SOCIO-DEMOGRAPHIC VARIABLES FORMING A PERCEPTION OF CORPORATE IMAGE BRAND IN THE CROATIAN BANKING INDUSTRY

Valentina Pirić[1]
Maja Martinović[2]
Mirna Koričan Lajtman[3]

Abstract: *The banking industry is currently at the forefront of the development of technology-based service delivery, and the survival of banks depends on their ability to deal with the environmental challenges. Due to these challenges, many banks are faced with an identity crisis and increased customer migration rates that negatively affect the levels of business profitability. Croatian market ads additionally challenge almost 30 banks currently operating with customers that are extremely price sensitive. Research shows that in the banking sector, a favorable image is considered a critical aspect of a company's ability to maintain its market position, as the image has been related to core attributes of organizational success.*

This paper studies the dimensions of corporate image, focusing on the corporate image concept in the Croatian banking industry as perceived by consumers and its possible impact on their choice of banks. The purpose of this study is to give an insight and provide a deeper understanding of how the banks, by developing a strong and consistent corporate image using corporate communication activities, ensure a long-term source of sustainable competitive advantage and influence on customers' end choice.

A study was carried out in Croatia during 2019 using 250 respondents-consumers who used different types of banking services in different banks. Series of ANOVA analysis shows how the perception of the corporate image of the bank and its influence on the customer's choice of the bank, bank loyalty and the quality of the bank services varies depending on some demographic and social variables. Results pose implications for bank communications and service positioning within customer segments. This research raises ideas for future studies as well.

Keywords: *Corporate image, Consumer choice, Corporate branding, Corporate identity, Croatian banking industry.*

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✉ vpiric@zsem.hr

1   Zagreb School of Economics and Management, Jordanovac 110, 10000 Zagreb, Croatia
2   Zagreb School of Economics and Management, Jordanovac 110, 10000 Zagreb, Croatia
3   Zagreb School of Economics and Management, Jordanovac 110, 10000 Zagreb, Croatia

1. INTRODUCTION

In a world of market turbulence and massively increasing competition, the process of creating and developing corporate image was developed into an intensive, integrated and innovative set of different marketing activities with a goal to a supportive role in the process of creating a competitive advantage for the companies. Corporate image is used to communicate with the customers, with an aspect of brand promotion and competitive advantage creation.

Therefore, the primary purpose of the marketing activities conducted by the marketers is to influence consumer perception and attitude towards a specific brand, to establish the brand image in the consumer's mind and to stimulate consumer's actual purchasing behavior of the brand, by increasing sales, maximizing the market share and developing the brand equity (Zhang, 2015). Corporate brands – versus product brands – are more likely to evoke associations of everyday products and their shared attributes or benefits, people and relationships, and programs and values (Barich and Kotler, 1991). When customers have positive aspects of a company and its corporate image, they usually form brand equity, and this leads them to have a choice from the products and services of the company (Sallam, 2016). There are several empirical studies that show the power of a corporate brand (Argenti and Druckenmiller, 2004). Today, in addition to marketing activities, promotions, and different offers and a wide range of goods and services, all the processes are focused on the attempt to attract and to motivate consumers and to increase market share (Kouchesfahani et al., 2013). This can be done by a strong brand and/or corporate image based on integrated marketing communication activities within the company. The creation of a brand implies communicating a certain brand image in such a way that all the firm's target groups link such a brand with a set of associations (Belen del Rio et al., 2001). Additionally, brand equity comes from the customer's confidence in a particular brand. The higher the trust they place in the brand, the more likely they are willing to pay for it (Lassar et al., 1995).

The same applies to the banking sector. The Croatian banking sector, after the democratic changes in the country and due to the process of globalization, according to the Croatian Banking Association (CBA), increased in 2019 to a total of 23 banks currently active and operating in the Republic of Croatia, all of them providing similar services and products to the consumers. This study tries to explain and examine how corporate image affects consumer choice in the Croatian banking industry. This is done by analyzing the impact of corporate image in the Croatian banking sector on consumer's behavioral intention on the market currently defined by the economic crisis and negative perception and reputation of the banking sector by the public. The goal of the research is to test differences in opinion depending on the socio-demographic variables.

