

Reputation Management, Selected Assessment and Measurement Tools Theoretical Overview

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Abstract— The meaning of the concept of online reputation management is constantly growing, more so in today's competitive business environment, where proper setup can contribute to the overall prosperity, as well as affect the market value of a company. There are many instructions and procedures on how to coordinate reputation in the right direction, however, we need to realize that success is not just about good technology or portfolio of offered products. According to aforementioned the main aim of this paper is discussing the issue of reputation by pointing out theoretical bases of reputation in online and offline environments as well as present selected assessment and measurement tools for reputation in business practice. However, the choice of effective and optimal tools for measuring and managing online reputation in business practice is a difficult and complex choice that fully depends on the nature and objectives of the organization itself, it is inconceivable to examine the presented issue. The paper further shows off the model of reputations including seven major factors affecting corporate reputation. As research methods, the authors used analysis and synthesis. From the point of view, as a source of data are used dominantly relevant works and studies of renowned authors publishing in the analyzed issue. The authors thus submitting a theoretical study of selected assessment and measurement tools in the field of reputation management.

Index Terms— Reputation, reputation model, tools, visibility.

I. THE CURRENT STATE OF THE THEORETICAL BACKGROUND

Reputation Institute [1] defines reputation as a comprehensive representation of consumer perceptions and interpretations of perceptions of process and results of a company in the past and expectations of future actions and results. According to the American Heritage Dictionary [2] the term reputation is defined as an overall opinion of stakeholders of a company. However, reputation reflects credibility in relation to customers and an overall increase in market value, but it also has an impact on a company's market position by influencing decision making of stakeholders [3]. Fombrun and Van Riel [4] define corporate reputation as a value that differentiates a company from other companies, is linked to performance of strategic measures and activities, and it is difficult to imitate. In defining reputation authors often decline common denominators - trust and cooperation. The basis of

reputation building is the very perception of external observers, that is consumers or customers. Fombrun [4] further suggests basic underlying propositions: be reliable and credible in relation to stakeholders and their perception of a trade mark, which forms the basis of good reputation. Perception is reliable and credible, created based on human visualization.

In the context of consumer perception Budd [5] notes that it is very difficult to change the perception of a trade mark. Although it can be modelled, it adjusts itself per factors coming from outside. The fact that companies literally fight for their reputations, since its effect can change attitudes, decisions and behavior of consumers is analyzed by many authors in their studies [6]. High reputation can increase customer confidence in their purchase decision, which reduces the purchase dissonance and leads to increased satisfaction and customer loyalty [7].

Following model shows the reinforcing relationships among trust, reputation and reciprocity. The direction of the arrow indicates the direction of influence among the variables. The dashed line indicates a mechanism not discussed [8].

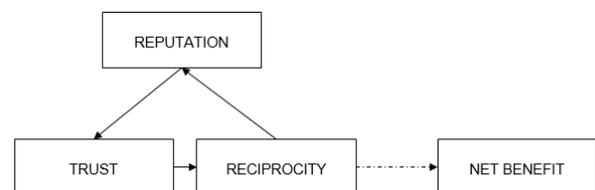


Fig. 1. Model of Trust and Reputation [8]

Authors [8] further use the following definitions:

- Reciprocity: mutual exchange of deeds (such as favor or revenge).
- Reputation: perception that an agent creates through past actions about its intentions and norms.
- Trust: a subjective expectation an agent has about another's future behavior based on the history of their encounters.

II. CORPORATE REPUTATION MODEL

When referring to reputation the concept of performance is becoming more frequent. It is thus important to consider

selection of the right parameters or indicators, by means of which it would be possible to quantify reputation in the context of overall performance in the manner adequate for a organization. A wide range of factors and criteria can be considered, from the perspective of both the financial and non-financial. A key success factor is most commonly associated with the output - result of the work. Fombrun [4] defines the methodology, which aims to measure the perception of a company by shareholders. He lists 20 factors that influence reputation based on 6 criteria: emotional factors, products, and services, vision and leadership, and social responsibility of a subject. Turner [9] describes another model of reputation factors. He not only defines eight main factors reputation, but for each he also indicates sources of information that affect them. In addition, these factors are divided into rational and emotional [9]. From the perspective of the definition of virtual reputation factors Dorčák and Pollák [10] argue that, in spite the lack of analyses, many authors believe that reputation is much more important in the online than in the offline context, as factors determining the confidence in offline context are absent and are not yet known.

Reputation Institute [1] defines a set of seven major factors affecting corporate reputation, namely products, innovation, workplace, governance, citizenship, leadership, and finally, performance and results of a company, collectively forming the model of corporate reputation - RepTrak, as the graphics shows. It is a model and system of regular measurement of reputation of global corporations developed by Reputation Institute, a company researching reputation.



Fig. 2. Model of Corporate Reputation [1]

III. REPUTATION IN THE ONLINE ENVIRONMENT

Reputation management has become an integral part of, and at the same time the hallmark of the „real“ as well as the virtual world known as online reputation management or Search Engine Reputation Management. While some Internet users are, careful and focus exclusively on specific target

activities, other Internet users have an open access for sharing information without restrictions. Search engines and social networks play a key role in building reputation, be it reputation of a natural person, or reputation in terms of business [11].

Online reputation management is formed by following aspects:

- Online monitoring of the Internet and users;
- Communication with the public and clients;
- Evaluation of the results;
- Crisis reputation management.

Regarding online reputation management of enterprises and their development predispositions in the conditions of competitive markets, Sasko [12] states that "monitoring online reputation should be an important part of marketing for any business. Using online monitoring companies can learn a lot about what their clients, partners, or employees think of them.

