

# Professional Perceptions of the Link between Social Media and Reputation Management

International Business Communication Master's thesis Andreea Sarniola 2011

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#### **Objective of the Study**

The objective of this study was to investigate the link between social media and reputation management from the point of view of professionals from four Finnish organisations involved in the social media and from that of other professionals knowledgeable of social media. The study explored the use of social media in the target organisations and the lessons learned by the researched professionals in order to answer the main research question: "What is the link between social media and reputation management, as perceived by the interviewed and surveyed professionals?"

#### Methodology and the Theoretical Framework

The source of data in this qualitative study consisted of four semi-structured interviews with communication, marketing and social media professionals from four international Finnish organisations and of an online survey of sixteen young professionals. The interviews were conducted in person, by telephone and by email, and the online survey was administered through Facebook. The theoretical framework of the study included social media activities in four fields of corporate communication: PR, marketing, crisis and HRM communication. The reputation of an organisation can be managed when organisations engage in these activities in the social media.

#### **Findings and Conclusions**

Four uses of social media in the target organisations were identified in the data analysis: engaging in dialogue with external stakeholders, maintaining relationships with internal stakeholders, creating news whilst responding to the needs of the public and generating ideas through consumer participation. In addition, six lessons from social media were learned by the interviewed professionals, including the fact that social media is not hype, that social media should be taught to the employees, that social media should not only be used for marketing purposes and that social media require active organisational engagement. As a result of these findings, it was determined that the link between social media and reputation management is threefold: first, how social media and reputation interact depends on each organisation; then, organisational reputation can benefit from social media as these tools allow organisations to open up; last, organisations should participate in the social media with a genuine interest in building relationships.

**Key words:** social media, organisational reputation, reputation management, corporate communication, professional perceptions

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## **1. INTRODUCTION**

In today's information and technology society, organisations need to actively engage in emerging forms of self-promotion, that is, in social media, when they wish to communicate with and benefit from their increasingly knowledgeable and powerful stakeholders. Social media can be considered one of the most powerful factors shaping the face of communication across borders in today's world. Social media has achieved this status by granting amazing levels of power to average individuals, who are now able to voice their opinions on the World Wide Web. In return, this has affected the way companies need to plan their communications for optimum reputation management. For example Long, Galarneau, Carlson and Bryan (2007, p. 108) note that, "blogs have become one of the premier social networks of today, surpassing all digital community technologies of the past". Semple (2009) remarks that companies can no longer ignore informal and unofficial communication channels (such as online forums, blogs, etc.) and hope that these do not interfere with their message. Instead they must learn to integrate both formal and informal means of reaching their audiences in order to manage their reputation.

For International Business Communication (IBC) reputation and social media hold a great deal of meaning. Not only does communication across borders and cultures entail the use of various means of information and knowledge transfer, it also encompasses the constant need for change in communication patterns, to account for and serve an ever-changing world of mingling nationalities, expectations and objectives. This constant flow of information and the generation of knowledge influence the way organisations are perceived and how they act, shaping their reputation. Studying how social media is linked to the management of organisational reputation can help the field of IBC by including current technologies in the basic task of communication: that is, connecting an organisation to its publics, and contributing to how that organisation is perceived, and to how it acts and reacts as a result of those perceptions.

Reputation and its management have been researched in many subject areas, from economics to communication. Reputation has been seen as the most important intangible resource of an organisation (Hall, 1992), as "the estimation of the consistency over time of an attribute or an entity" (Herbig and Milewicz, 1995, p. 5), and as the history of other people's experiences with an organisation (Fombrun, 1996). Tadelis (1999) sees reputation as being equal to a company's name, whereas Lewis (2001) believes that reputation is the sum of behaviour, communication and expectation, reputation being the only product a firm sells, whatever that firm's field of business, mission or goals. In addition, Dollinger, Golden and Saxton (1997, p. 128) believe that the content of all reputation is information. Since information is often incomplete, organisational stakeholders or other interested parties need to rely on second-hand information when making decisions regarding the organisation in question (Dollinger et al., 1997). Reputation is thus a very complex concept, and reputation management the cornerstone of corporate communication (Argenti, 2007), hence the need to study it.

Social media are channels through which organisational reputation could be shaped and managed, by relying on the importance of dialogue and on the dialogue participants. Dialogue participants are an essential element in social media because the perceptions they form about an organisation as a result of what they read, what they experience and what they hear from interacting with other participants can affect the way organisations are perceived by the public at large.

The implications of studying the link between social media and reputation from the point of view of corporate communication can be significant, as communication is a cross-cutting business function that deals with all walks of corporate life. As a function of corporate communication, reputation management is at the root of all daily communication enterprises. Whether having healthy employee relations or encounters with shareholders or the community, corporate communication is always a form of reputation management. More specifically, touching upon important points through communication and meeting the requirements of all involved parties is a step forward to a healthy and successful corporate reputation (see, e.g. Fombrun, 1996; Gotsi & Wilson, 2001; Argenti, 2007).

Lewis (2001) suggests that reputation has three dimensions: communication, behaviour and expectations. The author points out that the third dimension of reputation, expectations, brings into the picture the consumer, who has the power to reward or punish some companies based on the way he or she perceives the actions of these organisations. Lewis' (2001) observation is relevant for the present study because social media are introduced in reputation management through the presence of consumers and stakeholders in organisational actions. Social media are increasingly empowering stakeholders to leave their mark on organisations, allowing them to voice their opinions and influence other individuals like themselves.

Social media tools are many and varied, but the term "social media" is yet to be introduced in traditional dictionaries as part of the English language. Solis (2007) describes social media as "online technologies and practices that people use to share opinions, insights, experiences and perspectives". Social media can take different forms, such as text, images, audio or video. Solis (2007) also claims that social media represent "the democratization of content", the move from a one-to-many information sharing pattern to a many-to-many broadcasting mechanism.

