



## THE EFFECT OF CORPORATE REPUTATION ON BUYING BEHAVIOUR AND BRAND LOYALTY: A RESEARCH ON SHELL&TURCAS CORPORATION<sup>1</sup>

### *KURUM İTİBARININ SATIN ALMA DAVRANIŞINA VE MARKA SADAKATİNE ETKİSİ: SHELL&TURCAS ÜZERİNE BİR ARAŞTIRMA*

Doç. Dr. Gülay Öztürk<sup>2</sup>, Yrd. Doç. Dr. Hilal Özdemir Çakır<sup>3</sup>  
 İstanbul Ticaret Üniversitesi, İletişim Fakültesi,  
 Halkla İlişkiler Bölümü,  
 İstanbul

**Abstract:** In this study, the effect of corporate reputation on buying behavior and brand loyalty is discussed. As known before, positive corporate reputation affects buying behavior and brand loyalty positively. A survey has been conducted among the fuel customers of Shell&Turcas Petrol Corporation which is chosen as the most admired company in energy and petrochemical sector for eight times by Capital Magazine for the “Turkey’s Most Admired Companies” research between the years 2005-2009. In order to test the perceptions about the firm’s reputation and its effect on buying behavior and brand loyalty. The results of the survey indicated that brand loyalty and buying behavior of the customers of the corporation are effected by the positive corporate reputation of the firm.

**Keywords:** *Corporate reputation, Reputation management, Buying behavior, Brand loyalty*

**Özet:** Bu çalışmada kurum itibarının satın alma davranışına ve marka sadakatine olan etkisi tartışılmaktadır. Olumlu bir kurumsal itibar, hem satın alma davranışını, hem de marka sadakatini olumlu yönde etkilemektedir. Bu doğrultuda, her yıl Capital Dergisi tarafından düzenlenen, “Türkiye’nin En Beğenilen Şirketleri” araştırmasında, 2005-2009 yılları arasında, akaryakıt sektöründe üst üste sekiz kez birinci seçilen Shell&Turcas Petrol A.Ş.’nin petrol müşterileri üzerinde, firmanın itibarı ile ilgili algılamaları ve bu algılamaların satın alma davranışına ve marka sadakatine olan etkisini ölçmek üzere bir anket uygulanmıştır. Çalışmanın sonunda, firmanın pozitif itibarının müşterilerin satın alma davranışına ve marka sadakatine etkisi olduğu görülmüştür.

**Anahtar Kelimeler:** *Kurum itibarı, İtibar yönetimi, Satın alma davranışı, Marka sadakati*

### Introduction

We are living in an environment where market conditions are continuously changing. Consumers are surrounded with a big variety of products that have almost the same quality. In this century; price and quality of products is not the only reason of preference. Corporations have to differentiate themselves from their rivals. They should pay more attention to their images and reputations.

<sup>1</sup> Presented at the poster session at the Reputation Institute 13th International Conference on Corporate Reputation, Brand, Identity and Competitiveness, May 28th – 30th 2009, Amsterdam.

<sup>2</sup> gulay@ticaret.edu.tr

<sup>3</sup> hozdemir@ticaret.edu.tr

Reputation management seems to be an important concept for management approaches. Reputations of companies not only affect the perceptions of the consumers about the images of the companies; but it seems to affect the consuming choices of the consumers and therefore the financial performance of the companies. Consumers tend to buy the products and services of the companies that have good reputation because they think that those companies produce high quality products. Also positive reputation can create brand loyalty (Booker and Serenko, 2007: 1427).

For companies which sell products or services that are functionally equivalent, corporate reputation can be a major factor which influences consumer choice. Beer, cola and petrol and washing powders are the products of some of these companies. Petrol companies argue that their identities and images play an important part in generating sales (Dowling, 1994: 45).

