

Research Article

The Necessity of Corporate Image Specialization: Through the Case Study of Comparative Analysis between the Domestic and Overseas Market of Korean Company

Kim Insun

Graduate Department of Asia-Pacific Studies, Waseda University, Japan

Abstract: In Korea, conglomerates only began their overseas expansion after 1997 Asian financial crisis. However, their low image and brand recognition though was an obstacle prohibiting corporate growth and economic development. When we consider the conglomerates' enormous influence in the domestic economy, it is not only the continuous growth of the conglomerates that is at stake, but also the domestic economy and social stability. On this situation, this research focuses on concrete examples based on the actual conditions of the corporate image and find ways for that improvement under the economic system where the conglomerates are the backbone of the Korean economy. Using Hyundai Motor Company as the case study, a questionnaire survey was conducted with regards to the actual conditions of its corporate image competitiveness in the main markets of Korea (Monopoly market) and China (Foreign, Competitive market) by targeting potential consumers to find out their corporate image recognition towards HMC and its competitors. Using the empirical data on the actual condition of HMC's corporate image and the task of revising the approach to improving corporate image is clarified. Henceforth, this study went from prior researches until now that only looked at the fragmentary management strategic problems to the actual conditions of corporate image in main markets.

Keywords: Competitiveness, corporate image, domestic market (Korea), foreign market (China), Hyundai Motor Company (HMC), Korean conglomerates

INTRODUCTION

Countries around the world began to realize the importance of raising their competitiveness in the world market as competition intensifies in the advancement of globalization for industries and economies. In the Asian region:

- The increase in overseas expansion of companies in the context of insecurities toward the domestic economy due to the 1997 Asian financial crisis
- The entry of developing countries in the Asian region
- Furthermore, the global financial crisis accelerated the pace of overseas expansion towards Asia from the developed nations, further intensifying global competition

In the case of Korea, conglomerates, which are often called the bearer of the economy, began their overseas expansion after 1997. However, the changes in the local and overseas market environment required improvements in international competitiveness, the low image and brand recognition of the conglomerates was diagnosed to be the obstacle prohibiting corporate growth and economic development.

The importance of research regarding Korean conglomerates' company image can be mainly explained through 3 contexts. Firstly, the stubborn image regarding conglomerates within Korea that lead to the underestimation of their corporate activities and concerns toward continuous growth can be pointed out. In Korea, the industrialization process through the economic development policy was led by the government, hence establishing an economic system that is based primarily on a few conglomerates. And from the economic liberalization policies after 1980, conglomerates further expanded their influence of the domestic economy, nearly monopolizing various industries and positioned themselves as an integral and indispensable part of the Korean economic development. However, after the Asian financial crisis in the latter half of the 1990s caused conglomerates to go bankrupt causing the domestic economy into depression, the corrupt managerial structure were exposed. It has been criticized as the main cause of the depression. Whenever operations of the conglomerates are brought up, they are often branded as the marks of "political and economic collusive partnership", "free riders of income" and "illegal accumulation of wealth". Debates regarding the reforms needed in the conglomerate structure covers "the denial of

conglomerates” or “the futility of conglomerates” which often denies the existence of conglomerates themselves in the Korean economy. Even after going through the structural reforms led by the government under the IMF framework, conglomerates still remain in the center of the Korean economy. This further strengthened the Korean public’s negative image towards conglomerates due to shift their responsibility on a nation. As a result, the conglomerates’ negative images are brought up every time when the Korean economy is mentioned and is pointed out as the cause preventing continuous growth in them. Hence, the problem of Korean conglomerates’ corporate image in the domestic scene is singled out as the obstacle of conglomerates basing their development foundation on the domestic market and also as the main cause of negative influence on the development of the Korean economy which has a high dependency on foreign exports.

Secondly, the problem of the corporate image of conglomerates is recognized as an important theme not only in the domestic scene but also from the perspective of international competitiveness. The serious overseas expansion of the conglomerates after the 1997 Asian financial crisis was done without international competitiveness; low price was used as the weapon by focusing mainly on the expansion of the developing countries’ markets and low price markets. However, despite the efforts of quality improvement to promote international competitiveness from the side of the conglomerates, the expansion of the low price markets formed the low profit structure of the conglomerates’ main foreign markets. For the sake of the continuous growth of the conglomerates and the improvement of international competitiveness, the improvement of corporate image and brand recognition are taken to be important topics.

Thirdly, conglomerates’ corporate image problem can also be explained from the perspective of the trends of the international society. Accompanying the expansion of Capitalism’s market economy and the globalization of the market, the roles played by corporate grew bigger, various countries strengthened their regulations for multinational companies and their corporate activities are being observed, reported and evaluated by many organizations and media. Operating in such changes in the environment of the international society while, dealing with the international regulations, companies began to realize that recognition as a global company is the important key to win in this.

In the midst of the recognition that corporate image’s improvement is an important theme for the conglomerate’s development, especially after the Asian financial crisis, representative Korean conglomerates such as “Samsung”, “Hyundai” and others are considering improvement of company image and brand recognition through the recovery of trust in domestic

and foreign markets to be the most important challenges for future growth.

