

How do companies protect their brand reputation online in response to Negative Electronic Word-of-Mouth?

A study of German companies

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Due to the emergence of social media consumers are increasingly taking an active role in the co-creation of marketing content and their sharing of experiences about companies, their brands and corresponding products and services. As social media creates a 24/7 world of collaboration and interactivity, it is still treated as a threat rather than an influential asset by many companies. Consequently, for businesses and especially marketers it is essential to understand the power and influence of social media. It has been proved that many German firms lack the expertise and knowledge of communicating with consumers via this digital medium.

Therefore, a study with twelve German firms from the service, industry and tourism sector has been conducted to examine whether German companies engage in social media and what practices they employ to protect their brand reputation online. It becomes obvious that German firms are registered on a variety of social media platforms, with the tourism sector leading. Nevertheless, some are missing a special representative and still underestimate the importance of social media, especially during a crisis. 2/3 of all companies have at least once made a negative experience online, which they solved with the help of open and direct communication with the customers. However, employees see the need for more trainings and crisis communication in order to be prepared for potential negative publicity via social media.

For practical relevance, recommendations for a good social media strategy are proposed to support companies in preventing negative electronic word-of-mouth.

Supervisor: Jann van Benthem

Keywords: *Social Media, Co-Creation, User Generated Content, Negative Electronic Word-of-Mouth, Brand Reputation, Webcare*

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1. INTRODUCTION

Due to the emergence of social media consumers are increasingly taking an active role in the co-creation of marketing content and their sharing of experiences about companies, their brands and their corresponding products and services. Text messages, tweets, Facebook protest sites, blogs and digital videos enable individuals to create, share and recommend information (Gaines-Ross, 2010). Social media enables firms to engage in a dynamic two-way communication with the customer. However, companies adopting social media as a means of communicating and information exchange must accept that they are losing a part of their control to the consumer (O'Brien, 2011).

As social media represents a huge opportunity for marketers in terms of word-of-mouth referrals, it additionally has to be considered that negative word-of-mouth on the web is a severe phenomenon which has to be prevented by all means. When online complaints or negative online interactions between consumers occur on social networking sites, anti-brand communities or micro blogs, it can have a negative impact on the perception and evaluation of brands and a detrimental effect on the consumer's decision-making process (Noort & Willemsen, 2011)

In 2010, BP's explosion of the offshore oil rig damaged its reputation of a highly successful oil conglomerate and created a massive negative online response to the incident. After a few days the company's corporate image fell to an all-time low and the brand was synonymous with "disaster" and "shame". Attempts to apologize and to mitigate the situation via social media failed, as BP only used social media after realizing that the oil spill had already affected their reputation (Muralidharan, 2011).

Many businesses and especially marketers still underestimate the tremendous effect of the power and influence social media can have. Although companies recognize the need to be active in social media, they do not truly understand how to do so effectively (Hanna et al, 2011). Companies have been observed to either do nothing, hire a social media manager or to outsource social media communication to an agency (vor dem Esche & Henning-Thurau, 2013).

In Germany social media currently is the second most important communication medium, after the telephone. Web 2.0 moved out of the opening stage of development in Germany and nowadays the majority of Germans use social media several times a day. However, German companies still fail to adapt to this change in marketing and society, leading to 60% of consumers not seeing much value in the messages they receive from firms via social media platforms (vor dem Esche & Henning-Thurau, 2013).

This paper first reviews related studies on social media, negative electronic word-of-mouth and its influence on brand reputation. It then provides the research questions and outlines the study of German companies outlining their usage and experience with social media and its negative consequences. The fifth section will deliver a thorough data analysis resulting in conclusions and recommendations for companies.

2. LITERATURE REVIEW

2.1 Social Media & User Generated Content

Although social media is not at all a newly evolved topic, there seems to be no definite consensus on the definition and what exactly should be included under this term. The Oxford

Dictionary defines social media as "websites and applications that enable users to create and share content or to participate in social networking" (2014). Kaplan and Haenlein (2009) additionally include two concepts in relation with social media: Web 2.0 and User Generated Content. According to the researchers social media is "a group of internet-based applications that build on the ideological and technical foundations of Web 2.0 and that allow the creation and exchange of User Generated Content (UGC)". According to them Web 2.0 is a platform on which the content is no longer created by individuals, but continuously modified by all users in a collaborative way. User Generated Content defines the "sum of all ways in which people make use of social media" (Kaplan & Haenlein, 2010). Blackshaw and Nazzaro (2004) moreover integrate the aspect of informing other consumers through social media in their definition. For them social media "describes a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues".

Mangold and Faulds (2009) give a list of examples of social media including social networking sites such as Facebook and MySpace, creativity works sharing sites like YouTube and Flickr, company-sponsored blogs or websites such as Apple.com or P&G's Vocalpoint, business networking sites like LinkedIn or Xing, collaborative websites like Wikipedia, virtual worlds or commerce communities like eBay and amazon.com, just to name a few. These platforms have become big influencers in various aspects of consumer behavior including awareness, information acquisition, opinions, attitudes, purchase behavior and post-purchase communication and evaluation (Mangold & Faulds, 2009).

