Online reputation management with an Electronic word of mouth approach

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Abstract

Opportunities for managing online reputation for organizations have now begun to be captured by business activists in the communication technology industry in Indonesia. Several corporations from various industries have tried this service to increase their reputation in the digital world, especially on social media. One of the service companies that started to run an online reputation management business and became the subject of this research is Company S, which provides the service of managing reputation in social media. Company S's managing online reputation will be analyzed using three stages of online reputation management: prevention, reaction, and evaluation. This study uses a qualitative approach and the nature of descriptive research, using case study methods, and collecting data using interviews and observations. As a result, Company S has implemented the process of online reputation management in the service they provide. The use of e-WOM, the presence of influencers, the selection of suitable social media, and attractive content planning also affect the online reputation of the clients' organizations.

Keywords: online reputation; online reputation management; social media management; E-WOM

INTRODUCTION

Today, many companies and organizations use the internet, especially social media, to increase their visibility and reputation. Increasing visibility and reputation in the context of marketing is a part of brand strengthening that is carried out to influence the market share of an organization or agency in the long term (Seker & Eryasor, 2015). Social media communication is now a definite new mantra for influence and can significantly impact the reputation of brands or companies, whether it is online or offline (Kaul, et al., 2015).

Reputation is often interpreted as a general view of the company (Dutot & Castellano, 2015). Specifically, company reputation is an overall evaluation that reflects how individuals have positive or negative perceptions of the company. Dutot & Castellano say that the concept of reputation is even more critical in an online context. Online reputation, also called e-reputation, is an aggregate opinion about a social entity resulting from a social evaluation. This entity can be a person, brand, or corporate institution. The online reputation that is built can then be quantified through various things, such as comments to online visibility. The online reputation index can be built in various industrial fields, such as education, sports, transportation, textiles, to government (Seker, Cankir, & Arslan, 2014). Previous research related to online reputation has been carried out, one of which is by Vartiak (2015), which states that online reputation can be managed in many indicators, and good management can benefit the organization. Vartiak recommends organizations continuously monitor their online presence and manage it well to get more customers and, of course, higher profits.

The development of the internet and social media, according to Castells, has given rise to many opportunities for people, businesses, and companies (Elemonie, 2020). Lipschultz in Elemonie says the desire of individuals to engage and participate has its roots in technological developments more than five decades ago, since the beginning with the 1960s military project called ARPANET. Along with the development of internet technology and social media, the number of users keeps increasing. The latest data shows 204.7 million internet users in Indonesia in January 2022. Indonesia's internet penetration rate stood at 73.7 percent of the total population in early 2022 (Kemp, 2022). Still from the same resource, explicitly talking about social media, there were 191.4 million social media users in Indonesia in January 2022, which increased by 21 million (+12.6 percent) between 2021 and 2022.

Social media has become a place where people talk about a brand or company and a place where brand or company reputation and reputational risks are negotiated. How an organization interacts with the public on social media can contribute to its reputational risk. There are three challenges for the organization concerning the management of its reputation. First, social media is a place for the distribution of organizational information and a place for them to interact with the public. Social media users will form an impression that reflects the organization from this interaction. Second, in traditional reputation management, the focus is on short-term interests rather than ethical behavior. Social media is changing because society demands that organizations behave well and meet ethical standards, not just look good. Third, social media can shape and present collective truths about an organization because people can use social media to form and search for information to understand an organization jointly. The objective truth is more accessible to achieve because of the participatory efforts of the community in the search and formation of truth (Aula & Heinonen, 2016).

People no longer use the Internet, especially social media, only to find information. Instead, they use it to communicate intensively, give and receive ratings about companies and their brands and offers, and present their creations. The user is no longer a passive participant but a prosumer-producer and consumer. People can search for information about companies,

brands, and offers at any time and from any place and create a wide variety of content themselves and present it online (Kreutzer, 2012).

Seeing the number of social media users in Indonesia and also internet users that continue to increase every year, it is not surprising that there are parties who see it as a potential land to improve the reputation of institutions or organizations. Meanwhile, the challenge faced makes the organization have to improve their strategy continually.

The popularity and reach of online platforms such as social media are so vast that a brand or company is under pressure to maintain a flawless online reputation. Although efforts to develop products and services continue to be made to generate a better reputation, the challenges in social media make failures that lead to negative reviews to be anticipated. Negative reviews on social media are even more challenging because, unlike offline WOMs, they persist online, and companies tend to find it challenging to remove them from the conversation in social media (Proserpio & Zervas, 2017)

The opportunity to manage online reputation for an organization or institution has been captured by several business activists in the communication technology industry in Indonesia. They formed a service company that specifically utilized technology to manage reputation. Several corporations from various types of industries are also trying out this service to increase their company's reputation on online platforms. One of the service companies that started to run an e-reputation management business and is also the subject of this research is Company S.

