How Does Corporate Image Affects the Competitive Advantage of Georgian Banking Segment

Irakli KHVTISIASHVILI

Abstract

Corporate image is used to communicate with customers with respect to product promotion and offering. This article explores the role of corporate image in the Georgian banking sector. Research identifies the specific ingredients of corporate image and underlines importance of each factor affecting the successful operation of commercial banking sector in Georgia.

Keywords: service quality, Georgian banking system, brand image user, corporate reputation, corporate image and identity
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Introduction

In the world of increasing competition the process of earning profit was regenerated into integrated set of actions to play supportive role in procedure of customer's satisfaction. A Customer should be considered as a core triangle of capitalistic building of our society. Accordingly, it becomes crucial to satisfy customer's increasing needs and wants with given amount of limited resources. The timeline of the history reveals obvious fact that the greatest improvement in the productive power of humanity occurs to have been the effect of integration process, which is needed to acquire different frictions of the market and revolve into the phenomenon of globalization. It is the power of globalization that gives occasion to the creation of new competitive dimensions of the businesses and helps to obtain the portion of disposable income generated by the society.

Due to emergence of financial world and services the demand on new competitive sources for the companies were introduced and the idea of corporate image was foreseen as basic substitute of such sources. At the same time, it is crucial to note down that corporation by itself should be considered as live organism which is maturing gradually and requiring improvement of its characteristics like corporate image.

According to Hill (2005) Globalization is the international process of increasing economic interdependence among countries; the main influential factors of this process are cross-border flows of goods, services, capital and know-how. Globalization can be expressed in three levels: at worldwide level, at the level of specific country and at the level of specific industry. Hence it is possible to argue that due to international knowledge flows among homogeneous financial markets leaded to the improvement and perfection of financial services, which simultaneously caused the need of new competitive sources like corporate image as a tool of rivalry. Georgian banking sector due to the process of globalization was increased to the number of twenty one commercial banks including 2 foreign bank offices and 14 banks with foreign capital partnership (Bank Bulletin, 2009). Basically all of them provides similar product packages, however is represented through controversial corporate image

The critical evaluation of corporate image

In the recent past, corporate image was not the clearly understood and expressed concept, concerning only managerial level of profit oriented entity and therefore lack of importance was associated with above represented phenomenon. Basically corporate image was considered to be criteria of secondary importance and only public relations departments in collaboration with design consultants were involved in successful development of corporate image. However, from today's perspective a major part of executives recognize corporate image as a core triangle and critical corporate asset for overcoming their rivalry obstacles and achieving competitive advantage in the capitalist society.

The undeniable process of globalization has directly affected the bilateral relations between corporations and their stakeholders. Boundaries were removed and competitive pressure enforced on performance of companies. Hence, business world has highlighted the crucial importance of strategically managed and developed corporate image, as it becomes the tool of diversification from other profit oriented entities and key success factor.

The discussions and arguments on the corporate image takes its root from early 1960's when MacLeod (1961) evaluated that customer satisfaction process is one of the main orientations of the organization, therefore synthesis of customer image or franchise is decisive success factor

and consists of four parts: brand image, brand user image, product class image and corporate image.

According to Worcester (1997) brand user image characterizes the type of person expected to be a user of particular brand, product class image is made of those attributes that every service should have in certain service class and finally brand image is the image, which diversifies one brand from another.

The basic interest of the research is diversified to corporate image and its involvement in creation of competitive advantage for the service oriented organizations like financial institutions. According to Barich and Kotler (1985) corporate image represents self personalized attitude of the society, their knowledge and views about corporation. According to the author, some scholars discuss corporate image as the object determined phenomenon, while others argue that it is person determined, which means that relationship between a physical object like bank and image is week, because it is individual who selects and organizes his or her views about the object.

On the other hand, whatever the argument is Morello (1986) explains that corporate image is originated from subjective, rather than objective cognitive processes and customer perceptions are main determinants of the represented fact.

