

An orange hourglass is the central focus, resting on a stack of Euro banknotes. In the background, a spreadsheet with numerical data is visible. The entire scene is set against a light grey background with rounded corners.

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Full Length Research Paper

Determinants of sales force technology adoption among insurance sales agents in Kenya

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Salespersons are adopting and using a variety of technologies to increase their selling productivity and efficiency at different rates. This study identifies various factors that can influence the adoption of sales force automation and analyzes their effect on technology adoption. An explanatory research design was used and data collected by means of self-administered questionnaires to the target population. Reliability and correlation analysis were conducted to establish relationships between the research variables. Logit regression showed that social factors, system characteristics, organizational factors and salesperson characteristics significantly affect technology adoption. The major reason for such failure rates seems to be that the experienced salespersons frequently reject the new sales technologies. The study recommends that insurance companies should create an enabling environment for sales agents to adopt technology and improve their performance and gives further research directions.

Key words: Sales force, self-efficacy, technology, adoption.

INTRODUCTION

In the competitive environment, success depends on effectiveness of the sales force, developing and maintaining customer relationships. Consequently, firms are attracted by the customer relationship management related technological capabilities including sales force automation systems (SFA). SFA refers to the concept, tools, system, or the technology; that often describes the process of automating sales activities within a firm (Lingaiah et al., 2003). Through its boundary spanning activity, sales force plays a critical role in building mutually beneficial long-term customer relationships with clients (Weitz and Bradford, 1999). SFA represents the CRM application in support of selling tasks and it is of

great potential for collection and dissemination of market information and the creation of valuable customer relationships (Day, 1992). SFA encompasses a set of tools related to a variety of tasks and functions such as communication, presentation generation or customer information management.

As competition increases and technology advances, organization continues to seek ways to adjust to changing business environments. This is especially true in the personal selling context where salespeople are recognized as the boundary spanners and are expected to be relationship managers (Kotler and Armstrong, 1994). The salesperson is constrained to do more in less

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time and technological advancements have become an integral part of the personal selling and sales management process. Sales technology enables sales people answering the queries of customers to effectively provide competent solutions. This can lead to strong relationship between a salesperson and customer. However previous studies (Homburg et al., 2010) have shown that even superiors who have a less intense relationship with salespeople still exert a significant influence on their SFA adoption.

Kenya's insurance industry consisted of 43 insurance companies and 2 reinsurance companies licensed to operate in Kenya. In addition, there were 201 licensed brokers, 21 medical insurance providers (MIPS) and 2,665 insurance agents. Insurance policies are sold by agents who are recruited by the insurance companies and are usually not employees of these institutions. As such, the agents earn on commission bases and have to work extra hard to have their commissions grow from one level to the other. The individual companies invest on SFA tools to be used by their sales team.

Taylor (1993) reports that SFA provides salespeople with faster access to information, thus reducing the time required to prepare for a client presentation and reducing the number of follow-ups when further information is requested. Verity (1993) identifies several additional benefits from SFA, including the reduction of errors common with manual sales processing, reduced support costs, improved close rates, and an increase in the average selling price through more accurate and timely pricing information. Despite the benefits, the adoption of SFA technology by the sales force continues to be sluggish.

Previous studies investigating drivers of salespeople's SFA adoption have mainly scrutinized predictors on the level of salespeople (within-level analysis). Hence, these studies have mostly neglected the social influence of coworkers' and superiors' on salespeople's SFA adoption (Homburg et al., 2010). The purpose of this study was to assess the effect of various factors on sales force adoption of technology among insurance sales agents in Kenya. This study adopted the TAM model by Venkatesh and Davis (2000) which provided more detailed explanations for the reasons participants find a given system useful. This study analyzed the effect of system characteristics, ease of use, social characteristics and organizational environment on salesperson technology adoption.

LITERATURE REVIEW

Theory of Reasoned Action (TRA) is a widely validated intention model that has proven successful in predicting and explaining behavior across a wide variety of domains (Fishbein and Ajzen's, 1975). Ajzen (1985) extended the theory by including another construct called perceived

behavioral control, which predicts behavioral intentions and behavior. The extended model is called the Theory of Planned Behavior (TPB). Previous studies (Mathieson, 1991; Taylor and Todd, 1995; Venkatesh and Davies, 2000) have used the two theories for studying the determinants of Technology Adoption usage behavior.

The Technology Acceptance Model (TAM) was theoretically derived from Fishbein and Ajzen's (1975) Theory of Reasoned Action (TRA), and attempts to explain the determinants of computer use across a broad range of end-user computing technologies and populations (Davis et al., 1989). TAM explains an individual's acceptance of computer technology based on two specific beliefs: perceived usefulness (that is, the degree to which a person thinks that using a system enhances his/her performance) and perceived ease of use (that is, the extent to which an individual believes that using the technology requires little effort). TAM theorizes that both beliefs directly determine adoption. The theory also suggests that perceived ease of use influences perceived usefulness, because, technologies that are easy to use can be more useful. In fact, the efforts saved due to easy-to-use systems may be reused to complete more work for the same overall effort (Davis et al., 1989).

