Reputation Threats in Social Media: An Integrative Approach to Prevent Crisis Situations

Author: Nino Zufall University of Twente P.O. Box 217, 7500AE Enschede The Netherlands

n.a.zufall@student.utwente.nl

ABSTRACT

While social media has shifted organizational communication from one-way communication to free conversation, organizations have lost power to control what is being said about them in the world. This can lead to threats for an organization in many cases and many ways. The purpose of this research is to bring together established theories in crisis management, reputation management and social media communication about reaction strategies towards such reputation threats from social media users.

This work covers a critical literature review of well-established theories in this research field, discusses them and comes up with universally applicable strategies.

It was found that the established crisis communication theories still fit in the social media environment when minor adjustments are applied. Although the theories for crisis reactions already are being discussed for over 15 years, there is still a need for empirical evidence, especially when applied to the social media environment.

The originality of this research is given by the creation of a transition from historical theories from crisis communication into a new environment of social media communication. The value of this research is the merger of knowledge from different management sciences into a new multidisciplinary science.

Supervisors: Dr. E. Constantinides; ir J.W.L. van Benthem

Keywords

crisis communication, marketing, online reputation, public relations, reputation management, risk management, social media

Permission to make digital or hard copies of all or part of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage and that copies bear this notice and the full citation on the first page. To copy otherwise, or republish, to post on servers or to redistribute to lists, requires prior specific permission and/or a fee.

3rd IBA Bachelor Thesis Conference, July *3rd*, 2014, Enschede, The Netherlands.

Copyright 2014, University of Twente, Faculty of Management and Governance.

1. INTRODUCTION

Until the mid 1990s, reputation was a relatively wide and unsystematically researched topic for the field of business studies. There were several different definitions for several subfields of research (Fombrun & Riel, 1997). In 1996, Fombrun and Rindova established an integrative definition for corporate reputation: "A corporate reputation is a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiples stakeholders. It gauges a firm's relative standing both internally with employees and externally with its stakeholders, in both its competitive and institutional environments". Fombrun and Rindova (1996) further mention that reputation is a "fragile intangible asset". While assets of organizations are managed, Fombrun considerably contributed to the establishment of reputation management as a science. Although the science of reputation management is relatively young compared to other research fields, it already has experienced a dramatic and ground-breaking change since the beginning of the 21st century.

Since the rise of the Internet and mobile Internet, worldwide communication has become accessible at nearly no cost, for almost everyone, almost everywhere and at almost all times (Nitzan & Libai, 2011). This technological development was the basis for the establishment and of social media interaction. Social media applications are basic instruments for interpersonal communication, communication from persons to audiences or even communication with institutions. They enable to share experiences with products or services publicly by providing a certain degree of anonymity (Krishnamurthy & Kucuk, 2009).

For the field of reputation management this implicates that stakeholders are able to communicate about issues concerning a particular company nearly effortless by using social media. The importance for businesses of this change becomes clear when they realize that "Anyone can say anything about any topic" (Allemang & Hendler, 2011). As Osswald, Portmann, and Meier (2011) mention, this means that even if a person does not have explicit knowledge about a topic he talks about online, his word can be spread around the world. Another important, and maybe the most important, change is the shift of control about an organizations' information that is discussed publicly. As Gaines-Ross mentions in 2010, is criticism not anymore dependent from the information an institution provides to the public. Besides that, she explains that the publicly discussed content is not always based on the truth nor does it give the criticized any advance notice.

While a companies' reputation is fragile and dependent on past actions, negative information, might it be true or not, can cause severe damage, if not an organizational crisis, in almost no time. Therefore such situations are handled by a companies' crisis management.

Crisis management is a discipline that aims on identifying, protecting and if not possible rescuing and repairing the damage experienced (Benoit, 1997). As Coombs in 1998 mentions should an organization utilize an analytic system that focuses on the elements of crises. While the elements and dimensions of traditional communication have shifted significantly due to the emergence of social media platforms it is necessary to adapt the established strategies to the new environment.

This research therefore aims on bringing together existing and established theories, strategies and frameworks about crisis management by creating a transition into the new dimensions of reputation threats for commercial organizations from social media users. Although there is already a decent amount of research done in this topic, yet, it was not found a model that has proven to satisfy the demands for being securely established.

To fill this gap in existing management science, the following research problem will be answered in this paper:

How should commercial organizations deal with social media generated reputation threats and safeguard a stable corporate image?

To answer this problem the following sub-questions will be discussed and answered while serving as a golden thread.

- 1. What are the elements of social media and how can they affect organizations?
- 2. What are reputation threats in social media?
- 3. How can reputation threats be identified and categorized?
- 4. How should companies react to threats?

It will do so with an application of theoretical knowledge gained from a critical literature review of well-established literature from journals mainly dealing with the topics of Marketing, Public Relations, Corporate Communication, Business Strategy such as Business Horizons, Public Relations Review, Corporate Public Relations Review, Journal of Public Relations Research and many others.

