

The Effect of Corporate Image on Company's Stock Return

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Abstract: *The objective of this research is to examine the effect of corporate image on company's stock return. The corporate image will be measured based on quality assessment score built upon the Spector (1961)'s basic theory of corporate image. The stock return, on the other hand, will be quantified using the adjusted market return (Jogiyanto, 2000). The research hypothesis was tested using multiple regression model with 298 samples from companies that are listed in Indonesia Stock Exchange during 2013. The empirical result show that corporate image significantly and positively influences company's stock return. From the result it can be concluded that investors will respond positively to the company that has a good image. It is reflected on the increase of stock return in the market for company that has high corporate image score.*

Keywords: *corporate image, stock return*

1. Introduction

The decision to invest in stock is not an easy task. There are a lot of considerations and analyses which need to be taken so as not to cause any loss in the future. A good investor usually will assess a stock investment decision from more than one aspect. They will consider several aspects, such as financial performance, operational performance, macro condition, micro condition, market movements, market sentiments, good corporate governance, corporate social responsibility, business sustainability, media publicity and more.

The variety of information taken from those aspects will be managed afterwards by the investors to become a thorough outlook over a company's condition. The outlook is often called as a perception which usually determines the investor's level of trust towards a company in managing his investment fund. In spite of having different perception due to their unique and diverse background, every investor has similarity over each perception which makes them agree on whether the company can be

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determined as good, bad, profitable or not profitable. Several experts call this this investor's perception as a corporate image.

Jefkins (1987) stated that corporate image is an image of an organization as a whole; and not only a mere image of its products or services. In addition, Bayton (1959) urged that a group of perception upon man's characteristics which are given to a company is a corporate image, although this perception is not necessarily similar to the company's natural characteristics. The arising perception may be the result of a personal contact made with a company, gossip or the spreading rumors about the company, news in mass media and other things which cannot be control by the company (Easton, 1966).

A corporate image has always been considered as intangible assets that are difficult to be measured. This difficulty comes from the inconsistency of the social perception due to the diversity of information growing in the market. Whereas the image urgency in the business realm is very crucial because it is considered as the determinant of business sustainability of the company.

Research topics related to corporate image which are associated with marketing and public relations have been conducted by many. However, there are not many scholars who discuss a research topic that connects corporate image and stock return yet. The topic has its own appeal since it is deemed to have the answer to many people's concern that the corporate image cannot be measured. Antunovich&Laster (2003) believed that the stock return is one of the benchmarks that truly reflects a corporate image and is allowed to be the strong basis to research topics discussing corporate image and stock return.

Several researches managed to reveal the influence of a corporate image towards a stock return. A dissertation written by Defanti (2006) argued that there is a positive influence between the shifts of a corporate image towards the stock return. Vergin&Coronflech (1998) found that through the Fortune's Ratings of top-ten and bottom-ten companies, the corporate image can be ranked and associated with the stock return in the stock market. Wang & Smith (2008) and Anderson & Smith (2006) also discovered the influence of corporate image towards stock return through their research. While Antunovich&Laster (2003) revealed that most-admired companies tend to create higher return for

investors, Gök&Özkaya (2011) have found the opposite result from their similar research on the companies in developed country.

Therefore, this research aims to seek the influence between the corporate image and the stock return in another developing country, Indonesia. The corporate image will be measured based on quality assessment score built upon the Spector (1961)'s basic theory of corporate image. The stock return, on the other hand, will be quantified using the adjusted market return (Jogiyanto, 2000).

2. Theoretical Framework and Hypothesis Development

2.1. Corporate Image

Sutisna (2001) proposed that an image is the total perception towards an object formed by processing information from various sources all the time. Meanwhile, Kasali (2003) said that an image is the impression emanating from one's understanding upon a fact. On the other hand, Aacker&Myers (2000) stated that an image is the total impression acquired from the thoughts of someone or a group upon an object.

