

PREMIUMBRAND PROJECT – THE REPUTATION MEASUREMENT CONCEPT OF COMPANIES OPERATING ON THE POLISH MARKET

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Abstract: Reputation is very valuable, strategic resource of the modern enterprise, generating many tangible benefits such as more loyal customers, better talented employees, attractive investors, and higher future growth. For many years, research and the measurement of corporate reputation are conducted, and there are the basis of the different rankings and reports. Reputation rankings are run by many magazines and market research agencies and there are regularly reported by the media around the World. PremiumBrand Project was founded in 2006 as the first proposal of measurement and rating the reputation of companies operating on the Polish market. This article presents the idea of the project, a methodology of reputation measurement and benefits from the participation of enterprises in the project.

Keywords: corporate reputation, reputation measurement, reputation rankings

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1. INTRODUCTION

In recent years reputation has become one of a company's most valuable assets. The investment community believes that between 30 and 50 percent of a firm's value is intangible, based mostly on corporate reputation. Studies of the Fortune 500 companies have shown that the most admired companies have much higher price: earnings ratios (about 12 percent higher) than the less admired firms, a \$5 billion increase in market capitalization for the typical Fortune 500 company. Thus corporate reputation is associated with a company's financial performance. [Fombrun, 2001; Dube, 2009] It is evidence that people prefer to do business with companies they admire: investors trust and give their money, customers buy products and services, qualified employees stay longer and work harder.

2. REPUTATION AS AN OBJECT OF MEASUREMENT

Over the past three decades, reputation researchers have generated multiple definitions of corporate reputation. It is defined as:

- a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leader rivals [Fombrun, 1996],
- a collection of perceptions and beliefs, both past and present, which reside in the consciousness of an organization's stakeholders – its customers, suppliers, business partners, employees, investors, analysts, communities, regulators, governments, pressure groups, non-governmental organizations and the public at large [Rayner, 2003, p. 1],
- observer's collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporate over time [Barnet et al., 2006]

So, corporate reputation is a function of the perceptions and attitudes toward it held by individual members of a particular stakeholder group. It has complex and

multidimensional structure. Corporate reputation has two basic components: sympathy – emotional identification and liking – and competence – the quality of products and services. [MacMillan et al., 2005] Therefore the construction of a company reputation includes both objective factors (financial performance, financial stability, growth) and emotional factors (trust, liking, faith in, first-hand experience with its products and services). Reputations also based on cognitive factors (e. g., facts, data, information) and affective factors (emotions, reactions). [Burke et al., 2012, p. 11] Because of its complex nature reputation is difficult to manage and the object of measurement. [Szwajca, 2011] However, for many years, attempts are being made its assessment and measurement, as well as creating lists and rankings of companies due to the level of its reputations.

3. METHODS OF MEASUREMENT AND REPUTATION RANKINGS

Rankings and evaluations of companies are regularly reported by the media around the World. Reputation Institute identified and examined some 183 public lists that provide summary ratings and rankings of companies in 38 countries. Of the all reputation lists there is identified: [Fombrun, 2007, p. 145]

- 61 of the lists provide a rating and/or ranking of a set of companies based on some overall measure of reputation,
- 73 of the lists focus on assessments of the quality of the company's workplace,
- 15 lists provide ratings of aspects of corporate citizenship,
- 11 of the lists rate companies on some subjective assessments of their financial performance and future prospects.

Table 1 summarizes the principal criterion used to rate enterprises in these internationally publicized reputation lists.

Table 1 The Principal Criterion used by Reputation Lists

Rating criterion	Total
Overall reputation	61
Workplace	73
Citizenship	15
Performance	11
Leadership	10
Innovation	6
Governance	5
Products	2
Total	183

Source: Fombrun, 2007, p. 145

Fortune magazine has the longest tradition in the research of reputation. Since 1983 it carried out regular surveys (via email and telephone) among managers and experts in the management of various industries. Reputation is evaluated based on following criteria:

- 1) Innovation,
- 2) Quality of management,
- 3) Long-term investment,
- 4) Social responsibility,
- 5) People management,
- 6) Products/services quality,
- 7) Financial soundness,
- 8) Use of corporate assets,
- 9) Global competitiveness.

The method used by the Fortune Magazine has been criticized for the complex structure, the need to have specialist knowledge, the strong correlation between the analyzed attributes, and that the financial aspects have too much influence on the result. Moreover, this method is based only on the opinion of experts, because it is characterized by considerable subjectivity.