Concurrently, Dutton and Dukerich (1991) identify corporate image as the way organization members believe others to see their organization. This idea is oriented more at internal perceptions of the image than on external ones. Hence, it is possible to claim that corporate image should consider the controversial perceptions of external and internal stakeholders. In other words, corporate image is determined by customers' perceptions, which is simultaneously supported and improved by internal employees of the organization.

Distinction between corporate image and identity

Many definitions and ideas are evaluated about the concepts of corporate image, identity, logo and corporate personality. The most common problem is the complication between terms, such as corporate identity and corporate image and their interchangeable use (Puth and Heerden, 1991). However, it is crucial to determine the main difference between those two ideas. Hence, Lambert (1989) underline that corporate identity should be realized as firm's presentation. He offered two generalizations of corporate identity: first are all manifestations which make company diversified from others and second is about corporations' perception who you are, what you do and how you perform your duties. Therefore, it is possible to argue that corporate image includes corporate identity, as a part of its broad idea.

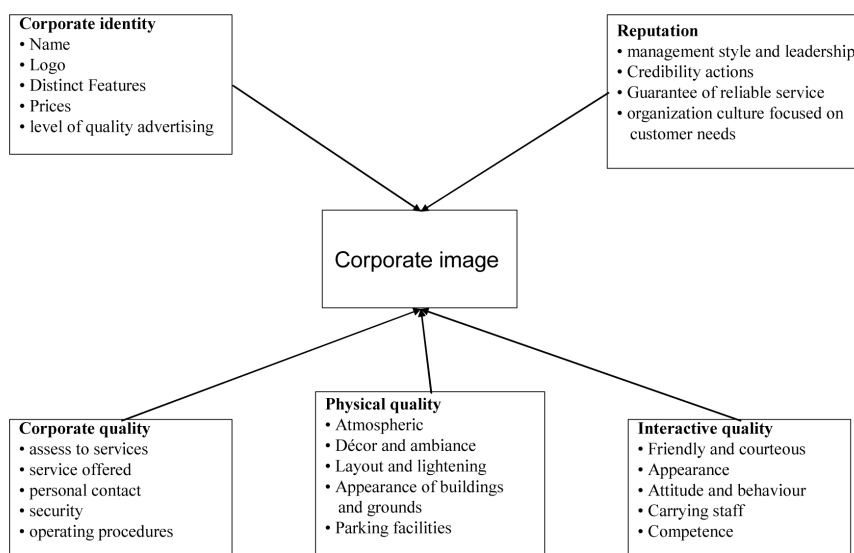## Distinction between Corporate image and reputation

For deeper understanding, it is crucial to find distinction between corporate image and corporate reputation. Gray and Balmer (1998) understand corporate image and corporate reputation, as an equal criterion and give them the same level of importance and link them as similar issues. From their perceptions through corporate communications corporate identity affects the corporate image and reputation in similar way. However, according to Leblanc and Nguyen (1995) corporate image includes corporate reputation inside its broad meaning and corporate reputation is concerned only with internal perceptions like management style and leadership, credibility actions, guarantee of reliable service and organization culture focused on customers' needs. Therefore, it is possible to argue that corporate image by itself is a broad concept that includes both corporate identity and corporate reputation, as a sub-criteria of the whole image of corporation.

Service quality and corporate image

On the other hand, Flavián et al. (2004) identifies service quality as one of the crucial attributes of corporate image. He argues that service quality consists of three parts from which only one has a direct affect on the corporate image. Physical quality of the service for example equipment, buildings and other similar attributes, interactive quality, which is all about personal interaction between the company and its customers, and finally the corporate quality, which affects the corporate image.

However, research disagrees with the idea that only corporate quality contributes to the corporate image and represents the analysis of Lehitinen and Lehitinen (1991) discussing service quality during the moment of interface between customer and supplier and called it service encounter. In other words, scholars included all three dimensions of service quality into the service encounter and argued that all of those factors directly affect the corporate image of the organization.

