THE IMPORTANCE OF CORPORATE IMAGE - LITERATURE AND RESEARCHES REVIEW

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ABSTRACT

It has been estimated by various authorities that corporate image, which is compatibility between how the company wants to be perceived by clients, and how in fact they see it, is more and more important for all organisations. The aim of this article is to identify the importance of corporate image, based on secondary sources of information published over the period of 2001-2016.

Key Words: corporate image, importance of corporate image, the definition, functions, types of the image

Introduction

Currently, the company's success depends not only on its products. It is important for the companies to realize that every product can be copied and that this problem does not concern only the well perceived brands. For all companies the key element determining their position on the market are served customers. They at the end verify the effectiveness and efficiency of the company. In that context the image of the company is of particular importance, it means the compatibility between how the company wants to be perceived by clients, and how in fact they see it. The image is the picture of the company in the mind of the recipient, so that every organization is trying to properly create this image. Good image contributes to the development of customers' trust, provides users with additional values e.g. prestige and of course encourages them to purchase the products. While the features of the product change, for example as a result of technological development, company's image can be maintained for a long time. It is a strong, consistent and coherent image of the company, what in the opinion of customers gives a competitive advantage over others.

The aim of this article is to identify the importance of corporate image, based on secondary sources of information published over the period of 2001-2016. The article presents the definition, types, functions, process of creating of an image of the company and some results of researches, which were focused on this problem.

1. The definition, functions, types of the image

In the literature various definitions of the image can be found. The word comes from Latin – imago. That means image, pattern, reflection or portrait[1]. N. Nguyen and Leblanc determines the image as a subjective idea, image of the company and its products in the eyes of recipients, which do not have to be consistent with reality. It can apply to different subjects, i.e. groups of products, the organization as a whole or even the country[2]. Balcarczyk notes that the determinant of the image is the recognition of a person or organization[3]. J. Altkorn states that the synonymous with the image of company is often a corporate personality, which means that the organization has some specific character logical features (e.g. positive attitude for investments) that cause certain reactions in its environment. The image is thus a compromise between the activities of the company and the characteristics of recipients to whom they are addressed[4] and the result of confrontation between the expectations and needs of the company with its environment. Favor of the society to the enterprise is therefore the result of the acceptance of its mission, goals and activities[5].

The definition of image has been prepared by W. Budzyński, according to whom it is a portrait, likeness, picture or company's idea about itself and its environment[6]. G. Białopiotrowicz also endorses W. Budzyński's opinion and defines the image as a concept. She also notes that the image 'is one of the most important elements of many relationships' [7]. M. Szymura-Tyc stresses, it is the basis for the creation of the special relationship between the customer and the company, or a collection of important for customers values that affect his opinion of the value obtained when buying[8].

In the literature the definition of the image as a general identification of the company as the balance between how the company wants to be perceived by clients, and how in fact they see it [9]. Enterprise picture, often subjective, and not consistent with reality, in the eyes of consumers is often called the image of the company. The image can never be accidental. Shaping the image of the company should be solid and well thought-out to create a specific value[10]. While creating it, the psychological factors, such as recognition of the company, the quality of its offer, credibility, a positive association with the company and loyalty to it, market factors relating to the specifics of the market, its structure, place of the company on the market, marketing, foreign contacts,

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[1] Białopiotrowicz G., Creating the image in business and politics, Poltext, Warsaw 2009, p. 17
[2] Nguyen N., Leblanc G., *Corporate image and corporate reputation in customers' retention decisions in services*, Volume 8, Issue 4, July 2001, pp. 228
[3] Balcarczyk J., The right to the image and its commercialization, Oficyna, Warsaw 2009, p. 21-30
[4] Altkorn J., The image of the company, The University of Dąbrowa Górnicza, Dąbrowa Górnicza 2004, p. 13-15
[5] Olędzki J., Tworzydło D., Public relations- social significance and direction of development, PWN, Warsaw 2006, p. 87
[6] Budzyński W., The image of the company – creation, management, effects, Poltext, Warsaw 2003, p. 11-12
[7] Białopiotrowicz G., Creating the image in business and politics, Poltext, Warsaw 2009, p. 17
[8] Szymura-Tyc M., Marketing in today's processes of creating value for the customer and the company, edition II, Scientific works in the University of Economics in Katowice, Katowice 2006, p. 131
[9] Spyropoulou S., Skarmeas D., Katsikeas C. S., *The role of corporate image in business-to-business export ventures: A resource-based approach*, Industrial Marketing Management 39, 2010, s. 753

[10] Szymoniuk B., Marketing communication – tools and methods, PWE, Warsaw 2006, p. 39-40

business development perspectives and legal factors that are associated primarily with the legal protection of the image should be taken into account[11].

