Business Reputation and Social Media:
A Primer on Threats and Responses

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Abstract
With the emergence of the Interactive Web or (Web 2.0), social media applications gained enormous popularity among Internet users forcing businesses to adapt their marketing strategies and engage the social media as part of their marketing toolbox. The social media has empowered the public and weakened the position of businesses by exposing them to negative publicity, customer attacks and reputation damage. This study analyzes the threat of social media to the corporate reputation that can be damaged by three different actors: the customer, the employee and the corporation itself.
We review the literature about the impact of each of these actors and assess the findings by means of real-life cases. Based on the findings, social media reputation threats are discussed in light of corporate response strategies.
The results indicate that organizations need to develop a portfolio of response strategies with several approaches specifically relating to each of the three actors of reputation damage; the best policy of businesses to successfully manage their reputation is to create an organization capable of managing the risks to corporate reputation arising from employees and the corporation itself. The real-life cases indicate a lack of organizational knowledge on how to effectively manage social media risks, highlighting the need for businesses to update their knowledge on using the social media as part of their marketing toolbox. Finally the various response strategies are classified according to the source of the reputation threat.

1.   Introduction

In today's world, the degree of interconnection between companies, stakeholders and shareholders has increased drastically. It implies a mutual dependency on each other's behaviors and actions. This growing degree of interconnection is routed in the fact that people and businesses more and more adopt Web 2.0 applications as part of their daily life. The term Web 2.0 defines the second generation of Internet applications (Interactive Web) that are commonly known with the term social media.[1] With the emergence of Web 2.0, social media sites have gained increased popularity among the public; and many companies have adapted their marketing strategies towards being active in the social media sphere. However, the development of social media makes companies vulnerable to negative publicity and endangers their reputation.

The emergence of social media brings along several threats to organizations.[16] As a recent study[2] mentions, people can easily generate, edit and share content with large numbers of other people. Such interactions and customer generated content can be a threat to organizations since customers take an increasingly active role as market players through social media and are able to reach a wide audience.[3] Hence, the power of individuals to spread rumors or complaints about companies[4] in very short time is increased and this in turn means that companies have less time to respond to attacks. Other threats include the existence of social media users who follow the sole purpose of spreading negative word-of-mouth about a company or employee behavior which is not in line with customer expectations or organizational ethics. It can be pointed out that the major threat for businesses is to "ignore social media and allow conversations to happen without awareness or participation".[5]

In addition to the threat of empowered customers, organizations also face threats from their own employees who often post in social media with the permission of their company and on behalf of the organization. These posts are published either in employee's private accounts or in the company's social media accounts like blogs or social networking sites.

Current literature[6, 7] suggests the existence of a third source of threats which emerges from the corporate side itself: for example the lack of a social media website or the lack of a web care team, leaving the company unable to detect and react to discussions, posts or blogs about themselves. Furthermore, reputation damages can occur if the company has no response strategies or coordinated emergency plans in place to deal with social media crises.

It is fair therefore to state that threats to the reputation of an organization can emerge mainly from three different angles: the customer, the employee and the corporate angle. All angles are discussed separately in this paper. To the best of knowledge, no previous studies explicitly discussed the threat of social media from all three angles. In that respect this paper aims at answering the following question: *Is social media a threat to an organization's reputation?*

The use of social media by commercial organizations is a topic that has received quite some research attention.[8, 9, 10] Most researchers agree that there is a clear trend towards the empowerment of online users and an increasing threat for the reputation of organizations. Research[11] clearly identifies the possible negative effects of reputation damage: loss of market share, less sales, loss of stock price value, less purchase intentions, and the disturbance of the relationship between an organization and stakeholders.

The majority of the existing literature is defining social media threats to business reputation as a single danger without distinguishing between different actors or angles that can cause it. However, the danger arising from social media activities is highly diversified and has several sources. Thus, this study reviews current research by approaching the threats from three different angles, leading to a more detailed description of each source of potential social media threats. In a first step, journal articles and books have been reviewed, looking for reputational threats and possible response strategies, differentiated

according to the three different angles. In a second step, a number of news websites have been searched for current incidents regarding reputation damages arising from social media activism in order to compare the practice with the literature findings and identify social media response strategies. As already mentioned, companies' social media usage has not been fully researched yet[8, 9, 10] and the real-life cases point out shortcomings and research gaps in the available body of knowledge.

