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# Dossier Comunicación Estratégica

SOCIAL MEDIA IMPACT ON CORPORATE REPUTATION:

## Proposing a new methodological approach

Impacto de los medios sociales en la reputación corporativa:  
Propuesta de un nuevo acercamiento metodológico

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### ABSTRACT

*The aim of this paper is to propose a new theoretical and methodological approach to the study of how social media conversations influence corporate reputation, beyond the current practices based on social media monitoring. The approach proposes to build a multi-level model of the relationship between online communication and corporate reputation, in line with the research tradition on media effects developed within the agenda-setting theoretical perspective when applied to the study of complex social and cultural phenomena (McCombs et al., 1997; Weaver et al., 2004). This approach is also consistent with research practices in the field of reputation management and public relations (Carroll and McCombs, 2003; Fombrun and Van Riel, 2003; Downing, 2001; Safon, 2009; Einwiller et al., 2010).*

**Keywords.** Corporate reputation, reputation drivers, on line and off line conversations, social media, mass media, consumers, stakeholders.

### RESUMEN

El propósito de este trabajo es proponer un nuevo enfoque metodológico al estudio sobre la forma en que las conversaciones en medios sociales afectan la reputación corporativa. Se propone un modelo, en varios niveles, de la relación entre la comunicación online y la reputación de las compañías, usando una perspectiva teórica desarrollada en la tradición de efectos mediáticos que usa la perspectiva de la agenda-setting cuando se aplica al estudio de fenómenos sociales complejos (McCombs et al., 1997; Weaver et al., 2004). Este enfoque es también consistente con las prácticas de investigación en el área de manejo de la reputación y relaciones públicas (Carroll and McCombs, 2003; Fombrun and Van Riel, 2003; Downing, 2001; Safon, 2009; Einwiller et al., 2010).

**Palabras clave:** Reputación corporativa, conductores de la reputación, conversaciones online y offline, medios sociales, medios de comunicación, consumidores, stakeholders.

## 1. PREMISE

With the advent of social media (blogs, social networks and online communities), the trustworthiness and reputation of social and economic actors has increasingly become a strategic asset (Mandelli, 2003; Blossom, 2009; Breakenridge, 2008). These still influence firm performances at different levels (in particular financial performance) but their formation and consolidation is not any longer under the exclusive control of corporate communications and professional news media. There is growing evidence that in markets characterized by the use by consumers of the Internet and social media, the traditional control of firms on brand-related processes and meanings is challenged by new consumption patterns and cultures (Cova et al., 2007; Schau et al., 2009; Cantoni and Tardini, 2006; Cantoni and Di Blas, 2002;). Using social media, consumers not only exchange information, share opinions and ideas but also continuously define and redefine the products that are meaningful for them and their current and expected relationships with brands. Brands thus become facilitators of social relationships (Cova et al., 2007). Consumers are no longer considered exogenous to firms (Vargo and Lusch, 2004; Mandelli 2005), as they participate in production processes and co-create economic value (Mandelli, 2008; De Chernatony, 2009; Hatch and Schultz, 2010).

Despite its increasing importance, academics have paid little attention to the impact of social media on the reputation of corporations and other institutions, while practitioners' publicity and practices in the area seems to lack a solid and useful conceptual background and framework (Mandelli and Accoto, 2010). What is missing in these practices is a clear definition of reputation (a social control mechanism, which starts and ends with perceptions and evaluations but assumes its social control and organizing power through information propagation). What is not addressed by the conversation-monitoring approach is, also, the multi-level complexity of the processes involved, the role of communication sources other than the social media, and the differential impact of these communications in different groups of stakeholders. Social media monitoring in blogs and social networks helps build learning and alerting/self-control mechanisms. However, in order to evaluate whether reputations are in danger or what are the most important influences, it is important to also assess the way on line and offline communications (including conversations) influence the public opinion, also accounting for contingent variables at the individual and macro-level.

"The individual belief about a company (imagined the reputation of that company, because it is a social control mechanism. It assumes this belief is propagated in the relevant population, through the actions of other people who do not have any direct relationship with that object. This is why we should use the aggregation of individual beliefs, on relevant criteria for that population, to study the reputation of that object's reputation. We can use individual beliefs as a proxy for the process we are interested in studying the impact of conversations on individual perceptions, with a larger process" (Mandelli, 2010, p. 2)

## 2. OBJECTIVES OF THE PAPER

The aim of this paper is to propose a new methodological approach to the study of how conversations influence corporate reputation. Communication studies have for decades explored the impact of communication on people's perceptions at the micro and macro level, producing theories for the study of these processes of social interaction. The body of knowledge has only rarely been applied to media influence on reputation (Carroll and Nantel, 2009). Besides, these theories have to be validated against the light of recent developments in both communication studies and consumer behavior online.

