Corporate Online Reputation Management Based on the Crisis Incident of Company C

Ruixue Sun, Hasliza Abdul Halim

School of Management, Universiti Sains Malaysia USM, Penang 11800, Malaysia.

Abstract: In today's ever-changing environment, companies are faced with many crisis events. The ability to weather and recover from a crisis event requires a sound and long-term strategy，online reputation management (ORM) is also an area that affects corporate strategy. Negative content on social media is now one of the biggest threats to a company's public opinion, and when negative opinion threatens a company's image, it often leads to a corporate crisis. This study investigates the case of C corporate reputation crisis caused by online public opinion, and uses quantitative analysis to examine the reaction of Internet users to the crisis and the impact on the company's reputation and the company's subsequent reaction. The results show a positive relationship between corporate reputation and the supportive behaviour and sentiment of internet users.

Keywords: Online Reputation Management; Corporate Reputation; Internet Users; Public Opinion

1. Introduction

1.1 Background of the Study

In a highly connected age, people have timely access to information through online social media. Consumers of information are also contributors of information, so news of crises can be shared and reshaped, and the news created by these users is hugely influential and in some cases considered more trustworthy than the mainstream media (Colley & Collier, 2009)[1]. In one study it was found that around 31% of companies reported that unfavourable content had had a damaging effect on their corporate reputation and that a reputation crisis was almost inevitable. It is thus clear that public attitudes and emotions towards crises play a crucial role and determine the extent to which companies are able to deal with them.

1.2 C Ice-cream companies

C (Chicecream) is part of a Shanghai, China-based ice cream brand that follows the Chinese style from the brand name to the appearance of its products, and is mainly sold through online e-commerce and offline flash shops. The brand is loved by customers for its wide range of flavours and continued innovation in low and no-sugar healthy ice cream.

1.3 Statement of the Problem

This article investigates the case of the ice-cream brand enterprise C. Which has been in the public eye since the "ice-cream assassin" topic began to be questioned by the price, and then by a social media platform where users posted that C does not turn into liquid like other ice-creams, sparking a lot of internet debate and speculation. Enterprise C face a series of reputational crises. The study will therefore further seek to discover the impact of online users' words, actions and sentiments on corporate reputation.

2. Literature review

2.1 Corporate Reputation

Corporate reputation it is more effective to create corporate reputation by communicating with stakeholders and using

communication mechanisms such as public relations (Pollák & Markovi, 2022; Deephouse, 2017)[2]. Scholars believe that companies can do this by engaging in open and honest dialogue with those who have a stake in the company.

2.2 Online Reputation Management (ORM)

ORM, if you want to build a positive image for your company online then you need to cultivate a positive online reputation(Jones et al., 2019). It is almost impossible to maintain a company's online reputation manually due to the proliferation of social media platforms. Companies should keep a constant eye on the web and join in when appropriate to effectively engage the company's target audience through the web, address issues in a timely manner, learn how to monitor and manage online users by.

2.3 Situational Crisis Communication Theory (SCCT)

Situational Crisis Communication Theory (SCCT) (Coombs, 2007)[3], variables (negative news about the corporate, attitudes of internet users, supportive behaviour of internet users, corporate reputation) and relationships that should be considered when choosing a crisis response strategy to protect an organisation's reputation. By applying the theory of SCCT to this study, researchers were able to identify the perceptions of users of the Internet regarding corporate reputation in their attitudes and the dissemination of information, which is then managed to maintain corporate reputation.

3. Methodology

3.1 Research Design

In this study, positivism was used as the research paradigm, measured and to understand how the project works. Quantitative research was used to prove the hypothesis that corporate reputation would be more influenced by internet opinions and by analysing the statistics generated. Purposive sampling was used in this study, using primary and secondary data collection, with participants being people who have regular access to the internet and have knowledge and discussion about the case of the C Corporate opinion event, with 168 people interviewed for this study.

3.2 Questionnaire design

The questionnaire consisted of three sections, based on A Corporate Reputation (Coombs, 1998; Coombs & Holladay, 1996), B Supportive behavioural intentions (Coombs, 1998; Coombs & Holladay, 1996), C Emotions (Coombs & Holladay, 2005) scales were adapted to fit this article. A section which was used to assess the reputation of the organisation and the extent to which the source cared about the interests of others. B section was about the supportive behaviour intentions of web users who learned about the public opinion event, C section was about web users' sentiments about the event and the response and approach taken by the company[4].

