Chapter 11

Issue Management in the Digital World

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ABSTRACT

In today’s digital world, managing reputation can be quite tricky for corporate or brand names. Due to the complexity of the issue, this chapter presents a scope related with image management, issue management, and reputation management across digital environments. The passenger crisis of the United Airlines is analyzed as the case study. The mistakes made during and after the disruptive event, what could have done to prevent the situation from getting any worse, as well as the ways to turn the crisis into an opportunity are demonstrated throughout the chapter.

INTRODUCTION

Rapid change and improvement in the information technologies since 1990’s created a global impact and drags the universe which is composed of different geographical regions, different nations and different cultures into standardization by means of a communication network which encompasses the entire world. Increasing extensively by means of the communication technologies, the interaction has carried individuals to a more active position and given them the opportunity to access any information, interpret such information and adopt any attitude. This activity of the users was ensured with the transition from web 1.0 to web 2.0. In the web 1.0 period, the concept of internet used to work with the perception in the traditional period; in other words, only the information was transferred to the digital environment. Individuals could access such information, but could not make any interactions. Information was transferred to individuals unilaterally, there was a push strategy. Together with Web 2.0, mutual interaction was enabled and media has occurred in which the users can become active as well. Web 2.0 has enabled the users not only to access the unilateral information but also to access, interpret and share the information that they want to find.

Developments in the communication technologies have affected communities in various aspects. The number of users who have ideas in economic, political and cultural areas and who can share the ideas

they have and influence and mobilize masses is increasing rapidly. The digital period which has high levels of interaction with mutual information exchange has replaced the unilateral communication process of the traditional period. The users were enabled to create their own contents and share these contents with masses. Given the fact that the number of contents created in a second is expressed in thousands, we can conclude that an immense pile of information has encircled our world by means of digital media. Amongst this information bombing which progresses uninterruptedly and piling up, distribution of all kinds of information rapidly, correct or wrong, is a sign of great risks especially for institutions. Increasing number of active users and sharing information quite fast directly affect not only the individuals but also the institutions, organizations and businesses. The challenging conditions in competition due to the ease and speed of sharing information have put the organizations in a race with themselves rather than their competitors. Feeling more responsible towards their shareholders, institutions started to seek ways of rendering better services and they started to engage practices highlighted by the digital age such as public relations, customer relations management, social responsibility projects and advertisements.

Highly competitive conditions introduced by the digital period, the race psychology that the institutions are in also increased image and reputation management practices. Institutions have understood that the concept of reputation is not a “perception created in the minds” as in the traditional period, but a concept which may be affected negatively in any second and which should be protected and monitored sensitively. Advertisements of the traditional period which provide a unilateral flow of information would lead to inadequacy or even failure in terms of image and reputation management. In the digital environments where the number of users may be expressed in millions, it is essential that the institutions act carefully, listen to their shareholders and inform them on a regular basis. In the event that the “reputation”, which is as important as financial capital for institutions, is damaged, it is a sensitive fact which may cost higher to regain. Increasing level of interaction as a result of the developments in communication technologies constitutes a risk for the corporate reputation. In an environment where the number of online users is quite high, all institutions must be cautious about image and reputation attacks. It should not be forgotten that bad news travel ten times faster than good news.

Today, image and reputation management has become more valuable than the cash capital and an important factor which cannot tolerate a wrong move for an organization. There is no doubt that even the smallest occasion which may damage image and reputation should not be allowed. This is only ensured by establishing early warning systems and crisis plans against any crisis that the organization may face while everything is in its regular course, in other words when there is no problem or crisis; because if a content, even though it is false, is shared in the right media and environment, it will spread very quickly and cause a damage to the image and reputation which cannot be measured with money. This study mentions how to protect image and reputation in the digital period and which paths to be followed before, during and after a crisis. The crisis that arose after United Airlines forced out one of the passengers because of selling surplus tickets was chosen as the case study. The damages that this case has caused in the image and reputation of the company, the impact of the users who were organized on the social media and the company’s stepping back and the importance of public relation and digital environments for organizations were explained in detail. Our study illustrates the importance of the image, reputation management and crisis management on the digital environments for organizations and the fact that they must be monitored carefully.
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