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**Corporate Reputation and Corporate Image - Empirical Analysis on the
Example of Polish Banking Sector**

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Corporate Reputation and Corporate Image - Empirical Analysis on the Example of Polish Banking Sector

Danuta Szwajca¹

Abstract

Research background: Corporate reputation and image are two valuable intangible resources of the company, aimed at building its long-term competitive advantage and market value. Although reputation and image are interrelated categories, they should not be identified with each another. The differences are not only in the definition and character, but also in the mechanism of formation and tools to create these resources by the company. Image is a picture, perceptions and associations about the company in the minds of consumers, which may be created using the tools of PR and advertising in a relatively short period of time. Reputation is a review of the company and its activities, formulated by various stakeholder groups on the basis of not only the advertising, but also on the basis of the assessment of real activities of companies in the long term.

Purpose of the article: The cognitive objective of the article is to point out the fundamental differences between reputation and image on the basis of the analysis of approaches and theoretical concepts. The practical objective is to make an attempt to identify the differences and relationships between reputation and image on the basis of empirical analysis, therefore the research was conducted in the Polish banking sector.

Methodology/methods: In order to evaluate the image and reputation, the survey method was used aimed at the customers of banks operating on the Polish market.

Findings: The results allowed formulating the thesis that the banks that are characterized by a consistent, unambiguous and positive image have higher rates of reputation. Due to some limitations of research conducted, mainly concerning the size and methods of sampling as well as the method applied for measuring the corporate reputation and image, the relationships identified should be treated as a starting point for broader research and for conducting further discussions in this area.

Keywords: *corporate reputation, corporate image, intangible resources, banking sector.*

JEL Classification: *G21; L14; L25;M31*

Introduction

Image and reputation are part of the company's intangible resources that can be built on its long-term competitive advantage and market value. Image is a picture, a set of imaginations and associations about a company which is emerging in the minds of its audience as a result of the interaction of information coming from different sources. Corporate image is very important for the company because it can be a very important decision criterion for different stakeholders, especially customers (Scott and Lane, 2000; Cornelissen, 2002, 2006; Caputa, 2015). Reputation, on the other hand, is the opinion about the company, formulated by different stakeholder groups based on an assessment of the various aspects of its activities. Good reputation fosters greater customer loyalty, acquiring solid business partners and investors, attracting talented employees, and encouraging the administrative or local community. All this translates into better market performance, financial profits and goodwill (Figiel, 2013, pp. 55-63; Dąbrowski, 2010, pp. 232-249, Szwajca, 2016b, pp. 25-40).

An image and reputation of the company are categories that have a common pedigree, which were originally treated as semantically related concepts and used interchangeably, with the

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more commonly used concept of an image (Dąbrowski, 2010, p. 72) Although the essence and nature of the relationship between image and reputation has not been settled unequivocally, most of the authors share the opinion that they are not the same concept (Bernstein, 1986; Fombrun and Rindova, 1996; Walker, 2010). Corporate image may be created relatively quickly by the use of advertising or Public Relations actions, while a reputation cannot. Reputation is built as a result of ongoing interactions between the enterprise and its key stakeholder groups, where their experience is consistent with the values the enterprise claims to uphold as well as with promises it makes through advertising and other marketing communications (Rindova, Williamson et al, 2005; Rindova, Pollock et al., 2006; Chovanová Supeková et al., 2016, p. 85; Szwajca, 2016b).

In this study it was assumed that both resources: image and reputation are needed by the company needed and they are mutually supportive. Without good reputation, it would be difficult to create a desired positive image successfully, but good reputation without image support would not allow the company to make full use of its potential because the company would be poorly visible and recognizable, and good opinions would be too slow and could not reach everyone.

A cognitive purpose of the article is to indicate the fundamental differences between reputation and image on the basis of the analysis of concepts and theoretical concepts in the context of the enterprise's processes and management tools. A practical purpose is an attempt to identify differences and correlations between reputation and image on the basis of empirical analysis based on research conducted in the Polish banking sector. The method of survey addressed to clients of banks operating on the Polish market was used to evaluate both, the image and reputation.

In order to accomplish the purpose adopted, the following research hypotheses are formulated:

H1: Banks with a better reputation are characterized by a more consistent and unambiguous image, while banks with a worse reputation are characterized by a more dispersed and less unequivocal image.

H2: Banks with a better reputation have a more positive image, while banks with a worse reputation have a less positive image.

H3: Banks with a better reputation are characterized by a higher level of compliance with declarations and advertising slogans.

