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Online Reputation & Tourism 2.0

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Abstract

This research paper is aiming at elaborating an overview of what online reputation is and how it should be treated and managed by organizations. From a personal point of view, I wanted also to focus on social media and the online community as I consider them key-factors on building reputation and brand awareness.

In order to better meet the objectives of the subject, there is a second part that deals with the concept of *Tourism 2.0* and how it relates to the Web 2.0 and to the Knowledge Economy.

Introduction

Enric Sánchez, founder of *Hey! BCN* (creative communication agency), said once in an article that the Internet is not a threat anymore for enterprises, but an enormous advantage. There is no more a need of designing a product or service for our guests. We can actually do it "together with them" as we have never been so close to our customers as we are today, and hence satisfy their real needs.

Historically the guest was the one adapting to enterprises and to their products and services. But nowadays it is the company that has to adapt to its customers. In a globalized world, new technologies, and particularly Social Media, have burst into to carry companies along the way to a much more individual and personalized sharemarket.

Enterprises must adapt themselves to this new environment where communication is not anymore something said by a few for thousands, but something said among everyone. Enterprises must get used to "speak" less and "listen" a bit more to what their customers have to say. Traditional communication does no longer exist, and now we all play the role of acting as an individual communication channel.

This has only just begun.

The Reputation Economy

Ángel Alloza Losada (2012), former Strategic and Control Director of brand and global communication at BBVA, stated that the reputation economy is a change of paradigm, "a new economic cycle we are entering that was triggered by the crisis that started in 2008-2009, when the loss of trust affected both businesses and governments" (p.28).

The definition of reputation economy by Alloza Losada, as given while explaining his new business concept "*Corporate Excellence*", establishes that:

> *Good reputation management may serve as a tool for restoring trust and today the business sector is in a better position for promoting management of strategic intangible assets. In order to restore trust, it is fundamental to understand and be able to manage social networks as well as relations with the stakeholders due to the fact that peers and experts are the only sources of information on companies and institutions that still enjoy trust of the individuals. Alloza Losada presents the think tank* Corporate Excellence - *Centre for Reputation Leadership as a project initiated in this context with an objective to help companies and the public sector to improve management of key intangible assets (the reputation, the brand and the communication). The author argues the utility of this initiative in order to restore trust and successfully compete in this new context of the reputation economy* (p. 28).

This change of paradigm that Alloza Losada mentioned is based upon a new context in which the roll of the company is changing from traditional power relationships to new relationships power is moving towards the interest groups (public opinion, customers, workers, shareholders and stakeholders, suppliers, etc.). This new roll for companies is to serve all of them (Montañés et al. as cited in Alloza Losada, 2012).

As a conclusion, Alloza Losada proclaims that an appropriate brand management and reputation management are the key factors to recover trust and confidence, and that companies are now in an optimal situation to drive this recover through strategic management of their intangible assets (2012).

Corporate Reputation

According to Dr. Mut Camacho, the corporate reputation is trust (faith), and is the stakeholder's recognition of the organization based on the fulfillment of its commitments. It is also the organization's behavior, culture and brand, as key participating-factors involved. Managing to have a good corporate reputation stands for being recognized continuously over time, and this will be a great

asset for the organization. Corporate reputation (Villafañe,2006) depends on the following variables (as cited by Mut Camacho, 2102):

- Financial results
- The strength of the commercial supply
- Policies and behaviors in human resources management
- Sustainability
- Corporate social responsibility
- Innovation

All of those variables are essentials upon creating trust and hence, corporate reputation.

New trends in Online Reputation

The convergence between the proliferation of new technologies and the rise of corporate communication management has led to the birth of a new concept: online reputation (Vaquero Collado, 2012; Mut Camacho, 2012).