The conclusion and the discussion part of this paper will provide the reader with a dense understanding of the research field of reputation management in crisis situations in the age of social media. This understanding will be based on the 'seven functional building blocks of social media' as discussed by Kietzmann, Hermkes, McCarthy and Silvestre (2011), which serves as base frame for the understanding how organizations are or can be affected by social media. The 'Situation Crisis Communication Theory', abbreviated as SCCT, that has been established by Coombs (2004) serves as a guidance through the identification and categorization as well as reaction and response parts of this research. Since this model is already a very basic element in the topic of crisis communication and has constantly been further developed, it is a very vivid object, which fits perfectly in the vivid domain of reputation management in social media. The theory of this model will be reframed in the context of social media interaction by the creation cross connections based on literature from Mangold and Faulds (2009), Vollenbroek, Vries, Constantinides and Kommers (2014) Jin and Fisher Liu (2010) and many others. In total this paper is based on the research of 48 articles and combines the gained knowledge in an integrative approach.

2. LITERATURE REVIEW

To fully understand the impact social media can have on organizations, this part will give an in-depth discussion of the elements and their functionality of social media The developed understanding will then give a transition to the elements and identification of reputation threats and then be integrated in an approach that aims on giving advice on reaction strategies for threats.

2.1 Elements of Social Media

Several researchers are nowadays describing problems that organizations have when it comes to coping with social media. Many organizations seem to have a lack in knowledge and are mismanaging the social web experience and communication (Kietzmann et al., 2011). The first step in coping with social media for an organization is to create a basic knowledge of it. According to Kaplan and Haenlein (2010), "Social Media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content" (p. 61). With the aim to understand the features of such applications, Kietzmann et al. (2011) created a framework consisting of seven elements, each representing a function of social media.

Identity: A user can reveal his identity directly or indirectly. He can directly provide information about himself as well as he can indirectly create an image of his character and preferences via his behaviour (Kietzmann et al., 2011, Kaplan & Haenlein, 2010). As mentioned by Krishnamurty and Kucuk (2010), a certain degree of anonymity for the user can be the result. Logically, this is strongly depending on the information the user provides.

Conversations: Conversations in social media can have different forms and are a major topic for organizations. Typical online conversations are tweeting, blogging or discussion with the aim of looking for relevant information. There are however also some users that use the social media environment as a platform for strengthening their voice in order to proclaim messages about "humanitarian causes, environmental problems, economic issues or political debates" (Beirut, 2009). The conversations dimension is from particular importance for organizations since its content can be of harming nature for organizations. Anyways, firms can use conversations to interact with users in the online marketplace. This can have positive as well as negative impacts for organizations and should, for this reason, be handled with special caution. For organizations, other important aspects are the possibilities it offers for monitoring their online reputation (McCarthy, Lawrence, Wixted & Gordon, 2010). This however, will be discussed in the 'identification of reputational threats' part.

Sharing: Users can exchange or distribute content, however, this dimension is not only concerned with this but also with content management of organizations. In case an organization provides users a platform to interact, they definitely have to keep an eye on the content and eventually take action. For instance should inappropriate content or content that violates the law be removed. But this dimension also provides the companies insights into user behaviour and is therefore strongly related to the other dimensions.

Presence: This dimension is about availability and possibility of communication. More precisely, it can provide information about accessibility and location of users or organizations. Especially when it comes to communication between users and organizations the live experience, meaning that communication is in real-time, plays an important role for the user and can have a major impact on the relationship between these parties. In 2010, Kaplan and Haenlein point out that a higher presence can certainly result in higher influence for conversations. Their classification matrix of social media can be found in the appendix.

Relationships: Relationships can be described with the help of the social theory of structure and flow (Borgatti & Foster 2003, Granovetter, 1973). The structure of relationships of a particular user can depict his influence on others. Influential users, which are from particular interest for organizations, have a large amount of dense relationships. The strength of relationships can be seen via the frequency interaction that takes place. The longer lasting and more emotional the interaction, the stronger is the relationship (Krackhardt, Nohria & Eccles, 1992). In contrast, Hansen (1999) points out that weak relationships can be described as distant and infrequent.

Reputation: This dimension is related to the organizational as well as to user reputation. Organizations should monitor the own reputation in anyway. Furthermore social media can offer

the possibility to evaluate the reputation of users, which can be important for organizations too, e.g. for identifying and evaluating the importance of particular influencing users. A more profound discussion on monitoring can be found in the 'Identification and Categorization' part.

Groups: The last dimension of Social media is about interaction of users within special groups or communities. Organizations can learn about attitudes within such groups and make estimations about the synergies with other dimensions.

Kietzmann et al. (2011) used these seven dimensions to create a model that they called 'the honeycomb of social media'. A picture of this can be seen in Appendix 2.

As it was shown, influence is a strong keyword in the social media environment. Social media influencers, in the following named SMI's, play an important role for consumers who are about to make decisions. Freberg, Graham, McGaughey and Freberg (2011) found in their exploratory, that SMIs are rather chosen as a source for recommendations than information published by the CEO of an organization. This complements the finding of Foux (2006) that information published in social media is rather trustworthy than corporate published information with respect to products or services. This perception echoes the trend that consumers, who are about to make buying-decisions, are increasingly often looking for information in the social media environment (Mangold & Faulds, 2009). While consumers do not only seek information to make decisions but actively take part in the communication with SMIs, who actually find enjoyment in their advisory function (Freberg et al., 2011 proved the assumption of Straley, 2010), an organizations' ability to control the content is decreased (Mangold & Faulds, 2009). Thus, visualizing that SMIs do not necessarily provide the social media environment with positive but also negative impressions (Gorry & Westbrook, 2009), gives a more specific impression on how reputational threats can be created and how important social media for organizations is.

