

SYSTEM OF ENTERPRISE REPUTATION MANAGEMENT

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Derevianko O. H. System of Enterprise Reputation Management

The article offers a system of enterprise reputation management directed at increase of economic benefits from formation and maintenance of high reputation in the result of maximisation of the volume of the incoming cash flows of the enterprise and also their duration and stability. It proves that reputation management, which allows achievement of economic goals of the enterprise, should be directed at key groups of stakeholders: growth of products sales is ensured by consumers, growth of internal stability – by enterprise personnel, growth of external stability – by society, including authority bodies, growth of business value – by investors, owners and partners. The article describes components of the system of enterprise reputation management, the degree of development of which are determined by three vectors: interaction with stakeholders and level of their feedback: messaging, informing, convincing and attracting; activity of the used instruments of reputation management, regularity and intensity, and also quantitative indicators of their application within the framework of directions of the product PR, corporate PR and IR, internal PR, GR and PR&CSR; level of organisational pre-requisites (functional, system and strategic) of the system of reputation management.

Key words: reputation management, key enterprise stakeholders, public relations.

Рис.: 5. **Бібл.:** 9.

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Дерев'янюк О. Г. Система репутационного менеджмента предприятия
В статье предложена система репутационного менеджмента предприятия, направленная на увеличение экономических выгод от формирования и поддержания высокой репутации в результате максимизации объема получаемых денежных потоков предприятия, а также продолжительности и стабильности их поступления. Доказано, что управление репутацией, позволяющее достичь экономических целей предприятия, должно быть направлено на ключевые группы стейкхолдеров: рост продаж продукции обеспечивают потребители, рост внутренней стабильности – персонал предприятия, рост внешней стабильности – общество, в т. ч. в лице органов власти, рост стоимости бизнеса – инвесторы, владельцы и партнеры. Обоснованы составляющие системы репутационного менеджмента предприятия, степень развития которой определяют три вектора: взаимодействие со стейкхолдерами и уровень обратной связи с ними: «месседжирование», «информирование», «убеждение» и «привлечение»; активность используемых инструментов репутационного менеджмента, регулярность и интенсивность, а также количественные показатели их применения в рамках направлений продуктового PR, корпоративного PR и IR, внутреннего PR, GR и PR&CSR; уровень организационных предпосылок (функциональный, системный и стратегический) системы репутационного менеджмента.

Ключевые слова: репутационный менеджмент, ключевые стейкхолдеры предприятия, связи с общественностью.

Рис.: 5. **Библ.:** 9.

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Дерев'янюк О. Г. Система репутационного менеджмента підприємства
У статті запропоновано систему репутационного менеджменту підприємства, спрямовану на збільшення економічних вигід від формування та підтримки високої репутції внаслідок максимізації обсягу отримуваних грошових потоків підприємства, а також тривалості та стабільності їх надходження. Доведено, що управління репутцією, яке дозволить досягти економічних цілей підприємства, має бути спрямоване на ключові групи стейкхолдерів: зростання продажів продукції забезпечують споживачі, зростання внутрішньої стабільності – персонал підприємства, зростання зовнішньої стабільності – суспільство, у т. ч. в особі органів влади, зростання вартості бізнесу – інвестори, власники та партнери. Обґрунтовано складові системи репутационного менеджменту підприємства, розвиненість якої визначають три вектори: взаємодія зі стейкхолдерами та рівень зворотного зв'язку з ними: «меседжування», «інформування», «переконання» та «залучення»; активність використовуваних інструментів репутационного менеджменту, регулярність / інтенсивність та кількісні показники їх застосування в рамках напрямків продуктового PR, корпоративного PR та IR, внутрішнього PR, GR і PR&CSR; рівень організаційних передумов (функціональний, системний та стратегічний) системи репутационного менеджменту.

Ключові слова: репутационний менеджмент, ключові стейкхолдери підприємства, зв'язки з громадськістю.

