Online Reputation Management

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ABSTRACT
Several years ago, companies could defend their reputation by controlling the information available about the company, through strategically placed press announcements and good public relations managers. Today, with the rise of Social Media; reputation management has been expanded with online reputation management. Companies have no advance notice or time to reflect on content of people on Social Media. When traditional customer attacks were brewing, companies had at least a warning and a modicum of control over how events will unfold. Nowadays, when a customer launches an attack on Social Media; companies have no control, and reputation damage can be the result. Reputation damage may have significant influence on the overall results of companies in the future. Online reputation management is the way by which companies can deal with customer attacks on Social Media, that is why companies have to organize and execute an effective online reputation management.

The paper will explain the expanding of reputation management with online reputation management. Besides that, the paper will provide the field of a classification of the existing literature about online reputation management, extent the existing knowledge, supply management of recommendations for decision-making, and set directions for future research.

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Keywords
Customer empowerment, Social Media, customer attacks, reputation threats, reputation damage, online reputation management, prevention strategies, reaction strategies.
1. INTRODUCTION

1.1 Background Information

The way people communicate in the world has changed in the last decades. Nowadays, most of the people have a proper connection to the Internet, by which they can communicate and exchange all kinds of information, and in order to overcome time, distance and location constraints. Originally, the Internet is derived from the Army of the United States that developed a technology to create an efficient way of communication and information exchange between the different universities that were working for the Advanced Research Project Agency. Since the attendance of the ‘World Wide Web’ in the beginning of the nineties, the sequel of the Internet, a revolution took place. The World Wide Web was intended to be a tool for scientists, but it became also accessible for public after a while, what resulted in a new revolutionary platform to communicate worldwide. This platform offered people the possibility to exchange information, by publishing content, called Web 1.0. The platform transformed to Web 2.0, since people did not only publish content, but the whole World Wide Web was continuously modified and renewed by all its users.

Last decade, Web 2.0 turned out to be the platform for Social Media. Social Media is the collective term of all the platforms, by which people can exchange information through different internet applications. ‘The current trend toward Social Media can therefore be seen as an evolution back to the Internet’s roots, since it retransforms the World Wide Web to what it was initially created for: a platform to facilitate information exchange between users’ (Kaplan & Haenlein, 2010). A more comprehensive definition of Social Media, according to (Vollenbroek et al, 2014), is as follows: ‘Interactive online applications allowing the creation and dissemination of customer-generated content as well as the creation of personal social networks.’

Customer-generated content from that aspect can consist out of words, sounds or videos. It needs to fulfil three basic requirements in order to be considered as such: first, it needs to be published either on a publicly accessible website or on a social networking site accessible to selecting group of people; second, it needs to show a certain amount of creative effort; and finally, it needs to have been created outside of professional routines and practices (Kaplan & Haenlein, 2010). There are a lot of different Social Media platforms, with each a different purpose and target group. There are some general sites, like Facebook that is used by all kinds of people to exchange different kinds of content. MySpace, YouTube, Instagram and Flickr are, on the other hand, platforms which focus only on the sharing of photos and videos. A professional platform, by which people can exchange information through different webpages, is LinkedIn. Hence, LinkedIn will mainly be used in the business world. An easy and popular way to share content are Weblogs, by for example Blogger. The easiest and most used manner to blog is Twitter; this is a platform by which people can send ‘Tweets’ of 140 characters to all their followers. Other often used Social Media platforms are the encyclopedia Wikipedia, Reddit, TripAdvisor, Foursquare, Yelp and Google+. However, also contributing reviews to shopping sites, petition sites, online gaming communities, and dating sites with online profiles are Social Media platforms.

Social Media is a fast growing phenomenon in the world. There are indicators that the value of Social Media applications has raised to many trillions of dollars (Trusov et al, 2010). It is therefore reasonable to say that Social Media represent a revolutionary new trend that should be of interest to companies (Kaplan & Haenlein, 2010). This emphasizes the importance of recognizing Social Media activity as a relevant task at companies. Besides the opportunities that Social Media offers, there are also possible threats for companies. Imagine what happens when your brand gets its 15 minutes of fame on YouTube, but for the wrong reason? This is exactly what Taco Bell went through, an American chain fast-food restaurant. A video of rats running around a Taco Bell’s store in New York was posted on YouTube. Just minutes after, duplicates and new versions started to spread across Social Media and till this date, these videos have been viewed approximately 2 million times. As a result, customers raised concerns about the cleanliness of the restaurants, and Taco bell’s stock price and 7000 franchisees sales were affected. The reputation of Taco Bell has been damaged by the video, which was launched and accelerated on Social Media. Especially by the platform YouTube, but in combination with some other platform which served as amplifiers. The reputation damage had also immediately influence on the overall results of the company, because stock prices and sales were decreasing. This is only one of many stories about a damaged reputation of companies, with Social Media used to spread the content. Therefore, next to the opportunities, Social Media is also of great interest because of possible threats to the reputation of companies. Reputation is the stakeholder’s overall evaluation of a company over time. This evaluation is based on the stakeholder’s direct experiences with the company, any other form of communication, symbolism that provides information about the company’s action, and/or a comparison with the actions of other leading rivals (Vollenbroek et al, 2014). According to (Kietzmann et al, 2011); ‘communication about brands happens, with or without permission of the firms in question. It is now up to firms to decide if they want to get serious about Social Media and participate in this communication, or continue to ignore it. Both have a tremendous impact’. Although a lot of companies want to participate, many are reluctant or unable to develop strategies and allocate resources to participate effectively on Social Media. Consequently, companies regularly ignore of mismanage the opportunities and threats presented by creative consumers (Berthon et al, 2007).

1.2 Research Problem

How companies can deal effectively with Social Media is the main problem, because companies have minimal resources and knowledge in this field. Besides that, a lot of companies do not truly recognize the importance of Social Media. This lack of knowledge and resources, and the ignorance’s can cause a reputation damage, which may affects the overall outcome of the companies.

