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Organizational Usage of Social Media for Corporate Reputation Management

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Abstract

The paper aims to investigate the relationship between firm size and organizational actions on adopting social media for corporate reputation management. The sample group of 198 companies is selected with a simple random sample method from the New York Stock Exchange (NYSE) listings: Sixty nine companies were from the Fortune 500 listings, seventy one companies from the NYSE midsize capitalization and fifty eight companies from the NYSE small capitalization listings. This study employs cross tabulations and Chi-square analysis, and the Kruskal-Wallis that enables the comparison of three samples that are independent. The results of the study show that (1) large firms have more social media ownership than small firms, (2) large firms respond to social media posts at a greater frequency and quickly than small firms, and (3) firm size is less likely associated with response styles to social media for online reputation management. The results show that reply time and response styles of organizations to social media customers in the 2015 survey has no significant change compared to that of 2011. There appears to be a pervasive lack strategic framework as most firms in the study were found not to be adequately monitoring or leveraging social media communication for their reputation management.

Keywords: Social Media, Reputation Management, Corporate Image, Corporate Reputation, Brand Image, Strategic Management.

JEL Classification Code: M11, M31, M37.

1. Introduction

With the increasingly popularity of social online communities it is clear that companies must take cautionary measures in protecting their reputations and brands. The pervasive and "always on" nature of social networks has contributed to their phenomenal communication influence whose power has devastated industries, damaged firms reputations, enabled revolutions and significantly altered the balance of power between consumers and firms. Consider, for example, the impacts of the internet and social media on traditional newspapers and news reporting. An early example came from the Sichuan earthquake where, while a major international news story, the first reports came not from news media but from Sichuan residents who sent message on China's largest social network QQ and on Twitter, the world's most popular micro-blogging service (Shirky, 2009). As further indication of disconnect between social media and firms that are in decline partially as a result of them is highlighted by Greer and Ferguson (2011). In a review of the Twitter sites of 488 local television stations in

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the United States they found news stories were the most frequently occurring items on the sites. It is interesting, however, that stations did not appear to use Twitter to direct viewers to station's on-air programming and seldom promoted their regular newscasts.

In less than a decade advanced technologies have designed numerous social networks that have redefined marketing whose social interactions have the potential to be detrimental to a firm. Previously complaints, for example, spread by a consumer's word of mouth activities were conveniently isolated to a few close contacts making these long singular voices fairly ineffective. The influence that can be exercised by social media has been highlighted by such recent events as the McDonald's Twitter ad campaign (Bradshaw & Rappeport, 2012), which backfired causing consumers to express their displeasure through social media outlets and Verizon wireless dropping plans (Bensinger, 2011) to charge a fee for customers paying their bill online. Verizon withdrew the payment policy after social media called on individuals to drop Verizon service through a petition which quick massed 100,000 social network signatures. The damage could have been much worse however Verizon recognized that in their highly competitive industry it was essential to act swiftly to limit the public relations and brand image damage. Each of these different occurrences resulted in a significant impact on the company's brand image and serves as a reminder that the nature of a consumer relationship, and how it is developed or maintained, can directly affect whether it will withstand long or short term disruptions. This would indicate that social media can be used to support brands during periods of disruption when a company is skillful in engaging support from the "offended" brand social network members.

Each such event serves as a vivid reminder that what may appear to be strong connections between consumers and a company or product brands may in reality be a fragile relationship. In the highly interconnected environment it is highly likely that how the relationship is developed, or maintained, can directly affect whether it will withstand social network disruptions. Decisions whether to maintain a brand relationship repurchase or switch brands can often be more emotional/behavioral than based on facts (Sheth & Parvatiyar, 2002). As such, it is often the potential damage to consumer brand relationship bonds, not the crises themselves that can have the most severe consequences for a firm. In many cases what differentiates those firms that thrive following a crisis, from those that do not, is the type of relationship bond that had been developed, how it was maintained over time, the type of consumer brand bond that existed at the time of the event and the manner in which the firm responded to the crisis.

