Reputation as an Important Element of the

Corporate Branding:

An Analysis of Online Reputation Management in the Apparel

Industry

Master Thesis

Management of Creative Industries

Submitted by: Deters, Marieke

Matriculation Number: 036175

Course Number: HM017

1. Supervisor: Prof. Hertwig, Barbara

2. Supervisor: Dipl. – Des. Baumöller, Asta

Submitted: 24.08.2018

Confidentiality Clause

This master thesis is based on internal and confidential data of various companies provided by the interviewed experts. Without the explicit approval of the author, it is not allowed to hand the thesis to any third parties, except for the supervisors and the authorized members of the examination board. Reproducing or publishing the thesis or excerpts of it is not allowed without explicit permission.

Table of Contents

List of Abbreviations

AI   Artificial Intelligence

AR   Augmented Reality

B2B   Business to Business

B2C   Business to Consumer

BGC   Brand Generated Content

CMT   Cut Make Trim

n.a.   No author

n.p.   No place

ORM   Online Reputation Management

POS   Point Of Sale

PR   Public Relations

UGC   User Generated Content

List of Figures

List of Tables

Abstract

The present thesis provides a strategic framework for online reputation management in the fashion industry. Therefore, the essential factors that influence a company's reputation were taken into consideration and different approaches on how to manage online reputation were compared. After that, two case studies were conducted to analyze online reputation management in practice relating to the apparel sector. The empirical research of the thesis consists of guided expert interviews to further strengthen the focus on the fashion industry, evaluate the importance of online reputation management and assess its practical applicability. This combined research leads to interdisciplinary insights and knowledge.

Acknowledgements

1. Introduction

1.1 Problem Statement and Relevance

Be it child labor issues, inhuman working conditions or criticism for super skinny models - the fashion industry is known for shocking scandals that go viral fast. This vulnerability can be traced back to mainly two factors: the constant need for even faster, even cheaper fashion combined with an increased social media use of both brands and consumers. Consequently, fashion brands often suffer from their bad reputations, resulting in decreased sales, financial losses and online shit storms.

There is hardly any industry for which the brand image is as important as for the apparel industry. In wearing certain clothing, thus, a particular brand, consumers reflect their personal taste and social stand.[1] Reputation is an intangible asset to every organization, however, it often is not valued enough and not managed properly. In order to use the power that a well-managed reputation provides, it is first of all necessary to acknowledge the importance of reputation followed by a corporate approach on how to manage it.[2] The present thesis aims at doing exactly this. It identifies the importance of online reputation management in the fashion industry, detects the drivers and risks to reputation and looks at real-life practices. Doing so will result in rich data that is used to create a profound framework for fashion brands in order to use online reputation management in their interest.

1.2 State of Research

Due to the fact that reputation management is existent since the 1980s (cf. chapter 2.1.2), adequate literature is available. The same can be said for online reputation management. The literature considers social media developments and is up-to-date, providing broad and various approaches for achieving a positive corporate reputation online. Additionally, one can find numerous PR agencies that offer their services to help brands succeed in the field. However, consulting these agencies is related to high cost, especially since managing reputation is an ongoing process that never ends. Moreover, when researching the literature, a

---

[1] Cf. Koehler, R., Best Brands 2017, Textilwirtschaft 2017, from:
https://fashionunited.de/nachrichten/business/best-brands-2017-keine-modemarke-im-ranking/2017030221883
[2] Cf. Regester, M., et al.: Risk, Issues and Crisis Management in Public Relations, London, 2008, pp. 2f

detailed approach that gives direction for *fashion* companies in particular can not be found. In contrast, the fashion industry often attracts criticism due to its' processes and actions.[3] The present thesis thus sees a market need for an online reputation strategy that combines the various approaches and is specifically designed for the fashion industry with its special characteristics.

1.3 Research Question

The research question that has been developed to guide through the present thesis therefore formulates as follows:

>> *How can fashion brands successfully make use of online reputation management?* <<

1.4 Report Structure

The present master thesis consists of a theoretical and an empirical research. In the first part of the thesis relevant specialized literature and verified online sources are used to define and clarify the term online reputation management. The different components and developments of the field are taken into account and the term is further compared to other related subjects to identify similarities and differences. Thereby, the subjects of public relations, brand image, issues and crisis management and digital brand management are taken into consideration. Then follows a case study examining two apparel companies, *Adidas* and *Primark*. Their overall reputation is assessed and the use of online reputation management is identified to get an even deeper understanding of the processes in practice.

For the empirical research, qualitative guided interviews have been conducted with three experts from the industry. The interview took up hypotheses from the literature review and the respondents were asked for their individual evaluation of the topic. As in the literature research, possible future developments were taken into account to enable a forecast. This resulted in rich data on the practical use of

---

[3] Cf. Van Elven, M: Unmade, retrieved from https://fashionunited.ch/nachrichten/business/unmade-was-waere-wenn-alle-produkte-made-to-order-waeren/2018082015506, and
Preuss, S.: Esprit und IndustriAll wollen Arbeiterrechte gemeinsam verbessern, retrieved from: https://fashionunited.ch/nachrichten/business/esprit-und-industriall-wollen-arbeiterrechte-gemeinsam-verbessern/2018080815401, at the 19.08.2018

online reputation management in the fashion industry and completed the findings from the theoretical part.

Based on this combined research the final outcome of the thesis provides a structured strategy for online reputation management. The strategy is addressed to companies from the apparel industry and specifies the individual steps that have to be undertaken in order to succeed while managing the corporate reputation online.

2.Literature Research

The literature review provides the theoretical basis for the present research. It uses a number of carefully selected sources. These can be offline sources from books, magazines, scholarly articles and publications or online sources such as websites, documents and homepages. For any source, its relevance and credibility is verified to ensure a thorough literature review of high quality.

2.1 Reputation Management

2.1.1 Definition of Reputation Management

To understand what reputation management is about, the term reputation has to be clarified first. The Merriam-Webster online dictionary defines reputation as follows:

> *"1a: overall quality or character as seen or judged by people in general; b: recognition by other people of some characteristic or ability; 2: a place in public esteem or regard: good name".*[4]

This shows, that reputation is something assigned to someone or something by other people. Most of it cannot be actively projected by a company itself as opposed to for example brand values or a brand mission. Reputation can be characterized as the emotional and cognitive images of an organization as seen by the stakeholders.[5] An organization's reputation has a huge impact on its success, which makes it a powerful, intangible strategic asset. For some, it is even said to be their most relevant one. This is the reason why every company should consider actively managing their reputation.[6] The actions and words of an organization determine how the stakeholders perceive its reputation, thus, a reputation has to be earned.[7] Deloitte defined the diverse business and performance factors that affect a company's reputation. These are:[8]

- The way a company is performing financially
- A company's quality standards and the number of product defects and recalls

---

[4] N.a., from: https://www.merriam-webster.com/dictionary/reputation, at the 20.06.2018
[5] Cf. Meitner, M.: Ist der Ruf erst inszeniert, in: Harvard Business Manager, Vol. 6/2017, n.p., p.68
[6] Cf. Griffin, A.: Crisis, Issues and Reputation Management, London 2014, p. 1
[7] Cf. Griffin, A., loc. cit., p. 2
[8] Cf. Toni, L.: Managing reputation risk, from: https://www2.deloitte.com/content/dam/Deloitte/ro/Documents/about-deloitte/ro-managing-reputation-risk-laura-toni.pdf, p. 7 at the 03.08.2018

- A strong security infrastructure in both real-life and online
- A focus on safety policies including safety and risk management
- The way an organization acts and communicates during a crisis
- Ethical policies
- A high degree of innovation and uniqueness
- Corporate social responsibility

Figure 1 summarizes the five elements reputation consists of and how controllable the different areas are for an organization.
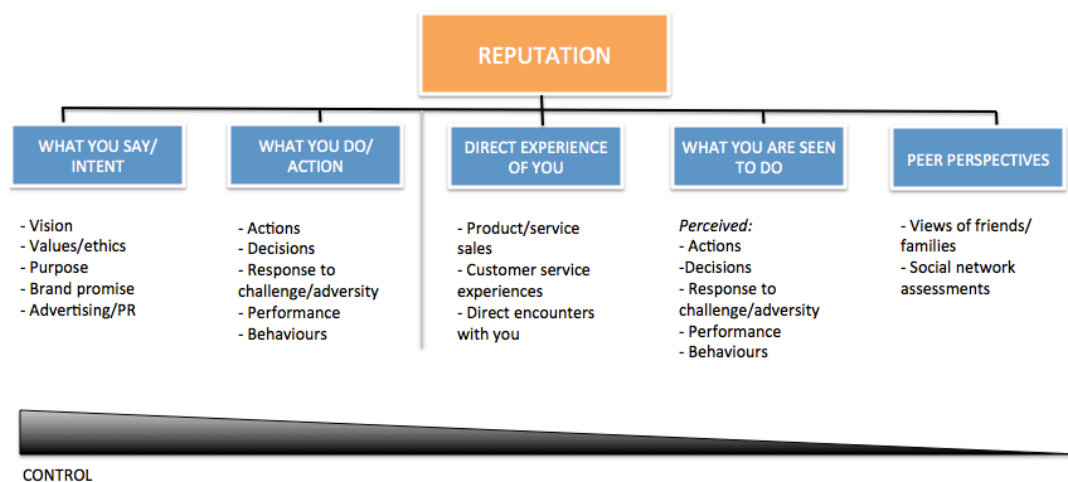
Figure 1: Fields of reputation and controllability; own presentation, based on Griffin, A., loc. cit., p. 3 figure 1.1

As mentioned before, brands do not have the power to influence most of its reputation. The organization can solely control what they *communicate (1)* to the public, for example their brand vision, promise and advertising and how they *act (2)* and perform in the daily business. The other three elements that further determine reputation can hardly be influenced by a brand because they reflect the subjective perception of people, who experience the brand.

Next to the corporate culture, identity and image, reputation is an intangible asset for companies. As these intangible assets gain the trust of the stakeholders and ensure positive relationships with these, they bring benefit to the organization. Further, they create a unique mix for an organization that cannot be copied by

competitors, thus creating a competitive advantage.[9] Still, building a good reputation can be a challenge and as it is a continuous process, organizations can never stop managing their reputation.[10]

2.1.2 Origin of Reputation Management

Reputation Management has its origin in the mid-1980s and can be classified as a component of public relations.[11] For the first time, reputation was officially considered to be something that is able to bring value to a company.[12] The literature found that in 1990, companies already actively tried to manage their reputation in order to influence their stakeholders and gain a competitive advantage. The stakeholders on the other side assessed an organization's reputation by observing information the companies sent out via media and other channels, their performance in the market, strategy and general behavior.[13] A positive reputation was also used as a reason to increase prices,[14] attract qualified employees,[15] expand to new markets,[16] and engage investors.[17] Nevertheless, at that time, it has not been researched which factors specifically impact the corporate reputation.[18]

2.2 Online Reputation Management

Reputation management can be subdivided into offline and online reputation management, which together create an organization's corporate reputation. Alexa Martin, reputation management expert from *Status Labs,* a public relations firm from the US, defines online reputation management as

---

[9] Cf. Dimitrova, Y.: Communication strategies for reputation management of the company, Sofia 2016, p. 3f

[10] Cf. Rodden, 2006 quoted from Hearn, A.: Structuring feeling, ephemera articles, 2015, p. 423 retrieved from:https://www.researchgate.net/profile/Alison_Hearn2/publication/283795377_Structuring_feeling_Web_20_online_ranking_and_rating_and_the_digital_'reputation'_economy/links/56476ce708ae451880ac35c1.pdf at the 29.07.2018

[11] Cf. Koehler, I.: Reputation Management: A Case Study of Abercrombie & Fitch in: Elon Journal of Undergraduate Research in Communications, Vol. 8, Nr. 1, 2017, p. 1

[12] Cf. Wilson, 1985, quoted from Weigelt, K., Colin, C.: Reputation and Corporate Strategy, Strategic Management Journal, Vol. 9, 1988, p. 443

[13] Cf. Fombrun, C., Shanley, M., What's In A Name?, Academy of Management Journal, Vol. 33, Nr.2, 1990, p. 233

[14] Cf. Klein & Leffler, 1981, quoted from Fombrun, C., Shanley, M., loc. cit. p. 233

[15] Cf. Stigler, 1962, quoted from Fombrun, C., Shanley, M., loc. cit. p. 233

[16] Cf. Beatty & Ritter, 1986, quoted from Fombrun, C., Shanley, M., loc. cit. p. 233

[17] Milgrom & Roberts, 1986, quoted from Fombrun, C., Shanley, M., loc. cit. p. 233

[18] Fombrun, C., Shanley, M., loc. cit. p. 234

> *"(…) taking a proactive stance in how yourself or your business is presented online to the average person."[19]*

In general, this means all the activities businesses do online to manage, retain and improve their reputation to their stakeholders. In 2017, Germans on average spent 221 minutes per day online. Compared to 10 years before, this is more than a 100% increase.[20] This shows the importance of an online presence for companies.

A positive corporate reputation assures stakeholders when taking decisions. In the fashion industry these decisions are primarily purchase decisions. In the theory of the five forces, Porter mentions the threat of substitution. The Internet enables customers nowadays to compare products and find similar ones within seconds. This ability further enhances the threat of substitution for organizations, which is why it gets more important for customers what further information they can receive about a brand. An example for that are pictures, videos or reviews.[21]

2.2.1 Communication in Online Reputation Management

The basis of all online reputation management is online communication. For a successful corporate reputation management it has to be considered that both the organization's as well as the customer's way of communicating changed over the last years.[22] The Internet and especially Web 2.0 changed the way people communicate, hence the way brands communicate. Before, brands had much more control about the information stakeholders received about the company. Public relations and press announcements were placed in a strategic way so that the brand could better manage how it was perceived by customers.[23]

The importance of online communication grew and still is growing due to an increased Internet use of customers, accompanied by the rise of new communication channels and new online brand touch points.[24] A touch point defines all points where brands interact with their stakeholders, online and offline.

---

[19] Martin, A., „Reputation Management FAQ", from: https://www.statuslabs.com/online-reputation-management-faq-alexa-martin/, 2018., at the 20.07.2018

[20] Cf. N.a., Internet usage time of adolescents in Germany from 2006-2017, retrieved from: https://www.statista.com/statistics/444254/daily-internet-usage-time-adolescents-germany/, at the 17.08.2018

[21] Cf. Wüst, 2012, quoted from Kreutzer, R. Corporate Reputation Management in den sozialen Medien, Wiesbaden, 2014, p. 1

[22] Cf. Kreutzer, R., loc. cit. p. 1

[23] Cf. Ten Dolle, R., Online Reputation Management, Twente, NL, 2014, pp.1f

[24] Cf. Seidel, 2014, quoted from , Burmann, C. et. Al., Identitätsbasierte Markenführung, Wiesbaden 2015, p. 210

This new way of communicating makes use of various audio-visual instruments such as video, music and text to market products and services.[25] What defines online communication and thus consequently online reputation management is the possibility of direct feedback and interaction between the brand and the stakeholders. Online communication further enables global and real-time communication.[26] For companies it is important that also online the brand promise and brand behavior match with the corporate identity.[27] In order for a successful online brand leadership, Totz and Werg, 2014, presented three crucial factors for brands to consider. The power of the aforementioned digital interaction between either brand to consumer or consumer to consumer cannot be underestimated, hence it is essential for the brand leadership. Further, brands should not only rely on brand recognition through uniformly applying typographies and logos. It is of greater importance to make use of the possibility to interact and apply a consistent way of communicating, both internal and external. Lastly, Totz and Werg mention to link the different areas of activity to enable fast responses, which is substantial in the age of digitalization.[28]
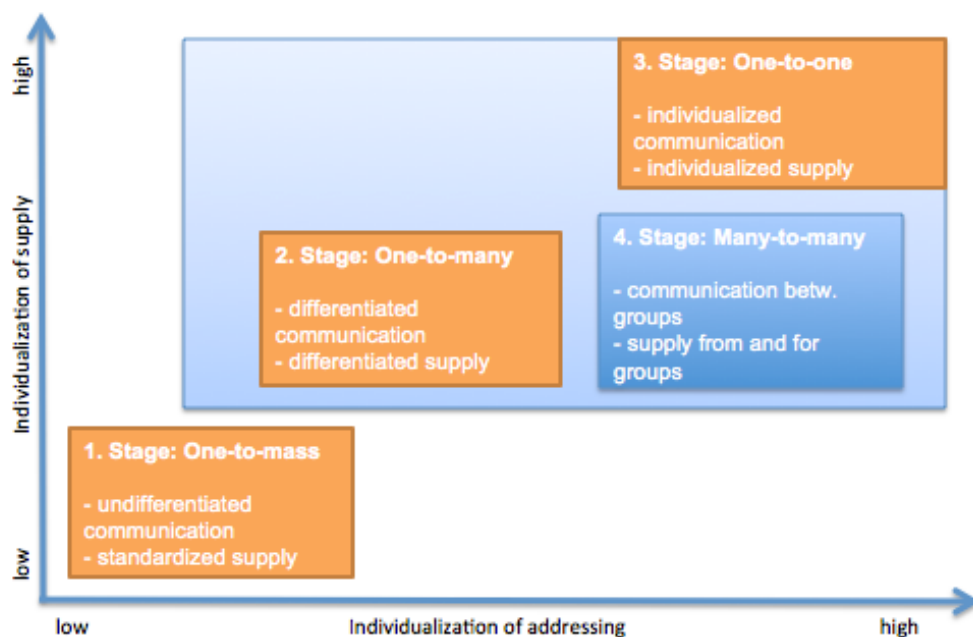
Figure 2: The changed differentiation grade in communication, own presentation, based on Kreutzer, R., loc. cit., p. 2, Abb. 1.1

---

[25] Cf. Kreutzer, 2014, quoted from Burmann, C. et al., loc. cit., p. 211

[26] Cf. Burmann, C. et. Al., loc. cit., p. 211

[27] Cf. Michelis, 2014, quoted from Burmann, C. et. Al., loc. cit., p 211

[28] Cf. Totz et. Al., 2014, quoted from Burmann, C., et, al., loc. cit. pp. 211f.

Figure 2 shows the changed differentiation grade in communication, considering the individualization of supply in relation to the individualization of addressing stakeholders. The graphic starts in the 60s and 70s, where and undifferentiated one-to-mass orientation ruled the communication. This was executed through advertisements in newspapers or TV spots. The second stage of one-to-many communication characterizes by a more differentiated approach concerning the different target groups, e.g. with differentiated e-mails. It was then replaced by one-to-one communication in the wake of customer relationship management, implying individualized offers for each customer. The fourth stage that companies find themselves in now is explained in the following sub chapter 2.2.2.

There are several ways how organizations can communicate online. One of them is through their website. A company's website serves as a central contact point and source of information for stakeholders to e.g. inform about products and services, job opportunities or the company's social responsibility. It therefore is essential that the stakeholder can benefit from using the homepage which can be achieved by building an appealing website both content-wise as well as design-wise. Moreover, brands can use this as an opportunity to refer to their other online presences. As a result, building a brand website should play a significant role in an organization's online strategy.[29]

2.2.2 Social Media in Online Reputation Management

For businesses, it is of great importance to understand the changed communication methods that come with the Web 2.0. Next to the company's website, social media can be a strategic tool for organizations when managing their reputation online. This sub chapter will discuss the importance of social media for online reputation management.

Figure 3 below shows the share of social media users in Germany in 2017. The graphic divides up into six age groups and reveals that a total of 90% of Germans make use of social media.

---

[29] Cf. Kreutzer, 2014, quoted from Burmann, C. et. Al. loc. cit. pp. 212f.

