

# Online reputation management



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**ABSTRACT**

Each successful organization has a story. These organizations are aware of the importance of reputation. A positive reputation improves trust, confidence, and sales, which in turn effects organization's revenue, growth and profitability. A bad reputation can lead to a decrease in consumer confidence, and, in turn, a reduction in revenue and profits.

In this day and age, erroneous rumors, malicious gossip, unfair opinions and other bad news spread fast! The internet has speeded up geographic distribution of this information. By the time negative news gets out it is often too late and the damage irrevocable.

Online Reputation Management is the pro-active approach through which any organization monitor, analyze and influence what is being said about them on the internet. The main goal of the organization is Search Engine Optimization (SEO) which moves its listing in the search engines upwards. This is done in reference that around 63 percent [1] of the internet users in the world, research about the brand before buying it.

Main questions which any organization has to answer are :

- Are there aware what there customers are saying about them ?
- What about their ex-employees ?
- What about their competitors ?
- Are they listening to the online conversations about their brand ?
- How are these conversation affecting what people are thinking about the organization ?

Consumer Generated Media (CGM) like blogs, forums, etc. expressing viewpoints about the brand can hamper it in great extent through a little piece of negative commentary. Growth of CGM and No. of Internet users in India has compelled the organizations to re-think over their marketing strategies.

This document explains the concept of Online Reputation Management and its need in Indian Scenario.

## **INTRODUCTION**

With the growth of social networking sites like facebook, orkut, twitter, blogger, etc., every customer has a presence in one or the other way on the internet. Companies are concentrating largely on marketing on these sites to build their brand and reputation mainly through affiliate marketing. In such a scenario these brands become vulnerable to promoters of negative commentary. Consumers make their buying decisions through online research.

Consumer-generated media (CGM) such as blogs, forums, and message boards, etc. have grown over a period of time. Search-engines are used to quickly generate information about any thing one can think of. It becomes important for the organizations to keep a track of what is being said about them online, both in positive and negative sense. Such talks could negatively influence one's brand image and corporate reputation.

CGM originates from :

- Blogs
- Message boards and forums

- Discussions and forums on large e-mail portals (Yahoo!, AOL, MSN)
- Online opinion/review sites and services
- Online feedback/complaint sites

For organizations, the trust of consumers in various forms of advertising have changed over a period of time. As per the survey conducted by The Nielsen Company in April 2009, 70 percent of the respondents trusted consumer opinions posted online and 90 percent of the respondents trusted recommendations from people known [2] . These consumer opinions effects the reputation of the organization.

### **ONLINE REPUTATION : OVERVIEW**

Increasing number of companies are facing such problems in which disgruntled employees or customers are taking advantage of amazingly simplistic process of CGM. They posts such reviews as their personal view-points but this often leads to change in perception of consumer about the brand.

Threats to reputation :

- Competitors
- Key Executives
- Disgruntled employees
- Disgruntled customers
- Critics
- Brand activists

This phenomenon is called Network Effect Marketing whereby a Product or Service becomes more valuable as more people use it, thereby encouraging ever-increasing numbers of adopters.

### **IMPORTANCE OF ONLINE REPUTATION**

Online reputation management has been very popular overseas in the past years but it is slowly catching up in India. But this growth is not at par with what is needed. This has been primarily because Brand managers in India considered that there isn't enough of their target market in social media, out there, just yet. This has led to poor monitoring of what has been discussed about the brand online.

### **Why do organizations need Online Reputation Management ?**

Many factors leads to the need for Online Reputation Management. These are :

1. People remember things online longer than on traditional media like newspapers, articles, etc. which are alive for only some days.
2. Snowball Effect where voice from one dissatisfied consumer coverts into that of dissatisfied community.
3. Loss of trust from few bankers, joint venture capitalist, etc.
4. Leak of this information at the time of important events like IPO, Mergers, Expansion
5. Loss of faith in organization by employees.

### **ONLINE REPUTATION MANAGEMENT**

Online Reputation Management includes marketing, public relations with search engine marketing. Main goal of organization using ORM is to increase its visibility and rankings in the search engine which is also known as Search

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Engine Optimization. According to the statistics consumer follow only those links on search engines that are on the first two pages of any search engine results. ORM helps in increasing positive web presence which in turn pushes the organization up the rankings.

This is mostly carried out in the three step process :

1. Listen to what is being said online
2. Organizations should always be aware of what is being said about them on the internet both in positive and negative context on CGM sites like blogs, forums, etc. But due to vast nature of internet, it is almost impossible to keep the track.