According to vor dem Esche and Henning-Thurau (2013) 92.6% of German citizens with Internet access had at least one social network account in 2012. Due to this development the report revealed three major trends arising from social media in German society: firstly, social media has become mainstream and is now used by all strata of the German population, regardless of their age, education, income or home town. Secondly, people have started to use social media in order to improve aspects of their daily lives. However, companies have not fully adapted to this change in society yet and therefore still fail to communicate effectively with consumers through social media (vor dem Esche & Henning-Thurau, 2013).

2.2 Negative Electronic Word-of-Mouth

According to Westbrook (1987) Electronic Word-of-Mouth (eWOM) can be defined as "all informal communication directed at consumers through Internet-based technology related to the usage or characteristics of particular goods and services, or their sellers". This includes communication between producers and consumers as well as those between consumers themselves. WOM is considered to be the most effective form of promotion (Goldsmith, 2008).

However, the internet is also a facilitator in sharing and spreading negative word-of-mouth (nWOM). Social media has enabled consumers to communicate their complaints and negative experiences with reduced costs and time and to share these with a multitude of other consumers (Hong and Lee, 2005). Traditionally, complaints were expressed in one-to-one communication; now it is involving many other consumers in the process (Noort & Willemsen, 2011). The ability to post complaints within seconds to the Internet in the form of nWOM can result in a negative perception of the brand or company for a substantial number of consumers (Noort & Willemsen, 2011). Consumers engage in Negative WOM to obtain emotional relief

for the discontent they have experienced or because they want to warn other consumers about unsatisfactory consumption experiences (Willemsen, Neijens, Bronner, & de Ridder, 2011).

It is essential to take into account that negative word-of-mouth has been studied to have a stronger impact on brand evaluations than positive word-of-mouth (Chiou & Chenh, 2003). Hence, when not cared for intensively, it can easily damage a company's brand reputation,

Due to faster spreading of information, companies nowadays cannot plan in advance how to react and respond effectively and promptly to complaints or attacks (Gaines- Ross, 2010). As eWOM appears in such a large scale and with increased anonymity, it becomes increasingly challenging for businesses to handle the scope of social media and to prevent the fast burst of negative messages.

2.3 Webcare

As negative word-of-mouth may negatively affect the brand reputation of a company, it requires detection and intervention (Malthouse, 2007). However, it is difficult to control negative electronic WOM, as it expands with a high speed and reach. Therefore, companies need to monitor the online platforms where their brands are likely to be discussed; it is essential to monitor both branded platforms and consumer-generated ones, as 70% of all online complaints are posted on the latter (Noort & Willemsen, 2011).

In line with Hong and Lee (2005), Noort and Willemsen (2011) define webcare as "the act of engaging in online interactions with (complaining) consumers by actively searching the web to address consumer feedback (e.g. questions, concerns and complaints)". They claim that webcare is executed by "webcare teams" that can be represented by one or more employees. The aim of webcare is therefore to "restore and improve the brand evaluations of complaining customers and/or of those who have been exposed to the NWOM of complaining customers" (Noort & Willemsen, 2011).

Webcare can be carried out on a proactive or reactive basis, whereby the former being companies responding to complaints even when not asked to and the latter being firms only responding to NWOM when explicitly asked to do so by the consumer (Noort & Willemsen, 2011). In their study Hong and Lee (2005) found out that when companies respond to consumers' online requests directly and on time, they can expect that consumers again sympathize with the brand, as it shows that the firms take the problems of the customers seriously. Therefore, reactive webcare is likely to provide favorable brand evaluations, whereas proactive webcare must be used with caution. Intervening in NWOM on consumer-generated platforms can be counterproductive and the brand can be seen as intrusive (Noort & Willemsen, 2011).

In addition to the monitoring and answering of platforms and complaints, Gaines-Ross (2010) emphasizes the importance of preparation. She postulates that in order to be quick and effective in answering "companies need to be trained in their new-media tool kits" in, for instance, engaging in simulations.

2.4 Social Media in Germany

In the German Social Media Consumer Report vor dem Esche and Henning-Thurau (2013) asked respondents about their perceived importance of all major information sources in their purchasing decision and their relationship and attitude to the specific brand. For their last purchase the respondents rated the importance of social media 7.6%, which is not significantly different from the impact of TV or traditional direct marketing; social media in 5.7% of all cases influenced their corresponding

relationship to that brand. Especially consumers in the age group of 16-24 and 25-34 are active users of social media and could be reached by companies via this medium.

Concerning the industries in Germany, vor dem Esche and Henning-Thurau (2013) observed the tendency that "the more digital components a product or service has, the more developed the particular industry already tends to be" [in terms of social media].

The report concluded that only 15.4 % of all respondents like to communicate with companies via social media, and for 18.5% company messages in social media provide additional value. 41.6% even stated that company messages in social media disturb them. With the help of these numbers the authors emphasize the substantial challenge that most German companies still have to learn and improve their social media presence.