> *Despite the multidisciplinary perspective of the investigation, the leading hypothesis frames online reputation in the specific field of corporate communication. The aim is to show that the reputation online forms part of the corporate reputation and needs to be managed with the same indicators. Thus, the models of online reputation must be aligned with the overall strategy of the company's reputation. For this reason is refuted the reductionist vision that focus their presentations in the search engine optimization and analysis of the views on social networks. The horizontal nature of the concept matrix —corporate reputation—, coupled with the technical requirements of the online field; allow the rise for the development of a wide range of professional roles. […] Online environment leads to a new way of relationship between companies and stakeholders, based on a multidirectional communicative process, which favors the democratization of the conversation and contributes to the development of the society (Vaquero Collado, 2012, p.49).*

Obviously the online reputation emerges and is part of the latest trends of innovation in management. It is now required to develop those capacities that meet the stakeholders expectations - Stakeholders are becoming more and more informed, and more and more into new technologies. In this field, enterprises should carry out the task of listening to their stakeholders to learn how to connect and interact with those groups of interest. Although it might be difficult to get to consolidate those connections, it would be extremely necessary for this matter to develop a particular strategy for each of the interest groups that meets their needs. Therefore, online reputation management will be in charge of identifying the customers' expectations towards the company (Vaquero Collado, 2012).

With the introduction of this new concept of *Online Reputation Management*, we carry on with the next part of the paper that will deal with the use of Online Reputation Management and communication as a brand-building tool within companies.

Online reputation management as brand-building tool

As a result of enterprises' best online practices, it was born a new concept that we have called online reputation. And thus, a new area of operation is developed within companies to respond to this new need: Online reputation management (Vaquero Collado, 2012).

Vaquero Collado claims in her essay, quoting Hannington (2006), that a large number of companies, organizations (and even governments) already include in their corporate agendas reputation management strategies and recognize the importance of reputation in its roll of creating and adding value to its companies and organizations (2012).

Reputation is a three-dimensions positive feeling towards an organizations. Those dimensions are affection, esteem and faith (Alloza Losana, 2012). The *Instituto de Análisis de los Intangibles*, as quoted by Alloza Losana, states that brand awareness turns credible, reliable and generates positive reputation when the customer's expectation meets reality. This is when companies say what they do, as well as do what they say (2012).

In relation with Social Media, it is really important to be aware of using this tool to promote the brand. Huxley (as mention in Arda, Z. & Fernández, C., 2012) said that people do not buy a product anymore, but the brand associated to it.

Nonetheless, the exponential development suffered by Social Media is frightening enterprises as they become aware of the power of Internet on sharing all kind of comments and opinions expressed online about their companies. Many of the stakeholders of a company — customers, gusts, or even workers — might be able to adversely influence the company's online reputation as they express their opinions on the Internet, and then those opinions turn to be determining factors when other users search the Internet for information (Vaquero Collado, 2014).

But the truth of the matter, as Carreras affirmed in 2008, is "that not all opinions nor actions carried out by users on the Internet should be considered as online reputation threats" (as cited in Vaquero Collado, 2012).

During the 21st century, corporate communication is evolving in a way due to the fact that most organizations realized how important it is to manage external dialogue and brand awareness, and hence they are investing a larger amount of resources in means of communication with their main stakeholders — much more than in traditional publicity. Besides, it supposes higher revenues for the enterprise.

Social Media - What is it?

Social Media is not a bet anymore for companies in their communication strategies. Having a good healthy online-status is a must these days when it comes to social networking. We are entering the era of collaborations and companies have to have a large network of online contacts. In fact, this is what an accurate Social Media management should look like (Sánchez, 2012).

But what do we call Social Media? According to Beitia Vallés, Director of content in a local news bulletin in Spain, Social Media is the name we give to any online communication platform. He also assures that Social Media works as a global platform of communication, where our success will depend on "how we efficiently make the most of the possibilities it provides" (p.224).

From unidirectional communication to cross-communication

Since the Internet burst into our lives, this new agent helped to develop a huge amount of new communication and information sharing tools that have changed our way of seeing the world. As stated by Dr. Bernad (2012) in her study entitled *La emergencia de los social media en la communicación corporativa*, the current panorama of worldwide communication has turd into a communicative system integrated by two players; the traditional communications industry, and mass-communication agents with access to information technologies, users of day-to-day telecommunication systems and being part of the knowledge economy. Both players share information in a bilateral and cross-communication channel.