More specifically research includes in service encounter three main dimensions: first dimension is developed by Flavián et al. (2004) for banks, which represents corporate quality like access to services, service offered, personal contact, security and reputation. Second dimension is emphasized by Lehitinen and Lehitinen (1991) and argued that it has an effect on corporate image as well. This dimension is all about tangible cues, in other words, physical quality of the service like atmospherics, décor and ambience, layout and lighting, appearance of buildings and grounds, and parking facilities. Second part of the second dimension is about the contact personal, in other words, interactive quality of the service like friendly and courteous personnel, appearance of employees, attitude and behavior,

Corporate identity
• Name
• Logo
• Distinct Features
• Prices
• level of quality advertising

Reputation
• management style and leadership
• Credibility actions
• Guarantee of reliable service
• organization culture focused on customer needs

Corporate image

Corporate quality
• assess to services
• service offered
• personal contact
• security
• operating procedures

Physical quality
• Atmospheric
• Décor and ambiance
• Layout and lightening
• Appearance of buildings and grounds
• Parking facilities

Interactive quality
• Friendly and courteous
• Appearance
• Attitude and behaviour
• Carrying staff
• Competence

caring staff and competence of the employees.

Dimensions affecting corporate image

Based on the discussion represented above, it is possible to define three main dimensions of corporate image and represent the idea how given phenomenon is created and evaluated in the competitive world. Hence, the dimensions of the corporate image are corporate identity, corporate reputation and service quality provided by the corporation, which has three different sub-dimensions of physical quality, interactive quality and corporate quality. For visualization and better understanding of corporate image the chart number one is represented by the research.

Basically, Gray and Balmer (1998) argue that through corporate communication it is possible to create valuable corporate image and in such a way lead the organization to the competitive advantage on the market needed to overcome competitive pressure and growing number of requirements for profitable operation of the organization.

Gaps in corporate image

However, Hatch and Schultz (1997) in their research tried to identify relationship between corporate culture and corporate image. Hence, scholars based on interpretivism and social constructivism argued that corporate culture should be seen not as a variable to be measured, accounted for and controlled, but as a framework within which interpretations of the organizational identity are formed and intentions to affect organizational image are arranged. They argue that top managers of the organization are main determinants of the organization culture, consequently, organization culture affects corporate identity and finally contributes to the corporate image of the profit oriented financial

entity. Based on their argument, it is possible to argue that managers are main indirect participants in image creation and promotion process, because they create the organizational culture through which corporate image is formulated and communicated. So, to identify corporate image of the organization not only customer sides should be evaluated but, manager's side should be discussed as well and their commitment to image creation process should be represented.

On the other hand, Richardson and Robinson (2007) argue that bank service quality is more important attribute to the corporate image than other variables. They note down that banking has been undergoing revolutionary movements since abolishment of the control mechanism on the financial services in a number of countries. Apart from the size of the financial institution it is impossible to differentiate them from one another. Every bank tends to carry a very similar range of services and charge similar rates for those services. Hence, in such competitive environment banks need methods to differentiate themselves from one another in order to obtain sustainable development and survive in high competitive market. That is the reason why Richardson and Robinson (2007) discuss service quality as a major part of corporate image creation and positioning. They determine banks service quality, as a summary of two different quality attributes like technical quality and functional quality.

Technical quality includes six dimensions like skills of employees, product knowledge, which is communicated to the customer, machines and mechanisms, which are management information systems of the banks and working procedures during the service offering to the customers, know how the intangible asset of the bank and employees ability to obtain it and transfer to the customers, technical solutions associated with the speed of service and qual-

ity of it and finally computerization of the level of internet banking and service speed (Richardson and Robinson, 2007).

Functional quality is all about seven attributes represented afterwards like staff attitude, their connection to the customers and etiquette dimensions of the service, internal relations among different layers of the organization it directly affects performance of employees and corporate image, customer contacts, the front office services and performance, service mindedness, approachability is about employees willingness to solve customer problems immediately and appropriately , behavior of employees during the work and most important one accessibility of the service , when customers can get just in time service without any delays and breakdowns during service performance (Grönroos, 1981).

Hence, research assumes that corporate culture, corporate image and service quality with its three levels of involvement have direct affect of the corporate image and those factors are equally contributing to the corporate image of the organization.

