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„A cross-cultural analysis on global franchise systems' reputation in the context of Hofstede's dimensions"

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To my family…

Table of Contents

List of Figures

List of Tables

1. Introduction (Barbora Micuchova, Claudia Maria Muresan)

Franchising is one of the most popular and frequently used market entry modes. The franchisor might run the risk of ruining a great business but, among its advantages, it still is the easiest way to gain brand awareness and market penetration across borders (Welsh et al., 2006). Due to the ease of using this strategy, the world has been bombarded by global franchising systems in the last twenty years. The fast-food industry is the one that has had the greatest success so far and we could say that McDonald's is the "face" of successful franchising.

Scholars have been highly interested with studying global franchise reputation stating very clearly that this factor influences customers' desire to purchase a product to a great extent. Despite of the popularity this subject has experienced, there still was a gap in the literature that was to found out there. The present thesis is a response to the issue mentioned before and its main purpose is to study how global franchise systems' reputation is influenced by the different cultural characteristics, using Hofstede's cultural framework, but also to find out which the main drivers are.

We approached the issue by trying to gain some more theoretical insight regarding franchising systems, Hofstede's cultural dimensions and the phenomenons happening on the fast-food markets: Americanism and McDonaldization. The next step was data collection. After collecting the data, with the help of our colleagues taking part in this project, for our quantitative research from several countries, we had to design our conceptual models, research questions and hypotheses and the data analysis approach we would use. In the fifth chapter we also show the process of the analysis step by step including the results and their interpretation.

In the sixth chapter we draw the conclusions from the thesis but we also offer some managerial implications for fast-food franchise systems executives planning on expanding successfully on the German, Turkish and/or Slovak markets.

The thesis concludes with the limitations we think the project is suffering from and suggestions for further analysis.

1.1. Research Objective and Questions

The objective of our thesis is, first of all, to find out whether the customer-based reputation of McDonald's and Burger King differs in Germany, Turkey and Slovakia. Then we examine which variables are significant drivers of brand reputation in these three countries and are therefore essential to build it. Subsequently we determine which constructs are directly influenced by the brand reputation of McDonald's and Burger King in German, Turkish and Slovak market. Ultimately, we measure the effect of cultural attributes on the level of reputation of a global fast-food franchise brand. In other words, we study whether the cultural characteristics of a country have a significant impact on the perceived brand reputation. As a framework we used the cultural dimensions created by Geert Hofstede.

Based on these objectives we derived four main research questions:

1. *Is there significant difference in McDonald's and Burger King brand reputation between Germany, Turkey and Slovakia?*
2. *What are the drivers of brand reputation of McDonald's and Burger King in Germany, Turkey and Slovakia?*
3. *What constructs are significantly influenced by the brand reputation of McDonald's and Burger King in Germany, Turkey and Slovakia?*
4. *Are the cultural aspects in the context of Hofstede's dimensions significantly influencing brand reputation of McDonald's and Burger King?*

2. Defining Key Concepts (Barbora Micuchova)

2.1. Franchising

If a company desires to extend the reach of its operations over the boarders of its country of origin, there are various arrangements to take into consideration. Martin Mendelsohn in his book describes four different approaches to expanding your business internationally (Medelsohn, 2004, p.260):

- a company-owned only operation;
- direct franchising;
- a master franchise agreement;
- a joint venture.

The first method of franchising requires the owner of a firm to open a subsidiary fully financed by the mother company. Even though this is a very expensive approach to internationalizing, it provides the franchiser with numerous advantages. These include the full operating power and the possibility to further develop the company-owned business chain. On the other hand, the owner might also face various problems, namely hiring and training local personnel, adopting local business practices and managing the operations from a distance (Mendelsohn, 2004).

Direct franchising is defined as a direct contractual relationship with franchising partners in host country. Franchiser has to be available to provide constant support service to the franchisees. These are chosen according to their experience, knowledge, skills and capital available. Initial problems might however arise if the owner of the company does not recognize the cultural distance between the home market of the firm and the target market (Mendelsohn, 2004).

Another author describes the master franchise agreement as a multi-unit contract where the franchisee is granted a right to establish more than one franchising unit. Moreover, the host country partner gains a right to sub-contract other franchisees in a given geographic area. These privileged partners are called master franchisees. They take a lot of burden off the franchiser's shoulders including organizing staff training and offering constant support to the franchisees (Beshel, 2010).

Joint venture is a business establishment consisting of two or more legally different companies that join in a partnership where both take an active part in the managerial process and control, invest equal amounts of money and effort into the operations and share the costs and the revenues (Geringer and Hebert, 1989).

Martin Mendelsohn (2004) quotes the definition of franchising by International Franchising Association: "A franchise operation is a contractual relationship between the franchiser and franchisee in which the franchiser offers or is obliged to maintain a continuing interest in the business of the franchisee in such areas as know-how and training: wherein the franchisee operates under common trade name, format and/or procedure owner or controlled by the franchiser and in which the franchisee has or will make a substantial capital investment in his business from his own resources." (Mendelsohn, 2004, p.5)

According to Alon (2004) franchising is a type of foreign investment where the complete unchanged business model is used for every franchise location without high capital requirement. The opportunity to exploit the business model is offered to the franchisees in exchange for royalties and fees. In addition to the business model, the headquarters provide to the local partner "tangible and intangible assets, a modest investment in franchising infrastructure, a knowledge base, trademarks and other intellectual property" (Alon, 2004, p. 158). Franchising is also defined in the literature as a marketing concept that allows the companies to distribute their products all over the world and thereby impact industry development and contribute to economic growth (Mendelsohn, 2004).

Franchising as a form of investment has numerous economic advantages for the host countries. For weaker economies it builds the essential structure and provides capital investments. Moreover, the franchising concept can help create competitive advantage for host country managers due to an established service brand name (Chapman, 1997).

Ilan Alon in his scientific study from 2004 best illustrates the impacts, benefits versus costs, of franchising on the socio-economic environment. Some of the benefits are output and job creation but at the same time, they are costing the economy production and job positions that would have been created by replaced local businesses. Another benefit is the economic modernization accompanied by continuous innovations. The drawback of these, are the high costs that need to be supported by local businesses in

order to develop the infrastructure (Alon, 2004).

From a micro-economical point of view the advantages of international franchising are increase in efficiency of supply chain, knowledge and capabilities transfer, movement of ideas such as business formats and development of the level of expertise in labor force. From a customer's point of view the advantages would start with a greater product range followed by a stable and a consistent level of quality across outlets. Even though the prices usually drop due to increased competition, the foreign franchisers often charge higher prices than the local businesses (Alon, 2004). One of the drawbacks the author mentions is the so-called "McDonaldization" of society. He explains this concept as "loss of 'humanity' in the consumption and production process due to standardized and mechanistic approach of a franchising" (Alon, 2004, p. 157). In this context, Alon expresses a concern about cultural homogenization or Americanization as well, which could lead to a possible cultural clash (Alon, 2004).

There are various types of franchising recognized in the literature. The two main forms are mentioned in the International Franchising Association publication (Beshel, 2010, p.6):

- Product distribution;
- Business-format franchising.

Product distribution is characterized as a contractual arrangement between a provider and a distributor. The franchisee is given the right to sell products under franchiser's trademark nevertheless he does not have an access to the complete business model of the company. On the other hand, in business-format franchising, the franchising partner is not only granted the right to sell franchiser's goods and services but the entire business method is made available to him (Beshel, 2010).

According to Beshel (2010), the second mode of franchising agreement is the most common one. The author states that the most frequent opportunities for franchising nowadays are presented in the category where the entire business-format is provided. In our paper we focus on this approach to franchising because our brands, McDonald's and Burger King, are also involved in this type of international franchising arrangement.

2.2. Reputation

The most basic definition of a reputation of a company is that it is the way its stakeholders view it (O'Rourke, 2011). Corporate reputation is, according to James S. O'Rourke, a manageable strategic asset composed of corporate identity, corporate image and personality. Abdullah (2009) however argues that in nowadays fast-developing markets, a good company image and personality is not sufficient to create a positive reputation. The company reputation perceived by the stakeholders, results from direct and indirect experiences with the organization and the obtained information (Fombrun and Shanley, 1990).

Other scholars claim that reputation consists mainly of emotional values (Fombrun, 1996) and the past economic performance of the organization (Weigelt and Camerer, 1988). Roberts and Dowling (2002) agree that there is a strong connection between good corporate reputation and profitable operation of a company. Friedman (2009) claims that in order to build favorable reputation the company needs to focus on other aspects apart from financial performance as well. These include the activities connected with human resources department as training and motivating the staff, creating internal know-how and increasing qualifications of the personnel. He found an indirect positive relationship between human resources and the reputation of a company (Friedman, 2009).

Favorable corporate reputation plays a central role in creating a competitive advantage of a company and distinguishing it from its competitors (Howard, 1998; Fombrun, 1996; Maktoba, Williams Jr. and Lingelbach, 2009). Scholars Robers and Dowling in their study (2002) confirm that having good reputation is crucial for the company because it creates an intangible asset which is quite hard to copy by the other players in the same market. The elements that build the sustainable advantage of a firm are its ability to innovate, the quality of its management and workforce, the organizational structure, quality of its goods and services and finally, the reputation (Kay, 1995).

Expanding internationally with favorable reputation foundation can also help build a sustainable competitive advantage because the company can fully utilize the economies of scale to create cost benefits, it gains access to more information and technology, it expands its customer base and potentially receives governmental exemptions as well (Greenwald and Kahn, 2005).

According to Fombrun (1996), if a company wants to maintain a positive reputation, it needs to consistently meet the expectations of everyone from customers through shareholders to employees. Ang and Wight (2009) claim in their study that it is very hard to build a satisfactory corporate reputation and the companies need to invest a lot of time and effort into it. In contrast, a good reputation can be destroyed in a heartbeat. Afterwards it gets particularly difficult to fix (Black and Carnes, 2000; Howard, 1998).

Herbig and Milewicz (1995) state that one should look at the product quality, price and promotion in order to evaluate the firm's reputation. They also claim that reputation is defined by measuring the consistency of performance level over time. Other authors confirm that corporations that have a consistent positive performance have significantly more favorable reputation than the ones that are inconsistent in their profitable operation (Ang and Wight, 2009).

Some scholars suggest, that the more truthful and responsible the company seems to the public, the better reputation it is likely to get (Schweizer and Wijnberg, 1999). Therefore, one of the keys to gain positive perceived image and corporate identity is to build a relationship with the stakeholders based on communication and trust. Fombrun (1996) developed a theory that reputation consists of four main attributes: trustworthiness, reliability, credibility and responsibility. In his academic work he states that reputation is a "subjective collective assessment of an organization's trustworthiness and reliability based on past performance" (Fombrun and Van Riel, 1997, p.10).

From the customers' point of view, reputation of a company is evaluated based on the quality of the offered goods and the provided services (Yoon et al., 1993). Other aspects of the performance of the company that the customers pay attention to are the corporate social responsibility of the firm, its actions towards other competitors and whether or not the company acts fair and according to moral standards (Maktoba, Williams Jr. and Lingelbach, 2009). In Figure 1 Maktoba, Williams Jr. and Lingelbach (2009) summarized the environment and the factors influencing corporate reputation. In the heart of the graphic is a customer and two attributes, trust and communication, who play the main role in creating, maintaining and evaluating the reputation of a company. The other components of the circle are internal and external environment, social and cultural factors, firm's image and identity, governmental regulation, global market, product policies, stakeholders' perceptions and media activities. All of these are, according to

the authors, significantly influencing reputation of an organization.
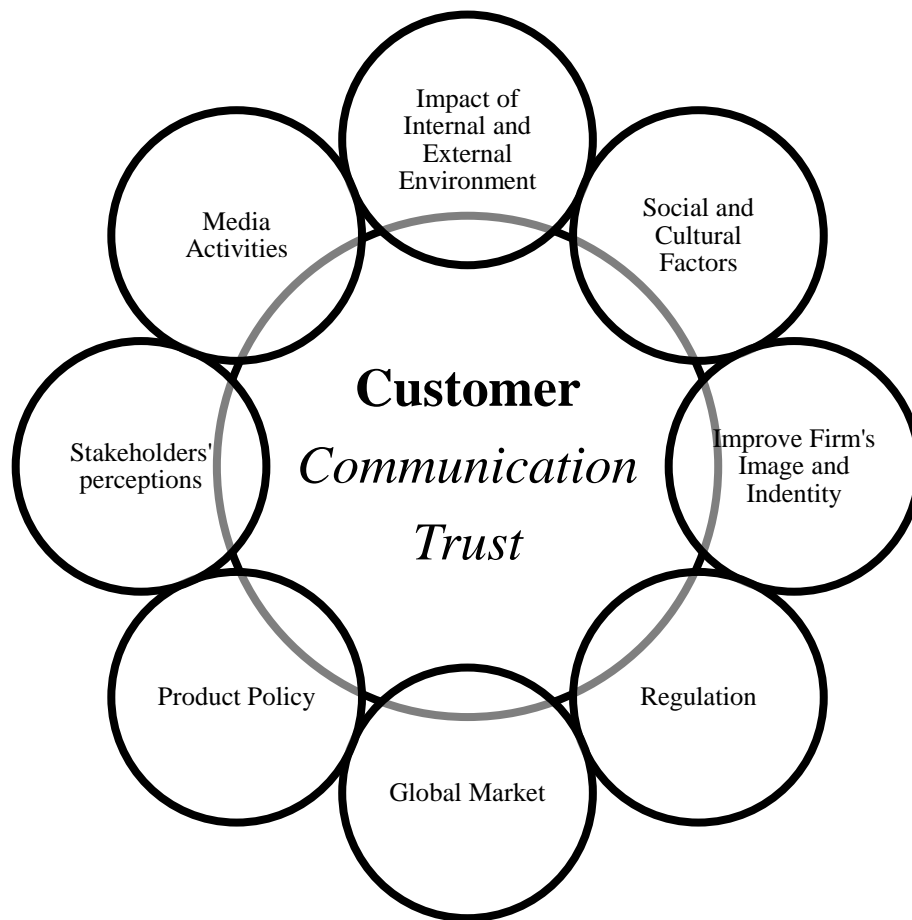
Figure 1 - Factors influencing Reputation (own interpretation based on Maktoba et al.)

Why is it advantageous to build a favorable reputation?

- In the past, the researchers have found a significant positive relationship between the business performance and the company's reputation (Maktoba, Williams Jr. and Lingelbach, 2009).

- If the company achieves an excellent reputation, it can consequently charge higher price for its products (Klein and Leffler, 1981).

- The literature on reputation states that a firm with a good reputation lowers the risk and the fear of negative consequences resulting from a purchase from an unknown company for the customers (Fombrun and Rindova, 1998).

- By achieving an exceptional reputation, the doors to superior investors and governmental endorsements are opening for the company (Beatty and Ritter, 1986; Milgrom and Roberts, 1986; Stigler, 1962).

- Jackson (2004) states that if a company shows integrity and has a good reputation, it becomes more attractive for people to look for an employment there and invest their financial resources.

2.3. Globalization

Hickson et al. (1974) claim that the world is full of technological and economical developments, which will lead to similar social behaviors and consequentially to companies without cultural impact. There can also be observed a growing interconnectedness due to the ease of long distance travelling and communication technology (Hoffman and Preble, 2004).

These trends are the core elements of the theoretical concept that is globalization.

Alon (2004) similarly suggests that globalization is driven by global capital flows and exchange of knowledge and information. He advises the foreign investors to look at the world as a single market and search for a common wants, patterns of purchase behavior and consumption trends.

The most obvious trigger for globalization is the culture of mass media, increased level of tourism, the interconnectedness of youth and the internationalization of promotional efforts (Geer et al., 1996). Television, telephones, internet, newspapers and magazines are allowing less wealthy people living outside of the city to see how are the lives of the ones from richer, more developed, societies. Persuasive television ads are promoting 'Western' lifestyle making it desirable. Promotional campaigns in general are responsible for establishment of common global consumption symbols. Local traditions and values are slowly disappearing making room for a single global consumer culture (Walker, 1996).

Global marketing strategy tries to "maximize standardization, homogenization, concentration, synchronization, dependence, similarity and integration of marketing activities" (Svenson, 2001 quoted by Canbulut 2010, p. 2). A crucial issue in developing a global marketing strategy is to know the elements of the marketing plan that can be standardized but also to be aware of the ones that can be adjusted to the host country characteristics (Keegan and Green, 2003).

Service franchise companies could profit from the effect of globalization when expanding internationally because they are adjustable to different local conditions in

developing and transitional economies such as Turkey and Slovakia (Hoffman and Preble, 2004).

2.4. Americanism

Paswan and Sharma (2004) investigated in their research work how respondents evaluate the quality of American products after they have been exposed to the country of origin cue. The results show that the respondents from emerging franchise market consider American products to be of good quality although there was observed a slight animosity towards American culture. This however arises from other factors and therefore brands such as MC and BK should keep the connection to their home country when expanding internationally. On the other side, when people are not familiar with the country of origin, they have mixed feelings towards American products. The authors imply that American services are "among the best ambassadors for the USA" and that the country of origin is thought to be one of the key factors contributing to worldwide success (Paswan and Sharma 2004).

American culture has been spreading so much that the scholars have identified a new concept called 'McDonaldization'. It was first mentioned in a scientific paper by sociologist George Ritzer (1998). This concept is described by Alon (2004) as a world with standardized consumer characteristics, needs and habits, global marketing activities transmitting a standardized message and international entrepreneurs offering standardized product. In this environment the cultural distance between countries is minimized and economies of scale are achieved. The author states that franchising is the most effective way of internationalizing the business to target the homogenized lifestyles of global consumers.

McDonaldization of society, in other words, is defined as a "trend toward Westernization and homogenization of consumerism, equating the processes used by the fast-food franchise giant with those of modernization and globalization" (Alon, 2004, p. 162). The author also is concerned that due to this trend the local cultural values and symbols will be substituted by logos, images and values coming from the marketers of global enterprises. Another great concern of the sociologists is that the franchise business discourages creative thinking and turns the employees into automated machines because of the already established business models and common rules of the system.

2.5. Hofstede's dimensions

The concept of culture has been defined in 1871 by Taylor as "the complex whole which includes knowledge, belief, art, morals, custom and any other capabilities and habit required by man as a member of society" (McCort and Malhorta, 1993, p. 97). The human behavior is influenced so widely by culture that it is difficult to define and differentiate them which interferes with marketing researches that are carried out across boarders: "Culture is too global a concept to be meaningful as an exploratory variable" (in van de Vijver and Leung, 1997, p. 3).

The concept of cultural dimensions evolved from the identification of behavioral patterns observed in the process of obtaining different information to questions asked across countries, cultures and societies (Soares et al., 2007). Parsons and Shills (1951) took the first steps towards identifying cultural dimensions and helped to conduct one of the first cross-cultural studies using culture as a predictor. Hofstede, however, conducted the largest research project around the world in an effort to clearly identify cultural dimensions and to measure their indexes in each society. The study started in 1967 to 1973, studying only IBM employees in certain countries and continues even today. It resulted in over 100.000 questionnaires from more than 70 countries but decided to study only 50 countries and 3 regions but identifying only the initial four dimensions: Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity and Uncertainty Avoidance (Hofstede, 2001; Hofstede et al., 2010). In 1998 the fifth dimension – Long-term Orientation – was added after being identified by Michael Bond in the Asian countries and in 2010 the sixth dimension – Indulgence vs. Restraint – identified with the help of Michael Minkov 's World Values Survey (Vishwanath, 2011; Hofstede et al., 2010). Today, Hofstede's framework consists of 6 cultural dimensions and its database has values for 93 countries, the additional ones being a result of replication and extension of the initial IBM study.

Power Distance
The first dimension of Hofstede's framework mirrors the extent to which the individuals of a given culture accept the existing inequalities of the society they live in. High Power Distance cultures accept and expect a strong leader and inequalities of power

distribution in a hierarchy and are characterized by lack of compensations, respect and authority, for example Malaysia and Slovakia 104, Guatemala 95 and Philippines 94. Low Power Distance cultures encourage autonomy, responsibility and teamwork and achieving equality is a common goal of the society. Examples for this type of cultures are Austria 11, Israel 13 and Denmark 18 (Hofstede, 1984; Hofstede, 2001; Hofstede et al., 2010).

