

# Analysis of an On-line Reputation of the greatest smartphones producers world wide

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**Abstract:** This paper provides theoretical standpoint in the area of online reputation management, as well as its analysis with a focus on the greatest producers of smartphone devices world wide. It highlights the importance of reputation monitoring in virtual environment and its implementation into brand management of a company. This paper successively analyses 10 most successful brands producing smartphones and presents results of the analysis including the overview of brands and the resulting numbers. This analytical processing is supported by an overview of the theory and literature from several authors. Furthermore, the work also draws attention to areas which would benefit from moving this knowledge further and to bottlenecks which should be kept in mind.

**Key words:** online reputation, smartphone, brand

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## 1. Introduction

Companies, products and their brands are not isolated from external effects and thus often have no control over their reputation. This phenomenon is also manifested when the object of interest are brands as such, in this particular greatest smartphones producers world wide. It is very important that these were part of the developing reputation. At present, the reputation is a very effective tool to generate new customers. Currently, customers' requirements regarding the brand and reputation of any entity are growing rapidly and new trends and tools are being used to improve it. Customers want to know what is beyond a brand or product, what kind of company and what is its reputation, in order to be better oriented and able to decide. The Internet is now overloaded with information about the quality of products and brands which are accumulating in online environment. This creates a thin line between information with positive but also negative impact on reputation. Brands should use online reputation management as a form of control and management of information flow. It is a toolbox whose purpose is to monitor online discussions, forums, blogs and search engine results. It functions as a regulator used to achieve favourable reputation of a brand. Poorly managed reputation management may lead to spreading bad name of a brand and decreasing its market value. The Internet has changed the reputation. What was once private is now public. What was once local is now global. What was once ephemeral is now permanent. And what was once trustworthy is now unreliable. These changes can be explained by the fact that Internet technology has directed human interaction with it. Understanding unique relationship between technology and online culture is the key to understanding how to manage online reputation. Users who apply offline techniques to Internet reputation or use offline tools to solve online issues will surely fail. Instead of that, the user must be able to understand cultural and technical differences between the Internet and the offline world, to effectively protect and improve their online reputation (Fertik, Thomson 2010).

## 2. Online reputation theoretical background

Each company has a reputation or online reputation, whether they want it, or not; the reputation does exist. If you are running your own business, you should not leave your reputation to chance. It is your ultimate responsibility. Company's reputation is considered to be very valuable asset. As George Washington once said: "With a reputation you can do anything without one, nothing". However, if we consider corporate reputation, its definition is a bit complicated. Balmer a Greyser (2003) characterize corporate reputation as such which is created over time based on what the organization did and how it behaved. Company's or corporate reputation only reflects relative standing of the company, both internally with its employees and externally with other stakeholders, in both its competitive and institutional environments. Highhouse defines corporate reputation as a global, stable over time, evaluative judgement about a company that is shared by multiple constituencies. It is a pure reaction of customers, investors, employees and other stakeholders. It is a collective judgement of individual impressions (Gottschalk 2011).

Trust fulfils every company in a million of different ways. No institution can function without it. Trust is a strong belief that we can rely on someone (Shore, 2005). Shaw offers alternative definition (In: Armstrong 2007); he defines the concept of trust as a belief that those on whom we depend will meet our expectations of them. These expectations depend on our critical judgement of other person's responsibility to meet our needs. Generally accepted definition of trust is still missing despite comprehensive studies of philosophers, sociologists and psychologists. It is easier to identify individual features of trust than to determine exactly what it means. We agree with the definition by Gambetta (2000) who argues that trust (or symmetrically, distrust) is a particular level of the subjective probability with which an agent assesses that another agent or group of agents will perform a particular action, both before he can monitor such action (or independently of his capacity ever to be able to monitor it) and in a context in which it affects his own action. An agent is generally an individual or a thing (entity) which affects the environment or other agents and has characteristic and its own targets which it strives to achieve. The contextuality of trust means that the trust of entity "A" towards entity "B" is always dependent on certain context "C". We'd like to point out the work of Jøsang et al. (2005) who deals with "the issue of trust" (in terms of creating trust, establishing credibility and making decisions on the basis of credibility). Jøsang et al. states that trust is an oriented relationship between two parties called the subject and the object. The term oriented is used in the sense of clear distinction of resources (subject) and goals (object) of the relationship. The authors further define two types of trust: Context-independent (reliability trust) - where trust is the subjective probability by which an individual "A" expects that another individual "B" performs a given action on which its welfare depends; and Context-dependent (decision-trust) - Trust is the extent to which one party is willing to depend on something or somebody in a given situation with a feeling of relative security, even though negative consequences are possible. (Jøsang et al. 2005)

## 2.1 Classification of models based on trust and reputation

Jordi Sabater and Carles Sierra (2003) in their work *Review on Computational Trust and Reputation Models* have specified classifications which focus on major models and try to find common features based on which individual classification methods and their categories are designed. Basic classification criterion is the so called model type. Model type means whether the model works with trust or a reputation.

- models of trust – work only with trust,
- models of reputation – work only with reputation,
- hybrid models – work both with trust and reputation.

According to these authors, models can be classified on the basis of determining the origin of information (knowledge) which are used for the evaluation of reputation, as well as confidence. These include (Sabater, Sierra, 2003): direct experience, hearsay information, sociological knowledge and prejudice.

