

Corporate Reputation: How it Works for Company's Performance

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„Without reputation, we are nothing”- Warren Buffet

The increasing pressures of society, consumers, investors and employees on companies to behave more ethical and socially responsible can be easily noticed every day. Under such circumstances, the businesses find that the corporate reputation is more important than ever.

This paper focuses on analysis of the corporate reputation and its effects on company's performance in the new conditions imposed by the stakeholders. First, the analysis emphasizes the contribution Corporate Social Responsibility (CSR) might have on Corporate Reputation (CR) by communicating the good causes of CSR. Then, the results the corporate reputation has and also the role of Cause Related Marketing (CRM) in enhancing corporate reputation on company's performance are revealed in a detailed way.

Keywords: company's performance, corporate reputation, corporate social responsibility, cause-related marketing

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1. Introduction

1.1. The increasing importance of corporate reputation

The reputation has become a decisive element of the business success. As Harkler (2013) and Bracey (2016) suggest, "in the age of social networking, websites and other methods of instant communication the reputation is everything". But building and maintaining a good reputation is extremely difficult. Warren Buffet emphasized this when he said „... *it takes twenty years to build a reputation and five minutes for ruin it*". A business can achieve more easily its objectives if it has a good reputation among its stakeholders such as its largest customers, opinion leaders in the business community, suppliers, and current and potential employees. The ways a company treats the individual and the society, what the consumer service is like, what the treatment of the employees is, what the company does when it commits a mistake and when it find oneself involved in a row are very important for the market and especially for the society. Thus, the reputation of company clearly becomes a factor of trust in the company, which serves as a guarantee for the products and the services, a guarantee of quality, content and processes. For the consumers, the reputation is more important than the information about the economic results of companies. The consumers prefer to trust those companies that share their values. The corporate reputation is also considered a key variable in improving the company's attractiveness and its capacity for the retention of both clients and investors. Nowadays, the social, ethical and environmental performance is an important driver of reputation. In order to build and enhance their positive reputation the businesses must be involved in programs and activities aimed at improving the well being and the quality of life of communities and their surrounding environment, all these being known as CSR.

1.2. Corporate social responsibility as a marketing tool

The companies are more responsible for their impact than ever before largely due to the increasing pressures of the society to act in ethical,

social responsibly way. Therefore, the businesses include the social and environmental standards in their daily decision making as an intrinsic complement for economic, profit-seeking operations. That means that the companies work for a larger, socially-beneficial cause beyond the narrow areas of self-benefits. It is quite natural for a company that exists for profit to seek direct or indirect benefit from all its actions including Corporate Social Responsibility. The CSR is viewed by the World Business Council for Sustainable Development as „a permanent commitment of a company to contribute to the economic development while improving the quality of life for employees and their families, their community and society in general” (World Business Council for Sustainable Development: Meeting Changing Expectations). Today, CSR is considered a profit issue, therefore using it as a marketing tool has become a requirement for company’s reputation and performance. CSR makes marketing sense as the companies make more money from people. When they focus on their profits back into the very same people who help them make money, the marketing cycle is complete. At the same time, the consumers which are the people who help the businesses make money are strongly interested in the activities of effective CSR the companies are achieving and even taking action. In June 2015, a survey of 9,709 consumers in the US, Canada, Brazil, the UK, Germany, France, China, India and Japan shows percent indicating the consumers engagement with corporate social responsibility based on their actions in the past twelve months as in table 1.

From the corporate reputation and CSR characteristics, content and mechanisms result that CSR can help the corporate reputation. CSR can conduct at building and enhancing the corporate reputation pursuing objectives linked to „causes”. The way CSR causes are implemented is by using Cause Related Marketing tools. CRM strives to achieve or improve the company’s performance and to help a

worthy cause by linking fund raising for the benefit of a cause to purchase of the company's products and services.

Table 1.

Consumer engagement with CSR

Consumer action, June 2015	Percent
Bought a product with a social and/or environmental benefit	63
Made a donation	61
Boycotted/refused to purchase a company's products/services upon learning it behaved irresponsibly	53
Told friends or family about a company's corporate social responsibility efforts	47
Volunteered	40
Researched a company's business practices or support of social and environmental issues	37
Given their opinion and feedback about a company's responsibility efforts directly to that company	34

Source: Cone Communications/Ebiquity

Using specific marketing tools CRM positively influences the corporate reputation by more clearly and convincingly communicate the CSR initiatives. Working this way, CRM intensifies the company's CSR practices. Therefore, all three strategic fields of the business help the enhancement of business performance.