Company S is a company that has been operating since 2016 but only turned into a legal business entity in 2017. This company offers services to manage the reputation of corporate clients who are their clients by using social media platforms such as Facebook, Instagram, and Twitter. In managing their reputation, they do not use bot technology (robots) to interact and mingle with the community on a platform. They take an organic approach, namely by manually managing and blending in social media platforms to create content related to managing an institution's reputation.

Research related to E-WOM management service providers has been carried out by Elmada & Salamah (2018) before but is limited to the political context. Elmada & Salamah's research found that in political communication on social media, E-WOM is more effective in conveying messages to its target audience. Managing messages without bot makes their target audience feel that the messages are more honest and human-like.

In the bigger context, this study will describe how the management strategy of Company S in managing its business, which is engaged in online reputation management, and analyzed by three stages: prevention, reaction, and evaluation (Dolle, 2014). Different from previous studies that have focused on the influence of E-WOM on E-Reputation (Castellano & Dutot, 2017) or the importance of online reputation management for companies (Proserpio & Zervas, 2017); this research focus on online reputation management, including the process of creating E-WOM which is carried out in the context of managing the online reputation.

THEORETICAL FRAMEWORK
Online Reputation
The development of information and communication technology, especially the internet, has brought discussions related to reputation to be transformed into online reputation. This process has dramatically changed organizational practices as well as the relationship between companies and their stakeholders (Chalençon, Colovic, Lamotte, & Mayrhofer, 2016).

The definition of e-reputation, or in this paper will be discussed as online reputation, at the organizational level is an indirect measurement of the opinions of people, social groups, or other organizations about the organization (Castellano & Dutot, 2017). Although the standard for measuring online reputation is still not very clear, it is essential to note that reputation management as new science is increasingly important.

Belk (2014) asserts that online reputation is the right way to build trust in the context of collaborative consumption. Trust is a state that involves confident, positive expectations about the motives of others regarding oneself in risky situations.

Since the online reputation is important to the brand and the company nowadays, it is necessary to manage how the company looks on the web. Therefore, in the next part we will discuss on the online reputation management.

Online Reputation Management
Online Reputation Management is the process of ensuring that when people look up on the name of the brand or the company in the search engines or on social media, they will find the right information as the brand or company desired (Stradtman, 2012).

Dolle (2014) concludes that three steps can be taken to manage online reputation, primarily to deal with attacks against brands or companies in cyberspace. The first is prevention which is believed to be the best step. Brands or companies need not worry about cyber-attacks if they have an effective and adequate strategy. The second step is the reaction stage that the brand or company must take in the event of an attack on their reputation in cyberspace. In the reaction stage, two things need to be considered by the company; the first is how to handle the attack and the reaction that the company needs to avoid. The third stage is Learning and Evaluation. Companies need to understand what went wrong on prevention and reaction and always evaluate their reputation management strategies by changing the mindset adopting new ways to protect themselves from another customer attack in the future (Dolle, 2014).

There are several things to note for every stage mentioned by Dolle. In the prevention stage, the methods are prevention by delivering value, organizing social media, doing the proper behavior on social media, prevention by simulation, prevention by screening social media, prevention by screening the prominent influencers, and using tools to screen social media. In the reaction stage, things to note are: do not disable people of reaction, always give a reaction (because not reacting at all makes the companies look clueless), do not delete reactions, negotiate with the customers and try to listen to their perspectives, admit if there is a problem,

resist the urge to counterattack. In the stage of learning and evaluation, a company has to learn and evaluate what went wrong and what went right in preventing and reacting to the customer attack; companies have to change if it went wrong.

In addition to that, to achieve effective online reputation management, Stradtman says that organization needs to get involved with social networks, monitor those networks closely, and respond as quickly as possible in the event of breaking news or a crisis.

Electronic Word of Mouth (E-WOM)

Checking reputation is becoming increasingly important, mainly because of factors such as Word of Mouth (WOM) and online communications. To date, several studies have analyzed the influence of the internet on reputation or its role in positioning reputation and online reputation. Research conducted by Castellano & Dutot (2017) shows that E-WOM affects E-Reputation. The study describes E-WOM factors such as strength, valence, degree of influence, message quality, and positive impact on online reputation.

E-WOM is something to look out for when it comes to online reputation. E-WOM itself is a form of evolution from traditional and face-to-face WOM to a multi-channel platform that is the impact of the internet (Tsou, 2019). E-WOM, according to Tsou, is often defined by including positive or negative statements made by customers about a brand or company. Discussions related to this occurred through various electronic media, including social media.

According to Castellano & Dutot, E-WOM has several unique characteristics: it can occur between people who have little or no prior relationship with one another, and it can be anonymous. This anonymity can allow individuals to share their opinions without revealing their identities or position within a firm.