Individualism vs. Collectivism

The second cultural dimension identified by Hofstede is characterized by how closely knit a society is and states the governmental role in the markets. The members of a more individualistic culture, that scores a higher index (USA 91, Australia 90 and UK 89), tend to care only for themselves, their immediate family members and close friends and have a rather loose connection to other members of the society. Members of cultures that have lower indexes, such as Guatemala 6, Ecuador 8 and Indonesia 14, have a tighter connection to members not only of their family but also of their entire community and put the needs of the group ahead of their personal needs (Hofstede, 1984; Hofstede, 2001; Hofstede et al., 2010).

Masculinity vs. Femininity

The third component of Hofstede's framework describes the ways in which the population of a culture socializes and handles daily activities. A society with a high index, such as Slovakia 110, Japan 95 and Hungary 88, has a clear distinction between a man's and a woman's work, men usually controlling and dominating women's work positions. Men are also expected to be determined, tough and the provider of the family. Cultures with a lower masculinity index, such as Sweden 5, Norway 8 and Netherlands 14, are characterized by cooperation, modesty and equality between genders and human relations are of a higher importance than status and wages, which are the objectives masculine cultures (Hofstede, 1984; Hofstede, 2001; Hofstede et al., 2010).

Uncertainty Avoidance

The fourth and last dimension of the original framework describes the degree to which people accept and deal with uncertainty and ambiguity. A culture with a high index of Uncertainty Avoidance, such as Portugal 104, Guatemala 101 and Uruguay 100, will avoid ambiguous situations and feel more comfortable in a well-defined structure filled

with rules and conducted by an assertive leader. The cultures with a lower index, such as Sweden 29, China 30 and UK 35, have a more relaxed attitude and discourage rigid structures and imposed rules (Hofstede, 1984; Hofstede, 2001; Hofstede et al., 2010).

Long-term vs. Short-term Orientation

*"L*ong Term Orientation stands for the fostering of virtues oriented towards future rewards, in particular perseverance and thrift. It's opposite pole, Short Term Orientation, stands for the fostering of virtues related to the past and present, in particular, respect for tradition, preservation of 'face' and fulfilling social obligations" (Hofstede, 2001, p. 359).

China 118 and Hong Kong 96 are rather long-term orientated cultures and Philippines 19 and Nigeria 16 more short-term orientated (Hofstede, 2001; Hofstede et al., 2010).

Indulgence vs. Restraint

The sixth dimension of the framework is relatively unknown and therefore less used in research. This dimension measures to what extent a culture will indulge and satisfy its basic needs or how self-disciplined it is. Populations with a high index will express a rather hedonistic behavior, which means that they will satisfy their basic needs, do not measure time but rather enjoy moments and will be less motivated by objects and material rewards. Populations with a lower index tend to be more self-disciplined and in contrast to the high index populations they expect material rewards but gratifications will be suppressed (Hofstede et al., 2010).

When American service companies are looking to expand internationally, they should be aware of the cultural differences between USA and the host country (Li and Guisinger, 1992). Hofstede (1980) suggests that service companies from America need to be sensible about the unique cultural dimensions of each host country and potentially adapt its products/services to local customer needs.

3. Description of the Countries and Brands (Claudia Maria Muresan)

3.1. Germany

Presently, Germany, with its capital Berlin, is Europe's biggest economy and second largest population, 81.305.856 inhabitants. When talking about ethnic groups, we must mention that although Germans account for 91,5% of the population, there are more than 7 million foreign resident. These are mostly descendants of the workers that were invited in the 50s and 60s, mostly Turks, to meet the shortage in the work force that Germany was experiencing at the time (CIA, The World Factbook; U.S. Department of State).

This country has high levels of education and technological development. It also has "a generous social welfare system (that) provides for universal medical care, unemployment compensation, and other social needs"(U.S. Department of State [1]) for its predominantly middle class population (CIA, The World Factbook; U.S. Department of State).

Germany is one of the 17 members of the Eurozone and, as mentioned before, the largest economy in Europe with a $3.577,031 billion GDP in 2011, where agriculture accounts for 0,8%, industry 28,6% and services for 70,6%. The Inflation rate in 2011 was of 2,48% and for 2012 it is estimated at 1,9%. The unemployment rate, according to the International Monetary Fund, 5,98% in 2011 and in 2012 it is estimated to drop to 5,58%; the population below poverty line was in 2010 estimated at 15,5% but the country scored a positive 8/10 on perceived corruption in the public sector (CIA, The World Factbook; U.S. Department of State; International Monetary Fund; Transparency International).

When it comes to cultural characteristics, Germany is known as a rather uptight culture, an impression that is also sustained by Hofstede's cultural dimension indexes. When it comes to the Power Distance dimension, Germany scores a 35 index, which compared to other countries, indicates that there is a higher degree of homogeneity when it comes to task and responsibility distribution across hierarchical levels. This culture also scores 67 in Individualism, which compared to other countries make it look a tad

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[1] http://www.state.gov/r/pa/ei/bgn/3997.htm (accessed June, 30th 2012)

individualistic, 66 in Masculinity, 65 in Uncertainty Avoidance and 31 in Long-term Orientation. These values, compared to other countries describe Germany as having a tendency towards inequalities among genders, a slight dissonance towards uncertainty but more flexible when it comes to time planning (Hofstede, 1984; Hofstede, 2001; Hofstede et al., 2010).

According to the research conducted by Chapman (1997), when deciding to enter the German market as a franchise service company, the most important aspect the customers are looking for in a product is quality. Also, based on the socio cultural characteristics of the German market, the managers need to study in detail the country's history and be aware of the 'green' population.

3.2. Turkey

Turkey, with the capital Ankara, stretches over two continents: Europe and Asia. It has a population of 79.749.461 as estimated by the CIA in July 2011, which are broken into 70-75% Turkish, 18% Kurds and 7-12% other minorities; thus it is normal that besides Turkish, the official language, Kurdish to be also a frequently spoken language. Regarding religion, the majority of the population is Muslim, accounting for 99,8% and the urbanization degree is a great 70% (CIA, The World Factbook; U.S. Department of State).

Turkey is also one of world's greatest economies, having in 2011 a nominal GDP of $1,02 trillion as estimated by the CIA, ranking the country on the 17th place. The GDP, that has experienced a growth of 9% in 2011, is broken down into agriculture, which accounts for 9,3%, industry for 28,1% and services, including tourism, for 62,6%.

Inflation rate in Turkey is very volatile. In 2010, according to the International Monetary Fund, the inflation rate was sky high at 8,56%. This is not the highest inflation rate Turkey has experienced. During the 80s there were values of 73% and during the 90s values of 85% and 104%. However, by 2011 the rate dropped slightly to 6,47% and for 2012, the same institution estimates that the rate will once again grow to 10,6%, making it the highest inflation rate this country has experienced in the last 9 years. Unemployment rate has dropped in 2011 to 9,88% from the previous year when, according to the CIA it was estimated being 12%. The International Monetary Fund estimates for the present year of 2012 a growth in unemployment, taking it to 10,32%.

The population below the poverty line index is also slightly higher than in the case of Germany, with a value of 16,9% in 2010, and the corruption index of 4,2/10 is indicating that the country is predominantly prone to corruption in the public sector (CIA, The World Factbook; U.S. Department of State; International Monetary Fund; Transparency International).

From a cultural point of view, Turkey is highly marked by its religion and beliefs. When comparing it directly to Germany, Turkey scores a higher index (66) in Power Distance, indicating that its culture is more accustomed to unequally distributed power. Same cultures scores 37 in Individualism, 45 in Masculinity and 85 in Uncertainty Avoidance. These scores translate in the society's tendency to care not only for their immediate family as accustomed in Western Europe and their tendency to feel uneasy in ambiguous situations (Hofstede, 1984; Hofstede, 2001; Hofstede et al., 2010).

Chapman (1997) sates in his research findings that the franchisors wanting to expand their operations to Turkey will be granted legal exemptions. This means that there will be an ease of access to the Turkish market. The franchisers providing a differentiated service will be favored and their chances for success will be greater.

3.3. Slovakia

The Slovak republic has a population of 5.483.088, out of which 428.000 are living in Bratislava, the country's capital. The ethnic groups found here are Slovak, accounting for 85,8% of the population, Hungarian 9,7%, Romani 1,7% and Ukrainian 1%. The official language is Slovak, which, according to the census conducted in 2001, is spoken by 83,9% of the people while 10,7% speak Hungarian, 1,8% Romani and 1% Ukrainian. The urbanization, according to the CIA, was of 55% in 2010 and the religion that has the most followers is Roman Catholic 68,9%, followed by Protestant 10,8% and Greek Catholic 4,1% (CIA, The World Factbook; U.S. Department of State).

From an economical point of view, the CIA describes this country as being one of the fastest growing economies, boosted mostly by the automotive and electronic sectors. Its GDP experienced a growth of 3,3% in 2011, which brought it to $126,9 billion. In 2011 this was broken into agriculture 3,8%, industry 35,5% and services 60,7%.

In the recent years, inflation rate has not been a big problem for Slovakia but in 2011 it experienced the highest rate of 4,07 in the last 5 years. For 2012, the International Monetary Fund is estimating a decrease of the rate, bringing it to 3,82%. The

unemployment rate although it has decreased in 2011 by 1 point bringing it to 13,4% and is expected to stay around 13,7 in 2012 is still rather high compared to Germany and Turkey. Regarding population below poverty line, Slovakia scored 21% in 2002, which once again is higher when it is compared to the other two countries. The corruption index is 4/10 in Slovakia, illustrating a more corrupt public sector than the previous two mentioned above (CIA, The World Factbook; U.S. Department of State; International Monetary Fund; Transparency International).

Regarding Hofstede's dimensions, Slovakia scores 104 in Power Distance, 52 in Individualism, 110 in Masculinity and 38 in Long-term Orientation. Taking these into consideration we can say that, compared to the previous two countries, Slovakia is a culture that expects an unequal distribution of power in a hierarchy, is more individualistic orientated than Turkey and more masculine, meaning that men are expected to have a greater authority but also to provide for their family. With regards to the Long-term Orientation index, Slovakia is less spontaneous than Germany (Hofstede, 1984; Hofstede, 2001; Hofstede et al., 2010).

3.4. Fast-food

3.4.1.　　McDonald's

McDonald's history begins in the year 1937 when brothers Richard and Maurice McDonald founded the company and opened "McDonald's Bar-B-Q". They closed it down, remodeled it and turned it into what we now know as a drive-through, starting the McDonald's phenomenon. 1952 Ray Kroc, the person who would introduce McDonald's to the entire American population, made a proposition to the management of selling him the exclusive franchising rights for the American territory. In 1967 the company extended internationally, Canada and Puerto Rico being the first markets to be entered and in 1969 the world-famous logo with the golden arches is introduced (Vignali, 2001, McDonald's Corp [2] [3]).

When McDonald's opened its first outlet in Beijing in 1992, there were thousands of hungry Chinese waiting in line for hours (Yan, 2000). They had a similar experience in

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[2]http://www.aboutmcdonalds.com/mcd/our_company/mcdonalds_history_timeline.html (accessed June, 26th 2012)

[3]http://www.mcdonalds.de/unternehmen/ueber_mcdonalds/unternehmensgeschichte.html (accessed June, 26th 2012)

Kuwait in 1994 when the new drive thru was opened there was a queue of cars over 10 km long (Schlosser, 2001).

The main driver of global success in McDonald's is the use of the franchising system as international market entry mode. In 2011 the company was placed 10th in the most admired brands top 50 by Fortune and in 2012 it was placed 18th among world's top 500 brands by Brandirectory (CNN Money [4]; Brandirectory [5]).

	Description
Product	Features, quality, quantity
Price	Strategy, determinacy, levels
Place	Location, no. of outlets
Promotion	Advertising, sales promotion, PR
People	Quantity, quality, training, promotion
Process	Blue printing, automation, process procedures
Physical	Cleanliness, décor, ambiance of the service

Table 1 - Marketing Mix of Services (own illustration based on Canbulut, 2010)

Marketing Mix

The original marketing mix (Product, Place, Price, Promotion) that still applies today for most of the companies was developed in 1975 by J. McCarthy. This concept however was not gasping the all the elements that were involved in the process of service consumption so another three variables (People, Process, Physical Evidence) were later added (Vignali, 2001).

Product

The main objective of McDonald's is to have standardized products all over the world and to maintain their taste the same. Even though it is more economically efficient to keep their products and menus standardized there are some situations where it is profitable or necessary to adapt to the local market, thus the glocal art of internationalizing adopted by McDonald's. The adaptation could occur because of the different tastes and preferences of the consumers or the laws, customs and religion faced in a new market. The most famous menu item that is the same around the world

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[4] http://money.cnn.com/magazines/fortune/mostadmired/2011/full_list/index.html (accessed June, 26th 2012)
[5] http://brandirectory.com/league_tables/table/global-500-2012 (accessed June, 26th 2012)

are the fries, which McDonald's is serving with each menu (Vignali, 2001; Canbulut, 2010).

Place

Presently, McDonald's has over 33.000 restaurants in 118 countries, where 14.000 of the outlets are just in the USA. Not only are the restaurants already so numerous but also new restaurants are said to be opening everyday: 3 restaurants every 24 hours (McDonald's 6; Serwer and Wyatt, 1994).

The company's strategy in America was to open 300-400 restaurants a year over a period of time no matter the circumstances, which pushed them ahead of their competitors. After observing the success of the strategy in the USA they decided to use it for the international markets as well. In 1998 they opened 415 restaurants in Japan accounting 25% of the total restaurant additions in their branch (Vignali, 2001).

McDonald's maintains its glocal strategy even when expanding although it may seem that it's global. Being present in so many countries, it gives them the upper hand of experience and making use of it when entering a new market (Vignali, 2001).

Price

When it comes to its pricing strategies, McDonald's uses not a globalization strategy, but a localization strategy. The most relevant and explicative example is the Big Mac Index. This is used as a tool for measuring the purchasing power parity across two currencies (The Economist [7]).

The company must set the right price for the right market in order to not suffer losses and to achieve its main goal, to increase the market share. The process of pricing strategy is a precise one and respects the following steps: "(1) selecting the price objective; (2) determining demand; (3) estimating costs; (4) analysing competitor's costs, prices and offers; (5) selecting a pricing method; (6) selecting a final price" (Vignali, 2001, pp. 101-102).

Promotion

Promotion is one of the most important elements of the marketing mix. This will not only make the company's products and services known but it is also a key method to

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[6] http://www.aboutmcdonalds.com/mcd/student_zone/FAQs.html (accessed June, 26th 2012)
[7] http://www.economist.com/blogs/graphicdetail/2012/01/daily-chart-3 (accessed June, 26th 2012)

establish the company's image. This element covers all aspects of communication: advertising, PR, sales promotion, personal selling and direct marketing (Vignali, 2001).

The methods used the most by McDonald's are the ones contained in the media package: TV, radio, cinema, online and printed media (McDonald's [8]).

The company uses the glocal strategy in promotion as well. Even tough McDonald's has the image of a global brand, their promotional strategy has to be appealing and sensitive to hundreds of different cultures and communities.

People

This element refers to the people performing the company's service to the customer.

Keeping in mind the huge number of outlets McDonald's has all over the world and the speed with which it opens new outlets, it is crucial to have a well organized HR department. Before entering a foreign market, the department must analyse it based on the work laws it has and the working program and habits, meaning that it once again uses a glocal strategy (Vignali, 2001).

Process

One of the goals of McDonald's is to keep the taste and the products that are around the world as standardized as possible. In order to achieve this, a key element is to standardize the process itself and in this case the kitchens around the world. No t only this, but they are also followed internationally by their local American suppliers to help standardize the process. A slight adaptation can be seen in countries where there have been introduced local specials (Vignali, 2001; Canbulut, 2010).

The process of selling/buying the products is also standardized in order to decrease the differences among languages and to make it easier to order even in drive-trough restaurants (Vignali, 2001).

Physical Evidence

Glocalism can be observed even in the last element of the marketing mix. The theme of the restaurants, the cleanliness, speed and transparency of the process are present in most of the countries McDonald's has entered but there are also slight adaptations to the local markets. All the outlets are child and family friendly and encourage children to feel like home (Vignali, 2001).

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[8] http://www.mcdonalds.co.uk/content/dam/McDonaldsUK/People/Schools-and-students/mcd_marketing.pdf (accessed June, 26th 2012)

3.4.2.   Burger King

The Burger King Corporation is said to be " world's second largest fast food hamburger restaurant (…) chain" (Burger King Corporation, 10-K annual report for 2011, 2012, p. 3 [9]). Their history begins in 1954 when James McLamore and David Edgerton found the corporation and open the first Burger King restaurant. Another major milestone in the history of this fast food chain is the introduction of the famous Whopper sandwich in 1957 and advertising on TV one year later. In 1963 Burger King goes international, in Puerto Rico, for the first time and in 1998 it updates its logo to the one that we know today (Burger King Corporation [10] [11]).

The chain is composed of 1.295 company owned and 11.217 franchised restaurants bringing to a total of 12.512 outlets in 81 countries around the world. However since December 30, 2012 this numbers have changed. The Company started closing some of the Romanian restaurants in spring 2012 and has left the Romanian market altogether in June, same year (Burger King Corporation [12]; Ziarul Financiar [13]).

Marketing Mix

Product

Burger King has standardized menu across countries with slight variation depending mostly on the time it has been on that specific market and the demand it creates. Their product offering contains the famous Whopper sandwich, burgers, fries, salads, ice creams and soft drinks. They are focusing on their core products but they are also looking to improve them all the time and to introduce new healthy products: "we believe new product development is critical to our long-term success" (Burger King Corporation, 2012, p. 7 [14]).

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9 http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

10 http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

[11] http://www.bk.com/en/us/company-info/about-bk.html (accessed June, 26th 2012)

12 http://quote.morningstar.claom.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

[13] http://www.zf.ro/companii/burger-king-pleaca-din-romania-9758475 (accessed June, 26th 2012)

[14] http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

Place

According to the company's statement of March 2012, Burger King had 12.512 restaurants around the world at the end of 2011, making it the second largest burger chain in the world.

Price

Burger King states that: "Our profitability depends in part on our ability to anticipate and react to changes in food and supply costs. Any increase in food prices, especially those of beef or chicken, could adversely affect our operating results." (Burger King Corporation, 2012, p. 19 [15]). The fluctuations, mainly the rises in the price of beef, the main ingredient of Burger King's products, have had a negative impact on the profitability of the restaurants, a phenomenon that is expected to happen in 2012 too (Burger King Corporation, 2012 [16]).

Promotion

The fast-food company is currently conducting a marketing strategy that is supposed to emphasize their offer and to remind the consumers of their main competence: food. They are of an opinion that in the quick service restaurant business that they are in, it is crucial to have frequent and of a high quality advertising campaigns and promotional programs: "We believe that three of our major competitive advantages are our strong brand equity, market position and our global franchise network which allow us to drive sales through our advertising and promotional programs." (Burger King Corporation, 2012, p. 8 [17]).

The budget for advertising activities formed by the contributions of both, company owned and franchised restaurants, which in addition to the initial franchise fee and monthly royalties they also have to contribute for advertising expenses. In 2011 franchised outlets contributed $78,2 million to the advertising funds (Burger King Corporation, 2012 [18]).

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[15] http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

[16] http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

[17] http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

[18] http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

People

At the end of 2011, Burger King had an estimate of 32.4248 employees in their company-owned restaurants (Burger King Corporation [19]). As a comparison to McDonald's, Burger King does not put emphasis on the learning process of the fresh employees and apparently adopt a more relaxed attitude. Several statements from unidentified employees inform that the process of training for front counter usually takes up to 1-2 days and is performed by other employees rather than by specialized trainers (Unaccredited sources from the Internet).

Process

The process of cooking and selling the company's products is standardized across the markets it has entered. The restaurants use the same kind of broilers also described as "flame-grilled cooking platform" (Burger King Corporation, 2012, p. 4 [20]) to cook their burgers. The front counter service is also standardized and once again different in comparison to McDonald's. The orders in the Burger King restaurants are taken by the same employees but are prepared by others than the ones working at the cash registers.