When we consider the fact that conglomerates’ enormous influence in the domestic economy, it is not only the continuous growth of the conglomerates that is at stake, but also for the sake of the domestic economy and social stability. Prior to discussing the efforts for the improvement of corporate image, it is necessary to elucidate the actual conditions of the corporate image problem. If the strategic activity for improving corporate image is based on the actual conditions of the corporate image in specific markets, criticisms of the tyranny of conglomerates’ market monopolization and labor exploitation in the domestic scene and the low profit structure in foreign markets can be defeated. At the same time, it is inferred that the construction of a corporate image that is respected and in harmony with the society is possible.

Hence, clarifying the actual conditions of corporate image in main markets by using conglomerates that exert a great influence on the Korean economy as representative examples is of vital importance in constructing strategies for its improvement.

Among them is “Hyundai Motor Company”. “Hyundai” went through industrialization in the 1970s and is positioned at the top of conglomerates, playing an extremely major role in the rapid growth of the Korean Economy. During the Asian financial crisis, HMC became independent and the strongest among the group to emerge even surpassing the size of the original Hyundai group. The company even contributed the most to the Korean economy through its proactive overseas expansion and other activities, making it a suitable subject of analysis as Korea’s representative conglomerate.

Especially since HMC started its local production in Beijing from 2002, its’ sales volume has increased. In 2009, China accounts for 37.4% (570,000) of the overseas sales volume of HMC, 42.4% (8 trillion 8,980 Won) of overseas sales revenue among others. The Chinese market performs an important role in the overseas market of HMC.

Objective of study: The importance of the corporate image problem of conglomerates and its influence towards the continuous development of the Korean economy is the premise of the researcher for understanding the actual conditions of corporate image in the in the domestic and global markets. Using HMC as a representative example, the actual conditions of corporate images’ market competitiveness in the domestic; Korean market (Monopoly market) and Foreign market; China market (Competitive market) is compared.

The comparison of the competitiveness of HMC in Korea and China can be examined from two perspectives. Firstly, through comparing the rating of

the corporate image of HMC in Korea and China, the characteristics of the corporate image of HMC in the domestic and main foreign market can be clarified. Secondly, by comparing the ratings of HMC and its competitors' corporate images in Korea and China, the competitive advantage of the corporate image of HMC in various markets can be understood.

In addition, in order to further improve the corporate image competitiveness in the main markets, the relevant actual conditions of corporate image is discussed based on the actual data.

Theoretical background of corporate image: Active researches regarding corporate images have been conducted in the field of sociology. Among them, Kunkel and Berry (1968) defined corporate image as "an important factor affecting consumers' sales action" and "consumers' general impression of the corporation". Marton and Boddewyn (1978) advocated the view that once consumers formed an image towards a subject, instead of relying on other sources of objective information regarding the subject (including product quality, design, price, ease of purchase, post-management etc.), they will base their actions on their pre-formed corporate action, stating that the formation of a positive corporate image is a highly relevant factor in deciding the purchasing actions of consumers.

The importance of corporate image can be further illustrated by comparing it with the sociological concept of corporate reputation. Corporate reputation is a factor affecting corporate economic benefits and alongside corporate image, it is considered to be one of the main means to achieve results in the corporate market. Cha (2005) explained that because mainly the related parties within the corporation form corporate reputation through a long period, it is difficult for it to be controlled by artificial or strategic causes. On the other hand, corporate image's formation time is shorter as compared to corporate reputation and is mainly formed and derived from the outside, manipulating it through artificial or strategic means is possible.

Furthermore, Oh (2002) etc., based on the premise that corporate image does not only possess a plus directionality, but could also possess a minus directionality, showed the importance of the formation of a positive corporate image. Relating to this, Han (1999) utilized schema theory in his analysis and argued that "it is possible to change corporate image through concrete actions and events".

These findings support the possibility of utilizing corporate image as a strategic tool for the strengthening of corporate market competitiveness. Due to technological revolutions and the intensification of market competition, products and services in different industries are undergoing a standardization of quality; corporate image is an important key to differentiate from the competition.

Once the importance of corporate image for the continuous growth of corporations was given emphasis, research activities clarifying the factors comprising corporate image to assess and improve corporate image began vigorously in academia. In particular, Brown and Dacin (1997) classified consumers' impression towards corporations (Corporate Associations), "Corporate Ability Associations: CA" that is related to the manufacturing of products and services and "Corporate Social Responsibility Associations" that is related to social problems. In addition, Jerry and Jacoby (1972) approach corporate image from the perspective of "information cue", "information cue" is taken as an item influencing consumers' action and is differentiated to the physical properties of each product called "intrinsic cues" and the symbolic images towards corporate brands called "extrinsic cues". And Ha (1999) differentiates the factors comprising corporate image to product related factors and non-product related factor.

Based on these past researches, the factors comprising corporate image can first be mainly separated into "product related corporate image factor" and "non-product related corporate image factor". And "product related corporate image factor" can be further differentiated into "corporate ability related corporate image factors" such as products' price, quality, technology and development etc and "industry specific image factor", which can be explained through the specific characteristics of the automobile industry including green cars development and market introduction. On the other hand, "non-product related corporate image factor" can be divided into "image factor related to general societal awareness" such as brand trustworthiness, affinity, domestic reputation and world brand recognition and "social contribution related image factor" including those ranging from recent corporate social contribution that performs a certain role in corporate image formation, return of benefits to society, local community problem solving etc.