Prior to social networks word of mouth complaints were quickly isolated leaving the dissatisfied individual a lone voice. With the aid of viral networks these single voices now have the ability to quickly garner the attention of millions making it painfully clear that firms must comprehend the social network environment and prepared to take action when brand or company image is threatened. An appreciation of the support that social networks can offer firms during conditions of brand threat when consumers identified with a brand threat to that brand elicited the same responses as a threat to them personally and seemed to defend the brand to preserve the integrity of the self (Lisjak, Lee, & Gardner, 2012). With the aid of viral networks, however, these voices now have the ability to quickly garner the attention of millions. Social media has not only ended the age of one-way messaging thing is clear. The internet has changed the balance of power in the consumer's favor and this change has come about quickly. Many firms, or in some cases whole industries, that have not embraced the new shifts in power of communication have felt the consequences. Further complicating the power shifts social media has in power toward the consumer.

As the popularity of the social online community increases the need for companies to take ever increasing cautionary measures in protecting reputations and brands becomes essential. In this regard, this research aims to investigate the tenets that: (1) large firms would have more active presence in social media ownership than small firms, (2) large firms would response faster than small firms in reply time given by companies to their customers through their social media contacts, and (3) large firms would be in a better position to respond in a more value added manner in response styles given by companies to their customers through their social media contacts. To this end, Facebook and Twitter postings are made to company social network sites to determine: (1) if large, medium and small size firms have social media in place, (2) if the length of time to take a firm to respond related to the firm's size, and (3) if these social media are monitored and responded to their customers through their social media contacts.

2. Literature Review

2.1. Brand Image and Corporate Reputation Management

Jones, Temperley, and Lima (2009) have pointed to an expanding active online consumer role defining new roles such as "consumer watchdog, investigative journalist, and opinion influencer". According to Davis and Moy (2007) the internet has created a new wave of intensely engaged "professional consumers" that they term "prosumers". These active prosumers create news and can rapidly affect a firm's image. Through these new prosumers an incidence of bad service can be echoed around social networks, to the degree possible, is highlighted within The Rising CCO III, an annual survey conducted by Spencer Stuart and Weber Shandwick (Spencer & Shandwick, 2010). The survey found that thirty-four percent of global chief corporate communication officers reported that their companies experienced a social media based reputation threat during the previous year. That firms have yet to incorporate social networks into their business continuity plans is clear as the same report noted that approximately thirty-three percent of the companies stated that they were not prepared for managing social network reputational threats. This low figure raises questions to both the understanding of the business continuity role of social networks as well as the need to incorporate this within an interactive corporate communication strategy.

Recognition of the importance of social networks in the consumer brand relationship, how these relationships are established as well as an appreciation of the factors that influence the bond during situations of brand disruption are critical. Nobre, Becker, and Brito (2010) suggested that while needing to be adaptable to life and company changes, for the consumer brand relationship to be maintained, the company must be vigilant to assure that both the consumer's personality and the brand's personality remain in equilibrium over longer time frames and instances of brand disruption. Zhou, Zhang, Su, and Zhou (2012) further discussed how brand communities generate brand relationship and how those attachments play a mediating role on brand identification and brand attachment. The importance of the identification of what brand attributes, and how they help in defining brand relationship bonds useful in developing, strengthening or maintaining consumer brand relationships during periods of brand stress is clear. Nobre and Becker (2012) indicated that the dimension of intimacy-loyalty of consumer brand relationship as the dependent variable accounted for the greatest contribution to the relationship.