Research Methodology

In order to calculate the corporate reputation index and to identify the corporate image a methodology of measurements was used, based on survey research. A questionnaire method was used, which was aimed at the customers of retail banking. The group of respondents comprised of part-time undergraduate and graduate students from the Faculty of Organization and Management of the Silesian University of Technology from four facilities: in Zabrze, Katowice, Bytom and Rybnik, who have at least one bank account opened. The questionnaire was sent to the students via e-mail to the e-mail of the university. The research was conducted at the turn of year 2015 and 2016.

1137 people took part in the research², including 67.5% of women and 32.5% of men. The age structure was as follows: there were 67.1% of people at the age of 19-25, 20.7% at the age of 26-35 and 12.2% of those at the age of more than 35 years old. These were the customers

² Over 2000 completed questionnaires were collected but for the purpose of the analysis 1137 questionnaires were chosen among the customers of the seven banks that were most strongly represented. The limit of representativeness was set at 100 customers of a given bank.

of the following banks: ING BSK (22.6%), PKO BP (20.2%), Alior Bank (15.8%), mBank (15.4%), BZ WBK (13.7%), Pekao S.A. (12.3%). Due to the selection method (target selection method), the size of the sample and its relatively low level of representativeness, the research may be considered as pilot research.

The index of bank reputation was determined on the basis of evaluation of the selected aspects, suggested by the creators of the *Fortune* methodology and *Reputation Quotient* (see: Nawrocki, Szwajca, 2016; Szwajca, 2016a).

In order to identify an image of the banks, one of the forms of the test of imagination was used - the test of association with animals, which belongs to projection techniques, and to be more precise, to personification and animation techniques (Kaczmarczyk, 2011, pp. 298-301; Mazurek-Łopacińska, 2011; Szreder, 2004). The respondents answered the question which of the given animal images best suited the bank. The respondents had a choice of six animals: a dog, an owl, a lion, a cat, a fox and a snake. Animals were selected in such a way as to represent both positive and negative traits.

As can be seen from the quoted characteristics attributed to individual animals, positive associations refer to a dog, an owl and a lion, while negative to: a cat, a fox and a snake.

Presentation of results

Identification of banks' image was made on the basis of an analysis of the association test results' with animals, which is shown in Table 1.

Table 1. An image of the surveyed banks on the basis of the association test with animals

Tested banks	Dog	Owl	Lion	Cat	Fox	Snake
ING BSK	1,7%	4,2%	89,6%	0,7%	1,9%	1,9%
PKO BP	13%	43,2%	23,3%	7,2%	11,9%	1,4%
Pekao S.A.	12,3%	42,7%	21,1%	4,6	17,6%	1,7
mBank	25,3%	39,3%	6,8%	9,6%	15,1%	3,9%
Alior Bank	12,5%	37,5%	24,7%	9,1%	12%	4,2%
BZ WBK	12,6%	30,1%	19,3%	5,1%	10,4%	22,5%

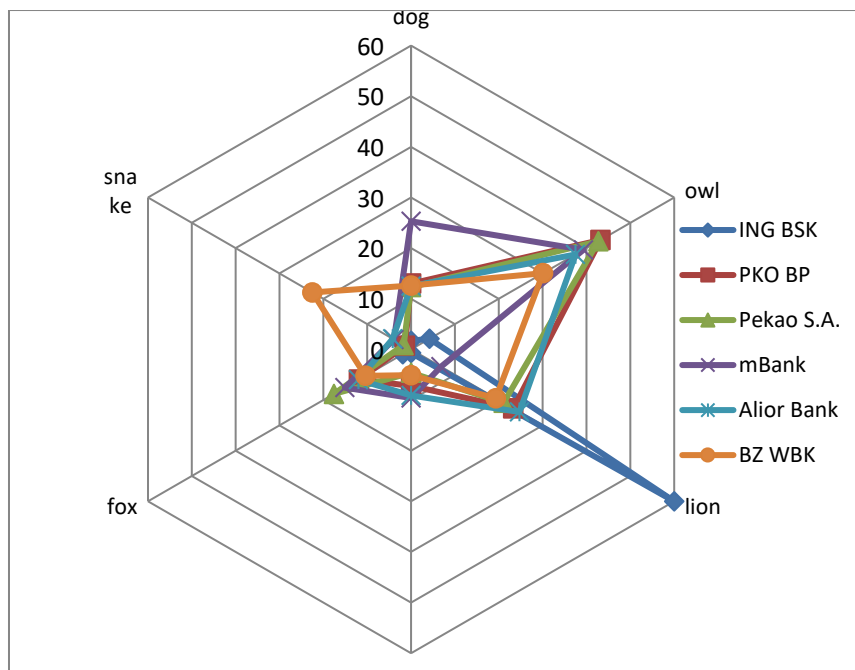
Source: own work based on the findings.

As can be seen from the table, an image of all surveyed banks was rated as positive because they were mostly attributed to the images of animals with positive symbolism, i.e. dog, an owl, a lion. Definitely the best and most clearly seen ING BSK, however, is due to the fact that this bank has in its logo just a lion's image.