3. THEORETICAL FRAMEWORK

3.1 Research Goal and Question

There is much work to do for German companies in terms of reaching their customers via social media and providing them with useful information and value. However, the first step in meeting that goal is for companies to understand that via social media messages and complaints can be spread faster and more widely than ever before. Companies need to realize the power and influence of such platforms and especially of negative content shared on these sites and have to be willing to adapt their marketing strategies. It is essential for every firm to keep pace with social media developments and to care for the web presence, especially in times of a crisis.

Although social media is on no account a newly evolved topic, many businesses still fail to develop appropriate skills and measures against online attacks or complaints. The *research goal* therefore is to detect whether companies already engage in strategies to defend their brand reputation online and how they do so; based on these findings, combined with results from the literature, a recommendation will be derived for a good strategy to protect a company's brand reputation in response to negative content shared online.

For this purpose, the paper will attempt to answer the following research questions:

How do companies protect their brand reputation online in response to Negative Electronic Word-of-Mouth?

1. *How do companies engage in social media in order to gain advantage from detailed consumer perceptions and desires?*
2. *Did companies experience Negative Electronic Word-of-Mouth and in how far did they employ strategies to mitigate these conflicts?*
3. *To what extent do companies have the resources to take measures against potential future attacks via Social Media?*

3.2 Hypotheses

As data was collected from three distinct sectors, namely services, tourism and industry, hypotheses are formed for every sector. This supports being able to analyze social media usage and importance in different fields, rather than looking at all companies in Germany as a whole. The paper addresses the difference between the service and the industry sector, as customer contact varies immensely. It aims to analyze whether there is a difference in social media usage and in handling

conflicts. Additionally, the tourism sector is taken into account due to the fact that their business and success highly depends on their customer's satisfaction and recommendations.

Although social media nowadays is an integrated marketing tool in most developed countries, many firms may once have registered in a platform, to discover that it is too difficult or time-consuming to keep their customers up-to-date or may even do not see the necessity of the platform for their company. Therefore,

H1a: German companies from the service sector engage in various social media sites and use all of these actively.

H1b: German companies from the tourism sector engage in various social media sites and use all of these actively.

H1c: German companies from the industry sector engage in social media, but only actively use the most important and popular platforms.

Whether they have elected or determined a representative for social media activities of the company can depend on the size and sector of that company. For tourism companies it is essential to have the same employee working with customers via social media, as customer satisfaction is mostly exposed in the internet. Consequently,

H2a: German companies working in the service sector have a special representative for their social media presence, provided that the company is bigger than 5,000 employees.

H2b: German companies working in the tourism sector have a special representative for their social media presence.

H2c: Most German companies working in the industry sector do not have a special representative for their social media activities.

As a consequence of the lack of knowledge and importance given to social media it is expected that German companies will not look into the future and act out scenarios of social media attacks. Even when one representative is responsible, he may not solve a wave of negative electronic WOM all alone. For that reason,

H3a: German service companies do not have enough skills and knowledge to effectively mitigate or solve negative eWOM.

H3b: German tourism companies do not have enough skills and knowledge to effectively mitigate or solve negative eWOM.

H3c: German industry companies do not have enough skills and knowledge to effectively mitigate or solve negative eWOM.

4. METHODOLOGY

For the purpose of this paper, a survey is created aiming at German companies, which are according to the classification of the European commission a large firm (>250 employees). SMEs are excluded, as the study targets companies with both many employees and companies with a high number and a diverse range of customers.

Due to differences in internet and social media usage in different countries, the study will focus on firms in one nation. German firms were chosen as a subject of study, as social media currently is the second most important communication medium for German consumers, after the telephone. Web 2.0 moved out of the beginning stage of development in Germany and nowadays the majority of Germans use social media several times a day. However, 60% of consumers do not see much

value in the messages they receive from firms via social media platforms (vor dem Esche & Henning-Thurau, 2013). Hence many German companies still fail to adapt to this change in marketing and society.

The companies were contacted and asked to fill out the questionnaire mostly via Facebook to directly get in touch with the responsible social media employee. Firms from three different sectors are included in the study, which have a high degree of customer contact: services, industry and tourism. The questionnaire was created via Thesistools, which enables students to create online surveys for free. All answers of the questionnaire are kept anonymously. It consists of a mixture of closed questions, open-ended questions and questions on a 1 to 5-scale.

5. DATA ANALYSIS

Responses from twelve German companies were gathered, four for each sector. All twelve companies who participated in the study are engaged in social media activities, although the engagement and experiences vary.

5.1 Responsibility for Social Media

For three companies there is no special employee responsible for the social media activities. Two of them are companies from the industry sector, which employ more than 20,000 people; the other one belongs to the service sector and employs a workforce of 250 to 1,000 people.

