How communication budgets adjusted to Internet penetration affect corporate brand equity effects across nations

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Abstract

Multinational corporations (MNCs) face challenges in their corporate communication budget allocations across nations due to a worldwide changing digital environment. However, little is known about whether it is useful to allocate budgets according to countries' digital environments and whether this is equally effective. The authors fill this gap by cross-nationally analyzing the joint role of corporate communication budget allocation and Internet penetration on the effects of consumer-based corporate brand equity, thus linking managerial decisions, national environment, and individual responses. They refer to evaluations of an MNC in many countries and a hierarchical three-way interaction. The results show that corporate communication budgets allocated according to a country's Internet penetration explain most of the variance of corporate brand equity effects on consumers' loyalty. Different and nonlinear moderations emerge with direct managerial implications.

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