

**Emilia Stola**

*Warsaw University of Life Sciences – SGGW, Poland*

## **THE IMPACT OF THE BANK'S IMAGE ON ITS PERCEPTIONS AND EFFICIENCY**

### *ODDZIAŁYWANIE WIZERUNKU BANKU NA JEJEGO EFEKTYWNOŚĆ*

**Key words: commercial bank, image, bank marketing**

*Słowa kluczowe: bank komercyjny, wizerunek, marketing bankowy*

**Abstrakt.** The aim of an elaboration was to show the issue of the image of the bank in the aspect of the perception by the clients of these institutions. The main attention was returned to theoretical aspects of this issue with the vetting of the hypothesis on the verification of the hypothesis that is positive bank's image is consequent on the quality of the banking service and the professionalism of employees, excluding elements visual, creating the image of the bank among others. In elaboration justified, that the image of the bank was identical with the image of this institution in the awareness of customers, having a contact with it in the indirect or direct way. It is also the most desired factor of the competitive edge, mainly due to character singling out, unique and long-lasting. However important factors having an influence to the positive way of noticing the bank by customers, in it among others were shown in empirical examinations confidence level to the bank and elements visual, as well as the scope and the quality of offered banking facilities.

### **Introduction**

In the economy, banks act as financial intermediaries between entities with the surplus of cash and units reporting their scarcity. In addition, issuing the bank money in the form of granted loans, banks act, among others, on the economic growth and the macroeconomic situation in the country. Starting from economic transformations, initiated in the nineties by economic changes in Poland, the bank sector is characterised by the high dynamic of development. Moreover, the characteristic feature of the contemporary bank market in Poland is the increase of the number of banks and credit institutions, and thus the availability and knowledge from the scope of bank services increases. In addition, cultural changes take place in the society, consisting of the increasing consumerism, and thereby the growing motivation of people to take out loans and to manage personal finances, among others, using the bank services.

Succeeding by the bank, and thus the increase of the number of clients causing the increase of growths, requires an effective use of the possessed human, property, financial and intangible resources. Additionally, the analysis of the surrounding is important, including the bank services. Target customers, including households, are not driven only by the matter of profit. Usually the safety of the invested financial resources is more important, as well as the predictability and reputation of the service provider. Bank as the public trust institution, functioning based on the law, ensures legal warranties concerning safety of the entrusted financial resources, however, meeting the market requirements, including the increasing competition also from non-bank institutions, in addition requires standing out in the positive manner from other entities. Consolidation in the consciousness of the environment own, unique position is possible through the properly shaped image. Apart from the marketing issue, there is the need to impact on the awareness of clients and employees, to create positive and strong associations. The image of the bank is treated as a factor of a symbolic and intangible nature, difficult to duplicate by other entities, it takes the crucial meaning due to the fact of occurrence of the almost identical market offer among the banks. Moreover, the defined image of the bank institution enables a better positioning of the bank on the market with a high degree of competition.

It is worth noting that achieving the competitive advantage in the case of the bank does not refer only to competition. The greater importance is achieved by the way of recipients' perception and shaping of good relations with them. Innovation stops being the most important factor, due to the fact of the short-term profiteering by the banks. New products are very quickly captured and imitated. The most difficult element to achieve, and at the same time the most desired element, of the advantage is the possession of the rare, unique factor, difficult to replicate and replace. Therefore, the image of the bank becomes the most important, integral part of the mission and strategy of this type of institution, due to the long-term and permanent character.

### **The objective and methods**

Showing the issue of the bank image in the aspect of impacting the perception and effectiveness of these institutions has been adopted as the main goal of the study. The main attention was paid to the theoretical aspects of this problem, hence the main methods used in the study included the methods of literature studies, which involved both the foreign and national positions. In addition, a telephone questionnaire has been conducted among the randomly selected one hundred customers of the banks, functioning in the Warsaw agglomeration, which dealt with issues related to the perception of the bank by customers of the bank services. For the purposes of the study the following research hypothesis has been formed: the positive image of the bank depends on the scope and quality of bank services and professionalism of employees, and not on visual elements, creating the bank image.

