger of international markets and increased competition; the differentiation among competitors and survival is vital for organizations. Corporate image is one of the most important and powerful tool that enables organizations to differentiate themselves, create, strengthen and sustain competitive advantage. Another factor that is important in existence and survival of organizations is pricing and consumers' perception of price. The main purpose of this study is to define corporate image concept, its components (through analyzing similar terms of corporate identity and corporate reputation), and the concept of price perception; and explore the effect of corporate image factors on perceived price. Through the empirical study, it is found out that corporate image factors affect perceived price.

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INTRODUCTION

The main objectives of an organization are survival and growth in a highly competitive world, via making money out of its business. Organizations exist in an external environment composing of various groups such as competitors, customers, distributors, creditors, government and general public. Views of these publics about the organization are important since these views affect their attitude towards the organization. While favorable attitudes lead to repeat purchases, unfavorable attitudes may result in switching to a competitor.

Corporate image is a strategic asset that creates competitive advantage and favorable climate for the survival and development of an organization. This is why, in a competitive business environment, many organizations try to create and communicate positive corporate image to their customers, shareholders, public etc. There is a strong positive relation between people's perceptions of a company and their post purchase behavior. The relevant literature states that customer loyalty increases with favorable corporate image perception and organizations with favorable images can even charge premium prices; thereby increase their profits.

Pricing is another asset that provides revenue, hence existence of the organization. As well as corporate features, organizations also communicate its pricing approaches and strategies to its external stakeholder such as customers. These cues about price are interpreted and evaluated by stakeholders, and come up with perceived price. Perceived price can be defined as the overall judgment of a service or product's benefits and costs. If the perception of price is favorable, customer perceives the service or product a good buy, and continues purchasing.

Since competition is inevitable and there are price wars everywhere, new marketing tools that will compete without numbers and currencies are needed. Understanding consumers' evaluation of corporate images, factors affecting their perception and perceived price are the key factors in the success of companies' existence. Due to the mentioned importance, this study focuses on the components of corporate image that affect perceived price. The topic is also chosen due to the lack of

studies in Turkey that combine these two factors (corporate image and perceived price) and explore their relationship.

The aim of this study is to analyze the definition and formation of corporate image in the light of relevant literature; explain the relations between similar concepts of corporate identity and reputation and discuss perceived price. Then, an empirical study will be conducted in an IT services company to define the effect of corporate image factors on perceived price.

The study consists of four parts. In the first part of the study, since the empirical study is conducted with existing customers of an IT services company, fundamentals of services marketing will be given. Basic characteristics of services, marketing of services, seven Ps will be discussed briefly.

Second part focuses on corporate image concept. Its historical development, similar concepts of corporate identity and corporate reputation will be defined. A corporate image model will be developed via analyzing relevant literature. The importance of corporate image for companies will also be discussed.

In the third part, price concept, pricing approaches and strategies will be analyzed and price perception will be discussed.

In the fourth part, field research conducted for the study will be stated.The objective of this field study is to find the affect of corporate image components on perceived price. The methodology, analysis and findings will be explained in this part. The methodology will cover research model, hypothesis, sampling, data collection, and data analysis techniques of the study. Results and discussion will be provided at the end of this part. In the last part, conclusion of the study will be given.

It is hoped that this thesis will help to define the effect of corporate image of the selected organization on its perceived price, and generate a source of reference for further studies.

SECTION I
FUNDAMENTALS OF SERVICES MARKETING MANAGEMENT

1.1 Definition of Services

A service is a complicated phenomenon. Services can be added to products such as after sales services; or it can exist on its own, for example hair designer. It has many meanings, ranging from personal service to service as a product.

"Service" was originally associated with the work that servants did for their masters (Lovelock, 2007, pg 14). As time passed, the term acquired a broader definition and defined generally as "an act or a variety of work done for others, especially for pay" (http://www.answers.com/topic/service?cat=technology, 15 May 08). However, this definition was not helpful and doesn't define the term right from the marketing perspective.

Early definitions compared services against goods. For example, Grönroos (2007) mentions about Gummesson (1987) that he defines services as "something which can be bought and sold but which you cannot drop on your feet" (Grönroos, 2007, pg 52,). Earlier definitions are supposed to stress the intangibility characteristics of services as opposed to goods, however it lacks services offered with goods and there are missing characteristics of services. Latter definitions cover the missing basic characteristics and provide a comprehensive definition.

Kotler defines services as "any act or performance that one offers for another that is intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product" (Kotler, 1991: 455).

Grönroos (2007) defines services as "a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems" (Grönroos, 2007: 52).

Lovelock (2007: 15) defines services as "services are economic activities offered by one party to another, most commonly employing time-based performances to bring about desired results in recipients themselves or in objects or other assets for which purchasers have responsibility. In exchange for their money, time and effort, service customers expect to obtain value from access to goods, labor, professional skills, facilities, networks and systems; but they do not normally take ownership of any of the physical elements involved."

As noted from the definitions, there are some common elements or characteristics that differentiate services from goods. These will be discussed in the following sections.

1.2 Basic Characteristics of Services

A company can supply both goods and services to its customers. Even it is a goods manufacturer; the offerings can also include services. The service portion can constitute a minor or a major part of the total offer. The offer can be a pure tangible good such as toothpaste that there is no service portion, or a pure service that consists primarily of a service such as psychotherapy (Kotler, 1991: 455).

Although there are several service offerings with different levels of goods and service components, there are some common properties or characteristics that all services have. There are four main characteristics of services that also shape the design of services marketing mix. These are intangibility, inseparability, perishability and heterogeneity. (Gilmore, 2003: 10; Kasper et al., 2006: 58; Rust et al., 1996: 7) These four characteristics exist in all services but their respective importance will be different depending on the service (Kasper et al., 2006: 58). Kasper et al (2007) states a fifth characteristic as "inability to own", it will also be discussed.

1.1.1 Intangibility

Although some services contain a goods component such as hotel room or food of a restaurant; the nature of the services depends on the performance that cannot be

seen or touched. The quality or the benefits of buying that service depends on the performance.

Since it is impossible to see, touch or taste the service, it is often difficult for consumers to evaluate or compare services. This is why services are difficult to market and sell. Consumers have a high level of perceived risk and use tangible components such as place, people, symbols, price as quality cues (Kotler, 1991: 456). To reduce the perceived risk, marketers try to make their intangible offers as tangible as possible (Kasper et al, 2006: 58). These tangible cues can be the physical facilities, appearance of the staff or the logo.

The intangibility of services also has other drawbacks such as difficulty in pricing (it is difficult to determine the actual cost) and protecting the company through patents (Rust et al, 1996: 8).

1.1.1 Inseparability

In particular, not all but many services require customer involvement in the production or delivery process. Mostly, service process can only start when the customer is present. For example; to get a haircut, customer has to go to a hairdresser and the haircut service cannot start until customer sits down at a hairdresser's chair. The performance and the quality of the service also depends on the customer and his/her participation (Gilmore, 2003: 11).

Consumers can also be interested in the service provider itself, the quality or the satisfaction of customers can depend on who provides the service. Especially in case of entertainment or health, customers demand particular providers. This inseparability issue brings capacity problems to the companies. To eliminate this limitation, either service provider learns to work with large customer groups or company can train more service providers (Kotler, 1991: 457).

1.1.2 Heterogeneity

Due to the intangible nature of services and lack of pre-production, the standardization and quality of services are difficult to control. Service production and

quality depends on service provider, customer and service environment. Since both of them are involved in service production, it is not possible to get the same result in each operation. All service providers may not have the same abilities, same service provider may not perform well each time due to psychological reasons, or the service environment may not be so healthy to produce the service i.e. consumers argue with each other, crowded and loud atmosphere which disturbs the service provider and distracts his attention.

The service provider should find ways to eliminate these problems that affect quality of the service. Company can use service manuals, scripts or employee trainings to standardize service offerings. Continuous customer satisfaction surveys can also detect poor services and give chance to improve.

1.1.3 Perishability

Since services are intangible and performed in real time, they cannot be inventoried, stored or re-used. When demand is steady, perishability is not a problem. But when demand makes peaks, it is not possible to use services in stock. Service should be performed when customer desires, and if the demand is not met, it is gone forever.

Perishability nature of services requires a well match between changing demand patterns and service capacity (Rust et al, 1996: 10). Company can use several strategies to meet the demand. It can utilize differential pricing to shift demand from peak to off-peak periods, use reservation systems to project upcoming demand or hire part time employees to serve peak periods (Kotler, 1991: 458-459).

1.1.4 Inability to Own

Kasper et al (2007: 61) states another common characteristic of services as “inability to own”. It refers to the fact that no physical delivery occurs while consuming a service. Since services are intangible and perishable, customer owns nothing as opposed to goods consumption. Although there are some services which contains

tangible aspects such as airline ticket, or insurance policy; the main component of these transfers are not the possession of a good. It is the service that customers pay for.

1.2 Marketing Strategies for Services

Services differ from tangible products and due to their different nature and characteristics, they require more than the traditional 4Ps of marketing. In product marketing; products are visible, they can be stored and owned by customers. However in services marketing, service employee interacts with the customer, production often requires the involvement of customers, services cannot be produced and stored in advance, and quality cannot be standardized.

When designing marketing strategy and programs for their services, companies should not focus their attention only on four Ps: price (value requested in exchange of given services), place (delivery decisions), product (the basic product bundled with supplementary services) and promotion (marketing communications and education). Services require additional 4Ps: people, process, physical evidence, productivity and quality (Lovelock, 2007).

1.2.1 Product

The service product mix can vary considerably and consist of a core physical product with supplementary service or a pure service. Managers must select the features of both the core product - either a good or a service - and the bundle of supplementary service elements surrounding it, with reference to the benefits desired by customers and how well competing products perform (Cowell, 1984: 71). The service product also requires consideration of the range of services provided, the quality of services provided and the level of services provided.

1.2.2 Place

The location of the service providers and their accessibility are important factors in services marketing. Accessibility relates not to just physical accessibility but to other means of communication and contact. Thus the types of distribution channels

used (e.g.travel agents) and their coverage is linked to the crucial issue of service accessibility.

1.2.3 Promotion

Promotion includes the various methods of communicating with target markets whether through advertising, personal selling activities, sales promotion activities and other direct forms of publicity, and indirect forms of communication like public relations.

1.2.4 Price

Price considerations include levels of prices, discounts, allowances and commissions, terms of payment and credit. Price may also play a part in differentiating one service from another and therefore the customers' perceptions of value obtained from a service and the interaction of price and quality are important considerations in many service price sub mixes (Cowell, 1984: 72).

1.2.5 Physical Environment

The appearance of buildings, landscaping, vehicles, interior furnishing equipment, staff members, signs, printed materials (price lists etc), and other visible cues all provide tangible evidence of a firm's service quality. Service firms need to manage physical evidence carefully as it can have a profound impact on customer's impressions.

1.2.6 Process

Creating and delivering product elements to customers require the design and implementation of effective processes. A process is the method and sequence of actions in the service performance (Lovelock and Wirtz, 2004: 22). Badly designed processes often lead to slow, bureaucratic and ineffective service delivery, and result in dissatisfied customers. Similarly, poor processes make it difficult for front-line staff to do their jobs well, resulting in low productivity and increased likelihood of service failure (Cowell, 1984: 73).

1.2.7 People

Many services require personal interactions between service employees and customers, and these interactions influence customers' perceptions about service quality. Since services cannot be separated from the provider (service employee) and quality standardization is an issue, companies should focus on human resources management policies (Lovelock and Wirtz, 2004: 22).

1.2.8 Productivity and Quality

Services production and attaining service quality is different than goods due to the unique characteristics of services: intangibility, heterogeneity and inseparability of production and consumption. Since the nature of services is intangible, it is not feasible to measure the quality of services from tangible cues. The service provider is also important and affects the quality of service, because he/she is involved in the production process. Finally, services are produced and consumed at the same time and consumer involvement affects the quality of these processes.

Since it is difficult to assess and compare service quality, a model called SERVQUAL is developed by Parasuraman, Zeithaml and Berry which helps measure service quality through a series of steps. It concentrates on the notion of perceived quality. Perceived quality refers to a consumer's judgment about a product's overall excellence. Perceived quality is more subjective than other definitions of quality (Zeithaml, 1988). Through research conducted with focus groups, the researchers asked about the characteristics a service provider should have in order to have high quality. They found out that consistently all of the members of the focus group had similar criteria. With these findings, they created 10 quality dimensions. Later on, researchers found that these 10 dimensions overlapped and that customers could only distinguish 5 dimensions. These are tangibles, reliability, responsiveness, assurance and empathy. They used these five dimensions to develop a generic measurement instrument. The SERVQUAL instrument consist of two sections: first section measures customers' expectations of excellent firms, while second section measures customers' perceptions

of a particular company. Then the scores are compared, the smaller the gap the higher the service quality. (Bateson&Hoffman, 1999: 347)

SECTION II
CORPORATE IMAGE

The concept of corporate image has been questioned and discussed by marketing scholars for years. Although there are attempts to clarify the definition of corporate image, there is still lack of consistency between scholars and practitioners.

In this part; corporate image, corporate image formation process, its dimensions, similar concepts of corporate identity and corporate reputation will be studied. Afterwards, the importance of corporate image for companies will be discussed.

2.1 Definition of Corporate Image

The term "image" is used to represent the sum of beliefs, attitudes, and impressions that a person holds of an object (Kotler, 1988: 592). This object can be a product, a company, a service or a brand. When talked about "corporate image", it is assumed to be the image of a company. However, there is still no universally agreed definition of the concept despite an approximately 50 year old voluminous literature.

There are lots of definitions made by various marketing professionals. Below are some examples in chronological order:

> *"A corporate image is undoubtedly the most complex of all the marketing images. It is the image of the individual corporation….created in the minds of consumers by total corporate advertising and public relations as well as by the company's individual brand, advertising, packaging, value and the consumer's actual knowledge and/or experience with the company's brands or services."* (Harris (1958) quoted by Kennedy, 1977)

> *"The sum total of their perceptions of the corporation's personality characteristics is what we refer to as the corporate image."* (Spector, 1961: 47)

> "*Corporate image is the impression of the overall corporation held by these various publics."* (Gray and Smeltzer, 1985)

"Corporate image is the mental picture of the company held by its audiences-what comes to mind when one sees or hears the corporate name or sees the its logo." (Gray and Balmer, 1998: 696)

"Corporate images are formed within the minds of target audiences as a result of messages received from diverse sources then shared…." (Topalian, 2003: 1120)

"Corporate image is the net result of the interaction of all experiences, impressions, beliefs, feelings and knowledge people have about a company." (Worcester, 1997 quoted by Flavian et.al., 2004)

Corporate image is simply defined as the overall impression hold in the minds of the public about an organization (Barich and Kotler, 1991; Dichter, 1985). It is what various publics such as employees, stakeholders, customers think about when they recall the past experiences with the company. These beliefs and impressions may be true or false with the reality; however they affect the behavior of consumers.

2.2 Conceptual Development of Corporate Image

Among the marketing literature, there has been no systematic corporate image concept development or any discovery attributed to a single person. William Newman (1953) is assumed to be the first author drawing the attention to corporate image via making a comparison between corporate image and human personality. Hence, it is said that the corporate image concept has its roots in 1950s (Kennedy, 1977).

In his book "The Image", Kenneth Boulding focused on the relationship between behavior and image, and states that what directs people is not the true but how they perceive and what they believe to be true (quoted from Martineau, 1958). This relationship and people's way of thinking- what is believed becomes the truth of that person- pave the way to "actual" and "ideal" image differentiation. Actual image is the one that stakeholders hold of a company, whereas ideal image is the image that companies wants its stakeholders to hold. The ideal image concept was first discussed

by Swanson (1957) via looking at corporate image from the customers' perspective (quoted from Kennedy 1977).

Pierre Martineau (1958) drew the attention of company management to the topic, stresses its importance and claims seven different publics holding different corporate images. He also makes a distinction between psychological meaning and functional meaning of corporate image. He states that: "to be sure, the corporate image is complex and diverse" (Martineau, 1958: 50).

Harris (1958) stated seven different images for a company: the corporate image, the institutional image, the product line image, the product image, the brand image, a diffused image and the consumer demand image.

Bolger (1959) discussed the evaluation process of corporate image and designed a card sorting exercise to prepare the profile of a company and its competitors. James Bayton (1959) continues this evaluation process from actual to ideal corporate image. He stated that a company's image should be evaluated on the basis of what management wants for the company, the image of competitors and the industry's ideal image.

Lee H. Bristol (1960) introduced the first book in this area: "Developing the Corporate Image". The book consisted of several famous public relations practitioners' writings. The book was introduced as a guide to public relations professionals. This was followed by Daniel Boorstein (1961) with his book "The Image" (Kennedy, 1977). He stated that image was replacing with reality. It is the image not the real attribute of the product that people want to buy (Kennedy, 1977).

David Finn (1961) stated that if corporate image is developed in accordance with corporate philosophy, corporate image can be an advantage to direct consumer behavior.

Allen Greenberg (1961) conducted empirical researches for a retail chain selling shoes. After making interviews with six different groups (group 1: purchased the

last pair of shoes from the shop, group 6: made no purchase from the shop), he stated that stability of an image can be questioned.

Aaron Spector (1961) conducted an empirical study where 45 personality characteristics were selected and grouped under six main dimensions that were assumed to evaluate a corporate image. These are character, co-operative, successful, withdrawn, dynamic and business-wise. He concluded that the ranking of these dimensions changed from industry to industry. W. T. Tucker (1961) did not believe that corporate image changes and stated that there was a stereotype image operating.

During 1960s, image studies and researches were conducted by both marketing professionals and behavioral scientists: Odiorne (1966) contributed with focusing on processes involved in imagery and Cohen (1967) offered a differentiation ratio which will distinguish company from its competitors. These studies accelerated the development of corporate image concept and brought new study areas to the 1970s.

Pilditch (1970) focused on the distinction between corporate image and corporate identity (quoted from Kennedy, 1977). Meantime, several retail store image measurement researches have been taken. McDougall and Fry (1974/1975) stated that both semantic differential and open-end questions should be used to measure the store image because the cons of a method are diminished by the pros of the other. In 1977, Kennedy (1977) made a research focusing on company employees and dealing with internal formation process of corporate image. She claimed that company policies were of great importance in corporate image formation.

When came to 1980s, marketers began to focus on the importance of corporate image, its formation process, the influencers in the formation process, changing a corporate image etc. Gray and Smeltzer (1985) discussed how to communicate corporate image. They focused on publics a company exists in, channels to communicate corporate image and company-product relationship- how company related its product and services with its corporate entity.

Dichter (1985) focused on the importance of corporate image. He claimed that corporate image can be used as a strategic tool to influence the way people behave. Hence, more attention should be given to the overall concept.

Abratt (1989) discussed the management process of corporate image via analyzing differences between corporate personality, identity and image. He developed a three step model for image management process.

When came to 1990s, Kotler and Barich (1991) described company image components, image factors and their attributes, and described a system of image management: designing a study, collecting data, making an image gap analysis and determining the necessary image modification actions.

Nguyen and Le Blanc (1998) analyzed the effect of corporate image on customers' retention decisions. He found out that satisfaction and quality were positively related to value and value led to corporate image, and in turn image had an impact on customer loyalty.

This view was supported by Zinkhan et al (2001). They found out that there was a strong a positive correlation between people's perception of a company and post purchase behavior.

Nguyen and Le Blanc (2002) made another study for services companies. They focused on the intangible nature of the service and claimed that this nature of the services forces customers to depend on tangible aspects of the service such as physical environment. These tangible aspects do not only affect the quality of the service but also the image of the company.

