INCREASING COMPANY’S LEVEL OF COMPETITIVENESS WITH USING REPUTATION MANAGEMENT METHODS

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Abstract. The article presents the relevance of methods of reputation management as a means of improving the competitiveness of the organization. Describes the main methods that contribute to the management of reputation and image, including on the Internet, which also increase the competitiveness of the organization and are relevant to the business.

Keywords: reputation management, competitiveness, competitive advantage, reputation, image, goodwill.

In the modern world, in the process of competition, any wrong action of managers and representatives of the company can turn out to be unpredictable and fatal for them. Most importantly, these actions will affect the company, including what competitors will definitely take advantage of. Competitive struggle of companies in the market, in total, is conceptually no different from competition in the animal world. The rules are universal - that organism (or company) survives, which is best adapted to the environment or can adapt to the conditions of a new environment. The situation is similar in the market. If a company has the smallest competitive advantage, then in the end, it will leave the market. Errors contribute to greater costs, but without errors there will be no experience. Therefore, it is most effective to learn from the experience of other companies and not to make such mistakes.

As it was already said earlier, any mistake of the company can turn into an increase in costs. But, there are losses far more serious than operational cash losses. These losses are reputational, which are rather difficult to recover, and sometimes impossible. Reputational errors manifest themselves in the long term. This feature contributes to the fact that every company manager needs to carefully think through all his actions, and in particular - management decisions, the outcome of which becomes large-scale within the company, industry, market. Actions and decision making under uncertainty also increase risks. This raises the knowledge and methods of reputation management in the mandatory set of what every manager should know, who strives to increase the competitiveness of the enterprise and to win the competition.

Also, it is necessary to determine the concept of competitiveness. According to the Cambridge Dictionary, competitiveness is a position or process of successfully competing with other companies, countries, organizations [18]. In the Oxford dictionary, competitiveness refers to having the same good quality of a company or better than other companies, in comparable characteristics [16]. The competitiveness of companies is supposed to be able to provide products or services more efficiently and effectively than their respective competitors, such as success in international trade, high productivity, competitive cost of products, high quality of goods and share in regional or global markets [14] will be high competitiveness indicator.

Thus, within the framework of reputational management, reputational competitiveness will be understood as the presence of a set of dynamic and controlled variables on which the reputation of the organization and other business entities are based, capable of giving a measurable competitive advantage in a specific measurable period of time for the implementation of competitive struggle with similar organizations and other business entities. Within the framework of reputational management, an additional set of terms should be mentioned that are introduced by
scholars studying reputational management and its associated ones.

In reputational management, the word image takes on similar, but not identical definitions. The main difference between the concepts of image and reputation, in the framework of reputational management, according to the authors, is the number of variables by which they are formed. Image have fewer variables than reputation, for the formation of which, as noted, also Tendit K.N. [8, p. 6], a greater number of qualitative and quantitative characteristics are required.

Reputation in the framework of reputation management can be measured and calculated. Goodwill is an intangible asset that represents the difference between the price of a company and the fair value of all its assets. If the difference is positive (goodwill), then there is a premium to the price, and if it is negative (badwill), then the price decreases from the level of market value [11].

Thus, the positive reputation of the company, product or service creates added value, and this is an additional factor for increasing profits, which is important for commercial organizations. If a positive reputation deteriorates, the added value and profit will decrease, and if the reputation is improved, the added value with profit will also increase. Consequently, the methods of reputation management, with the help of which you can manage the reputation of a company, product/service and the like (objects of reputation management) are effective tools and an important component of competition, and increase the competitiveness of the company. Reputation, as well as image, can be formed purposefully, since at the moment there are technologies and methods that allow for a number of measures, for example, to oust, discredit the company, information. But, it is worth noting that it will not be possible to do this 100%, and in order to achieve a result, you will have to invest a large amount of resources. But, in view of the strategic importance of the company's positive reputation, these investments are profitable. The involvement of people in the Internet is increasing every year. Social media, social networks and the development of Internet technologies is rapidly contributing to digitalization of management, marketing, advertising and related [15].