1.2.1 Research Questions

- ‘What is the history of reputation management, and how does it changed the last years with the rise of Social Media?’
- ‘How do companies have to organize their online reputation management well, in order to prevent the company of customer attacks?’
- ‘How can companies react adequate when a customer attacks occurs, in order to defend the company of reputation damage?’

1.3 Research Justification

The possible research gap in the existing literature is the lack of classification between different theories in online reputation management, and an overall lack of knowledge in this academic field. Therefore, the research goal of the paper is to provide the academic field of a classification of the existing literature about
Online Reputation Management, extent the existing knowledge, supply management of recommendations for decision-making, and set directions for future research.

1.4 Methodology
The paper is a critical literature review about the existing literature in the field of online reputation management in dealing with reputation management on Social Media. Therefore, the scope of the critical literature review is to use possible theories that add value in dealing with Social Media. These possible theories come out of scientific articles, which have all their own perspective on the subject online reputation management. Another source is the book of (Gillin & Gianforte, 2012); Attack of the Customers. The book is completely committed and focused on the topic in question, and is therefore an interesting additional source to read. The critical literature will be carried out by the guide of (Webster & Watson, 2002): ‘Analysing the Past to Prepare for the Future: Writing a Literature Review’. The critical literature review will be strengthening by some additional real-life cases. The classification of the online reputation management theories will be carried out by a concept-centric approach. The concepts will be determined in order to organize the framework of the review. Hence, in the beginning of the online reputation management strategy, a logical approach to categorize and present the key concepts will be developed. In the discussion; limitations and implications will be indicated, which are sources for research in the near future. The critical literature review will end with an overall conclusion about how companies have to organize and execute an effective online reputation management.

1.5 Definition of Key Variables and Conceptual Model
Online reputation management is the way by which companies can deal with content of people on Social Media. In the continuation of the paper; content of people means messages, opinions and statements of people on Social Media, and the content can be as well as positive as negative. A successful creation of a negative image of a company can cause reputation damage. Online reputation management is therefore the way by which companies can deal with potential reputation damages on Social Media. The conclusion of reputation damage by people on Social Media is that the online reputation management of the company was not effective and decisive enough to refute the negative posts. The effect of a damaged reputation for companies may have a negative impact on the overall results of the company. The conceptual model gives an indication of the appropriate theory for the bachelor thesis: Social Media → Online Reputation Management → Reputation → Results. As illustrated in the conceptual model; online reputation management is the independent variable, which can be influenced by the company itself. Hence, online reputation management must be implemented and executed in an effective way, in order to defend companies of reputation damage on Social Media.

1.6 Value
1.6.1 Academic Relevance
The possible research gap in the existing literature is the lack of classification between different theories in online reputation management, and an overall lack of knowledge in this academic field. The paper will provide a classification of the different existing theories in online reputation management, and extent the knowledge in this academic field. The paper will also provide the academic field of new sources for research in the near future, by evaluating the limitations and implications.

1.6.2 Practical Relevance
The practical relevance of the paper is to provide the management of companies of recommendations for decision-making, by which companies can effectively organize and execute their online reputation management. An effective online reputation management is the goal, because a well-performing online reputation management is necessary in order to defend companies of reputation damage on Social Media. The paper is of great relevance for companies, because reputation damage on Social Media is an actual phenomenon and has significant influence on the results of companies.

2. LITERATURE REVIEW
Online Reputation Management is the way by which companies can deal with content of people on Social Media effectively, in order to defend their reputation. As mentioned in the research problem, a lot of companies do not know how they can effectively organize and execute online reputation management. According to (Kaplan & Haenlein, 2010); one reason behind this incapability is a lack of understanding regarding what Social Media include, and how it can influence companies. Hence, companies have to be aware and understand the fundamental change first, if they want to organize and execute a successful online reputation management. The reputation management changed the last decade by the rise of Social Media, because the concept reputation management has expanded with online reputation management.

