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FORMATION AND MANAGEMENT OF CORPORATE IMAGE: THEORETICAL PRINCIPLES

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The article examines the theoretical and methodological foundations of managing the process of forming the image of enterprise. The modern approaches to defining the concept and mechanism of management of the enterprise image formation are analyzed; its functions, structure, and the key stages of its formation are disclosed. The concepts of corporate image and corporate reputation are compared, and their management model is studied. The practical significance of the research results is that the proposed approaches to enterprise image management can be used to increase its competitiveness, strengthen the target audience's trust, and improve interaction with key stakeholders.

Relevance of the research topic. In modern conditions of fierce competition, corporate image and reputation play a decisive role in forming trust in the enterprise, its competitiveness and long-term success. Consumers, investors and partners are increasingly focused not only on the quality of products or services, but also on the general perception of the company in society.

The purpose of this article is to scientifically substantiate the theoretical foundations. In accordance with the goal, the following tasks are set: to analyze the process of forming and managing corporate image, determining its main components, functions and relationship with corporate reputation.

Analysis of recent research and publications. Issues related to the formation and management of the image of the enterprise are covered by such domestic and foreign scientists as: Bolotova V.O. [1], Bugrym V.V. [2], Khortyuk O.V. [8], Robinson E.J. [11], Garden B and Levy S.J. [3], Dotsenko I. [4], Grey E.R. and Balmer J.M.T. [5], Keller K.L [7], and others.

Presentation of the main material of the study. The concept of «image» began to emerge in the middle of the XX century, particularly in the 1950s and 1960s, when marketers and management professionals began to pay more attention not only to products or services, but also to how enterprises are perceived by the public. Different scientists interpret the concept of «corporate



image» from different points of view, emphasizing its role in shaping the perception of the company among stakeholders.

Table 1 presents several interpretations of the concept of «corporate image».

Thus, **corporate image** is a multidimensional concept that combines the actual perception of a company by stakeholders and a strategically formed image. It can be based on its activities, interaction with employees, society and the market, as well as on symbolic meanings and associations. The formation of a positive image is an important tool for increasing the trust, reputation and competitiveness of a company.

The corporate image of the enterprise performs a number of functions that affect both the internal environment of the company and its interaction with external stakeholders:

1. Demonstrative (positioning of the enterprise in the market);
2. Attractive (a positive image attracts the attention of consumers);
3. Stimulating (encouraging the consumer to act);
4. Financial (increasing the profitability of the organization).

Table 1

Definition of the meaning of «corporate image»

Dictionary of Business and Management	Corporate image is the image that a company projects of itself. To gain a benevolent image for the way a company treats its employees or the environment, for example, can be as important to its sales as its individual brand images [9]
Bugrym V.V.	Corporate image is a set of a number of variable components, with the advantage of form over content, a variant of self-presentation or self-presentation that focuses on the best features that increase self-esteem and authority or reputation among potential consumers, and also provides the key to success in terms of the correctness of the public relations development strategy [2]
Khortuyuk O.V.	Image (from Latin imago – imaginary image, reflection, representation) – a purposefully formed image that distinguishes certain value characteristics, designed to emotionally and psychologically influence anyone for the purpose of popularization, advertising, etc. [8]
Robinson E.J.	Image is the result of an adequate perception of the enterprise, its manager, personnel, policy or activities. That is, it is assumed that manipulative actions do not have a decisive impact on the image of the enterprise or are absent altogether [11]
Gardner B. and Levy S.J.	Consider image as a long-term investment in reputation [3]
Bolotova V.O.	The image of an organization is the impression that a company and its employees make on people and which is recorded in their minds and subconscious in the form of certain emotionally colored stereotypical ideas (judgments, opinions) [1]
Keller K.L. and Swaminathan V.	Brand image is consumers' perceptions about a brand, as reflected by the brand associations held in consumer memory [7]

Source: compiled by the author based on [9], [2], [8], [11], [3], [1], [7]

Two components can be distinguished in the structure of the corporate image: the external and internal image. Effective image management and its formation are possible only under the conditions of the harmonious interaction of these elements. These components are closely interrelated: a strong internal image often becomes the foundation for building a positive external perception, while feedback from the external environment can influence internal changes. Understanding this dynamic interaction is essential for developing a comprehensive image strategy. Consider the main components of the process of forming an organization's image [12].