The aim here is to build a multi-level model of the relationship between online communication and corporate reputation in line with the research tradition on media effects. Within the agenda-setting theoretical perspective, this approach to the study of complex social phenomena is consistent with research on reputation management (1997; Weaver et al., 2004; Semetko and Martin, 2007). This approach is also consistent with research on reputation management and public relations (McCombs, 2003; Fombrun and Van Riel, 2000; Safon, 2009; Einwiller et al., 2010). It is also important because it assumes that reputation drivers are different between stakeholders' groups.

### 2.1 CURRENT STATE OF RESEARCH IN THE

Measuring reputation and reputation management are the measure of conversations in social media. It has several validity problems since it is known from previous research that the fabric of reputation is made by enduring attitudes in the stakeholder public (Downing, 2001) not by content or short-term customer satisfaction/experiences. The impact

versations on reputation is often taken for granted, not tested, in most of the practitioners' literature in social media marketing and public relations (Weber, 2009; Gillin, 2008; Scott, 2008; Breakenridge, 2008; Li and Bernoff, 2008). This causal relationship, though, cannot be just assumed, not only because it needs to be supported by sound social science research but also because a model built on a direct and simple relationship between communication and public opinion makes claims that are not consistent with the most authoritative literature on media effects (McQuail et al., 2006; McCombs et al., 1997; Weaver et al., 2004) and reputation building (Fombrun and Van Riel, 2003; Carroll and McCombs, 2003; Downing, 2001; Rindova, 2005). Research on media effects has a long tradition. The communication research community has arrived at the conclusion (McCombs et al., 1997; McQuail, 2006; Weaver et al., 2004) that the phenomenon of media effects is complex and therefore difficult to measure. Empirical research has identified very few direct and short term effects, while mass communication theorizing has explained why processes are more complex than was expected by early theoretical perspectives on the so-called magic-bullet idea of media effects (McQuail, 2002). Media impact on behaviour develops at the socio-cultural and institutional level (McQuail, 2002; Semetko and Mandelli, 1997), not only at the level of the psychology of individuals. These effects are mediated by several contingent variables at levels of media exposure and interpretation and perceptions and attitudes (McQuail, 2006; McCombs et al., 1997; Downing, 2001). Not all content impacts people equally (Weaver et al., 2004; Carroll and McCombs, 2003). Research shows that not all brand perceptions (images) exert the same influence on reputation in all stakeholder groups (Downing, 2001).

A theory on media effects which has received extensive support by empirical evidence in the literature is the agenda-setting theory (McCombs, 1972, 1997; Weaver et al., 1981, 2004). This theory links media agenda (object salience in terms of media coverage of the object and its attributes) to public agenda (object salience and object-related perceptions and attitudes in the public). This well-established body of research shows that, in order to be affected by content, people must be exposed to and interested in that content (Weaver et al., 2004; Einwiller et al., 2010). Besides, in order to become relevant, the content to which people are exposed must be perceived as credible (Metzger et al., 2003; Flanagin and Metzger, 2000; Warnick, 2004; Kioussis, 2006). Much of the practitioner literature on social media behaviour, on which most of the current practices of online reputation management are based, assume that

social media are not only diffused but also considered credible by online users (Weber, 2009). The international academic research network WIP (World Internet Project) has recently published a report (WIP, 2010) on global digital behaviour, which describes a more complex picture. According to its findings, the majority of online users from participating countries, except for Sweden, ranked the Internet as an important or very important source of information, ahead of television, newspapers, or radio. However, a high percentage of Internet users in the countries surveyed think that less than half of online information is reliable.

All these considerations (from communication theory and from the first empirical evidence provided by the literature) suggest that it is important to include the role of online conversations in a more complex model of what influences reputation on the Internet, which challenges simple and mechanical connections between social media conversations and reputation-related effects (on one hand individual perceptions and macro-level reputation standing of corporations on the other). In order to test this relationship, the proposal here is to model the complexity of this influence.

## 2.2 LITERATURE ON REPUTATION BUILDING PROCESSES

The first important step is to get insights into a clear definition of reputation. "To be managed, corporate reputations must be measured" (Gardberg and Fombrun, 2002) and before, as Grunig (2008) writes, must be conceptualized: "... measurement by itself has little value unless it is preceded by conceptualization. ... important is the ability to conceptualize – to think logically and systematically about concepts, definitions, measures, and the relationships among them" (p. 88). Charles Fombrun's (1996) definition of corporate reputation has been widely adopted in business and business-related fields (Wartick, 2002). Fombrun (1996) and his colleagues at the Reputation Institute define corporate reputation as "a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals" (p. 72). As Brown and Logsdon (1997) observe, this definition contains three key points that are: the emphasis on the perceptual nature of the construct; the net or aggregate perception by all stakeholders; and the inherently comparative nature of reputation. Wartick (2002) mostly agrees with this view. More recently Carroll and McCombs (2003) and Rindova (2005) have reinforced the perceptual-based definition of reputation.