SFA systems consist of centralized database systems that can be accessed through a modem by remote laptop computers using special SFA software. An SFA system also enables a salesperson to file regular reports electronically without having to travel to the central office in person. The social factors of SFA-applications increase with the number of users within a focal salesperson's social environment (Markus, 1990). Secondly, social influence may be normative in nature and affects social persuasion and interpersonal communications. Demographic characteristics comprise one of the factors (other than personal and environmental) which play an important role in determining the timing of the adoption of an SFA system (Chen et al., 2011). This includes age, experience and education.

In sales automation, user training in a system with field support have been proposed as critical success factors for intra-firm adoption. In addition, user training is used to inculcate corporate goals and increase salespeople's motivation to adopt the technology. Personal innovativeness has a long standing tradition in the fields of marketing and innovation adoption and better realize the usefulness of these systems for their sales activities (Churchill et al., 1993). The concept of computer self-efficacy on how well one can execute a course of action required to deal with prospective situations is also very important in SFA (Bandura, 1986). Several studies have found empirical evidence to support the fact that self-efficacy in the domain of computer technology is significantly related to the perceptions users hold about these technologies.

Adoption of innovation is typically considered a discrete or dichotomous phenomenon (Westphal et al., 1997).

Sales force technology usage has changed the methods of selling and requires salespeople to develop a technological orientation to access, analyze, and communicate information in order to establish a strong relationship with customers (Hunter and Perreault, 2006). Sales technology enables salesperson's answering the queries of customers to effectively provide competent solutions. This can lead to strong relationships between a salesperson and a customer. Thus, technology tools are used not only for smoothing the work process but they also have strategic utilizations.

The ongoing changes and challenges that characterize today's business environment have made it far more difficult for firms to compete effectively based on traditional marketing. As a consequence, we have begun to witness a transition wherein firms are extending their focus from simply selling to business customers to serving them more effectively in different ways (Parasuraman and Grewal, 2000). This transition includes the dramatic growth and use of customer relationship management (CRM) technology to building a competitive strategy (Musalem and Joshi, 2009). The tremendous growth in CRM and sales force automation (SFA) systems that integrate tools such as planning and product configuration to make salespeople more efficient and effective (Moutot and Bascou, 2008) and the successful adoption help firms exploit their sales force capability and enhance selling techniques, thereby increasing performance (Hollenbeck et al., 2009; Rapp et al., 2010).

RESEARCH METHODOLOGY

The study adopted explanatory design in order to establish casual relations between the variables. This quantitative study used primary data which was obtained from sales agents in the insurance industry in Kenya. The target population was 2665 registered insurance sales agents as per the Insurance Regulatory Authority (2013). A sample of 173 sales agents were randomly selected and issued with a questionnaire adopted and modified from previous studies. From the questionnaires issued, 163 were received; out of which 7 were rejected because they were incomplete leaving 156 usable questionnaires. Respondents were assured of confidentiality of their responses by not sharing any information gathered from them and by not writing their names on the questionnaire.

There were four independent variables in the study. System characteristics variable had two sub-constructs; Perceived usefulness and Perceived ease of use and were measured using a five point Likert scale. Salesperson characteristics variable also has two sub-constructs, innovativeness and computer self-efficacy, and was measured using a five point likert scale. While organizational facilitators variable has two sub-constructs, user training and technical support, measured through a likert scale. The fourth variable of social influence was measured with a five point likert scale addressing peer usage among other sales agents. The dependent variable was a binary measure of usage or not using SFA systems.

The data were entered into an SPSS package and then descriptive analysis of the data was conducted in order to check the representativeness of the respondents and the nature of their

responses. Thereafter, a logit model was used to determine the effects of the independent variables on sales force technology adoption among insurance sales agents. The major focus of the study was the likelihood or probability of the outcome, that is, whether the respondent has adopted technology or not, The binary response in this study was whether the respondent had adopted technology ("Success") or had not adopted technology (failure) and the analytical model was as follows: $\text{Logit } P(Y) = \alpha + \sum \beta_i X_i + \mu_i$

Where:

$Y_i = 1$ if success (respondent has adopted technology)
 $= 0$ if failure (respondent has not adopted technology)

α = Constant term

β_i 's = Logistic coefficients for the independent variables

μ_i = Error term

X_i 's = Independent variables such that:

X_1 = social characteristics

X_2 = system characteristics

X_3 = organization facilitators

X_4 = Salesperson characteristics.

RESULTS

A total of 163 questionnaires were received out of the possible 173. Out of the 163, seven questionnaires were rejected because they were incomplete. The respondents had only answered the personal information section and the rest of the questions were left un- answered. The majority of the insurance sales agents who responded were between the age of 26 - 35 years (65,4%), only 16% of the respondents are above age of 36 years. Most (57.7%) of the insurance agents are diploma holders with 7.1% are degree holders and the rest 35.3% only have secondary level education. The results indicate that most (74.4%) agents have only three years in the profession due to the fact, sales agents do not work for long, they opt to look for other jobs.

Descriptive statistics

The results indicate that the majority of the respondents have not adopted technology (Mean 1.4786, Sd .37898) in their selling process. The respondents perceive that it is not very difficult to use. The results indicated that a few agents would experiment on a new technology while it was clear that a few would really innovate on information technology. The results indicated that majority of the sales agents computer efficacy is high with the mean being above 50% on all items that were being measured. The results indicated that majority of the sales people in the insurance industry actually do receive training on the usage of SA-tools of their organizations.