Social media include services such as virtual social networks (Facebook), personal journal (i.e. blog) services (Blogger, Wordpress), instant micro-blogging systems (Twitter), virtual worlds (Second Life), social photo-, video and audio sharing websites (YouTube, MySpace), and message or conversation boards (see e.g. Mustonen, 2009 for further details). Beuker and Abbing (2010) argue that what matters most is not the number of various services available online nor the percentage of "returning customers", but rather the content that social media tools generate and the interaction that takes place on these platforms.

A large portion of the research conducted so far on social media and their use touches somewhat upon reputational issues, even if not directly. Social media research has up to date focused on marketing management and human resource management (HRM), with research ranging from learning how to use social networks for marketing purposes (e.g. Palmer & Koening-Lewis, 2009; Mangold & Faulds 2009) to the influence of an individual's online behaviour on his or her employment opportunities (e.g. Solis, 2009) to recruitment in general (e.g. Kluemper & Rosen, 2009).

Research in social media has also been conducted with respect to reputation management, for instance in public relations (PR) and crisis communication. The main topic covered is reputation as a brand or as a corporate product (e.g. Fombrun 1996, Palmer and Koenig-Lewis 2009, Beuker and Abbing 2010), relevant aspects including consumers as brand ambassadors, online reputation management and crisis communication management.

Earlier research in the fields of PR, marketing, crisis and HRM communication is relevant for reputation management, as investigated in this study. First, marketing management is linked to reputation management due to the fact that marketing, whilst trying to create demand for a product through promotion, contributes to managing a company's reputation by delivering a product or service that meets marketing claims (e.g. Topper, 2009; Briggs, 2010; Beuker & Abbing, 2010).

Second, HRM and reputation management are linked because recruiting involves the job seeker's, but also the employer's, reputation handling in the virtual world. The two concepts are also related because promoting oneself or one's organisation online is a value-laden activity that may or may not coincide with the values of those one wishes to approach, as might be the case in recruitment for instance (e.g. Kluemper & Rosen, 2009).

Third, PR and reputation management are inseparable due to the very nature of PR, namely, that of using communication to manage the organisational brand and entity with regards to its various publics, and also because reputation management has originally developed out of the PR discipline (see Argenti, 2007).

Last, crisis communication is related to organisational reputation through the importance of efficient communication during disasters and the way companies are perceived as a result of their response at such times (e.g. Solis, 2009).

Social media can thus be seen to have a great potential in many strategic areas in an organisation and the fact that social media tools are increasing in prominence cannot be overlooked. Consumers should not be the only ones aware of the two-way communication capabilities of social media (Beuker & Abbing, 2010), organisations too

should start believing and engaging in proactive dialogue using social media to manage their reputation. By allowing firms to engage in timely end-consumer contact at relatively low cost and at high levels of efficiency, social media can be relevant not only for large multinational corporations, but also for small and medium enterprises, as well as non-profit and governmental organisations (Kaplan and Haenlein, 2010).

The objective of this master's thesis is to contribute to the existing research on the use of social media tools for reputation management, as well as to incite further research with respect to social media and their role in corporate communication in general. For the purpose of the thesis, corporate communication is taken to encompass all communication activities that a corporation engages in and the image it creates of itself in the eyes of its various stakeholders (see, e.g. Argenti, 2007). The emergence and current popularity of social media is likely to represent an important step forward in the communication process between organisations and their various stakeholders, and it should therefore be awarded attention.

#### 1.1. Research Objective and Questions

The overall objective of this master's thesis is to explore the possible link between social media and reputation in the management of reputation in organisations. The term "organisations" is here referring to public and private corporations. The research objective is approached in two steps, by

- 1. examining the use and purpose of social media in the target organisations, and
- 2. exploring key lessons learned from the social media by professionals in the target organisations.

This thesis focuses on the perceptions of professionals (e.g. communications managers or social media experts) working for medium and large Finnish organisations (referred to as "target organisations") involved in the social media, whilst also addressing the perceptions of young professionals, individuals knowledgeable of and involved in social media, yet still pursuing higher education, with respect to organisational social media efforts and their link to reputation and role in reputation management.

This study examines the link between social media and reputation management, focusing on how social media tools are used to promote organisations and attract favourable opinions and what lessons have been learned by the professionals involved in the social media. The main research question is therefore the following:

What is the link between social media and reputation management, as perceived by the interviewed and surveyed professionals?

In order to answer the research question, two additional sub-questions are set:

1. How are social media used in the target organisations?

2. What are the lessons learned from the social media in the view of the researched professionals?

#### 1.2. Structure of the Thesis

This thesis is structured into six chapters. Chapter 1 introduced the background and motivation for the study and presented the research questions. Chapter 2 reviews earlier literature and research that has been conducted in the field of reputation management with respect to social media. Chapter 3 addresses the methodology and data used in this study. The thesis then continues with chapter 4, which presents the main findings of the research, and with chapter 5, the discussion, where the findings are compared to earlier literature. Chapter 6 concludes the thesis by reviewing the main findings, by highlighting practical implications and limitations of the study and by providing suggestions for future research.

### **2. REVIEW OF LITERATURE**

This chapter reviews social media research literature in four different areas of corporate communication: PR, marketing communication, crisis communication and HRM communication Because of the all-embracing nature of the subject, it is necessary to briefly define three concepts that will be employed in this thesis, namely, corporate communication, reputation management and social media. Of these three, social media is the core concept used throughout the text. In addition, it is also considered appropriate to define the terms *online* and *virtual*, two concepts from computer science that will also appear throughout this thesis.

