

## THE FORMATION OF THE IMAGE OF THE ORGANIZATION AS A FACTOR IN ENSURING CUSTOMER LOYALTY

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**Abstract.** The image of the trading enterprise is an important element in the retail strategy. The problem of formation, development and maintenance of the image of the trade organization occurs at the stage of development and has many debatable aspects. This paper clarifies and complements the definition of the image. The rationale for the effectiveness of image chain management is presented. A "supra-disciplinary" (general) subject-based image scheme is developed that represents its system characteristics (multidimensionality, manufacturability, ambivalence and communicative-managerial nature), which determine such image functions as the formation of a certain attitude towards its bearer, the legitimization of power, the increase of symbolic capital, typification and construction of social reality, and the identification of the specifics of the process of their implementation by actualizing the relevant motives for the behavior of subjects with the help of special codes contained in image messages. We applied the system-synergetic approach to the analysis of the reasons for strengthening the communicative and managerial potential of the image and revealing its functions in the network information and communication society as a super complex self-developing social system, and to the description of the mechanism ensuring the dominance of such image management.

**Keywords:** image, trade chain, image management, customer-oriented approach.

### 1 Introduction

A good image helps to increase the level of trust and value in relation to all trademarks of a trading enterprise. (Polianskaia, 2009).

A certain place in the problem of image is occupied by the question of the correlation of the image of the goods and the image of the store. As practice shows, the image of the store plays a secondary role if the brand of the product has a clearly expressed status and the consumer is confident that he will receive his "own" brand. On the contrary, the weaker the "personality" of a brand is, the greater the role of the image of a trading enterprise is.

This problem is reflected not only in the practice of Russian companies (more than 78% of organizations in Russia develop strategies of image formation (Aleshina, 1989), but also in modern research: I.V. Aleshina, N.L. Rogaleva, P. Gordienko, S. Black, K. Bolding, D. Bourstin, B. Jie, D., Dorothy, J.-P. Baudouin, T. Peters, R. Waterman., P. Drucker, T. Kono, E. Rogers, and L. Iacocca. (Berdinskikh, 2013).

In the era of the network information society, the communicative managerial potential of the image is multiplied many times, due to the acquisition of electronic-digital onto-status. From the viewpoint of a systemic synergetic approach, this reinforcement is the result of the performance of the electronic and digital image of a function or one of the leading order parameters governing the mechanisms of social self-organization that provide the modern network society with a state of homeostasis; or one of the attractors, which deduces individual subsystems and the network society as a whole, to new levels of self-development. The domination of image management in such a highly complex social system is manifested in the endless initiation of new image-order parameters and image-attractors in the process of electronic communications.

The image as an object of study can be represented in both disciplinary (private) projections and an "over-disciplinary" (general) subject scheme that represents its system characteristics: multidimensionality, manufacturability, ambivalence and communicative-managerial nature. These

characteristics determine the following image functions: the formation of a certain attitude towards its bearer, the legitimization of power, the increase of symbolic capital, the typification and construction of social reality. System characteristics and image functions are realized in the process of image communication through actualization of the corresponding motives of the subjects' behavior with the help of special codes contained in image messages. This process takes place immediately at three levels: emotional-evaluation, ethical-aesthetic and value-oriented, which determines the "voluntariness" and "independence" of decision-making and the corresponding behavior on the part of objects of image impact. The psychological mechanisms and, at the same time, the processes and results of the image functioning processes both for its subject carrier and for the impact object are: identification, self-identification and self-presentation / presentation (Palyakin, 2014).

### 2 Materials and methods

The analysis of the theoretical foundations of the image made it possible to identify certain features of the current concept of the organization's image.

