

THE IMPACT OF ONLINE REPUTATION MANAGEMENT (ORM) ON BRAND IMAGE IN THE RETAIL INDUSTRY

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Abstract

This Study investigates the impact of Online Reputation Management (ORM) on brand image in the Retail Industry. The research aims to explore the importance of reputation management and its effects on retail businesses, examining how Online Reputation Management (ORM) influences customer loyalty and repeat purchases. Additionally, the study seeks to identify best practices in Online Reputation Management (ORM) that contribute to improved brand image for retail brands. A key focus is understanding how artificial intelligence (AI) tools enhance Online Reputation Management (ORM) strategies and boost brand image in the retail sector. Through a comprehensive analysis of existing literature and some data collected from the customers in retail stores, this research provides insights into the critical role of Online Reputation Management (ORM) in shaping consumer perceptions and driving business success in the competitive retail landscape. The findings of this study offer valuable guidance for retail businesses seeking to leverage Online Reputation Management (ORM) effectively and harness the power of AI to enhance their brand image and customer relationships.

Keywords: *Online Reputation Management (ORM), Brand Image, Retail Industry, AI Reputation Management, Customer Perception, Brand Awareness*

Introduction

Online Reputation Management (ORM) is the strategic practice of monitoring, influencing, and maintaining brand perception in the digital space. Maintaining it in digital space is essential because most of the consumers are active in digital space. If the brand fails to maintain the digital space means it will have the negative brand image. As per the IN Moment report, 94% of consumers say a negative review make them to avoid the brand, and Consumers generally do not trust companies with an average rating below 4 stars, it highlights the importance of Online Reputation Management. Retail sector has 98% of review response rate, it highlights that retail sector gives more importance in online reputation management. Speed of response is also a critical factor; retail leads with an average response time of 1.03 days. Consumers also expects faster response. AI has revolutionized Online Reputation Management enables the brand to manage it efficiently. AI – integrated Online Reputation Management (ORM) is essential today because consumers expect fast response. With the use of AI Brands can give faster

response to the consumers and manage the reputation efficiently at low cost. The integration of AI for monitoring and managing online sentiment presents an opportunity to mitigate negative feedback and strengthen customer relationships. By investigating these aspects, this research seeks to provide valuable insights for retail brands looking to leverage ORM effectively in an increasingly digital marketplace.

Literature Review

The paper investigates the impact of reputation management on hotel brand value, revealing that online reviews play a critical role in shaping brand image. Effective reputation management demands significant time, tools, and investment (Smith & Jones, 2018). Another study explores predictive trends in digital marketing, focusing on search engine and social media marketing. Emerging trends such as voice search, micro-vlogging, and social messaging highlight the need for adaptive marketing strategies and the viral potential of social media for business growth (O'Brien, 2014).

Research on online reputation management concepts emphasizes the importance of corporate reputation in business, with SEO, social media, and consumer-generated content being key components (HotelFriend, n.d.). The impact of online reviews on brand image is also analyzed, demonstrating that a strong brand image reduces consumer uncertainty and enables premium pricing. Credible online reviews enhance both functional and hedonic brand images (Chakraborty & Bhat, 2018a). Additionally, an analysis of online reviews on hotel booking intentions reveals that negative reviews significantly deter bookings, while positive reviews have comparatively less influence (Kwok & Xie, 2016).

The study further examines the social impact of online reviews on brand equity, particularly in the context of Jordanian online clothing store customers, finding that reviews significantly affect brand equity (Chakraborty & Bhat, 2018b). Another research evaluates the impact of university websites on brand image, noting that enhanced website features positively influence customer participation and value co-creation behaviors, as demonstrated by data from 285 students at a London-based university (Clark et al., 2021).

Moreover, the role of online news ethics and logic in shaping media brand reputation is explored, showing that ethical practices and logical presentation positively influence media brand image and foster consumer trust (Smith & Taylor, 2020). Lastly, research on brand reputation in higher education highlights the influence of design elements like color and logo on user attitudes and stakeholder perceptions, emphasizing the importance of user feedback in brand value creation (Lee & Kim, 2017).

Materials and Methods

Research Methodology

This study employs a descriptive research design to assess the impact of Online Reputation Management (ORM) on brand image within the retail industry. Data was collected through structured questionnaire which was distributed to customer who

purchase online retail websites and applications, Simple random sampling technique was used to collect the data. 503 responses were received from the google form response. After cleaning and data reduction process 193 responses are derived for data analysis. The dimensions covered are **Brand Image**, focusing on the impact of trust and credibility as well as customer decision-making; **Online Reputation Management (ORM)**, emphasizing social media monitoring and the use of AI tools; and **Brand Awareness**, which includes customer satisfaction and brand loyalty. To test the validity of the questionnaire the Cronbach's Alpha value was derived as 0.929 for 37 items indicates excellent internal consistency reliability. Descriptive statistics, regression analysis, correlation analysis was conducted to test hypotheses about ORM's effects on brand image and customer loyalty, as well as the role of AI in enhancing ORM strategies.

