

THE IMPACT OF THE CUSTOMER-BASED CORPORATE REPUTATION SCALE ON THE BEHAVIOURAL INTENTIONS

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Abstract

This paper intends to be a brief and comprehensive presentation about the mode in which the reputation of an economic institution may influence the behavioural intentions of consumers. Thus being a qualitative indicator, based upon the perceptions of the interested parties, reputation may act upon the behavioural intentions in manifold modes. The literature review and the case study had at their core the usage of the dimensions of the customer-based corporate reputation scale (CBR scale). A questionnaire was used for the case study, with applicability in the Romanian banking sector. The conclusions of this research show the fact that each dimension acts in a different mode upon the behavioural intentions of the consumers.

Keywords: banking sector, behavioural intentions, CBR scale, reputation

JEL classification: G21

1. Introduction

An important variable that might influence the behavioural intentions of customers towards a certain company, irrespective of the sector in which it activates, is corporate reputation. According to the researchers, the intangible asset “enables firms to achieve various goals in the market” (Teece et al., 1997, p. 521). Because of their importance, the representatives of the units will have to grant them more special attention.

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In time, the corporate reputation concept has received several definitions which have highlighted certain keywords. The identification of those elements which matter for the consumers may explain the difference between their structure and content and might lead to developing an excellent reputation.

Irrespective of its level, reputation determines behaviours that are different on the market, in comparison with the moments in which it is entirely missing (Herbig and Milewicz, 1993). Whether they relate to companies or individuals, their actions may unfold based on this attribute, thus being influenced.

This paper identifies the measure in which the dimensions of corporate reputation influence the behavioural intentions of consumers, on the Romanian banking market. For the case study, we will use the customer-based corporate reputation scale (CBR scale). A questionnaire will represent the instrument of the research. We planned the items upon the basis of the dimensions of the afore-mentioned scale: '*Customer Orientation*', '*Good Employer*', '*Reliable and Financially Strong Company*', '*Product and Service Quality*', '*Social and Environmental Responsibility*' (Walsh and Beatty, 2007). At the end of the research, we can develop a new scale, adapted to the Romanian banking sector, after the general model propounded by Walsh and Beatty (2007).

We will present the most important aspects of the research in the conclusions section.

2. Literature review

Reputation represents “an important tool through which companies can hold a competitive advantage and have a long relationship with multiple groups that give credibility to the company” (Haery et al., 2014, p. 471).

A favourable score held by the reputation of an economic institution may create a snowball effect in the ranks of the consumers. Companies that hold this strong point “benefit from building trust and identification among customers, which, in turn, positively influence customer commitment” (Keh and Xie, 2009, p.739).

To evaluate the corporate reputation, in literature are several scales. One of these is the customer-based corporate reputation scale (CBR scale). Customer-based corporate reputation is “the customer’s overall evaluation of a firm based on his or her reactions to the firm’s goods, services,

communication activities, interactions with the firm and/or its representatives or constituencies (such as employees, management, or other customers) and/or known corporate activities” (Walsh and Beatty, 2007, 129).

In the following paragraphs, this paper shows brief presentations for each of the five dimensions mentioned in the introduction.

2.1. Customer orientation

Customer orientation is “an employee’s tendency or predisposition to meet customer needs in an on-the-job context” (Brown et al., 2002, p. 111). Thus, the more intense the concern for the customer, the more his loyalty towards the company may grow. Following this action, the buying behaviour of consumers will also change positively (Ali, 2011).

Activities that may support the strengthening of this dimension are the marketing actions. These are “oriented, on one hand, towards knowledge, anticipation and influence of consumers’ behaviour and, on the other hand, towards developing offers of products/services that ensure sustainable development” (Juganaru and Juganaru, 2015, p. 518). The consumers may sustain this mode of development even, throughout their pro-social orientations (Andrei and Zait, 2018). Actions of this type support companies to better know society’s interests.

By having the support of the employees, the aforementioned activities may lead to a durable performance eventually (Stanciu et al., 2014). The results will influence the dimensions of the CBR scale, each benefitting from certain improvements.

2.2. Good employer

The human capital, in any enterprise, represents the resource towards which the greatest attention should be targeted. Either it’s about the employer or the employees, these two categories are the engine of any economic unit. The decisions which the employer takes within the firm reflected the activities effectuated by the employees. These employees may have a significant intake on the level of reputation which the interested parties perceive. If they are treated like “its internal customers”, this leads to getting a strong reputation (Kircova and Esen, 2018, p. 30).