1. Serious developments in the image of the organization began in Western Europe, North America and Japan in the 1950s of the last century. At the beginning of the third millennium, the concept of "organization image" was gradually transformed into the concept of "corporate image".
2. Corporate image is a formed favorable image that can be reflected in the consumer's mind, encourage him to buy a product / service and provide competitive advantages to the organization on the consumer market.
3. Corporate image has the ability to attract, i.e. a characteristic that is directly related to charisma, and, therefore, associated with it.
4. The organization image is the fundamental basis for the formation of the reputation of the organization and one of the components of the corporate "religion".
5. Structural elements of the corporate image are the internal image, the image of the goods, the image of the founder, the visual image, and the image of the consumer of the goods (Beloborodova et al, 2017).
6. The work on creating an image must be conducted purposefully for each group of the public using different types of marketing and organizational communications.

To understand how each stage of development will have its own corresponding image policy, it is necessary to consider these stages in detail.

**Stage 1.** The organization is at the stage of establishment; the costs of image and general advertising formation are minimal. The image of the company at this stage is only being formed.

**Stage 2.** The company has captured a certain niche in the market and got a foothold in it. At the second stage, the company can increase advertising costs.

**Stage 3.** "Golden Age" of the company. At the highest level of development of the company, social advertising is expanding, the image of the company is fixed only as positive.

**Stage 4.** Rebirth or extinction of the company. At the last stage of the life cycle, the organization faces a difficult choice: either to go into oblivion, or "to develop innovative activity" and start all over again (Palyakin, 2014).

The corporate image management strategy must be subject to the marketing strategy as the general line of the organization's

behavior on the market and realize its main goals.

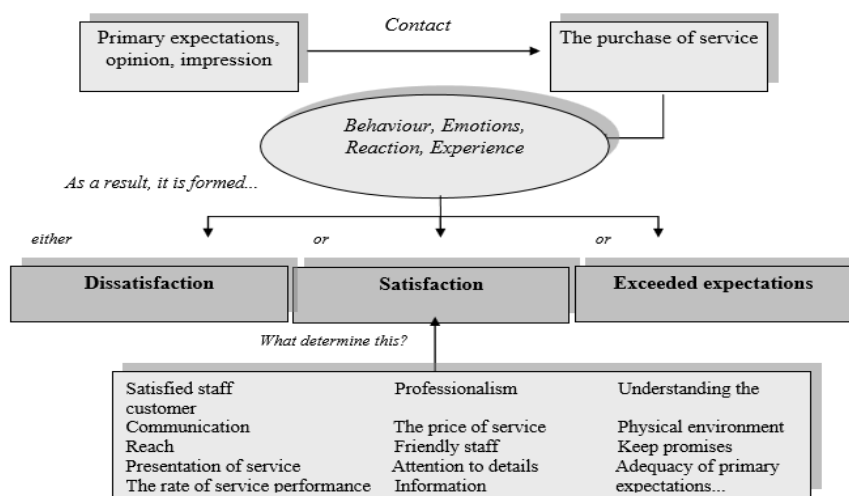


Figure 1 – Strategic fields of the organization's development image

Strategic directions of the organization's development image are the basic direction of actions for the realization of its mission and achievement of long-term goals based on the effective use of limited resources and their optimal allocation to ensure maximum flexibility and organization's stability in risks in unstable environmental conditions.

### 3 Results and discussion

The specifics of the formation and trends in the development of the image of the trade organizations are revealed. With an interval of 2 years (in 2014 and 2016), 2 questionnaire surveys were conducted.

The respondents were people of different strata of the population and of various ages. The participants were interested in the survey and responded to a number of questions positively.

The results of the study of the attitude of consumers to retail enterprises in 2014 and 2016.

Five hundred consumers surveyed in 2014 included 14 (2.70%) people under the age of 20 years, 230 (45.95%) people aged 20 to 30 years, 122 (24.32%) people aged 30 to 40 years, 95 (18.92%) people aged 40 to 50 years, 22 (4.32%) people aged 50 to 60 years, and 19 (3.78%) people over 60 years old (Figure 1).

