How Can a Tweet Affect The E-Reputation Of A Company?

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Abstract

How can a tweet affect the e-Reputation of a company? In this digital landscape, companies are now facing new challenges in the form of media crises, which affect their image and digital reputation and threaten their economic, social and cultural legacies. This article depicts the strategy of an Egyptian telecommunications company facing a social media crisis. The analysis is based on the study of a famous Mobile Service Provider in Egypt, Mobinil, which has undergone a heavy media attack causing substantial losses to the firm and a drop in its stock price. The crisis started when the company's CEO tweeted on his Twitter account in June 2011 a post that triggered a wave of frustration against his business because it has touched the morals and traditions, which are considered a taboo in Egypt. Netnography and Actor-Network theory (ANT) were used to analyze the data. This research also tried to answer the question to what extent would the socio-cultural factors play a key role in a social-media crisis management? Many academic and practical implications are presented in this article as well.

Keywords: E-Reputation; Social Media; Case Study; Actor-Network Theory

Introduction

The technological growth that the world witnesses today is with no doubt remarkable. This digitization has been created to serve mankind with good intentions; to facilitate our lives through making the access to information easier than ever. But, as many of other inventions, the good intentions have taken another
turn due to the abundancy of information circulating the World Wide Web especially social networks. They have been twisted to serve other causes. This article highlights how social media networks, these platforms which are created to connect people and to boost communication between them, can sometimes be used in a harmful way to business as illustrated in the case of this research.

Detecting the first signs of a potential threat on social networks, particularly in this digital era, which is characterized by infobesity, requires mastering the skill of social intelligence and a great deal of agility in decision making to better manage any media crises. More specifically, knowing how to reverse the situation in favor of enterprises being attacked on social media to avoid and to control their undesirable consequences during a situation of crisis is of great importance.

This work focuses on a case study analysis and the interpretation of an emerging crisis from social media in Egypt, illustrating how a simple joke may jeopardize an entire company and could have a long-lasting influence on its reputation and even drop down its stock prices. The main questions it tries to answer are: can this social media crisis affect the e-Reputation of his company? and to what extent the socio-cultural factors play a key role in the social-media management style of a company facing a media crisis?”

The case analysis may help firms in similar situations to design and implement a communication strategy that helps overcome the negative consequences of such crises.

This article is classified into five major parts. The first part presents the elements of literature on the key concepts of the case. The second part presents the main research question while the methodology and the case study would be discussed in the third part. The fourth part includes analysis of findings, research implications and limitations.

Review of Literature

The world is changing and communication is becoming marked by individualism, which the social media networks are its fruit. According to the definition of Grossetti (2014), a social network refers to “the aggregation of these relations without involving the existence of a collective consciousness, borders or names”. The borders between organizations and consumers tend to fade or even disappear. In emerging countries, such as Egypt, the business world is just beginning to understand the importance of using social media and of paying attention to the management of their E-Reputation.

At the beginning of 2000, a decline in social links between individuals has been widespread with the growth of the new technologies of information and communication. LinkedIn (2003), Facebook (2004), YouTube (2005), Twitter (2006). Charest et al. (2013).

In Egypt, Internet users have reached 34, 800,000 of internet users in June 2016 with 38.6% penetration rate. The true growth has taken place between 2009 and 2012, especially after the Revolution of 2011. The rate of Internet users does not cease to grow. In 2016, Egypt has reached the 2nd rank of the classification of Internet users in Africa (more than 34.8 million).

In the journal “L’identité Numérique” (The digital identity), From construction to suicide in 52 minutes, Amor and Granget (2011) explain that the arrival of Web 2.0 translates "The passage of the interactivity to the interaction and thus contributes to the construction of networks that are not only based on the exchange of information, but also on the sharing of knowledge."

Web 2.0 is characterized by the development of new services linked to the increase of the notoriety of individuals on the web (particularly the social web); to the management of their reflected image and their reputation that is based on the viral spread of communication to attract...
the interest and influence the receptors (Chaudy and Granget, 2009).

WEB 2.0 embodies the concept of contribution which "enables everyone to publish its information, or to relay information on platforms which he is, or is not, the main publisher" (Boutet and Amor, 2010) everyone is both a transmitter and a receiver "the historical gap that separates the producer and consumer is closing" (Toffler, 1980). Moinet (2009) also confirms that the value of the information is determined by its use and not by its nature, by the service rendered and the quantity and the quality of the exchanges. Therefore, since the development of WEB 2.0, organizations are increasingly faced with the management of their digital reputation (or e-Reputation). Leaders are equally visible through these types of platforms while they recognize the compulsory nature of them. Yet, the underlying motivation of this last aspect remains blurred. It's obvious that the aspect of visibility of business leaders by and on Twitter as well as the new relationship with the time suggested, are considered among what is so called paradoxical injunctions (Batazzi and Gherardi, 2014).