Jefkin (1987) argued that the image is the impression acquired from knowledge and understanding upon a fact. In another paper, Jefkins (1996) also inferred that the image means the impression or the actual impression upon one's existence, various policy, personnel, products or services from an organization or company. While Ruslan (1999) suggested that the meaning of image itself is abstract and intangible, yet its form can be perceived through an assessment, acknowledgement, mindfulness and understanding, both as a token of respect and deference from the public around it and the society at large upon the company as an establishment or even upon its personnel. While according to John Nimpoeno in Ardianto (2010), the image is made of four elements, which are perception, cognition, affection and motivation. The four elements are obtained from stimuli and experiences that one undergoes.

Within the context of corporate image, Bayton (1959) incited that one tends to personify the companies by giving them several particular characteristics similar to human, such as mature, liberal, friendly and so on. The group of those perceptions is called corporate image. A company which has a positive image is capable to invite supports from many of its stakeholders, especially when the company is in the middle of a crisis. This definition is similar to Gronroos in Sutisna (2001) which

argued that the positive image can serve a role as a defense towards small errors, both in technical quality or functionality, while the negative image may enlarge the blunder. On the other hand, Kasali (2003) insisted that a good image is meant to make the company stay alive and the people within it may continue to develop their creativity and even to give valuable benefits for others.

Literature related to corporate image is often found in the study of marketing, advertising and public relations. Basically, the study about corporate image is an exploration towards the unique characteristics of one company over the others, which are greatly diverse. The characteristics measured can be anything, starting from the color of the president director's hair, the sheen of his loafers, his way of speaking as well as his behavior during the general meeting of stakeholders to the overall look of the marketing force, the décor of the building and the garden of the company, the style and design of the product packaging, the advertising and publication themes, and other thousands of details caught by someone (Easton, 1966).

If there are two people who have similar perspective towards a character of a company, it does not mean that they have a similar experience in interpreting such character. For instance, these two people consider a company to be conservative. The first person thinks so due to his observation towards the design of the company's product packaging, while the second person perceives it from the selling practice conducted by the company (Spector, 1961).

In their research, Gök&Özkaya (2011) measured the corporate images based on the indicators determined within the assessment made by Fortune's America's Most Admired Companies, such as investment towards information & technology, product & services quality, financial performance, new product development, innovation, management quality, social opportunity & employee rights, job level and wages policy, employee skill development, marketing and selling strategy, corporate communication and public relations, employee skills, company code ethics within a business competition, customers satisfaction, management and company performance transparency, value added for investors, corporate social responsibility, business expansion towards international market, employee management and company contribution towards the national economic growth.

Meanwhile Spector (1961) explained that in measuring the image, the necessary principles postulate that we need to measure (1) the aspect of images or the corporate personality, (2) the aspect

of corporate characteristics which emerge upon experiences dealt by someone in relation with the company and (3) the aspect of evaluation which can be used in measuring the characteristics. These aspects indicate the importance of creating a measurement tool which is able to be used in evaluating the characteristics of a company. Through his study, Spector (1961) revealed that there are six dimensions to use in a corporate image measurement, i.e. dynamic, co-operative, business-wise, character, successful and withdrawn.

2.2. Market Adjusted Return

The return level is the reward attained by an investor through his past investment activities. The amount of return depends on the size of the investment value planted added with the level of risks; where the higher the return value, the higher the risk level of the investment. Virginia, et al. (2012) stated that there are four levels of returns: required return, actual return, expected returns and abnormal return.

Sumekar (2003) defined returns as an income gained by shareholders as a result of their investment in certain companies. In other words, the components of share return calculation consist of capital gain (loss) and dividend. This statement is in line with Tandelilin (2010) who stated that return sources comprise of two main components, which are yield and capital gain (loss).

Yield is a return component which reflects the cash flow or the income within a certain timeframe and at regular intervals upon an investment. While the capital gain (loss) is a return component which indicates an increase (decrease) of stock price and show the investors if their investment will be profitable or not.