	Share of social media users
14-19 years	100%
20-29 years	98%
30-39 years	93%
40-49 years	87%
50-59 years	85%
60 years and older	85%
Total	90%

Figure 3: Social media usage share by age group in Germany, 2017, retrieved from: https://www.statista.com/statistics/790969/social-media-usage-share-by-age-germany/

It can thus be concluded, that one of the most relevant instruments for online reputation management are social media channels where the already mentioned possibility of interaction is a key element. Social media offers both businesses and individuals a larger variety of web assets that can help increase the visibility of an organization and their products and/or services. Further, social media, especially Instagram and Facebook, provide helpful marketing possibilities.[30] Organizations can build a positive corporate image through these channels, which will help to strengthen the corporate reputation.[31]

A central feature of social media is that it empowers the Internet users by allowing them to create content. Therefore, a brand's online reputation and communication is no longer only influenced by brand-generated-content (BGC). The user is integrated in the brand management, this is why user-generated-content (UGC) gains in importance.[32] This new way of communication social media offers can be named *many-to-many* communication (please see figure 3 in chapter 2.2.1 above).[33] *Many-to-many* communication was created by the Internet users themselves and offers increased possibilities concerning approach. It includes sending targeted *one-to-one* messages as well as giving and receiving feedback to and from a large number of people. The information that customers share through *many-to-many* communication is growing in importance, thus influencing a brand's corporate reputation. The consumer is no longer a passive observer, but is enabled to produce content. This is reflected in the term '*prosumer'*, a combination of producer and consumer. Social media further

---

[30] Cf. Martin, A., loc. cit.

[31] Cf. Schmiegelow et. Al., 2010, quoted from Kreutzer, R., loc. cit., p. 19

[32] Cf. Burmann, C., loc. cit., p. 217

[33] Cf. Kreutzer, R. loc. cit., p. 2

10

creates a social relationship between the users and creates communities. The low barriers of entry and the ease of use make social media available to a large target group.[34] Adding to this, social media enables users to reach a large amount of people. In consequence, bad press spreads really fast and is hard to eliminate.[35] Especially topics that address the user emotionally can lead to strong negative as well as positive reactions.[36] A development that has gained in importance during the last years can be seen in customers, who rate products and services. This user-to-user communication is believed to be very trustworthy, thus companies should attach particularly high importance to it.[37] Since reviews are valuable to other customers, weak ratings can become a threat for organizations and negatively influence their reputation.[38] In such an event it can be beneficial for brands to communicate with their audience via social media channels and ideally impact the corporate reputation in a positive way.[39] Another chance provided by social media channels is the possibility to include a customer service that will build additional customer proximity.[40]

Having this development in mind, companies can act upon it while building their corporate reputation online. Thereby, Kreutzer suggests orientating towards the basic communication principles in social media. These are:

- *"Honesty/Authenticity*
- *Openness/Transparency*
- *Communication at eye level*
- *Relevance*
- *Continuity/Sustainability"[41]*

Being honest and authentic implies that companies should not try to improve their reputation by posting fake reviews, statements and comments. This will negatively affect the reputation once the truth is revealed.[42] A steady open and transparent communication with stakeholders is important for organizations and

---

[34] Cf. Kreutzer, R., loc. cit., pp.3f.

[35] Cf. Meitner, M., loc. cit. p. 74

[36] Cf. Kroker et. al., quoted from Kreutzer, R., loc. cit., p. 19

[37] Cf. Kreutzer, R., loc. cit., p. 20

[38] Cf. Sparks, B., et. al., Responding to negative online reviews, 2016, p. 75

[39] Cf. Kreutzer, R., loc. cit., p. 20

[40] Cf. Meermann Scott, quoted from Kreutzer, R., loc. cit., p. 21

[41] Kreutzer, R., loc. cit. p. 11

[42] Cf. Kreutzer, R., loc. cit., p. 11

provides credibility.[43] This is accompanied by communicating at eye level, meaning to value and respect every stakeholder. All content that is posted by the company should be relevant to the respective target group in order to make them engage with the brand and build customer loyalty and trust. A continuous and sustainable engagement on social media channels presents the basis of it all.[44] Before engaging in social media to help build the corporate reputation, companies should consider that mistakes and bad press could go viral and affect the brand in a negative way. To be able to significantly influence the corporate reputation itself, a brand should further focus on managing its stakeholder touch points. Since due to the Internet, stakeholder touch points are no longer only generated by the company but also by the users, these new touch points have to be considered as well.[45]

2.2.3 Importance of (Online) Reputation Management

The topic of reputation is moving towards its economization. Reputation has a direct impact on an organization's performance such as revenue and brand value.[46] Its importance for businesses can therefore not be denied and will be further examined in the following chapter. Because of the growing complexity, technological advancement and over supply of products, stakeholders nowadays tend to care more about an organization's reputation. The reason for this is the phenomenon that the less stakeholders understand a product, the more they judge it by the brand's image.

The growing importance of the Internet and social media can have a significantly negative impact on the reputation of organizations. Internal issues get public much faster and easier, the audience for scandals is growing as well as the community for bad experiences. The Internet allows stakeholders to share their negative experiences, find like-minded persons and in the worst case start a "shit storm". This example shows that there is an asymmetry when managing reputation. It takes years to build it but only minutes to destroy it.[47] The growing popularity and importance that is attached to online reviews as explained in the previous chapter further justifies the need for a well-structured online reputation

---

[43] Cf. Wüst & Partner, 2010, quoted from Kreutzer, R., loc. cit., p. 12

[44] Cf. Kreutzer, R., loc. cit., p. 12

[45] Cf. Kreutzer, R., loc. cit., pp. 13ff.

[46] Cf. Toni, L., loc. cit., p. 4

[47] Cf. Meitner, M., loc.cit., pp. 68f.

management. However, companies can also benefit from this new transparency. The Internet facilitates improving ones reputation and thus gaining a competitive advantage. One way to achieve this is in engaging the customer and using their contributions for the brand's innovation management. Creative competitions can result in valuable suggestions on how to expand the product line. Consequently, this can lead to insights into customers' needs, wishes and expectations.[48]

Meitner mentions a criterion that defines the importance of reputation to the customer.[49] Every product and service a customer buys can be classified as a specific good. In other words, a good is from an economical point of view any means that is used to satisfy a human need and is therefore useful.[50] One distinguishes between four goods: homogenous goods, experience goods, trust-based goods and search goods. This distinction classifies goods according to their extent of information asymmetry, thus a discrepancy in knowledge between buyer and seller. Homogenous goods have no information asymmetry, whereas search, experience and trust-based goods all show an information asymmetry. If the quality of a good can only be assessed after and in no case before the purchase, the good is classified as an experience good. These goods show a high level of information asymmetry, as the customer has to experience the product first before being able to evaluate the quality. Examples for experience goods are food, cars or drugs.[51]

A trust-based good is a good whose quality cannot be evaluated by the consumer.[52] Therefore, the customer has to trust the recommendation and assessment of the seller. The reparation service of a company is an example for a trust-based good.

The remaining category search goods also shows an information asymmetry, however, this can be overcome through research before making the purchase. These research characteristics further make it easier to compare the products.[53] The focus industry of the present thesis, the apparel industry,[54] can be assigned to the group of search goods.[55] Meitner states, that consumers tends to consider

---

[48] Cf. Kreutzer, R., loc. cit., p. 21

[49] Cf. Meitner, M., loc cit., pp. 68f.

[50] Cf. Gabler Wirtschafslexikon und Jost, 2001 quoted from Reik, S. Der strategische Einfluss von Informationen in Vertrauensgütermärkten, n.p., 2016, p. 11

[51] Cf. Nelson, 1970 quoted from Reik. loc. cit. p. 15

[52] Cf. Jost, 2011 quoted from Reik. loc. cit. p. 17

[53] Cf. Reik, loc. cit. p. 14

[54] Given the example of a dress: The customer has the desire to buy a dress but does not know much about the quality or the fit of the dress yet. This knowledge can be gained by looking at a dress/dresses in a physical retail store and comparing the various offers.

[55] Cf. Nelson, 1970, quoted from Reik. loc. cit. p. 14

the reputation of an organization less, when buying search goods since they can form an opinion about the quality of the product themselves before purchasing. A company's reputation is considered to be more important when buying experience goods and even more when buying trust-based goods.[56]

Apart from the classification of goods, Meitner mentions two further criteria that affect the importance of reputation as perceived by the customer. One is the number of returning customers. The less regular customers a company has, the less they have to look after their reputation and vice versa. Further, it plays an important role whether an organization deals with mainly B2B or B2C customers. Purchase decisions in a B2B environment are much more objective and less emotional than it is the case with B2C. This is the reason why the reputation is much more considerable to the B2C end user.[57] As a result, especially brands that aim at customer loyalty and sell their products via a B2C channel must understand the importance of a positive corporate reputation. Since these criteria almost always apply to fashion brands a clear need for (online) reputation management can be identified and should therefore be an element in every company's strategy.

Summing up it can be said that to certain brands reputation is more important than to others. Nevertheless, the importance of both online and offline reputation management is justified by the benefits it brings to a company. A strong corporate reputation creates a competitive advantage and can be used as a justification to increase prices. It will further ensure stakeholders when taking decisions, which can be purchase decisions or investors that agree to engage.

2.2.4 Future of Online Reputation Management

This chapter will look at the trends that can be anticipated for online reputation management processes. Considering future developments is crucial when trying to build an effective strategy in pursuance of being successful in the long term. In general, a strong increase in the use of technology could be detected.

Nowadays, customers often base their purchase decisions solely on online reviews about a company (cf. chapter 2.2.1). This trend is expected to increase even further. For the future, it is forecasted to become a lot easier to review products and services. Through the help of artificial intelligence (AI) with voice

---

[56] Cf. Meitner, M., loc. cit. p. 68

[57] Cf. Meitner, M., loc. cit., p. 71

and face recognition, consumers will be able to leave a review in no time.[58] The struggle is, that those customers, who experienced the brand in a negative way are more likely to write a review than those who had a positive experience. Consequently, it will be beneficial for organizations to monitor the bad reviews[59] and at the same time encourage consumers to post positive comments.[60] This can be achieved with the help of technological tools. However, AI can also be used to a company's advantage by sorting and organizing the reviews. Doing so, will help brands to strategically find out about customer needs and wishes and as a consequence lead to a more personalized customer experience.[61]

2.2.5 Concluding Consideration

Due to the high Internet use of people and the over-supply of products, brands are expected to create additional value to gain a competitive advantage. This value can be found in a positive reputation, thus organizations have to look after their online presence. When being active online, it is important to consider the changed way of communicating. The many-to-many communication nowadays emerged from the increased Internet use and enables users to create content themselves, which often shows in reviews, comments and ratings. As this takes away control from the companies concerning the information that stakeholders receive, they have to actively manage how the brand is presented at the various touch points. In order to use it to their advantage, organizations have the possibility to create an appealing website and engage in social media to create customer proximity. Further, setting up feedback channels for customers can prove to be beneficial for understanding customer expectations and at the same time make their opinions feel valued and appreciated. The importance for structured online reputation management shows specifically for those brands that work in a B2C environment, aim for returning customers and sell experience- or trust-based goods. Trends that can be anticipated in online reputation management are an advance in technology including AI tools for monitoring customer reviews.

---

[58] Cf. Vieleers, M.: Reviews of the Future, retrieved from: https://www.exlrt.com/blog/reviews-of-the-future-online-reputation-management-and-ai, at the 16.08.2018

[59] Cf. Saxena, C., What's the Future of Online Reputation Management?, retrieved from https://www.futureofeverything.io/online-reputation-management/, at the 16.08.2018

[60] Cf. Plothow, B., What's the Future of Online Reputation Management?, loc. cit., n.p.

[61] Cf. Vieleers, M., loc. cit., n.p.

2.3 Online Reputation Management with Regards to Related Subjects

To a certain extent, online reputation management shows some overlaps with other subject areas. To further clarify the term online reputation management, this chapter will look at the topic with regards to these subjects. Doing so will highlight the similarities as well as the differences and provide a deeper understanding of what online reputation management entails.

2.3.1 Public Relations

Many different approaches exist when defining public relations. Due to the content of the present thesis, an economical point of view is used to define the terminology. In general, PR is a way of an organization to communicate with its publics.[62] With this in mind, PR aims at conveying information in a targeted and visible manner to all relevant stakeholders. Doing so focuses on reaching the communicative goals of an organization, leading to an increase in sales. As PR works closely together with journalism, one of its goals is a high and positive media presence. The difference to usual marketing is that PR concentrates more on presenting content and facts[63] than storytelling. When looking at the definition provided by the Chartered Institute of Public Relations, short CIPR, in Great Britain, the relation between reputation and PR can be seen.

> *"Public Relations is about reputation - the result of what you do, what you say and what others say about you.*
>
> *Public Relations is the discipline which looks after reputation, with the aim of earning understanding and support and influencing opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics."[64]*

Reputation management is thus the core element of public relations.

---

[62] Cf. Jarren et. Al., 2009, quoted from Zerfaß, A., et. Al., Organisationskommunikation und Public Relations, Wiesbaden 2013, p. 8

[63] Cf. Deg, R., Basiswissen Public Relations, Wiesbaden 2006, pp. 17ff.

[64] n.a. from https://www.cipr.co.uk/content/policy/careers-advice/what-pr at the 27.07.2018

2.3.2 Brand Image

Often confused, brand image and a brand's reputation are two very different yet very related things. A brand image results from how the signals the respective brand sends are perceived by its stakeholders.[65] In other words, it reflects the emotions and feelings stakeholders have towards a certain brand.[66] Since every stakeholder is responsive to different brand signals or made other experiences with the brand at the brand touch points than other stakeholders, a brand image can be a very subjective thing. Therefore, it is not easy to build a truly positive brand image. In order to successfully do so, it requires a certain level of brand awareness.[67] Brand awareness shows in the so-called *brand recall,* describing customer's ability to remember a trademark, e.g. a word or design mark, or in *brand recognition,* recognizing it with the help of audio and/or visual effects. As mentioned above, the brand image also always takes into consideration to what extent it is able to satisfy customer needs and expectations. Brand attributes determine the functional and non-functional use of a brand for the consumer. The functional use for the consumer shows through their knowledge about a brand's products and services. The non-functional one is defined by a brand's vision, values and overall character.[68]

When a brand succeeds to build a strong positive brand image this will result in financial benefits for the company such as an increased market share, competitive advantage [69] as well as an improve in customer loyalty and brand awareness to only name a few. This shows that the brand image is an important element of the brand identity and should be handled carefully as it can have a direct impact on an organization's performance.

The literature found, that brand reputation and brand image are strongly related, however, brand image is a momentary impression of a brand while reputation consists of many of these impressions over a certain amount of time combined.[70] Brand image is therefore a more short-term perception whereas reputation is a long-term perception, meaning that brand images can und usually do change faster.[71] Reputation and brand image further distinguish themselves to the extent

---

[65] Cf. Burmann, C. et. Al., loc. cit., p. 56

[66] Cf. Keller, 1993, quoted from Opatha, M. Definitions of Brand Image, Plymouth 2015, p. 1

[67] Cf. Burmann, C. et. Al., loc. cit., p.57

[68] Cf. Burmann, C. et. Al., loc. cit, pp. 57f

[69] Cf. Park et al., 1986, quoted from Opatha, M. loc. cit., p. 1

[70] Cf. Boulding, 1956; Gruning, 1993 quoted from Urde, M. & Greyser, S., The Corporate Brand Identity and Reputation Matrix, Journal of Brand Managament, Vol. 23, n.p., 2015, p. 95

[71] Cf. Chun, 2005 quoted from Urde, M. & Greyser, S., loc. cit. p. 95

that reputation shows how an organization is perceived by both external and internal stakeholders. Brand image on the other hand describes how mainly external stakeholders assess the organization.[72]

2.3.3 Issues and Crisis Management

Both issues and crisis management can be classified as elements within the broad field of public relations. Both topics show some similarities in definition, however, they are used for different purposes.

As found in the literature, crisis management is mostly defined by acute events that could not have been reasonably foreseen and require urgent acting in terms of operations and communication. A crisis poses a serious challenge and high risk for an organization and asks for a crisis procedure and plan. Further, crisis management is often seen as a development of incident management. This definition entails that what causes crises are incidents.[73] Incidents can be divided into internally – incidents that happen within the organization and are caused due to failure of performance, as well as externally driven incidents – those incidents that imply an external force or party. Externally driven incidents happen suddenly, have a high impact and threaten an organization. Moreover, these incidents cannot be resolved easily therefore affected companies tend to treat the effects rather than the cause. Externally driven incidents also affect many people and stakeholders[74] and are not in the control of the company. In terms of their suddenness, impact and threat, internal incidents are similar to external ones. Still, here organizations can be capable of solving the incident, thus treating the cause rather than the effects. Internally driven incidents are self-inflicted and can sometimes be predictable.[75] An example from the textile industry is the collapse of the Rana Plaza building in Bangladesh (cf. chapter 2.5.2).[76]

Issues management is less clear in definition. It is an important element in public relations, exists since 1976 and was then characterized by W. Howard Chase as the possibility for companies to actively participate in the opinion-forming process of the public. It soon became popular and was considered a key element in public

---

[72] Cf. Walker, 2010, quoted from Bhardwaj, M. and Saxena, K.B.C., Brand (Reputation) Management in Business Education, 2016, p. 4

[73] Cf. Griffin, A., loc. cit., pp. 31ff.

[74] Cf. Griffin, A., loc. cit., p. 74

[75] Cf. Griffin, A., loc. cit., pp. 96f.

[76] On 24.04.2013, a building collapsed claiming the lives of over 1.100 people. The building contained five garment factories and broke down due to structural failure.

relations since 1984. Nevertheless, the interpretation within the field of communications as well as the integration within the respective company differs strongly for issues management.[77] As with incidents, issues can also be divided into external and internal issues. External issues are e.g. political or social topics and developments, which require change and good communication to solve them. Internal issues on the other hand characterize by failure within the company, for example supply chain problems and are consequently hard to manage.[78]

Comparing now issues and crisis management, it can be said that crisis management is for acute events that threaten the organization immediately and suddenly whereas issues management is more of a long-term management. Both issues and crises have in common that they can be caused by external and internal factors. Putting this knowledge into context with reputation management, both incidents and issues can pose reputational risks.[79] They can weaken a company's reputation and affect it in the long-term. Therefore, successfully managing crises and issues helps to protect an organization's reputation.[80] In conclusion, reputation, issues and crisis management go hand in hand and impact each other. A well performed issues or crisis management has the power to support an organization's reputation management.

2.3.4 Digital Brand Management

Based on the development of the Internet, brands do no longer only rely on classical brand management. Since online presence has the power to improve the brand image and brand awareness, it is an important communication tool for many companies. However, having an online presence can also pose risk, therefore digital brand management is essential.[81] Branding strategies for online presence have to be developed with regards to the digital environment and its characteristics.[82] Especially the Web 2.0 can impact organizations. If brands aggressively communicate the advantages of their products, comments and reviews can show different opinions and thus influence purchase decisions.[83] The

---

[77] Cf. Kalt, G. et. Al., Strategisches Issues Management, Frankfurt 2009, p. 61

[78] Cf. Griffin, A., loc. cit., pp. 33f.

[79] Cf. Griffin, A., loc. cit., p. 33

[80] Cf. N.a., Issues and reputation management, from https://www2.deloitte.com/uk/en/pages/risk/solutions/issues-and-reputation-management.html# at the 23.07.2018

[81] Cf. Lembke, G., Digital Brand Management, Jahrbuch Marketing 2010/2011, n.p., p. 275

[82] Cf. Bäck, L., et. al., Digital Brand Management, Arcada Working Papers 1/2018, p. 2

[83] Cf. Lembke, G., loc. cit., p. 275

literature suggests that digital brand management is similar to digital communication since it focuses on online communicating the brand's positioning to stakeholders.[84] This definition shows strong parallels to online reputation management and it cannot be denied that the two go hand in hand and are, to some extent, similar in definition. However, digital brand management focuses on creating an overall strategy for the brand's online presence. This includes content creation, brand positioning as well as choosing the channels for presenting the brand and addressing the consumer.[85] Digital brand management therefore has a strong focus on building the brand and as a result acquiring and retaining customers. Consequently, digital brand management can be seen as an important element in online reputation management.