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Reputation is of particular importance among the resources of a company which determine its development in the globalized economy. This intangible asset is formed as a result of the stakeholders' trust in the company and ensures reduction of its transaction costs, stability of product sales, availability of loan and investment resources, attraction and retention of highly qualified personnel, support of the company's operation by local communities, etc. On the other hand, absence of a positive reputation – stakeholders' trust – is a direct threat to the company's existence. This is exactly why a strategically oriented business ensures reputation management.

Brief Literature Review. Works written on problems of reputation management mainly study methods of informational influence on various audiences of stakeholders and identification of their level of support of the company as a result of such influence. A substantial contribution to solving the problem has been made by Ronald J. Alsop, (2013) [2], E. Carreras, A. Carreras and Á. Alloza (2014) [2], J. E. Grunig, T. Hunt (1984) [4], E. Lindemann (1984) [1], W. J. McGuire (1968) [6], D. S. Reina, M. L. Reina (2007) [7], C. H. Rushton (2010) [8], H. Smyth (2005) [9]. At the same time, the research of reputation issues is focused too little on systematic consideration of all the factors of reputation formation at a company.

Purpose – to form a company’s reputation management system from a set of trends and reputation provision instruments. General scientific methods of analysis and synthesis, abstraction and graphic modeling are used in the study.

According to the general scientific definition, a system is a set of elements and relations between them. A mandatory condition for existence of a system is availability of an objective of such system. A high level of company’s reputation proves effectiveness of management efforts, but company’s reputation is not an end in itself but a means to obtain economic benefits. These benefits can be represented as a function of two variables: *amount of money flows received (S) and duration and stability of their receiving (t)* which tends to maximum. There are two basic ways to maximize the amount of money flows received (S): by maximizing the product sale benefits and/or by maximizing the business value directly. There are also two ways how a company can maximize the duration of receiving them (t): by ensuring stability of the internal and external environment. By laying out these objectives of the reputation management system in a plane, we will obtain four target vectors (Fig. 1).

Now, let us depict the subjective nature of the reputation management system’s objectives: each of the obtained target vectors “belongs” to a certain group of stakeholders. Thus, the product sale growth is provided by consumers, internal stability growth – by the company’s personnel, external stability growth – by the society, including government authorities, the business cost growth – by investors, owners and partners (Fig. 2).

Thus, the reputation management, which will enable to achieve the company’s economic objectives, should be directed at the said groups of stakeholders. A set of instruments for managerial influence on a specific group of stakeholders is

a trend of reputation management – a certain form of public relations. By “connecting” the PR¹ forms used in practice to the specified groups of stakeholders, we obtain the following four trends: “Consumers – Product PR”, “Owners/investors/partners – Corporate PR and IR²”, “Personnel – internal PR and IR”, “State/society – GR³ and PR&CSR⁴”.

Any management efforts made to form a required positive reputation, in our opinion, can be presented as a scale: the minimum efforts will correspond to such stakeholders’ target attitude to the company as “awareness” and the maximum efforts – to such attitude as “trust based on support and intentions for a long-term cooperation”.

The number of target degrees of awareness/trust (and respectively the division value on the scale), if determined by scientific approaches of different authors, will be different. For example, H. Smyth (2005) [9] and then D. Reina & M. Reina (2006, 2007) [8, 7] distinguished the following three degrees: contractual trust, communication trust and competence trust. E. Lindemann (1984) [1], like the above authors, determined three degrees as well: change of awareness, change of attitude and change of behavior. J. E. Grunig, and T. Hunt (1984) [4] defined four degrees and formulated on the basis of, respectively, four models of PR: improvised/manipulative, model of one-way public information, two-way asymmetrical and two-way symmetrical models. In the theory of communication psychology by McGuire (1968) [6] – six stages of persuasion: imagination, attention, understanding, acceptance, memorizing, action.

We believe that a certain degree of awareness/trust for a certain group of stakeholders can be target (sufficient, appropriate) for a particular company under certain conditions. The target degree of awareness/trust is set depending on importance of receiving a fast short-term or a

stable long-term increase of reputation. Minimum efforts will require the simplest system (organization) of reputation management in a company, maximum efforts – the most complex and developed system.

