Corporate reputation in the era of Web 2.0: the case of Primark

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Abstract This article explores and analyses corporate reputation management in the new environment of the social web, otherwise known as Web 2.0. It looks at issues around corporate reputation and brand management via a case study of Primark. It explores how companies manage their corporate reputation and branding in the new on-line environment of the social web. The article looks at how Primark positions itself in the context of the web 2.0 era in order to build a solid relationship with its stakeholders as well as to protect its reputation whilst enhancing its brand image and value. The spread of information across the web feeds traditional media channels and reaches larger audiences potentially damaging reputation and thus tarnishing the brand. The article furthers understanding of the overall current web brand management practices for effective on-line corporate communications. The Primark case study offers an indication of how companies are or are not using the social web and social media utility tools to communicate their social responsibility.

Keywords Web 2.0, Corporate reputation, Primark, Retailing

INTRODUCTION

Increasingly on-line reputation monitoring is seen as an essential management practice for marketers and Public Relations Officers (PRWeek 2008). The new rules for engagement on the social web are explored in relation to how they contribute
to, damage or improve corporate reputation and brand image. Web media allows for an increase flow of “free” unfiltered information co-streamed by a previously disenfranchised audience as well as professional writers (Shirky 2008). A pertinent question for our time is: “Who is branding whom?” Transparency and accountability are required to operate effectively and with impunity in an environment where people are actively engaging in on-line conversations, are more sophisticated, overtly sceptical and highly demanding. The speed with which these changes are directly affecting marketing communication is impressive and undoubtedly calls for a redrawing of the rules for managing reputation and branding. How a company is perceived and the image their audience has is not only shaped by their communications efforts, it is rather a product of conversations taking place on-line (Jolly 2001). Discussion of the impact of Web 2.0 on marketing is current and topical (Gelles 2009; Arnone, Geerts and Scoubeau 2009; Hair, Rose and Clark 2009). This article builds on and extends these debates.

ON-LINE CORPORATE REPUTATION AND BRANDING

Companies increasingly need to put in place procedures and practices in order to manage their reputation and the risks involved as they set out to engage with the wider community in the social web. A clear understanding of how corporate reputation can be managed in this environment becomes a vital function of business. Stakeholders are gradually using conversations to share industry information, taking an active role as consumer watchdog, investigative journalist, and opinion influencer. Web 2.0 is a tool for consumer and citizen empowerment. In this new environment effective branding and reputation management requires businesses to work in partnership with diverse stakeholder groups. The social web navigates participants through a shared socially constructed negotiated understanding of meaning. Management of corporate reputation is a two-way, top down and bottom up process. In the Web 2.0 environment corporate reputation increasingly becomes a contested concept. The social web gave birth to a new breed of “professional consumers” or “prosumers” (David and Moy 2007). David and Moy (2007) describe some of the forces operating in the marketplace that can put businesses under increased scrutiny. Neff (2001) recognises the importance of an organisation’s on-line reputation management process. The way a company behaves on-line and is perceived by its wider audience is far more important than overt philanthropy, donations to charities, flashy websites or even annual CSR reports printed on recycled paper (Neff 2001). In the era of the social web leaked informal boardroom chat can be on the internet in seconds, whilst dossiers slipped through mass mail can be published and commented in blogs in a matter of minutes. Such activities can potentially damage company image and create the perception of corporate irresponsibility (Jones, Bowd and Tench 2009).

The power of web networks has increased extraordinarily the speed, reach and interactivity of social communication. The phenomenon, originally idealised by Bob Metcalfe in the early 1980s, came to be known later as Metcalfe’s Law. It suggests that as the number of people in the network grows, connectivity also increases, if these people link to each other’s content, then the value grows exponentially (Hendler and Golbeck 2007).

Set against this background this article proposes a model by which management can afford greater control of the social web by helping track critical comments and
negative publicity. Figure 1, detailed below, outlines an on-line reputation management process. It suggests companies monitor Web 2.0 activity, participate in it and measure the impact on, amongst other things, reputation and branding.