2.4 Managing Reputation

When trying to manage its reputation and use it as a business asset, an organization first of all has to be aware of its exposure to reputational risks. Risks can become very dangerous for a brand's reputation and are capable of destroying it in a short amount of time. Therefore, this sub chapter explores how reputational risks can be detected, predicted and minimized. The different approaches that were found in the literature is presented and compared. This sub chapter further examines what exactly a reputation strategy is and what it does as well as explores reputation frameworks. Due to the limitations of this study, the topic of corporate risk management is introduced to a certain extent only.

2.4.1 Reputational Risk

Reputation risk presents a key challenge to businesses and needs to be managed in an adequate manner, otherwise resulting in a strategic crisis.[86] There are many factors that can pose risks to reputation and they are different for every organization. Thorough reputational risk management is crucial for any organization not only because it can assist in preventing crises or in preparing the communication for potential ones.[87]

The risks to reputation are not just hard to measure, but also understanding where they arise from can be a challenge for organizations. In general, the reasons for reputational risk can be divided into internal and external factors as

---

[84] Cf. Bäck, L. et. al., loc. cit. p. 4

[85] Cf. Bäck, L. et. al., loc. cit. p. 5

[86] Cf. Toni, L., Deloitte, loc. cit., p.3

[87] Cf. Möhrle, H., Krisen-PR, Frankfurt am Main, 2016, p. 13

described in chapter 2.3.3. Any company is exposed to reputational risk. According to Eccles et. al. the extent to which can be determined by three elements. Figure 4 below shows how these three elements can be managed to achieve a strong, positive and sustainable reputation.
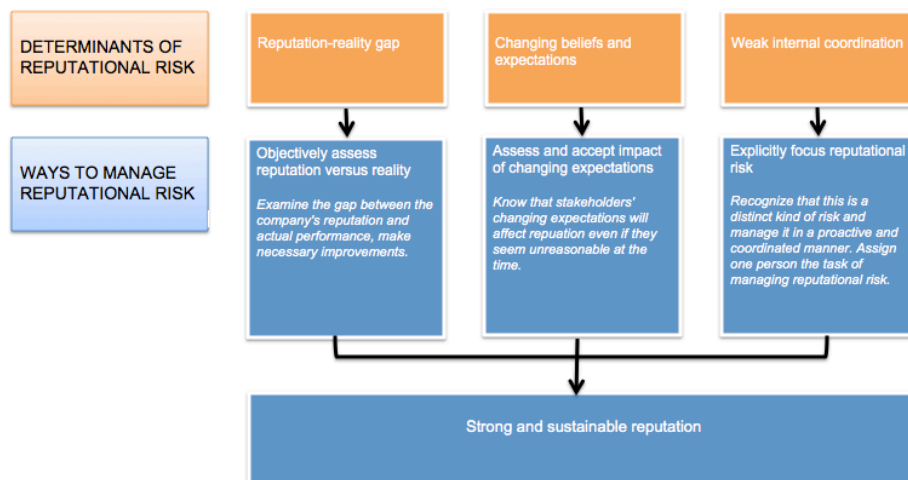
Figure 4: Framework for managing reputational risk; own presentation, based on Eccles et. al., 2007, from https://hbr.org/2007/02/reputation-and-its-risks

The first one is the so-called gap between reputation and reality. Since reputation is always a result of various stakeholders' perceptions, it can differ from how the company actually behaves, which will result in the aforementioned reputation-reality gap. This gap poses a risk when the reputation is better than the reality. The respective organization will fail living up to the publics' expectations, hence resulting in a declining reputation. This can be solved by either improving performance to live up to its perceived reputation or lowering stakeholders' expectations.

Second are the unstable beliefs and expectations of the stakeholders. A change in expectation can lead to an increased reputation-reality gap, thus resulting in higher risk. Stakeholders' beliefs and expectations can change because of sudden events or develop slowly over time. Moreover, demographical reasons can have an impact on stakeholders' views.[88] In all cases, companies have to be aware of the signs and plan ahead to be able to react to change.

The third factor comes from within the company. Strong internal coordination between all departments is a key factor for reputation. If the internal coordination

---

[88] E.g. customers in Asia might have different values and expectations on a brand than European customers.

fails[89] false expectations can be raised and the ability to detect change in stakeholders' perceptions is hampered. Ensuring a strong internal coordination starts, according to Eccles et. al., with having one person responsible for coordinating the various departments.[90]

Another approach from Griffin suggests three elements that can help to predict risks to reputation, no matter whether they arise from an internal or an external issue. These are:

> 1 *"Being a listening and engaging organization – having a finely tuned reputation risk radar for externally driven issues"*
>
> 2 *"Being reputation-conscious as an organization – having a similar reputation risk radar for internally driven issues"*
>
> 3 *"Analyzing the predicted risk and assessing potential impacts"* [91]

Another important capability he mentions is horizon scanning. This helps an organization with spotting possible reputation risks at an early stage. Horizon scanning is mainly used in the short term (one or two years) and for external issues, as it reveals upcoming trends to the organization, which they can analyze and react on.[92] Once having identified the potential risks, it can be useful to think them through to get an understanding of how they will develop. This is called scenario planning.[93] A brand that does not react to the needs of their customers will consequently get disapproval for their products. Therefore, understanding the customer by listening and talking to them is crucial. This so-called stakeholder engagement enables a brand to see itself from a stakeholder's point of view and get an objective overview on what it is doing well and on what it could improve. In stakeholder engagement, communication, both offline and online, is substantial.[94] Another way to judge the reputational risks and drivers is conducting a relevance analysis for every stakeholder of the organization, such as employees, customers, suppliers or investors. According to Meitner, this is a key element to establish a well-balanced reputation management.[95]

---

[89] E.g. the marketing department of a footwear company starts an advertising campaign for a new, highly anticipated pair of shoes before the shoes are even fully perfectioned yet.

[90] Cf. Eccles, R., et. al., Reputation and Its Risks, Harvard Business Review, n.p., Vol. 2/2007, without page numbering, from: https://hbr.org/2007/02/reputation-and-its-risks at the 23.07.2018

[91] Griffin, A., loc. cit. p. 124

[92] Cf. Griffin, A., loc. cit., p. 124

[93] Cf. Griffin, A., loc. cit. p. 120

[94] Cf. Griffin, A., loc. cit. pp. 124f.

[95] Cf. Meitner, M., loc. cit. p. 70

Looking at the textile industry, the supply chain is one of the most complex elements in an organization's strategy and thus presents an important aspect of the reputational analysis. To reduce the risk in that area, it is necessary to have full control over every component and stay away from producing in critically acclaimed regions. However, this often runs contrary to cost optimization. An example for a supply chain element that considers reducing costs and improving speed but gives away all of the control is the cut, make and trim (CMT) in the fashion industry.[96] Thereby, fashion companies hire a third party, usually a factory that will take care of these three components in the development process of a garment. The factory receives the fabric, patterns and trims from the clothing firm and is then responsible for cutting the fabric, sewing the garment and trimming it in the end, which means doing a quality check. All of this often happens in outsourced regions, which makes controlling the process and thus the quality even harder. Consequently, this lack of control poses a reputational risk.

The PESTEL analysis can provide another useful tool to analyze the potential risk factors concerning the supply chain but also the business in general. It is a way to scan the macro environment of an organization and therefore identifies external risk factors. PESTEL is an abbreviation for the different fields the analysis looks at. Figure 5 explains the different areas and what they entail and gives examples for the fashion industry[97]:

Areas	Content	Example
Political	World political developments, tax policy, social policy, stability of government, legislations, trade policy	Import quotas on textiles
Economical	GDP, change in consumer behavior, competition, interest rates	Cotton price increase; New competitor enters the market
Sociocultural	Income distribution, change in beliefs and values, career attitudes, lifestyle	Increased environmental awareness of consumers

---

[96] Cf. Meitner, M., loc. cit. p. 71

[97] Cf. Weißensteiner, C., Reputation als Risikofaktor in technologieorienterten Unternehmen, 2014, pp. 24f.

Technological	Technological change, research and development, level of innovation	Rise of AI, e.g. interactive mirrors; Smarter technologies: order clothing while seeing it on the runway
Environmental	Change in climate, weather, energy resources, environmental protection	Impact of water consumption from textile production on environment
Legal	Discrimination laws, labor laws, copyright laws, safety laws	Copyright and patent issues, counterfeit products

Table 1: PESTEL analysis, own presentation

2.4.2 Reputation Strategies and Frameworks

Having analyzed that a company's reputation is of great importance for their overall performance and has a strong business value, it seems natural to develop a strategy for managing the reputation and one for limiting the damage once a reputation incident has happened. There is not one successful reputation strategy that will work for every organization but there are ways to build the fitting strategy for each company and different frameworks that can be used doing so.

A reputation strategy is something that is very unique for every company and can consist of a combination of several strategic choices, according to the current situation an organization finds itself in. Therefore, every organization has to carefully build its strategy due to its needs and adapt it when necessary. Since reputation is an element of a company's strategic plan, it has to align with the corporate strategy and communication strategy. One of the most important goals of a reputation strategy is to build trust, leading to a positive corporate reputation.[98] Starting with communication strategies, the following paragraph will show how organizations should act and communicate with their stakeholders online to protect their reputation.

The key elements nowadays for an online communication strategy are social media channels. When defining a strategy, the characteristics of social media as presented in chapter 2.2.2 have to be taken into consideration. The high transparency, the interactivity, the speed and the amount of information available on the Internet pose a challenge. It is no longer a medium for only sending

---

[98] Cf. Dimitrova, Y., loc. cit., p. 5

information,[99] but has evolved into an interactive tool, enabling exchange and communication.

In his book "Crisis, Issues and Reputation Management" Andrew Griffin talks about fours pillars that are part of a reputation strategy: maintain, enhance, protect and utilize. In order to *maintain* and *enhance* the reputation, an organization's everyday performance is very important. This shows in delivering the best possible quality and services and keeping the brand promise and values. Doing so will further help to *protect* the reputation as this will possibly lead to increased revenue which can be used as reputational capital. Having reputational capital can be very useful in the event of a crisis. Moreover, companies are also able to *enhance* their reputation through great performance or the launch of a new product. To *protect* reputation, the reputation itself has to always be considered when key decisions are being taken, so it shows in every action. Lastly, an organization should be able to *utilize* its positive reputation and thus create an environment where it can perform in the best possible way.[100]

In the event of a reputational incident, the economical damage is one of the first things companies are scared of. In order to get an overview and try to limit the damage, Meitner suggests looking at the 3D's checklist of a reputational crisis.

Drivers

Reputational incidents are extremely damaging when they negatively affect the relationship with stakeholders or the most relevant business driver. Therefore it has to be a company's primary objective to protect these areas from reputational risks.

Domino Effect

When in a short amount of time one negative headline follows the other, one talks about the domino effect. The reason for this can be found in frustrated (former) employees that try to damage the organization even more by leaking internal information to the public. Adding to this, lawyers involved in the reputational incident screen the whole organization and often identify even more problems. To prevent these domino effects, managers should be aware of possible 'time bombs'.

Death Zone

The third D especially concerns organizations that are close to bankruptcy and would not be able to recover from a reputational incident. For them, it is crucial to

---

99 Cf. Dimitrova, Y., loc. cit. p. 6
100 Cf. Griffin, loc. cit. p. 8f

pay attention to their reputation, react fast and clever to rumors and know about their stakeholders' mindset.[101]

2.5 Case Studies on Online Reputation Management

The objective of the present thesis is to give advice for fashion brands on how to successfully use online reputation management. Therefore, the previous chapters have already summarized the findings from the literature. The current chapter will analyze the reputation management of specific apparel companies in general as well as during and after reputation incidents. This practically oriented approach resulted in concrete and tangible data with a strong focus on the fashion industry. As examples serve *Adidas*, which is famous for its strong reputation and *Primark*, the critically acclaimed retailer that is trying to manage and protect its reputation.

2.5.1 Adidas

Last year, the *Faktenkontor*, a German PR Agency specialized in corporate and sales communication, conducted a study researching the reputation from all DAX companies and their CEOs. The data was supplied by online news and public social web and is therefore suitable for the thesis's focus topic of online reputation management.

From the group of DAX30 organizations, the German sportswear and apparel brand *Adidas* achieved the second highest reputation. The reputation factors that *Faktenkontor* took into consideration are: employer performance, economical performance, management performance, product and service performance as well as sustainability performance. In all of these areas, *Adidas* was able to perform much better than the average. In the category service and product performance the brand even reached the highest possible ranking of 100 points. Another interesting listing that is provided are the 5 secret factors for success. What is important here is that for *Adidas* this shows in a high visibility, as well as preponderance of positive news. The brand's communication is among other things characterized by the reporting on digitalization projects.[102]

This positive image of *Adidas* is confirmed when looking at the ranking of *Reputation Institute's* most reputable companies worldwide from 2018. Adidas

---

[101] Cf. Meitner, loc. cit. pp. 73f.

[102] Cf. N.a., Faktenkontor, Die 5 Erfolgsgeheimnisse einer exzellenten Reputation, 2017, from https://public.tableau.com/profile/faktenkontor#!/vizhome/ReputationCapitalPublic21_02_2018/Dashboardaktuell at the 07.08.2018

lands the 7th place with a score of 76.6 out of 100. *Reputation Institute* looked at factors such as performance, leadership, innovation and products and services.[103] The institute itself justifies the brand's high ranking with its human rights commitment and its highly successful engagement in sustainability.[104]

Having a look at the brand's website reveals that transparency seems to be essential for *Adidas*. Next to a clear presentation of the company's strategy, mission, vision and executive board supported by pictures, *Adidas* informs the user about the aforementioned engagement in sustainability, investors and latest media and press publications. The latter reads headlines such as '*Adidas* alerts certain consumers of potential data security incident' or '*Adidas* delivers strong operational and financial performance in 2017'. On the brand's sustainability page, the user can get detailed information about the structure and various elements of the brand's supply chain, such as the sourcing of the material and the producing factories.[105] The brand creates a whole world around itself with being highly transparent in every aspect and, further, encouraging the customer to reach out and share their thoughts.[106]
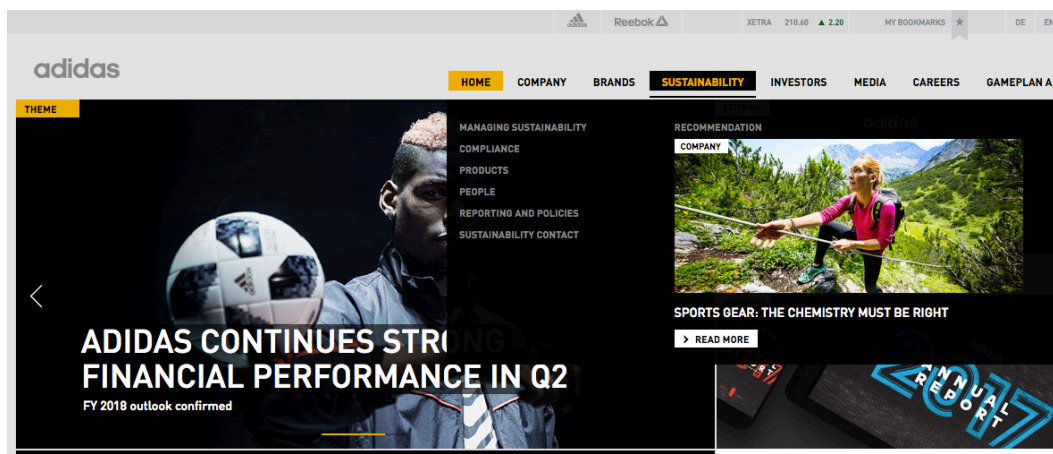
Figure 5: Adidas landing page, retrieved from: https://www.adidas-group.com/en/ accessed on: 09.08.2018

---

[103] Cf. N.a., Reputation Institute from Statista, Most Reputable Companies Worldwide 2018, from https://www.statista.com/statistics/516403/most-reputable-companies/ at the 07.08.2018

[104] Cf. Reputation Institute, What it Takes to be a Top 10 Most Reputable Company Worldwide in 2018, from https://blog.reputationinstitute.com/2018/03/15/what-it-takes-to-be-a-top-10-most-reputable-company-worldwide-in-2018/ at the 07.08.2018

[105] Cf. N.a. Adidas, Supply Chain Approach, retrieved from: https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/aufbau-der-beschaffungskette/, at the 07.08.2018

[106] Cf. N.a. Adidas Group, retrieved from https://www.adidas-group.com/en/ at the 07.08.2018
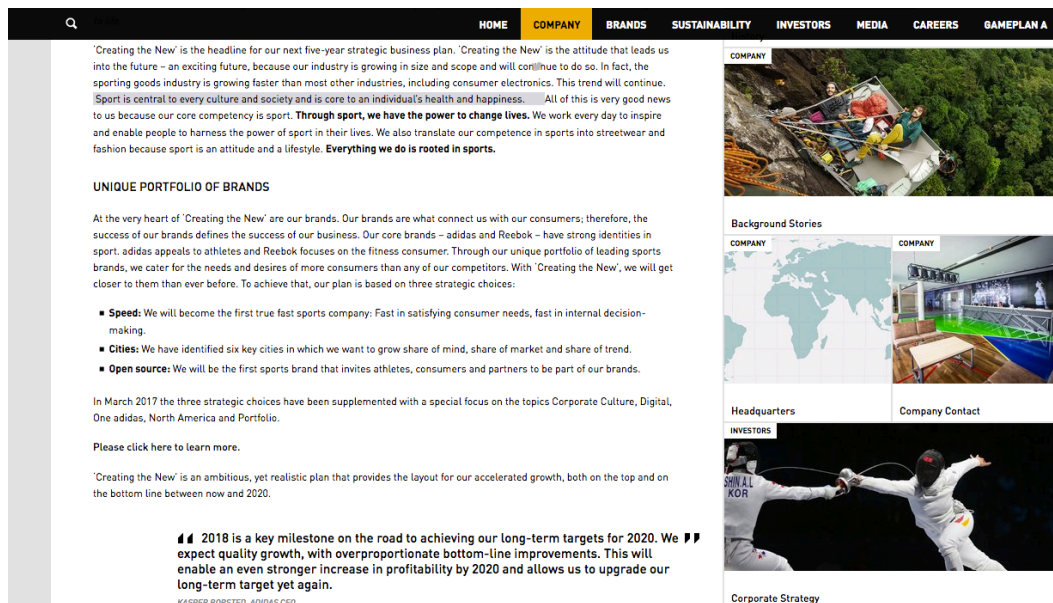
Figure 6: Adidas Strategy Overview, retrieved from: https://www.adidas-group.com/en/group/strategy-overview/ accessed on: 09.08.2014

2.5.2 Primark

Primark is a fast-fashion retailer from Ireland and well known for offering low prices and large quantities. The brand was always struggling with bad reputation and in 2005 was even judged to be UK's most unethical fashion brand.[107] Being highly successful, the brand today still competes for a better reputation, especially after the collapse of the Rana Plaza building in Bangladesh, 2013, where among other retailers *Primark* had its garments produced. Not only after this incident did customers start to question the social as well as economical sustainability of low priced fast-fashion products which resulted in a bad reputation for the retailer. After the incident in Bangladesh, IndustriALL and UNI Global Union initiated the *Accord on Fire and Building Safety[108]* that embodies that

> *"the undersigned parties are committed to the goal of a safe and sustainable Bangladeshi Ready-Made Garment (…) and other related industries in which no worker needs to fear fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures."[109]*

---

[107] Cf. Whitehead, 2005 quoted from Jones, B., Corporate Reputation in the Era of Web 2.0, Journal of Marketing Management, 11/2009, p. 933

[108] Cf. N.a., FashionUnited, A closer look at Primark's stance on responsible fashion, under „Introduction", 2017, retrieved from https://fashionunited.uk/primark-sustainability at the 07.08.018

[109] n.a., 2018 Accord on Fire and Building Safety in Bangladesh, 2018, retrieved from https://bangladeshaccord.org/wp-content/uploads/2018-Accord-full-text.pdf at the 07.08.2018

Primark was one of the first companies to sign the accord and declare that they will financially support the victims in the short and long term.[110] To date, *Primark* has paid 14 million USD.[111]

On its company website consumers can find articles about the incident, keeping the reader up-to-date on what the company has done so far to reduce the damage and the long-term support it provides. The retailer states that it wants to positively change the textile industry in Bangladesh by making it more sustainable.[112] Apart from that, *Primark* presents its ethics on its website. A video and various articles give the impression of a transparent supply chain, with *Primark* explaining how it sources fabrics, produces garments and manages to keep prices to a minimum while still making a positive impact and not harming the planet.[113] This clearly shows that the brand extensively uses the topic of sustainability to improve and protect its reputation.