2. EVALUATION OF CORPORATE IMAGE AND CORPORATE BRANDING

The high interest in images primarily stems from the assumption that a positive image is a necessary prerequisite for building a direct or indirect commercial relationship with various kinds of target groups (van Riel, 1995). According to Poiesz (1988), images are particularly helpful when:
1. information on the basis of which people have to make a decision is complex, conflicting and/or incomplete;
2. information is either insufficient or too wide-ranging to be able to judge;
3. people have a degree of involvement that is too low to be able to go through an extensive information-processing process;
4. certain conditions in the environment obstruct the decision-making process, such as time constraints.

However, there are significant differences between „brand" and „corporate" image. The term „corporate image" is to be understood as the image of an organization. Customers now want to know about the company, not just the products (Keller, 2000). A sound corporate image creates emotional added value for a company, which ensures that a company is always one step ahead of its competitors. A sound corporate image is competitive, which means distinctive and credible (Brinkerhof, 1990). The concept of corporate image and its power has been extensively studied in the last decades by several authors (see reviews by Knecht, 1986; Dowling, 1994; Biehal and Sheinin, 1998; Argenti and Druckenmiller, 2004 and Keller and Lehmann, 2005). Corporate image is based primarily on „our total experience of the company" (Kennedy, 1977).

Academic research has covered several topics that have advanced the understanding and importance of corporate image and its influence on corporate and brand equity and competitive advantage. Both corporate image and corporate reputation are to be understood as an equal criterion (Gray and Balmer, 1998).

However, it is vital to determine that there is a difference between corporate image and corporate identity since corporate identity could be considered as the firm's presentation. The image itself can be described as a set of meanings by which an object is known and through which people describe, remember and relate to it (Dowling, 1986). Corporate image can be described as the picture people have of a company (van Riel, 1995). Corporate communication represents a mechanism for developing and managing a set of relationships with the public or stakeholders who could affect overall performance (Kitchen and Schultz, 2001).

An increasing number of authors have perceived the importance of the corporate image. Some of them are stating that no company can afford to ignore image (Bernstein, 1986). Some are pointing that a sound corporate image provides a company with authority and forms the basis for success and continuity (Blauw, 1994). Over the last decade, firms have markedly increased their investments in the creation and development of brands (del Rio et al., 2001).

Brand image has been studied extensively due to its importance in building brand equity in an extremely competitive marketplace. Brand image could be defined as a brand that is brought to the consumer's mind by the brand association (Keller, 1993) or as consumer's thoughts and feelings about the brand (Roy & Banerjee, 2007).

Additionally, the brand image represents a key driver of brand equity, which refers to the consumer's general perception and feelings about a brand and has an influence on consumer behavior (Zhang, 2015). In addition, brand associations can be classified into three major categories (Keller, 1993; Keller, 1998): attributes, benefits, and attitudes, defining brand equity as the differential effect that brand knowledge (awareness and associations) has on the consumer response to the marketing of the brand (in terms of consumer perceptions, preferences and behavior, e.g. brand choice, comprehension of copy points from ads, reactions to a coupon promotion, or evaluations of proposed brand extension). All this becomes extremely important within a highly competitive market environment.

There is a positive relationship between corporate branding and brand equity, as well as between brand equity and the final consumer's choice (Sallam, 2016).
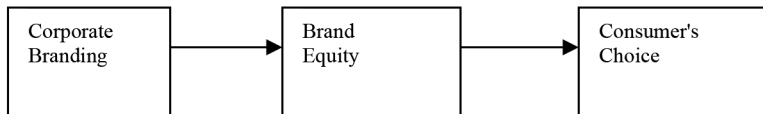
Figure 1. Conceptual relationship between corporate branding, brand equity
and consumer's choice
Source: Sallam, M. A. (2016). The Impact of Brand Image and Corporate Branding
on Consumer's Choice: The Role of Brand Equity, *International Journal of Marketing Studies,*
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The authors argue that through corporate communication, it is possible to create the valuable corporate image and, in such a way, lead the organization to a competitive edge on the market. The corporate image itself is strongly linked to the concept of corporate credibility (Keller and Aaker, 1992, 1998) as the extent to which the consumers believe that a company is willing and able to deliver products and services that satisfy the customer needs and wants.