Since the classical concept of J. E. Grunig (1984)⁵ and his four PR models are well-known in the PR-community, it is expedient to use them, interpreting them as development degrees of the company’s reputation management system. Even though J. E. Grunig (1984) does not go beyond the interaction “company – consumer”⁶, we consider his concept to be universal and it can be used to study interaction of the company with any group of stakeholders.

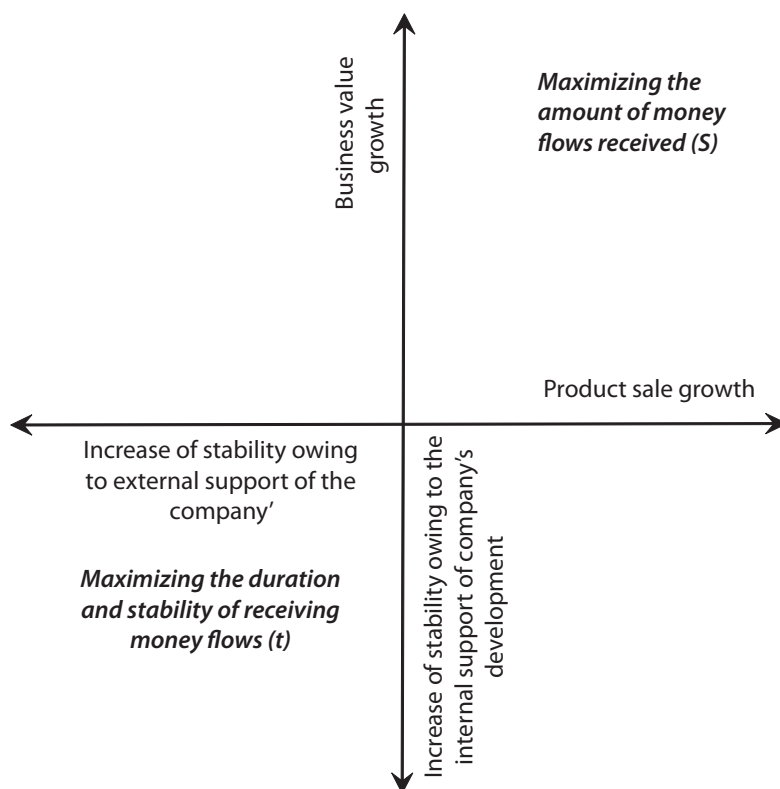


Fig. 1. Objectives of the company’s reputation management system

Source: Developed by the Author.

¹ PR – Public relations.

² IR – Investor relations.

³ GR – Government relations.

⁴ Corporate social responsibility.

⁵ RepTrak™ (Reputation Institute), the most famous instrument of reputation evaluation, was built on the J. Grunig’s model.

⁶ Note: as the model becomes improved, the consumer starts being considered versatile, as an individual and a carrier of ethics and political views, as a consumer and citizen.