### **The Bank Image on literature**

The concept of the bank image is identical with the image of the subject in the awareness of people who have the direct or indirect contact [Cenker 2000]. It is a subjective set of impressions, which is not always identical to the objective assessment of the reality. It is a response to the stimuli transmitted by the entity [Knecht 2006, p. 6]. It is an image, which arises in the minds of people at the moment of contact with the name or logo of the given object. The image is the client's opinion and the appropriate level of recognition among the target partners. It consists of all imaginations, expectations and judgments given by the current or potential purchaser [Sudoł et al. 2000, p. 21].

According to Schmitt, Simons and Marcus, the image is associated only with the aesthetics of the organisation and refers to visual elements, which are of the biggest importance in the company's operation [cit. by: Šontaitė, Kristensen 2009]. While Askegaard and Christiansen stated that the representative form is the only available form of the image [Askegaard, Christiansen 2001]. In conclusion, the visual aspect is a necessary means of communication with the market, but it does not constitute the only element of the image. Factors that are equally significant include: trust, quality of offered products and services, relations with the environment or participation in the customers' life.

The image of the bank is the intangible part of its assets, with the multi-dimensional character. One of them is the visual aspect, enabling the distinction on the market and acquisition of the customer's favour. The visual identification has become very popular as the interdisciplinary concept concerning the strategic management, marketing, public relations, graphic design, psychology, organisational behaviour [Melewar 2003]. Moreover, keeping the consistency is a big challenge, hence the Visual Identification System has been introduced into the banks, that is a set, which arranges the work of this institution in the visual sphere. Applying the principles contained in the system contributes to the construction of the positively perceived, stable image. The Visual Identification System can consist of several or hundreds of different elements. The fast growing business world means that banks are outdoing themselves in the ways and used tools to underline their image. The main elements of the visual identification include: name, logo and colours.

Most often communication of the bank with the environment is based on the marketing promotion, which is a thoughtful, deliberate form of the entity's operation. Some theorists distinguish the group of bank resources, called the invisible resources, which consist of the abilities to manage, organisational culture, customers' trust, image, sense of security. Ambastha and Momaya stated that the competitive advantage is provided by resources and processes, which can have the tangible

and intangible character, while the intangible factors and their ability to use are much more effective than the tangible resources. A significant advantage on the market is provided by the price, quality, management, image and marketing. The aim of the marketing communication of the bank is the transmission of information to the environment, which concerns not only the visual sphere, but also the promotion of products and services offered by the bank, emphasising the proper relations of employees towards the customers, security of the institution, informing about the operations of the given bank, its significance for the cooperatives and the local community, shaping the positive image and stimulating interest in the given entity. Among the most popular instruments of the marketing promotion we distinguish: advertisement<sup>1</sup>, public relations<sup>2</sup> and sponsoring<sup>3</sup>.

The customer is the central point for creating the image of each bank. The effective application of any marketing instrument or development of the program to communicate with the environment requires knowledge about the purchasers and their behaviour on the market. These behaviours include different actions directed to meeting the existing needs. Processes related to the purchase of products or the use of services are conditioned by many factors [Żuchowski, Brelik 2007].

### Research result

In order to verify the hypothesis that the positive image of the bank depends on the scope and quality of bank services and professionalism of employees, and not on the visual elements, creating the bank's image, a survey has been conducted among the customers of Warsaw banks. The study took place in June 2015, it was conducted in different branches of the commercial banks. The sample was selected randomly. The study was entirely voluntary and anonymous. Questions were formed both in the ex post grasp and concerned the assessment of the existing image elements and questions in the ex ante grasp, enabling the respondents' indication of the lack of necessity to introduce changes in the future or the selection of specific elements of the image, which do not meet their customers' expectations and should be corrected or changed. In order to assess the individual components of the Bank image, the five-point Likert scale was used<sup>4</sup>.

