

An influence of social media on businesses and the management of their Reputations



Rashmi Kant

M.Phil, Roll No: 150433

Session: 2015-16

University Department of Management

B.R.A Bihar University, Muzzaffarpur

Abstract

Companies must pay attention to everything that is written about them in social networks and should be especially cautious with what they publish and the responses they give to their customers' publications before a consumer with new aptitudes has access to new technologies and, more importantly, a wider and more dynamic range of alternative communication sources. Social networks have recently evolved into one of the most sophisticated, straightforward, and available forms of communication. Due to the potential impact that a single comment or opinion about a company's product or service could have on other users' or consumers' purchasing decisions, more businesses are now paying close attention to their reputation.

Keywords: Social Media, Business, Reputation

Introduction

Managers of business reputation management have a significant problem as a result of social media (SM), a new and rapidly evolving medium of interpersonal communication (Lariscy, et al., 2009). Due to its unique characteristics (such as interactivity, broad appeal, speed, worldwide reach, and so on), this sort of media may present both an opportunity and a threat for reputation management and maintenance.

On the one hand, they can be a great tool for establishing the desired image and reputation because they allow for the development of interactive relationships with an unlimited number of recipients, including stakeholder groups like employees, investors, and business partners in addition to customers.

However, the way they operate, which is outside of the company's control and influence, poses a major reputational risk. One unfavourable submission or comment on the Internet about the business or product may set off an uncontrollable avalanche that would harm the carefully cultivated reputation and undermine the carefully cultivated image. Additionally, using blogs involves the risk of disclosing or leaking private information, infringing the rights of authors, and other things.

Social Networking

Social networking has been one of the most popular ways to interact over the past few years as technology has developed since it is the quickest way to connect people. These networks make it easier to identify user profiles by disclosing information about their likes and dislikes, current circumstances, interests, images, comments, and social network, or everything that users deem relevant to society.

A platform that provides a forum for communication and engagement with digital groups of individuals who share needs and interests is known as an online social network. Gaffney and Rafferty (2009) described social networks as online communities where users can establish profiles showcasing their interests and typically click on links related to those interests to discover other users with whom they can connect.

It is more likely for a user to make decisions regarding his consumption based on the impact of his peers when they are engaging with others who are already a part of their extended social network in several popular social networks.

A variety of descriptions and reviews are produced through this form of communication. Social networking is "a social structure made up of entities (individuals and organisations) that are related in numerous ways and exchanging values, ideas, cash flows, friendships, feelings of love, family relationships, etc.," as defined by Filipe Carrera. One of the fundamental components of social networking is "his porosity and openness, which allowed for interpersonal relationships. Social networking is thus more than just another type of structure; rather, it is almost "no structure" in that its strength comes from its ability to quickly do and undo things".

Facebook is the largest of these social media platforms. There are around four million Facebook users in Portugal, with a penetration rate of 39% for the general population and an astounding 80% for the internet population. This social network stands out for its generalist nature, which allows for countless interactional contexts and forms.

Impact of social media on Brands

The most widely used web-based services in the world today are social networking sites, which have significantly changed how businesses and consumers interact. They have made way for more engaging, personalised, and interactive marketing techniques that will raise brand awareness while also fostering more solid consumer-brand bonds that will lead to brand loyalty. They have altered the way that businesses function, forcing them to diversify and create official brand accounts on a variety of social media platforms.

Social media platforms are so well-liked by consumers that they have a direct and indirect influence on people's thoughts, causing them to generate opinions about the brand in issue. Brands make use of this simple accessibility and opportunity to connect with and engage with a big audience in order to comprehend customer demands, gather feedback, and adjust their next marketing approach as necessary. They are able to keep and grow the devotion of their clientele thanks to this. Direct consumer-brand interactions are made possible by these platforms, which is advantageous to both parties.

Reputation management

There are significant obstacles in maintaining an organization's reputation because the idea of reputation is a design that changes as society and organisations work. The idea of reputation has altered as a result of a transition in recent decades. The scale of this shift, known as the technological revolution, is reflected in the social milieu. People had certain morals and ethics prior to this technological advance, but this revolution has caused changes in human behaviour.

We must understand that new technology entails more than just new theories, according to Mário Rosa (2007). Yes, it calls for a new way of thinking, but more importantly, it calls for a new way of acting. Moral innovation follows technological innovation. Innovations in the modern era have a significant impact on reputation management. We not only live in a new social environment, but also in a new moral one, where "transgressions that previously could go unnoticed can now be exhibited in real time on a global scale," according to new demands and rules of behaviour.

In today's modern digital society, information is broadcast globally in real time. Contrary to the early 1990s, technology now allows for mobile phones with cameras, filming cameras, photographing cameras, roads and elevators with cameras, micro devices, and global communication networks, to name a few examples of how all of a person's life is now recorded with an increasing level of detail. As a result, society feels more open and transparent. Reputations are far more exposed as a result.