‘Historically, companies were able to control the information available about them through strategically placed press announcements and good public relations managers. Today, however, firms have been increasingly relegated to the sidelines as mere observers, having neither the knowledge nor the chance- or, sometimes, even the right — to alter publicly posted comments provided by their customers’ (Kaplan & Haenlein, 2010). Companies have no advance notice or time to reflect. When traditional battles were brewing, companies have at least a flicker of warning and a modicum of control over how events will unfold. When a new-style sniper attacks, they do not (Gaines-Ross, 2010). For now, the important role of the Social Media for the life of many people is one of the main reasons for companies to pay attention to this relatively new phenomenon (Kaplan & Haenlein, 2010). However, companies have to recognize that the consequences of the rise of Social Media are significant, especially for the reputation of companies. According to (Kietzmann et al, 2011); ‘with the rise of Social Media, it appears that corporate communication has been democratized. The power has been taken from those in marketing and public relations by the individuals and communities that create, share, and consume blogs, tweets, Facebook entries, movies, pictures, and so forth’. This process is accelerated by mobile devices, which are of great importance for accessing these Social Media platforms (Anderson & Wolff, 2010). Now, almost everyone with a proper connection to the Internet has access to all kinds of information by the use of the World Wide Web; the international market becomes almost completely transparent. Therefore, costs in order to get access to information, called transaction- and intermediation costs, nearly disappeared. ‘In addition to these reduced transaction and intermediation costs, customers and suppliers adopting the internet for business may be able to overcome time, distance and location constraints, in international markets’ (Pires, Stanton, & Rita, 2006). The reduced transaction- and intermediation costs in order to get access to information have significant influence on the power of
customers, called customer empowerment. Customer empowerment requires mechanisms for individuals to gain control over issues that concern them, including opportunities to develop and practice skills necessary to exert control over their decision making (Pires, Stanton, & Rita, 2006). The international market becomes almost transparent, due to the free access to information, which strengthens the customer empowerment. Hence, people have nowadays more mechanisms and practice skills to control their decision making. From a customer perspective, access to more information about the market is complemented by larger choice sets due to the global reach of the Internet, by the ability to exchange information and opinion with peers, to change their own perceptions and behaviour in a rapid and largely unchecked manner, and to define brand on their own (Morrissey, 2005). Besides that, consumers of media and marketing are now more intelligent, organizing, and more trusting of their own opinions and the opinions of their peers (Karpinski, 2005). It is through the use of search engines that most internet users find out about a particular web site from which they purchase. Empowered customers can be expected to increase the demand for effective search engines, with provider competition improving search engine effectiveness. More effective search engines should enable greater customer choice, hence greater customer empowerment. Consequently, the customer empowerment is likely to increase in the future (Pires, Stanton, & Rita, 2006). It is clear that customer empowerment increases and has major influences on companies, but Social Media make the customer empowerment even stronger. Social Media have transformed the Internet from a platform for information, to a platform for influence (Hanna, Rohm, & Crittenden, 2011). According to (Gaines-Ross, 2010), ‘critics no longer need the resources of an institution. The internet has levelled the playing field between large corporations and individual activists’. With the use of Social Media people can exchange, share and publish information about products, services and companies in a few seconds. This has significant impact on companies, because users of Social Media are also potential customers companies. Therefore, it is important that companies can deal with content of people on Social Media. Negative content in the Social Media can lead to an oil slick of negative publicity, which is difficult to handle, and may lead to reputation damage. (Gillin & Gianforte, 2012) Therefore, it is necessary to deal with content of people on Social Media effectively, called online reputation management, in order to defend companies of reputation damage. The potential influence of Social Media on the reputation of companies is emphasized by (Kiousis, Popescu, & Mitrook, 2007); given the growth of Social Media and their networking power, the influence of one individual on the reputation can be – especially within online social communicates – substantial.

2.1 Online Reputation Management Strategies

8 October 2014 – KFC in Guangzhou, China. A women in China called Liu found creepy wiggling worms in here left over chicken wings that she bought at the Guangzhou KFC. Miss Lie told Hong Kong Apple Daily, a newspaper, that she and her children ordered from the KFC Saturday afternoon. After a few hours, she went to finish the food, and she found tiny white worms in her New-Orleans-style Chicken Wings. Liu immediately, with provider competition improving search engine effectiveness, called online reputation management, in order to defend companies of reputation damage. The potential influence of Social Media on the reputation of companies is emphasized by (Kiousis, Popescu, & Mitrook, 2007); given the growth of Social Media and their networking power, the influence of one individual on the reputation can be – especially within online social communicates – substantial.

seven life worms in the meat. They waited till the manager turned up to fill a complaint, but miss Liu is only compensated by a refund, and another free meal. Seriously, Liu found the response unacceptable. She even did not receive an apology from the manager. A spokesman of the KFC restaurant told the reporter that the chicken wings were grilled on high heat, and there were no problems with the food processing or the management. The attack was first sent to traditional media, but it spread all over the world when it came on Social Media. The customer attack is worse for KFC as a brand, but the reaction of KFC restaurants made it even worse, as mentioned in the text above. Therefore, an online reputation management strategy is of great importance for companies, because such customer attacks occur more often than many people know. It is relevant as a company to know how to react when the company is a subject of a customer attack, but well-working strategies to prevent companies of customer attacks may be of more value.

In order to do a critical literature review about the knowledge in this area, a classification of existing online reputation management literature will be carried out by a concept-centric approach. The concepts will be determined in order to organize the framework of the review. In dealing with customer attacks; online reputation management can be divided in three concepts/stages.

- Stage one: before a customer attack; prevention against a possible customer attack.
- Stage two: during a customer attack; the reaction of the company on a customer attack.
- Stage three: after a customer attack; the learning and evaluation part after a customer attack.

An extensive table of the classification of the articles and theories in the concept-centric approach is represented in the appendix (7.1 - Classification of the Articles and Theories in the Concept-Centric Approach). The table shows the importance of a classification of all the existing knowledge in stage one; a lot of articles dwell on this topic. Besides that, the table emphasizes the lack of knowledge in the second stage. Only three articles add knowledge to this stage of customer attacks; the balance between stage one and two has been disturbed. The paper will treat and expand the existing knowledge of stage two, but it will also be a direction for future research. The learning and evaluation stage is short but to the point. This stage is relevant, because of the importance for companies and the completeness of the stages. The last stage is therefore not subject for future research, because this stage is clear and obvious.

2.1.1 Stage One: Prevention

Stage one is actually the most important stage for online reputation management. ‘Social Media is a two-way street, and if you are going to build a brand there, you would better be ready for rotten tomatoes as well as bouquets, prevention is then the best treatment’ (Gillin & Gianforte, 2012). Preparation is the basis; companies need to be trained in their new-media tool kits so that they can sue them quickly and without friction (Gaines-Ross, 2010). With prevention; companies do not have to react on an attack, so reputation damage will in that case certainly not happen. More than three-fourths of Social Media attacks can be diminished or averted if organizations simply prepare for the most-likely scenario (Gillin & Gianforte, 2012). Prevention by Delivering Value

The most appropriate method to prevent a company from customer attacks is to deliver value. That sounds logical and is easy to say, but it is possible to increase the value a company
Companies have to organize themselves on Social Media, to be Media. To do so, companies should be active at any social organizing Social Media customer acquisition (Gillin & Gianforte, 2012).