According to the Internet Word Stats, in June 2018, the percentage of the Asia population using the Internet is 49% and the percentage of the Europe population using the Internet is 85.2% [17]. Thus, the Internet can be the main platform where people communicate, buy goods and services, get news, express their opinions, and so on. Consequently, the Internet network can be a platform and an important component of the reputation management process and, accordingly, increase the competitiveness of the enterprise. Next will be considered methods of reputation management, contributing to an increase in the competitiveness of an organization. One of the preventive measures that increases competitiveness and enhances the company's image is its mission statement, especially when it is hosted on any public platforms. Competently formulated mission statement of the company will allow it to acquire both clients and partners. As an example, consider the mission of Apple, according to The Economist magazine, in 1980, the company's mission statement was as follows: "To contribute to the world, by creating technologies for the mind, contributing to the development of mankind" [19]. Further, the mission was changed to the following option: "Apple seeks to provide students, teachers, creative workers and consumers around the world with the best experience in the field of personal computers with the help of their innovative hardware, software and Internet offers" [13]. The mission demonstrates its positioning and a brief presentation of the company's activities, adding that Apple has the best experience in the field of personal computers. Thus, a company can stand out from the rest, as potential buyers and partners will likely notice, for whom the main goal of the company's activities may be important, which is the company's mission. Consequently, managers need to pay careful attention to the process of forming the company's mission statement. Also, an important factor is the slogan of the company, with which in the short-term period you can easily be remembered by potential customers and partners. The slogan briefly describes the essence of the company or its
product, which may affect the image and reputation in the future, in case of successful creation of a slogan and its promotion. As an example, consider the slogan of Nike, around which was later built the company’s brand and its philosophy. The slogan “Just Do It”, along with an advertising campaign, allowed the company to significantly increase its competitive advantage over its main competitor, Reebok, and for 10 years to achieve an increase in sales from 877 million US dollars to 9.2 billion US dollars [20]. The reputation of the manager is also an important component of the company’s reputation, as is the reputation of the employees. A manager, being a public person, must carefully analyze and predict the consequences of his actions. An example of a decrease in positive reputation and a fall in company stock prices could be the case of Tesla founder Elon Musk when he used a mixture of tobacco and marijuana in an interview with a comedy show, which was legal in the interviewed California. Tesla shares fell by more than 10% [1]. If a company has negative historical moments of the past that are on the Internet, which negatively affect its reputation, then this can be corrected using Internet technologies. Methods are based on crowding out resources that contain negative information. Information on emotional tonality is divided into negative, neutral and positive. [4, p. 22]. Negative emotional tonality of information is information that contributes to lowering the company’s positive reputation and accompanying, for example, unfounded criticism of the company. Neutral emotional tonality of information is information that does not significantly affect the company’s reputation, for example, an interview with a representative of a media company. To do this, it is necessary to publish a greater amount of content that is neutral in emotional tonality, as well as adding content with positive emotional tonality. For example, articles about the company, products, news and events of the company, content on social networks and online media, media interviews and so on. This content in search engines will displace the negative content in quantity, thereby complicating access to it for all those interested [4, p. 84]. Diffusion of content that spoils the reputation will be reduced, and the reputation itself, or rather the possible access to information sources for its assessment, will be more controlled in addition, it is necessary to have accounts in social networks to be able to monitoring the target audience and its requests and preferences, to find new segments of the target audience, to maintain activity and attention to the company or brand, to accompany the stages of the product life cycle, to monitor the actions of competitors and training retaliation, and so on. All this will generally work as well to increase its reputation, as with competent service support within social media, with proper work with potential customers who are ready to purchase goods or services, when informing about new products, services, news and events of the company, customer loyalty will be increase. The growth of customer loyalty and positive attitude towards the company will raise the company’s reputation. This item is important because illiterate work in the above paragraphs will entail a strong deterioration in reputation, which will be spread to a wide audience, since negative information, like rumors [5, p. 386], quickly spreads over the Internet, especially in social networks, [9, p. 22] than competitors will take advantage of. This will help reduce competitive advantage and competitiveness. Social networks and Internet media are points of interaction between the company and its external environment, both near and far environments in the Internet space. Most companies have websites that, for example, allow customers to receive information about a product or service and make a purchase. Also, anyone interested in the company’s website can get the information they need to form an impression about the company (image) and convert this impression into reputation in the future. Therefore, the site should be designed so that it is easy to use and to obtain the necessary information. To increase the effectiveness of the site, you need to adhere to a number of rules for its design, for example, you cannot have more than five menu items in the top line, you also need to minimize the amount of text and increase its size, effectively and purposefully use color, graphic design, group objects by size, color, shape and their connections with each other [12]. A competent website creates the necessary impression
about the company and will contribute to loyalty and increase reputation, since an illiterately designed website will not allow potential customers to get the information they need in the short term and will only cause negative impressions and emotions.

