

REPUTATION MANAGEMENT IN SOCIAL NETWORKS – STUDY OF THE TOP ORGANISATIONS IN INDIA

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ABSTRACT--*Management of the social network of an organization always involves time and money and we normally assume that large organisations would have clear cut strategies when compared to midsize and smaller organizations. This research study tests this assumption based on a study of top 105 Indian companies (35 Large cap, 35 middle cap, 35 small cap) by market capitalization. The results of this research supported that large cap organisations were much more responsive and also responded quickly when compared to mid-cap and small cap organisations. We very well know the effect of non-responsiveness on the brand image of an organization .overall from the study we can see that most of the firms in India are not monitoring, integrating or leveraging social media management adequately.*

Keywords-- *reputation management in social networks – study of the top organisations in india*

I. INTRODUCTION

Today there is a heightened awareness among the organizations on the need for better management of their corporate social networks and also the various business continuity programs which were designed to mitigate the risks and threats to the organizations brand and image.

Earlier the major focus of business continuity programs was primarily designed to ensure that companies could resume back their activities after various disruptions in their business operations like disruptions to their supply chain, strikes and lockdowns of factories and damage to the production facilities.

Now organisations are understanding the importance and clearly understanding that monitoring and responding to various threats that emanate from the hugely interactive social network must be added to the list of firms business continuity programs.

Recent events in the world has reinforced the understanding that how various factors like word of mouth campaigns recalling products and other damaging events are affecting the brand and the company image. Let us see some of the examples .The world's biggest arms manufacturer Lockheed Martin asked its followers in August to share one of its products on the world photo day prompting a immediate backlash from twitter. Amid the heated conversions about gun control users responded by showing their awareness of violence happening around the world. For instance one user posted a photo of a fragment of a bomb used to destroy a school in Yemen. Lockheed Martin deleted the tweet two hours later.

An ad for a game called “would you rather” ran on snap chat asking users whether they would slap Rihanna or punch Christ Brown alluding to the incident when brown physically assaulted then his friend Rihanna to which he

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pleaded guilty. Rihanna called out snap chat and condemned it for being ignorant about victims of domestic abuse. The company lost \$ 800 million in market value as a result.

Before Social Networking (SN) came into place the complaints associated with consumers word of mouth (WOM) mostly did not spread much which left the individual consumer dissatisfied with a single and ineffective voice. Now with the advent of social networks these ignored and single voices now very quickly grab the attention of millions. It is very clear that in a very short span these advanced technologies have created the foundation for a global communications network that has very much redefined how people interact socially.

According to Brown and Duguid (2002) the capability to form a social network reputation is very crucial if one has to wield influence or power. These people believe that communication and feedback from various individuals of a social network is very crucial in the development of social digital reputation.

The concept of social interaction could be a very strong marketing influence is not new. Kozinets et.al (2010) refers to the works of Ryan and Gross where he states that “communication and informal conversations” among buyers have much more impact when compared to marketing communications. Meanwhile organisations are trying their best to understand how to use the various influencers in the social networks to create a much more competitive advantage. Also it should be understood that these same influencers can turn against the organization.

Social networks because of their inherent nature of being always on can cause abrupt disruptions to an organizations image for legal and non-legal reasons. These sudden disruptions can lead to long term effects on the relationships between the company and the consumer’s this is caused due to alterations in the perceptions of the customers about the organization and its brands. Organizations that can understand this force can act decisively in smarter ways to limit the effect of potential damages caused in the social networks.

The criticality of inclusion of social networks in an organizations business continuity programs or its overall business strategy plan cannot be overstated.

In the year 2008 , sixty two percent of the organizations stated that the rise of blogs and social media had a profound influence on the way organizations communicated .This figure only rose close to 74 % a year later (Wright & Hinsin 2009) .

Nowadays many organizations have social networks like facebook and or twitter, but just having a social network will not suffice it is how these firms engage using these sites with the customers is more important ” (Gireeshan 2015). Actively monitoring the conversations in the networks, responding quickly and continuously seeking new ways to develop customer trust and loyalty is the key.

In this digital age the control a marketing manager has over the timing the content and its frequency is very little. In social networks various information about the organizations products and services originate here.Experiences of the individual customers are highlighted here.However the ability of the organizations which sponsor or produce these products/services cannot affect the content disseminated on the networks.

This effect is called “groundswell” (Bernoff & Li 2008) and this has bestowed customers with greater power which they have not previously able to exert in the market place.In their book “always on “ by Christopher Vollmer and Geoffrey Precourt (2008) highlight that today’s customers have greater access to information and exert a greater control of the information consumption than ever before.