First, Louhiala-Salminen (2009) sees corporate communication as a field that has evolved from strict PR to a business function responding to the fast changing global business environment. Argenti (1996) identifies eight areas in the discipline of corporate communication. These areas are: image and identity (the two components of reputation management, cf. Argenti, 2007), corporate advertising, media relations, financial communications, employee relations, community relations and corporate philanthropy, government relations, and crisis communications (Argenti 1996, p. 77). For the purpose of this thesis, Argenti's (1996) eight components of corporate communication are grouped into four larger categories, namely public relations (PR), marketing communication, crisis communication and human resource management (HRM) communication. These four categories have been chosen both for simplification and to take into account that the elements each category contains do not have clear-cut boundaries or definitions. The PR area thus includes image and identity, media relations and government relations. The marketing communication group consists of corporate advertising and financial communications. The crisis communication category includes community relations, corporate philanthropy and crisis communication, and the HRM communication group covers employee relations. The literature review will focus on these four categories.

The second concept relevant for this thesis is *reputation management*. Whereas reputation management is one of the central concepts in the present thesis, the study is

by no means an attempt at finding out what reputation is, but rather how reputation is linked to and can be managed through social media.

Gotsi and Wilson (2001) argue that in spite of the extensive research done on the subject of corporate reputation, there is still a lack of a generally accepted definition of the term. The authors highlight the fact that the term reputation was clearly defined in Webster's dictionary already in 1913 as "the estimation in which one is held; character in public opinion; etc.", but that over the years authors in the area of reputation have come to modify the original definition to suit their purposes. For example, Helm (2007) looks at corporate reputation from a stakeholder perspective. She classifies reputation research in three categories: as an attitudinal construct that only exists in the minds of individuals, as a concept that differs for each social group (different reputations for separate social groups), and as a concept that converges across stakeholder groups to a perception of a unique corporate reputation. Both Gotsi and Wilson's (2001) and Helm's (2007) perspectives serve to show that reputation is a complex concept, which helps further emphasize the necessity of learning to manage reputation by adopting different methods and styles, such as engaging in social media communication.

The third concept employed in this study, *social media*, was described in the previous section as online technologies and tools that people use to share opinions and ideas (Solis, 2007). For example, according to Eyrich, Padman and Sweetser (2008), the most studied social media tool in the field of PR has been the blog. In their study, the authors surveyed 283 PR practitioners via email. The survey revealed that blogs were used by 41.7% of the respondents, the highest use-rate of all social media tools. Micro-blogging (e.g. Twitter) was used by only 1,7% of the surveyed PR practitioners and social networking (e.g. Facebook) by 24%. Touri (2009) also considers blogs as the most influential social media tool, especially from the news-providing point of view, as blogs have so far affected mainstream media most, in particular those written by professional journalists outside their organisations or by individuals with interest in politics. Kaplan and Haenlein (2010), however, stress that whereas blogs can allow firm representatives to increase the transparency of their organisations, they can also serve as means through which dissatisfied consumers can protest and complain.

Twitter is also a widely used social media tool, especially regarding mass journalism. Twitter has been used during crises as information disseminator (e.g. Hughes & Palen, 2009), during political events as a tool for real-time journalism (e.g. Phillips, 2008; Deniaud, 2010), and has also featured in some organisations' marketing efforts to promote a product or inform of special offers (e.g. Beuker & Abbing, 2010).

In order to provide an overview of the multitude of existing social media and their functions and abilities some classifications are necessary. For example, Mustonen (2009) presents a two-dimensional matrix to classify social media tools, based on their ability to facilitate the sharing of information and enhance social commitment. Table 1 below reproduces Mustonen's (2009) matrix.

Strong need for sharing information	Photo-, audio- and video- sharing	Discussion forums
	Wikis	
Weak need for sharing information	Virtual worlds	Social networking sites
	Weak need for social commitment	Strong need for social commitment

Table 1: Social media tools matrix (Mustonen, 2009)

As Table 1 shows, a strong need for sharing information is emphasized by photo-, audio and video sharing tools (such as MySpace), as well as wikis. These tools nevertheless exhibit a weak need for social commitment. On the other hand, virtual worlds (e.g. Second Life) exhibit a weak need for both sharing information and social commitment. Discussion forums emphasize strong information sharing and social commitment needs, and social networking websites (e.g. Facebook) stress social commitment, but place little emphasis on information sharing (Mustonen 2009, p. 20).

Kaplan and Haenlein (2010) classify social media tools based on two different dimensions, extracted from media research and social presence theory. Table 2 visualizes Kaplan and Haenlein's (2010) classification. The two dimensions are, on the

one hand, social presence and media richness, and, on the other hand, self-presentation and self-disclosure. Social presence refers to the amount of contact a medium allows between two users, in terms of acoustic, visual, etc. features. Media richness refers to the ability of a medium to convey meaning, whilst reducing ambiguity; hence, the concept can be identified by the degree of variety of content of a medium, e.g. audio, video, text, face-to-face, etc. The dimension of self-presentation states that individuals desire to control the opinions others form of them in any kind of social interaction. Selfpresentation is linked to self-disclosure, a conscious or unconscious sharing of personal information that would match the image one would have to give.

		Social presence/ Media richness			
2		Low	Medium	High	
Self- presentation/ Self- disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)	
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)	

Table 2: Classification of social media tool (Kaplan & Haenlein, 2010)

As can be seen in table 2, according to Kaplan and Haenlein (2010), blogs have a high level of self-presentation or self-disclosure, but a low level of media richness as they are generally only text-based. However, this classification of blogs does not take into account the existence of photo and video blogs. Social networking sites (e.g. Facebook) and content communities (e.g. YouTube), which enable the sharing of pictures, videos, text and other forms of media, have a medium level of media richness. The difference between social networking sites and content communities lies in the aspect of self-presentation. Whereas social networking sites encourage users to create extensive personal profiles, content communities only demand basic information from their users.

Collaborative projects, featuring low levels of both social presence/media richness and self-presentation/self-disclosure, enable the creation of new content simultaneously and jointly by various participants. Wikipedia (<u>www.wikipedia.org</u>) is the most well known amongst such social media tools. By enabling individuals to work jointly on enlarging this online encyclopaedia, collaborative projects take advantage of the fact that many actors can achieve better outcomes than few ones.