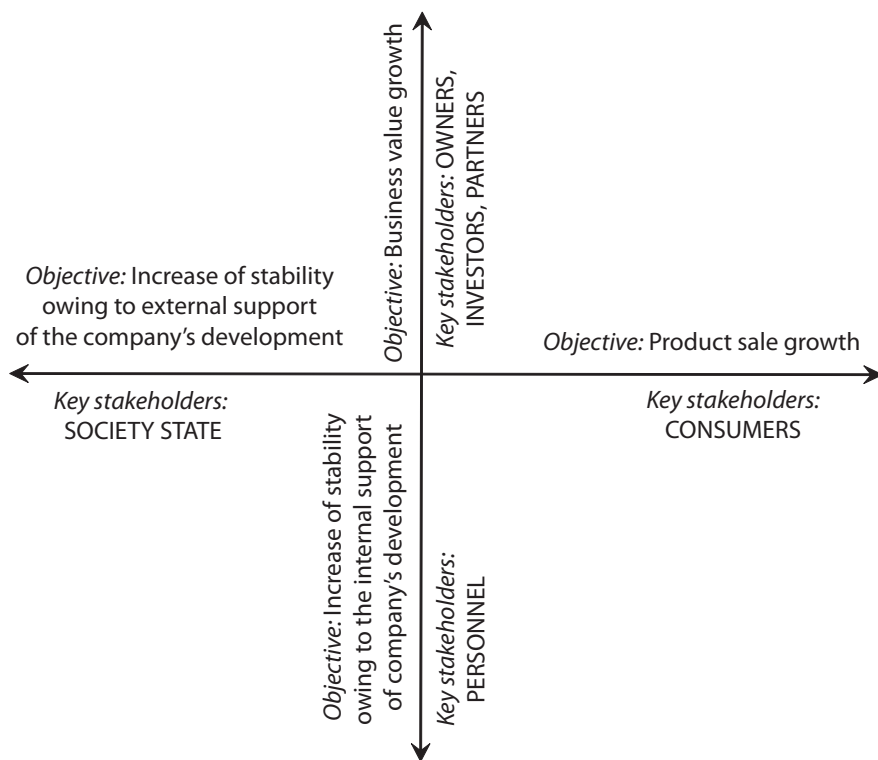


Fig. 2. Company's key stakeholders in the reputation management system

Source: Developed by the Author.

The degree of development of the reputation management system in the plane of interaction with stakeholders is defined by the level of communication with them. Using the approach of J. E. Grunig (1984), we can distinguish four levels of such communication: 1) *messaging* (according to J. Grunig – “manipulation”) – one-way communication intended to draw attention to the company where the amount of information about the company given to the stakeholders is important, irrespective of its nature (positive or negative); 2) *informing* (according to J. Grunig – “one-way information”) – aimed at spreading positive information about the company; the quantity of positive information is controlled (in general and compared to the total amount of information about the company); 3) *persuasion* (according to J. Grunig – “two-way asymmetry”) – aimed at creating a positive reputation of a company by providing the information which will be positively perceived by stakeholders and will persuade them; for this purpose, the stakeholders’ reaction to certain messages about the company’s activity should be studied and the flexibility degree of the company’s reputation should be determined; 4) *involvement* (according to J. Grunig – “two-way symmetry”) – the highest level of communication (ideal communication). The aim is to create positive reputation as a result of cooperation with stakeholders and taking into account their requirements and consequently making changes in the company’s activity. Thus, the functions of forming positive reputation of a company are partially assigned to its stakeholders. The stakeholders’ attitudes and wishes are constantly monitored. The higher the level of the feedback, the longer the interaction with a certain group of stakeholders and the stronger their trust in the company (as readiness to support its development for a longer term) (Fig. 3).

The above projection of the reputation management system on key stakeholders (see Fig. 3) will be hereinafter referred to by us as the basic or major one. Graphically, it is shown as

the plane and it characterizes how “wide” (by covering stakeholders and involving them in a dialogue/cooperation) the reputation management system is. However, regardless of the covering width, such interaction can be both active and inactive. By drawing a perpendicular to the plane of the stakeholders, we receive measuring of the reputation management activity. Thus, we can graphically realize that reputation management for different groups of stakeholders of the same company may be not equally active (Fig. 4).

The activity is determined by an arsenal of the reputation management instruments used, regularity/intensity and quantitative indicators of their use. Hence, among the major RM activities will be: regular distribution of media press releases, regular corporate media publications, organization of special events, regular updating of the website, regular updating of the company’s official page on social networks, etc.

The arsenal of instruments is subdivided into a common arsenal (for all categories of stakeholders) and a specific arsenal (it is aimed at a certain group of stakeholders⁷). Therefore, the activity of reputation management as to a defined group of stakeholders will be a total of common and specific activities. Graphically, it is the “height” of the company’s reputation management system (see Fig. 4).