Flavian et al (2004) studied the image measurement problem for services companies. They conducted a research to measure the overall image of internet banking and found out that image could be seen from different perspectives; each group of people has a different image because they all had different experiences with the internet banking services. In another study conducted in financial industry, Flavian et al (2005)

found out that a favorable corporate image increases customers' level of trust to the company.

Since 1950s, corporate image concept has been discussed and progressive steps have been made about issues like image components, formation process, measurements scales etc. However, there is not a consensus about the corporate image concept and its constructs. An integrated model is needed and will be presented in the following sections.

2.3 Similar Concepts: Corporate Identity and Corporate Reputation

What a person knows and experiences about a company can influence the perceptions of the company's products and services. A company can choose its logo, mission and vision statements; however, the important thing is how different stakeholders perceive the cues sent by the organization.

During the formation of corporate image concept, these issues are studied and terms like corporate identity and corporate reputation have been observed frequently. They are even used interchangeable with corporate image. In order to understand corporate image formation process and its dimensions wisely, these concepts and their relationship with corporate image should be explained in the following sections.

2.3.1 Corporate Identity

The word "identity" refers to the set of characteristics by which a thing is definitively recognizable or known (http://www.thefreedictionary.com/identity, 15 May 2008). It is therefore a means to differentiate one thing from another. Marwick and Fill (1997, pg 397) cite Bernstein (1984) that "just as individuals have an identity, so do organizations". This view accepts organizations as human beings and adverts attributes and characteristics like human personalities to them.

Corporate identity, simply, is the way that a company defines itself: why it exists, what it stands for, how it makes business. It is the combination of cues such as graphic design, mission and vision statements, communication channels that a company utilizes to present itself. Abratt (1989:68) defines these cues as "by which an audience

can recognize the company and distinguish it from others and which can be used to represent or symbolize the company".

Lier (2001: 1) defines corporate identity as "the communication of a company's personality". By corporate personality, Lier (2001) refers to inner values and characteristics of the company from which the identity is generated. Zinkhan et al (2001: 154) agrees and makes a differentiation between corporate personality and corporate identity. Corporate personality refers to reality, who and what the company is. On the other hand, corporate identity refers to the ideal-identity: set of cues that is projected to the public in effort to influence their perceptions.

2.3.1.1 Corporate Identity Mixes

There are different corporate identity definitions and mixes in the literature. Although corporate identity management is beyond the scope of this thesis, relevant literature will be provided in order to develop our theoretical framework for corporate identity and image interface, and corporate image dimensions model.

2.3.1.1.1 Birkigt and Stadler's (1986) Corporate Identity Mix

Lier (2001: 2) mentions about Birkigt and Stadler's (1986) definition of corporate identity as "the planned and operational self-presentation of a company, both internal and external, based on an agreed company philosophy". They explain corporate identity mix with a composition of four elements namely: corporate personality, behavior, communication and symbolism. (Figure 1)

Van Riel and Balmer (1997, pg 342) also support Birkigt and Stadler (1986) with their corporate identity mix of corporate behavior, communications and symbolism.

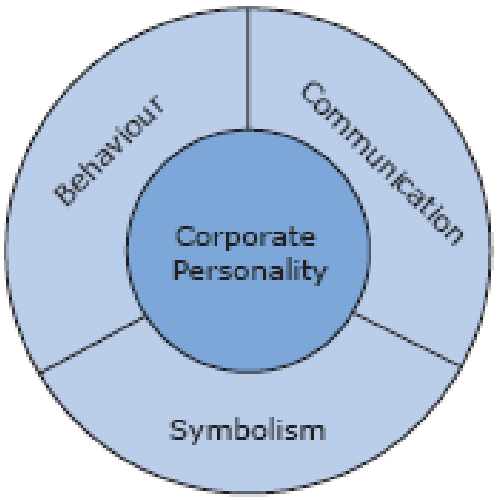

Figure 1: Corporate Identity Mix of Birkigt and Stadler (1986)

Source: Liner, Ingvild (2001), "Corporate Identity-The Importance of a Consistent Corporate Identity", Department of Product Design, NTNU, pg 3, http://www.ivt.ntnu.no/ipd/fag/PD9/2001/Artikler/Lier_I.PDF

Corporate identity was originally defined in terms of visual cues such as logo, nomenclature, brand colors etc. Balmer (1998) mentions that organizations use graphic design "to communicate organization's mission and philosophy, to encapsulate the organization's cultural values, to underpin the organization's communication efforts and as a means of keeping visual identity fashionable." However, the understanding of corporate identity broadened and other elements such as behavior and communications are considered. As well as visual cues, these non-visual elements differentiate companies and corporate identity should not be eliminated to visual representation.

2.3.1.1.2 Schmidt and Ludlow's (1996) Corporate Identity Mix

Balmer (1998) mentions about Schmidt and Ludlow's (1996) corporate identity mix which comprises five elements: corporate culture, corporate behavior, products and services, communication and design as well as market conditions and strategies.

2.3.1.1.3 Balmer and Soenen's (1999) ACID Test

After analyzing the literature, Balmer and Soenen (1999) state that there is lack of consensus about the elements of corporate identity and there are missing elements in

each definition or mix. Hence, they have formed their corporate identity mix which is presented by the following figure:

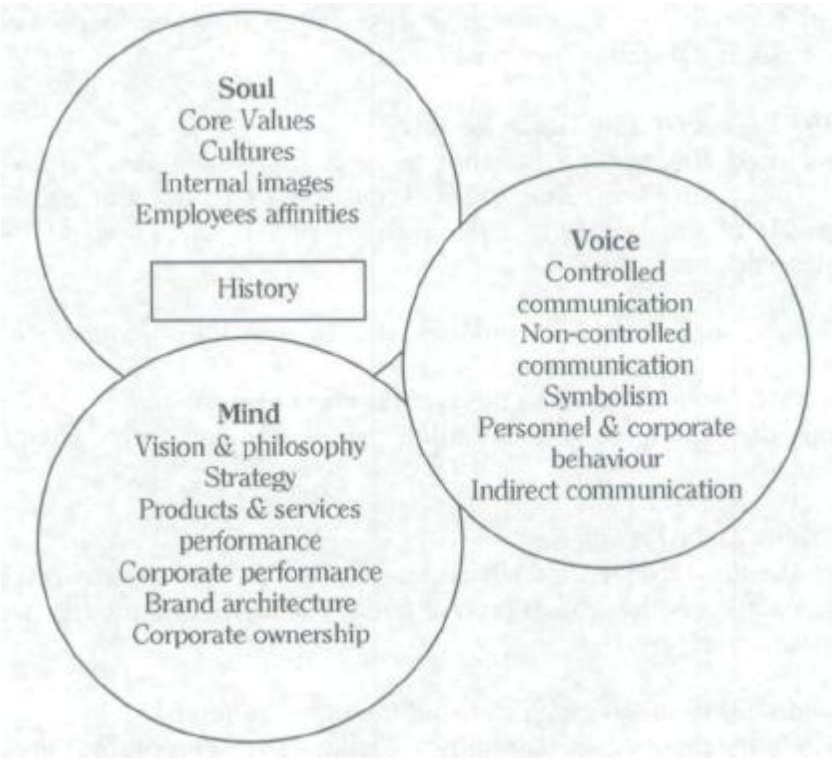

Figure 2: Corporate Identity Mix of Balmer and Soenen (1999)

Source: Balmer, M.T. and Soenen, Guillaume, B. (1999), "The Acid test of corporate identity management", Journal of Marketing Management, Vol.15, pg 74

Within the ACID test approach, Balmer and Soenen (1999) also identify four types of corporate identity. The aim of ACID test is taking corrective actions when gaps occur. These identity types are the following:

- **Actual identity:** what the organization is.
- **Communicated identity:** how the organization is perceived by its publics and how the organization communicates.
- **Ideal identity:** the optimum positioning of the organization in its market or markets by taking its strengths and abilities into consideration as well as the environmental conditions.
- **Desired identity:** the identity which the chief executive and management beyond wish to acquire.

By using ACID test, managers can evaluate and assess the existing corporate identity, focus of the organization and the type of the corporate identity change required.

2.3.1.1.4 Melewar and Karaosmanoglu' (2006) Corporate Identity Mix

Melewar and Karaosmanoglu (2006: 848) summarize and outline three main points about corporate identity from Balmer's (1998) research. First, corporate identity needs a multidisciplinary study. Second, corporate identity includes many characteristics of a company such as history, culture, communication. Third, it is "inseparable from corporate personality".

Based on these findings, Melewar and Jenkins' (2002) define corporate identity with seven main categories: corporate communication, corporate design, corporate culture, behavior, corporate structure, industry identity and corporate strategy. (Figure 4)

Under corporate communication and corporate design; internal and external communication channels, controlled and uncontrolled messages communicated to external publics, symbols like logo, colors etc, and architecture or location of the company are analyzed.

Corporate culture is the combination of shared values, beliefs and behavior of a company. Corporate principles guide stakeholders about how activities should be accomplished. Goals and mission refers to reason of company's existence and it is the most important element of corporate philosophy (Abratt, 1989). History of a company is directly related with corporate culture, because "culture develops through the interaction between individuals over time" (Melewar, Karaosmanoglu, 2006: 855).

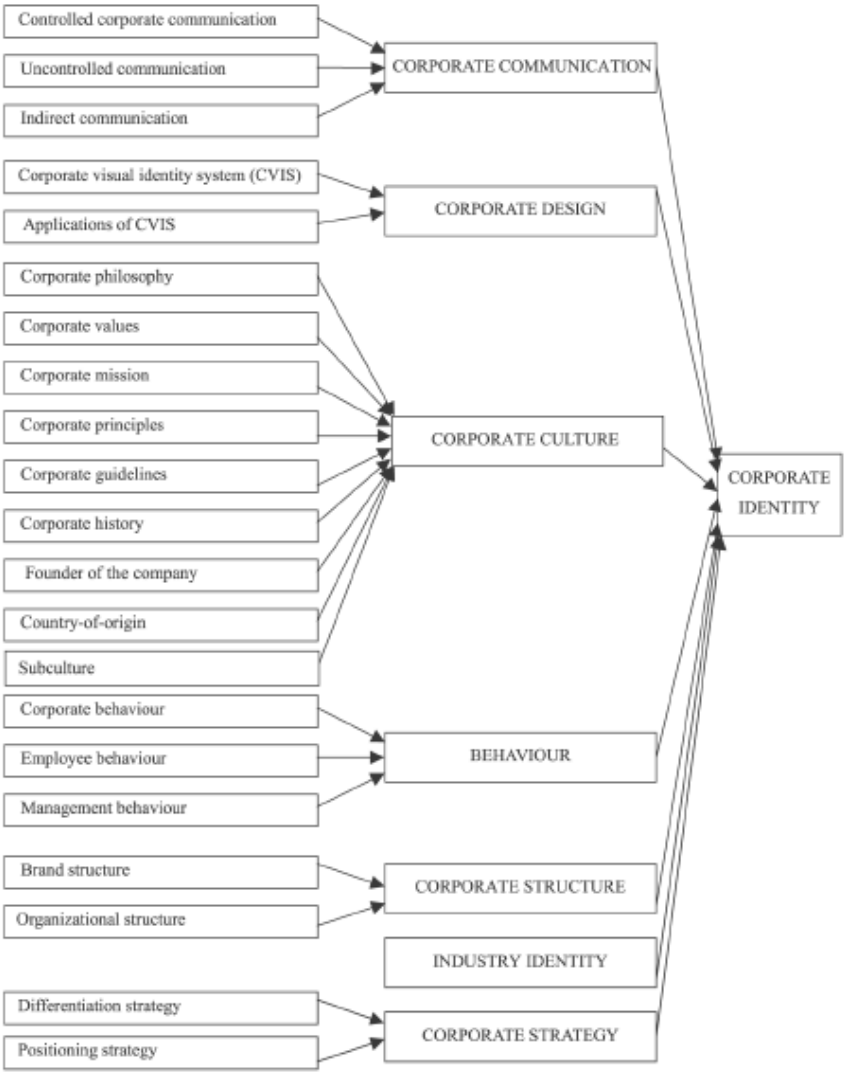

Figure 3: Corporate Identity Mix of Melewar and Karaosmanoglu (2006)

Source: Melewar, T.C and Karaosmanoglu, Elif (2006), "Seven dimensions of corporate identity", Vol. 40, No.7/8, pg 849

Behavior is another element of corporate identity and it is broken into corporate, management and employee behavior. The actions of a company, planned or congruent with corporate culture, effect corporate identity. Since lower level management saw senior management as role models, the communication or actions of top management have an effect on corporate identity. Finally, employee behavior influences customers and their behavior is seen as a reflection of corporate identity (Melewar, Karaosmanoglu, 2006: 858)

Corporate structure refers to organizational structure and brand structure of the company. The organizational structure refers to management style, hierarchy, and reporting responsibilities. Brand structure refers to the strategies that a company uses: monolithic identity, endorsed identity or branded identity (Olins, 1990; cited by Zinkhan et al, 2001: 158). Company can use one name, symbol for all products/services (monolithic); can identify individual brands for its products but also be seen as a part of a larger whole (endorsed); or can have unique and separated brand identities apart from the corporate identity (branded) (Zinkhan et al, 2001: 158).

Industry identity refers to the characteristics such as industry size, growth rate, competitiveness which affects corporate strategy, hence corporate identity. Corporate strategy is the combination of an organization's goals, objectives and strategies against competition in the market.

2.3.1.2 Integrated Corporate Identity Mix

Melewar and Karaosmanoglu (2006: 848) note that "the literature review revealed that although there are several studies on corporate identity, there is still a need for a more elaborate operational definition of the concept". A multidisciplinary approach and systematic analysis is needed to define the concept and its components. Balmer (2001: 259) adds that "the literature reveals a lack of consensus as to the elements which constitute a corporate identity".

When all approaches are taken into consideration and integrated including Birkigt and Staedler, Balmer and Soenen, Melewar and Karaosmanoglu, Schmidt and Ludlow which were explained previously; our corporate identity model can be said to be composed of five parts: product and services, corporate design and corporate communication, corporate behavior, CEO and top managers.

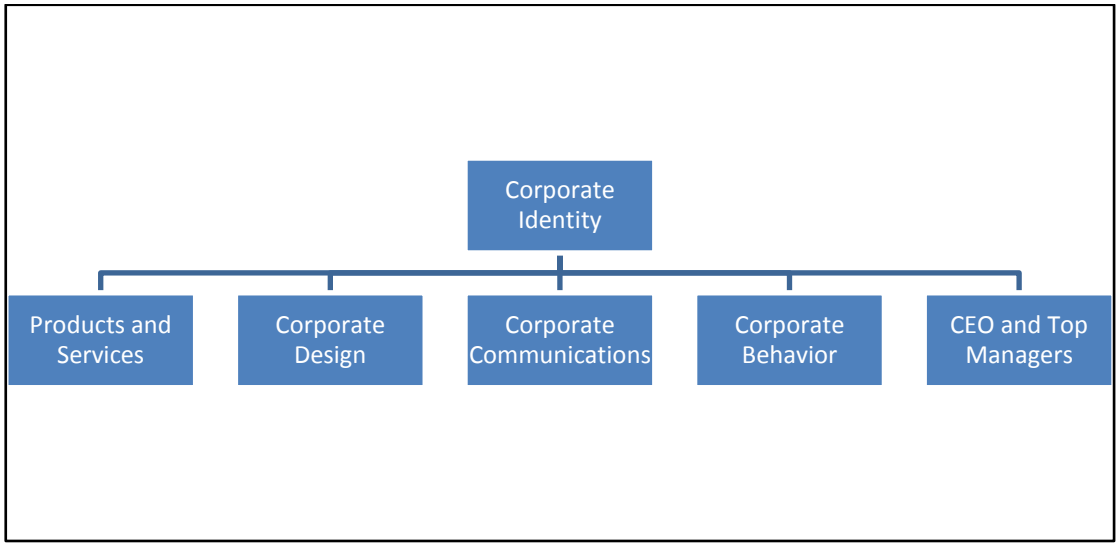

Figure 4: Integrated Corporate Identity Mix

In our integrated corporate identity mix, it is believed that organizations differentiate themselves through products and services they provide to the external stakeholders. The symbols, graphic designs used and the way that these components are communicated to these various publics also affect the perception of corporate identity. How the organization reacts to social issues, the behavior of the employees directly affect the attitudes of customers. Finally, the management style of the company, how the company is represented by its top management in the industry, vision of its CEO are crucial elements of corporate identity. These components will be explained in detail in the following sections.

2.3.1.3 Corporate Identity and Corporate Image Interfaces

Melewar and Karaosmanoglu (2006: 848) states the relationship between corporate identity and corporate image as "image is the collective perception that the stakeholders have of corporate identity".

Lier (2001: 4) cites Blaich (1993) that "a company's image is the result of a corporate identity program".

Marwick and Fill (1997: 398) mentions that "the way stakeholders perceive an organization's identity cues, shapes an image which is formed in their minds". They

also define corporate image as the stakeholders' perception of the way how an organization presents itself.

Brikigt and Stadler (1986) present corporate image as a projection of corporate identity (quoted from Lier, 2001).

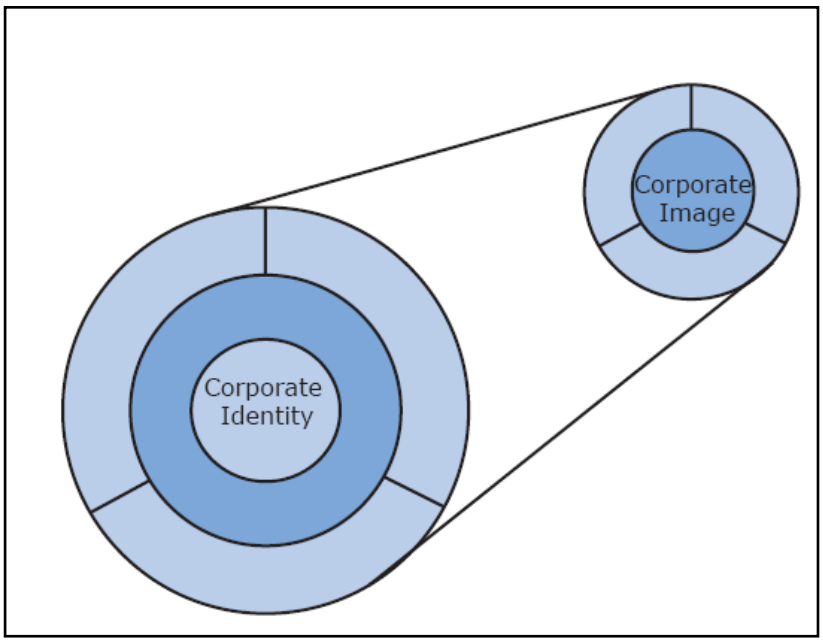

Figure 5: Corporate Identity and Corporate Image Relation

(Brikigt and Stadler 1986)

Source: Lier, Ingvild (2001), "Corporate Identity-The Importance of a Consistent Corporate Identity", Department of Product Design, NTNU, pg. 4, http://www.ivt.ntnu.no/ipd/fag/PD9/2001/Artikler/Lier_I.PDF

Although corporate image is not the only reflection of corporate identity, this model summarizes the relationship between corporate identity and corporate image. Although there is no consensus on these elements of corporate identity, corporate image is the stakeholders' perception of corporate identity mix.