Physical Evidence

The Burger King restaurants are also standardized, the only adaptation being the capacity of the location and the type of design the owners opt for based on their budgets. The main theme called the "20/20 design" incorporates their signature flame cooking technique and "(…) a variety of innovative elements to a backdrop that evokes the industrial look of corrugated metal, brick, wood and concrete" (Burger King Corporation, 2012, p. 8 [21]).

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[19] http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)
[20] http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)
[21] http://quote.morningstar.com/stock-filing/Annual-Report/2011/12/31/t.aspx?t=:BKC&ft=10-K&d=875165150fd4003c7aa7905c4f7ab7c7 (accessed June, 26th 2012)

3.4.3.   Trends in the Fast-food Industry

In the fast food industry there is an increasing tendency towards ethical consumption (Brinkman and Brinkman, 2002; Hosmer, 2002). McDonald's is responding to this growing phenomenon by adding healthier items to its product offering. However, it is not only selling fruits and vegetables as a part of its CSR activities, but it is also supporting the local communities, appreciating the environment by recycling, preserving the resources and protecting the rights of its employees (Vignali, 2001).

The academic research findings by Schröder and McEachern (2005) point out that up to 52% of the fast-food purchase intention is explained by brand value, ethical value, nutritional value and food quality. In other words, the influential factors determining the purchase behavior are, according to the authors, the positioning of the brand, the extent to which a company is engaged in CSR, the healthiness of the food and the quality of the dining experience at the company's outlet.

From the firm's internal environment point of view, the managers should focus on the CSR of the organization and keep all the personnel informed about what is going on with the firm (Maktoba, Williams Jr. and Lingelbach, 2009). Communicating ethical standards of a company to its customers is also very important because they use this aspect in evaluating the firm's reputation and it influences their intention to purchase (Mohr et al., 2001).

4. Conceptual Models and Hypotheses (Barbora Micuchova, Claudia Maria Muresan)

4.1. Research Model 1

In order to come up with the hypothetical relationships to build our first model we researched the existing scientific literature to base our assumptions on findings from studies of various scholars.

Products are assumed to have higher quality in case of companies with better reputation (Dowling, 1994; Greyser, 1995). And in turn, the higher is the quality of the services offered by the organization, the bigger is the future purchase intention of the customers (Hebson, 1989; Connor et al., 1997). Naguyen and Leblanc (2001) also claim that brand reputation is a useful tool for determining the future performance of a brand and it can also indicate how satisfied are the customers with the services provided. This assumption is also confirmed by Walsh, Beatty and Shiu (2009) because in their study they argue that brand reputation is significantly influenced by brand satisfaction. That is to say, customers evaluate the company according to the degree to which their needs are satisfied. Therefore, high levels of customer satisfaction have positive impact on the reputation of a brand.

Based on these interpretations we came up with three hypothetical relationships. First of all, we assume that the quality of the products is an essential part of the physical experience with the brand and therefore is influencing the overall satisfaction of the customers. The brand satisfaction positively influences the perceived reputation of the brand and subsequently the consumers' intentions to buy.

H5   H1   H4

| Experience Satisfaction | → | Brand Satisfaction | → | Brand Reputation | → | Purchase Intention |
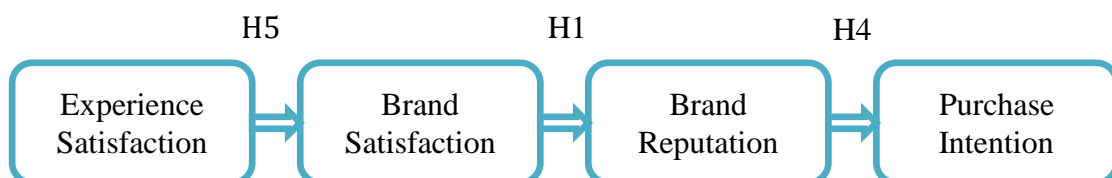
Figure 2 - Hypotheses 1, 4 and 5

Hypothesis 5: *Experience satisfaction has a significant influence on Brand Satisfaction.*

Hypothesis 1: *Brand Satisfaction has a significant influence on Brand Reputation.*

Hypothesis 4: *Brand Reputation has a significant influence on Purchase Intention.*

Literature suggests that customers evaluate goods and services to a certain extent based on reputation that product brand has. If the brand reputation is relatively good, customers believe that the products sold under the name of that brand have higher quality and are worth it. This attracts their attention, increases the probabilities of trial and later a repeated purchase and potentially creates loyalty to the brand. Good company reputation is viewed by many scholars as an important attribute which helps to build strong relationships with the customers and eventually long-term commitment (Walsh, 2007). This, in turn, leads to greater economical returns and better overall business prosperity (Crosby el al., 1990; Connor et al., 1997; Dollinger et al., 1997; Ewing at al., 1999; Hebson, 1989; Howard, 1998).

In these findings we found support for another hypothetical relationship. We believe that brand reputation has a significant influence on brand loyalty and purchase intention of the customers because it indicates higher quality and better products.
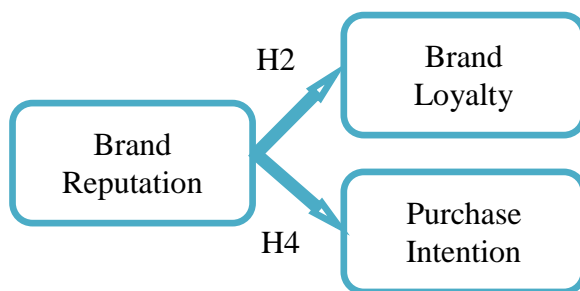
Figure 3 - Hypotheses 2 and 4

Hypothesis 2: *Brand Reputation has a significant influence on Brand Loyalty.*

Scholars mention in their studies another consequence of brand reputation and that is word-of-mouth. A good reputation of a brand is expected to positively enhance word-of-mouth of the customers (Walsh et al., 2009). Fombrun and Gardberg (2000) also state that the level of brand reputation has a positive or a negative impact on the tendency to patronize the brand. The better is the perceived reputation of a brand, the more are the customers willing to talk about it in superlatives and recommend it to others. On the other hand, if the brand reputation is bad, it signals low quality of goods and services and therefore customers incline towards negative word-of-mouth (Walsh et al., 2009). Either way, it is suggested in the literature that word-of-mouth is significantly influenced by brand reputation.

The above-mentioned findings helped us come up with our last hypothesis. We claim that brand reputation has a significant effect in predicting intentions for word-of-mouth because it creates perceptions and beliefs about that brand which are later shared with friends and family.
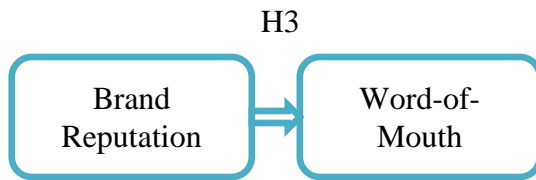
Figure 4 - Hypothesis 3

Hypothesis 3: *Brand Reputation has a significant influence on Word-of-Mouth.*

Taking into consideration the hypotheses we derived from the literature, we can now build the first conceptual model.
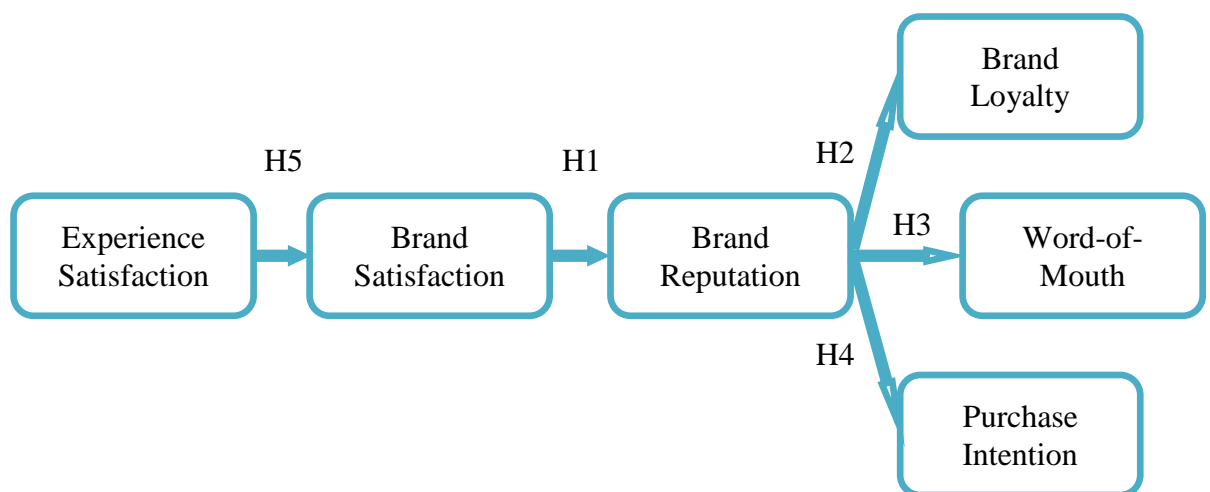
Figure 5 - Research Model 1

4.2. Research Model 2

When companies decide to expand internationally they are always faced with a fundamental issue. The already established brand image in their home market will be a subject to judgments from customers with different cultural backgrounds. Cultural values are considered crucial influential elements when it comes to evaluating brand image and this implies that brand perceptions are not consistent across nations (Park and Rabolt 2009). We found support in the scientific literature confirming the assumption that culture affects attitudes towards brands and brand image (Forscht et al., 2008) and building on these foundations, in our second research model, we are trying to determine whether cultural characteristics of a country influence the reputation a franchise brand has in that country.
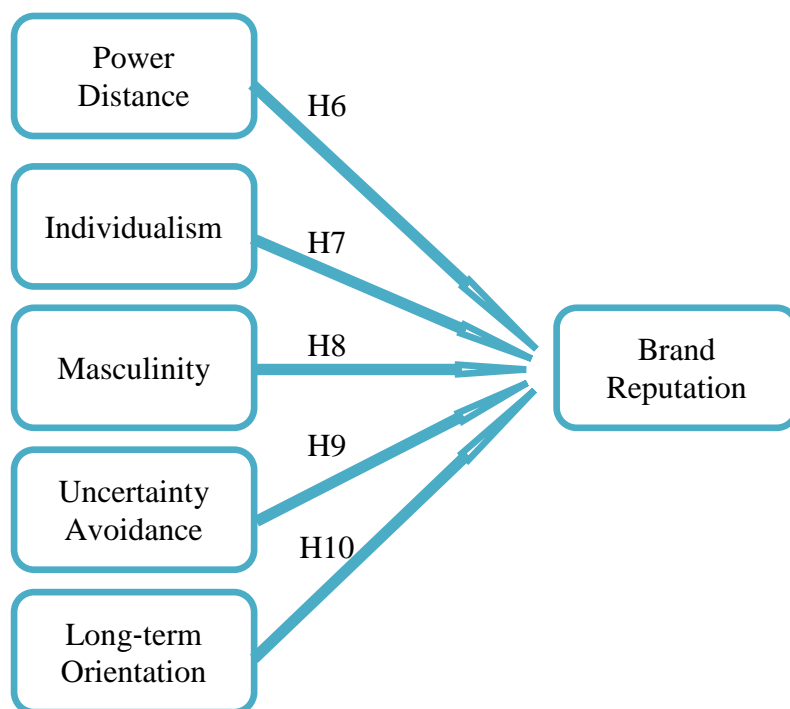
Figure 6 - Research Model 2

5. Empirical Study (Barbora Micuchova, Claudia Maria Muresan)

5.1. Methodology

5.1.1.   Questionnaire Design

The present research study is a quantitative one, which helps us reach more respondents and, as a result, give us a better understanding of the population's opinion on a specific subject. The instrument for this research approach is the questionnaire. Every step in the marketing research process is important and should be carried out as precise and professional as possible but the questionnaire design should get extra attention – this stage is crucial in order to get accurate data. Craig and Douglas are of opinion that "instrument design assumes greater significance in survey research where structured data collection techniques and large sample sizes are typically involved" (2005, p. 239). The process of designing a questionnaire is very complex and several important aspects are to be taken into consideration:

a. Developing the question topic while considering the project's research objectives, findings of previous primary or secondary researches and the features of their target population;

b. Deciding on the questions and their response formats to be used, while bearing in mind who is answering and what information is needed for this process;

c. Adequate wording of the questions needs to be used and these are to be placed in a funnel sequence according to the level of information it is going to deliver;

d. A proper layout of the questionnaire is important, it can have a positive effect on the response rate. (Wilson, 2006)

In the present case, we had the opportunity to work with a questionnaire developed by Prof. Dr. Rajiv P. Dant's team. The structure of the questionnaire is made up by an introductory text and 4 sections, which act for the respondent as a guiding map. The first section contains the questions to the Brand Reputation construct, the second section to Brand Satisfaction, Word-of-Mouth and Brand Loyalty and the third one to

Experience Satisfaction. The fourth and last section covers the questions regarding social demographics.

In order to get a better understanding of the research instrument we believe it is important to define the constructs. They are the foundation of the analyses to follow and will be mentioned throughout the empirical part of the thesis. In our analysis we are working with 6 main constructs – *Brand Reputation, Brand Satisfaction, Purchase Intention, Word-of-Mouth, Brand Loyalty and Experience Satisfaction.*

Brand Reputation represents the overall perceptions the people have about the franchise restaurant compared to its competition. Also, it defines how visible the restaurant is in the marketplace and whether or not it has a good long-term future according to its customers.

Brand Satisfaction is a construct that reflects how pleased and favorably disposed toward the fast-food restaurant people are. It summarizes the intangible values the brand offers to its consumers.

Purchase Intention defines the likelihood that the next time the person is hungry, he/she will go dine at the fast-food restaurant. It expresses the customer's willingness to eat again at this franchise branch.

Word-of-Mouth construct indicates whether or not people would recommend this franchise system to others interested in dining out and whether they would talk gladly about their experiences with this brand to their friends and family.

Brand Loyalty is a rich construct representing brand commitment, the degree of price sensitivity, likelihood of repeated purchase and individual's ability to connect to brand's values.

Experience Satisfaction defines how are the customers satisfied with their dining experience at the franchise fast-food restaurant. It talks about the tangibles with which are the customers faced in the point of purchase. Specifically speaking, it describes the ambiance of the restaurant, the cleanliness, the seating organization, the attitude of the staff, the quality of the services, the quality and the price of the food, and so on.

5.1.2.   Sampling and Data Collection

Now, after discussing the questionnaire design, we can go further and explain the sampling plan and the type of data collection that were used.

When conducting a research project, whether it is qualitative or quantitative, the researcher will most probably have to sample its target population and will not be able to census. The reasons for this situation are money, time or the large size of the population or, more frequently, all of them together. However, the most important determinant of the sample size should be the heterogeneity of the population. If the population of interest is rather homogeneous, meaning that the people do not differ with regards to their opinions, there will be no need for a large sample (Craig and Douglas, 2005; Wilson, 2006).

The sampling plan, defined by Hollensen as "a scheme outlining the group (or groups) to be surveyed in a marketing research study, how many individuals are to be chosen for the survey, and on what basis this choice is made" (2011, p. 187) is another very important stage in the research process. Accuracy is needed here as well, in order to be sure that the collected data "reflects the reality of the behavior, awareness and opinions of the total target market" (Wilson, 2006, p. 196).

In our case, the target population was the consumers of McDonald's respectively Burger King, the sampling unit was the fast food restaurants selected randomly by the interviewer and the sampling method selected was convenience sampling. The sampling method is described by Wilson as "a procedure in which a researcher's convenience forms the basis for selecting the potential respondents" (2006, p. 205). The data was collected in 3 different countries by interviewers, each targeting a sample size of 30 respondents per brand per country.

5.1.3.   Data Analysis Approach

We used different statistical approaches to answer each of the four research questions.

Research Question nr. 1:

Is there significant difference in McDonald's and Burger King brand reputation between Germany, Turkey and Slovakia?

In order to determine whether there is a significant difference between the perceived reputation of the brand McDonald's and Burger King in these three countries, we computed the mean value for the construct Brand Reputation and ran ANOVA analysis to search for differences between the calculated means. This analysis was conducted separately for McDonald's and for Burger King comparing the obtained scores for Germany, Turkey and Slovakia.

Research Question nr. 2:

What are the drivers of brand reputation of McDonald's and Burger King in Germany, Turkey and Slovakia?

To answer the second research question we used a method of simple regression analysis to examine which variables are significant antecedents of brand reputation. Based on our constructs we built one direct and one indirect relationship assumption. We believe that customer satisfaction with the brand has a great influence on the perceived reputation of McDonald's and Burger King. Moreover, we suppose that satisfaction with the dining experience significantly effects the overall brand satisfaction, which in turn influences the level of brand reputation. Based on these assumptions we built two hypotheses for our first model.

Research Question nr. 3:

What constructs are significantly influenced by the brand reputation of McDonald's and Burger King in Germany, Turkey and Slovakia?

In order to establish the consequences of a good or a bad brand reputation in fast-food franchise industry we conducted simple regression analyses where we used brand

reputation as a predictor variable. We assume that McDonald's and Burger King's reputation has a great impact on both the level of customers' commitment to the brand and their tendencies for word-of-mouth. Also, we believe that the consumers' intention to dine at these restaurants is significantly influenced by the brand reputation they have. Based on these assumptions we formulated three more hypotheses for the Model 1.

After having established the drivers and the consequences of brand reputation we conducted multiple regression analysis. We included all constructs in a new alternative model where we measure their impact on the outcome variable - the purchase intention of the customers. We ran this additional analysis in order to find out whether the reputation of a brand is a significant predictor of the intentions to buy food at McDonald's and Burger King when taking into consideration all of the attributes from our model. We compared its effect against other variables and evaluated the most dominant factor influencing the consumers when they make their purchase decision.

Research Question nr. 4:

Are the cultural aspects in the context of Hofstede's dimensions significantly influencing brand reputation of McDonald's and Burger King?

To answer the fourth research question we conducted five simple regression analyses each with one cultural dimension by Geert Hofstede as a predictor of customer-based brand reputation. We believe that all five cultural attributes characterizing a country, Power Distance, Individualism, Masculinity, Uncertainty Avoidance and Long-Term Orientation, have a significant influence on how is McDonald's and Burger King's reputation in a country. Based on these five assumptions we formulated five hypotheses that we tested in our second model.

After determining which cultural dimensions have a significant impact on the level of brand reputation of a fast-food franchise restaurant, we conducted additional analysis where we included all of them into one model measuring their effect relative to each other. Based on the findings we determine which of the cultural characteristics of a country help us best predict brand reputation of McDonald's and Burger King.

5.2. Research Findings

5.2.1. Descriptive Statistics

The first part of our analysis consists of the simple calculable attributes of the data. We generated the descriptive statistics of the data set and the SPSS results were the following:

| | Germany | | | | Turkey | | | | Slovakia | | | |
| | McDonald's | | Burger King | | McDonald's | | Burger King | | McDonald's | | Burger King | |
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Reputation	5,63	0,86	4,71	1,26	5,05	1,56	4,67	1,35	5,45	0,92	4,91	1,03
Brand Satisfaction	4,81	1,28	4,53	1,02	4,5	1,76	4,4	1,53	5,35	0,9	5,38	0,73
Purchase Intention	5,7	1,37	5,1	1,65	4,88	1,98	4,33	1,98	6,1	1,16	5,8	1,16
WOM	3,3	1,15	2,95	1,11	4,03	1,5	3,78	1,36	4,3	1,17	4,53	1,04
Brand Loyalty	2,88	1,03	2,61	1,02	3,5	1,57	3,59	1,41	3,6	1,26	3,91	1,06
Experience Satisfaction	4,12	1,19	4,01	1,32	4,24	1,71	4,23	1,31	5,14	1,08	5,25	0,99

Table 2 – Descriptive Statistics

In the table we can observe two kinds of numerical data - mean and standard deviation. Mean defines the average score of the data and standard deviation expresses how well the mean represents the data. In other words, the smaller the standard deviation, the closer are the data points to mean.

5.2.2. ANOVA

In order to find out whether the differences between the means are only mathematical or also statistical, we conducted the analysis of variance to compare the means of the constructs from our three countries. In our thesis we are focusing on comparing the countries among each other and not necessarily McDonald's and Burger King within one specific country. Therefore we look at figures corresponding to the brand McDonald's in Germany, Turkey and Slovakia for each construct and we compare them. Then we do the same with the brand Burger King.