In this new social network communications paradigm the organization marketing managers need to first recognize the criticality of the various discussions carried out by the customers on the social media. Today’s social

media is being perceived by the customers as a more trustworthy source of information about a company's products and services than the communications and advertisements done by the organizations (Foux, 2006).

Kozinets et al (2010) offers a very interesting point of view on the WOM .He proposes a series of models to make us understand how WOM has changed overtime (Gireeshan 2016). In the earlier stages of WOM he prepared a model called Organic Interconsumer Influencer Model. In this model the actions of one customer does not affect the other customers.

The next stage was Linear Marketer Influencer Model here the marketers made attempts to influence the customer WOM.In this stage organizations started to identify the concept of opinion leaders and how these people would have a profound impact in affecting consumer preferences.

Robert Metcalf's law demonstrated that how various computers connected on LAN and WAN derive their value .As per Metcalf's law power of a social network grows the value of the content which is shared in an exponential way.

For example if there are 15 people in a social network then the power of this network structure is 15^2 or 225 ,now if we add one more customer then the power becomes 16^2 or 256 .This very clearly shows that how viral networks can be very dangerous as it can engage very quickly with thousands of viewers. Hence organizations should be very proactive in managing social network communication.

Joly 2001 notes that communication styles of companies have always been either monologue or dialogue and traditional organizations followed the one way communication with their consumers.

Today organizations must establish highly interactive communications using the popular social network platforms that consumers use , companies now using these networks should get feedback and exchange ideas from consumers this concept is also called social casting (Jones, Temperley & Lima 2009). Since the members in a social network can have a profound influence (in a positive or negative) way on the company's brand or image it is very important that organizations proactively monitor the various social networks.

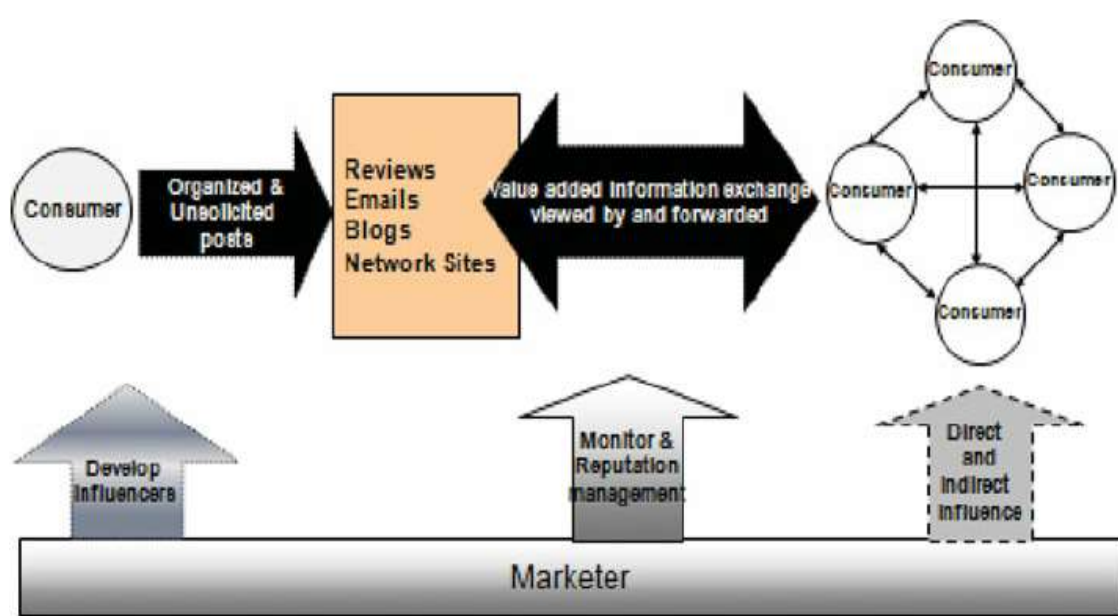
Mangold and Faulds (2009) state that the new social media communication paradigm now necessitates changes in the organization attitudes and also the various assumptions in managing communications strategy this is necessitated because today consumers are responding to social network information in a manner that has a direct impact on the various aspects of consumer behavior right from acquisition of information to post-purchase feedback on how satisfied and dissatisfied they are.

Due to the consumer to consumer interaction, organization managers who have been familiar and comfortable on executing a high level of control of the messages from the company to the customer must get rid of the old models and move to understand the various aspects of social network relationship building so that they can influence the various communication taking place in the social networks.