2.2 Reputation Threats in Social Media

However, not all the content that first seems to threaten the organizations reputation is automatically a threat for the reputation. Instead, it can become a threat if the organization does not react properly, but many problems can be solved via customer relations, which could eventually even result in a beneficial situation. (NEMO Conference, 2013)

A short parenthesis concerning the terminology of the following: In 2006, Brown, Dacin, Pratt and Whetten points out that "image concerns what an organizational member wants others to know (or believe they know) about the organization, while reputation is a perception of the organization actually held by an external stakeholder". He further states that in literature, image and reputation are used interchangeably. For this paper, we will use 'reputation' even if in sources the word 'image' is used. For the reason that this paper discusses attacks of users on the reputation of a brand, which includes the attack on the image, it is proceeded in this manner.

In an environment that is based on communication, such as social media, it is only reasonable to assume that threats can only be a result of communication. One of the reasons that cause individuals to create negative content is anger (Coombs & Holladay, 2007). But what should be seen as negative content for an organization? Benoit (1997) points out that an attack or complaint against an organization is based on:

- "1. The accused is held responsible for an action" and
- "2. That act is considered offensive" (p.178)

Interestingly, he adds to these components that the perception, meaning: 'what is thought by the external stakeholder', outdoes the reality in importance. This corresponds to what Coombs (2006) mentions when he discusses the roots of crisis communication. He highlights that the creation of negative word-of-mouth, depends on the perception of an organizations' responsibility. He further explains that Weiner (1986) built his attribution theory on the fact that individuals have to see someone being responsible for negative events. Users will therefore attribute the responsibility either to an internal party that is directly involved in the issue or to an external party whose actions have indirectly led to this situation. In addition, if the attributed responsibility increases, the possible damage on a brands reputation also increases (Coombs, 2006). To a rational thinking person, it might seem strange that the reality is less important for crisis potential than untruth. This can be linked to what Gaines-Ross (2010) mentions by saying that reputation threats do not necessarily need to be rational. There is another important keyword that can directly be related to the untruth:

Rumors have potential to threaten the reputation of an organization due to the fact that, although consisting of wrong information (Coombs and Holladay, 2005), they can meet the expectations of customers. (Jin and Fisher Liu, 2010). Eccless, Newquist and Schatz (2007) mention a change of expectations customers have as one of the major factors that increase risk for an organizations' reputation. While users can freely communicate in the social media environment, organizations have nearly no power to stop the creation of rumors. This clearly depicts a situation in which an organization has low personal control, as mentioned by Coombs in 1995. In contrast, high personal control would be if the organization acted consciously harming towards any party. Thus, "personal control reflects whether the event's cause is controllable or uncontrollable by the actor" (Coombs, 2004, p.267). Personal control is one of the dimensions, Coombs mentions (2004) in his discussion of attribution theory with respect to organizational responsibility of crisis situations. The locus dimension is congeneric to personal control. It describes whether the cause of the situation is situation dependent or rather an actor (Coombs, 2004; McAuley Duncan & Russell, 1992; Russell, 1982; Wilson, Cruz, Marshall, & Rao, 1993).

Another dimension that affects the perception of responsibility of a negative event is external control. Strong external control describes a situation happening to a party as being dependent from another parties' decisions. Thus, external control describes the extent to which an external party controls a situation (Coombs, 2004).

Stability is the last dimension that affects the perception of responsibility as discussed by Coombs (2004). It describes the history of negative, respectively crisis, situations of a specific party (in this context of course an organization). Has there happened more of such situations, is the situation being seen as unstable in contrast to a stable situation depicting no significant crisis (Coombs, 2004). This can be referred to a very basic human assumption: If one does not learn from his recent failures, there must something be wrong.

Summarizing, a reputation threat is an issue that, depending on the perception of responsibility for the cause of a negative event, can result in a crisis situation for an organization, while social media, as part of the Internet, has a facilitating and accelerating function (Gonzales-Herrero & Smith, 2008).

2.3 Identification of threats and Categorization

One could assume that to an organization should most probably be quite easy to identify threats for their reputation. But the identification of threats is much more than simply recognizing that something is a rumor, complaint or that there has occurred a failure within the company that has now gone public. Identification of threats is a very extensive work for organizations and demands from them a certain amount of resources (Kietzmann et al., 2011). The following text gives an explanation:

While issues created in the social media environment can end up spreading like wildfires, it is from particular importance to monitor them (Coombs & Holladay, 2008). However, due to the complex and gigantic nature of the social media environment, it is virtually impossible to gain an entire overview of all the content created. Hence, organizations have to understand how the environment they are acting in works (Kietzmann et al. 2011). Kietzmann et al. (2011) therefore state that organizations, after having understood the functionality of the environment, need to find out if and where users create content that concerns the organization. To facilitate this, they suggest persistently scanning social media platforms by using the 'honeycomb of social media' as a lens. By doing so, it should be focused on identifying SMIs (Kietzmann et al., 2011) who "have more knowledge and experience regarding a specific issue than the average public and/or are more interested in learning about a specific issue than the average public" (Perlmutter, 2008). However, Vollenbroek et al. (2014) identified three parameters of influence in social media:

- The influential actor, which can be seen as the SMI
- The influential interaction, happening between the actor and the receiver, who promotes the message
- The influential network, which is utilized as the audience for the interaction.