At first we checked the assumption for homogeneity of variance throughout the data. If the Levene's Test was insignificant the homogeneity of variance assumption was met and we focus on the ANOVA table. The test whether the group means are the same is represented by the F-ratio for the combined between group effect. According to the Significance column we judge whether this value is likely to have happened by chance. If the Sig. value is smaller than 0,05, there is a significant difference between the groups and we need to conduct the Post-Hoc test to find out what specific groups differ. If the assumption of homogeneity of variance was met, we center our attention on Tukey HSD column in the Multiple Comparisons table to spot significant differences between our three countries relative to the two franchise fast-food brands (Field, 2005).

If the Levene's Test was significant, it means that the homogeneity of variance was violated. In this case we conducted another test called Robust Test for Equality of Means where we observe whether there is a significant difference between the groups. If this one turns out to be significant, we move on to test to find out which specific groups differ. Within the Post-Hoc analysis we look for the results of the Games-Howell test to see whether we can find significant differences between Germany, Turkey and Slovakia in the 6 main constructs we are using in our analysis (Field, 2005).

The results are the following:

	Significance	
	McDonald's	Burger King
Reputation	0,156 ✗	0,711 ✗
Brand Satisfaction	0,045 ✓	0,002 ✓
Purchase Intention	0,008 ✓	0,001 ✓
WOM	0,010 ✓	0,000 ✓
Brand Loyalty	0,033 ✓	0,000 ✓
Experience Satisfaction	0,002 ✓	0,000 ✓

Table 3 – ANOVA Brands (Sig.)

	Significance					
	Germany <-> Turkey		Germany <-> Slovakia		Turkey <-> Slovakia	
	McDonald's	Burger King	McDonald's	Burger King	McDonald's	Burger King
Reputation	0,129	0,989	0,732	0,811	0,377	0,707
Brand Satisfaction	0,628	0,897	0,295	0,018 ✓	0,035 ✓	0,003 ✓
Purchase Intention	0,106	0,193	0,444	0,147	0,005 ✓	0,001 ✓
WOM	0,069	0,014 ✓	0,010 ✓	0,000 ✓	0,659	0,029 ✓
Brand Loyalty	0,118	0,003 ✓	0,048 ✓	0,000 ✓	0,955	0,501
Experience Satisfaction	0,944	0,750	0,003 ✓	0,000 ✓	0,023 ✓	0,002 ✓

Table 4 - ANOVA Countries (Sig.)

Brand Reputation

There is no significant difference between the brand reputation means for all three countries. In other words, the reputation for McDonald's is the same in Germany, Turkey and Slovakia. The same result was observed in case of Burger King.

McDonald's in Germany scored 5,63 on reputation, in Turkey it was 5,05 and in Slovakia 5,45. Burger King scored in Germany 4,71, in Turkey 4,67 and in Slovakia 4,91. Even though the mean figures for Burger King happen to be lower than the ones for McDonald's, in both cases, the reputation scores were on average relatively high. We believe that this might have happened because of the image American products have all over the world. The country of origin helps them create the desired reputation.

One phenomenon called *Americanism* mentioned in literature supports our point. This trend states that American services are "among the best ambassadors for the USA" and the country of origin is thought to be one of the key factors contributing to its worldwide success (Passwan and Sharma, 2004).

The fact that there was no significant difference observed in brand reputation for neither McDonald's nor Burger King among the countries could be explained by the growing trend called *globalization*. According to Alon (2004, p. 156) globalization is "a trend toward a single, integrated, and interdependent global economy propelled by increases in international capital flows, international travel, the cross-border exchange of information and ideas, and trade in goods and services—has prompted franchisers to think of the world as one market and to examine common needs within and across societies." Both companies are global market players trying to attract global customers. They are expanding internationally with similar business plans and marketing strategies. Their image does not vary with the countries. The brand reputation stays the same. We statistically proved that this is true for our three selected countries – Germany, Turkey and Slovakia.

Moreover, we discovered one more concept backing-up our reasoning and it is called *McDonaldization*. In the literature this is described as "a trend toward Westernization and homogenization of consumerism, equating the processes used by the fast-food giant with those of modernization and globalization." (Alon, 2004, p. 162) We therefore believe that the current world-wide trend leads to homogenization of brand reputation (at least) all over Europe. This occurs because the product is served to a global customer. The needs, values, tastes, preferences and shopping habits are becoming identical due to the Westernization of the cultures. Standardization takes place and the world is becoming one big market.

Brand Satisfaction

In case of the brand McDonald's we observed a significant difference between the brand satisfaction in Turkey (4,5) and in Slovakia (5,35). Evidently, customers in Slovakia are on average more satisfied with this franchise fast-food brand than the ones in Turkey. We believe this may have occurred because Slovakia is an ex-communist country and because of the transition the people are more enthusiastic about American culture, and overall Western products, and the values and the image they portray.

Slovaks are exposed to American culture and Western goods through communication technologies like television, radio, newspapers and also by increased tourism. Literature suggests that most of young people from transition economies have positive attitudes towards American products, they idolize people from Western societies, they tend to put global brands on a pedestal and assign them special credibility and authority (Lee and Tai, 2006). Sometimes they get hooked on a certain product even before it physically arrives to the home market. "The consumption process begins with the product's symbolic meaning", state Clarke, Micken and Hart (2002, p.1). According to Landes, the meaning and the values behind American products in the ex-communist countries are prosperity and thereby freedom (Landes, 1999).

On the other hand, Turkey has a different cultural background, with a lot of religious influence, which might in turn be a significant factor affecting satisfaction with American fast-food chain brands.

When it comes to Burger King, there was a significant difference found between Slovakia (5,38) and both Germany (4,53) and Turkey (4,4). Again in this case Slovaks are significantly more satisfied with the brand Burger King than Germans and Turks. In our opinion the same argument as mentioned above could be applied to the case of Burger King. Customers in Slovakia have a different relationship towards products with a Western country of origin. They view them as modern and 'cool' and that could be the source of the high satisfaction scores with both American fast-food brands.

Purchase Intention

Consumption habits change and develop over time and the consumer culture differs from one country to another (Goodman and Cohen, 2004). Our results show that in Slovakia (6,1) there are significantly higher intentions to dine at McDonald's than in Turkey (4,88). The same results we obtained for the brand Burger King. People in Slovakia (5,8) are willing to buy food at this franchise restaurant more than the people in Turkey (4,33). Overall, Slovaks are therefore consuming significantly more American fast-food as Turks. We assume the reason for this outcome springs in the food culture of these countries. As mentioned before, Slovakia, as a transition economy, is attracted to American products and values, including food and eating habits. Scholars claim that even though people from ex-communist countries are on average not as wealthy as the ones from developed societies, they still tend to buy big amounts of Western products. Also, they suggest that the multinational companies that entered

transition markets generated many job opportunities accompanied by higher wages increasing significantly the purchasing power of the population (Lee and Tai, 2006).

Turkey on the other hand, is not as inclined to the American fast-food because of two possible reasons. The Islamic religion does not allow them to eat pork (Nurdeng, 2009) and also, they have traditional Turkish fast-food, kebab/döner kebab, which serve as a perfect substitute for McDonald's or Burger King's hamburgers. When it comes to low-involvement products, Turks might prefer local fast food chains because of their familiarity and the fact that they match the local expectations and demand and correspond to the local requirements and conditions (Johansson and Ronkainen, 2004).

Word-of-Mouth

In the case of McDonald's, there is a significant difference between two countries – Germany and Slovakia. The intention to recommend the fast-food brand is higher in Slovakia (4,3) than in Germany (3,3). The latter score is relatively low which could be explained by the cultural characteristics of German population. We assume that they are not keen on recommending fast-food that from one point of view stands for greasy food and unhealthy lifestyle. Also, taking into consideration results from previous constructs, Germans seems to be less satisfied with McDonald's and significantly less interested at eating hamburgers than people in Slovakia. This subsequently influences their willingness to talk about their experience with this restaurant to other people.

Regarding the word-of-mouth intentions for the brand Burger King we observe a significant difference between Germany and Turkey, Germany and Slovakia and also, Turkey and Slovakia. Within this construct, all of our selected countries differ from one another. The highest intention to talk about Burger King and recommend it to friends and family was detected in Slovakia (4,53), followed by Turkey (3,78) and finally, Germany (2,95) where it is practically non-existent. This tendency is similar as in the previous case, in case of McDonald's brand.

Brand Loyalty

Overall, the scores for McDonald's were relatively low meaning that the customers in all three countries are not very loyal to this fast-food restaurant franchise. None of the average scores surpassed the 'neutral' middle point on the scale. However, regarding the comparisons between countries, we discovered a significant difference in brand

commitment between Germany (2,88) and Slovakia (3,6). Seemingly, the people in Slovakia are more connected to the brand. They are willing to pay a higher price to dine in this restaurant over other brands. Moreover, they claim that the values of the brand match their own values more than what was observed in Germany. We could also explain this difference by pointing out the price sensitivity and consciousness of Germans compared to other European markets (Department of Foreign Affairs and International Trade, Canada, 2011). We believe that they are not willing to pay higher price for any kind of fast-food since the main point of these chains is low price. We assume that this kind of dining is underrated in Western countries and therefore it is difficult to build brand loyalty.

Burger King developed higher brand loyalty in Turkey (3,59) and Slovakia (3,91) than in Germany (2,61). The observation is practically the same as in the previous case since the lowest score of brand commitment was achieved in Germany. We suppose that the argument is the same as in the case of McDonald's. German people cannot associate themselves with the values of this fast-food brand and they are not willing to pay much higher price to dine in Burger King. Based on Canadian Governmental food report on Germany, the main consumer groups committed to American fast-food restaurants are children and young people and they are currently the declining population segments (Department of Foreign Affairs and International Trade, Canada, 2011).

Slovaks and Turks on the other hand seem to be more loyal to this restaurant and consider buying this brand next time they feel hungry. Nevertheless, let's not forget that the scores for Burger King as for McDonald's were overall pretty low leaving us to conclude that the commitment to both brands is rather small.

As a result of global diffusion of common consumption behavior and values by communication media, the world has been converted into one giant marketplace with customers sharing similar believes and product needs. Individual cultural differences are disappearing and global companies have the advantage of easily reaching their audience and getting noticed by general public. However, every coin has two sides. Multinational companies are faced with a difficult task to create an influential, strong brand and the global presence obliges them to constantly increase and maintain brand loyalty by creating appealing marketing incentives and strategies (Byrnes, 2007). We believe that both McDonald's and Burger King should put more emphasis on building

brand loyalty in our three countries, Germany, Turkey and Slovakia, since our results show that the commitment values are rather low.

Experience Satisfaction

The highest satisfaction with the dining experience at McDonald's was observed in Slovakia (5,14). It turned out to be significantly different from the lower scores noted in Germany (4,12) and Turkey (4,24). Slovaks view this restaurant as a symbol of modern young lifestyle, American culture and relatively cheap tasty food. Moreover, it is the only fast-food open until late hours during the weekend. It is a well-known tradition to get a cheeseburger for 1EUR after a party in a club. Because of this, and some other reasons, Slovak people are more satisfied with the experience they have at McDonald's than Germans or Turks. This positive experience in turn creates a favorable feeling toward this brand and builds good reputation.

Exactly the same tendency was observed in case of Burger King. Slovaks (5,25) feel significantly more pleased with the experience they had in this franchise fast-food restaurant than Germans (4,01) or Turks (4,23) do. We believe the reasoning behind this is similar to the one mentioned above in the case of McDonald's. Slovaks are happier with the ambiance of the Burger King restaurant, the quality and price of the food and the service that was provided to them than are the people in Germany or Turkey. We assume that this is due to the fact that Germans and Turks are used to different standards and simply do not consider their dining experience at this fast-food chain excellent.

5.2.3. Simple Regression – Model 1

Regression analysis is a method that allows us to investigate a relationship between two variables. In other words, it is a way to predict an outcome variable from one predictor variable. We fit a model to our data in a way that the squared differences between the model line and the actual data points are minimized. We then use it to predict values of a dependent variable from one independent variable (Field, 2005).

Before conducting our main regression analysis in order to reject or confirm our hypotheses we need to check for some assumptions in order to assure reliable and

consistent results. First of all we made sure that the data was normally distributed by looking at histograms with normal curves. Another assumption is for the data to be measured at the interval level. Then we checked the correlation matrix to meet the assumption for the independence of data. Eventually we reviewed the results of the Durbin-Watson test to determine the independence of errors (Field, 2005).

All of the assumptions were met. Therefore we could proceed with our analysis.

At first we ran a reliability analysis to test the reliability of the scales of all the variables within each construct to measure the consistency of the questionnaire. Our results (see Appendix) show that all the variables have Cronbach's Alpha higher than 0,8 meaning that the scales are really measuring what the construct represents (Field, 2005). We did not need to remove any items to improve the overall reliability of the scale.

The goodness of the fit of the model is one of the crucial things to check before relying on the results of the regression analysis. This can be inspected by looking at the ANOVA table created for every particular regression analysis of the overall model. After reviewing all the 8 regressions from the main model, we can conclude that the results predict the outcome significantly better than if we only used the mean value (Sig. value was smaller than 0,05).

For all 5 hypotheses from the Model 1 we conducted 3 simple regression analyses for each country and within each country we conducted 2 different analyses, one for the brand McDonald's and one for the brand Burger King. In our interpretation we will focus on three main attributes of the statistical outcome – R^2, Significance (Sig.) and Beta coefficient. R^2 is the proportion of change in the outcome that the predictor accounts for. In other words, it measures how much of the variability in the dependent variable is the independent variable responsible for. Significance (Sig.) informs us whether the predictor is making a significant contribution to the model. That is to say, whether it has a significant effect on the outcome. Last but not least, Beta coefficient is, statistically speaking, the gradient of the regression line. It expresses the variance in the dependent variable associated with the unit change in the independent variable. It calculates to what extent each predictor influences the outcome. If the independent variable increases by one unit, the model predicts that the dependent variable goes up by Beta-value. In other words, it determines the strength of the relationship between the outcome and each predictor (Field, 2005).

Hypothesis 1

Brand Satisfaction has a significant influence on Brand Reputation.

With our first hypothesis we tested whether the satisfaction with a brand is a predictor of what reputation the brand has.

	Germany		Turkey		Slovakia	
	R^2	β	R^2	β	R^2	β
McDonald's	70,6 % ✓	0,564	55,2 % ✓	0,659	56,7 % ✓	0,774
Burger King	50,1 % ✓	0,872	55,3 % ✓	0,657	38,5 % ✓	0,878

Table 5 - Hypothesis 1

In all the countries, Germany, Turkey and Slovakia, and for both brands, McDonald's and Burger King, the variable Brand Satisfaction predicts Brand Reputation significantly well. We can conclude this because in all cases the observed Sig. value is lower than 0,05. Therefore, for both brands in all three countries the first hypothesis was *confirmed*. In other words, it is true that brand satisfaction significantly predicts brand reputation; the higher the brand satisfaction of the customers, the better the brand reputation of the fast-food franchise restaurant.

In case of McDonald's in Germany, Brand Satisfaction accounts for 70,6% of the change in Brand Reputation. In Turkey and Slovakia, the variance in the outcome shared by the independent variable is 55,2% and 56,7% respectively. In Germany, if satisfaction with the brand increases by one unit, brand reputation goes up by 0,564 units. In Turkey it goes up by 0,659 and in Slovakia by 0,774 units.

If McDonald's managers in Germany wanted to improve the brand reputation, almost ¾ of the effort made should be to improve brand satisfaction. This result makes sense because the more pleased the people are with the restaurant, the better are their overall perceptions and the more they believe in the good long-term future of that fast-food chain. In Turkey and Slovakia on the other hand, the results suggest that there are unknown variables that explain almost half of the change in brand reputation. The percentage drop could be explained by smaller importance of product quality in comparison with Germany. According to the literature, the quality provided is an important determinant of brand satisfaction. Scholars suggests that the success strategy

for fast-food service firms is keeping the customers satisfied by consistently providing high quality (Brown and Swartz, 1989; Parasuraman et al., 1988; Thompson et al., 1985). We believe that in Turkey and Slovakia the image of the brand and the country of origin (including the cultural values American products carry) are more important than high quality products.

In <u>Burger King</u> in Germany and in Turkey, the favorable disposition towards the brand is responsible for 50,1% and 55,3% of variance in reputation respectively. In Slovakia the percentage is even lower, 38,5%. In other words, 61,5% of the change in Slovak Burger King reputation consists of unknown factors. If in Germany, the brand satisfaction grew by 1 unit, Burger King reputation would improve by 0,872 units. If the satisfaction with the franchise restaurant brand increased by 1 unit in Turkey, its reputation would increase by 0,657 units. In Slovakia, the brand reputation would go up by 0,878 units.

The proportion of variance in brand reputation that is shared by the brand satisfaction is lower in Slovakia. We believe this could have occurred because people are not evaluating Burger King objectively but rather comparing it to the more dominant brand, to McDonald's. As mentioned in the literature, brand reputation consists of various elements, however it is certainly relative to the reputation of a competition brand in the fast-food industry (O'Rourke, 2011). Therefore the reputation levels and, thereby brand satisfaction, of Burger King are indirectly dependent on the performance of its competition, McDonald's.

Hypothesis 2

Brand Reputation has a significant influence on Brand Loyalty.

In the second hypothesis we were trying to find out whether brand reputation significantly predicts loyalty to the brand.

	Germany		Turkey		Slovakia	
	R^2	β	R^2	β	R^2	β
McDonald's	36,5 % ✓	0,723	28,1 % ✓	0,533	55 % ✓	1,016
Burger King	17,8 % ✓	0,343	11,6 % ✓	0,354	51,9 % ✓	0,741

Table 6 - Hypothesis 2

Significance value in all the 6 cases, for both brands in all three countries, was lower than 0,05 indicating that brand reputation is a significant predictor of brand loyalty. Therefore we can conclude that the second hypothesis was commonly *confirmed*. That is to say, the fast-food franchise reputation is a significant antecedent of brand loyalty. This means that the better the brand reputation of the firm, the stronger the loyalty to the brand.

In Slovakia the percentage of change in brand loyalty accounted for McDonald's reputation is 55%. In Germany, reputation is responsible for 36,5% of the variation in commitment to the brand. In Turkey the percentage drops to 28,1%. If the McDonald's reputation improved by 1 unit, brand loyalty would increase by 0,723 units in Germany, by 0,533 units in Turkey and by 1,016 units in Slovakia.

We can see that the values obtained in Slovakia are relatively higher than the ones in the other two countries. We claim that this is the case because Slovaks need less attributes, other than brand reputation and the image reflecting American values, in order to make them loyal to the brand. They do not consider factors like prices, quality of the food, service and/or the experience in the restaurant, having such great importance as in Germany or Turkey. In these two countries people need more than a good reputation to commit to the brand McDonald's.

We observe that in case of Burger King the percentages of variance in the outcome variable accounted for our predictor variable, brand reputation, are relatively lower than in case of McDonald's in Germany and Turkey. In the former, the proportion of the change in brand loyalty explained by reputation is 17,8%. In Turkey, brand reputation is responsible for only 11,6% of the variability in brand commitment. On the other hand, In Slovakia, the percentage is significantly higher, 51,9%, informing us that there is less than a half of other factors that are influencing brand loyalty other than brand reputation. If the brand reputation of Burger King increased by 1 unit, loyalty to the brand would improve by 0,343 units in Germany, 0,354 in Turkey and 0,741 in Slovakia.

We could explain the lower figures obtained in case of Burger King by pointing out that this brand experiences lower reputation levels compared to its more famous competitor, McDonald's. Thereby, the percentage of brand loyalty explained by reputation is smaller. If managers of Burger King in Germany or Turkey wanted to increase brand

commitment and make customers more attached to the brand, they would have to come up with different improvements rather than focus on building reputation. Since McDonald's is dominating the market, they would need to introduce special offers and other incentives, and essentially improve the products, services or the location of the restaurant. In Slovakia, on the other hand, the customers stay enthusiastic about the American values and lifestyle when it comes to Burger King as well, and if the fast-food restaurant has a good reputation, they are already half-way to being loyal to that brand.