The ever-changing competition in the information age pushes companies to find more creative and flexible means to reach out to and retain their customers as well as protect their brand image. With focus on brand personalities, one can articulate an understanding of how the brand relationship role is constructed and begin to envision ways in which the brand, "acting as an enlivened partner in social network relationships", contributes to the initiation, maintenance or destruction of consumer brand relationship bonds (Fournier, 1998, p.345). Linking the ties between social networks and consumer brand attachment Jones and Kim (2011) demonstrated that self-identification positively impacts social-identification, which positively impacts brand community, which is found to have a positive impact on brand loyalty. Aaker, Fournier, and Brasel (2004) suggested that brand personality influences relationship strength and can help in predicting the strength of consumer brand relationships. Of importance in the social network context in that Aaker at al. (2004), has concluded that: (1) sincere brands tend to facilitate strong and stable relationships based on trust but are more susceptible to the transgression effects which may be irreversible, and (2) the brands of excitement tended to nurture less stable relationships but that customers are more benevolent with their transgression acts and the reparation of problems may actually serve to reinforce the relationship.

How the bonds are established and maintained can ultimately determine the degree of success that a firm will have when attempting to mitigate the potentially damaging effect of negative social network campaigns. In terms of relating brand characteristics to brand maintenance, the brand personality that most relevant to positioning a brand and maintaining its value through periods of disruption appear to be intimacy-loyalty and those managers can use this understanding to design strategies directed at developing and maintaining brand reputation. Of importance in determining how best to respond to social network threats is an understanding of the company or brand personality characteristics to which the consumer most identifies. Understanding the specific constructs and the unique personality bond in the consumer brand relationship can assist in determining how best to respond to social network threats.

2.2. Social Media and Corporate Communication Channels

The addition of new media into the traditional perspective has significantly altered marketing's focus and strategy. Deighton and Kornfeld (2009) stated that the flow of information about a brand has become multidirectional, interconnected, and difficult to predict. Therefore, marketers have lost control over their brands and now participate in a "conversation" about the brand. Fournier and Avery (2011) suggested that social networks have created a challenging marketing environment for firms as social media was made for people, not for brands. While social networks enable companies to talk to their customers, in a nontraditional sense, perhaps of greater significance, they enable customers to talk directly to one another. The control, timing, and frequency of the social media-based conversations occurring between consumers are outside managers' direct influence. Hennig-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy, and Skiera (2010) provided a model of consumer interaction that relationship between company brand, the consumer's attitude toward the brand and the influence of consumer through social media. The model depicts the many factors of the new media that serve to place much of the aspects of the consumer brand relationship beyond the company's control.

Network social groups obtain their power much in the same manner that interconnected networks do through the value of each additional member to that network. To consider the compounding power of a social network it is useful to reflect on Robert Metcalf's law which states that the value or power of a computer network increases in proportion to the square of the number of nodes on the network (Hendler & Golbeck, 2007). This means that as the number of computers (or people) in a network increases the value of the content they share grows exponentially. While on a computer network all computers are equal in a social network all individuals on the network are not and some have influence. Joo, Kim, and Yang (2011) pointed to this factor stating that network properties consist of tie strength and the number of ties so the evaluation of a customer's value should include their social network. They conclude that while tie strength and the number of ties increase customer value it is tie strength that has more influence on customer value than the number of ties.

Firms, for a considerable length of time, have recognized the importance of the new social media communication networks. Consider that in 2008 sixty-one percent of business stated that the emergence of blogs and social media had changed the way their organizations communicated. Only a year later that number had risen to seventy-two percent (Wright & Hinson, 2009). Argenti's (2005) recommendation that companies prepare for potential problems; plan company responses; analyze constituencies and provide as much certainty as possible is sound advice for social media communication strategy as well. One important step in providing the certainty would be the understanding of the most important constructs supporting a brand reputation and how those constructs can be used to overcome social network communication threats.

Jolly (2011) referred to a company's choice of communication pattern as either dialogue or monologue. Companies traditionally have had a one way communication monologue channel to their consumers; however, these are becoming increasingly ineffective. Company web postings promoting the firm or products as well as paid Internet advertisement cannot by itself protect image since it is generally externally viewed as self-serving propaganda. Companies must move to establish into more active dialogue communication with many social platforms consumers use to exchange ideas, cooperate and seek advice from other consumers in what is considered as "social casting" (Jones et al., 2009).