Consequently for the three firms without a representative, messages, regardless of them being positive or negative, are not replied to by the same employee and can lead to contradictions. A special social media team, adjusted to the number of employees, can help a company in bringing across a clear and consistent picture and additionally is stronger in crisis situations than one random employee.

5.2 Engagement in Social Media

Out of all respondents one company answered that it is represented on only one social media platform. This company is working in the industry sector and also reported on not having a special representative for internet activities. All the others are registered on two or more sites, three even on more than five platforms (Figure 1).

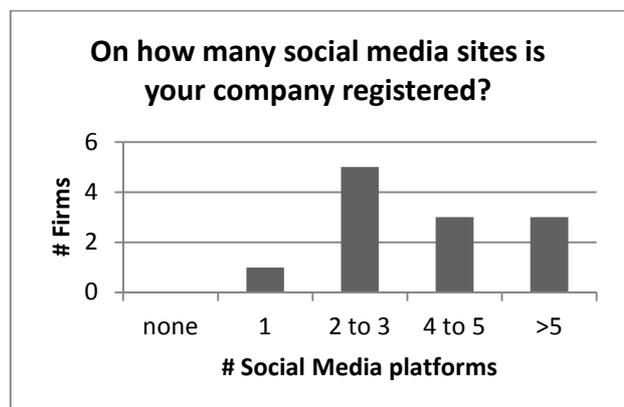


Figure 1. Number of firms registered on social media platforms

Only two companies reported on using less social media platforms actively than they are registered on; these were companies from the service sector. The other ten companies stated the same amount of platforms being actively used as they once subscribed to. Not being active on social media platforms

can bring along the problem of not recognizing when something negative is written about the company on a site, which is not continuously watched and updated. Additionally, customers easily identify platforms of companies, which are not provided with information on a regular basis and may unlike or unfollow the company's page.

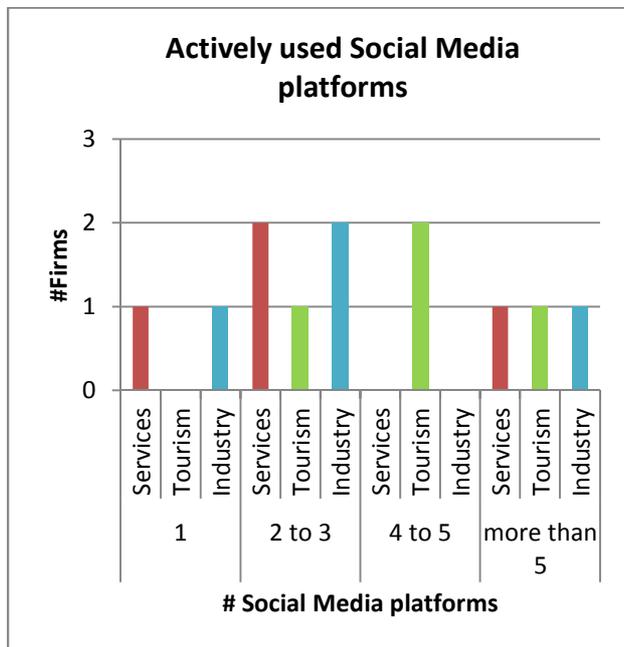


Figure 2. Actively used social media platforms divided into the three sectors

Figure 2 displays that the tourism sector is represented on the largest amount of platforms with an average of 4-5 sites, the service sector engages in 2-3 sites on average, as well as the industry sector. This may be due to the fact that the tourism sector heavily draws on communication with customers, especially during the last years. Platforms like “holidaycheck”, “trivago” or “tripadvisor” enable consumers to share their experiences about their travels online, therefore companies working in the tourism sector need to be enormously careful in watching online pages. Certainly this does not exclude service or industry companies from registering on many social media sites or from being cautious.

In general, the number of social media pages displays a good average, as caring for too many sites can at a certain point become counterproductive. By keeping up the motto “too many cooks spoil the broth”, companies should determine the perfect amount of sites for their purpose. Furthermore they should define the difference and amount of their target groups and the platforms which are useful for them.

Facebook is the most actively used social media platform (11 out of 12 respondents), followed by Twitter and YouTube (9 out of 12 respondents). Two companies reported on additionally using Pinterest, Instagram, Flipboard, Slideshare and their company blog as well (Others) (Figure 3).

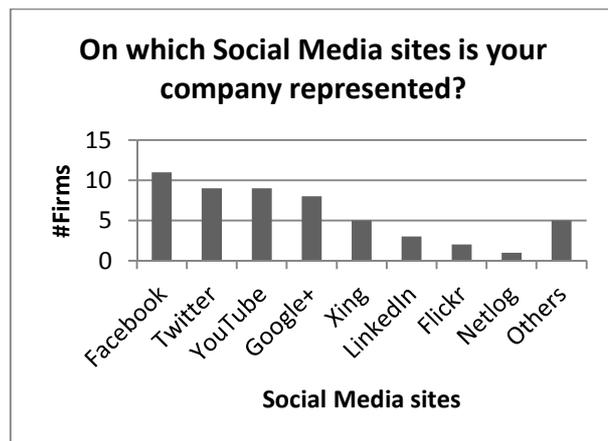


Figure 3. Firms represented on different social media sites

5.3 Reasons for Social Media

The respondents exposed different reasons for their registration and activity. While “customer contact” was named 5 times as a reason for social media representation, “image development and increasing level of awareness” were chosen four times. “Providing the customer with information” as well as “keeping up with competitors” were chosen three times and one company stated that it uses social media also for “recruiting applicants”.

