

# Reputation management

[Business](#), [Management](#)



Reputation is a logical and rational process as opposed to the connection to a brand and its image, which is largely emotional. It is a concept that exists around is influenced by action and what companies do, not what they say. It is ever changing and requires constant management. PR is all about communication and relationships and as a PR expert it is important to identify the key stakeholders as they have the most influence on the reputation of a business or organisation.

Managing an organisations reputation requires expertise. These expertises are carried out by a CEO of an organisation who encourages its stakeholders to perform strategically in order to maintain and build a successful reputation. The cases of both Jodi Gordon and Pacific Brands demonstrate the great need for PR and reputation management and how important the role of a PR expert is. The concept of reputation is often confused with that of brand image, as there are great similarities between the two.

The key difference though as suggested by Jim Macnamara ( 2005, pg 203) is that reputation is largely a perception of something based on rational and logic as apposed to an emotional connection that exists between a brand and its audience The Body Shop demonstrates this very well. The Body Shop's skin care range, according to market research, does not rate as highly as other brands in its sector when it comes to quality yet it still manages to outsell them. This is due to their great reputation of providing products that are not only environmentally friendly, but are not tested on animals.

This alone emphasises that reputation is an entity all on its own. (Macnamara, 2005. pg 204) Most importantly it is vital to understand that

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reputation is “ more about what you do, than what you say” (Macnamara, 2005 pg 207) Regardless of whether it be businesses, organisations, government bodies or individuals, reputation consists of both perceptions and experiences that are ever changing and thus require a great deal of management. This responsibility falls into the hands of PR specialists and relies on their expert in the field. I

PR is the management function concerned with communication (APM College, leaflet, 15/6/2009), therefore PR professionals are responsible for all communications between an organisation and its publics. This means that it is the role of public relations to allow a company to communicate with its stakeholders both internal and external. It is these on going relationships and communication channels that aid the reputation and overall image of a company. The importance of public relations when it comes to reputation is highlighted by Macnamara (2005 pg 206) he states that reputation is “ whatever the groups that matter decide it is”.

Customers and employees easily fit into this category. If employees are happy and can communicate freely with confidence, this attitude can filter across throughout other stakeholder groups and in turn will help build strong relationships. A good reputation comes from these two-core areas, clear communication channels and relationships. (2005 pg 216, 217) For this reason it is vital for PR professionals to not only recognise which groups of stakeholders matter and work hard to make them happy. But to maintain communication channels, as they establish the relationships that heavily influence the reputation of a company.

Reputation management is a senior role in public relations which involves managers on superior/board level and is often carried out by the CEO of a company. The CEO is required to encourage the drivers of reputation, its stakeholders. These drivers may be shareholders, customers, employees and partners to a particular company. Reputation management must be strategic in nature but should involve everyone, not just managers. As stated in "Jim Macnamara's" Public relations Handbook (page 581), Reputation management can be separated into three different categories, building, maintenance and recovery.

Building is a type of reputation management has to do with developing the reputation for a business that is just getting started. It includes building a good reputation for an organisation and maintaining it. \* Maintaining a company's image is effectively undertaken through assessing the organisations image carefully, developing an action plan to tackle weak areas and work in maintaining reputation, focusing on the weak areas. \* If an organisation has gotten a bad reputation for any reason, then the recovery part of reputation management should be implemented.

Author "Kevin Murray", fellow of the chartered institute of public relations, states in his article on Reputation management- The public relations industry is growing due to the demand for companies to build corporate credibility and hence reputation. Incidents which damage a company's reputation for honesty or safety may cause serious damage to finances. A company's reputation is an asset and wealth that gives that company a competitive advantage because this kind of a company will be regarded as a reliable,

credible, trustworthy and responsible for employees, customers, shareholders and financial markets.

The recent activities involving Jodi Gordon, the Home and Away actress and girlfriend of channel seven heir Ryan Stokes (Saurine 2009), has called upon Public Relation professionals to salvage her reputation. Although the recent incident involving finding her in an apartment in Eastern Sydney with a suspected bkie has given her publicity it has been mostly of a negative nature. (Lawrence & Barret 2009) Reputation management has been administered by those PR professionals that look after both Crystelle and Toni Bianco, the two companies Gordon is a proud ambassador for.

We can see evidence of this through the articles featured in the Daily Telegraph describing her as the ' girl next door' (Saurine 2009) and we get a sense that the writer is aiming to improve her reputation after the incident which has changed the public's view of her dramatically. This article was released one day after the story about her being found in the alleged bikies apartment; from this we can take note of her Public Relations team taking quick action to improve her reputation. We see other people in the public eye being put in the same situation as Jodi Gordon, where their reputation and image is constantly scrutinised.

Reputation management is vital in situations like this to ensure positive publicity for celebrities after they are put in unexpected or unfortunate events similar to this one. Recently pacific brands made the decision to outsource and retrench 1850 of their Australian workers to maximise on the companies cost saving strategies. (Robinson, 2009) However, whilst this decision did reduce the costs of employees it also saw the severe increase in <https://assignbuster.com/reputation-management/>

the director's wages, with Sue Morphets salary almost doubling (Robinson, 2009).

Pacific Brands prides itself on being an Australian made brand and has created its reputation and strong customer loyalty through this ideal. The decision to outsource has caused anger and disappointment amongst the Australian consumers resulting in a dramatic drop in the sales of brands such as Bonds, King Gee and Hard Yakka. The damage to their reputation has caused competitors to steal market share gain from their losses. Australian underwear brand Aussi Bum has almost doubled their sales since the decision to fire 1850 Australian workers of Pacific Brands (Schneiders, Sharp, Murphy, 2009).

There have been numerous protests and public outcries towards the damage (Robinson, 2009).. The consumer's decision to choose an alternate brand to ones under Pacific Brands such as Bonds, shows the publics disapproval and the urgent need for Public Relation professionals to step in put reputation management to use in this situation in order to get sales back up and to change the image of the company. Much like the brand Nike, decisions made by the company have strongly affected the reputation and public perception of the brand hence the use of reputation management is strongly needed in this situation.