To monitor your brands :

- Setup Google Alerts and yahoo alerts which notify about the information through which your brands are most searched about.
- Setup RSS readers
- Monitor major industry related sites
- Track about your brand names, company names, etc.

Organizations should also track what their competitors are doing over the internet, industry news, etc. This gives the head start to ORM and define a proactive policy to control the sections that talk about your brand.

3. Analyse What information affects brand
4. CGM sites often provide negative commentary about the brand and the image of the organization often initiated by the elements which are against the growth or which are dissatisfied.

Analyse online assets :

- Corporate Sites
- Other sites from your organization
- Product Sites
- Corporate Blogs
- Employee Blogs
- Partner Sites
- Corporate Communications (press releases, articles)

Looking at the above assets, each one is analysed in isolation where they are reviewed for vulnerability and potential threat they could possess to the organization.

5. Participate in Conversation to eliminate negatives

6. Actively involve in conversation about the brand and lead the discussion to bring about change in perception of the consumers.

Sources of Conversation :

- Blogs & Forums
- Blogs and forums are the world's largest and most influential form of interactive media. Consumers gather information through blogs and they play an important role in influencing brand image. According to statistics by Technorati, growth of blogs is exponential.[3]

Never hide truth from the consumers. Never hide your identity. Face the critics as the representative of the organization to bring about the change on trust. If there is a negative comment, try to contact the source offline.

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- Social Network Sites
- Use of such sites have grown over past few years and they attract participants with same interests. Such sites could help improving brand visibility and image to a large extent. Creating pages of organizations at such sites often help pulling the crowd with both positive and negative feeling. Tackling this opportunity carefully results into mass advertising.
- Counter-intelligence
- It prevents confidential information being exposed on internet. It is mostly done by monitoring leaks that could be done by employees intentionally or un-intentionally.
- Crisis Management
- It is generally done when crisis has already occurred and brand image has been violated. This demand facing the consequences effectively and handle such situations to come out ahead.

### **ADVANTAGES OF ORM**

- Maintains high SEM rankings
- Give effective and positive exposure to your brand
- Drives competition and negative information down the search engine rankings
- Increases the transparency and communication between the consumer and the manufacturer
- Helps you improve on your service levels for your product or service



## **GROWTH OF CGM IN INDIA**

According to a survey done by New Delhi-based online research firm JuxtConsult, around 49 million people in India access the Internet regularly. The survey findings were that 43% of this group regularly participate in social networks, while another 27% are regular bloggers.[4]

According to the TNS "Digital World, Digital Life" report 2008[1], 63 percent of Internet users worldwide researched a product or service before buying it. This indicates the presence of consumers on the internet worldwide and makes ORM all the more important with respect to brand marketing. Fraud reviews could result in negative publicity of the firm.

Based on the data provided by Internet Users Stats, 1998-2007[5], a graph was plotted to show growth of Internet Users (in millions) and Penetration (in percent).

The growth of internet users is linear but is increasing at a faster rate. Whereas Penetration (in percent) growth is slow since the Total Population has increased at a much faster rate. This is the major reason because of which Online Reputation Management is placed at a lower level on the priority list of Indian Brand Managers.

As per industry experts, ORM has been included in major companies' marketing portfolio, with the expenditure ranging from 25 lakhs to 1.25 crores.

With large MNC's approaching India, the concept of Online Reputation Management is gaining its place among the Indian Brand Managers who

were previously reluctant to adopt as they thought that there is still any market yet.

## **CONCLUSION**

Online Reputation Management is becoming more essential as more and more consumer approaching internet as a source for all queries and complaints about a brand. Monitoring such view points is gaining priority while deploying the marketing strategy. It becomes more important in India as the number of internet users are increasing at a faster rate and so are bloggers, critics and competitors. The phenomenon of Network Effect Marketing and Search Engine Optimization is gaining popularity with the growth of social networking. The concept has been there in the overseas for past few years but India is still in phase of adopting it at the root level.

## **REFERENCES**

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2. Have some degree of trust in the following form of advertising, April 2009

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3. Growth of Blogs (2003-2008)

Source : Technorati

4. No. of Users accessing Internet in India

Source : JuxtConsult , a New Delhi based Online-Research Firm

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### 5. Internet Usage Stats : India, 1998-2007

Source : Internet World Stats, 98-07. Data sets include ITU (International Telecommunication Union), Computer Industiy Almanac, IMAI (Internet and Mobile Association of India), IWS (Internet World Stats).