In addition, among the respondents in 2014, 146 people (29.2%) were men, 354 people (70.8%) were women, and in 2016, 130 people (26%) were men and 370 people (74%) - women. We also identified a trade enterprise with the least attendance rate. In 2014, as well as in 2016, a rarely visited organization can be considered Pestrechinka stores. Thus, 273 (56.25%) and 281 (54.55%) consumers interviewed in 2014 and 2016, respectively, did not visit these trade chain stores. Fifty percent of all respondents never visit Pestrechinka stores or do it very rarely. As for the most frequently visited trade organizations, trade chains Pyaterochka and Magnit can be named. During the periods under review, the majority of respondents visited these organizations.

Investigating the level of prices of trade organizations, according to respondents, it was revealed that in 2016, as in 2014, Magnit stores are a chain with attractive prices, while Bakhetele stores have unpleasant prices.

Considering the question of the range of goods and services in the offered stores during the specified periods of time, the majority of respondents give their preference to Auchan and Bakhetele LLC. At the same time, consumers consider the range of Magnit stores to be small.

Speaking about the quality of the offered goods, the choice of consumers fell on the offers of the shops "Pestrechinka" and "Bakhetele" – in 2014, 71 and 75 people, respectively, and in 2016, 122 and 120 people, respectively; here the quality of goods sold is higher than in other represented trade chains. Assessing the culture of service in a particular retail chain, the respondents positively responded to Bakhetele LLC (85 people in 2014, and 88 people in 2016). A much smaller number of respondents recommend visiting the stores Magnit, Pestrechinka, Auchan, Pyaterochka, due to their low culture of service.

The respondents are satisfied with the territorial location of the trade chain Magnit, Edelwei-M and Pyaterochka and are not satisfied with the location of Auchan and Bakhetele.

The consumers prefer visiting Pyaterochka, Edelweiss-M and Pestrechinka as stores with convenient working hours, while Auchan and Bakhetele, in their opinion, are considered undesirable to visit earlier or later in the day.

As a result of the survey it was revealed that such retail enterprises as Bakhetele, Auchan, Magnit are the most known to the citizens of Kazan.

#### *Factor analysis of the formation of management of the image of trade organizations*

We selected the following factors as the most significant in determining the positive image of the trade organization:

##### *1. High level of customer loyalty to the organization:*

consumer indicator, as the goods are sold to the end user; (Rogaleva, 2007)

Below are the degrees of consumer loyalty to the considered trade organizations in 2016 as per the results of the questionnaire survey.

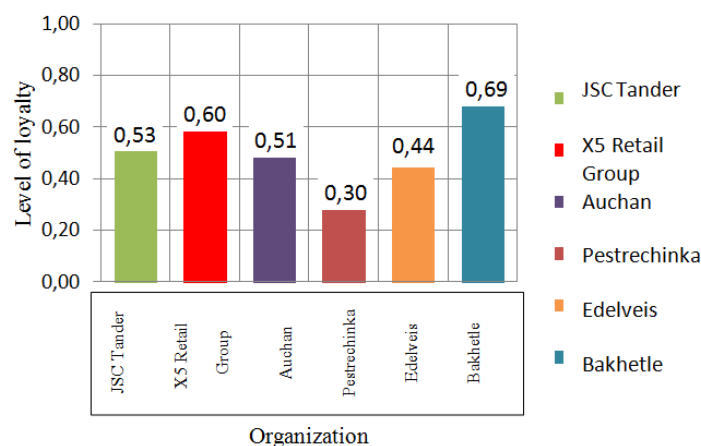


Figure 2 - The level of consumers' loyalty to trade organizations in 2015

To calculate the level of customer loyalty to organizations, such indicators as attendance, range, price level, service culture, quality of offered goods, working hours, convenience of location, cleanliness of the hall and adjoining territory, corporate style and advertising policy were considered (Sharafutdinova, 2016).