Figure 2, detailed below, identifies four on-line reputation management company groupings within the monitoring/measuring matrix. ‘Tuned in Mavens’ located in the bottom right maximum depth and breadth corner are companies that effectively, efficiently, pro- and re-actively engage with Web 2.0 to achieve success in brand leadership and corporate reputation. ‘Blind Miners’ located in the bottom left minimum breadth and maximum depth corner of the matrix are charged with narrow monitoring of reputation and brand in the Web 2.0 environment. In the top left hand ‘Bulling Corner’ of the matrix minimum monitoring and measurement takes place and is thus a precarious position to be in for companies located there. Finally, ‘Puddle Swimmers’ located in the top right hand corner offer maximum breadth of monitoring but minimum depth in measuring. The ‘Puddle Swimmer’ category has strengths but also has areas for improvement. More detailed description of the four categories can be found in the matrix.

FIGURE 1 On-line reputation management process (Lima, Jones and Temperley 2009, appendix)

FIGURE 2 On-line reputation management – monitoring-measuring matrix (Lima, Jones and Temperley 2009, appendix)
This process-based model helps management improve customer relations along with community engagement and participation.

In the Social Web, the power and effect of networks has created opportunities as well as threats to firms depending on the approach taken by management. Management’s task is to determine the level and type of communication strategy to be employed in each situation. The outcome will in part be determined by how well the company engages with their audience. Companies may use dialogue or monologue, have “one-way” or “two-way” conversations, or may communicate with instead of to their target public (Jolly 2001).

To achieve maximum reach and impact on-line reputation and branding management process should be geared towards engaging company stakeholders in on-line conversations. When observing Primark’s choice of communication it is clear that although they chose a monologue tone within their corporate web to communicate direct to consumers, they have nonetheless managed to engage in social networks and forum sites enabling wider stakeholder engagement. Web 2.0 is democratic in so far as it is open to all and it creates an environment in which freedom reigns. Of course, freedom of expression by citizens, consumers and other stakeholders brings with it costs as well as benefits for business. Well managed and orchestrated, on-line conversations can help companies to build and maintain presence, reputation and brand image. Fill (2005) comments on how the reputation of global brands can be questioned or even tarnished through spoof websites where doubts can be cast on their integrity, hence the need for greater transparency, engagement and collaboration.

Ind (2005) suggests that a wider social perspective of branding is fundamental for a company to maintain its relevance in the marketplace. In the social environment a brand is shaped by the corporation as well as by the community it embraces. “... companies will have to incorporate into their brand a broader understanding of their audiences and they will have to adopt values that promote a human focus, authenticity, transparency and integrity.” (Ind 2005, preface xvi). According to Anixter (in Ind 2005), on-line communities are co-branders of companies around the world. She advocates a holistic or integral approach to brand creation which is similar to integrity branding. As part of an on-line branding strategy companies should carefully consider how they plan, develop and communicate their CSR practices. Arpan (2005, p. 83) argued that a “positive image or reputation is a bankable commodity for the organisation that possesses a favourable one”. With the current penchant among stakeholders for posting articles and actively communicating their views on-line, it is crucial for a business’s long term survival and financial health to keep building a positive on-line reputation.

On-line Branding should also make use of Corporate Social Performance (CSP) indicators. CSP incorporates the corporation’s principles of social responsibility, its policies, practices and actions, outcomes and communication as they relate to firms societal relationships (Wood 1991 quoted in Arpan 2005, p. 83). In the environment of the social web, the CSP message should be clear and cogently conveyed as customers are more likely to ascribe better perceived value and higher satisfaction to products or services produced by socially responsible firms (Luo and Bhattacharya 2006).

In the social web there is little space for monologue. Companies can no longer simply devise a message and communicate it to their audiences, neither can they put across simply their own agenda; this would be a monologue, not dialogue (Lewis 2001). With the advance of the social web, business reputation is no longer solely in the hands of the management team. In this new world of blogs, social networks, wikis, podcasts, mail groups, newsgroups, forums and chat rooms, corporate reputation can
Reputation on the social web is built mostly by community participation, collaboration and tailor made content ranked by “reputation aggregators” known as search engines, the gateway people use to find content on-line (Weber 2007). There is little, if any space for spam (unsolicited e-mail, advertising, intrusion) in the social web and it can potentially wreck a company’s business image and reputation (Godin 1999). It is necessary to establish the connection between on-line reputation and search engines. Google, Yahoo, MSN are amongst the biggest search engines on the internet, they determine the importance of the sites and position them in ranked order inside their directory pages. In this way, on-line reputation is directly linked to company’s ranking and the amount of entries and mentions received. Hyperlinks and page rank techniques used by search engines to list and rank sites in order of importance, increase the chances of image recognition and contributes to building a company’s on-line reputation. Businesses need to have a “strategy for getting into the results for users who matter” to them, and to lead new people to the company’s on-line community (Weber 2007, p. 165).