The modality in which the human resources collaborate and manage relationships with the other members in the organisation may construe the employer quality. Sometimes, someone may evaluate it. The person can reflect

the result in the attitude of the employees, who may decide to continue their activity within the company, may resign from the actual firm and seek employment within another, or may open their own business. Because employees have the role to support companies in the activities they carry out, these three reactions influence significantly the path of the institutions towards performance (Campbell et al., 2011).

2.3. Reliable and Financially Strong Company

The financial prowess of a company may influence decisively a behavioural intention.

A significant financial strength may lead to a positive attitude on the consumers' part, such as opening collaboration with the economic institution or its recommendation. Customers who are faithful to a company bring a significant contribution to financial performance. These customers are much more open to promote the economic unit positively. Usually, these customers have a long-standing collaboration with the institutions and are even willing to buy additional services (Zeithaml et al., 1996).

A weak financial power sends forward uncertainty regarding the future of the entity. This low level often leads to a reserved attitude from the customers' part, which can suggest the suspension of collaborations. Because of this, it will preoccupy the representatives of the units to attract other consumers. This action seems to be difficult to fulfil because "capturing new customers is expensive" (Zeithaml et al., 1996, p. 33).

2.4. Product and Service Quality

Being considered a result of economic activity, the products and services which the companies put at the disposition of the consumers serve the purpose of meeting needs. Simultaneously, the product and service quality can refer to "customers' perceptions of the quality, innovation, value, and reliability of the firm's goods and services" (Walsh et al., 2009b, p. 191). Marketing specialists say the fact that during the last period, after the usage of gained products and services, the consumer intends to get "functional and emotional satisfaction and, above all, spiritual fulfilment" (Juganaru and Juganaru, 2015, p. 516). Thus, the customers' satisfaction is in close connection with the quality of gained products and services. An increased level of quality leads to a high score in the ranks of users' satisfaction, triggering some positive behavioural intentions.

2.5. Social and Environmental Responsibility

Irrespective of the company's dimensions, its representatives must focus on social and environmental responsibility actions, as well. One reason for which this initiative is necessary to be followed is that the fact that this type of activity is “one of the best stocks to advance sustained and solidarity and ensuring business and peaceful processes inside and outside the company” (Marí Farinós, 2015, p. 90). Subsequently, the collaborations between consumers and the economic institutions may be longstanding, thus bringing up an important contribution also to the financial strength, which was characterized in one of the previous paragraphs.

It may also explain the connection between this attribute of the CBR scale and the implications of the financial power by adopting a green dimension by the company. Being a company that handles the protection of the environment, “it can often rip easy cost benefits by merely utilizing its resources efficiently” (Heikkurinen, 2010, p. 150).

3. Research methodology

3.1. Research objectives

The question of this research is: In which way, the dimensions of the CBR scale influence the behavioural intentions of consumers in the banking market in Romania?

Also, the research objectives are:

O₁: to identify the importance granted to the dimensions of the CBR scale when the consumers intend to collaborate with a bank;

O₂: to identify other dimensions which were not introduced into the CBR scale, but may influence significantly the intention of consumers to collaborate with a bank;

O₃: to identify the importance granted to the dimensions of the CBR scale when the consumers intend to suspend the collaboration with a bank;

O₄: to identify the CBR scale dimension branded as a strong point, in the situation when the respondents will recommend the collaboration with a bank;

O₅: to identify the CBR scale dimension branded as a weak point, in the situation when the respondents will not recommend the collaboration with a bank.

3.2. Research instrument, employed software, ethical aspects

We chose the pilot quantitative research for the case study. The consumers from the banking market in Romania represented the target audience.

The research instrument was a questionnaire. The questions targeted the profile of the respondent and the dimensions of the CBR scale, transposed in four behavioural intentions: (1) the intention to collaborate; (2) the intention to suspend the collaboration; (3) the intention to recommend the collaboration; (4) the intention not to recommend the collaboration. The items of the questionnaire comprised questions with a closed answer, questions with a simple answer, questions that required the use of the five-point semantic differential or the five-point Likert scale. With the aid of the Google Forms platform, we transposed the questionnaire into an electronic form, which was later distributed online, between October 7th, 2020 and October 18th, 2020.

We used for data analysis and interpretation the two following software: IBM SPSS Statistics, for the quantitative analysis; Microsoft Office Excel, to create the charts.