RESEARCH METHODOLOGY

Research design: This study is descriptive; hence a cross sectional survey design was employed. The design is considered appropriate as it assisted in the comparison of the corporate image competitiveness of Korean companies in the domestic and overseas market.

Research instrument: The study used a well-structured questionnaires designed by the author to generate data from previous studies regarding the construction of corporate image, rating items and causes. Few questions were removed after pilot testing and discussing them with researchers (ex, items asking

employers within the company, the difficulty for potential customers to answer) to comply with the current study.

The main instrument is a 40 item questionnaires which measures HMC and competitors' brand, respondents freely wrote their favorite motor manufacturer and impression towards its corporate image. Responds for the statements was keyed using Likert statement with strongly agree-5, agree-4, not sure/undecided-3, disagree-2, strongly disagree-1 are logically employed to quantitatively reflect this order of marking.

Population and sample: The purposive and available sampling techniques were used to administer the

questionnaire. Firstly, in Korea from 2011 October 11 to November 10, 820 sets of questionnaires is distributed in the main universities in Seoul. As a result, 782 sets comprising 95% is collected, among the 746 judged to be analytically useful, in order to be true to the purpose of this research, 602 sets which has no experience of buying automobile is recounted. Within them, 21 to 30 years old account for 80.4% of all respondents and regarding the occupation, students (including graduate students) comprise 81.1% of all respondents.

On the other hand in China, from 2011 May 6 to May 22, questionnaire research is conducted at the main universities in Beijing. The number of questionnaires distributed is limited to a maximum of

Table 1: Factor analysis on the 20 items comprising corporate image

	Korea			China		
	Corporate ability and general social awareness related image factor	Corporate social contribution related image factor	Industry characteristic related image factor	Corporate ability and general social awareness related image factor	Corporate social contribution related image factor	Industry characteristic related image factor
Pricing suitability	0.370	0.423	-0.199	0.073	0.181	0.578
Quality	0.808	0.109	0.121	0.798	0.088	0.214
Technology	0.829	0.023	0.168	0.832	0.118	0.196
Development capabilities	0.721	0.093	0.264	0.771	0.134	0.228
Customer service attitude	0.628	0.301	-0.083	0.460	0.127	0.184
Product safety	0.774	0.163	0.086	0.795	0.136	0.155
Brand reliability	0.777	0.172	0.135	0.737	0.124	0.300
Brand affinity	0.568	0.106	0.057	0.708	0.193	0.118
World brand recognition	0.743	0.083	0.179	0.844	0.109	-0.009
Global market competitiveness	0.788	0.035	0.241	0.850	0.097	0.072
Domestic reputation	0.793	-0.050	0.162	0.789	0.113	0.133
Management transparency	0.131	0.529	0.156	-	-	-
Return of benefits to society	0.105	0.749	0.080	0.183	0.808	0.199
Local community problem solving	0.011	0.657	0.032	0.127	0.865	0.179
Participation in social contribution activities	0.092	0.776	0.079	0.154	0.868	0.202
Contribution to regional development	0.202	0.616	0.158	0.137	0.814	0.228
Maintenance of regional ecosystem	-0.092	0.710	0.316	0.163	0.673	0.473
Environmental pollution reduction in manufacturing process	0.151	0.437	0.591	0.220	0.395	0.720
Green car development ability	0.358	0.186	0.737	0.340	0.181	0.758
Green car market introduction	0.272	0.172	0.768	0.257	0.291	0.692
Eigen value	7.2480	2.8870	1.2240	8.4090	3.0790	1.0890
% of variance	36.242	14.436	6.1220	44.259	16.205	5.7320
Cumulative %	36.242	50.678	56.800	44.259	60.464	66.196
Reliability	0.9120	0.7870	0.7520	0.9150	0.9120	0.8320

200 per university; especially when visiting the research office, the numbers were limited to 30 and were collected 15 min after distributing. After distributing 630 questionnaire sheets, 606 were recollected which comprises 96.2%, the ones judged to be useful for statistical analysis was 541, furthermore, excluding those that answered positively for automobile purchasing experience and 496 questionnaire sheets were ultimately statistically analyzed. Out of the 496 respondents, 21 to 30 years old comprises 96.0% of the overall respondents and in terms of occupation, students (including graduate students) comprises 68.1%.

Hence, please keep in mind that the results of this survey used for the analysis below is based on collected data geographically limited to Korea's Seoul and China's Beijing, mainly targeted at the younger generation in their 20s, university students (including graduate students).

Data analysis: For quantitative analyses, SPSS 16 was used. In order to find out whether the average difference between the two groups of samples is statistically significant, independent sample t-test and paired t-test is applied for analysis.

Scale validation: Excluding survey items targeting the general public in the main market perceived to be difficult in the pilot test, factor analysis is performed on the 20 items comprising corporate image obtained through prior studies. The result obtained is the following three factors comprising corporate image and its reliability is shown in Table 1.