The *Faktenkontor* summarized, how *Primark* successfully communicated during another crisis it was facing. In 2014, three customers claimed to have found small handwritten calls for help sewn into garments. However, *Primark* did not make large financial losses as they followed four steps to resolve the crisis.

1. *Primark* immediately clarified the accusations, revealing and proving that the handwritten notes were fake.
2. The brand used a clear and stringent way of communicating its statements.
3. Since the brand never promised to be anything but cheap, it did not break the brand promise and consequently did not disappoint customers.
4. With declaring the notes as being fake, *Primark* succeeded to stop *Amnesty International* to report about the incident.[114]

These two examples analyzed parts of *Primark's* reputation strategy during and after a scandal. From what was researched the following elements can be identified:

---

[110] Cf. N.a., FashionUnited, loc. cit., under „Introduction"

[111] Cf. Lister, P., Primark, Support provided by Primark since the rana Plaza building collapse in Bangladesh, 2018, retrieved from https://www.primark.com/en/our-ethics/newsroom/2018/primark-support, at the 07.08.2018

[112] Cf. N.a. Primark, loc. cit., 2018, retrieved from https://www.primark.com/en/our-ethics/newsroom/2018/primark-support, at the 07.08.2018

[113] Cf. N.a., Primark, Our Ethics, retrieved from https://www.primark.com/en/our-ethics at the 07.08.2018

[114] Cf. Forthmann, J., Hilferude in Billig-Kleidung, retrieved from https://www.faktenkontor.de/krisen-pr-blog-mediengau/hilferufe-in-billig-kleidung-primark-entschaerft-krise/, at the 07.08.2018

- Immediate reaction combined with clear communication
- Immediate action - trying to reduce the damage
- A long-term strategy for managing the incident
- A transparent and open communication
- Strong presentation of the brand as being sustainable and environmentally friendly
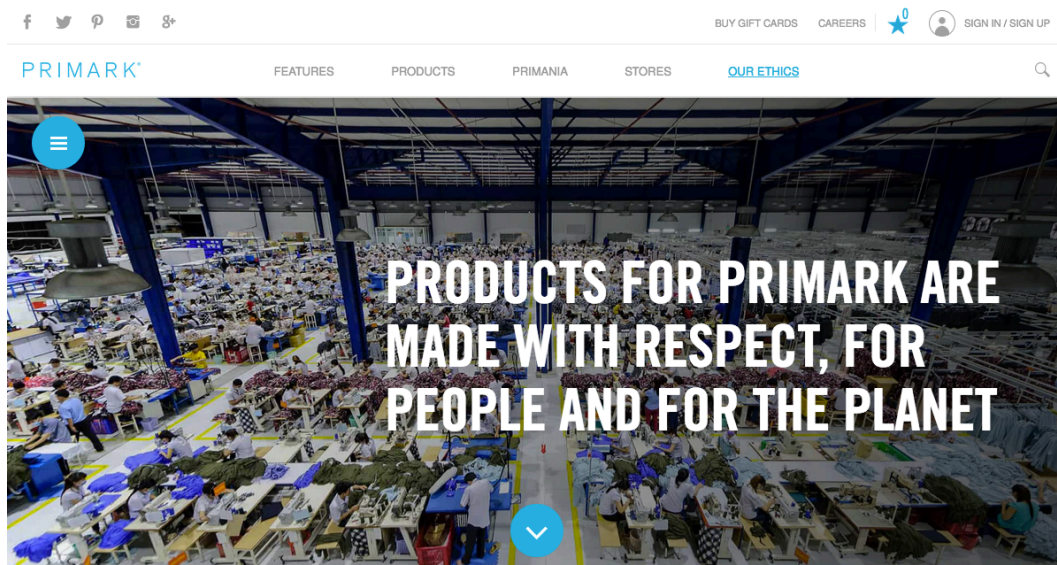
Figure 7: Primark website 'Our Ethics', retrieved from: https://www.primark.com/en/our-ethics accessed on: 09.08.2018
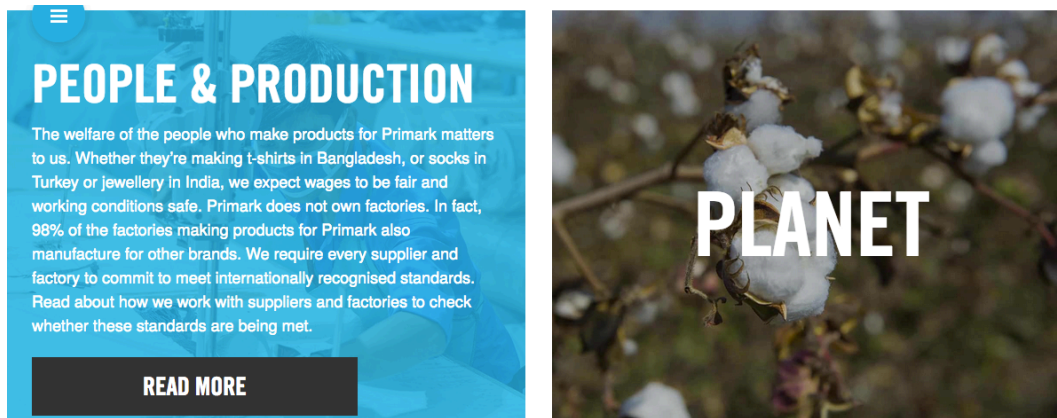
Figure 8: Primark website 'Our Ethics' Production & Planet, retrieved from: https://www.primark.com/en/our-ethics accessed on: 09.08.2018

2.5.3 Concluding Consideration

This chapter looked at two fashion companies that are very different from each other. On the one hand the sportswear brand *Adidas* with its positive reputation

and on the other hand the fast-fashion retailer *Primark* that experienced several shit storms. Even though it might seem like the two have little in common and aim for different targets, their reputation strategies do not differ much.

First of all, it is striking how both *Adidas* and *Primark* put a strong focus on their online presentation on the company websites. They create a high transparency by providing a news page informing the user about the latest company news. Further, the two present their supply chains and clarify how the garments are sourced, produced and shipped. It appears to the customer, as if they could retrace every product to its origin. Next to this, both of the brands clearly and openly communicate their brand values, strategy and activities. Another similarity the both share is the extensive presentation of the topic sustainability. It seems to be of great importance for both brands to present themselves in a sustainable way. In doing so, they concentrate on 3P's: people, production and planet.

All of the aforementioned means aim at leading the consumer through the whole *Adidas-* / *Primark*-world. As a result of this, the consumer thinks that they really know the brand. Hence, a feeling of trust is created that will result in customer loyalty and high sales. Summing up, it is striking to see that the measures taken by the two companies are in accordance with the business factors impacting reputation as defined by Deloitte (cf. chapter 2.1.1), which are a high degree of innovation, ethical policies and the way a company acts during a crisis.

3. Methodology

The literature research and the case studies already provided valuable information to answer the sub questions. The data from the expert interviews now enhance this by looking at the topic from an up-to-date and practical point of view.

3.1 Research Interest

As mentioned before, the research question that was formulated to define the outcome of this thesis reads as follows:

>> *How can fashion brands successfully make use of online reputation management?* <<

To support the research question, four sub questions have been developed. Sub questions, or as Gläser and Laudel call them, guiding questions serve the purpose of collecting information about the field of research, describing and specifying them. They are especially useful in a guided interview due to the openness of both questions and answers.[115]

SQ1: How do brand experts assess the general importance of online reputation management?

SQ2: What are the key contents for online reputation management in the fashion industry?

SQ3: Is there a difference for online reputation management in the fashion industry?

SQ4: What has to be considered when looking at the past and future developments of online reputation management in the fashion industry?

Based on the fact that the outcome of the present thesis aims at providing valuable advice for fashion brands on using online reputation management to their advantage, the sub questions cover all relevant aspects that need to be considered when giving such advice. This includes on the one hand the

---

[115] Cf. Gläser, J., Laudel, G.: Experteninterviews und qualitative Inhaltsanalyse, 2010, p.91

importance of online reputation management, describing how brands can benefit from that. On the other hand it entails to examine the specific content and meaning of online reputation management for the fashion branch, showing industry-related characteristics and requirements. Finally, the past and future developments cannot be left out of consideration so that the proposed strategy thinks ahead and brings success in the long term.

3.2 Research Method

The research method chosen for the present paper is the non-standardized interview from the field of qualitative social research. A non-standardized interview characterizes by neither predefining the questions nor the answer options. However, there are some broad topics the interviewee should stick to, therefore the sub category guided interview was chosen. The core of the guided interview is a guideline consisting of the questions the interviewer considers necessary to answer. Thereby, the formulation as well as the order of the questions is irrelevant. Doing so enables a natural conversation flow and provides the chance to ask again.[116] Personal contact when conducting the interview is thus very important. The present interviews were conducted via phone or face-to-face. Both methods have advantages. Telephone interviews are convenient for both the interviewee as well as the interviewer. Especially when the both do not live in the same area, a telephone interview facilitates the process. Moreover, it provides greater flexibility than a fixed appointment. Even though a phone interview is not as personal as a face-to-face interview, it still lets the interviewer assess the respondent and observe audio information. The face-to-face interview on the other hand offers methodological benefits when controlling the conversation and may lead to more information.[117]

The respondents are selected experts, meaning people who, due to their lives or jobs, have a special expertise and knowledge in the respective topic. They help the interviewer to get information about a certain field of interest.[118]

---

[116] Cf. Gläser, J., Laudel, G., loc. cit, p. 41f.

[117] Cf. Gläser, J., Laudel, G., loc. cit., p. 153f.

[118] Cf. Gläser, J., Laudel, G., loc. cit., p. 13

3.3 Justification of Research Method

Empirical social research is divided into qualitative and quantitative research. The data collection of the present thesis employs the method of qualitative research. This type of research uses an inductive approach. It aims at seeing a research problem through the eyes of the researched population, identifying causes for their behavior and consequently understanding the behavior. As opposed to quantitative research that tries to collect large amounts of responses, qualitative research focuses on fewer, but more detailed responses. Due to the openness and flexibility of the method,[119] it is expected to gain rich and valuable data from experts within the fashion industry. As a result of their job situation, experts are able to provide the most up-to-date information and have special knowledge about the social context they act in.[120]

Another reason why expert interviews provide a relevant input for the present thesis is the fact that this will produce additional data to the literature research. The findings from the literature research will be tested and completed. Besides that, the interviews put the much-needed fashion focus on the paper and present practical approaches to online reputation management.

3.4 Execution

The following sub chapter describes how the experts were chosen, explains the interview guideline and the purpose of the respective questions and finally clarifies the transcription method.

3.4.1 Research Sample

A sample defines a group of people that represent a population. In the present thesis, the population is limited to people that ideally work in or have experience in the fashion industry and that are familiar with reputation management, PR, brand management or brand building, the so-called experts. Choosing the experts is crucial as this determines the content and the quality of the collected data.[121] To ensure a high-quality choice of experts, the interviewer has to consider who holds relevant information and is able to and willing to share these as well as the expert's availability.[122]

---

[119] Cf. Röbken, H. et. al., Qualitative und quantitative Forschungsmethoden, 2016, pp. 13ff
[120] Cf. Gläser, J. et. al., loc. cit., p. 11
[121] Cf. Gläser, J., et. al., loc. cit., p. 117
[122] Cf. Gorden 1975, pp.196f. quoted from Gläser, J. et al., loc. cit., p. 117

For the present thesis, three interview partner with different backgrounds were selected. The selection was made due to the recommendation of professors and friends working in the industry. Respondent 1 (R1) works as a freelancer in creative strategy and creative direction. She worked for a big German online multi-brand retailer to improve brand building and online presence. Respondent 2 (R2) has valuable experience in the fashion industry and is now senior brand group manager for a knitting company. Respondent 3 (R3) works as a brand manager in the menswear department of a German brand within the upper premium segment.

All of the experts have a strong knowledge of the fashion industry and are related to branding topics. Still, they have worked for companies that vary in size and awareness level. The different expertise they bring leads to a differentiated approach of the topic, ensuring rich and thorough data.

3.4.2 Interview Guideline

The literature recommends to not start the interview with a question but to give the respondent a short introduction to the topic and inform them about how their answers and data will be treated. Therefore, an instructing paragraph is put at the beginning of each interview (see appendix A1).

Since every expert has a different background and relation to the research topic and can therefore provide different information than the other, the guideline is slightly adjusted to the expert's proficiency. This is necessary for questions addressing the job situation or past experience of the respondent. The personalization is not mentioned in the guideline, as this shows only the basic structure of the interview, but can be found in the transcript.

The guideline questions are based on the four sub questions presented in chapter 3.1. The interview responses are used to support the knowledge gained from the literature research and hence lead to a holistic consideration of the topic. Choosing the amount of questions is affected by several factors. First of all, the availability of the respondents influences the length of the interview. Further, the complexity and openness of the questions have to be taken into consideration. Gläser and Laudel suggest that taking the aforementioned limitations into consideration, eight to 15 questions can be asked in one hour.[123]

Based on the perception that the respondents have little time, the interview will therefore consist of nine questions to ensure that it will last not longer than one

---

[123] Cf. Gläser, J., Laudel, G., loc. cit., p. 144

hour. Still, the nine questions are formulated in such a way, that rich data can be collected. Please see the interview guideline for justification of the interview questions. Although the guided interview works with no predefined order of questions, the questions in the guideline are arranged according to the generic field they belong to and in contextual alignment. This enables a natural conversation flow and guides the respondent through the interview.[124]

The guideline is subdivided into different subject areas. It starts with a basic introductory question to define the terminology, followed by two questions addressing the contents and goals of online reputation management. Question 4 aims at best and worst practices as well as generating specific examples from the fashion industry. Question 5 will help to compare the importance of online reputation management in the different industries. This is then followed by a section with two questions concerning the power of online reputation management as a strategic resource. The interview closes with two questions about the development, both past and future, of online reputation management.

Subject area	Questions
Defining the terminology	Q1: How would you define the term online reputation management?
	This question is used to set the respondent's mood for the interview and to smoothly guide them towards the topic of ORM. They will start to think about reputation management in general, which will help in generating detailed answers for the following questions. Further, it also shows the interviewer to what extent the respondent is familiar with the topic and resolves any uncertainties.
Content and goals	Q2: What does ORM consist of and what is it aiming at in your organization?
	Question 2 focuses on specific practical examples to get

---

124 Cf. Gläser, J., Laudel, G., loc.cit., p.146

	insight into the industry. This might on the one hand bring further findings concerning the goals of ORM and on the other hand help to prove to findings from the literature.
	Q3: What defines a good online reputation management?
	Question number 3 dives deeper into the topic of ORM and tries to identify the key elements for a successful ORM as the outcome of this thesis will result in advice for fashion brands. As it is a subjective question that is based on the expert's know-how, it will reveal the discrepancies for different organizations, how the experts experienced good ORM and what worked for their companies. Q3 is also an introductory question to Q4.
Best/worst practices	Q4: Can you think of a specific example of a particularly good/bad ORM from the fashion industry?
	Question 4 is prepared by Q3. The respondent thinks about successful ORM and thereby at the same time about unsuccessful ORM. Due to the fact that they mentioned the elements for good ORM before, they can recall specific examples from the industry to justify their answers from Q3. At the same time, this might lead to them mentioning even more criteria for a good/bad ORM that they might have forgotten in the first place.
ORM in the fashion industry	Q5: *Meitner says that the customer tends to care less about a brand's reputation when buying search goods (apparel) compared to when buying experience or trust based goods.* Would you agree on that? In what ways do you see a difference when it comes to the importance of ORM for the fashion industry compared to other industries?
	Cf. Chapter 2.2.3 Since the literature research found out that the customer tends to not care about an organization's reputation as much

	when buying search goods, so clothing, this hypothesis is picked up again in the interview guideline to find out about the experts' views on that. This will either strengthen the hypothesis or disprove it and help to assess the importance of reputation in the apparel industry.
Power of ORM/ Evaluation of ORM as a strategic resource	Q6: Would you say that ORM is a strategic resource for an apparel organization? Please justify your answer and, if possible, transfer it to your organization.
	Again, this question aims at proving the findings from the literature research, claiming that ORM is an intangible asset for every company. The experts will reveal how important ORM is for their organization and whether it is part of an overarching strategy. As this question is a "yes or no" question, the experts will be asked to justify their answers.
	Q7: *Based on Q6:* If you consider it a strategic resource, in what ways can it benefit a (your) company?
	Question 7 is an in-depth question related to Q6, to further assess the power of ORM and its goals. In case the experts already answered this question in Q6, question 7 can be left out or used to broach the subject again and dig deeper.
Development of ORM	Q8: If you think back, how has ORM changed over the last years? Please refer to your organization if possible.
	Question 8 serves two purposes. On the one hand, it gets the respondent into the mood for Q9 with tracking the development of ORM, which will eventually help to think about future developments. On the other hand, it shows how fast-paced ORM is. This will be used to develop a framework in the results with advice for companies.
	Q9: And how, do you think will it change in the future? What

	will brands (your brand) have to be aware of?
	Question 9 aims to find out about possible future changes in ORM and the further development in digitalization and communication. The forecast will be used in the results to be able to develop not only a contemporary framework but to consider future developments that cannot be disregarded when trying to succeed long-term.

Table 2: Interview guideline with explanation, own presentation

3.4.3 Transcript

In order to gain detailed data and valuable information from the answers, original wording and transcription is used. This complex and time-consuming form of transcription ensures, that no information is reduced or left out. Further, the interview is fully reproducible. With the consent of the respondents, the interviews were recorded with the recording programs on a laptop and phone and hence eliminated the need to take notes during the interview.[125] The transcription leaves out nonverbal expressions, such as the German "ähm", laughter, coughing and harrumphing to polish the text and simplify quoting from it in the results. Line numbering further enables proper quoting and was therefore used in all three interviews. Moreover, the answers were slightly modified to better match written German, however without changing the meaning of what was said. Small talk that has no relation to the topic was left out and marked with a "(…)" due to lack of relevance.[126] To protect the data, 'XXX' was put every time the respondents mentioned the company they work or have worked for. Since the interviews were conducted in German, a translation into English language followed the transcript. The transcripts in English language can be found in the appendices (see appendices A2-A4).