The methodology that the Reputation Institute applies to measure the dimensions of the reputation construct involves

both cognitive and attitudinal (affect-based) processes. Their methodology measures reputation through its four attitudinal dimensions: 1) Esteem, 2) Admiration, 3) Trust, 4) Feelings. Reputation is conceived as the output of a process in which reputational drivers, at the perceptual level (what people think about specific characteristics of the corporation), are the most important factor through which companies are evaluated and therefore influence the emergence of these attitudes. In the Reputation Institute model, reputation drivers must first be identified for each stakeholder group (answering the question: “what is relevant for these stakeholders with regard to this institution?”). Then the corporation must be rated along these dimensions, describing the images (representations, perceptions) that stakeholders have of the corporation under study. These images are considered drivers of reputation because they statistically predict esteem, admiration, trust and affective bond. The Reputation Institute collects data about stakeholder perceptions through surveys. The metrics they use for profiling reputation drivers fall into 7 categories, made by 23 dimensions, rated on a 7-point scale. The corporate reputation study creates a list of

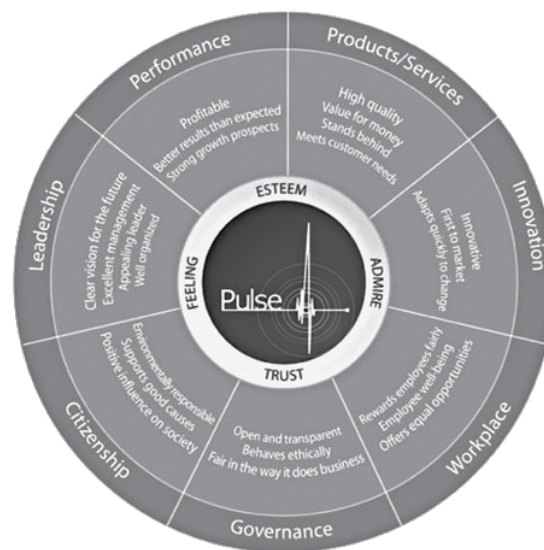
the top 100 companies ranked per reputation perceptual and attitudinal data through surveys.

The same procedure has been applied to Downes et al., (2005). In all these surveys, the data is broken down into relevant stakeholders. In the Reputation Institute general model, reputation drivers (stakeholder perceptions of the company) are influenced by stakeholder communications, corporate messaging, and media conversation. In the digital age, the Internet is considered as a new source of influence, besides radio, TV and newspaper. The Reputation Institute collects individual-level perceptual data and aggregates it at the macro/aggregate level, producing company-level ratings and macro models of the variables involved. Due to the lack of our knowledge, research done within this field has not tested the entire model, which would require validation within the same conceptual structure the entire model. Differences, from communications to reputation management and tone of coverage regarding the specific metrics, are analyzed in the Media Rep Track part of the study. The data where these scores of visibility and tonality are analyzed for each company and, in a comparative way, across different institutions.

Also in Downing (2001), reputation is a construct that emerges out of a perceptual process. The role of publicity and word of mouth is central in his model of reputation-building, along with corporate marketing communication. In Downing's (2001) study, the two most important reputation drivers are 1) employees' images of the corporation and 2) external groups' (mainly competitors) images of the corporation. Employees' images are influenced by organizational culture, corporate policies, and corporate marketing communications. External images are influenced by publicity and word of mouth, related images of competitors, and support by retailers. Rindova et al. (2000), Al. (2010) and Safon (2009) built more complex models at the macro level. A model built with a research methodology that was used in this study, though applied to a different context, was found in Safon (2009). He studied the influence of the top business schools in the US. In this study, institutional performance variables, including management, were predicted to influence reputation, operational performance variable measured through the overall evaluation by relevant stakeholders (Deans, Recruiters, professors, etc.).

All the illustrated approaches consider reputation at the perceptual/attitudinal level, but model the relationship between reputation and its predictors at the macro/aggregate level.

**FIGURE 1. Reputation drivers and reputation outcomes in the Rep Track methodology**



Source: Reputation Institute

the next paragraph a body of research (the agenda-setting tradition), from which both macro and micro level studies originated, is reviewed. Though it was initially used in research in public opinion studies, this approach has recently been applied to corporate reputation- building.

### **2.3 THE APPLICATION OF MEDIA AGENDA-SETTING THEORY TO REPUTATION BUILDING**

The agenda-setting theory states that the prominence of an object (issue) in the news influences the salience of that object among the public (McCombs et al., 1972; Carroll and McCombs, 2003). The salience of the different issues or other objects in the public agenda is the initial stage in the formation of public opinion (e.g. the object becomes the focus of public attention, information processing and perceptual/attitudinal processes). The agenda-setting theory, in short, claims that the public agenda is influenced by the media agenda. Two levels of agenda-setting are considered on the public agenda (Carroll and McCombs, 2003). The first one is that the media coverage of objects (whether public issues, political candidates, or companies) influences the salience of those objects on the public agenda (focus on the attention). The second one is that the salience of attributes of a certain object on the media agenda influences the salience of those attributes in the public agenda (focus on the learning, perceptual and attitudinal processes). These attribute-based agenda-setting effects can be described in terms of two dimensions: substantive/cognitive and evaluative/affective.