In a survey (The Rising CCO III) conducted by global executive search firm Spence Stuart and global public relations firm weber. The survey found that 35 % of the Chief Corporate Communication Officers (CCO's) reported that their organization faced reputation threats through social media. Also the survey pointed out 34 % of the organizations were not ready for managing the threats which came through the social media networks. These statistics throw some disturbing questions as firms are vulnerable to reputational attacks and they are not taking these threats seriously.

Social networks poses threats to firms of all sizes. In a recent study done by communications firm Burson – Marsteller noted that 66 % of the large global organizations have accounts on twitter, 55 % of them have fan pages on facebook and 51 % of them have Youtube channels. This study also left unanswered the various questions like who is monitoring and controlling the various social media sites, who is accountable and responsible for listening what people are saying on the social networks, the various internet posts how are they noted and what is the response guidelines, what is the system that is available for monitoring the networks, what sort of information is collected over the networks and how and to whom this information is sent for possible action.

In this research I have used the Consumer Initiated Integrated Model developed by (Becker and Helena Nobre, 2014). In this model the marketer understands the power of e-WOM and its geometric growth and constantly monitors the various Internet postings which is very useful to develop a highly engaged relationship with the customer.



II. PURPOSE OF THE RESEARCH

To test the following assumptions

1. Large organizations would have a more active presence in social media networks when compared to smaller organizations.
2. These larger organizations understand the criticality of continuous monitoring of their sites.
3. Large organizations are in a better position to respond to the various information posted in social networks

To test these tenets postings on twitter and facebook accounts of these companies were done to test the following hypothesis

III. HYPOTHESIS

H₁ : Large cap organizations will respond to social networks (Facebook and Twitter) posts at a greater frequency than midcap and small cap organizations.

H₂ : Large cap organizations will respond more quickly to social networks (Facebook and Twitter) posts than midcap and small cap organizations.

H₃ : Large cap organizations will post more positive category posts than midcap and small cap organizations.

IV. RESEARCH METHODOLOGY

A total of top 105 firms as per categorization of large cap (35) , mid cap (35) , small cap (35) by association of mutual funds in india were selected. A post was made to the facebook and twitter page of each of these organizations. The responses were classified into three categories active, neutral and no response. If the companies not only replied to the post but if they offered further support then these posts were considered as active responses .If the firm just noted the posting then the response was classified as neutral and organizations that failed to respond were considered as no response.

The following was the message of posting on facebook “Greetings this message is from School of Management Bannari Amman Institute of technology we are doing a research on online reputation management can the company facebook site manager respond to the post”. This message was modified for twitter due to the restriction of 140 characters.

V. RESULTS

Table 1: Facebook Ownership

Company Type	Total Company's Selected for study	Having Facebook Ownership	% of Company's having Facebook Ownership	% of Company's not having Facebook Ownership
Large Cap	35	32	91.4	8.58
Mid Cap	35	27	77.1	22.9
Small Cap	35	18	51.4	48.6

It can be clearly seen from Table 1 that Large caps have higher percentage of facebook ownership (91.4%) when compared to Mid cap (77.1 %) and Small cap (51.4 %) and small cap companies had the least ownership of facebook accounts (48.6 %).

Table 2: Twitter Ownership

Company Type	Total Company's Selected for study	Having Twitter Ownership	% of Company's having Twitter Ownership	% of Company's not having Twitter Ownership
Large Cap	35	24	68.5	31.5
Mid Cap	35	19	54.2	45.8
Small Cap	35	7	20	80

It can be clearly seen from Table 2 that Large caps have higher percentage of twitter ownership (68.5%) when compared to Mid cap (54.2 %) and Small cap (20 %) and small cap companies had the least ownership of twitter accounts (80 %).

Table 3: Facebook Response

Company Type	Total Company's Selected for study	Having Facebook Ownership	Company's responded	% of Company's responded	% of Company's Not responded
Large Cap	35	32	11	34.3	65.7
Mid Cap	35	27	5	18.5	81.5
Small Cap	35	18	2	11.1	88.9

It can be clearly seen from Table 3 that Large caps have a higher percentage of response (34.3%) when compared to Mid cap (18.5 %) and Small cap (11.1 %) and small cap companies performed the worst (88.9 % no response) in case of facebook response.