Consumers' ability to communicate directly with one another limit the amount of control companies have over the content and dissemination of information. Vollmer and Precourt (2008) underscored this in their book, *Always On.* They note, in the era of social media "consumers are in control"; they have greater access to information and greater command over media consumption than ever before (p.5). As such, companies must have well thought social media strategies that call for implicit collaboration between a company and the social network environment in order to shape and protect their image. Yu, Duan, and Cao (2013) indicated that a meaningful social network strategy would differentiate and leverage the unique impact of various sources of media in their social media strategies. Kumar, Bhaskaran, Mirchandani, and Shah (2013) highlighted the importance of a broader social network strategy beyond communication having demonstrated that social media can generate growth in sales, return on investment, and positive word of mouth and can widely spread brand information.

Becker, Nobre, and Kanabar (2013) proposed a new model, the consumer initiated integrity and reputation management model. This model expands the concepts of Kozinets, de Valck, Wojnicki, and Wilner (2010) to incorporate the new reality that social network members recognize their own consumer power base which operates externally to company influence. In the model the firm recognizes the geometric growth and power of web word of mouth and continually monitors Internet postings while cautiously attempting to influence and respond to them. Understanding that social network members can significantly influence the value (positively or negatively) of a company image new products have been designed that passively monitor social network sites and inform users of potential dangers.

2.3. Social Media Usage and Organizational Characteristics

Firms of all sizes are increasingly becoming aware of the power of social media and, while there are limited social network interactions by firms a few, to varying degrees of sophistication, are incorporating social media strategies. One would assume that large companies, by virtue of their superior resources, would be ahead of social network curve compared to smaller ones. A recent study conducted by communications firm Burson-Marsteller noted sixty-five percent of the largest global companies had Twitter accounts, fifty-four percent had Facebook fan pages, and fifty percent had YouTube video channels (McCann, 2011).

Kim, Lee, and Lee (2013) in a review of small and medium enterprises some level of Web 2.0 interaction technologies most need to improve their efforts to connect with consumers to remain competitive.

Another research reviewing small, medium and large firms on two world stock markets determined that while many companies had social media sites (Facebook or Twitter) the number of firms actually monitoring activities on those sites remained small (Becker, Kanabar, & Nobre, 2011). In the study only twenty-five percent of the firms from all categories had social media sites while seventy-five percent of the firms did not have social media sites. Company size was in direct proportion to social media ownership as large companies owned the most, medium companies owned less than larger ones, and small companies owned the least. In this research the size of firm was related to the frequency of response as large firms had the most responses, followed by medium with small the fewest and Twitter's less organized and more informal display appeared to make a more efficient two-way communication platform for firms of all sizes than Facebook. They also found that while most social network sites surprisingly did not allow for interaction, the majority of Facebook pages were well organized with news of products and services posted regularly.

Without two ways of interaction, however, one could question if these sites are not really social media but extensions of the firms static webpages. Currently company social media sites appear much like the early websites of the eighties. Firms feel they need to have a social network site but are not sure what to do with it once they have one. Hanna, Rohm, and Crittenden (2011) supported this observation concluding that, the challenge facing many companies is that while they recognize the need to be active in social media, they do not truly understand how to do it effectively, "what performance indicators they should be measuring, and how they should measure them" (p.266). Becker and Lee (2012) reported that companies tended to respond faster on their Twitter pages than they did on their Facebook pages.