Market adjusted return is one of the eligible approaches in assessing the return level over the stock price. Market adjusted return is an abnormal return which considers that the best estimators to estimate the return of a securities is by observing the connection between the actual return with the stock market index return within the same period of time. Jogyanto (2000) explained that the market adjusted return can be perceived from the difference between the actual return of a company shares with the market return of a stock index price within a period of time.

According to a research conducted by Sinulingga (2012), the stock return measured by using the stock market adjusted return is influenced by several fundamental factors. Several fundamental factors

considered as the influence of the stock returns are the risks, sizes, profitability and the company's growth opportunities.

3. Research Method

Spector (1961) uttered that the research related to corporate image has to be divided into three parts; first, the research is intended as a direct observation towards the image or the personality of the company; second, the research is intended to discover which factors building the current corporate image; and third is the evaluation upon the company characteristics. Even though the focus of the research differs, the findings eventually indicate that all of the three parts are related to the corporate image because the research findings are the corporate image itself. Also, the experience has shown that in order to measure the corporate image in a vast number of samples the corporate image is measured through the company characteristics, such this research is conducted.

Nevertheless, it is essential to realize that images and characteristics are basically two different things – although they influence each other. Character is the nature that becomes the hallmark of the company in perceiving something and is reflected in its actions and it can be analyzed both from the intellectual aspects and company-related data. While the image is a group of perceptions upon the company characteristics given by someone towards the company, of which its image is not necessarily similar with the natural characteristics.

To comprehend the correlation between the corporate image and the stock return, the research utilizes the quantitative research method by applying the multiple regression analysis technique. The multiple linear regression is a model where its dependent variables are influenced by two or more independent variables (Gujarati, 2004). The more independent variables involved means the higher the capability of the regression made to explain the existed dependent variables (Nachrowi&Usman, 2006). That is why a research model is needed to answer the research questions. The research model is as below.

$$RETURN_i = \beta_0 + \beta_1 SKORCITRA_i + \beta_2 GWTHOPP_i + \beta_3 AUDIT_i + \beta_4 SIZE_i + \beta_5 BETA_i + \beta_6 EPS_i + \beta_7 LEVERAGE_i + \varepsilon_i$$

The $RETURN_i$ variables a dependent variable which indicates the monthly average return of a company i during a 12-month period starting 1 April 2013 to 31 March 2014 using the market adjusted

return approach. $SCORECITRA_i$ variable is the independent variable which indicates the image score of the company i during the 12-month period starting 1 April 2013 to 31 March 2014.

Beside those two variables, control variables are added into this research. $GWTHOPP_i$ variable is the growth opportunity measurement of company i calculated based on the market equity value divided by the company book value, which ended by 31 December 2013. Variable $AUDIT_i$ is the dummy variable (1,0) with value 1 if the financial report of company year 2013 was audited by Public Accounting Firm *Big4*, and value 0 if it was audited by other Public Accounting Firm.

$SIZE_i$ variable is the size of company i observed from the total asset of the company until the end of 31 December 2013. $BETA_i$ is the size of the risk faced by company during the 12-month period starting from 1 April 2013 to 31 March 2014. EPS_i is the ratio of the net profit after tax towards the company outstanding shares which ended on 31 December 2013. Equally ended on 31 December 2013, the $LEVERAGE_i$ variable is the leverage ratio that compares the debt and the equity of the company.

An assessment checklist is made to determine the corporate image score from each sample company. This checklist is a development from the corporate image dimension which explained by Spector (1961). Consist within the checklist are 21 questions assessing aspects as follow: dividend, merger and acquisition, business diversification, new products and services, the number of employees, corporate social responsibility, marketing strategy, work health and safety, internal relations, investor relations, public relations, community relations, business prospect, business review, total net profit, debt-to-equity ratio, return on assets ratio, good corporate governance transparency, image of Board of Commissioners, image of Board of Directors and the imposition of sanctions.