Agenda-setting theory has been tested at two different levels of analysis: the macro level and the individual level. At the macro level, media agendas are compared to public agendas, analyzing significant correlations between the two. Media agenda is measured in terms of coverage of an object (first-order agenda), and tone about an object (second-order agenda), whereas the public agenda is measured aggregating individual perceptions and attitudes' data collected through surveys. At the individual level, having analyzed the agenda of the media to which individuals were exposed, the media agenda-setting effect has been tested both through experimental design and through modelling the relationship between individual media exposure and individual perceptions and attitudes about an object. One of the problems with individual level one-wave studies is the difficulty of measuring the causal relationship between media coverage and its effects on the individual. An indirect measure is the individual's exposure to the media. A possible solution to this problem is the panel design. Recent

studies (Meijer and Kleinnijenhuis, 2006; Matthes, 2008) applied the panel approach to the study of media effects on corporate reputation. Fombrun and Shanley (1990) were pioneers in this field, calling the attention of other researchers (Vercic and Vercic, 2007; Wartick, 1992) to the role of the amount and tone of news on reputation. Moreover, there is a plethora of marketing, public relations and corporate branding research examining the various attributes of companies in the public mind, but little attention has been given to how the news media has influenced these public perceptions. The connection between the attribute agendas in the media (and social media), on the Internet and the public agenda is the focus of the theoretical propositions presented in this research proposal.

### **3. THE PROPOSED RESEARCH FRAMEWORK AND METHODOLOGY**

The starting point is the idea that there is a substantive conceptual and methodological knowledge gap on an issue (the impact of social media conversations on corporate reputation) that is theoretically relevant and, at the same time, is becoming increasingly important for policy-making and corporate management. The proposal is to address these limitations by applying the theoretical frameworks developed in two different domains: public relations theories and agenda-setting theories. When working on a model of corporate reputation influences, it must be borne in mind that "A public relations theory would not be researchable without the premises and preconditions of epistemic and methodic theories" (Ruhl, 2008, p. 21). Conceptual models must be developed out of a clear definition of the constructs involved, their operationalization in valid and reliable measures, and a sound design of the relationships that connect them (Cornelissen and Thorpe, 2002; Wartick, 2002).

In this project both the individual and the institutional (corporate) units of the analysis are considered. Both need to be addressed in order to explore the role of content-related variables, as predictors of corporate reputation performance (aggregated perceptions and relative standing in the field) and of media effects at the individual perceptual and attitudinal level.

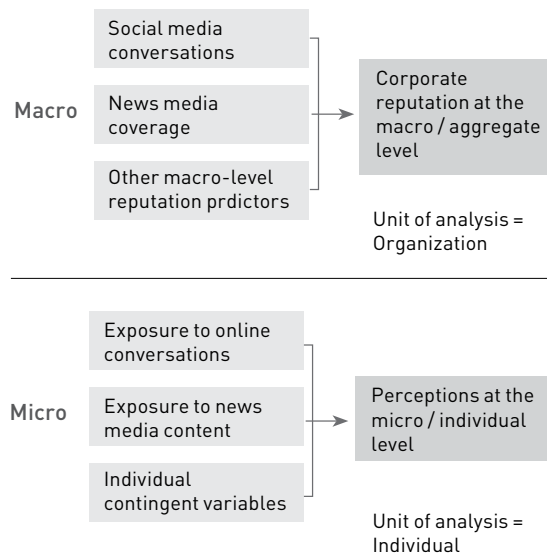
#### **3.1 THEORETICAL MODEL**

A multi-level study seems to be appropriate for addressing this research question. At the corporate level, the relationships between corporate-related coverage in online content/conversations and corporate aggregate reputation in relevant stakeholder groups should be studied, controlling for the contributing explanatory power of online news media content, institutional

**FIGURE 2. The general conceptual framework**

THE MULTI-LEVEL MULTI-STAKEHOLDER APPROACH			
	STAKEHOLDER 1 perception and attitudes	STAKEHOLDER 2 perception and attitudes	STAKEHOLDER 3 perception and attitudes
Online news	Macro levels analysis		
Online conversations			
Corporate communication			
Third variables			
Online news exposure	Micro level analysis		
Online conversations exposure			
Corporate communication exposure			
Third variables			

**FIGURE 3. The general conceptual framework**



communication and third variables (firm performance). This approach captures the explanation of reputation variance at the macro/corporate level, testing the first-order agenda-setting effect of communication on reputation. Micro-level hypotheses will, instead, model the complex interplay between individual content exposure (and other third variables) and the cognitive and affective dimensions of reputation within the second-order agenda-setting perspective. The proposal is to include at

least two stakeholder groups in the macro study more in depth the micro-level reputation of the most relevant stakeholder group. In the study the working will be on data regarding perceptions about the top corporations in a while when the unit of analysis is the individual reputation-building about one specific corporation. At the micro level the relationships between exposure to relevant content and conversational variables and contingent individual conditions) on the one hand, and individual perception of the corporation, on the other.