Sales agents work in teams and so there is a lot of influence from the peers. This was confirmed by the analysis done in that above 50% of the sales agents do make use of the SA tools and influences others to follow suit. The support given by the management is quite good; with above 50% of those interviewed feeling that enough

Table 1. Descriptive Statistics of the study Variables.

Variable	Mean	Standard deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Standard error	Statistic	Standard error
System characteristics	3.0248	.49588	-.170	.194	-.355	.386
Salesperson characteristics	3.5874	.24431	1.216	.194	5.682	.386
Organization facilitators	3.9268	.90138	-.217	.194	-.774	.386
Social characteristics	3.1453	1.08570	-.689	.194	-.468	.386
Tech adoption	1.4786	.37898	.147	.194	-1.380	.386

Source: Research data (2013).

Table 2. Correlation of independent variables of SFA adoption.

Pearson correlation	Organizational factors	System characteristics	Social characteristics	Salesperson characteristics	Adoption
Organizational factors	1				
system characteristics	.414**	1			
social characteristics	.785**	.304**	1		
salesperson characteristics	-.325**	-.143	-.280**	1	
Adoption	.409**	.086	.304**	-.133	1

**Correlation is significant at the 0.01 level (2-tailed). Source: Research data (2013).

support is given. Insurance sales agents really do require a lot of technology in their selling process; here the results indicated that they have adopted technology differently. Less than 50% (mean = 1.4786) of all those interviewed use the company sales automation tools frequently. Some of the sales agents fully use the capabilities of the SA program of their companies (Table 1).

Relationships

The correlation results (Table 2) show that the four variables identified affecting technology adoptions were correlated. Technology adoption has a significant relationship with organizational ($p .409$) and social ($p .304$) factors. The relationship with system characteristics was not significant. The results indicated that salesperson characteristics negatively ($p -.133$) influence the adoption behavior of the insurance salespeople. The results also show a negative relationship with social and organization characteristics. This implies that sales agents who have advanced in age or with many years' experience are not willing to change and start using new technologies.

Logit regression

A logit regression was run to test how various variables affect technology adoption. It was realized that among the four independent variables, the organization variable positively affects the technology adoption of sales agents,

while social characteristics and system characteristics affected technology adoption slightly and salesperson characteristics do not have a positive effect on the adoption of technology. From the results, it was clear that the sales agents have not used their sales automation capabilities fully because $P(Y) = 0.26004452$ which is closer to 0. This showed that the four variables identified in this study influence technology adoption. The results were as shown in Table 3.

The study results show that organizational factors, social and system characteristics do affect technology adoption among insurance agents and that the salesperson characteristics negatively influence technology adoption among insurance agents. The salesperson characteristics that really affect the technology adoption include the age and education levels of the insurance agents. The young people seemed to integrate technology into their work while the old were glued to the old selling methods. It was also noted that the sales agents have not adopted technology in their sales activities as it is supposed to be. The results of this study are in line with previous studies on TAM e.g. Homburg et al. (2010) and Chen et al. (2011).

DISCUSSION AND CONCLUSIONS

The study findings of this study show the challenges in automation of sales force activities. Like in previous studies (Chen et al., 2011), conscientiousness is positively related to the efficient use of sales force automation

Table 3. Marginal effects after logit.

Variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X	Y
zorgan~s	-.2531228	.08667	-2.92	0.003	-.423 -.	083246	-.004102
zsyste~s	.098604	.05148	1.92	0.055	-.002303	.199511	.003576
zsocia~t	-.0100023	.06245	-0.16	0.873	-.132397	.112392	-.00508
ZSales~r	.1126984	.08764	-1.29	0.198	-.284465	.059068	-.121806
_lage_2*	.0135901	.13833	0.10	0.922	-.257526	.284706	.322581
_lage_3*	-.0255411	.1455	-0.18	0.861	-.310718	.259636	.335484
_lage_4*	-.0273162	.11849	-0.23	0.818	-.259555	.204922	.16129
_leduc~2*	.1846403	.09342	1.98	0.048	.001535	.367745	.574194
_leduc~3*	.5155765	.16904	3.05	0.002	.184264	.84689	.070968
_lexpe~2*	.1704035	.16131	1.06	0.291	-.14575	.486556	.206452
_lexpe~3*	-.1212711	.15866	-0.76	0.445	-.432235	.189693	.051613

(*) dy/dx is for discrete change of dummy variable from 0 to 1; y =Pr (techadoptionnew4) (predict); Y= 0.26004452. Source: Research data (2013).

(SFA) for planning and territory management. Although the benefits of SFA are clear, management require to provide user support. Users of SFA can produce sales forecasts and analyze reasons for won and lost opportunities. In addition sales automation software enables sales representatives to manage their client's lists contacts, products, price lists, orders, documents and electronic mail from remote regions. The SFA also lower the cost of leads and sales, enhancing teamwork and productivity, improving customer satisfaction and retention, facilitating communication with the office and instantaneous forecasts.

