
Web 2.0 and Reputation Management

Abstract

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The world of communication between a company and its different stakeholder groups (customers, investors, public opinion leaders etc.) will be changed decisively through the developments commonly summarized under the idea of “Web 2.0”. Basically, Web 2.0 stands for participation and user-interaction – the internet is not only used for transaction purposes in a more or less passive manner, but actively by engaging in discussions (e.g. forums or weblogs), development processes (open source communities) or collaborative content production (e.g. youtube). For instance, due to an extremely increasing user-friendliness of former complicated publishing processes, every user is now able to communicate his thoughts and opinions via simple and widely used publishing tools (e.g. weblogs or podcasts). One result can already be observed: Many bloggers mix their private thoughts and writings with business related aspects, e.g. by commenting on recent market developments or reflecting current events, incidents and decisions in their company. Particularly the latter aspect is relevant for corporate communication in general and reputation management in particular. Outsiders can often not distinguish between official corporate news/information and user/employee generated content (or even value the supposed “insider information” higher) as both websites achieve similar rankings in a Google search on a given company related topic.

Some companies already have identified the chances of the new “wave” by encouraging their employees to blog (or to take part in company related forum discussions) in combination with corporate guidelines and incentives for employee publishing efforts. In addition to that some companies also notice the different risks behind the new options:

1. New expectations of the different stakeholders concerning information and dialogue
2. New complexity, as e.g. a large number of blogs, forums, video communities cannot be easily monitored
3. New powers that can arise of the reputation of e.g. corporate bloggers, who cannot be easily replaced if needed due to their popularity
4. New ways for third parties trying to get corporate secrets
5. ...

In sum, Web 2.0 leads to very important opportunities as well as threats concerning corporate communications and especially an integrated reputation management. Against this background we're in the process of analyzing the following questions empirically: Which opportunities and threats were already perceived in companies and how do they evaluate the different developments falling back on a SWOT-Analysis? How far is Web 2.0 only perceived as a new technology leading to new means of reaching the different target groups or are the different movements already interpreted as more or less weak signals necessitating a paradigm shift in corporate communications and reputation management? And if, which new philosophies and policies, strategies and concepts are either discussed or already on their way to be implemented within different companies?

The first step of our research project encompassed a qualitative study falling back on in-depth-going interviews with experts from companies as well as agencies in Germany.

The results were quiet interesting. A few excerpts:

- a) **Sensitivity:** Particularly large companies (> 10.000 employees) are aware of the recent developments and see need for action.
- b) **Opportunities and threats:** Most small and medium-sized businesses do not see interesting opportunities or alarming threats in Web 2.0. Larger companies are aware of potential problems, especially regarding “one voice policies” and reputational aspects regarding negative comments or reviews in forums, blogs, etc.
- c) **Future behavior:** Some companies that see a need for action take employee guidelines for Web 2.0 behavior and the assignment of Web 2.0 experts into account. However most interviewed companies fall back on somewhat “drawer-plans” concerning the company organization by simply defining Web 2.0 responsibilities. Only few companies think about cultural changes. Still some experts – especially from big and successful companies – see the necessity to react massively beginning with an adoption of corporate philosophy and culture to make sure that opportunities could be utilized and threats could be avoided.

Analyzing the results of our study, we come to the conclusion, that the developments and changes summarized under the term Web 2.0 offer a variety of chances and risks regarding corporate reputation. In the full version of our paper we will present a more detailed overview of the results of our qualitative survey, a concept for a quantitative study as well as some first propositions concerning a comprehensive concept of reputation management “in the age of Web 2.0”.