With the relevant literature and proposed model of our integrated corporate identity mix, the following framework is represented about the corporate identity and corporate image interface:

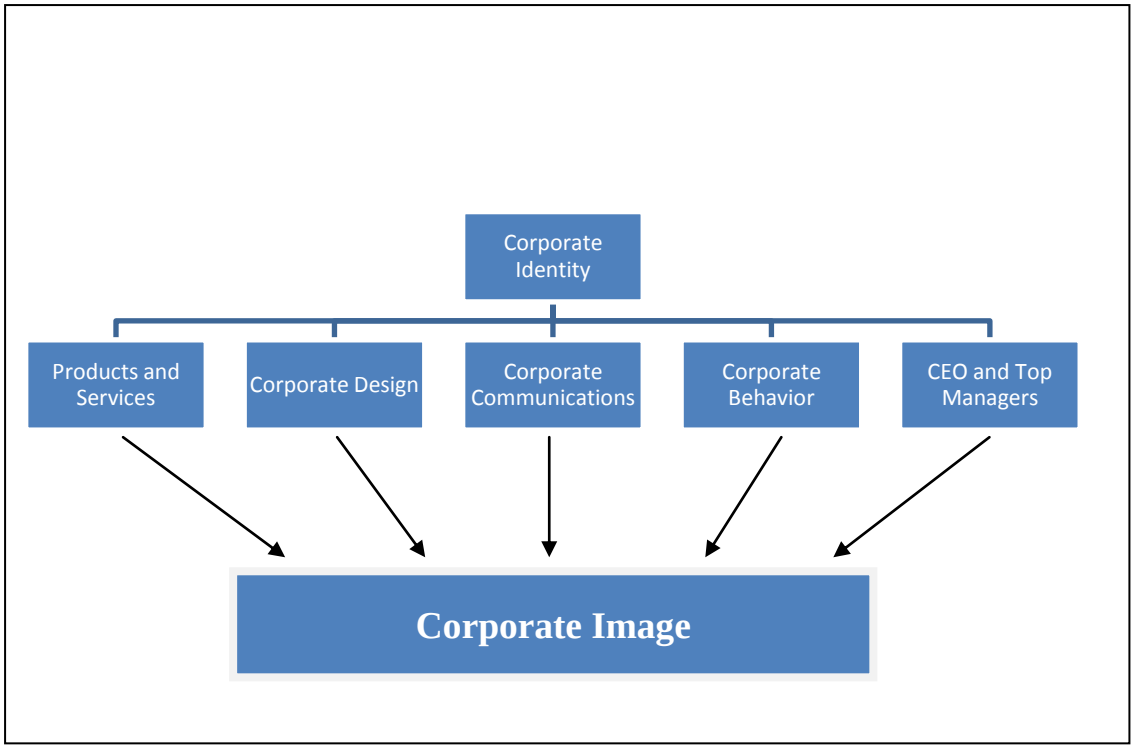

Figure 6: Corporate Identity and Corporate Image Interface

We believe that external publics such as customers, government agencies, competitors have an image of the organization as they perceive the signals send by the organization via its range of products and services, corporate design, corporate communication, corporate and personal behavior (of its employees), and its CEO and top managers which constitutes our integrated corporate identity mix.

2.3.2 Corporate Reputation

The term reputation is often used synonymously with image in the literature and to clarify the relationship between corporate image and corporate reputation, corporate reputation should be explained.

Lee (2004: 6) cites Furbank (1970) that "people passively acquire certain associations, or conditioned reflexes to a corporation's name, whereas corporate reputation implied that people are actively making some kind of assessment of the corporation.

Balmer (1998) differentiates corporate image and reputation as follows: corporate reputation refers to the perception of an organization which is built up over a

time period, whereas corporate image is a snapshot of the latest beliefs about an organization.

Marwick and Fill (1997) support Balmer (1998) and state that corporate images can be altering due to organizational changes whereas corporate reputation requires nurturing through time.

Lee (2004) mentions that according to Avenarius (1993), corporate image is the outcome of people's degree of familiarity about the organization, accumulated observations and assessment of organization over time (reputation) and assessment of organization's relative strength.

2.3.2.1 Corporate Reputation and Corporate Image Interface

There are different approaches and models explaining the relationship between corporate image and reputation. According to Gray and Balmer (1998), corporate image is the stakeholders' immediate picture of an organization, whereas corporate reputation evolves over time as a result of consistent performance, supported by effective communication.

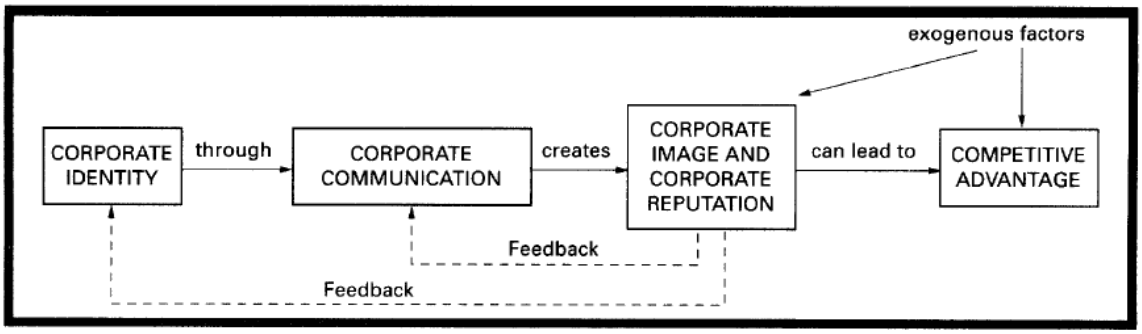

Figure 7: Gray and Balmer's (1998) Operational Model of Corporate Reputation

Source: Gray, Edmund and Balmer, John M.T., "Managing Corporate Image and Corporate Reputation", Long Range Planning, Vol.31, no.5, pg. 696

The initial aim of an organization is to identify the business, its field and products/services provided. The organization, then, tries to make awareness among its customers. The second aim is to create a favorable reputation in the minds of the

important stakeholders. Therefore, creation of corporate image can be quicker than creation of corporate reputation (Gray and Balmer, 1998).

Bromley (2000) explains corporate reputation as the aggregate of corporate identity and corporate image. Dolphin (2004) mentions Cornelissen and Thorpe (2002) that reputation is the collective representation of past images of an organization established over time.

According to Avenarius, as stated previously, the corporate reputation constitutes an important part of corporate image. Lee (2004) mentions about Bennett and Kottasz (2000) that people's overall impression (corporate image) is based on a value judgment about an organization built over time (corporate reputation).

Nguyen and LeBlanc (2001) state that corporate reputation is mirror of the organization's history, its past actions and fulfillment of stakeholders' expectations about different attributes such as price, products quality, management quality. They also mention that since stakeholders have different perceptions for each attribute, organizations can have numerous reputations. As these attributes (product quality, price i.e.) are stated as components of corporate identity (hence, corporate image) in the previous sections; it can be argued that corporate reputation is also a part of corporate image.

Gotsi and Wilson (2001: 29) define corporate reputation as "a stakeholder's overall evaluation of a company over time". It is formed with the stakeholder's direct experiences with the company and it is affected by organization's corporate communication, symbolism and behavior which is presented by the following figure:

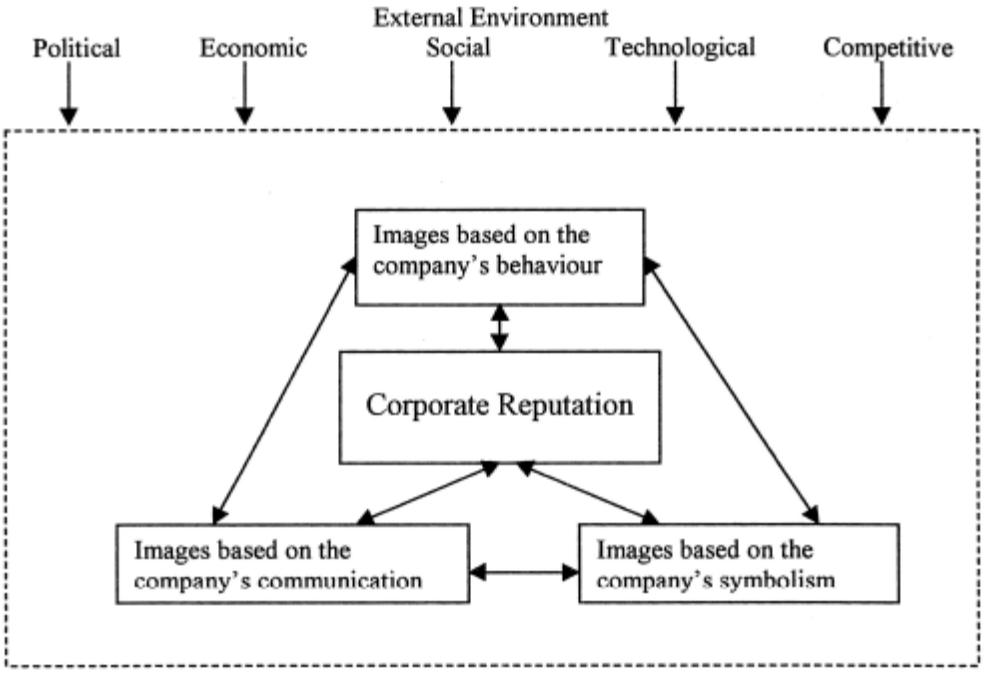

Figure 8: Defining Corporate Reputation

Source: Gotsi, Manto and Wilson, Alan M. (2001), "Corporate Reputation: Seeking a Definition", Corporate Communications: An International Journal, Vol.6, No.1, pg. 29

In this thesis, corporate image is defined as the total perception of an organization and corporate reputation is defined as the external stakeholders' evaluation of those images formed over time. Based on Gray&Balmer (1998) and Gotsi&Wilson (2001), corporate image is defined as the result of external stakeholders' awareness about an organization, perceptions of its attributes (products, quality etc) and assessment of these perceptions over time (reputation). Similar to Bennett and Kottasz (2000), corporate image is based on the overall value judgment about an organization built over time (corporate reputation). Therefore, corporate reputation will be analyzed as embedded in each component of corporate image in this thesis.

2.4 Corporate Image Models

Since a company's image affects its stakeholders' behavior, companies want to develop and manage their corporate image. Zinkhan et al (2001: 153) states reasons of corporate image management as "to stimulate sales, establish company goodwill,

creating an identity for employees, influence investors and financial institutions, promoting favorable relations with community, government and achieve competitive position."

In order to manage corporate images, it is important to analyze and understand the formation process of corporate images. However, defining corporate image is a challenging task because it is difficult to conceptualize and it does not lend itself to discrete measurement.

As explained in the previous sections, corporate identity is an important part of corporate image. However, the images that stakeholders form of an organization are not merely an impression of the corporate identity. Corporate images are also influenced by the actions of competitors, industry/sector developments and other environmental factors. (Marwick and Fill, 1995: 401)

To understand the corporate image formation, define its dimensions and formulate our theoretical model, the literature will be discussed and different corporate image models will be analyzed.

2.4.1 Abratt's (1989) Corporate Image Model

Abratt (1989) develops a three steps model for corporate image formation process including corporate personality, corporate identity and corporate image respectively. He believes that corporate philosophy formation is the main step of corporate image management process. Before managing the image, it must be well understood and management should know what the organization stands for, what it does etc. After philosophy is articulated, strategic business plan including corporate mission - what the company will do and for whom; business objectives –priorities, financial and market performance; business strategy –how these objectives will be achieved- should be made.

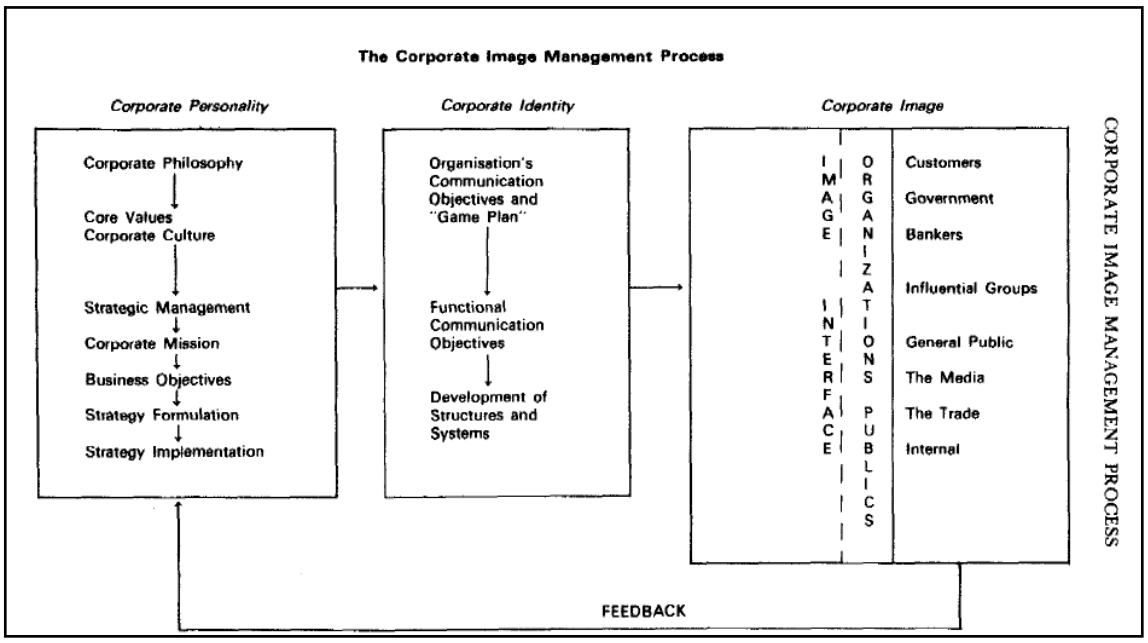

Figure 9: Corporate Image Management Process

Source: Abratt, Russell (1989), "A New Approach to Corporate Image Management Process", Journal of Marketing Management, Vol. 5, No.1, pg. 71

The second step is to develop communication objectives such as what to say, how to say, who to say etc. These objectives should be in accordance with business objectives to ensure a wholly unique image.

Third step is the broadest interface that all stakeholders' experiences are shaped with outcomes of various management systems. It is crucial to identify the management systems whose outcomes affect each stakeholder and focus on management of those systems.

Balmer (2001) notes that Abratt's (1989) model is useful since it attempts to integrate the concepts of corporate personality, identity and image. However, the model gives too much emphasize to visual cues and symbolism in image formation. It also lacks the effect of environmental forces.

2.4.2 Barich and Kotler's (1991) Corporate Image Model

According to Barich and Kotler (1991), image refers to the sum of beliefs, attitudes and impressions that a person holds of an object. The object can be a product, a service, a brand or a company.

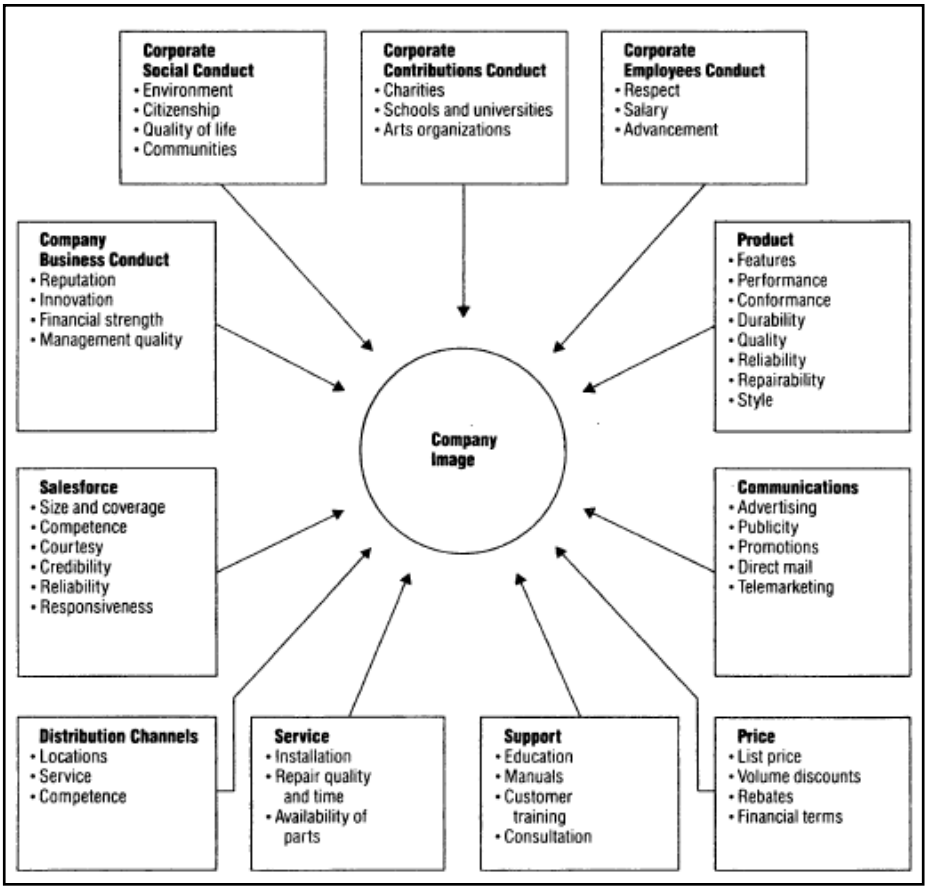

Figure 10: Image Factors and Their Attributes

Source: Barich, Howard and Kotler, Philip (1991), "A Framework for Marketing Image Management", Sloan Management Review, Vol. 32, No.2, pg. 97

Corporate image compose of *controllable image factors* such as product, price; *offerings* such as brands, products or services; and *various publics* such as customers, employees. "An organization's image depends on the particular offering and the particular public" (Barich and Kotler, 1991: 95).

2.4.3 Balmer's (1995) Corporate Image Model

Balmer's (1995) corporate image model defines the relationship between corporate philosophy, corporate personality, corporate identity and corporate image. In this model, corporate identity is viewed as the reality and corporate image as perception. Organization communicates its philosophy and personality via corporate communications; however, what is perceived by the external stakeholder constitutes the corporate image.

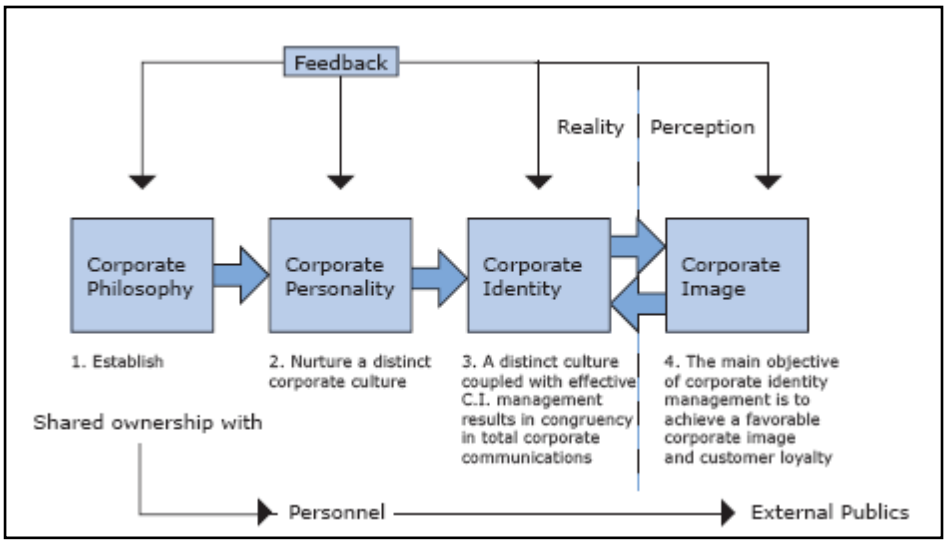

Figure 11: Relations between Corporate Philosophy, Personality, Identity and Image (Balmer, 1995)

Source: Liner, Ingvild (2001), "Corporate Identity-The Importance of a Consistent Corporate Identity", Department of Product Design, NTNU, pg. 4, http://www.ivt.ntnu.no/ipd/fag/PD9/2001/Artikler/Lier_I.PDF

According to Balmer (1998), corporate philosophy refers to business mission and values advocated by the founder or management of an organization. It is the soul of the company. Corporate personality means the inner values of the organization, its culture, behaviors. Corporate identity is the combination of an organization's strategy, behavior (culture) and communication.