It is important for companies to not register on a new social media platform just because everyone else does it. There needs to be a clear reason and a target group behind the subscription. Otherwise the responsible employees will soon lose their motivation to get in contact with customers, when there are none to talk to.

Some companies gave reasons for not being present on more social media sites than they currently engage in. Four firms stated that they are concentrating on key platforms and that they choose social media sites on the basis of their target groups. Many platforms simply lack the reach to be worth paying attention to. Three companies stated that subscribing to more platforms would take up too much time and work and one expressed the problem of missing capacity and a lack of relevance attributed to some sites.

5.4 Negative Experiences

One third of all companies answered in the negative concerning the question of negative experiences with social media. Out of these, three belonged to the industry sector. However, 8 companies reported on having at least one bad experience (Figure 4).

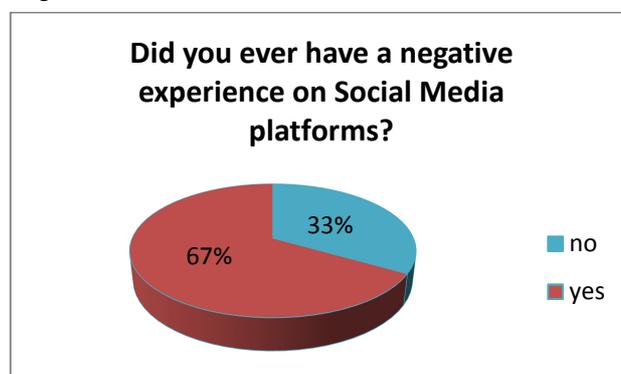


Figure 4. Amount of firms with negative experiences

Dissatisfaction with services, products or problem handling was the negative experience in three cases, negative evaluations of

the company in two cases and one company mentioned complaints as a negative experience, although it clearly states that not all complaints have to lead to something negative. It can also improve the service or reveal a lack of quality and thus help the company to improve.

All negative experiences were made on Facebook and one additionally on Twitter and Google+. Four out of six companies employed the strategy of open and direct communication and dialogue and saw the importance of handling the problem in a transparent way. A service firm reported on a person posting negative experiences and untenable comments for several weeks. When the person noticed that the company answered to his posts every time in a neutral and helpful way, he dropped his attempt to damage the company's reputation. Another company redirected the problem to the complaints office and yet another had to do nothing, because the person deleted the post later himself.

Nevertheless, two companies did report on a negative experience but didn't state what they did to handle the conflict, as they probably didn't do anything out of pure overextension.

Consequently, it is essential to answer to consumer's questions, suggestions, requests or complaints as it improves customer contact, can help the company in improving products or services and can avoid a wave of additional complaints. When the company shows customers that it can and will handle the problem, instead of waiting and hoping that nothing bad will happen, it displays strength and willingness to help customers.

5.5 Importance attributed to Social Media

5.5.1 Importance during a crisis

Generally, the questionnaire revealed a relatively high importance attributed to social media. 7 out of 12 companies advanced the opinion that Web 2.0 can help companies communicate with customers "much" or "very much" and no firm chose the option of "little or nothing".

Companies were also asked to assess in how far social media can harm or even damage a company's reputation during a crisis. Most of the firms do not attribute such a high power to social media and hereby agreed on less importance and answered mostly "quite much" (Figure 5).

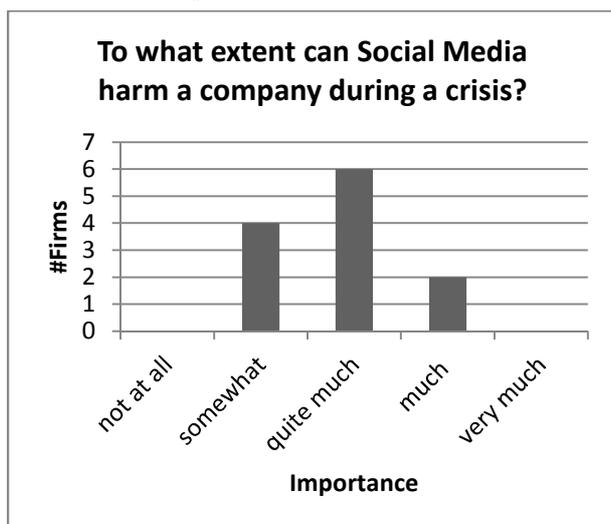


Figure 5. Assessment of effect of social media during a crisis

Another question asked the firms to come up with an example in which a serious negative message damaged the company's reputation. As mentioned above, British Petroleum experienced a serious damage in 2010 due to the explosion of their oilrig in