The social web has opened up new possibilities for content building and massively increased sharing and participation among web users addressing the primary concept of socially shared meaning (Greaves and Mika 2008). This concept is central and critical to the whole aspect of the Social Web (Web 2.0), where broadcasting is replaced by participation, collaboration and exchange or what could now be referred to as “socialcasting”. Faced by these new circumstances, companies have now to adapt and rethink their on-line corporate reputation and branding management practices along with their communication strategies.

Solomon et al. (2006, p. 354) refers to a “virtual community of consumers” formed by a collection of people who happen to share the same interests and enthusiasm for, and share knowledge of, specific consumption activities. The social web provides opportunities and new ways for communities to express their voice and have their views and opinions heard by others (Levine et al. 2000). In this realm, social media marked by user-generated contents is a key element of the communication offering mix. Solis (2007, p. 3) points to the fact that “social media has been painted as the new marketing landscape for businesses to engage with their communities of customers wherever they congregate”.

Increasingly companies are seeking to create on-line communities around their brand. It is a risky environment and corporations need to be creative as well as transparent and honest in order to captivate and communicate effectively with their various publics. The communication strategy should begin by addressing the needs of the community in a conversational, collaborative and reputable way (Fernando 2007). Fernando (2007) advocates a new branding approach where conversations are not initiated by marketers but instead, customers take the lead and thus possibly help keep the brand alive. The social web allows a company’s stakeholders and public to co-create brand image and reputation. Ownership of this process is increasingly shared and this inevitably brings with it additional risk factors. In addition, the appearance of new digital technologies and social media platforms make it necessary to rethink the area of marketing and PR communication to gain new understanding of what these new on-line customers and their communities want from companies, products and services (Fill 2005).

Scott (2007, p. 133) advocates what he calls “on-line thought leadership” content. A well-crafted on-line strategy combining the right mix of social media tools can, according to Scott (2007), contribute to a positive business reputation. “Thought
leadership content” challenges the traditional approach to marketing and Public Relations (PR) since it does not focus on the message the company wants to convey about its products or services but on how to sort out people’s problems. It seeks to listen first and then engages with the community offering well-thought out solutions. Solis (2008, p. 3) argues,

customer service will fuse with marketing to become a holistic inbound, outbound campaign of listening to and engaging with customers that will rewrite the rules of the game. And, most importantly, the lessons learned in the field will be fed into the marketing department to create and run more intelligent, experienced, and real world initiatives across all forms of marketing, PR, sales, and advertising.

APPRAOCH

In order to explore the implications of the social web for companies, Primark has been chosen as an example of a company, which has had to manage the impact of traditional media as well as the social web on their reputation.

The case study of Primark draws on people’s experiences and practices of the social web. It looks at the approach management took when facing a PR crises, as well as the nature and level of interaction with their general audience and the choice of media channels used. The research approach adopted here seeks to develop new insights into management attitudes regarding corporate reputation in light of the recent phenomenon of Web 2.0.

Several internet sites relating to Primark were researched to help ensure fair and unbiased coverage. Material related to identification of management trends, and how the use of social media applications might improve corporate communications was gathered from audio recordings (podcasts) with interviews from business management, marketing, PR and internet specialists. Managers and those involved in business decision-making were interviewed to help establish how they interpret and understand the environment of the social web in the context of their companies coming under scrutiny and potentially being affected by consumer writers cum citizen journalists.

Saunders et al. (2007) suggest the use of case study technique when undertaking exploratory work and for this reason a case study approach is adopted here.

Fisher (2007) explains that given the adaptability of case study research there are many variations and possibilities.

Case studies enable you to give a holistic account of the subject of your research. In particular, they help the researcher to focus on the interrelationships between all the factors, such as people, groups, policies, and technology that make up case studies

(Fisher 2007, p. 59).

Business and management research often uses documentary secondary data, which can be either qualitative or quantitative to inform case study analysis.