Formation of a permanent customer group. Most industries are dominated by organizations that have a strong client base. It follows that loyalty is an essential factor in creating a favorable image;

#### 2. Increase in organization brand awareness:

The creation of a positive image of the trade organization is greatly influenced by the arrangement of goods, the design of storefronts and the interior of the store, the correct use of lighting, colors and other means that determine the content of merchandising, which has a significant impact on virtually all components of the image, including the formation of effective marketing communications within the trading organization;

#### 3. The ability to focus marketing on brand development rather than on individual products or services:

The level of efficient use of the communication complex. The tools of the communication complex used to enhance the image (advertising, sales promotion, public relations etc.), work more effectively if they interact harmoniously, that is, when integrated marketing communications are used;

An effective means of creating a favorable image of a trade organization should be its website. The website should provide information about the trading enterprise, both for potential buyers, and for partners or investors. The website should be promptly updated with information about events that occur in the trade organization, carry out promotional activities and public relations. It is important that the website can be found by potential buyers who are unaware of the existence of the trading company through communication with the media, holding a press conference and issuing press releases that promote image enhancement; (Sharafutdinova, 2015)

#### 4. Cost reduction at the stage of launching new products on the market due to the developed trust to the brand:

Using the positioning based on the attributes of the goods, the "price-quality" ratio can be recommended during the studies aimed at the creation of a positive image. Superiority or difference of the goods from that of competitors should be declared;

#### 5. Increase of the prestige of the company as an employer and the possibility of hiring more qualified personnel:

The possibility of using such popular incentive methods as bonuses, payment of income taxes, preferential lending, annualizing award, partial or full payment of trainings, study, social package, including medical insurance, mobile communication, etc. should be considered by the management of the trade organization;

Wide application of such methods of moral encouragement as providing a flexible work schedule, expressing gratitude in written and oral form, using the honor board, an elementary manifestation of interest in the personal life of the staff.

As a result of a survey of employees of trade chains represented in the territory of Kazan, it was found that 20% of respondents are highly satisfied with the benefits provided by their trade organization, 40% are less satisfied, and 40% are completely unsatisfied.

Various factors influence the formation of the company's image. Ignorance of at least one of them (effective management, customer orientation, image of the manager, etc.) can lead to loss of customer confidence and the formation of a negative or even scandalous image (Sharafutdinova, 1998).

Formation of the image depends on the following main factors:

1. Organizational culture.
2. Environmental safety.
3. Quality and competitiveness of goods and services.
4. Financial capabilities.
5. Appearance of the organizations' names in the media.
6. Management efficiency
7. Image of the director.
8. Organization image management.
9. Financial and economic crisis.

Let us consider an algorithm for assessing the attractiveness of strategic zones of management systems of trade organization image. The algorithm includes:

Assessment of growth rates: for the current stage of life cycles and for the next stage;

Assessment of the level of future instability of the company's external environment;

Assessment of profitability: short-term and long-term.

To assess future instability, the enterprise's external environment is analyzed. Based on this, a list of opportunities and hazards is developed and the strength of factors is expertly assessed.

To determine the further development of the trade organization, a matrix for determining strategic zones of image management systems for retail organizations was developed (Figure 3), constructed according to two criteria: an integral indicator of image management efficiency and profitability of sales.

The vertical axis corresponds to the profitability of sales. The horizontal axis corresponds to the integral indicator of the image management efficiency. Then, the entire range is divided into 4 squares:

"Authorities" - high efficiency of image management along with high profitability of sales. The best strategic position of the retail trade chain, which indicates effective activity of and an acquired competitive niche by the organization. The main forces should be focused on maintaining a stable economic situation in the market. In the conditions of modern competition, it is necessary to constantly improve its activities and get new consumers.

"Diligent" – low profitability corresponds to a high efficiency of image management. This situation arises when the retail trade organization works effectively. At the same time, a high level of competition does not allow a high level of profitability. Highly efficient activity of "Diligent" is due to the effect of scale, when the increase in sales volumes reduces the expenses per unit of goods. The retail trade organization should develop extensively through the establishment of new trading facilities, which allow reaching the greatest synergistic effect.

"Lucky" – retail trade organizations with high profitability and low efficiency of image management. This situation arises with an insignificant level of competition. For the further

development of such trade organizations, the effectiveness of image-making policy should be increased, as the level of competition can increase irrespective of the activity of the retail trade chain, and "lucky" can turn into "brave".

"Brave" – have low image management efficiency with a low level of profitability. A set of measures is needed to become "diligent". Otherwise, they should leave the market, as a high level of competition in the future will not allow them to develop.