Vollenbroek et al. (2014) furthermore found 27 indicators that can help identifying behavioural influence in the social media environment. Figure 1 depicts their list of the top ten indicators they identified being most important. Vollenbroek et al. (2014) highlight, that a change in an indicators' value is directly related to the influence.

Figure 1: Top-10 indicators for behavioural influence ranked in decreasing importance

- 1 a message is often shared
- 2 a message evokes many responses
- 3 a message is widely quoted
- 4 a message is used by many others
- 5 the actor is an active mind
- 6 the message is credible
- 7 the actor has high impact on others
- 8 the actor is an authority
- 9 the actor has expertise in a particular field
- 10 a message evokes many personal responses.

Source: Vollenbroek et al. (2014)

But the identification and eventually engaging with SMIs (Kietzmann et al., 2011), although an important, is only a preliminary step. They key ingredient, again, lies in constantly monitoring them (Jin & Fisher Liu, 2010).

Reading the content created by five, ten or fifteen SMIs that post several times daily all over the world in different time zones would probably be doable by a small team of employees. But this is not what is meant with monitoring, and it would in several cases not even touch the range of content generated, aside from the lack in efficiency. To properly monitor the social media environment it is necessary to create metrics (Kietzmann et al. 2011). These metrics can, depending on what they aim on, provide the company with important information. The indicators depicted in Figure 1 could be used to set up the pattern for metrics in monitoring the influence in social media interaction. The following provides some examples of metrics in social media, as discussed by Kietzmann et al. (2011):

- Measuring the number of mentions over a specific period in time provides an organization with information about their strength or popularity.
- Looking at specific users and measuring how often they mention an organization would provide the organization with a degree of passion these users have.
- Comparing the total number of mentions of a specific organization with the amount of different participants in discussions about the specific organization delivers a degree of reach.
- Measuring the positive against the negative mentions provides an organization with information about the sentiment

These metrics play an important role with respect to the recognition of trends in the conversations (McCarthy et al. 2010). A sudden increase in the number of mentions could, for example, reveal an evolving issue. Monitoring the sentiment could reveal whether this issue is from negative or positive nature.

Particularly today, many internet firms have realized the importance of monitoring tools, which led to a whole new sub-industry of web monitoring tools.

A very different approach that helps monitoring issues is providing the users a social media platform, such as a forum or a blog, which aims on conversations with customers. This enables an organization to shape the conversations and engage with customers. In Addition, it enables an organization to provide information in order to resolve the issue in a frame they provide (Mangold & Faulds, 2009).

However, when a negative issue is identified, it is useful to be prepared (Benoit, 1997). Since time in social media is a crucial factor (Gaines-Ross, 2010), being prepared can speed up the time to respond and even prevent from making a failure. Being prepared means that there should be a planning that addresses who responsible is and what the contingencies are (Benoit, 1997). Gaines-Ross (2010) intensifies this statement by advising to build 'frontline teams'. Benoit (1997) further states, that such a planning should be tailored to the organization, its industry and, very importantly, it should be adjustable to the situation and to the audiences. The next step is to analyse the accusations (Benoit, 1997). This can also be referred to Coombs (2007) who states, that the first step in the analysis of a threat should be to assess the responsibility. As already discussed, it is necessary to be aware of that fact that the assessment of the responsibility from users is subjective and strongly depending on the users' believe (Coombs, 1995). Therefore, Coombs and Holladay (2002) suggests a classification into three crisis clusters:

1. The victim cluster includes situations in which users attribute very little to no responsibility to an organization.

These are situations, such as natural catastrophes, on which an organization has no influence

2. The accidental cluster includes situations in which users attribute only a little responsibility to an organization

Such as situations which are seen as not being intended or situations that happened through an failure that was not foreseeable

3. The intentional cluster includes situations in which users attribute very much responsibility to an organization

These are situations that resulted from a human failure or mismanagement, thus, most probably could have been prevented

As earlier found, does the severity of a threat strongly increase as more responsibility is attributed (Coombs, 2007). The division of threats in such clusters can, therefore, be directly related to Benoit's (1997) statement that the severity of the issue must be determined.

The classification of threats is probably the most crucial part in the preparation of reactions. The reason for this is that every further step that aims on controlling or diminishing a threat for the reputation of an organization can only function properly when the decision was made right. The next chapter will show why.

2.4 Reaction and Response

When talking about user conversations, Kietzmann et al. (2010) mention: "Firms should know when to chime in" (p. 245). In case an individual is threatened and has decided not to ignore but to react, it generally has two options, either it responds offensive or defensive (Thomas, Peters, Howell & Robbins, 2012). But for organizations, the decision to join a conversation is not made that easily, since a wrong decision can have tremendous consequences for an organizations' reputation Therefore, a threat leads organizations rather to the question, if, when and how to join.