2. Corporate reputation, the most valuable asset of the company

2.1. Corporate identity, corporate image and corporate reputation

Building a positive reputation and benefiting from it depends on a good, intimate understanding of the concept, before all. The starting point for understanding the concept of corporate reputation is to mark the limits of corporate identity, corporate image and corporate reputation and the relationships between them. The table 2 show that between the three concepts are inclusive relationships that form the reputational chain.

The corporate identity is the manner which a business presents itself to the stakeholders using a collection of visual elements. A distinction is made among factual identity, value identity and ascribed identity by D. Bachelot (www.busieco.ou.dk/Corporate_Identity.pdf). The factual identity is an assessment of one's own behavior. The own assessment of business takes place and it is used for nourishing a self-perception and it is related to the manner in which the business wants to see itself. The value identity is the claim of own ideal image. The shaping of factual value is accomplished by the company's factual image, but the perception the stakeholders have of it only rarely corresponds with the company's factual or value identities. The ascribed identity refers to the confrontation that takes place with the stakeholders expectations and correspond to corporate image. *The corporate image* is the perception the stakeholders have about the company. The person or the group associates his value and emotions about the company with the assigned image that reflects the currently situation of the business. The image arises when the company begins a relationship with an individual or a group. The company may come into contact at personal level or indirect contact through advertising, communication media and so on. *The corporate reputation* describes a collective perception and evaluation of the company the internal and external stakeholders have. It takes shape as a result of images' aggregation that

are the result of personal exchanges between the business, its stakeholders and third parties over time. Table 2 includes a comparative presentation of the differences between corporate identity, corporate image and corporate reputation.

Table 2.

Differences between corporate identity, corporate image and corporate reputation

	Corporate identity	Corporate image	Corporate reputation
Stakeholders	Internal	External	Internal and external
Perception	Actual	Desired	Actual
Positive or negative perception of the business	Positive or negative	Positive	Positive or negative
Relevant question	Who/What do we believe we are?	Who/What do we want others to think we are?	What are we seen to be?

Source: Feldman Percy, Marquina et al, 2014.

From the angle of the reputational chain, the corporate reputation emphasizes the two sides of its emanations and perceptions.

As the globalization and the competition become more intense, the consumers, investors and employees expectations are increasing and the whole society becomes increasingly exigent confronted by the practices of companies, the last ones realize that some criteria for their activity evaluation are more important. These criteria are about trust, value, social responsibility and they are added to the quality of products and services, the rhythm of innovation, and other „classic” criteria. These new criteria are significant for the corporate reputation,

a concept that is the subject of permanent discussions since its coming out. Beyond any academic debate we have to emphasize the reputation is an intangible asset even the most valuable asset that is acquired within a time period and that is the value and the trust the stakeholders give the company as Marcellis-Varin and Teodoresco (2012) propose. There are many stakeholders- customers, investors, government, community, suppliers, employees- and the business reputation is differently viewed by everyone. Therefore, the corporate reputation is a dynamic concept and it permanently changes. At the same time, the corporate reputation has a multidimensional character and it is the sum of estimations made by stakeholders and also the result of influences exercised by the conditions and the particular economic tendencies of the market. From the company's point of view, the corporate reputation is the outcome of a competitive process when the business try to maximize its social status (Ressel, 2008). At individual level, the corporate reputation is the sum of conotative, affective and cognitive value judgements that are made due to personal experience and actions and communication of the company (Schuetz, cited by Ressel, 2008). Mukasa and al. (2015) think that the corporate reputation relates to the perceptual representation of an organization's present, past and future prospects that define the organization's general appeal to stakeholders. The business reputation depends on the company's success in addressing the stakeholders demands as well as meeting their expectations. Therefore, as Frombrun and van Riel (1997, cited by Maden et al., 2012) proposed, the corporate reputation is a „collective representation of firm's past actions and results that describe the firm's ability to deliver multiple stakeholders". The reputation results from information exchanges and social influence among various parties interacting in an organizatonal context. As a result, it refers to a particular type of feed-back received by an organization from its stakeholders with regard to the credibility of an organization's identity claims (Tuondung, 2011).