2.   Theoretical Background

Different definitions of social media are presented in the current literature. Social media sites can be defined as highly interactive platforms via which individuals and communities share, co-create, discuss and modify user-generated content and share it with friends and followers.[9] Others,[12] add to this definition that social media gives the press but also individuals the opportunity to express and spread their opinions. Thus, social media leads to significant consumer empowerment while companies increasingly lose control over communication between users.[13] As a consequence, firms are increasingly exposed to reputation issues and should device ways to deal with them effectively.

Reputation can be defined as an intangible asset, which is of financial value for an organization and can influence the attraction of customers, the motivation of workers, the generation of investment interest as well as positive media coverage.[11] Researchers[14] define reputation on social media as being built mostly by community participation, collaboration and tailor-made content ranked by search engines. A recent study[15] sees reputation as a valuable asset of an organization, which needs to be protected by all means. Generally speaking, reputation can thus be summarized as the public perception of an organization.

Reputation management implies taking harms to the company's reputation seriously and in turn to actively develop strategies to treat each case individually.[12] Furthermore, the management of a company's reputation must be a two-way path: top-down and bottom-up.[14] Top-down meaning that top management needs to guide and organize lower-level employee behavior and in turn, lower-level employees must inform top management about current trends, issues and circumstances. Considering the increasing diffusion speed of opinions online, a company needs to carefully develop contingency strategies in this domain. On the other side, lower level staff might be in much closer contact to the customer which implies the need for a bottom-up communication to adjust current reputation management strategies.

3.   Exploring risks of corporate reputation damages arising from social media

3.1.   Customer angle

The customer angle is concerned with the possibilities of customers to negatively affect the reputation of a company via social media activities. The literature shows several characteristics of Web 2.0 applications that enable the empowerment of customers and the actions with which consumers can actually harm an organization's reputation.

In a world where consumer time zones have become invisible and communication more and more immediate, the power shifts away from a company towards the consumer.[4] Therefore, consumer-generated content or consumer-generated media play a significant role in shaping the current markets. Research[9] identified the democratization of communication, i.e. the shift of power towards individuals and communities as one of the most important results of the wide adoption of social media by the public. Due to this empowerment, consumers often confront companies with their social, ethical and commercial responsibilities.[16] These confrontations may include exposure of product failures or misconduct of the organization as organizations are forced to respond to criticism. Further, they also identified the anonymity on the Internet as a possible threat. Other research[17] confirms the influence of the social media, which allows users to post content or get interactive without any permission. Another characteristic leading to higher influence of the consumer is pro-activity as "consumers use new media to contribute to all parts of the value chain, ranging from superficial articulation (reviews on retail or fan

sites) to extensive co-creation [...]".[17] The fact that social media content is visible for other users can also influence the reputation of a company because the number of Internet users is steadily increasing and thus many potential or existing consumers have the opportunity to get access to the published content of other users. The real-time sharing of knowledge and experience as well as the memory of the Internet can be potential threats. This refers to the difficulty to delete content that once appeared on the Internet and still can be found years later, harming the corporate reputation although these statements might be incorrect or do not account for the company anymore.

As consumers have the power to affect the company's reputation in various ways, companies should be aware of reputational problems caused by consumers via social media. In this respect "creative consumers tend to mess with products, often modifying them in ways that have little to do with the product's original purpose and frequently at odds with the original need the product was intended to fulfil".[4] Due to differences between countries and cultures, consumers may experience a different satisfaction level with products and often use products in ways that do not provide them with the expected value; in such cases customers try to modify or adapt products, which may not correspond to the original product usage patterns as intended by the manufacturer. This may lead to negative perceptions and negative product reviews, which may be damagingly associated with the overall image of a brand or the whole organization. Through social media these negative reviews and perceptions can be further shared all over the world.

