International Journal of Economic Practice and Policy
Volume XXI, Issue 2, Year 2024

Review Article

UDC 347.471:005.57
DOI 10.5937/skolbiz2-52148

ROLE OF INTEGRATED COMMUNICATIONS IN BUILDING AND MAINTAINING THE REPUTATION OF COMPANIES

Alla Zinchenko[*]
The National University of Kyiv-Mohyla Academy, Kyiv, Ukraine

Iryna Titarenko
The National University of Kyiv-Mohyla Academy, Kyiv, Ukraine

Abstract: *Under the conditions of uncertainty and rapid changes in the business environment, high competition, the prevalence of information and communication technologies, the reputation, which is formed thanks to the systematic communications of the company with various target groups and through the experience of interaction with it, plays an increasingly important role in the viability of the company. The article examines the global trends of today, which give impetus to the development of integrated company communications, which combine marketing communications, sustainable development communications, intra-organizational communications, crisis communications, etc. On the basis of numerous studies, the positive impact of integrated communications on the company's reputation is analyzed (according to the Global RepTrak 100 study, an annual ranking of the corporate reputation of the world's leading companies). The emphasis in the article is made on the need to use proactive communications, communication from the practices of sustainable development of companies, CEO communications and corporate communications aimed at changing the behavior of target groups.*

Keywords*: integrated communications, public relations, reputation, sustainable development communications.*

JEL classification: *M140*

[*] a.zinchenko@ukma.edu.ua

ULOGA INTEGRISANIH KOMUNIKACIJA U IZGRADNJI I ODRŽAVANJU UGLEDA KOMPANIJA

Sažetak: *U uslovima neizvesnosti i brzih promena u poslovnom okruženju, visoka konkurencija, rasprostranjenost informacionih i komunikacionih tehnologija, ugled koji je formiran zahvaljujući sistematskim komunikacijama kompanije sa različitim ciljnim grupama i kroz interakciju, igraju sve važniju ulogu u održivosti kompanija. U ovom radu se istražuju aktuelni globalni trendovi koji podstiču razvoj integrisanih komunikacija kompanije zasnovanih na kombinovanju marketing komunikacija, komunikacije održivog razvoja, unutar-organizacione komunikacije, krizne komunikacije itd. Na osnovu velikog broja studija, u radu je analiziran pozitivan uticaj integrisanih komunikacija na ugled kompanije (na osnovu globalne RepTrak100 studije i godišnjeg rangiranja korporativnog ugleda vodećih svetskih kompanija). U radu je posebno naglašena potreba primene proaktivnih komunikacija, komunikacija koje se oslanjaju na praksu održivog razvoja, CEO komunikacija i korporativnih komunikacija orijentisanih ka promenama ponašanja ciljnih grupa.*

Ključne reči*: integrisane komunikacije, odnosi s javnošću, ugled, komunikacije održivog razvoja*

1. INTRODUCTION

In today's conditions of turbulence and uncertainty of the external environment, high competition, the prevalence of information and communication technologies, reputation plays an increasingly important role in the viability of companies. Reputation is considered an important intangible resource. According to the 2021 Global RepTrak 100 corporate reputation research, companies with a high level of reputation can count on strong supportive behavior from consumers - 78% want to buy their products, 70% want to work for them, and 64% are ready to provide support during a crisis (Global RepTrak 100, 2021). The reputation is formed thanks to the systematic communications of the company with various target groups and through the experience of interaction with it.

Most modern reputation studies and the Global RepTrak 100, an annual ranking of the corporate reputation of the world's leading companies, emphasize the importance of various components of reputation. Communications about various aspects of the company's activities (including policies and practices of social responsibility), its product or services, innovativeness, etc., play an increasingly important role in the attitude of various groups of stakeholders to the company and the formation of trust in it. The combination of all communication efforts of the company (marketing communications, advertising, crisis communications, corporate social responsibility communications), proactive communication,

communication with various groups of stakeholders will allow not only to form a reputation, but also to manage it.

With the help of this theoretical work, the authors seek to emphasize the importance of proactive integrated company communications in building and managing reputation.

2. CORPORATE REPUTATION: REVIEW OF RESEARCH

At the end of the 20th century, scientists began researching the terms "reputation" and "corporate reputation" and analyzing the relationship between the terms "reputation" and "image".