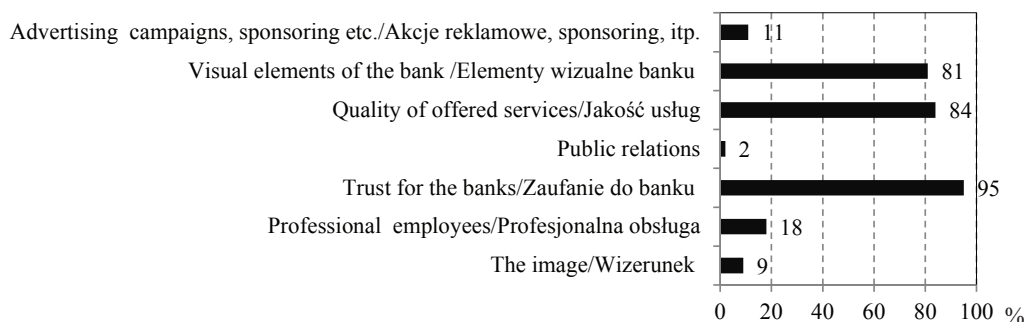


Figure 1. The ratings of elements influencing the positive image of the Bank by respondents  
*Rysunek 1. Oceny respondentów elementów wpływających na pozytywny wizerunek Banku*

Source: own study

Źródło: opracowanie własne

<sup>1</sup> The form of communication involving the repeated and frequent repetition of information using the mass media. Each paid form of presentation of goods and services of the given organisation.

<sup>2</sup> It includes actions in favour of maintaining the best relations of the bank with the environment. It concerns the process of gaining the favour. It is a long-term action, which goal is to create the positive image and to get loyal customers. The aim is to provide the public opinion with information about important events in the bank.

<sup>3</sup> An element of public relations. It involves giving the sponsored entity for disposal the certain sum of money or other resources in exchange for certain benefits for the sponsoring entity; the tool of relation, enabling empathy to the customer. Most often the banks give resources to the sport, cultural, charity, etc. activities.

<sup>4</sup> Likert scale – in the methodology of social studies the five-point scale for measuring attitudes towards specific issues or opinions, mostly used in survey studies, through which it is possible to get the answer concerning the degree of acceptance of the phenomenon, view, etc. Developed by Rensis Likert in 1932.

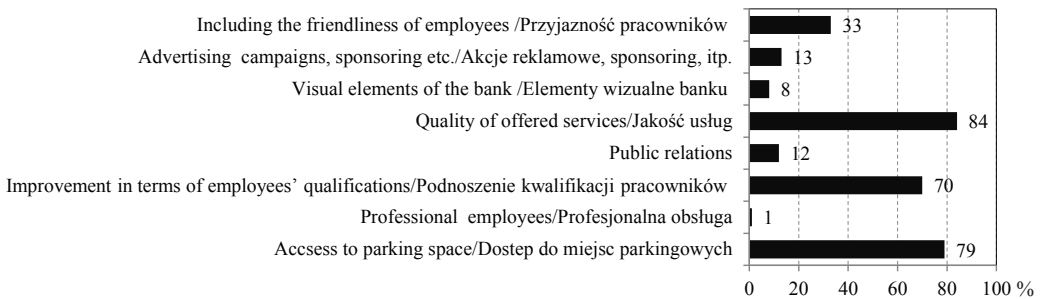


Figure 2. The ratings of elements of the Bank image, which should be improved by banks in respondents' opinion  
*Rysunek 2. Oceny respondentów elementów wizerunku Banku, wymagające poprawy, w ich opinii*  
 Source: own study  
*Źródło: opracowanie własne*

Respondents participating in the questionnaire study were asked to order elements from the least to the most important, which affect the positive image of the bank, in which they have a personal account (Fig. 1).