There is need to carry out a continuous training needs assessment to be able to know the gap between what the sales agents already know and what they ought to know so that any time there is a gap, a training session should be carried out in order for them to appreciate and embrace technology. Prior research provides strong conceptual as well as empirical evidence for within-level relationships at the salespeople's level (Venkatesh, 2000). The findings demonstrate that coworkers' and superiors' SFA adoption has a positive effect on subordinates' SFA adoption which goes beyond the commonly tested determinants (Homburg, 2010).

Sales people work in teams, and such, it is recommended that the management should really try to ensure that the teams are cohesive and they should also come up with team building strategies which will enable the members in various teams to share their experiences and will develop each other as far as technology usage is concerned. Such strategies include holding team building meetings away from the normal working environment.

The management of insurance companies should ensure installations of SFA tools in their companies in order to reap its benefits which will surpass the initial costs. Sales force automation maintains records of customers and allows sales managers to track the activities of their sales people. It also help sales representatives sell more

consultatively by providing survey questions to access customer needs, and helps to attract new representatives to the firm. Other benefits of SFA are faster feedback to the marketing department of product/service, problems encountered by customers, more accurate pricing and ordering process and the provision of a central database of customer profile.

Conflict of Interests

The authors have not declared any conflict of interests.

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Full Length Research Paper

Does corporate reputation affect brand preference? Application to the soft drinks industry in Egypt

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Researchers have acknowledged the importance of corporate reputation amongst different fields of study. Scholars addressing corporate reputation in the field of marketing have acknowledged corporate reputation has a positive effect on customer loyalty and satisfaction. However, there is limited research tackling brand preference and also these studies mainly tackled developed markets. The relationship between corporate reputation and brand preference is the focus of this research. The researcher focuses on the soft drinks market in Egypt; to examine whether a significant relationship exists between corporate reputation and consumer brand preference. The researcher used the dimensions in RepTrak™ Model which are: Products and Services, Innovation, Performance, Citizenship, Governance, Leadership, and Workplace. The sample was 247 respondents mostly Egyptians middle class aged 21-29 years old. Data analyses have been conducted using selected statistical tests such as normality, autocorrelation and multi-co linearity tests to achieve the research objectives and answer the research questions. The findings showed that there is a positive significant relationship between brand preference and corporate reputation dimensions. At the end the researcher provides recommendations for further use of the model identified and areas where future research is needed.

Key words: Corporate reputation, corporate reputation management, brand preference, stakeholders, soft drinks industry.

INTRODUCTION

Day by day the global connectivity is making consumers more sophisticated which led to the high importance of corporate reputation but also the hardship in its management. Corporate reputation has gained significant attention over the past two decades: as a concept, its measurement, and implications on organizations (Shamma, 2012). It has been acknowledged to have a positive direct relationship with customer satisfaction (Davies et al., 2003) and intent to purchase (Davies et al.,

2003). Recent researches argue that consumers are getting more interested in what the companies stand for rather than what they sell (Cross and Morsten, 2012).

After reviewing the literature of corporate reputation, studies tackling corporate reputation in the Middle-East especially Egypt were minimal. These studies aimed to shed light on the importance of corporate reputation and the factors that influence consumers' perception on corporate reputation. A research conducted by Marks and

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Table 1. Corporate reputation definitions (Barnett et al., 2006; Walker, 2010).

Definition group	View of corporate reputation	Definition group	View of corporate reputation
Asset	Asset of economic value	Perceptual	Stakeholders' perception of a company
Assessment	Stakeholders' evaluation of a firm	Aggregate	Collective stakeholders' perception
Awareness	Stakeholders' perception of a firm	Comparative	Act as differentiator between corporations
		Positive/negative	Can be a value or a threat to a corporation
		Temporal	Changes from time to time

Table 2. Impact of corporate reputation on several marketing parameters.

Focus	Interpretation	Author
Repeated purchase	Corporate reputation plays a role in increasing customer frequency of visits	Davies et al., 2003
Customer loyalty	Customers are more secured towards a higher reputable company, and hence they trust this company more. This strengthens their relationship with the company and its associates.	Walsh and Beatty, 2007; Ferries et al., 2003; Lin et al., 2003
Customer recommendation	Positive corporate reputation can enhance customer recommendation	Bontis et al., 2007; Groenland, 2002
Attracting new customers	Corporate reputation attracts new customers	Dalton and Croft, 2003
Perceived quality	Customers are more committed with companies that possess higher reputation as they perceive higher quality in their products/services	McMillan and Joshi, 1997
Customer satisfaction	Corporate reputation impacts positively customer commitment and satisfaction	Davies and Chun, 2002; Richard and Zhang, 2012

Spencer in 2010 found that Egyptian consumers are getting more sophisticated in their demands and expectation. They look for quality and brand reputation of the products they purchase (Al Bawaba Business, 2010). The Egyptian Carbonated Soft Drinks market is very competitive where both Pepsi and Coca-Cola are at very similar market shares (AC Nielsen Retail Audit, Dec, 2011).

What is corporate reputation?

The involvement of corporate reputation studies in multiple disciplines has caused it to have numerous definitions (Mahon, 2002; Lewellyn, 2002; Barnett et al, 2006). The most commonly used and referenced definition was that proposed by Fombrum (1996) which composed corporate reputation to be of three main characteristics; (1) It is based on stakeholders' perception. (2) This perception is an overall combined perception of multiple stakeholders. (3) It is comparative which means that reputation can be compared amongst competitors. Several researchers analyzed the numerous corporate reputation definitions into clusters or groups which align with Fombrum's definition as illustrated in Table 1.

