

Using competitive intelligence practices to help manage a corporate reputation: A case study illustrating the emergence of user-generated content on the Internet

Submission of abstract for an academic paper based on a case study

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The aim of this paper is to emphasize the importance of the emergence of a new kind of media, usually called social media or user-generated media, for the management of a corporate reputation, and how a firm can monitor stakeholders' online conversations to anticipate reputation risks and information crisis. The paper will discuss and analyze a case study describing the actions of a notorious French manufacturer in this field to highlight these issues.

This paper is part of a larger study conducted for a doctoral thesis that plans to determine how monitoring systems on the Internet and other competitive intelligence practices can help protect corporate reputations from information crisis. This thesis deals with several business case studies, including cases based on Datops activities, the firm supporting and backing this PhD work. One of them will illustrate this paper.

In a key article (Fombrun, Van Riel, 1997), Fombrun and Van Riel described reputation as a “*collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders.*” They added that reputation “*gauges a firm's relative standing both internally with employees and externally with its stakeholders in both its competitive and institutional environment*” (a definition initially proposed by Fombrun and Rindova in 1996).

This definition introduces the fact that corporate reputation appears as an “external asset” created and modified by different groups of stakeholders (including employees). The firm can only have an indirect influence on its reputation. The corporate reputation emerges from interactions between different groups of stakeholders who share information about the firm's actions, decisions and characteristics. These interactions are based on specific experiences and opinions.

Firms used to manage their reputation by monitoring traditional mass media (press, radio, TV...) as the latter played an essential intermediary role between the different groups of stakeholders for information exchange. It is still important for a firm to watch what media are saying about it, but the Internet, and especially the apparition of new means of communication using the Internet and publishing “user-generated content”, is shifting this role of intermediary.

The stakeholders can now express directly their opinions about a firm's actions by using newsgroups, creating and writing blogs, posting videos and podcasts, etc... These new sources spread content directly proceeding from users (who can be customers, shareholders, activists...). As such, they may be considered as a new threat for firms that care about their reputation. Several examples have already been reported, such as the “Kriptonite” case.

Some stakeholders have already understood the importance of these new media and do not hesitate to use them to spread messages about a firm's actions. For instance, some virulent activist groups such as environment protectors or consumer associations are using buzz marketing and other new practices to broadcast their evaluation of firms' actions in the fields of social responsibility and environmental issues.

Through a case study based on the actions of a French firm (a manufacturer interested in watching online conversations about its products and products of its competitors), we will explain how “user-generated content” media may impact a reputation and initiate an information crisis that could strongly hit a firm. This case study will also show how methods imported from competitive intelligence practices, such as monitoring systems, can help a corporate manage its online reputation by protecting it from information risks and by detecting some opportunities to enhance its reputation. Identifying significant and active sources, detecting links between different communities to reveal stakeholder networks, determining the importance and the veracity of watched information and deciding who will receive the result of this monitoring process in a firm, here are some issues directly imported from competitive intelligence practices and that could be very interesting to implement in a reputation management perspective, especially when a firm is particularly exposed on the Internet.

First, we will establish theoretical elements for this study, defining corporate reputation, competitive intelligence and its practices and user-generated media. Then we will present and analyze the case study, with some figures and examples of good and bad practices experimented during this case. Finally, we will use results from the case to start to define a common field between reputation management and competitive intelligence, by describing how competitive intelligence can help reputation management watch online conversations and opinions emerging from social media.

Keywords: Corporate reputation, reputation management, competitive intelligence, monitoring systems

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