Internal components of corporate image (formed within the company):

1. The image of the head of the organization (perception of the intentions, abilities, attitudes, value orientations, psychological characteristics and appearance of the leader);
2. Staff image (discipline, communication culture, punctuality, efficiency, sociability);

3. Internal image of the organization (organizational culture; management style; interaction between management and staff; level of employee satisfaction; socio-psychological climate of the team);

4. Corporate identity.

External components of corporate image (formed in the perception of the external environment)

1. Visual image of the company (name, logo, corporate colors, office interior, corporate identity, slogan, which ensure its recognition);

2. Social image (public perception of the mission; sponsorship and charity activities, participation in social projects; information openness; compliance with environmental standards; number of jobs provided);

3. Business reputation (perception of the organization as a subject of business activity; relations with partners and competitors);

4. Consumer image (lifestyle, social status, nature);

5. Product image (compliance of product characteristics with consumer requests and expectations).

Therefore, we can conclude that external and internal images are closely interrelated. The internal image formed within a company directly affects its external perception by customers, partners, and the public. Negative opinions of employees about the organization will inevitably be transmitted to others and reduce the external image. In turn, a positive external image improves the attitude of employees to the organization, as it helps to increase their own self-esteem from the realization of belonging to a group that is positively valued by society.

The process of forming a corporate image goes through three key stages that ensure its compliance with the company's strategic goals and the expectations of the target audience (fig. 1.1).

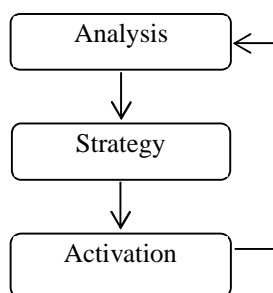


Fig. 1.1. Three phases for building a corporate image

Source: compiled by the author based on [4]

At **the first stage**, the company analyzes the starting position of its support level, analyzes for whom its image is being created and how it will be perceived by different groups of stakeholders. The target audience is determined: by age, interests, needs, level of influence (consumers, partners, investors, employees, community, and government institutions). An analysis is carried out of which image characteristics are important for each group. Competitors and their image are studied to identify competitive advantages.

The second phase involves developing the image concept: the organization determines the values, basic principles and motives that will form the basis of the corporate image. This is followed by the creation of a corporate identity (logo, fonts, slogan, etc.). And the next step is to determine the tone, how and through what channels the desired message will reach the target audience (public and advertising events, PR, social networks, etc.). A specialist in image formation is called an imagemaker.

At the third stage, the company implements the developed concept in practice, monitors its perception among the audience, analyzes reputational risks, and adjusts the communication strategy.

The process of corporate image formation allows companies to create a clear and attractive image in the minds of their target audience. However, to maintain this image, an effective management system is required that takes into account not only external perception, but also the long-term reputation of companies.

Consider the operational model for managing corporate image and reputation, which created by Gray E.R. and Balmer J.M.T. (fig. 1.2).

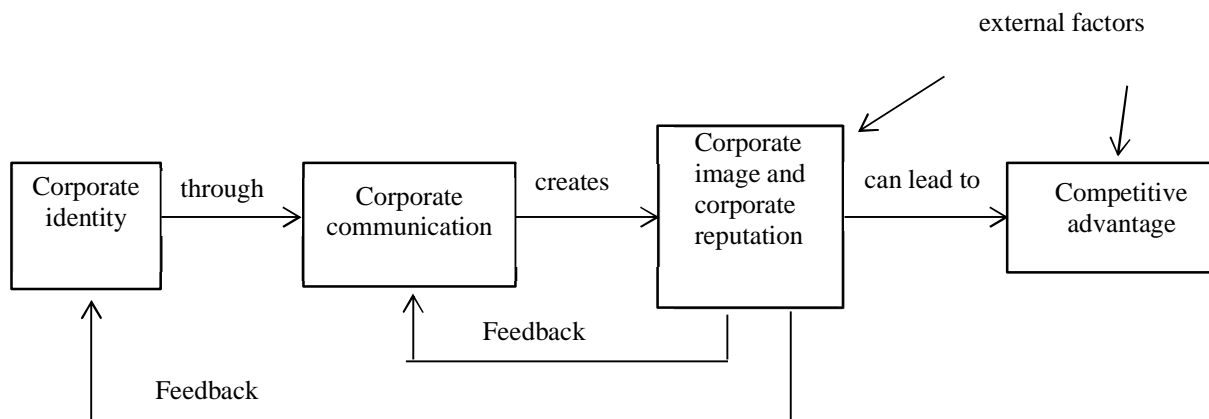


Fig. 1.2. Operational model for managing corporate reputation and image

Source: borrowed from [5]

Next, we look at the four main components of the model from fig. 1.2:

1. Corporate identity: The Longman Business Dictionary states that corporate identity is how a company uses similar designs and colors on all its products, advertisements, letters, etc., so that people will become familiar with the company [10].

Three keys attribute corporate identity:

1. Corporate design (logo; architecture and interior; uniform; sound and smell used)
2. Corporate communication (PR and advertising; how it voices its concerns and values)
3. Corporate behavior (leadership; how it deals with publics)

2. Corporate communication encompasses all of a company's communication activities and tools, as well as the way it communicates. It helps organizations explain their mission and combine multiple visions and values into a single message for stakeholders. It includes both internal and external communications. Internal communications are directed toward company members, while external communications are directed toward the public.

