

Abstract

International franchising companies face the same challenges and obstacles as other international companies, saturated markets and stiff competition. They are seeking, therefore, other markets to grow and expand their business. One of the important resources when entering new markets is brand reputation. In international context, it is crucial for firms to understand that customer perceptions of brands might be varying due to cultural differences.

Even though the research on firm reputation is extant little attention was paid to the examination of cultural effects on those links. This study puts Central and Easter European Economies in focus and tests the effect of national culture on the link between perceived reputation and loyalty. We regard loyalty as a multidimensional construct and separate it into cognitive and affective loyalty. The hypotheses are tested on a sample of customers of two iconic U.S. fast-food chains and the empirical data provides a partial support of the hypotheses. In order to better understand the real behavior patterns of customers it is necessary to regard loyalty as a multidimensional construct and separate it into cognitive and affective loyalty

Key words: (Brand reputation, international franchising, cultural impacts, loyalty)