



MANAGING CORPORATE REPUTATION FOR FINANCIAL STABILITY IN CRISIS SITUATIONS

ZUZANA ŠTOFANÍKOVÁ, KRISTIÁN KALAMEN, FRANTIŠEK POLLÁK

ABSTRACT: *This study examines the financial impact of corporate reputation in the non-alcoholic beverage industry, focusing on how companies of different sizes leverage their reputation to achieve financial success. By analysing total revenue and reputation metrics (TOR and ASA) for ten companies operating in the Czech Republic between 2018 and 2022, the research explores the extent to which reputation affects financial performance. Using a mixed-methods approach, the study combines quantitative data, such as revenue-to-reputation ratios, with qualitative insights from case studies of Coca-Cola HBC, a global leader, and Château Valtice, a niche player. The results indicate that while larger firms effectively monetise broad reputations to secure financial dominance, smaller firms can disproportionately benefit from specialised reputations in premium segments. Limitations of the study include the scope of the data (2018–2022), the regional focus on the Czech Republic, and the subjectivity of reputation metrics. Future research could investigate international contexts and longer time frames to provide a broader understanding of the relationship between reputation and financial outcomes. Overall, the study highlights the strategic importance of reputation as a key financial lever in competitive markets.*

KEYWORDS: *Corporate Reputation, Financial Performance, Revenue-to-Reputation Ratio, Crisis*

INTRODUCTION

In today's competitive and rapidly evolving business environment, corporate reputation has become a critical determinant of financial performance. The non-alcoholic beverage industry is characterised by increasing competition, changing consumer preferences and a heightened focus on sustainability and product quality (Pollák et al., 2021). These trends were strengthened by the COVID-19 pandemic, which disrupted supply chains, changed consumer behaviour and increased the importance of brand trust and reputation (Kalamen et al., 2023). As consumers increasingly prioritised health, sustainability and reliability during the pandemic, non-alcoholic beverage companies faced increased pressure to maintain a strong reputation to manage uncertainty and maintain financial performance (Bosco et al., 2018). This research examines the financial impact of corporate reputation by focusing on companies operating in the non-alcoholic beverage sector in the Czech Republic. While previous studies have examined reputation broadly, this research provides a nuanced approach by analysing how companies of different sizes, from global leaders such as Coca-Cola HBC to niche players such as Château Valtice, leverage their reputation for financial success. The study introduces a novel methodology by integrating financial performance data (total revenue and revenue growth) with reputation metrics, such as Total Online Reputation (TOR) and Aggregate Sentiment Analysis (ASA) scores, to calculate revenue-to-reputation ratios. These ratios provide a unique lens through which to assess how efficiently companies are monetising their reputation. In addition, by considering the unique impact of the pandemic on consumer behaviour and corporate strategy, this research addresses a timely and underexplored dimension of reputation management (Brammer et al., 2015). The main objective of this research is to assess the financial impact of corporate reputation and to understand how companies of different sizes use reputation to achieve financial success.

This study aims to answer the following research question: How does corporate reputation affect financial performance in the non-alcoholic beverage industry in the Czech Republic, and to what extent do companies of different sizes use their reputation to achieve financial success? The paper is structured as follows: the next section outlines the literature review, followed by the research methodology, detailing the data collection process and the analytical techniques used. This is followed by the results and discussion, where key findings are presented and analysed, including the revenue-to-reputation efficiency of the companies studied. The paper concludes with a summary of the findings, implications for corporate strategy and recommendations for future research. By addressing both theoretical and practical dimensions, this research contributes to the understanding of reputation as a critical financial lever in the non-alcoholic beverage industry.