Hypothesis 3

Brand Reputation has a significant influence on Word-of-Mouth.

Third hypothesis tests whether brand reputation significantly predicts the intention for word-of-mouth.

	Germany		Turkey		Slovakia	
	R²	β	R²	β	R²	β
McDonald's	15,3 % ✓	0,525	47,8 % ✓	0,662	52,7 % ✓	0,924
Burger King	23,5 % ✓	0,428	50,6 % ✓	0,715	46,8 % ✓	0,691

Table 7 - Hypothesis 3

For the third hypothesis the Sig. level in all 6 cases was detected to be lower than 0,05. This observation indicates that McDonald's and Burger King's brand reputation is a significant predictor of word-of mouth in all three countries, in Germany, Turkey and Slovakia. Thus we can conclude that the third hypothesis was *confirmed*. The better the brand reputation of the company, the bigger the intention for word-of-mouth.

In McDonald's in Germany we notice that brand reputation accounts for only 15,3 % of the change in word-of mouth. In Turkey and Slovakia the percentages are quite higher. In the former, 47,8% of the intention for word-of-mouth is explained by McDonald's reputation. In the latter, the number increases to exceed the middle value, to 52,7%. If brand reputation improved by 1 unit, word-of-mouth tendency would increase by 0,924 in Slovakia. In Germany and Turkey, it would increase by 0,525 and 0,662 respectively.

In Germany, brand reputation is not the main reason for talking about a restaurant and

recommending it to your friends and family. Personal experience at the restaurant, food quality and its price seem to be more important. If the word-of-mouth intentions were to change, almost 85% of that variation would be explained by other factors rather than brand reputation. In Turkey and Slovakia people are willing to talk about their experience with the brand and recommend it to people interested in dining out. And this tendency depends in approximately 50% on the brand reputation.

For Burger King, the obtained percentage in Germany is still lower than in the other two countries. There are some other factors responsible for a change in the word-of-mouth because brand reputation only accounts for 23,5%. In Turkey reputation of Burger King explains up to 50,6% of the variation in the intentions for word-of-mouth. In Slovakia this percentage is similar, 46,8% of the change in word-of-mouth depends on brand reputation. If it improved by 1 unit, the tendency to talk about the brand and recommend it would increase by 0,691 units. If brand reputation levels went up by 1 unit in Germany and Turkey, the word-of-mouth would increase by 0,428 and 0,715 respectively.

There are differences for both brands between Germany and the two less developed countries in the proportion of variance in word-of-mouth that is shared by brand reputation. We suppose that these occur because Turks and Slovaks believe that recommending an American brand means expressing that you regularly dine at its retail and gives you a certain status and image in turn. Associating with a Western brand and its values labels you as a global customer and makes you a part of global consumer culture. In Germany, on the other hand, there are other factors influencing people to talk about the brand and recommend it to others rather than its reputation.

Hypothesis 4

Brand Reputation has a significant influence on Purchase Intention.

In the fourth hypothesis we are investigating whether the reputation of the brand is a significant antecedent of the intention to buy the product.

	Germany		Turkey		Slovakia	
	R^2	β	R^2	β	R^2	β
McDonald's	59,4 % ✓	1,230	50,6 % ✓	0,902	43,8 % ✓	0,830
Burger King	29,2 %	0,709	45,8 %	0,992	19,6 %	0,496

| | ✓ | ✓ | ✓ |

Table 8 - Hypothesis 4

For both brands, McDonald's and Burger King, in all three countries, in Germany, Turkey and Slovakia, the Sig. values were observed to be under the 0,05 level and therefore we can state that brand reputation predicts purchase intention significantly well. Thereby we came to a conclusion that the fourth hypothesis was *confirmed*. That is to say, the better the reputation of the brand, the higher the intention to purchase.

Brand reputation of <u>McDonald's</u> in Germany accounts for 59,4% of the change in purchase intention. In Turkey the percentage drops a little bit, but still 50,6% of the variation in the intention to purchase is explained by brand reputation. In McDonald's in Slovakia a good reputation determines the change in purchase intention in 43,8%. If the brand reputation improved by 1 unit, the intention to buy food at McDonald's would increase by 1,230 units in Germany, 0,902 units in Turkey and 0,830 units in Slovakia.

In all three countries, intention to buy food at McDonald's depends to a great extent on its reputation, especially in Germany. If the managers of this fast-food chain wanted to lead customers into purchasing more products of this brand, they would have to work mostly on improving brand reputation. The other unknown factors only account for approximately 40% of the change in purchase intention. In Turkey and Slovakia brand reputation plays a significant role as well making it essential for the management to find ways of improving it. This result seemed logical to us since the better are the perceptions of this franchise system compared to its competitors, the higher is the probability of dining again at this restaurant.

When it comes to <u>Burger King</u> the percentages of the variability in purchase intention accounted for by brand reputation are lower in all three cases. In Germany 29,2% of the change in purchase intention is explained by our predictor variable. Brand reputation is responsible for 45,8% of the variance in the intention to buy Burger King's products in Turkey. In Slovakia the percentage is quite low, brand reputation determines the change in purchase intention only up to 19,6%. If this fast-food restaurant's brand reputation improved by 1 unit, the intention to purchase food there would increase by 0,709 in Germany, by 0,992 in Turkey and by 0,496 in Slovakia.

In Burger King in Slovakia, there are many other attributes of the brand that determine

the customers' intention to purchase the food at their restaurant. Brand reputation is only a small fraction influencing the probability people would eat there next time they are hungry. We assume that the other elements might be the location of the franchise branch, the price of the products, the quality of the services or the occasion leading them to go dine out. In Germany and even more in Turkey, brand reputation is still an important predictor of purchase intention. The restaurant has an image of being open until late at night, it is therefore convenient, people are aware of what is on the menu, they know what they are getting and the risk of being disappointed decreases. For all these listed reasons we believe that Burger King's reputation is a big part of why people dine repeatedly in this fast-food franchise restaurant.

Hypothesis 5

Experience satisfaction has a significant influence on Brand Satisfaction.

The hypothesis 5 is testing whether satisfaction with the experience at the restaurant is significantly predicting the overall brand satisfaction.

	Germany		**Turkey**		**Slovakia**	
	R²	β	R²	β	R²	β
McDonald's	50,2 % ✓	0,762	76,2 % ✓	0,898	61,2 % ✓	0,650
Burger King	57,8 % ✓	0,587	50,8 % ✓	0,835	72,1 % ✓	0,629

Table 9 - Hypothesis 5

The Significance value in all 6 cases turned out to be lower than 0,05 level indicating that our theoretical concept was true. The satisfaction with the dining experience can predict brand satisfaction significantly well. Therefore we can conclude that the fifth hypothesis was *confirmed*. That is to say, the higher the satisfaction with the experience at the restaurant, the higher the overall brand satisfaction.

In case of McDonald's, feeling content with the experience at this restaurant is responsible for 50,2% of the change in brand satisfaction in Germany. In Slovakia, the satisfaction with the tangibles at the franchise branch accounts for 61,2% of the variation in overall brand satisfaction. The percentage gets even higher in Turkey, up to 76,2%, making experience satisfaction a highly significant driver of brand satisfaction.

If people got more satisfied with their dining experience at McDonald's by 1 unit, their brand satisfaction would increase by 0,762 units in Germany, by 0,898 units in Turkey and by 0,650 units in Slovakia.

Customer satisfaction with the brand McDonald's is to a great extent determined by how pleased are the clients with the dining experience at the franchise branch. In all countries, but mostly in Turkey, the more content the customers feel with the ambiance of the restaurant and the quality of the food purchased, the more favorable perception toward the brand it creates. All in all, it is crucial to leave a good impression on the customers after they dine at McDonald's in order to build overall brand satisfaction.

In Burger King the proportion of variance in brand satisfaction that is shared by satisfaction with the dining experience in the franchise branch in Germany is 57,8%. In Turkey this percentage drops to 50,8% still claiming that experience satisfaction is a very important driver of overall brand satisfaction. In Slovakia, it is fundamental to focus on improving the tangibles associated with the restaurant since customer satisfaction with those accounts for up to 72,1% of the change in brand satisfaction. If experience satisfaction with McDonald's in Slovakia improved by 1 unit, the overall brand satisfaction would improve by 0,629 units. In Germany in the same situation it would improve by 0,587 units and in Turkey by 0,835 units.

When it comes to Burger King in all three countries we still observe that a positive dining experience at the restaurant is responsible in more than 50% for building satisfaction. In Slovakia it is clearly a dominant factor influencing overall brand satisfaction, the perception of the restaurant and its standing against its competitors. So if the managers wanted to increase brand satisfaction with Burger King in all three countries, especially in Slovakia, they should concentrate their efforts on improving the ambiance of the restaurant including the organization of the seating, the cleanliness of the dining area and the quality of services provided.

5.2.4.　　　　Multiple Regression (Additional Analyses)

Multiple regression allows us to add more predictor variables to the model to see how is their effect relative to each other. We can investigate which variable of the bunch is a significant determinant of the outcome variable. Moreover, we also observe how big is the effect on the dependent variable and which of the independent variables has a stronger effect.

In the additional analysis we came up with an alternative model to include all of the constructs and find the influence they have on the outcome variable – Purchase Intention. We studied whether brand reputation is a significant factor influencing customers' intention to buy meal at McDonald's or Burger King. Moreover, we examined how big is the effect compared to the impact of the other potential drivers of purchase intention in the model. In other words, we attempted to determine whether brand reputation is an attribute fast-food consumers take into consideration when making a purchase decision.
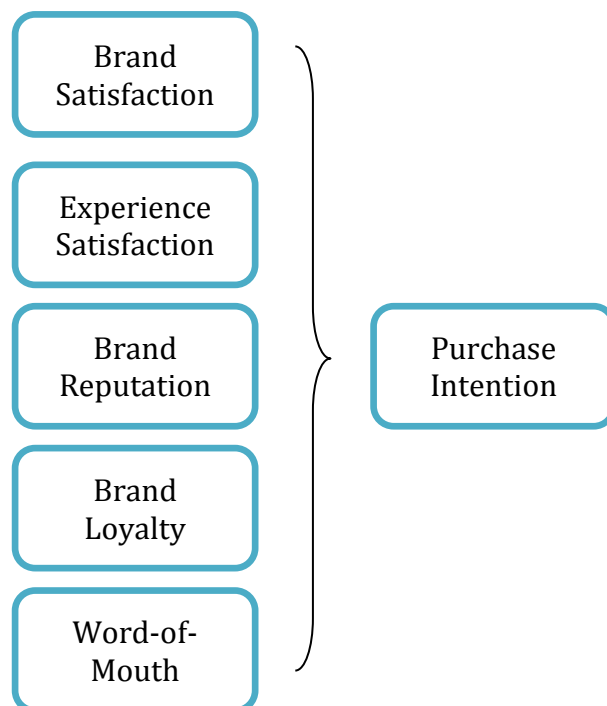
Brand Satisfaction

Experience Satisfaction

Brand Reputation

Brand Loyalty

Word-of-Mouth

Purchase Intention

Figure 7 - Additional Model 1

Before conducting multiple regression analysis we needed to check for the following 8 assumptions. According to Andy Field (2005) we should test the variable types, non-zero variance, no perfect multicollinearity, predictors uncorrelated with 'external variables', homoscedasticity, independent errors, normally distributed errors, independence and linearity.

First assumption tells us to use quantitative or nominal predictor variables and quantitative, continuous and unbounded outcome variables. In order to meet the second assumption, the predictor variables should have some variation in value. We had to conduct a VIF test in order to assure no perfect linear relationship between 2 or more predictors and therefore check for the third assumption. We reviewed the correlation matrix and we found no high correlation between predictors. Moreover, the variance inflation factors were all smaller than 1, which indicated no problem with multicollinearity. The next assumption to be checked is the one of homoscedasticity. We reviewed whether the variance of residual terms is constant at each level of the predictor variable. We checked for the results of the Durbin-Watson test in order to determine the independence of errors. The following assumption for normally distributed errors was also met since the differences between the model and the observed data were most frequently 0. We also reviewed that all values of the outcome variable were independent and that the relationship we were modeling was a linear one. We therefore finalized checking all the necessary assumptions for multiple regression analysis.

All of the assumptions were met. Therefore we could proceed with our analysis.

5.2.5.   Additional Analysis – Model 1

Additional Analysis 1

As mentioned above, in this additional analysis to the Model 1 we included all our constructs, Brand Reputation, Brand Satisfaction, Word-of-Mouth, Brand Loyalty and Experience Satisfaction, as predictor variables and regressed them against Purchase Intention as the outcome variable. We were testing the effect they have on the dependent variable relative to each other. We evaluated which ones of the independent variables are significantly influencing the outcome and which one of them is the

strongest driver of Purchase Intention.

β	Germany		Turkey		Slovakia	
	McDonald's	BK	McDonald's	BK	McDonald's	BK
R²	68,1%	61,1%	80,1%	69%	66,5%	63,4%
Reputation	0,514	0,011	0,247	0,089	1,159 ✓	-0,349
Brand Sat.	0,643 ✓	0,325	0,964 ✓	0,884 ✓	0,026	-0,878 ✓
WOM	-0,288	0,161	0,453 ✓	0,404	-0,800 ✓	0,990 ✓
Brand Loy	0,750	0,320	0,160	0,013	0,575 ✓	-0,006
Exp. Sat.	0,100	0,665 ✓	-0,701 ✓	-0,236	-0,233	0,752 ✓

Table 10 - Additional Analysis - Model 1

Germany

In case of the brand <u>McDonald's</u> we ran the analysis and we found out that all the variables together account for 68,1% of the variation in purchase intention. Only one predictor, Brand Satisfaction, turned out to have Significance value lower than 0,05 indicating that only this independent variable is a significant driver of purchase intention. If the satisfaction with McDonald's improved by 1 unit, the intention to buy their food would increase by 0,643 units. The other factors were not found to be important in predicting purchase intention.

If the managers of German franchise branch of McDonald's wanted to encourage customers to purchase more or more frequently, they should focus on increasing the overall satisfaction with the brand. In our paper we defined this construct as the intangible values connected with the brand. Therefore we recommend the managers to improve the positioning and maybe increase promotional activities to reinforce the contentment and enjoyment the customers feel when interacting with the brand.

After running the multiple regression analysis for <u>Burger King</u> the results showed us that all of the predictors together explain 61,1% of the change in purchase intention. Again, out of all five, only one independent variable, Experience Satisfaction, turned out to be a significant antecedent of the intention to buy Burger King's products. If the customers' satisfaction with the dining experience in this restaurant improved by 1 unit, their intention to purchase again at this fast-food would increase by 0,665 units. The rest of the predictors did not make a significant contribution to the model.

In Burger King the most important element influencing the customers' intentions to buy their food there is the ambiance of the restaurant, the cleanliness of the environment, the quality of the products and the attitude of the staff. The better is the physical dining experience at the franchise branch, the bigger is the probability that the customer will return to eat there again. We believe that the element of emotional values connected with the brand (Brand Satisfaction) are of less importance because Burger King brand is not as established and as profiled in the German market. Therefore the tangibles offered by this restaurant play a more significant role.

Turkey

For the brand McDonald's in Turkey, all of the independent variables together explain up to 80,1% of the change in purchase intention. The regression model overall predicts purchase intention significantly well. There is only less than 20% of other unknown factors that influence the variation in the intentions to buy. Three out of the predictor variables had the Sig. value smaller than 0,05 level indicating that they all are significant drivers of purchase intention. These were Brand Satisfaction, Word-of-Mouth and Experience Satisfaction. Now we need to look at their Beta values to evaluate the strength of their effect on the outcome variable. The most influential determinant of purchase intention is satisfaction with the brand, followed by satisfaction with the dining experience and finally the intentions to word-of-mouth. If the satisfaction with the brand increased by 1 unit, purchase intention of the customers would increase by 0,964 units. If people started talking about the brand and recommending it to other, their intentions to buy food at McDonald's would increase by 0,453 unit. Our last finding is rather surprising. If the satisfaction with the dining experience in Turkish McDonald's went up by 1 unit, purchase intention of Turks would decrease by 0,701 units. Brand reputation and commitment to the brand are not significant drivers of purchase intention.

In Turkey, the more favorably disposed are the clients towards this fast-food restaurant, the bigger is the probability that they would dine there next time they are hungry. Also, managers should come up with ways to make people talk about the brand because, based on our findings, word-of-mouth is also significantly determining purchase intentions of the customers. Results show that experience satisfaction is negatively influencing the intentions to buy McDonald's food. We assume that this illogical result occurred because even though Turkish customers were on average pleased with this

restaurant, they do not consider it highly likely that they would dine there again in the near future. This could be the case due to them preferring traditional type of dining, due to the unhealthy content of the menu or other personal reasons.

Applying our model to <u>Burger King</u> in Turkey we found out that all of our predictor variables together are responsible for 69% of the change in purchase intention. After investigating which one of the independent variables has a significant effect (Sig. value lower than 0,05), we discovered that there was only one significantly predicting the outcome – Brand Satisfaction. If the overall satisfaction with the brand increased by 1 unit, our model predicts that the intention to buy Burger King's products would increase by 0,884 units. The other four variables did not make a significant contribution to the model.

In order to increase the probability that the customers would return to dine again at Burger King, the managers should put an effort into reinforcing the satisfaction with the brand. They should conduct a research to find out what values of the brand are the most attractive ones for Turkish customers and emphasize them in marketing campaigns. It is essential to uniquely position the product on the market and create and highlight positive emotions associated with the brand.

Slovakia

Brand Reputation, Brand Satisfaction, Word-of-Mouth, Brand Loyalty and Experience Satisfaction together explain 66,5% of the change in purchase intention of <u>McDonald's</u> customers in Slovakia. After revising the Significance values of all the predictor variables we came to the conclusion that three of them, Brand Reputation, Word-of-Mouth and Brand Loyalty, obtained less than 0,05 and therefore are significantly determining the outcome variable. In order to measure to what degree each predictor affects the outcome we need to look at the corresponding Beta values. According to the results, the variable having the strongest effect is the reputation of the brand. Word-of-mouth has a negative, but second strongest, effect on the outcome variable followed by loyalty towards the brand. If the reputation of McDonald's improved by 1 unit, intention to buy food at this franchise restaurant would increase by 1,159 units. If customers of McDonald's became 1 unit more committed, their intention to purchase would increase by 0,575 units. And finally our last interesting finding, if Slovaks started to talk more about this restaurant and recommend it to others more by 1 unit, the intentions to dine at this fast-food would decrease. Brand Satisfaction and Experience Satisfaction are not

drivers of Purchase Intention in this case.

In order to boost the sales at Slovak McDonald's franchise branch, the managers should focus on various factors. The most important one is the reputation of the brand. The customers need to believe in good long-term future of the restaurant and its good standing against its competitors. The more visible the franchise restaurant is in the marketplace, the better. We also believe that reinforcing the association with its country of origin, the USA, would also help improve the reputation of the brand since Slovaks are very enthusiastic about Western products. Other important factor influencing the purchases of the customers is their loyalty to the brand. Managers should strengthen the connection between the customers and the brand by introducing loyalty programs or offering other advantages to committed customers to promote the brand. Moreover, they should find a method how to better match the values of the brand to personal values of the customers. The more loyal the customers are, the more more frequent would be their visits of McDonald's restaurant. Now the last finding is rather unreasonable. The more people tend to talk about McDonald's and recommend it to others, the less they want to buy there next time they are dining out. In other words, they are recommending food they do not like. Maybe due to cultural background people consider it 'cool' to talk about McDonald's and patronize it however they still would not purchase their products. We speculate that the explanation for this phenomenon could also lie in the questionnaire design or in the sampling or data collection procedure. It could be an issue of the formulation of the questions, the small less representative sample or our respondents simply did not pay enough attention while filling in the answers.

In case of Burger King, all five predictor variables together explain 63,4% of the variability in the outcome. Three independent variables had Sig. values lower than 0,05 level and for that reason are significant drivers of the dependent variable, Purchase Intention. These are Brand Satisfaction, Word-of-Mouth and Experience Satisfaction. We reviewed their Beta values to determine which one of them is influencing purchase intention the most. The strongest effect was observed by Word-of-Mouth. Brand Satisfaction, surprisingly, showed a negative effect however still second strongest followed by Experience Satisfaction. If the customers patronized the brand and recommended the restaurant to their friends and family more by 1 unit, purchase intention would grow by 0,990 units. If the satisfaction with the dining experience at Burger King's franchise branch in Slovakia increased by 1 unit, the intentions to buy

food there would go up by 0,752 units. And last but not least, the most surprising result, if the satisfaction with the brand increased by 1 unit, purchase intention of Burger King's customers would decrease by 0,878 units.