The main purpose of the study is to test the effect of corporate reputation on buying behavior and brand loyalty among fuel users who prefer a well known fuel brand, Shell&Turcas Petrol Corporation. The firm is chosen as the most admired company in energy and petrochemical sector for eight times by Capital Magazine for the "Turkey's Most Admired Companies" research between the years 2005-2009. Also an interview is made with Shell&Turcas's Brand and Communication Manager in order to get information about the reputation management and brand loyalty programs to check whether the findings of the survey is appropriate with the given information.

The paper is composed of three sections. In the first section, theoretical background of our research is presented: the concepts of reputation and reputation management; relationship between reputation management and financial performance, effect of reputation management on brand loyalty and buying behavior. The second section consists of the reputation management of Shell&Turcas Petrol Corporation and a survey about the reputation of the company and its effect on brand loyalty and buying behavior. In the third section, the study is concluded with a summary of the results.

### **1.Theoretical Background**

According to Fombrun and van Riel (2003), corporate reputation is a collective representation of a company's past actions and results that represents the company's ability to deliver valued outcomes to stakeholders. Corporate reputation also determines a company's relative standing both internally with employees and externally with its stakeholders, in both its competitive and institutional environment (Campiranon, 2007:4).

Corporate reputation is an important measure of corporate success. It is the most important strategic and valuable a company can possess. Businessman and scholars agree that reputation is the ultimate corporate asset that business strives to achieve. Corporate reputation is critical because its perceptions affect both financial and nonfinancial results (Shamma, 2007: 52).

According to Fombrun and Van Riel; corporate reputation has six dimensions: social responsibility, emotional appeal, products and services, workplace environment, vision and leadership and financial performance. The researches about corporate reputation perceptions indicates that among all those dimensions, products and services, social responsibility and financial performance have the greatest effect on reputations of the companies (Fombrun and Van Riel, 2004: 53).

Healthy corporate reputation requires a good reputation management process. According to Marconi (2002), reputation management is the orchestration of initiatives designed to promote and protect its corporate reputation, which should be recognized as one of the company's most important assets. Moreover, reputation management also aims to help shape an effective corporate image as well (Campiranon, 2007:4).

Reputation management is a results oriented management function that seeks to leverage reputation as an asset, enlisting important stakeholder groups, including employees, consumers, communities and investors, to assist the organization in the achievement of its strategic design, and seeking to minimize the resistance of these groups to legitimate management objectives (Marconi, 2002: 45).

The relevant literature time and again points out that the reputation of the company must be purposefully managed so that it becomes the best possible source of sustainable competitive advantages and can fully develop its potential for increasing corporate value. This task more or less requires that integral and long-term concepts are in place within the framework of integrative reputation management, which should extend over all areas of management, including resourcing, production, distribution, financing, human resources, etc (Wiedmann and Buxel, 2005: 150).

The essential facets of reputation management are identifying reputation objectives, measuring reputation and controlling reputation. Some of the objectives of reputation management are development of a positive image, improvement of customer relationships, heightening of customer satisfaction and loyalty, acquiring new customers and increase of profits. (Wiedmann and Buxel, 2005:153).

Although reputation may be strongly influenced by corporate ethical behavior, it seems obvious that a major factor affecting a firm's reputation is its financial performance. (Nakra, 2000: 35). Since the 1990's research has shown how reputation can be a strategic resource for a company that can affect its financial performance (Weiewi, 2007: 58).

Business school researchers and Fortune magazine have proven that companies with better reputations have better financial performance, measured in part, by ten years return to investors, Economic Value Added (EVA) and Price to Earnings Ratios (Nakra, 2000: 37).

Brand loyalty and buying behavior are the two concepts that have strong association with the financial performance of the corporations. Many factors affect consumer buying behavior and one of these factors can be the reputation of the company. As the liberalization of the world markets continues, communications get faster and the pace of technological innovations increases, people are being confronted with more information and more choices than they can possibly handle in the time available. To simplify their purchase decisions, buyers are demanding more information about the corporation and its reputation in the market prior to making commitment to their brands or products (Nakra, 2000: 36).

