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Relationship of Image Management and Corporate Performance

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Abstract: *In this era of globalisation and ever-improving technologies the corporate environment has become highly competitive. With many options available, it has become difficult to secure customer loyalty. After having made a good product one needs to tackle the competition also. An effort is made here to find out if corporate reputation and corporate image today are the real keys that have the potential to impact customer loyalty in favour of the firm? The present study aims to discover that corporate that focused on image management as a continuous effort are more successful in comparison to those corporate that have not used this tool effectively or not used it at all.*

Keywords: *Corporate Image, Image Management, Corporate Performance, Corporate Strategy.*

1. Introduction

What is Image? We tend to make an impression when we meet, hear or read of someone or something for the first time. This impression is automatically created and we make an image in our minds and this lays the foundation for our future interaction. So, not only 'First Impression is the Last Impression'; - "First Impression is the BEST Impression". But is the first impression enough? No. We need to consistently work to not only have a good image but keep improving it day by day. The same applies for corporate organisations also.

Corporate image is defined as the perceived sum of the entire organisation, its objectives and plans. Corporate image, or reputation, describes the manner in which a company, its activities, and its products or services are perceived by outsiders. Corporate image is described as the overall impression made on the minds of the public about a firm.

The Corporate image comprises all the visual, verbal and behavioural elements that make up the organisation. As such, corporate image has two principal components: the functional and the emotional.

Everything an organisation does and does not do affects the image of that organisation and its performance, products and services. Building a positive corporate image requires skilful planning. Management cannot limit its focus to the next few weeks or months. To ensure a positive corporate image, organisations should create an impression that will last for years.

Corporate reputation may be viewed as a mirror of the firm's history which serves to communicate to its target groups' information regarding the quality of its products or services in comparison with those of its competitors.

Image Management Functions

1. Developing a strong corporate culture
2. Maintaining a coherent corporate identity success
3. Formulating an appropriate and updated communication Policy
4. Having a reasonable corporate philosophy
5. Genuine sense of corporate citizenship and making efforts in sync with it.
6. Media Relations – It is extremely important in current times to develop & maintain an appropriate and professional relationship with the press
7. Crisis communication : quick and responsible ways of communicating in a crisis
8. Investor Relations
9. Understanding of communication tools and technologies
10. Sophisticated approaches to global communications

It is necessary to develop and maintain corporate identity to ensure adherence to corporate brand guidelines to improve overall business communications so as to clearly and effectively communicate the essence of the company.

Corporate Identity: is the "persona" of a corporate which is designed to facilitate achieving business objectives. It is how a particular business is perceived by its customers and the rest of the marketplace. It is usually visibly manifested by way of branding and the use of trademarks.

It is basically maintaining visual continuity and brand recognition across all physical manifestations of the brand and includes:

- 1) company's name
- 2) logo
- 3) typeface
- 4) colours
- 5) slogan
- 6) stationery
- 7) uniforms

Corporate Reputation:

Reputations are overall judgments of organizations by their stakeholders. They are aggregate perceptions by stakeholders of an organization's ability to fulfil their expectations. These stakeholders may be either interested in buying the company's products, working for the company, or investing in the company's shares.

Crisis Communications:

Corporate reputation is formed by various publics on the basis of information and experience. When that reputation comes under attack, protecting and defending it becomes the highest priority.

Employee Communication:

Employees are the backbone of any organisation. A happy and satisfied employee makes a successful organisation. Organisation must share information with employees, building employer pride and also concentrate on managing employee issues. Manage the Intranet and other internal web portals .Encourage and enable the employees to plan for new ideas and effectively implement them.

Corporate Communication Officers:

Recent research on the corporate communication function reports that corporate communication officers (CCOs) in Global Fortune 500 companies tend to have average tenures of about 4.5 years and that nearly one-half (48 per cent) report to the Chief Executive Officer. CCOs say that approximately 42 per cent of their job is strategic and 58 per cent is tactical. Over the next year, they will be focusing more on social responsibility, social media and reputation. The research done by Weber Shandwick and Spencer Stuart found distinct differences between CCOs in Most Admired companies versus Contender companies.

Objective:

The objective of the study is to understand that:

It is necessary to establish a good image of the company. In today's competitive times it has become necessary to have a good image management mechanism to survive and succeed. To build a good image we need to make consistent efforts. Proper strategies need to be formulated and successfully executed to succeed in this direction. Communication of all types – internal and external – is the key to manage and maintain a good image of an organization.

Research Methodology and Data Collection:

Researcher has done a study on establishing a direct relation between image management and corporate performance. A detailed study on the functions of image management has been done. Also the kind of tools are being used for image management in corporate has been focused upon. This is all done through literature review of research papers, interviews, articles and blogs of leading professionals dealing in the image management field and who have worked with many corporate organizations to enhance their profitability through the same.

2. Data Interpretation/Conclusion

The various tools have been interpreted as efforts that an organization makes to register itself in the minds of the people, who are also its prospective customers, to build an image to give the company an edge over other brands. This edge will help decide customers to purchase in favor of the particular company when given a choice amongst other brands.

Findings

It is necessary to have a good image in today's times. There are a few factors that make it all the more important in current times, namely:

- ❖ Globalisation
- ❖ Increased competition
- ❖ Increased consumer awareness
- ❖ Increased consumer demand
- ❖ Availability of Parity products
- ❖ Increased communication tools (information spreads fast)
- ❖ Media (including social media) is more powerful than ever today

3. Literature Review/ Acknowledgement

“The most critical, strategic and perhaps enduring asset that a corporation possesses is its reputation” (Cravens, Goad Oliver and Ramamoorti, 2003, p.201) Corporate reputation is an intangible asset of immense value that is built-up over time (Lewis, 2001). Corporate reputations influence and are influenced by all the ways in which the company projects its image, its behavior, communication and symbolism (Gotsi & Wilson, 2001)

Corporate image is defined as the perceived sum of the entire organization, its objectives and plans. It encompasses the company's products, services, management style, communications activities and actions around the world. It is difficult to quantify a reputation and understand its exact impact on a business; however, it has been shown that a good reputation lends numerous advantages to an organization.

In a fast-changing world where companies can easily fall short of their promises to stakeholders, business needs to not only intuitively recognize the value of a sound reputation, they need to “systematically and purposefully” manage their reputations.

According to a study by University of Pretoria, “A good corporate reputation is extremely valuable, and confers substantial benefits to the organization. In order to better manage their corporate reputation, companies need to align their corporate identity and corporate management.

The concept of corporate reputation has been studied by researchers in the fields of economics, organizational theory and marketing. Economists analyse issues of reputation in relation with product quality and price (Shapiro, 1983; Wilson, 1985). Organizational researchers examine reputation as being a social identity and portray it as an important and intangible resource which may significantly contribute to an organization's performance, and even to its survival (Fombrun and Shanley, 1990; Hall, 1993; Rao, 1994).

Porter (1985) suggests that a good reputation may help a pioneer firm building an innovative image in the industry, while Franklin (1984) proposes that corporate reputation is a global and final outcome of the process of building a corporate image.

There are a lot of views on corporate image and a lot many definitions available, it is unanimous that the benefits of a good reputation offer substantial value to a company (Gardberg and Fombrun, 2002; Gotsi & Wilson, 2001; Walsh, Mitchell, Jackson, & Beatty, 2009; Whetten & Mackey, 2002)

References

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