1. LITERATURE REVIEW

Use single-level or multi-level automatic chapter numbering. In the text, use single left-aligned bullets or multilevel bullets of the same type, differentiated by bullet size:

The financial implications of corporate reputation in the non-alcoholic beverage industry in the Czech Republic are multifaceted and significant. Corporate reputation is increasingly recognized as a critical asset that influences financial performance, shareholder value, and competitive advantage (Straková et al., 2021). In the context of the Czech Republic, where the non-alcoholic beverage sector is a vital part of the economy, understanding the relationship between corporate reputation and financial outcomes is essential for businesses aiming to thrive in a competitive market (Pollák et al., 2021). Corporate reputation serves as a significant driver of customer behaviour and loyalty, which are essential for financial success in the non-alcoholic beverage sector. Research indicates that a strong corporate reputation can lead to enhanced customer loyalty, which in turn positively impacts financial performance. For instance, studies have shown that corporate reputation is linked to customer citizenship behaviors, such as repeat purchases and positive word-of-mouth, which are critical for sustaining revenue streams in competitive markets (Shahsavari & Faryabi, 2013; Bartikowski & Walsh, 2011). Furthermore, the relationship between corporate reputation and customer loyalty is mediated by factors such as trust and commitment, suggesting that companies with a favorable reputation can cultivate deeper customer relationships that translate into financial benefits (Tabrani & Djalil, 2016). Moreover, corporate reputation can influence pricing strategies within the non-alcoholic beverage industry. Companies with a strong reputation are often able to command premium prices for their products, as consumers are willing to pay more for brands they perceive as trustworthy and reliable (Jelínková et al., 2018; Saruc et al., 2013). This ability to charge higher prices not only enhances profit margins but also contributes to a company's overall financial stability.

Research indicates that a positive corporate reputation can lead to enhanced financial performance. For instance, Raithel and Schwaiger (2014) demonstrate that superior corporate reputations correlate with positive abnormal stock returns, suggesting that companies with strong reputations can create more wealth for their shareholders over the long term. This finding is supported by Kaur and Singh (2018), who assert that a good reputation significantly enhances financial performance, reinforcing the idea that reputation serves as a valuable intangible asset that can drive profitability. Furthermore, the effective management of corporate identity elements, as highlighted by Jelínková et al. (2018), is crucial for building a positive reputation, which in turn can lead to improved financial outcomes.

In the Czech Republic, the importance of corporate reputation is underscored by the findings of Jelínková and Lostaková, who note that reputation is a key factor in supplier selection and overall competitiveness in the B2B market (Jelínková & Lostakova, 2016). This is particularly relevant for the non-alcoholic beverage industry, where relationships with suppliers and distributors are critical for operational success. Additionally, Šimberová et al. emphasise that poor corporate governance practices can hinder competitiveness, suggesting that companies in the Czech Republic must prioritise reputation management to align with international standards and improve their market positioning (Šimberová et al., 2012).

Moreover, the interplay between corporate social responsibility (CSR) and corporate reputation is significant. Research by Činčalová and Hedija (2020) indicates that CSR practices are positively associated with financial performance, suggesting that companies that engage in responsible business practices can enhance their reputational standing and, consequently, their financial outcomes. This is particularly pertinent in the non-alcoholic beverage sector, where consumer preferences are increasingly leaning towards brands that demonstrate social responsibility and sustainability. In conclusion, the financial implications of corporate reputation in the non-alcoholic beverage industry in the Czech Republic are profound. A strong corporate reputation not only enhances shareholder value but also plays a crucial role in supplier relationships and overall market competitiveness. Companies that effectively manage their reputation through strategic CSR initiatives and robust corporate governance are likely to experience improved financial performance and sustained growth in this dynamic industry.

2. METHODOLOGY

The primary objective of this research is to analyse the financial impact of corporate reputation in the non-alcoholic beverage sector, focusing on how companies of different sizes use reputation to achieve financial success. By evaluating sales data and reputation scores, the study aims to determine the extent to which reputation metrics influence financial performance and provide actionable insights for companies in both global and niche markets. This study uses a mixed-methods approach to ensure a comprehensive exploration of the relationship between corporate reputation and financial performance. The methodology integrates both quantitative and qualitative analysis, combining numerical data and case studies to address the research objectives.

Data for this study were sourced from both primary and secondary resources:

Primary Data:

Revenue figures (2018–2022) sourced from company financial reports.

Reputation scores (TOR and ASA) derived from online platforms and sentiment analysis tools.

Companies Analysed:

1. Coca-Cola HBC Česko a Slovensko, s.r.o.
2. Mattoni 1873 a.s.
3. Kofola a.s.
4. KMV BEV CZ s.r.o.
5. WALMARK, a.s.
6. VESETA spol. s r.o.
7. Slovácká Fruta, a.s.
8. FONTEA a.s.
9. EKOMILK a.s.
10. CHÂTEAU VALTICE – Vinné sklepy Valtice, a.s.