According to the assessment method consisted in Hermawan (2009)'s checklist, to every question, there will be three probabilities of scores: good, fair and poor; or two probabilities: good and poor. To every good score, good receives 3, fair marked by 2 and poor gets 1. Questions with no information stated in the company annual report will receive poor score or 1. Meanwhile, in determining which aspects receive good, fair or poor score, researcher applied the previous classification as well as personal assessment when needed. As for evaluating the reliability of the questions proposed within the checklist, cronbach alpha test was conducted over the findings.

Another variable within the research model use the secondary data existed inside the company annual report, both listed in Indonesia Stock Exchange website and the official website of the company studied.

The research sample determined through selecting the companies over several criteria. Those criteria include (1) company is not a member of a financial institution or organization (banking, financial services, securities and insurance), (2) company has Annual Report year 2013, (3) company did not conduct their Initial Public Offering (IPO) in 2013 and (4) company's Open Balance Equity by the end of 2013 is not negative. In short, it is known that the number of company listed in Indonesia Stock Exchange and follows every criterion on the checklist for the research sample is 298 companies.

4. Results

Correlation test was conducted to observe the relation between variables applied within the research model. The result of data processing is shown in Table 1. From the test, we are able to observe if there is a relationship between each variable or not and if the relationship is significant or not. If the level of significance known to be $> 0,05$, then there is no significance relationship between both variables (Siregar, 2013).

Based on Table 1, it is known that the average independent variable has a weak correlation towards the dependent variable. The independent variables of GWTHOPP, AUDIT, SIZE, BETA, EPS and LEVERAGE have a very weak correlation towards the dependent variable of RETURN. While the SKORCITRA variable has a weak correlation compared to the dependent variable of RETURN.

SKORCITRA variable indicates a weak positive correlation towards the dependent variable of RETURN, which is 0,294. What is meant by weak positive correlation is when the correlation happened parallel between the SKORCITRA variable and RETURN variable. The nature of the correlation between both variables is significant because the score Sig.(2-tailed) is 0,000, where $0,000 < 0,05$. Thus, if there is an increase in the score of the corporate image, then the stock return will also experience a significant increase.

The GWTHOPP variable indicates a very weak positive correlation towards RETURN variable, which is 0,190. What is meant by weak positive is when the correlation happened parallel between

GWTHOPP variable and RETURN variable. The nature of the correlation between both variables is significant because the score Sig.(2-tailed) is 0,001, where $0,001 < 0,05$. Therefore, if there is an increase in the company growth opportunity, then the stock return will also experience a significant increase.

Table 1. Pearson Correlation Coefficient Table

Correlations								
	SKORCITRA	GWTHOPP	AUDIT	SIZE	BETA	EPS	LEVERAGE	RETURN
SKORCITRA	1							
GWTHOPP	,156*** (,007)	1						
AUDIT	,255*** (,000)	,146** (,011)	1					
SIZE	,395*** (,000)	,070 (,225)	,428*** (,000)	1				
BETA	,233*** (,000)	-,082 (,156)	,042 (,468)	,183*** (,001)	1			
EPS	,013 (,826)	,122** (,035)	,165*** (,004)	-,014 (,811)	-,122** (,035)	1		
LEVERAGE	-,123** (,033)	,042 (,466)	-,081 (,161)	,086 (,138)	-,092 (,114)	-,148** (,010)	1	
RETURN	,294*** (,000)	,190*** (,001)	-,087 (,135)	-,082 (,158)	-,017 (,768)	,018 (,754)	-,028 (,633)	1

Source : SPSS 19

*** significant on level $\alpha = 1\%$ (2-tailed)

** significant on level $\alpha = 5\%$ (2-tailed)

* significant on level $\alpha = 10\%$ (2-tailed)

Description:

Number of sample = 298. RETURN = the average monthly return of company i during the 12-month period starting from 1 April 2013 until 31 March 2014 using market adjusted approach; SKORCITRA = the score which indicates the image of company i during the 12-month period starting from 1 April 2013 until 31 March 2014; GWTHOPP = the size of growth opportunity of company i measured based on the market equity value divided by the company equity book value which ended on 31 December 2013; AUDIT = the dummy variable (1,0) with score 1 if the financial report of company i year 2013 audited by Public Accounting Firm Big 4, and 0 if audited by other Public Accounting Firm; SIZE = the size of company i observed from the total asset of the company by the end of 31 December 2013; BETA = the size of the risks of company i during the 12-month period starting from 1 April 2013 until 31 March 2014; EPS = profitability ratio comparing the net profit and the outstanding shares which ended on 31 December 2013; LEVERAGE = leverage ratio comparing the debt and company equity which ended on 31 December 2013.