The questionnaire used a 7-point Likert scale to measure the respondents, and their responses to the questions asked. Their position was represented in the questionnaire by choosing between 'strongly disagree' to 'strongly agree' (Vagias, 2006).

4. Data analysis and findings

4.1 Introduction

The data collected is presented in an organised and systematic form by analysing the case using SPSS tools to obtain information and explore the impact of online opinion on corporate reputation.

4.2 Corporate reputation

Principal component analysis of the three scales revealed that they had good structural validity. Meanwhile, the components with eigenvalues greater than 1 in the following three tables were retained to obtain 2 principal components each, and then the different results were displayed according to the rotated component matrix.

Figure 1 Corporate reputation common factor variance

Common factor variance

	Ingredients	
	1	2
1.The company is concerned about the public interest	.823	-.065
2.The company is honest in the responses it makes.	.797	.158
3.The company has no hidden agenda.	.846	-.067
4.In the company is trustworthy.	.857	.127
5.In most cases, I would probably believe what the company says.	.830	.024
6.Internet opinion can have a significant impact on a company	.034	.991

Corporate reputation, KMO coefficient = 0.854>0.8, p=0.000<0.05. The first five variables play a major role in principal component 1, which can be attributed to corporate reputation, and the sixth variable plays a major role in principal component 2, which can be attributed to The sixth variable that plays a major role is the influence of public opinion.

4.3.3 Supportive behavioural intentions

Figure 2 Supportive behavioural intentions common factor variance

Common factor variance

	Ingredients	
	1	2
1.I will say good things about the company to others	.843	.025
2.I will sign a petition to support some of the actions the company is trying to take	.849	.050
3.I will give an online review of the company to support some action the company is trying to take	.799	.215
4.I will attend an event in support of something the company is trying to do	.832	.081
5.I will encourage friends or relatives not to believe what the company says	.145	.851
6.I will say negative things about the company and its happenings to others	.051	.846
7.When I participate in a retweet or comment, I consider that my opinion may be an inflection point for public opinion	.625	.270
8.I will also recommend the company if I am asked for advice on which product or service to buy	.791	.038

Supportive behavioural, KMO coefficient = 0.836>0.8, p=0.000<0.05. That variables 1, 2, 3, 4, 7 and 8 played a major role in principal component 1, which can be attributed to positive personal support. For principal component 2, variables 5 and 6 play a major role, which can be attributed to negative personal support.

4.3.4 Emotions

Figure 3 Emotions common factor variance

Common factor variance

	Ingredients	
	1	2
1.I am concerned about this public opinion event	.166	.788
2.I believe in the veracity of the public opinion event	.168	.779
3.The incident has made me sympathetic to the company	.748	.087
4.The incident has made me angry with the company.	.283	.711
5.I feel scared when I hear about a crisis in public opinion about the company	.782	.292
6.I feel anxious when I hear about a crisis in public opinion about the company	.799	.290
7.I actually feel a little happy about the bad things that have happened to the company and I think the company deserves it	.611	.166

Emotions, the KMO coefficient = 0.793≈0.8, p=0.000<0.05.   The main components of principal component 1 are variables 4, 5, 6 and 7, which can be attributed to negative crisis emotions. For principal component 2, variables 1, 2 and 3 play a major role, which can be attributed to positive crisis emotions.

The results show that as news released by the media and information posted by online users spreads rapidly, people can move from an initial positive mindset to subsequent neutrality, negative sentiment starts to rise, and the negative sentiment rendered by online users can gradually create a crisis for corporate reputation. At the same time, a company's originally established reputation has a lot to do with the supportive behaviour and sentiment of online users.

5. Conclusion

From the results of the study, it can be concluded that online public opinion does have a significant impact on corporate reputation and that the planning and execution of Company C during the crisis was inadequate and did not effectively use social media to communicate with online users. Therefore, based on this study, it is recommended that company managers need to act quickly in the face of a public opinion crisis by presenting facts to refute accusations, as well as establishing an opinion crisis management approach and using good crisis apology strategies (Benoit, 1995; Sellnow, Ulmer, & Snider, 1998)[4] to meet the needs of the media and online users[5].

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