In a world defined by intense market competition, full of turbulences with quite often unpredictable outcomes, being able to differentiate your offer - which is quite often similar to the proposal of your competitors - represents a possible source of competitive advantage. In a situation where the customers are aware of a number of brands that fit the relevant criteria, they are unlikely to expend much effort in seeking out information on unfamiliar brands (MacDonald and Sharp, 2003). Therefore, a clear and consistent corporate image can be a helpful instrument when creating brand equity and influencing the final consumer's choice. Corporate brand power comes from four things: quality, strength, price, and loyalty (Kitchen and Schultz, 2001). Thus, a corporate brand can be seen as the central meaning that provides the basis for identity programs, strategy, and competitive thrust. In order to achieve this, corporate communication needs to be integrated on all levels in the company, having in mind that the driving force of marketing and branding products, services, and corporations is the Marketplace (Schultz and Kitchen, 2000).

Recently, the concept of customer value has drawn increased attention (Reichheld, 1993; Slater, 1997). In connection to that, it has been pointed out that within slow market growth and intense competition, today's marketplace continues burdening firms in deriving new, as well as repeat purchases (Oh, 2000). Having in mind the possibility to avoid only competitive price advantages, the concept of the corporate image became even more valuable for the companies.

On a customer level, the value of a brand itself – and thus its equity – is ultimately derived from the words and actions of the consumers (Villas-Boas, 2004). Consumers decide with their purchases - based on whatever factors they deem necessary - which brands have more equity than others. It has been proposed that customer-level brand equity can mostly be captured by five aspects that form a hierarchy of chain, which are bottom (lowest level) to top (highest level), as follows (Keller and Lehmann, 2005):
1. Awareness (ranging from recognition to recall);
2. Associations (encompassing tangible and intangible product or service considerations);
3. Attitude (ranging from acceptability to attraction);
4. Attachment (ranging from loyalty to addiction);
5. Activity (including purchase and consumption frequency and involvement with the marketing program, other customers through word-of-mouth etc., or the company).

Additionally, brand equity itself represents additional value given to goods and services (Hoeffler and Keller, 2003) or add value to the company and consumer (Farquar, 1990). Therefore, some authors claim that brand image can be considered a constituent element of brand equity (Bivainiene and Šliburyte, 2008). Following the same logic, the same is valid for the corporate image, which reflects associations about the brand in the consciousness of the user (Keller, 1998) and associates how the brand is perceived by the user (Aaker, 2003). Moreover, when the brand image is consistent with the consumer's self-concept, the consumers would give preference to it (Matrineau, 1957).

3. DISTINCTION AND DIFFERENTIATION BETWEEN CORPORATE IMAGE AND CORPORATE IDENTITY

The corporate image includes corporate identity. However, it is possible to argue that corporate image represents a broad concept that consists of both corporate identity and corporate reputation as a sub-criterion of the whole image of the corporation (Khvtisiashvili, 2012). Corporate identity can be considered as a company's entire presentation in the eyes of different stakeholders. It has been underlined that corporate identity represents the total of visual and non-visual means applied by a company to present itself to all its relevant target groups (Blauw, 1994). Some authors describe corporate identity as the logo or brand image of a company, and all other visual manifestations of the identity of a company (Carter, 1982). Any action or expression of a company can be classified under one of the following headings: behavior, communication, and symbolism (van Riel, 1995). An image can be strengthened, reinforced, or altered positively by organizational efforts to create and manage the corporate identity (Kitchen and Schultz, 2001). Thus, authors argue that images are the internal criteria that people have of an organization, while character represents a planned or managed effort by an organization to communicate with its target groups (employees, consumers, suppliers, distributors, journalists, etc.; Kitchen and Schultz, 2001).

A model of corporate identity in relation to the corporate image has been developed (Birkigt and Stadler, 1986):
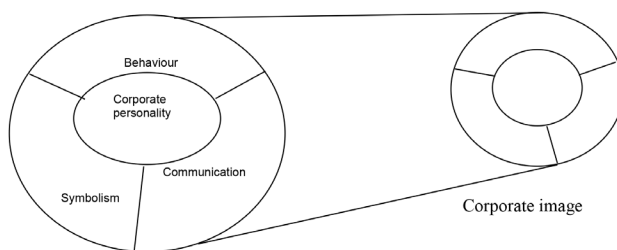
Figure 2. Corporate identity with regard to corporate image
Source: Birkigt, K, Stadler, M.M. (1986), pp. 28
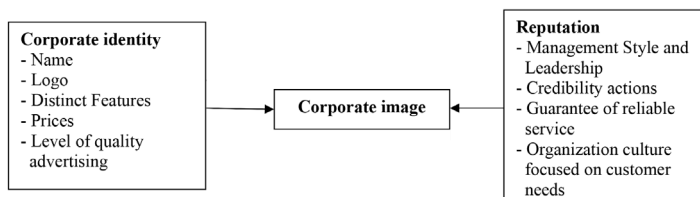
Figure 3. Corporate image in relation to corporate image and reputation
Source: Adopted from Khvtisiashvili, I. (2012), How Does Corporate Image Affect the Competitive Advantage of Georgian Banking Segment, *Journal of Business,* Vol. 1(1), pp. 35-43

