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**STRATEGIC APPROACHES OF COMPANY’S IMAGE MANAGEMENT IN MODERN CONDITIONS**

**Abstract.** In the modern global world, company’s image and the issues related to the image formation are among the most important task in business. This circumstance is especially relevant in the current period because the consumer has the opportunity to find out complete information about the brand in the shortest time, compare it with comparable products, and make a rational decision during the purchasing process. Image formation is not such an easy process therefore, giving appropriate attention from the company’s management is essential in order to establish a place in the market and gain a competitive advantage.

The image determines the company’s position in the market, outlines from concurrent, attracts the attention of potential customers, and maintains loyal customers. The image of the company significantly impacts its sales.

Based on the relevance of the presented issue, the purpose of our research was to study and investigate the necessary, facilitating, and hindering circumstances for the formation of the company’s image and to formulate relevant proposals.

**Methodology/approach.** The research methodology is based on the specificity of the research object, subject, goals and objectives. The method of bibliographic research, the logical analysis of relevant materials and data collection, is studying and researching the issues. Also, its presented practical materials, which were obtained based on the interview method used in the research process.

**Research tasks.** The main tasks and hypotheses of the research can be formulated as follows: identifying the public’s attitude towards the company’s image; identifying factors influencing the formation of a company’s image; and forming concrete issues about the research topic.

**Practical value/results.** The presented findings can be used by different companies in the process of forming an effective, distinctive and competitive image.

**Originality and scientific novelty:** the theoretical-practical aspects of the image are studied and ways to identify and eliminate problems related to its formation are proposed.

**Keywords:** marketing, image, competition, competitive advantage, corporate image

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კომპანიის იმიჯის მართვის სტრატეგიული მიმზერები თბილისიში

აბსტრაქტი:
თანამედროვე გლობალურ სამყაროში იმიჯის ფორმირება გადამლავით, რომ საკითხი ყველაზე მნიშვნელოვანია ბიზნესში. ეს განსაკუთრებით აქტუალურია ვაჰსამოსიური პერიოდში, როდესაც მონაწილეობის გაზრდა ჰქონდა ქსოვილის სოციალური ფუნქცია. მაგრამ მათ კონკურენციურობა არც ისე საკმარისაა ჰქონდა. მიუხედავად იმისა, რომ იმიჯის ფორმირება არც ისე მარტივი პროცესია, კომპანიის მენეჯმენტის მხრიდან შესაბამისი გამომდინარე, როგორც კომპანიის პოზიცია ბაზარზე, მისი შერჩევის მშენებლობით აღწერის და კონკურენტური სივრცით სჭირდება ადგილობრივ დამკვიდრება და კონკურენტურობა გაზრდის უზრუნველყოფის საშუალება.

მეთოდოლოგია/მიდგომა:
კვლევის მეთოდოლოგია გამომდინარე კვლევის ძირითადი ამოცანები, საგნის, მიზნების და ამოცანების სპეციფიკიდან გამომდინარე. საბოლოოსად, საგნის შექმნის და კვლევის პროცესში გამოყენებული მეთოდები პირობები, შესაბამისობა მასალების ფიქსირების მხრიდან და მინიჭების შესახებ მასალები მივიღეთ. აქვე, მინიჭება გამოყენებულმა პირობებმა შეინახა, რომელიც მიღებულ იქნა ჩატარებული კვლევის პროცესში. წინადადებები აღჭურვილია ფიქსირებულ პირობებზე დამყარებულ პირობებზე.

ჯგუფის პირობები:
ჯგუფის პირობები არიდნი, რომ დიდი ანომალია და პოეტრიზმ შეიძლება შეიძლოს ხანგრძლივობა იმიჯის ფორმირების გამოხატულობა კომპანიის იმიჯის დაკავშირებით.
Introduction

Circumstances related to image formation are among the most actual issues in the business world. The image is a necessary prerequisite for the company’s growth and success. Without it, it is difficult to form and maintain a good reputation. It plays an important role in attracting customers and providing a competitive advantage.

In the modern competitive environment, vast amounts of money are spent on creating an attractive and desirable image. Famous people, political parties, different business structures, the tourism sector, and different small and big companies spent solid finances on formatting a successful image.