One of the factors is formed from 11 items of "pricing suitability", "quality", "technology", "development capabilities", "customer service attitude", "product safety", "brand reliability", "brand affinity", "world brand recognition", "global market competitiveness" and "domestic reputation". Respondents in both countries can be understood to equate an automobile company's corporate ability and general social awareness. And for "pricing suitability", it is included in other corporate image factors in the case of China and Korea. However, in Korea, the factor loading of "pricing suitability" can be seen as a corporate image factor that is related to corporate ability and because the subject of the current survey was people who had no automobile purchasing experience and lacks proper price information, it can be seen as being related to the corporate image's ability. Hence, these 11 items are named as "corporate ability and general social awareness related image factor". Reliability of "corporate ability and general social awareness related image factor" is 0.912 and 0.915, respectively in Korea and China.

The second factor can be named "corporate social contribution related image factor". Among them

"management transparency" is the main item affecting the formation of a corporate image in Korea and is included in "corporate social contribution related image factor" but in China, the image factor of "management transparency" is not included in any factor of corporate image formation, the factor load is also low (0.281, 0.161, 0.216), it is judged to be an irrelevant factor in the image formation of automobile corporations in China and is excluded. "Corporate social contribution related image factor" is made up of 6 items (5 in the case of China), "management transparency" (Korea only), "return of benefits to society", "local community problem solving", "participation in social contribution activities", "contribution to regional development" and "maintenance of regional ecosystem". The reliability of "corporate social contribution related image factor" in Korea and China were 0.787 and 0.912, respectively.

Thirdly, "environmental pollution reduction in manufacturing process", "green car development ability" and "green car market introduction" are classified into the "industry characteristic related image factor". "Industry characteristic related image factor" is respectively 0.752 and 0.832 in Korea and China in terms of their reliability.

Reliability analysis was conducted on the 3 image factors in Korea and China and as a result, the reliability of all items comprises of high values ranging from 0.752 to 0.915. In addition, the variance explanation rates of these 3 corporate image factors are each 56.8, 66.2%, respectively high, these indexes used on the current survey can be said to have a high validity.

RESULTS

Table 2 is the result of comparing the corporate image of HMC in Korea and China.

Firstly, "image factor related to corporate ability and general societal awareness" is seen to have statistically significant difference in Korea and China. ($t = -12.063$, $df = 1096$, $p < 0.01$) HMC is rated higher in China ($M = 3.2443$) as compared to Korea ($M = 2.7256$) in this factor, the difference is the largest in the other corporate image factors to be reviewed later. For the remaining 10 items excluding "world brand recognition" among the 11 items that formed "image factor related to corporate ability and general societal awareness", a significant difference is seen in the statistics between Korea and China. Even in these 10 items, HMC is rated higher in China than Korea.

Secondly, no statistically significant difference is found in "social contribution related image factor". However, in the detailed items comprising this factor such as "participation in social contribution activities" ($t = -2.562$, $df = 1096$, $p < 0.05$) and "contribution to

Table 2: Comparison of HMC corporate image in Korea and China

		Korea		China		t-value		p (sig.)	
Corporate ability and general social awareness related image factor	Pricing suitability	2.7256	2.9435	3.2443	3.6028	-12.06	-12.20	0.000	○
	Quality		2.8372		3.2560		-7.654		○
	Technology		2.6977		3.3509		-12.13		○
	Development capabilities		2.7060		3.3085		-10.75		○
	Customer service attitude		2.7741		3.3085		-9.255		○
	Product safety		2.7841		3.2137		-7.459		○
	Brand reliability		2.7342		3.3065		-9.557		○
	Brand affinity		2.5831		3.1270		-8.048		○
	World brand recognition		2.7724		2.8609		-1.490		○
	Global market competitiveness		2.7027		3.1069		-6.577		○
	Domestic reputation		2.4468		3.2460		-11.51		○
Corporate social contribution related image factor	Return of benefits to society	3.0276	3.0282	3.1036	3.1149	-1.736	-1.636	0.083	
	Local community problem solving		3.0515		3.0645		-0.245		
	Participation in social contribution activities		2.9551		3.0927		-2.562		○
	Contribution to regional development		2.9551		3.1230		-3.035		○
	Maintenance of regional ecosystem		3.1478		3.1230		0.452		
Industry characteristic related image factor	Environmental pollution reduction in manufacturing process	2.9225	3.0000	3.2863	3.2419	-7.744	-4.372	0.000	○
	Green car development ability		2.8870		3.3710		-8.518		○
	Green car market introduction		2.8804		3.2460		-6.459		○

“O” mark means: If $p < 0.05$

regional economic development” ($t = -3.035$, $df = 1096$, $p < 0.05$), statistically significant difference is found. In other words, “participation in social contribution activities” and “contribution to regional economic development” is rated higher in China than in Korea for HMC, but that difference is very small.