Statement of design of methodology

To start with, research interest area was narrowed down to the actual problem in Georgian banking system and concerning the structure, as well as the affect of corporate image on the competitive advantage of the commercial banks located on the second tire of Georgian banking system. Hence, research problem is to understand the affect of corporate image on the rivalry forces and analyze individual variables, which are building up the corporate image and support generation of positive perceptions among customers. Accordingly, the research question was narrowed down and represented as: Does corporate image affects the competitive advantage in Georgian banking system?

As Stanage (1987) states scientific paradigm of the research should be represented to show, what should be observed, and through what questions it should be observed, how questions should be structured and how result should be interpreted. Thus, research observes corporate image of Georgia based commercial banks; questions are asked about five sustainable parts of corporate image like corporate identity, corporate quality, reputation, physical quality and interactive quality. Questions are structured as open ended questions to collect flexible answers on them. Finally, interpretation of results obtained after research should be considered as objective rather than subjective with certain level of error, due to taking sample not whole population.

On the third step, already representing the problem, research area, topic and scientific paradigm, the epistemology of the research is designed (Holloway, 1997). The epistemological position of the given research can be formulated as follows: Data are contained within the practical knowledge of bank managers and clients involved in day to day operation of Georgian financial sector; because of information endowment in those two parts of public, it should be collected through personal and focus group interviews.

Sampling and data collection method

After defining the area, in which problem should be observed it is crucial to look on the population of the area and determine representative sample from it, to conduct further analysis of the sample and generalize obtained knowledge on the population. According to Saunders et al (1997) there are two main varieties of sampling, probability and non-probability sampling. Research tends to non-probability sampling, because research topic - corporate image should be analyzed exogenously and endogenously. Therefore, to obtain information inside the corporation is associated with certain complications and randomly selected sample becomes less affective for both side research.

Based on that fact research designs sample of four out of twenty-one commercial banks and the probability that a particular unit will be included in the sample is unknown. So, more specifically research designs convenience sample of four banks to analyze the corporate image associated issues in Georgian banking system. As said by Ghauri et al (1995) convenience sample is about finding convenient unites for some reasons. In other words, researcher can interview individual it happens to know personally. The personal connections were evaluated and eight bank managers, four assistants and focus group of eight customers were interviewed to generate non-probability convenience based sample. However, it is crucial to note down, is the sample size relatively enough to generalize obtained information on the whole population. Hence, the capital structure of each bank in the population is represented in appendix one. The sum of working capital of four banks introduced in the sample represents 65 percent of the whole financial capital of the sector. Hence it is possible to argue that relatively sample is big enough to represent the main trends in population.

On the next step research is concerned with determining the research tool through which data is collected and represented. According to Ghauri et al (1995) unstructured interviews is all about giving respondents almost full liability to discuss reactions, opinions and behavior on a particular issue. Hence, research identifies bank managers, manager assistants and customers to discuss and evaluate the corporate image of specific financial corporations. According to interview typology   research uses personal interviews to collect data from the respondents and focus group interview to understand the customer side reactions. So, to sum up the first stage of the research process it is

possible to claim that research presents non-probability convenience sample of four banks from Georgian commercial banking tire and data is collected through unstructured personal interviews and unstructured focus group interview, for further analysis.

Method of data analysis

To start the analysis of research questions, first of all it is crucial to define the strategy through which analysis are conducted and evaluated, to fill the gap of knowledge in the research phenomena. Research tends to base its analysis on theoretical propositions, which is one of the research strategies represented by Robson (1994). Hence, secondary desk research identified five specific areas affecting the corporate image of the financial institution, which are corporate identity, corporate quality, reputation, physical quality and interactive quality. Based on those five dimensions the research develops its field work and evaluates the corporate image and its affect on competitive advantage in Georgian banking system.

After the evaluation through which strategy to conduct analysis, data coding process is taking place, because according to Miles and Huberman (1984) after data is collected researcher should work on how to present and narrow down the information. To narrow it down the coding system should be presented. As research deals with qualitative data obstructed from personal interviews and focus group interview, information cannot be summarized in numerical measures. Based on that fact special coding system is generated like measuring level of satisfaction of each variable out of five variables affecting the corporate image. So if variable is highly developed it is coded as 'strong', if it is not developed the research codes variable as 'week', and finally if it is somewhere in the middle it is coded as 'average'.