To come to the right decision, organizations have to look in the past; more precisely, they have to look at their crisis history in an exhaustive manner (Coombs, 2004). The reason for this, again, is the perception of users. When users think of an organization that actually faces a threat, their perception of the organization, the current threat and/or the current crisis will be influenced by past crisis (Coombs, 2004). An organization that projects others to have a consistent problem if it struggles from crisis to crisis depicts what is defined as having a high consistency (Kelley & Michela, 1980).

Another important factor that arises from the past behaviour of an organization is called distinctiveness (Kelley & Michela, 1980). It depicts the degree to which an organization had a good or bad reputation and ranges from low to high. If an organization has already had a bad reputation, which is caused by badly companying stakeholders, its distinctiveness is low (Coombs, 2007). The importance of these factors becomes clear when Coombs (2007) highlights, that if an organization has a high consistency or a low distinctiveness, the degree to which users will attribute guilt to an organization is worsened. In praxis, this would mean that an organization that accidentally made a mistake would be accused of having made this on purpose. Complementary to this would a threat that would from fact be categorized as 'victim' by users be recognized as 'accidental' (Coombs, 2007). From this perspective, an organization logically has to accept more responsibility if the perceptions of users are influenced (Coombs, 2007). If the organization accepts the attributed responsibility this must then be expressed in a statement. This task should be taken by an 'official spokesperson' from the organization (Gaines-Ross, 2010). In most cases the CEO serves as 'human face' of an organization (Gaines-Ross, 2010).

These are the basic response strategies as developed by Coombs (2006):

- 1. Denial strategies aim on clarifying that the organization has nothing to do with the accusations.
- 2. Diminish strategies aim on mitigation of issues. They involve much risk for an organization and should always rely on facts.
- 3. Rebuild strategies aim on highlighting what is done in order to help stakeholders through a crisis.

Since these strategies are only a rough explanation on how an organization can react, the following will explain the decisions that can be made as discussed by Coombs (2007).

A short recall of the factors identified:

- There are three clusters which depict the attributions of responsibility for a crisis: The victim cluster, the accidental cluster and the intentional cluster
- It is important whether there has been a history of crisis
- Further does the prior reputation play an important role: negative, neutral or positive

Figure 2: Interdependencies in the SCCT



Source: Coombs (2007)

In victim situations, which are depicted by minimal or low attributions for responsibility as well as no history of similar situations there are some options for the organization. If the organization has had a neutral or positive prior reputation, it is advised to adjust the information and instruct the parties involved. But if the organization has had a negative reputation or if it has had similar crisis, it is advised to respond in diminishing fashion.

Anyhow, when the upcoming issues are about "workplace violence, product tampering, natural disasters and rumors" (p. 173), Coombs (2007) advises organizations to emphasize being also a victim of the situation. Another option in rumor situations is to simply use a denial response. This can also be an option if the issue identified is a challenge.

In accident situations, which are depicted by low attributions of responsibility an organization should choose to use a diminishing response when there has not been prior similar situations and the reputation was neutral or even positive, whereas the rebuild response should be taken if there actually were prior similar issues, a prior negative reputation or if both is the case.

If the issue had been preventable, there is no other option than to choose a rebuilding reaction strategy (Coombs, 2007).

It should now be clear when to choose which strategy to respond, but which are the forms in which these strategies can be expressed?

The following provides a short overview:

Rebuilding strategies include compensations and/or apology. Apology in this case would mean that the organization acknowledges its responsibility (Coombs, 2007), which can also result in claims (Benoit, 1997). Since rebuilding is the most expensive strategy to choose, in most cases it is the most unfavourable strategy but sometimes simply has to been chosen. Denial responses would have the form of an attack of the issue creator stating that the accusation is based on false information, simply emphasizing the nonexistence of a crisis or blaming a third party.

Diminishing responses would be excuses or justification. However, excuses and justification should aim on minimizing the issue by emphasizing that the organizations intention was not to make any harm, the issue was out of control or even mentioning that the issue was trivial (Coombs, 2007).

Coombs (2007) additionally highlights that a combination of denial and diminish will lower the performance.

Coombs and Holladay (2008) add to the theory, that there are eventually parties involved that are not harmed by the issue. When the aim of the accused organization is to shift the perceptions of such parties, it is rather advantageous to facilitate sympathy and compensation. They further add, that the focus of this model in the first place is to help organizations that stakeholders are not harmed. Therefore, it should, when it comes to such issues and the organization knows it was preventable, never elude their responsibility (Coombs & Holladay, 2008). If it comes to light that the organization denied their responsibility incorrectly, the trustworthiness of the organization will be damaged tremendously (Benoit, 1997).