Thirdly, all the three items in “industry specific image factor” have statistically significant differences ($t = -1.736$, $df = 1096$, $p < 0.01$) in Korea and China. HMC is more highly rated in China ($M = 3.2863$) than Korea ($M = 2.9225$) in this factor. The difference is small compared to “Image factor related to corporate ability and general societal awareness”, but it is large when compared to the comparable items “contribution to regional development” and “contribution to regional economic development” in “social contribution related image factor”.

Hence, the corporate image of HMC is more highly rated in China than Korea.

Table 3 is the comparison of HMC and other competitor companies’ corporate image in the Korean market.

In Korea, among the three factors comprising corporate image, HMC only has a statistically significant difference as compared to other competitors in “Image factor related to corporate ability and general societal awareness” ($t = -5.265$, $df = 1202$, $p < 0.001$), HMC ($M = 2.7526$) can be said to be more highly

competitive as compared to its competitors ($M = 2.5939$). Furthermore, among the 11 items comprising “Image factor related to corporate ability and general societal awareness”, HMC possess a statistically significant difference in the 7 items “quality” ($t = -6.459$, $df = 1202$, $p < 0.05$), “technology” ($t = -4.095$, $df = 1202$, $p < 0.05$), “new product development capability” ($t = -3.371$, $df = 1202$, $p < 0.05$), “product safety” ($t = -5.009$, $df = 1202$, $p < 0.05$), “brand trustworthiness” ($t = -4.031$, $df = 1202$, $p < 0.05$), “world brand recognition” ($t = -5.566$, $df = 1202$, $p < 0.05$) and “global market competitiveness” ($t = -4.395$, $df = 1202$, $p < 0.05$) as compared to its competitors. HMC is rated more highly than its competitors.

In contrast, there is no statistically significant difference in “social contribution related image factor” for HMC and its competitors. However, for the 6 items comprising “social contribution related image factor”, statistically significant differences between HMC and its competitors can be found in “maintenance of regional ecosystem” ($t = -3.268$, $df = 1202$, $p < 0.05$) and “management transparency” ($t = -2.617$, $df = 1202$, $p < 0.05$), HMC is rated more highly in these items. This is especially true for “management transparency” that is more meaningful in the formation of corporate image in the Korean market; we can know that respondents differentiate between HMC from other competitors.

Table 3: Comparison of HMC and other competitor companies' corporate image in the Korean market

	Competitors	HMC	t-value	p (sig.)
Corporate ability and general social awareness related image factor	2.5939	2.7256	-5.265	0.000***
Pricing suitability	2.8987	2.9435	-1.033	
Quality	2.5565	2.8372	-6.459	○
Technology	2.7010	2.6977	0.089	
Development capabilities	2.5399	2.7060	-4.095	○
Customer service attitude	2.6379	2.7741	-3.371	○
Product safety	2.5797	2.7841	-5.009	○
Brand reliability	2.5548	2.7342	-4.031	○
Brand affinity	2.6777	2.5831	1.627	
World brand recognition	2.4950	2.7724	-5.566	○
Global market competitiveness	2.5017	2.7027	-4.395	○
Domestic reputation	2.3904	2.4468	-1.487	
Corporate social contribution related image factor	2.9856	3.0341	-1.954	0.051
Return of benefits to society	2.9834	3.0282	-1.275	
Local community problem solving	3.0598	3.0515	0.137	
Participation in social contribution activities	2.9402	2.9551	-0.408	
Contribution to regional development	2.9352	2.9551	-0.531	
Maintenance of regional ecosystem	3.0349	3.1478	-3.268	○
Management transparency	2.9601	3.0664	-2.617	○
Industry characteristic related image factor	2.8810	2.9225	-1.525	0.128
Environmental pollution reduction in manufacturing process	2.9352	3.0000	-1.865	
Green car development ability	2.8306	2.8870	-1.601	
Green car market introduction	2.8771	2.8804	-0.090	

“O” mark means: If $p < 0.05$

Table 4: Comparison of HMC and other competitor companies' corporate image in the China market

	Competitors	HMC	t-value	p (sig.)
Corporate ability and general social awareness related image factor	4.0792	3.2443	22.764	0.000***
Pricing suitability	3.4435	3.6028	-2.7720	○
Quality	4.2298	3.2560	19.153	○
Technology	3.9839	3.3508	8.1500	○
Development capabilities	4.1734	3.3085	17.021	○
Customer service attitude	4.0847	3.3085	15.700	○
Product safety	4.1149	3.2137	16.617	○
Brand reliability	4.1371	3.3065	16.171	○
Brand affinity	4.0464	3.1270	15.045	○
World brand recognition	4.1835	2.8609	21.235	○
Global market competitiveness	4.2480	3.1069	20.455	○
Domestic reputation	4.2258	3.2460	18.486	○
Corporate social contribution related image factor	3.1919	3.1036	2.4040	0.017*
Return of benefits to society	3.2056	3.1149	2.0010	○
Local community problem solving	3.1351	3.0645	1.6710	
Participation in social contribution activities	3.1996	3.0927	2.4490	○
Contribution to regional development	3.1976	3.1230	1.6140	
Maintenance of regional ecosystem	3.2218	3.1230	2.1380	○
Industry characteristic related image factor	3.5444	3.2863	5.9830	0.000***
Environmental pollution reduction in manufacturing process	3.4415	3.2419	3.9240	○
Green car development ability	3.6835	3.3710	5.9530	○
Green car market introduction	3.5081	3.2460	5.1500	○

“O” mark means: If $p < 0.05$

However, the difference in “management transparency” between other competitors and HMC is very little.