2.4.4 Marwick and Fill's (1997) Corporate Image Model

Under corporate identity management, Marwick and Fill (1997) describe corporate image formation as a three step process. According to them, corporate personality is "what the organization actually is" (Marwick and Fill, 1997: 399). The linkage between corporate personality and corporate identity is the self-analysis that an organization evaluates its qualities, capabilities and desired actions.

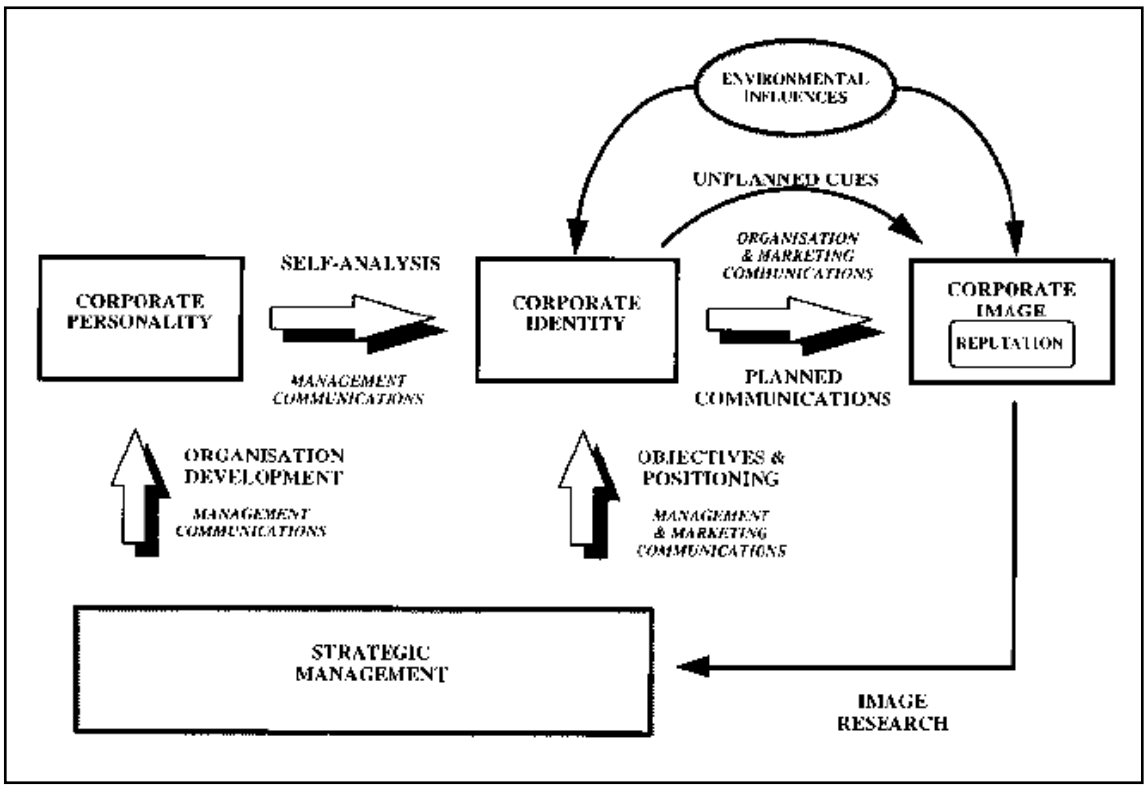

Figure 12: The Main Components of the Corporate Identity Management Process (CIMP) and the Linkages and Dominant Forms of Corporate Communications within it

Source: Marwick, Nigel and Fill, Chris (1997), "Towards a Framework for Managing Identity", European Journal of Marketing, Vol. 31, No. 5/6, pg. 400

Corporate image is the perception of the way an organization presents itself through planned or unplanned activities. The link between corporate identity and image

is the corporate communications used. But corporate identity is not the only component of corporate image; they also take environmental influences into account.

2.4.5 Dowling's (2002) Corporate Image Model

Dowling (2002) develops modified corporate image models according to stakeholders.

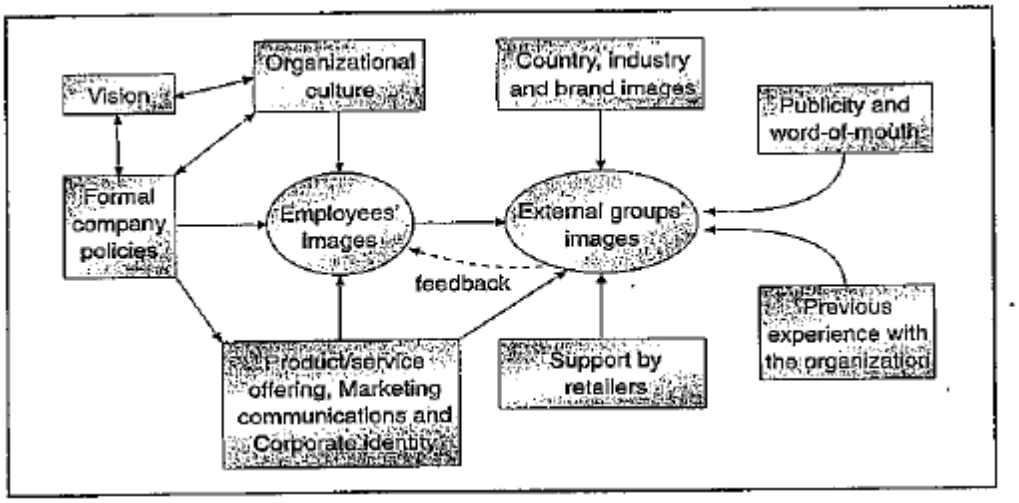

Figure 13: Creating Corporate Images

Source: Dowling, G. (2002). *Creating corporate reputations: identity, images, and performance*, New York: Oxford University Press, pg. 52

In his model, Dowling (2002) proposes that what customers think and feel about an organization is based on their past experiences and perceived value of products and services. Advertising, marketing communications, service quality and word of mouth/publicity are important influencers of corporate image. According to him, service quality leads to satisfied customers. Since services depend on the capability or knowledge of the provider, its quality cannot be standardized; reference of a satisfied customer becomes an important factor in choosing the service provider organization.

2.5 Modified Corporate Image Model

Depending upon the literature provided, the modified corporate image model will include the components that are stated in the integrated corporate identity mix, plus word of mouth as mentioned by Dowling (2002); because our thesis includes a field study conducted with an IT service company and word-of-mouth is a crucial factor in services marketing. Kennedy (1977) states that any contact that is made with company personnel influences the overall image of the organization, and people do not learn only from their past experiences with the organization but also from their friends, relatives, colleagues.

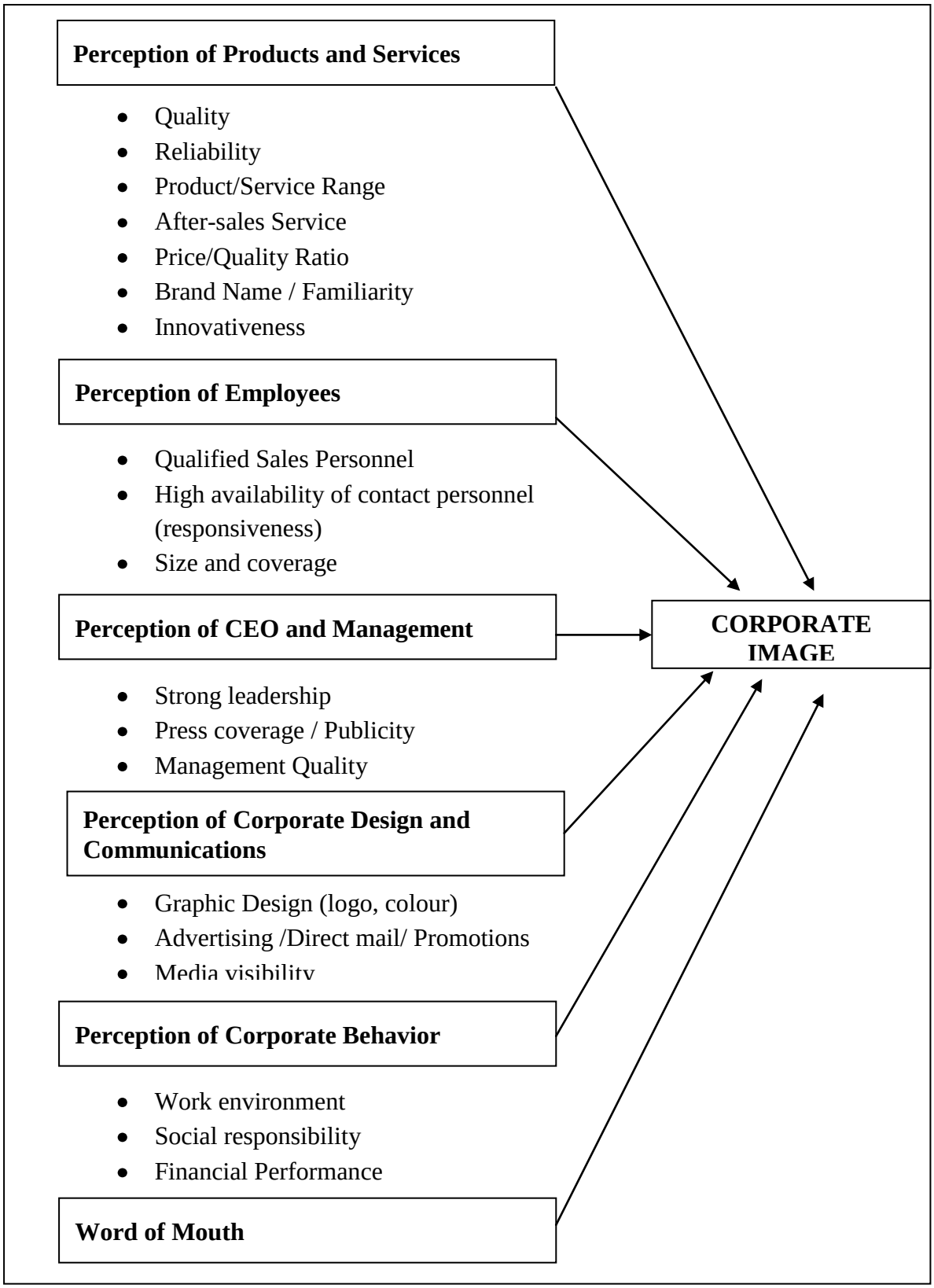

Figure 14: Modified Corporate Image Model

The corporate image focus of this thesis is the overall perceptions of a company's external stakeholders (existing customers) about the company, whether they are true or not. The reality about the organization is not in the scope of the study. Therefore, corporate identity, personality and culture concepts are not included in the model.

Corporate image and reputation are both external perceptions of the organization. The former is the organization's portrait made in the mind of consumer, while the latter is the degree of trust in an organization's ability to meet customers' expectations on a given attribute. Corporate image and reputation are the results of an aggregation process which incorporates diverse information used by the consumer to form a perception of the organization. In our model, corporate reputation is viewed as included in the dimensions of corporate image.

2.5.1 Perception of Products and Services

Products and services which an organization provides is one of the crucial elements of differentiation strategies. The variety, quality, packaging and pricing of products and services influence the perception of consumers.

Zinkhan et al. (2001) state that products and services, provided by organizations, have additional psychological meanings for customers besides their functional benefits. They are recognized as psychological things, as symbolic of personal attributes, goals and strivings.

Barich and Kotler (1991) mention that perception of products, which an organization offers is one of the elements of corporate image. They state that product features, performance, conformance, durability, quality, reliability influence the external publics' product perception, hence corporate image.

Flavian et al (2004) cites that LeBlanc and Nguyen (1996) develop a multidimensional corporate image model for measuring a bank, which includes the services and quality perception of those services. Lemmink et al (2003) contributes this

view with university image measurement research. In the model used by Lemmink et al, quality of products and services is stated to influence corporate image.

Martineau (1958: 55) states that "the products and services that the consumer identifies a company with have a far more important bearing on the image".

Lee (2004) examines corporate image in Chinese context and provides a model that includes attributes of products and services such as quality, innovativeness, price/quality relation, after sales service etc.

In brief, products and services those are reliable, innovative, highly qualified, good value for money positively affect the perception of stakeholders and form a favorable corporate image.

2.5.2 Perception of Corporate Design and Communications

Corporate design or corporate visual identity is used to express the visual cues that a company utilizes and it is composed of five elements: "organization's name, slogan, logo/ symbol, color and typography" (Melewar and Karaosmanoglu, 2006, pg 852). Visual identity can be presented in the form of products' packages, vehicles, locations, architecture of the building.

Baker and Balmer (1997) state that visual identity has two fundamental purposes. First, it represents the organization's values and philosophy; and second, it supports corporate communication.

Although there is evidence about the importance of corporate design in the literature, the components of corporate design are also important. Abratt and Mofokeng (2001) note that corporate name, logo, office layout, vehicles and product labels are important visual cues that communicate corporate image to external stakeholders. Since our study is conducted in services sector, our corporate design will compose of logo and corporate colors used.

Melewar and Karaosmanoglu (2006) define corporate communications as all the ways in which the organization communicates with its various stakeholders. All the

intended and unintended messages sent by the organizations, activities involved will influence the perception of stakeholders.

Marwick and Fill (1997: 401) cites Ind (1992) that "corporate communications is the process which translates corporate identity into image". He emphasizes the cues that organizations use to present themselves to their stakeholders.

Van Riel (http://www.routledge.com/textbooks/041528421X/resources/slides/LECTURE5.ppt) views corporate communication as a composition of three main factors: management, marketing and organization communication. "Management communication" involves the communication of mission, vision and goals of the organization to its internal stakeholders. "Marketing communication" includes advertising, promotions, sponsorship and direct marketing (Melewar and Karaosmanoglu, 2006). "Organization communication" refers to public relations, public affairs and corporate advertising.

In this thesis, corporate communications which include advertising, direct mail, promotions and media visibility is considered as a component of corporate image.

2.5.3 Perception of Corporate Behavior

Melewar and Jenkins (2002) state Van Rekom (1997) that actions, especially intended actions, have an important role in perception of corporate image.

Balmer and Soenen (1998) include corporate behavior as an element of the actual identity in their ACID Test. In this context, corporate behavior refers to employee recruitment, promotion and pay, environmental policies, community programmes etc.

Lee (2004) notes that treatment to employees and social responsibilities have an influence on corporate image in the eyes of the young educated publics.

Melewar and Karaosmanoglu (2006) break down into three elements of corporate, employee and management behavior. "Corporate behavior" includes corporate actions which are planned and in accordance with corporate mission and vision. "Management Behavior" refers to communications and actions of top

management to lower level management. Treatment to employee which is cited previously is an element of management behavior. “Employee Behavior” refers to the employee’s actions towards external stakeholders. In services organizations, direct contact with frontline employees has a vital role in production, evaluation of services. Whenever an organization comes into contact with its various publics, interaction occur which influence perceptions of that organization and establish or affect the relationship between the parties. (Zinkhan et al, 2001)

In this thesis, corporate behavior will be analyzed as a composition of treatment to employees, promotion and pay structure, education programmes (that will be called as working environment) and social responsibility.

2.5.4 Perception of CEO and Management

LeBlanc and Nguyen (1996) state that management has a vital role in the corporate image formation process via leadership, style and personality.

Park and Berger (2004: 93) cites McGrath (1995a) that a CEO’s public image is the organization in the mind of each person in the audience”. They support and add to this view that the perception of CEOs and management personifies the organization to its internal and external stakeholders.

Grunig (1993) mentions that CEOs provide symbolic leadership and personify the organization to members through communication, actions and values.

Cravens, Oliver and Ramamoorti (2003) mention that although employee actions are included in corporate image, upper management and CEO has an effect on corporate image. CEO’s personal image, management quality and style of upper management are measured as corporate image components.

2.5.5 Perception of Word of Mouth

Corporate image is established and developed through communication and experience (Andreassen and Lindestad, 1997: 11). Not all communication channels are controlled by the organizations. External interpersonal communication is outside the

direct control of the firm. However, it has a high influence on corporate image since people can make their interpretations of an organization based on their conversations with their family members, friends and colleagues.

Communication channels that are less controlled by the organization cannot be ignored. Especially in service industries, intangibility nature of the service and difficulty in measuring quality, direct experience with the firm becomes crucial. So, the recommendations of experienced people are expected to have great influence on corporate image (Nguyen, LeBlanc, 2002: 244). Since each stakeholder has an image of an organization through processing any information they reach, word of mouth is included in the corporate image model.

2.6 Importance of Corporate Image for Companies

Several scholars emphasized the importance of corporate image and provide theoretical support for the benefits that a favorable corporate image provides to organizations. Their views are presented in this section.

Caruana and Chircop (2000: 45) mention that Yoon et al (1993) and Brown (1995) provide empirical evidence for the beneficial outputs of corporate image. It positively influences the intention to purchase a service, attitudes of buyers to salespeople and products in a purchase situation, enhancing competitive ability of the firm.

Nguyen and LeBlanc (2001) investigated the effect of corporate image in customers' retention decisions and found out that customer loyalty is higher when they have favorable corporate image.

Analyzing relevant literature (Greyser, 1995; Fombrun and Van Riel, 1997; Vendelo, 1998), Dolphin (2004) mentions that a favorable image can enable organizations to charge premium prices and help them to earn extra revenue from the repeated purchases.

Walsh and Dinnie (2006: 413) states Groenland (2002) that a positive corporate image have a positive effect on consumer trust in the organization.

Zinkhan et al (2001: 152) state that "there is a strong positive correlation between people's perceptions of a company and pro-corporate supportive behavior."

Lemmink (2003: 3) mentions about Fombrun and Shanley (1990) that corporate image has following advantages – based on previous research: the generation of excess returns for firms by inhibiting the mobility of rivals in an industry, the firm may be able to charge higher prices by signaling consumers about product quality, attracting investors, obtaining enhanced access to capital markets, and attracting better applicants.

SECTION III
PRICE PERCEPTION

Price is marketers' one of the most important tools to attract customers to purchase their products. Marketers adopt different pricing strategies such as psychological pricing, prestige pricing, market-skimming pricing to achieve their desired sales objectives. It is not uncommon to see price wars everywhere.

In this section, price concept, factors affecting pricing decisions, pricing approaches and strategies, and price perception will be analyzed and discussed.

3.1 Price

3.1.1 Definition

Kotler and Armstrong (2004: 314) state that "in the narrowest sense, price is the amount of money charged for a product or service. More broadly, price is the sum of all the values that consumers exchange for the benefits of having or using the product or service."

Berman (1990) defines price as the value of a good or a service for both the seller and the buyer. He also mentions that "from a broader perspective, it is the allocation of goods and services among potential purchasers and for ensuring competition among sellers in an open market economy" (Berman, 1990: 554).

Zeithaml (1988: 10) defines price as "from the consumers' perspective, price is what is given up or sacrificed to obtain a product".

Since the goal of all business models is to make money, an organization should price its products and services well enough to earn revenues that is adequate with the value it has created and its positioning in relation with its customers, competitors, potential new entrants etc. Goods and services must be priced in a way that both achieves the profitability of the organization and satisfy the customers.

3.1.2 Factors Affecting Pricing Decisions

Consumers and organizations will buy a product or a service if the price is adequate. One can design the finest product in the world, but if the price is perceived so high it may be for nothing. This is why pricing decisions are so crucial and it is an important part of a product or service offer.