## 2.2 How is a reputation created

The building of corporate reputation has been primarily attributed to the area of marketing and communication. Burke et al. (2011) states that nowadays the corporate reputation has been integrated into human resource management and corporate strategy. Reputation is communicated to the public by the organisation's managers. It is generally accepted that reputation begins from the inside out. Fombrun and Foss (2011) noted that it is good if the organisation takes care of its reputation, and they emphasized the following factors:

1. The Principle of Distinctiveness - Strong reputations result when companies own a distinctive position in the minds of customers.
2. The Principle of Focus - Strong reputations result when companies focus their actions and communications around a single core theme.
3. The Principle of Consistency - Strong reputations result when companies are consistent in their actions and communications with internal, as well as external environment.
4. The Principle of Identity - Strong reputations result when companies act in ways that are consistent with espoused principles of identity. The main task is that the companies are perceived as real by its customers and the public.
5. The Principle of Transparency - Strong reputations result when companies are transparent in the way they conduct their affairs. In particular, companies should be perceived as open and honest in their business activities. Transparency requires communication - a lot of it.

## 2.3 Online environment and reputation

Walter (2013) argues that reputation in life and business is everything. It means that reputation is very fragile and one mistake may sometimes cause irreversible damage. This is especially true in the digital world, where radical transparency and demanding customers have the greatest power. According to Chernatony et al., if the Internet offers consumers a new way to share information about companies and brands, then it also allows the companies to control information about them. Consumers are able to obtain information on potential suppliers and products, but they can also create new content on the Internet which may affect the perception of other consumers and stakeholders of the respective company. Negative comments on the Internet can quickly and seriously damage the image and reputation of the brand. eWOM (electronic word of mouth) is an important part of online reputation. According to Henning-Thurau (2004), this form of communication may be defined as any positive or negative statement made by potential, actual or former customers about a product or company via the Internet. Jun Loayza (2013) presents basic principles of online reputation management which he divides into various segments such as Quick Fix, Long-Lasting, Content Driven and Relationship Driven.

### 3. Methodology of research

One of the most commonly used systems for the evaluation of online reputation in Europe is sentiment analysis. This area was previously investigated by Rajzák et al. in order to evaluate online reputation of banks (2010). It records ratings of top 10 results in Google search. After counting sentiment points we achieve a resulting value which is a starting point for the evaluation of the success or failure of a company in a particular segment. In order to minimize the presence of personalised search results via location, search history or cookies, a proxy server has been used to eliminate these personal factors. In order to minimize the impact of subjective representation of the results, the score was prepared independently by three people, and the resulting table is based on average ratings. Search phrase used was in all cases well known and established name of selected companies. The sentiment of individual results, as well as the score attributed to each position is shown in the following table.

**Table 1. Search results sentiment in top 10**

Sentiment / Position of the result	1	2	3	4	5	6	7	8	9	10
+	20	19	18	17	16	15	14	13	12	11
x	10	9	8	7	6	5	4	3	2	1
±	2	2	2	2	2	2	2	2	2	2
-	-20	-19	-18	-17	-16	-15	-14	-13	-12	-11

Source: own elaboration

The score obtained by the brands on individual positions was subsequently counted and the final result, i.e. the total points obtained, indicates the strength of sentiment of all ten results in the search engine google.sk for the specific brand. The final score thus represents the final factor for the evaluation of the success or failure.

The following table presents final results of the survey of the greatest smartphone brands in the world in 2017. It shows all partial scores of individual positions, as well as their total sum, and the final result achieved. The brands in the table are ranked from the best to the worst.

**Table 2. Sentiment analysis results of the top 10 brands producing smartphones**

Rank	Smartphones producer brand	1	2	3	4	5	6	7	8	9	10	Total
1.	<b>Samsung</b>	20	2	18	2	2	15	4	13	2	11	90
2.	<b>Apple</b>	20	9	2	7	16	15	4	2	2	2	79
3.	<b>Xiaomi</b>	10	9	8	7	2	15	14	2	12	2	74
4.	<b>Nokia</b>	10	9	2	2	2	5	4	13	12	11	70
5.	<b>Lenovo</b>	20	9	2	17	2	2	14	2	2	-11	59
6.	<b>Huawei</b>	10	9	8	2	2	-13	2	13	12	2	51
7.	<b>LG</b>	10	9	2	2	16	2	14	-13	2	2	50
8.	<b>ZTE</b>	2	2	18	17	2	2	2	2	2	-11	42
9.	<b>OPPO</b>	2	2	18	2	2	5	2	13	2	-11	41
10.	<b>Alcatel</b>	10	2	8	2	16	-15	2	2	2	2	31

Source: own elaboration

As we can see from the table above, the best overall online reputation belongs to Samsung company, which is somehow surprising since the brand had to deal with difficult situation (explosive smartphone model). But despite of it, there are four brands in total, that may be considered having a really good reputation in online environment. Apart

of one brand that scored only 31 points (Alcatel) which is considered to be a poor reputation, all of the rest have just average level of its online reputation.

#### 4. Discussion

Study points out areas in the online communication of brands which may have been omitted in their strategy. As regards the future, it is especially important to focus on online communication and presentation, since we know that in order to improve something, we need to measure it first. The method used in this article offers certain perspective; however, it needs to be emphasized that there are many other methods to control and measure reputation in online environment which haven't been examined in this article and therefore, there are still areas that are worth exploring. As to sentiment analysis, it must be kept in mind that in the initial stage it is a subjective representation of sentiment and therefore it is important to consider measures that minimize influencing the results, in particular by extending the set of evaluators and their diversification by age, occupation, interests or even nationality. All of these enhancements offer opportunities for further research.

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