There are additional authors who, while holding slightly differing views, still adhere to the fundamental idea. According to Mahon and Wartick (2003), reputation is the product of a series of public judgements that get better (or worse) over time and are socially shared by the various diverse stakeholders (customers, shareholders, employees, suppliers and so on). In conclusion, a company's reputation is dependent on its capacity to meet customer expectations and provide future value for its stakeholders, as well as on its past success.

According to Friedman and Resnick (2001), the growth of social networking tools—online platforms that allow for the dissemination and comparison of comments—has accelerated the evolution of corporate behaviour. They are discussion forums where people may interact and share their personal opinions about a given commodity or service. Users can get information about a product or service and contrast its costs and characteristics with those of similar goods and services offered by different businesses. The drawback is that it might be challenging to verify the objectivity of opinions and compare the same brand or product across many sites that publish their findings (Friedman & Resnick, 2001). In a different piece, the same authors argue in favour of a reputation system that gathers, distributes, and aggregates user feedback on prior behaviour. Although few of the providers or consumers of the ratings are acquainted with one another, these systems aid in the selection of trustworthy individuals, promote honest behaviour, and discourage involvement by uneducated or dishonest individuals.

In summary, businesses face enormous risks on a daily basis, so the challenge is to manage the company's reputation based on the relevant activity, even though rumours spreading among the populace can easily destroy it. In other words, there are negative criticisms that have a very strong and quick power to destroy businesses reputations.

Conclusion

Social networks are becoming more powerful on a global scale. Since almost everyone is connected to this environment, businesses plan to use it as a communication tool. As a result, it has developed into a crucial channel for the communication of goods, services, promotions, and information that help businesses comprehend their target market and engage with clients more effectively. In the current study, a deeper understanding of how social networks are becoming more and more popular on the Internet was sought. This is a very strong phenomenon right now, and businesses are taking notice. Additionally, given that it affects consumer behaviour, the connection between a company's reputation and social networks is crucial.

It has also been confirmed that consumer scrutiny of the brand's and its products' reviews influences those consumers' purchasing choices. This demonstrates how any unfavourable commentary, review, or activity on social media on behalf of or by a brand can damage that brand's reputation and how social media is a very delicate area that any brand must handle with extreme caution.

Reference

1. Shahriyar H, Brand Management with social media: In Service Industry, 2015, Anchor Academic Publishing.
2. Khajuria I, Rachna, Impact of Social Media Brand Communications on Consumer Based Brand Equity, Indian Journal of Commerce & Management Studies, September 2017.
3. Coelho J, Nobre H, Becker K, The impact of Facebook presence on brand image, Int. J. Technology Marketing, Vol. 9, 2014, Inderscience Enterprises Ltd.
4. Soewandi M, The Impact of Social Media Communication Forms on Brand Equity Dimensions and Consumer Purchase Intention, iBuss Management Vol. 3, No. 2, 2015.
5. Alturas, B., & Almeida, C. (2015). Social networks as a platform for business marketing. LCBR European Marketing Conference 2015. Lisboa, Portugal.
6. Boyd, D. M., & Ellison, N. B. (2008). Social network sites: Definition, history, and scholarship. *Journal of Computer-Mediated Communication*.
7. Rebelo, M., & Alturas, B. (2011). Social Networking as a Marketing Tool: Study of Participation in Cultural Events Promoted by Facebook. *Marketing Fields Forever, Academy of Marketing Annual Conference Proceedings*, (p. 240). Liverpool, UK.
8. Mahon, J. F., & Wartick, S. L. (2003). Dealing with stakeholders: How reputation, credibility and framing influence the game. *Corporate Reputation Review*.
9. Gorry, G. A., & Westbrook, R. A. (2009). Winning the Internet Confidence Game. *Corporate Reputation Review*.
10. Gaffney, M., & Rafferty, P. (2009). Making the Long Tail visible: social networking sites and independent music discovery. *Program: Electronic Library and Information Systems*.
11. Friedman, E. J., & Resnick, P. (2001). The social cost of cheap pseudonym. *Journal of Economics and Management Strategy*.
12. Ellison, N. B., Steinfield, C., & Lampe, C. (2007). The Benefits of Facebook "Friends:" Social Capital and College Students' Use of Online Social Network Sites. *Journal of Computer Mediated Communication*.

13. Duarte, F., & Quandt, C. (2008). O tempo das redes in redesurbanas. São Paulo: EditoraPerspetiva SA.
14. Chun, R., & Davies, G. (2001). E-reputation: The role of mission and vision statements in positioning strategy. *Journal of Brand Management*.
15. Castells, M. (2004). Informationalism, networks, and the network society: A theoretical blueprint. In M. (. Castells, *The network society: A cross-cultural perspective*.
16. SocialMediaExaminer, 2013. *Social Media Marketing Industry Report 2013*.
17. Argenti, P.A., 2011. Digital strategies for powerful corporate communications. *European Financial Review*.
18. Buchnowska, D., 2013. Analysis and assessment of use of social media by the largest Polish companies.
19. Weber Shandwick, 2009. Risky business. *Reputation online*.
20. Kaplan, A., Haenlein, M., 2010. Users of the World, Unite! The challenges and Opportunities of social media.