

HOLDING SWAY

Social media's potential impact on reputation is well documented, but by understanding how the tools work, you can stay on top of the game

by **Christian Pieter Hoffmann**

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Social media have become so ubiquitous that it is worthwhile to reflect on whether these new online communication applications do, in fact, change the way companies manage their reputation, and if so, how? Mass collaboration, collective intelligence and knowledge sharing have always been key features of the Internet. Today, Web 2.0 applications make it easy for any user to collect, change, create or share content. Whether the user is watching or uploading videos on YouTube, networking with friends on Facebook, sharing news with his or her followers on Twitter, or reading, commenting on or writing blog posts, one common motive is clearly discernible: A traditionally passive consumer of content created and disseminated by mass media is changing into an active communicator.

Accordingly, PR professionals are coming to understand the need to participate in these new online communication forums. Given that the effects of social media on our communication culture, habits and current forms of interaction are not just a fad or phase, companies need to learn how they can and should foster their reputation through these applications.

Here, then, are five key challenges for reputation management.

1. Networking and openness

Corporate communication has been shaped by two forms of communication for the longest time: *1:1-* and *1:n-communication*. While 1:1-communication denotes the direct interaction of a company with a conversation partner—for



example, by telephone or email—1:n-communication is used when a message needs to be delivered to a dispersed audience. Many established PR instruments, such as press releases, fall under the category of 1:n-communication, but both forms take place exclusively between a sender and receiver; if a journalist contacts a company by phone, other media representatives are not notified of that fact. Today's social media platforms, in contrast, are based on an open and mutual exchange of information and opinion.

Platforms such as blogs, wikis and Facebook are what can be called *n:n-media*: Each participant in a network is simultaneously a potential

sender and receiver of information. What's more, since users talk to one another—publicly and whenever, wherever and about whatever they want—this development implies a loss of control over the public interpretation of data disseminated by a company. But it also offers some interesting opportunities for reputation management. As communication among target groups becomes more open and accessible, it becomes easier to gain insight into current opinions, trends and authentic sentiments by monitoring relevant communities and networks—a necessary precondition for timely reactions or interventions.

EBay | Immediate interaction

The online auction platform eBay employs a corporate blogger, Richard Brewer-Hay, who uses a variety of social media, such as Flickr and Twitter, to reach communities interested in the company's activities. Brewer-Hay runs ebayinkblog.com, which provides continuous information about eBay, and allows users to subscribe to various feeds. It also lets users comment and provide feedback to the company. He regularly covers corporate events, such as media or analyst conferences, on the site through ongoing Twitter comments.

What sets the corporate blogger's social media coverage apart is that the platforms used allow for the immediate emergence of a conversation with a wide audience. Hashtags (#ebayinc) make it easy to follow current replies and comments, and individuals participating in these events have a chance to ask questions or solicit input from their peers and feed them into the ongoing discussion.

"We originally launched the blog in 2008 to tell the company's story in our own words, in our own voice, while incorporating different perspectives and opinions," says Brewer-Hay. "The blog has further humanized our company and shown the people and stories behind our brand. By demonstrating a willingness to talk openly and transparently about eBay operations and business decisions, the blog is just one way we've ensured trust and confidence in our company."

eBay's social media savvy has not gone unnoticed: Recently, a study conducted by the communication agency Yomogo ranked eBay No. 1 in social media reputation, topping powerhouses such as Apple and Google.

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GETTY IMAGES

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2. Speed and disintermediation

For years, mass media have found themselves in the comfortable position of “gatekeepers”: Whenever companies wanted to reach a mass audience, the only way to get their attention was through the interest of editorial staff. The Internet has not rendered mass media obsolete, but it has considerably limited their significance. Today, the Web enables direct interaction between companies and their target groups. The traditional trade-off between reach and richness in a communication relationship has been swept away. It is now possible to reach a mass audience and interact with individual receivers at the same time. Social media combine the best of both worlds.

This disintermediation has considerably increased the speed of information dissemination. The social Web facilitates the sharing of information among a wide audience through networking, rating of data quality and relevance, recommendations, and linking. Companies need to be present in these networks in order to perceive and quickly react to ongoing developments. As participants in communication networks, companies do have a chance to directly engage their target groups and cater to their needs and wishes. Direct and targeted interaction and the involvement of their audiences are of tremendous importance to companies in managing their reputation, given that media usage, especially among younger audiences, is growing more fragmented and thereby harder to match through classic mass media channels.

3. User control and participation

Media studies have shown that the opinions of peers have a much stronger impact on the decisions of individuals than does mass media content. Feedback in the social Web is mainly generated through comments and recommendations, and professional communication by companies is increasingly overshadowed by multimedia word of mouth. All phases of a traditional buying process (awareness, consideration and purchase) can now be embedded in networks, in which numerous participants interact and mutually influence a buyer's considerations.