Customer experience has become one of the few sources of differentiation, and is therefore also one of the remaining sources of sustainable competitive advantage. The most effective way to improve customer experience is to improve customer service (Gillin & Gianforte, 2012). Hence; customer experience and thereby a loyal customer base can be realized by high quality services. A high quality service can be achieved by continuous innovation and dedication to customer service. Customer service also includes dealing with all problems and questions of customers on Social Media. By solving problems and answering customer questions adequately, companies increase customer service, which has a positive outcome on the value that companies deliver. Besides that, in this way, companies can turn potential customer attacks on Social Media into an advantage, once the positive treatment of customers on Social Media (Gillin & Gianforte, 2012).

For example; LOFT, a brand owned by Ann Taylor Inc., posted photos on its Facebook page of a tall model wearing LOFT’s new pants. Fans of the brand complained that while the pants looked good on the model, they were not so flattering on anyone who was not 5’10 and stick thin. Fans requested that LOFT prove their pants could look good on ‘real women’. The following day, the company posted photos to Facebook again with a ‘real women’; not stick thin. This is a perfect example of how to turn a possible threat via Social Media into an opportunity. Ann Taylor had the good sense to stop the attack before it escalated. Here customers had a direct and valid complaint about a product and how it was featured. The company did the best thing possible, they stayed calm and listened to the comments. It’s a double win for Ann Taylor as they actually gained customer support, while avoiding a potential disaster.

The importance of customer input has also been confirmed by other literature; the mantra ‘customer service is the new marketing’ emphasizes that any Social Media strategy should also focus on increasing customer happiness and customer input (Kietzmann et al., 2011). Companies have to move away from customer being a cost to being an investment for their business. Above all, companies cannot join a community at a time of crisis, they have to invest already. Becoming a trusted voice requires an investment of time, people and money (Gillin & Gianforte, 2012).

An analysis of customer attack patterns shows a clear link between poor customer service and online retaliation. Nearly all incidents were preventable if there were more attention paid to processes, training and customer-centric cultural values. Statistical evidence proves that customer service is increasingly the key driver of repeat business, word-of-mouth awareness and customer acquisition (Gillin & Gianforte, 2012).

**Organizing Social Media**

Companies have to organize themselves on Social Media, to be able to prevent their companies from customer attacks on Social Media. To do so, companies should be active at any social network which can be meaningful. ‘Each Social Media application usually attracts a certain group of people and firms should be active wherever their customers are present’ (Kaplan & Haenlein, 2010). Therefore, first of all, decide which networks are relevant. Plant a brand flag in every social network of relevance before somebody else does, and make it easy for customer to subscribe to the company’s content if that is their preference. The Social Media policy of companies should stipulate that no one is authorized to speak on behalf of the company without written permission to do so (Gillin & Gianforte, 2012). Therefore, define groups of employees whose objective is the management of Social Media (Kaplan & Haenlein, 2010). These employees are full in charge of the Social Media activities of the company, and that is why they are responsible for the outcome of the activities. Employees which are working in the front lines are the most appropriate to manage the Social Media of companies. This is because the public is more likely to relate to workers on the front lines with the ability to solve problems, than to those in the highest ranks (Gaines-Ross, 2010). Therefore, a decentralized Social Media strategy is the best way to go. Social Media is all about connecting people in small communities; company’s connections are more personal when front line employees manage Social Media. Overall, people relate a lot better to other people than they do to brands. When a crisis erupts, people want faces talking, not logos. People give you the benefit of the doubt when you have a personal credibility and social connections (Gillin & Gianforte, 2012). Briefly, ‘employees who share their company’s vision and values are its natural allies and most believable voices’ (Gaines-Ross, 2010). However, not every single employee in the front line is appropriate to manage the Social Media activities of a company online. The key here is to identify employees who have the ability to listen and who care about the chatter online, and those who can create content that is emotionally appropriate for the community (Armano, 2009). Employees who communicate with customers must be given enough discretion and authority to develop relationships by solving customer issues (Kietzmann et al., 2011). Although freedom of expression for the employees in charge needs to be encouraged if this sort of strategy is to succeed, there must, of course, be limits. Companies need to create a Social Media policy, with clear rules. Next to the rules; anyone who manages a branded social account should be trained in how to deal with a crisis situation; Social Media trainings are therefore a useful addition to HR education programs (Gillin & Gianforte, 2012).

If a company is subject of customer attack, a well-organized Social Media policy defines clearly which employees have to react; the roles and responsibilities are clear. In this way, companies can deal more efficiently with content of people on Social Media.

**Behaviour on Social Media**

Behaviour on Social Media can deal more efficiently with content of people on Social Media. First, take some time to discover Social Media platforms, to learn about its history and basic rules. Only when the company has gained the necessary understanding, start with participating in the different Social Media channels the company chose. The first step for a company is to find out what customers would like to hear; what they would like to talk about; what they might find interesting, enjoyable, and valuable (Kaplan & Haenlein, 2010). This is necessary before companies start to participate in conversations with customers, because the initial contact has to be meaningful and positive. After the first contact; the company has to engage in discussions with their customers and be open; transparency cuts off complaints before they start (Gillin & Gianforte, 2012). Another fundamental implication of behaviour on Social Media is the issue of companies starting or manipulating a conversation. Companies which know when to
chime in – and, when not to – show their audience that they care, and are seen as a positive addition to the conversation (Kietzmann et al, 2011). Overall, it is important to align the behaviour of the company with the image of the company; otherwise customers can turn into attackers pretty quickly (Gillin & Gianforte, 2012). Social users are people, who understand that things do not always go smoothly. And, if a company is nice to them, they may even give free advice on how to do it better the next time (Kaplan & Haenlein, 2010). Therefore, Social Media can serve on the company’s side: if company’s use them in an ethical way (Gaines-Ross, 2010). Social Media are all about sharing and interaction, so ensure that the content of a company is always fresh. Besides that, it is crucial to ensure the company’s Social Media activities are all aligned with each other. One goal of communication is the resolution of ambiguity and reduction of uncertainty, and nothing is more confusing than contradicting messages across different channels (Kaplan & Haenlein, 2010).