The Two Faces of Social Media

Social media networks could serve companies, but at the same time, could create a challenge through the various dangers and risks they encounter. Among these dangers comes the fact that people often tend to forget the fine border that exists between the private and the public realm (Charest and al., 2013). Also, the opportunity to engage in a conversation (interact, exchange and share) could be perceived as a double-edged weapon. On the one hand, all stakeholders who could be recognized and identified as having a role in the value chain of the company or as having an interest to express themselves about the latter, could benefit from this great space of information spreading and sharing.

On the other hand, companies use social media to engage with their customers, respond to their enquiries and requirements, to know them better and to diffuse flash news about new promotions and services.

Furthermore, another true danger is the credibility of the information shared and the verification of the relevance of the sources, which are crucial to assess the degree of potential harm of the information for the company. Information only has a value if it is credible. An internet surfer does not give much attention to each source. Therefore, companies are facing the danger of faster information, but mechanically less controllable. From this fact, companies must renovate their reputation approaches to adapt to this new purely digital challenge.

e-Reputation as a Strategic Issue

In general, a "Reputation risk" can be defined by "any event likely to have an impact, through the reputation of the company, on its net result or on its market capitalization." It is therefore not only the image of the company, but also - and especially - its results and its stock exchange valuation (Cailleba, 2009).

Classically, Buzzell (1983) and Gale (1987) have demonstrated the relationship between reputation and profitability. Aaker and Jacobson (1994) have highlighted that the shareholders’ profit is linked to the reputation of the company that appears to be a sign of market allowing investors to reduce their risk. Guimaraes (1985) has shown that a company with a good image could raise up to 20 times more capital stock exchange than a company with a lower image and presenting yet the same level of profitability.

In 2002, Chun and Davies spoke of "e-Reputation" to designate this reputation online, and pointed out the importance of the circulation of signs in conformity with the values of the organization on its website. The "e" appended to the term "reputation" aims to highlight the importance of the socio-technical platforms and their uses. The "social media" are quasi systematically cited as factors of
construction of an E-Reputation. According to Alloign (2016), the E-Reputation would therefore be "the image carried and/or undergone by a company or brand on the Internet".

The classical approach of the reputation no longer exists in the single direction of carrying the image of the company to consumers but now comes from both directions, since internet users now have the power and play the primary role in the construction of the e-Reputation of companies. The organization must strive to develop links of trust with internet users who are opinion leaders: rather than monitoring, it must "take care" of these resources (Le Deuff-, 2009).

The e-Reputation appears as a new strategic tool that offers the company an opportunity to get closer to its customer and, in some cases, rediscover it. Now, the social media offer a platform that allows the company to know in detail the individuals who are considered "fans" of its brands and its products, and interact with them while saving resources. At present, some companies use the feedback of their consumers on the Internet, by systems of notations, to propose new initiatives at the local or national scales. Rouaud and Barriol (2012).

Research Questions

This article illustrates a real crisis created by the personal use of social media by a CEO. The main questions it tries to answer are:

A. How can a tweet affect the e-Reputation of his company?
B. To what extent the socio-cultural factors play a key role in the social-media management style of a company facing a media crisis?

To do this, this article illustrates the evolution of social media, their different uses, their dangers and their advantages, especially as tools of marketing and promotion that can be less costly than the conventional communication channels. An overview on the strategic uses of social media by sectors of industry in Egypt was demonstrated as well. The definition of e-Reputation and the link between the latter and profitability were discussed. This next part will be developed to explain the methodology used in conducting this research.

Research Methodology

The case under investigation:

Since its creation in 1998, Mobinil was one of the leading companies for mobile services in Egypt1 which vies with Vodafone Egypt for dominance of Egypt's mobile market. At the time of data collection, Mobinil was owned by an Egyptian businessman and politician. As of the third quarter of 2014, Mobinil had 33 million customers. France Telecom bought most of the Mobinil shares, the French group was already the biggest shareholder in Mobinil. In March 2016, Mobinil was officially rebranded as Orange Egypt2.