Figure 1: Communicative system.
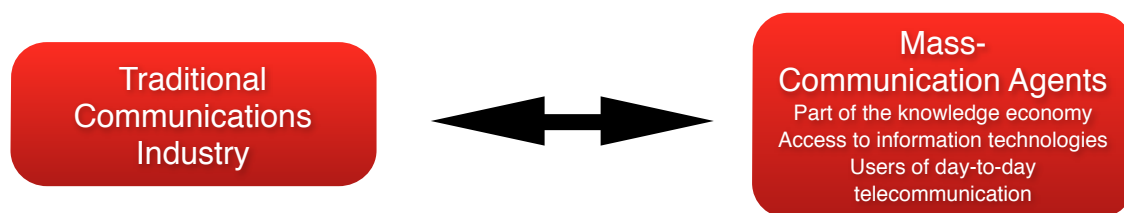
Note: Own design based in Dr. Bernad model of communication (2012).

This new model has transformed the way in which companies communicate with their customers and has pose a challenge for those companies to develop a new strategic communication plan (Bernad, 2012).

In the matter of this, according to Dr. Bernad Social Media brings this new model of communication to enterprises as it arouses a new dimension where customers, once passive agents, yet they become active agents as they can now interact on the same level with the model and hence with companies (2012).

Content Generation

Those resources used for corporate communication suffered a turnaround at the global appearance of Social Media: conversations are turning tangible in social networks, new verbs came in into our languages (tweet, follow, post or share have a whole new meanings) and corporations are communicating with customers generating online content. Content is, in fact, what companies intend to seek in this online world. To generate content is to increase the value of traditional communication assets: Identity, image, brand and reputation (López Font & Cuesta Cambra, 2012).

In its relationships with customers (all around the world), organizations use Social Media as a new tool because of two main reasons. As stated by López Font & Cuesta Cambra, the first reason is that Social Media allows you to zoom in to each of your customers and talk to them one by one. In the other hand, you can launch a global communication campaign and influence all your groups of interest regardless of the segmentation of the market (2012).

The true challenge for future *Director of Communications* is to integrate into the traditional communication assets identified at the beginning of this section by López Font & Cuesta Cambra the following two new concepts: The effective and creative capacity to generate online content, and the ability to immediately react to situations that require agility and creativity to generate that content (2012). With the perfect mixture of all the above mention concepts, it would be possible to establish a Social Media communication management model that truly suppose an increase of the organization's online reputation.

The Community Management and Social Media

A community manager, as stated in Sánchez (2012), is that someone belonging to the company in charge of talking to our guests on the Internet, solving their doubts and bringing up new initiatives. Another definition of the community manager comes in with Wichels. She stated in one of her studies that the community manager is the one that monitories what is written everyday on the Internet about the company, is in charged of answering to online reviews, remarks and suggestions, and spreads feedback within the organization aiming to adjust the procedures of the company to the quality-service required by its customers (2014).

It is someone who understands perfectly the philosophy of the company. However, any company must be careful with Social Media. There is a wrong belief of thinking that the more followers or likes you get on a social network, the better you are performing there. But in fact, it is more important the activity and the content you generate there. This means to publish interesting information that can lead up to an enriching discussion and to encourage users to participate in it. In this way, users will become more and more loyal to our content and will enter our online site looking for new publications. The mission of the community manager is to publish that appropriate interesting information, and sooner our company will get followers and likes. And that is the real sign that we are generating the right content (Sánchez, 2012).

As said also by Sánchez (2012), the big change related to community management has been giving up with the ancient idea (supported by many companies at the beginning) of seeing the Internet and mostly Social Media as an uncontrollable weapon shooting directly the their weaknesses.

Web 2.0 background

More than a decade ago today, four visionaries detected the influence that the Internet could ever have in society, and even yet in enterprises. It was back in 1999 when Rick Levine, Christopher Locke, Doc Searls and David Weinberger wrote the *Cluetrain manifesto*, a document with 95 hypothesis concerning about the organizations' behavior when operating in different markets with new connections (over the Internet). This publication and the ideas gather inside aimed to analyze the impact of the Internet on user and companies (Vaquero Collado, 2012).

Years after the bankruptcy of the dot-com bubble in the beginning of the 2000s, on the other hand of what it was thought, there was a big development of the Online Belief. This new belief gathered together a group of guidelines that merge in a new concept. And this concept is what it is called Web 2.0 (William & Pérez Martell, 2008).