The development of a competitive retail chain strategy is associated with an assessment of the strengths and weaknesses of competitors. In order to obtain the most accurate result, it is advisable to carry out analysis of the economic efficiency of the retail trade chains by two methods, since the choice of the further strategy for the development of the tradechains is one of the key decisions in chain management.

The proposed model of the matrix offers the following set of decisions on the further activities of the organization in the relevant areas of management:

Protect and support the "Authorities";

Release from the "Brave", if possible;

Introduce a strict control over capital investments and transfer of excess cash proceeds to the "Diligent";

Carry out a special study of the "Lucky" to establish whether they are able to become the "Authorities" under certain investments.

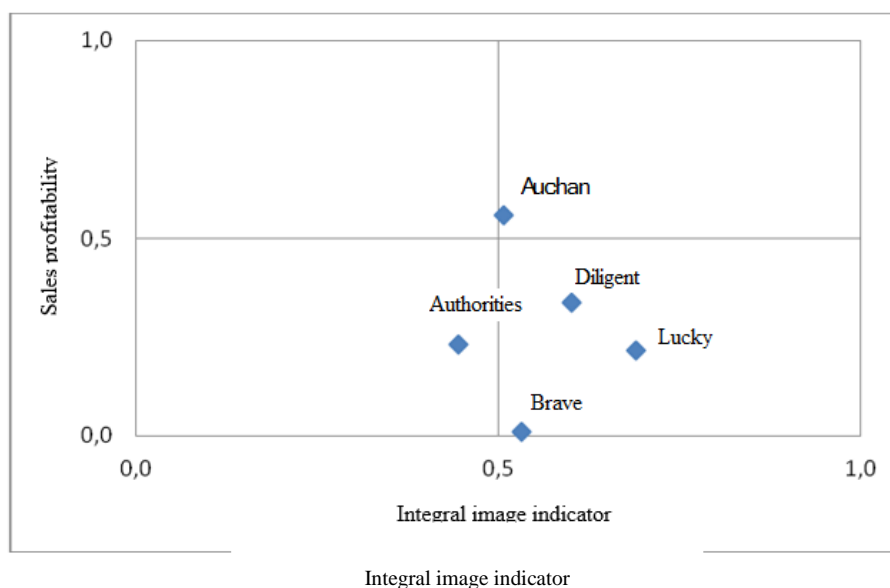


Figure 3 – Strategic position of retail trade chains in 2015

To assess the image of trade organizations in terms of consumers 500 people were interviewed.

Considering business units as authorities, brave, lucky and diligent, it is necessary to divide them into four groups only, which is a rather simplistic approach. Some leaders with a high business process efficiency have never been a star in terms of profitability. Many companies with low profitability are not "lucky" or "authorities" - in most cases, the companies that play the second role have stable profitability, are profitable and able to compete successfully and even exceed the so-called leaders. Therefore, the key characteristic that needs to be evaluated is the trend of the company's profitability index (Berdinskikh, 2013).

#### 4 Summary

According to the results of the study, it was determined that various factors influence the formation of the company's image. Ignorance of one of the factors can lead to a decrease in consumer loyalty and the formation of a negative level of image. Loyalty of clients and personnel depends on effective management and application of marketing tools. The application of the client-oriented approach will allow the trading company in the future to form a client base and a certain level of image. To maintain the level of competitiveness of a trading enterprise, it is necessary to define a development strategy. For this purpose, the

competitive advantages must be evaluated and the trend of the enterprise profitability index must be taken into account.

## 5 Conclusion

The results of the study showed that the corporate image management strategy of the organization is developed on the basis of a marketing strategy. Applying the marketing approach to both clients and staff will allow the trading company to form a certain level of their loyalty. The use of factor analysis is aimed at the formation of competitive advantages of a trade enterprise. To assess loyalty to a trading company, it is necessary to take into account the ratio of performance to the level of the image. The application of a systematic approach in maintaining the image component determines the competitiveness of the trade enterprise.

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