Secondary Data:

Academic literature, official company publications, and industry reports validated the primary data and provided additional context.

To address the research objectives, the following variables and metrics were analysed:

Financial Metrics:

Total Revenue (2018–2022): Total revenue for each company was calculated by summing their annual revenues from 2018 to 2022. This metric reflects the overall financial performance of each company during the specified period.

Revenue-to-Reputation Ratios:

Revenue-to-TOR Ratio: Calculated by dividing the total revenue by the TOR score for each company. This ratio measures how efficiently a company monetises its overall reputation. TOR score was derived from Google indexed pages, Facebook and Seznam.

$$\text{Revenue to TOR Ratio} = \frac{\text{Total revenue (2018 – 2022)}}{\text{TOR score}}$$

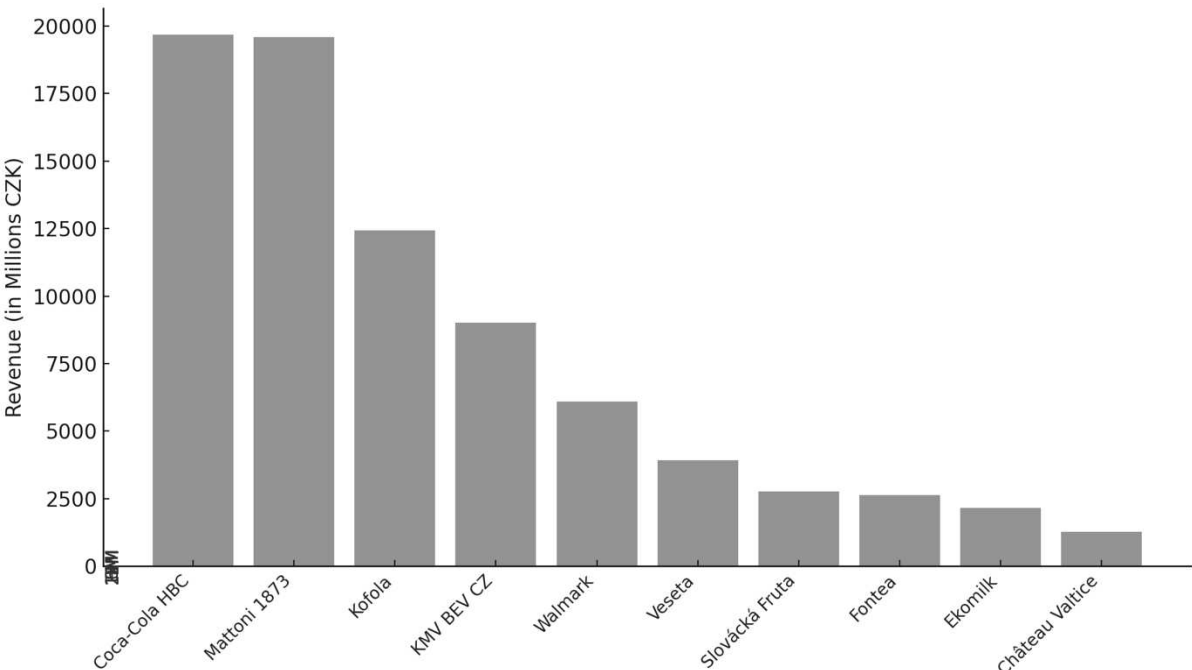
Revenue-to-ASA Ratio: Calculated by dividing the total revenue by the ASA score. This ratio evaluates the financial returns per unit of customer sentiment. ASA score was calculated using sentiment analysis tools to evaluate customer feedback from reviews.

$$\text{Revenue to ASA Ratio} = \frac{\text{Total revenue (2018 – 2022)}}{\text{ASA score}}$$

The data for total revenue were extracted from company financial reports, while TOR and ASA scores were derived from online reputation metrics and sentiment analysis. Calculation of the reputation TOR score was calculated in accordance with the methodology proposed by Pollák (2015). These ratios provide a comparative framework for assessing how effectively firms of different sizes use reputation to drive financial results. Larger companies with high ratios indicate greater efficiency in monetising reputation, while smaller companies with lower ratios may highlight the importance of niche or specialised markets.