Through corporate communications, a company can create a consistent image and thus gain various benefits. Internal communication can positively influence the working atmosphere, while external communication ensures the company's image. A specific corporate appearance increases recognition and creates trust among customers.

3. Corporate image

4. Corporate reputation is the public's perception of a business. It's the impression and how people perceive you as an organization with your products, services, and behaviors. It can be measured by many factors, including market share, brand equity, and customer satisfaction. These factors can be influenced online and offline and can be seen in loyal customers and strangers [6]. Many believe that a good reputation among employees significantly contributes to increased team morale and productivity. In addition, it is worth noting that a positive reputation within the team has an additional effect, as employees play a key role in representing the company to external stakeholders.

The authors emphasize that effective corporate image and reputation management requires understanding and coordination between these four components. Corporate identity defines the core values and mission of the company, which must be clearly communicated through corporate communications. These communications influence the formation of the corporate image among external stakeholders. Over time, based on consistent actions and the fulfillment of promises, a corporate reputation is formed. Therefore, the implementation of this model helps to strengthen the company's position in the market and increase its competitiveness through effective image and reputation management.

Distinguishing between corporate image and corporate reputation is important for effective management of the company's perception. Below is the table 1.2, which reflects the key differences between these two concepts.

Table 1.2

Comparative characteristics of corporate image and corporate reputation

Characteristics	Corporate image	Corporate reputation
Formation	Direct mental picture that audiences have of an organization	It arises in the minds of stakeholders as a result of the company's actual actions and behavior over a period of time
Duration of impact	Short-term effect; may vary depending on current communication campaigns	Long-term effect; builds gradually based on stable company results and behavior
Perception	Can be positive, negative or neutral	Can be positive or negative
Based on	Corporate identity, advertising materials, public relations, visual (logo, design, etc.) and verbal means	Achievements, quality of products/services and ethical behavior of the company
Stem from	Inside the company	Both inside and outside the company
Key question	«What do we want others to think we are?»	«What do others think we are?»

Source: compiled by the author based on [5]

That is, reputation depends on the actual actions of the company, not just on how it positions itself. This makes it more stable and difficult to change quickly, unlike corporate image.

Fig. 1.3 presents a conceptual model of the relationship between corporate identity, corporate image and corporate reputation:

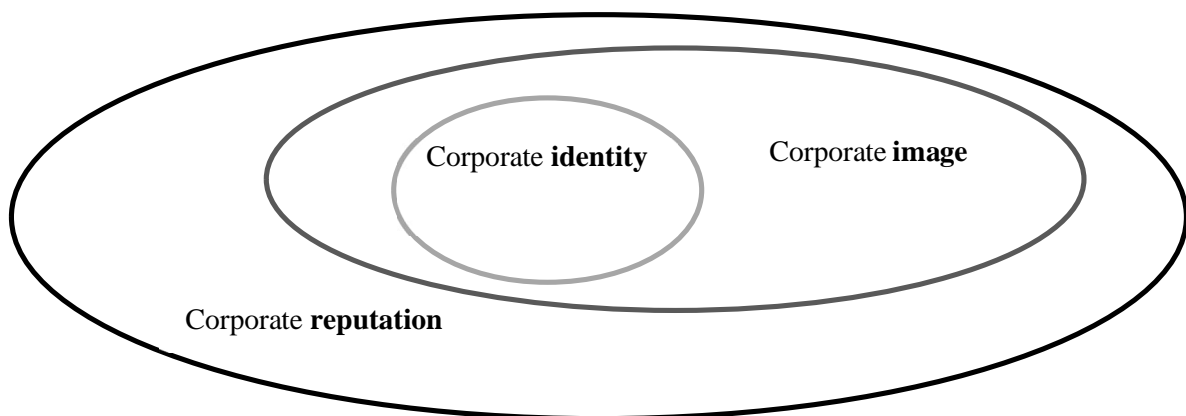


Fig. 1.3. Relationship among corporate reputation, corporate identity and corporate image

Source: compiled by the author based on [5]

Thus, corporate image is a multidimensional concept that combines the actual perception of a company by stakeholders and a strategically formed image. It can be based on its activities,

interaction with employees, society and the market, as well as on symbolic meanings and associations. A good image attracts consumers, stimulates action, and strengthens the financial stability of the company.

The internal image of the company directly affects the external perception of the company, and vice versa, the external image can stimulate changes in the internal culture. The process of image formation includes three main stages: analysis of the starting situation, development of the image concept and its implementation.

The operational model of image and reputation management emphasizes the importance of a clear corporate identity and communications. These components interact and create a positive perception of the company among stakeholders.

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