Image formation is a complex and time-consuming process during which effective management process, such as planning, control, organization, motivation, and coordination are most important. It must be noted that the company’s image can be considered in two directions – internal and external image [Watson 2010].

Internal image is the attitude and view of the employees towards the company, and external image is the evaluation of the company by customers and society. A close connection between them is essential. If employees perceive it negatively, their attitude will impact the company’s image. A positive external image improves relationships between employees within organizations because it affects their self-esteem and makes them realize that they belong to a group that is positively valued by society. Only in such close conditions of connection is it possible to strengthen the image and ensure a competitive advantage.

Literature review: The term image and corporate image is connected with different scholars. Philip Kotler (2021) defined image as “the set of beliefs, ideas, and impression that a person holds regarding an object”. “Brand image is largely a subjective and perceptual phenomenon that is formed through consumer interpretation, whether reasoned or emotional”. It’s about how society perceive it. It can be depending on the mental representations of respective consumer.

Howard (2010) outlines, that “the corporate image is a dynamic and profound affirmation of the nature, culture and structure of an organization. This applies equally to corporations, businesses, government entities, and non-profit organizations. The corporate image communicates the organization’s mission, the professionalism of its leadership, the caliber of its employees and its roles within the marketing environment on political landscape”.

Polinkevych (2018) in article says that “while creating a positive corporate image, business entities should take into account the five target segments, namely customers, suppliers, shareholders, employees and
intermediaries. Moreover, it should be borne in mind that each of these subjects does not accept rationalist decisions, is an econ who places emphasis on spontaneity, emotionality. Accordingly, it is difficult to predict the situation of creating a positive corporate image of business entities”.

Lievens (2017) in his work points out, that “organizational image refers to peoples’ global impressions of an organization and is defined as people’s loose structures of knowledge and beliefs about an organization. Organizational image represents the net cognitive reactions and associations of customers, investors, employees and applicants to an organization’s name. accordingly, it serves as a template to categorize, store and recall organization-related information”.

**Result and discussion**

To determine the public’s attitude towards the image and related components, we conducted online marketing research using the questionnaire survey method (300 respondents were interviewed). The most critical component was determining the public’s attitude toward the image. 91.5% of respondents think that image is one of the most essential components for growth and development, 8.5% - believe that it is less critical (see chart 1).

**Chart 1: the role of image in the growth and development of the company**

Source: chart constructed by the authors based on research findings

Image formation is one of the most complex and time-consuming processes that involves many components. There are various components of its construction: brand style–unique, memorable, causing positive emotions; direct and image advertising; public relations and working with mass information sources – creating an informative image; conducting social events; social responsibility; charity; internet communications with consumers; attractive, exiting and informative websites; blogs and forums; working with reviews in social networks and timely and effective responses to consumers advice and complaints; event sponsorship; communication with different companies, famous people, involvement in different projects and sponsorship. These circumstances are important components for forming an effective image for the company, and not only [Kotler 2021].

As we see, the factors determining image are diverse, but for us, it was interesting to determine which of the existing factors the public considers the most critical component in the process of company’s image formation. According to the results of the conducted survey, 30.2% of the respondents named advertising campaigns and public relations; 17% - product packaging, name and other characteristics, 8.5% - social responsibility, charity or sponsorship of events, 5.7% - personnel qualifications; and the remaining percentage was allocated to the image of the supervisor and the employee and other components (see chart 2).
Customers’ opinions towards the company are also essential components for forming a positive image. By establishing a trusting, friendly, and favorable relationship with existing and potential customers, they will become “lawyers” for your brand. The greater their number, the easier it is to form the desired reputation [Howard 2010].

In forming a desired and compelling image, we may run into problems that will destroy all the plans and aims of the image formation. For example: negative feedback, low-quality products, lousy service, unqualified staff, and several other reasons. However, it must be noted that mistakes with consumers, accompanied by customer dissatisfaction and a negative attitude, the right approach, the friendliness and professionalism of the employees, and the company’s willingness to accept complaints and improve them can defuse many conflict-causing situations and save the company from damaging its image [Balmer 2003].