Additionally the link between reputation and customer loyalty deserves more attention. Andreassen and Lindestad (1998) argued that corporate image-part of reputation- is an antecedent to customer loyalty. Later, it was concluded that reputation may be loyalty's strongest driver (Booker and Serenko, 2007: 1427).

According to Groenland, a positive corporate reputation has, for instance, a positive influence on consumer trust in the respective company. With regard to customers, previous studies suggest that corporate reputation exerts an influence on loyalty, all of which can positively or negatively affect firm profits (Walsh et al, 2006: 415).

For the trade sector, Davies et al. have proven that corporate reputation plays a decided role in customer satisfaction and brand loyalty. Within the framework of a study of public utility companies, Walsh et al. , on the other hand, were able to prove that there is a direct connection between corporate reputation, customer satisfaction, and customer switching behavior. A variety of further publications, studies and practice reports however, also provide empirical evidence with regard to the strategic importance of corporate reputation in a competitive market environment, in particular in view of the potential for providing positive

support for a sustainable competitive edge and the financial success of a company (Wiedmann and Buxel, 2005: 145).

In addition to this, consumers use reputation as a means of inferring quality of the product. Also in the early years of a new product-especially a capital good, whose reliability and durability may take years to demonstrate- users and competitors often have little other information on which to base their actions. Having a good reputation also insures that high quality firms will be larger and have more customers since fewer customers will depart from high quality firms in the long run and more will arrive because of word-of mouth activity from other customers (Herbig and Milewicz, 1993: 20).

The value of a firm's overall reputation is easily seen in its relationship to a firm's revenues: as a firm's reputation increases, so do its sales. A firm with a good overall reputation owns a valuable asset-"goodwill": brand names, corporate logos and brand loyalty. To have become successful and hence profitable, brands must have developed a positive reputation. Buyers tend to use brand names as signals of quality and value and often gravitate to products with brand names they have come to associate with quality and value (Herbig and Milewicz, 1993: 22).

Most of the researchers found that a strong corporate reputation increases customers' confidence in products and services, advertising claims and in the buying decision. Via better consumer retention, firms can achieve price premiums and higher purchase rates. Taking into consideration that companies showing strong reputation have better access to capital markets, which decreases capital costs and lowers procurement rates, it is obvious that a company's profitability *ceteris paribus* grows with a better reputation (Schwaiger, 2004: 50).

The reputation effect on sales is stronger when the company's reputation is based on core competencies (e.g. product quality or innovation) rather than on perceptions of its social responsibility. A good reputation improves a company's credibility and transfers positive effect from the company to the product, whereas a poor reputation detracts from product sales (Fombrun and Van Riel, 2004: 9).

As a result, the literature within the reputation field suggests that there is a link between corporate reputation, buying behavior and brand loyalty. Chun (2005) has argued that satisfaction and loyalty may be either antecedents or consequences of reputation (Booker and Serenko, 2007: 1427). Therefore we can claim that the reputation management and consequently the firm's reputation affect the buying behavior and the brand loyalty.

## **2.The Research**

There are two main methods used in the research. Firstly, an interview has been made with Hicran Kurnaz, Brand and Communication Manager of Shell&Turcas Petrol Corporation in Turkey, to get information about the reputation management of the company and the brand loyalty programs. Secondly, a survey has been conducted in order to test the effect of reputation management on brand loyalty and buying behavior among the consumers of the corporation.

### **2.1. The Interview**

According to the interview that has been made with the Brand and Communication Manager of the Corporation, it can be mentioned that there are some basic points of the reputation management of the firm. First of all, customers are of vital importance in reputation management of Shell. The motto is "Smiling customers every day every time." Every member of Shell has the same purpose. The company trains its employees 7 days 24 hours in order to achieve this purpose. Training is the same for every employee.

Reputation is being measured for every three months. Reputation researches are being conducted with the participation of universities, opinion leaders and journalists. Some results of these researches are listed as follows:

1. Familiarity: Opinion leaders are well-informed about Shell, Petrol Ofisi and BP. Petrol Ofisi and Shell have the highest top box score; creating high level of familiarity.