2.2. Content of corporate reputation

Many points of view on corporate reputation concept show that it is a reflection of the company's past, present and future efforts for maximizing its social status as they are perceived and understood by the stakeholders which are outside the company as parts of its environment. As the entire struggle of the company is aimed at its various stakeholders it appears that the business needs to have success in all initiatives and actions for building and enhancing the corporate reputation it performs. In other words, the company has to correctly consider and completely develop all those actions that create and maintain its ability to deliver multiple stakeholders by interacting with them in an organizational context. By doing so, the business can use all the components of the corporate reputation that are *ethics, leadership, quality, financial performance, long-term investment value, regulatory compliance and trustworthiness*.

Ethics assumes the business behaves ethically, is trustworthy and is worthy of respect. Workplace and employees show the company is an appealing workplace and it has talented employees and treats its people well. Management play a part in the corporate reputation if the business is well managed, has highly quality management and a clear vision. *Leadership* has its role by putting the business in the position of market leader rather than that of a follower and being innovative. Social responsibility enhances the corporate reputation by recognizing its social responsibility, supporting and involving itself in good causes. *Quality* is a strong part of corporate reputation by delivering to the customers the promises ie high quality products and services. The quality of reputation depends on the relative value of the sector or its stakeholders and on human resources policy. An airline might be judged to have a good reputation on punctuality, and a bank for interest rates of savings. *Financial performance* supports the corporate reputation by making the business financially strong, having a record of profitability and growth prospects. *Long-term investment value* refers to

the increased return gained by those who purchase shares of a company having a good reputation. *Regulatory compliance* helps the good reputation of business as being one that don't try to avoid the laws and rules that are the legal framework of its activity. *Trustworthiness* is a very important part of the corporate reputation. It is the favorable perception about the company and its competences, in other words it is the perceived strength of the business. The trustworthiness depends on company's expertise in its sector, the stakeholders trust in its integrity and in delivering the promises and on the effective communication with the stakeholders which appreciate the reputation.

3. Cause related marketing contribution to corporate reputation

3.1. Relationships between cause-related marketing, corporate social responsibility and corporate reputation

The need to improve the relationships with their stakeholders and the wider community has been recognized by many businesses. At the same time, it has become difficult for companies to differentiate their brands from those of the competitors through traditional marketing means such as the manipulation of price and quality, due to not only the fierce competition but also to the increased exigencies of the society. Therefore, the companies are using CSR as a very important concept and practice which integrates the social and environmental concerns in their corporate operations, in their efforts of aligning the social objectives to those commercial ones. They need to find new ways to successfully integrate CSR activities in the operations that help achieving their profit and market objectives. One of the newest ways the businesses are following in this logic is Cause Related Marketing. CRM is judged to be the earliest and fastest developing trend of social marketing (Jahveri, 2010), a new tool (Demetriou, Vrontis and Papasolomou, 2009), a technique (Berggren and Stark, 2010), type or form of CSR (Vanhamme et al, 2012; Qamar, 2013). The practice of advocating the CSR in marketing communications activities is

commonly known as cause-related marketing (Bronn et al, 2010). No matter its sense, CRM helps demonstrating the business responsiveness to society's heightened expectations and demands and achieving the business objectives beyond those of increasing the company's popularity. At the same time, the good reputation is a vital element in business success and is a corporation's most valuable asset. Therefore, CRM is of great help while it can be used to build, nurture, enhance and communicate an organization's reputation. The businesses are more frequently investing in CRM as part of their strategy which is designed to achieve objectives such as improving overall corporate reputation (Jahveri, 2010). The company's signals to its employees, business environment and society through its behavior, brands, practices, symbols, corporate identity and the messages are received by various internal and external groups and are formed into perceptions of a reputation of the business (Demetriou Vrontis et al, 2009). The favorable reputation may enable the companies to charge premium prices, enhance their access to capital markets and attract better applicants for jobs and investors.

Taking into account all the above arguments, one can say the CRM allows the means for using CSR and corporate reputation to achieve the social and business objectives at the same time. As Steffen and Guenther (2013) consider, CRM is a commercial activity by which a business with a product, service or image to market builds a relationship with a cause or a number of causes for mutual benefits. The cause is of great importance within the CRM and the business has to consider this choice carefully. Healthy human service, environment and animal protection are causes to consider before entering a partnership. After a study of different types of causes, the company may choose the cause that match with the customers. The company-cause-customer fit are the variables of greater importance, in order to succeed with a CRM campaign (Berggren and Stark, 2010).