Anti-branding sites might also have a negative effect on a company's reputation.[13] Anti-branding sites are organized by consumers and usually focus on expressing feelings of dissatisfaction, thereby creating negative publicity about a specific target brand. The issues can reach from "workplace equality and corporate domination to environmentalism and marketing propaganda".[18] The Internet facilitated anti-branding as it can be done extensively and action strategies as well as coalition building are not restricted by space or time.[19] Anti-branding communities do not require much effort and time from the consumer to create negative content. Additionally, the consumers' amalgamation to a bigger group increases the influence of their anti-branding sites.[18]

Shitstorms are another way consumers can negatively affect the reputation of a company.[20] A shitstorm (a term used in some German-speaking countries) denotes emotional and often irrational criticisms carried out by many consumers. Rational negative opinions usually form the basis for shitstorms, which eventually grow through irrational and assertive content added by other dissatisfied users.

Such forms of customer activism are often magnified due to the leader-follower effect.[21] The leader-follower effect can be explained as follows: "These days, one witty tweet, one clever blog post, one devastating video - forwarded to hundreds of friends at the click of a mouse - can snowball and kill a product or damage a company's share price."[22]

The above facts describing the seriousness of customer activism are illustrated by a real-life case. Some users of the video platform YouTube criticized the fact that Google restricted the possibility to comment on videos.[23] As a protest to this restriction, the British singer Emma Blackery wrote the song "My Thoughts on Google+", a harsh written song with numerous insults towards Google. The song reached more than two million views; many of the viewers supported and shared Blackery's negative opinion about Google+. Some of them suggested to stop using YouTube and switch to the video platform Vimeo. Furthermore, a petition was started on the website change.org, which reached more than 200,000 people. According to Google, the restriction was necessary because the company increasingly has to deal with Troll comments which are comments that are neither serious nor theme-related. Customers complained with the counter-argument that people are still able to construct fake accounts on Google+. The second reason Google mentioned was that they are now able to put the most interesting comments on top because they are able to separate between the "[v]ideo performers and other interesting personalities".[23] In spite of this negative customer perception, Google did not change back to the old comment function or a modified one that takes customer complaints into account.

The case gives evidence for three dangerous attributes of social media, which companies always need to be aware of. First of all, the case shows how powerful the voice of just one customer can be. It is important to keep in mind that only one customer can lead to a snowball effect causing numerous customers to complain as well.

Second, the case shows that even small changes can lead to high awareness. Google just wanted to connect the users of their video platform YouTube to their social media platform Google+ and ended up with the fact that users suggested to switch to their competitor Vimeo. This shows that organizations are required not only to properly plan every change on their social media accounts but also to monitor the implementation extensively and have contingency plans in place. Underestimating the dangers of the outcomes of small changes in the sphere of social media can lead to high reputation damages for organizations.

Third, the case can be seen as an example of how a firm should not react to customer complaints. It is important that firms choose not to ignore the customers' comments but respond to them. Google at least tries to justify the new comment function but did not change back to the old function.[24] Nevertheless, Google's justification was not sufficient to many users and therefore the petition gained a lot of subscribers.

3.2.   Employee angle

Employees, current as well as previous ones, have a considerable impact on the reputation of their employers. Employees are "the primary interface with customers, suppliers, and other key partners".[25] Consequently, their behavior and actions can influence either positively or negatively how outside stakeholders perceive the organization. Based on the literature, employees are able to negatively affect the reputation of organizations via social media applications in two ways: employees can either intentionally voice their dissent as private Web 2.0 users and/or they can unintentionally harm their employer's reputation when being responsible for the management of social media accounts on behalf of the company.

With the advent of Web 2.0, new channels for voicing their opinion are available to employees. This leads to an increased power over their employers' reputation because social media gives employees the opportunity to make their employee voice heard not only in the real world but especially in the virtual one.[26, 27, 28] Intentionally expressing employee voice via social media channels can seriously harm an organization's reputation. Employee voice can be defined as "an employee's attempt to use either organizationally sanctioned or unsanctioned media or methods for the purpose of articulating organizational experiences and issues or influencing the organization, its members, or other stakeholders".[28] The real threat to organizations is the employees' power to spread their dissent as private individuals[29] via unsanctioned media such as Web 2.0 applications[26, 27, 28] so that employee voice no longer stays within organizations. Instead, due to the inherent characteristics of social media such as the real-time communication, ease of access and widespread adoption of Web 2.0, these differences of opinion can be spread "unfiltered"[29] outside the company on a global scale, reaching vast numbers of Web 2.0 users within seconds.[27, 28] Expressing dissent via private online accounts might lead to declined consumer trust in the company.[30] The unhindered access to global stakeholders is further exacerbated by the fact that the publication of negative content by one single employee can be enough to draw the attention of large amounts of people to organizational shortcomings. "The actions of a few bad apples can be devastating to many".[25]