Virtual game worlds, computer-based simulated environments populated by threedimensional avatars (pictures), such as World of Warcraft, exhibit low levels of selfpresentation but high levels of media richness. Users of these platforms appear as threedimensional versions of themselves and interact with other users as they would in real life, but under set game conditions. Virtual social worlds, on the other hand, allow users to lead virtual lives similar to their real lives, allowing the inhabitants to choose the type of interaction they wish to engage in (Kaplan & Haenlein, 2010).

The most prominent social media tools that will be considered in this thesis are social networking websites (Facebook), micro-blogging tools (Twitter) and blogs. Twitter, even though not specifically categorized by Kaplan and Haenlein (2010), is considered to exist at the crossroads between blogs and social networking sites, due to its emphasis on information sharing. The three social media tools listed above are considered to be of greater relevance than, for example, virtual game worlds or wikis, due to their high rate of use and current popularity both outside and within organisations.

The last two concepts necessary for the purpose of this research are *online* and *virtual*. The term *online* means connected to the Internet (Dymoke, 2004), whereas the concept of *virtual* "describes something that can be done or seen using a computer and therefore without going anywhere or talking to anyone (Cambridge Dictionaries Online, 2010).

This chapter is divided into five sections. The first section analyses earlier research concerning social media in the PR field. The second section explores literature on social media in the context of marketing communication. The third section addresses the use of social media in crisis communication and the fourth its role in HRM communication. The last sub-section introduces the theoretical framework for the thesis.

#### 2.1. Social Media in Public Relations

The study of social media in the context of public relations (PR) is relevant for the topic of reputation management due to reputation management being the main function of PR, if not equal to it (cf. Argenti, 2007).

Taylor and Kent (2010) remark that almost all PR professional publications nowadays have some reference to social media as a means of improving PR practice. The authors point out that the Public Relation's Society of America (PRSA) had nine web seminars on social media between February and March 2009 only. Taylor and Kent (2010) also highlight the fact that today it is not a question of "if" but one of "how" to use social media in public relations. Therefore, studying the role of social media in PR is important for the aim of this study and for generating a comprehensive picture of the extent to which social media tools affect reputation management.

Hazleton, Harrison-Rexrode and Kennan (2007) see PR as closely connected to social capital. Nahapiet and Ghoshal (1998) define social capital as networks of relationships that constitute a valuable resource of conduct for their members, in terms of behaviour and credentials. Hazleton et al. (2007) thus argue that relationships are embedded in social networks, which emerge when connections are formed between individuals, and between individuals and organisations. This entails that "public relations is the communication process of creating, maintaining and utilising relational connections to assist clients in attaining their goals and objectives" (Hazleton et al. 2007, p. 92). PR is thus linked to the wellbeing of both parties involved, the organisation and all its publics, because PR professionals with many social connections represent a competitive advantage for any organisational reputation through the networks they form. As the main characteristic of social media is that of linking individuals into social networks, social media tools can help create and strengthen social capital.

This section explores three aspects of social media, previously investigated in academic literature, that are relevant for the current research and thought to serve organisations in their reputation management efforts. The three aspects are: being personal in the social media, social media monitoring and information dissemination in the social media.

#### 2.1.1. Being personal

A core aspect of engaging in the social media is the requirement for being personal, for the human voice, the "social" part of "social media". One of the social media tools centred on the personal factor in online communication is the blog. For example, Lim and Yang (2006) identify three issues that need clarification when analysing the role of blogs in the context of corporate communication. The first issue is determining the position of blogs in public relations and how they differ from traditional PR. The second issue deals with identifying who is the organisational blogger. The last issue holds that it should be determined if bloggers as organisational communicators have any advantage in achieving credibility over traditional communicators (Lim & Yang, 2006). The authors suggest that blogs are new venues for PR, effective tools for creating meaning, both because they are a new way of persuasion and because they can be conducive to building relationships between organisations and their publics in the long run. Aspects that organisational bloggers need to consider when deciding to employ blogs as communication channels in PR are, for example, trust, online credibility, online activity, competence, integrity and transparency (Lim & Yang 2006).

Mayfield (2008) stresses the idea that personal, business-related blogs, especially those written by business professionals, can help these individuals create a network of likeminded people and thus raise their profiles. In addition to Mayfield (2008), Xifra and Huertas (2008) point out that although the number of blogs on the Internet is increasing every day, research in the field of PR has been scarce and has mostly dealt with PR blogs as communication tools rather than as sources of information for the PR body of knowledge in general.

Xifra and Huertas (2008) explored 67 corporate PR blogs from around the world in order to find out, for example, who wrote the blogs and what kind of content was posted. The researchers discovered that more than three quarters of the blogs analysed were personal, that is, written by PR professionals themselves, whilst only a very small portion (around 16 percent) were impersonal corporate blogs, most likely having several authors or being written in an impersonal manner. Xifra and Huertas (2008) believe that personal blogs, where the social and individual element is clearly present, are the ones

that count the most. In contrast, impersonal corporate blogs are usually not accepted by other bloggers, as they are considered mere marketing tools or filters from the public relations department (Xifra & Huertas 2008, p. 271). In their study, the authors also discovered that blogs, whilst being to a great extent personal in nature, lacked interactivity and input from readers.

The findings presented by Xifra and Huertas (2008) show that there is room for improvement in regards to the utilisation and role of social media tools. For instance, Lim and Yang (2006) offer some recommendations for building good trust relationships in blog-mediated communication. The authors suggest that blog dependability can only be achieved by regular updates, truthful information and sincere responses to inquiries. In addition, blogger motivational integrity can also be an attribute that facilitates trust judgement amongst blog readers. Moreover, an organisational desire to cooperate and be transparent and candid, and caring voices from the corporate bloggers are also necessary when wanting to build strong relationships between an organisation and its publics (Lim & Yang 2006). Similarly, Burns (2008, p. 53) stresses the importance of transparency in corporate blogs, and the need to apologise, accept responsibility and pledge to learn from mistakes if a lack of blog transparency is discovered. The current research will show that the need for cooperation, transparency and caring voices should not only be a feature of blogs, but of all social media tools employed by organisations.