Several academics questioned the collectivism of corporate reputation (Smith, 2002; Lewellyn, 2002). Building on that Walsh and Betty (2007) developed customer

based reputation which is the overall customer perception of a company in a given time.

Importance of corporate reputation

Corporate reputation importance has been the subject of numerous academic studies in the fields of finance (Davies et al., 2003; Wang et al., 2008; Walker, 2010), strategic management (Fombrum and Van Riel, 2004; Bloom et al., 2006; Karim, 2006), and marketing. Table 2 summarizes the researches tackling the impact of corporate reputation on several marketing parameters.

Measures of corporate reputation

The mounting interest in corporate reputation research spurred researchers to develop a variety of different construct measures for both academic and practitioner use. The common corporate reputation measures have treated it as a formative index, however recent research in the field of strategy acknowledged modeling intangible assets as reflective indicators (Bergh et al., 2010). Corporate reputation components and measures were firstly initiated by practitioners. The most commonly used method of measuring corporate reputation is the Fortune Magazine's Most Admired Companies Index (FMAC)

Table 3. Factors affecting brand preference.

Abdul et al. (2006)	Brand preference is affected by cultural, individual (age, gender), psychological (mood changes), and social factors (lifestyle, social status)
Michael and Nedunchezian (2012)	Studied the preference of Coca-Cola in India and Pakistan. They found that its impacted by taste, availability, packaging, sales promotions, refreshment and mostly advertisement
Gopi and Arasu (2012)	
Paracha et al. (2012)	

(Fombrum, 1998; Wartick, 2002).

The academic corporate reputation measures are divided into two types; measures that reflect the overall perception of stakeholders regarding a company which are known as single faceted measures, the easiest way to measure overall reputation (Ponzi, Fombrum and Gardberg, 2011). The other type of measures is the multi-faceted, where these measures examine the perception of stakeholders for each dimension of corporate reputation. However using a single-faceted general measure of corporate reputation limits organizations from identifying the factors that affect their reputation either positively or negatively.

One of the highly common multiple facteted measures of corporate reputation is the Reputation Institute's "Reputation Quotient SM (RQ)" developed by Fombrum and a market research firm Harris Interactive (Ponzi et al., 2011). RQ consists of 22 attributes combined in 6 dimensions which are (1) emotional appeal, (2) products and services, (3) financial performance, (4) workplace, (5) vision and leadership, and (6) social responsibility. Walsh and Beatty (2007) developed the Customer Based Reputation Scale. The scale included the 20 attributes of RQ in addition to 8 other attributes added by the researchers.

RepTrak™ is a corporate reputation measure developed by Reputation Institute in 2006 and is considered an adapted version of RQ (Vidaver-Cohen, 2007). Corporate reputation is recognized as based on four pillars which are trust, admiration, good feelings, and overall esteem. These pillars are decomposed to seven dimensions for corporate reputation in the RepTrak Index and 23 different attributes. The RepTrak™ model has inspired several researchers to create reputational measurement models derived from its dimensions and attributes such as Vivader Cohen (2007) for the educational sector and Marchiori et al. (2010) for the tourism sector.

What is brand preference?

The most recent definition was by Singh et al. (2008) where they described brand preference as the ordering of the brand or its hierarchical prioritization in the mind of the consumers based on their understanding of what the brand stands for and whether he supports it or not. Positive feelings towards a brand are found when positive

preference is noticed and vice versa (Singh et al., 2008) and capitalizing on these positive feelings might lead to customer loyalty. Brand preference is a driver for higher sales and revenues, and can later yield a loyal consumer or customer (Bailey and Ball, 2006). Customers will always have more options to choose from due to the increase in competition, and hence their preference can change over time (Marthur et al., 2003).

Factors affecting brand preference

Several studies tackle the factors that affect or impact brand preference especially in the soft drinks industry. Table 3 illustrates these studies and the factors influencing brand preference in each.

Corporate reputation dimensions and consumer preference

Corporate reputation is a significant influencer of whether prospective consumers evolve to being customers for a certain firm (Helm, 2007). In their latest press release, the Reputation Institute issued their latest study (Cross and Morsten, 2012) stating that the decision for a consumer to purchase or an investor to invest or an employee to choose to work for a certain company is driven 60% by his perception of this company and what it stands for, and 40% by the products it sells.

Consumers now are becoming more ethically conscious in their consumption (Hines and Ames, 2000). Research acknowledged the significance of quality in the consumer purchase decision and comparing products versus others (Olorunniwo and Hsu, 2006). Akram (2008) studied the impact of perceived risks on purchase intention. He argued that consumers' perceived financial risk and performance risk affect negatively their choice of product and its purchase in the online industry. Authors acknowledged that consumers would prefer a product originating from a recognized company rather than an unknown one (Dinlerosz and Peireira, 2007).