It is clear that the company's image represents a reflection of an organization's identity. If the images of your company align with the organization's reality, your reputation management program is a success (Argenti and Forman, 2002). A strong reputation also has important strategic consequences for a firm, as it calls attention to a company's attractive features and widens the options available to its managers (Fombrun, 1996).

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

How can identity and image contribute to the organization's reputation and success in communicating to both external and internal constituencies, and what they are, is shown in Figure 4.
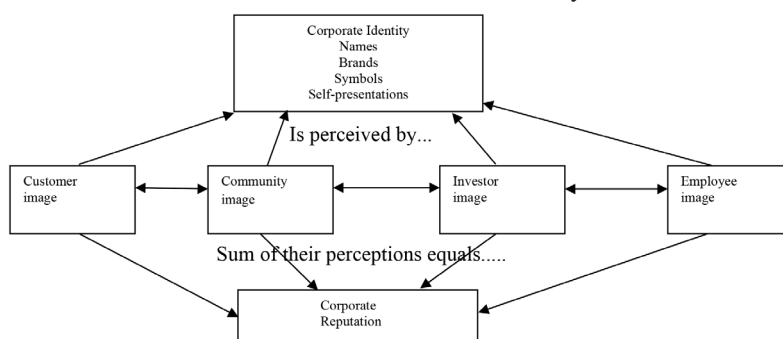
Figure 4. What are identity, image, and reputation?
Source: Argenti, P.A., Forman, J. (2002), pp. 69

4. IMPACT OF CORPORATE IMAGE
ON CONSUMER'S BEHAVIORAL INTENTION

Looking through extant researches, the most widely used predictors of consumer's behavioral intention are customer satisfaction and customer loyalty (Zhang, 2015). Customer's performance-specific expectation and expectation disconfirmation represent critical indicators of customer satisfaction (Oliver, 1980). Additionally, companies could infer the potential influence on the brand image on customer satisfaction by identifying the perceptual difference toward a brand between the existing customers and non-users of the brand (Bird, Channon and Ehrenberg, 1970). Brand image has a significant impact on customer satisfaction, especially across the E-banking, landline, mobile phone, as well as bank and supermarket industries (Gronholdt, Martensen and Kristensen, 2000). A comprehensive definition of customer loyalty states: customer loyalty is the "biased (i.e. non-random) behavioral response (i.e. revisit), expressed over time, by some decision-making unit with respect to one bank out of a set of banks, which is a function of psychological (decision-making and evaluative) process resulting in brand commitment" (Bloemer et al., 1998). Since the brand image is perceived as an important, strong and influential driving force of customer loyalty (Zhang, 2015), it is clear why the companies within actual market conditions need to pay additional attention to the long-term development of a strong corporate image, creating adequate competitive advantage, ensuring requested market share and planned sales outcome, as well as profitability. All this is possible to be additionally emphasized with integrated marketing communication activities.

5.   CORPORATE IMAGE IN THE CROATIAN BANKING INDUSTRY

The banking sector, as one of the cornerstone industries, plays a significant role in all the countries' future development (Balenau et al., 2011). The same applies to Croatia. The banking system of Croatia is, as stated by the Croatian Economy and Banking sector (2019), characterized by relatively high concentration and competition between the major banks, making it difficult for the other banks to compete. Another specific feature of the Croatian banking system is a prominent share of foreign capital (mainly from Austria and Italy). According to the data published on the official website of the Croatian National Bank (http://www.hnb.hr), the most important financial intermediaries in the Republic of Croatia are credit institutions, which accounted for around 73% of the financial sector assets at the end of 2014. Banks are the most important credit institutions (accounting for 71.5% of the financial sector assets at the end of 2014) and the most active of all financial institutions in the country, both in terms of the payment system and their presence on all the three financial markets: the money market, the FX market and the capital markets, where they represent the most important source of finance to the economy. In addition to the banks, credit institutions of the Republic of Croatia also comprise housing savings banks and savings banks. Housing savings banks encourage national savings and help meeting housing needs by collecting annuity-type savings from natural persons, with the primary goal to lend the accumulated funds back to them in the form of affordable housing loans, after an accumulation period of a predetermined length. Savings banks (and credit unions) are the result of the transformation of savings and loan cooperatives, and their operations are regulated and supervised by the CNB.