After data is coded the two main tools of information analysis is represented: semiotic method and triangulation method. First method is needed to analyze the name and logo of the corporations and its affect on corporate image. According to Chandler (1995) nothing can be considered as a sign unless it is interpreted as a sign. Hence, research uses semiotic triangle developed by the scholar, in whom first part is Sign vehicle – the form of the sign, second is the Sense which is all about the sense made of the sign and finally the Referent; it explains what the sign stands for. Based on those three dimensions each companies name and logo is evaluated, because logo and name is a kind of sign in scientific terminology.

Second method used by the research to analyze obtained information is triangulation method. According to Robson (1994) triangulation is a tool used for analyzing qualitative data and it is all about testing one source of information against other sources. Both correspondences and

discrepancies are of value. If obtained two sources give the same messages then, to some extent, they cross validate each other. If there is a discrepancy, its investigation may help in explaining the phenomenon of interest. Hence research generated its method of triangulation involving comparison of data provided by two managers from each bank and then comparing it with the customers' opinion about the same issue. Through such process each question is discussed and final conclusion driven ought. Basically information is validated by checking it from a different angle and seeing the same thing again.

Finally special framework is designed to represent the obtained data from the interviews in which research tries to summarize information provided by two managers and customer focus group and then encode it, to drive out the conclusions.

To sum up, it is possible to argue that, research is developed through four steps of analyzing qualitative data. Firstly research collects the data through interview process, then presents it and narrows down applying the method of triangulation after what conclusions are driven out.

Discussion on the corporate identity

Research identified that there are two verifications of name and logo associated with commercial banks. First pathology is generated through foreign capital intervention, while second one is created through influential power of Georgian culture. Research identified that name and logo are directly affecting the image of the corporation and making first impression in customers' mindset. Positioning of the logo and name among customers can take place in three dimensions: perceptions, color and name.

According to semantic analysis of the banks' name and logo represented in picture 5.1, 80 % of researched banks had a problem associated with illustration of the logo, in a proper color set. It occurs to be that customers can not interpret dual color logos and have negative feelings about orange color logos. Another problem is the visualization of the logo; customers tend to prefer clearly pictured logos than symbolic logos. Research realized that only 20 % of the sample created name and the logo taking into account customers' perceptions, while other banks generated name and the logo without linking customers' interests to it.

Finally, research evaluated the main ideas, which customers seek to identify in every bank's name and logo: the origin of the bank, friendly environment inside the bank, high professionalism, reliability and equality of the customers. However most of the financial institutions only partially communicate given ideas through the name and logo of the organization.

Simultaneously research evaluated the distinctive features of the Georgian financial institutions, which are directly affecting the corporate identity. Due to the imma-

turity of the financial system, Georgian commercial banks are offering limited amount of services like long and short term loans, all kind of saving accounts and money transfers. Money transfer is key product in every bank's portfolio, because the underdevelopment of Georgian economy causes money flows inside the country from external sources.

So, it is possible to claim that banks can differentiate from each other through low charges on loans and money transfers or high interest on saving accounts. On the other hand, research identified customer oriented operation as another unique feature for the bank. So, to analyze the distinctive features from the savings account perspective, it is obvious that most of the banks are offering same saving services with increased average, annual 2 % interest rate. From the loans angle it seems to be hazardous to get the loan without collateral and relative monthly income. Only one bank is issuing short term loans without any requirements.

On the other hand, banks can diversify from the competitors by the quality level of the offered service to the customers. It occurs to be that level of the service quality is decisive diversification factor for every bank and even if financial corporation has better products, customer tends to improved service quality financial institution. Researched sample shows that 40 % of the banks have better diversified products then entire sample; however, customers ignore such priority and consume the products from the banks, which have better service quality.