The soft drinks market in Egypt

Pepsi Cola Egypt (PCE) leads the Egyptian CSD market with a value market share of 47.4% followed by Coca-

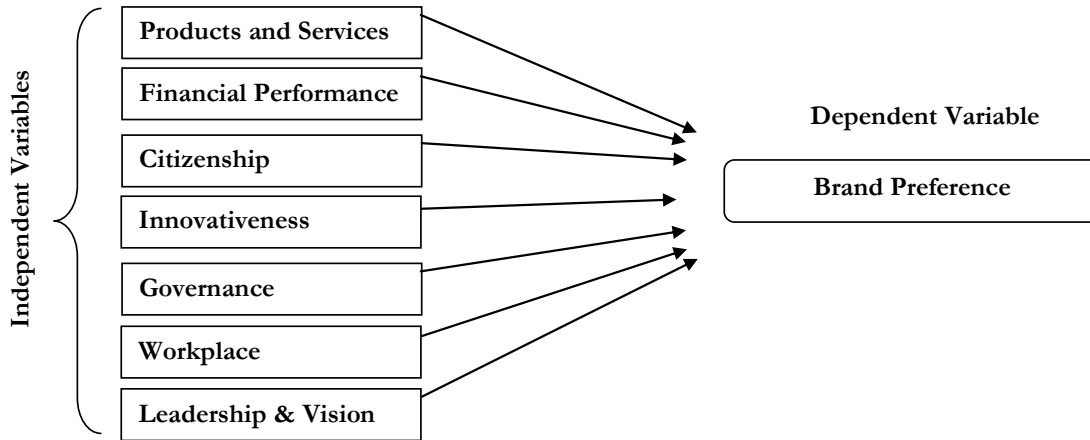


Figure 1. The theoretical model of the study.

Table 4. Limitations of corporate reputation measures.

Measure	FMAC	Reputation quotient	Customer based reputation scale (CBR)
Limitation	Doubted validity for scientific research (Deephouse, 2000)	Innovation is only recognized as a single attribute CBR has been only applied for the service industry (Walsh and Beatty, 2007)	

Cola (KO) (41.1%) and Al Ahram Beverages (9.9%). The rest of the companies contribute 1.6% of the total Egyptian CSD market. Pepsi Cola is the brand that has the highest market share. The Colas segment is the largest segment in terms of value contributing 33% of the total CSD market. Also the importance in the Cola’s sector is that it includes the biggest brands in the market such as Coca-Cola and Pepsi Cola which carry the company names (Nielsen, 2011; Retail Audit, 2012).

RESEARCH DESIGN AND THEORETICAL FRAMEWORK

The purpose of the research is to examine the relationship between independent variables “dimensions of corporate reputation” and the dependent variable “brand preference” on target consumers of the carbonated soft drink Egyptian market. The model was inspired from the RepTrak™ Model developed by Reputation Institute where it measures the overall reputation of companies and the impact of each dimension of corporate reputation on it (Global RepTrak™ Annual Report, 2012, Reputation Institute). Figure 1 illustrates the theoretical model of the study.

Dimensions of corporate reputation

The researcher will use the multiple faceted specific approach to shed light on each dimension for a clearer picture on the construct. This provides a more in-depth examination of the specific dimensions of corporate reputation that needs to be better managed and those that need to be retained (Shamma and Hassan, 2009). The researcher chose to examine the most commonly used measures that were used in both academic and practitioner studies in Table 4.

Researchers have validated the importance of innovation especially in highly competitive high pressure markets (Aghion et

al., 2002) and oligopoly markets (Chen et al., 2005). For that the researcher will use the dimensions of corporate reputation identified in the RepTrak™ model which is considered an adapted version of RQ (Vindaver-Cohen, 2007). The model has been globally tested and validated across 27 different countries and 1000 companies (Global RepTrak™ Report, 2012).

The researcher omitted some attributes from the original RepTrak™ based on the interviews with marketers that are detailed later. The measure is open to adjustment according to the type of study and the targeted stakeholders (Groenland, 2002). The definitions or attributes for each dimension are shown in Table 5.

For measuring the dependent variable, “Consumer Brand Preference” the researcher adopted a series of five Likert scale questions to measure the consumer brand preferences from Chang and Liu’s (2009) study of measuring the impact of brand equity on brand preference.

Research hypotheses

The research alternative hypotheses are formulated to test the relationships between the dependent and independent variables under study illustrated in Table 6.

Data collection and sampling

The questions of the survey were adopted from RepTrak attributes tested. The researcher used judgmental sampling and targeted an estimated sample of 900 where he succeeded to collect 306 respondents.

Qualitative interviews with industry experts

The researcher interviewed Mr. Fadl Abowafia Pepsi brand manager and Mr. Mohamed El Mahdy Coke brand manager each

Table 5. RepTrak™ dimensions and attributes used in the study.

Innovation	Workplace environment	Products and services
Innovative	rewards employees fairly	stands behind products/services; offers high quality products/services
First to market	Employee well-being	offers products/services that are high value for money
Adapts quickly to change	looks like it has good employees	meets customers' needs
Citizenship	Performance	Governance
Supports good causes	Profitable	Behave ethically
Environmentally responsible	Better results than expected	Open and transparent
Positive influence on society	Strong growth prospects	
Vision and Leadership has a clear vision for the future		

Source: Marchiori, 2010 after adapting it by researcher.

Table 6. Research hypotheses.

There is a significant relation relationship between corporate reputation dimension and consumer brand preference			
H1	Financial performance	H2	Products and services offered
H3	Innovativeness	H4	Workplace
H5	Governance	H6	Citizenship
H7	Leadership		

Table 7. Attributes omitted from RepTrak as a result of qualitative interviews.

