

## BUSINESS REPUTATION AS THE STRATEGIC ADVANTAGE OF A COMPANY

*Annotation. The article describes the necessity to develop the reputation of a company for entering the market and conducting activities for good relationship with partners and customers in order to support a good opinion about the company. The concept of "reputation" and the basic approaches to its definition, strategic steps of achieving the high level of the company's reputation are considered.*

*Анотація. Наведено необхідність розробки репутації компанії для виходу на ринок та проведення заходів для гарних відносин із партнерами і клієнтами з метою підтримання позитивного враження про компанію. Розглянуто поняття "репутація" та основні підходи до його визначення, встановлено стратегічні кроки досягнення високого рівня репутації компанії.*

*Аннотация. Приведена необходимость разработки репутации компании для выхода на рынок и проведения мероприятий для хороших отношений с партнерами и клиентами с целью поддержания положительного впечатления о компании. Рассмотрено понятие "репутация" и основные подходы к его определению, установлены стратегические шаги достижения высокого уровня репутации компании.*

*Keywords: reputation of a company, brand name, image of a company, publicity, customer loyalty.*

The applicability of the research topic is based on the fact that every company needs to have a positive reputation for successful operation in the certain sector. It is also necessary to analyze the company's reputation, as well as to develop a more favorable image, which has an impact on contractors, who in their turn have a direct impact on the company.

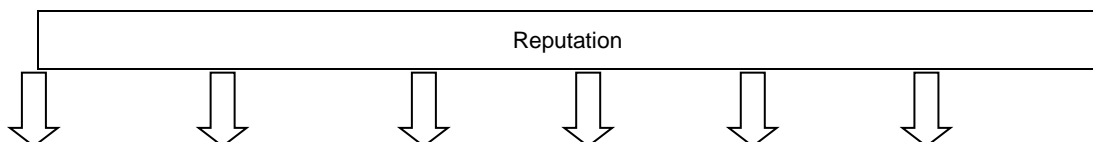
The object of this study is the concepts of reputation and image of a company. The subject of research is strategic methods which create positive business reputation. For a more detailed study of reputation the basic definitions, which highlight the field of research of reputation, are considered (Table 1).

Table 1

**Object field of research of reputation as the strategic advantage of a company**

Terms	Definitions in scientific literature
Business reputation	The assessment of a company, business, by contractors, customers, partners [1]
Brand name	Name, term, design, symbol, or any other feature that identifies one seller's good or service [1]
Image	The picture formed in the public or the individual consciousness by means of mass communication and psychological impact [1]
Customer loyalty	A positive attitude of buyers to product, brand, store, service, etc. [1]
Publicity	Intent to advertise and sell goods of a company [1]

Thus, reputation is a fundamental instrument of social order, based upon distributed, spontaneous social control. Reputation directly impacts the business environment and a company's ability to succeed in the market and ultimately build value for shareholders. Although reputation has a profound impact on the business, a few companies have clear understanding of the elements that define their reputation [2]. In this regard the following elements of reputation are presented in the Figure 1.



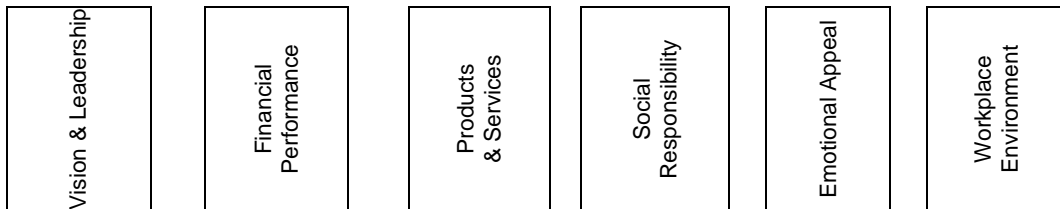


Figure 1. The elements of reputation [3]

The company's reputation depends on its leader, and the team of staff. They create a positive or negative reputation to customers. Performed work of each employee affects the result of the common cause and also the company's reputation.

To achieve its goal, the company must secure a positive reputation. Each company chooses the strategy that should be used for successful activity. A company needs to pass 5 strategic steps to reach successful reputation (Table 2).

Table 2

**The strategic steps to forming positive reputation of a company**

The strategic steps	Brief description	Examples
1	2	3
The strategic step "Leader is our pride"	Recognizable person inspires confidence in the target groups: the customers (especially VIP), partners, employees. This man is the starting point of communication (interview, presentation, press conference, expert opinion)	Apple [2]
The strategic step "Team is our pride"	The team of employees performing one common course, creates a company's reputation. It depends not only on the level of the work, but also on the solidarity of employees, team spirit	The reputation of McKinsey company is completely based on the value of its consultants [2]
The strategic step "Product is our pride"	Quality of products or services must comply with the highest quality for customers. Their opinion about products creates reputation	The same strategy pursued by the companies with a large portfolio of diverse brands, namely Procter & Gamble, Unilever, Kraft Foods, Nestle, Lego [2]

Table 2 (the end)

1	2	3
The strategic step "Achievement is our pride"	The basis of this strategic step is what the company has achieved during its work, indicators of successfully completed projects	Companies such as SAP and "1C", use to secure the reputation of "mix" of several strategies, with a focus on the achievements, products and team, e.g. Apple and Google [2]
The strategic step "Finance is our pride"	The company must have the financial stability to attract customers. The main advantage of this strategy is that the customers can compare the financial performance of companies in the same industry, and to choose the most successful one	The investment banking firm "Nikoil" (now in the corporation "Uralsib") [2]

The above-mentioned strategic steps can be applied both in Ukraine and abroad, they have years of experience in many well-known companies. In Ukraine the research of reputation is more applicable to banking institutions.

In this way, we can say that the reputation has a significant role in the "life" of a company, its activities. Having an attractive reputation, the company automatically attracts more customers, makes a good impression on the clients, and the most important thing is that the reputation helps the company to reach its goals. Recommendation in the sphere of reputation include: more powerful strategic plans, the introduction of innovative technologies, the development of new ideas and new products. Indeed, the attractiveness of the company depends on the particular image of its goods, its quality.

In this article the necessity to develop the reputation of a company for a good relationship with partners and customers in order to support a good opinion about the company is considered. The strategic steps of achieving the high level of the company's reputation are considered.

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