The image is a complex concept, that is why in the literature different types of it can be found. There are four types of image: normal, mirror, desired and optimal. The real image (normal one) reflects the company's image in the eyes of the people being associated with it. The image can become the real one only when there is some audience who will react to it, even if it were just one person[12]. The mirror image (own one) shows how the organization is perceived by itself, that is what the employees and management think about it. The desired image is something that the company strives for, usually defined by its mission and treated as its goal, and the optimal image is the compromise between the real, mirror and desired image, which is possible to be created under the circumstances given[13].

It should be noted that concepts of an image and an identity are often equated. This approach is erroneous, as an identity is self-consciousness of the company, and the image is its perception in the eyes of consumers, which is a consequence of communication[14]. It can even be said that some elements of identity have their individual image. It is worth noting that the dream of many companies is the ability to identify these concepts, because in reality it is very difficult.

The image fulfills many important functions for the company. First of all, it promotes individualization of the company, creates its personality and differentiates products and the company itself, builds trust among customers and investors, affects purchase decisions of customers, provides consumers with additional advantages, e.g. prestige, is a factor which minimizes the risk when making a purchase decision, supports the process of selecting and motivating the crew of the company[15] and allows reducing costs and providing better stability of operations.

With these features a number of benefits for the company emerges. A good image has an impact on the final decision regarding the purchase of goods, makes it possible to conduct aggressive sales policy [16] and obtain a constant competitive advantage. By providing consumers with additional advantages, the company can obtain higher profits by raising prices [17] and position and differentiate products [18]. A good image facilitates an introduction of the new offer and an increase of profits through its image transfer[19].

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[11] Budzyński W., The image of the company – creation, management, effects, Poltext, Warsaw 2003, p. 37-42

[12] Budzyński W., Public Relations- strategy and new techniques of an image creation, Poltext, Warsaw 2008, p. 73

[13] Budzyński W., The parallel image new opportunity to promote a company and brand Poltext, Warsaw 2008, p.13

[14] Huang-Horowitz, N., & Freberg, K., *Bridging organizational identity and reputation messages online: A conceptual model*. Corporate Communications, 2016, 21(2), pp. 197

[15] Szymoniuk B., Marketing communication – tools and methods, PWE, Warsaw 2006, p. 39-40, p. 42

[16] Altkorn J., Creating the market image of the company, The University of Economics in Cracow, 2002, p. 25-29

[17] Payne A., Handbook of CRM: Achieving Excellence in Customer Management ,Butterworth-Heinemann, Great Britain 2006, p.119-120

[18] Rozwadowska B., Public relations-theory, practice, perspectives, Emka Studio, Warsaw 2002, p. 54-55

[19] Transfer of the image includes labeling other products with the brand of the company that has a good image, that leads to charges "for lending" and an opportunity to expand the own market

2. The principles and stages of an image building

Creating a positive image of the company requires not only substantial *financial expenses*, but primarily the thorough analysis of corporate image in the perception of the environment. Organization's approach to creating the image should be systematic, based on the previously adopted strategy. It is a process spread over time, requiring appropriate competence and, above all, perseverance and the ability to identify the needs of customers.[20]. That is why during building the company's image the important principles should be followed. It is primarily early identification of communication with the environment, as too late contact will require adjustment of a picture already created what in the negative cases is very difficult. In addition, it is a matter of importance to set realistic, clear and specific objectives of communication. It is required to precisely define specific social groups that are particularly important to us; the image created over time should correspond to reality. Another principle is to create an individual style – when the image is in line with the company's strategy and its identity, it can definitely positively stand out on the market. It is worth noting that the examination of the current position of the company in the eyes of customers, i.e. the image of the brand, products and company before taking any steps associated with creating the image will be helpful in finding appropriate solutions and consolidating criticism of own organization and competitors. It has to be remembered that the activities cannot be limited only to analyze, since in creating the image creativity in finding new ideas and means of expression plays an important role. An important principle are the gradual and careful changes, as well thought moves in creating the image are more effective than rapid and drastic ones. It is also significant not to neglect any means of communication and information about the company, because each element of the company (buildings, means of transport, advertising, staff, events) may influence the opinion about it. It is worth to pay attention to the competition and skillfully anticipate their activities. Every change in the image of the company is noticeable, so competitors can begin to mimic the company or negatively affect it. It is also important to involve all employees and partners of the company to create the image. It is significant that the activities of "whole family" are coherent and form one, positive image. The continuous measurement of results of company's actions cannot be forgotten. The regular surveys and careful observation of the reactions of the environment can be conducted. Finally, it is worth to use all opportunities to show the products and the company itself and engage buyers and suppliers to improve organization.