#### 2.1.2. Monitoring

Porter, Sweetser and Chung (2009) see blogs as an opportunity for communication professionals to monitor less formal and less typical information about their organisation or clients. Porter et al. (2009) agree with Xifra and Huertas (2008) and admit that there is little academic research directed at blogs in the PR sphere. Porter et al. (2009) research what kind of communication professionals actively use blogs and what is the role of these professionals in the organisations they work for, by sending a multi-page email survey to 216 members of the PR Association of America (PRSA) The authors build upon earlier studies that have shown connections between an individual's occupation and gender and the way he or she uses internet-based tools.

Amongst their findings, Porter et al. (2009) discovered that around 30% of communication professionals reported blogging as part of their work, and 70% maintained a personal blog. The most popular blog topics were general news, followed by politics and the arts. Many professionals blogged mostly for fun and read blogs written by others, but rarely commented on blogs (Porter et al. 2009, p. 261). The communication professionals surveyed by Porter et al. (2009) could, however, not agree on the role of blogs in PR, and disagreed that blogs were a standard in PR communication. They nevertheless believed that blogging activity would most likely increase in the coming years.

The findings by Porter et al. (2009) can have implications also for reputation management. The researchers discovered that communication professionals used blogs for strategic purposes, such as research, rather than for tactical ones, such as productivity or efficiency. In the authors' view this is surprising because earlier research showed that practitioners used the Web for productivity and efficiency reasons rather than strategic ones. Porter et al. (2009) suggest that, by looking at an individual tool such as the blog, communication practitioners can think of blogs as a medium through which communication strategy can be improved. On the other hand, the use of blogs for research is limited and passive, and practitioners are still a long way from strategically developing blogs across the profession (Porter et al. 2009). In practice, this means that PR and communication professionals need to take a more active stance towards social media tools and engage both more often and in a more dedicated manner in using these new tools for an improved communication and for better reputational management.

Nokia, the Finnish IT and communications giant, provides a concrete example of social media monitoring. The company uses various social media tools to reach its stakeholders, for example Facebook, Twitter, blogs, online conversation boards and YouTube. Nokia's head of digital marketing reports that his organisation follows virtual conversations actively and that Nokia even encourages their own employees to follow those conversations that are relevant to their own jobs (Kauppalehti, 2010). Other large Finnish organisations, such as Kesko, TeliaSonera and F-Secure, have taken the same route as Nokia, following what happens in the social media and trying to include the knowledge gained into the decision making process (Kauppalehti, 2010).

#### 2.1.3. Disseminating information

Touri (2009) highlights the fact that social media tools, and especially blogs, have long received attention as means by which democracy can be enhanced in society, through the dissemination of information. Because the core political concept behind information creation and dissemination through social media is that of power, viewers may consider blogs, for example, as less corrupted by power (information does not have to go trough a chain of command) and thus an antidote to the skewed political reality presented by mainstream news media (Touri, 2009). Touri (2009) points out that blogs facilitate interaction with traditional media and the journalistic profession, thus bringing a new dimension to news telling, that of the public. In news blogs, the audience is an important part of the knowledge and opinion creation process. This is due to the fact that many blogging journalists reveal raw data and ask their readers to use their own expertise and knowledge to help produce frames that divert from the mainstream (Touri, 2009).

Whereas some social media, such as blogs, are used to reach a wide public, not all social media tools can achieve mass involvement. For example, Twitter, the instant micro-blogging system, allows members to post up to 140 character messages (*tweets*) that can be categorized either as public or as private. Public tweets can be seen by anyone accessing the service, even individuals without a Twitter account. Private tweets are only accessible to those the Twitter writer has given prior permission (Hughes and Palen, 2008). A person using the service can hardly convey lengthy and meaningful messages in such a short space, therefore only those already familiar with the writer and/or the subject of discussion can benefit from the information shared through Twitter (e.g. Deniaud, 2010). Nevertheless, Twitter does allow a quick and easy dissemination of information. Deniaud (2010) remarks that anyone can become a journalist thanks to instant blogging, in the sense of content and media generation.

In spite of the current popularity of social media tools in the field of PR, Taylor and Kent (2010), who studied how future PR professionals are socialised into expectations of how to use new technologies (through a professional PR journal), show that there is little evidence of the effectiveness of social media tools in building relationship between

organisations and their publics. According to Taylor and Kent (2010, p. 212), the most typical evidence for social media effectiveness came from results of surveys done by journalists who used social media themselves. In addition, the researchers discovered that the only type of advice offered to the readers on how to adopt social media was anecdotal and that it showed only basic understanding about the potential of new media for two-way communication. The greatest concern seemed to rest with the fact that the usefulness and effectiveness of social media tools lacked evidence and that future PR professionals were taught to believe that if social media worked for the general public then it must surely also work for the PR discipline (Taylor and Kent 2010).

To conclude, the main idea behind the PR aspect of social media is the ability of these tools to allow organisations to *engage* in genuine *dialogue with external stakeholders*. First, social media enable organisations to *be personal* and put forth a human face in communicating with stakeholders, making an organisation appear more approachable and caring in the eyes of its publics. Second, social media can serve as *monitoring* tools, allowing organisations to explore the online world and observe the perceptions of different publics. Last, social media facilitate the *dissemination of information*, through the sending of tailored messages that meet the needs of various publics.

#### 2.2. Social Media in Marketing Communication

This section investigates the role of social media in marketing communication. Marketing communication generally targets customers, but because its effects also stretch to other stakeholder groups such as governments or investors, marketing communication is relevant for reputation management. Herbig and Milewicz (1995) believe that, in marketing, reputation is conveyed through market signalling, that is, by providing information that is more than the form of the marketing message, and hence conveying intentions, commitments or motives to other firms or, more generally, interested parties.