The CRM works best when the business cause is high. The business should support a cause with an image and aim similar to its own and the targeted market segment must approve the association. If the customer connects to the company's reputation and is willing to support the cause it is more likely that the purchase intent will increase.

3.2. Cause Related Marketing and how it works for CSR and corporate reputation

The definitions of CRM are distinct in many ways. Berggren and Stark (2010) think CRM is an *activity* by which business and charity organizations form a partnership with each other to market on image, product or service for mutual benefit. The CRM is more than an „activity” and this can be found in the definition that views it as *a marketing strategy* whereby the business makes a contribution, financial or otherwise, to a charity organization upon the consumer engaging in individual objectives (Berggren and Stark, 2010). But this definition lacks clarity clues about the specific mechanisms that enable the revenue-providing exchange. Therefore, a step forward makes the vision which states that CRM consists in a *partnership* between an organization working for profit and a non-profit organization which aims at persuading the consumers to contribute towards a common goal by buying the company's product (Odyja, 2015). A better definition is that of Bronn and Brioni Bellin (2001) which expose CRM as *the process* of formulating and implementing marketing activities that are characterized by contributing a specific amount to a designated non-profit effort that, in turn, causes the customers to engage in revenue-providing exchanges. When properly executed, CRM sells the products, enhance their image and motivates the employees. The CRM is also described as a win-win-win situation by Steffen and Guenther (2013) which is a vision results-oriented since the parties involved i.e. the business, the non-profit organization and

the consumer benefit from the „situation”. Even the concept of CRM is controversial, as the above information shows, it has some features that help a clearing up:

- ✓ CRM involves a cause and this cause belongs to CSR;
- ✓ CRM implies a relationship between a business (profit organization) and a non-profit organization;
- ✓ CRM is a form of demonstrating the business’s CSR;
- ✓ CRM is profit oriented, even all parties involved are beneficiaries (win-win-win situation);
- ✓ CRM enhances the corporate reputation.

As CRM activities are profit-oriented it is not to be confused with social marketing. The social marketing refers to the application of the marketing principles, concepts and tools to problems of social change, the social campaigns are not profit oriented and usually involve the „de-marketing” as Steffen and Guenther (2013) assert. The social marketing campaigns try to reduce the consumption of products like cigarettes, alcohol and fast food, therefore they work in opposition with the commercial marketing.

In order to achieve its objectives and mission, CRM should use the proper tools. The subject of how many tools and which may be used is also discussed by many authors. Berggren and Stark (2010) pay attention to advertising, public relations, sponsorship, licensing, direct marketing, facilitated giving and purchase- triggering donations, while Siebert (2014) adds to them the co-branding. In her turn, Jennifer Odyja (2015) takes into account transaction-based promotion, joint-issue-promotion, licensing, joint venture and corporate philanthropy as forms of CRM. Even if these approaches are only a sample of the potential large list describing the tools that might be used in CRM campaigns, they allow some observations that help an easier understanding of the issue:

~ the tools CRM might use form a mix in which one may find classic marketing techniques such as advertising, public relations, co-

branding, direct marketing , techniques that are used in commercial transactions like licensing and joint ventures along with some tools of sales promotion used in specific purposes such as purchased-triggered-donations, joint-issue-promotion and facilitated giving;

~ all techniques and tools are used for securing the win-win-win effect for all those involved;

~ the structure of tools mix indicates that they all help (1) addressing the social issues through providing resources and funding and (2) satisfying the needs and expectations of the community as a whole, together with the increase of social responsibility of the business and the customers.

The advertising has as characteristic the alignment of a business with a fitting non-profit organization and the use of its own advertisements to communicate the cause's message. When a business uses the press and public attention to communicate their partnership with a non-profit organization it is public relations. The co-branding consists in campaigns where the business and the non-profit organization try to raise funds together to build the brand awareness. Sometimes, a business helps a particular programme or event (social, cultural, sportive) and this time is involved in sponsorship. There are occasions when the business pays the licences fees to a non-profit organization to use their logo on its investments or products. In the case of facilitated giving or transaction-based promotion, if a customer uses his credit card or buys a product, a percentage from the amount he pays is allocated to a non-profit organization. For example, every 1% from the price of every purchased tooth paste tub goes to the funds for building a children health center which is managed by a non-profit organization. The facilitated giving supposes an organization facilitates the customer donations to causes and the join-issue-promotion is made when a business joints a no-profit organization in directing the attention to a social issue such as bees or some animal species protection.