To understand the quality of advertising research evaluated messages communicated to the customers. According to the crisis situation main message of the banks tend to reliability, customer orientation and fast service delivery aspects. However, it occurs that in 80 % of researched cases there is no link between physical resources of the bank and represented messages. So messages are based on promise rather than on physical ability to fulfill it. Therefore the advertisement quality can be considered as low due to the gap between messages and real abilities of the financial organizations.

Evaluation of the corporate quality

Corporate quality is the third essential dimension of the corporate image, which has the rational portion of influence over the image creation and performance. Corporate quality is represented through service accessibility, service verification, personal contact system, and security and operating procedures. Research analyzed each of those criteria and find out that each of it has different influential power on corporate image and is more crucial then reputation of the bank.

First of all, research expresses its interest to understand till what distinct employees are required to satisfy customer needs and what kind of extra-augmented services are commercial banks offering to their consumers. Every product offered by the financial institution is not simple service in its nature, because understanding of the product includes five dimensions in it and one of the crucial aspects is augmented part of the service. Georgian banking sector offers mostly similar product portfolios to their customers, hence, competitive advantage can be only achieved through the augmented services like creation of friendly environment, level of professionalism, better quality service, better pre service offerings and extra comfort in the branches.

Research find out that all banks represented in Georgian banking system tend to imply resources to generate augmented services to their customers. However, main problematic issue and obstacle is represented through inequality of the customers. In other words banks are experiencing problems to offer same quality of augmented service to the VIP and ordinary clients. It occurs that only 20 % of researched banks in practice are treating every customer equally, while other 80 % theoretically intend same treatment but practically cannot obtain it.

Above represented issue is directly linked to the operating procedures inside the bank, which shows the accessibility to the services. As research identified, the number of ordinary customers are enormously exceeding the amount of the VIP clients. Hence, every bank needs waiting areas and other augmented services like queuing system, position of meeting assistant and extra products like sweets, newspapers, internet to make customers attracted during waiting time. However only 20 % of the researched sample generated such augmented service that directly affects friendly environment, service quality and level of customer satisfaction, among both VIP and ordinary clients.

Another main trend that affects corporate quality is associated with banks' strategy to diversify offered services between debtors and creditors of the financial institution. Creditors are more appreciated by the Georgian financial sector, because they are the main source of liquid assets. Hence, bank offers them better service quality then to the debtors. However, such diversification affects the customer perceptions and generates negative positioning of the corporate image among bank clients. Therefore it is possible to argue that customer inequality can be expressed in four dimensions that directly affect corporate quality of the financial institutions. Also operating procedure inside the bank has one main disadvantage associated with queue and waiting area.

As a part of corporate quality, research identified five basic characteristics of personal contact system in most of financial corporations. Financial institutions tend to developed special training program known under the name of service plus, that generates the special characteristics of employees' communication to the customers. Each staff

member should present meeting etiquette, obtain dressing code, meet customers with smile, look professional and generate friendly environment. All four financial institutions have similar customer contact system with above represented five criteria. However, assessments of those criteria are spread unequally. For instance due to limited amount of offered services bank A has well developed personal contact system. Nevertheless, due to the overcrowded service centers personal conflicts is obvious fact and causes the dissatisfaction of customers.

Research evaluated that successful personal contact system is basically stimulated through the motivation of the staff members. However, low salary rates and stressing work environment created through overcrowded service centers unmotivates employees and simultaneously causes the customer dissatisfaction.

Discussions on physical quality

To sum up, it is possible to argue that corporate quality is one of the decisive factors influencing the corporate image. However, two main dimensions of it have direct irreversible affect on corporate image, which are operating procedures and personal contact system inside the bank. Even reliability and security of the bank is affected by the environment created inside the financial institution.

Physical quality of the financial institution is associated with tangible environment, which organization generates during its operation and interaction with the society. And it is all about the atmosphere, décor, ambiance, layout, lightening, building and parking space obtained by the bank during the years of its operation.

Research evaluated that above represented fixed assets directly affect customer perceptions about the bank and plays niche part in the corporate image of the organization. First diversification feature recognized by the customers is the physical building of the financial institution. According to the researched sample building construction can be expressed in three dimensions like the height of the ceiling, natural focus which expresses the width of the windows and lightening of the building. Those three factors can be understood as a first entrants affect from the side of the customers.