The German Manager Magazine carried out a similar research since 1987 and it publishes the ranking of the top 500 German companies in terms of reputation. In addition, the reputation rankings lead also other magazines. The most popular are: Financial Times: World's (Europe's) Most Respected Companies (since 1998, research includes 75 countries), Management Today: Britain's Most Admired Companies, Burson-Marsteller: Maximizing Corporate Reputation, Corporate Branding LLC Corporate Branding Index, Asian Business: Asia's Most Admired Companies, Far Eastern Economic Review: REVIEW 200, Delahaye Medialink: Medialink Delahaye Corporate Reputation Index.

The basis of the rankings are the results of surveys (by telephone or on-line) conducted among different groups of stakeholders (mainly customers, managers, investors, politicians, economists, representatives of the media).

Methods for measuring the reputation are developed by a market research agencies and specialists in the field of management. In 1998, the Reputation Institute and the research company Harris Interactive developed together a reputation measuring instrument, which is called reputation quotient (RQ - Reputation Quotient). It is built on the basis of the evaluation of 20 attributes of the company into six following dimensions: [Fombrun, van Riel, 2004]

- 1) Emotional Appeal – how much the company is liked, admired and respected,

- 2) Products and Services – perceptions of the quality, innovation, value, and reliability of the company's products and services,
- 3) Financial Performance – perceptions of firm's profitability, prospects and risk,
- 4) Vision and Leadership – how much the company demonstrates a clear vision and strong leadership,
- 5) Workplace Environment – perceptions of how well the company is managed, how it is to work for, and the quality of its employees,
- 6) Social Responsibility – perceptions of the company as a good citizen in its dealings with communities, employees, and the environment.

Since 1999, The Reputation Institute and The Harris Interactive used this instrument to assess the reputation of over 200 companies from the U.S., Australia and other countries, by conducting telephone interviews or on-line on a sample of more than one million people.

K. Cravens, E. Oliver and S. Ramamoorti developed a universal method of audit and measurement of corporate reputation (Reputation Index). According to this procedure should be evaluated various factors describing the company's activities, grouped into nine areas, which together affect the level of reputation. [Szwajca, 2012, pp. 194-195]

An interesting method to research of reputation has developed by German researcher Manfred Schwaiger [2004]. He assumed that reputation is not a one-dimensional category, based largely on economic indicators, but has two dimensions:

- cognitive, called by the author of the dimension of material situation (competence),
- affective, called sympathy (sympathy).

The reputation is a person's attitude towards the company, which consists of both objective factors (e.g., financial performance) and subjective, individual perceptions company by that person. This method developed over the three years in following the merger empirical research and literature. Based on the literature and expert opinion created a set of 61 features: cognitive and affective (emotional). The main advantage of this method is the relative complexity of assessment of reputation, as it takes into account both the "hard" elements measurable and elusive emotional factors.

4. METHODOLOGY FOR MEASUREMENT THE REPUTATION OF THE PREMIUMBRAND PROJECT

In Poland, attempts to measure reputation are taken recently. One of the most interesting is the project PremiumBrand, in which prizes are awarded and certified for:

- Brands of high reputation (PremiumBrand Brands, since 2006),
- Businesses of high reputation (PremiumBrand Businesses, since 2009),
- Joint-stock Companies – Joint-stock Companies Reputation Certificate, awarded by the Centre of Adam Smith (PremiumBrand Companies, since 2008).

PremiumBrand is the only project in which is measured the reputation of brands, companies and listed companies,

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and rewards for high reputation. The award-winning brands, companies and listed companies might be identified on the basis of the research, based on a specially developed methodology, and not a subjective sentence of the jury. The methodology used is not an adaptation of a foreign concept, but it has been specially prepared taking into account the specificity of Polish. This makes the certificate PremiumBrand extremely reliable and is particularly important reward for traders operating on the Polish market.

PremiumBrand methodology was developed by Research House Maison, and its author is Dominika Maison - Professor of University of Warsaw. Reputation index is created on the basis of the assessment carried out in four dimensions: references, atmospheric media, as an employer, social engagement and for businesses in addition to size "the company as a business partner" (Table 2).

Tests are conducted using CATI, and respondents are different stakeholder groups, as measured by the reputation of brands, companies and public limited companies. The project is organized MMT Management agency, and is responsible for its implementation research institute Millward Brown SMG / KRC.

Research PremiumBrand for brands is conducted among customers aged 15 to 75 years on a nationwide sample of N = 500. Assessed components of reputation are references, information in the media, social engagement, the company as an employer. Table 3 shows the winners of the last four editions (in 2010 and administered to a liquidated rankings are only winners who have won a high reputation brand certificate).

It is worth noting that some brands of high reputation certify annually (e. g., Cisowianka - a brand of mineral water, RTV EURO AGD - brand consumer electronics retail chain), which reflects well on their business.

The PremiumBrand Project for companies respondents are managers and managers-experts. The sample consists of 100 managers of the 2000 largest Polish enterprises. The components of reputation are references, information in the media, social engagement, the company as an

employer, business partner (in a group of experts, managers). Table 4 presents the winners of the 2010-2013 period.