Corporate citizenship is perhaps the single most talked about area affecting online reputation. The management of corporate reputation e-branding in the new environment of the social web provides the theoretical backdrop against and in which the case study is situated.
PRIMARK AND THE IMPACT OF THE SOCIAL WEB

Primark Stores Limited is an Irish company subsidiary of Associated British Food plc. The company has stores in Ireland, UK and Spain and employ over 25,000 people (Primark 2008). Hall (2009, p. B4) writes,

*Primark’s growth has been startling. In 1999 the chain accounted for 13pc of ABF’s profits and 9pc of its sales. Over ABF’s last financial year, Primark made 35pc of its profits (£233m out of £664m) and 24pc of its sales. When ABF launched Primark it was an insignificant side project. Some analysts wondered why a sugar and grocery company would bother venturing into the tricky world of retailing. But this perception is long gone. Last week John Bason, ABF’s finance director, told the Daily Telegraph just how proud ABF has been of Primark. ‘If you look at the shareholder value Primark has created for us it has been incredible. We have been a great parent. We have been able to invest in it. It has incubated a very different concept,’ he said.*

Hall (2009, p. B4) went on to point out that,

*While Primark’s popularity is not in doubt, there is one weak link: its supply chain. The retailer has been subject to criticism about its suppliers’ use of cheap factory labour. After all, critics argue, if a retailer can sell T-shirts costing £1.96 it must be cutting corners somewhere.*

In 2005, Primark was voted the most unethical retailer in the UK according to research conducted by Ethical Consumer magazine (Whitehead 2005). Primark has been hit hard on many forum and review sites, blogs, and also on YouTube where there are many videos with comments threads, and much discussion around their ethical stances and claims. The BBC programme Panorama (June 2008) denounced some of Primark’s business practices. The BBC reported on the treatment received by labourers working for Primark’s suppliers including the employment of illegal child labour. The Panorama programme “triggered a barrage of negative publicity, with footage of child refugees in India making low-cost garments for Primark” (Magee 2008, p. 3).

Instead of accepting the BBC’s invitation to answer the accusations levelled against them, Primark decided to go to the web and talk directly to their clients thus by-passing the mass media channel. They built a micro-site to answer the BBC’s negative exposure and sought to address and assure consumers directly in a web-only strategy. The site was launched at the same time that the BBC programme went on air.

Many blog posts appeared on the web, and these were posted by fervent hard-liner protesters on one side and ardent defenders of Primark on the other. Fans of cheap clothing and fashion aided by some of Primark’s present and former staff members by and large sought to defend the company’s position. They formed an on-line barricade around their favourite fashion brand.

An activist group features on the first page when the word ‘Primark’ is typed in the Google search engine. The *Labour Behind the Label* (http://www.labourbehindthelabel.org/) coalition runs a website called ‘Let’s Clean up Fashion’ (http://www.cleanupfashion.co.uk/) and offers a discussion forum where users can discuss companies in the retail fashion industry such as Primark. The opinions expressed on the website range from protesters to those saying that would never stop shopping at Primark because they offer affordable clothing.

Facebook, a social networking site, has over 500 search results relating to Primark.
The company has a Facebook fan page with over 42,000 members registered. Some groups featuring on the social network site were protesting against Primark but not with sufficient numbers to pose any immediate threat. Most of the groups and fan pages were initiated by people with a Primark store close to where they live.

None of the sites researched presented any interaction from Primark executives, press officers or any other staff speaking on behalf of Primark. Primark management focus on delivering value low-end price point fashion clothing to satisfy their bargain hunting customers. Such customers speak up on behalf of Primark in social networking sites, chat rooms, forums and blogs. The high regard in which customers hold the retailer is perhaps best captured by the given street-level name it is afforded – Primani. The name Primani is a combination of Armani and Primark. It suggests that the retailer successfully competes in the arena of cutting edge, high quality designer fashion (Armani) and offers it at highly competitive prices (Primark). Primark’s approach to the negative publicity was to bypass the BBC and go direct to the web. This communication strategy left media and communications specialists divided.

**FINDINGS**

*Results*

Shifting from the old *transactional paradigm* to a *relational* one means relinquishing much control, and contributes to increasing transparency and openness towards public engagement (Weber 2007). The co-branding process is something that business has to adapt to and work with. Primark appears to rely on their loyal customers to defend their reputation and to put across their image as a “value high street retailer” in the social web.

On-line reputation and branding management is the process of positioning, monitoring, measuring, talking and listening as the organisation engages in a transparent and ethical dialogue with its various on-line stakeholders.