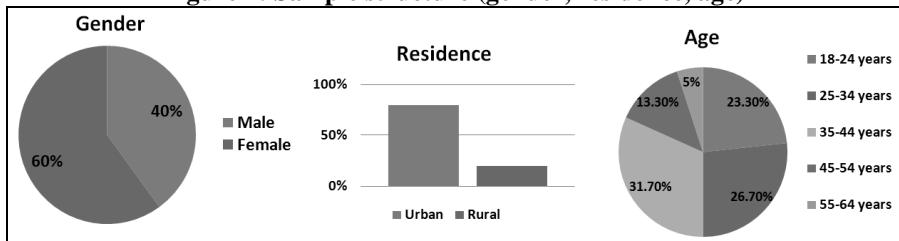
During the entire research, we complied with the GDPR provisions. Each questionnaire received by the respondents had a dedicated section, in which we expounded on the purpose of the research. Also, we ensured data confidentiality. We used the collected data only for their analysis and interpretation.

3.3. Sample structure

The total number of collected questionnaires was 257. Following the input of data into the dedicated software, we observed that 17 of these questionnaires were incomplete. We excluded the incomplete forms. Finally, the research sample included 240 people.

In Figure 1, we can observe the sample structure based on the following variables: gender, residence, age.

Figure 1: Sample structure (gender, residence, age)

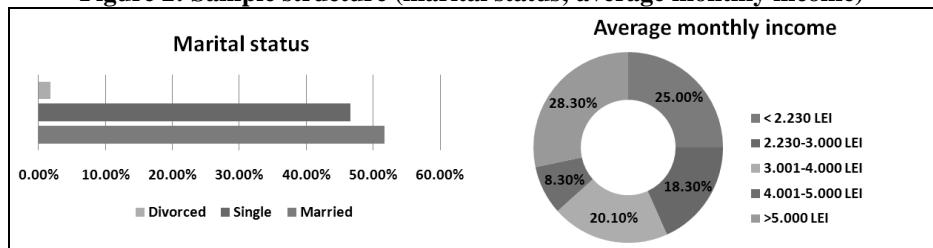


Source: author's processing

The most representative category of people based on their gender is female individuals (60%). Most individuals who responded to the questionnaire come from the urban area (80%). About the age category, the following groups of individuals are in the first positions: 35-44 years old (31.7%); 25-34 years old (26.7%); 18-24 years old (23.3%).

In Figure 2, we can observe the sample structure based on the following two variables: marital status and average monthly income. According to the marital status of the respondents, 51.7% of these are married, whereas 46.7% are single. About the average monthly incomes, the most represented category is that which exceeds 5000 LEI, followed by the one with a value under 2230 LEI.

Figure 2: Sample structure (marital status; average monthly income)



Source: author's processing

4. Results and discussions

In Table 1, we introduced the respondents' opinions on the elements of the CBR scale when they intend to collaborate with a bank. To find out the results, we used the five-point semantic differential (starting from 1 - Very unimportant, to 5 - Very important).

Table 1: The importance of the CBR scale dimensions, when consumers intend to collaborate with a banking unit

Dimension of the CBR scale	Min.	Max.	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Customer Orientation	1	5	4.15	1.317	-1.565	.157	1.148	.313
Good Employer	1	5	4.12	1.229	-1.317	.157	.632	.313
Reliable and Financially Strong Company	1	5	3.78	1.229	-.999	.157	.189	.313
Product and Service Quality	1	5	4.20	1.473	-1.618	.157	.850	.313
Social and Environmental Responsibility	1	5	3.33	1.425	-.324	.157	-1.238	.313

Source: author's processing; data generated by the SPSS software

Based on the average scores, the most important elements which consumers take into consideration, in this case, are: the product and service quality, the customer orientation, respectively the employer quality. Instead, the financial strength of the organisation, as well as the social and environmental responsibility actions of the banking unit are not so important here. What could explain the value of these average scores? First, the financial strength of a banking unit is not 100% influenced by the consumers' behaviour. Also, the banking unit may deploy the social and environmental responsibility actions with the aid of other interested parties.

Besides all the five dimensions of the scale, consumers had the possibility to choose another element to consider important when they decide to collaborate with a bank. The level of commissions or interests (30%) represented the most often encountered element. It is most of the time assimilated with the price of services. The price may play an important role in the behavioural intentions of consumers, irrespective of its level. When customers will pay for products and services at a premium price, they intend to continue the collaboration with the organisation. Even though, in the future, its value might rise, changes will become considered as being insignificant, without affecting too much the consumer (Keh and Xie, 2009). Otherwise said, this premium price presents "the extent to which customer is ready and

inclined to pay the maximum price for buying a product and reflects the value that consumption of a product or service has for customer" (Haery et al., 2014, p. 473).

Other elements, considered important by the respondents, were: the online orientation (16.7%); the bank history (11.7%); the infrastructure of the banking unit (6.7%); the time needed to process transactions (6.7%). Only 28.2% of respondents considered it is no longer necessary to take into consideration other elements when one brings into the discussion this behavioural intention.