The history behind the concept Web 2.0 is associated with Tim O'Reilly, and with Dale Dougherty, president of Media Live International and pioneer of the Web (Standard Web 1.0). Almost three years after the bankruptcy of the dot-com bubble, during a brainstorming session, they came with the concept of Web 2.0 - a concept linked with the idea of a promising future that can handle multiple applications (Vaquero Collado, 2012).

According to O'Reilly (as cited in Vaquero Collado, 2012; William & Pérez Martell, 2008) the principles of Web 2.0 are:

1. The Web as Platform
2. Harnessing Collective Intelligence
3. Data is the next Intel Inside
4. End of the software release cycle
5. Lightweight programming models
6. Software above the level of a single device
7. Rich user experiences

Lets see now how O'Reilly explain in an online post, written by himself (September 30, 2015) on his corporate webpage OREILLY.com, each of the principles of Web 2.0.

The Web as Platform

The Web 2.0 doesn't have a hard boundary, but rather, a gravitational core. You can visualize Web 2.0 as a set of principles and practices that tie together a veritable solar system of sites that demonstrate some or all of those principles, at a varying distance from that core.

Harnessing Collective Intelligence

Hyperlinking is the foundation of the web. As users add new content, and new sites, it is bound in to the structure of the web by other users discovering the content and linking to it. Much as synapses form in the brain, with associations becoming stronger through repetition or intensity, the web of connections grows organically as an output of the collective activity of all web users.

Figure 2: Map of Web 2.0
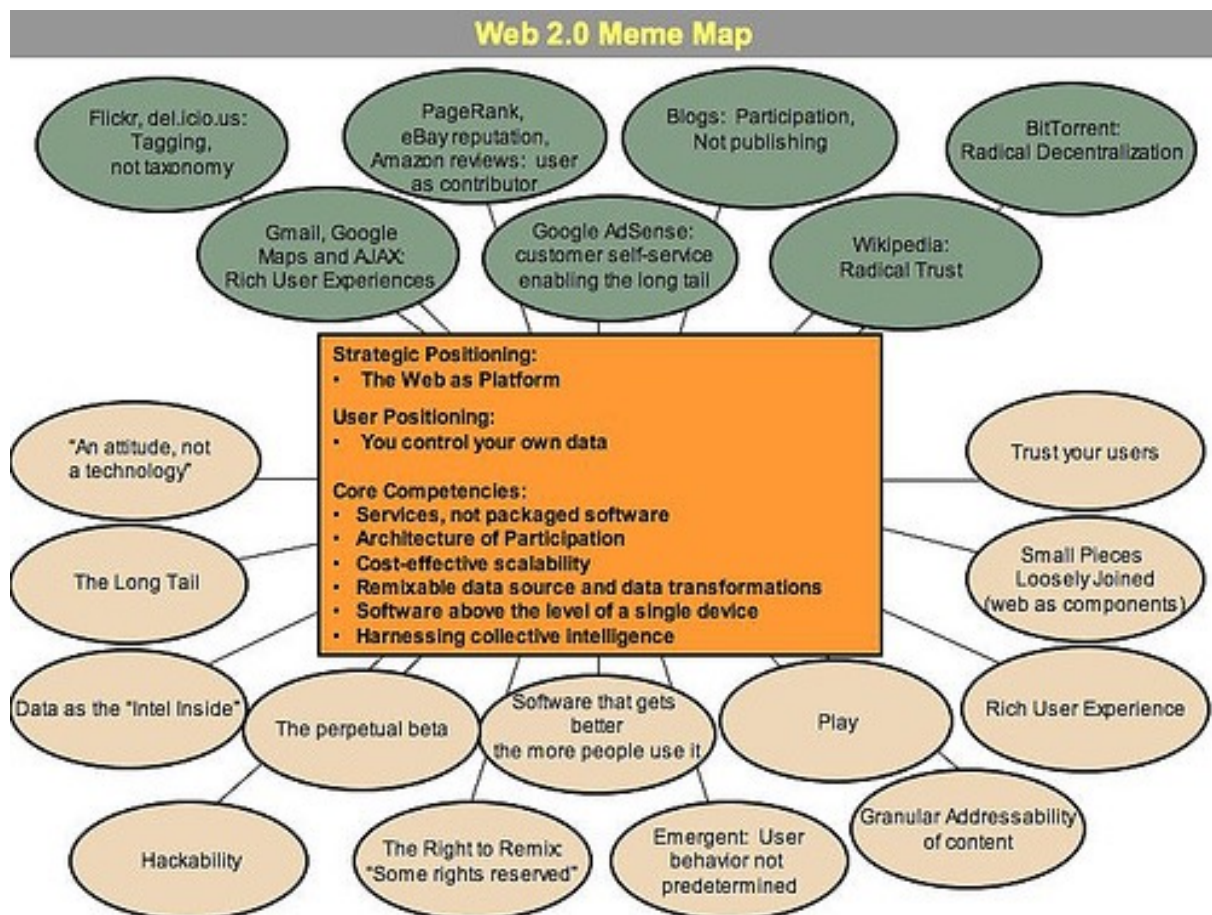
Note: This figure shows a map of Web 2.0 (O'Reilly, 2015 at http://www.oreilly.com).