This article proposes that reputation and brand management in the Web 2.0 environment should include a thorough understanding of how search engines mine and list data. Managers should actively seek to learn and make use of social media marketing and PR communication tools. There is now software specially designed to monitor and measure on-line reputation and buzz. Examples of such software include: TheBuzzMonitor – http://buzzm.worldbank.org/ – opensource software application; Semonics - http://www.semonics.com/ – paid on-line service; Radian6 – http://www.radian6.com/cms/about_us – social media monitoring, measurement, engagement; BuzzGain – http://www.buzzgain.com/index.php?action=Login – On-line PR monitoring company. The endless number of social sites, chat rooms, forums and blogs makes the whole process practically impossible to be done manually.

*Discussion*

The prevailing transactional model based primarily upon business expediency, implicit paternalism and hard sell techniques is being replaced by a relational model based upon involvement (participation), co-ownership and reciprocity. Furthermore, managers may be able to gradually shift their current practices by understanding the breadth (monitoring) and depth (measuring) of their on-line environment and web presence.

It is suggested that a good on-line reputation and branding strategy can potentially
strengthen corporate image, increase the gap between the brand and the competition and add value and competitive advantage to the business. Companies do not exist in a vacuum or in isolation, but rather, they exist, grow and survive as part of and within a societal context. Conceptually, the Social Web (Web 2.0), could be described as quasi social interactive chaos whereby ideas and opportunities emerge amidst self nurturing communities shrouded by an aura of collective behaviour and populist stimulus.

**Implications**

Primark’s management approach demonstrates the growing need within businesses to find ways to communicate “with” instead of only “to” a new empowered audience of clued up customers and 24/7 on-line writers and brand activists producing new content. This poses a real challenge to public relation officers, marketing communication officers and company directors alike.

The social web has seen a growth in professionalised consumers. A shift from passivity to activity has given birth to a new breed of consumer, the “consumanager”, who by assuming a new co-managerial role is influencing and shaping the future of business. It has also taken the personal shopping experience to a new level of social realisation, civic responsibility and sophistication. Customers as editors are now playing the role of citizen journalists. The new phenomenon is marked by a move from broadcasting to socialcasting, developed and captured here in Figure 3.

Reality of course is more complex than the one directional model proposed in Figure 3. Broadcasting remains an important and legitimate tool for corporate communication. Corporate communication strategy encompasses both socialcasting and broadcasting and these tools can to varying degrees be used together or separately. It is suggested here that it is possible to conceive them as being bundled together and operating in a more multi-layered and multi-dimensional way, as shown below in Figure 4.

**FIGURE 3** From broadcasting to socialcasting

![FIGURE 3](image1)

**FIGURE 4** Dynamic broadcasting and socialcasting

![FIGURE 4](image2)
Figure 4 suggests that use of broadcasting and socialcasting as tools of corporate communication can move in differing directions, up, down, backwards and forwards. This model is dynamic with a degree of in-built flexibility that allows it to adapt to changed circumstances and differing priorities.

**CONCLUSION**

The conceptual models developed and discussed in this article add value to ongoing debate around Web 2.0, business and consumer relationships. A number of conceptual models have been proposed and these can be developed further through both theoretical and applied research. Research with consumers to test the models outlined in this article would generate new insights and findings that would aid understanding, further knowledge and inform practice. From a retailer perspective Web 2.0 poses a number of challenges such as how best to interact with consumers in this evolving, complex and uncertain environment. To minimise the potential for reputation damage and to maximise the chances of reputation enhancement in the new Web 2.0 business-consumer landscape key knowledge areas need to be addressed. From a retailer and business perspective it is important to know what corporate communication strategies, practices, policies and procedures work along with how and why they work for different companies in different sectors and settings. Whilst this article has discussed Primark’s experience additional research with other retailers in the evolving and emergent area of Web 2.0 would allow for richer as well as deeper understanding of specific company contexts that shape and inform actual practice. The development of Web 2.0 as an additional communication tool for the management of corporate reputation is a significant and developing research area.

The research findings presented here suggest that positive reputation management results are best achieved once external and internal conditions of transparency and stakeholder interactivity are satisfied. Valor (2009, p. 9) is right to note that, "When used effectively the internet is the best tool for improving reputation that has yet been created." Effective on-line reputation management can with a degree of certainty be asserted to be about community conversation, participation and collaboration.

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