In marketing communication, reputation is generally taken to be either synonymous with corporate image or distinct from but interrelated with corporate image (Gotsi &

Wilson, 2001), reputation management consisting of corporate image management. Gotsi and Wilson (2001) point out that researchers who see reputation and image as interrelated either believe reputation to be only one part of corporate image or that an organisation's reputation is influenced by the various images held by its constituencies. This research takes corporate reputation and corporate image to be interrelated, reputation being considered the sum of the various images held by an organisation's constituencies (cf. Argenti, 2007). Reputation and image will thus be used interchangeably in this study.

Mustonen (2009) highlights the fact that, in the social media, marketing is often understood as advertising and promotion, rather than goal achievement through meeting and exceeding customer expectations. Drury (2008) believes that social media is often a misunderstood concept in marketing communication, so much so that the "media" part is emphasized, when in reality the "social" component is the most important. Drury (2008) also stresses the fact that social media has the capacity to bring together material written by professionals and user-generated content, under one single branded website, thus increasing the likelihood of reaching a larger audience.

Three aspects of social media are relevant for reputation management, as used in marketing communication. These are electronic word-of-mouth, brand trustworthiness, and consumer participation. Each concept is explored in detail below.

#### 2.2.1. Promotion

Social media can act as channels for the promotion of products or services, either achieved by an organisation itself, through direct marketing, or my consumers, through electronic word-of-mouth. With respect to organisational social media promotion, Topper (2009) gives an example of a large corporation that has successfully employed social media in its marketing efforts. Dunkin' Donuts', the international donut and coffee retailer, is active on Facebook and on Twitter. On Twitter, the company sends messages about various promotions, and links them to their main corporate website. Customers can print promotion coupons from the website and redeem them in any

Dunkin' Donuts' store. The company's marketing department is then able to track its return-on-investment (ROI) figures by looking at where coupons are used the most (Topper 2009). Using social media for promotion is, according to Topper (2009), an excellent money-saving opportunity that traditional media cannot offer.

Regarding the role of electronic word-of-mouth, Toivonen (2007) points out that the Web and social media can introduce new players in marketing. Certain social groups can be the hub or hot spot of a community, and as such can represent a great channel target to reach otherwise inaccessible audiences. This can sometimes lead to viral marketing. Phelps, Lewis, Mobilio, Perry and Raman (2004) see viral marketing as the process of encouraging honest communication amongst consumer networks, through different channels, such as the email. Essentially, viral marketing can be seen as electronic word-of-mouth.

In spite of its money-saving opportunities, social media can be a double-edged sword, both having the potential to create meaningful connections between an organisation and its audiences, and risking to become "self-servingly unidirectional", as in the form of constant spam such as pre-made statements of self-promotion (Briggs, 2010). Drury (2008) also emphasizes the dual character of social media. In his view, all social media sites that once attracted audiences through their flexibility, freedom and community ownership need to balance these characteristics against their desire to make profit. Audiences can easily disperse if they feel that a website has become too commercial.

#### 2.2.2. Brand trustworthiness

Briggs (2010) makes an interesting analysis of the connection between social media and the online trustworthiness of brands. Social media users, when displaying their preference of certain brands on their social networking pages, expect the brands they support to interact with them, just like friends do on the same networking pages (Briggs, 2010). Through their presence on social networking websites, brands need to become authentic social brands, they need to engage with intimacy with their promoters, and organisations need to have a real message to promote, and not just follow trends, i.e.

engaging in social media because others are doing the same (Briggs, 2010). This observation is relevant for reputation management, because authenticity and trustworthiness require a strong reputation that has been built for many years, but which is also subject to change and improvement or degradation.

To remain on the same line of thought, the misuse of social media has led to some serious problems for certain multinational corporations, such as McDonalds or Wal-Mart, who were required to deal with controversy in the blogosphere (Burns, 2008). These multinationals were behind some blogs that were supposed to have been created by devoted consumers. In reality, the companies whose products the blog writers praised were in fact sponsoring the bloggers and their blogs. Burns (2008) looks at such a situation by exploring the Working Families for Wal-Mart blog, a webpage that was created by Wal-Mart's PR firm, Edelman. Whilst using real people to document the company and the Wal-Mart experience, the information on the blog lacked transparency and mentioned neither the sponsor nor the PR firm involved in the blog (Burns 2008, p. 41), seriously threatening Wal-Mart's trustworthiness. The problem with this incident rested with untruthful, covert marketing that was uncovered by regular consumers, striking at the heart of the retail giant's reputation.

#### 2.2.3. Consumer participation

Despite some shortcomings and mistakes that have occurred when utilising social media for marketing purposes, Mangold and Faulds (2009) believe that social media can have great potential if consumers are taken care of and allowed participation in organisational decision-making. The authors argue that social media has two interrelated promotional roles in marketing: first, social media enables companies to talk to their customers, and second, it enables customers to talk to each other. The second role, customer-tocustomer interaction, has made the traditional word-of-mouth practice move to a global scale. A dissatisfied customer can now let thousands of people know about his or her experience in a few clicks, with the help of social media. Mangold and Faulds (2009) raise the question of how marketers could harness this increased consumer power for the benefit of their organisations. The authors emphasize the importance of the interaction between consumers' online behaviour and the organisations' lack of control over generated content and information arising in the marketplace. Marketers need to realise that the traditional way of promotion and integrated marketing communication needs to give way to new ways of handling organisation-customer relationships. This is because consumers rely more and more on new media channels rather than traditional ones, because they make more decisions based on what they read online and because consumers increasingly find product and service information gathered through social media more trustworthy than that found in company-sponsored communications (Mangold & Faulds 2009).