In addition to the “width” and “height”, the reputation management system should have “depth” or foundation which consists of organizational preconditions of regular or periodic use of instruments (implementation of RM activities). Graphically, it is depicted as a perpendicular to the base plane of stakeholders, under it; and, since it is the “foundation”, its levels are marked with a minus: -1, -2, -3⁸ (Fig. 5).

We suggest distinguishing the above three levels of organizational preconditions as those which ensure a certain degree of strength for the “foundation” of a company’s reputation management system. Level “minus one”: those organizational elements which ensure RM activity without creating a specialized PR Division (Reputation Management Department). In particular, they include: journalists employed by the company/corporate media editorial board, internal specialists for filling and maintaining the corporate website and the company’s pages and its brands on social networks, a PR specialist in the marketing department, etc. Level “minus two”: centralization of RM activity control functions in a specialized PR division (reputa-

⁷ However, there is one conventionality here: e.g. the consumer is a person who can be a representative of the government, a representative of the company or a potential investor.

⁸ Similar to the motivation model of F. Herzberg (1959) [5] which defines so-called “hygienic motivators” of the personnel (such motivators do not motivate themselves, but satisfying them is a certain precondition for real motivators to take effect).

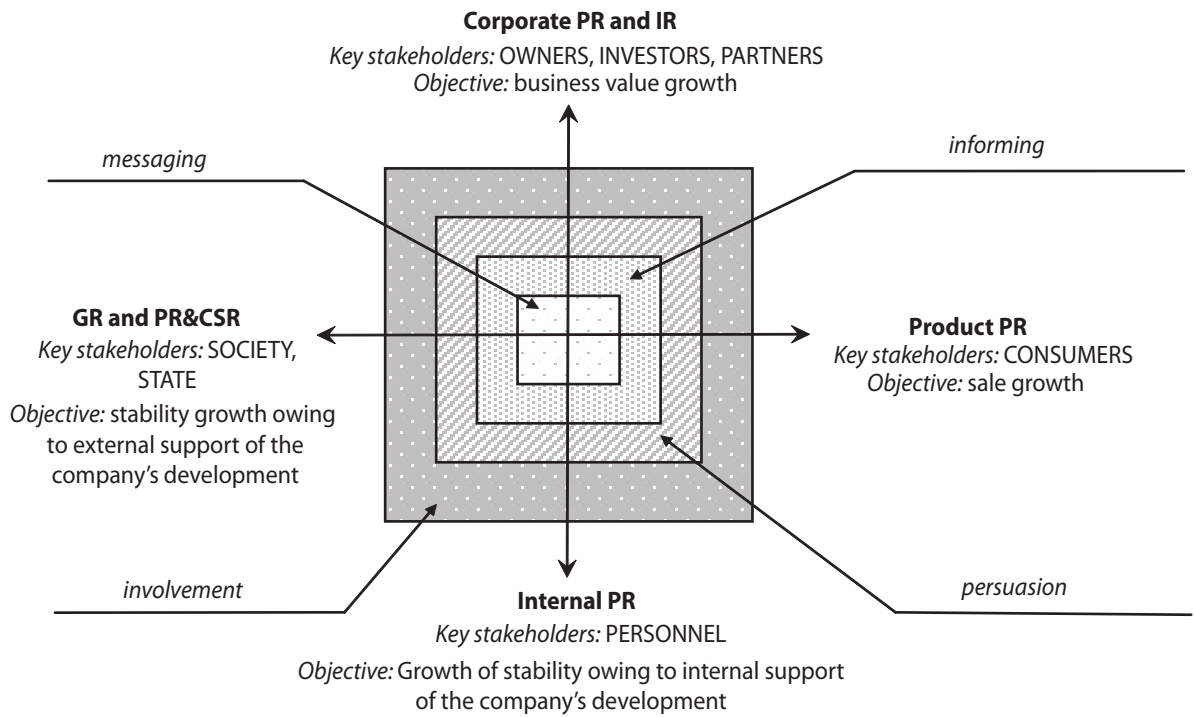


Fig. 3: Degrees of development of the reputation management system in the plane of interaction with stakeholders
Source: Developed by the Author.