Data is the next Intel Inside

Every significant internet application to date has been backed by a specialized database. […] Database management is a core competency of Web 2.0 companies, so much so that we have sometimes referred to these applications as "infoware" rather than merely software.

<u>End of the software release cycle</u>

One of the defining characteristics of internet era software is that it is delivered as a service, not as a product. This fact leads to a number of fundamental changes in the business model of such a company:
I.   Operations must become a core competency
II. Users must be treated as co-developers, in a reflection of open source development practices.

<u>Lightweight Programming Models</u>

Much as the web succeeded precisely because it overthrew much of hypertext theory, substituting a simple pragmatism for ideal design, RSS has become perhaps the single most widely deployed web service because of its simplicity, while the complex corporate web services stacks have yet to achieve wide deployment.

<u>Software above the level of a single device</u>

One other feature of Web 2.0 that deserves mention is the fact that it's no longer limited to the PC platform. […] Of course, any web application can be seen as software above the level of a single device. After all, even the simplest web application involves at least two computers: the one hosting the web server and the one hosting the browser.

<u>Rich user experiences</u>

The competitive opportunity for new entrants is to fully embrace the potential of Web 2.0. Companies that succeed will create applications that learn from their users, using an architecture of participation to build a commanding advantage not just in the software interface, but in the richness of the shared data.

Tourism 2.0 background

To better understand the *Tourism 2.0* model — the digital model — we must understand first 0.0 and 1.0 concepts, both analogical models.

Previously to the irruption of Internet, the dominant tourism model was known as mass tourism (Poon et al. as cited in William & Perez Martell, 2008) — huge groups of organized people traveling together mostly to the mediterranean destinations — and this was considered also as the *Tourism 0.0* model or unplugged traditional tourism. The unplugged concept refers to the fact that none of the stakeholders involved (tour-operators, airlines, hoteliers, customers…) in the industry was connected to the Internet.

As a result of the development of the earliest information technologies, a new tourism model grew, more flexible and customer orientated (Poon et al. as cited

in William & Perez Martell, 2008). This first online-based model that goes together with the development of the Web 1.0 meant the start and rise of the *e-tourism*, what we considered as the *Tourism 1.0* model (William & Perez Martell, 2008).

Unfortunately, at the moment not all destinations stand in this last model. We can easily recognize destinations which have assimilated the *e-tourism* model and have assumed the role of an *eDestination*. But in the other hand there are many destinations still stuck to traditional models and in a certain need of reconversion and reorientation (William & Perez Martell, 2008).

The Knowledge Economy

Before going into the paradigm of the *Tourism 2.0* it is essential to get through the definition of the knowledge economy. According to Vilaseca, Torrent & Díaz, during the last years of the 90s most industries pertaining to developed countries started to gradually introduce information and communication technologies (ICT) to their economic activities and procedures (2002).

This whole new wide variety of innovations in information and communication activities supposed the transformation of industries from traditional contents to the digital era: it was the birth of information industries. At the same time, those information industries were building economic relationships with the other economic activities aiming at incorporating *knowledge* as a key factor on the production structure of the advanced economies (Vilaseca, Torrent & Díaz, 2002).