3. CONCLUSIONS

Former literature has shown that threats for an organizations reputation arise from crisis situations of organizations (Jin & Fisher Liu, 2010). This research has revealed that crisis situations can be facilitated and accelerated via the social media environment and therefore threaten the reputation of organizations tremendously. Although the elements for reputation threats and crisis situations are mixed up due to the increasing publicity of social media as a source for knowledge, the established crisis communication theory of Coombs (2002, 2007), namely SCCT, still seems to be applicable. This is complementary to what Gonzales-Herrero and Smith in 2008 mention by discussing that crisis communication has to be fitted to social media by adapting the tools. This 'Situational Crisis Communication Theory' was originally created to help organizations cope with crisis situations in order to prevent the corporate reputation from being harmed and eventually repair it if it already was harmed. It was not related to reputation threats that arise from social media. Fisher Liu, Austin and Jin (2012) found in their study that statements of organizations that were concerned with defensive, supportive or evasive content were seen rather trustworthy when provided via traditional communication then via social media communication channels. Laczniak, Thomas, DeCarlo and Sridhar (2001) have found in their study about word-of-mouth communication that if negative content about an issue is credited to the accuser, the parties that catch the issue will not think worse about the accused. Their findings can be related to the quality of the negative content. They expand this by stating that "negative WOMC (Word-Of-Mouth-Communication) configured in a strong and compelling manner, negatively affects brand evaluations" (p. 70), while "negative WOMC that is less compelling could even have a positive effect on consumers evaluations" (p. 70). Their interpretation of this can be related to Benoit (1998). Both state that an organization does not always need to react on negative content from external parties. Even if they wanted to join every conversation about them, they simply would not be able to (Hallahan, 2010). When Gaines-Ross (2008) talks about the interaction with users, she highlights that an organization should never insist on demonstrating the power it has.

To answer the first research question ('What are the elements of social media and how can they affect organizations?'), it was found that Kietzmann et al. (2011) provide with their theory about 'seven functional building blocks of social media' a framework that can applied with the aim to clarify and establish a focus on important and affecting elements of social media. This can by achieved by using the 'honeycomb' (see Appendix 2) as a lens while observing social media. Kietzmann et al. (2011) identified the following elements: Identity, Conversations, Sharing, Presence, Relationships, Reputation and Groups

These are the basic elements of social media that have to be further evaluated in order to find the extent the organization is affected by them. Kietzmann et al. (2011) add that not all of these elements necessarily have to be featured and that most social media applications in general feature not more than four of these elements.

The answer to the second research question (What are reputation threats in social media) has been found to being rooted in the attribution theory. While reputation threats, simply put, are negative content that affect a party in an offensive way, attribution theory indicates, that they are particularly dependent from the perceptions an audience has and how much responsibility it attributes to the accused about an issue. Internal control, external control and the stability dimension are shaping these perceptions.

The identification threats (research question three: How can reputation threats be identified and categorized?) is a matter of identifying influence, measuring and monitoring it. This can be accomplished by identifying social media influencers, influential interaction and/or influential network. While constantly scanning with the aim of identification is an important issue, constantly monitoring the identified is too. The 'Top-10 indicators of behavioural influence' as developed by Vollenbroek et al. (2014) therefore are an important point of interest when it comes to the creation of metrics to measure. When a threat is identified, it can, depending on the attributed responsibility, be categorized into three clusters: The victim cluster, the accidental cluster, the accidental cluster and the intentional cluster

Reaction strategies (research question four: How should companies react to threats?) can be categorized into three main aims: Denial strategies, Diminish strategies and Rebuild strategies. The literature has revealed that the decision which strategy to choose is dependent from the consistency of crisis situations (crisis history), the distinctiveness and the attributed responsibility. While the identification and proper categorization of threats in some cases might be somewhat difficult and therefore might result in a time delay, it is important to know that there are some basic response strategies that can be applied or replied in any case regarded as worth a response. The main idea of these answers lies in the central idea of the SCCT model of Coombs (1999), namely preventing stakeholders from harm. This can have the form of helping them to help themselves from the issue and/or helping them to cope psychically. An important response to prevent organizations' reputation from harm and, complementary, helping stakeholders dealing with such issues, is to highlight what the organization does in order to guard against further issues of such kind (Coombs & Holladay, 2008).

With regard to the main research problem (How should commercial organizations deal with social media generated

reputation threats and safeguard a stable corporate image?) there are several aspects involved. It is important that organizations are aware of the threats and opportunities social media can create. The above given answers to research questions one to four provide a universally applicable guideline for many or probably most situations. However, organizations should never forget that the social media environment is eminently vivid and permanently further developing which calls for adjustments in strategies and techniques over and over.

4. **DISCUSSION**

An organization should in anyway follow a set of rules for being prepared to handle threats from social media. Optimally, these rules should include a framework for the identification of the threat and lead via the threat categorization to a response strategy, as previously discussed in the literature review part. The organization should follow this framework strictly but still be able to adapt it to special situations. Using the framework of Kietzmann et al. (2011) can be helpful in many cases. It will be provide the organization with knowledge for creating an overview of the elements of social media and how they affect the organizations. With this, a focus on details can be created, such as SMIs that might create threats. Threats in the context of social media reputation management are found to be negative issue that are facilitated and accelerated by the social media environment, created by users and can result in crisis situations for companies. These threats are strongly depending on and shaped by the perception users have of accused organization.