3.3. Impact of CRM on business, customer and non-profit organization

The cause-related marketing has triple win effects. *The business, the customer and the non-profit organization* all may be helped as a result of communication campaigns through CRM.

The business could have as benefits enhancing its corporate image and reputation, increasing sales, gaining additional customers loyalty. Some other effects of CRM could be the prevention of negative publicity and good relations with the media. The cause-related marketing could help the customers pacification if they are offended by some business' practices and even facilitate business entry on niche markets (Farache et al, 2008; Berggren and Stark, 2010; Vanhamme, 2012; Nerkar, 2013; Qamar, 2013). *At the customer level*, CRM has various effects on its choice, attitudes and purchase (Farache et al, 2008; Berggren and Stark, 2010; Nerkar, 2013; Qamar, 2013). All these are positively influenced as the customer obtains more information about the cause and gets increased ability to differentiate between companies. The CRM campaigns are also powerful tools to attract the customers towards the cause which eventually lead to an increase of sales. The customers perception towards a cause positively influences their beliefs and attitudes towards the business product quality or brand (Bronn and Brioni Bellini, 2010). *The positive perception has impact on the business reputation and attractiveness which in their turn lead the customers to purchase the product and even become loyal or more loyal.* The CRM has as main effect *the funds generation in the benefit of non-profit organizations* (Berggren and Stark, 2010; Odyja, 2013). It stimulates revenue-producing exchanges between the business and its customers while generate funds to the charity organizations. Moreover, CRM campaigns could promote direct contributions by the promotional mechanisms. The promotions from CRM campaigns can generate direct contributions as a result of influential power of messages. The CRM can increase the non-profit organization's volunteer members in

the short term. The non-profit organization can receive managerial assistance from the senior staff of the business and other resources as professional skills, and technical knowledge.

4. Effects of corporate reputation on business performance

4.1. Role of corporate social responsibility for corporate reputation

The stakeholder's demands for companies to demonstrate the economic, legal, sustainable and socio-human responsibilities are increasing. Therefore, CSR has become one of most important elements of concern for managers due to the fact that CSR appears to be a factor that determines the stakeholders' perception of the business, this being known as reputation. The businesses must realize that they are an integral part of the society in which they operate, in order to create long-term value and to be good corporate citizens at the same time. They should integrate the CSR into their mission, strategy and culture if they want to build and enhance a strong reputation. Based on these considerations, the companies must tackle diverse actions, CSR practices included, regarding their workplace and employees, market place (branding, product, service), operations, innovations and stakeholders relations, corporate image and reputation, financial performance, trustworthiness and loyalty (Virvilaite and Dubaraite, 2011; Mattera and Baena, 2012).

A bad reputation can lead to the shunning of a company's products, services and brands, a decline in investors interests in the company, reduced stock prices and employees boycotts. CSR contributes to the formation of attractive corporate reputation as the companies which care about the well being of society and environmental protection are seen favorable in comparison with those which are not. The accurate CSR and well communicated practices enhance the business' reputation which, in turn, could be formed in the increased customers trust and loyalty, better stakeholders-company relationships, leading to

reduction of perceived risk in investing, buying and using the products and services from the business, differential competitive advantage, increased ability to recruit and retain employees, enhanced good will of the people and the community in which it operate (Mattera and Baena, 2012; Komodromos and Melanthiou, 2014; Bracey, 2016; Harrison, 2016). As a result of individual or group assessments outside the company, the business' reputation is affected by both internal and external factors. The internal factors that affect a company's reputation are transparency, human values, communication, employee's welfare, innovation, management reputation, adaptability to change *and its stand in social and environmental issues*. As external factors can be listed the customers, stakeholders, industry analysis, the media, government and industry regulations. In the long run, the businesses focus their CSR programs and activities on supporting the corporate reputation. These programs and activities have in view mainly charitable contributions and environmental protection. Studies on these areas of CSR and their effects on the corporate reputation as those cited by Mukasa et al. (2015) have found as main effects:

~rate of charitable donations has a positive association with the corporate reputation;

~consumers prefer products that are tied to charity and environment protection. A study performed by Harris Interactive among US adults shows the results from table 3 at the question: „How much effect would you say a company's reputation for social responsibility has on your own decisions about what to buy or who to do business with?”