The image, professional employees, trust for the bank, quality and scope of offered services, advertising campaigns, public relations and sponsoring were taken into account. The main criterion, which guided the customers while assessing the image of the given bank, was trust (95% of respondents), also the scope and quality of the bank's offer were significant elements for the customers (84%) and the visual elements of the bank, creating its image in the minds of customers (81%). On the other hand, respondents gave negative assessments to marketing actions of banks and public relations, as well as relations of employees with customers.

Within the ex post questions (Fig. 2), which aimed for the customers to indicate the image elements, which should be improved by the banks, we had the guarantee for the customers' access to parking spaces (79%) and improvement in terms of employees' qualifications (70%), including the friendliness of employees (33%).

## Conclusions

The aim of the study was to show the issue of the bank image in the aspect of impacting the perception and effectiveness of these institutions. Based on the conducted literature analysis and the conducted questionnaire<sup>5</sup>, the following conclusions have been formed:

1. The bank image is identical to the image of this institution in the minds of customers with the direct or indirect contact with it. Moreover, it is the most desirable factor of the competition advantage, mainly due to the distinctive, unique and permanent character. In case of banks it is the intangible part of the assets, as well as the marketing tool through which the bank can communicate with the environment.
2. The customer is the most important element for creating the image of every bank. Achieving success on the financial market requires knowledge about purchasers' behaviour, including the shaping of their experiences and responding to the needs and expectations of the customers.
3. The image of individual banks, functioning in the Warsaw agglomeration, were evaluated positively by the customers of these banks, who gave good and very good grades to the components of the image. The best opinion went to the level of trust for the bank and visual elements, as well as scope and quality of the offered bank services. Very good marks were given mostly to elements such as the logo and colours of the bank, name, guarantee of deposits, by the customers. While negative marks concerned the actions of banks within marketing campaigns

<sup>5</sup> The conducted survey was fragmented in nature, despite the applied random selection of respondents, the obtained results should not be generalised to the entire banking sector in Poland.

and public relations, as well as relations of employees with customers. The elements of the image, which should be improved by the bank, included, most of all, the access to parking spaces and improvement in the aspect of employees' qualifications.

4. The hypothesis formed for the purposes of the study about the positive relation of the (favourable) image of the bank from the scope and quality of bank services and professionalism of employees has been confirmed in half, as the results of the survey study, most of all, indicated the quality of services and visual elements of the bank as the criterion of assessment the bank image. Professionalism of employees was assessed low, as the factor evoking the negative image of the bank. On this basis it can be concluded that the customer evaluating the bank image at first pays attention to the safety of his deposits, speed, comprehensiveness and quality of the offer and service. While the less important factors are such as marketing campaigns and the public relations activity of the bank.

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### Summary

*Celem głównym opracowania było zagadnienie wizerunku banku w aspekcie postrzegania tych instytucji przez klientów. Zasadnicza uwaga została zwrócona na teoretyczne aspekty tego zagadnienia z weryfikacją hipotezy, iż pozytywny wizerunek banku według klientów wynika z jakości usług bankowych i profesjonalizmu pracowników, wyłączając elementy wizualne, tworzące m.in. obraz banku. Uzasadniono, iż wizerunek banku jest tożsamy z obrazem tej instytucji w świadomości klientów, mających z nim styczność w sposób pośredni lub bezpośredni. Jest to również najbardziej pożądanym czynnikiem przewagi konkurencyjnej, głównie z uwagi na wyróżniający, unikatowy i trwały charakter. W badaniach empirycznych wykazano najważniejsze czynniki oddziałujące na pozytywny sposób postrzegania banku przez klientów, w tym m.in. poziom zaufania do banku oraz elementy wizualne, a także zakres i jakość oferowanych usług bankowych.*

Correspondence address  
 Emilia Stola Ph.D.  
 Warsaw University of Life Sciences – SGGW, Poland  
 Faculty of Economic Sciences  
 Nowoursynowska Str. 166, 02-787 Warsaw  
 phone: (22) 593 56 02  
 e-mail: emilia\_stola@sggw.pl