### 3.2 MACRO-LEVEL MODEL

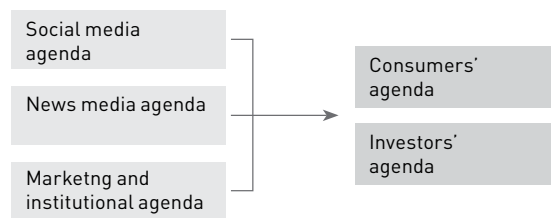
At the macro level, a model consistent with the setting approach to reputation research will be particular, first-order agenda-setting effects and tested, meaning that the hypothesis that different corporations in three different communication channels (news media, social media, and corporate communication) are correlated to the salience/ranking of these in the public agenda (considering two groups: consumers and investors). Preliminary procedures for the content analysis of communication will be replicated through surveys on the two groups of most relevant stakeholders. This study will replicate the well established methodological approach developed in media agenda-setting research (McCombs and Weaver et al., 2004), applying these procedures to the reputation-building process, according to recent information on the role of mass media (McCombs and McCombs (2003) and replicating the

procedure of Safon, 2009 and Matthes, 2008. The assumption at this stage is that, for many sectors, the most relevant stakeholders are consumers and financial investors. This assumption will be verified during the first stage of the research, depending on the industry scope of the study, applying the principles of stakeholder identification and salience theory (Mitchell et al., 1997; Heugens et al., 2002). Procedures for content selection and analysis from previous academic research (Matthes, 2008; Meijer and Kleinnijenhuis, J., 2006) and from established

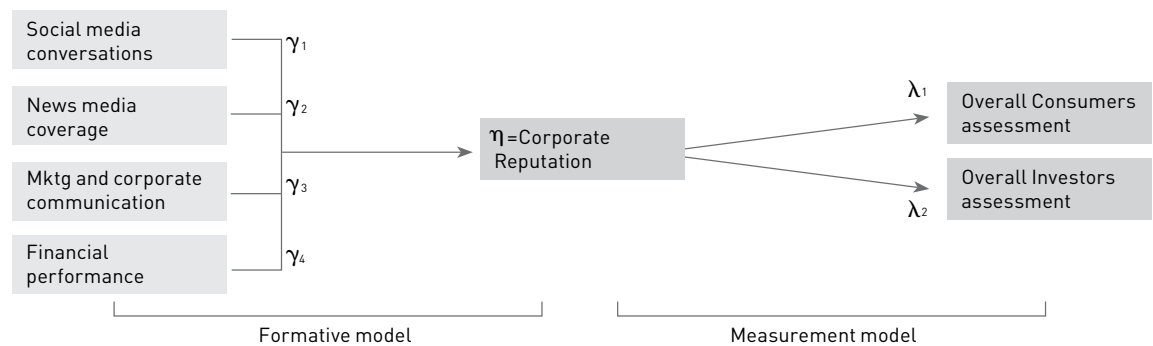
research in the field (in particular the Reputation Institute procedures) will be applied. First of all, the first-order agendas of consumers and investors (corporations' salience) will be correlated to the agendas (amount and tone of coverage) of online news media, social media conversations, and marketing and institutional actors.

These relationships will then be tested replicating the procedure in Safon (2009), which allows for structural equation modeling of reputation influences at the macro level. In this approach, reputation is a latent variable measured through different stakeholder evaluations. Latent variables are hypothetical constructs which, while not directly observed, have operational implications for relationships among observable variables. The observable variables may appear as effects (*known as reflective indicators*) of the latent variables, as causes of the latent variables (*known as formative indicators*), or as both effects and causes (Safon, 2009, quoting Jöreskog and Goldberger, 1975, pag. 631; text in italics added by Safon, 2009). The model will be modified according to our understanding of the relevant macro-level predictors (*formative indicators*) and relevant stakeholders, and using data collected during the content analysis and the stakeholders' survey.

**FIGURE 4. Macro-level: the test of the first-order agenda-setting**



**FIGURE 5. Macro level: Path diagram for the hypothesized first-order agenda setting model**



- H1.- Corporate and marketing communication is a predictor of corporate reputation;
- H2.- News media (online and offline) is a predictor of corporate reputation;
- H3.- Social media conversations is a predictor of corporate reputation;
- H4.- Market share is a predictor of corporate reputation;
- H5.- Corporate reputation is a one-dimensional construct made up of a single set of predictors;

- H6.- Corporate reputation is a construct observable through the reflective indicator "consumers' assessment";
- H7.- Corporate reputation is a construct observable through the reflective indicator "investors' assessment".