AUDIT variable illustrates a very weak negative correlation towards RETURN variable, which is -0,082. What is meant by weak negative is when the correlation happened in reverse between AUDIT variable and RETURN variable. The nature of the correlation between both variables is insignificant because the score Sig.(2-tailed) is 0,135, where $0,135 > 0,05$. Therefore, if there is an increase in the score of the audit quality, then the stock return will experience a decrease although insignificant.

SIZE variable indicates a very weak negative correlation towards RETURN variable, which is -0,082. What is meant by weak negative is when the correlation happened in reverse between SIZE variable and RETURN variable. The nature of the correlation between both variables is insignificant because the score Sig.(2-tailed) is 0,158, where $0,158 > 0,05$. Therefore, if there is an increase in terms of the size of the company, then the stock return will experience a decrease although insignificant.

BETA variable illustrates a very weak negative correlation towards RETURN variable, which is -0,017. What is meant by weak negative is when the correlation happened in reverse between BETA variable and RETURN variable. The nature of the correlation between both variables is insignificant because the score Sig.(2-tailed) is 0,768, where $0,768 > 0,05$. Therefore, if there is an increase in the score of the audit quality, then the stock return will experience a decrease although insignificant.

EPS variable illustrates a very weak positive correlation towards RETURN variable, which is 0,018. What is meant by weak positive is when the correlation happened parallel between EPS variable and RETURN variable. The nature of the correlation between both variables is insignificant because the score Sig.(2-tailed) is 0,754, where $0,754 > 0,05$. Therefore, if there is an increase in the earnings per share of the company, then the stock return will also experience an increase although insignificant.

LEVERAGE variable illustrates a very weak negative correlation towards RETURN variable, which is -0,028. What is meant by weak negative is when the correlation happened in reverse between LEVERAGE variable and RETURN variable. The nature of the correlation between both variables is insignificant because the score Sig.(2-tailed) is 0,633, where $0,633 > 0,05$. Therefore, if there is an increase in the debt to equity ratio of the company, then the stock return will experience a decrease although insignificant.

Beside correlation between dependent and independent variables, we can also observe the correlation between each independent variable. There is a positive correlation between SKORCITRA variable and GROWT, AUDIT, SIZE, BETA and LEVERAGE variables. This means that in every increase in the corporate image's score, there will be a significant impact towards the increase in the growth opportunity, audit, the size of the company, company risks and the level of leverage.

Similar thing also happens on GWTHOPP variable which has a positive correlation towards AUDIT & EPS variable. The higher the company growth opportunity, the higher the audit quality and earnings per share of the company. While BETA variable is known to have a positive correlation towards SIZE variable. If there is an increase in the score of company size, then the level of risks possessed by the company will also increase.

Moreover, AUDIT variable also has a significant positive correlation towards SIZE and EPS variables. This indicates that if there is a score increase in AUDIT variable, then it will significantly affect the increase of SIZE and EPS variables. In addition, EPS variable is known to have a significant negative correlation towards BETA and LEVERAGE variables. This means that if there is a score increase in EPS variable, then it will significantly affect the decrease of score of the BETA and LEVERAGE variables.

Goodness of fit (Adjusted R^2) analysis/coefficient of determination is conducted to measure how diverse is the variation of dependent variable can be explained by the independent variables. The test can also show us if the estimated regression model may have any benefit or not. The regression model was estimated through a certain measurement to see how close the estimated regression line with the actual data. Based on Table 2, we know that the value of Adjusted R^2 is 0,153. This value may indicate that the whole independent variables and control variables which is applied in the research model can explain the variation/if there is an influence up to 15,3% towards the dependent variables. While the rest of 84,7% will be explained by other factors and are not included in the research model.