3.5 Evaluation Method

The large amount of qualitative data gained from the interviews has to be transferred into measurable quantitative data. This allows the interviewer to analyze the gathered data in a systematical way and assess the frequency of

---

[125] Cf. Gläser, J. et. al., loc. cit., p. 193
[126] Cf. Gläser, J., et. al., loc. cit., p. 194

information.[127] Therefore, the evaluation method used for the present thesis is qualitative content analysis. Content analysis aims at analyzing material that results from some form of communication.[128] Before being able to analyze the material, a category system has to be developed so that the different information can be assigned to a respective category.[129] Thereby, the researcher predetermines criteria and in doing so intends to extract rich information and evaluate them. The different steps that lead to a consistent and useful category system are paraphrasing and generalizing followed by two steps of reduction.[130] The defined subject areas from the interview guidelines serve as main categories, as they already divide the content into different textual paragraphs. Within the subject areas, sub categories are used to bundle the respondents' answers and extract the essence. The different categories are thus classified in the following way:

1   Defining the terminology

1.1 Brand view

1.2 Customer view

2   Content

2.1 Strategy

2.2 Brand presentation online

2.3 Creating lifestyle & feeling

2.4 Clear communication

3   Goals

3.1 Customer loyalty

3.2 Customer feedback

4   Best/worst practices

4.1 Online presentation

4.2 Innovation, sustainability, zeitgeist

4.3 Transparency

5   ORM in the fashion industry

---

[127] Cf. Gläser, J., et. al., loc. cit., p. 197

[128] Cf. Mayring, P., Qualitative Inhaltsanalyse, 2010, p. 11

[129] Cf. Gläser, J., et. al., loc. cit., p. 198

[130] Cf. Mayring, P., loc. cit., p. 70

5.1 Differences for fashion industry

5.2 Trust when buying fashion

5.3 Emotional

5.4 Online/Offline

6   Power of ORM/Evaluation of ORM as a strategic resource

6.1 Strategic resource

6.2 Customer (approach and needs)

6.3 Communication

7   Development of ORM

7.1 Past

7.1.1 Customer

7.2.2 Communication

7.2 Future

7.2.1 New tools

7.2.2 Customer focus

The overview below points out which interview question belongs to which category. Additionally, the respective sub question that is to be answered is mentioned. Doing this explains the relevance of the categories and simplifies answering the sub questions by assigning the corresponding information.

Subject area	Sub category	Interview question	Sub question
1. Defining the terminology	1.1 Brand view	Q1	
	1.2 Customer view		
2. Content	2.1 Strategy	Q3	SQ1 & SQ2
	2.2 Brand presentation online		
	2.3 Creating lifestyle & feeling		
	2.4 Clear communication		
3. Goals	3.1 Customer loyalty	Q2	
	3.2 Customer feedback		
4. Best/worst	4.1 Online presentation	Q4	SQ1 &

practices		4.2 Innovation, sustainability, zeitgeist		SQ2
		4.3 Transparency		
5. ORM in the fahion industry		5.1 Trust building	Q5	SQ3
		5.2 Emotion		
		5.3 Online/offline		
6. Power of ORM/Evaluation of ORM as a strategic resource		6.1 Strategic resource	Q6	SQ1 & SQ2 & SQ3
		6.2 Customer (approach and needs)	Q7	
		6.3 Communication		
7. Developme nt of ORM	7.1 Past	7.1.1 Customer	Q8	SQ4
		7.1.2 Communication		
	7.2 Future	7.2.1 New tools	Q9	SQ4
		7.2.2 Customer focus		

Table 3: Subject areas and sub categories with regards to interview questions and sub questions, own presentation

4. Research Results

The following chapter presents the data that was gathered in the interviews. It further analyzes the answers for each category, compare them with the findings from the literature research and gather results. Hence, a profound basis to answer the research question and provide detailed advice in chapter 5 is created.

4.1 Defining the terminology

This introductory question was used as a way to get the respondent into the topic of reputation management and prepare them for question 2. Nevertheless, it was striking to see that when asking the experts to define the term '(online) reputation management', the given answers could be subdivided into a brand approach and a customer approach to the topic.

4.1.1 Brand view

Even though the experts know about (online) reputation management, two of three are not familiar with the term itself in their daily business, but would classify it as brand building, brand management[131] or digital brand management[132]. Further, respondent 3 mentioned that reputation itself is not something that is dictated by the company and is therefore hard to influence, however, reputation management aims at generating a positive perception from the customer.[133]

4.1.2 Customer view

When defining the term, all of the experts mentioned the importance of the customer. The respondents define online reputation management as a way to give the customer the chance to experience the brand in the best possible way[134] and give appreciated feedback.[135] According to respondent 1, this way of brand building will help to identify the target group and how to address them at the various touch points.[136]

---

[131] Cf. Respondent 1, line 8-9, 2018
[132] Cf. Respondent 2, line 15, 2018
[133] Cf. Respondent 3, line 2-9, 2018
[134] Cf. R3, line 7-9, 2018
[135] Cf. R2, line 15-16, 2018
[136] Cf. R1, line 23, 27-28, 2018

4.1.3 Analysis

The experts view on the terminology of reputation management meets with the findings from the literature review. The fact that two of the three experts did not know about the term "reputation management" itself confirms the hypothesis that companies do not yet value reputation management enough. This once again increases the need for strategic advice for fashion companies. As in the literature review, the experts differentiated between a brand point of view and a customer point of view when defining reputation management. They agree that it cannot be primarily influenced by the company itself and include the elements brand building and (digital) brand management.

4.2 Content

The sub category "content" demonstrates which activities the respondents include in online reputation management. As an outcome from the given answers, four categories could be defined. The answers given here correlate with the answers in the category "goals". However, for the purpose of a clear presentation, this is divided into two categories.

4.2.1 Strategy

Both, respondent 1 and 3 are talking about strategy as being an important element of online reputation management. For respondent 3, online reputation management embodies to present the company's strategy online.[137] Respondent 1 considers online reputation management as a method to reach the strategic goals of a company as part of a superior overall strategy and further mentions the need for a stringent and clear brand building.[138]

4.2.2 Brand presentation online

Next to presenting the strategy online, expert 3 believes that it is part of a successful online reputation management to have a good online presentation, including the communication of the vision and the brand DNA.[139] Respondent 1 agrees on that by pointing out the importance of the fulfillment, e.g. how easily

---

[137] Cf. R3, line 13-14, 2018
[138] Cf. R1, line 42-44 & 71, 2018
[139] Cf. R3, line 24-27, 2018

can the customer do the purchase and order from a company.[140] Moreover, a company's website should be appealing and create the feeling that the brand is approachable.[141]

4.2.3 Creating lifestyle & feeling

All of the experts agree that, especially in the fashion industry it is of great importance to not just sell a product, but to create a whole lifestyle around it and evoke feelings. The customers should know why they are buying the brand and identify with it to feel like they belong the brand world.[142]

4.2.4 Clear communication

Internal communication is seen to be a core element of a successful online reputation management when it comes to the experts. There is a need for good cooperation and a team where everyone is on the same page[143] as well as putting one person in charge.[144] External communication, for example after an issue occurred is as important. It must be ensured that only one clear brand message is send out that is compliant with the overall brand mission.[145]

4.2.5 Analysis

Concerning the content of online reputation management, the experts support the results from the theoretical part and the case studies of Adidas and Primark. Accordingly, it can be validated, that not just in theory, but also in real-life the following factors are essential in managing reputation. A good company presentation online including an appealing website that presents the brand strategy, values and DNA in order to create a lifestyle around the brand will create trust and customer loyalty. This further entails a clear and transparent communication internally as well as externally from brand to customer. To implement this in the best possible way, it is advantageous to set up a responsible team or put one specific person in charge.

---

[140] Cf. R1, line 57-61, 2018

[141] Cf. R2, line 46-47 & 68-69, 2018

[142] Cf. R1, line 48-51 & 99-100, R2, line 71-73, R3, line 47; 2018

[143] Cf. R2, line 33-35, 37 & 52, 2018

[144] Cf. R1, line 123-125, 2018

[145] Cf. R1, line 114-119 & 125-127, 2018

4.3 Goals

The goals that result from the contents of online reputation management are presented in the following. All of the reasons the experts mentioned can be reduced to the sub categories "customer loyalty" and "customer feedback" since in the end reputation characterizes as what is perceived by the customer.

4.3.1 Customer loyalty

The experts feel that when presenting the brand online in an appealing way, creating a whole lifestyle around the brand and having the right fulfillment this will all lead to loyal customers, who understand the brand and what it entails. If this is done right, the customer will buy with the brand on a regular basis.[146] Even though reputation is intangible and hard to measure, these regular customers will result in tangible figures and increased sales.[147]

4.3.2 Customer feedback

The goal of being approachable online and having an appealing website as well as clear external communication is to receive feedback from the customers. This feedback can be included into the development of products or improving the shipping. In general, it helps the brand to react to customer needs.[148] To reach this goal, expert 3 proposes to include a chat function on the company website to facilitate the customer getting in touch with the brand.[149]

4.3.3 Analysis

The strong focus on the customer in this category might seem not broad enough. However, the results from the literature confirm that in the end, all reputation management is done to create a positive image of the brand in the minds of the customers with the final goal to increase sales and maximize profit. This is achieved by meeting customer expectations through suitable products and keeping the brand promise. The experts pointed out the ability to understand customer needs through the help of online presence and feedback channels; an aspect that the literature also considers highly important. A satisfied customer will finally turn into a loyal customer.

---

[146] Cf. R1, line 51-53, R2, line 25-28, R3, line 19-21, 2018

[147] Cf. R2, line 135-143, 2018

[148] Cf. R2, line 15-16 & 19-20 & 23-29, R3, line 15-19 & 31 – 33, 2018

[149] Cf. R3, line 15-18, 2018

4.4 Best/worst practices

Asking the respondents to think about good and bad examples for online reputation management showed up specific cases from the industry and pointed out what these brands are doing right, thus resulting in useful data for the final advice. The experts all mentioned different organizations, however, there was overlap in the reason why they consider them successful. The brands pointed out by the experts for having a good online reputation management are: *Adidas, Filippa K, Gucci, Hugo Boss, Mr. Porter, Saint Laurent* and *Tom Ford.*

4.4.1 Online presentation

Expert 3 praised three brands for their online reputation management and evaluated their online presentation as extremely positive. She pointed out different criteria that made each website so appealing, e.g. for *Adidas* and *Mr. Porter* the ability to tell stories.[150] Apart from that, the online shop itself is important, shown by the example of *Gucci*. They also succeeded to build a good social media strategy that is surprising and appealing to the target group.[151]

4.4.2 Innovation, sustainability, zeitgeist

The experts mentioned some key words for the success of certain brands. Expert 3 assigns the good online reputation management of *Adidas* to its degree of innovation that shows in the collection and consequently has an impact on the customer.[152] As mentioned above, *Gucci* is said to be innovative in their social media campaigns.[153] Sustainability seems to be another strategic decision that makes for good reputation, especially when done like *Filippa K*, who use it as a story on their website.[154] Respondent 2 further considers zeitgeist and the ability to change important as in the case of *Hugo Boss*.[155]

---

[150] Cf. R3, line 38-45, 2018

[151] Cf. R1, line 83-90, 2018

[152] Cf. R3, line 38-42, 2018

[153] Cf. R1, line 83-90, 2018

[154] Cf. R3, line 50-53, 2018

[155] Cf. R2, line 58-60, 2018

4.4.3 Transparency

With *Filippa K* and its sustainability, respondent 3 finds especially appealing the transparency that is created by the company. The brand seems to be honest about their way of being sustainable and mentions how it can improve further.[156] The topic of transparency is also showing in the answers of expert 1, who says that successful online reputation management also comes from having a clear brand language in order to communicate to the consumer what they are buying and why.[157]

4.4.4 Analysis

The answers to this question confirmed the positive reputation of *Adidas* in the case study (cf. chapter 2.5.1). The experts agreed that an engaging online presence, transparency in organizational processes and communication, commitment to sustainability issues and a high degree of innovation account for a positive reputation. Additionally, they pointed out the need for a clear brand building and language. When combining the theoretical and empirical results, these essential features can be strongly recommended and are considered the key elements for online reputation.

4.5 ORM in the fashion industry

This category took a hypothesis from the literature review to prove its credibility and to find out, how the brand experts assess this. Only expert 2 answered that she thinks that due to the greed of the people, they do not care about the reputation of a fashion brand, even though they claim they do. As an example she mentions *Primark* being super successful while at the same time being judged by the public.[158] The experts justified their statements respective to these three sub categories.

4.5.1 Trust building

The experts 1 and 3 responded that trust is the basis of every purchase decision. According to them, the customers do not differentiate between the good they purchase. The vendor has to be credible, hence reputation is important for a

---

[156] Cf. R3, line 50-56, 2018
[157] Cf. R2, line 95-101, 2018
[158] Cf. R2, line 106-123, 2018

fashion brand.[159] This showed, that another important goal of online reputation management is building trust.

4.5.2 Emotion

What the experts agreed on was the fact that clothing is an emotional product. They consider this the biggest difference when comparing the fashion industry to other industries. Customers also always buy a feeling when buying a garment, because they want to feel and look a certain way. Nevertheless, this is also different for different target groups, e.g. men and women.[160] Expert 1 answered that she thinks that the reputation of a fashion brand is very important to the customer in order for them to distinguish the brands and know what the brand conveys.[161] Expert 3 also mentions reputation as an influence on customer's buying behavior.[162]

4.5.3 Online/offline

Within the fashion industry, the experts could identify differences for a brand's reputation concerning online and offline retail. Since there is a larger distance between buyer and seller in online retail trust and reputation are much more important. When buying clothing at stationary retailers, the consumer has the possibility to touch and try the product before buying it, as opposed to first paying for a product that will be shipped to them and that they have never really seen before.[163] As expert 1 said:

"The Internet is a cold medium, not a warm one."[164]

Expert 3 adds the fact that there is also a difference for brands that sell both offline and online and brands that have an online presentation only. Because the customer knows certain products from the brand's physical store already, it makes it easier for them to order online.[165]

---

[159] Cf. R3, line 72-77, R1, line 143-145 & 150, 2018
[160] Cf., R1, line 163-188, R2, line 93-99, R3, line 77-82, 2018
[161] Cf. R1, line 191-195, 2018
[162] Cf., R3, line 79-82, 2018
[163] Cf. R1, line 149-156, 2018
[164] R1, line 153, 2018
[165] Cf. R3, line 89-93, 2018

4.5.4 Analysis

The hypothesis used for this question is based on an article by Meitner, claiming that a brand's reputation is less important for fashion companies than for companies providing experience-based or trust-based goods. This statement is already contradictory to some other findings in the literature, where the brand image is considered very important for the fashion industry. The reason for this is in the emotionality of the products, combined with the social stand clothing represents. Generally speaking, the experts support the latter hypothesis. They consider clothes as an emotional product that evokes a certain feeling with the customer. Due to the fact that buying clothing always involves a purchase decision, the experts justify their opinion by saying that reputation creates the required trust. Therefore, the assertion of Meitner is denied. Lastly, the experts mentioned an important point to consider that did not show up in the literature research. In the apparel industry it is essential when choosing the right online strategy whether the brand is present at the stationary sale (offline) or online only. The distance at the point of sale (POS) that is created by the screen should not be underestimated.

4.6 Power of ORM/Evaluation of ORM as a strategic resource

The literature makes extensive use of the term 'strategic resource/asset' when talking about online reputation. This question aims to prove this assumption, apply it to the fashion industry and analyze how applicable it is in practice.

4.6.1 Strategic resource

All of the experts consider online reputation management as a strategic resource for a fashion company. It is said to be an important building block of the overall strategy of a company and can serve as justification for prices.[166] Expert 3 thinks that online reputation management should further be a strategic decision across all channels.[167] Respondent 2 specifically points out the value for a company and the effectiveness of online reputation management.[168]

---

[166] Cf. R1, line 202-207, 2018
[167] Cf. R3, line 108-109, 2018
[168] Cf. R2, line 128, 2018

4.6.2 Customer (approach and needs)

The customer is again put in the focus when talking about the power and benefit of successful online reputation management. It lets brands find out more about customer needs and react to them faster, in terms of e.g. product modifications. This is especially due to the development of social media, where the customer can give direct feedback.[169] Expert 3 also mentions a change evoked by the online business. According to her, good online reputation management makes customers stay on the brand's website and decide to buy with the brand.[170]

4.6.3 Communication

For respondent 1, good online reputation management shows in good communication at the different touch points.[171] Expert 3 agrees on that by pointing out the importance of a clear communication of the brand DNA.[172]

4.6.4 Analysis

The experts consider online reputation management as a strategic resource that they all make use of in their companies. It belongs to an overarching strategy and brings value to the company. This shows, that online reputation management has arrived to the fashion industry and is applicable in practice. Again, it is considered to be strategic because it positively affects the customer contact and loyalty. Corresponding to the theoretical results is further the power of a positive reputation to keep the user on the website and make them purchase. In these times of over supply, it is of great importance to tie the customer to the brand. To achieve this, a clear, transparent communication at every customer touch point is needed which is approved by the literature.

4.7 Development of ORM

The last category focuses on the past and future developments of online reputation management in the fashion industry. This will help to answer sub question 4 and provide a holistic approach in the recommendations.

---

[169] Cf. R2, line 128-130 & 15-16 & 157-159, 2018
[170] Cf. R3, line 124-131, 2018
[171] Cf. R1, line 212-213, 2018
[172] Cf. R3, line 110-114, 2018

4.7.1 Past

This sub category will show the results from question 8, showing the experts' views on the development of online reputation management. Two main factors can be determined from the given answers. These are "customer" and "communication".

4.7.1.1 Customer

Due to the increased importance of online presence, online reputation management changed to the degree that it should keep the customers on the website and finally make them purchase, as mentioned before already. Moreover, the customer needs changed to wanting to buy a lifestyle and not just a product, according to expert 3.[173] The customer got more important for companies in recent years and since they now have the possibility to give direct feedback brands reacted to this changing customer needs with personalization and individualization options.[174]

4.7.1.2 Communication

As a result of the digitalization, the way of communicating from brand to consumer and vice versa changed as well, as evaluated by the experts. Respondent 1 states that the communication got more democratic. A brand does not longer only send out messages and trends but the consumer developed a voice as well and is able to get information from anywhere, at any time.[175] This new way of communicating by receiving feedback from the customer is further pointed out by expert 2.[176]

4.7.2 Future

This sub category looks to the future and presents how the respondents think online reputation management will change. The experts talk about changes concerning the use of new tools as well as a change in customer focus.

---

[173] Cf. R3, line 124-134, 2018

[174] Cf. R1, line 233-249, R2, line 177-187, R3, line 133-134, 2018

[175] Cf. R1, line 247-263, 2018

[176] Cf. R2., line 184-187, 2018

4.7.2.1 New tools

According to the experts, artificial intelligence (AI), algorithms and augmented reality (AR) will gain even more importance in the future. Expert 2 thinks that big data will play an important role and will be used for an increased use of algorithms.[177] AI is seen to come to us quickly, affecting marketing and branding issues.[178] Expert 3 mentions that brands will offer a better shopping and online experience through AR. It will move away from product presentation only towards wardrobing and an increase in emotional product descriptions. She also mentions the topic of sustainability to become more important in the future and affecting the reputation of organizations.[179]

4.7.2.2 Customer focus

As the experts already described a development in the importance of the customer in the past, they see this trend further evolving in the future. The customer has to be involved more actively[180] and companies have to focus on the consumer even more than they do now.[181]

4.7.3 Analysis

The outcome of the literature review reflects mostly in the data from the interviews. The experts noticed an increased customer focus and the importance of their reviews. This is accompanied by a change in the way brands and consumers communicate. The literature described it as many-to-many communication, for the experts it characterized as a more democratic communication. A decisive reason for this development is in the growing importance of social media. In the long run, this development will increase further by an even stronger focus on the customer and their right to a say. This will be supported by the use of algorithms, tools and the big topic of AI.

---

[177] Cf. R2, line 193-196, 2018

[178] Cf. R2, line 196-200, R1, line 268-271, 2018

[179] Cf. R3, line 132-139, 2018

[180] Cf. R3, line 132-137, 2018

[181] Cf. R1, line 267-277, 2018

5. Conclusion and Recommendations

This final chapter summarizes the results from the theoretical and empirical research. Sub chapter 5.1 will first assemble the knowledge gained in this research and answer the four sub questions. The recommendations in sub chapter 5.2 will provide a self-developed strategy for online reputation management based on the learning from the thesis and will therefore answer the main research question. Lastly, the limitations of the study will be explained.