In this model it is assumed that "Marketing and institutional communication" and "Market share" are proxies of signal of quality, as in Safon (2009) and Rindova (2005).



### 3.3 MICRO-LEVEL MODEL

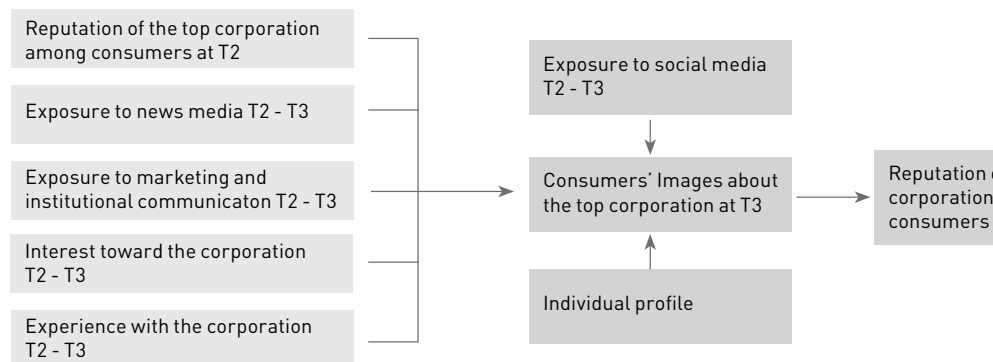
The second phase of the research –what is described as time 2 (T2) in the research timetable– will start after having built the ranking of the 100 top corporations in the country, and studied the macro level influences of social media conversations, news media content, institutional communication and third variables on the reputation of these companies. For testing the individual-level effects of reputation predictors on corporate reputation the second-order agenda-setting theoretical perspective will be adopted. The hypothesis is that the salience of the attributes of an object (in our case the attributes of the top corporation) influences the salience of these attributes for that corporation in stakeholders' images, and these images, in turn, influence corporate reputation. The relationship between images and reputation in its affective dimension is supported by both the Reputation Institute methodology and by Downing (2001).

This test can be replicated on different stakeholders' groups, while the possibility always exists to focus only on the most relevant one (it can be consumers). The conceptual and methodological approach to the study of second-order agenda-setting effects by Meijer and Kleinnijenhuis (2006) and by Matthes, 2008 will be followed. This approach is based on a longitudinal panel design, which requires to analyze content in one period (from T2 to T3), and to survey perceptions and attitudes at two-time points (T2 and T3). This content analysis and these surveys will be done on only one corporation, selected as the top corporation after phase 1 of the research.

The methodological value of this approach is that it allows measurement of the causal nature of relationships (given the longitudinal design and the inclusion of third variables effects).

It also allows modeling the entire set of effects at the individual level (from content to perceptions and attitudes) through a complex matching procedure (Meijer and Kleinnijenhuis, 2006; Matthes, 2008) which transforms the macro level variables into individual level variables. In order to move from the macro to the individual level (corporate scores or attributes are not individual level variables), a new methodology must be developed in which corporate salience and individual salience are matched with individual level data. In order to do so, the procedure adopted in Meijer and Kleinnijenhuis, 2006 (and partially in Matthes, 2008) will be followed. In a panel design, the proposal is to interview at T2 a representative sample of consumers who use the internet for information and are at least aware of the top European corporations. At T2 respondents will be asked what online activities they use the most when they search for business information. A battery of questions will refer to image perceptions (using Downing, 2008, terminology), image driver questions (using Reputation Institute methodology), and another to reputation-related attitudes (trust, admiration and feeling) toward that company. These salience questions will be asked at T3. In the period between T2 and T3, the amount of information declared as most relevant by respondents will be content-analyzed. Coverage and tone will be analyzed for each dimension (attributes) of our TOP corporation. This will be able to determine attribute salience (second-order effects). Corporate reputation will be operationalized as the sum of esteem, admiration, trust, and feeling proposed by Meijer and Kleinnijenhuis (2006) and measured through Likert scale questions. Also demographic data and experience towards the corporation and its products profile of the respondents will be included.

**FIGURE 6. Micro-level model: testing the second-order agenda setting effect**



- H1.- The corporate reputation at T2 influences the corporate reputation at T3;
- H2.- The exposure to news media at T2 -T3 influences corporate image at T3;
- H3.- The exposure to social media conversations at T2 -T3 influences corporate image at T3;
- H4.- The exposure to marketing and institutional communication at T2 - T3 influences corporate image at T3;
- H5.- The interest toward the corporation at T2 -T3 influences corporate image at T3;
- H6.- The experience with the corporation at T2 - T3 influences corporate image at T3;
- H7 – Consumers' profile influences corporate image at T3;
- H8 – Corporate image at T3 influences corporate reputation at T3.