METHODS

This research is qualitative research with descriptive nature. Descriptive research will produce a description of the specific details of a situation, social situation, or relationship (Neuman, 2014). The method used is a case study. Yin says that a case study is an empirical study that investigates case or cases by answering the question how and why concerning the phenomenon of interest (Yazan, 2015).

Research data were collected by conducting in-depth interviews and observation. Interviews and observations were carried out before the Covid-19 pandemic occurred so that researchers could come to the Company S office located in Jakarta and make observations regarding the activities in the office. Researchers also interviewed Mr. X, who is a leader and role as project officer there to find out more about Company S. Other than Mr. X, there is also Ms. Y, one of the team that do the everyday work. During a pandemic, office management took measures to enforce work from home (WFH), and all activities of the company carried on employees' homes. However, this does not have much effect on the work activities carried out because, indeed, all tools and databases are available on work devices that can be taken home and are connected as long as there is an internet connection.

The results of the interviews were then transcribed and coded for later analysis using thematic analysis techniques, which, according to Braun & Clarke, are a way to identify, analyze, organize, describe, and report themes obtained from data collections (Nowell, Norris, White, & Moules, 2017).

DISCUSSION

Based on the interviews and observations that have been made, several things became the findings of this study. The high number of internet users in Indonesia, especially social media, makes Company S seize it as a potential opportunity to work. This usage figure, which is considered very large, makes Company S feel the need for a management service in social media, one of which is managing an agency's reputation or organization. In general, reputation is tough to manage because it consists of perception, credibility, constraint, accountability, trust, and competence. When entering the online world, these factors must be monitored more closely considering that users expect organizations to communicate honestly and openly, and at the same time, they can make efforts to seek information from other parties (Ott & Theunissen, 2015).

Company S was established in 2016 but only turned into a legal business entity in 2017. Until now, employees of Company S consist of 20 people. Company S accepts clients who want to increase their reputation on social media platforms with a contract system. Usually, the contract has a term of three months to two years and can even be extended again. Their clients are varied, ranging from individuals to companies, from political to industrial backgrounds. The client from Company S can then be consulted about increasing his reputation on social media with various strategies. Just like agencies in general, Company S will also do pitching to get clients. Not infrequently, there are also offers to conduct negative campaigns to bring down the reputation of other agencies, such as client competitors, but informants claimed they tend to avoid this even though sometimes the offers are tempting. The reason stated was for the sake of Company S's reputation, something they realized was fundamental in this era. After dealing with the goals with the clients, Company S will start to do the online reputation management process.

The first thing that Company S will do is monitor social media. Company S will use the analytic engine to understand the client's digital reputation map, see the engagement and impression of a product, for example, and find out what media is the most appropriate for the planned campaign. This step is crucial because campaign planning cannot be maximized if the digital mapping is done incorrectly. Even though the analytic engine is the first step, human resources are still essential to translate the insights gained through the engine.

After understanding the digital map and planning the online reputation management campaign, the team was divided into the 'create team' and the 'share team.' The 'create team' is tasked with producing content that will be distributed through social media. The content created includes memes, infographics, videos, or articles, which will be disseminated through social media. The creation of this content is based on the results of the initial agreement with the client. The more and more complex the content requested,

the more it will affect the rates offered. Stradtman (2012) says we can use a trending meme to our advantage if we can figure out how to tie it in with our organization. Memes are an extremely viral way to market a brand or idea.

The content produced is then distributed and distributed by the shared team. Members of this 'share team' are divided into two accounts with pretty high followers, and engagement is categorized as key opinion leaders, while those whose accounts are classified as ordinary acts as troops or often referred to as buzzers. Both have a similar responsibility, namely to disseminate content produced. However, there are times when these buzzers are assigned to enliven posts from key opinion leaders. When disseminating content, they are tasked with conveying their personal opinion about the agency or related issue, even though the opinions they convey on social media have an agenda to raise the agency's reputation. Therefore, these social media 'actors' should not be seen as part of Company S collaborating with related clients.

These activities mentioned above can be understood as part of prevention. Dolle said that the company could use tools to screen social media in the prevention stage. Company S has done that, and the team then translates the results of the tool to understand the digital map related to the brand or company they manage, to understand who are the prominent influencers they can work with, to organize their social media, so that the message related to brand or company values can be communicated through proper behavior on social media.

Digital mapping was acknowledged by Company S as playing a role in preparing this content because they will try to understand the tastes of the target audience in order to become viral in cyberspace. Company S also believes that something viral in cyberspace is caused by content containing data, facts, and narratives liked by netizens. In addition, specific content genres tend to get strong impressions. In online reputation management services, it is essential to realize that content must be formed with careful planning and aim to increase awareness and stimulate engagement.