**Prevention by Simulation**

To prepare companies of customer attacks, companies have to engage in lifelike simulations, much as other emergency response teams do. While engaging in these exercises, companies often discover internal communication gaps – places where better alignments between colleagues are needed. Therefore, simulations are also important to prevent companies of customer attacks, because problems and gaps can be fixed after a simulation (Gaines-Ross, 2010). In order to prepare scenarios, a company has to know their product, people, partners, industry and sentiment well; analyse all these essentials for potential damages and attacks. If the company is prepared for the worst case, then more likely scenarios are easier to manage. It may also be useful to determine different categories of potential damage, with a different emergency level and reaction, by which companies can categorize attacks.

Prevention is important, but when a company is subject of a customer attack, a tested and reliable crisis plan is of great value. To practice attack response is therefore necessary, by creating a simulated crisis in which clients must react in real time. Every employee needs to know exactly what his or her role and responsibility is, where to go for information and which channels to use. Briefly, test the company’s strategy for every possible weakness (Gillin & Gianforte, 2012).

**Prevention by Screening Social Media**

No respond can be quick enough, and the ability to act rapidly requires the constant, proactive screening of Social Media (Gillin & Gianforte, 2012). It is important for companies to find out if and on which Social Media platforms conversations about a company are already being held (Kietzmann et al, 2011). Companies must scan their environments in order to understand the velocity of conversations and other information flows that could affect current or future position on the market (McCarthy, Lawrence, Wixted, & Gordon, 2010).

The importance of screening Social Media is emphasized by Southwest Airlines. Southwest Airlines kicked director Kevin Smith off a flight from San Francisco headed to Los Angeles for being too fat. Since he was flying standby and the plane was full, there were no extra seats for him to purchase and he was asked to get off the plane, and was offered a $100 voucher by the airline, but the incident was far from over. Smith tweeted up a storm that caused a social media disaster. In a span of six days, the incident generated 3043 blog mentions, 5133 forum posts and 15528 tweets. For their part, Southwest was quick to respond; 16 minutes after Smith’s first tweet, they responded. The tweets finally stopped as Southwest posted the whole story, explaining to others what had happened on the plane, and the company’s explanation for why it happened, which included an apology. Southwest had a plan; they screened their online presence, quickly identified a problem brewing, and responded in a quick and friendly manner. Because of this, many of the responses on their own blog were sympathetic to the company’s side of the incident.

Fortunately, a lot of companies recognize the importance of Social Media screening nowadays, so as to listen to customer voice and interaction on Social Media (Constantinides & Fountain, 2008) and (Pang & Lee, 2008). Listening to customers can be done by traditional tools, like feedback forms and focus groups. But with the rise of Social Media, the traditional tools can now be complemented by a vast array of tools that tap into online conversations, these tools will be mentioned and discussed in the last part of the prevention stage. Tools are only part of the equation, though, and there are limits to what automation can do. It takes a combination of filters and human respondents to identify potentially damages (Gillin & Gianforte, 2012).

**Prevention by Screening the Main Influencers**

In order to screen potential damages, companies have to know what role each person plays in the process. It all starts with listening to their market and understanding who their main influencers are (Gillin & Gianforte, 2012). Screening the whole Social Media can be done by focusing on the most vocal customers within communities of interests, habits, who are the main influencers. We define this behaviour within the Social Media as ‘community behaviour’, where certain individuals can have a significant impact in their social network (Vollenbroek et al, 2014). Therefore, companies need to pay attention to Social Media, especially to who the main influencers are (Kietzmann et al, 2011). People can be influential because of his authority, because of his social status, or because of his large network (Vollenbroek et al, 2014). It is important as a company to have good relation with the main influencers. If the companies has a good relationship with them, they will give the company heads-up. As mentioned earlier, having a relationship with customers will not necessarily prevent bad things from happening, but it makes it more likely that a company will get the benefit of the doubt. This applies even more for good relationships with main influencers (Gillin & Gianforte, 2012).

**Tools to Screen Social Media**

Social platforms are tools which can be quickly repurposed for reputation defence (Gaines-Ross, 2010). Marketers with a Social Media presence should focus on conversation tracking, that indicates brand lift and brand engagement (Hanna, Rohm, & Crittenden, 2011). Conversation tracking can be done by a screening system. To make collective sense of the short, speedy, and numerous conversations hosted by Social Media platforms such as Twitter, companies need tools and capabilities that allow them to screen Social Media. The conversations are like pieces of a rapidly changing puzzle which, when aggregated, combine to produce an overall image or message. Because of the enormous number and diversity of conversations that can take place in a Social Media setting, companies have to set up format and protocol implications in advance, in order to host and tracks these conversations. When companies and users will value their reputation, a metric must be chosen to provide this information. Once a company has identified appropriate metrics for the reputation, the appropriate evaluation tool must be chosen.

Evaluation of Social Media is really difficult, because reputation is a matter of trust, and information technologies are not yet good at determining such highly qualitative criteria (Kietzmann et al, 2011). However, there are some different tools and capabilities to create an overall image or message of all the conversations about a company on Social Media.
In order to simply catch mentions of their brands and products, the Free Twitter clients such as TweetDeck and HootSuite are appropriate tools (Gillin & Gianforte, 2012). The content of these mentions of brand and products can be evaluated by the use of content voting systems (Kietzmann et al., 2011). There is also a sentiment analysis, which is a tool to figure out whether mentions of brand and products are positive, negative, or neutral. If the volume of mentions is large, or if you want to filter for sentiment to detect a surge in negativity, you will need a paid listening tool such as Radian6, Lithium or Sysomos. To discover who the company’s main influencers are: free influence measurement services such as Klout, Kred and PeerIndex attempt to quantify influence by measuring things such as Twitter activity and blog comments (Gillin & Gianforte, 2012). More sophisticated and comprehensive Social Media service sites such as Social Mention search and compile user-generated content from over 80 Social Media sites. It enables companies and individuals to screen how many times they and others are mentioned, using a number of metrics including:

- strength (the number of times a company is mentioned);
- sentiment (the ratio of mentions that are positive to those that are negative); passion (how often certain users talk about the company); and reach (the number of different users talking about the company divided by the total number of times the company is mentioned) (Kietzmann et al., 2011).