To identify such threats it was found necessary to utilize monitoring and defining special metrics that help organizations gaining knowledge. Using the top-ten indicators for influence in social behavior as a direction for metrics in monitoring will help an organization in identifying who and where most influencing is. When a threat actually is identified, the categorization of the issue should be done using the three clusters discussed by Coombs (1995):

Victim cluster, Accidental cluster, Intentional cluster

In order to decide whether and how to respond to such a threat, all perception shaping factors should be evaluated profoundly and an evaluation of which strategy should be chosen should take place: Deny, Diminish or Rebuild

4.1 Implications for Practice

Regardless of the industry and whether it is actively engaged in online businesses or not, an organization has to be aware of threats that can arise in the social media environment. It is strongly recommended that an organization should have a plan for crisis or threatening situation. This plan should be worked out and integrated thoroughly into the organizational structure that will enable the organization to react promptly and without risking a backfire situation, if the need arises. The organization should furthermore be aware of the fact that honesty and transparency are very important and will prevent the organization from making mistakes in responses to threats that could possibly result in crisis situations. A useful start could be the identification of employees that are able to identify and react to content in the social media setting. Furthermore, these employees should follow the framework and permanently try to improve and adjust it. Learning is a keyword. Nevertheless, organizations should not see social media as of source for threats but a source for knowledge. The proper handling of threats and influence in social media can improve the relationship to users and possible future customers by giving them a feeling of being heard, seen as important and being valued

4.2 Implications for Science

The topic of threat responses is a scarcely discussed and researched science. There is a strong need for research that aims on evidence for the application of crisis prevention and communication in social media. This research gives an insight in the different topics that should be carefully observed when it is thought of threats from social media. Furthermore, it provides a transition from crisis communication to threat communication, which, until now, has not been researched.

4.3 Limitations

This research, as all research papers relying on literature, has quite an amount of limitations. Since the applied theories and models have, in their own, limitations. The SCCT developed by Coombs has lacks with regard to its creation with by the analysis of case studies and further development with the help of statistical evidence from student samples. Benoit's guidelines instead are based on the analysis of best-practice examples.

4.4 Future Research

The future in research of threats arising from social media and the prevention of crisis situations that can be evoked should try to find empirical evidence for the transition made. It would be from particular importance to find ways that enable companies to help stakeholders in unsatisfying situations and at the same time helping the organization to prevent from reputational threats. A very important term that always pops up when there is a discussion about responses in social media is 'speed'. The implication of time in responses should definitely be a topic of further research with regard to reputational threat.

5. REFERENCES

- 1. Allemang, D., & Hendler, J. (2011). Semantic web for the working ontologist: effective modeling in RDFS and OWL. Elsevier.
- Austin, L., Fisher Liu, B., & Jin, Y. (2012). How audiences seek out crisis information: Exploring the social-mediated crisis communication model. *Journal* of Applied Communication Research, 40(2), 188-207.
- Beirut. (2009, August 21). Why do people really tweet? The psychology behind tweeting! Retrieved June 29th, 2014, from http://blog.thoughtpick.com/2009/08/why-do-peoplereally-tweet-the-psychology-behind-tweeting.html
- Benoit, W. L. (1997). Image repair discourse and crisis communication. Public relations review, 23(2), 177-186.
- Borgatti, S. P., & Foster, P. C. (2003). The network paradigm in organizational research: A review and typology. Journal of management, 29(6), 991-1013.
- Brown, T. J., Dacin, P. A., Pratt, M. G., & Whetten, D. A. (2006). Identity, intended image, construed image, and reputation: an interdisciplinary framework and suggested terminology. *Journal of the Academy* of Marketing Science, 34(2), 99-106.
- Coombs, W. T. (1995). Choosing the Right Words The Development of Guidelines for the Selection of the "Appropriate" Crisis-Response Strategies. *Management Communication Quarterly*, 8(4), 447-476.

- Coombs, W. T. (1998). An analytic framework for crisis situations: Better responses from a better understanding of the situation. Journal of public relations research, 10(3), 177-191.
- Coombs, W. T. (2004). Impact of past crises on current crisis communication insights from Situational Crisis Communication Theory. Journal of Business Communication, 41(3), 265-289.
- Coombs, W. T. (2006). The protective powers of crisis response strategies: Managing reputational assets during a crisis. *Journal of Promotion Management*, 12(3-4), 241-260.
- Coombs, W. T. (2007). Attribution theory as a guide for post-crisis communication research. Public Relations Review, 33(2), 135-139.
- Coombs, W. T. (2007). Protecting organization reputations during a crisis: The development and application of situational crisis communication theory. Corporate Reputation Review, 10(3), 163-176.
- Coombs, W. T., & Holladay, S. J. (2001). An extended examination of the crisis situations: A fusion of the relational management and symbolic approaches. Journal of Public Relations Research, 13(4), 321-340.
- Coombs, W. T., & Holladay, S. J. (2002). Helping Crisis Managers Protect Reputational Assets Initial Tests of the Situational Crisis Communication Theory. Management Communication Quarterly, 16(2), 165-186.
- Coombs, W. T., & Holladay, S. J. (2005). An exploratory study of stakeholder emotions: Affect and crises. *Research on emotion in organizations*, 1, 263-280.
- Coombs, W. T., & Holladay, S. J. (2007). The negative communication dynamic: Exploring the impact of stakeholder affect on behavioral intentions. *Journal of Communication Management*, 11(4), 300-312.
- Coombs, W. T., & Holladay, S. J. (2008). Comparing apology to equivalent crisis response strategies: Clarifying apology's role and value in crisis communication. Public Relations Review, 34(3), 252-257.
- Eccles, R. G., Newquist, S. C., & Schatz, R. (2007). Reputation and its risks.*Harvard Business Review*, 85(2), 104-14.
- Fombrun, C. J., & Rindova, V. (1996). Who's tops and who decides? The social construction of corporate reputations. New York University, Stern School of Business, Working Paper, 5-13.
- Fombrun, C., & Riel, C. B. M. (1997). The reputational landscape. Corporate reputation review, 1-16.