Because it's no small feat to choose reliable sources in increasingly crowded networks, a key question emerges: Who will be able to create a rep-

utation of trustworthiness among the target community? As in a classic mass media environment, size can still matter—for example, as measured by the number of readers, fans or followers. Statements tend to be seen as more significant if uttered by a known source within an individual's personal network. The good news for companies is that they have every chance to establish themselves as relevant, trustworthy communicators by being present, active and receptive in the social Web. But this commitment also entails subjecting themselves to the at times harsh evaluation and criticism of other participants. Once a positive online reputation has been established, communicators enjoy a level of attention and credibility that far surpasses any ad or press release. Finally, messages from a credible source will be willingly and quickly shared among other network participants.

4. Differentiation and niche building

Chris Anderson popularized the concept of the “long tail” in his book *The Long Tail: Why the Future of Business Is Selling Less of More* to describe how originally unprofitable niches can now be catered to profitably thanks to the sinking production and distribution costs online. The same concept can be applied to corporate communication. While the reach of a single Web 2.0 channel usually falls far short of that of a TV channel, it can be argued that a specific target group can easily be addressed through a dedicated Twitter or YouTube channel. Given the low distribution costs of the long tail, it really isn't necessary to reach and mobilize a mass audience; the accuracy and appropriateness of the message become much more important.

While traditional media still fight for attention, social media aim for influence. There is a notable distinction between the traditional “millions reached” and the new “thousands influenced.”

Comcast | Publicly caring for the individual

After the cable TV, Internet and phone services provider Comcast received widespread criticism of its customer service in early 2008—a significant amount of it spread through social media—the company's PR department encouraged then-Customer Service Manager Frank Eliason to engage disgruntled customers using Twitter. Over the following months, the Comcast Cares

Digital Team updated and extended its CRM software in order to monitor key social networks and quickly identify and respond to critical comments. Team members now personally address users writing about Comcast and offer to help them resolve their service issue. By directly engaging the relevant community, Eliason and his team created significant goodwill and industry admiration: *BusinessWeek* called Eliason “the most famous customer service manager” in the U.S., and the ACSI (American Customer Satisfaction Index) rating for Comcast’s TV service has increased by 10 percent since 2008.

While customer service through Twitter does constitute the personal engagement of a “niche of one,” it also provides the advantages of public communication. Other users can follow the processes documented on Twitter, sometimes helping to solve several issues at once. Also, other audiences, such as industry peers, interest groups and even journalists, are able to follow the actions of the company in real time and experience the level of service achieved through direct engagement.

5. Transparency and measurability

Communicators have always strived to measure the success of their efforts. Social media tools available today not only allow for measurement beyond a mere response rate, but also can reveal the reasons for a response. The Web allows companies to analyze which websites users visited before choosing their sites, how long they stay, which pages they look at and what information

they download. What’s more, communicators can see what content is being commented on, linked to and recommended by users.

Reputation managers are used to monitoring their media environment. Social media add new dimensions to this task because the communication of actual audiences within various channels and communities is becoming more open and transparent and thereby easier to track. Network analyses let companies plot their target communities, interrelations and the relevance of specific opinion leaders, or the spread of issues within these communities. By employing platforms such as blogs or social network profiles, companies can invite fans as well as critics to provide immediate feedback in a forum that is at once public and easy to oversee and analyze.

Social media are more than a fad. They are also more than just an accumulation of additional communication channels. Social media influence the way people communicate, interact and collaborate. They lead to a new communication culture that brings new challenges for corporate communication and reputation management. PR professionals are faced with the task of developing new solutions, tailor-made to their company’s situation as well as to the needs and wishes of their core target groups. The sooner companies find a fitting response, decide on necessary adaptations and embark on promising experiments, the higher their chances of fostering and maintaining a positive reputation in this new environment. •

about the author

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Key steps for reputation management with social media

Be present: It is easy to open an account on Facebook, Twitter or YouTube, and it’s the only way to learn the language and interaction dynamics of social media. Starting small can’t hurt—just distribute relevant company news and events through a micro-blogging feed or a corporate blog. Talk about what is relevant to you. Your audience will quickly help you learn what is useful and interesting to them.

Monitor: Identify relevant platforms and communities. What issues do they talk about? What drives their conversations? Also look

closely at what company messages and news receive significant attention and reactions. A range of automated services, such as Google Alerts, HootSuite, Radian 6 or Socialmention, can support your monitoring activities.

Engage: Be an active member of your online communities. Identify opinion leaders or influencers, and develop personal relationships through regular interaction. Community members fulfilling roles such as “information providers” or “reputation evangelists” are key to a positive social media reputation.

Be prepared: Develop internal guidelines for social media engagement, set up a social media team, and identify roles such as spokespersons, ambassadors or community managers. Frequent coordination and a “one voice” policy are vital. Finally, make social media communication part of your in-house training and personnel development—you never know when and where employees will use social media to talk about your company.

—C.P.H.