PremiumBrand for companies based on a survey of market analysts, brokers, traders buy side and sell side. Tests are conducted on a sample of approximately 25% of the estimated 600 representatives of institutional investors, and the components of reputation are: business orientation, the opinion of the board, reliability and image. In 2009, the winners were companies: Bank Zachodni WBK SA, Centrozap SA, Fabryka Farb i Lakierów Śnieżka SA, Grupa LOTOS SA, Mondi Świecie, a w 2010 roku: ATM SA, Fabryka Farb i Lakierów Śnieżka SA, HAWE SA, Integer.pl SA, PEKAES SA, ULMA Contruccion Polska SA, Zakłady Azotowe „Puławy” SA.

5. CONCLUSIONS

From 2013 it was opened to edit for brands in the construction sector and the pharmaceutical sector. Benefits of participation in the study are as follows:

- Gaining knowledge of the reputation of its own brand, business, the company's pioneering study of this type in Poland,
- Improving knowledge of the strengths and weaknesses of the perception of the brand, business, company and use this knowledge in marketing and investor relations,
- Opportunity to gain Certificate "Premium Brand" and use it in marketing communications,
- Image transfer - finding the elite group of Polish brands, businesses, companies,
- Support sales activities in the field of: brand, business, company; both of: customers, consumers, investors,
- Publicity in the media - this research are very popular media.
- Full access to package the Winner.

The large number of reputation rankings has created a question for managers: How should they regard these rankings? Fombrun proposed six steps should be taken by communication departments responsible for reputation tracking. [Fombrun, 2007, p.146]

Table 2 Components of the reputation

PremiumBrand of Brand	PremiumBrand of Company	PremiumBrand of Partnership
1. References	1. References	1. Orientation on business
2. Information in the media	2. Information in the media	2. Opinion of the board
3. Social commitment	3. Social commitment	3. Reliability
4. Company as an employer	4. Company as an employer	4. Image
	5. Business partner	

Source: www.premiumbrand.pl/Metodologia

Table 3 Winners PremiumBrand for brands in 2010-2013

2010	2011	2012	2013
Aviva, Castorama, Cisowianka, Danone, Dulux, Dziennik METRO, Neostrada, Netia, Oknoplast, Olej Kujawski, Orange, PKO Bank Polski, Plus, Poczta Polska, Pudliszki, Raiffeisen Bank Polski SA, RTV EURO AGD, Śnieżka, Telefonía DIALOG, Telekomunikacja Polska, Winiary	Amica, Aviva, Bank Poczty SA, Czysa Deluxe Żółdkowa Gorzka, Dulux, Cisowianka, Link 4, Oknoplast, Orange, PKO Bank Polski, Poczta Polska SA, RTV EURO AGD, Śnieżka, Tytan Professional	Benecol, Carrefour Polska, Cisowianka, ENERGA, Kawa MK Cafe Premium, RTV EURO AGD, Żywiec Zdrój	Cisowianka, Credit Agricole Bank Polska SA, ENERGA, RTV EURO AGD, Raiffeisen Polbank, MOKATE, Orange, ŻABKA, Bank BPH SA, Cersanit, OPOCZNO, Link 4, LOTTO

Source: www.premiumbrand.pl/laureaci

Table 4 Winners PremiumBrand for businesses in 2010-2013

2010	2011	2012	2013
Europejski Fundusz Leasingowy SA, GAZ-System SA, PGE Polska, Pioneer Pekao, POLKOMTEL SA, Tchibo Warszawa Sp. z o.o.	3M Sp. z o.o., Bumar Sp. z o.o., Europejski Fundusz Leasingowy SA, Grupa Polskie Składy Budowlane SA	Europejski Fundusz Leasingowy SA, Raiffeisen Bank Polska SA, Zakłady Farmaceutyczne POLPHARMA SA	Raiffeisen Polbank

Source: www.premiumbrand.pl/laureaci

The first step is to identify the specific lists on which the company is ranked, and those on which does not appear – but should. Examination of a company's position on these lists provides a sense of the reputation landscape in which a corporate is operating. The second step is to consider an enterprise's performance on these rankings over time. Changes in perception provide an significant barometer of how public opinion may be shifting around the company. The next step is to compare the firm's position on key lists with the relative standing of main competitors. It is necessary to know whether the changes are affecting and

industry or sector as a whole or just the company. The fourth step is to ascertain publication reach and readership of the media in which the different rankings are published. This will allow managers to understand the relative impact that the lists is likely to have on public opinion, and therefore enable "weighting" the observed results. At the end managers should review the methodologies that were used to prepare these rankings. Knowing of the principles and criteria used in the assessment will enable to improve ranking performance and build a better reputation.

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