The height of the ceiling indicates how individuals process the information inside the building. When ceiling is low customers tend to pay attention to the specific details of the offered service. Because 80 % of the researched banks have the overcrowded service centers and customers' serving process becomes complicated and time consuming, it is appropriate to argue that building with higher ceiling is decentralizing the customers' concentration on the specific service aspects and generalizing it during the waiting time due to the larger space in the building. In other words customers are getting less stressed in the larger

space and disadvantages of the offered service can be ignored from their side. Second dimension is natural focus or unrestricted view outside the building, which directly affects the performance of the employees and causes the transparency and high trust feelings amongst customers. Hence, it is appropriate to claim that customers entering the bank, can position office in their mindsets with larger windows as open to public and trusty then banks with restricted views outside. Research identified that only 20 % of the sample generates natural focus aspect of the physical quality. Another issue is the lightening of the building, which is one of the crucial aspects of the physical quality of the corporate image. Day light reaching inside the building keeps staff awake and alert, so customer satisfaction level increases dramatically.

Final dimension of the physical quality is represented through the parking space near the service centers. It is obvious from the researched sample that no bank is offering free or convenient parking space to the customers and in such way no financial institution utilizes this source of competitive advantage. Accordingly, theoretically parking place can affect physical quality and therefore corporate image of the organization, however, given factor is ignored by commercial banks operating in Georgian banking system.

To sum up, it is possible to argue that only 20 % of the researched sample utilizes physical quality and affects competitive advantage in the Georgian banking system. Entire 80 % of the researched banks partially ignore the dimensions of the physical quality and facing increasing competitive pressure from other banks included in the minority that already have created positive physical quality of their financial institutions.

Evaluation of interactive quality

Interactive quality can be considered as the last deflator of the corporate image, evaluated by the given research. Interactive quality is partially linked with corporate quality; nevertheless, it is more concerned with human factor intervention with customer. Research absorbed three issues associated with interactive quality of Georgian banking system like dressing code, behavior code and minimum knowledge requirement.

Dressing code of the 80 % of research sample is solved in colors of the banks' logos. Therefore, research argues that negative feelings and perceptions about logo, generated in customers' mindset can be shifted to the dressing code of the financial institutions and in most of the cases can deepen the opinion of customers created during the logo positioning process.

Behavior code is regulated through the service plus requirements in every bank. Still, 80 % of banks are suf-

fering to offer customers proper behavior code, due to the overcrowded service centers and chaotic situation inside the branches.

To conclude, minimum knowledge requirement of employees is harmonized by the general terms and regulations of every financial institution, which requires minimum bachelor's degree from every person to start work in the commercial bank

So, research evaluated that interactive quality of the bank is tightly linked with the corporate quality and more specifically with the operating procedures inside the financial institution. Hence, it is possible to argue that corporate image is directly affected with the interactive quality simultaneously with the corporate quality. Most diversified part of it is dressing code which causes the moderate feeling amongst customers in case of 40% of researched sample. The linkage of the logo colors normally courses the linkage between perceptions generated about logo and dressing code.

Conclusion

The capitalistic building of our society stimulates individualistic and corporate intention to maximize profit with minimum expenses. However, in the world of increasing rivalry, it becomes more complicated to diversify from the competitors and in such way stimulate profit generating cycle. Specifically every industrial sector has its different product elasticity and competitive forces. Hence, research find out, that corporations in Georgian banking sector are offering mostly similar services to their customers, therefore, only way to diversify from competitors is the scope of operation or corporate image.

Research shifted its interest to the second phenomenon - corporate image and on the first step main intention was oriented in evaluation of factors affecting the given idea. Researches find out that there are five homogeneous arrears influencing the concept of corporate image and indirectly affecting the competitive advantage.