Scope for the Study

The scope of study for "The Impact of Online Reputation Management (ORM) on Brand Image in the Retail Industry" encompasses a comprehensive analysis of ORM practices in the retail sector and their influence on brand perception. The research will evaluate the relationship between ORM strategies and brand image, focusing on the role of social media platforms in shaping online reputation. It will assess the impact of customer reviews and ratings on purchasing decisions and examine the effectiveness of various ORM tools and techniques employed by retail companies. The study will explore the correlation between positive online reputation and customer loyalty, as well as investigate the influence of ORM on repeat purchases and customer retention rates. Additionally, the research will delve into the integration of AI tools in ORM practices within the retail sector and analyze the impact of AI-driven ORM strategies on brand image enhancement. This multifaceted approach aims to provide a thorough understanding of how ORM affects brand image in the retail industry and its implications for business success.

Objectives:

- To find out the importance of Reputation Management and its impact on the Retail Industry.
- To examine the influence of ORM on customer loyalty and repeat purchases in the retail sector
- To understand how AI tools improve Online Reputation Management (ORM) and boost brand image in the retail industry.

Hypothesis:

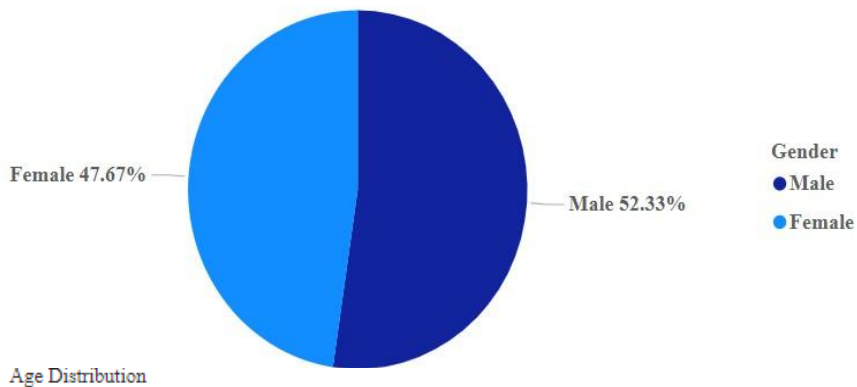
Hypothesis 1: Effective ORM strategies positively influence brand image in the retail industry.

Hypothesis 2: There is a significant relationship between ORM practices and customer loyalty in the retail sector.

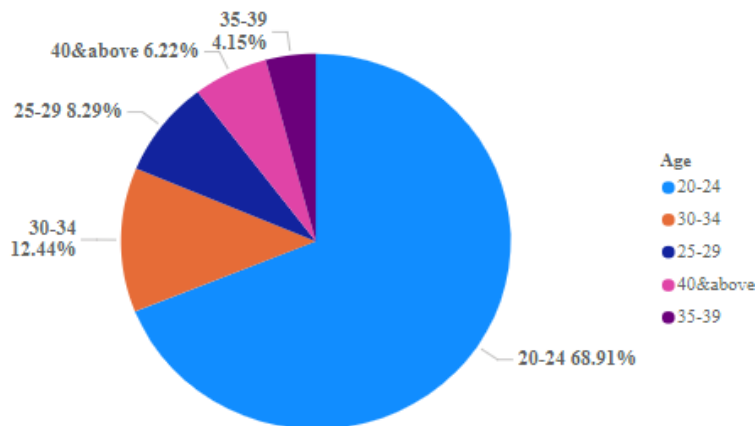
Hypothesis 3: AI-driven tools in Online Reputation Management (ORM) have a positive impact on enhancing brand image in the retail industry.

Interpretation & Discussions:

Gender Distribution



Age Distribution

**Table 1.1**

Do you think brands using AI for ORM have a stronger online presence?			
	Frequency	Percent	Valid Percent
Yes	178	92.2	92.2
No	15	7.8	7.8
Total	193	100.0	100.0

The data shows overwhelming support for AI in Online Reputation Management (ORM), with 92.2% of respondents (178 out of 193) believing that brands using AI for ORM have a stronger online presence. Only a small minority, 7.8% (15 respondents), disagree with this perspective. This suggests a strong consensus among the surveyed population about the potential of AI to enhance a brand's digital reputation and visibility.

Table 1.2

Have you ever stopped purchasing from a brand due to a poor reputation?			
	Frequency	Percent	Valid Percent
Yes	140	72.5	72.5
No	53	27.5	27.5
Total	193	100.0	100.0

The survey reveals that a significant majority of respondents, 72.5% (140 out of 193 participants), have stopped purchasing from a brand due to a poor reputation. Conversely, 27.5% (53 respondents) indicate that a brand's reputation has not influenced their purchasing decisions. This data underscores the critical importance of maintaining a positive brand image, as nearly three-quarters of consumers are willing to discontinue the brand based on reputation concerns.

Table 1.3

READREVIEW		
	Frequency	Percent
Yes	173	89.6
No	20	10.4
Total	193	100.0

The data indicates that an overwhelming majority of respondents, 89.6% (173 out of 193), read reviews before making a purchase. Only a small fraction, 10.4% (20 participants), do not consult reviews prior to buying. This suggests that product or service reviews play a crucial role in the decision-making process for most consumers in the sample.

