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Reputation management: theoretical aspects in a modern company

In today's market economy, when there is a maximum diversity in goods and services, it is difficult for the consumer to determine the user of what brand he wants to be. Therefore, the image concern is a pressing issue for companies. Managers' attention to brand management begins to increase as they become aware of the impact that company brand has on the performance of a company. These circumstances determine the relevance of the topic of the study.

Romat E.V., Fedko V.P., Le Pla F., Plonskoi Yu.O., Aloshyna I.V., Demchenko D., Rudynskoi O.V. and others' works are devoted to the research questions of the company image influence on its activity and connection with consumers [1-4].

Consumers and even brand executives quite often identify the notion of "image" and "reputation". In fact, image is a component of reputation and has other prerequisites for its formation.

Introducing the consumer to the brand begins with the interaction with the components of corporate identity and it is a means of objective positioning. When these elements are perceived, an image is formed in the mind of the person and this is an ideal image created by a brand to give a certain impression about the company in the mind of the target audience. Thus, image is an artificially created thought among a certain group of people. Its goal is to create a positive brand image among the audience. [3]

Unlike image, reputation cannot be created because it must be earned. Reputation or public reaction to company policy can be considered a reputation. Reputation builds throughout the brand's company and works for the long period of time. If the image depends on the external characteristics, the reputation depends on the holistic perception of both internal and external qualities of the brand.

According to research, more than 60% of investors consider brand reputation as one of the main factors of its value formation. Reputation can provide between 20 and 80% of a company's shareholder value, representing a real asset of the company. Reputation is slow to form but, unlike tangible assets, is relatively stable and is not prone to price fluctuations in the market.

Reputation significantly affects the sales performance of brand products. 87% of people who shop online are sure to be interested in reviews about company before buying a product. 73% of consumers are more likely to trust a company if the majority of reviews about it are positive. 80% of online shoppers cancel their order after reading a negative brand review. Reputation is sometimes referred to as a "credit of confidence" - 62% of consumers believe that a company with a good reputation will not produce poor quality products.

A good reputation for the company helps to attract new customers and retain existing ones, increase the inflow of investments and sales efficiency. In the long run, the reputation supports the company in the event of economic difficulties at the expense of loyal customers.

For effective brand reputation management, a reputation strategy is being developed in Table 1. This program defines a set of measures for formation of positive reputation and mechanisms of their realization. Brand management is the responsibility of brand managers. The company may have its own or hired professionals who are involved in developing a comprehensive reputation strategy. Top executives of the company should be involved in building the reputation of the strategy and its immediate implementation. [2]

Table 1

Company reputation management strategies

The name of the strategy	Explanation
Reputation formation at the expense of top executives and top managers of the company	The public leader is respectful of potential customers and consumers, as well as partners and employees. A recognized person is trusting in the company, confident in its professionalism and respect.
Strong team as the basis of reputation formation	This aspect of reputation management is the most important for organizations providing various expert services or technology solutions. Productivity and quality of work are supported by effective communication between all responsible employees.
Careful study of the company's mission and philosophy	A brand philosophy based on the ultimate virtues helps to shape the image of a responsible or honest company. Subsequently, if you reinforce the image with appropriate measures, it will turn into a positive brand reputation.
Emphasis on the benefits of the company	It is easiest to manage the reputation at the expense of brand worthiness (quality or service). As a company dignity, you can use many years of experience in providing services and indicators of successful project implementation. Financial stability can also be used as a part of a strategy's reputation.

Thus, in the conditions of fierce market competition between companies offering identical goods and services, the issues of winning the market and attracting a potential customer are aggravated. One of the main tools for improving the market position is the reputation of the company, which distinguishes it among similar in type of activity of organizations, strengthens market positions, increases the market value of the company, expands the circle of regular consumers.

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