On the other hand, there are no statistically significant differences between HMC and other competitors in “industry specific image factor” and even in the 3 items of “industry specific image factor”, no statistically significant difference could be perceived between HMC and other competitors. In other words, consumers' attitude toward green car does not play an important role in the image formation towards automobile companies in the Korean market.

Thus, even though the corporate image of HMC in the Korean market can be seen to possess a higher market competitive advantage than other competitors generally, the difference is very little.

Table 4 is the comparison of the corporate image of HMC and other competitors in the China market.

HMC in China is in inferior position compared to its competitors in the 3 factors comprising corporate image. Firstly, there is a statistically significant difference ($t = 22.764$, $df = 990$, $p < 0.01$) between HMC and its competitors in “image factor related to corporate ability and general societal awareness and corporate ability”. Competitor ($M = 4.0792$) possessed a higher competitiveness as compared to HMC ($M = 3.2443$) in this factor, the difference is bigger even when compared with the other 2 companies' factors comprising corporate image described later. Furthermore, there are statistically significant

differences between HMC and other competitors even in the 11 items of “image factor related to corporate ability and general societal awareness and corporate ability”. Competitor companies are in a more advantageous position than HMC in all the items except for “pricing suitability”. Regarding “pricing suitability” in China, HMC ($M = 3.6028$) is superior to its competitors ($M = 3.4435$). On the other hand, except “pricing suitability”, there is a big gap between HMC and its competitors in the other 10 items where it cannot display a competitive advantage towards its competitors. Among them, the biggest gap between HMC and its competitors lie in the corporate image factors of “world brand recognition” ($t = 21.235$, $df = 990$, $p < 0.001$) and “global market competitiveness” ($t = 20.455$, $df = 990$, $p < 0.01$).

There is statistically significant difference ($t = 2.404$, $df = 990$, $p < 0.01$) in “social contribution related factor” between HMC and its competitors, the competitors ($M = 3.2532$) are more competitive than HMC ($M = 3.1036$). Among the 5 items comprising “social contribution related factor”, there are statistically significant differences between HMC and its competitors in “return of benefits to society” ($t = 2.001$, $df = 990$, $p < 0.05$), “participation in social contribution activities” ($t = 2.449$, $df = 990$, $p < 0.05$) and “maintenance of regional ecosystem” ($t = 2.138$, $df = 990$, $p < 0.05$). Although other competitors are rated more favorably in than HMC in the items of “return of benefits to society”, “participation in social contribution activities” and “maintenance of regional ecosystem”, the difference was very small.

There are statistically significant differences ($t = 5.983$, $df = 990$, $p < 0.01$) between HMC and its competitors’ corporate image in “industry specific image factor”, its competitors ($M = 3.5444$) has a higher competitiveness than HMC ($M = 3.2863$). In addition, there are statistically significant differences between HMC and its competitors in the 3 items comprising “industry specific image factor”, the competitors have a more advantageous position in all the 3 items as compared to HMC. However, the details are all small when compared to the detailed evaluative items in “image factor related to corporate ability and general societal awareness”.

Hence, in contrast to when in Korea, HMC cannot occupy an advantageous position as compared to competitors in China. Furthermore, the difference in gap is very huge.

DISCUSSION AND CONCLUSION

The research was done through a comparison between the domestic and Chinese market regarding the corporate image of HMC. First, as a result of comparing the corporate image of HMC in Korea and China, the corporate image of HMC is higher in China

than in Korea. Such a result can be understood as being related to the characteristic of the market environment and development process of HMC in Korea and China.

Companies in China have been under the control of the government until the 1970s only recognize the supplying of goods as the most important role. The government that is impatient with economic development and job creation could not regulate company management more strictly. Thus, the consumers in China have a tendency to rate more highly foreign companies’ management that has experienced advanced culture as compared to local companies (Hu and Dickerson, 1997). It can be considered to have exerted an effect in the high rating of the corporate image of HMC in China.

In contrast, conglomerates in Korea are pointed out to pursue growth through sacrificing the local labor force and consumers while colluding with the government in their development process. An indicator of this would be that “management transparency” is perceived to be a main factor in evaluating corporate image in Korea. Furthermore, despite its role in the Asian financial crisis and the subsequent recession which followed, its unchanged position in the center of the Korean economy is taken as a subject of criticism by society. HMC is also taken to be one of the conglomerates involved. This can be related to the underestimation of the corporate image of HMC in Korea.

Hence, in light of the difference between the operating environment in Korea and China, the comparison of the corporate image of HMC in Korea and China would be useful in showing the difference of the rating towards the corporate image of HMC in the domestic and main overseas market. However, its potential is limited in trying to explain the competitiveness of HMC’s corporate image in main markets. Thus, it is necessary to clarify HMC’s corporate image through investigating the extent of its competitiveness in the different market context of Korea and China.