Kotler and Armstrong (2004: 315) states that an organization's pricing policies are affected by both internal and external environmental factors. The internal factors are marketing objectives, marketing mix strategies, costs and organizational considerations, whereas external factors are nature of the market and demand, competition, other environmental factors (economy, resellers, and government).

In setting a price of a product or a service, it is important to decide its target market and positioning in advance. If the product or service competes with luxury akin and is positioned for high income group of customers, price should be set high. The marketing mix elements are also important in pricing. For example, the average weight of advertising in the mix affects the cost of the product or service, hence increases the price. Organization should also decide the authorized person or department in pricing decisions.

Pricing decisions alter according to market conditions. If it is a pure competition market, organization cannot charge more than the average market price. Under pure monopoly, there is only one seller and it can charge any price it desires. Competitors' actions and strategies are also important. A price cut strategy of a competitor will force other players to decrease their prices, vice versa. Economic conditions have a strong impact on pricing strategies because in case of recession or boom, cost of production and consumption behaviors of customers change.

3.1.3 Pricing Approaches

Effective pricing seek to enhance the level of revenues and it incorporates costs of the service or products, customer demand (desires) and the competitive environment in which the organization tries to exist.

Pricing approaches utilized by organizations include these three factors. Approach can have only one factor or combine two or more of them with different contribution weights. Three of these approaches namely cost-based, value-based and competition (market) based pricing will be explained.

In *cost-based pricing*, prices are calculated according to costs plus a standard margin. The difference between the price and cost is called as markup. If all competitors have similar cost structures, this method will be reasonable. However, cost-based pricing is an inward focused exercise omitting customer insights, and there can be hidden costs that cannot be calculated as easy as it is thought to be (Phillips, 2005: 23).

In *value-based pricing,* buyers' perceptions of value, not the cost of the seller, is used in pricing. Product or service is priced based on the customer's perceptions of its value. In this pricing approach, first customer needs and value perceptions are analyzed. Then, price is set to meet customers' perceived value (Kotler&Armstrong, 2004: 327).

In *competition-based pricing*, organizations use competitors' prices as a guide (Berman&Evans, 2004: 430). The organization can charge same prices, more than or less than its competitors' prices.

3.1.4 Pricing Strategies

The price that a company will charge for its products or services should not be too low that will make loss or too high that will suppress the demand. A company sets not a single price for all of its products and services, but utilizes different strategies for different items. Company may need to adjust its prices to reflect cost increases or consumer behavior changes.

Pricing strategies can be analyzed under three main subjects: new product pricing, product mix pricing and price adjustment strategies (Kotler&Armstrong, 2004: 338).

In **new product pricing**, companies price a new product through either market-skimming pricing or market-penetration pricing. Under skimming pricing, a company introduces a product that is not presented in the market by any other

competitor and sets its price high (Afuah, 2004: 60). Under penetration pricing, company sets a low initial price in order to penetrate the market (Kotler&Armstrong, 2004: 327). This pricing strategy is used when entering into a competitive market.

Product mix pricing is used when the product priced is part of a product group. In *product line pricing*, company has a product category such as TV and different models with different features. Pricing should include costs, customers' evaluation of added features and competitors' prices. *Optional product pricing* is used when the product is an optional accessory sold by the main product. Optional products are sold with the main product is consumers value it. *Captive-product pricing* is used for the products that must be used by the main product like camera film. Companies usually price main products at lower prices and captive-products at higher prices and make revenue out of them. *By-product pricing* is used when by-products are produced during the production process of the main product. Companies both try to decrease the cost of getting rid of them and make revenue out of them. *Product bundle pricing* is used when companies want to sell several products together and offer a reduced price (Kotler&Armstrong, 2004: 327).

Price adjustment strategies include discount and allowance, segmented pricing, psychological pricing, promotional pricing, geographical pricing and international pricing. *Discount and allowances* are in terms of customer rewards for certain responses such as early payment, volume purchases. In *segmented pricing*, company sells its products and services at two or more prices for different customer segments. In *psychological pricing*, companies use psychological cues or signals in determining price levels, for example consumers perceive higher priced products as having higher quality. *Promotional pricing* includes offering lower prices for defined time periods to create demand and increase sales. Under geographical and international pricing, companies should decide whether they will charge same prices or different prices across different geographical locations or international markets (Kotler&Armstrong, 2004: 342- 347).

3.2 Price Perception

Perception is defined as “the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world” (Schiffman&Kanuk, 2004: 158). The physical stimuli sent from the external environment and past experiences shape individuals’ expectations, motives, and form their perceptions.

Berkowitz (1980: 349) mention about Jacoby and Olson (1977) that consumers’ price perception process has three variables, namely S-O-R. Stimulus variables (S) represent the actual price; organismic variables (O) include acquisition, encoding, storage and retrieval of price information; response variables (R) include various types of overt consumer behaviors. Encoding process is especially important because customer interprets and evaluates price cues. These cues can be “quality, perceived worth, value for the money, price acceptability and willingness to buy” (Berkowitz, 1980: 349).

Following Shiffman&Kanuk’s perception definition, price perception can be defined as the process through which customers evaluate the money paid for the product or service combined with the past experiences, and end up with a favorable or unfavorable price perception.

Munnukka (2005 : 208) cites Chen et al. (1994) that perceived price is “the customers’ judgment about an average price of a service in comparison to its competitors”. Customers who have a favorable or positive price perception perceive a service or product to be a good buy, since they think that it will bring more benefits. This is why organizations should not only focus on absolute price, but perceived price.

Zeithaml (1988: 10) mentions about Jacoby and Olson (1977) that price is composed of perceived nonmonetary price, objective price and sacrifice. Objective price is usually not the price encoded by consumers; they do not always know or remember actual prices. What they remember is the perceptions like “expensive” or “cheap”.

Watchravesringkan and Yurchisin (2007: 272) mentions about Lichtenstein et al. (1993) that evaluation of price of a particular product or service increases or decreases the likelihood of purchasing that product or service. If a customer valuing prestige believes that the product's price is reasonable in terms of its ability to provide increased level of prestige.

Lichtenstein et al. (1993) reports seven psychological constructs of price perception: prestige sensitivity, price-quality schema, value consciousness, price consciousness, coupon proneness, sale proneness, and price mavenism. Prestige sensitivity refers to customers who are willing to pay higher prices because they believe that higher prices are associated with high prestige. Value consciousness refers to the ratio of the quality received to the price paid in a purchase situation. Price consciousness is vice versa. Coupon and sale proneness represents a customer's propensity to buy when coupon or sales price positively affects his purchase decision.

Salvador (2006) proposes that price is composed of two components: objective price and perceived value. By objective price, the actual money paid for the product or service is meant. The perceived value is the evaluation of the benefits of the product or service to its costs. The perceived value composed with the monetary value constitutes the price perception of customers.

3.3 Impact of Corporate Image on Perceived Price

The intangible nature of a service directs customers to base their decisions on secondary but tangible cues associated with the service offering or service provider such as contact personnel and physical environment. This image will be the first impression of the organization and may have a great influence on his/her buying intentions (Nguyen&Leblanc, 2002: 242).

Martenson (2007: 546) states that a favorable brand image will have a positive impact on consumers' behavior towards the brand, such as the opportunity to command premium prices, buyers who are more loyal, and more positive word-of-mouth.

Martineau (1958: 52) mentions that it is not the knowledge and information which direct human behavior, but rather it is the images we have- not what is true but what we believe to be true.

Dolphin (2004: 82) cites several references and states that "a sound reputation may enable the firm to charge premium prices (Greyser, 1995; Fombrun and van Riel, 1997; Vendelo, 1998) particularly if the reputation is strong; helping them to earn extra revenue from the repeat purchases that quality products generate (Shapiro, 1982)."

"A positive corporate reputation which does not suffer any negative effects of the external environment is likely to lead to a predisposition to buy an organization's products and services, purchase shares, work for the company etc." (Balmer, 1998: 980)

SECTION IV
FIELD STUDY ON IMPACT OF CORPORATE IMAGE COMPONENTS ON PERCEIVED PRICE

The section begins with general information about the IT sector. Since the field study is conducted in an IT company, it should be important to understand the dynamics of the sector and business areas of the chosen company. Following, aim and objectives of the research study, theoretical framework, hypotheses, questionnaire design and scales, sampling design and data analysis techniques will be explained.

4.1 IT Sector Brief

Information technology (IT) is "the study, design, development, implementation, support or management of computer-based information systems, particularly software applications and computer hardware" (http://en.wikipedia.org/wiki/Information_technology, 23 June 2008). To generalize, it can be said that IT professionals deal with hardware (computers, servers, screens etc), software (programs like SPSS, Windows) and services (outsourcing, consultancy).

In Turkey, IT sector is constituted by 5 main segments. These segments can be listed as; Hardware and Software Support and Installation, Systems Integration, IT Outsourcing, Custom Application development and IT Consulting. The commonality of all these segments is that they include both products and services. Since the products are highly technological and needs continuous development and support, service is a part of the product. There are also pure services such as consultancy or outsourcing where the expertise of the consultants is being traded. The sector players either provide one of them (product or service) or all of them. The company studied in this research, is running business in all these segments stated above. It sells both hardware products and several IT services to its corporate customers, who are the final users.

4.2 Aim of the Research

The main aim of this research is to develop theoretical background for the corporate image construct, explore corporate image factors, and determine these factors'

significant contribution to the perceived price of goods and services of an IT service company among its existing customers.

The literature review that is provided in the previous sections proposes that there are several factors constituting the corporate image of an organization. The factors are analyzed in details and an integrated corporate image model is formed based on the literature. One of the objectives of this study is to test the relevance of the corporate image model and determine the significance of each factor.

Gray and Smeltzer (1985) mentions that there are multiple publics that an organization exist and communicate with. These are customers, suppliers, retailers, stockholders, government agencies and special interest groups. Flavian et al. (2005) supports and adds that each group of people has a different corporate image because they had different type of experiences and contacts with the organization. Since there are different corporate images for each stakeholder group of an organization, existing customers of an IT service company is chosen in order to define the corporate image construct and determine its factors. Existing customers are selected because when respondents are familiar with the organization, it will be easier for them to make comments and give answers to questions.

Martenson (2007: 546) states that a favorable brand image will have a positive impact on consumers' behavior towards the brand, such as the opportunity to command premium prices. Corporate image is composed of several factors, such as products and services provided, corporate communication, employee. The second objective of this study is to explore the significant relationship between corporate image components and willingness to pay premium price. The study also aims to evaluate whether corporate image components affect loyalty.

To sum up, the research questions that will be answered at the end of the analysis are: "what are the factors that constitute corporate image of existing customers of an IT service organization?", "what are the magnitudes of these corporate image factors on the perceived price of an organization?" and "whether there is a relationship between corporate image and willingness to pay premium price?". What the managers

of an organization do in order to manage their corporate image, how the corporate image is modified, what are the strategies to change the image of an organization is beyond the scope of this study.

4.2 Theoretical Framework

There are numerous definitions and models of corporate image across disciplines and there is still a lack of consensus in defining the concept. Several scholars study corporate image dimensions and propose different models. There also exist studies exploring the benefits of corporate image to organizations that explain the importance of corporate image management process. The relevant literature states that a favorable corporate image can lead organizations to charge premium prices (Dolphin, 2004).

In the literature review provided previously, corporate image and its dimensions are explained by several scholars. A modified corporate image model is provided in the previous sections. Since the aim of this study is to find out the effect of corporate image dimensions on perceived price, our theoretical framework is modeled as follows:

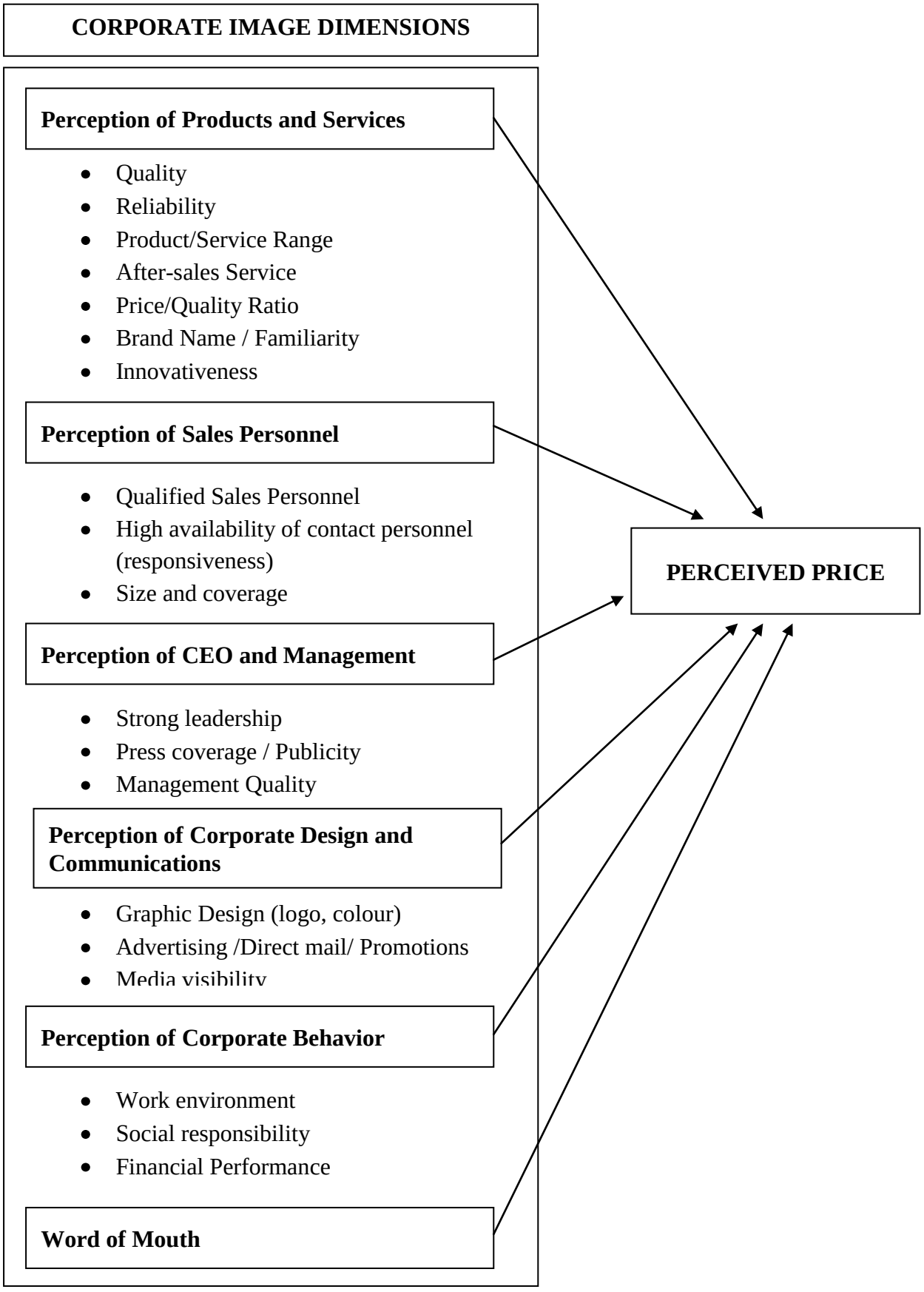

Figure 15: Our Suggested Theoretical Framework

4.3 Hypothesis

The hypotheses are formed according to the following dependent and independent variables:

- Perception of Product and Services
- Perception of Sales Personnel
- Perception of CEO and Management
- Perception of Corporate Design and Communications
- Perception of Corporate Behavior
- Word of Mouth
- Perceived Price
- Demographics

In order to find out whether corporate image dimensions have an effect on perceived price, following hypothesis are tested:

H1: Corporate image components affects perceived price.

Therefore;

H11: "Perception of Product and Services" affects perceived price.

H12: "Perception of Sales Personnel" affects perceived price.

H13: "Perception of CEO and Management" affects perceived price.

H14: "Perception of Corporate Design and Communications" affects perceived price.

H15: "Perception of Corporate Behavior" affects perceived price.

H16: "Word of Mouth" affects perceived price.

H2: Corporate image components affect loyalty.

Therefore;

H21: "Perception of Product and Services" affects loyalty.

H22: "Perception of Sales Personnel" affects loyalty.

H23: "Perception of CEO and Management" affects loyalty.

H24: "Perception of Corporate Design and Communications" affects loyalty.

H25: "Perception of Corporate Behavior" affects loyalty.

H26: "Word of Mouth" affects loyalty.

H3: There is a significant relationship between willingness to pay premium price and corporate image components.

Therefore;

H31: There is a significant relationship between willingness to pay premium price and "Perception of Product and Services".

H32: There is a significant relationship between willingness to pay premium price and "Perception of Sales Personnel".

H33: There is a significant relationship between willingness to pay premium price and "Perception of CEO and Management".

H34: There is a significant relationship between willingness to pay premium price and "Perception of Corporate Design and Communications".

H35: There is a significant relationship between willingness to pay premium price and "Perception of Corporate Behavior".

H36: There is a significant relationship between willingness to pay premium price and "Word of Mouth".

Moreover, in order to test the possible differences between groups due to their demographic characteristics; following hypothesis are designed:

H4: There is a difference between customers at different age groups in terms of corporate image components.

H5: There is a difference between male and female customers in terms of corporate image components.

H6: There is a difference between married and single customers in terms of corporate image components.

H7: There is a difference between customers working in different departments in terms of perceived price.

H8: There is a difference between customers at different education levels in terms of corporate image components.

H9: There is a difference between male and female customers in terms of perceived price.

H10: There is a difference between customers working in different departments in terms of perceived price.

H11: There is a difference between customers at different education levels in terms of perceived price.

4.4 Questionnaire Design and Scales

The research questionnaire consists of three sections. The first section includes questions to find out corporate image dimensions, second section consists of questions to evaluate the price perception of customers, whether it is favorable or unfavorable; and the last section comprises demographic indicators.

In the first section, corporate image dimensions are searched through 57 questions. These are close-ended questions, which direct the respondents towards

selecting among the existing options. Likert scale 1 (definitely disagree) to 5 (definitely agree) is preferred, "no idea" option is omitted since the sample is chosen among the existing customers who have already consumed a service or a product of the organization.

In the second section, customers' perceived price is evaluated through 6 questions. The first four questions are collected from Salvador et al (2006). Since they lead favorable perceived price, two questions (Q5&Q6) are developed by the researcher to provide unbiased results. The last two questions (Q7&Q8) are about willingness to pay premium price and customer loyalty respectively, added by the researcher to explore side aims. These are also close-ended questions with a Likert scale of 1 (definitely disagree) to 5 (definitely agree).

In the last section, demographic characteristics of the respondents are analyzed through 6 questions. Nominal scale is used in all questions.