Various possibilities exist for employees to become global publishers[27, 28]: Examples are websites specifically dedicated to give employees the possibility to air their work-related grievances (e.g. AboutMyJob.com or EmployeeDirt.com), video uploads on YouTube showing internal work processes that do not comply with legal standards or using Twitter as a way to complain about the employer's product offerings. Additionally, users of social media can further share and spread content published by employees, "this multiplies reputational risks".[29]

The employees' dissent has a significant potential to destroy an organization's reputation as contradictory opinions point to wider organizational problems in terms of employee dissatisfaction or the company's demise[31] and companies may have not yet identified the importance of becoming aware of employee dissent and reacting on it before employees make their opinions public via social media.[26] This can turn into a vicious circle: employees that do not have the feeling to be heard by their employer undergo increased dissatisfaction.[27]

The consequences of negative employee voice are described in impressive terms in the literature: public dissent can "cause substantial damage"[29] to a company's reputation, "employee voice can be […] a time bomb waiting to explode" leading to "sustain[ed] serious collateral damage" that can be "devastating"[28] and "unrecoverable […], or at least a public relations nightmare".[27] Further on, negative publications by employees have the potential to "detract from an organization's desired image and its desire for competitive advantage"[27]. At worst employees' public dissent can even "lead to infractions that result in legal exposure for the organization".[28]

One example concerning an intentional damage by employees, which quickly spread on the Internet, is the activity of two employees of the American restaurant chain Domino's Pizza.[32] A video was uploaded on YouTube showing how two employees violated health standards while preparing food in one of Domino's restaurants. Soon, the video reached more than one million views and many people discussed the employees' behavior on social media applications like Twitter. The company reacted by firing the respective employees and contaminating the store.

Overall, this video led to an increased negative perception of the company. Domino's decided to create an account on Twitter and posted an apology video.[32] This case shows that, in times of Web 2.0, even a few employees are able to negatively influence the perception of customers towards a brand. Moreover, this case adds to the existing theory that employees sometimes act in ways that are neither fully traceable, nor predictable. Therefore, companies have to be very careful and consider possible actions to prevent such situations.

In order to take advantage of the opportunities offered by Web 2.0 applications, companies increasingly adapt their marketing strategies and become active in building up their own social media presence. Networking sites such as Facebook may be used to build up two-way interactions with customers or to support market research by analyzing social media sites in order to detect weak signals of market changes.[33] Employees may unintentionally damage an organization's reputation while managing their employer's social media accounts. A survey among public relations executives[5] revealed that employees might not fully understand how to use the social media tools or incorporate them strategically. Especially older employees are less familiar with Web 2.0 applications compared to younger generations. Additionally, social media applications develop constantly. Both factors lead to the advent that employees may not always be able to use social media in the best interests of their employer.[5]

Social media accounts can also be used in crisis communication. However, if employees apologize on social media too soon, although the organization's responsibility for the crisis is not certain, the organization automatically accepts the responsibility with their apology. This can harm an organization's reputation significantly since the company's apology can lead to substantial financial losses or it can be used as evidence during lawsuits against the company.[34]

There are several recent cases of unintended organizational damage for a variety of reasons. In case of the journal American Rifleman, which publishes articles about modern firearms, the reason was simply inappropriate timing. Via Twitter, the tweet "Good morning, shooters. Happy Friday! Weekend plans?"[35] was released shortly after a mass shooting in Aurora, Colorado, in which twelve people died. The reactions of other Twitter users were mostly negative and the Twitter account was shut down on the same day. As it turned out later on, an employee who did not hear the news about the tragedy published the tweet. American Rifleman's spokesman Andrew Arulanandam apologized in an interview with CNN: "Our thoughts and prayers are with the victims, their families and the community".[35] This case extends the theory by two more points: unintentional damages may arise due to poor timing of publications and

employees lacking company external information. Thus, the ability of employees to use social media applications is not the only crucial aspect in protecting a company from unintentional damage.