If the managers of Burger King in Slovakia wanted to push people into purchasing more food at this fast-food franchise branch, they would have to find a way to convince their customers to talk about their dining experience in this restaurant to their friends and family. Word-of-mouth is the most important driver of purchase intention. The more people praise Burger King and support it by recommending it to others, the bigger are the sales. Another important factor significantly contributing to increasing purchase intention is the satisfaction with the dining experience. Managers should center their attention on improving the physical environment of the restaurant and offer tangible benefits to its customers like lower prices, special discounts, free items, gifts, or alternatively food of higher quality or better service. Finally, we learned that the overall satisfaction with the brand has a negative influence on the intentions to purchase food at Burger King. The more pleased are the customers with this brand, the smaller is the probability that they would dine there next time they are hungry. We could not find a logical explanation for this result. However, statistically, on the 99% confidence level this variable would not be a significant driver of purchase intention. In other words, if the Sig. level would be set to 0,01, this predictor variable would not make a significant contribution to the model. For this reason, we are not putting so much weight on this finding.

Additional Analysis 2

In the second part of the additional analysis to the Model 1 we used the advanced model with five predictor variables regressed on the outcome variable, Purchase Intention. We ran this analysis again for all three countries, Germany, Turkey and Slovakia, and both brands, McDonald's and Burger King, however this time we controlled for the effects of age and gender of the respondents.

Controlling for the Effects of Age
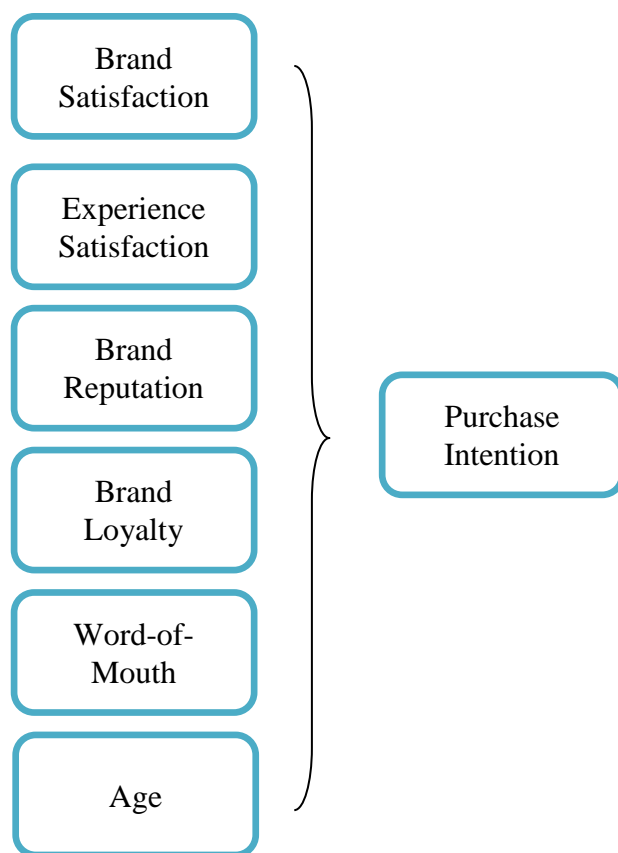
Figure 8 - Additional Model 2 (Age)

β	Germany		Turkey		Slovakia	
	McDonald's	BK	McDonald's	BK	McDonald's	BK
R²	69%	64,9%	80,1%	70%	67,6%	78,7%
Reputation	0,603	-0,248	0,253	0,146	1,206 ✓	-0,308
Brand Sat.	0,519	0,509	0,942 ✓	0,826 ✓	0,029	-0,634
WOM	-0,297	0,019	0,473 ✓	0,422	-0,854 ✓	0,946 ✓
Brand Loy	0,145	0,347	0,134	-0,016	0,607 ✓	-0,017
Exp. Sat.	0,053	0,719 ✓	-0,692 ✓	-0,287	-0,283	0,589 ✓
Age	-0,022	-0,088	-0,024	-0,076	-0,027	-0,037 ✓

**Table 11 - Additional Analysis - Model 1 (effect of Age)**

In Germany and Turkey, enlarging the number of independent variables by adding the variable Age has not significantly improved the model because for both McDonald's and Burger King the R² has not increased and also the Significance level of this variable was not lower than 0,05. That is to say, the proportion of change in purchase intention that is shared by the predictor variables has remained the same. Therefore, controlling for the effect of age of our respondent does not make a significant contribution to the model.

In McDonald's in Slovakia there were no effects of age found. Six predictor variables explained the change in purchase intention to the same extent as the previous five. In Burger King, on the other hand, the influence of the variable Age was not negligible. Adding this variable to the model increased the R² from 63,4% up to 78,7%. This indicates that all these 6 predictors together account for 78,7% of the variation in customers' intention to buy Burger King's products. Also, the Sig. value of the variable Age was lower than 0,05 making it a significant driver of purchase intention. The relationship was found to be negative and therefore, if the age of the respondent increased by 1 year, his/her intention to purchase food at this franchise branch would decrease by 0,037 units. We believe this result is logical since fast-food is favored mostly by young people. The older the person is, the smaller is the probability that he/she is going to dine at this restaurant in the near future. The most significant determinant of purchase intention is still word-of-mouth followed by experience satisfaction. However, brand satisfaction lost its influence when age was added.

Managers of Slovak Burger King should focus their efforts on young people and try to

increase their satisfaction with the dining experience by consciously targeting their needs. We recommend conducting further research aimed at younger segment. We advise them to use tools of sales promotion to boost awareness and create positive associations with the brand. This could be done by introducing special offers in order to make customers talk about the restaurant, patronize it and recommend it to others. The reason for this is that word-of-mouth is still the most significant factor influencing purchase intention.

Controlling for the Effects of Gender
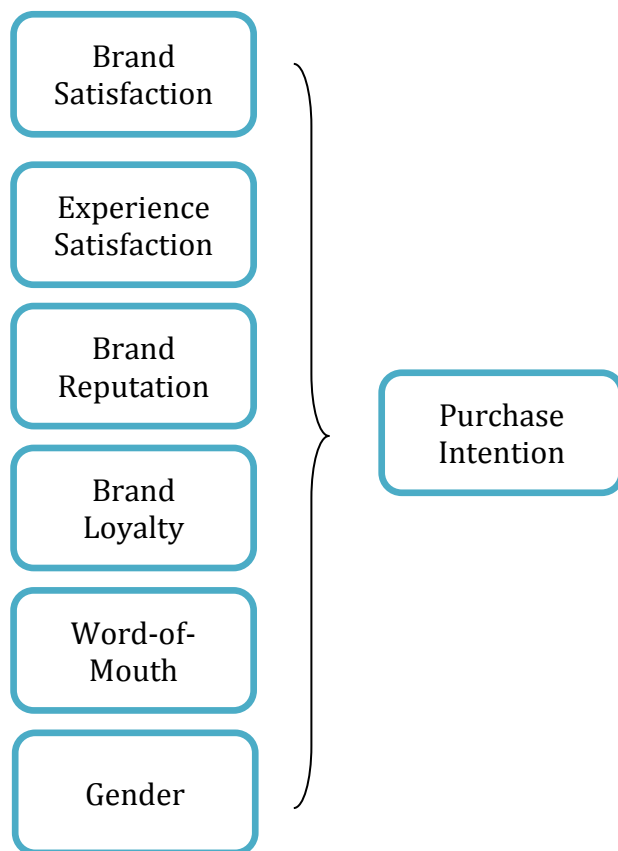
Figure 9 - Additional Model 3 (Gender)

β	Germany		Turkey		Slovakia	
	McDonald's	BK	McDonald's	BK	McDonald's	BK
R²	68,1%	61,1%	80,6%	89,9%	66,5%	79%
Reputation	0,514	0,020	0,232	0,150	1,160 ✓	-0,279
Brand Sat.	0,643 ✓	0,305	0,938 ✓	0,884 ✓	0,029	-0,570
WOM	-0,288	0,192	0,437 ✓	0,321	-0,805 ✓	0,933 ✓
Brand Loy	0,075	0,019	0,139	-0,192	0,575 ✓	-0,014
Exp. Sat.	0,010	0,661 ✓	-0,610 ✓	-0,032	-0,230	0,529
Gender	0,000	-0,115	-0,354	-0,394	0,022	-0,155

Table 12 - Additional Analysis - Model 1 (effect of Gender)

The results in this case were similar. Adding the sixth variable, Gender, to the basic model for both McDonald's and Burger King in Germany and Turkey has not significantly improved it. The percentage of variation in purchase intention explained by the predictor variables stayed unchanged. Gender of the respondents had Sig. level greater than 0,05 meaning that it is not a significant determinant of the outcome variable. The likelihood of dining at these fast-food restaurants next time the customer is hungry does not depend on whether it is a male or a female. The variable Gender makes no significant contribution to the model.

In case of McDonald's in Slovakia the R² kept the same value after we added the sixth variable, Gender, to the model. Therefore all 6 predictor variables are responsible for the same percentage of the change in purchase intention than when they were only 5. In case of Burger King, however, gender of the respondents makes a significant contribution to the model because the proportion of variance in the outcome variable explained by the predictors increased from 63,4% to 79%. The variable Gender did not show Significance level lower than 0,05, therefore it is not a significant driver of purchase intention. The sex of the customer does not matter when it comes to whether or not he is going to Burger King next time he wants to dine out. By adding this new variable two more variables lost the influence they had on purchase intention. Brand satisfaction and experience satisfaction are no longer determinants of the intention to buy Burger King's products. The only significant driver of purchase intention is word-of-mouth.

Therefore we can conclude that when we take into consideration gender of the customers, the most influential instrument for boosting sales is word-of-mouth. It is the only factor that significantly predicts the customers' intentions to purchase food at this franchise restaurant. The management should recognize the need to 'get the word out' in order to encourage the customers to return more frequently to the restaurant and dine there. The objective to increase consumption can be reached by making special price offers, occasionally giving away free stuff and expanding sponsorship budget to enhance visibility and make people talk about the brand. The more customers mention the restaurant and recommend it to others, the bigger is the probability that they would come again and purchase something at Burger King in the near future.

5.2.6. Simple Regression – Model 2

We developed this conceptual model of cultural dimensions and 5 corresponding hypotheses. We believe that the cultural effect is present and that it indeed influences the reputation of a global franchise company. In this model, same as in the previous one, we used both brands, McDonald's and Burger King, we put all the countries together and as our cultural framework we used country scores from five dimensions created by Geert Hofstede. We regressed each dimension as a predictor variable of brand reputation in search for a significant influence to confirm our theory.

Hypothesis 6

Power Distance has a significant influence on Brand Reputation.

The hypothesis 6 is testing whether power distance within a country significantly influences the brand reputation.

	Power Distance → Reputation	
	R²	β
McDonald's	3,8 % ✓ (neg.)	-0,008
Burger King	0 % ✗	0,001

Table 13 - Hypothesis 6

In case of *McDonald's* we observed Significance value of Power Distance lower than 0,05 indicating that this predictor variable is a significant determinant of brand reputation. The degree of inequality that exists within a country is important to predict the reputation the franchise brand has. It accounts for 3,8% of the change in the reputation of a brand. If the power distance score increased by 1 unit, brand reputation would decrease by 0,008 unit. This negative relationship implies that the bigger is the distance between more powerful and less powerful members of a society, the worse is the brand reputation in that country. On the other hand, if the power is distributed equally and the society is not based on strict hierarchical order, our model predicts that the brand reputation in that country would be higher.

With *Burger King* we unfortunately found no significant influence of the predictor variable Power Distance on the outcome variable Brand Reputation. The Sig. value was

higher than the 0,05 level and the variable accounts for 0% of the variance in brand reputation. Therefore we can conclude that this cultural dimension is not a significant determinant of reputation of Burger King. Whether or not is the power equally dispersed and shared within a country does not have an effect on the level of reputation a franchise brand has.

Taking into consideration the findings from our regression analysis we declare that the hypothesis 6 was *confirmed* in case of McDonald's. Cultural dimension of power distance significantly influences brand reputation. However, in case of Burger King we had to *reject* the hypothesis because the analysis showed that power distance of a country is not a significant predictor of brand reputation.

Hypothesis 7

Individualism has a significant influence on Brand Reputation.

In the 7th hypothesis we were trying to find out whether individualism versus collectivism of a country significantly predicts the reputation of a brand.

	Individualism → Reputation	
	R²	β
McDonald's	3,2 % ✓	0,120
Burger King	0,3 % ✗	0,005

Table 14 - Hypothesis 7

In case of *McDonald's* the Significance value for this predictor variable turned out to be lower than 0,05. This demonstrates that individualism/collectivism has a significant influence on how is the reputation of a brand. 3,2% of the change in brand reputation is explained by this determinant. If individualism of a country increased by 1 unit, overall brand reputation would increase by 0,12 units. That is to say, the stronger is the connection of people to others in their community, the smaller is the reputation of McDonald's. If this fast-food franchise brand wanted to seek out higher reputation levels, they should turn to cultures where people in a society are looking after themselves and their immediate relatives only.

After running the analysis for *Burger King* we found out that the Sig. level of Individualism/Collectivism is lower than 0,05 and as a result we conclude that this variable is not a significant driver of brand reputation. It is responsible for 0,3% of the variance in our outcome variable. For Burger King, knowing whether the society is inclined to individualism or collectivism does not help predict franchise brand reputation significant well. Our model claims that Burger King's reputation level would be the same whether people generally tend to use the word 'I' or the word "We" to characterize their self-image.

To conclude, the hypothesis 7 was *confirmed* for McDonald's and *rejected* for Burger King. In the former, we discovered that individualism/collectivism of a country is significantly determining brand reputation of this franchise brand. On the other hand, Burger King's reputation is not significantly influenced by this cultural dimension.

Hypothesis 8

Masculinity has a significant influence on Brand Reputation.

The hypothesis 8 tests whether masculinity versus femininity of a country significantly determines brand reputation.

	Masculinity → Reputation	
	R²	β
McDonald's	2,7 % ✓	0,008
Burger King	0,9 % ✗	0,005

Table 15 - Hypothesis 8

We identified a Significance level lower than 0,05 for the variable Masculinity for *McDonald's.* This allows us to state that this predictor is a significant determinant of levels of brand reputation. If masculinity scores of a country increase by 1 unit, McDonald's reputation would improve by 0,008 units. This cultural dimension accounts for 2,7% of the change in brand reputation. In other words, the more masculine features a society has, the better is the reputation of a fast-food franchise restaurant located in that country. If the main values of a culture are gender equality, cooperation, compromise and modesty, our model predicts brand reputation to be lower than if the culture is characterized by power, control, assertiveness and male dominance.

In case of *Burger King* we observe the Sig. value greater than 0,05 indicating that reputation of this brand does not depend on whether the culture is masculine or feminine. This country characteristic is not a significant predictor of brand reputation. It explains only 0,9% of the change in our outcome variable. In predicting and determining brand reputation of Burger King, it is not influential whether the society is competitive or rather oriented on compromise.

To sum up the results of the analysis, the 8th hypothesis in case of McDonald's was *confirmed*. Masculinity/Femininity of a society has a significant influential effect on the levels of brand reputation. When it comes to Burger King, we had to *reject* out hypothesis because we found no significant influence of Masculinity on brand reputation in our analysis.

Hypothesis 9

Uncertainty Avoidance has a significant influence on Brand Reputation.

In the 9th hypothesis we are investigating whether uncertainty avoidance in a country is a significant antecedent of the reputation of a brand.

	Uncertainty Avoidance → Reputation	
	R^2	β
McDonald's	3,4 % ✓	-0,015
Burger King	0,2 % ✗	0,003

Table 16 - Hypothesis 9

When it comes to *McDonald's* we observed the Significance value lower than 0,05 confirming that our independent variable, Uncertainty Avoidance, is predicting brand reputation significantly well. The proportion of change in brand reputation explained by uncertainty avoidance is 3,4%. If a society's score on uncertainty avoidance increased by 1 unit, reputation of McDonald's would decrease by 0,015 units. The relationship between these two variables was found to be negative meaning that the more is a country unstructured and free of strict rules and guidelines, the higher is the expected brand reputation. If a culture has a high score of uncertainty avoidance and therefore is not tolerant of new ideas or revolutionary opinions, our model predicts lower levels of

franchise brand reputation.

In case of *Burger King* this cultural dimension had a greater Sig. level than 0,05 indicating that uncertainty avoidance is not a significant factor in determining brand reputation. It is responsible for 0,2% of the variance in our dependent variable. The reputation of Burger King does not depend on whether a culture has strong clear principles and highly structured environment. Our model predicts the reputation levels to remain the same if the society tolerates uncertainty about the future or if it feels uncomfortable about the unknown.

To conclude, in case of McDonald's the hypothesis 9 was *confirmed* indicating that Uncertainty Avoidance has a significant effect when determining franchise brand reputation. On the other hand, our analysis for Burger King showed that hypothesis 9 was *rejected* because this cultural dimension has no significant influence on the reputation of our brand.

Hypothesis 10

Long-term Orientation has a significant influence on Brand Reputation.

The hypothesis 10 is testing whether long-distance orientation of a country is significantly predicting the brand reputation.

	Long-term Orientation → Reputation	
	R²	β
McDonald's	0,8 % ✗	0,011
Burger King	0,5 % ✗	0,011

Table 17 - Hypothesis 10

For both brands, for *McDonald's* and *Burger King,* we found no significant effect of this cultural dimension on brand reputation. The Significance levels in both cases were higher than 0,05 and therefore we have to conclude that Long-Term Orientation is not a significant predictor of neither McDonald's brand reputation nor Burger King's brand reputation. When it comes to McDonald's this variable explains 0,8% of the change in brand reputation. The percentage is even lower for Burger King. Long-term orientation of a country accounts for 0,5% of the variance in reputation of a fast-food franchise

restaurant. These results suggest that the levels of reputation are not predictable based on the degree to which societies respect traditions or rather focus on the future and adapt values to situations. If a country is oriented on future rewards and it is tolerant of a change or if it is rather focused on accomplishing fast results and it is avoiding change, our model predicts the same levels of franchise brand reputation in both of these cultures.

The hypothesis 10 for both McDonald's and Burger King was *rejected*. Our analysis showed that the Long-Term Orientation cultural dimension has no significant influence on predicting reputation of neither McDonald's nor Burger King. We assume that one of the reasons why this could have occurred is because the dimension was added to the bunch a couple of years later and there are still missing scores for this dimension for a couple of countries.

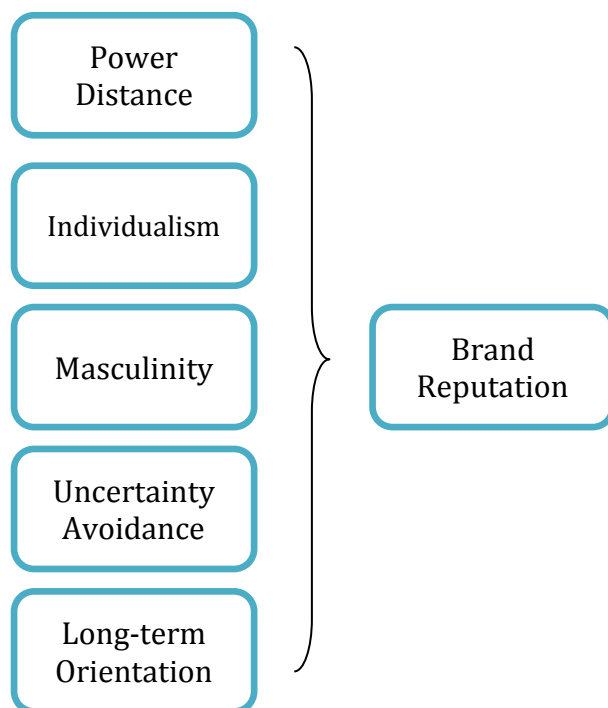## 5.2.7.   Additional Analysis – Model 2

Figure 10 - Additional Analysis - Model 2

In the additional analysis for the second model (Fig. 10) we grouped together all of the cultural dimensions, Power Distance, Individualism/Collectivism, Masculinity/Femininity, Uncertainty Avoidance and Long-Term Orientation, and we used them in a multiple regression analysis to determine how is their influence on brand

reputation relative to each other. We conducted this analysis to find out which predictor variable is a significant driver of McDonald's and Burger King's reputation. Also, we measured how big is the effect each cultural dimension has on our outcome variable and which one influences brand reputation the most.