The fact is that the banking services have been dynamic during the last decade due to the advent of the internet marketing of the banking sector (Jahanbakhshian, 2013). Additionally, the banking industry is currently in the forefront of the development of technology-based service delivery. Generally, in today's competitive environment, an approach to become more professional in order to develop business is essential, and the survival of banks depends on their ability to deal with the environmental challenges (Nokandeh et al., 2013). Some authors argue that in the banking sector, bank service quality is a more important attribute to the corporate image than other variables (Richardson and Robinson, 2007). The problem is that many banks are faced with an identity crisis and increased customer migration rates that negatively affect the level of business profitability (Filip and Tatu, 2012). This applies to Croatia, as well. Several authors are pointing out that in the banking sector a favorable image is considered a critical aspect of a company's ability to maintain its market position, as image has been related to core attributes of organizational success, especially to customer patronage (Korgaonkar et al., 1985; Moise et al., 2012). The same is valid for the highly competitive Croatian banking market, with almost 23 banks currently operating and where customers are extremely price sensitive. Due to this, the majority of the offers are based on pure price competition, which seriously puts business profitability in focus.

6.   OBJECTIVES OF THE STUDY

The paper seeks to examine the possible influence of corporate image in the banking sector in the Croatian market on consumer's choice, considering the banks' image as an indicator of customer-oriented business philosophy and a potential source of competitiveness on an extremely competitive banking market, with similar banking offers in terms of total quality, product substance, and service level. Objectives of this study are as follows:
1.   To explore opinions and agreeing with statements that corporate image has influence on customer's choice in Croatia, customer loyalty and perception of the quality;
2.   To understand which socio-demographic variables impact the perception of corporate image has on opinions and behavior of the clients;

3.   To understand who might be more prone to agree that good corporate image might cause willingness for customers to pay products at higher prices.

7.   RESEARCH METHODOLOGY

Based on previous research of corporate image in banking industry, conducted by numerous authors (e.g. Osei et.al., 2014, Bravo, Montaner and Pina, 2012; Bravo, Montaner and Pina, 2010 and Bravo, Montaner and Pina, 2009), following hypotheses were formulated with the focus on Croatian banking industry:

H1:   Survey participants will agree that corporate image of the bank influences costumer perception of the bank, bank's product and services, loyalty, selection of the bank and willingness to accept products at higher prices.

H2:   Opinions on the impact of the corporate image on costumer perception of the bank, bank's product and services, loyalty, selection of the bank and willingness to accept products at higher prices will defer depending on gender, age and income level.

H3:   Opinions on the brand equity, formed as a construct of several items, can be predicted by socio-demographic variables.

The study was carried out in Zagreb, the Croatian capital, during June 2019. Primary data was collected from customers who are using products and services of different banks currently operating in the Republic of Croatia by using the survey method and convenient sampling method. To test the impact of corporate image on the consumer's choice in the Croatian Banking industry, a structured questionnaire with two sections was designed. The survey has been developed based on previous researches (Osei et.al., 2014, Bravo, Montaner and Pina, 2012; Bravo, Montaner and Pina, 2010 and Bravo, Montaner and Pina, 2009). The first section of the questionnaire captured demographic information for describing a sample. The second section of the questionnaire was designed to measure if the corporate image of the bank has a strong influence on the customer's choice of the bank, on customer's loyalty to the bank, and on customer's perception of the bank in Croatia.

Additionally, the second section of the questionnaire was designed to measure if the corporate image of the bank has a strong influence on the customer's perception of the quality of the banking products and services. It was also measured if the customers are willing to accept the banking product at a higher price, if the corporate image of the bank is solid. The sample size consisted of respondents of various banks currently active in Croatia, including foreign, private and public banks. The survey questionnaires were distributed to 280 respondents in Zagreb, all of them are users of different banking products and services. In total, 250 usable questionnaires were collected, resulting in an 89.28 % response rate. The results from the questionnaire providing demographic information describing a sample are presented in Table 1.