Hence, there are some technological tools to screen Social Media, but also the latest information technologies have problems at determining such highly qualitative data. However, there are some tools available, but if a company wants more sophisticated and comprehensive tools, they have to pay for it.

### 2.1.2 Stage Two: Reaction

If a company is subject of a customer attack, the reaction is of great importance. This was showed in the example of KFC above, because the reaction of the KFC restaurant made it even worse. There are a few reactions possible to react at customer attacks; all reactions will be mentioned and discussed. In all cases, it is helpful to ask the network of the company to spread the message. Do make press releases supplementary to Social Media responses, and recruit and deploy force multipliers who will echo the company’s message. At a time when reputation losses can snowball rapidly, even the best-resourced companies need force multipliers; anything that amplifies strength (Gaines-Ross, 2010).

#### Disable people of reactions

This ‘reaction’ is actually not a reaction, but it makes stage two more complete to mention it here. Besides that, it is important to know; because it is important to discourage companies of using this method. On Social Media, it is possible for companies to disable people of posting content at their platform. In this way, people do not have the possibility to express their feelings. Preventing the company by disable people of posting content makes the company looks arrogant. The whole point of Social Media is to interact with people, why would companies be on Social Media if they disable interaction with people? That is nonsense. Moreover, these days, critics simply take their gripes somewhere else (Gillin & Gianforte, 2012).

#### Do not react at all

The intention of Social Media is to stay always in contact with the customers; be sure to engage in discussions and conversations. One of the worst ‘reactions’ of companies is to watch, without communicating and interacting with people on Social Media. When companies say nothing at all on Social Media, it looks clueless (Gillin & Gianforte, 2012). Although also this is not a real reaction on a customer attack, companies have to be discouraged to deal with Social Media this way.

#### Delete reactions

Deleting messages and attacks of customers are the worst kind of reactions companies can do. When companies remove content of people, it will make it even worse, because customers feel like they are not taken seriously (Gillin & Gianforte, 2012). People will get upset, and may share their message through other channels and platforms, this can damage the reputation of companies even more. All reactions are being discouraged, yet.

#### Negotiation

Companies have to interact with people by engaging in conversations. Even if a customer attack occurs, it is in most cases wise to engage in discussions about the reason of the attack and to find a possible solution for the attack. First of all, after an attack it is of importance to show interest and listen to the content of the attack carefully. The company has to show the world that they care about the opinion of people (Gaines-Ross, 2010). The golden rule is to treat customers the way people would want to be treated if they were a customer (Gillin & Gianforte, 2012), even if the reason of the attack may makes no sense at all. ‘Although some antagonists are truthful, not all of them are. Often their diatribes are only partly true; sometimes they are entirely, demonstrably false. Attackers are probably not level-headed. Those who take on large companies single-handedly are almost always highly emotional, if not irrational’ (Gaines-Ross, 2010). Despite that customer attacks may be unreasonable and out of proportions; always treat customers the same way; treat customer with respect; never threaten or lecture people, even during and after a customer attack. Hence, companies have to be consequent in treating customers, and have always be nice to them (Gillin & Gianforte, 2012). Companies have to take customer attacks serious, because attackers are trying to help, complainants influence others, and attacks are early warning signals for possible more attacks. According to (Gaines-Ross, 2010); ‘most companies are slow moving and consensus driven. While they look for a convenient time to get together and come up with a defence that everyone agrees on, damage from the attack continues to spread’. That is why companies have to act quickly, it is an urgency to find a solution (Gaines-Ross, 2010). The crisis point in most attacks occurs when the conversation jumps from social to mainstream media. Further dissemination of negative content of a person on Social Media can therefore be stopped if companies ensure that the story gets out of mainstream media as soon as possible. This can be done by driving the conversation back to a place the company controls; move the conversation from a public place to a private place, by e-mailing or private conversations for example. Briefly, the noise of the attack has to be reduced to a manageable level and the company has to keep the bad news off the different Social Media platforms (Gillin & Gianforte, 2012). When the discussion starts about the reason of the customer attack, one of the challenges of managing reputation in today’s chaotic media world is to understand how people determine what is true. One study found that in a confrontation, employees tend to blame customer dissatisfaction on their external factors and unrealistic customer expectations, rather than on their own behaviour. Customers, on the other hand, tend to blame the employee. It is hard to reach consensus when the party cannot even agree won where the problem lies (Gillin & Gianforte, 2012). Even if an attack is not reasonable at all; avoid any show of force that could be perceived as grossly disproportionate. Companies must not over-react with a respond that is not in proportion with the attack. Identifying the problem is therefore the first challenge every company has to take. In this stage; humanize the interaction; the value of the human voice, the human touch, is important. The goal is to make a conversation.
A human, not a brand. When an unreasonable attack occurs; correct inaccuracies immediately; focus on correction the spread of misinformation (Gaines-Ross, 2010). In this process as a company; always tell the truth, because everything a company says can and will be shared. Companies only have to address facts, they should not speculate, and they have be sure that the evidence of the company is unassailable (Gillin & Gianforte, 2012).

If the negotiation about the facts and the identification have reached a low point; refocus on the overriding concern of all parties might be helpful; align the company with their critics (Gillin & Gianforte, 2012). A network of independent third parties that is willing to take your side may be of great value for companies if negotiation does not generate consensus between the two parties. Positive recognition by third parties in the recent past can help a company gain the benefit of the doubt in a situation where the facts are in dispute (Gaines-Ross, 2010).

