

Chapter 12

Online Corporate Reputation Management and IT: From Reactive to Proactive Organizations

Alberto Francesconi
University of Pavia, Italy

Claudia Dossena
University of Pavia, Italy

ABSTRACT

According to the Resource-Based View, the Corporate Reputation (CR) is seen as a core resource and a major factor in gaining competitive advantage. Thanks to the development of Web-based technologies, stakeholders can easily spread their own perspective about an organization, its products, services, brands, members and so forth, affecting its online CR. This work focuses on “online corporate reputation” and the exploitation of IT (Online Reputation Management Systems) to support the related management practices. Taking a pragmatic approach, the authors develop a case-study based on the experience developed by an Italian leading e-service provider.

1. INTRODUCTION

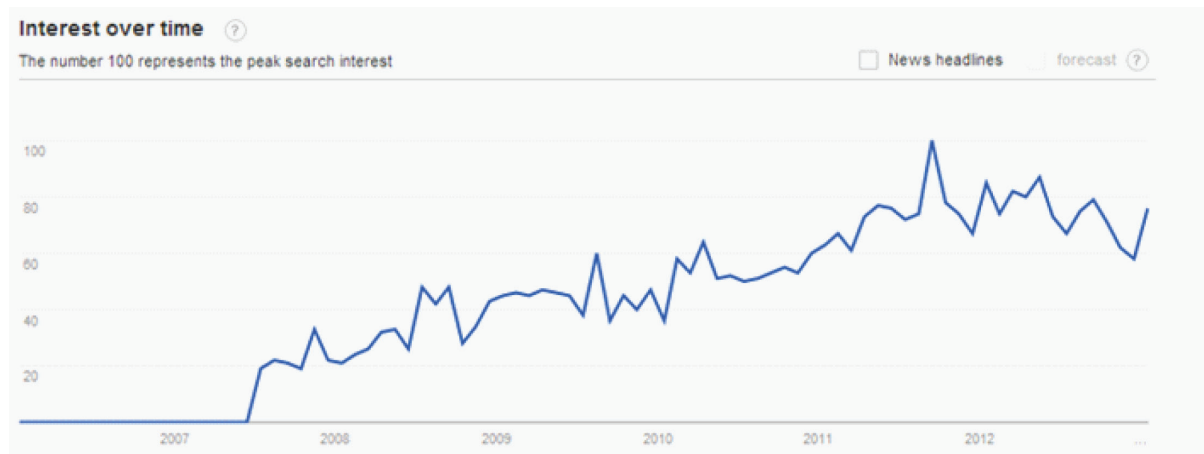
The online reputation is gaining increasing attention over time. If we search in Google trends¹ the search-term ‘online reputation’ we find that worldwide more and more people are interested in finding information on the topic (Figure 1), especially about what concerns its management².

Jacques (2009: 30) suggests to managers interested in their organization’s reputation to “put the name of your brand in Google and look at that first screen ... those are the people and groups who are forming the first impression for your brand”. Beal and Strauss (2008: 33) point out that “Google is more than just a search engine - it’s a reputation engine”.

Social media play a fundamental role in determining online reputation. Basically, social media

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Figure 1. Interest over time in searching 'online reputation' in Google Search (screenshot)



stand for open participation and user-interaction, e.g. through user groups and online communities, forums, blogs, wikis and social network sites (Gorry & Westbrook, 2009).

Due to the increasing easiness and user-friendliness of publishing processes, especially if compared to traditional media, every Web user is now able to communicate unmediated and unchecked contents via simple and widely used publishing tools, thus affecting online reputation. The recent diffusion of social media – such as online third party feedback forums and opinion communities – and the very high percentage of people using the Web to find information about organizations, products and services, have significantly emphasized the stakeholders' power in affecting CR (Barnes, 2008; Opinion Research Corporation, 2009). Today CR derives from a co-production of information coming from organizations, their stakeholders and traditional gatekeepers (i.e. journalists) (Figure 2).

In this context organizations need to rethink their approach to communications in order to build and to protect their CR (Bunting & Lipski, 2000). The traditional 'command and control communication' approach used by organizations to manage the communication flows with their stakeholders seems inadequate to face the world of social me-

dia (Bunting & Lipski, 2000; Francesconi & Dossena, 2008; Gorry & Westbrook, 2009). Word of mouth communication is a major part of online consumer interactions, particularly within the environment of online communities (Brown, Broderick & Lee, 2007). Modern social media make easier and virulent the diffusion of comments, anecdotes, opinions, and this can be both profitable and problematic for CR. Park and Lee (2007) demonstrate that just one negative comment can contribute to worsen the CR within an online forum, while the perception of a positive CR is merely proportional to the number of positive comments. Therefore, though CR is a resource cumulated in time, it is also quite 'fragile' and quickly damageable (Alsop, 2004; Grant, 2005; Hall, 1993). This makes more important a fast detection of possible threats as well as proactive interventions.

From an organizational and IS point of view organizations need to adopt more sophisticated approaches that place an emphasis on continuous monitoring, listening and action (Bonini et al., 2009). Moreover, the diffusion of social media requires adequate organizational responses to "put new systems in place to permit timely and appropriate response to the increased level of

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