After comparing between HMC’s corporate image and its competitor in the Korean and Chinese market, different market competitiveness is possessed in each market. Firstly, HMC’s corporate image is seen to generally have a high market competitive advantage as opposed to its competitors in the Korean market. HMC possess a high share in the domestic automobile market in Korea since industrialization, after undergoing the structural reformation led by the government induced by the Asian financial crisis, it has managed to position itself as a representative Korean company. For such a company that managed to maintain a closed market structure in Korea, it is not easy to compare HMC, which has occupied a monopoly position over other competitors. The higher number of responses that answered HMC as the most favorite automobile

manufacturer than in the overseas market (China) described later in the present survey can be seen as affecting HMC's competitiveness in the Korean market.

Among them, as a result of HMC active overseas expansion after the Asian financial crisis that contributed to the Korean economy, HMC's products and ratings regarding its related "corporate ability" and HMC's global brand recognition was heightened. Thus, it has predominance in "image factor related to corporate ability and general societal awareness" which is and can be understood to be a highly important factor in the strengthening of market competitiveness in the domestic market.

In contrast, the Chinese automobile market is even more competitive than the Korean market because of leading companies actively entering it. HMC's corporate image competitiveness is in contrast to when it was in its domestic market; except for items related to price all the items are inferior to its competitors. Furthermore, in contrast to HMC in Korea the difference between HMC and its competitors was not that big, the difference is big in China. Among them, the "image factor related to corporate ability and general societal awareness" which held an advantageous position in Korea had the lowest rating in the Chinese market, the difference is the largest with its competitors'. Thus, the low rating towards "image factor related to corporate ability and general societal awareness" can be criticized as the main cause preventing HMC improving its corporate image to strengthen its market competitiveness in HMC's main foreign market. In the detailed items of "image factor related to corporate ability and general societal awareness", the ratings towards HMC's "world brand recognition" and "global market competitiveness" are the lowest and the difference with its competitors is the most widely opened. In other words, in HMC's market expansion in China that focuses on low price compact automobiles, HMC managed to be competitive in "pricing suitability" but that is not sufficient to overcome the difference with its competitors in the other items.

The low ratings of HMC in "world brand recognition" and "global market competitiveness" can be thought of as being related to the other detailed corporate rating items in "image factor related to corporate ability and general societal awareness". In other words, the low brand recognition of HMC in the global market can be thought of as having exerted a certain influence on the underestimation of HMC's "brand affinity", "brand reliability" and "domestic reputation" etc, despite it being praised for locating its production base in Beijing and achieved partial localization. Despite HMC's emphasis on quality improvement and its high quality in the foreign market via its marketing through the 1990s, potential customers with no experience of buying cars could not form trust

towards "quality", "technology", "product development ability" etc, the low brand recognition in the global market can be thought of as having exerted an influence on HMC's low corporate image for those items.

On the other hand, no difference is found between HMC and its competitors for "industry specific image factor" in Korea. In contrast, there are differences between HMC and its competitors in China. There is still no real market being formed in both Korea and China regarding green car development and market introduction that represent "industry specific image factor". In the context of the recent increase in reports about the gravity of China's environmental problem, indicating the rise in public concerns regarding the environment, the above result shows how HMC's strategy of participating in the green car market plays an important role in its brand image formation and the reduction of its corporate image gap between its competitors in the Chinese market where leading companies actively entered as compared to the Korean automobile market where HMC already has great control.

Theoretical and managerial implications: Once corporate image was identified as an important factor, the business community and academia's interests in strategic marketing to improve corporate image has increased. Most of these researches did not consider sufficiently the formation of corporate image in each market and concentrated their discussion on the applied marketing strategy itself and can be criticized for the inadequately proposed countermeasures due to the lack of external validity. In actuality, the corporate image in the global market is not high when compared to the increase in recent expenditures spent by Korean conglomerates in marketing. In light of this and having illustrated the necessity of the improvement of the conglomerates' corporate image in order to promote Korea's international competitiveness, it is important to cite concrete examples based on the actual conditions of the corporate image and find ways for that improvement under the economic system where the conglomerates is the backbone of the Korean economy.

Furthermore, the corporate image studies until now by companies and main organizations are mostly targeted at consumers after purchase such as the "Consumer Satisfaction Report (including corporate social responsibility activities evaluation)" by HMC targeting domestic and overseas consumers and the Chinese version of J.D. Power "China Automobile Sales Satisfaction Index". But by targeting the consumers who had already bought automobile from a specific brand, it is difficult to objectively evaluate the corporate image in the market.

Thus, this study conducted a questionnaire survey with regards to the actual conditions of HMC's corporate image competitiveness in the main markets of Korea

and China by targeting potential consumers without any automobile purchasing experience and among them especially young people in their 20s or university students to find out their corporate image recognition towards HMC and its competitors. University students in their 20s are the potential main customers and due to their coming into contact with the latest information in various forms, they are more easily affected by public opinions and trends, hence can be thought of as one of the most important segment in the marketing field.