2. Favorability: Shell is the strongest brand in terms of creating favorability with 72% of positive feelings followed by BP & Opet (58% & 57%).

The company seeks why the customers prefer Shell Company, what makes them pleased about the company, what their complaints are and why they preferred their rivals. If the company is good, then it thinks about how it will keep this position. If some messages are evaluated as negative or as an opportunity; the company does different researches about these messages.

The company is being perceived as middle aged, respectable to the environment, honest, male, successful, manager, technologic and high quality. The managers continually look for ways to reduce the environmental impact of the firm's operations and services. They make use of every opportunity in order to show the responsible behavior about social events.

Shell&Turcas's social responsibility principles are as follows:

- 1) The company focuses on sustainable social investments rather than one-time investments.
- 2) These investments are not used as an advertising tool. The company didn't want to be exposed very much in media with these investments but by the year 1996, it has been decided that those investments has to be announced.
- 3) There are three areas of social responsibility initiatives: education, culture and arts and environment. The company has many practices in these areas.

Sustainability is the company's global strategy. The company wishes to be perceived as respectable to the environment, respectable to the public, technologic, honest, decent, legalist and environmentalist. The company is judged by how it acts: its reputation is upheld by how it put into practice their core values of "honesty, integrity and respect for people."

The company's customers are talking with the company because the company is open to them. The company gives the longest answers to the complaints of its customers. Every word of customers is important for the company. The customers of the brand know that the fuel of the company is high quality but they know that if something happens to them, the firm will solve the problem.

CEO of the company has a direct effect on reputation of the company. CEO is not only the leader of the employees; she is the leader of a big customer and distributor network. She is the humanized form of the Corporation and she is a role model for the employees.

Another important thing about reputation management is the firm's consistency. The company doesn't have a team responsible for reputation management. There's a system and the system is not in the grip of a team. That shows how professional people manage the company.

If the firm's reputation with its rivals is compared, it can be mentioned that Shell&Turcas is beyond the sector. The company is in front of other rivals. A foreign rival came closer to the company five years before.

Thereon, the company analyzed the existing reports very carefully. They tried to find out where they made a mistake; the things that they couldn't understand and what they could do to gain on.

There are many practices of the company in order to create brand loyalty. Investing 500 millions dollars each year for fuel economy which it assumed as part of its social responsibility, the company also undersigns several training projects to raise awareness among the drivers about the importance of fuel economy while developing fuel economy formulated products aiming to make the vehicles consume less fuel for the same distances and contribute to the saving efforts.

*Shell Fuel Economy Marathon* is a project implemented with the same purpose. The fuel economy marathon launched first in 6 countries for raising awareness among the drivers on fuel economy and last year it has gone into service of Turkish drivers. In the framework of Shell Fuel Economy Marathon which started on June 4<sup>th</sup>, 2008 and lasted 2 months, 200 volunteer drivers were trained about how to drive with less fuel, and contribute to save both the environment and the economy.

Another activity for creating brand loyalty is Shell Smart Cards. Those are created for customers. By using their card each time, they purchase Shell fuels on-site and earn points with which they can win some gifts. Smart Card is the thanking of Shell&Turcas to its customers and it's the first and the most extensive bonus program of the fuel sector in Turkey.

## **2.2. The Survey**

A survey has been conducted among Shell&Turcas fuel customers to determine the perceptions about the reputation of the firm and the effect of reputation on buying behavior and brand loyalty.

### **2.2.1. Sampling**

Participants include a total of 100 fuel users in İstanbul selected with the method of random sampling. It was considered that in order for the participants to have a view about Shell brand, it is necessary that they use or already have used this brand. In this framework, the participants were first asked about their status of using the Shell brand fuel. The survey is not applied to the people who don't prefer the Shell brand.

### **2.2.2. The Content of the Survey**

The survey consists of four main parts: a) Reputation measurement of Shell Company b) Brand Loyalty Scale c) Buying behavior d) Demographic information of participants.