More than that, the test was also applied to observe if the independent variables have any significant influence towards the bound variables in dividually. Individually, the independent variables is believed to have a significant influence towards the dependent variables with probability value t-statistics smaller than the significant level (α) 5% in this research.

Table 2. Table of Regression Result

	Expected Sign	Coefficients	t-stat	Prob.
		B		
(Constant)	+	-0,016	-0,740	0,229
SKORCITRA	+	0,135	5,546	0,000***
GWTHOPP	+	0,001	1,764	0,039**
AUDIT	-	-0,009	-2,172	0,015**
SIZE	-	-0,004	-2,057	0,020**
BETA	+	-0,003	-0,932	0,176
EPS	+	0,211	0,384	0,350
LEVERAGE	+	0,000	0,579	0,281
R-Squared				0,170
Adjusted R-Squared				0,153
F-Statistic				8,510
Prob (F-Statistic)				0,000

Source : Eviews6

*** Significant on level $\alpha = 1\%$

** Significant on level $\alpha = 5\%$

* Significant on level $\alpha = 10\%$

Description :

The result of regression after White Heteroskedasticity-Consistent Coefficient Covariance method conducted. Number of sample = 298. RETURN = the average monthly return of company i during the 12-month period starting from 1 April 2013 until 31 March 2014 using the market adjusted approach; SKORCITRA = score which shows the image of company i during the 12-month period starting from 1 April 2013 until 31 March 2014; GWTHOPP = the size of growth opportunity of company i measured based on the equity market value divided by the company equity book value which ended on 31 December 2013; AUDIT = the dummy variable (1,0) with score 1 if the financial report of company i year 2013 audited by Public Accounting Firm Big 4, and 0 if audited by other Public Accounting Firm; SIZE = the size of company i observed from the total asset of the company by the end of 31 December 2013; BETA = the size of the risks of company i during the 12-month period starting from 1 April 2013 until 31 March 2014; EPS = profitability ratio comparing the net profit and the outstanding shares which ended on 31 December 2013; LEVERAGE = leverage ratio comparing the debt and company equity which ended on 31 December 2013.

Based on the result of the regression processing as shown on Table 2, there are several independent variables and control variables which have a significant influence towards the dependent variables (RETURN). The variables which significantly influenced the stock return (RETURN) is the corporate image (SKORCITRA), the audit quality (AUDIT) and the size of the company (SIZE). While the company risks (BETA), the growth opportunity (GWTHOPP), profitability (EPS) and the solvability (LEVERAGE) do not have a significant influence towards the stock return.

4.1. Discussion

The research aims to seek the answer to the research hypothesis by observing if there is any influence or not between the corporate image and the stock return. Based on the result of multiple regression model processing shown on Table 2, the coefficient variable value of SKORCITRA 0,134 and probability value t-statistics 0.000 is smaller compared to the significant level 5%. This shows that

the companies which have higher scores on their corporate image are able to influence the decision to buy shares in the stock market compared to companies that have low corporate images scores. Thus, the results to this research suit to the research hypothesis which states that the corporate image has a positive influence towards the stock return so that hypothesis H1 can be accepted.

The findings to this research also fit with the research conducted by Vergin&Coronflech (1998) which attempted to observe the influence between the corporate image and the stock return. Through Fortune's Ratings of top-ten and bottom-ten companies, the corporate image can be ranked and classified as having good corporate image (those listed in the top-ten list) and bad corporate image (those listed in the bottom-ten list). From this ranking, then, Vergin&Coronflech (1998) associated the image with the stock return in the stock market.

Other researches in line with the finding of the research are those conducted by Defanti (2006), Wang & Smith (2008) and Anderson & Smith (2006). They found that there is an influence between corporate images and stock returns in their researches. While Antunovich&Laster (2003) discovered that a company which possesses a reputation as the most-admired companies tends to create higher return for investors.