Overall, employees can harm a company's reputation in multiple intentional and unintentional ways. The possibility of damage can never be fully avoided because it is not possible to keep an eye on every employee at all times. The two cases show that companies cannot just focus on the threats identified by the existing literature but have to consider more possibilities.

3.3.   Corporate angle

The corporate angle focuses on an organization's perspective towards possible social media activities that have the potential of negatively influencing the organization's reputation and brand image. The literature indicates strategic failures when engaging in social media as well as ineffective response strategies when social media crises arise.

First, the literature highlights potential risks for an organization by engaging in the Web 2.0. Through the emergence of social media, responsibility for occurring crises can faster and easier be attributed to an organization. It could be ineffective to not align different social media activities with each other because user generated complaints could be overlooked.[8] If companies miss being present on all social media sites, they are not able to correctly monitor customer complaints, which could damage their reputation immensely.[36] Furthermore, the possible threat of not integrating social media activities with traditional marketing activities is apparent.[8] Many companies make the mistake of treating different media independently.[36] Instead, the social media approach of companies should be handled as an integrated strategy. If marketers use them independently, they are not able to completely reach the highest possible amount of influence and attention with their marketing strategy or may send contradictory messages.

In addition, the choice of the social application is crucial for a successful Web 2.0 presence. By using a variety of social media applications, different kinds of customers can be reached. Thus, the wrong choice could lead to an ineffective marketing activity.[8]

Second, in order to react on negative publicity, companies can use several different online response strategies. Some of those strategies are poorly planned and turn out to be ineffective. The effectiveness of response strategies can be crucial to a firm's reputation: "The actions that the organization takes in dealing with social media and how it responds during times of crisis could drastically diminish the harm if managed properly or significantly increase the harm if mismanaged".[12] This shows that it is highly inefficient to try to ignore the complaints occurring in social media. Although firms may not have any presence in Web 2.0, they are not excluded from online complaints. Customers are able to develop their own websites to complain. Companies usually make use of different response strategies: Denial, forced compliance, voluntary compliance, and super effort.[11] Hereby, the forced compliance strategy fundamentally undermines a company's reputation by forcing employees to implement actions that are set top-down. If a company uses the forced compliance strategy, the employees are less flexible and cannot react on customer behavior before management approves it. This can cost a company valuable time, in which the reputation can be further damaged.

Moreover, it is of utmost importance that firms are honest in their social media communication because they should "never expect that other participants may not find out" if firms lie within their public statements.[8] Therefore honesty should be a basic necessity in every response strategy. Additionally, by using diverse social media applications, different kinds of customers can be reached. Thus, the wrong choice could lead to an ineffective marketing activity.

Other research[37] states that the use of "Internet-based emergency response systems" can bring significant benefits to governments in terms of natural disasters. For companies, it is important to develop Web 2.0 crisis solutions beforehand, not when they occur. However, due to the infinite number of potential scenarios, firms struggle to predict the correct scenario.

Furthermore, there is little space for monologue in social media.[14] Companies should rather try to develop a dialogue with their customer, as monologues restrict the amount of feedback companies can get from their customers. Moreover, customers might get bored due to the lack of interactivity.

The following section presents a case from Web 2.0, showing how organizational reputation damages are further magnified due to ineffective corporate response strategies. In 2010, Nestlé decided to use palm oil for the production of KitKat to intensify the taste and flavor of the company's product. Greenpeace, stating that Nestlé is destroying huge amounts of habitats for Orangutans, started a shitstorm and claimed that Nestlé is endangering the population of the primate.[38] Greenpeace created two videos which heavily criticize Nestlé and are intended to prompt consumers to stop buying KitKats. Nestlé's reaction in the first place was to shut down its social media activities, to delete comments of users on their platforms and also to take legal action against Greenpeace for the creation of the videos. This response strategy just went into the opposite direction of what was initially desired. The topic was heavily discussed and spread in Web. 2.0.

Subsequently, Nestlé identified the strong impact social media activities can actually have on a company's reputation in the form of word-of-mouth, decreased customer loyalty and declining profits. Nestlé's corporate management immediately changed its strategies and decided to make social media activities of strategic importance. Nestlé hired new staff with social media experience to scan and control the entire social media activities related to one of Nestlé's products. This strategy is called Digital Acceleration Team (DAT) and is the key element of the company's strategy.[38] The aim of this strategy is to listen to users, interact with customers and to inspire them. In addition to that, Nestlé merged together with Google and Facebook to improve its controlling and scanning mechanisms in Web 2.0.