During the research, the scale developed by Charles Fombrun and his friends ( Fombrun, Gardberg and Sever, 2000,p.242) was used to measure corporate reputation of Shell brand. The scale consisted of 20 statements measuring corporate reputation in 6 subscales (emotional appeal, products and services, financial performance, vision and leadership, workplace environment, and social responsibility). Participants responded each statement by choosing the most representative one from 5 point likert scale (strongly agree=5; strongly disagree=1). Cronbach  $\alpha$  values of the subscales (ranged from .79 to.94) in this study showed they were reliable.

The scale was used for measuring the brand loyalty is adapted by Saim Saner Ciftyıldız and Nihal Sututemiz from the studies of Bloemer and Schröder (2003), Lockshin et al. (1997), Beatty et al. (1988), Cronin et al. (2000), Hauscknecht, (1988), Brady et al. (2001) and Mittal and Lassar, (1998)' (Ciftyıldız and Sututemiz, 2007, p.43).

The scale was used by researchers after being developed with additional statements. While the original scale included 5 statements, 2 statements was added into the scale used in the research. Accordingly, the scale included a total of 7 statements. The scale consisted of statements about " positive recommendations", " repeating buying behavior", "tendency to pay more money", " reputation of the brand",

“preference of the other brands” and “loyalty to the brand” .Participants responded each statement by choosing the most representative one from 5 point likert scale (strongly agree=5; strongly disagree=1).

Results of factor analysis (varimax rotated; KMO=,83 Barlett’s Test  $p<0,01$ ; total variance explained 57%) confirmed that the scale consisted of one dimension and Cronbach  $\alpha$  value of the scale (.87) showed it was reliable.

### 2.2.3. Findings

The socio-demographic profile of the respondents showed that more than half of the respondents were male (65%). More than half of the respondents (59%) were between the ages of 25-35 and 70% of the respondents were undergraduates and graduates.

49% of the respondents indicated they use Shell brand fuel continuously while 51% expressed their choice for other brands of fuel. 50% of the consumers who indicated using Shell brand fuel continuously pointed out that they buy Shell brand fuel 4 times or more per month. On the other hand 41% of the consumers who expressed their choice for other brands said they buy Shell brand fuel once a month or never.

56% of the consumers who continuously use Shell fuel have been buying Shell brand for more than 4 years. This rate is 52% respectively for the people who prefer other brands. On the other hand, 24% of the consumers who prefer other brands have been using Shell fuel for less than 1 year, while this rate is very low (2%) for the consumers who use Shell fuel continuously.

Results of the research indicate that the loyalty of consumers of Shell&Turcas is at the middle level. According to assessment of consumers, the dimension at which Shell brand is assessed as the most positive in terms of corporate reputation is financial performance; while the dimension at which the brand is assessed relatively negative is social responsibility. Social responsibility is the only dimension that was assessed as partially positive. It is observed that assessments for other dimensions are at a level close to positive level (Table 1).

According to the results of correlation analysis, it is observed that all the variables have a significant level of relation with each other. Brand loyalty and all the corporate reputation dimensions are in positive correlation with each other at middle level ( $0,40<r<0,70$ ). The dimensions that have relatively strong correlation with brand loyalty are vision and leadership and products and services while the ones that have relatively weak correlation with the brand loyalty are workplace environment and financial performance (Table 1)

**Table 1: Correlation Matrix**

	M	SD	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Brand Loyalty	3,23	0,85	1,00						
(2) Emotional Appeal	3,80	0,82	0,64**	1,00					
(3) Products and Services	3,72	0,76	0,66**	0,74**	1,00				
(4) Social Responsibility	3,30	0,93	0,62**	0,54**	0,58**	1,00			
(5) Vision and Leadership	3,55	0,93	0,69**	0,56**	0,63**	0,51**	1,00		
(6) Workplace Environment	3,72	0,64	0,47**	0,50**	0,47**	0,44**	0,44**	1,00	
(7) Financial Performance	3,98	0,70	0,50**	0,54**	0,52**	0,25*	0,57**	0,40**	1,00