β	McDonald's	Burger King
R^2	10,3 %	3,4 %
Power Distance	-0,009 ✓	-0,002
Individualism	0,026	0,016
Masculinity	0,024 ✓	0,021
Uncertainty Avoidance	-0,003	0,014 ✓
Long-term Orientation	-0,031	-0,024

Table 18 - Additional Analysis - Model 2

In the multiple regression analysis for *McDonald's* all five cultural dimensions together are responsible for 10,3% of the change in brand reputation. We observed two predictor variables that have a significant influence on brand reputation. These are Power Distance and Masculinity. Both showed Significance values lower than 0,05. They are both making an important contribution to the model and they predict brand reputation significantly well. To find out to what degree each predictor affects the outcome, we inspected the Beta values. If the country score of power distance increased by 1 unit, the reputation of McDonald's would decrease by 0,009 units. There is a negative relationship between this predictor and our outcome variable. The more unequally is the power distributed within a country, the lower is the expected reputation of a franchise brand. In other words, if the less powerful people in a society did not accept unevenly dispersed power and they considered themselves rather equal, then the fast-food franchise brand reputation levels would be predicted to be higher.

The other significant driver of our outcome variables is Masculinity. If the country was 1 unit more masculine, McDonald's reputation would increase by 0,024 units. The degree to which a society is based on masculine values like assertiveness, control and heroism, has a significant effect in predicting the levels of franchise brand reputation. Our model expects McDonald's reputation to be worse if the country is oriented on cooperation, quality of life and gender equality.

The other cultural dimensions turned out to be insignificant when determining reputation of a fast-food restaurant in a certain country. The degree of uncertainty avoidance, the level of individualism and whether is the country long-term or short-term

oriented do not significantly determine brand reputation.

Based on the findings from the additional model of our cultural analysis we can conclude that if McDonald's were to expand internationally, we would recommend the managers to focus on masculine societies with low power distance in order to achieve higher levels of brand reputation. The societies are for instance Ireland, Japan or Italy (Hofstede, 2001; Hofstede et al., 2010).

We ran the same multiple regression analysis with all the cultural dimensions as predictor variables for *Burger King* as well. All of our independent variables together explain 3,4% of the variation in brand reputation. Only one cultural dimension had Significance value lower than 0,05 and that is Uncertainty Avoidance. This tells us that only this variable is a significant driver of the reputation of Burger King. If the uncertainty avoidance of a society went up by 1 unit, brand reputation would increase by 0,014 units. If a country tends to exist under strict laws and rules and the society members enjoy highly structured environment, our model predicts better reputation for this fast-food franchise brand. In other words, the higher the degree to which people in a country feel uneasy about uncertainty and doubtfulness, the higher the brand reputation.

The other variables in this analysis, Power Distance, Individualism, Masculinity and Long-Term Orientation, do not seem to make a significant contribution to the model. None of these help predict the level of brand reputation in a country. When determining reputation of Burger King it is not influential whether there is a big inequality between the members of a society, whether the dominant aspect of a country is a group or an individual, whether is the society masculine or feminine and whether it is oriented on traditional values or the future. The only cultural dimension that is a significant driver of brand reputation is the degree of uncertainty avoidance.

Considering the results from this analysis for Burger King we can draw a conclusion that if this fast-food restaurant were to expand internationally, we would advise the managers to center their attention to countries with high index of uncertainty avoidance. This is because out model predicts that Burger King could obtain higher levels of reputation there. The examples of these countries are Japan, Argentina or Romania. (Hofstede, 2001; Hofstede et al., 2010)

6. Conclusions and Managerial Implications (Barbora Micuchova, Claudia Maria Muresan)

6.1. Conclusions

Franchising is a business arrangement between two companies where the franchiser receives royalty fees from the franchisee for the right to use his trademark and offer his goods and services in a marketplace for a specific time period (Lafontaine, 1992). In this contractual agreement the owner of the company provides the partner with the entire business model, operating method, marketing strategies and he grants him a constant ongoing support (Kostecka, 1986).

In our paper we focus on service franchising in fast-food industry. We analyzed brand reputation of two fast-food franchise brands, McDonald's and Burger King. Reputation is considered one of the crucial attributes for evaluating company's achievements. It represents the impressions various stakeholders have about its performance and the connections they make related to the firm. This valuable intangible asset offers the company an essential competitive advantage because it is hard to replicate (Fombrun and Rindova, 2000).

In our cross-cultural analysis we studied the drivers and the consequences of customer-based reputation of these two global restaurants, McDonald's and Burger King. We examined the level of perceived brand reputation in three European countries. Due to their general diversity we chose Germany, Turkey and Slovakia to be the focus of our investigation. As a framework for the comparison of franchise brand reputation across countries we used five cultural dimensions created by Geert Hofstede.

Now, after having conducted the statistical analysis, we are able to answer the four research questions we had previously formulated.

Research Question nr. 1: *Is there significant difference in McDonald's and Burger King brand reputation between Germany, Turkey and Slovakia?*

We examined the perceived brand reputation in the above-mentioned countries and compared it. Based on the results obtained from ANOVA we can conclude that there is no significant difference in McDonald's and Burger King's brand reputation between

Germany, Turkey and Slovakia. The homogenization of brand reputation can be explained by a trend called Americanism or Westernalization of the cultures. American values are spreading internationally influencing the world. Products with this country of origin carry the unchanged image across societies. We also believe that the reputation level remained the same due to the growing phenomenon called globalization. Both franchisers, McDonald's and Burger King, are global market players considering the world one marketplace where the products are offered to global consumers that have common needs, habits and preferences.

Apart from comparing brand reputation, we also looked at other constructs to get a better idea of the similarities and differences between our three countries.

We discovered that in *Germany th*e customers are the least satisfied with the dining experience and the least loyal to McDonald's and Burger King out of all three countries. We believe that this is partially because Germans are price sensitive consumers and they are not willing to pay higher price for any fast-food. Their intentions for word-of-mouth are also low. The reason why they do not tend to recommend fast-food brands is because they are fairly health-conscious. Also, they are a developed country and not as easily influenced by American values and their products. However, purchase intention was still found to be relatively high for both brands.

In *Turkey* we observed the lowest brand satisfaction with McDonald's and Burger King. This Muslim country has a different cultural background with weaker connection to American values. Moreover, due to their religion they are not allowed to eat pork. Turkish customers also have the lowest intention to dine at both restaurants and we observed low levels of brand commitment as well. This is because one can easily find local substitute products like kebab, dönner etc. and Turks actually prefer familiar local fast-food chains.

For McDonald's and Burger King in *Slovakia* we observed the highest brand and experience satisfaction among all countries. Slovaks are also the most loyal customers and they scored the highest on their intentions for future purchase. We also found the highest levels of word-of-mouth in this country. We believe that the reason is the historical development of Slovakia. It is an ex-communist society and due to the transition people are nowadays more enthusiastic about American products. Especially young Slovaks, who are the main target market of fast-food franchise brands, are

idolizing Western countries and have favorable attitudes towards globally offered goods and services because of the image and the values they represent. They are willing to pay a higher price to eat in these restaurants because for them McDonald's and Burger King stand for a modern American lifestyle.

Research Question nr. 2: *What are the drivers of brand reputation of McDonald's and Burger King in the three countries?*

We formulated two hypothesis related to this question:

H1: *Brand Satisfaction has a significant influence on Brand Reputation.*

H5: *Experience Satisfaction has a significant influence on Brand Satisfaction.*

	Germany		Turkey		Slovakia	
	McDonald's	BK	McDonald's	BK	McDonald's	BK
Hypothesis 1	✓	✓	✓	✓	✓	✓
Hypothesis 5	✓	✓	✓	✓	✓	✓

Table 19 - Hypotheses 1 and 5 (Conclusion)

We conducted simple regression analysis and found out that both H1 and H5 were confirmed in case of both brands, McDonald's and Burger King, in all three countries, Germany, Turkey and Slovakia. In other words, we conclude that the higher the satisfaction with the dining experience at the restaurant, the higher the overall brand satisfaction. And subsequently, the higher the brand satisfaction of the customers, the better the brand reputation of the fast-food franchise restaurant.

Therefore, in all three countries, the drivers of brand reputation are the satisfaction with the brand directly and the satisfaction with the dining experience and other tangible attributes of the restaurant indirectly. We also observed some differences between the countries especially in the strength of the confirmed relationship between the predictors and the level of brand reputation. In Germany customers evaluate fast-food mainly based on their satisfaction with the brand and the quality of the food and the services provided. In Turkey and Slovakia there are also other important factors influencing the perceived brand reputation. These could include the image of the country of origin and

the values it portrays. However it is generally applicable that the more content the consumers feel with the ambiance of the fast-food restaurant, the more favorable attitude towards brand it creates.

Research Question nr. 3: *What constructs are significantly influenced by the brand reputation of McDonald's and Burger King in the three countries?*

We formulated three hypotheses in order to determine the consequences of brand reputation:

H2: *Brand Reputation has a significant influence on Brand Loyalty.*

H3: *Brand Reputation has a significant influence on Word-of-Mouth.*

H4: *Brand Reputation has a significant influence on Purchase Intention.*

	Germany		**Turkey**		**Slovakia**	
	McDonald's	BK	McDonald's	BK	McDonald's	BK
Hypothesis 2	✓	✓	✓	✓	✓	✓
Hypothesis 3	✓	✓	✓	✓	✓	✓
Hypothesis 4	✓	✓	✓	✓	✓	✓

Table 20 - Hypotheses 2, 3 and 4 (Conclusion)

Based on our analysis all three hypotheses were commonly confirmed. That is to say, all three constructs are significantly influenced by brand reputation. In other words, if the reputation of McDonald's and Burger King improved, the commitment to the brand would get stronger, the intentions for word-of-mouth would go up and the probability of dining again at these fast-food restaurants would increases.

We however observed some differences between the three countries related to how well brand reputation predicts brand loyalty, word-of-mouth and purchase intention. In Germany, apart from brand reputation, customers take into consideration factors like prices, personal dining experience at the restaurant and the quality of the food and services in order to commit to the brand and recommend it to others. However, since

these fast-food chains have a reputation of being convenient, open almost non-stop, and the customers know what to expect from the food on the menu, their intentions for repeated purchase are relatively high. People in Turkey and Slovakia are willing to talk about a global franchise brand that has a good reputation and patronize it. Moreover, Slovaks get easily committed to a Western brand because of the reputation and the image reflecting values of American culture.

Research Question nr. 4: *Are the cultural aspects in the context of Hofstede's dimensions significantly influencing brand reputation of McDonald's and Burger King?*

In order to answer the fourth research question we formulated 5 hypotheses:

H6: *Power Distance has a significant influence on Brand Reputation.*

H7: *Individualism has a significant influence on Brand Reputation.*

H8: *Masculinity has a significant influence on Brand Reputation.*

H9: *Uncertainty Avoidance has a significant influence on Brand Reputation.*

H10: *Long-Term Orientation has a significant influence on Brand Reputation.*

	McDonald's	BK
Hypothesis 6	✓	✗
Hypothesis 7	✓	✗
Hypothesis 8	✓	✗
Hypothesis 9	✓	✗
Hypothesis 10	✗	✗

Table 21 - Hypotheses 6, 7, 8, 9 and 10 (Conclusion)

In case of McDonald's four out of five hypotheses were confirmed. Power distance, Individualism, Masculinity and Uncertainty Avoidance significantly influence brand reputation in a country. We found negative relationship in case of two variables, Power

Distance and Uncertainty avoidance. If the power is distributed equally and the distance between more powerful and less powerful people is small, brand reputation of McDonald's in that country is predicted to be higher. The more unstructured and tolerant of new different ideas a country is, the higher is the expected level of brand reputation. When it comes to Individualism, our results showed that the more self-oriented and independent people in a society are, the higher is the level of reputation of McDonald's. And finally, if a culture's main characteristics are assertiveness and male power, the predicted brand reputation is better than if a country's fundamental attributes were compromise and cooperation. The direction of orientation of a country, either on the past or on the future, is not a significant factor in determining brand reputation of a fast-food franchise restaurant.

Based on our analysis for Burger King, we had to reject all of our five hypotheses. None of the cultural dimensions individually predict the level of brand reputation of this fast-food restaurant significantly well. We therefore conducted an additional multiple regression analysis.

In order to determine the effect of the cultural characteristics when they interact with each other in predicting brand reputation, we administered further analysis including all of them in one model. In case of McDonald's, two cultural dimensions turned out to have a significant impact on the level of brand reputation in a country. The strongest effect was observed with the variable Masculinity and we also found a significant negative relationship between Power Distance and Brand Reputation. The more equally is the power dispersed in a country, the better McDonald's brand reputation. Additionally, the more is a society based on masculine values, the higher is the level of this fast-food franchise brand reputation.

In case of Burger King we found one cultural dimension significantly predicting brand reputation level in a country. This influential driver of our outcome variable was Uncertainty Avoidance. The more the people in a country prefer living in a highly-structured society with strict regulations and guidelines, the better is Burger King's predicted brand reputation.

6.2. Managerial Implications

We believe that the slight dissimilarities we obtained in the results for McDonald's and for Burger King occurred because even though both brands are established globally and are fairly famous, Burger King is still a brand with a rather weaker reputation. Among other reasons, it is because brand reputation is evaluated by the customers related to the reputation of a rival brand in the market (O'Rourke, 2011). In our thesis we focus mainly on the differences between three countries, Germany, Turkey and Slovakia, and therefore we are going to give some managerial implications according to this conceptual structure at first. Then towards the end, we are going to state some general and cultural implications for managers of a franchise brand in a fast-food market.

Germany

In order to increase brand commitment of a franchise restaurant with a slightly weaker reputation, the managers should introduce special offers and work on improving the food quality and the location of the franchise branch to gain competitive advantage over the rivals.

If they want to increase the word-of-mouth, they have to focus on other factors rather than brand reputation because it does not induce people to talk about the brand and recommend it to others. We believe that word-of-mouth is significant because keeping customers satisfied is crucial to the long-term prosperity of the business. Should it happened that the customers get disappointed by the quality of the services, they will not only stop purchasing the products from this business but they will also probably try to actively persuade others to stop using their services as well (Gilbert et al., 2004).

If directors of a fast-food chain wanted to convince customers to dine more frequently in their restaurant, they would have to work on improving brand reputation. In order to improve it, the managers should concentrate on increasing satisfaction of the consumers by improving the quality of the offered products. When it comes to low-involvement products, especially food, Germans can be characterized by being nationalistic and quality-oriented. They have a tendency to purchase local goods to support German producers and also, they are conscious about the safety and health issues connected with the food consumption. Managers of franchise restaurants need to make sure to always offer high quality healthy food and uniquely position it in the fast-food market.

Additionally, it is recommended in the literature to always search for a local partner when establishing a fast-food business therefore franchising is a preferred type of foreign investment in Germany (Department of Foreign Affairs and International Trade, Canada, 2011).

Turkey

If the managers of a less dominant brand on the market wanted to increase brand loyalty, they would have to improve the services provided, the quality of the meals and find a great location for the restaurant to obtain advantage over its competitors.

The management should take into consideration that if people hear others talk about the brand in a positive way, it encourages them to go try that restaurant. In order to create word-of-mouth, brand managers should come up with tools to improve brand reputation. This can be reached by using sponsorship as a marketing instrument to increase visibility and improve the image of the company. To keep the business successful it is essential to invest on a regular basis into marketing activities, equipment, workforce and structures in general to manage, improve and support good reputation of a company (O'Rourke, 2011). Uniquely positioning the company's product on the market and consistently transmitting a reliable image to the customers primarily achieve reputation. The projected message should emphasize the quality of the products and services offered to the public. The scholars also suggest that in order for the good reputation to be maintained, the organization should develop a marketing plan reminding the customers of the quality of their product offering and do everything possible to keep the consumers satisfied and meet their expectations (Maktoba, Williams Jr. and Lingelbach, 2009). If they make an effort to increase customer satisfaction with the brand, the probability that the customers will return to dine at the restaurant will rise.

Slovakia

Managers of a fast-food franchise brand should focus on improving brand reputation because it triggers the intentions for word-of-mouth which significantly influences the purchase decision. In order to improve the reputation, they should emphasize the country of origin and reinforce the American image portrayed by the brand. And if they wanted to increase satisfaction with the brand, especially in case of a brand with weaker reputation, they would have to improve the ambiance in the restaurant, better organize the seating and always make sure the dining area is clean and comfortable.

Also, we recommend brand managers to focus their marketing efforts on younger Slovaks because based on our findings, they are the main population purchasing fast-food. It is advisable to target this segment, try to satisfy their needs and thereby create stronger commitment to the brand. Lee and Tai (2006) suggest that promoting the goods to young audience by applying celebrity endorsement and emphasizing the elements of global consumer culture would bear fruit. The aim is to create an ideology, what the brand stands for, and stimulate the customers so that they identify with the values of the brand. A lot of people in transition societies purchase global brands for their symbolic value. The intangible attributes include status, increased self-esteem and the feeling of belonging to global consumer group. (Lee and Tai, 2006). We also believe introducing special offers, advantages to returning customers, discounts or using other promotional tools would create positive word-of-mouth, improve brand reputation and eventually pay off in the long-run with higher revenue.

General recommendations

Anderson and Fornell (2004) claim that it is impossible to achieve success without consistently satisfying customers. They explicitly stated that "it is not the amount of goods an services a company can produce that leads to its success as much as how well it satisfies its customers so they will return and keep the business growing" (Anderson and Fornell, 2004, p. 371).

In order to deliver qualitative services and keep customers satisfied, managers first need to know how their customers evaluate the services. This can be found out by using SERVQUAL, a well-known international measuring instrument created by Parasuraman et al. (1988). This consists of five dimensions of service performance: tangibles, reliability, responsiveness, assurance and empathy.

Another dimension of brand/experience satisfaction is the cost of service. This factor includes both monetary and non-monetary costs of services. Here we also notice the vast cultural differences between American consumers and some European countries (Copenland and Griggs, 1985; Hall, 1966 cited by Lee and Ulgado, 1997). The cultural differences are portrayed in what the fast-food restaurants stand for in each of the countries. In the USA it stands for 'time is money' (Copeland and Griggs, 1985; Hall and Hall, 1990). In other words, the western consumers want to spend as little time and money as possible and due to this, prices are an important driver of brand/experience

satisfaction. In contrast to Americans, in some European countries dining is considered more of a social occasion and are willing to invest more time and effort in this experience (Lee and Ulgado, 1997).

In order to improve the overall perception of a fast-food restaurant and its standing against its competitors, the managers should focus on improving the customers' satisfaction with the dining experience. It would be beneficial to put air-conditioning during summer, to open more cash-registers to avoid being overcrowded during peak season and make sure to incorporate tools of sales promotions or discounts to attract customers. Training staff and constantly monitoring and improving the quality of the food is also important. Other tangibles associated with dining out are the location of the franchise branch, parking possibilities and children's area on the restaurant's premises. Delivering quality services is a key. Many marketing scholars agree that the quality of the performed services is crucial for managerial success. High quality services create competitive advantage and therefore lead to higher future revenues. In the long run, it is essential to keep customers satisfied in order to build brand loyalty (Gilbert et al., 2004). We believe that managers of both brands in all three countries should focus on improving the customer loyalty because our findings imply that the commitment levels are rather low.