It must be noted that improper advertising may become a factor in damaging the image. For example, H&M came under fire for an ad that featured a black child donning a sweatshirt with the words “coolest monkey in the jungle” etched on the front. The scandal drew public accusations of racism all over social media. Since the scandal, the parents of the child featured in the image have publicly stated that they don’t believe the ad was racist, and the company has taken several actions, including hiring a diversity leader and issuing a public apology that was featured at the top of its website. The company Dove has apologized after publishing an ad on its Facebook page that showed a black woman turning into a white woman. The brand was accused of racism over the online advertising campaign and it later admitted it had “missed the mark” with an image posted on Facebook. The advertisement showed a black woman removing her top to reveal a white woman underneath, supposedly after using Dove body lotion. The white woman then removes her top and turns into a Middle Eastern woman. The head of the marketing department of the company Dove apologized to society and said: “This did not represent the diversity of real beauty, which is something Dove is passionate about and is core to our beliefs, and it should not have happened”. We have removed the post and have not published any other related content. We apologize deeply and sincerely for the offense that it has caused”. However, the damage was done and the nearly 3000 comments below the tweet were almost exclusively negative. Many social media users called for a boycott of Dove’s company.

The actions of the company’s leaders can affect the formation of a positive or negative image of the company. For example: Kenneth Lay, Enron – Enron’s downfall and the imprisonment of several members of its leadership group, was one of the most shocking and widely reported ethics violations of all time. It not only

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2 https://www.theguardian.com/world/2017/oct/08/dove-apologises-for-ad-showing-black-woman-turning-into-white-one
bankrupted the company but also destroyed Arthur Andersen, one of the largest audit firms in the world. The Securities and Exchange Commission announced in 2001 that it was investigating the accounting practices of Enron after several years of questions raised by analysts and shareholders. The resulting disclosures and write-downs by the company reduced investor confidence and the company’s credit rating, leading to the company’s bankruptcy in December 2001. The SEC announced that it would pursue charges against Lay, former CEO Jeffrey Skilling, CFO Andrew Fastow, and other high-ranking employees. The charges related to knowingly manipulating accounting rules and masking the enormous losses and liabilities of the company. Kenneth Lay and Skilling were tried together on 56 counts, including money laundering, bank fraud, insider trading, and conspiracy. Skilling was convicted on 19 counts and sentenced to 24 years in prison, which in 2013 was reduced to 14 years, and he was released in 2019. The resulting investigation of the Enron scandal resulted in Congress passing the Sarbanes-Oxley Act to improve corporate accountability.

Within the framework of the research, it was important to determine the attitude of consumers toward the existing circumstances. According to the opinion of 82.1% of the respondents, the actions of the company’s leader have a significant impact on the company’s image, while 17.9% think that it has a lesser impact (see chart 3).

As we see, a miscalculated step can cause a number of problems and, in a short period of time, significantly damage the image of the company. In many cases, this can be eliminated in time with a proper policy, but in many cases, it can be disastrous for the company.

Any well-known or less known company, can face the risks of image failure. In 2016, Samsung’s Galaxy Note 7 smartphones were catching fire and exploding due to battery malfunction. Sales were down by 15% because of the issue for Samsung users worldwide. One instance may have caused the burning home of a South Carolina family, but thankfully no one was home at the time of the fire. The company faced negative comments because of the dangerous and threatening problem. But Samsung bounced back through persistent efforts. The first step was to get rid of all phones in circulation. The company recalled the Note 7, stopped sales and shipments, refunded users, and provided phone exchanges. It turned out that the replacements ended up having the same issue, so Samsung then recalled those too.

The company took full responsibility for its problem. A team of researchers tested phones and batteries in every extreme condition to pinpoint the error. Once it did, Samsung announced where things went wrong. The

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phone batteries were too big for their casing, causing them to overheat. It also announced rolling out a quality assurance program and other safety features. Samsung focused on gaining trust by reminding users why they should love the brand. It changed its internal culture since it had a brand identity that “lacked warmth and humanity”. The company developed its tagline “Do What You Can’t”, creating a shared vision for all its consumers. This new campaign centered around the link between phones and content creators. They brought on popular youtuber, Casey Neistat and debuted their unique personality during Oscar’s commercial.