3. RESEARCH AND DISCUSSION

The research and discussion part uses a mixed-methods approach to analyse the relationship between corporate reputation and financial performance in the non-alcoholic beverage sector. By combining quantitative and qualitative methods, the research evaluates revenue data and reputation scores (TOR and ASA) for ten key companies operating in the Czech Republic between 2018 and 2022.



Graph number 1 Total revenue between 2018-2022 of the non-alcoholic beverage companies

Graph 1 Coca-Cola HBC and Mattoni 1873 clearly dominate the non-alcoholic beverage market in terms of sales, each exceeding CZK 19 million. Their leadership is indicative of strong brand presence, effective distribution networks, and customer loyalty. These companies are likely to benefit from economies of scale and significant investment in marketing and product innovation. Companies such as Kofola (CZK 12 million) and KMV BEV CZ (CZK 9 million) hold competitive positions in the market. Although their revenues are lower than the leaders, they have strong regional brands and appeal. They may focus on niche products or specific market segments to sustain their growth. Companies such as Fontea, Ekomilk, and Château Valtice generate revenues of less than CZK 3 million, indicating limited market share. These companies may face challenges such as limited market access, lower economies of scale, and limited brand visibility. However, they could use specialised products, local appeal or sustainable practices to compete effectively. There is a clear divide between the top performers and the smaller companies. This reflects the competitive dynamics of the non-alcoholic beverage industry, where established brands dominate, and smaller players face significant barriers to entry and expansion.

Table number 1 Total Revenue and Revenue-To-Reputation Ratios (2018-2022)

Company	Total Revenue (2018-2022) in CZK	Revenue-to-TOR Ratio	Revenue-to-ASA Ratio
Coca-Cola HBC Česko a Slovensko s r.o.	19670153	812816.23	491753.82
Mattoni 1873 a.s.	19592716	321561.07	326545.27
Kofola a.s.	12424863	268587.61	230090.06
KMV BEV CZ s r.o.	9027170	1252034.67	252861.90
WALMARK a.s.	6100734	172972.33	129802.85
VESETA spol, s r.o.	3924822	255024.17	158706.91
Slovácká Fruta, a.s.	2766245	112723.92	112723.92
FONTEA a.s.	2640347	60089.83	60089.83
EKOMILK a.s.	2166442	94152.19	94152.19
CHÂTEAU VALTICE - Vinné sklepy Valtice, a.s.	1274930	19533.17	38251.73

Table 1 shows the total revenue (2018-2022), revenue to TOR ratio and revenue to ASA ratio for ten companies in the non-alcoholic beverage industry. Coca-Cola HBC Česko a Slovensko and Mattoni 1873 dominate with the highest Total Revenue (CZK 19.670 million and CZK 19.593 million, respectively). They also have the highest revenue to TOR and revenue to ASA ratios among the companies, highlighting their efficiency in monetising both their overall reputation (TOR) and customer sentiment (ASA). Coca-Cola leads with CZK 812 million per TOR point and CZK 492 million per ASA point, indicating a strong ability to translate its global brand and consumer trust into financial performance. Kofola a.s. has a moderate level of revenue (12.42 million CZK), but shows a more balanced relationship between reputation scores and revenue compared to the leaders. Companies such as KMV BEV CZ have a high revenue to TOR ratio (1.25 million CZK per TOR point), suggesting strong financial results relative to a modest reputation score. This may indicate operational efficiency or a focus on niche markets. Companies such as Slovácká Fruta, Fontea, and Ekomilk generate significantly lower revenues (CZK 2.76 million, CZK 2.64 million and CZK 2.16 million, respectively). These companies have lower turnover/reputation ratios, suggesting that reputation does not translate directly into financial performance, possibly due to limited market presence or customer base. Companies with higher total revenues tend to have higher ratios, reflecting the efficient use of reputation for financial gain. Smaller companies may face challenges in scaling their reputation or translating it into tangible economic benefits.