### 3.4 REFINING THE MODEL AND DEVELOPING THE METHODOLOGY

Before starting on the empirical work (T1 of our research timetable) another phase (Phase 0) will be necessary to refine the model. This stage of the study is particularly important since the contribution that the authors expect to make rests mainly on developing and validating a new theoretical and methodological approach to the study of the impact of social media conversations (and other sources of communication) on reputation. The aim is that this part of the work becomes a more general contribution to the study of reputation building in the context of new social media emergence and diffusion. In this phase, a methodology will be developed with specific regard to:

1) *Stakeholder identification*: In line with the literature on stakeholder identification and salience theory (Mitchell et al., 1997), qualitative research (focus groups) for validating the authors' idea that consumers and investors are the most relevant stakeholders' groups will be done;

2) *List of top corporations*: It will be verified if the procedure applied by the Reputation Institute for identifying the top global corporations, and the top countries, in their Reptrack reputation studies, can be applied to the identification of the list of top corporations in a specific country (and perhaps one specific industry). This procedure is based on a survey (included at T1) of relevant stakeholders.

3) *Online and offline content analysis*: A procedure will be defined and the software tools acquired for analyzing differ-

ent categories of content and conversations about the list of top corporations identified by the survey of relevant stakeholders at T1. This content analysis will serve to test the models at the macro level. The analysis of the content produced in the period preceding T1 will be performed at T1 (time frame to be decided).

4) *Validation of a specific scale of reputation drivers*: The Reputation Institute applies qualitative (focus groups) and quantitative (factor) analysis to the study of what attributes (using the terminology of the agenda-setting research, Carroll and McCombs, 2003) or reputation drivers (using the terminology of the Reputation Institute), or image dimensions (using Downing, 2001 conceptualization) are relevant for stakeholders when they evaluate corporations. These more general set of drivers will be validated using data collected in the survey.

5) *Validation of a specific scale of reputation dimensions*: The Reputation Institute has validated the migration of the four items' scale of reputation (they call it Reptrack Pulse) in different countries. In this study, this scale for corporate reputation will be validated, first through qualitative research (focus groups) and then using data from the survey carried out for this study.

### 3.5 DATA COLLECTION AND QUANTITATIVE ANALYSIS

Data collection will involve two waves of content analysis (T0-T1; T2-T3) and three surveys (T1, T2, T3).

The first content analysis will be performed at T1 on content available before the first survey (time frame to be decided); different studies propose different time frames (see Einwiller, 2010). It will deal with a small sample of online content and conversations regarding the 100 top corporations. The detailed methodology for this analysis will be developed in the preliminary phase (phase 0) of the research program. The second content analysis will regard content and conversations (full sample) about the top corporation, classified for different sources, and coded for the different reputation drivers.

The first survey (at T1) will be preceded by a qualitative identification of the relevant corporate reputation drivers. Then a survey (using online survey techniques) of representative samples of the two relevant stakeholder groups (preliminarily identified as consumers and investors) will be carried out. The questionnaire, pilot-tested for wording refinement, will ask each respondent to rate, along the reputation drivers and the reputation dimensions, a number of familiar corporations, according to the procedure developed in the Reputation Institute RepTrack research. The assumption is that a

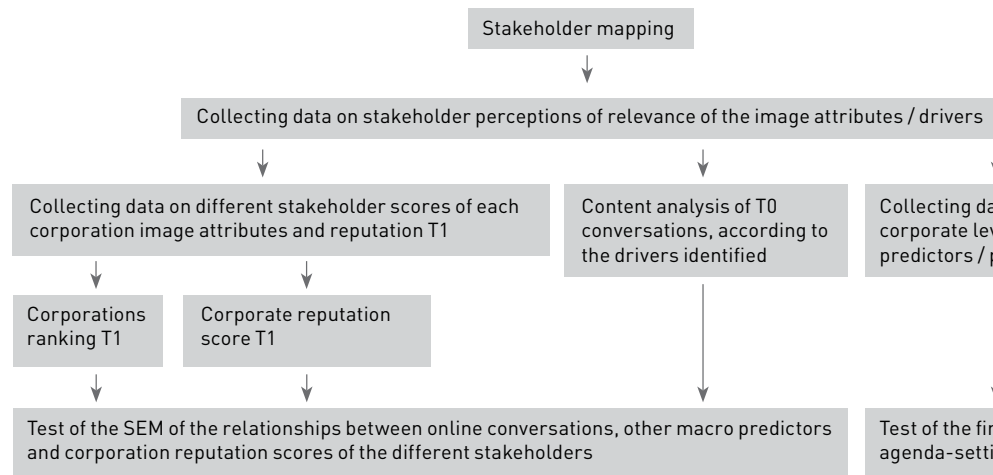
total of 6000 individuals will be interviewed. The second and third surveys will be performed on a panel sample of consumers (N = 1000), familiar with the top corporation. They will be asked to rate this corporation along the reputation drivers and attitudinal dimensions and to provide relevant profiling data and information about individual interest and experience with that corporation.