5.1 Conclusion

The fashion industry is due to the development of fast fashion and the openness of the Internet vulnerable for scandals, thus it often suffers from a bad reputation. However, especially in this particular industry, brand reputation is very important to customers. The thesis found out that reputation is something assigned to a person or company by another person and can therefore only be influenced to a certain degree. Additionally, it is regarded to be an intangible asset that brings value to organizations and is able to create a competitive advantage. For companies, reputation is measured by criteria such as ethical policies, corporate social responsibility, financial performance or a company's quality standards. It therefore is important what the company communicates to its publics in order to have an impact on its reputation. Actively controlling the reputation is called reputation management and is a component of public relations. If this is happening in an online environment, one speaks of online reputation management. Since on average, people spend almost four hours per day online, a clear need for a strong online presence of brands can be identified. The Internet provided new possibilities to brands and consumers. It increased the threat of substitution due to the large amount of brands that sell at the online POS combined with the ease of comparing products. Additionally, it changed the way of communicating from one-to-mass to a many-to-many communication, enabling the user to create content themselves and giving feedback. As a result of this new form of democratic interaction, brands should apply a consistent way of communicating their brand DNA and use this interaction to their advantage. When linking these two areas, fast replies to customers are enabled. Customer feedback leads to a better knowledge of the customer wishes and can be adapted into the product making process. Social media channels further increase the conversation between organizations and stakeholders as well as a company's visibility. Consequently, these tools can be used to build a strong reputation. The consumer is now a prosumer and often, social media users

create communities where they exchange opinions and experiences. Customer reviews therefore occupy a central position in the online environment and can benefit or threaten an organization. Threats to reputation can be divided into external and internal risks. Brands have to identify these risks to prevent crises. This can be achieved by scanning the macro environment for trends and changes and engaging with stakeholders to know about their beliefs and expectations. Internally, strong performance, coordination and communication help to reduce risks. The supply chain presents a key element in managing reputational risk as it is one of the most complex elements in a company's strategy. When managing its reputation, an organization has to maintain, enhance, protect and utilize it. The case studies and the experts' statements showed that transparency in communication and the brand's engagement in sustainability are important in a reputation strategy. Further, a strong online presence is needed. The most relevant platform to present this is the company website that has to show a clear brand language and create a world around the brand, hence emotionally ties the customer to the brand. Contact channels for customers are very important to build customer proximity and make them feel appreciated.

Regarding the environment in which a company sells its products or services, reputation is considered to be more or less important. Still, a positive reputation benefits every organization in terms of competitive advantage, ensuring stakeholders when taking decisions or as a justification for higher prices.

Both the literature and the experts detected future trends in a stronger customer focus and the use of AI and algorithms to especially monitor reviews and consequently find out more about customer needs.

This knowledge can now answer the sub questions:

Sub Question 1: How do brand experts assess the general importance of online reputation management?

From the interviews it resulted that the experts assess online reputation management as strategically valuable for every company. It is described as a method to reach the strategic goals of an organization and should therefore present an important building block in the overarching strategy. A positive corporate reputation creates value for companies. The reason for this is reputation's ability to create trust, which in return makes the customer buy with the brand. Adding to this, reputation serves as justification for higher prices. The

outcome of both of this is tangible figures and increased sales that have a direct impact on a company's performance. The specific importance for *online* reputation management gets even clearer while looking at the characteristics of the Internet. Since it is a cold medium that creates a distance between brand and user, it is more crucial for companies to convey the brand feeling and appear approachable to evoke emotions. Therefore, online reputation management should be a conscious decision across all channels.

Sub question 2: What are the key contents for online reputation management in the fashion industry?

Concerning the fashion industry, the first essential element that could be identified for a successful online reputation management is a strong online presence. This includes on the one hand an appealing and well-structured company website, that communicates the brand DNA and strategy. The same applies for the use of social media channels, which will create customer proximity. At all touch points it has to be a brand's primary goal to establish an emotional bond with the customer. For the fashion industry this can be achieved by not just selling the mere product but by creating a whole lifestyle around the brand. Additionally, customers value a sustainable and innovative way of thinking, which is why these topics should always be communicated in an honest and transparent matter. A very stringent and clear brand building provides thus the basis of all online reputation management. As does a clear brand language. Companies have to be aware of how they want to communicate with their stakeholders and what messages they want to send out. What is more is the fact that the fulfillment of the brand has to be on point. E.g. the ease of use when ordering from an online shop and a reliable and fast delivery has to be guaranteed. The overall goal of all of this is to emotionally tie the customer to the brand, build trust and turn them into a loyal customer.

The second key factor is the constant search for reputational risks. Whether they are internal or external, companies have to be well aware of them in order to be able to limit possible threats. This can be achieved by a number of methods. Horizon scanning and PESTEL analysis help organizations to analyze their macro environment and forecast potential changes. Stakeholder engagement focuses on the contentment of all relevant stakeholders and their changing needs and expectations. Internally, a strong communication and performance needs to

be guaranteed and a fashion company's supply chain is of special importance due to its complexity and relevance. Summing up, brands have to identify their business drivers and protect them of risks at all costs.

SQ3: Is there a difference in the importance of online reputation management in the fashion industry?

The literature is divided on the question whether reputation is more important or less important for the fashion industry. Meitner proposed that consumers do not consider a brand's reputation as much when buying inspection goods as compared to other goods. He justifies his opinion by saying that the customer could overcome the asymmetry of information between buyer and seller by looking at the product before buying it. Clothing belongs to the classification of inspection goods. However, fashion companies also often sell their products in a B2C environment and aim for returning and loyal customers. When these two criteria apply to a company, reputation is seen as being important to that company.

Other sources stated that clothing is an emotional product. As the customer feels something when buying textiles and shows their social stand or belonging to a certain group brand image and reputation are seen to be extremely important for fashion brands. The experts were able to confirm this. They consider the reputation for apparel brands and consequently the need for online reputation management more important than in other industries due to the emotionality of the products. This is said to be especially applicable for female customers. The experts mentioned two other important criteria that identify an increased importance of online reputation management for clothing brands. One is the ability of the customer to distinguish brands by reputation and decide to buy with them and not their competitor, even though it might offer a similar product. Secondly, customer nowadays often shop clothing online. Since the customer cannot see and feel the garment in real life before buying it, the aforementioned information asymmetry increases. The customer has to trust the online retailer, who therefore needs a positive reputation.

SQ4: What has to be considered when looking at the past and future developments of ORM in the fashion industry?

In the past, a visible change in communication between brand and consumer could be noticed. The consumer gained more and more in importance, resulting in now being a 'prosumer' who is able to create content and communicate with brands in a more democratic way. Though this development poses a threat, companies have also used this strong customer focus to their advantage and learned much more about customer needs, creating a more personalized customer experience. For the future, the literature and the experts agree that the customer will further grow in importance and become more powerful. Considering reviews and ratings, the future will enable users to post reviews much faster and easier with the help of artificial intelligence. Algorithms and tools are expected to assist in monitoring and answering these reviews to provide companies a better overview. To sum this up, the digitalization will further evolve, bringing new possibilities and technological advancements that brands will have to look out for in order to stay up-to-date and thus, relevant.

5.2 Recommendations

Based on the findings from both the theoretical and the empirical part presented above, a strategy was developed that helps to guide fashion companies when managing their online reputation. In order to create this strategy, an agile and iterative approach was used for orientation to ensure flexibility in the process and continuous optimization. The thesis revealed that managing reputation is an ongoing process and therefore never stops. This is the reason why the strategy was designed in an iterative way, without a start and a finish point. The strategy was visualized to create a better overview and clear understanding of the process. Four elements lead through the strategy: Plan, Do, Check, Adapt. They determine the respective action in the different segments. The core and therefore the basis of the whole strategy is the situation analysis of the company. It is connected to all four elements to ensure that every step is executed in accordance with the corporate strategy and predefined goals. Once one cycle is finished, it starts again with 'plan'. Adding to this, the by Griffin defined four pillars maintain, enhance, protect and utilize are used as an orientation to lead through the strategy. Figure 9 shows the strategy, the specific elements are explained below. The strategy serves as an answer to the main research question: >> *How can fashion brands successfully make use of online reputation management?* <<
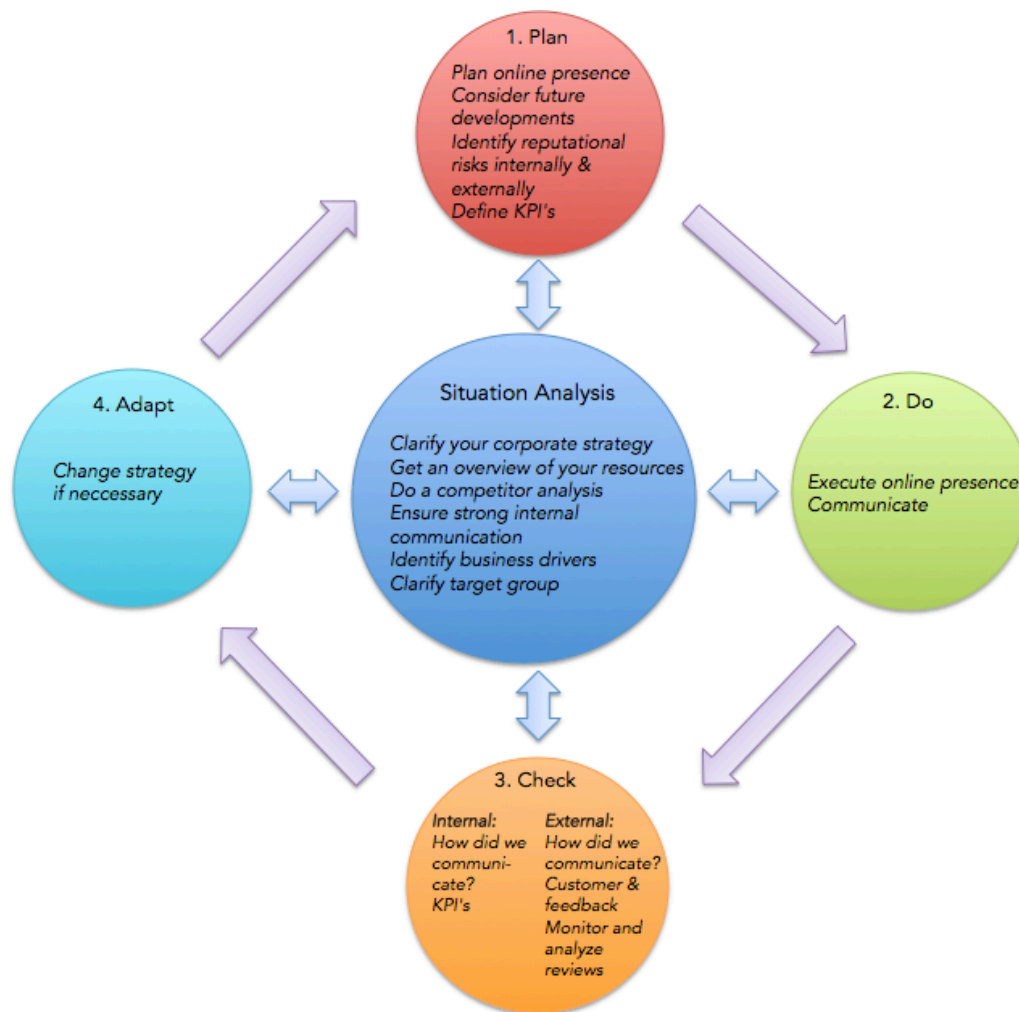
Figure 9: Visualized Reputation Strategy, own presentation

Situation Analysis:

The situation analysis beforehand is needed to create the basis for managing the online reputation. This includes:

The company needs to clarify its corporate strategy and have a clear idea of how it wants to present the brand in the online environment. This entails what the brand stands for, how it wants to communicate and what the brand values and promises declare. At all times, it should be in harmony with the overall brand language and presentation at the offline POS. To get an overview of its resources will help the organization to find out what it is and is not able to do in terms of workload and financial means. This will clarify how much effort the company can put into maintaining the online reputation and consequently define the online

strategy. A competitor analysis should be executed in order to find out what competitor brands are doing as online reputation management and how well they succeed with this. Strong internal communication is an essential factor, thus one person or one team should be in charge of coordinating the process. Business drivers are most vulnerable to reputational risks and should be identified beforehand to protect them of risks at any cost. The company's everyday performance is of great importance in order to *maintain* and *enhance* the reputation and should therefore be very strong. This is achieved by delivering the best possible quality and services and acting according to be brand values. Lastly, the company has to be aware of its target group and whom it is addressing with its online strategy. This basis is needed to *protect* the reputation to create reputational capital to work with.

1. Plan:

The plan element includes the planning of the online presence, meaning which channels the company wants to use, what content it wants to share at which touch points and which users it is trying to reach. Thus, always keeping its target group in mind is of great importance when executing this step. To be successful in the long-term and up-to-date on newest developments, future developments have to be considered. This could for example mean changes in technologies or a new social media platform that is on the rise. It helps companies to think of new tools they could incorporate to be more efficient and consider how to react to the upcoming changes. A really important factor to recognize is the exposure to reputational risk. It poses a huge threat to a company, hence internal and external risks have to be identified. On an internal level risks can arise from: weak internal coordination, lacking employee engagement or weaknesses in performance. A special focus is to be set on the supply chain that due to its complexity is susceptible to lack of control. Externally, possible risks can be identified by checking if there is a reputation-reality gap, stakeholder engagement to know about changing beliefs and expectations of stakeholders as well as horizon scanning and PESTEL analysis to scan the macro environment. To measure the success of the reputation strategy and compare performance over a certain period of time, it is essential to identify KPI's. KPI's are crucial for objectively monitoring the company's performance.

2. Do:

The second element includes the action that needs to be taken online. When actions are taken, the reputation itself has to always be considered in order to *protect* it. Based on this and in accordance with the core strategy of the company, the online presence is now executed. This means to first create an appealing website as this is the most important figurehead of the company in the online space where stakeholders search for information that go beyond the product. For brands that sell through online shops, the fulfillment has to be taken special care of in order to ensure returning customers, Online presence further includes to strategically use the right social media channels, meaning channels that are relevant for the specific target group and fit to the brand image. Throughout the whole online presence, the brand strategy has to be communicated, as do environmental engagement and innovation strategies. Especially in the fashion industry it is important to create and sell a lifestyle, hence to evoke feelings. A feature where the customer can contact the company to give feedback, criticism or ask questions can be beneficial to get a deeper understanding of customer needs, engage with them and make their opinion feel valued. All of this serves the purpose to emotionally attach the customer to the brand, turning them into a loyal customer who embodies the brand values. When communicating, be it the strategy or other content, companies should always stick to the rules for communicating in the online space. These are:

Transparent and open

Honest and authentic

At eye level

Relevant

Continuous and sustainable

It is further essential that only one message goes out, which is very clear and stringent with the overall brand language.

3. Check:

The check part is crucial for the strategy since it ensures a constant and permanent review of actions and performance. This can be divided into an internal and an external check. Internally, companies have to review how successful the internal communication went. They should ask themselves who was in charge of coordination and how did this work out. Did all of the planning and execution go in accordance with the corporate strategy of the company?

Additionally, the in the 'plan' section defined KPI's have to be examined/monitored and the reasons for success or failure have to be identified. Externally, the communication with the stakeholders in the online environment is to be reviewed. Customer feedback is extremely useful for the further improvement of the online strategy as well as the product line and general communication of the company. It should therefore be collected, answered and worked with in order to benefit from it. As mentioned, reviews and ratings are essential and will gain even more importance in the coming years. Resulting from this, companies have to monitor and analyze reviews to know about their stakeholder's perception. Great performance or the launch of a new product can *enhance* the reputation. Overall, the presentation in social media as on the company website has to be permanently monitored to enable quick reaction to any changes or customer feedback. The importance for this shows in the high speed with which opinions are formed and spread in these times of Web 2.0.

4. Adapt:

Based on the reviews from the previous element, the company will improve and change its online strategy in the 'adapt' section. The figure again connects this element to the situation analysis, symbolizing that every change that is made is in agreement with and fits to the overall brand strategy and language. The combination of the 'check' and 'adapt' elements is what enables the company to constantly and permanently review and improve its strategy. Doing this will lead to a better performance and provide the ability to forecast change and react to it quickly. After the company adapted its strategy, the changes are implemented in the planning process. Finding the right KPI's is always a learning process, therefore it is important to always review and adapt these. The same goes for identifying reputational risks and the future developments. The 'adapt' element therefore introduces the necessary changes that have to be made and ensures that the organization *utilizes* its positive reputation to create an environment where it can perform in the best way possible.

In general, it has to be emphasized that the company has to ensure strong internal communication and a constant check with the overall strategy. This framework also provides a profound basis in the event of a reputational incident that allows to act fast and clever to reduce the damage as early as possible.

Identifying the business drivers and the risks to reputation is the first step in preventing a crisis and preparing the communication in the event of one. The various online channels can be used to communicate with stakeholders during the crisis and to improve the reputation afterwards as seen at the example of *Primark*.

By following this strategy, the company aims to achieve engaging employees who will create an emotionally appealing online presence for the customer, therefore turning them into loyal and returning customers that trust the brand with the final goal of a positive corporate reputation. A strong corporate reputation will result in increased sales and revenue, serves as a justification to increase prices and ensures stakeholders when taking decisions. It therefore engages investors and attracts qualified employees.

Bibliography

Bäck, L., Ingmann, E., Lalwani, D., Müller, M., Sorensen-Behm, C., Rosenbröijer, C.: Digital Brand Management, Arcada Working Papers 1/2018, pp. 1-24

Bhardwaj, M. and Saxena, K.B.C., Brand (Reputation) Management in Business Education, 2016, p. 4

Burmann, C., Halaszovich, T., Schade, M., Hemmann, F.: Identitätsbasierte Markenführung, 2. edition, Wiesbaden 2015

Deg, R.: Basiswissen Public Relations, Wiesbaden 2006

Dimitrova, Y., Communication strategies for reputation management of the company, Sofia 2016

Fombrun, C., Shanley, M., What's In A Name?, Academy of Management Journal, Vol. 33, Nr. 2, 1990, p. 233-258

Gläser, J., Laudel, G.: Experteninterviews und qualitative Inhaltsanalyse, 4. edition, Wiesbaden 2010

Griffin, A.: Crisis, Issues and Reputation Management, London 2014

Jones, B., Corporate Reputation in the Era of Web 2.0, in: Journal of Marketing Management, 11/2009, p. 927-939

Kalt, G., Kinter, A., Kuhn Hg., M.: Strategisches Issues Management, Frankfurt 2009

Koehler, I.: Reputation Management: A Case Study of Abercrombie & Fitch in: Elon Journal of Undergraduate Research in Communications, Vol. 8 Nr. 1, 2017

Kreutzer, R. Corporate Reputation Management in den sozialen Medien, Wiesbaden, 2014

Lembke, G., Digital Brand Management, in: Jahrbuch Marketing 2010/2011, pp. 273-289

Mayring, P., Qualitative Inhaltsanalyse, 11. edition, 2010

Meitner, M.: Ist der Ruf erst inszeniert, in: Harvard Business Manager, Vol. 6/2017, pp.68-76

Möhrle, H., Krisen-PR, Frankfurt am Main, reissue, 2016

Opatha, M. Definitions of Brand Image, Plymouth 2015

Reik, S. Der strategische Einfluss von Informationen in Vertrauensgütermärkten, n.p., 2016, p. 11

Regester, M., et al.: Risk, Issues and Crisis Management in Public Relations, London, 2008, pp. 2f

Röbken, H. et. al., Qualitative und quantitative Forschungsmethoden, 2016, pp. 13ff

Sparks, B., Kam Fung So, K., Bradley, G.: Responding to negative online reviews, in: Toursim Management, vol. 53, 2016, pp. 74-85

Ten Dolle, R., Online Reputation Management, Twente, NL, 2014

Urde, M. & Greyser, S., The Corporate Brand Identity and Reputation Matrix, in: Journal of Brand Managament, Vol. 23, 2015, pp. 89-117

Weigelt, K., Colin, C.: Reputation and Corporate Strategy, in: Strategic Management Journal, Vol. 9, 1988, pp. 443-454

Weißensteiner, C., Reputation als Risikofaktor in technologieorienterten Unternehmen, Wiesbaden 2014.