Other banks were most often associated with owls, Pekao S.A. and PKO BP were mentioned the most often, whereas BZ WBK and Alior Bank were mentioned the least often. Relatively, the most negative associations (with a cat, a fox and a snake) were reported in BZ WBK (38%), mBank (28.6%) and Alior Bank (25.3%).

An assessment of the degree of image uniqueness was based on the level of dispersion (concentration) of indications per animal (Figure 1).

Figure 1. Image of tested banks



Source: own work based on the findings.

Of course, ING BSK (89.6% associations with a lion), and PKO BP (43.2% associations with an owl) and Pekao SA (42.7% associations with an owl) are the most consistent and unmistakable images. In turn, the least consistent/concentrated and unambiguous image according to the level of indications of associations with owls are: BZ WBK (30.1%), Alior Bank (37.5%) and mBank (39.3%).

A reputation of the surveyed banks was determined on the basis of four attributes that could be assessed by the clients, ie the quality of services, social responsibility, the level of trust and the attractiveness of the bank as a potential employer. The results are presented in Table 2.

Table 2. Indicators of a reputation measurement of the surveyed banks

Tested banks	Quality of services	Employer attractiveness	Social responsibility	Level of trust	Reputation index
ING BSK	91,7%	76,5%	78,3%	90,4%	84,2%
PKO BP	88,1%	62,4%	67,2%	89,7%	76,8%
Pekao S. A.	87,9%	63,2%	70,4%	82,1%	75,9%
mBank	92,4%	59,3%	63,2%	96,8%	77,9%
Alior Bank	84,5%	49,2%	45,7%	79,8%	64,8%
BZ WBK	71,8%	43,7%	50,8%	83,1%	62,3%

Source: own work based on the findings.

As we can see, the highest overall reputation was obtained by ING BSK, while the lowest by BZ WBK. In general, the highest quality of products and business ethics was assessed, and the lowest rating was the attractiveness of the bank as an employer.

As already stated, reputation is a reflection of the consistency of what the company declares and promises with what it actually does, ie the consistency of words with deeds. If you assume that the image is a collection of images created largely by the company itself (advertising messages, document declarations, ethical codes, etc.) and a reputation is an assessment of the company's actual activities, then based on the identification of the degree of conformity of the declaration with the actions, an assessment of the degree of conformity of an image with a reputation can be done (whether the image was positively verified). In order to do that, customers were asked a question whether the bank's activities are consistent with the declarations and advertising slogans. Table 3 presents the results.

Table 3. Assessment of the compliance of the surveyed banks with declarations and advertising slogans

Tested banks	<i>Definitely yes</i>	<i>Probably yes</i>	<i>Probably no</i>	<i>Definitely no</i>
ING BSK	17,2%	74,1%	8,7%	0%
PKO BP	17,4%	69,5%	13,1%	0%
Pekao S. A.	7,6%	69,3%	23,1%	0%
mBank	17,5%	70,1%	12,4%	0%
Alior Bank	12,5%	66,0%	12,5%	0%
BZ WBK	9,8%	65,8%	24,4%	0%

Source: own work based on the findings.

ING BSK received 91.3% of positive responses, followed by mBank (87.6%) and PKO BP (86.9%). The biggest discrepancies were noted with BZ WBK (75.6%) and Pekao S.A. (76.9%).

Based on the results presented, the hypotheses can be verified. Confirming hypothesis H1 (Banks with a better reputation is characterized by a more consistent and unambiguous image, while banks with a worse reputation are characterized by a more diffuse and less explicit image) is a comparison of reputation ratios with the assessment of concentration / scattered image (Table 4).

Table 4. Comparison of a reputation ratio with the concentration of an image of the surveyed banks

Tested banks	Reputation index	Image concentration degree
ING BSK	84,2%	89,6%

PKO BP	76,8%	43,2%
Pekao S. A.	75,9%	42,7%
mBank	77,9%	39,3%
Alior Bank	64,8%	37,5%
BZ WBK	62,3%	30%

Source: own work based on the findings.

According to the data in the table, banks with the highest reputation rates also have the highest concentration of image, which is characterized by the most consistent and unambiguous image, while banks with lower reputation have lower levels of image concentration, which show less coherence and unambiguity of their image.

Verification of the second hypothesis that banks with a better reputation have a more positive image, while banks with less reputation have a less positive image requires a comparison of reputation ratios with positive and negative associations of banks with animal images. A summary of indicators is presented in Table 5.