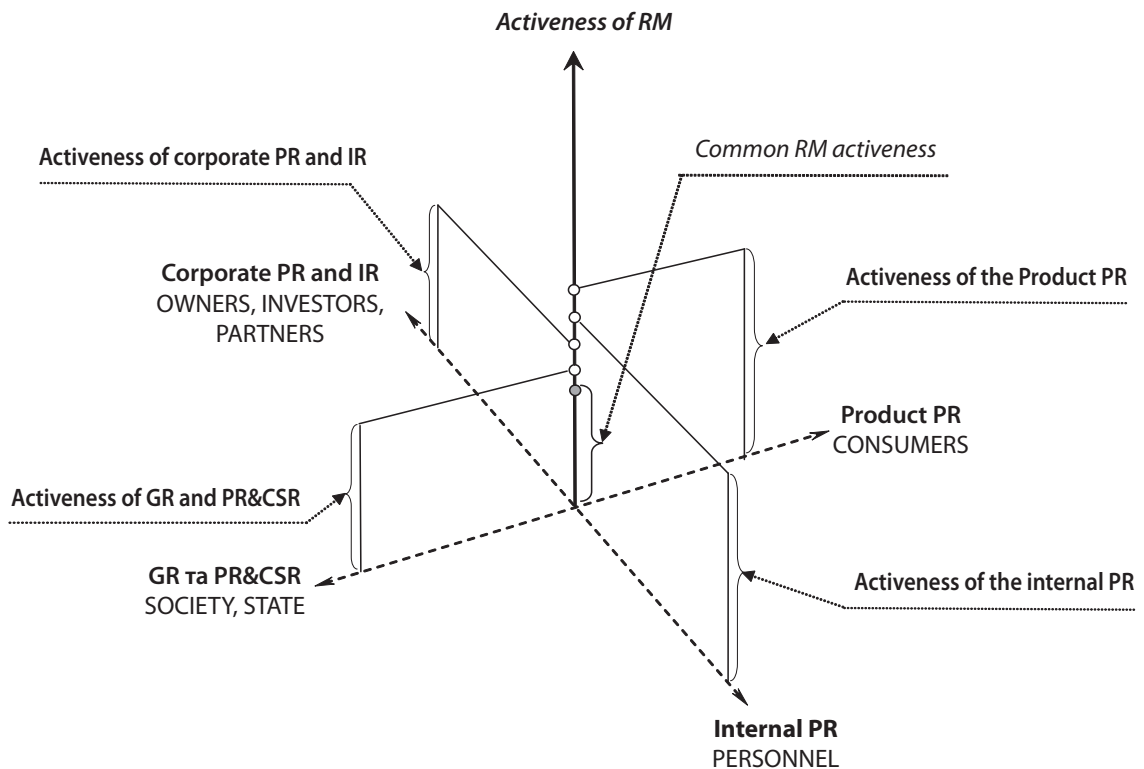


Fig. 4. Activity of a company's reputation management system

Source: Developed by the Author.

tion management department) allocated in the organizational structure and integration of functional obligations of business process participants into position instructions of respective employees and into provisions about respective structural divisions of the company. Level "minus three": elements which ensure stable development and self-renewal of the reputation management system, in particular, organization of teaching for

authorized speakers of the company instrumental technique of RM work on a systemic basis, document formalization of RM strategy and operational plans for RM work for various periods of time and of a plan of actions in emergencies (plan of anti-crisis RM activities).