Leveraging Reputation: A comparison of Global and Niche Market Leaders

Below, we compare the reputation and financial performance of Coca-Cola HBC, a global leader in the non-alcoholic beverage industry, and Château Valtice, a niche producer of premium beverages. The analysis explores how companies of very different sizes use their reputations to achieve financial success. Coca-Cola HBC's financial success is a testament to its ability to efficiently monetise its global reputation. With total revenues of CZK 19,670 million (2018-2022) and a TOR score of 24.2, the company generates approximately CZK 812 million per TOR point. Its financial and reputational achievements are the result of its extensive distribution networks, reliable product offerings, and strong marketing strategies. These attributes have enabled Coca-Cola HBC to dominate several market segments, leveraging its global brand equity and widespread consumer recognition to maintain its competitive advantage in the non-alcoholic beverage sector. The company's diversified reputation allows it to adapt to changing consumer preferences and maintain relevance in different markets, underpinning its long-term financial stability. In contrast, Château Valtice demonstrates the potential of leveraging a specialised reputation to achieve financial success in the premium beverage market. With

total revenues of CZK 1,274 million (2018-2022) and a much higher TOR score of 65.27, the company achieves a revenue-to-TOR ratio of approximately CZK 19.5 million per TOR point. Unlike its larger competitors, Château Valtice focuses on quality, sustainability, and local appeal, which resonates strongly with its loyal customer base. This niche positioning demonstrates how a strong reputation in specialized markets can significantly influence consumer choice and drive growth. By emphasizing premium quality and craftsmanship, Château Valtice is using its reputation to gain a competitive advantage, even in a market dominated by larger players. While Coca-Cola HBC uses its extensive distribution networks and global brand recognition to dominate multiple market segments, Château Valtice demonstrates how a specialised reputation in the premium segment can have a disproportionate impact on financial results. This comparison provides insights into the strategic role of reputation in influencing consumer behaviour and sustaining competitive advantage in different market contexts.

CONCLUSION

This research paper aimed to analyse the financial impact of corporate reputation in the non-alcoholic beverage industry, focusing on how companies of different sizes use reputation to achieve financial success. By examining revenue data and reputation scores (TOR and ASA) for ten companies operating in the Czech Republic between 2018 and 2022, we sought to uncover the extent to which reputation metrics influence financial performance. The study also explored the contrasting strategies of global leaders, such as Coca-Cola HBC, and niche players, such as Château Valtice, in leveraging their reputation. The findings show that corporate reputation plays a significant role in driving financial outcomes, but its impact varies depending on the size and market positioning of the company. Coca-Cola HBC is an example of how global leaders effectively monetise a broad reputation to dominate multiple market segments, achieving a high revenue-to-TOR ratio of approximately CZK 812 million per TOR point. In contrast, Château Valtice, with its niche focus on premium beverages, demonstrates the potential of specialised reputations, generating 19.5 million CZK per TOR point despite significantly lower total revenues. This highlights that while larger companies capitalise on scale and diversification, smaller players rely on niche reputations to attract a loyal customer base and sustain financial performance.

The research confirms that companies with stable reputations tend to have consistent revenue growth, as evidenced by the correlation between reputation stability and financial performance. However, the impact of customer sentiment (ASA) on financial outcomes appears to be weaker than broader reputation metrics (TOR), suggesting that while sentiment is critical to consumer trust, it may not fully capture a company's market positioning. Despite its contributions, the study has some limitations. Data was limited to the period 2018-2022, which may not capture long-term trends or fluctuations influenced by external factors such as economic conditions or global crises. The study is limited to the Czech Republic and results may differ in markets with different consumer behaviour, competition or regulatory environments. These limitations suggest opportunities for future research, such as expanding the sample size, exploring longer time frames, or incorporating international comparisons to provide a broader perspective on the relationship between reputation and financial performance.

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Zuzana Štofaničková, Bc.

Institute of Technology and Business in České Budějovice, Faculty of Corporate Strategy, Okružní 517/10, 370 01 České Budějovice, Czechia

e-mail: zuzana.stofanikova@mail.vstecb.cz

Kristián Kalamen, Ing.

University of Economics in Bratislava, Faculty of Business Management, Dolnozemska cesta 1/b, 852 35 Petržalka, Slovakia

e-mail: kristian.kalamen@euba.sk

František Pollák, doc. PhDr., PhD.,

University of Economics in Bratislava, Faculty of Business Management, Dolnozemska cesta 1/b, 852 35 Petržalka, Slovakia

e-mail: frantisek.pollak@euba.sk