Thus, Bromley (1993) notes that reputation is a collective system of knowledge, beliefs and opinions that influences the actions of stakeholders. Alan, Gotsi and Wilson (2001) analyzed different perspectives of researchers on the definition of the concept of corporate reputation and its relationship with corporate image. Researchers consider "The corporate reputations that a firm has with its stakeholders must rather be regarded as dynamic constructs, which influence and are influenced by all the ways in which a company projects its images: its behavior, communication and symbolism".

Roberts and Dowling (2002) indicate that reputation depends on the attributed values (such as honesty, integrity, authenticity and responsibility) that people attribute to organizations as soon as their names are mentioned. Doorley and Garcia (2015) claim that reputation is the sum of images of a subject, which is formulated on the basis of the results of the activity, behavior and communication of this subject.

According to Smaiziene and Jucevicius (2010), reputation is "a transmissible general evaluation of a company, established among stakeholders over a long period of time, which represents expectations for the company's actions and the level of trust, commitment and recognition compared to its competitors".

One of the most famous researchers on the issue of corporate reputation is Fombrun (2018), who examines reputation in the competitive market plane. Fombrun explains that corporate reputation is the general perception by stakeholders of the main results of the company in comparison with its competitors. He emphasizes that reputation represents the reliability of the company and the level of trust in it and its responsibility.

Fombrun, Gardberg and Sever (2000) led to the development of the Reputation Index, which includes economic and non-economic indicators of reputation in six domains. The authors attributed to them Emotional Appeal, Products and

Services, Financial performance, Vision and leadership, Workplace Environment, Social responsibility.

In 2004, Fombrun C. J. headed the Reputation Institute (now The RepTrak Company). Currently, the company measures the reputation of the world's largest companies by improving the reputation coefficient. The RepTrak Company evaluates reputation based on 7 components (Table 1).

Table 1

Component reputations according to the RepTrak methodology

Sphere	Components of reputation
Products/Services	High quality products and services, Products/Services Meets customer needs, Products/Services Good value products and services, Products/Services Stands behind products and services
Performance	A company's financial results, profitability, growth prospects
Leadership	A company's vision, the quality of its leader and managers, and managerial effectiveness
Innovation	How innovative a company is, whether it is first to market, and adapts quicly to change
Citizenship	Positive influence on society, Citizenship Support good causes, Citizenship Environmentally conscious
Conduct	Fair in doing business, Conduct Ethical, Conduct Open and transparent
Workplace	The extent to which a company cares for employees' health & well-being, and its ability to offer fair rewards and equal opportunities in the workplace.

Note. Seven Drivers of Reputation. RepTrak (2023).

Harris Poll consulting firm develops ratings of the hundred most visible companies in the USA - Reputation Quotient (hereinafter - RQ). In its research, Harris Poll uses components of reputation similar to those of the Reputation Institute (Table 2).

The ratings demonstrate that the policies and practices of companies in the field of social responsibility play a significant role in the formation of reputation. For example, according to RepTrak 2023 research, Products/Services (20.9%) play the greatest weight in reputation, and Conduct (14.6%) and Citizenship (14.0%) take the second and third places, respectively (Global RepTrak 100, 2023).

In recent years, scientists have paid considerable attention to the study of the impact of corporate social responsibility on the company's reputation and the role of communication on corporate social responsibility in the formation of

reputation. Such studies should include the study by Ligeti and Oravecz (2009) state that "corporate social responsibility and communication are inseparable".

Table 2.

Component reputations according to the 2023 report The Harris Poll's Reputation Quotient (RQ®)

Sphere	Components of reputation
CULTURE	Good company to work for
ETHICS	Maintains high ethical standards
CITIZENSHIP	Shares my values Supports good causes
TRUST	Company I trust
VISION	Clear vision for the future
GROWTH	Strong prospects for growth
PRODUCTS & SERVICES	Develops innovative products and services Offers high quality products and services

Note. Axios Harris Poll 100. (2023).

The concept of "creating shared value", which was proposed by scientists Kramer and Porter (2011), means that the practice of creating economic value creates value for society by solving its needs and challenges. And the company's activity should be evaluated not only in terms of economic indicators, but also with the help of environmental, social and management indicators.