Table 5. Reputation indicators and positive and negative associations of image

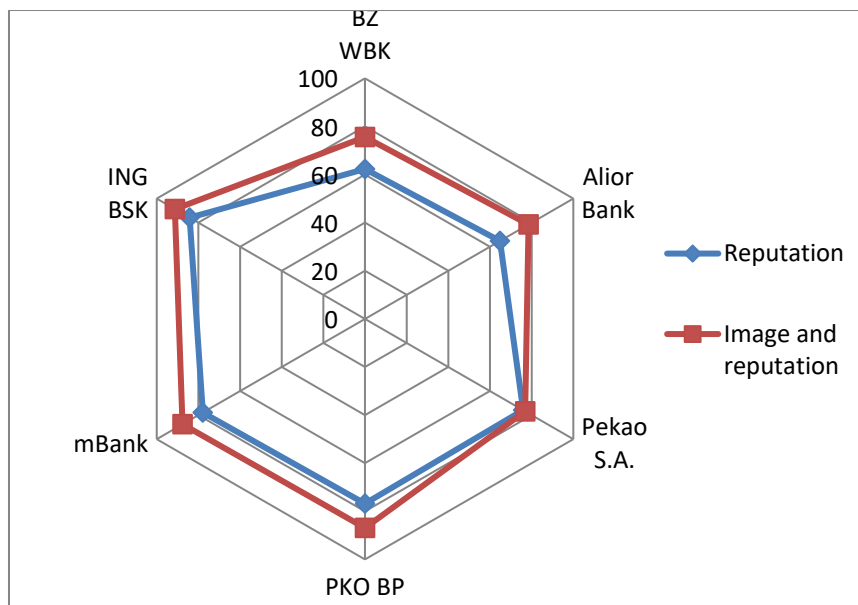
Tested banks	Reputation index	Positive associations	Negative associations
ING BSK	84,2%	95,5%	4,5%
PKO BP	76,8%	79,5%	20,5%
Pekao S. A.	75,9%	76,1%	23,9%
mBank	77,9%	71,4%	28,6%
Alior Bank	64,8%	74,7%	25,3%
BZ WBK	62,3%	62,0%	38,0%

Source: own work based on the findings.

As can it be seen from the table, for almost all banks (except for Alior Bank, which has a relatively high compliance rating), a high reputation ratio corresponds to a high percentage of positive image associations with positive animal images, such as dogs, owls and lions.

Verification of the third hypothesis that reputable banks are characterized by a higher level of compliance with advertising declarations and slogans has been compiled on the basis of a comparison of the reputation ratio with the degree of compliance of the bank's activities with declarations and advertising slogans (Figure 2).

Figure 2. Reputation and bank compliance index with bank statements



Source: own work based on the findings

The biggest discrepancies between an image and a reputation are with banks BZ WBK and Alior Bank, the ones with the lowest reputation ratios. The smallest discrepancies are with Pekao S.A., but also with ING BSK, mBank and PKO BP, which are banks with relatively good reputations. It can be assumed that the third H3 hypothesis was only partially confirmed.

Conclusions

An image and a reputation of the company are two valuable intangible assets that can be used to build long-term competitive advantage and market value. Currently, the management and marketing specialists are of the opinion that these are separate categories. Differences arise from the perception of their essence, character, the way they are built. An image is an image of an enterprise created in the minds of the stakeholders, which is shaped primarily by the company's communication with the environment. It is individual, can be positive, negative or neutral, strong or weak, consistent or blurred. An image as a reflection of reality can be artificially created by the company in relatively short time using image advertising and public relations. On the other hand reputation is an assessment of the company formulated by its stakeholders not only on the basis of communication but also their own experience with the company and the opinions of other entities having their experience. It evaluates the credibility of a business, based on the confrontation of words with deeds, promises and declarations with their fulfillment. Reputation is social in that it affects the collective, aggregated opinion of different stakeholder groups. It can be positive or negative, strong or weak. It is built in a relatively long time, based on the identity and real business operations. It is relatively harder to manipulate, maintain and control than an image. It has relatively stable character and is comparable.

An image and a reputation affect market behavior and stakeholder business decisions, so businesses try to manage them consciously and effectively. Among the authors there are divergent views on the interdependence between these categories: some believe a reputation is a tool for an image building, others suggest that this image influences reputation. The paper expresses the view that image and reputation interact with one another: a positive, coherent image strengthens a reputation, and a good, strong reputation favors the creation of a desired

corporate image. Such a position confirmed the results of the research conducted on the example of Polish banking sector. It turned out that the banks with the best reputation have a consistent, positive image, while banks with a weaker reputation have a more blurred and less positive image.

It should be noted, however, that the research conducted, due to its numerous limitations and shortcomings (ie size and selection of the samples, the methods of measurement of a reputation and an image) do not allow to generalize and formulate categorical theses. However, these reflections and conclusions can be treated as an attempt to identify the relationship between an image and a reputation and can be inspiration for further in-depth research.

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