As we see, any mistake made by the company can have a negative impact. Therefore, timely response can eliminate it. In the survey, we asked the respondents to evaluate their attitude towards a specific issue, concretely, if even a little mistake can significantly impact company’s image. 47.2% of the respondents believe that it can influence a certain part of the society, 45.3% think it will significantly impact the image of the company, and 7.5% think that the impact will be insignificant (see chart 4).

![Chart 4: company’s mistakes and influence on image](chart.png)

**Source:** chart is constructed by the authors based on research findings

Company’s staff behavior is also one of the most important components for image formation. For example, David Smith, a former Quest Diagnostics manager, managed to get reimbursed for over million dollars in false expenses through a complex web of deception. He set up fake companies, created fake invoices and turned in fake expense reports for payments he’d supposedly made to companies on Quest’s behalf. The FBI eventually caught on, and Smith was sentenced to five years in prison. In addition to poorly named fake companies, Smith’s mailing addresses didn’t match up. Such kind of behavior of company’s manager destroyed company’s image, their sales went down and consumers stopped trusting them⁴.

Cases like this, which can hurt a company’s image, will also impact the company’s competitive advantage. In such circumstances, the brand is replaced, and the competitors are strengthened. That’s why all the company’s efforts should be directed to implementing effective and result-oriented activities, which is confirmed by the research results. In particular, 93.4% of the respondents indicated that the image’s role in ensuring the company’s competitiveness is the most important, and only 6.6% think that the image plays an insignificant role in increasing the competitiveness of the company (see chart 5).

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⁴ [https://www.resourcefulfinancepro.com/news/workers-gone-wild-7-outrageous-cases-of-employee-fraud/?fbclid=IwAR2JWeunlhIgERggI1Dk1aj2RabN7owGZ6jnCBTIPpK9f3DBjjuNNHokivmEQ](https://www.resourcefulfinancepro.com/news/workers-gone-wild-7-outrageous-cases-of-employee-fraud/?fbclid=IwAR2JWeunlhIgERggI1Dk1aj2RabN7owGZ6jnCBTIPpK9f3DBjjuNNHokivmEQ)
To present the circumstances fully, it is essential to discuss the various activities carried out by successful companies by which they try to form the desired image and successfully manage it. For example, the company Adidas, which has been actively focused on producing high-quality products for years, constantly takes into account the interests of consumers, is a member of various charitable foundations and is sponsor of projects. However, the fact that the company is actively involved in the fight against plastic helped to strengthen his image further. He collaborates with the company Parlay and tries to turn plastic waste into high-quality sportswear. Because caring for ecology and ecological (green) marketing is one of the current issues of recent times, the given action of the company strengthens its image in society. The same can be said about the company „Roshen”, which is one of the most leading companies and has a good image. The reasons are different. He is one of the major sponsors of treating children with blood cancer and heart disease. Also, it has arranged several entertainment centers and squares for children, where its logo is also placed, and is a sponsor of various charity events and an orphanage.

For a complete analysis of the issue, were analyzed and studied brands that have good images in the modern competitive environment, namely, Nike, Puma, Starbucks, Coca-Cola, Nestle, Sprite – which are actively involved in green marketing campaigns, sponsorship, charity and in other important activities. All this contributes to the formation of their positive image in society, which further strengthens their competitiveness. According to the results of our research, where identified companies with a good image in society, such as: Apple, Samsung, Rolex, Mercedes, Volvo, McDonald’s, Hilton, Adidas, Coca-Cola, Nike, Tesla, Microsoft Corporation, Sarajishvili – Georgian whisky company, Anagi – Georgian building company, PSP – Georgian pharmacy house, AgroHab – Georgian food market, Bank of Georgia and etc.

It must be noted that there may be brands, which are associated with a good image, but its essential to determine if consumers take into consideration brand image while purchasing the products. According to the survey results, 62.3% of the respondents always pay attention to brand image, 34.9% consider the given situation based on the brands name, and 2.8% never pay attention to brand image.

**Conclusion:** So, based on the study and analysis of various materials about the given problem, as well as based on conducted research, it can be claimed, that image is one of the most critical components of ensuring the company’s success and competitive advantage. Accordingly, the company’s leaders need to take some thoughtful and predetermined actions regarding the formation of image, to assess the risks and the expected threats, in order to avoid a negative attitude from the public and to avoid the threat of damaging the image.
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