TripAdvisor reviews of her business had been pushed down the page by a screed of short, hostile warnings. She was suddenly untrustworthy and overpriced and the formerly positive word of mouth about her tours had turned poisonous. She began to receive threats from people purporting to be customers. “They said if they did not receive a discount or upgrades, they would damage us on TripAdvisor,” says Reynolds. “It was blackmail.”

Reynold’s investigations into TripAdvisor, a site that boasts 50 million traveller reviews, which at the time billed itself as “The world’s most trusted travel source”, uncovered a trail of corruption. The negative twist in the reviews of her business coincided with TripAdvisor having appointed a new DE, or Destination Expert. The site’s DEs are the equivalent of site mediators, whose experience and knowledge are meant to act as a guide and filter for customers.

The new DE, who “consistently gave misinformation and denigrated my company”, says Reynolds, turned out to be “a disgruntled ex-employee who now worked for our main competitor. This was a pretty terrible situation for us, having a person who wields quite a bit of marketing power on the world’s most trusted and visited travel-advice website denigrating my company. What’s more, this expert consistently recommended the competing company’s tour.” And apparently it was this expert who “was not being transparent about who she [was].”

After her direct complaints were ignored, Reynolds found a well-populated discussion thread on a private TripAdvisor forum called “How do I prevent extortion?” Many travel companies were making the same complaint as Reynolds – that negative reviews were being bestowed upon them against their will, but that they were being shaken down by customers threatening to blackmail them on the site if they did not receive favours.

The “How do I prevent extortion?” thread was soon shut down by the site, but Reynolds began legal proceedings against TripAdvisor. Again, she found she was not alone. The high-profile Scottish hotelier Duncan Bannatyne, whose hotel was likewise blackballed by a disgruntled ex-employee who now worked for their main competitor, turned out to be “a disgruntled ex-employee who now worked for our main competitor. This was a pretty terrible situation for us, having a person who wields quite a bit of marketing power on the world’s most trusted and visited travel-advice website denigrating my company. What’s more, this expert consistently recommended the competing company’s tour.” And apparently it was this expert who “was not being transparent about who she [was].”

Meanwhile, numerous class actions for extortion were initiated against San Francisco-based crowdsourcing website Yelp. No such action has succeeded in court, for lack of evidence, though a new action has been started by a veterinary clinic in Long Beach, California, which claims Yelp has asked for $300 a month in exchange for removal of negative reviews. Since its founding in 2004, Yelp has regularly rejected accusations of extortion from businesses who decline to buy advertising space.

TMI review site has been one of the largest of a flotilla of consumer-review sites based on crowdsourcing, or user-generated content (UGC). Even though many are less than a decade old, they now permeate all corners of the consumer experience. Nielsen Research has estimated that 71 per cent of Australians base their purchasing decisions on UGC reviews that appear on sites such as TripAdvisor and Yelp (local business); a survey of a few major corporations (other consumer goods) and UrbanSpoon (restaurants and cafes), UGC has eclipsed traditional “top-down” sources of authority such as mass-media reviews and mainstream advertising to the extent where, for example, a web-based “people’s network” of reputation has succeeded in court, for lack of evidence, though a new action has been started by a veterinary clinic in Long Beach, California, which claims Yelp has asked for $300 a month in exchange for removal of negative reviews. Since its founding in 2004, Yelp has regularly rejected accusations of extortion from businesses who decline to buy advertising space.

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What is reputation anyway? The writer Frank Moorhouse once answered with a question of his own: “What is truth?” Reputation is fundamental to individuals’ identities. As Cassio lamented in Shakespeare’s Othello, when he lost his reputation he lost “the immortal part of myself, and what remains is bestial”. And yet reputation is also highly contestable. It is neither fixed for life nor free from doubt. Iago replies to Cassio that he has only lost “an idle and most false imposition; oft got without merit, and lost without deserving.”

Being both highly valued and contestable, reputation has always been a battleground for corporations. In the 20th century, Coca-Cola’s creation of a reputation for its drink virtually gave birth to the modern advertising industry. Organs of mass media, such as newspapers and radio and television stations, “made” reputations – of individuals and institutions – through the reach and authority of their own names. For a moment in time, somewhere mid-20th century, reputation seemed to be something that could be handed down from the mount of the ABC, The Age, The Sydney Morning Herald or the Commonwealth. Yet where power was centralised, opportunities for manipulation arose. But no sooner was the process of reputation-making “settled” than the counter-process of reputation-faking came into being, through the darker arts of public relations and image management. The history of the century was a story of rising scepticism, and by the time the internet arrived, whole populations were primed to disbelief.

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In a blink, social media inverted old ideas of reputation. Crowdsourcing held out the seductive idea that we, the people, now control the truth about whether companies and their products are good or bad. Advertising and reviews in mass media are no longer the final word; we seek information from each other. Consequently, businesses flocked into social media to preserve and promote their “reputation capital”. But if anyone imagines that UGC has created a level playing field of honest, uncorrupted feedback, they should hear the warnings of those, such as Lucy Reynolds, whose reputations have been torn apart. While Reynolds endorses the concept of sites that “tip the balance of freedom of consumer information” away from proprietors and towards customers, she was so scarred, emotionally and financially, by her experience on TripAdvisor and she lives in such fear of reprisals that she asks that her real name be not published. “TripAdvisor takes reputations as a kind of currency and converts word of mouth into a mathematical formula. A simplified description of PageRank is that it defines reputation both by the number of times a web page is visited and the reputation of other pages that link to it. Web pages are assumed to earn reputation in direct proportion to their usefulness and popularity, as measured by the usefulness and popularity of those other pages. No reputation-maker in human history, not even the Catholic Church or the Roman Empire at their heights, has had the reach and influence of PageRank. For the 17 years PageRank has existed, it’s been under assault. The algorithm is as closely guarded as the formula for Coca-Cola or the Colonel’s 11 secret herbs and spices and is constantly altered, for the dual purposes of improving reliability and accuracy, and to evade the clutches of the mini industry of search engine optimisation (SEO).”

SEO firms have worked to decode search engines such as Google, and sell this service. A primitive form of SEO was to manually or automatically hit a company’s website so often that it would eventually bob up on the front page of a Google search; it was the tech world’s equivalent of a record company buying 10,000 copies of its latest release so it would hit number one on the charts. The resultant publicity would, presumably, keep it there.

SEO has evolved into two broad streams – “white hat” and “black hat”. White-hatting seeks to flood a website with values that PageRank will reward, whereas black-hatting seeks to trick PageRank by concealing such values within a page. (In the internet’s early days, a black-hatting technique might have embedded a highly searched word, such as “sex”, on a page invisibly to the human eye but visible to a computer, so that anyone searching for “sex” would come to that page.)

Google has fought back by issuing counter-measures against SEO. The search engine’s 2012 “Panda” update tracked and penalised sites that were trying to dupe PageRank. In 2006, Google blackballed the German branches of multinationals Ricoh and BMW for black-hatting PageRank. The war between Google and the SEO industry is ongoing.