The Turkish and English formats of questionnaire can be found in appendices. The questions prepared to analyze corporate image dimensions, perceived price, demographics and their specific literature are presented below:

I. Independent Variables: Corporate Image Dimensions and Demographics

<u>Perception of Products/Services</u>

- **Quality: Q1, Q5**

  The quality of Company X's products and services are outstanding. (Lee, 2004)
  Company X provides high quality products and services. (Lee, 2004)

- **Reliability: Q2**

  Company X is a reliable firm. (Adapted from Lee, 2004)

- **Product/Service Range: Q3,Q4**

  Company X has a wide product range. (Adapted from Cravens et al., 2003)
  I will continue purchasing from Company X, if new products and services are added to the product range. (Developed by the researcher)

- **After-sales service: Q6, Q7, Q9, Q18, Q20**

  Company X gives sufficient time of guarantee for its products. (Quoted from Koçel, 2006)
  Company X's after sales service is outstanding. (Lee, 2004)
  Company X has a spread after sales service network. (Quoted from Koçel, 2006)
  Company X provides professional after sales services. (Developed by the researcher)
  Company X fixes defective products. (Developed by the researcher)

- **Price/Quality Ratio: Q8**

  Company X provides products and services that have a good price/quality balance. (Erdoğan et al., 2006)

- **Brand Name / Familiarity: Q10, Q11, Q12, Q14**

  Company X is a well known company. (Erdoğan et al., 2006)
  Company X is the first company that comes to my mind among the IT systems integrator companies. (Adapted from Koçel, 2006)
  Company X is a respected company. (Erdoğan et al., 2006)
  "Company X" is a reliable company. (Adapted from Lee, 2004)

- **Innovativeness: Q13, Q15, Q16**

  Company X continuously develops its products and services' technology. (Adapted from Cravens et al., 2003)
  Company X provides innovative products and services. (Lee, 2004)
  Company X is an innovative company. (Developed by the researcher)

Perception of Employees

- **Qualified Sales Personnel: Q17, Q19, Q21, Q22**

  Company X has highly educated employees. (Developed by the researcher)
  Company X has well informed sales personnel. (Developed by the researcher)
  Company X's sales personnel are trustworthy. (Barich and Kotler, 1991)
  Company X's sales personnel are very knowledgeable about the products and services. (LeBlanc and Nguyen, 1996)

- **High availability of contact personnel: Q23, Q24, Q25, Q27, Q29**

  Company X's sales personnel are very responsive to the customers. (LeBlanc and Nguyen, 1996)

Company X's sales personnel are very helpful. (Barich and Kotler, 1991)
Company X's sales personnel are always available.
(Developed by the researcher)
Company X's sales personnel are very responsive to customer requests.
(Developed by the researcher)
Company X's sales personnel are very responsive to customer problems.
(Developed by the researcher)

- **Size and coverage: Q26, Q30**

  Company X has an adequate employee population. (Developed by the researcher)
  Company X has adequate number of experts. (Developed by the researcher)

Perception of Management /CEO

- **Strong leadership: Q31**

  I think that Company X is run by a strong leader. (Lee, 2004)

- **Press coverage / Publicity: Q32**

  The management of Company X is frequently in the press news. (Adapted from Lee, 2004)

- **Management Quality: Q28, Q33, Q34**

  Company X has a strong and successful management. (Adapted from Lee, 2004)
  Company X's managers are successful. (Developed by the researcher)
  Company X's managers are receptive to different ideas. (Lee, 2004)

Perception of PR

- **Graphic Design: Q35, Q36, Q37, Q40**

  I like the colors used in the logo of Company X. (Koçel, 2006)
  Company X's logo reminds me a modern firm. (Koçel, 2006)
  Company X's logo reminds me something favorable. (Koçel, 2006)
  What first comes to my mind about KoçSistem is its logo. (Koçel, 2006)

- **Advertising /e-Bulletin/ Promotions: Q38, Q39, Q41, Q42, Q43, Q45**

  Company X has a lot of product and service advertising. (Lee, 2004)
  I like Company X's advertisements. (Koçel, 2006)

I think Company X's advertisements are believable. (Kennedy, 1977)
Company X's promotion/campaigns are outstanding. (Developed by the researcher)
Company X sends e-bulletins periodically. (Developed by the researcher)
I like the brochures of Company X's products and services. (Developed by the researcher)

- **Media visibility: Q44, Q47, Q52**

Company X is frequently in the media. (Developed by the researcher)
There is positive news about Company X in the media. (Koçel, 2006)
Company X frequently attends IT sector events (technology fair/expo etc). (Developed by the researcher)

Perception of Corporate Behavior/Performance

- **Work environment: Q46, Q48**

One of the major reasons that I prefer Company X is that it is a national firm. (Quoted from Koçel, 2006)
Company X cares about its employees. (Lee, 2004)

- **Social responsibility: Q49, Q51**

Company X supports art/sports events. (Developed by the researcher)
Company X contributes to educational development in the community. (Lee, 2004)

- **Financial Performance: Q53, Q56**

Company X has strong financial performance. (Lee, 2004)
Company X is a successful firm. (Developed by the researcher)

Word of mouth: Q54, Q55, Q57

The ideas of my colleagues affect my thoughts about Company X. (Developed by the researcher)
Company X is a firm that is preferred to make business with. (Developed by the researcher)
My colleagues tell me positive things about Company X. (Developed by the researcher)

Demographics Characteristics

- **Age** D1
- **Gender** D2
- **Marital Status** D3
- **Education Level** D4
- **Income Level** D5
- **Occupation** D6

II. Dependent Variable: Perceived Price

Perceived Price: Q1, Q2, Q3, Q4, Q5, Q6

The fee set for the service and product is adequate for the work performed. (Salvador et al, 2007)
The product and services provided by Company X is more economical than its competitors' similar products and services. (Salvador et al, 2007)
Company X offers quality products and services at low prices. (Salvador et al, 2007)
I don't care about the price. The only thing that I am interested in is the quality of the service required. (Salvador et al, 2007)
The price of products and services that I purchased from Company X is above my expectation. (Developed by the researcher)
The price of products and services that I purchased from Company X is exactly what I expect. (Developed by the researcher)

Willingness to Pay Premium Price: Q7

I will continue purchasing from Company X, even if it raises the prices. (Developed by the researcher)

Loyalty:Q8

Even tough competitors offer more economical products and services; I will continue purchasing from Company X. (Developed by the researcher)

4.5 Research Methodology

4.5.1 Sampling Design & Data Collection

The research was conducted with existing customers of an IT services company. The respondents work as the decision makers of their company's IT purchases and have the knowledge and experience to evaluate the prices.

Convenience sampling is used. Questionnaires are either e-mailed by sales people or conducted in customer visits of sales people. The data is collected between 2nd of April and 31st of June. The questionnaire is distributed to 300 people; however 198 of them are collected back with a response rate of 66%.

4.5.2 Data Analysis Techniques

Initially, frequency distributions are used to describe the sample according to its demographic characteristics. Then various statistical methods such as exploratory factor analysis, reliability analysis, and independent t-test are used through computer statistical package program SPSS version 16.0 and significance level of 0,005 is considered for statistical analysis.

Exploratory factor analysis is selected as appropriate measurement method since the aim of the research is to find the corporate image factors affecting perceived price of the selected sample. Although there is not a consensus about the minimum sample size needed to conduct a factor analysis, there are general recommendations in terms of 5 times the number of variables stated by Hatcher (1994) or at least 200 cases stated by Gorsuch (1983) (http://www2.chass.ncsu.edu/garson/pa765/factor.htm#cases, 15 June 2008). Since the data collected is below those recommended levels, some control questions developed by the researcher are eliminated in the factor analysis. These questions are Q5, Q14, Q16, Q18, Q19, Q22, Q24, Q26, Q27, Q29, Q33, Q36, Q38 and Q43.

Factor analysis is conducted with the remaining variables. After the factors are identified, the magnitude of these factors over perceived price is found out via

regression analysis. In order to find the impact of demographic variables such as gender and marital status, independent sample T-test is conducted. For the impact of age, education, income level and occupation; one way Anova test is applied. The relationship between willingness to pay premium price is evaluated through correlation analysis.

4.5.3 Demographic Characteristics of the Respondents

In order to find a brief summary about the demographic characteristics of the sample according to age, gender, marital status, education, income level and occupation; the following frequency tables are used.

Age:

% 6,1 questionnaires are collected from customers of age between 20 and 25, % 25,8 questionnaires from customers age of between 26 and 30, % 33,8 questionnaires from customers age of between 31 and 35, %27,3 questionnaires from customers age of between 36 and 40, %7,1 questionnaires from customers of age over 40.

Table 1: Frequency Distribution of Age

Age	Frequency	Percent
20-25	12	6,1
26-30	51	25,8
31-35	67	33,8
36-40	54	27,3
40>	14	7,1
Total	198	100,0

Gender:

%24,2 questionnaires are collected from female customers and %75,8 questionnaires are collected from male customers. The difference between the frequencies can be explained with the male domination of IT sector.

Table 2: Frequency Distribution of Gender

Gender	Frequency	Percent
Female	48	24,2
Male	150	75,8
Total	198	100,0

Marital Status:

%61,1 questionnaires are collected from married customers and % 38,9 questionnaires from single customers.

Table 3: Frequency Distribution of Marital Status

Marital Status	Frequency	Percent
Married	121	61,1
Single	77	38,9
Total	198	100,0

Education Level:

%2 questionnaires are collected from high school graduate customers, % 74,2 questionnaires from undergraduate customers and % 23,7 questionnaires from customers with master degree.

Table 4: Frequency Distribution of Education Level

Education Level	Frequency	Percent
High School	4	2,0
Undergraduate	147	74,2
Master	47	23,7
Total	198	100,0

Income Level:

% 2 questionnaires are collected from customers whose income level is between 500 YTL and 1000 YTL, % 10,1 questionnaires from customers whose income level is between 1001 YTL and 2000 YTL, % 33,8 questionnaires from customers whose income level is between 2001 YTL and 3000 YTL, % 39,9 questionnaires from customers whose income level is between 3001 YTL and 5000 YTL, % 14,1 questionnaires are collected from customers whose income level is over 5001 YTL.

Table 5: Frequency Distribution of Income Level

Income Level	Frequency	Percent
500 YTL- 1000 YTL	4	2,0
1001 YTL- 2000 YTL	20	10,1
2001 YTL- 3000 YTL	67	33,8
3001 YTL - 5000 YTL	79	39,9
5001 YTL and above	28	14,1
Total	198	100,0

Occupation:

% 63,6 questionnaires are collected from customers working in IT department, % 22,2 questionnaires from customers working in Sales and Marketing department, % 7,1 questionnaires from customers working in Finance department and % 7,1 questionnaires from customers working in other departments.

Table 6: Frequency Distribution of Occupation

Occupation	Frequency	Percent
IT	126	63,6
Sales and Marketing	44	22,2
Finance	14	7,1
Other	14	7,1
Total	198	100,0

4.5.4 Descriptive Statistics of Variables

Descriptive statistics of mean and standard deviations of variables measuring corporate image components and perceived price are stated below. From Table 7, it is seen that question 10, 12 and 20 has the highest three mean values among 198 respondents. While question 10 and 12 comprises the familiarity of the company, question 20 measures the perception of after-sales service of the company. Since they have the highest mean values, it can be assumed that customers are aware of the company and satisfied with the after-sales service, especially fixing defective products.

Questions 38, 40 and 43 have the least three mean values. Since these questions are part of variables measuring perceived public relations, it can assumed that customers do not value frequency of advertising, relate the corporate logo with the company and notice the frequency of the e-bulletin (or bulletins are not periodic).

Table 7: Descriptive Statistics of Variables Measuring Corporate Image

	Mean	Std. Deviation
1. The quality of KoçSistem's products and services are outstanding.	4,0404	,84203
2. KoçSistem is a reliable firm.	4,1162	,72773
3. KoçSistem has a wide product range.	3,6515	,78357
4. I will continue purchasing from KoçSistem, if new products and services are added to the product range.	3,7475	,82896
5. KoçSistem provides high quality products and services.	3,9949	,62517
6. KoçSistem gives sufficient time of guarantee for its products.	3,9040	,62591
7. KoçSistem's after sales service is outstanding.	3,9596	,85400
8. KoçSistem provides products and services that have a good price/quality balance.	3,4798	,71751
9. KoçSistem has a spread after sales service network.	4,0202	,68308
10. KoçSistem is a well known company.	**4,4697**	**,83489**
11. KoçSistem is the first company that comes to my mind among the IT systems integrator companies.	3,9192	,99926
12. KoçSistem is a respected company.	**4,3182**	**,67197**
13. KoçSistem continuously develops its products and services' technology.	3,8838	,51539
14. "KoçSistem" is a reliable company.	4,0960	,80977
15. KoçSistem provides innovative products and services.	3,8434	,66128
16. KoçSistem is an innovative company.	3,9596	,61155
17. KoçSistem has highly educated employees.	4,1616	,70828
18. KoçSistem provides professional after sales services.	3,9293	,65690
19. KoçSistem has well informed sales personnel.	3,9697	,71182
20. KoçSistem fixes defective products.	**4,2121**	**,70922**
21. KoçSistem's sales personnel are trustworthy.	4,1010	,75394
22. KoçSistem's sales personnel are very knowledgeable about the products and services.	3,9091	,66211
23. KoçSistem's sales personnel are very responsive to the customers.	3,9444	,78820
24. KoçSistem's sales personnel are very helpful.	3,9444	,80098
25. KoçSistem's sales personnel are always available.	3,8737	,95014
26. KoçSistem has an adequate employee population.	3,3990	,61899

Table 7: Descriptive Statistics of Variables Measuring Corporate Image (Continue)

	Mean	Std. Deviation
27. KoçSistem's sales personnel are very responsive to customer requests.	3,5354	,96448
28. KoçSistem has a strong and successful management.	3,6010	,81695
29. KoçSistem's sales personnel are very responsive to customer problems.	3,3939	,76494
30. KoçSistem has adequate number of experts.	3,7374	,66204
31. I think that KoçSistem is run by a strong leader.	3,6061	,77155
32. The management of KoçSistem is frequently in the press news.	3,0606	,72404
33. KoçSistem's managers are successful.	3,4141	,67606
34. KoçSistem's managers are receptive to different ideas.	3,6616	,69197
35. I like the colors used in the logo of KoçSistem.	3,6667	,90121
36. KoçSistem's logo reminds me a modern firm.	3,4141	1,02764
37. KoçSistem's logo reminds me something favorable	3,9444	,86790
38. KoçSistem has a lot of product and service advertising.	**2,5354**	**,77149**
39. I like KoçSistem's advertisements.	3,1111	,71089
40. What first comes to my mind about KoçSistem is its logo.	**2,7980**	**1,06136**
41. I think KoçSistem's advertisements are believable.	3,2374	,63663
42. KoçSistem's promotion/campaigns are outstanding.	3,0859	,61098
43. KoçSistem sends e-bulletins periodically.	**2,8586**	**1,03747**
44. KoçSistem is frequently in the media.	3,0808	,95776
45. I like the brochures of KoçSistem's products and services.	3,4141	,74056
46. One of the major reasons that I prefer KoçSistem is that it is a national firm.	3,7727	,73620
47. There is positive news about KoçSistem in the media.	3,6010	,74548
48. KoçSistem cares about its employees.	3,6566	,78257
49. KoçSistem supports art/sports events.	3,3636	,91190
50. KoçSistem is one of the first found firms in the IT sector.	3,9293	,88131
51. KoçSistem contributes to educational development in the community.	3,6717	,80500
52. KoçSistem frequently attends IT sector events (technology fair/expo etc).	3,6515	,71586
53. KoçSistem has strong financial performance.	3,7879	,85226
54. The ideas of my colleagues affect my thoughts about KoçSistem.	3,4848	,91644
55. KoçSistem is a firm that is preferred to make business with.	4,0202	,60421

Table 7: Descriptive Statistics of Variables Measuring Corporate Image (Continue)

	Mean	Std. Deviation
56. KoçSistem is a successful firm.	3,9293	,53795
57. My colleagues tell me positive things about KoçSistem.	3,6717	,71126

Form the table below, it seen that among 8 questions measuring perceived price, question 1 has the highest mean value while question 3 has the least mean value. It can be said that although customers do not find the price of the goods and services low, they have a favorable perceived price.

Table 8: Descriptive Statistics of Variables Measuring Perceived Price

	Mean	Std. Deviation
P1. The fee set for the service and product is adequate for the work performed.	**3,7323**	**,78311**
P2. The product and services provided by KoçSistem is more economical than its competitors' similar products and services.	2,9495	,84750
P3. KoçSistem offers quality products and services at low prices.	**2,8232**	**,96332**
P4. I don't care about the price. The only thing that I am interested in is the quality of the service required.	3,4545	,90428
P5. The price of products and services that I purchased from KoçSistem is above my expectation.	2,9848	,85779
P6. The price of products and services that I purchased from KoçSistem is exactly what I expect.	3,2525	,80409
P7. I will continue purchasing from KoçSistem, even if it raises the prices.	3,0707	,84604
P8. Even tough competitors offer more economical products and services; I will continue purchasing from KoçSistem.	3,1414	,90694

4.5.5 Data Analysis

Data analyses are conducted through factor analysis, regression analysis, and test of differences (t-test and ANOVA). Hypothesis testing is conducted with the use of regression analysis, and test of differences among variables. All variables, dependent and independent, are assumed to normal distributed and analyses are conducted accordingly.

4.5.5.1 Exploratory Factor Analyses

Exploratory factor analyses describe the interrelationships between 54 questions and group them in terms of a smaller number of factors. These factors define the perceived corporate image dimensions and perceived price. These analyses also let the researcher to determine the effect of these dimensions over perceived price via following regression analysis.

Factor analysis is performed fourteen times in which the same principles are applied for the extraction of items. Factor loadings less than 0,50 are selected to be extracted from the analysis since 0,50 is considered as the significant factor loading. Questions which define a factor alone are also extracted from the data set. As a result of fourteenth step, 16 items resulting in five factors are found.

Table 9: Results of Exploratory Factor Analysis for Corporate Image

FACTORS	Factor Loading	%Variance Explained	Cronbach's Alpha
F1: Perception Products and Services 1. The quality of KoçSistem's products and services are outstanding. 7. KoçSistem's after sales service is outstanding. 15. KoçSistem provides innovative products and services. 17. KoçSistem has highly educated employees. 10. KoçSistem is a well known company	.798 .786 .746 .715 .714	20.340	.702
F2: Perception of Advertising and Promotion 39. I like KoçSistem's advertisements. 45. I like the brochures of KoçSistem's products and services. 41. I think KoçSistem's advertisements are believable.	.902 .801 .794	14.748	.771
F3: Perception of Company and Business Familiarity 13. KoçSistem continuously develops its products and services' technology. 20 KoçSistem fixes defective products. 11. KoçSistem is the first company that comes to my mind among the IT systems integrator companies.	.772 .754 .719	14.256	.671
F4: Perception of Sales People 21. KoçSistem's sales personnel are trustworthy. 23. KoçSistem's sales personnel are very responsive to the customers. 25. KoçSistem's sales personnel are always available.	.808 .768 .703	13.247	.681
F5: Perception of After-Sales Service 12. KoçSistem is a respected company. 6. KoçSistem gives sufficient time of guarantee for its products.	.836 .813	11.860	.766
Cumulative % Variance		74.451	
KMO Bartletts's Test of Sphericity	.672 .000		

Table 9 shows the results of confirmatory factor analysis for corporate image components. Since all of the Cronbach's Alpha values are higher than 0.60, it can be said that the reliability of the scales used for this study are quite high.

Overall perceived price is calculated by aggregating the items P1, P2, P3, P4, P5 and P6 and dividing them by six. Reliability of the total perceived price is found to be high with alpha= .724> 0.70 and descriptive statistics for the overall perceived price are presented in the following table:

Table 10: Descriptive Statistics for the Dependent Variable of Perceived Price

	N	Minimum	Maximum	Mean	Std. Deviation
Perceived Price	198	1,67	4,43	3,2995	,52342
Valid N (listwise)	198				

With a mean of 3,2995 > 3, perceived price can be said to be favorable. Therefore, customers have a favorable perceived price of the organization.

4.5.5.2 Regression Test for Perceived Price

After factor analyses, six factors are found as dependent and independent variables. In order to define the effect of one or more independent variables over dependent variables, regression test is applied. The weight of each independent variable is also determined.

Table 11 and Table 12 show the result of regression analysis. The coefficients of regression test are given in Table 10. The unstandardized coefficients, standardized coefficients, t and p values are also given.