Soudi and Mokhlis (2020) researching Impact of CSR Communication on the Company's Reputation came to the conclusion that «the CSR affects reputation, the more committed is the company on sustainable development, the more it wins a good reputation, and finally, the impact of a lack of commitment on the company's reputation is bigger than the communication on CSR initiatives».

In previous studies, Zinchenko and Naumov (2021) also analyzed the impact of CSR policy on the reputation of companies and the need for sustainable development communications.

Analysis of scientific research shows that reputation is formed not only through its activities, but also through information about the organization and through the experience of interaction with it. The impact of communication, especially integrated communications, on the formation of reputation requires additional research.

3. INTEGRATED COMMUNICATIONS AND ITS IMPACT ON REPUTATION FORMATION

Integrated communications, according to many scientists, involve the integration of not only communication channels, but also the communication management system. Duncan and Moriarty (1997) noted that the key element of integration is the corporate structure, and cross-functional planning and monitoring will be performed if the organization is internally integrated. The authors, taking into account the RepTrak and Harris Poll approach to reputation evaluation, maintain the point of view that the most effective communications for reputation management are integrated communications and assume that integrated communications are communications that combine all the company's communication efforts (marketing communications, PR communications, communications for sustainable development, intra-organizational communications, communications aimed at changing behavior, etc.), have a single budget and a single strategy, are united by corporate culture and values, and are aimed at communicating with all groups of the public in order to form and manage the company's reputation.

The role of integrated communications is growing in the era of the digital economy and digital marketing, which Kartajaya, Kotler and Hooi (2016) create an era of interconnectedness. It is in the era of interconnectedness that according Kartajaya, Kotler and Hooi (2016), a new model of business communication is being formed, which consists of the following stages: aware, appeal, ask, act, advocate (business communication model 5A). The emergence of a new stage of business communication (ask) indicates the strengthening of the role of communications and the importance of the reputation of companies.

The proposed model takes into account the changes in the media landscape that have taken place over the last decade - the growing role of social networks in the search for information. People use social networks not only to connect with family and friends and for entertainment. According to DataReportal's 2024 research, 49.2% of Internet users worldwide say that staying in touch with family and friends is the main reason people use social media, and for a third it is to read the news (34.2%) and information search (30.2%), for a quarter it is the search for goods/services - 26.1%. The growing role of social networks in communications indicates that horizontal communications have become predominant and people have begun to trust more those who are on social networks (followers of Facebook, Instagram, Twitter, Tik Tok, etc.) (Kartajaya, Kotler & Hooi, 2016).

However, communications in social networks are often filled with short, simplified information, rumors, "alternative facts" and emotions that form the

Post-Truth phenomenon (Mcintyre, 2018). Mcintyre (2018) considers post-truth as "a form of ideological supremacy, when another person seeks to be convinced of something regardless of whether there is convincing evidence for it or not". It is in the era of post-truth that the share of disinformation campaigns, dissemination of false information, which includes astroturfing, is increasing. Astroturfing, as a technology of artificial creation of public opinion by placing numerous commissioned publications, designed as completely independent opinions of private individuals, is used not only in politics. The corporate sector, when their business is threatened by negative comments, they can engage in astroturfing to drown them out. Cho, Martens, Kim and Rodrigue (2011) believe that astroturfing, which is "purposefully designed to fulfill corporate agendas, manipulate public opinion, and harm scientific research, is a serious violation of ethical behavior".

The change in the media landscape, the predominance of horizontal communications, the phenomenon of post-truth and astroturfing technology determines the new rules of corporate communication. According to the authors, they should be proactive and systematic; contain elements of communication aimed at behavior change, a strong emphasis should be placed on communication on CSR practices/sustainable development practices/ESG; communications of the CEO of the company should become a component of corporate communications.

New studies by Edelman Trust Barometer (2023) indicate the need for constant communication of the company with its consumers, because according to the results of their studies, in modern conditions in relations with consumers, "The Trust Loop Fuels" is formed, when the purchase is not the end point of relations with consumers, and the starting point; constant interaction with the consumer creates attraction, which leads to further involvement; brand action supported by communication creates trust, and trust fuels consumer actions (59% are ready to make a purchase, 67% show loyalty and are ready to protect the brand). It should be emphasized that the same study found that in addition to buying and using the product, 79% of respondents directly interact with brands in other ways: they consume brand content, participate in brand activities, communicate in social networks or share reviews with brands.