In Table 2, we introduced the respondents' opinions on the elements of the CBR scale when they intend to suspend the collaboration with a bank. The context for this behavioural intention is when the products and services might have to fall in quality, intensity, value and, so on. To find out the results, we used the five-point Likert scale (from 1 - total disagreement, to 5 - total agreement).

By the values of Table 2, the product and service quality variable had the highest average score. We can observe, once more, that the product and service quality represents "the main factor in maintaining and increasing the number of clients" (Stanciu et al., 2014, p. 341). Customer orientation, with a better average than presented in Table 1, may influence the behavioural intention of consumers to suspend the collaboration with a bank.

Not even this time, the social and environmental responsibility actions have failed to get an average close to the average of the product and service quality.

Table 2: The importance of the CBR scale dimensions, when consumers intend to suspend the collaboration with a banking unit

Dimension of the CBR scale	Min.	Max.	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Customer Orientation	1	5	4.20	.893	-.259	.157	1.746	.313
Good Employer	1	5	3.82	1.135	-.811	.157	-.310	.313
Reliable and Financially Strong Company	1	5	3.62	.952	-.338	.157	.205	.313
Product and Service Quality	1	5	4.33	.811	-1.439	.157	2.973	.313

Service Quality								
Social and Environmental Responsibility	1	5	2.95	1.362	.051	.157	-1.109	.313

Source: author's processing; data generated by the SPSS software

If it represented a strong point, the product and service quality would be the favourite element, in the ranks of the consumers (66.7%), to recommend the offer of the banking unit. Based on the importance granted by the consumers, the other elements got the following percentages: the customer orientation (13.3%); the employer quality (11.7%); the financial strength of the bank (6.7%); the social and environmental responsibility actions (1.6%).

Concerning the CBR scale dimensions assimilated to a weak point and which might trigger the intention not to recommend the offer of the banking unit, we realised the following hierarchy: the product and service quality (40%); the employer quality (23.3%); the financial strength of the bank (20%); the customer orientation (13.3%); the social and environmental responsibility actions (3.4%).

5. Research hypotheses

We planned a few research hypotheses and subsequently, we tested them.

H₁: There is a positive correlation between the consumers' behavioural intention to collaborate with a bank and the consumers' behavioural intention to suspend the collaboration regarding the assessment of the '*Customer Orientation*' dimension.

Results: $r_s(238) = .478$, $p < .01$, the hypothesis is being accepted.

H₂: There is a positive correlation between the consumers' behavioural intention to collaborate with a bank and the consumers' behavioural intention to suspend the collaboration regarding the assessment of the '*Good Employer*' dimension.

Results: $r_s(238) = .505$, $p < .01$, the hypothesis is being accepted.

H₃: There is a positive correlation between the consumers' behavioural intention to collaborate with a bank and the consumers'

behavioural intention to suspend the collaboration regarding the assessment of the '*Reliable and Financially Strong Company*' dimension.

Results: $r_s(238) = .401$, $p < .01$, the hypothesis is being accepted.

H_4 : There is a positive correlation between the consumers' behavioural intention to collaborate with a bank and the consumers' behavioural intention to suspend the collaboration regarding the assessment of the '*Product and Service Quality*' dimension.

Results: $r_s(238) = .390$, $p < .01$, the hypothesis is being accepted.

H_5 : There is a positive correlation between the consumers' behavioural intention to collaborate with a bank and the consumers' behavioural intention to suspend the collaboration regarding the assessment of the '*Social and Environmental Responsibility*' dimension.

Results: $r_s(238) = .502$, $p < .01$, the hypothesis is being accepted.

6. Conclusions

Before analyzing the content of the conclusions, we recommend being considered the dimension of the sample. It can represent a limit for this research. Also, we emphasize that our research was only a pilot one.

The representatives of the banking units should pay more special attention to the product and service quality if they intend to improve their reputation, but also the clients' portfolio.

In order not to lose the importance of the role which the social and environmental responsibility actions detain at the reputation level, we might encourage consumers to find out more information about these. At present, the attention of the consumers towards such actions is low, when they decide to collaborate or not to collaborate with a banking unit, or when they decide to recommend or not to recommend it.

For future research, we can propose an adjusted CBR scale for the banking sector in Romania. We recommend the total number of attributes (items) to be between 15 (for a short scale) and 28 (for a long scale) (Walsh and Beatty, 2007; Walsh et al., 2009a; Walsh et al., 2009b). Because not all dimensions presented the same importance, the number of attributes may differ from one dimension to another. To evaluate the items, we propose to be used a Likert scale.

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