On the 24th of June 2011, the CEO of Mobinil published on his personal Twitter account a caricature of a beard Mickey Mouse and Minnie Mouse wearing Niqab, mocking the rise of the extreme Islamists in Egypt after the revolution of the 25th of January, 2011.

The media crisis was followed by a serious fall of the stock price of the group Orascom Telecom, where Mobinil is the major business of this group. In addition, the number of consumers who left Mobinil had reached almost two million consumers.

Ever since, the overall image of the company has been perceived as racist and biased against Muslims, and quickly Mobinil lost its competitive advantage being the leader of telecommunications on the Egyptian market:

The communication manager at Mobinil noted that:

"The monetary damage caused by the loss of our customers exceeds that caused by the e-Reputation of Mobinil. It took us six months to balance things out again, when
the number of consumers lost was offset by new subscribers'.

The effect of this media crisis has lasted for years even with the apologies of the CEO and the deletion of the photo. A call for boycott against Mobinil has been declared by the consumers and the company has been denounced as racist and anti-Islam. It was followed by a serious fall of the stock price of the group Orascom Telecom, where Mobinil is the major business of this group. In addition, the number of consumers who left Mobinil had reached almost two million consumers.

Ever since, the overall image of the company has been perceived as racist and biased against Muslims, and quickly Mobinil lost its competitive advantage being the leader of telecommunications on the Egyptian market: "The monetary damage caused by the loss of our customers exceeds that caused by the e-Reputation of Mobinil. It took us six months to balance things out again, when the number of consumers lost was offset by new subscribers" affirmed the communication manager at Mobinil.

Figure 1: The caricature posted in 2011 by the CEO of Mobinil on his personal Twitter account

To maintain objectivity, we need to be able to highlight the root causes of success or failure in the management of e-Reputation. The Egyptian revolution of 25th of January has created a revolutionary spirit among Egyptians as well as a great faith in the influence of social media platforms in moving crowds. Social media are viewed as new means to give impetus to the political and social reforms in the time of crisis, as instruments of mobilization of masses and as banks of information (Faris, 2012). In the case of Egypt, as Tunisia, the result of the mobilization of the masses has been hardly predictable (Faris, 2012). In addition, these social factors have been aggravating the situation of a country such as Egypt, where freedom of expression is limited and touching a “taboo” or criticizing religions is not acceptable.

Analysis of the Communication Strategies Adopted by Mobinil and by Its CEO

Because of the complaints on Twitter, the CEO has published a tweet apologizing and stating that he was joking. He clearly stated:

"I am sorry for those who do not accept this as a joke, I thought it was a funny post, and not a lack of respect, 'asaf’ "I am sorry."

After the crisis, the human resources department has distributed a well-prepared script on the employees who have a direct interaction with customers. As they need to provide a coherent and unified response on the various scenarios.
which they would face. They had to emphasize that the CEO has already sold Mobinil to Orange France and has no longer any control over its management.

For three days, no action on social media from the side of Mobinil has taken place; they have established a communication strategy of silence. The communication manager at Mobinil stated:

“This is a personal act on the part of the CEO that should not affect the enterprise professionally despite the perception of consumers who tend to link the two sets”.

Three days later, Mobinil has pulled out its silence and has had to appear more responsive to have things work out. It has pointed to this incident with a formal announcement (see Figure 2, Posted June 27, 2011) on Mobinil’s official Facebook and Twitter pages confirming the following: “Mobinil is a SAE (Egyptian public company registered on the stock exchange) which belongs to the Egyptians with no religious or political orientation”.

![Figure 2: The screen shot of the reaction of Mobinil published on their official social media pages on the 27th of June 2011](image)

Translation: “Mobinil is a SAE (Society Egyptian Anonymous) which belongs to the Egyptians and it has no religious or political orientation”.

Furthermore, a “Code of Conduct” has been published on the official page as well reminding internet users to abide to it while posting inappropriate comments and that all insults would be deleted.

Methodology Used

Netnography

In 2014, the researcher has followed and collected the publications of Mobinil and the CEO on Twitter and Facebook and the behavior of Internet users during and post crisis. Since the social media serve as a register including all previous exchanges, the researcher could trace the various posts and comments of stakeholders (business, CEO and Internet users) in 2011.