Introduction to *Tourism 2.0*

Maurizio & Pattanaro claimed in one of their studies that Web 2.0 has had a huge impact in tourism marketing as more a more travelers are using social networks to plan their journey. "They can express their comments and ideas through micro blogging, social networks, and other collaborative platforms" (2014). Travelers browse the Internet to gather information about destinations through information and C2C sites where users post their views about places they have already visited (Loda et al. and Pourabedin et al. as cited in Maurizio & Pattanaro, 2014). As a meter of fact they assure that Web 2.0 allows destinations to "combine different sources of information and different type of contents" and thus providing a complete overview of the destination (2014).
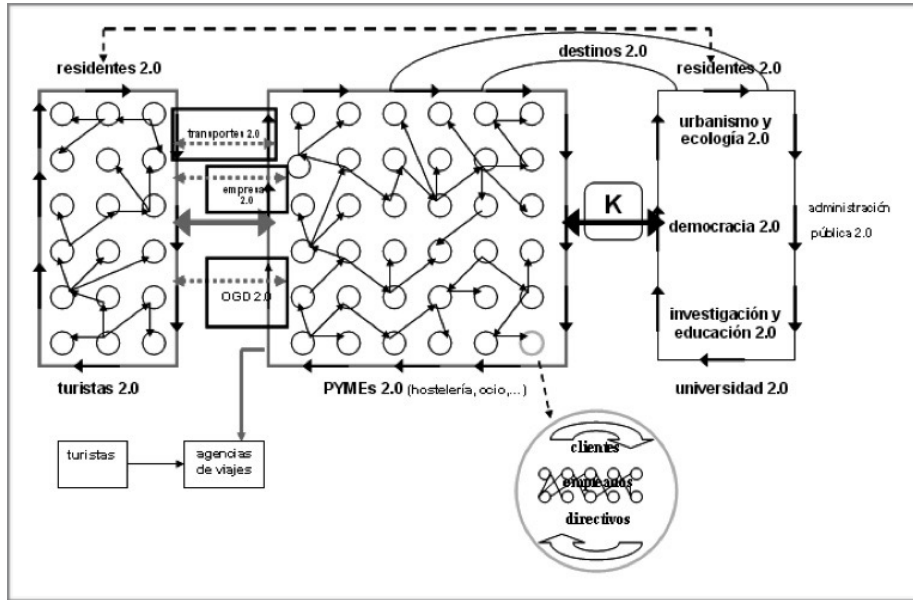
The *Tourism 2.0* model

Once we have explained the Web 2.0 background, the knowledge economy concept and the introduction to *Tourism 2.0*, it is time to mix them into the *Tourism 2.0* model.

Based on the definition given by O'Reilly on Web 2.0 mentioned above, William & Perez Martell described *Tourism 2.0* as "the revolution in the tourism industry

changing it to a new tourism ecosystem as a platform driven by brand-new rules of success". The prime rule is to develop companies and destinations that take advantage of social networks to improve productivity in an environment where many customers and companies merged (2008).

Figure 3: The new tourism ecosystem as a platform

Note: Model design by William & Perez Martell based on Buhalis' (2003) tourism system.

The diagram shown above captures the structure of the *Tourism 2.0* networks between customers and companies, within a social intelligence that shares its knowledge having an impact on organization, development and productivity (William & Perez Martell, 2008).

Conclusion

The main contribution of this research lies in assessing the new role online reputation is playing nowadays in the corporate environment, specifically in tourism, as something that cannot be eluded. Enterprises should understand the concept of the online channel and place on it the vale it deserves depending on the context. But what it is more important from my point of view is that they need to understand that the Internet is the first source of information for most of the population (potential customers for companies), and thus companies must bear in mind the importance of knowing and managing what it is said about them on the Internet.

Talking about tourism and tourism destination development models, clearly we are all driving the same road — the road of the digital times — just some are driving forward, and some are being left behind… For those left behind, an integral change on the way they perform is needed. And for those leading the race, they must carry on with I+D investment because there is still a lot to do in the way.

Many authors are starting to talk about a new model called Tourism 3.0 so, will it be the future?

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