Regarding efforts to raise awareness, the strategy used by Company S is to disseminate its content through social media actors who have significant influence. The approach used is a word of mouth approach so that the conversations that occur on social media seem organic. The primary strategy undertaken by Company S is to share user experience stories when dealing with products or services offered by clients. This organic approach is the key to Company S's service, where they try to make the conversations that occur look natural, not something that is fabricated so that it is easier to enter the user's mind without realizing that it has been arranged.

Published content is designed to be then responded to by the key opinion leaders they have designed and the accounts in charge of creating buzz without having to look like it was planned. Usually, the content that invites engagement is close to the community so that people can quickly feel connected to the content. With the help of key opinion leaders and buzzers, the content presented by Company S is very likely to go viral because the content can reach a broader audience to talk about a product/service/issue together so that communication runs dynamically. Moreover, the account

used is personal, so it looks more honest. Therefore, Company S prefers not to use bots and still uses the organic approach in running its business.

Castellano & Dutot (2017) found that there are several factors that affect online reputation. These factors are divided into two categories, namely primary factors and secondary factors. The primary factors consist of bond strength, valence, and the degree of influence of the construction. At the same time, the secondary factors consist of trust, source credibility, and message quality. Overall, the most prominent factors driving electronic reputation are personal and related to individual perceptions of peers. Company S's word-of-mouth approach is in line with what Castellano & Dutot said because of its personal and organic nature.

On the event of customer attack, company S will prepare a counter-narrative if some events or issues can lower the client's reputation. Counter-narrative content is content that they create to 'fight' issues that have developed in the community but are not following the reputation that will be formed and desired by the client. This effort is understood as the reaction stage, according to Dolle. Company S resisted the urge to do the counterattack as suggested by Dolle; instead, they made the counter-narrative as part of giving a reaction.

As new media evolves, Stradtman (2012) says the most potent brands will listen closely to what people are saying and respond quickly with messages that show listening and understanding. It is per what Company S do, which are always preparing the counter-narratives for customer attack that potentially harm the reputation.

The last stage of the online reputation management process is learning and evaluation. Because social media is dynamic and changing rapidly, Company S does the evaluation every end of the day and will do morning briefing every day according to the evaluation results from the previous day. Company S uses the help of analytic tools to evaluate the result of their work, and same as the mapping, it is then translated by the team to understand what went wrong and what went right, and what to do for the day after.

Although it looks lucrative, this business has its own challenges. It is a bit risky for a business like this, especially content creation that often has to be controversial to shake the audience's attention. This content may cause adverse reactions that affect the social media accounts of the buzzer/influencer. It is not surprising that their work has been reported because it is not in accordance with the corridors of the ITE Law, even though there has not been any meaningful legal action.

This business is promising in the future because this business grows along with technological developments, as more and more companies are also aware that their e-reputation is essential to manage. The management is still organic, without the use of bots because bots are considered inflexible and unwelcome, so human resources will continue to be needed to create this natural interaction. Van Ruler (2015) said that the context of public relations is much more complex than just two-way communication, which has implications for the relevant public. Currently, communication is moving in multiple directions from a continuous construction of meaning where it is no longer predictable who is involved in it. Van Ruler emphasized that a more flexible planning method is needed where change is a decisive part of the

process. The reputation management services offered by Company S are relevant, considering what Van Ruler said.

CONCLUSION

Based on research conducted related to how Company S conducts online reputation management business, which was analyzed using the online reputation management process, it was found that Company S had implemented the prevention, reaction, and evaluation stages. In the prevention stages, Company S uses social media screening tools. The team then translates the results of the tool to understand the digital map related to the brand or company they manage, to understand who are the prominent influencers they can work with, to organize their social media so that the message related to brand or company values can be communicated through proper behavior on social media. In the reaction stage, the company prepares the counter-narratives to react to customer attacks that might harm their client's reputation. Lastly, the company does its evaluation every day in the learning and evaluation stages. It uses it as a learning for the day after.

Another interesting finding is that the management of online reputation carried out by Company S is generally carried out with an organic approach by utilizing E-WOM. Key opinion leaders and buzzers create discussions in the social media space in a natural tone, so it does not appear that the message has been fabricated. In addition to choosing suitable social media, attractive content planning also affects the online reputation of Company S's clients. For further research development, we can investigate if there is any impact of using online reputation management services offered by the Company on e-reputation from clients. It can be seen whether the E-WOM approach is appropriate to use in this case.

The results of this study are evidence regarding the existence of online reputation management services, which have not been widely discussed academically. The public also needs to realize that even though it looks organic, what is seen on social media, especially regarding the online reputation of a company or brand, is not necessarily organic. Social media literacy also needs to be sharpened so that people can sort out the information they see on social media. The government also needs to regulate this, considering that no regulation expressly regulates the use of social media, especially by brands or companies, in managing their reputation.

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