Cultural implications

Each global brand represents a specific image. They carry particular values that attract consumers. According to Asgary and Walle, people search for a certain meaning in the products they consume based on which they make their final purchase decision. Some of them even use those goods as tools of self-expression. An image, that each global brand portrays, differs from one culture to another. For example, McDonald's reflects different values in America, its country of origin, and in emerging markets. In the USA it could be described by three adjectives: cheap, fast and convenient. In emerging markets, on the other hand, it stands for an appreciated presentation of American culture where the customers sometimes even keep small items like straws, plastic cups and/or napkins as presents (Asgary and Walle, 2002). The brand image and reputation varies across societies. We conducted an analysis to find out which attributes of a culture influence how people perceive a brand and what attitudes they have towards it.

Based on our findings we can conclude that culture has a significant influence on the

reputation of a fast-food franchise brand and that brands with a better reputation and a more established position on the market (McDonald's) tend to have higher levels of reputation in masculine counties with lower power distance. On the other hand, fast-food restaurants with a slightly weaker reputation and a less dominant position in the marketplace (Burger King) tend to have better reputation in countries with high uncertainty avoidance.

6.3. Limitations

No matter the character of the study, whether it is experimental or descriptive, it will always suffer of some limitations.

With regards to the methodology we should first start with the questionnaire. As stated earlier in the thesis, the design layout and appearance is crucial in a self-administered questionnaire. This could improve the response rate but also the quality of the responses obtained (Wilson, 2006). A better-organized questionnaire with the proper spacing and page layout might ensure us with responses of a higher quality and thus improve the applicability of our results. The sample size is also a great determinant of the quality of our results. 30 respondents per country are not enough to begin with but we also have to take into consideration the population of the country and calibrate accordingly (Craig and Douglas, 2005). We could also improve the sampling method used and, instead of convenience sampling, use a probabilistic sample in order to be able to compute the sampling error (Wilson, 2006). We would like to include in category of methodology also the lack of previous research on the specific topic we are discussing in this thesis. This circumstance also gives our paper its exploratory character.

Another issue could be the category of products chosen for the research. Low involvement products are not as relevant as the process of purchasing furniture or electronic appliances, which would provide us with a more accurate perception of the consumers' mind, helping us better understand which, how and to what extent factors influence reputation.

When conducting a research project across different countries, the researcher always runs the risk of perceiving differences in the evaluation of the research instrument or stimuli instead of different response styles incurred by culture (Steenkamp et al., 1999;

Craig & Douglas, 2005). This could be solved by adopting the emic approach, meaning that the cultural differences are addressed and studied (Craig and Douglas, 2005).

Our last concern is directly related to Hofstede's cultural dimensions. As Jones states in his 2007 paper "such a groundbreaking body of work does not escape criticism" (Jones, 2007, p. 1) we have fond that many scholars express their criticism towards parts of Hofstede's work, such as Fang (2003) or as a whole, Baskerville (2003). Despite of this, scholars and authors that support Hofstede's framework are far more numerous (Jones, 2007; Soares et al., 2007), us included.

Concluding this section, we would suggest that, in the future, further research should be conducted in order to confirm our results but also broaden the knowledge on the subject and provide the managerial world with more precise insights. We would also recommend improving the questionnaire and all the limitations mentioned above with an extra recommendation, to be undertaken outside the European boarders.

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8. Appendix

8.1. Table of Abbreviations

Abbreviation	Full Word
Sig.	Significance
MC	McDonald's
CSR	Corporate Social Responsibility
IFA	International Franchising Association
CIA	Central Intelligence Agency
IMF	International Monetary Fund
BK	Burger King
Vol.	Volume
pp.	Pages

8.2. Reliability analysis

Brand Reputation	Cronbach's Alpha	
	McDonald's	*Burger King*
overall perception of all experiences	,958	,953
perception compared to other franchise restaurants	,959	,953
good long-term future	,960	,952
good market standing	,960	,953
high visibility	,962	,954

Brand Satisfaction	Cronbach's Alpha	
	McDonald's	**Burger King**
satisfaction with restaurant	,957	,953
pleasure with restaurant	,958	,952
favorably disposed towards restaurant	,957	,952
brand experience positive	,957	,952

Purchase Intention	Cronbach's Alpha

	McDonald's	Burger King
highly likely dine at brand again	,958	,953
intend to dine in future	,964	,958

Word-of-Mouth	Cronbach's Alpha	
	McDonald's	**Burger King**
recommend to dine at franchised restaurant	,957	,951
recommend to dine out	,957	,951
gladly talk about experiences	,961	,953
seek other franchised restaurants to patronize	,962	,955

Brand Loyalty	Cronbach's Alpha	
	McDonald's	**Burger King**
commit to patronize	,957	,952
willing to pay higher price	,957	,954
buy brand next time dining out	,961	,951
intention to keep purchasing brand	,962	,953
values of system match my own	,957	,951
brand and I appear to share similar values	,957	,952

Experience Satisfaction	Cronbach's Alpha	
	McDonald's	**Burger King**
satisfaction with dining experience at this restaurant	,958	,952
pleased with dining experience at this restaurant	,957	,952

experience created favorable feeling towards brand	,957	,951
experience excellent at this restaurant	,958	,951
content with experience at this restaurant	,957	,951

8.3. Abstract (English)

Nowadays, more and more service firms expand their operations internationally by the means of the most common form of foreign investment, franchising. In our thesis we concentrate on brand reputation, an essential intangible asset of any company. We conducted a cross-cultural study carried out in three European countries, Germany, Turkey and Slovakia, to compare the reputation levels of two global fast-food companies, McDonald's and Burger King. Further we analyzed the drivers and the consequences of customer-based reputation and we determined the strength of the established relationships. Consequently, in the second part of our empirical analysis, we addressed a very important issue concerning the impact of cultural attributes on the level of brand reputation of fast-food franchise companies. As a framework we used five cultural dimension developed by Geert Hofstede.

According to the results, there was no difference found in McDonald's and Burger King brand reputation between Germany, Turkey and Slovakia. We believe this occurred due to globalization, which transforms the world into one big market where the global customers have common values, needs and preferences.

Our results show that the main significant predictor of brand reputation is the customer satisfaction with the brand. This construct comprises the intangible associations and values consumers connect with the fast-food brand. There has also been found an indirect relationship between the perceived reputation of McDonald's and Burger King and the physical dining experience at the restaurant. Our analysis confirmed that a good ambiance in a fast-food diner increases customers' overall satisfaction with the brand, which in turn creates a favorable reputation.

Our findings further reveal that a good brand reputation has a significant impact on the level of customers' commitment to the brand, their intentions for word-of-mouth and it also influences the purchase decision they make. The analysis provides valuable

insights on the importance of the reputation of a brand in achieving success in the fast-food market.

Furthermore we tested the effect of cultural characteristics on how is a fast-food brand perceived in a society. We discovered that brand reputation of McDonald's is predicted to be higher in countries with low Power Distance and high Masculinity. On the other hand, Burger King's reputation improves if the branch is located in a society with high Uncertainty Avoidance. Overall, our results provide support for the cultural influence on the level of reputation of a fast-food franchise brand across countries.

In the last part of our thesis we offer some managerial implications recommending steps and strategies for fast-food managers considering expanding their business to Germany, Turkey and/or Slovakia.

8.4. Abstract (German)

Heute, immer mehr Dienstleistungsunternehmen erweitern ihre Tätigkeit international mittels der am häufigstem verwendeten Form von Auslandsinvestitionen, und zwar Franchising. In unserer Arbeit konzentrieren wir uns auf das Markenimage, ein wesentlicher immaterieller Vermögenswert eines jeden Unternehmens. Wir haben eine Kulturvergleichsanalyse vorgenommen, welche in drei europäischen Ländern durchgeführt wurde, Deutschland, Türkei und Slowakei, um die Ruf Ebenen der beiden globalen Fast-Food-Unternehmen, McDonalds und Burger King, zu vergleichen. Weiter haben wir die Auslöser und die Folgen der Kunden-basierte Reputation analysiert und die Stärke der etablierten Beziehungen bestimmt. Folglich, in dem zweiten Teil unserer empirischen Analyse sind wir ein sehr wichtiges Thema eigegangen, die Auswirkungen der kulturellen Attribute auf der Niveau der Reputation von Fast-Food-Franchise-Unternehmen. Als Rahmen haben wir die fünf kulturelle Dimensionen von Geert Hofstede verwendet.

Den Ergebnissen nach, wurde keinen Unterschied in Reputation der beiden Marken zwischen Deutschland, Türkei und Slowakei gefunden. Wir glauben, dies geschah im Zuge der Globalisierung, welches die Welt in einem großen Markt verwandelt, wo die globalen Kunden gemeinsame Werte, Bedürfnisse und Vorlieben haben.

Unsere Ergebnisse zeigen, dass die wichtigsten signifikanter Prädiktor für das Markenimage ist die Kundenzufriedenheit mit der Marke. Dieses Konstrukt umfasst die immateriellen Assoziierungen und Werte, welche die Verbraucher mit der Fast-Food-

Marke verbinden. Es wurde auch eine indirekte Beziehung zwischen dem wahrgenommenen Ruf von McDonalds und Burger King und der physischen kulinarisches Erlebnis im Restaurant gefunden. Unsere Analyse bestätigt, dass ein gutes Ambiente in einem Fast-Food-Diner erhöht die allgemeine Zufriedenheit der Kunden mit der Marke, die wiederum einen guten Ruf erhöht.

Unsere Ergebnisse zeigen weiter, dass eine gute Image der Marke einen bedeutenden Einfluss auf den Markentreue Niveau der Kunden, ihre Absichten für den Mund-zu-Mund Geste aber auch auf die Kaufentscheidung hat. Die Analyse liefert wertvolle Erkenntnisse über die Bedeutung der Ruf einer Marke um Erfolg auf der Fast-Food-Markt zu erreichen.

Außerdem haben wir die Wirkung von kulturellen Besonderheiten auf der Wahrnehmung einer Fast-Food-Marke in der Gesellschaft getestet. Wir haben entdeckt, dass das Markenimage von McDonalds absehbar höher ist in Ländern mit geringer Machtdistanz und hoher Männlichkeit. Auf der anderen Seite, Burger Kings Ruf verbessert, wenn sich die Filiale in einer Gesellschaft mit hoher Unsicherheitsvermeidung befindet. Insgesamt bieten unsere Ergebnisse Unterstützung für den kulturellen Einfluss auf den Rufniveau eines Fast-Food-Franchise-Marke in den einzelnen Ländern.

Im letzten Teil unserer Arbeit bieten wir einige Managementempfehlungen wie Schritte und Strategien für den Fast-Food Manager welcher sich eine Expansion ihres Geschäfts in Deutschland, Türkei und / oder Slowakei überlegt.

8.5. Questionnaire

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Sehr geehrter Franchise-Kunde,
sehr geehrte Franchise-Kundin,

vielen Dank, dass Sie an dieser wichtigen Befragung zu Ihren Erfahrungen mit diesem Franchise-Restaurant teilnehmen. Seien Sie versichert, dass im Rahmen der Auswertung dieser Befragung keinerlei Rückschlüsse auf Ihre individuellen Antworten gezogen werden. Die erhobenen Daten dienen ausschließlich wissenschaftlichen Zwecken. Bitte geben Sie bei der Beantwortung der Fragen Ihre ehrliche Meinung an.

Die Beantwortung dieses Fragebogens wird ungefähr 10 Minuten in Anspruch nehmen.

Nochmals *vielen Dank* im Voraus für Ihre Unterstützung.

Teil 1: In diesem Abschnitt möchten wir Sie fragen, wie Sie über **McDonald's** Franchise-Fastfood-Restaurantkette <u>allgemein</u> denken. Bitte schauen Sie sich die folgenden Aussagen an und kreuzen Sie jeweils das Kästchen an, das Ihre Meinung am besten wiedergibt.

	Stimme überhaupt nicht zu	Stimme nicht zu	Stimme eher nicht zu	Neutral	Stimme eher zu	Stimme zu	Stimme voll-kommen zu
Mein Gesamteindruck, im Hinblick auf alle meine Erfahrungen mit diesem Franchisesystem, ist sehr gut.	☐	☐	☐	☐	☐	☐	☐
Mein Gesamteindruck bezüglich dieses Franchisesystems, im Vergleich zu seinen Konkurrenten, ist sehr gut.	☐	☐	☐	☐	☐	☐	☐
Ich glaube an eine gute langfristige Zukunft für dieses Franchisesystem.	☐	☐	☐	☐	☐	☐	☐
Ich glaube, dass die Marktposition dieses Franchisesystems gut ist.	☐	☐	☐	☐	☐	☐	☐
Die Wahrnehmbarkeit dieses Franchisesystems am Markt ist hoch.	☐	☐	☐	☐	☐	☐	☐

Teil 2: In diesem Abschnitt wird nach Ihrer Meinung zu Ihren Erfahrungen mit **McDonald's** Franchise-Fastfood-Restaurant als Marke gefragt. Betrachten Sie bitte die folgenden Aussagen und kreuzen Sie jeweils das Kästchen an, das Ihre Meinung am besten wiedergibt.

	Stimme überhaupt nicht zu	Stimme nicht zu	Stimme eher nicht zu	Neutral	Stimme eher zu	Stimme zu	Stimme voll-kommen zu
Ich bin mit diesem Franchise-Fastfood-Restaurant zufrieden.	☐	☐	☐	☐	☐	☐	☐

	Stimme überhaupt nicht zu	Stimme nicht zu	Stimme eher nicht zu	Neutral	Stimme eher zu	Stimme zu	Stimme vollkommen zu
Dieses Franchise-Fastfood-Restaurant gefällt mir. ········	☐	☐	☐	☐	☐	☐	☐
Ich stehe diesem Franchise-Fastfood-Restaurant positiv gegenüber.	☐	☐	☐	☐	☐	☐	☐
Meine Erfahrungen mit dieser Marke waren positiv. ····	☐	☐	☐	☐	☐	☐	☐
Alles in allem ist es sehr wahrscheinlich, dass ich bei dieser Fastfood-Restaurant-Marke tatsächlich wieder essen werde.	☐	☐	☐	☐	☐	☐	☐

Beabsichtigen Sie, in naher Zukunft wieder bei **McDonald's** Fastfood-Restaurant-Marke zu essen? Ja ☐   Nein ☐

	Stimme überhaupt nicht zu	Stimme nicht zu	Stimme eher nicht zu	Neutral	Stimme eher zu	Stimme zu	Stimme vollkommen zu
Ich würde anderen Leuten empfehlen, bei dieser Fastfood-Restaurant-Marke zu essen. ··························	☐	☐	☐	☐	☐	☐	☐
Ich würde dieses Franchisesystem anderen Leuten empfehlen, die daran interessiert sind, auswärts zu essen.	☐	☐	☐	☐	☐	☐	☐
Ich würde gern mit anderen Leuten über meine Erfahrungen mit dieser Restaurant-Marke reden. ··········	☐	☐	☐	☐	☐	☐	☐
Ich würde gerne andere Franchise-Fastfood-Restaurants ausfindig machen, bei denen ich Kunde werden könnte.	☐	☐	☐	☐	☐	☐	☐
Ich hänge daran, bei dieser Franchisemarke Kunde zu sein.	☐	☐	☐	☐	☐	☐	☐
Ich wäre bereit, einen höheren Preis zu zahlen, um bei dieser Franchisemarke zu essen, als bei anderen Marken.	☐	☐	☐	☐	☐	☐	☐

	Stimme überhaupt nicht zu	Stimme nicht zu	Stimme eher nicht zu	Neutral	Stimme eher zu	Stimme zu	Stimme vollkommen zu
Ich werde bei dieser Marke kaufen, wenn ich das nächste Mal auswärts esse.	☐	☐	☐	☐	☐	☐	☐
Ich beabsichtige, weiterhin bei dieser Marke zu kaufen.	☐	☐	☐	☐	☐	☐	☐
Ich fühle, dass die Werte dieses Franchisesystems meinen eigenen Werten entsprechen. ···························	☐	☐	☐	☐	☐	☐	☐

Diese Marke und ich scheinen ähnliche Werte zu teilen.··	☐	☐	☐	☐	☐	☐	☐

TEIL 3: In diesem Abschnitt möchten wir Ihre Meinung zu Ihren Marken-Erfahrungen in **McDonald's** speziellen Restaurant (unter all den Standorten dieser Franchise-Restaurantkette) erfahren. Bitte prüfen Sie die folgenden Aussagen und geben Sie Ihre Antworten, indem Sie das jeweils am besten passende Kästchen ankreuzen.

Zufriedenheit mit **McDonald's** Restaurant dieser Franchisekette:

	Stimme überhaupt nicht zu	Stimme nicht zu	Stimme eher nicht zu	Neutral	Stimme eher zu	Stimme zu	Stimme voll-kommen zu
Ich bin mit meinen bisherigen Erfahrungen, wenn ich in diesem Restaurant gegessen habe, zufrieden.	☐	☐	☐	☐	☐	☐	☐
Meine Erfahrungen mit diesem Restaurant gefallen mir gut.	☐	☐	☐	☐	☐	☐	☐
Meine Erfahrungen in diesem Restaurant haben bei mir eine positive Grundhaltung gegenüber dieser Marke entstehen lassen.	☐	☐	☐	☐	☐	☐	☐
Meine Erfahrungen mit diesem Restaurant sind hervorragend.	☐	☐	☐	☐	☐	☐	☐
Ich fühle mich zufrieden mit den Erfahrungen, die ich in diesem Restaurant gemacht habe.·····························	☐	☐	☐	☐	☐	☐	☐

TEIL 4: Fragen zur Einordnung:
Dieser letzte Abschnitt dient dazu, dass wir Ihre Antworten und die Antworten anderer Befragter in Bezug setzen können. Die Fragen sind nicht dazu gedacht, Sie in irgendeiner Hinsicht identifizieren zu können. Wir versichern ausdrücklich, dass Ihre persönliche Identität niemals offengelegt werden wird.

Ihr Geschlecht? ..... ☐ Männlich ☐ Weiblich   Ihr ungefähres Alter? .... _____ Jahre

Was ist Ihr höchster bisheriger Abschluss (Grund-/Hauptschulabschluss/Mittlere Reife/Abitur/abgeschlossene Ausbildung/Fachhochschulabschluss/Hochschulabschluss/Promotion)?
_____

Marke dieser Franchise-Restaurantkette _____

Standort dieses Restaurants _____

Wie häufig essen Sie bei **McDonald's** Franchise-Restaurantkette?
_____

Wie oft essen Sie pro Woche auswärts? _____

Was sind Ihre drei Lieblingsartikel auf der Speisekarte dieser Franchise-Restaurantkette?

[1] _____ [2] _____
[3]_____

Haben Sie Anmerkungen für das Forschungsteam?

Vielen Dank für Ihre Teilnahme an dieser Umfrage!

8.6. Curriculum Vitae

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Personal Information

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Academic Background

2009-2012   *International Business Administration, major in International Marketing (Master's Degree)*, University of Vienna, Austria

Summer Semester 2011   *International Economics,* Universidad Autónoma de Madrid, Spain

Winter Semester 2007   *International Business, major in International Marketing,* Marymount University, Arlington, USA

2006 – 2009   *International Business Consultancy, major in International Marketing and Sales (Bachelor Degree),* University of Applied Sciences, Wiener Neustadt, Austria

Work Experience

January – June 2012   *AB Asset Management, k.s, Bratislava, Slovakia*
Online marketing manager assistant
Website design organization

February – December 2010   *Public Media Trading, s.r.o., Bratislava, Slovakia*
Marketing assistant
International marketing research

September '08 – June '09   *Ravak, s.r.o., Bratislava, Slovakia*
Member of a marketing team
Creating marketing plan to enter the Austrian market

January – June 2008   *Geodet-Team, s.r.o., Bratislava, Slovakia*
Administrative assistant
Customer service

February 2007   *Rena Promotion, s.r.o., Bratislava, Slovakia*
Assistant in promotional events
Promotion of new products to customers

Other Qualifications

Languages	Slovak	Native
	Czech	Bilingual (C2)
	English	Bilingual (C2)
	Spanish	Advanced (C1)
	German	Advanced (C1)
	French	Medium (B1)
	Polish	Basic (A2)

Certificates
FCE Cambridge Certificate
CAE Cambridge Certificate
Oxford Certificate, Adult Advanced Level 5
IELTS, International English Language Testing System
German Language Certificate of the Standing Conference of
German Ministers of Education and Cultural Affairs, Level II

Computer skills Microsoft Office, SPSS, Stata, Linux (Open Office Software), GIMP