Table 4: Twitter Response

Company Type	Total Company's Selected for study	Having Twitter Ownership	Company's responded	% of Company's responded	% of Company's Not responded
Large Cap	35	24	7	29.1	70.9
Mid Cap	35	19	3	15.7	84.3
Small Cap	35	7	1	14.2	85.8

It can be clearly seen from Table 4 that Large caps have a higher percentage of response (29.1%) when compared to Mid cap (15.7 %) and Small cap (14.2 %) and small cap companies performed the worst (85.8 % no response) in case of twitter response.

Table 5: Response pattern for Facebook Posts

Company Type	Total Company's Selected for study	Company's responded	Response Pattern					
			Positive		Neutral		No response	
			Count	%	Count	%	Count	%
Large Cap	35	11	2	18.1	3	27.2	6	54.5
Mid Cap	35	5	0	0	1	20	4	80
Small Cap	35	2	0	0	0	0	2	100

With respect to positive response we can clearly see from table 5 that large caps (18.1 %) had the higher response and they were no positive response in case of mid cap and small cap organizations. In case of neutral responses large caps (27.2%) had higher responses when compared to midcap (20%) and small cap (no responses). While in case of no response category large caps were the lowest (54.5%) when compared to midcap (80 %) and large cap (100 %).

Table 6: Response pattern for Twitter Posts

Company Type	Total Company's Selected for study	Company's responded	Response Pattern					
			Positive		Neutral		No response	
			Count	%	Count	%	Count	%
Large Cap	35	7	2	28.5	1	14.2	4	57.1
Mid Cap	35	3	0	0	1	33.3	2	66.7
Small Cap	35	1	0	0	0	0	1	100

With respect to positive response we can clearly see from table 6 that large caps (28.5 %) had the higher response and they were no positive response in case of mid cap and small cap organizations. In case of neutral responses large caps had (14.2%) responses when compared to midcap (33.3%) and small cap (no responses). While in case of no response category large caps were the lowest (57.1%) when compared to midcap (66.7 %) and large cap (100 %).

Table 6: Average time taken to reply for Facebook/Twitter Posts

Company Type	Facebook Average Response Time (Hours)	Facebook Average Response Time (Hours)
Large Cap	7.87	6.14
Mid Cap	3.64	2.92
Small Cap	2.76	2.34

With respect to average time taken to reply for facebook posts surprisingly large cap organizations took more time to respond (7.87 hours) when compared to midcap (3.64 hours) and small cap (2.76 hours) organizations and small cap organizations response time was found to be better. With respect to average time taken to reply for twitter posts surprisingly again large cap organizations took more time to respond (6.87 hours) when compared to midcap (2.92 hours) and small cap (2.34 hours) organizations and small cap organizations response time was found to be better

VI. CONCLUSION

The basic purpose of this research was to analyze and study the social media practices of large cap, midcap and small cap companies in india. It is interesting to note that regardless of size some of the companies behaved in a similar manner in some areas whereas in some areas they differed. When compared to twitter which remained open for various comments and posts by consumers many companies imposed restrictions on their facebook pages. Some of the restrictions were to post a comment the individual had to become a fan of the company. The other notable restriction was many companies did not allow users to post comment directly on their home facebook pages and if at all the comment was allowed to be posted then the comment went to the second level page.

It was found from the study that large cap companies had higher percentage of facebook and twitter ownership when compared with midcap and small cap companies with the small cap companies having the least ownership.

The first hypothesis that large cap organizations will respond to social networks at a greater frequency when compared to mid cap and small cap organizations was supported as the response on both facebook and twitter were higher for large cap companies.

The second hypothesis that large cap organizations will respond more quickly to social network posts when compared to mid cap and small cap organizations was not supported as it can clearly be seen that response time of small cap companies were much better. One more interesting observation was that companies responded faster on their twitter pages when compared to facebook pages. One of the reasons for this could be that the instant messaging environment of twitter which encourages faster communication.

The third hypothesis that large organizations will post greater positive category posts was fully supported as it can be clearly seen that large cap organizations post greater positive posts when compared to mid cap and small cap organizations. With respect to midcap and small cap organizations no organization responded positively or even neutrally both in facebook and twitter, the reasons could be that mid cap and small cap organizations might not be allocating dedicated resources like professionally trained staff to quickly respond to social network posts. This also could be lesser availability of financial resources.

The results point out that while the organizations are aware of the power of social networks they do not understand the importance of establishing highly interactive customer relationships. It was also clearly seen that most of the firms were not listening, monitoring, engaging, leveraging and integrating social media in their business continuity plan.

An overall observation was that firms were not clear on how to leverage the power of social networks as most of them did not respond to facebook and twitter messages. This finding is quite worrisome given the fact that how crucial are social networks are for the development and maintenance of the brand and company's image.

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