"Do Companies Benefit from Corporate Reputation?"
by Manfred Schwaiger

As companies have faced growing pressure to become efficient and competitive, many have sought to capitalize on intangible as well as on tangible assets. Reputation is said to be the most important intangible asset, serving as a signal from which people infer missing information, thereby reducing uncertainty and, hence, various kinds of transaction cost. There is ample literature dealing with reputation, mostly seen from a microeconomic perspective. But there is a lack of empirical proof and, besides that, existing measurement concepts are not in line with consumer behavior theory. Following the introduction of an adequate corporate reputation measurement and management model that was parameterized using primary data from GER, UK and the US, two experimental designs will be presented that quantify changes in consumers’ and private investors’ behaviour that can be attributed to the manipulation of a company’s reputation. As a result we may see that reputation has a positive impact on consumers’ purchase intention and willingness to pay, as well as on private investors’ willingness to buy and hold shares.