The Assessment Checklist of Corporate Image is made of various dimensions, including dynamic, co-operative, business-wise, character, successful and withdrawn and is added by images from the Board of Commissioner and Board of Directors as well as negative images so as to be able to be analyzed upon the result of the regression available in this research. Several dimensions forming the corporate image within a couple of previously conducted researches are known to have a significant influence towards the stock returns. A significantly positive influence of a corporate image towards the stock return is affected by good corporate governance. This is in line with Murti's (2011) statement who insisted that trust is one of the foundations of why an investment decision is made. Naturally, the level of utterance of good corporate governance also contributes in influencing the stock return; as stated within the research conducted by Sayidatina (2011).

The aspect of company profitability, such as information upon the company net profit may have an influence towards the return value in the stock market. The statement agrees with the recent

research conducted by Putriani&Sukarta (2014). In addition, the leverage level of the company is also known to influence the stock return such explained by the research conducted by Hasanah (2008).

5. Conclusion, Implication and Limitation

This research is conducted within a conceptual framework that the corporate image has an influence towards the stock return. As shown by the research conducted by Vergin&Coronflech (1998), the image influences the stock return. This research aims to test the influence of corporate image based on the corporate image theory explained by Spector (1961) towards the stock return of the company during the research period. Based on the test result and the analysis conducted, the research managed to show that there is a significant influence upon the corporate image variable towards the return variable of the company stock.

The corporate image was measured based on several dimensions which are dynamics, co-operative, business-wise, character, successful, withdrawn, image of board of directors, image of board of commissioners and the imposition of sanction. These dimensions, then, are developed into 21 questions listed inside the checklist of the corporate image assessment. This research finding also indicates that the investors have trust towards the information given by the companies as their ground in deciding their investment purchase.

This research has several weaknesses and limitations. Few of them include (1) the corporate image resulted from the research is the corporate image observed from the evaluation result of company characteristics so that the image obtained may be differ from the image embedded in the minds of the customers and (2) the period of observation only covers one year operation of the company, which is the year of 2013 that makes no room for researcher to compare with data of previous years which may resulted in different outcome.

The research finding is expected to give benefits to the education realm by enriching the existing literature and contribute to the previously conducted researches, especially over discussions related to corporate image and stock return. This research finding is also expected to benefit the regulators in evaluating policies which have been made over the years, specifically those related to the corporate image. Ultimately, the researcher expects to support the regulators in sustaining and increasing the

public corporate image in Indonesia which considered as essential in keeping the investment climate in Indonesia.

More than that, this research finding is expected to benefit the investors in conducting deeper analysis upon the image of a company. The Assessment Checklist of Corporate Image is expected to be utilized by the investors in conducting a more sensitive analysis; not only observing it from the aspect of financial performance, but also from the whole performance of the company. Looking it from the company point of view, the research finding is expected to benefit the issuers of stock in managing the image building of their companies. The company is suggested to realize that the activity of image building that is not balanced with reinforcements and improvements of company characteristics will cause bias for the investors. The Assessment Checklist of Corporate Image is expected to be able to assist companies in conducting their evaluation towards the characteristics of businesses they possess, so that when the companies manage to increase and maintain the result scores in the Assessment Checklist of Corporate Image, thus we can anticipate a positive corporate image being built in itself within the society.

Several things particularly suggested for future research is that beside counting the corporate image through evaluating the company characteristics, the next research is expected to assess the corporate image embedded in the mind of the customers by applying social research methodology, such as questioners. The future research is expected to be able to expand the period of research so that the findings can be compared from year to year and make it more comprehensive. The future research is expected to apply panel data methodology with a bigger number of samples, so that the development of corporate image and its effects towards the stock return can be better analyzed. The researcher, then, is expected to be able to classify the companies in several groups due to the tendency of companies that possess good image scores are usually companies in big sizes. Finally, the earnings per share value and the company debt to equity ratio can also be studied more specific since every sector has different average values of earnings per share and debt to equity ratio.

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