Table 3.
Effects of corporate reputation for CSR on consumers decisions
 - percentage-

	Has a strong effect	It sometimes affects my decision	It affects my decision in a while	Not affects at all	Not sure
Overall	17	34	25	17	7
Millenials(18-37 years)	18	37	24	14	7
Generation Xers(38-49 years)	18	31	26	17	8
Baby Boomers(50-68 Years)	17	32	27	18	6
Matures(69+)	13	38	20	23	5

Source: Harris Interactive/Marketing charts.com

- ~ reputation links corporate contribution to shareholders' wealth by serving as a form of morale capital which is generated when the stakeholders can positively assess the organizational actions;
- ~ proactive CSR activities in the areas of charitable contribution and environmental protection could enhance the corporate value in terms of shareholders return;
- ~ engaging in CSR activities that are important to non-financial stakeholders can positively assess the organizational actions;
- ~ engaging in CSR activities that are important to non-financial groups such as communities and pro-environmental groups the corporate can benefit;
- ~ businesses need to allocate resources effectively to incorporate CSR activities such as charitable contributions and environmental

sustainability activities into their main strategy areas, given that the social performance in these two areas is closely related with the corporate reputation which in turn results in better economic performance;

~ environmental performance of the company could lead to a positive corporate reputation; therefore, the companies get involved in effective and sustainable contributions to community with a view of enhancing corporate reputation;

~ relationships between charitable contribution and environment protection are more significant for companies violating the rules and regulations related to health and environment.

4.2. Effects of corporate reputation on company's performance

The reputation gain following the CSR effects could be found in *the outcomes on company's value, company's capital making and economic evaluation of resources, customers, employees and investors* (Chibuke Iwu-Egwuonwu, 2011; Maden et al, 2012; Bracey, 2016; Harrison, 2016).

The company's value outcomes of corporate reputation. The good quality of corporate reputation enhances the financial performance and market value of the business. The companies that have a better reputation have an advantage of higher market value so „the higher reputation firms do enjoy a market value premium” (Iwu-Egwuonwu, 2011). The behavior of reputable businesses creates intangible assets that are as valuable as would distinguish them from their peers in the industry. Therefore, the companies should align their behavior to the activities that enhance such good behaviors so that the corporate performance can grow.

The capital making outcomes of corporate reputation. The corporate reputation could make more attractive the company for shareholders and new investors which can help providing and increasing the capital needed. It has also a positive influence on the investment decision especially at the cognitive level when the investor refers to the

economic success of the business. As the corporate reputation attracts more investors, the company becomes more attractive and the effects can increase in time.

The economic evaluation of resources outcomes of corporate reputation. The company's resources are the source of competitive advantages that are acquired when the business makes an eterogen mix of resources that will allow a strategic competitive advantage. The corporate reputation is such a strategic intangible resource that can't be marketed as such, but it is one of the resources having the biggest contribution to the company's performance and which creates a strategic advantage. The corporate reputation is also a resource that creates value, that rare, non-tangible, with an organizational specificity resource. The reputation is rare because not many businesses have a high reputation and it can be only very difficult imitated.

The customers outcomes of corporate reputation. The good reputation is an incentive for customers preference of doing business with the company when other companies' products and services are available at a similar cost and quality. More, it give the company the ability to charge a premium for its products and services and enables it to differentiate its offer in highly competitive markets. A corporate positive reputation increases the customers purchase intention by leading them to believe that the benefits of the purchase transactions are comparatively good and by reducing the monitoring costs associated with the perceived performance ambiguity and information asymmetry. The customers feel highly satisfied with the product they purchase and the service they received. The good reputation increases the customer's loyalty to the business and reduces their switching intention. A systematic representation of the impact the corporate reputation can have on customers is presented in table 4.

Table 4.

Effects of corporate reputation on customers.

Focus	Interpretation
Repeated purchase	Corporate reputation plays a role in increasing customer frequency of visits
Customer loyalty	Customers are more secured towards a higher reputable company, hence they trust this company more
Attracting new customers	Positive corporate reputation attract new customers
Perceived quality	Customers perceive higher quality in products or services of companies that possess higher reputation
Customer satisfaction	Corporate reputation impacts positively the customer commitment and satisfaction

Source: African Journal of Marketing Management; academicjournal.org

The employees outcomes of corporate reputation. The companies look for qualified human resources because they have a competitive advantage. The businesses want especially qualified and talented managers which have professional experience. Therefore, the companies having a good reputation are preferred by the job seekers. The employees that are affiliated with more prestigious companies feel more committed to their businesses and do not consider leaving these companies since withdrawal from reputable businesses would deteriorate their self-images. These employees have an enhanced self-esteem, a better social identity and an increased their job satisfaction. These individuals even

can recommend their companies to their friends as employees. From the job seekers' perspective, the good reputation provides strong signals about the conditions of the organization and attract good job candidates to it. Similarly, the companies with positive reputations provide enhanced self-esteem they can be highly preferred by the job applicants as prospective employees.