The methodology of this research revolves primarily around the netnographic approach (online ethnography) by observing the Twitter account of the CEO of Mobinil and the official pages of the company (Mobinil) on social media before, during and after, the day of the publication of the caricature of the Mickey Mouse and Minnie Mouse. Ethnography is grounded in knowledge of the local, the particularistic, and the specific. While it is often used to generalize, it is most often used to gain a type of particularized understanding that has come to be termed “grounded knowledge” (Glaser and Strauss 1967). Compared to traditional and market-oriented ethnography, “netnography” is far less-time consuming and elaborate. Another contrast with traditional and
market-oriented ethnography is that "netnography" is capable of being conducted in a manner that is entirely unobtrusive (although it optionally need not be) (Kozinets, 2002).

Füller et al. (2007) identifies five stages structuring the methodology of the netnography as follows:

a. Determination of the objectives of the research and the profiles of the relevant members of the community under study
b. Identification and selection of communities
c. Observation and data collection
d. Data Analysis and interpretation of the results
e. Transfer of results in solution

The data collected by the observation of comments from June 2011 till June 2012 on the official pages of Mobinil and the CEO's personal accounts on Facebook and Twitter have constituted the research body for content analysis. It is for this reason that the researcher has privileged a qualitative approach to understand reality and to apprehend the complexity of the communicational acts by relying in this analysis on the Actor-network theory to build a model, to illustrate the phenomenon by substituting the conventional variables of the theory by the variables of reality.

To have a holistic analysis, the research used secondary data published on this case study: documents, declarations, scripts and code of conduct distributed to employees. As for the collection of primary data, a semi-structured interview was conducted with the communication manager and the social media manager at Mobinil, a technique that ensures the collection of specific results with this investigative tool since it is centered on a specific theme (Evrard et al., 2003).

**Actor Network Theory (ANT)**

For Latour (1991), the world must not be viewed in terms of social groups, but shaped in networks. What creates the social world is the "association", the formation of "collective" and the relations and mediations that hold them together. Many of the ANT tools (including the notions of translation, generalized symmetry and the "heterogeneous network"), together with a scientometric tool for mapping innovations in science and technology ("co-word analysis") were initially developed during the 1980s, predominantly in and around the CSI (Centre de Sociologie de l’Innovation) Latour (1987). The model of this theory is based not only on human actors; speakers, allies, dissidents, but also on non-human actors. Actants denote both human and non-human actors. The "network" is then seen as an "organization" which brings together humans and non-humans put in intermediation.

Central to ANT is the concept of translation, in which innovators attempt to create a forum, a central network in which all the actors agree that the network is worth building and defending. Callon (1986) has defined 4 moments of translation:

**Problematisation:** What is the problem that needs to be solved? Who are the relevant actors? Delegates need to be identified that will represent groups of actors.

**Interessement:** Getting the actors interested and negotiating the terms of their involvement. **Enrollment:** Actors accept the roles that have been defined for them during interessement.

**Mobilisation of allies:** Do the delegate actors in the network adequately represent the masses? If so, enrolment becomes active support.

In referring to the case under investigation, the translation process was conducted as shown in the following table.
### Table 1: Translation process

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Definition</th>
<th>Application on the case of reference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The controversy</strong></td>
<td>Controversy is developing the facts. The controversy always precedes the emergence of a scientific statement or an innovation.</td>
<td>The emergence of social media in Egypt and their uses by Egyptian consumers may constitute a threat on the e-Reputation of companies instead of being used as a tool of communication and advertising. The personal practices of CEOs on social media can influence their business profitability and e-Reputation?</td>
</tr>
<tr>
<td><strong>Problematization</strong></td>
<td>It is the starting point of any project. The step of the translation which is to formulate the problem in the center of the controversy. During problematization, the primary actor tries to establish itself as an obligatory passage point (OPP) between the other actors and the network, so that it becomes indispensable.</td>
<td>Since social media are very rooted in Egypt and they were taken seriously after 2011 by many businesses, why are they not always well exploited to the benefit of businesses and how may they cause media crises and boycotts? What are the actions/errors that enterprises can commit and can trigger a negative wave?</td>
</tr>
<tr>
<td><strong>The Enrollment</strong></td>
<td>Enrollment is a successful interessement (Latour, 1988). This is the operation of definition and stabilization of roles prescribed by problematization.</td>
<td>The researcher will analyze the reactions of consumers, between pro and anti the company of reference, who will continue their roles of attack against the CEO personally and toward his business affecting the whole business. Social Media are the “actants” who play the role of a platform of war and where the CEO replies personally and the company adopts a certain communication strategy.</td>
</tr>
<tr>
<td><strong>Mobilization of allies</strong></td>
<td>Actors in the network represent the masses since they come from a hybrid, non-biased sample of people.</td>
<td>They represent Mobinil customers, social media fans, opinion leaders, competitors, religious groups, communication team at Mobinil, the CEO and Social media platforms.</td>
</tr>
</tbody>
</table>