**Admit problems**

After all, companies have always own up to their mistakes; be prepared to revisit the company and demonstrate the willingness to change. When a company admit that they made a mistake, often used reactions are to apologize and to meet the customer with a compensation. However, these reactions may not work at all. Apologies do no work if they do not address the failure that caused the problem (Gillin & Gianforte, 2012). An apology delivered too quickly can worsen the situation by looking like a brush-off (Barlow & Moller, 2008).

Compensation is not necessarily the answer, either. People do not want their complaints to be downplayed (Barlow & Moller, 2008). Another consequence of compensation is that it could give people more than they believe that they deserve. This can actually embarrass them and make them angrier (Gillin & Gianforte, 2012), as in the case of KFC, mentioned above. Briefly, companies have to own up their mistakes, but have to think carefully about how to react in the most reliable and acceptable way.

**Counterattack**

It is always recommend to take the high road; sticking to the facts and resisting the urge to counterattacks. Counterattack is often the riskiest form of response. Counterattacks work only if there is incontrovertible evidence that the attacker is either lying by flagrantly disregarding the facts. Even then, a sceptical public may still look for ways to side with the aggrieved individual (Gillin & Gianforte, 2012).

**Customer Attackers**

The treatment of the principles of reaction was necessary to acquire a well understanding of customer attacks. Now that it is clear what companies should not do, and how companies should take care of customer attacks, it is time to show which reaction is appropriate for different attacks. To classify different customer attacks, it is more convenient to look at the one who sent the attacks; the customer attackers. The different motivations of the attackers requires different response strategies. The classification and knowledge of the different attackers is made with the help of (Gillin & Gianforte, 2012).

**Customer Attackers Type 1**

These customer attackers go through a lot of bad experiences/irritations. The customer loyalty is often very low, but because of the big deal to switch to a competitor, by for example banks, utilities and government agencies, the customers do not leave. Companies have to spend time to every complaint, but by this type it is usually not worth it. Therefore, companies have to deal with these complaints by the use of policies. Empower people who deal directly with customers to handle common problems with and fair responses that are crafted with customer satisfaction in mind. Another strategy to deal with these complaints is to give the attackers ultimate control; promise no-questions-asked refunds, repairs or replacements. The secret of this policy is that few customers ever take advantage of the guarantees unless they really need to. In this case, customer services have to deal with less complaints (Gillin & Gianforte, 2012).

**Customer Attackers Type 2**

The complaints of these attackers are purely intended to obtain higher rewards, like free products or high compensations. The complaints are often reasonable, but their greed demands unreasonable high rewards. The attackers often threaten companies with negative reviews or had blogs, in order to obtain a high compensations. Companies have to evaluate the case, and look if the compensation is reasonable in comparison with the complaint. However, be aware that you have to react consequent, so a company comes towards an attackers with a high compensation, attackers will expect the same compensation in the future. If such an attack occurs, the company has to drive the conversation back to a place the company controls; move the conversation from a public place to a private place. Next, discover the truth behind the complaint. Respond only with facts, avoid accusations, and determine a reasonable compensation, if this seems to be justified. If the attackers will not stop, release a press statement that the company did a fair offer, and stop paying attention. (Gillin & Gianforte, 2012).

**Customer Attackers Type 3**

These attackers are often the most successful. The attacks have a mission, such as environmental improvements, human or animal rights, public health and customer rights. They are good in building armies of followers, which results in groups like Greenpeace and UNICEF. The attackers can be very effective, because all those united individuals have large tools available as a group. As also stated earlier, treat them with respect; the company cannot change an attacker’s vision. Therefore, address the facts, do not speculate, and negotiate about a reasonable solution for both parties. If they attackers are not people who would ever buy your product, then agreeing to disagree may be the best strategy. However, if the attack is getting sympathy of the public, it may be rational to admit and change, otherwise it can have a bad influence on your business. Besides that, companies usually get positive feedback for being willing to change. In difficult situations, it can be the best method to stop negotiation with the attacker and deal with the possible damage, but that is the last decision a company has to make (Gillin & Gianforte, 2012).

**Customer Attackers Type 4**

Some attacks explode out of nowhere. In that case, most of the time a public figure is the attacker. This can be an actor, athlete, politician, or other public figure with a large network on Social Media. These people can generate conversations among a lot of people, in no time, regardless of whether the complaint is reasonable or not. On the other hand, if the complaint is reasonable, the complaint can be very effective. Problems that would otherwise be locked up can also be introduced by public figures.

In any case, keep calm when the situation seems to get out of control. Unless there is evidence that the complaint is reasonable and that it is a real potential damage, it is likely that the situation will blow over pretty quickly. Besides that, public figures abandon their campaigns pretty quickly if offered an explanation, apology or a reasonable compensation. However, over compensating the problem looks
desperate and can make the situation worse. Therefore, be
careful of overreaction; companies should never change a
policy because of one complaint, even if the person is a public
figure (Gillin & Gianforte, 2012).

2.1.3 Stage Three: Learning & Evaluation
After a customer attack, a company has to learn and evaluate
what went wrong and what went right in preventing and
reacting on the customer attack, companies have to change if it
went wrong. Companies have to be prepared to revisit the
company’s preventing strategies, by searching for the gap in the
prevention strategy as the cause of the attack. After recognizing
a potential gap, institute the changes in the prevention strategy,
in order to be protected in the future. Besides the prevention
strategy, also evaluate the reaction on the customer attack for
weaknesses and potential improvements; demonstrate the
willingness to change. If a problem is systemic, then consider
addressing the problem and solution in public, so that further
customer attacks have been averted. If a problem is really
systemic, fix the product to stop customer attacks.