The investors outcomes of corporate reputation. The good reputation pays also the ones who would invest. Between the company public perceptions about its reputation and its financial and equity market performance is a positive relationship. The businesses that are highly ranked in reputation outperformed on a total equity return basis other companies that are ranked low on reputation. The returns on the reputable companies' shares are higher when the investors purchase stock of businesses whose reputation has risen significantly. As a result, the investors perceive a company with a good reputation as a less risky investment. A good reputation has also positive effects on investors' satisfaction and loyalty if they earn more along with less risks.

4.3. Evaluation of reputation value

In order to benefit from their reputation, the companies should measure it. Such initiatives should relay on an accurate methodology. Therefore these efforts are made by specialized institutions such as Oxford Metrica, Reputation Institute or Harris Interactive. Even putting a value on reputation seems impossible, there are some ways for estimate it. Oxford Metrica (www.oxfordmetrica.com) proposes the evaluation of a company's value as the result of book value/real assets/tangible value which is the accountable value, real assets, brands value and reputation value/premium value, the value in excess of book value at which the company's shares are traded on the open market. The positive impact of the corporate reputation on the

company's value is the final result of its cumulative effects on capital making, economic evaluation of resources and human resources, customers and stakeholders (Ressel, 2008; De Marcellis-Warin, Teodoresco, 2012).

The corporate reputation value can also be measured using only the internal dimensions of the company involved. The Reputation Institute uses the Rep Trak Model that is the gold standard for reputation measurement, providing a one-of-a-kind appraisal of how general public views the world's best known companies. This model uses as company's dimensions: products and services, innovation, workplace, governance, citizenship, leadership and performance, in order to make classifications of the companies with the best reputation. The reputation value is calculated on a scale from 1 to 100 points as aggregated results of each from seven dimensions. The results obtained by Reputational Institute for 2016 are those of table 5 for first ten companies around the world. The model used 240,000 ratings collected in Q1 2016 to measure the 100 most highly regarded global companies in 15 countries.

Table 5
The world's top ten most reputable companies in the world 2016

Rank	Company	Score
1.	Rolex	78.4
2.	The Walt Disney Company	78.2
3.	Google	78.1
4.	BMW Group	77.9
5.	Daimler (Mercedes-Benz)	77.7
6.	Lego Group	77.4
7.	Microsoft	77.0
8.	Canon	76.9

9.	Sony	76.7
10.	Apple	76.6

Source: Strauss Karsten, The World's 25 Most Redutable Companies 2016, forbes.com/sites/2016/03/22

Harris Interactive calculates the reputation quotient of each company and sets out Harris Poll for US companies only. The Harris Poll 2016 Reputation Quotient for first ten US companies is included in table 6.

Table 6

Top ten US companies reputation quotient 2016

General Public	Opinion Elites
Amazon	Apple
Apple	Amazon
Google	Google
USAA	Kellog Company
Walt Disney	UPS
Publix SuperMarket, Inc.	Costco
Samsung	Meijer
Berkshire Hathaway	Coca-Cola
Johnson&Johnson	Berkshire Hathaway
Kellog Company	BMW

Source: www.prnswire.com, New York, 2016-03-27

4. Conclusions

The increasing pressures of the society on the companies to become and act more social responsibly force them to work and use the reputation for socially-beneficial areas not only for self-benefits. The corporate reputation is more important than ever and is viewed as a key variable in improving the company's attractivity and its capacity

for the retention of clients, employees and investors. As building the corporate reputation is difficult and enhancing it even more difficult the businesses try to find new means for successfully doing it. They has to make efforts at least in the following areas in connection with a new approach of corporate reputation:

- ~ companies need to work hard for a good reputation that should comprise the stakeholders perception for the well being of communities and the quality of life;
- ~ positive corporate reputation has to incorporate CSR activities in order to align the social objectives with the commercial ones;
- ~ CRM is the way for communicating the company's actions that are linked to a cause and help its performance;
- ~ corporate reputation has positive effects on company's value, customers, employees and investors.

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