Corporate identity was identified as one of the powerful criteria affecting the corporate image. It was evaluated that corporate identity has first perception creation power on customers during interaction with the bank. Logo, name, distinctive features and quality of advertising were acknowledged as sustainable parts of corporate identity. However, it occurs that only 20% of financial institutions of the researched sample have a power to capitalize the corporate identity. A main problem which Georgian commercial banks are facing and research represented through semantic analysis, is the ignorance of linking name, logo and advertising with the customers' vision. First of all symbolic and color expression of the bank is stimulated internally rather then externally. At the same time, physical abilities of the bank are never linked with communicated

message, which causes customers disappointment and dissatisfaction. Research find out that 40 % of the commercial institutions have unique products, however, customers tend to the unique service quality banks rather then better product offerings. Hence, it is possible to argue that customers evaluate bank firstly by the name, logo, communicated message and service quality, then they tend to identify unique product offered by the bank. So capitalization of corporate identity can directly affect the competitive advantage and improve the image of the bank.

Reputation is the second dimension of the corporate image discussed by the research. Reliability and credibility were discussed to find out if reputation requirements are obtained by the Georgian financial institutions. Research identified four common problems associated with service reliability, which are management information system failure, cash machine network failure, new product underdevelopment and late service delivery due to overcrowded service centers. On the other hand, credibility of the financial institutions occurs to be the major problem due to the hidden and changing charge rates. Research find out that reputation is directly affecting the competitive advantage; however, it is not capitalized by the Georgian financial sector. From the customers perspective no bank can be considered as highly reputed financial institution.

Third and one of the crucial parts of the corporate image is represented through the idea of corporate quality. Research noted down five factors affecting the corporate quality, they are as follows: assess to services, services offered, personal contact systems, security and operating procedures. It is fundamental to note down that service accessibility and security are totally dependent on operating procedures of the bank. Every bank in Georgian financial sector was oriented on VIP clients, however after the dual crisis outcomes, commercial banks realized that customer's portfolio should be diversified and started to pay same attention to the ordinary customers as well. However practical fulfillment of the given issue is obtained only by 20 % of the researched sample. Most of the banks suffer to provide augmented services like queuing systems, waiting areas and meeting assistants who play the role of information points. Hence, the accessibility and security of the service cannot be obtained due to the overcrowded service centers and causes the customer dissatisfaction.

Second part of the corporate quality is personal contact systems, which is directly affected by the operating procedures. Every banks customer is trained through the service plus training system, however, overcrowded service centers play the role of the obstacle and cause the personal conflicts between employees and customers. So it is possible to claim that corporate quality directly contributes to the competitive advantage and only 20 % of the researched sample is able to obtain it and diversify from competitors.

Another counterpart of corporate image is the physical

quality of the Georgian commercial banks. Physical quality is all about atmosphere, décor, layout, lightening, and appearance of building and parking of the financial institution. Research evaluated that due to the overcrowded service centers the higher ceiling building with unrestricted view outside and comprehensive day lightening is decentralizing the customers' concentration on the specific service aspects and generalizing it during the waiting time inside the branch. Finally, research evaluated that no financial institution is offering proper parking space to its customers and only 20 % of researched sample fully capitalizes the promotional strength of the physical quality.

Finally, Interactive quality can be considered as the last deflator of the corporate image, discussed by the research. Interactive quality is partially linked with corporate quality; nevertheless, it is more concerned with human factor intervention with customer. Research absorbed three issues associated with interactive quality of Georgian banking system like dressing code, behavior code and minimum knowledge requirement

Research evaluated that 80 % of the commercial banks suffer with the shortage of interactive quality. Dressing code is linked with color expression of the financial institution, behavior code is directly affected with the overcrowded service centers and knowledge requirements are standardized through every corporation.

To conclude it is possible to argue that corporate identity and physical quality have first perception creation power on customers during interaction with the bank. At the same time corporate image is affected by the corporate quality, interactive quality and reputation of the bank. However, reputation factor is not utilized by the commercial banks operating on Georgian market and interactive quality fulfillment is suffering due to corporate quality difficulties. For instance, operating procedures which are the driving factor of the corporate quality and influential force over the interactive quality are not supporting high quality service creation process in 80 % of the researched sample. Hence, it is crucial to underline that corporate image has direct affect on the competitive advantage of the Georgian banking system; however, it is not utilized to its maximum possibilities.

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