Through the result of this research, empirical data on the actual condition of HMC's corporate image in main markets is provided. Today, HMC is pursuing its growth as a global company and attempted an improvement towards luxury status through the introduction of a luxury car "Sonata" in the Chinese market. Among them, the research results related to corporate image can be used for a more strategic and efficient deployment activities for the branding in main foreign markets. And the same time, regarding the strengthening of HMC's market competitiveness in main foreign markets, it provides a new perspective on the limitations of prior researches that claims "because the improvement of the corporate image is reflected generally on all the activities of the company, it is impossible to manipulate or strengthen it through special factors" (Seo, 1994).

Upon examining the possibility of contribution to the country's economic development and international competitiveness through the improvement of conglomerates' corporate image, this study went from prior researches until now that only looked at the fragmentary management strategic problems to the actual conditions of corporate image in main markets. A representative example of Korean conglomerate is provided and the task of revising the approach to improving corporate image is clarified with the use of empirical data.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

Although this study reports several important findings, it is not without limitations. First, the limitation of the samples used in this study makes it harder for the results to be generalized. The samples used in this study are limited to Korea's Seoul or the Beijing area in China and proportions of students who are in their 20s are overwhelmingly high. Thus, there is a limit in trying to generally apply the results of the study on the whole Korean or Chinese markets. Especially in China, in the region between the so-called southern economic center that has its base in Shanghai and the northeastern political center that has its base in Beijing, there exist great differences in their favorite brands. Southern China that centers in Shanghai possesses very high brand recognition of Japanese cars

while the brand recognition of "Beijing Hyundai" is very low. And Shanghai that has accepted concentrated foreign investments from an early stage is very competitive as compared to Beijing whereby the main foreign automobile companies are BMW and HMC.

In light of this, researches from now could:

- Raise the generality of the research results through the broadening of the samples
- Clarify the relationship between CSR activities and corporate image in different regions through comparative analysis between the regions

Second is the limitation of the research subject. The current research was engaged only in the case study of HMC, there is a limit in expanding and discussing the results obtained to all of Korea's conglomerates. Hence, in further researches, it is necessary to conduct similar studies on conglomerates, which have similarly large influence on the Korea economy such as the "Samsung" or "LG". These conglomerates have expanded overseas after the Asian financial crisis, through analyzing the formation of their corporate images in the international market; common problems shared can be identified.

In addition, although the corporate image of HMC in overseas market is investigated by focusing on China, it would be worthwhile and necessary to incorporate the actual conditions of the European and American market and other markets into our sights. In contrast to HMC's expansion to the European market since the 1970s, real expansion into the Chinese market started from the 2000s. There is even some advocating that the brand image in developed markets such as Europe and United States is influencing the corporate image in the developing countries. Thus, examining HMC's corporate image from an international perspective by focusing on the differences of HMC's corporate image in the American and European market and comparing it with developing markets such as China is worth considering. Furthermore, when analyzing HMC's corporate image formation through targeting multiple countries, the influence of the Korean country image that could not have its relationship clarified in the present study is also an important research subject.

The present study empirically investigates the problem of Korean conglomerates' corporate image in the international market by focusing on the case study of Hyundai's corporate brand image in main markets. The conclusion arrived is that management based on strategic approaches that takes into account of the different market environment surrounding the company is vital to improve corporate brand image in the main markets of conglomerates that contribute to the national interest.

In the context of the Korean economic structure that centers on conglomerates, firstly, in light of the results of this study that examined the conglomerates' global company image problem that is an issue for the Korean economy and all conglomerates, I would like to situate the two aforementioned points as the tasks to be undertaken from now on.

REFERENCES

- Brown, T.J. and P.A. Dacin, 1997. The company and the product: Corporate associations and consumer product responses. *J. Mark.*, 61(1): 68-84.
- Cha, H., 2005. The effect of the Corporate Reputation on the Organization-Public Relationship and Corporate Super-brand. *St. Advert.*, 68: 171-199.
- Ha, B., 1999. Study on corporate image factors effecting on consumers' purchasing. Ph.D. Thesis, Kyung-Hae University, Seoul, Korea.
- Han, J., 1999. Study the formation process of corporate image and strategy through schema theory. *St. Advert.*, 44: 7-26.
- Hu, K.O. and K.G. Dickerson, 1997. Country-of-origin effect of Chinese consumer apparent perceptions of foreign-brand and Chinese-brand apparel: An experimental study. *J. Textile Int.*, 88(2): 104-114.
- Jerry, C.O. and J. Jacoby, 1972. Cue utilization in the quality perception process. Proceedings of the 3rd Annual Conference of the Association for Consumer Research, Association for Consumer Research, pp: 167-179.
- Kunkel, J.H. and L.L. Berry, 1968. Should a corporate keep a low profile? *J. Advert. Res.*, 18: 25.
- Marton, K. and J.J. Boddewyn, 1978. *Comparison Advertising: A Worldwide Study*. Hastings House, New York.
- Oh, M.Y., 2002. South Korean attitudes towards foreign subsidiaries of multinational corporations: Influence of corporate image and country of origin image. Ph.D. Thesis, Southern Illinois University, Carbondale.
- Seo, J., 1994. A cross-national study on the evaluative factors of corporate image. Ph.D. Thesis, Dong-A University, Pusan, Korea.