Table 1. Demographic data

Gender	Frequency	Percent
Male	115	46,00
Female	135	54,00
Age		
21-30	29	11,60
31-40	122	48,80
41-50	69	27,60

51-60	13	5,20
61-70	17	6,80
Social class		
Lower class	0	0,00
Working class	26	10,40
Middle class	182	72,80
Upper middle class	42	16,80
Marital status		
Married	140	56,00
Single	110	44,00
Level of education		
Secondary school	17	6,8
Higher secondary school	28	11,2
Graduate	187	74,8
Post graduate	18	7,2
Status		
Student	12	4,80
Unemployed	0	0,00
Employed	230	92,00
Retired	8	3,20
Income in HRK/EUR		
Less than 5.000 / 673,03	20	8,00
5.001-7.000 / 673.04 - 942,25	143	57,20
7.001 - 9.000 / 942,38 - 1.211,46	41	16,40
9.001 - 11.000 / 1.211,60 - 1.480,68	31	12,40
11.001 - 13.000 / 1.489,81 - 1.749,89	9	3,60
13.0001 and more/ 1.750,03	6	2,40
Total	250	100,00

Note: Middle exchange rate for EUR, https://www.zaba.hr, accessed 04.09.2019

Source: Research results

8.   RESEARCH FINDINGS

To test the first hypothesis, several statements have been tasted on the 5-point Likert-type scale to measure the opinion about the impact of corporate image on customer's perception, opinion and behavior. Results show that respondents highly agree that corporate image plays a significant role in customer's perception, opinion, and behavior towards the bank and products (Table 2).

Table 2. Descriptive statistics

	Mean	St. Deviation
Corporate image of the bank has a strong influence on the customer's choice of the bank.	4.9	0.3
Corporate image of the bank has a strong influence on customer's loyalty to the bank.	4.8	0.4
Corporate image of the bank has a strong influence on the customer's perception of the bank.	4.8	0.5

Corporate image of the bank has a strong influence on the customer's perception of the quality of the banking products.	4.9	0.3
Corporate image of the bank has a strong influence on the customer's perception of the quality of the banking services.	4.9	0.3
If the corporate image of the bank is solid, the customers are willing to accept the product at a higher price.	4.6	0.6

Respondents highly agree that corporate image of the bank has a substantial impact on customer's perception of the quality of banking products (X=4.9, Sd=0,3) and banking services (X=4.9, Sd=0,3) and customer's choice of the bank (X=4.9, Sd=0,3). The lowest score is obtained for the statement that a solid corporate image will cause the willingness to buy products at higher prices (X=4.6, Sd=0,6). Taking into account the high score, we can conclude that the first hypothesis tested is accepted.

In order to test the second hypothesis, a series of one-way ANOVA's were conducted. Gender showed as a significant socio-demographic variable in explaining participant's opinion on the impact of corporate image on customer's perception, opinion and behavior (Table 3).

Table 3. Descriptive statistics and ANOVA results for gender

		Mean	**F**	**sig**
Corporate image of the bank has a strong influence on the customer's choice of the bank.	Male	4.83	7.393	p<0.01
	Female	4.94		
Corporate image of the bank has a strong influence on customer's loyalty to the bank.	Male	4.69	18.105	p<0.001
	Female	4.90		
Corporate image of the bank has a strong influence on the customer's perception of the bank.	Male	4.85	4.925	p<0.05
	Female	4.71		
Corporate image of the bank has a strong influence on the customer's perception of the quality of the banking products.	Male	4.78	37.200	p<0.001
	Female	5.00		
Corporate image of the bank has a strong influence on the customer's perception of the quality of the banking services.	Male	4.88	0.006	p>0.05
	Female	4.88		
If the corporate image of the bank is solid, the customers are willing to accept the product at a higher price.	Male	4.64	0.012	p>0.05
	Female	4.65		

The results of the research show that men tend to agree more than women that the corporate image of the bank has a strong influence on the perception of the bank (F=4,925, p<0,05). But more detailed statements analyzing not only the perception but asking about opinions and loyalty show a different picture. Women statistically agree more with statements that corporate image affects perception of the quality of banking products (F=37.200, p<0,001), loyalty towards the bank (F=18.105, p<0,001) and customers bank selection (F=7.393, p<0,01). For the other two statements, the results of the one-way ANOVA tests are not statistically significant. These results have potential practical implications in the banking sector. Namely, women could be much better affected by marketing activities compared to men.