Summarizing theory and the real-life case, the importance of social media activities is demonstrated and it can be highlighted that companies need to handle social media activities strategically.

4. Corporate response strategies as a way to diminish or prevent reputation damages occurring from the customer, employee or corporate angle

After a comprehensive review of the literature on possible risks to corporate reputation and the application of four real-life cases, it is possible to summarize these social media threats. Figure 1 shows, on the left side, an overview of potential threats in the domain of Web 2.0, classified into the customer-, employee- and corporate angle, which have the potential to seriously harm an organization's reputation. This overview presents a summary of the findings reported in the literature, supported by the outcomes of the real-life cases. In order to counteract to these social media risks, organizations have to employ effective corporate response strategies, shown on the right side in Figure 1, which help to restore a company's reputation after a social media crisis or even prevent reputation damages from occurring altogether.

Customer angle
- Unintended customer modifications or redesigns of products
- Social media posts, e.g. product reviews, tweets, YouTube videos
- Anti-branding sites
- Shitstorms
- Filing online petitions

Employee angle
- Employee voice via:
  - Private social media accounts
  - Websites dedicated to work-related grievances
- Management of organization's social media accounts
  - Insufficient knowledge on how social media applications work
  - Crisis communication
  - Poor timing of social media posts
- Irrational and unpredictable employee actions

Corporate angle
- Strategic failures when using social media applications:
  - Insufficient alignment between social media and traditional marketing activities
  - Choice of social media applications
- Ineffective response strategies during social media crises:
  - Forced compliance strategy
  - Shutting down social media activities
  - No apology in case of corporate responsibility
  - Deleting negative social media content posted by customers
  - Ignoring customer complaints
  - Legal actions
  - Restricting possibilities for customer complaints
  - Untruthful statements / dishonesty
  - Responding reactively to social media crises
  - Lack of interactivity between company and customers

Threats of social media → **Corporate reputation** → **Corporate response strategies**

Customer angle
- Employee training & empowerment
  - Digital Acceleration Teams
- Accepting responsibility & taking corrective actions
- Alliances with third parties
- Apologize, respond from a defensive position
- Eliminate reasons for complaints (e.g. product changes)
- Appreciate customer voice and act upon it
- Engage in one-to-one communication with customers

Employee angle
- Education of employees
  - Create awareness of importance of reputation
  - Training in social media usage
- Internal voice mechanisms
- Open corporate culture
- Accepting responsibility & taking corrective actions

Corporate angle
- Employee training & empowerment
  - Digital Acceleration Teams
- Alliances with third parties
- Choose appropriate jargon
- Accepting responsibility & taking corrective actions
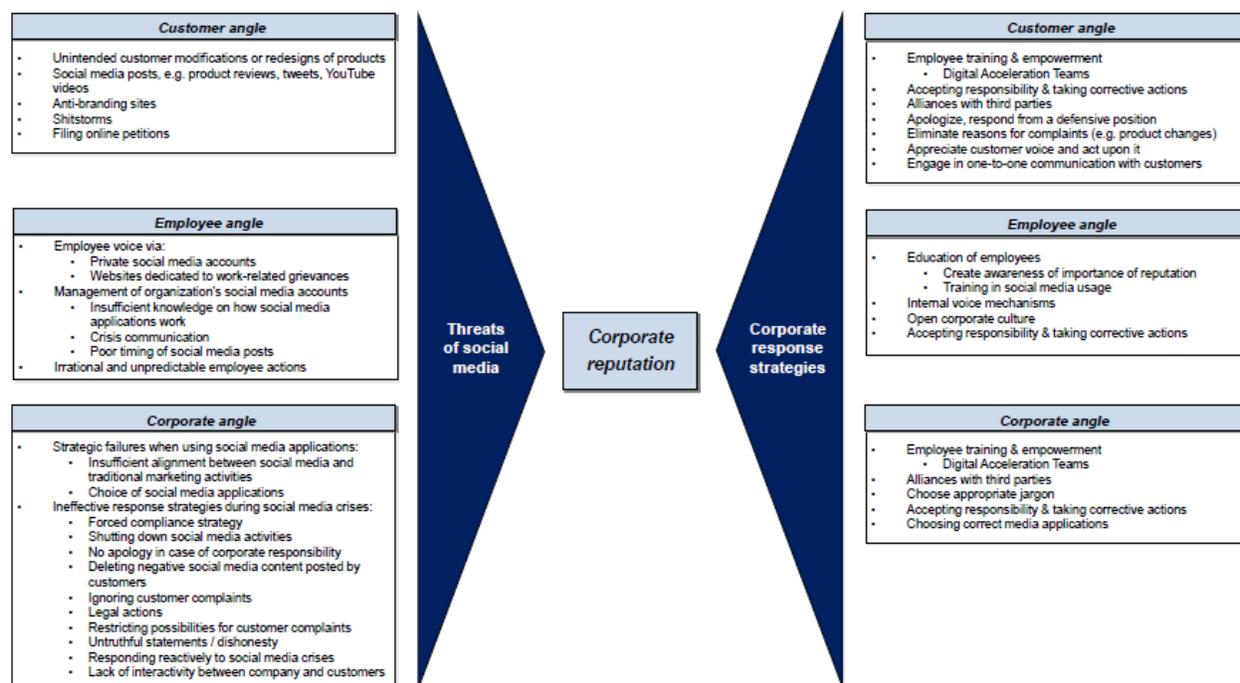- Choosing correct media applications