According to W. Budzyński the process of creating the image of the company is divided into four stages. The first stage, which is preliminary study, is based on analysis of all the most important groups of the company's environment. A lot of valuable information about for example the current image in the eyes of customers, the company's image position among its competitors, target groups, to which the company will address its campaign and the target channels, which can be helpful in providing information, can be collected. Preliminary studies are done primarily to determine the initial situation prior to the establishment and implementation of a specific

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[20] Szymoniuk B., Marketing communication – tools and methods, PWE, Warsaw 2006, p. 43

program of actions. Most often they are dynamic, which help to determine the trend of changes in the environment. Studies are usually divided into four basic types: company's image research, research of associations related to it, research of the impact of the media and collecting information about the company. The analysis of brand image, products, services, trademark in the eyes of consumers is often added to these studies. It is carried out among customers, suppliers, people responsible for financial matters or employees usually after the earlier conducted survey[21]. The diagnosis of the initial situation is mainly done using SWOT analysis. It provides answers to many questions related to the company's image in the eyes of employees and the environment and where the conflicts adversely affecting it come from. It is also examined how communication with the environment has been conducted so far and how it has affected the image of the company.

The second stage is the planning and budgeting. Its aim is to determine the philosophy, that is, the idea of business activity, e.g. the mission, organizational culture, aspects of ecology, development, profit and to determine the real strategic objectives (prestige, independence or positive image). When setting targets the concept of a hierarchy of stability should be reached for. It involves the highlighting short-term goals (e.g. change in opinions) and long-term ones (e.g. social and cultural changes).

Planning in the operational sense can be also called programming, which involves determining the most important groups of customers, which the company's image will be created for, choosing appropriate methods of management and budgeting, enabling the achievement of specific goals.

The target groups in the literature are often called the audience. At the stage of forecasting, it is divided according to four criteria[22]. The first refers to the extent of the control over it: internal (in company – employees, directors and their families) and external (outside company – journalists, customers). The second criteria is related to its importance to the company: basic (most important), secondary and marginal, and the third one refers to the future cooperation: traditional (significant now – employees and customers) and forward-looking, and the fourth is associated with the support for the company: supporters (there is a necessity to keep their attitude) and the skeptics (there is a necessity to change their attitude). Plan of creating the company's image may be more or less extended. The second version is often called "the policy plan on corporate image" and includes such elements as the assessment of the current position of the company in an environment, the assessment of the customers reviews, specifying the types of information the environment expects, separation of barriers e.g. a lack of financial resources, legal restrictions, a bad organizational solutions or lack of specialists, identifying possible partners which can support the company financially, or by an expert assistance and evaluation of the budget of the staff, i.e. the possibility of company's actions. Budgeting is related to the analysis of many factors – that are mainly established goals and the overall budget for marketing.

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[21] Budzyński W., The image of the company – creation, management, effects, Poltext, Warsaw 2003,p. 82
[22] Budzyński W., The image of the company – creation, management, effects, Poltext, Warsaw 2003, p. 82

The resources of any organizations are limited, the cost for image development have to be determined realistically and accurately[23].

The third stage, which is a comprehensive implementation of tasks is the selection of appropriate programs of promoting the company and the brand, which is a monitoring of image aspects in marketing. Content of activities to promote the brand and the activities connected with the creation of the corporate image should be consistent. The efficiency of creating the company's image can be increased by using the branding campaign and vice versa. Performing every action the benefits for both aspects should be taken into account, as the synergistic effect may mainly contribute to the success of the company.

The last stage is the analysis and evaluation of the effectiveness of the introduced changes. It is, therefore, a kind of returning to pre-tests and it is the starting point again. Comparing the current situation with the past one and the results of surveys and interviews appoint the next steps to be taken by the personnel responsible for creating the image of the company[24].