There are ways in which organisations can benefit from the changes social media tools have brought for marketing and promotion, ways that focus on consumers, rather than the advertising organisation. For example, Mangold and Faulds (2009) suggest that companies should take advantage of networking platforms, where likeminded people come together to discuss matters that interest them. Companies can have their employees participate in such discussion groups, under full disclosure, if they think that a certain group can benefit their business. Specific topic websites also offer great opportunities for sponsorship. Mangold and Faulds (2009) also suggest that companies should engage in social media to allow customers to provide feedback on a wide range of issues, for open and honest organisation-stakeholder communication (for example, through posting videos of using a product or voting for specific products / services / individuals). Through participation, consumers will get a sense of ownership and increased engagement. In addition, other means of integrating social media in an organisation's marketing mix are, for example, providing information (customers talk about firms they think they know a lot about), providing exclusivity (people like to know they are special, so offering promotions to certain customer groups will help) and supporting causes that are important to consumers (Mangold & Faulds, 2009).

Beuker and Abbing (2010) argue that many corporations follow a general model of joining the social media trend, beginning with identifying the most en vogue tool, setting up, for example, a blog or a Twitter account that provides as much information

about a product or service as possible, then following with various metrics that the management believes can accurately portray the brand's success online. According to the authors, this pattern rarely proves successful because important questions about the target group and what the organisation has to offer surface only after a social media presence is established. As an alternative to this ineffective model, Beuker and Abbing (2010) suggest the POST decision-making framework, created by Li and Bernoff, (2008), focusing on people, objectives, strategies and technologies, in this order.

The POST framework is the opposite of the general model mentioned by Beuker and Abbing (2010). The POST framework concentrates on the target audience and what this audience expects from the organisation, both in terms of product or service and in terms of social media employed, unlike the traditional pattern that begins by selecting the most trendy technology and leaves people last (Beuker & Abbing, 2010). Beuker and Abbing (2010) suggest that organisations that wish to engage in social media need to be aware of the fact that social media users have different behavioural patterns. Therefore, understanding the right way to approach a specific target group is key.

A 2009 Razorfish survey cited by Beuker and Abbing (2010, p. 56) holds that, of the 1000 US consumers investigated, 97% claimed that their digital experience with a brand had significantly influenced their purchase or non-purchase of a product or service of that brand. This is relevant for reputation management as the online behaviour of an organisation can, to some extent, affect how that organisation is seen offline, through consumer purchase decisions. However, according to Beuker and Abbing (2010) almost 50% of consumers followed brands on Twitter in order to find out about potential promotions and offers. Brand following was thus largely interest-driven, and not directly linked to how a customer perceived an organisation.

Creating genuine two-way communication possibilities with stakeholders helps not only manage reputation by showing care, but can also facilitate organisational learning. Taking time to build an active presence online shows both the interest and the care organisations put into the relationships with their customers. Beuker and Abbing (2010) advise organisations to realise that the content shared on social media websites and the level of interaction displayed are essential.

To conclude, including social media in marketing communication can facilitate *the generation of new ideas* by allowing customers to *participate*. Taking into account the power of *promotion*, both by organisations themselves and by consumers through viral marketing, and that of *involving customers* in marketing efforts is necessary for nurturing the stakeholder aspect of social media. In addition, *brand trustworthiness* is enhanced by two-way communication and an active and caring social media presence.

#### 2.3. Social Media in Crisis Communication

The relationship between crisis communication and reputation management is based on the fact that reputation can be easily damaged by minor or major incidents that strike organisations at various points in their lifetimes (e.g. Herbig & Milewicz, 1995; Greyser 2009). Greyser (2009) identifies different causes for corporate brand and reputation management (cf. Herbig & Milewicz, 1995) crises. These include product failure, social responsibility gaps, corporate misbehaviour, poor business results, spokesperson misbehaviour and controversy, death of a symbol of a company, controversial ownership and loss of public support. These crises can be exacerbated through social media and further damage a brand name and image through rapid propagation and instant response from affected parties. Therefore, crisis communication should be included in the study of the link between social media and reputation management.

Three characteristics of social media in crisis communication need to be addressed with respect to reputation management. The three characteristics are news generation, crisis enabling and the centrality of publics in the social media.

#### 2.3.1. Generating news

Lachlan and Spence (2007) argue that following the triggering event that signals the beginning of a crisis, the speed at which information is transmitted is especially crucial. The authors stress that the use of social media to generate news under such circumstances can be very lucrative.

Lim and Yang (2006) emphasize the usefulness of social media in crisis situations. The authors give the example of the blog, which is, in the authors' opinion, by definition a tool whose existence requires the construction of meaning through relational communication. Lim and Yang (2006) argue that for organisations facing frequent issues or crises, the blogosphere can serve as both a sensitive means through which emerging crises can be identified and as a barometer for measuring public opinion. As crises are products of the different meanings and stories assigned to them by those involved, the authors further argue that blogs can be an effective crisis management tool through their ability to combine and alternate routine and crisis narratives.

Sweetser and Metzgar (2007) also praise the suitability of blogs as news generation tools in crisis communication. Because blog writing style is prone to more frequent publishing, the authors believe that organisations should use blogs in crises situations when communication needs to be fast. The authors conducted a study on the suitability of blogs as crisis communication tools from a relationship management point of view. They looked at similarities and differences in individual perceptions of either personal or organisational crisis blogs. The respondents perceived organisational blogs to have done a better job at establishing and maintaining relationships with the audience, at showing responsiveness, and at providing customer service than did personal blogs (p. 341). The readers of personal and of organisational blogs also perceived much lower levels of crisis than did those that read no blogs at all, with organisational blogs giving the impression of the lowest level of crisis. Sweetser and Metzgar (2007) believe that their findings show that corporate blogs can act as effective crisis management tools.