The lack of continuous improvement, when a company does not
change anything at all, is one of the biggest factors that feeds
customer dissatisfaction. Successful companies have learned to
not only live with complaints but embrace them in the spirit of
improvement. (Gillin & Gianforte, 2012). Companies always
has to rethink their reputation management and acknowledge;
by changing the mind-set, adopting new tools, and taking the
principles of reputation warfare to heart, companies can protect
their business from the worst of the snipers’ attacks in the future
(Gaines-Ross, 2010).

3. DISCUSSION
3.1 Limitations and Implications
Generally, it is still difficult to prove a causal relation between
the influence of Social Media and the impact on a company’s
reputation. More empirical research is needed in order to obtain
a more reliable evidence of the relation between Social Media
influence and a positive or negative reputation (Vollenbroek et
al, 2014).

The existing literature mentions all kinds of prevention for
online reputation management; this is only rational argued
knowledge. The prevention stage is lacking in empirical
evidence. Reliable evidence is necessary in order to prove that
the different kind of prevention strategies are useful for
companies. Besides that, it may even be more meaningful to
know which strategies are appropriate for which kinds of
companies. Empirical evidence in the prevention stage is
therefore a direction for future research. This can be done by
evaluating each prevention strategy at sufficient companies, in
order to get a reliable answer if every strategy is useful.

As mentioned in the text; only three articles add knowledge to
the reaction stage of online reputation management; showed in
the table of the classification of articles and theories in the
appendix. Only a few literature articles which dwells on this
topic means that there is not sufficient knowledge about the
different reaction strategies. More perspectives on this stage of
online reputation management is necessary. Besides that, also in
this stage there is no empirical evidence to prove which reaction
strategies are appropriate to use against the different customer
attackers. This can be realized by evaluating companies in real-
life, to prove which strategy is most suitable for every attack.
These limitations are important sources of future research,
because without sufficient knowledge and evidence, this
academic field is not reliable and satisfied.

4. CONCLUSION
Several years ago, companies could defend their reputation by
controlling the information available about the company.

Today, with the rise of Social Media; reputation management
has been expanded with online reputation management.

Nowadays, when people launch an attack on Social Media,
companies have no control, and reputation damage can be the
result. Reputation damage may have significant influence on the
overall results of companies in the future. Online reputation
management is the way by which companies can deal with
customer attacks on Social Media, that is why companies have
to organize and execute an effective online reputation
management.

The research gap in the existing literature was the lack of
classification between different theories in online reputation
management, and an overall lack of knowledge in this field.

The paper classified the existing knowledge in three
concepts/stages; prevention, reaction and learning & evaluation.
The literature is organized around these stages, and the
knowledge has been extended in this field.

The first stage is prevention, this is the best treatment.
Companies do not have to react on an attack if their prevention
strategy is effective and adequate, by which reputation damage
will certainly not happen. However, if a company is subject of a
customer attack, the reaction is of great importance. A company
have to understand the different principles of reaction, to
acquire a well understanding; how to take care of customer
attacks and which reactions companies have to avoid. By the
classification of different customer attacks, it is possible to see
which response strategy is appropriate for which customer
attack. After a customer attack, a company has to learn and
evaluate what went wrong and what went right in preventing
and reacting on the customer attack. Companies always has to
rethink their reputation management; by changing the mind-set,
adopting new tools, companies can protect their business from
the worst customer attacks in the future.

An effective online reputation management is of great value,
because a well-performing online reputation management is
necessary in order to defend companies of reputation damage
on Social Media. The paper provided the management of
companies of recommendations for decision-making, by which
companies can effectively organize and execute their online
reputation management. This is important for companies,
because reputation damage on Social Media is an actual
phenomenon.

Overall, online reputation management is a new field of
science, in which knowledge is relatively scarce. New
knowledge and perspectives have to be generated, in order to
obtain a more sophisticated and complete view in online
reputation management. The knowledge has to be proved by
empirical evidence, which have to be realized by academics in
the future.

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6. REFERENCES


6.1 Additional Non-Scientific Articles


24 February 2007 – Taco Bell, a video of rats running around a Taco Bell’s store in New York was posted on YouTube. Retrieved from http://www.torbenrick.eu/blog/social-media/social-media-has-given-consumers-a-whole-new-voice/
## 7. APPENDIX

### 7.1 Classification of the Articles and Theories in the Concept-Centric Approach

<table>
<thead>
<tr>
<th>Literature Articles</th>
<th>Theory</th>
<th>Concepts</th>
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<tbody>
<tr>
<td>(Armano, 2009)</td>
<td></td>
<td>Prevention</td>
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<tr>
<td>(Barlow &amp; Moller, 2008)</td>
<td></td>
<td>Reaction</td>
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<tr>
<td>(Constantinides &amp; Fountain, 2008)</td>
<td></td>
<td>Learning &amp; Evaluation</td>
</tr>
<tr>
<td>(Gaines-Ross L., 2010)</td>
<td>Reputation Warfare</td>
<td></td>
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<tr>
<td>(Gillin &amp; Gianforte, Attack of the Customers, 2012)</td>
<td>Social Media Ecosystem-Weave</td>
<td></td>
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<tr>
<td>(Kaplan &amp; Haenlein, Users of the world, unite! The challenges and opportunities of Social Media, 2010)</td>
<td>Users of the world, unite!</td>
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<tr>
<td>(Kietzmann J. H., Hermkens, McCarthy, &amp; Silvestre, 2011)</td>
<td>The 4 Cs</td>
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<td>(McCarthy, Lawrence, Wixted, &amp; Gordon, 2010)</td>
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<td>(Pang &amp; Lee, 2008)</td>
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<tr>
<td>(Vollenbroek W., de Vries, Constantinides, &amp; Kommers, 2014)</td>
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<tr>
<td>Books</td>
<td>(Gillin &amp; Gianforte, Attack of the Customers, 2012)</td>
<td>Prevention</td>
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