Figure 1: Juxtaposition of social media threats and corporate response strategies

Regarding the customer angle, corporate reputation can be harmed through unintended customer modifications and redesigns of products, social media posts such as product reviews and tweets, anti-branding sites, shitstorms as well as online petitions.[4, 13, 18, 19, 20, 23, 39]

Looking at corporate reputation damages arising from the employee angle, literature findings see the main risk arising from employee voice and unintentional damage occurring when managing a firm's social media accounts.[5, 25, 26, 27, 28, 29, 34] Real-life cases add that organizations may also be faced with irrational and unpredictable employee actions.[32, 35]

Finally, reputation damages may arise from an organization internally. Firms may commit strategic failures when using social media applications or use ineffective response strategies during social media crises.[8, 11, 12, 14, 36]

Regardless of the specific angle, the above mentioned threats put corporate reputation at serious risk due to the inherent characteristics of social media which are apparent in each angle: real-time communication, ease of access, widespread adoption of Web 2.0, the long-term memory of the Internet, the leader-follower effect as well as the fact that organizations possess no control over social media users.[4, 16, 17, 21, 27, 28, 29]

An organization needs to have a portfolio of response strategies from which it can choose an appropriate strategy for each corresponding case.[34] Consequently, as can be seen on the right side of Figure 1, the corporate response strategies are also categorized according to the customer, employee and corporate angle so that organizations match the source of social media threats with the appropriate type of response strategy. Additionally, different strategies may need to be launched simultaneously in order to increase effectiveness.[12]

Corporate response strategies for reputation damages arising from the customer angle include training and empowerment of employees. Organizations should have a team of employees that is responsible for managing the firm's social media accounts.[30] To be able to effectively deal with customer complaints, these employees need extra training.[11] As the Nestlé case shows, such a team could take the form of a Digital Acceleration Team.[38] Additionally, research[12] points out that the best strategy for corporations may be to accept responsibility and to take corrective action. The case about Nestlé further indicates the potential of alliances with third parties, which are experienced in the domain of social media.[38] When

customers have shown their displeasure via social media applications, the company should respond from a defensive position and apologize for the causes of the complaint in order to reduce the possibilities of further customer actions that might damage the firm's reputation.[4] Companies should try to communicate with dissatisfied customers and try to de-escalate the harming situation as far as possible. Many users can be calmed down if they notice that the company responds to their specific complaints. Thus, instead of ignoring customer complaints a pro-active role should be taken, whereby a one-to-one communication is mostly more effective than a one-to-many communication.