2.4. Hypotheses

Having social media presence is one thing, it is quite another to use resources in an engaged efficient manner. Solely having a profile will not in itself establish a consumer brand relationship or trust. Firms need to be engaged with those social media sites through continual monitoring and timely responses as well as energetically seeking ways to develop their consumer's trust and loyalty. In addition, how long a firm takes respond to a social media site posting is important as the longer a negative comment(s) is in the social network environment and not responded to the more viral it has the potential to become. We expect large firms to be motivated to use social media and respond to their customers through their social media contacts for their reputation management to a greater extent than small and medium sized firms. To investigate the relationship between social media usage for corporate reputation management and organizational characteristics, the following hypotheses are proposed:

Hypothesis 1: The ownership of social media accounts is likely related to organizational characteristics of firm.
Hypothesis 2: The reply time given by companies to customers is likely related to organizational characteristics of firm.
Hypothesis 3: The response styles given by companies to customers are likely related to organizational characteristics of firm.

3. Data and Methods

3.1. Samples

Two surveys were administered with first in 2011 and second in 2015. One hundred ninety eight (198) companies were selected with a simple random sample method from the New York Stock Exchange (NYSE) listed companies: Sixty nine (69) companies were from the Fortune 500 listings, seventy one (71) companies from the NYSE midsize capitalization and fifty eight (58) companies from the NYSE small capitalization listings. The same companies were used for the two surveys (see Table 1).

Table 1: Frequency Table of the Sample

Year	Size	Frequency	Percent	Valid Percent
Y2011	Small	58	29.3	29.3
	Medium	71	35.9	35.9
	Large	69	34.8	34.8
	Total	198	100.0	100.0
Y2015	Small	58	29.3	29.3
	Medium	71	35.9	35.9
	Large	69	34.8	34.8
	Total	198	100.0	100.0

A post was made to the Facebook page of each firm and to the firm's Twitter site. The time of the posting was noted as was the time of response (if there was one). The Facebook site and Twitter site of each firm was monitored every twenty minutes for the first three hours and then on a systematic basis for a total period of seventy days. The posting on each company site was standard. The posting on Facebook was *"A (name of university) Research Project in*

Online Reputation Management. Could the company Facebook site manager respond to let us know this post was seen? Thank you." and the posting to the Twitter site was *"A (name of university) Research Project. Could you respond to let us know this post was seen? Thank you."* It was necessary to make the Twitter posting slightly different than the Facebook posting due to the limit of 140 characters. We posted the message in the 2011 survey on February 2011 and then we posted the same message in the 2015 survey on February 2015.

3.2. Descriptive Statistics of the Sample

Table 2 displays summary of descriptive statistics of the sample. The percentage of total social media ownership is as follows: 81.8% (162 out of 198) of firms have their social network sites (Facebook and/or Twitter) in the 2011 survey and 93.4 (18 5 out of 198) of firms have their social network sites in the 2015 survey.

Table 2: Frequency Table of Social Media Ownership Types

		Frequency	Social Media	Percent
Y2011	Small	38 of 58	Facebook 20 + Twitter 18	65.5
	Medium	57 of 71	Facebook 24 + Twitter 33	80.2
	Large	67 of 69	Facebook 32 + Twitter 35	97.1
	Total	162 of 198	Facebook 76 + Twitter 86	81.8
Y2015	Small	49 of 58	Facebook 28 + Twitter 21	84.5
	Medium	69 of 71	Facebook 32 + Twitter 37	97.2
	Large	67 of 69	Facebook 32 + Twitter 35	97.1
	Total	185 of 198	Facebook 92 + Twitter 93	93.4

3.3. Results of the Hypothesis Test

This study employs non-parametric inferential statistical methods to test the three hypotheses due to its advantages which make no assumptions about the probability distributions of the variables being assessed. This study employs cross tabulations and Chi-square analysis that summarize observations by categories, and the Kruskal-Wallis which enables the comparison three samples that are identically shaped and scaled distribution for each group except for any difference in medians. The null hypothesis was that the populations from which the samples originate have the same distribution. When the result of the Kruskal-Wallis test is significant the indication is that at least one of the samples is different from the others.