the Gulf of Mexico. Examples like Nestlé with their "aggressive marketing" of breast milk substitutes in LEDCs were named, which contributed to the unnecessary deaths of babies. Additionally Nestlé had to handle the Greenpeace video about their deforestation for their product KitKat. Another firm gave the example of Royal Canin who received negative publicity when they were involved in the recall of pet foods which were contaminated with melamine. Probably the most popular YouTube video about a company was produced by the singer and songwriter Dave Carroll who wrote a song about United Airlines breaking his guitar and the song got nearly 11 million hits on YouTube due to viral marketing. The crises of TelDaFax in 2009 and Ergo in 2013 were also mentioned by the companies.

All in all a high importance was attached to the role of social media in these crises. Ten out of twelve think that social media played "much" or "very much" a role in such critical periods.

5.5.2 Ability of crisis management

Regardless of the importance attributed to social media, companies should have a plan or strategy for a future crisis or period of negative publicity to show on the internet. Companies were asked whether they were able to show a professional presence on social media sites in times of a serious crisis. The answers given by the service, tourism and industry firms show that there is no strong self-confidence when looking into the future. The two firms that held the opinion to be able to show a "very good" presence were a tourism and a service firm. Three companies attributed themselves a "good" crisis management, six only a "quite good" one and one company is of the opinion that it can only "somewhat" show a professional presence during negative publicity. Therefore, it becomes obvious that companies have much work to do in training their employees and enabling them to better respond to critical comments.

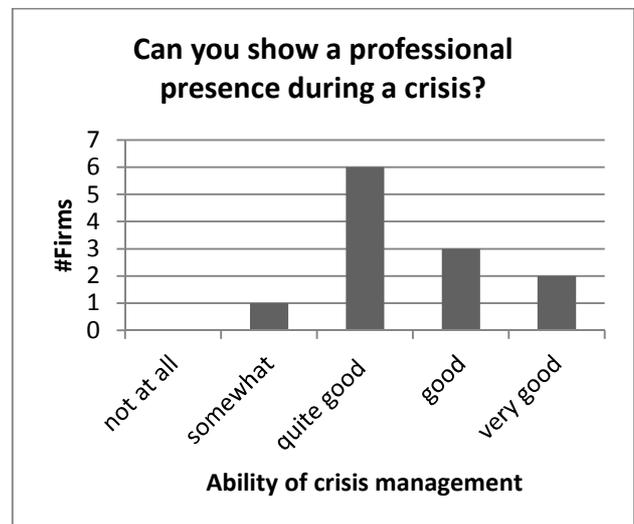


Figure 6. Ability of crisis management of companies on social media platforms

Furthermore, ten of the twelve companies are of the opinion that more capacities and capabilities, for instance responsible people and trainings are necessary to show a professional online presence during a future crisis. Four companies propose that the company itself should offer more trainings and instructions for handling Social Media platforms and especially negative publicity via these sites. Additionally, more employees should take part in these trainings, as it is important to not leave all the responsibility in the hand of one person. Two companies

reported on the need of crisis communication and one suggested the implementation of a content manager.

6. DISCUSSION AND CONCLUSION

This questionnaire aided in getting a clear picture of the usage, engagement and importance of social media in German companies in the service, tourism and industry sector. Twelve companies reported on their experiences with the new medium and additionally shared negative aspects of the internet.

In general it was more difficult to get responses from firms of the industry sector; firms from the tourism sector directly answered to the message. Many firms did not respond to the message at all, which can be ascribed to a lack of time; however it may also be attributed to a missing representative who is responsible for answering messages via social media platforms. Three firms answered after several days making obvious that firms take time until they reply to messages.

6.1 Research questions and hypotheses

Companies subscribe on social media platforms to enable a better contact with customers on a 24/7 basis. As this new medium makes it easier for customers to voice complaints or just get the latest information, social media has become an essential marketing tool for companies in all three sectors. One industry firm reported on being represented on only one social media platform, while two service firms also *actively* use only one platform. Nonetheless, most companies use 2-3 sites, while three firms even use more than five. It becomes evident that the tourism sector subscribed to and actively uses on average more sites than the other two sectors. Therefore, H1b is proved right. In order to either falsify or verify H1a and H1c further research has to be conducted.

Special representatives for the content of social media are not designated in every German company. Two industry firms with more than 20,000 employees report on not having a responsible person for their internet presence, one smaller service firm (250-1,000 employees) did the same. Again, the tourism sector clearly defines a social media team or employee in all of the four cases. For this reason, H2a, H2b and H2c are verified by these findings.

Ten out of the twelve companies wish for more training or crisis communication. Hence, only two of them are confident without any further social media education. Therefore, companies from all three sectors would be well advised to train employees in order to prevent a future crisis. With the help of webcare businesses are able to mitigate negative eWOM, which is indispensable in times of a fast growing internet market. H3a, b and c can thus be confirmed.