Table 11: Model Summary of Regression Test for Perceived Price

Model	R	R Square	Adjusted R Square
1	,629[a]	,276	,258

Table 12: Coefficients of Regression for Perceived Price

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1,1449	,323		4,485	,000
	Perception Products and Services	,173	,059	,110	1,547	,003
	Perception of Advertising and Promotion	,270	,054	,318	5,051	,000
	Perception of Company and Business Familiarity	,153	,060	,184	2,563	,011
	Perception of Sales People	,150	,052	,205	2,868	,005
	Perception of After-Sales Service	,091	,058	,193	2,971	,123
a. Dependent Variable: Perceived Price						

The regression equation for Perceived Price is:

Perceived Price = 1.1449 + .173 *Perception of Products and Services* + *.270 Perception of Advertising and Promotion* + .153 *Perception of Company and Business Familiarity* + .150 *Perception of Sales People*

As a result of regression analysis, perceived price can be explained by perception of products and services, perception of advertising and promotion, perception of company and business familiarity and perception of after-sales services.

Regression is used to test the general hypotheses whether corporate image components have an impact on perceived price. Based on new findings (new corporate image components), hypothesis should be revisited and reformulated.

Our first hypothesis is as follows:

Ho: Corporate image components do not affect perceived price.

H1: Corporate image components affects perceived price.

Since the final regression model of corporate image has a significance value of 0.00 < .05, we can accept H1 and state that corporate image components affect perceived price. To find out which components affect perceived price, new hypothesis with the new components should be formulated and tested.

H11: Ho: Perception of Products and Services does not affect perceived price.

H1: Perception of Products and Services affects perceived price.

Sig. = ,003< .005 **reject Ho**

H11 is accepted at the 0,05 significance level. Thus perception of products and services affect perceived price.

H12: Ho: Perception of advertising and promotion does not affect perceived price.

H1: Perception of advertising and promotion affects perceived price.

Sig. = .000 < 0.05 **reject Ho**

H12 is accepted at the 0,05 significance level. Thus, perception of advertising and promotion affects perceived price.

H13: Ho: Perception of Company and Business Familiarity does not affect perceived price.

H1: Perception of Company and Business Familiarity affects perceived price.

Sig. = .000 < 0.05 **reject Ho**

H13 is accepted at the 0,05 significance level. Thus perception company and business familiarity affects perceived price.

H14: Ho: Perception of Sales People does not affect perceived price.

H1: Perception of Sales People affects perceived price.

Sig. = .000 < 0.05 **reject Ho**

H14 is accepted at the 0,05 significance level. Thus, perception of sales people affects perceived price.

H15: Ho: Perception of After-Sales Service does not affect perceived price.

H1: Perception of After-Sales Service affects perceived price.

Sig. = .123 > 0.05 **fail to reject Ho**

H15 is not accepted at the 0,05 significance level. Thus perception after-sales service does not affect perceived price.

4.5.5.3 Regression Test for Loyalty

One of the side aims of this study is to explore whether corporate image factors affect customer loyalty or not. In order to find out or define the effect of components, regression test is applied to Q8 (customer loyalty) and corporate image factors defined by the exploratory factor analysis previously. The result of regression test is given with below tables.

Table 13: Model Summary of Regression Test for Loyalty

Model	R	R Square	Adjusted R Square
1	,511[a]	,261	,242

Table 14: Coefficients of Regression, Loyalty

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,821	,588		1,396	,164
	Perception Products and Services	,407	,107	,273	3,804	,000
	Perception of Advertising and Promotion	,102	,097	,067	1,049	,296
	Perception of Company and Business Familiarity	,532	,109	,354	4,889	,000
	Perception of Sales People	, 410	,095	,023	,312	,755
	Perception of After-Sales Service	, 030	,106	,254	3,876	,000
a. Dependent Variable: Loyalty						

The regression equation for loyalty is:

Loyalty = .407 Perception of Products and Services + .532 Perception of Company and Business Familiarity + .030 Perception of After-Sales Services

As a result of regression analysis, perception of advertising and promotion, and perception of sales people are found to be insignificant (p=.296 and p=.755 > .05) and not included in the equation. It is seen from the above table that perception of products and services, perception of company and business familiarity and perception of after-sales services affect customer loyalty. So, H2 is accepted: loyalty is affected by corporate image components. New hypothesis and their tests are given below.

H21: “Perception of Product and Services” affects loyalty.

Sig. = .00 < 0.05 reject Ho, thus perception of products and services affect loyalty.

H22: “Perception of Advertising and Promotion” affects loyalty.

Sig. = .296 > 0.05 fail to reject Ho, thus perception of advertising and promotion does not affect loyalty.

H23: “Perception of Company and Business Familiarity” affects loyalty.

Sig. = .00 < .05 reject Ho, thus perception of company and business familiarity affect loyalty.

H24: “Perception of Sales People” affects loyalty.

Sig. = .755 < .05 fail to reject Ho, thus perception of sales peopley does not ffect loyalty.

H25: “Perception of After-Sales Service” affects loyalty.

Sig. = .00 < .05 reject Ho, thus perception of after-sales service affect loyalty.

4.5.5.4 Association Tests

Association tests will be applied for hypothesis H3. In order to find out whether there is a relationship between willingness to pay premium price and corporate image components, Pearson correlation tests are applied for five corporate image components.

Table 15: Results of Pearson Test, Willingness to Pay Premium Price & Corporate Image Components

Correlations							
		Willingness to Pay Premium Price	Perception Products and Services	Perception of Advertising and Promotion	Perception of Company and Business Familiarity	Perception of Sales People	Perception of After-Sales Service
Willingness to Pay Premium Price	Pearson Correlation	1	-,037	,302**	,390**	,207**	-,038
	Sig. (2-tailed)		,608	,000	,000	,003	,595
	N	198	198	198	198	198	198
**. Correlation is significant at the 0.01 level (2-tailed).							

As a result of Pearson test, perception of advertising and promotions, perception of company and business familiarity and perception of sales people are found to be significant (Sig. <0.05). Since the correlation coefficients are below .50, there are positive but low relationships between willingness to pay premium price and these three components.

The hypothesis stated previously should be reformulated based on the findings in the factor analysis section. New hypothesis and their test results are below.

H3: There is a significant relationship between willingness to pay premium price and corporate image components.

Sig. = 0.01 < 0.05 **reject Ho**

H3 is accepted at a significance level of =.05. Thus, there is a relation between willingness to pay premium price and corporate image components.

H31: There is a significant relationship between willingness to pay premium price and "Perception of Products and Services".

Sig. = .608 > 0.05 fail to reject Ho, thus there is no relationship between willingness to pay premium price and perception of products and services.

H32: There is a significant relationship between willingness to pay premium price and "Perception of Advertising and Promotion".

Sig. = .00 < 0.05 reject Ho, thus there is relationship between willingness to pay premium price and perception of products and services.

H33: There is a significant relationship between willingness to pay premium price and "Perception of Company Business Familiarity".

Sig. = .00 < 0.05 reject Ho, thus there is relationship between willingness to pay premium price and perception of company and business familiarity.

H34: There is a significant relationship between willingness to pay premium price and "Perception of Sales People".

Sig. = .03 < 0.05 reject Ho, thus there is relationship between willingness to pay premium price and perception of sales people.

H35: There is a significant relationship between willingness to pay premium price and "Perception of After-Sales Service".

Sig. = .595 > 0.05 fail to reject Ho, thus there is no relationship between willingness to pay premium price and perception of after-sales service.

4.5.5.5 Difference Tests

Difference tests will be applied for H4, H5, H6, H7, H8, H9, H10 and H11. In order to analyze possible significant differences between groups on their perceptions of corporate image, independent t-test is used for demographic variables of gender, marital

status; while one way ANOVA test is used for demographic variables of age, occupation, education and income.

H4: There is a difference between customers at different age groups in terms of corporate image components.

In this hypothesis, the grouping variable is the independent variable of age and the test variables are corporate image components found in the regression analysis. One way ANOVA test is conducted.

Table 16: One Way ANOVA Test Result, Age & Corporate Image Components

ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Perception Products and Services	Between Groups	6,884	4	,721	1,004	,151
	Within Groups	66,371	193	,344		
	Total	73,255	197			
Perception of Advertising and Promotion	Between Groups	17,756	4	,439	,688	1,051
	Within Groups	51,338	193	,266		
	Total	69,094	197			
Perception of Company and Business Familiarity	Between Groups	23,918	4	1,979	3,059	,055
	Within Groups	47,966	193	,249		
	Total	71,884	197			
Perception of Sales People	Between Groups	16,366	4	,592	,250	,165
	Within Groups	77,045	193	,399		
	Total	93,412	197			
Perception of After-Sales Service	Between Groups	10,591	4	,648	2,929	,156
	Within Groups	51,465	193	,267		
	Total	62,056	197			

From the significance values, it is seen that there is no significant difference between customers at different ages in terms of corporate image components.

H5: There is a difference between male and female customers in terms of corporate image components.

An Independent Sample T-Test is used to see if there is significant difference between the means of male and female customers. In this hypothesis, the grouping variable is the independent variable of gender and the test variables are corporate image components. Levene's test for equality of variances is conducted so that the correct T-test to be used is decided upon. The variance of the groups must be relatively similar for the t-test to be used.

Table 17: Independent Sample T-Test Results, Gender

	Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Perception Products and Services	,409	,523	-1,131	196	,259	-,11433	,10105	-,31362	,08495
Perception of Advertising and Promotion	6,847	,010	-2,910	196	,004	-,28056	,09640	-,47067	-,09044
Perception of Company and Business Familiarity	,194	,660	-,982	196	,328	-,09833	,10018	-,29591	,09924
Perception of Sales People	5,047	,026	,471	196	,638	,05389	,11442	-,17176	,27954
Perception of After-Sales Service	4,896	,028	-3,120	196	,002	-,28417	,09108	-,46378	-,10455

In Levene's test, p value for perceptions of products and services and perception of company and business familiarity are greater than 0.05; equal variances are assumed. According to t-test results, since p values (.259 and .328 respectively) are greater than 0.05, Ho fails to reject.

H6: There is a difference between married and single customers in terms of corporate image components.

An Independent Sample T-Test is used to see if there is significant difference between the means of married and single customers. In this hypothesis, the grouping variable is the independent variable of marital status and the test variable is the corporate image components. Levene's test for equality of variances is conducted so that the correct T-test to be used is decided upon. The variance of the groups must be relatively similar for the t-test to be used.

Table 18: Independent Sample T-Test Results, Marital Status

	Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Perception Products and Services	1,063	,304	-,403	196	,687	-,03589	,08909	-,21158	,13980
Perception of Advertising and Promotion	4,858	,029	2,902	196	,004	,24597	,08475	,07882	,41311
Perception of Company and Business Familiarity	34,677	,000	2,881	196	,004	,24911	,08647	,07858	,41965
Perception of Sales People	,124	,725	-,862	196	,390	-,08658	,10045	-,28468	,11152
Perception of After-Sales Service	,838	,361	2,515	196	,013	,20307	,08073	,04385	,36229

In Levene's test, p values of perception of products and services, perception of sales people and perceptions of after-sales service are found to be above 0.05, so the "Equal Variances" test is applied. According to t-test results, only p value (.013) of perception of after-sales service is found to be less than 0.05. So, there is a significant

difference between married and single people in terms of perception of after-sales service.

Table 19: Groups Statistics for Marital Status and Corporate Image Components

	MARITAL	N	Mean	Std. Deviation	Std. Error Mean
Perception Products and Services	Married	121	4,0810	,69885	,06353
	Single	77	4,1169	,43812	,04993
Perception of Advertising and Promotion	Married	121	3,3499	,62783	,05708
	Single	77	3,1039	,49930	,05690
Perception of Company and Business Familiarity	Married	121	4,1019	,48082	,04371
	Single	77	3,8528	,73646	,08393
Perception of Sales People	Married	121	3,9394	,72903	,06628
	Single	77	4,0260	,62071	,07074
Perception of After-Sales Service	Married	121	4,1901	,56736	,05158
	Single	77	3,9870	,53172	,06059

According to the above table, the mean value of married customers is higher than single customers. The perception of after-sales service is more favorable in terms of married customers.

H7: There is a difference between customers working in different departments in terms of perceived price.

A One Way ANOVA test is used to see if there is significant difference between customers working in different departments in terms of perceived price. In this hypothesis, the grouping variable is the independent variable of occupation and the test variables are corporate image components.

Table 20: One Way ANOVA Test Result, Occupation & Corporate Image Components

ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Perception Products and Services	Between Groups	1,121	3	,374	1,005	,392
	Within Groups	72,134	194	,372		
	Total	73,255	197			
Perception of Advertising and Promotion	Between Groups	15,483	3	,761	18,676	,063
	Within Groups	53,611	194	,276		
	Total	69,094	197			
Perception of Company and Business Familiarity	Between Groups	7,780	3	,593	1,848	,104
	Within Groups	64,104	194	,330		
	Total	71,884	197			
Perception of Sales People	Between Groups	2,456	3	,819	1,746	,159
	Within Groups	90,956	194	,469		
	Total	93,412	197			
Perception of After-Sales Service	Between Groups	9,309	3	1,103	2,413	,113
	Within Groups	52,746	194	,272		
	Total	62,056	197			

Since significance values are higher than .05, there is no significant difference between customers working in different departments in terms of corporate image components.

H8: There is a difference between customers at different education levels in terms of corporate image components.

Table 21: Test of Homogeneity of Variances, Education& Corporate Image Components

ANOVA						
		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Perception Products and Services	Between Groups	1,436	2	,718	1,950	,145
	Within Groups	71,818	195	,368		
	Total	73,255	197			
Perception of Advertising and Promotion	Between Groups	,682	2	,341	,973	,380
	Within Groups	68,411	195	,351		
	Total	69,094	197			
Perception of Company and Business Familiarity	Between Groups	2,154	2	1,077	3,011	,052
	Within Groups	69,730	195	,358		
	Total	71,884	197			
Perception of Sales People	Between Groups	8,998	2	,999	1,393	,078
	Within Groups	84,414	195	,433		
	Total	93,412	197			
Perception of After-Sales Service	Between Groups	1,363	2	,682	2,190	,115
	Within Groups	60,692	195	,311		
	Total	62,056	197			

Since significant values > .05, there is no significant difference between customers at different education levels in terms of corporate image components.

H9: There is a difference between male and female customers in terms of perceived price.

An Independent Sample T-Test is used to see if there is significant difference between the means of male and female customers. In this hypothesis, the grouping variable is the independent variable of gender and the test variable is the dependent variable "perceived price". Levene's test for equality of variances is conducted so that the correct T-test to be used is decided upon. The variance of the groups must be relatively similar for the t-test to be used.

Table 22: Independent Sample T-Test Results, Gender

	Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Perceived Price	,557	,456	-1,848	196	,066	-,15333	,08298	-,31697	,01031

In Levene's test, p value is found to be .456 which is above 0.05, so the "Equal Variances" test is applied. According to t-test results, since p value (.066) is greater than 0.05, Ho fails to reject. As seen from the mean values of gender groups, there is no significant difference between male and female customers in terms of perceived price.

Table 23: Group Statistics, Gender and Perceived Price

	GENDER	N	Mean	Std. Deviation	Std. Error Mean
Perceived Price	Female	48	3,0833	,55650	,08032
	Male	150	3,2367	,48129	,03930

H10: There is a difference between customers working in different departments in terms of perceived price.

A One Way ANOVA test is used to see if there is significant difference between customers working in different departments in terms of perceived price. In this hypothesis, the grouping variable is the independent variable of occupation and the test variable is the dependent variable "perceived price".

Table 24: One Way ANOVA Test Result, Occupation & Perceived Price

Perceived Price					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	,541	3	,180	,709	,548
Within Groups	49,384	194	,255		
Total	49,926	197			

According to the ANOVA test results, significance is .548 so we accept H_0. There is no significant difference between customers working in different departments in terms of perceived price.

H11: There is a difference between customers at different education levels in terms of perceived price.

Table 25: One Way ANOVA Test Result, Education & Perceived Price

Perceived Price					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	,106	2	,053	,208	,812
Within Groups	49,819	195	,255		
Total	49,926	197			

According to the ANOVA test results, significance is .812 so we accept H_0. There is no significant difference between customers working in different departments in terms of perceived price.

4.6 Results & Discussion

Lack of empirical study of corporate image components, price perception and the effect of corporate image on perceived price, has formed the basis for this study. Corporate image dimensions are generated on the basis of the related literature and related questionnaire part is designed by the researcher to examine these dimensions. Following, price perception is analyzed throughout the literature and appropriate scales are either chosen or created by the researcher to explore the effect of corporate image dimensions on perceived price.

Findings of this study reveal that "Perception of Advertising and Promotion" affects perceived price and it has the highest importance. With respect to relevant literature, advertising characteristics and marketing materials like brochures are found to affect the corporate image among corporate design and communications. However, literature has suggested more dimensions like graphic design (logo, colors), media visibility or marketing communication like direct mail, promotion etc to constitute corporate image. Campaigns are expected to be included in corporate image and affect perceived price, but it is seen that customers notice or remember only advertisements about campaigns/promotions. Although IT services market is a business to business market, the power of advertising still works. Company should continue goods and services advertisements and include them in their communication strategies for either corporate communication or campaign/sponsorships. It is also found out that there is a positive relationship between perception of advertising and promotions and willingness to pay premium price. When the customer believes in the advertisement (question 41) or likes the advertisement (question 39), there is a likelihood of paying more. Companies can focus on marketing communications activities to create a favorable corporate image, hence favorable perceived price and charge premium prices for product and services.

"Perception of Products and Services" is the next most affective component. Several dimensions like quality, after-sales service, innovativeness are found to constitute corporate image and affect perceived price. Thus, this findings support Barich and Kotler (1991) who have stated that perception of products is one of the elements of

corporate image, and Lee (2004) who have stated that attributes of products like quality, reliability affect corporate image, hence perceived price. Highly educated sales people are also evaluated as a product and service characteristic. This may be due to services' nature of inseparability. Customers purchase either pure services or products bundled with service. So, quality of the products depends on the sales people. The more educated the sales person, the higher the quality of the product. Hence, they perceive the price of the product or service favorable as they are satisfied with the knowledge level of sales people. Perception of Products and Services also affect customers' loyalty in a positive manner. As they consume products and services and have a positive perception of them, they continue purchasing. In case of loyalty, a characteristic of products and services forms a factor separately named as "Perception of After-Sales Service". The reason behind this separation may be due to the perception of consumers about product & service purchases. They may perceive after-sales services embedded in the price of the product or service, and do not evaluate it as a separate factor. However, in case of loyalty, the quality of the after-sales service given by the company is perceived as important by customers.

Moreover, "Perception of Company and Business Familiarity" have significant contribution to perceived price. This finding is consistent with the literature that brand or company familiarity affects people's perception. Lemmink et al (2003) state that familiarity has a significant positive impact on corporate image. Not only company or brand familiarity but also familiarity with the business of the company is important. How customers perceive the business areas that a company focuses; new investments and improvements made, shape corporate image in their minds and affect perceived price. As customers have a positive evaluation of the business that a company makes, the corporate image of that company will be favorable. For instance, customers of this organization rehearse the company first in terms of IT integrator business and thinks that they continuously develop goods/services. The familiarity with the company and perception of its activities constitute corporate image and affect perceived price.

"Perceived Sales Personnel" is another significant factor in its contribution to overall perceived price. Perception of sales personnel to be trustworthy and

responsiveness to customer needs are slightly important in their contribution to perceived price on the minds of existing customers when compared to word of mouth and perceived product and service advertising. Barich and Kotler (1991: 97) states that reliable, helpful sales people who are responsive to customer needs is among the corporate image components. In this study, an IT company providing product and services to its customers is chosen. The relation between the company and the customer is managed by sales personnel. Since it is a service oriented company whose services cannot be touched, separated from the IT experts and quality cannot be standardized; trust is in the heart of the relation. This is probably why trustworthy and responsive sales personnel are important for customers. It is also found out that there is a positive relationship between perceived sales personnel and willingness to pay premium price. As customers are satisfied with the service that they get from the sales personnel and had a favorable perceived price, they become willing to pay more for the services that they will utilize.