Next to gender, the analysis was performed for age as a factor. Results showed that for two statements, age played a significant factor. Participants with different age groups had statistically different opinions on the statement that corporate image plays a role in customer's choice of the bank (Table 3). Agreeing with this statement grows significantly with age. Similar results are showed on the item measuring how much participants agreed that corporate image impacted customer's perception of the quality of banking services.

Table 3. Descriptive statistics and ANOVA results for age

	Age	Mean	F	sig
Corporate image of the bank has a strong influence on the customer's choice of the bank.	21-30	4.75	3.779	p<0,05
	31-40	4.84		
	41-50	4.83		
	51-60	4.92		
	61-70	5.00		
Corporate image of the bank has a strong influence on customer's loyalty to the bank.	21-30	4.89	1.226	p>0,05
	31-40	4.82		
	41-50	4.75		
	51-60	4.85		
	61-70	4.67		
Corporate image of the bank has a strong influence on the customer's perception of the bank.	21-30	4.82	0.394	p>0,05
	31-40	4.75		
	41-50	4.81		
	51-60	4.69		
	61-70	4.83		
Corporate image of the bank has a strong influence on the customer's perception of the quality of the banking products.	21-30	4.89	0.966	p>0,05
	31-40	4.87		
	41-50	4.96		
	51-60	4.92		
	61-70	4.89		
Corporate image of the bank has a strong influence on the customer's perception of the quality of the banking services.	21-30	4.75	3.688	p<0,05
	31-40	4.86		
	41-50	4.99		
	51-60	4.92		
	61-70	4.88		
If the corporate image of the bank is solid, the customers are willing to accept the product at a higher price.	21-30	4.79	0.775	p>0,05
	31-40	4.60		
	41-50	4.68		
	51-60	4.54		
	61-70	4.72		

The lowest results on this statement have a group of participants aged between 21 and 30 years (X=4.75) compared to the opinion of the group aged between 41 and 50 years (X=4.99).

To test the second hypothesis, several ANOVA's were performed using income as the factor variable. According to our results, participants with different household incomes judge differently on the power of corporate image on perception, opinions, and decisions people make (Table 4). The highest difference is scored on the statement that the corporate image has a strong impact on the customer's perception of the quality of the banking products (F=7.921, p<0.001). Interestingly, respondents with higher income less agreed that corporate image affects perception compared to respondents that have lower income. As the results are inconsistent with other items tested, more research needs to be done in order to clarify the mechanisms affecting opinions when it comes to income.

Table 4. Descriptive statistics and ANOVA results for income

		Mean	F	sig
Corporate image of the bank has a strong influence on the customer's choice of the bank.	to 5000	4.90	3.999	p<0.05
	5001-7000	4.94		
	7001-9000	4.80		
	9001-11000	4.74		
	11001 and more	5.00		
Corporate image of the bank has a strong influence on customer's loyalty to the bank.	to 5000	4.90	1.033	p>0.05
	5001-7000	4.94		
	7001-9000	4.80		
	9001-11000	4.74		
	11001 and more	4.91		
Corporate image of the bank has a strong influence on the customer's perception of the bank.	to 5000	4.75	2.078	p>0.05
	5001-7000	4.73		
	7001-9000	4.93		
	9001-11000	4.74		
	11001 and more	4.92		
Corporate image of the bank has a strong influence on the customer's perception of the quality of banking products.	to 5000	4.95	7.921	p<0.001
	5001-7000	4.95		
	7001-9000	4.93		
	9001-11000	4.74		
	11001 and more	4.58		
Corporate image of the bank has a strong influence on the customer's perception of the quality of the banking services.	to 5000	4.70	2.323	p<0.05
	5001-7000	4.90		
	7001-9000	4.85		
	9001-11000	4.87		
	11001 and more	5.00		
If the corporate image of the bank is solid, the customers are willing to accept the product at a higher price.	to 5000	4.65	2.397	p<0.05
	5001-7000	4.63		
	7001-9000	4.71		
	9001-11000	4.84		
	11001 and more	4.31		

In the third hypothesis, we wanted to test if socio-demographic variables can predict the brand equity – construct variable made from statements in the research. To test the possibility that this variable is plausible to construct factor analysis was conducted, including variables stating the corporate image of the bank influences loyalty, quality of the products, and quality of the services. Exploratory factor analysis uncovered one factor explaining 45% of the variance, whereas the reliability test showed borderline results ($\alpha=0.678$). Both the validity and reliability of the scale were considered to be satisfying, so the regression analysis was performed (Table 5).