\* $p<0,05$  \*\* $p<0,01$

“T test” was used in order to find out whether the findings changed according to the consumer preferences of Shell brand. The analysis indicated that average values obtained from all the dimensions

presented significant differences depending on whether consumers preferred Shell brand continuously or not. Evaluations about dimensions made by consumers who prefer Shell brand continuously are significantly higher than evaluations made by consumers who do not prefer Shell brand continuously (Table 2)

**Table 2: Differences in Mean Values According to Consumers' Brand Preference**

<i>Loyalty and Corporate Reputation</i>	<i>Consumers who use Shell brand continuously</i>		<i>Consumers who do not use Shell brand continuously</i>		<i>t test</i>	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>t</i>	<i>p</i>
Brand Loyalty	3,76	0,71	2,77	0,72	6,31	0,00**
Emotional Appeal	4,17	0,62	3,52	0,87	3,87	0,00**
Products and Services	4,05	0,60	3,47	0,78	3,82	0,00**
Social Responsibility	3,61	0,99	3,03	0,81	2,91	0,00**
Vision and Leadership	4,05	0,86	3,08	0,76	5,46	0,00**
Workplace Environment	4,04	0,60	3,48	0,54	4,46	0,00**
Financial Performance	4,18	0,50	3,48	0,54	3,03	0,00**

$p=0,00<0,01$

During the research, multiple regression analysis was made to observe impact of corporate reputation dimensions on brand loyalty. For the regression analysis, Stepwise Regression Model was preferred, which constitutes the regression model by choosing from among the independent variables that affect dependent variable the most. The dependent variable of the research was brand loyalty while independent variables were all the dimensions of corporate reputation.

As a result of the regression analysis, three significant models were obtained. Among the three models was chosen the one that has highest explanatory power on dependent variable. According to the model chosen, independent variables explain 62% of the variations in brand loyalty. Among independent variables in the model, dimensions of vision and leadership, social responsibility, and emotional appeal are observed as effective on brand loyalty. All the variables make positive impact on brand loyalty. Among the variables, vision and leadership dimension is the one that affects brand loyalty the most. Levels of effect of the two other dimensions are equal to each other (Table 3).

**Table 3: Results of the regression analysis regarding brand loyalty**

	<i>Beta</i>	<i>St.Error</i>	<i>St.Beta</i>	<i>t</i>	<i>p</i>	<i>VIF</i>
(Constant)	0,074	0,269		0,273	0,785	
Vision and Leadership	0,367	0,073	0,402	5,013	0,000	1,602
Social Responsibility	0,244	0,072	0,268	3,399	0,001	1,551
Emotional Appeal	0,277	0,085	0,269	3,273	0,001	1,688

$R=0,784$ ;  $R^2=0,615$ ;  $F=51,181$ ,  $p=0,00<0,01$

The regression analysis was repeated considering the consumers who declared they use Shell brand continuously. Two significant models were obtained as a result of the analysis. According to the model that has the highest explanatory power on dependent variables, independent variables explain 61% of the variations in brand loyalty. Among independent variables in the model, dimensions of products and services, and emotional appeal are observed as effective on brand loyalty of consumers who use Shell brand continuously. All the variables make positive impact on brand loyalty. Among the variables, products and services dimension is the one that affects brand loyalty the most (Table 4).

**Table 4: Results of the regression analysis regarding brand loyalty of consumers who prefer Shell brand continuously**

	<i>Beta</i>	<i>St.Error</i>	<i>St.Beta</i>	<i>t</i>	<i>p</i>	<i>VIF</i>
(Constant)	-0,473	0,565		-0,838	0,408	
Products and Services	0,681	0,140	0,572	4,844	0,000	0,743
Emotional Appeal	0,353	0,134	0,312	2,638	0,012	0,743

R=0,778; R<sup>2</sup>=0,606; F=29,174, p=0,00<0,01

The regression analysis was repeated considering the consumers who declared they use a brand other than Shell continuously. Two significant models were obtained as a result of the analysis. According to the model that has the highest explanatory power on dependent variables; independent variables explain 61% of the variations in brand loyalty. Among independent variables in the model, dimensions of social responsibility and financial performance are observed as effective on brand loyalty of consumers who use a brand other than Shell continuously. All the variables make positive impact on brand loyalty. Among the variables, products and services dimension is the one that affects brand loyalty the most (Table 5).