- Foux, G. (2006). Consumer-generated media: Get your customers involved. *Brand Strategy*, 8, 38-39.
- Freberg, K., Graham, K., McGaughey, K., & Freberg, L. A. (2011). Who are the social media influencers? A study of public perceptions of personality. Public Relations Review, 37(1), 90-92.
- Gaines-Ross, L. (2008). Corporate reputation: 12 steps to safeguarding and recovering reputation. John Wiley & Sons.
- 24. Gaines-Ross, L. (2010). Reputation warfare. Harvard Business Review, 88(12), 70-76.
- 25. Gonzales-Herrero. A., & Smith, S. (2008). Crisis Communications Management on the Web: How Internet-Based Technologies are Changing the Way Public Relations Professionals Handle Business Crises. Journal of Contingencies and Crisis Management, 16(3), 143-153.
- 26. Granovetter, M. (1973). The strength of weak ties. American journal of sociology, 78(6), l.
- Gorry, G. A., & Westbrook, R. A. (2009). Winning the internet confidence game. *Corporate Reputation Review*, 12(3), 195-203.
- Hansen, M. T. (1999). The search-transfer problem: The role of weak ties in sharing knowledge across organization subunits. Administrative science quarterly, 44(1), 82-111.
- Jin, Y., & Fisher Liu, B. (2010). The blog-mediated crisis communication model: Recommendations for responding to influential external blogs. Journal of Public Relations Research, 22(4), 429-455.
- Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. Business horizons, 53(1), 59-68.
- Kelley, H. H., & Michela, J. L. (1980). Attribution theory and research. *Annual review of psychology*, 31(1), 457-501.
- Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. Business horizons, 54(3), 241-251.
- 33. Krackhardt, D., Nohria, N., & Eccles, R. G. (1992). Networks and organizations: Structure, form, and action. Harvard Business School Press, Ch. The Strength of Stong Ties: The Importance of Philos in Organizations, 216-239.
- Krishnamurthy, S., & Kucuk, S. U. (2009). Antibranding on the internet. Journal of Business Research, 62(11), 1119-1126.
- Laczniak, R. N., DeCarlo, T. E., & Ramaswami, S. N. (2001). Consumers' responses to negative word-ofmouth communication: An attribution theory

perspective. Journal of Consumer Psychology, 11(1), 57-73.

- Mangold, W. G., & Faulds, D. J. (2009). Social media: The new hybrid element of the promotion mix. Business horizons, 52(4), 357-365.
- McAuley, E., Duncan, T. E., & Russell, D. W. (1992). Measuring causal attributions: The revised causal dimension scale (CDSII). *Personality and Social Psychology Bulletin*, 18(5), 566-573.
- McCarthy, I. P., Lawrence, T. B., Wixted, B., & Gordon, B. R. (2010). A multidimensional conceptualization of environmental velocity. Academy of Management Review, 35(4), 604-626.
- NEMO Conference 2013 Timothy Coombs Crisis, Social Media & Zombies. (2013, December 20). *YouTube*. Retrieved May 11, 2014, from https://www.youtube.com/watch?v=Sospe3H9oMs
- Nitzan, I., & Libai, B. (2011). Social effects on customer retention. Journal of Marketing, 75(6), 24-38.
- Osswald, M., Portmann, E., & Meier, A. (2011). Unscharfe, kontextbewusste Ontologien im Social Web. Bachelor thesis, Fribourg: University of Fribourg, Departement of Informatics.
- 42. Perlmutter, D. D. (2008). Blogwars: The new political battleground.
- Russell, D. (1982). The Causal Dimension Scale: A measure of how individuals perceive causes. *Journal* of Personality and Social Psychology, 42(6), 1137.
- 44. Straley, B. (2010). How to: Target social media influencers to boost traffic and sales. *Retrieved May 17*, 2014., from http://mashable.com/2010/04/15/social-mediainfluencers/
- Thomas, J. B., Peters, C. O., Howell, E. G., & Robbins, K. (2012). Social Media and Negative Word of Mouth: Strategies for Handing Unexpecting Comments. Atlantic Marketing Journal, 1(2), 7.
- Vollenbroek, W., Vries, S., Constantinides, E., & Kommers, P. (2014). Identification of influence in social media communities. *International journal of* web based communities, 10(3), 280-297.
- 47. Weiner, B. (1982). An attribution theory of motivation and emotion. *Series in Clinical & Community Psychology: Achievement, Stress, & Anxiety.*
- Wilson, S. R., Cruz, M. G., Marshall, L. J., & Rao, N. (1993). An attributional analysis of compliancegaining interactions. *Communications Monographs*,60(4), 352-372.

6. APPENDIX

Appendix 1: The honeycomb of social media



Kietzmann et al. (2011)

Appendix 2: Classification of Social Media by social presence/media richness and self-presentation/self disclosure

		Social presence/ Media richness		
		Low	Medium	High
Self- presentation/ Self- disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)

Kaplan and Haenlein (2010)

ACKNOWLEDGEMENTS

Many thanks to Dr. E. Constantinides for bringing me on the right track with his constructive feedback.