Zerfaß, A., Rademacher, L., Wehmeier, S.: Organisationskommunikation und Public Relations, Wiesbaden 2013

Internet Sources:

N.a. Adidas, Supply Chain Approach, retrieved from: https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/aufbau-der-beschaffungskette/, at the 07.08.2018

N.a. Adidas Group, retrieved from https://www.adidas-group.com/en/ at the 07.08.2018

N.a.: 2018 Accord on Fire and Building Safety in Bangladesh, 2018, retrieved from https://bangladeshaccord.org/wp-content/uploads/2018-Accord-full-text.pdf at the 07.08.2018

N.a.: Reputation Institute, What it Takes to be a Top 10 Most Reputable Company Worldwide in 2018, from https://blog.reputationinstitute.com/2018/03/15/what-it-takes-to-be-a-top-10-most-reputable-company-worldwide-in-2018/ at the 07.08.2018

N.a., Issues and reputation management, from https://www2.deloitte.com/uk/en/pages/risk/solutions/issues-and-reputation-management.html# at the 23.08.2018

N.a.: FashionUnited, A closer look at Primark's stance on responsible fashion, under „Introduction", 2017, retrieved from https://fashionunited.uk/primark-sustainability at the 07.08.018

N.a, from: https://www.merriam-webster.com/dictionary/reputation, at the 20.06.2018

N.a. Primark, loc. cit., 2018, retrieved from https://www.primark.com/en/our-ethics/newsroom/2018/primark-support, at the 07.08.2018

N.a.: Primark, Our Ethics, retrieved from https://www.primark.com/en/our-ethics at the 07.08.2018

N.a.: Internet usage time of adolescents in Germany from 2006-2017, retrieved from: https://www.statista.com/statistics/444254/daily-internet-usage-time-adolescents-germany/, at the 17.08.2018

N.a.. Reputation Institute from Statista, Most Reputable Companies Worldwide 2018, from https://www.statista.com/statistics/516403/most-reputable-companies/ at the 07.08.2018

CIPR, from https://www.cipr.co.uk/content/policy/careers-advice/what-pr at the 27.07.2018

Eccles, R., Newquist, S., Schatz, R.: Reputation and Its Risks, Harvard Business Review, n.p., Vol. 2/2007, without page numbering, from: https://hbr.org/2007/02/reputation-and-its-risks at the 23.07.2018

Faktenkontor: Die 5 Erfolgsgeheimnisse einer exzellenten Reputation, 2017, from https://public.tableau.com/profile/faktenkontor#!/vizhome/ReputationCapitalPublic 21_02_2018/Dashboardaktuell at the 07.08.2018

Forthmann, J: Hilferufe in Billig-Kleidung, retrieved from https://www.faktenkontor.de/krisen-pr-blog-mediengau/hilferufe-in-billig-kleidung-primark-entschaerft-krise/, at the 07.08.2018

Hearn, A.: Structuring feeling, ephemera articles, 2015, p. 423 retrieved from:https://www.researchgate.net/profile/Alison_Hearn2/publication/283795377_ Structuring_feeling_Web_20_online_ranking_and_rating_and_the_digital_'reputa tion'_economy/links/56476ce708ae451880ac35c1.pdf at the 26.07.2018

Koehler, R., Best Brands 2017, Textilwirtschaft 2017, from: https://fashionunited.de/nachrichten/business/best-brands-2017-keine-modemarke-im-ranking/2017030221883 at the 01.08.2018

Lister, P., Primark, Support provided by Primark since the rana Plaza building collapse in Bangladesh, 2018, retrieved from https://www.primark.com/en/our-ethics/newsroom/2018/primark-support, at the 07.08.2018

Martin, A.: „Reputation Management FAQ", from: https://www.statuslabs.com/online-reputation-management-faq-alexa-martin/, 2018., at the 20.07.2018

Preuss, S.: Esprit und IndustriAll wollen Arbeiterrechte gemeinsam verbessern, retrieved from: https://fashionunited.ch/nachrichten/business/esprit-und-

industriall-wollen-arbeiterrechte-gemeinsam-verbessern/2018080815401, at the 19.08.2018

Saxena, C., What's the Future of Online Reputation Management?, retrieved from https://www.futureofeverything.io/online-reputation-management/, at the 16.08.2018

Toni, L.: Managing reputation risk, from: https://www2.deloitte.com/content/dam/Deloitte/ro/Documents/about-deloitte/ro-managing-reputation-risk-laura-toni.pdf, p. 7 at the 03.08.2018

Van Elven, M: Unmade, retrieved from https://fashionunited.ch/nachrichten/business/unmade-was-waere-wenn-alle-produkte-made-to-order-waeren/2018082015506, at the 25.07.2018

Vieleers, M.: Reviews of the Future, retrieved from: https://www.exlrt.com/blog/reviews-of-the-future-online-reputation-management-and-ai, at the 16.08.2018

Appendices

A1 Instructing Paragraph Interview

Thank you for taking the time today to do this interview with me. First, I will give you a short overview of how we're going to proceed. I am going to ask you nine questions that are focused on the topic of online reputation management in the fashion and apparel industry. Please take your time answering these questions and ask again if you didn't understand something properly. All of your answers will be used for the sole purpose of collecting data for my master thesis and will be kept confidential. The information will not be handed to any third parties and your identity will remain anonymous. Additionally, a confidentiality clause will be included in my master thesis. I will record the interview, if you agree.

A2 Transcript Interview 1

1   I: introductory paragraph

2   I: The first question is now meant as an introduction, namely: how would you

3   generally define reputation management, what are the core statements?

4   R: You really need to explain to me what reputation management is because I do

5   not know about it. Define that for me, then I can tell you something so that I know

6   in which field we move.

7   I: Yes of course .. (defines RM)

8   R: Okay, okay, so we're talking about brand building or brand management.

9   I: We also talk about brand building, in a way.

10   R: Okay, well then.

11   I: Then, with the second question, I would like to ask you: are you actively

12   pursuing online reputation management in your company?

13   R: No, not right now, I'm a freelance creative director, I work for other brands and

14   what's my main focus, I'm doing brand building, that's actually my skill, with a

15   strong expertise in fashion and I advise brands, what content they need for their

16   brand building or their reputation management, it all depends on each other.

17   What kind of content they need, for which audience they need which content,

18   how they play it and where they place it. (...)

19   I: You also worked for XXX, I saw.

20   R: that's right, I've been creative director for 2.5 years and have transformed (the

21   company) from online retailer to fashion player. That was the task and we

22   redefined all touch points. Starting with offline about online so also websites, so

23   all touch points and have completely redefined that and set a new direction.

24   Designed a completely new look and feel.

25   I: Okay, so you made a lot of brand building.

26   R: Yeah, that was the core of the story. What is the brand, where does the brand

27   go, who is our target group, for whom do we create which pictures and then it's

28   about online, that's a lot about it, especially when your content it's all about image

29   and moving image. Text is important, but it is not that important. In the end, we

30   communicate via pictures. And to define this imagery in a nutshell, for a certain

31   target group for a brand that is not a single brand but an online retailer, that's

32   another difference. That's not so easy if you want to be commercially successful.

33   To make a show of what is commercially successful, I believe, is difficult and it is

34   not easy for 14 markets.

35   I: I believe you. After all, we can redirect the interview a bit to the topic of brand

36   building and there is my question: what are the goals of ORM or maybe you can

37   tell me how you would judge the goals of the brand building and the advantages

38   that this would give brings with it if one carries out it successfully.

39   R: It depends on a strategy, so first you have to have the strategy. Strategic

40   marketing is about what are our strategic goals, what do we want to achieve with

41   the customer. If we want to expand the brand, we want to invest purely in it or

42   invest in turnover. These are the two parameters. And then you have to think

43   about where to put your focus. Do you first build the brand and then go to

44   turnover or does it have to run in parallel and if it runs in parallel, how do I do

45   that? Because there are certain parameters that are good only for branding that

46   you make to give the brand a face, to give it a feeling that the consumer knows in

47   which world I am moving, in which lifestyle do I move and feel I am here well. In

48   order to carry out the purchase later and go back again and again. You have to

49   tie the customer to the brand, otherwise nobody would make brand building. You

50   have to tie the customer to the brand because you want to be successful long-

51   term and not just once. He should not just buy something, he should come back.

52   And so many things play a role, especially when it comes to online, as well as the

53   fulfillment is really important. I can have such a great brand when it's annoying to

54   order and I can not get the order and just send it back uncomfortably, all of those

55   things. So the fulfillment, if that is not true, then you can do as much brand

56 building as you want, the customer will not order from you again. In other words,
57 the whole online entity is a very sensitive big, large construct with a relatively
58 large number of stakeholders, which is kept in balance and in balance, and it is
59 essentially important which strategic direction one pursues. Without the strategy
60 at the beginning, you can do brand building as you like, it will not work. All
61 stakeholders must be picked up and know in which direction we are running Of
62 course, what is our goal: short-term and long-term. Really very strategic and very
63 focused. Because if you do not do focused brand building then it fizzles. Then
64 you spend a lot of money and everyone is crazy busy, but at the end of the day
65 nothing comes out. And if you look at the brands that are successful, they have a
66 very stringent brand building. Very stringent and very, very controlled brand
67 identity.
68 I: If I could jump in there once, and if you say, "these brands" you think of a
69 concrete example, both positive and negative?
70 R: Look at who that very well done in the last two years was certainly Gucci.
71 They have completely turned the brand, from a somewhat lame luxury horse, no
72 one wanted it, all liked it a bit. It's still there, but nobody really cares. And then
73 Alessandro Michele was inspired by the design language, so of course he also
74 started with the product, created something that corresponds to the zeitgeist, so
75 young, bohemian and colorful and also a bit spent so it also has to do with
76 excesses, it's young, bohemian, interesting. Super styled, always. Whether you
77 like it or not, it does not really matter. But at the same time they set up a new
78 online shop, they set up a great social media strategy, they made awesome
79 campaigns and that works for the target group. Everyone thinks it's great.
80 Because it's interesting because it's unpredictable because it's always something
81 new, actually, the fashion is always the same. The products does not change that
82 much. They sell shoes, bags and maybe a feather boa and glasses. But actually
83 at the end of the day, the social media campaigns are always surprising, it is
84 always different and it is just young and modern and they have credibly brought
85 over. And with that they have started. And of course that is only possible if the
86 top to bottom are all in the company and if there are clear guidelines. And not
87 even one from the old school thinks: I'm doing my shop now so and so. That's
88 just not possible. It just has to be very stringent. Another one that has made this
89 very stringent is Tom Ford. He also has a very clear branding or look at Saint
90 Laurent. They have also developed a very clear brand language with Hedi
91 Slimane. Black, white, that's all very very clear. And as a consumer you know, I
92 buy myself into this world. Because otherwise I have no reason to spend 3k for a

93 leather jacket, because it can not be that much better. But I buy the brand, I buy
94 the feeling, I buy the feeling that I belong to it, all that. And that does mean the
95 brand, not just the product.
96 I: Okay, that was very helpful. Then I would still have the question: What defines
97 in your opinion, a good online reputation management, I do not know if there is
98 something concrete to you now.
99 R: XXX does not have a good reputation, it's still a bit shady, you do not know
100 exactly. The press officer did not have an easy job. No matter what we did.
101 Haters gonna hate. And if you make a fashionable photo, then the model is of
102 course not overweight but rather thin, otherwise it does not fit in the sample
103 collection parts. We got so much punishment for thin models. They do not believe
104 it. And then, of course, the individual departments are in turmoil and you have to
105 justify yourself for pictures, because someone has left a comment on social
106 media and then it must of course always be responded. In the end, this is Online
107 Reputation Management, because to say: ok, we are now reacting to the bad
108 press releases and you have to have a higher-level strategy and say what are the
109 messages that we want to send. What do we want to send out? Actually, then
110 only very stringent that should be sent and completely channeled. Since
111 somebody can not write anything about it, but that must then top clearly defined
112 again, which statement do we want to make as a company and how do we want
113 that. (...)
114 I: So you would say that is a good one ORM distinguishes itself by the fact that
115 one permeates clear and good communication internally as well as externally and
116 also has a person who is responsible for it and who in the end communicates as
117 a whole.
118 R: Yes, exactly. I think that's key, that only one message goes out, the messages
119 have to be scattered clearly, that must be very very clear. The clearer it is, the
120 clearer the structures and communication processes are, the better it is for the
121 company and the message you send. So, clear processes and strategies are
122 always good, but it helps. (...) If you're going to build a brand, I think it only works
123 like this. That does not mean you can not think of crazy stuff in campaigns.
124 Please, definitely. Out of the box definitely. But it has to be clear on strategy.
125 I: I found out in my literature research that Meitner says that the reputation of a
126 company when buying inspection goods, so to speak clothes. I do not know if you
127 are familiar with this characterization, you can look at an inspection item before
128 you buy, and then you know what to expect. An experience would be eg food,
129 because you have to try it first. And Meitner just says that the reputation of a

130   company is less involved in the purchase of inspection goods, ie clothes from

131   customers than when buying other goods. If you think about it, you would agree.

132   So the question would be to what extent you see differences in the importance of

133   ORM to the fashion industry compared to other industries.

134   R: It always has something to do with trust. Confidence-building measures are

135   important, that starts when you pay. I have to believe that I really get the goods.

136   (...) If you go across different markets, there are also cultural differences. That's

137   always an important story, if you have reputation management you have to look

138   at where you are. Not every market is the same and not everyone needs the

139   same address. This is very different regional, what people need and what they do

140   not need. (...) You have to be trustworthy as an online merchant otherwise

141   people will not buy because they did not even try the garment. You can not touch

142   it. You also know that when you go to the store, then you pick up a piece of

143   clothing and have a feeling for it. The internet is a cold medium, not a warm one.

144   There is always a distance and that is the screen. That's why trust is so important,

145   because you try to dissolve this distance, to make it more approachable. I think

146   it's more important for something like fashion than buying technology. If I buy

147   technology, I know I need, for example. An external hard drive, read me

148   something else and then I take one because I think that will work. When I buy a

149   dress, of course, I expect more than just a function. I expect, too, the promise

150   that I look great.

151   I: Yes, and maybe because fashion is always a feeling. When you put on

152   something, you also feel something.

153   R: Exactly, fashion is a feeling. A feeling that changes a little every day, because

154   every day I feel different, so I change that a little bit every day. We do not look

155   the same every day. And what feels good today may not feel right tomorrow. But

156   the day after tomorrow. That is, this promise of fashion is also a promise of

157   beauty. And then you have to look at what are the different triggers, why does

158   anyone ever buy fashion. There are people who buy this because they reward

159   themselves. This "I gift myself something".

160   I: Yes, I know that.

161   R: Yes, every woman knows that. This is not the case with men, for example.

162   Less common. Men are buying very practical fashion. (...) For women, that's the

163   promise. The aspirational promise, "I want to be better than my neighbor", I want

164   to be beautiful, I want to reward myself - these different triggers, you have to look

165   at them. Why does anyone ever buy a garment or fashion? And the online retailer

166   has to react to that in his management. And accordingly for the different triggers,

167   the content and the appearance of the products adapt. So some just want to be
168   inspired. They want to be inspired and of course need a different representation
169   of a different world, as someone who says I need a white Tshirt. Then I have to
170   find that through a search function and without stress and it has to be good and it
171   has to come quickly. This is a completely different approach. But when we talk
172   about ephemeral fashion, it's always about inspiration and feelings.
173   I: So it always depends on the different target groups?
174   R: Yes and the different feeling I want to convey to this target group. I have to
175   work closely with the target groups. The closer I get to them and the more I serve
176   those triggers they buy, the better and the smartest way possible.
177   I: You would say that the reputation or overall picture of a company in the fashion
178   industry is very important to the customer.
179   R: Yes, definitely. Because as I said, otherwise they can not distinguish it. Good
180   quality of a brand should of course be better than a high street label (...) For the
181   online management is In any case, I think it's important to remember what the
182   brand is and what it conveys to the outside, because that's essential, and without
183   the framework around it, there's no justification for calling relevant prices on
184   brands. They legitimize the price with it. This is an important trigger.
185   I: Thank you, well summarized. Then I would ask you to gauge how you think that
186   an ORM is a strategic resource or an intangible asset for a fashion company. If
187   that's how you feel, justify it, or maybe you can refer to what your business is like,
188   or if we go back to XXX now.
189   R: At best, these things all interlock. Yes, I have to: Yes, the strategy, the
190   management, all the parameters how to build a brand. Reputation management
191   is part of the overall strategy.
192   I: So you consider it, in any case, as strategic.
193   R: Yes, of course, it is a building block that has to be built into the strategy.
194   I: And since you regard it as strategically valuable, how can it prove to be
195   advantageous for a company, ORM itself?
196   R: It is always an advantage, because a reputation is important. How do you
197   want to step out? And it's definitely an advantage for your company if things go
198   well. So if the ORM is on the point and translates the strategy into good
199   communication because of the different touch points you have. Also relevant, it
200   will be different on social media as on the website, or on an app. That is obvious.
201   Of course this has to be adapted to the various touch points, but that is a building
202   block of the overall strategy. And in this strategy, it has to work. The better this
203   works, the better it is for the company. That's because it mainly appeals to

204 customers. It is one of the touch points that appeals to customers very often. I
205 mean now the online appearance itself.
206 R: The online appearance in itself certainly. If you do business online, that's the
207 touch point. So you can talk about CRM, you can go through different touch
208 points but all that has something to do with communication. And this
209 superordinate communication strategy, of which ORM is a building block. And the
210 better this is in the tune, the better for the company. Because you are sending
211 clear messages, that's the end of the day.
212 I: Okay, so now we have two last questions left. You said at the beginning that it
213 always changes very fast and that it's very fast paced, the ORM. And if you think
214 back, could you tell how the ORM has changed in recent years, whether you've
215 noticed anything?
216 R: I think consumers are getting more and more important. It used to be a
217 message of fashion, they said that's our message for the season and you all do
218 the same now. It was determined by the brands what trend is, Do's and Dont's
219 and all these things. That has changed, because meanwhile the consumer is
220 more determined by it. Like it or not, one can argue about whether this is a good
221 thing or not, but companies are increasingly focusing on the needs of the
222 consumer. Take a look at the whole Personalization, Individualization and so on.
223 All that matters is that the customer gets as much as possible what he wants.
224 The fact that the customer often does not know what he wants to have is
225 something else. I believe that the customer does not necessarily know that. (...)
226 But this personalization is a huge trend and that's important, too, because the
227 better the algorithms work, the better I go to a website, the more accurate it will
228 show what I want to see. And that, of course, is a very meaningful way of
229 personalization. That you look at the browsing histories closely, that the
230 algorithms filter that and the client gets exactly what he has been looking for.
231 That limits him, but if you're on purchase, it limits him in a very meaningful way.
232 That has changed in any case. The whole parameter. Before, it was the brands
233 that said: that's it now, and now it's more likely that all the brands are trying to get
234 the customers right.
235 I: That's also a form of communication that has changed, from brand to customer.
236 R: Yes, exactly, it's definitely closer and at eye level. It has also changed, it is no
237 longer from above.
238 I: Exactly, but the customer can also give feedback and get involved and
239 communicate.

240   R: Yes, it has become much more democratic. In fashion anyway, it has become
241   much more democratic and the whole development of the Interent is certainly a
242   big part of it. Earlier it was a very closed world and that's not it anymore. The
243   world is open. And everyone can get the information anywhere, anytime. It did
244   not exist before. There used to be a fashion show in Milan and there were invited
245   press and buyer. And nobody else knew what happened there. Yes, that was not
246   that long ago. So that has really changed. Fashion has moved from a closed
247   world to an open world. (...)
248   I: (...) Then we go again in the other direction and into the future: how do you
249   think this will continue in the future and what companies (your company) will have
250   to pay special attention to , like general
251   R: I think companies in general will tune more and more to the consumer, that's
252   how it will be. Then we have the very big topic AI, which will also change a whole
253   corner in the next few years. And most people are not that ready, you can not
254   imagine that, because the future will come to us in relatively big steps very
255   quickly. (...)