3. A review of recent research studies

During the last 50 years the concept of corporate identity have attracted the interest of scholars and practitioners [25]. There are a number of researches and historical surveys, relating to corporate identity particularly within the marketing and communications context. They show that effective corporate identity, which is manifested in unique corporate personality and distinct corporate culture, has significant role in all organisations. Melewar, Bassett and Simoes highlight that corporate identity is an issue of rising importance to all companies. Its development and management is one of the most important elements in organisation's strategy. In addition, Alessandri and Piric claim that nowadays corporate identity is a valuable management tool and a strategic tool, which helps an organization to obtain an advantage over its competitors. Scholars emphasize the importance of building corporate identity. The way of promotion and protection of organization's corporate identity proves organizational capabilities to be essential in this matter. Many researches highlight that managers and organisations ought to build the company's corporate identity to grow their value.

The researches conducted by Piric indicate that corporate communications, which include both corporate advertising and corporate public relations, exert strong influence on corporate image. More specifically, the results suggest that corporate image depends on corporate

[23] Bruk Wood M., Marketing plan, PWE, Warsaw 2007, pp. 198

[24] Budzyński W., op.cit., pp. 80-85

[25] Otubanjo B. O., Melewar, T. C., *Understanding the meaning of corporate identity: A conceptual and semiological approach*, Corporate Communications, 12(4), 2007, pp. 414-432

communications, which are very important strategic tool for organisations to create competitive advantage.

The results of the analysis of Alessandri and Sue show that there is also connection between an organization's branding strategy, the promotion and protection of its corporate identity. Findings shows that organizations which use a monolithic approach more often promote and protect their corporate identity more aggressively, in comparison to companies, which use branded strategy[26][27]. Researches also suggest that the relationship between corporate identity promotion and branding strategy varies between consumer goods industries and non- consumer goods industries.

There have been few studies on the influence of the corporate image on the application intentions of high qualified personnel. Creating an image could be considered as a significant tool given the strong relationships with application intention of candidates.

It should be noted that nowadays the company's employment image becomes more and more important. Companies ought to care about process associated with careful determining of the profile of candidates and the clear information about job and career. The focus on corporate employment image can open up opportunities for early stages companies without strong corporate image to attract employees[28].

Regarding to Minkiewicz, Evans, Bridson and Mavondo the corporate image has meaningful positive reference to with satisfaction of consumers [29]. Whereas Abratt and Mofokeng emphasize that positive image and corporate reputation favourably predisposes the companies towards its target market. What is more, a constant two-way communication between the organisation and its target audience is necessary to strengthen the desired image.[30].

Conclusions

It can be concluded that the concept of corporate image is very extensive, that is why in the literature many different definitions of this term can be found. The image can be described as enterprise picture in the eyes of its clients, which may differ from reality. It is a mistake to

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[26] Piric, V., M.Sc. (2004). The influence of corporate communications on corporate image - the picture of the croatian car market. Paper presented at the 1834-1845.

[27] Sue, W. A., & Alessandri, T. (2004). Promoting and protecting corporate identity: The importance of organizational and industry context. *Corporate Reputation Review, 7*(3), 252-268.

[28] Lemmink J., Schuijf A., Streukens S., *The role of corporate image and company employment image in explaining application intentions*, Journal of Economic Psychology 24 (2003), pp.1–15

[29] Minkiewicz J., Jody J., Bridson K., Mavondo F., *Corporate image in the leisure services sector*, Journal of Services Marketing, Vol. 25 Iss 3, 2011, pp. 190 - 201

[30] Abratt R., Mofokeng T. N. ,*Development and management of corporate image in South Africa*, European Journal of Marketing, Vol. 35 Iss ¾, 2001, pp. 368 - 386

identify this concept with identity, because that is a self-consciousness of the company. Various types of image can be distinguished, they are: normal, mirror, desirable and optimal image. The image fulfills many important functions for the company. First of all, it promotes individualization of the company, creates its personality and builds trust among recipients and provides it with many advantages, e.g. it influences a final purchase decision.

It is worth emphasizing the importance of the principles of creating the image, which are a kind of hints for the companies about the most important activities for success. It is significant to create the individual style of the company, predict the behavior of competition and determine the specific objectives of communication. Respecting these principles can largely contribute to the goals related to creating the image of the company in an efficient manner. Building a positive image in the eyes of customers is part of a gradual adaption - 4 stages of action can be distinguished. The first is a preliminary study and diagnosis of the initial situation, the second on budgeting and planning activities, the third step is the execution of tasks and finally the fourth one is the analysis of the entire process.

During the last 50 years the concept of corporate identity have attracted the interest of scholars and practitioners[31]. There are a number of researches, and historical surveys, relating to corporate identity particularly within the marketing and communications context.

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[31] Otubanjo B. O., Melewar, T. C., *Understanding the meaning of corporate identity: A conceptual and semiological approach*, Corporate Communications, 12(4), 2007, pp. 414-432

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