In the conditions of a competitive environment and the spread of environmental and social problems, an increasing share of consumers when choosing products/services prefers those companies that correspond to their values. Thus, a study by The USC Annenberg's 2023 Global Communication Report found that about 60% of surveyed US consumers believe that companies should protect the causes that interest them; 46% of surveyed consumers would take a pay cut to work for a company that is more in line with the social values important to them

and 72% of surveyed consumers would pay more for a product whose brand aligns with their values, and about a third say they would pay for this product 25% or more.

Moreover, the younger generation is sensitive to issues of economic inequality, environmental problems, welfare and security. The 2023 Deloitte Gen Z and Millennial Survey shows that young people are making lifestyle and career decisions based on their values. Caring for the environment is one of those values. Approximately half of the members of the generation of Boomers and Millennials claim that they are putting pressure on business to intensify measures aimed at combating climate change. And the 2021 Deloitte Global Millennial and Gen Z study proved that more than a quarter of people belonging to these two generations indicate that the impact of a business on the environment (both positive and negative) is an important factor that they take into account when making a decision when buying something (2021 Deloitte Global Millennial and Gen Z).

These facts confirm the importance of companies' communications about their contribution to solving social and environmental problems and the leadership of companies' CEOs in this process. As recently as 2019, more than three-quarters (76%) of respondents to the Edelman Trust Barometer study want their CEOs to drive change, rather than waiting for government to impose it. The expectation of an active position of the company manager on social, environmental, and geopolitical issues that concern society is due to high trust in business. According to the results of 2023 Edelman Trust Barometer 62% trust business, 59% - trust NGOs, 51% - government and 50% - mass media. Accordingly, public profiles of company executives should no longer be limited to traditional posts about personal life and career development.

Confidence in business, public expectations regarding the activity of business in solving environmental and social issues, condition the use of communications aimed at changing behavior. According to behavioral science, understanding consumers' evolving beliefs, habits, and "peak moments" is key to driving such change (Charm, Dhar, Haas, Liu, Novemsky & Teichner, 2020). Companies can employ five strategic actions to shape consumer behavior for the long term:

(1) Reinforcing positive new beliefs;

(2) Introducing innovative offerings to shape emerging habits;

(3) Using contextual cues to sustain newly formed habits;

(4) Tailoring messages to align with consumer mindsets.

(5) Analyzing consumer beliefs and behaviors at a granular level.

For instance, Olaplex, a hair-care brand, gained significant traction on social media after launching an affiliate program. Through this initiative, the company pledged to donate a portion of its product sales to support local hairstylists, aiding them during salon closures and earning widespread attention (Charm, Dhar, Haas, Liu, Novemsky & Teichner, 2020).

In addition, it's also important to analyses external factors that independently influence the individuals and their behaviour. For example, the COVID-19 crisis has prompted many consumers to alter their behaviors, leading to shifts in beliefs about everyday activities. Positive experiences during this period can even change long-held beliefs, making consumers more likely to continue these behaviors, even without the initial trigger. Thus, this presents a unique opportunity for companies to reinforce and guide behavioral changes, positioning their products and brands more effectively for the future (Charm, Dhar, Haas, Liu, Novemsky & Teichner, 2020).

4. CONCLUSIONS AND FUTURE RESEARCH DIRECTIONS

In this article, the authors offer a look at integrated communications, which are implemented in the post-truth era, in the conditions of growing trust in business and expectations that business will be actively involved in solving social and environmental issues and their impact on the formation and management of reputation. The analysis of scientific research proved that communications are becoming more and more proactive and systematic; contain elements of communications aimed at changing behavior; focus on sustainable development practices; the communications of the CEO of the company become a component of corporate communications. The research, despite its limitations (mainly related to the theoretical point of view), can contribute to the research of reputational capital, and can be an impetus for the company in building communication strategies of integrated communications for companies that seek to manage their reputation.

The growing role of the reputation of companies in the modern world requires further research into the practice of using integrated communications, discussions by representatives of the scientific community about the impact of integrated communications on the formation of reputational capital of companies, possible communication risks that can negatively affect reputation.

REFERENCES

Alan, M., Gotsi, M., & Wilson, A. (2001). Corporate reputation. Seeking a definition in Corporate Communications. *An International Journal*, *6*(1), 24-30.