A3 Transcript Interview 2

1 I: instructing paragraph

2 R: Yeah, sure, of course, I know that, Maria had said that in a similar way.

3 I: Exactly, so some questions then deal with it "how does that happen in your

4 company" and if you somehow like an example like this you have handled that at

5 Eterna or whatever, then you are welcome to give me examples because I'm

6 doing these interviews to check my findings from Literature Research and if that's

7 what you're doing in practice.

8 R: Okay, all right, then ask your questions and we'll see how far we are coming.

9 I: Well, the first question is now: how would you define the term Reputation

10 Management, which I actually did (at the beginning), then let's just skip that.

11 R: (...)

12 I: And the second question is: Do you run active ORM in your company, if so,

13 what are the goals of ORM.

14 R: Well, we have a digital brand management, so now we're getting feedback

15 from our consumers to get that into our work. This is with us in the company,

16 where I am now (...) I find that already far advanced. At XXX we did not do that in

17 such a way that we want to infer customer needs. Now it is our turn or especially

18 my turn, with my background as a design thinker, that we are more into customer

19 needs, that is working out with the digital team.

20 I: Ok, so just put the customer in the spotlight and try to get the feedback from

21 him even more.

22 R: Exactly, current example: I am currently working on a new campaign and had

23 also presented the last week, the look and feel and how it could then be recorded

24 online and now I have feedback from the management, ie the management get

25 that I should pick up there more the consumer. Also specifically inviting

26 consumers to join us for an event and then again introduce the campaign and

27 there again include opinions. That's just a current example.

28 I: Great, that sounds good. Then let's go to the next question, which is: what do

29 you think is a good ORM or a good digital brand management, what are the key

30 factors to consider?

31 R: First of all, that a good cooperation takes place, that is very important. As a

32 brand manager, I also manage the digital team and we are working very well on

33 the same level, we are a really good team.

34 I: That the communication within the company is right?

35 R: Right, right. The team is also not on site (...) and the exchange must be right.
36 They are also very customer-oriented. The one (co-worker) who already has a lot
37 of experience in the industry, that is very helpful for me now because she knows
38 the industry well and we can exchange ideas, because I can bring in my
39 experience in the fashion industry and we come together about my sharing and
40 voting processes to a good result.
41 I: Cool. Maybe there is something else you have to pay attention to in the online
42 presence, would you like an example? When companies present themselves
43 online?
44 R: Yes, I find our homepage, for example, not appealing at all, because we are
45 working on it now together. (...) Our digital team from the technical side is based
46 in Portugal, that's partly because of the language and also the cultures that work
47 together then that is a bit sluggish. The one who has the technical side, who has
48 a different attitude and there we come to limits.
49 I: Well I notice communication is very important everywhere.
50 R: Yeah right, communication is the nuts and bolts.
51 I: Yes, totally. Then I have the question whether you think of a specific example
52 from the industry for a particularly good or bad ORM. So maybe a brand that
53 manages to stringently send the brand message that picks up all their customers
54 or maybe has changed in recent years, a great new Instagram account, etc.
55 R: (...) The fashion industry is a bit further away. With Hugo Boss there is always
56 something changing, but there is always a lot of money behind it and also
57 Zeitgeist.
58 I: (...) You just thought that advertising is changing, that more feelings and
59 emotions are being addressed. Do you think that it is also important in the
60 fashion industry that you want to evoke feelings and emotionally appeal to the
61 customer?
62 R: Definitely. Current example: I have a photo shoot in two weeks because I just
63 talked about the imagery with my boss and we want to be approachable as a
64 brand in any case. If you now see the fashion industry with the fashion gigs and
65 the pictures, you also create something with it. Either you are cool or
66 approachable, I think there is a big straddle. My experience is that many do not
67 feel picked up by the photos and the fashion pictures. Of course you want to
68 create an image, but I do it now as a brand manager so that I say: this is our
69 target group, what can identify with that and then you have to work in it as well
70 that I create a feeling that it will be lifted feel. This is something else in the
71 crafting industry, that I make sure that the whole thing does not come across too

72   cool, but that you bring in a mood, that the customer who buys from us also feels

73   picked up. I definitely want to be near as a brand for my customers. This may not

74   be the case online with ORM, even a bit more important because you have an

75   even greater distance to the customer - the screen. Would you like to see it that

76   way?

77   R: Right.

78   I: Ok, the fifth question deals with the characterization of goods. (... explains this)

79   Now I found out in my literature research that it is said: the customer tends to

80   include the reputation of a company in purchasing inspection items, ie clothing,

81   less than when buying other goods. Now my question is, would you agree? How

82   do you see differences in the importance of a company's reputation in the fashion

83   industry compared to other industries. Was that understandable?

84   R: Yes, I think I can imagine something below. I can introduce myself insofar that

85   clothing is not always the first need for people who consume such as food or

86   electricity, computer. That always comes first in my experience. Even clothing,

87   when it's economically downhill now, the clothing industry is also very fast,

88   because how many T-shirts you need in the closet or how many clothes. We

89   women are still a bit different now than men, they are rather pragmatic and we

90   women also have other images in my head when trying on a piece of clothing.

91   With us, this is more like consuming than a pleasure to go shopping, try on a

92   great piece of clothing and the woman has auhc equal images in the head. I can

93   put on the next party and then everyone sees me and I look so good. And in that

94   sense, I would also rather say that the woman there is another of the consumer

95   than the man. I do not know if this is going in the right direction now what you

96   want to do with your question?

97   I: Yeah. I wanted to know if, if I am now a customer, then the reputation of, for

98   example, H & M and Primark is important to me or is it more important to me

99   when I buy food from Nestlé. Or would you say that's not true, in the fashion

100   industry, the reputation is not so important and customers do not want to shop

101   where there is child labor.

102   R: I believe that in the food industry the customer is already more important to

103   whom he refers to the food, see also this topic with the packaging mania and that

104   many see this now more sustainable and the whole marketing is already very

105   exploited. (...) And I am very surprised in the fashion industry. I'm a consumer

106   who never goes in to Primark and does not support it, but I'm very surprised at

107   how extremely hypermarket these stores are. In every big city a new Primark

108   store appears, see Stuttgart eg. (...) These Primark stores that are completely

109   relocated by consumers who find it good to buy a tshirt for 5 € and who does not

110   care how the shirt was produced,

111   I: Although by public opinion so rather the Impression gets that many are against

112   it and say the production conditions are so bad, but in the end, but everyone buys

113   there.

114   R: Exactly, I have the feeling too. (...)

115   I: I also see that the customer says he wants this but then acts quite differently.

116   Maybe the customer himself does not know what he really wants. R: No, you also

117   see this whole "greedy-is-cool" mentality that goes through Germany (...) that's all

118   totally focused on consumption. (...)

119   I: Then thank you, now we come to question 6, which is: would you say that ORM

120   is a strategic resource for a fashion company? What is it like in your business,

121   and do you see it as strategically valuable to a business, and if so, why?

122   R: Yes, I consider it valuable and I would say that it is more effective and can

123   react faster targeted customer-user needs that you can then incorporate into its

124   products and its development. (...) Since then you can target without spending

125   much money on the direction of work.

126   I: That's right. So if a company has a good reputation, then it's not an advantage

127   you can grab, but in the end, you'd say that it's in Revenue and in Sales?

128   R: Yes I think so. It's hard to measure how everything is marketing and creativity.

129   Finally, you see the success then only when the product or even the campaign is

130   on the market and then you can analyze it in figures from the business side, if

131   there then certain goods go off better than if you had not questioned the

132   campaign.

133   I: Okay, so we're already in the middle of question 7, because it's based on

134   question 6. And how can ORM be beneficial for a company? We've already said

135   that DA in terms of increased sales and that you can find out more about the

136   customer's needs. Is there something else to come in?

137   R: Yes, I would say that one is also more flexible. In the end, you can act more

138   flexibly and respond more quickly to needs and sales. If you then receive

139   correspondingly faster customer-user values, I would then apply them directly

140   and steer so that we can then go faster in the right direction. In the fashion

141   industry, there is always a certain lead time until the collections are completed

142   and you have the collection planning usually 1.5 years in the lead. (...) If you then

143   realize in the process that this is not the right way, then sometimes you can not

144   react to it so quickly and control the collection elsewhere. (...) Until the collection

145   reaches the customer, this process always takes a long time and you can

146   analyze how the article rotates on the surface. I believe that reputation
147   management is good for reacting faster.
148   I: Would you say that the flexibility you mentioned comes from online? That you
149   have a Facebook page and the comments from the customer?
150   R: Absolutely, of course. You have the reaction right there and that's the good
151   thing about the social media stories, that you can evaluate and filter it right away
152   and I think there's a future going on anyway. As far as the marketing is
153   concerned.
154   I: Yes, that suits you, because now we have two questions and if you now
155   address the future, the last question deals with it, but first let's take a quick look
156   at the past, and if you think back, how did it feel because ORM or DBM changed
157   in recent years, have you noticed anything there. If you think of it now, we use a
158   lot more social media (...)?
159   R: I have heard the whole development of the Internet from scratch (...) and what
160   has evolved from it. (...) Digitization is at full throttle and we are using it very
161   much, we have sharing clouds where we share our files so we can respond more
162   quickly to sales or marketing needs, where we can send presentations, where
163   pictures are and All this on the go and mobile. I can retrieve everything
164   everywhere (..) That is already violent how fast the whole thing has become and
165   that also makes it easier for us. (..)
166   I: You also said earlier that you are more responsive to the customer. Would you
167   also say that in recent years communication has changed from brand to
168   consumer? So no longer that the brand sent a message to the customer, but that
169   it has become more individualized?
170   R: Yes definitely. It has changed so much that in the past we have said that we
171   mean to know what the customer needs. We started with the brand and the
172   image and we had a linear process. That's us, that's the brand and that's the
173   target group and we know the target group because that's the target group and
174   from that we build the products. That's how I know it in the classical sense. And
175   at the moment it is that I initiate this myself that I say we do not do the linear
176   process but the iterative process that we say we always get feedback. I go
177   straight to the customer, get me there feedback, these are always only a few key
178   points that one catches up but you can also react faster then in the segment
179   where I am working and for the next development since times before faster
180   feedback and I think that much more effective. (...)
181   I: Now comes the question of the future, namely: what do you think, how the
182   ORM or the DBM will change in the future? So are you seeing any developments

183   where you think: this is going to be a really big thing or we already know that we
184   need to do more or less in the future. Simply said, where will companies have to
185   pay attention?
186   R: That's a good question. I think that we will work much more with algorithms.
187   That you are more specific about artificial intelligence, man machine, now no
188   longer ask the user, but that you have already deposited data, where you quickly
189   get your knowledge from algorithms. That's what I think goes in this direction and
190   that more and more AI from machines are involved in this whole story. I think that
191   also means that the marketing area will change. That more AI will set the rhythms
192   and that we will then have more of a coaching or a creative function than humans.
193   I: Yeah, as you saw Zalando doing when they dismissed everything (Department).
194   R: Exactly. Absolutely.
195   I: Okay, so that would almost be a new way of communicating from algorithm to
196   client.
197   R: Yeah, I actually think it's going to be pretty quick in that direction, because as I
198   said, that's almost it forward moderately on the way and we are already
199   overturning us with all the data and big data and no one can really grasp the
200   direction in which it is at all and I think it's totally blatant, so politically speaking,
201   that is the policy since last year a bit busy that no one dares to get in there. But I
202   think that's very important, that's the future and that's what determines our lives
203   and our work. (...)

A4 Transcript Interview 3

1 I: How would you define the term RM?

2 R: So the term RM refers to how the customer perceives the brand or the

3 company and what the company does, above all, to ensure that a good

4 perception is generated for the customer. In other words, it's not something that

5 the company dictates or what they want to be, but how the customer responds to

6 the brand, something that is not that easy to influence, at least not primarily. But

7 of course, you can do everything to ensure the best possible presentation of the

8 brand, and the customer has the best experience with the brand and, ideally, is

9 or will be a loyal customer.

10 I: Yes, exactly. The second question is: Do you have active ORM in your

11 company? If so, what are the goals of ORM?

12 R: In detail, I'm not in there now, but yes, we run ORM. For example, there is a

13 corporate page on the website where the brand is presented, where the strategy

14 of the company is presented and what it should embody, I think that counts on

15 the one hand with in the strategy. On the other hand, we also have a chat

16 function in our webshop, where every customer can contact the company and

17 has the possibility, if there are any questions or comments, to actively get in

18 contact with the company, I think that is another measure of this ORM. To have

19 this constant bond with the customer, to tell him something about the brand and

20 to develop it into a loyal customer who understands and embodies the DNA

21 brand.

22 I: Okay. What defines a good ORM in your opinion? That is already similar to the

23 question before it.

24 R: For me, a good ORM is defined by the fact that people talk about you and the

25 good presentation online, that is a sign of a good ORM. It starts with the

26 presentation on the website, so how do I manage to best present my strategy

27 and visions on the website and communicate the DNA, how do I manage to

28 appeal to my clients in an intellectual way, as well, of course in which segment

29 you are positioned, that means you also have more to offer in the field of fashion

30 than the product, so to speak to him with stories and Wardrobing. And also, as I

31 said, the possibility that there is a channel where the customer can also contact

32 the company if there are any questions that it does not even come back to

33 returns or annoyances or anything else comes.

34 I: So mainly that the focus is on the customer?

35 R: Yes, definitely.

36   I: Ok, good. Then you might think of a special example from the fashion industry
37   for a good or particularly bad ORM?
38   R: I'm particularly impressed by adidas, who are doing very well, especially in
39   the field of innovation, which push their stories time and time again and thus
40   spearhead the innovation in the segment, I think that influences again, the rest of
41   the collection is presented there and of course also positively affects the
42   customer. What I find particularly good is the online shop Mr. Porter, here too, the
43   customer is specifically addressed + on certain stories and wear occasions,
44   especially not only in terms of duds but also in terms of books, cosmetics, etc.
45   I: So a whole lifestyle.
46   R: A whole lifestyle. I definitely think that's a good ORM. What I also like very
47   much, is one of the Scandinavian online shops, I think it's Filippa K, here in terms
48   of sustainability, because they play the whole story of sustainability on their
49   website but also not only superficially tackle the topic but also in detail Explain
50   what they do, from A to Z, so that there is complete transparency, but do not
51   idealize things, but simply describe what they are doing now, what they can and
52   may not be able to do, and where their turn. I think that is a good ORM especially
53   in the area of sustainability. A bad example does not suit me just like that.
54   I: Does not matter. Cool, thanks. The fifth question is, so I found out in my
55   literature research that it is said that the customer tends to reduce the reputation
56   of a company when buying inspection goods, which would be clothing less
57   involved than buying experience or trusted goods. Would you agree or would you
58   say that in terms of clothing, the reputation is just more important. Overall, the
59   question is how you see differences in reputation for fashion companies
60   compared to other industries.
61   R: I do not really agree with that, because I think that if you have other goods
62   like trusted goods, what are trusted goods, is this an Amazon or is it an
63   Immoscout?
64   I: An experience good example is food, because you do not know exactly what to
65   expect, you only know it after you p robed. An inspection good, you can with the
66   purchase already a bit (estimate). A trusted good would be eg contracts. R: Yeah,
67   but that's where it comes from, trusting that as a vendor, the product, whether it's
68   fashions, whether it's food, whether it's any other documents, cars, that the
69   vendor has to position itself that way that he is believable in his act and you are
70   also ready to make a purchase. Whether you're buying a tshirt or a car, or for a
71   flight or whatever, should always be related to the fact that you trust the company
72   to do it with them and not with vendors, X, Y, Z. It is definitely that the clothes are

73 a more emotional product and that maybe it carries the brand even more, so
74 maybe it's more serious how the brand positions and positions itself, because
75 you could also buy H & M at C & A, the product itself, but you want that from H &
76 M, so you have to be somehow influenced, why you buy it from one and not from
77 the other. Nevertheless, I believe that it is also important in the case of flight
78 bookings, buying cars, etc., how a platform is set up and how trustworthy it
79 appears. I: Okay, do you think there may be a difference, especially in the
80 fashion industry for online and stationary trading , because if you shop online,
81 you really only see the product on the screen and in stationary retail, can you
82 really touch it and try on it? (...) R: Definitely, there are also differences again,
83 now on the example of H & M, it is easier because you know certain things from
84 the store to order online. The decision may not be as high as, say, Asos, where
85 you only have one online vendor, and you do not even know what the product
86 might look like because you've never really seen it physically in the store. But I
87 think it comes with the time, that we are smarter as synonymous or that online
88 shops are also better, what the topic, how do I bring the emotional value to the
89 customer over ', I think that will be a very important step That there are ways to
90 sell the product as best as possible and still give the customer that emotionality.
91 I: Yes, that fits, we actually have it. Would you say that OR is a strategic resource
92 for a fashion company? Please explain your answer and maybe you can also
93 explain how it is handled especially in your company, whether it is important and
94 the strategy of you counts.R: So, that our online share is insanely small, since we
95 really stationary, I would say that there is already a strategy behind it, but that it is
96 not our hobby. Of course, we are in an upper-premium segment, so it is important
97 that we have a good bond with the customer and he feels that we are valued and
98 I think that is more important than a vertical where you have had a bad
99 experience and you then anyway there again bought. So I think that across all
100 channels a good ORM should be a strategic decision and not just anything is
101 done. That's why, yes there are also teams behind it, for example, corporate
102 communication, which clearly cares about how the company is presented on the
103 website, what do we want to communicate about the brand, how do we want to
104 address our customers. Exactly, so that's why, customer approach, brand DNA
105 communication and why are we possibly better than anyone else. I: Okay, so it's
106 definitely a strategic resource, but it's not your number one right now. R: Yes, of
107 course, it's definitely more important to us, how is the customer approached?
108 What's the point here? to tie him to us as online now at the moment. I: Okay.
109 Now, when you think back, you can tell how the ORM has changed in recent

110 years, whether you've noticed something there, or did you notice anything,
111 perhaps through even more digitization, more social media, or more
112 communication changes Brand to the customer? R: I think it has changed a lot
113 due to the online business, because you can not stand up anymore and can offer
114 and sell your products, but you have to make the customer somehow, on the To
115 stay on the side and decide for the brand first, so I think that it has become much
116 more important. I think there is still great potential because of the important and
117 big providers. There are now start-ups or small who have managed to get to the
118 point where they do it quite well, but the big ones have to follow suit, which so far
119 not so important in online business. I believe there is an increasing need to buy a
120 lifestyle, not just a product. The fact that you enjoy shopping in the online shop
121 does not just mean a product presentation, but that the customer is actively
122 involved, whether it's about better describing the product and handfeel in the
123 online shop, which is emotional, be it via augmented reality or that wardrobing
124 thought. I believe that is still important and second in the very clear to
125 communicate what the company does and what the company stands for, I
126 believe that the issue of sustainability for the future is also increasingly important
127 to the customer.
128   I: Yes, since we are actually already in the middle of the last question and how it
129 will behave in the future, you have actually already said what you think.
130   R: Exactly.
131   I: Great, then we are done.

Declaration of Authorship

I hereby declare that the thesis submitted is my own unaided work. All direct or indirect sources used are acknowledged as references. I am aware that the thesis in digital form can be examined for the use of unauthorized
aid and in order to determine whether the thesis as a whole or parts incorporated in it may be deemed as plagiarism. For the comparison of my work with existing sources I agree that it shall be entered in a database where it shall also remain after examination, to enable comparison with future theses submitted. Further rights of reproduction and usage, however, are not granted here. This paper was not previously presented to another examination board and has not been published.

Berlin, 24.08.2018, Marieke Deters
_____
Place, date and signature