In line with the traditional procedure used for agenda-setting, the first order agenda-setting hypothesis will be tested by correlating corporations' coverage and corporations' salience in

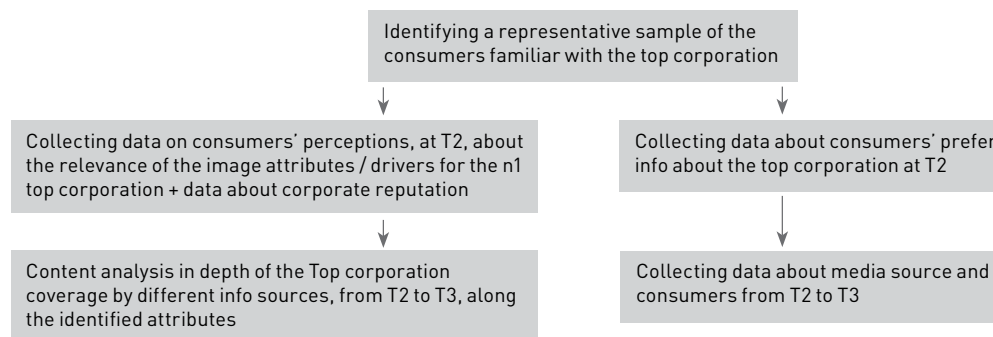
the public agenda. Also, following Safon (2006), a complex macro-level model will be tested using regression modeling techniques and SEM statistical analysis. This procedure will allow not only to test the influence of macro predictors (social media conversations, mass communication). At the micro level, the data will be analyzed using longitudinal statistical analysis techniques (Kleinnijenhuis, 2006; Matthes, 2009).

Here is the general picture of the proposed research process:

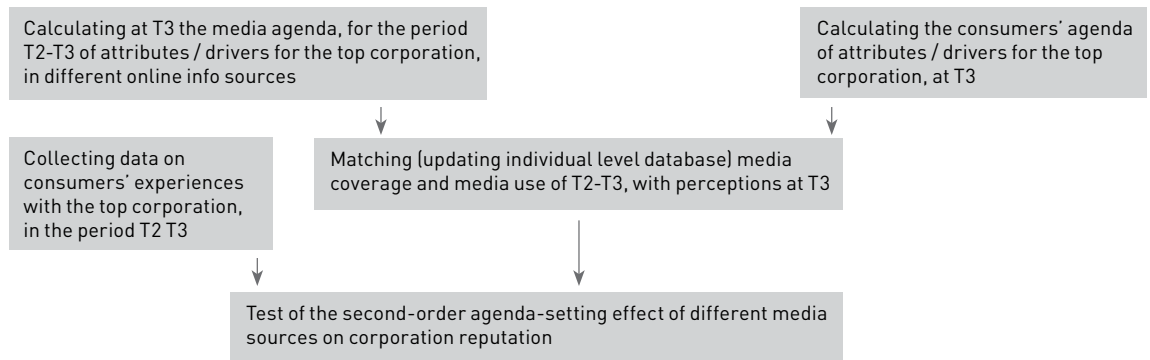
**FIGURE 7. The research process (phase 0 and 1)**



**FIGURE 8. The research process (phase 2)**



**FIGURE 9. The research process (phase 3)**



Phase 0 - Refinement of the theoretical models and development of the methodology;

Phase 1 - Content and survey data collection at the macro level;

Phase 2 - Analysis of the macro-level findings, and second survey data collection;

Phase 3 - Second wave of content analysis and third survey;

Phase 4 - Second step of data analysis and dissemination.

#### 4. SCIENTIFIC RELEVANCE AND BROADER IMPACT

This conceptualization and methodology attempt to provide a useful contribution to the study of how social media conversations and other communication sources influence reputation in public relations and to the broader discipline of communication research. The models proposed here are based on more general social science and communication theories.. Research in information sciences, online public relations, and digital consumer behavior have started only recently to deal

with the changes in the social media landscape and do not seem to offer proper support to learning and decision-making in the field. The absence of a theoretical understanding of these new phenomena carries two risks: first, there is the risk to apply old theories to changed realities and miss the new picture; secondly, there is the possibility that decision-makers ignore the support provided by social science research, embracing available explanations and practices on these new phenomena based on know-how theorizing and practitioners' approaches to explanations. These are often biased toward a simplistic and mechanical view of the relationship between online conversations and reputation (Mandelli and Accoto, 2010). Alternatively, this project promotes the scholarly perspective (using Ruhl, 2008, classification of public relations perspectives) involving the application of social science methods to the explanation of these new phenomena. This approach will result in a more validated, informed support to policy and managerial decisions.

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