Axios Harris Poll 100. (2023). Retrieved from https://theharrispoll.com/wp-content/uploads/2023/05/2023-Axios-Harris-Poll-100_WEBSITE-REPORT-2.pdf

Bromley, D., B. (1993). *Reputation, image, and impression management*. John Wiley & Sons, New York.

Charm, T., Dhar, R., Haas, S., Liu, J., Novemsky, N., & Teichner, W. (2020). Understanding and shaping consumer behavior in the next normal. *McKinsey & Company*, *24*.

Cho, C. H., Martens, M. L., Kim, H., & Rodrigue, M. (2011). Astroturfing global warming: It isn't always greener on the other side of the fence. *Journal of business ethics*, *104*, 571-587.

DataReportal. (2024). Global Social Media Statistics. Retrieved from https://datareportal.com/social-media-users

Deloitte Gen Z and Millennial Survey. (2023). Retrieved from https://www.deloitte.com/global/en/issues/work/content/genzmillennialsurvey.html

Deloitte Global Millennial and Gen Z. (2021). Retrieved from https://www2.deloitte.com/ua/uk/pages/about-deloitte/press-releases/in-its-10th-year-the-deloitte-global-millennial-and-gen-z-survey-reveals-two-generations-pushing-for-social-change-and-accountability.html

Doorley, J., & Garcia, H. F. (2015). *Reputation management: The key to successful public relations and corporate communication*. Routledge.

Duncan T., & Moriarty, S. (1997). Driving Brand Value: Using Integrated Marketing to Manage Profitable Stakeholder Relationships. McGraw-Hil, 1997.

Edelman Trust Barometer 2023: The Collapse of Purchase Funnel. Retrieved from https://www.edelman.com/trust/2023/trust-barometer/special-report-brand-trust

Fombrun, C. J., Gardberg, N. A., & Sever, J. M. (2000). The Reputation QuotientSM: A multi-stakeholder measure of corporate reputation. *Journal of brand management*, *7*(4), 241-255.

Fombrun, C., J. (2018). Reputation: Realizing Value From The Corporate Image. Boston: Harvard Business School Press.

Global Report. (2019). Edelman Trust Barometer. Retrieved from https://www.edelman.com/trust/2019-trust-barometer

Global Report. (2023). Edelman Trust Barometer. Retrieved from https://www.edelman.com/trust/2023/trust-barometer

Global RepTrak 100. (2021). Global Reputation Leaders. Reputation Capital Group. Retrieved from https://reputationcapital.blog/2021/04/2021-global-reptrak-100-globalnye-lidery-reputacii/?lang=uk

Global RepTrak 100. (2023). Retrieved from https://www.reptrak.com/rankings/

Kartajaya, H., Kotler, P., & Hooi, D. H. (2019). Marketing 4.0: moving from traditional to digital. *World Scientific Book Chapters*, 99-123.

Kramer, M. R., & Porter, M. (2011). *Creating shared value* (Vol. 17). Boston, MA: FSG.

Ligeti, G., & Oravecz, Á. (2009). CSR communication of corporate enterprises in Hungary. *Journal of Business Ethics*, *84*, 137-149.

Mcintyre, L. (2018). Post-truth. MIT Press, 2018.

Roberts, P. W., & Dowling, G. R. (2002). Corporate reputation and sustained superior financial performance. *Strategic management journal*, *23*(12), 1077-1093.

Seven Drivers of Reputation. RepTrak (2023). Retrieved from https://www.reptrak.com/case-studies/ultimate-reputation-guide/7-reputation-drivers/

Smaiziene, I., & Jucevicius, R. (2009). Corporate reputation: Multidisciplinary richness and search for a relevant definition. *Engineering Economics*, *62*(2).

Soudi, N., & Mokhlis, C. E. (2020). The impact of CSR communication on the company's reputation. *Studies of Applied Economics*, *38*(4).

USC Annenberg's 2023 Global Communication Report "New Reputation". Retrieved from https://annenberg.usc.edu/research/center-public-relations/global-communication-report

Zinchenko, A., & Naumov, V. (2019). The impact of the corporate social responsibility on the reputation of companies. Retrieved from https://ndipzir.org.ua/wp-content/uploads/2019/Ryha_09.10.19/Ryha_09.10.19_15.pdf

Delivered: 12.07.2024.

Accepted: 30.09.2024.