This is due to the fact that the human brain, when intensively activated, spends a large amount of energy on work, and in antiquity, due to the lack of modern abundance of products, such activity was unprofitable in the long term. Brain structures are activated by the need for concentration, analysis and other cognitive doings [6], which is caused by a complex website. Thus, the more competently the site is designed, the more people will be able to visit it and remain in a positive emotional tone, which can later be converted into a positive reputation.

To check the site for compliance with the thoughtful path of movement of the user on it or its content to the end point, for example, data capture form or order placement, neuromarketing research is conducted using an Eye-tracker device that tracks eye movement [3].

Thus, the presence of social media and media accounts, and the presence of the site will allow for greater coverage of people and diversify the risks in case any Internet platform stops working. For example, due to actions of unscrupulous competitors or technical problems, the website does not work, but social networks work, social networks don’t work, but the website works. Also, the presence of differentiated media content on each Internet platform will contribute to greater involvement of the target audience on each of the platforms, as well as increase the competitiveness of the aggregate social media of a particular company. It is important to note that the implementation of the above method will require quite large investments that will be of strategic importance.

The following method is called Search Engine Reputation Management (hereinafter SERM). It is necessary to eliminate or minimize the issuance of information in search engines that will negatively affect the company’s reputation and maximize information that will increase the company’s positive reputation [10]. Based on information about the energy-intensive work of the brain, it becomes clear why the majority of people will focus only on the first positions of the search engine results, therefore, if the websites of companies are in the first positions of the target search engine query, then the majority of customers will be from these companies. Thus, involving the SERM specialist in the work on improving the reputation and competitiveness, if there is a well-designed website and other online media platforms, the manager has the opportunity to take the company to the leading positions in the industry. In addition, companies can organize fan club meetings on their products or services, organize and participate in thematic conferences devoted to industry-specific issues and topics, hold charity and sponsorship events. All this set of actions will demonstrate to the external and internal stakeholders the level of corporate social responsibility of the company, which will tend to increase the rating of this company [2, p. 35-39].

Despite the presence of a mass of reputation management methods, companies, especially large businesses, should act proactively with respect to their reputation, since not all the consequences of cases that contribute to lowering reputation can be eliminated. Exaggerating their merits, inventing nonexistent achievements, entering into partnerships with companies that have a bad reputation, the company takes big risks, since there have been cases of ignoring aspects of reputation management that led to the ruin of companies [7, p. 21].

Thus, summing up the methods of reputation management that enhance the competitiveness of a company, it is necessary to list them briefly: competent preparation of the company’s mission statement, and if required, the company’s vision, creation of the company’s memorable slogan, careful monitoring and forecasting of the consequences of the company’s public figures, marketing use in social media marketing, competent design of the site, use of SERM (Search Engine Reputation Management) technologies, use of the concept of corporate social responsibility [2, p. 35-39]. This list is not complete, since the number of effective methods is quite large. These methods will be relevant both for small
and medium businesses and for large businesses. Improving the competitiveness of a company is an important task for company executives, so managers are encouraged to use reputation management techniques to increase company wealth.

References
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ПОВЫШЕНИЕ КОНКУРЕНТОСПОСОБНОСТИ ОРГАНИЗАЦИИ С ПОМОЩЬЮ МЕТОДОВ РЕПУТАЦИОННОГО МЕНЕДЖМЕНТА

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Аннотация. В статье представлена актуальность методов репутационного менеджмента в качестве средств повышения конкурентоспособности организации. Описаны основные методы, способствующие управлению репутацией и имиджем, в том числе в сети интернет, которые также повышают конкурентоспособность организации и являются актуальными для бизнеса.

Ключевые слова: репутационный менеджмент, конкурентоспособность, конкурентное преимущество, репутация, имидж, гудвилл.