**Table 5: Results of the regression analysis regarding brand loyalty of consumers who do not prefer Shell brand continuously**

	<i>Beta</i>	<i>St.Error</i>	<i>St.Beta</i>	<i>t</i>	<i>p</i>	<i>VIF</i>
(Constant)	0,193	0,489		0,395	0,695	
Social Responsibility	0,484	0,106	0,544	4,542	0,000	0,965
Financial Performance	0,297	0,113	0,315	2,627	0,012	0,965

R=0,678; R<sup>2</sup>=0,459; F=16,560, p=0,00<0,01

### Conclusion

Results of the research indicate that loyalty of consumers of Shell brand is at the middle level. According to assessment of consumers, the dimension at which Shell brand is assessed as the most positive in terms of corporate reputation is financial performance. Financial performance is a significant dimension of corporate reputation. Consumers and customers believe that Shell brand has a good market share. The dimension at which brand is assessed relatively negative is social responsibility. The reason of this finding can be that Shell doesn't communicate its social responsibility practices enough. Also Shell is a firm that doesn't want to be exposed in media very much with these practices and they don't want to advertise those practices. Therefore, the finding of the research supports the corporate principles of the company.

Another finding of the research is; brand loyalty and all the corporate reputation dimensions are in positive correlation with each other at middle level. The dimensions that have relatively strong correlation with brand loyalty are vision and leadership and products and services.

The dimensions that have relatively weak correlation with the brand loyalty are workplace environment and financial performance. Workplace environment is about well management, being an appealing place to work for and perceptions about the quality of the employees. This dimension of the reputation can be evaluated as a dimension that has to be less related to the brand loyalty compared with other dimensions. The result is in accordance with this evaluation. However a contradiction can be observed about the financial performance dimension. The most positively evaluated dimension of reputation is financial performance but financial performance has relatively weak correlation with the brand loyalty.

It has been analyzed whether the findings changed depending on whether consumers preferred Shell brand continuously or not. The analysis indicated that evaluations about dimensions made by consumers who prefer Shell brand continuously are significantly higher than evaluations made by consumers who do not prefer

Shell brand continuously. Also, the brand loyalty of the consumers who buy Shell brand continuously is more than the consumers who don't prefer the brand continuously. The effect of a positive reputation on brand loyalty and buying behavior can be obviously seen in these results.

If the effect of reputation dimensions to brand loyalty is analyzed; it can be observed that vision and leadership, social responsibility and emotional appeal dimensions are effective on brand loyalty. The most effective dimension is vision and leadership. It has been indicated that CEO was seen as a humanized form of Shell and CEO had an important role on reputation management. Therefore the result of the research is appropriate with this indication. It has been evaluated by consumers that Shell brand's vision is wide, the company continuously develops itself, it gives importance to its future investments and it is a leader brand in the world markets as it's known. There is a contradiction in social responsibility dimension as being the second dimension that affects the brand loyalty most.

As its known, social responsibility is the only dimension that was assessed as partially positive compared with other dimensions. It is also the second most effective factor that affects brand loyalty. Therefore, we can say that consumers both think that Shell is a brand that doesn't come into prominence with its social responsibility practices; also this factor is effective in their loyalty to the brand. As mentioned before, Shell doesn't want to come to the forefront with its social responsibility practices. So it's normal for participants as not integrating the brand with these practices. However we can say that Shell is a brand that appealed consumers with "the value that they give to the human" because Shell wants the consumers to decide themselves whether the company keep its word by making a trail of its products and also the firm proves that its practices are true by taking its customers along. That is effective on brand loyalty and buying behavior.