Table 3 reports the results of the hypothesis 1 test. The hypothesis 1 that the ownership of social media accounts is likely related to organizational characteristics of firm, which assumes that large firms will have more social network site ownership than small firms, was supported at the 0.01 significance level. With respect to social media ownership difference between 2011 and 2015 surveys, the results show that firms in 2015 have more social media ownership than that of 2011 ($p < 0.01$). The relative size of firm was related to the ownership of social network sites as large firms had the most social network sites, followed by medium with small firms having the fewest.

Table 3: Results of Social Media Ownership Hypothesis Test

Chi-Square Tests	Value	Degree of Freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	30.912	6	.000
Likelihood Ratio	32.427	6	.000
Linear-by-Linear Association	.967	1	.325

Number of valid cases = 396

Table 4 reports the results of the hypothesis 2 test. The hypothesis 2 that the reply time given by companies to customers is likely related to organizational characteristics of firm, which assumes that large firms will respond to social media posts more quickly than small firms, was supported at the 0.01 significance level. With respect to reply time difference between 2011 and 2015 surveys, the results show that firms in 2015 have not yet changed their response action to customers through their social media contacts compared to that of 2011 ($p > 0.05$). However, the results suggest that large firms respond more quickly to social media posts than small firms were supported at the 0.01 significance level, but the opposite is also observed. It is interesting that when small firms responded they did so more quickly than large firms and tended to use Twitter. Companies respond faster on their Twitter pages than they did on their Facebook pages. A possible explanation could be that the Twitter instant-message environment is designed for and encourages more immediate communication. The use of Twitter might account for the lack of value added responses as fewer characters (140) are available to respond. It might also point to the use of mobile devices for small firm monitoring which makes longer message more cumbersome and thus less likely.

Table 4: Results of Reply Time Hypothesis Test

Chi-Square Tests	Value	Degree of Freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	227.788	124	.000
Likelihood Ratio	250.284	124	.000
Linear-by-Linear Association	.322	1	.570

Number of valid cases = 125

Table 5 reports the results of the hypothesis 3 test. The hypothesis 3 that the response styles given by companies to customers are likely related to organizational characteristics of firm, which assumes that large firms is likely to post more positive category posts than small firms, was not supported ($P > 0.05$). With respect to response styles (attitude, tone) difference between 2011 and 2015 surveys, the results suggest that firms in 2015 have not yet changed their response styles to customers through their social media contacts compared to that of 2011 ($p > 0.05$). While small companies tended to respond more quickly than large companies the quality of their response (judged by tone) were of not much difference. That none of the small firms responded with anything other than a negative response, or no response, might further indicate that small firms may not be devoting resources to maintain a professionally trained staff to monitor and quickly reply to social media posts. One might wonder if large firms are better positioned for social media responses having more funds to devote to social media activities than small firms but, at the same time, many not be as encumbered with large slow moving bureaucratic processes as is often characteristic with larger companies.

Table 5: Results of Response Style Hypothesis Test

Chi-Square Tests	Value	Degree of Freedom	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.978	4	.740
Likelihood Ratio	1.980	4	.739
Linear-by-Linear Association	.115	1	.735

Number of valid cases = 347

4. Discussion and Implication for Managerial Action

The results indicate that while the business world is aware of the power that social networks can yield, companies of all sizes remain naïve as to how to best establish truly interactive consumer relationships. While this may appear surprising, the general lack of appreciation for the increasing importance of social media has been previously noted. Murphy (2006) found an overall lack of either presence or response to social network sites pointing out that some traditional marketers believe that they have nothing to gain from customer empowerment and blogging only results in brand bashing. Singh, Veron-Jackon, and Cullinane (2008) provided some insights into why many firms have taken a rather passive approach to social media stating that, “marketers have been accustomed to telling the customer the message they want the customer to hear, rather than the message the customer truly cares about” (p. 282). Without providing for customer interaction one could question if most company social network sites are not merely extensions of the firm’s static webpages. It seems that while many large firms have recognized the need to establish social media contacts most, however, do not know what to do with them.