A variety of social media platforms are used by German companies, including Facebook (92%), Twitter and YouTube (75%), Google+ (67%), Xing (42%), LinkedIn (25%) and others like Netlog, Flickr, Slideshare, Instagramm, Pinterest, Flipboard and the company blog. Negative experiences are mostly made via Facebook, as this is the most actively used social media platform in Germany.

The sample of German companies experienced several negative experiences with social media. 2/3 had to deal at least once with negative publicity or messages online. They reported on public dissatisfaction with services and products or with the way the company was handling problems. Additionally, two experienced negative evaluations, though not justified. Nevertheless, it has to be clear that complaints as such do not always bring along negative publicity, but can be a means to show to the public how such problems can be solved. Most

companies stated that they can only show a “quite good” professional online presence during a crisis and that they need social media trainings and communication seminars to prevent negative eWOM in a potential future crisis.

To some extent German companies protect their reputation by employing direct communication with dissatisfied customers and engaging in an open dialogue, emphasizing transparency with problems. However, when the company experiences negative publicity en masse, open dialogue solely will not solve the problem. Therefore, German companies do not have enough experience, knowledge and trainings to protect their brand reputation online in an effective and fast way. Although the majority of firms are aware of examples in which a negative message damaged a company’s reputation, they are not self-confident when looking into the future and imagining a crisis or wave of negative messages.

6.2 Recommendation for a good Social Media strategy

Vor dem Esche and Henning-Thurau’s German social media Consumer Report (2013) a study by the Marketing Center Münster revealed that 89% of German managers name social media as the most important entrepreneurial challenge over the next few years. This illustrates that there is the need for guidance on how to use social media, how to make use of it and how to deal with negative eWOM

In order to offer customers the best service online and to prevent that they trigger a negative brand perception, the following recommendation for a good social media strategy can be derived out of the answers and analysis of the questionnaire. The advice is structured according to the procedure of working on and with social media platforms. Before a company is able to provide information, help and solutions, it has to appoint employees in charge for the area of business. In the end, it is essential to currently improve the presence and to understand the power of the internet.

1. IDENTIFY YOUR SOCIAL MEDIA TEAM

It helps to be up-to-date and to bring across a more consistent picture when having someone who is responsible for all social media accounts. The public is more likely to relate to a company or its brand when the posts and information symbolize a clear frame.

Moreover, when a company appoints a social media team, consisting not only of employees from the Marketing department, but lawyers, communication experts and the executive team, they are stronger and more experienced in multiple areas of business. Especially during a crisis, they are able to build a crisis team ready to respond and handle the conflict.

2. BE ACTIVE

Use all social media platforms that you once subscribed to actively. There is no value in registering on pages as much as possible, when you are not communicating with visitors. Dissatisfied customers or even people who dislike your brand can use passivity to their advantage and publish image harmful posts. Only register on social media platforms when there is the need and sense to do so. Being active on as much sites as possible regardless of the company knowing the purpose can easily be counterproductive.

Use specific social media sites to target a specific type of customers. Facebook, for instance, enables you to see when your “fans” are online during the day and helps companies adjust their publishing schedule. However, always make sure

the time and effort spent on the sites pays off well, and that the ROI is high enough for the certain purpose.

3. ALWAYS ANSWER

Always try to answer, especially to negative messages or posts and search for a solution for the problem of the customer. When you do nothing and wait for the issue to solve itself, it shows customers that you do not have an answer. This symbolizes incompetence and can lead to negative publicity.

Additionally it is essential to answer at high speed to avoid the negative WOM from spreading at a fast pace. When you spend several days searching for the perfect answer to fit within Twitter's famous character limit, the time for an effective response is long since over. On the website of Convince & Convert, the Digital Marketing Converters, Bear (2014) found out that 42% of all American consumers expect a response within 60 minutes, 32% even in 30 minutes. Also, 57% expect the same response time at night and during weekends as during normal business hours.

4. TRAIN AND TEACH

Offer trainings or seminars to responsible people in your company and help them be confident with negative messages or complaints. It is essential to answer in time rather than develop solutions in several days to best solve a problem. Imagine nightmare scenarios and learn how to handle them. Be prepared for a period of negative publicity and know how to handle it- and what is even more important- prevent the problem from happening again.

Meister (2012) published an article in Forbes Magazine about social media becoming mandatory for an ever-growing range of companies. The article states that "one obvious motivation for formalizing a company's social media programs and policies is to avoid a social media disaster" (Meister, 2012). Several, yet American companies, create social media programs to avoid these type of crises and want to teach their employees how social media can increase the performance and productivity.

Hereby it is also important to reward employees who completed and after that used their social media training, as it represents a huge motivator for them.

5. DO NOT UNDERESTIMATE

When social media is used strategically it can become the most powerful form of marketing. Always think of which platforms best suit your purposes.