Conclusion. Thus, we have substantiated a company's reputation management system. Its development is defined by:

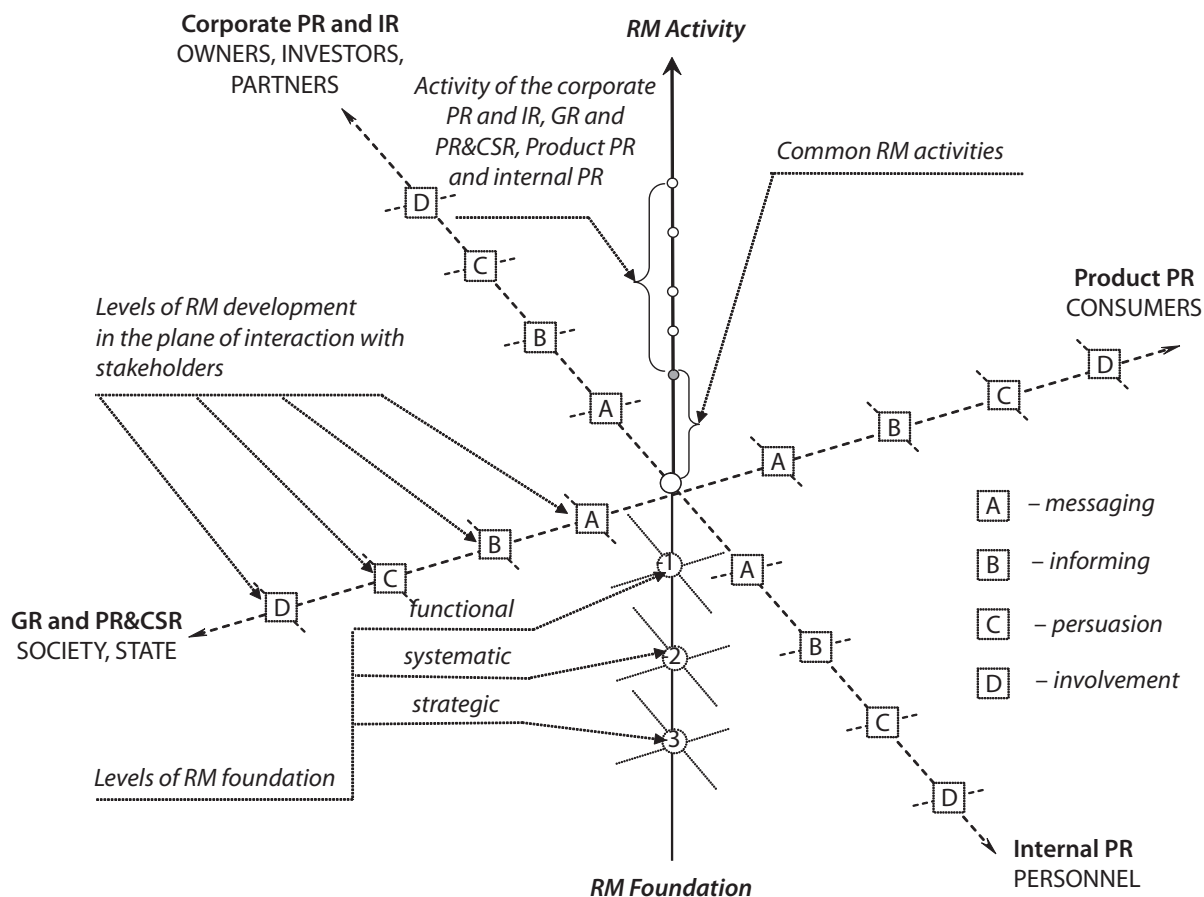


Fig. 5. Three-dimensional model of the company's reputation management system

Source: Developed by the Author.

- ✦ the plane of interaction with stakeholders (customers, company's personnel, society, including government authorities, investors, owners and partners) and level of communication with them: messaging, informing, persuasion, involvement;
- ✦ activity of the reputation management instruments used, regularity/intensity and quantitative indicators of their use within trends of the Product PR, Corporate PR and IR, Internal PR, GR and PR & CSR;
- ✦ availability and (functional, systematic and strategic) level of organizational preconditions of the reputation management system.