Attribute omitted	Dimension	argument
“Company is fair in the way they do business”	Governance	Information not available for consumers. Respondent must be in direct contact with the company e.g. supplier, customer,
“appealing leaders”	Leadership	emplpoyee..etc
“Well Organized”	Leadership	

for 30 min, asking them a series of open ended questions to uncover their opinion on the industry, its consumers, and what influences them. The main purpose of the interviews was to get a closer look in the industry from experts' point of view.

The cola's marketers acknowledged the importance of corporate reputation and also the possible influence of the dimensions and attributes on brand preference. However they recommended that some attributes should be omitted as the study aims to measure corporate reputation from the consumers' perception and each stakeholder will have a different perception and expectation than other (Walsh and Beatty, 2007). After consolidating the qualitative interviews results the researcher omitted the attributes listed in Table 7 that were not acknowledged by both interviewees.

Scale reliability

Table 8 represents the internal consistency of the questions used to measure the variables. The leadership variable will not be presented in the reliability test because this variable is composed of only one question (Hinton et al., 2004).

Sample demographics

The sample was composed of 306 respondents; out of 247 were

carbonated soft drinks drinkers, 50% males and 50% females. The dominant age group for the respondents is 21-29 years old (80%). 70% of the respondents have a bachelor degree and 24% have a master degree. They are mostly Egyptians (87%) and reside in Egypt (74%) and few living in the MENA region (13%). When asked what is their preferred cola soft drink brand 68% answered Pepsi while the rest answered Coke.

Correlation analysis

Both of Kolmogorov-Smirnov statistic and Shapiro-Wilk test were used to test data normality (Sekaran, 2003). All variables are not normally distributed as their sig value is less than 0.05; hence spearman rank correlation test was used and results are illustrated in Table 9.

The sig value for all variables is less than 0.05 or less than 0.01 except for workplace and leadership. There is a relationship between brand preference and all of the independent variables except workplace and leadership.

Regression analysis

It was performed to test the research hypotheses. Linear regression or multivariate analysis is based on the assumption of normality.

Table 8. Cronbach's alpha coefficient.

Variables	Cronbach's Alpha	Variables	Cronbach's Alpha
Brand Preference	0.743	Workplace	0.813
Financial Performance	0.862	Governance	0.902
Products and Services	0.781	Citizenship	0.825
Innovation	0.762		

Table 9. Testing independent variables correlation with dependent variable.

Independent variables	Y1:Brand Preference	Sig.
	Correlation coefficient	(2-tailed)
X1: Financial Performance	.173**	0.006
X2: Products and Services	.307**	0
X3: Innovation	.260**	0
X4: Workplace	0.08	0.208
X5: Governance	.163*	0.01
X6: Citizenship	.186**	0.003
X7: Leadership	0.103	0.107

** . Correlation is significant at the 0.01 level (2-tailed). * . Correlation is significant at the 0.05 level (2-tailed). Source: SPSS Data Analysis.

Table 9. The model summary statistics of the regression model.

R Square	Adjusted R square	Sum of squares	F	Sig.
.117	.106	13.881	10.723	.000 ^p

Table 10. The evaluation of the significance of the B weights.

Model	Unstandardized coefficients		Standardized coefficients	T	Sig.	
	B	Std. Error	Beta			
(Constant)	2.227	0.32		7.061	0	
H1 X1: Performance	0.122	0.06	0.132	2.112	0.036	Reject Ho
H2 X2: Products and Services	0.207	0.07	0.209	2.983	0.003	Reject Ho
H3 X3: Innovativeness	0.114	0.06	0.12	1.775	0.077	Reject Ho
H4 X4: Workplace	-0.028	0.07	-0.027	-0.393	0.694	Fail to reject Ho
H5 X5: Governance	-0.003	0.07	-0.004	-0.05	0.96	Fail to reject Ho
H6 X6: Citizenship	0.048	0.06	0.058	0.816	0.415	Fail to reject Ho
H7 X7: Leadership	-0.029	0.06	-0.034	-0.512	0.609	Fail to reject Ho

Researchers have argued that this assumption can be violated if a moderate or large sample size is present (Sekran, 2003; Field, 2005) (Table 10).

The R square value is approximately 12%. The model is highly significant which proves that the variation explained by it is not by chance.

When studying the effects of all the independent variables on the dependent variable, only three variables were found to have a significant effect. X2 (Products and Services) is significant at the 0.01 level, X1 (Performance) is significant at the 0.05 level, and X3 (Innovation) is significant at the 0.1 level (Table 11). They all have a positive effect on the dependent variable Y (Brand Preference).