Hypothesis 2: There is a significant relationship between ORM practices and customer loyalty in the retail sector.

Table 1.4

Correlation:		ORMTRUST	AITOOLS
ORMTRUST	Pearson Correlation	1	.614**
	Sig. (2-tailed)		.000
	N	193	193
AITOOLS	Pearson Correlation	.614**	1
	Sig. (2-tailed)	.000	
	N	193	193

The results show a strong positive correlation ($r = 0.644$) between ORM CUSTOMER DECISION and CUSTOMER LOYALTY CBL, significant at the 0.01 level. This indicates that effective online reputation management positively impacts customer loyalty. The

correlation analysis supports Hypothesis 2, revealing a strong positive relationship between Online Reputation Management (ORM) practices and customer loyalty.

Hypothesis 3: AI-driven tools in Online Reputation Management (ORM) have a positive impact on enhancing brand image in the retail industry.

Table 1.5

Correlation		ORM Customer Decision	Customer Loyalty CBL
ORMCUSTOMERDECISION	Pearson Correlation	1	0.644
	Sig. (2-tailed)		0
	N	193	193
CUSTOMERLOYALTYCBL	Pearson Correlation	0.644	1
	Sig. (2-tailed)	0	
	N	193	193

The strong positive correlation ($r = 0.614$, $p = 0.000$) between AITools and ORMTRUST indicates that AI-driven tools significantly enhance trust, a key component of brand image. This data provides strong evidence that AI tools positively impact trust in ORM practices within the retail industry, potentially enhancing brand image and credibility. This supports the hypothesis that AI tools positively impact brand image in the retail industry.

Regression Analysis

Hypothesis 1: Effective ORM strategies positively influence brand image in the retail industry.

Table 1.6

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644	.414	.411	2.68589

The model summary indicates that ORMTRUST explains 23% of variation in the dependent variable ($R^2 = 0.230$). The R value of 0.479 shows a moderate positive relationship, and the Adjusted R^2 of 0.226 accounts for the model's slight adjustment for sample size. The standard error of the estimate is 3.08020, suggesting the extent of deviation between observed and predicted values. The statistical findings validate the premise that effective Online Reputation Management (ORM) strategies positively influence brand image, offering empirical evidence of their strategic importance in the retail sector.

Findings

Hypothesis 1: Effective ORM strategies positively influence brand image in the retail industry

- The regression analysis (Table 1.6) shows that ORM explains 41.4% of the variation in brand image ($R^2 = 0.414$), with a moderate positive relationship ($R = 0.644$). This supports the hypothesis that ORM strategies significantly enhance brand image.
- Evidence from (Table 1.2) indicates that 72.5% of respondents have stopped purchasing from a brand due to poor reputation, highlighting the importance of ORM in maintaining a positive brand image.
- The findings confirm that strategic ORM practices, such as managing reviews and addressing feedback, enhance trust and credibility, key dimensions of brand image.

Hypothesis 2: There is a significant relationship between ORM practices and customer loyalty in the retail sector

- A strong positive correlation ($r = 0.644$, $p = 0.000$) is observed between ORM practices and customer loyalty (Table 1.4), indicating that effective ORM directly impacts customer loyalty.
- (Table 1.3) reveals that 89.6% of respondents read reviews before making a purchase, showing the critical role of ORM in influencing customer decisions and loyalty.
- The data underscores the importance of ORM in retaining customers and fostering loyalty through consistent and effective reputation management.

Hypothesis 3: AI-driven tools in ORM positively impact brand image in the retail industry

- A significant positive correlation ($r = 0.614$, $p = 0.000$) is noted between AI tools and ORM trust (Table 1.5), demonstrating that AI tools enhance trust, a critical component of brand image.
- (Table 1.1) shows that 92.2% of respondents believe AI-driven ORM strengthens a brand's online presence, highlighting its perceived effectiveness.
- The integration of AI tools improves ORM efficiency by enabling faster responses, better sentiment monitoring, and effective mitigation of negative feedback, all of which positively influence brand image.

Results & Conclusion

This study emphasizes the drastic influence of Online Reputation Management towards the improvement of brand image along with customer loyalty in the retail industry. The results show how effective ORM strategies positively affect brand trust, customer perception, and purchasing decisions. Results showing a strong correlation of ORM practices with customer loyalty raise the importance of managing online reviews to

improve customer retention. Moreover, AI-based tools have a significant role in enhancing ORM by improving response times, monitoring online sentiment, and efficiently addressing negative feedback, leading to a stronger online presence. However, these insights still leave a research gap concerning the long-term impact of AI tools on ORM effectiveness and their scalability across smaller retail businesses. Moreover, there is limited exploration of specific AI tools and their comparative effectiveness in ORM strategies. Addressing these gaps would offer a more nuanced understanding of AI integration and ORM outcomes. In general, retail businesses need to embrace sophisticated ORM tools and strategies in order to improve customer satisfaction, brand loyalty, and digital reputation while dealing with emerging challenges in the dynamic retail environment.

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