During further research, it is necessary to focus on methodical fundamentals of identifying the level of the reputation management system, analysis of the system varieties and determination of conditions for their best use. ■

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МАРКЕТИНГОВЕ ДОСЛІДЖЕННЯ ВИКОРИСТАННЯ МОЖЛИВОСТЕЙ INTERNET ЯК ПЕРЕДУМОВИ ІННОВАЦІЙНОГО РОЗВИТКУ

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Зюкова А. О., Зюкова І. О. Маркетингове дослідження використання можливостей Internet як передумови інноваційного розвитку

Мета статті полягає в дослідженні можливостей Internet для забезпечення інноваційного розвитку та підвищення економічного зростання суб'єктів ринку. Використано маркетингові інструменти дослідження можливостей Internet-технологій. У ході проведення контент-аналізу було розглянуто еволюцію ринку Internet і широкополосового доступу (ШПД) у цілому та його сегментів, з'ясовані тенденції розвитку, визначені напрямки використання можливостей Internet як для ринку B2B, так і B2C. Досліджено конкурентну ситуацію на ринку доступу Internet в Україні. Виявлені основні «гравці» ринку та їх конкурентні стратегії. Визначені основні оператори ринку доступу в Internet у м. Кривий Ріг. Проведене опитування серед криворізьких операторів зв'язку та клієнтів (споживачів) телекомунікаційних послуг (обсяг вибірки становив 1000 респондентів) дало підстави визначити бачення операторами та споживачами майбутнього ринку Internet-технологій. Визначено новий вектор взаємовідносин суб'єктів бізнес-процесів. Обґрунтовано, що ефект від використання Internet-технологій полягає у прискоренні бізнес-процесів, подоланні транзакційних бар'єрів, посиленні конкурентних позицій.

Ключові слова: интернет, технології, бізнес-процеси, мережа, сайт, провайдери, клієнти, користувачі.

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Зюкова А. О., Зюкова И. А. Маркетинговое исследование использования возможностей Internet как предпосылки инновационного развития

Цель статьи заключается в исследовании возможностей Internet для обеспечения инновационного развития и повышения экономического роста субъектов рынка. Используются маркетинговые инструменты исследования возможностей Internet-технологий. В ходе проведения контент-анализа были рассмотрены эволюция рынка Internet и широкополосного доступа (ШПД) в целом и его сегментов, выявлены тенденции развития, определены направления использования возможностей Internet как для рынка B2B, так и B2C. Исследована конкурентная ситуация на рынке доступа Internet в Украине. Выявлены основные «игроки» рынка и их конкурентные стратегии. Определены основные операторы рынка доступа в Internet в г. Кривой Рог. Проведенный опрос среди криворожских операторов связи и клиентов (потребителей) телекоммуникационных услуг (объем выборки составлял 1000 респондентов) дал основания определить виденье операторами и потребителями будущего рынка Internet-технологий. Определен новый вектор взаимоотношений субъектов бизнес-процессов. Обосновано, что эффект от использования Internet-технологий заключается в ускорении бизнес-процессов, преодолении транзакционных барьеров, усилении конкурентных позиций.

Ключевые слова: интернет, технологии, бизнес-процессы, сеть, сайт, провайдеры, клиенты, пользователи.

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Ziukova A. O., Zyukova I. O. Marketing Study of the Use of Internet Opportunities as a Pre-requisite of Innovation Development

The goal of the article lies in the study of Internet opportunities for ensuring innovation development and increase of economic growth of market subjects. The article uses marketing instruments of the study of opportunities of Internet technologies. In the course of the content analysis the article considers evolution of the Internet market and the broadband access in general and its segments, reveals tendencies of development, identifies directions of use of Internet opportunities both for B2B and B2C markets. The article studies the competitive situation in the Internet access market in Ukraine. It shows main players in the market and their competitive strategies. It lists main operators of the Internet access market in the city of Kryvyi Rih. The conducted poll among the city communication operators and clients (consumers) of telecommunication services (1000 respondents) provided grounds to understand vision of the future market of Internet technologies by operators and consumers. The article identifies a new vector of relations of the subjects of business processes. It shows that the effect of use of Internet technologies lies in acceleration of business processes, overcoming transaction barriers and strengthening competitive positions.

Key words: internet, technologies, business processes, network, site, providers, clients, users.

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