Regarding the possibility of reputation damages arising from the employee angle, the main corporate response strategy is the extensive education of employees. First, all employees need to be educated on how the firm would like to be perceived by outside stakeholders, the benefits arising from a positive reputation and the long-lasting nature of reputation damages as well as employees' actions that have the potential to damage the corporate reputation.[25] Employees who are aware of the organization's desired brand image and feel that their psychological contract with their employer is intact are less likely to choose social media applications to harm the corporate reputation.[28] Second, employees who are responsible for managing the corporation's social media accounts need dedicated training in social media usage.[5, 11] Further, organizations should also have internal mechanisms in place that allow employees to express their criticisms.[27] If employees have the feeling that the company appreciates their opinion and acts upon it, employees are less likely to use Web 2.0 applications to air their grievances.[28] Thereby, the organization can keep employee voice internal to the company and avoid its spread through social media. Finally, the organization should ensure a corporate culture that encourages employees to be plain with their employers and that gives employees the possibility to trigger organizational improvement.[31, 40] Thus, the organizational context plays a decisive factor regarding the extent to which employees negatively affect the company's reputation via social media applications.

With respect to the corporate angle, response strategies are relatively similar to response strategies found in the customer angle. Again, employee training and empowerment are important in order to enable employees to effectively manage the corporation's media activities and the interaction with customers.[11] Organizations may also consider to ally with third parties who are more experienced and qualified in the area of social media if internal capabilities to effectively use social media channels are not developed yet.[38] Furthermore, research[41] states that it is important that the response in terms of social media activities is planned in detail and executed in a structured way. Firms should apologize with sympathy in order to show that responsibility is accepted and customer complaints are acted upon. Results show that a correct choice of media has an essential influence on the effectiveness of the response as different customers can be reached through a variety of social media channels. Finally, research[9] mentions that it can be helpful for companies to react in a way that suits the jargon and humor of the customer complaints. Organizations are further advised to take corrective actions in any case although the reputation may have already be damaged seriously.

The conclusion that can be drawn from this overview of social media threats and corporate response strategies is that the main opportunity for organizations to successfully manage its reputation lies internal to the company. As corporations cannot control social media content posted by customers, organizations can only try to manage the risks to corporate reputation that arise from the employee and the corporate angle. The first step is that top-level management has to see the strategic importance of social media applications. The second step is the appropriate choice of social media applications and their alignment with traditional marketing activities. Finally, organizations need to develop a portfolio of proactive response strategies for each of the three angles from which reputation damages might occur.

5.   Conclusions, limitations and further research

Using literature as a foundation, three different angles have been identified from which threats to an organization's reputation in the area of social media may arise: the employee, customer and corporate angle. For the first time, potential sources of reputation damages have been categorized according to

different stakeholders of the organization. The developed framework (see Figure 1) summarizes the social media threats and compares them with effective corporate response strategies. Both, threats and response strategies are listed according to the three different angles, highlighting the need for organizations to match appropriate response strategies with the source of reputation damages. Thus, it is important for organizations to consider each angle and to develop a portfolio of response strategies.

However, the case examples used in this literature review show that organizations seem to be insufficiently informed about how to deal with social media attacks and therefore, they tend to avoid a confrontation with dissatisfied customers or employees. The companies analyzed in this literature review mostly shut down their social media activities, ignored customer complaints or responded reactively by apologizing after the crises occurred. Although scientific literature addresses corporate response strategies to proactively manage social media threats, organizations seem insufficiently informed about how to proactively and effectively engage in social media. Therefore, organizations are advised to actively seek information on how to use social media as a corporation, e.g. by hiring external consultants to help organizations developing internal capabilities to successfully manage social media activities.

Regarding the limitations of this literature review, it has to be pointed out that examples of real-life cases have been used to further underpin and extend the existing literature. The outcomes of these cases are by far not comprehensive and may present exceptional circumstances. Moreover, the social media threats and corporate response strategies as summarized in Figure 1 may not apply to all organizations equally for instance due to different industries and businesses or due to a lack of available capital to be invested in social media activities. With regard to the research articles analyzed, most of them focused mainly on social media activities of B2C companies. Therefore, future research should investigate to what extent the social media threats and corporate response strategies are also applicable in the domain of B2B organizations. A difference may be expected in the complaint behaviour of private and business customers via social media applications. Additionally, there might be the possibility of further analyzing threats and appropriate response strategies for different angles besides the employee, customer and corporate one: especially communication media such as TV and newspaper further spread news of social media attacks, leading to an increased awareness of the organization's shortcomings and the potential of additional harm to the organization's reputation.

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