Among independent variables in the model, dimension of products and services are observed as effective on brand loyalty of consumers who use Shell brand continuously. As we remember, one of the dimensions that have relatively strong correlation with brand loyalty was products and services in the prior research. Here, same results are accomplished by means of effect. As is known, the quality of products and services is more effective on brand loyalty and buying behavior compared with the other dimensions. The quality of Shell's products creates brand loyalty.

The second dimension that affects the brand loyalty is emotional appeal. As is known, the values that come into prominence in Shell's reputation management are, "honesty and respect to the people". At the same time, there's a relationship based on mutual trust between Shell and its customers. It's a motto of Shell to listen to the customers and to please them. This creates an emotional relationship between the brand and its customers. Considering the customers who declared they use a brand other than Shell, dimensions of financial performance and social responsibility are observed as effective on brand loyalty of them.

In brief, it can be mentioned that Shell's reputation is assessed positively in general. The firm's positive reputation can be the indicator of well reputation management. Also it can be indicated that the reputation of Shell is effective on buying behavior and brand loyalty.

As mentioned before, for companies which sell products or services that are functionally equivalent, corporate reputation can be a major factor which influences consumer choice and petrol companies are one of those companies. Therefore, this limited research can be a pioneer for the researches that may be conducted including all petrol companies.

## References

- Booker, L. D, Bontis, N. and Serenko, A. (2007). The Mediating Effect of Organizational Reputation on Customer Loyalty and Service Recommendation in the Banking Industry. *Management Decision*, Vol.45.No. 9, 1426-1445.
- Campiranon, C. (2007). *Managing Reputation in Event Planning Companies*, [http://espace.library.a.u/eserv/UQ:7828/kc\\_em\\_06.pdf](http://espace.library.a.u/eserv/UQ:7828/kc_em_06.pdf), 21.02.2009
- Ciftyıldız, S.S and Sututemiz, N. (2007). The Effect of Consumer Interest to Brand Loyalty. *Kocaeli University-The Journal of Social Sciences*, 13,(1), 37-55.
- Dowling, G. R.(1994). *Corporate Reputations: Strategies For Developing The Corporate Brand*. Australia: Longman Professional.
- Fombrun, C , Gardberg, N and Sever, J (2000). The reputation quotient: A multi-stakeholder measure of Corporate Communication. *The Journal of Brand Management*, 7(4), 241-255.
- Fombrun, C and Van Riel, C. B.M. (2004). *Fame and Fortune: How Successful Companies Build Winning Reputations*, Pearson Inc.
- Herbig, P and Milewicz, J. (1993). The Relationship of Reputation and Credibility to Brand Success. *The Journal of Consumer Marketing*, 10,3, 18-24.
- Marconi, J.(2002). *Reputation Marketing: Building and Sustaining Your Organization's Greatest Asset*. U.S.A: Mc Graw Hill.
- Nakra, P. (2000). Corporate Reputation Management: "CRM"with a Strategic Twist?, *Public Relations Quarterly*, 35-42.
- Schwaiger, M. (2004). Components and Parameters of Corporate Reputation: An Empirical Study, *Schmalenbach Business Review*, ZFBF,56/1, 46-71.
- Shamma, H. M. (2007). 'A Stakeholders' Perspective for Examining Corporate Reputation: An Empirical Study of the United State Wireless Telecommunications Industry', PHD Dissertation, The George Washington University.
- Walsh, G, Dinnie, K and Wiedmann, K.P (2006). How Do Reputation and Customer Satisfaction Impact Customer Defection? A Study of Private Energy Customers in Germany *Journal of Services Marketing*, 20/6. 412-420.
- Weiwei, T. ( 2007). Impact of Corporate Image and Corporate Reputation on Customer Loyalty: A Review. *Management Science and Engineering*, Vol.1 No.2, 58, 57-62.
- Wiedmann, K.P and Buxel, H . (2005). Corporate Reputation Management in Germany: Results of an Empirical Study, *Corporate Reputation Review*. London: Vol. 8, Iss. 2, 145-163.