Generally there appears to be a lack of a strategic framework as most firms were not monitoring, engaged, integrating and leveraging social media adequately. Mangold and Faulds (2009) have noted that the social media communication paradigm now requires many important changes in company attitudes and assumptions about how to manage communication strategy as consumers are responding to social network information in ways that directly influence all aspects of consumer behavior, from information acquisition to post-purchase expressions of satisfaction and dissatisfaction. Unfortunately, it appears that few firms have seriously responded to Jones et al. (2009) observation that firms need to have well-conceived social media communication strategies that call for implicit collaboration between a company and the social network environment in order to shape and protect their image.

An unexpected finding of this study was the high number of non-monitored social network sites. It was clear that, regardless of category, only a few firms of those sampled were actively involved with their social media contacts to the extent that would be expected. The overall poor response rate is a worrisome finding. The study clearly points out that while the influence of social media is annually expanding globally, with well over a billion engaged, companies have yet to incorporate social online networks into their monitoring or business continuity plans. An overall observation was that firms appeared unclear how to properly use social networks as a significant number did not respond to postings on the firm’s Facebook or Twitter sites. The high non response rate for both small and large firms indicates that all size firms have yet to seriously focus on the use of social media as a part of an overall integrated communication strategy. This is important finding given the potential importance of social media usage to the development and maintenance of brand or company image.

How consumers differ in perceiving their relationship with brands is often a result of the brand’s personal characteristics (Reddy, Holak, & Bhat, 1994). More recently, it has been noted that consumers differ not only in how they perceive but also in how they relate to brands (Fournier, 1998). Sociologists remind us that business dealings are transacted within the broader realm of personal relations and structures or imbedded within the networks of such relationships (Granovetter, 1985), As such, a broader understanding of the bond that develops between customers and brands (Fournier & Yao, 1997) may provide a better appreciation of how of how to address reputation and consumer interaction management in the social network environment.

Fogel and Nehmad (2009) found that the continual monitoring of today's highly interactive social network environment which can serve to bond, or diminish, the consumer to a company or brand now must be added to the list of threats to a firm's image. Managing the social network environment is essential to staying relevant and building a loyal customer base. Those firms that have designed systems to react to social media threats have found that often their brand and consumer relationship has strengthened. The fears of companies, resulting from numerous actual incidences over the past few years, and the often disorganized responses to them, have resulted in an increased awareness of the need for corporate social media business continuity programs designed to mitigate threats to the brand and company image. Previously the major responsibility of business continuity programs was to assure that a firm could operate after facing supply chains disruptions, damaged manufacturing facilities or critical human resources disturbances. It is clear now that in order to mitigate threats monitoring and responding to the highly interactive social network environment must be added to the list of a firm's business continuity activities.

5. Conclusions

The purpose of the research was to investigate social media usage of three different size firms and how the management of their social media could relate to maintaining a company's online reputation. It is interesting that in some of the areas investigated companies behaved in a similar manner regardless of size and in some areas there was a difference. In contrast to Twitter which remained open (when available) to posts by consumers, almost all companies imposed controls on their Facebook pages. For an individual to post a comment on most the company sites surveyed one first had to "like" or become a "fan" of the company. A significant number of companies would not allow individuals to comment directly on their Facebook pages and when they did the comments normally went to a second level page.

Without a defined strategy of how to respond and an appreciation of the characteristics of consumer brand bonds, firms remain vulnerable to attacks operation primarily in a defensive manner. The ease with which social networks seems to be dismissed as significant business threats in spite of the clear examples in troublesome. The reason for this is ambiguous. One explanation often offered is that members of Facebook's and Twitter's are not considered to not be of high importance to company business by managers who, because of their age, are out of touch with the dynamic force and power base of social networks. Another consideration is there may be a general lack of appreciation that the pillars of the 4P's traditional marketing (price, place, promotion and product) are being replaced by a new paradigm which incorporates an awareness that not only do companies no longer control the marketplace environment but also that consumers are communicating among each other about products and services on a 24/7 basis.

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