FINDINGS AND DISCUSSION

The linear regression analysis found that there is a significant positive relationship between firms' X1 (performance), X2 (products and services), X3 (innovativeness) and Y1 (consumer preference). The model was highly significant and the relationships were significant at 0.05, 0.00, and 0.07 respectively. This answers the first three minor research questions identifying that a relationship exists between the variables. The following equation

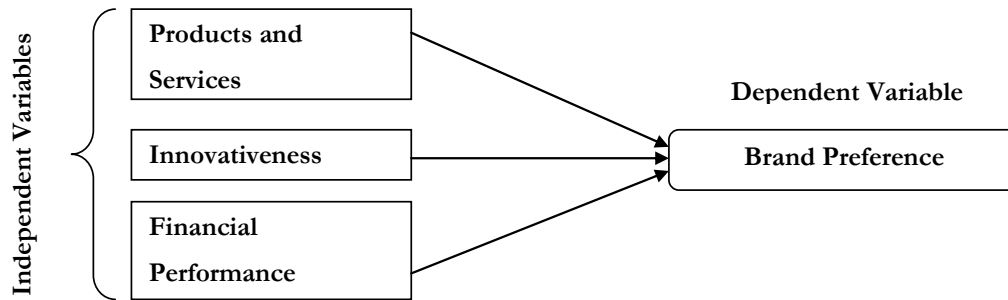


Figure 1. Proposed Theoretical Framework.

explains the relationship between the dependent and independent variables after eliminating the non-significant variables found through the analyses:

$$Y = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y is Brand Preference, α_0 is the constant term, β is a vector of regression slope, X1 is the Performance variable, X2 is the Products and Services variable, X3 is the Innovativeness variable, ε is the disturbance term.

The R square for the model was 12% and this shows that although corporate reputation has a significant impact on consumers' brand preference, it resulted in explaining only 12% of its variation. Hence there are other factors that influence brand preference in addition to reputation.

Hence the model is adjusted from the tested model shown in Figure 2 to the adjusted model shown in Figure 1. However, there was a relationship that was found to be significant between other dimensions that are not in the model such as governance and citizenship. These relationships were found significant when testing each dimension separately using Spearman correlation.

Conclusion

Innovation as argued by the experts is essential for consumers nowadays. Consumers demand more from the company and its brands. Fadl Abou Wafia stated that innovation reflects the modernity of the brand, and associate the brand with a personality that fits with the personality of the target consumers. Experts stated that a performance of a company can reflect positively on their products perceived quality and hence their preference. Also in the economic downturn that Egypt is facing, consumers might prefer companies that contribute positively to their economy. Also when a firm with solid financial results and strong performance is perceived to be of our higher quality and lower risk, hence consumers will prefer to purchase their products (Akram, 2008).

The products and services variable showed the highest

coefficient in the model variables. Competition is driving consumers to ask for more, companies must strive to produce products of high quality and value for money. The relationship between corporate citizenship and brand preference is validated by the qualitative interviews. Companies in Egypt are starting incorporate corporate citizenship or CSR in their marketing campaigns. Pepsi did it in Ramadan in 2012 and 2011, as well as McDonalds and others. A positive relationship has been identified between brand preference and governance through the analyses. This is consistent with Hines and Ames's (2000) study.

The model that resulted from the analysis had an R Square of 12%. They can be due to the dependence of brand preference on other factors than corporate reputation. This may reflect that the Egyptian consumer is not as sophisticated as the developed countries' consumers. The aim of the study was not to study these factors but was to establish corporate reputation as one of those factors. The findings from this study have justified that there is a positive relationship between corporate reputation and brand preference. Literature states that brand preference in soft drinks is driven by numerous other factors such as taste, advertisement, packaging, brand reputation...etc. (Paracha et al., 2012; Gopi and Arasu, 2012).

RECOMMENDATIONS

Soft drink companies should focus on their reputations and their relationships with different stakeholder groups. They should leverage their resources to earn a positive reputation as this reputation impacts positively financially and non-financially

The companies must ensure that their communications reflect their true values, and their customers alongside other stakeholders understand those values. Innovation is imperative for success in the beverage industry, and companies have to position themselves not as imitators but as trend setters. Companies should focus on contributing positively to the society by supporting good causes and also being environmentally responsible. Capitalizing on these contributions in their communication

will impact positively on their brand preference.

Companies should focus on communicating their financial results, growth prospects, and always strive for optimum performance. They must always be open and transparent with their customers and other stakeholders. Ethical behavior is noticed and valued not only by internal stakeholders, but external stakeholders and customers as well. Companies must always behave in an ethical manner in their communication, marketing strategies, business relationships, and public relations. Customer focus is essential to maintain a sustainable profitable business. The most important is that companies should act proactively towards the involvement of the Egyptian consumers.

Limitations and future work

The research has the following limitations:

L1: This research is limited to Egypt and mainly Egyptians.

L2: This research is limited to the carbonated soft drinks industry.

L3: The researcher targeted a specific age group and socio economic class in his sample.

There are several opportunities to apply the model identified in this study across different contexts; it can be tested on different industries and on different stakeholder groups. Also, the model can be tested on different cultures and socio-economic classes. The study also has highlighted an area that requires future research which the difference between developed and developing markets, in terms of consumer preferences, perceptions, and expectations. This area will shed light on the applicability of numerous literature and previous studies on different markets. Corporate reputation is based on perceptions and they are liable to differ; international and multinational firms have to digest that and build on it.

Conflict of Interests

The authors have not declared any conflict of interests.

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An orange hourglass is the central focus, resting on a desk. In the background, there are several papers, a calculator, and some currency notes, suggesting a business or academic setting. The hourglass is positioned in the center, with its top and bottom bulbs resting on the desk surface. The background is slightly blurred, emphasizing the hourglass.

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