"Perceived Corporate Behavior" dimensions are all omitted during the factor analysis. Since the company attends several sector specific events, exhibitions, fairs and has sponsorship agreements with several NGOs, it is expected to be a corporate image factor affecting perceived price. This finding may be due to lack of awareness about its practices. Company should focus on communication of its activities like events attended or social responsibility projects leaded. Relevant literature states that social responsibility practices, work environment, perceived treatment of employees have significant affect on corporate image (Kennedy, 1977; Barich and Kotler, 1991; Cravens, Olive and Ramamoorti, 2003). Working environment and treatment to employees may be disregarded since the study is conducted to external customers who are not totally aware of these internal practices. However, for the return of investments made for sector specific events and social responsibility activities, company should focus on awareness studies.

In order to analyze the importance of demographic variables, the effect of demographic variables over perceived price is tested as well. However, according to the test results, no significance difference has been found in terms of age, gender, marital

status, occupation, education and income levels of the respondents. This means that perceived price do not differentiate with demographic characteristics.

4.7 Limitations and Implications

There are several limitations and implications of this study, which are explained in the following.

One of the limitations is that it is not possible to generalize the dimensions of corporate image. Since an organization has different stakeholder groups and multiple corporate images among them, corporate image dimensions should change according to employees, customers, financial analysts etc. Dimensions and their respective importance also change according to the business, sector of the organization. In this study, corporate image dimensions are generalized for existing customers of an IT services company. There can be different corporate image dimensions even for an IT products producer company.

Another limitation is the measurement of perceived price. Since there is lack of literature about perceived price or price perception, the survey questions measuring perceived price are referred from limited articles and developed by the researcher to eliminate the bias of positive direction of referred questions. There is also another limitation of perceived price questions. Respondents may hesitate to answer these questions, since price is confidential in business and a powerful bargaining tool for customers. They may not answer questions not to lose this power. They can also answer questions in a positive manner, since they are currently working with the company.

The data collection method is also another limitation. Surveys are either distributed by the sales personnel during customer visits or emailed to them. The collection of surveys by e-mail uncovers the owner of the respondent, hence leading respondent to evaluate the survey in a positive manner and biased results.

Another limitation is the possible effect of the group that the company belongs to. The IT company, whose corporate image and perceived price are measured in the field study, belongs to a famous national group. It is a family owned conglomerate that

works in several industries, which are mostly leading companies of their own. The economic power and stability of the group may affect the perception of the company positively.

The questionnaire designed to define the corporate image components consists of 57 items. For an effective regression analysis, it is recommended that the sample should be at least 5 times of the variables. Although 57 variables are measured in the survey, sample size is limited to 198. To conduct exploratory factor analysis and get results, 14 control questions developed by the researcher are eliminated during the factor analysis. Although questions are eliminated via leaving at least one question measuring the same independent variable, this elimination may lead to missed corporate image factors and biased magnitudes.

CONCLUSION

Nowadays, in the era of globalizations and united markets, only the firms that are really differentiated and competitive will survive. Being differentiated means not only providing unique product or services literally, but also the perception of company activities, products, services, employees etc should be different. For this reason, it is important to have a favorable corporate image. Favorable perceived corporate images in the mind of any stakeholder may help companies in a lot of aspects such as to improve sales, support new product developments and recruit skilled personnel.

Although it is important to have a favorable corporate image is important, the literature review made for the study reveals that there is lack of consensus about the components of corporate image concept. The price perception studies are also limited and no study or empirical study is found about the effect of corporate image components on perceived price.

In this study, a literature review has been conducted to understand corporate image components, its relationship with corporate identity and corporate reputation, and explore perceived price. A research model has been developed and variables have been selected through this literature. According to the research model, a corporate image compose of six components: perception of products and services, perception of sales people, perception of PR, perception of corporate behavior, perception of management/CEO and word of mouth.

As a result of the empirical study and statistics analyses, four factors are found to affect perceived price:

- Perception of Advertising and Promotion
- Perception of Products and Services
- Perception of Company and Business Familiarity
- Perception of Sales People

Regression is conducted to find out which component affects perceived price and their magnitude. Findings of the study reveal that the factors “Perception of Advertising and

Promotion", "Perception of Product and Services", "Perception of Company and Business Familiarity" and "Perception of Sales People" have significant contributions to perceived price respectively.

The perception of products and services advertising is the most important factor affecting perceived price. When the advertisements include reliable information and frequency is high, customers perceive the prices favorable. Companies, even working in the business-to-business market, should give importance in advertisement as a marketing communication tool.

Perception of products and services also has an effect on perceived price. Since the study is conducted in an IT services company, both products and services are important. Quality, innovativeness and after-sales services are important attributes that shape the corporate image and affect perceived price. It is also found that perception of products and services also positively affects loyalty. If customers perceive the product or service favorable, they become loyal to the company.

The firms which consider having a favorable perceived price and wanting to charge premium prices should also focus on the perception of sales people. The reliability and responsiveness of sales personnel are the most important characteristics of perception of sales personnel as a corporate image component and affect perceived price.

Corporate image building is a long term process that includes symmetrical relationships between corporation and its external publics. With this thesis it is hoped that more interest will be put in the corporate image studies in terms of its importance and advantages to companies like favorable perceived price, increased loyalty and charging premium prices. There is a need for a generally accepted corporate image and perceived price scales. We hope that this thesis will offer many opportunities for future research.

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APPENDIX I

Questionnaire in Turkish

Marmara Üniversitesi Sosyal Bilimler Enstitüsü İngilizce Üretim Yönetimi ve Pazarlama Yüksek Lisans Programı'nda Doç. Dr. FATMA MÜGE ARSLAN danışmanlığında hazırlamakta olduğum tezimde kullanılmak üzere yürüttüğüm anket çalışmama katıldığınız için teşekkür ederim. Cevaplarınız kesinlikle gizli tutulacak ve ticari amaçla kullanılmayacaktır.

Aşağıdaki ifadeleri "X FIRMASI" firması için değerlendiriniz, bu ifadelere ne derece katıldığınızı uygun kutuyu işaretleyerek belirtiniz.	**Kesinlikle Katılmıyorum**	**Katılmıyorum**	**Ne Katılıyorum, Ne Katılmıyorum**	**Katılıyorum**	**Kesinlikle Katılıyorum**
X FIRMASI'in sunduğu ürün ve hizmetler kalitelidir.	O	O	O	O	O
X FIRMASI, verdiği sözleri tutar.	O	O	O	O	O
X FIRMASI'in her türlü ihtiyacı karşılayan ürün ve hizmet yelpazesi vardır.	O	O	O	O	O
X FIRMASI, başka ürün ve hizmet kollarına yayılsa onları da kullanırım.	O	O	O	O	O
X FIRMASI kaliteli ürünler sunan bir firmadır.	O	O	O	O	O
X FIRMASI ürünlerinin garanti süresi yeterlidir.	O	O	O	O	O
X FIRMASI'in satış sonrası servis ağı iyidir.	O	O	O	O	O
X FIRMASI'in sunduğu ürün ve hizmetin kalite/fiyat dengesi iyidir.	O	O	O	O	O
X FIRMASI'in satış sonrası servis ağı yaygındır.	O	O	O	O	O
X FIRMASI, tanınmış ve bilinen bir firmadır.	O	O	O	O	O
X FIRMASI, Bilgi Teknolojileri sistem entegratörü firma denince aklıma gelen ilk firmadır.	O	O	O	O	O
X FIRMASI, saygın bir firmadır.	O	O	O	O	O
X FIRMASI, ürün ve hizmetlerini teknolojik olarak sürekli geliştirir.	O	O	O	O	O
"X FIRMASI" bende güven uyandırıyor.	O	O	O	O	O
X FIRMASI, yenilikçi ürün ve hizmetler sunan bir firmadır.	O	O	O	O	O
X FIRMASI, kendini yenileyen bir firmadır.	O	O	O	O	O
X FIRMASI'in çalışanları eğitimlidir.	O	O	O	O	O
X FIRMASI, satış sonrası profesyonel hizmet verir.	O	O	O	O	O
X FIRMASI satış yöneticilerinin bilgi seviyesi genel olarak yüksektir.	O	O	O	O	O

X FIRMASI,arızalı ürünleri tamir eder.	O	O	O	O	O
X FIRMASI satış yöneticileri güvenilirdir.	O	O	O	O	O
KoçSiste satış yöneticileri ürünler hakkında bilgilidir.	O	O	O	O	O
X FIRMASI satış yöneticileri müşterilere karşı çok ilgilidir.	O	O	O	O	O
X FIRMASI satış yöneticileri yardımseverdir.	O	O	O	O	O

	Kesinlikle Katılmıyorum	**Katılmıyorum**	**Ne Katılıyorum, Ne Katılmıyorum**	**Katılıyorum**	**Kesinlikle Katılıyorum**
X FIRMASI satış yöneticilerine her zaman ulaşabilirim.	O	O	O	O	O
X FIRMASI'in çalışan sayısı yeterlidir.	O	O	O	O	O
X FIRMASI satış yöneticileri isteklere hızlı geri dönüş yaparlar.	O	O	O	O	O
X FIRMASI'in yönetimi başarılı ve güçlüdür.	O	O	O	O	O
X FIRMASI satış yöneticileri sorunlara hızlı geri dönüş yaparlar.					
X FIRMASI'de yeterli sayıda uzman çalışır.	O	O	O	O	O
X FIRMASI'in güçlü bir lider tarafından yönetildiğini düşünüyorum.	O	O	O	O	O
X FIRMASI üst düzey yöneticileri sık sık basında yer alır.	O	O	O	O	O
X FIRMASI'in yöneticileri başarılıdır.	O	O	O	O	O
X FIRMASI'in yöneticileri farklı fikirlere açıktır.	O	O	O	O	O
X FIRMASI'in logosunda kullandığı renkleri beğeniyorum.	O	O	O	O	O
Logosu bende çağdaş bir firma izlenimi yaratıyor.	O	O	O	O	O
Logosu bende olumlu şeyler çağrıştırıyor.	O	O	O	O	O
X FIRMASI, ürün ve hizmetleri için çok reklam yapıyor.	O	O	O	O	O
X FIRMASI'in reklamlarını beğeniyorum.	O	O	O	O	O
X FIRMASI deyince aklıma logosu gelir.	O	O	O	O	O
X FIRMASI'in reklamlarını inandırıcı buluyorum.	O	O	O	O	O
X FIRMASI'in promosyon/kampanyaları etkileyicidir.	O	O	O	O	O
X FIRMASI, düzenli bülten gönderir.	O	O	O	O	O
X FIRMASI, basında sık sık yer alıyor.	O	O	O	O	O
X FIRMASI'in ürün ve hizmet broşürlerini beğeniyorum.	O	O	O	O	O
X FIRMASI'in yerli bir firma olması tercih	O	O	O	O	O

etmemde etkili oluyor.					
X FIRMASI hakkında basında olumlu haberler çıkıyor.	O	O	O	O	O
X FIRMASI, çalışanlarına değer veren bir firmadır.	O	O	O	O	O
X FIRMASI, sanat/sporu destekleyen bir firmadır.	O	O	O	O	O
X FIRMASI, sektörde ilk kurulan firmalardandır.	O	O	O	O	O
X FIRMASI, eğitim konularına duyarlı bir firmadır.	O	O	O	O	O
X FIRMASI, teknoloji fuar/etkinliklerine düzenli katılan bir firmadır.	O	O	O	O	O
X FIRMASI, finansal açıdan güçlü bir firmadır.	O	O	O	O	O
Yakın çevremin (iş arkadaşları vb) X FIRMASI ile ilgili görüşleri, benim düşüncelerimi etkiler.	O	O	O	O	O
X FIRMASI, birlikte çalışmak (iş yapmak) için tercih edilen bir firmadır.	O	O	O	O	O
X FIRMASI, başarılı bir firmadır.	O	O	O	O	O
Yakın çevrem X FIRMASI hakkında olumlu konuşuyor.	O	O	O	O	O

X FIRMASI' den aldığınız ürün ve hizmet fiyatları ile ilgili aşağıdaki ifadeleri değerlendiriniz.	**Kesinlikle Katılmıyorum**	**Katılmıyorum**	**Ne Katılıyorum, Ne Katılmıyorum**	**Katılıyorum**	**Kesinlikle Katılıyorum**
X FIRMASI'in talep ettiği fiyatlar, alınan hizmet için yeterlidir.	O	O	O	O	O
X FIRMASI'in sunduğu ürün ve hizmetler, rakip firmaların sunduğu benzer ürün ve hizmetlere göre daha ucuzdur.	O	O	O	O	O
X FIRMASI, kaliteli ürün ve hizmetleri ucuz fiyatla sunar.	O	O	O	O	O
Fiyat benim için önemli değildir. Aldığım ürün/hizmetin kalitesi herşeyden daha önemlidir.	O	O	O	O	O
X FIRMASI'den aldığım ürün ve hizmetlerin fiyatı beklentimin üzerindedir.	O	O	O	O	O
X FIRMASI'den aldığım ürün ve hizmetlerin fiyatı beklediğim düzeydedir.	O	O	O	O	O
X FIRMASI, aldığım ürün ve hizmetlerde fiyat artışı yapsa da almaya devam ederim.	O	O	O	O	O
X FIRMASI'den aldığım ürün ve hizmetler için rakipler daha uygun fiyat verseler de X FIRMASI'den almaya devam ederim.	O	O	O	O	O

Yaşınız :.....
Cinsiyetiniz : O Kadın O Erkek
Medeni haliniz: O Evli O Bekar
En son mezun olduğunuz okul:
O İlkokul O Ortaokul O Lise O Üniversite O Lisans üstü O Doktora
Gelir düzeyiniz : O 500 YTL' ye kadar O 500–1000 YTL
O 1001 – 2000 YTL O 2001-3000 YTL O3001 – 5000 YTL O 5001 YTL ve üstü
Çalıştığınız departman:
O IT (Bilgi İşlem) O Satış-Pazarlama O Finans O Lojistik
O Diğer……..

Ankete katıldığınız için çok teşekkürler…
Behiye Biçer

APPENDIX II

Questionnaire in English

Thank you for participating this questionnaire which belongs to my master thesis study in Marmara University Social Sciences Institute Product Management and Marketing Program, counseled by Doç. Dr. FATMA MÜGE ARSLAN. All results will be kept confidential and used only for academic purposes.

Please evaluate the following items for "Company X", mark the appropriate cell according to the fitness of the statements.	**Definitely Disagree**	**Disagree**	**Neither Disagree Nor Agree**	**Agree**	**Definitely Agree**
The quality of Company X's products and services are outstanding.	O	O	O	O	O
Company X is a trustworthy firm.	O	O	O	O	O
Company X has a wide product range.	O	O	O	O	O
I will continue purchasing from Company X, if new products and services are added to the product range.	O	O	O	O	O
Company X provides high quality products and services.	O	O	O	O	O
Company X gives sufficient time of guarantee for its products.	O	O	O	O	O
Company X's after sales service is outstanding.	O	O	O	O	O
Company X provides products and services that have a good price/quality balance.	O	O	O	O	O
Company X has a spread after sales service network.	O	O	O	O	O
Company X is a well known company.	O	O	O	O	O
Company X is the first company that comes to my mind among the IT systems integrator companies.	O	O	O	O	O
Company X is a respected company.	O	O	O	O	O
Company X continuously develops its products and services' technology.	O	O	O	O	O
"Company X" is a reliable company.	O	O	O	O	O
Company X provides innovative products and services.	O	O	O	O	O
Company X is an innovative company.	O	O	O	O	O
Company X has highly educated employees.	O	O	O	O	O
Company X provides professional after sales services.	O	O	O	O	O
Company X has well informed sales personnel.	O	O	O	O	O
Company X fixes defective products.	O	O	O	O	O
Company X's sales personnel are	O	O	O	O	O

trustworthy.					
Company X's sales personnel are very knowledgeable about the products and services.	O	O	O	O	O
Company X's sales personnel are very responsive to the customers.	O	O	O	O	O
Company X's sales personnel are very helpful.	O	O	O	O	O

	Definitely Disagree	**Disagree**	**Neither Disagree Nor Agree**	**Agree**	**Definitely Agree**
Company X's sales personnel are always available.	O	O	O	O	O
Company X has an adequate employee population.	O	O	O	O	O
Company X's sales personnel are very responsive to customer requests.	O	O	O	O	O
Company X has a strong and successful management.	O	O	O	O	O
Company X's sales personnel are very responsive to customer problems.					
Company X has adequate number of experts.	O	O	O	O	O
I think that Company X is run by a strong leader.	O	O	O	O	O
The management of Company X is frequently in the press news.	O	O	O	O	O
Company X's managers are successful.	O	O	O	O	O
Company X's managers are receptive to different ideas.	O	O	O	O	O
I like the colors used in the logo of Company X.	O	O	O	O	O
Company X's logo reminds me a modern firm.	O	O	O	O	O
Company X's logo reminds me something favorable.	O	O	O	O	O
Company X has a lot of product and service advertising.	O	O	O	O	O
I like Company X's advertisements.	O	O	O	O	O
What first comes to my mind about Company X is its logo.	O	O	O	O	O
I think Company X's advertisements are believable.	O	O	O	O	O
Company X's promotion/campaigns are outstanding.	O	O	O	O	O
Company X sends e-bulletins periodically.	O	O	O	O	O
Company X is frequently in the media.	O	O	O	O	O
I like the brochures of Company X's products and services.	O	O	O	O	O
One of the major reasons that I prefer	O	O	O	O	O

Company X is that it is a national firm.					
There is positive news about Company X in the media.	O	O	O	O	O
Company X cares about its employees.	O	O	O	O	O
Company X supports art/sports events.	O	O	O	O	O
Company X is one of the first found firms in the IT sector.	O	O	O	O	O
Company X contributes to educational development in the community.	O	O	O	O	O
Company X frequently attends IT sector events (technology fair/expo etc).	O	O	O	O	O
Company X has strong financial performance.	O	O	O	O	O
The ideas of my colleagues affect my thoughts about Company X.	O	O	O	O	O
Company X is a firm that is preferred to make business with.	O	O	O	O	O
Company X is a successful firm.	O	O	O	O	O
My colleagues tell me positive things about Company X.	O	O	O	O	O

Please evaluate price of products and services that you purchased from Company X.	**Definitely Disagree**	**Disagree**	**Neither Disagree Nor Agree**	**Agree**	**Definitely Agree**
The fee set for the service and product is adequate for the work performed.	O	O	O	O	O
The product and services provided by Company X is more economical than its competitors' similar products and services.	O	O	O	O	O
Company X offers quality products and services at low prices.	O	O	O	O	O
I don't care about the price. The only thing that I am interested in is the quality of the service required.	O	O	O	O	O
The price of products and services that I purchased from Company X is above my expectation.	O	O	O	O	O
The price of products and services that I purchased from Company X is exactly what I expect.	O	O	O	O	O
I will continue purchasing from Company X, even if it raises the prices.	O	O	O	O	O
Even tough competitors offer more economical products and services; I will continue purchasing from Company X.	O	O	O	O	O

Age :.....
Gender : O Female O Male
Marital Status : O Married O Single

Education Level:

○ Primary School ○ Secondary School

○ High School ○ Undergraduate ○ Master ○ Doctorate

Income Level :

○ Lower than 500 YTL ○ 500–1000 YTL ○ 1001 – 2000 YTL

○ 2001-3000 YTL ○3001 – 5000 YTL ○ 5001 YTL and above

Occupation:

○ IT ○ Sales-Marketing ○ Finance ○ Logistics

○ Other……..

Thank you for your participation
Behiye Biçer