
The Meaning Of Companies' Reputation on The Example Of H&M

In the digital age, there are a lot of competition between companies in various fields and maintaining a good reputation and image might be difficult. To appeal to the costumers and market, companies need to care about their product's quality in addition to keeping their reputation. This is not considered easy, because companies' reputation can be destroyed in a blink, after building it for years. What happened to H&M company is a clear example of this case.

Firstly, companies need to understand that reputations are never considered a static, but they change due to the demands of a situation. Hence, the difference between companies in dealing with a problem affecting their reputation, because it all depends on the situation, public reaction, and the actions taken from the organization. The term reputation can mean so many things but one thing at the same time. It can be defined as the "Reputation is a precondition for people's willingness to do business with a company" based on Ettenson & Knowles definition. It is also the "overall quality or character as seen or judged by people in general" and as the "recognition by other people of some characteristic or ability". It is very important because the company reputation affect the public reactions based on their beliefs and impressions.

Secondly, any company's reputation does not only depend on the visual identity, or the colors and creativity of their logo, yet it exceeds these details even though they also contribute to the consumers' perception. In general, The reputation of the company represents the general mental image that others have from the audience, customers, investors and employees of the brand, and it is one of the commercial assets owned by the corporation along with its market value, which can turn over time into an important marketing balance on which to build the social and economic position of the corporation. Moreover, companies with a good reputation are always considered more valuable and more able to achieve highly competitive results in the market, and thus can achieve significant developmental towards their goals.

According to the importance of considering the reputation, companies have been competing through many smart and creative methods to stand strong in this industry that keep changing and growing rapidly. One of these methods is the marketing strategies. Marketing strategies have always included a special aspect of the content that the company will provide to the public. This content may be aimed at increasing conversion rates, increasing sales, or increasing visits in the case of websites, online stores, and web applications. The form and nature of the content varies according to the purpose behind it, content to increase sales, for example, may differ completely from the content intended to improve the company's reputation in the market. Today, content marketing is one of the most prominent aspects of e-marketing and the most present among institutions and brands on different, and on content depends on one of the most famous theories of marketing used today Inbound Marketing. The type of high-quality content that touches the needs of the audience and customers and fulfills their aspirations from the content of the company or brand. Furthermore, the term added value is used in many contexts in marketing, and can refer to any benefit the customer may obtain from the company or the brand, such as discounts and sales, fair price, customer loyalty programs and everything that can be included in the user's experience with the brand.

To show why marketing is very significant, referring to statistics, 79% of consumers prefer to know the company or brand through content rather than direct ads, 71% of them believe that institutions that provide high-quality specialized content are more focused on their audience, and more interested in building a strong relationship with customers. The more quality the content and the value and provides a real benefit, the better the audience looks at the brand and makes it classify the company with the quality of the content itself. Thus, good content shows to the audience the amount of experience and knowledge your company has in this field and makes them confident that their dealings with your brand are dealings with experts.

Every organization, company and brand has to possess some competitive advantage, distinguishing it from the rest of its counterparts in the market with your company, because this advantage does not exist with your competitors, and therefore in and gives the customer an additional value that makes it more salary if he decides to abandon your brand. On this point, the author Richard Romelt mentioned in his book 'Strategy Bad Strategy Good' that one of the important pillars of a good marketing strategy is the exclusive competitive advantage, which is difficult for any of the competitors to reproduce or imitate .

Today, companies operate in markets crowded with competitors, customers, and products. Customers have many options to buy and engage with different brands competing for trust, and then add them to their customer list. Therefore, some people see that it's necessary for organizations to stop dealing with customers on the basis of a company and a customer, and instead go towards building a strong long-term relationship that give the customer a sense of recognition on a personal level and their relation with the brand, and that they care about customers more than just considering them way to get money. This form of relationship - if the organization is able to work on it well - contributes to building the company's reputation with the public and expanding its customer base, and improving the brand image as one of the bodies that make an effort to improve the user experience with it and make it more satisfied with the services or products offered. Although the nature and shape of the relationship between the brand and the customer differs from direct human relationships, we must not allow this difference to obscure the ideal image of the company's relationship with its customers. Companies should focus on the emotional and psychological aspects of the customer's experience with their products or services, which depends on the user's experience with the company and what it provides.

However, although the importance of reputation for companies to maintain their place in the market is a very known concept, many companies have ethics issues just as what happened in the H&M incident. Ethics may not be a clear concept, which explains why even high-level companies like H&M can get a mistake when it comes to meeting stakeholder communication expectations, but that doesn't justify their action. In the past, companies were located between two fires, between what the legal department dictates to them about the company, which says: (Do not admit anything wrong or you will be responsible - and thus the company intends to famously say "no comment") and what the stakeholders expected from them in clarity and communication transparency. Today, most organizations have realized that the negative impact of poor communication on their reputation will likely be much more expensive than any potential legal implications for accepting the error.

Focusing on the H&M problem, it is true that it's considered as a turning point to company's reputation and communication strategy. People were offended by their actions, which they have every right to. A big company like H&M should weight their actions and think twice before

launching a product that may offend any culture, race, religion, or any group of people. Not to mention that the problem got bigger and offended a more people because of social media, which made the public more aware of what is going on. That made it difficult for the company to deal with, given that the problem became known in social media in it became hard to control the public reaction.

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