By disclosing bad reputation at the right time a variety of losses stemming from the bad reputation can be prevented." The fact remains, that building good reputation is a long-term process, but with the risk of being lost literally within seconds.

Tips for online reputation management by Monhollon [13]:

1. Stop negative reviews before they are posted online - it is important to know how to deal with dissatisfied customers and nip the problem in the bud.
2. Get the basics of reputation management - gain an overview of what customers think of the company, eliminate deficiencies and share positive results.
3. Ask satisfied customers - ask customers for online review.
4. Claim local business listings like Google places - it helps keep tabs on what consumers are posting about you online and gives you a formal place to direct happy customers to leave reviews.
5. Respond to negative reviews - know how to handle and respond to negative reviews.
6. Respond to negative posts on social networks - learn the inputs and outputs of how to respond to negative posts on sites such as Facebook, Twitter.
7. Prevent fake online complaints - learn more about false complaints and a company can do about them.

Online reputation management combines marketing and public relations with SEO. Visibility, high ratings and good reputation are the main goals which eliminate bad reputation in the online environment, within websites search engines. Statistics show that people rarely see more than two pages of search results. Online reputation management protects and manages reputation of a company by active involvement in the search results on the Internet through the Monitoring-Analyzing-Influencing process.

Online reputation management implemented effectively into corporate practices should fulfil the following tasks [14]:

1. *Monitoring the Online Reputation of Your Business, Brand, and Name.*

Important factors for anyone who wants to be on the Internet are online branding and reputation management. Monitoring needs to include all the relevant data, from the company name, brand to competition monitoring.

2. *Creating Reputation Barriers against Negative Reviews.*

In order to build barriers against the negative reviews, maintaining them before displaying on prominent places, the formation of pro-active SEO, creating a new positive content, or articles on the web with quality content is necessary.

3. *Control Over Reputation And Image.*

Online reputation management allows 100 % control of the results that appear on the first page of Google search.

4. *Eliminating Negative or False Information and Data from the Internet.*

Published false information that affects name and that is located on the first pages of Google searches can be removed in two ways: by identifying the person or the site admin who is responsible for its publication with a request to delete the message. Should the request be ignored, it is necessary to take legal steps.

5. *Eliminating Negative Pages from the First Pages of Google Search.*

SEO techniques are used to achieve this. Negative results are eliminated by strengthening the positive and neutral results.

IV. SELECTED TOOLS OF MANAGEMENT AND MEASUREMENT OF ONLINE REPUTATION MANAGEMENT

The RepTrak Model- The RepTrak Model tool started out as a revolutionary idea that reputation can be measured if you have a scientific, disciplined and consistent way to capture stakeholder perceptions about a company or an organization. Today it is used by hundreds of organizations to measure, communicate and manage initiatives that impact reputation [1].

Model of a simple counting and averaging- The simplest form of calculation reputation score is to count the number of positive and the number of negative assessments, while reputational score is the difference between the positive and the negative assessments. This model uses the electronic marketplace eBay and in spite of its simplicity it is a very effective way of encouraging transactions between users. Slightly more advanced system is a system for calculating reputation score as an average of all ratings. This system is used on many commercial websites such as Amazon online store. Advanced models of this category calculate an average of all ratings considering the factors such as the credibility or reputation of the source of evaluation, the age of rating, the difference between the previous and the current rating [15].

ReGreT- ReGreT model is a system aimed at small and medium-sized e-commerce environment, where social relations between individuals play an important role. The system considers three different sources of information: direct experience, third-party information and social structures.

Reputation is divided into three specialized types depending on the source of information that are used for the calculation:

- reputation calculated based on information from witnesses,
- reputation calculated based on information obtained from social relations between partners,
- value of reputation based on roles and general characteristics.

In this system, each value of reputation has its degree of reliability, which indicates how credible a result is. This measure helps decide whether it is appropriate to use the resulting value as part of the decision-making mechanism [16].

Flow model- Systems that calculate a reputation using intermediate interactions between participants. These Flow models assume a constant value for the entire group of rated entities, which is divided between them. In general, reputation of one participant can be increased only at the expense of another participant. An example of such a mechanism is PageRank from Google, where the number of hypertext links to a website helps to increase PageRank of a website, while this number contributes to reducing PageRank of referral website. Basically, the PageRank assigns website a score depending on how many other websites links to it [15].

Bayesian system- Bayesian system is based on binary reputation assessment, where positive or negative reputation are the input values, and reputation score by statistical adjustments is the result. Reputation score is a combination of original and updated reputation. Reputation score can be expressed by several positive and negative assessments or in the form of probability of expected beta value. The advantage of this method is that it provides a relatively reliable basis for the calculation of reputation score, but complexity is its disadvantage [15].

V. DISCUSSION

Online reputation management is important for individuals as well as for companies [17]. The more popular a brand is the more criticism it attracts. Anyone in the online environment can publish any content about a brand or a company. It is very important to monitor and to some extent manage such contributions and mentions of a company, but given the size and complexity of the Internet it may not be easy. There are many tools on the market in the form of software and applications that significantly help monitor and manage online reputation.

However, the choice of effective and optimal tools for measuring and managing online reputation in business practice is a difficult and complex choice that fully depends on the nature and objectives of the organization itself. Reputation,

especially in the online environment of immediate decisions, is often the critical factor for customers when purchasing products, visiting an institution, or ordering services. In addition to the positive image built over many years regular verification of the level of reputation and the elimination of negative reports is important. Therefore, reputation management one of the most important parts of building good reputation of every company, without an exception.

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