Out of 7 variables, only gender ($\beta=0.397$, $p<0.001$) showed as a significant predictor on the opinion of respondents to brand equity. This predictor explains 15% of the variable results. In order to understand the role of socio-economic variables on brand equity, more research should be conducted containing more specific variables measuring brand equity and analyzing predictive power withing different cohorts of the population.

Table 5. Factor predicting brand equity

	R	R Square	F	Sig.	Beta	t	Sig.
Gender					0.397	5.688	p<0.001
Age					0.014	0.215	p>0.05
Social status					0.083	1.368	p>0.05
Marital status	0.389	0.152	6.181	p<0.001	-0.073	-1.105	p>0.05
Level of education					0.039	0.646	p>0.05
Status (employment)					-0.080	-1.235	p>0.05
Income in HRK/EUR					-0.004	-0.060	p>0.05

9.   CONCLUSION AND MANAGERIAL IMPLICATIONS

This study analyzed the opinion of participants about the impact of corporate image on the consumer's choice of the bank, on the customer's loyalty to the bank, as well as on the customer's perception of the bank. Additionally, it analyzed the influence of the corporate image of the bank on the customer's perception of the quality of the banking products and services and willingness of the customers to accept the banking product at a higher price, if the corporate image of the bank is solid.

Corporate image and its management have become an important management priority for all types of organizations, including the banking industry. The paper has implications for both academics and practitioners. The findings provide an understanding of the Croatian consumers' behavior in relation to a possible impact and effects of corporate image on their choice in the banking domain. The corporate identity was identified as a powerful criterion affecting the corporate image. Despite the change of consumer lifestyle, brand, and corporate image, developed as a result of strong corporate communication activities, remain the dominant impact factors of consumption decisions. Consumers make their purchase decisions largely depending on the corporate and brand image, rather than the product or service itself. This study contributes to a better understanding of the influence of corporate image on the consumer's decisions in the Croatian banking industry. It shows that gender, age, and income play a role in customers' perception and gender if as significant predictor of the perception of brand equity.

Furthermore, the results have shown an evident and direct link between corporate image and the customer's choice about the perception of the quality of the banking products and banking services. Nevertheless, the study contributes to a better understanding of the customer's decisions connected with pricing, since it is shown that the customers are ready to accept higher prices of the products and services if the perceived corporate image of the bank is solid.

And last but not least, the research also clearly shows a direct link between the corporate image in the banking sector and the customers' perception of the bank, as well as customer loyalty to the bank. It is highly advisable, as shown in the study, that the concept of the corporate image represents an important factor in the banking industry, having a strong influence on the consumer's choice and within a competitive market environment, helping the banking industry to avoid pure price competition and to remain profitable.

It can be argued, based on the study conducted, that corporate image and brand equity have a strong influence on the final consumer's choice. In addition, the banks in Croatia should pay much more attention to corporate branding in order to build brand equity, which will lead to positive

consumer's choice. That is why an additional focus should be paid to corporate communication management as a source of corporate image development.

The conducted research and study will hopefully stimulate further progress in these areas of research, providing additional support for the marketing and sales managers operating in the Croatian banking industry. However, this study has its limitations; for instance, a sample size of only 250 consumers, meaning that the results cannot be generalized for all Croatian banking customers.

Additionally, the study was conducted in Croatia, and this means that the individual results cannot be generalized for all European banking customers since Croatia belongs to the developing countries within the European Union. Additionally, the research is limited to the banking sector only, not taking into account any other industries. In the future, the research methodology could be adapted to other areas of business interest. Hence, it is important to underline that corporate image has a direct impact on the competitive advantage on the Croatian banking sector; however, it is not utilized to its maximum possibilities. The banks operating in Croatia need to focus much more on integrated marketing communication in order to build and develop an efficient corporate image as a source of long-term sustainable competitive advantage, customer loyalty, and profitability.

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