Twitter seems to reveal the paradoxical injunctions that may hit organizations' leaders. This appears desirable to use those networks to increase their visibility despite the consequences of an unforeseen communication.
Analysis of Findings

In fact, the size of personal networks varies with the social class of a person: the more educated one is or has a high-income level, the bigger his/her network will be. This supports Grossetti (2005). In this case, a businessman/politician had amplified a negative wave against Mobinil. His actions have led to drastic changes in the customer-company relationships with effects on the company’s e-Reputation such changes should be understood in the context of the socio-cultural changes that were taking place in Egypt at that time. Using a netnographic approach and the actor network theory, the authors were able to analyze this incidence, its repercussions and the company’s efforts to overcome the crisis.

Academic Research Implications

- The term "e-Reputation" has emerged with the development of Web 2.0, organizations are more and more aware of managing their digital reputations (or e-Reputation). Who speaks about you and your products on the Internet?
- Highlighting the impact of social media on the E-Reputation of organizations with a real case to testify their influence in practice and analyzing the measures taken to face their dangers.
- Introducing a model of media crisis management style emphasizing how it should be customized according to socio-cultural factors and how the intermediation between different actors takes place in reality.

Discussion

This research can be considered as one of the few research attempts that examined media crisis in a period characterized with high political and emotional turmoil. Based on a one case study, the researchers examined the media crises faced by Mobinil, a major telecommunication provider in Egypt after the company CEO published a caricature that was negatively perceived by various groups in the Egyptian society. The researchers interpreted the consequences of such action in the context of social and political changes that were taking place at that time. The company response to the incident was also discussed.

This research contributes to the literature in managing social media crises in two ways. First, even though the research was conducted in Egypt in a period of political unrest, its findings can be applied in other situations in societies undertaking major social and political changes. Second, it paves the road for other researchers to...
examine media crises using the perspective of actor network theory, a perspective with a vast array of opportunities for researchers interested in managing social-media crises.

From a practical perspective, this research foregrounds that CEOs are often ambassadors for their organizations: the perception of the consumers on CEOs directly affects the image of the organization and consequently, the e-Reputation of the company. It also shows the crucial role that crisis and communication managers must try to adopt by understanding the socio-cultural factors of each country, and to always appear unbiased in public and on social media towards the various political, religious or ethnic groups. This study emphasizes the importance of managing media crises as their marketing and financial effects can be catastrophic. Media crises can be avoided by mastering the social media communication strategies by maintaining a healthy relationship between managers and consumers in the delicate management of external communication of the company on social media. It also highlights the importance of measuring the growth of the “shared information” phenomenon on social media and to try to find innovative solutions to stop and fight them (Zammar, 2012). From the case presented, it’s recommended to develop an internal training program adequate to train managers and employees in the Egyptian enterprises on the professional use of social media.

**Limitations of the Study**

Retrospective analyses of facts about an incident that took place back in 2011 was the major limitation of this research. The research also suffers from many of the limitations of qualitative research such as the limited number of interviewees, the problems of generalizability and the interviewer bias. Triangulation was used to overcome many of these problems, however. Triangulation was conducted by asking different actors and by referring to various methods of data collection, such as company documents or internet posts.

**Conclusion**

This research aims at contributing to academia by presenting a first tentative to analyze the various effects of social media on the e-Reputation of companies. Moreover, this research is considered the first to propose a thorough understanding of the key role that socio-cultural factors can play in an emerging country serving practitioners to integrate them in their media crisis management models.

This analysis was based on a qualitative posture which delivered innovative results, from the exhaustive understanding of a unique culture characterized with a mixture of traditions and religions, demonstrating the importance of considering the sociocultural factors of countries in applying an online monitoring strategy as well as crisis management strategies. In this perspective, social media allow the exchange of thousands of messages per second which enables social media influencers to encourage consumers to intervene directly with the CEO and against Mobinil. The competitors have exploited the situation for their favors and finally the religious groups have had access to social media and could have transformed the situation toward a sectarian and political crisis in Egypt.

**Acknowledgement**

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End notes

Infobesity: A term used to describe information overload.

Penetration Rate: Source: http://www.internetworldstats.com/africa.htm

The rate of Internet users: Source: http://www.internetworldstats.com/stats1.htm

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