Do not underestimate the power and reach of social media platforms. Although we tend to downplay a little post on Twitter, it can have a tremendous effect on the brand and image of a company. Social media may be in earlier stages in Germany than in the Unites States, but may soon play a bigger role in marketing activities.

The YouTube clip of a Domino's Pizza employee sticking cheese up his nose before placing it on the sandwich and passing gas on a slice of salami before delivering the pizza, had led to a huge crisis of the firm. The video had been viewed more than a million times due to viral social media platforms like Twitter and Facebook. The company did not publicly respond to the video immediately, but when it became clear that the whole story was escalating, the company posted an apology on its website and via YouTube and asked employees with Twitter accounts to tweet a link to it. Additionally, they opened a Twitter account to deal with customers' enquiries (Vogt, 2009).

6.3 Limitations

The Bachelor thesis was carried out with limited time and capabilities. The students had a time scope of 10 weeks to plan their strategy and paper, to execute surveys and to analyze their findings. Additionally, they did not possess professional tools to create questionnaires or incentives to collect answers from companies.

The questionnaire is a self-created instrument, which some respondents may have difficulty in understanding. Therefore, questions may be answered in another way than was initially thought of. Weaknesses in reliability and validity can occur.

The findings and analysis cannot be generalized to all German companies and only represent a small sample of twelve firms. It could not be planned ahead which company would answer the questionnaire and which would not and the companies were approached according to convenience sampling. Hence, there is no equal amount of employees of in all three sectors. Readers should therefore approach all findings and conclusions with caution.

Additionally, many and especially bigger companies do not allow to contact them via a private message on Facebook. Therefore, it was more difficult to get in contact with these. Although Facebook is the most used social media platform in Germany, not every firm with more than 250 employees has its own page. This excludes the participation of firms which are active on other platforms, but not on Facebook.

6.4 Advice for further research

It would be necessary to carry out the same research with more companies in order to derive a more reliable and valid analysis. Additionally, more sectors could be included to draw a greater distinction between the different ones. T-Online (2011) gives the top 10 of German lines of businesses: healthcare industry, tourism sector, logistics sector, engineering, automobile industry, banking industry, energy industry and food industry, which could further be differentiated in this study.

Furthermore, a longitudinal study could be created aiming at the development of social media in German companies. Answers could be compared and it could be analyzed, whether the usage of social media in companies increases and whether companies provides more trainings and resources for future crises.

7. ACKNOWLEDGEMENT

First and foremost I offer my gratitude to my supervisor, Mr. Jann van Benthem, who has supported me throughout my thesis with his patience and knowledge whilst allowing me the room to work in my own way. Secondly I want to thank my second supervisor, Mr. Patrick Blied, for taking the time to grade my bachelor thesis.

Additionally, Dr. Efthymios Constantinides supported me in finding a clear and interesting topic to deepen my knowledge in the field of Marketing.

Through the weeks various companies from Germany, who answered my questionnaire and helped me complete my analysis, supported me. Whether they were eager to take part in the survey or just wished me success for my further thesis, they were an essential help in completing this paper.

Furthermore, the Department of Business Administration of the University of Twente has provided the support and equipment I have needed to produce and complete my thesis.

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9. APPENDIX

9.1 Questionnaire

1. **How many employees work in your company?**
 - 250-1,000
 - 1,000-5,000
 - 5,000-20,000
 - >20,000
2. **In which industry/sector is your company working?**
 - Services
 - Trading
 - Industry/Manufacturing
 - Tourism
3. **Is one specific person responsible for the social media presence in your company?**
Yes, no
4. **On how many social media sites is your company registered?**
 - none
 - 1
 - 2-3
 - 4-5
 - >5
5. **On how many social media sites are you actively represented (e.g. status updates)**
 - none
 - 1
 - 2-3
 - 4-5
 - >5
6. **On which social media sites are you represented?**
 - Facebook
 - Twitter
 - Youtube
 - LinkedIn
 - Xing
 - Google+
 - Netlog
 - Flickr
 - Other, ...
7. **For which reason is your company present on these social media sites?**
.....
8. **Is there a reason why your company is not represented on more social media sites?**
.....
9. **Did you ever have a negative experience with one of these sites e.g. complaints?**
Yes, no

10. If yes, what was the negative experience?

.....

11. If yes, on which social media site?

.....

12. If yes, what did you do to solve this conflict?

.....

13. In how far do you think do social media help your company communicate with customers and potential customers?

1 2 3 4 5

Little or
nothing

very much

14. In how far do you think can social media harm your company during a crisis or a serious negative message?

1 2 3 4 5

Little or
Nothing

very much

15. Can you think of an example, where a serious negative message damaged the company's reputation? E.g. BP oilspill

.....

16. If yes, in how far do you think social media played a role in this?

1 2 3 4 5

Little or
Nothing

very much

17. In how far do you think could your company show a professional presence on social media sites in times of a serious crisis?

1 2 3 4 5

Little or
Nothing

very good

18. Do you think that more responsible people, trainings etc. are necessary to show a professional online presence during a future crisis?

Yes,no