In their study, Sweetser & Metzgar (2007) also discovered that credibility negatively affected the perceived level of a crisis, that is, how unfavourable an individual perceived a crisis to be. The authors argue in favour of best practices documentation from industry leaders, so that practitioners who blog during crises will not make the mistake of letting their personal credibility affect the message transmitted. A major implication for reputation management was the observation that the human voice, the responsiveness and the customer service aspects of blogging showed that an organisation cared enough for its publics to communicate with them even during hard times, leading to a positive image about the organisation (Sweetser & Metzgar, 2007).

#### 2.3.2. Enabling crisis escalation

Social media exhibit downsides alongside the benefits they offer organisations during difficult times. The very nature of social media tools is such that it allows anyone with a computer and an Internet connection to post a wide variety of information, such as mailbox-filling advertising spam from companies or hate messages from angry customers. Lachlan and Spence (2007) argue that the Internet, as a resource, has the ability to both diminish negative public response and to lead to the escalation of events, depending on the messages that have been put forth by both organisations and stakeholder or activist groups.

If the focus in social media research in PR and marketing has been on organisations managing outward reputation, by addressing customers and stakeholders, companies should aim to manage their reputation also internally, by involving employees in social media updates (Semple, 2009) or by offering basic training in the use, rules and regulations of social media. Employees are an important factor as far as managing organisational reputation online is concerned. For example, employees can spill company secrets through their social networking profiles or create bad publicity for an organisation's offering if they perceive its advertising to have been false or demeaning to certain individuals (Businessweek, 2009). Finnish companies such as Nokia and Raisio have made the decision of educating their employees, offering their staff social media training (Kauppalehti, 2010). Long et al. (2007) believe that allowing employees to engage in blogging can foster innovation, cut down on problem-solving time, improve employee morale and attract new employees and, potentially, new clients.

Burns (2008) analyses one of the first crises an international organisation experienced as a result of social media. The author investigates the response Wal-Mart's PR agency, Edelman, provided after the uncovering of Wal-Mart's unethical behaviour in the social media, under the guise of a personal blog. The head of the PR agency, Richard Edelman, admitted to his mistakes and apologised, both in his own blog and by contacting influential bloggers. Burns (2008) examined the comments visitors left on Edelman's blog and found out, amongst others, that they praised his admission of guilt and responsibility and demanded acknowledgement of what the PR professional had learned. The visitors also criticised Edelman's delayed response and were disappointed with the fact that the event could well damage the PR industry as a whole.

The existence of fake blogs that promote a product or service under invented names, such as the Wal-Mart blog investigated by Burns (2008), can lead to reputational crises. Lim and Yang (2006) argue that without any clear narrator or storyteller, attempting to influence others in blogs is doomed to fail. The authors point out that due to several cases of fake blogs, the authenticity of bloggers starts to be questioned (Lim and Yang 2006), organisational truthfulness in the social media being thus paramount for the prevention of reputational crises.

#### 2.3.2. Involving the public

As in PR and marketing communication, the public aspect of social media is also relevant in crisis communication. Lachlan and Spence (2007, p. 391) argue that even though the type of information disseminated during crises is important for an appropriate reaction by the affected publics, the emotional reactions of the public may in fact be the main reason for information seeking, and thus a rich source of information for communicators in charge of handling crises and preparing crisis communication plans. The researchers therefore suggest that communication professionals first understand the motives behind public information seeking, which may have a role in the choice of media channel chosen by the public to satisfy their informational needs, before deciding which social media tools to employ.

Sutton, Palen and Shklovski (2008) also insist upon the importance of the public during times of crisis (such as national disasters), in spite of continued reluctance by official crisis management planners and their opinion that peer-to-peer communication is a mere backchannel, that is, a secret, unofficial and irregular means of communication. The authors point out that the increased presence of information and communication technologies (ICT) in everyday life makes communication between average individuals both more apparent and more powerful.

In order to examine the role of social media during a crisis, Sutton et al. (2008) administered an online questionnaire concerning the use of ICT as a source of information during the October 2007 South California wildfires. Sutton et al.'s (2008) findings reveal that more than a third of the 279 questionnaire respondents posted information and participated in discussions online, whereas 76% visited informational portals and websites advertised in traditional media. Only one tenth of respondents used the micro-blogging tool Twitter, despite the huge publicity for the service during this period (Sutton et al., 2008). One major finding in the study by Sutton et al. (2008) was that many of the respondents, although generally satisfied with the information presented in traditional media, felt that a lot of information was biased towards large urban areas, that it overlooked rural regions or that it was simply insufficient and inaccurate. Many respondents also admitted that, especially in evacuated areas, they needed to rely on each other for information updates (through blogging or specific crisis communities) as local media was not very knowledgeable.

Hughes and Palen (2009) examine the role and patterns of use of Twitter in four US emergency and national security events (two hurricanes and two political conventions) that took place during August-September 2008. The authors used search-terms (such as a convention's name and location) to collect Twitter posts relating to these events. Findings from the study showed that the number of Twitter posts corresponded to the size and impact of each event. Another finding addressed the number of tweets per user. Hughes and Palen (2009) discovered that the larger the number of messages sent, the smaller the number of senders. The authors believe that this finding supports the theory that some people serve as information centres, collecting and deploying information, whilst others are only participants in a less central fashion.

Looking at the disaster caused by Hurricane Katrina, Macias, Hilyard and Freimuth (2009) explore the role of blog functions in crisis communication and examine the expression of emotion in blog posts. For example, they discovered that during such extreme situations a wide majority of participants in blog posts showed little concern for anonymity in their attempt to find loved ones or in their desire to help others. In addition, the need to communicate during this disaster was the driving force behind most blog posts, as bloggers needed to share and receive information about missing

people, calling for rescue or trying to contact missing family members through blogs (Macias et al., 2009).

Also focusing on publics in the social media, Falkheimer and Heide (2009) look at the role of new media in crisis communication from the point of view of a diverse audience. The authors analyse the situation in Sweden, an increasingly multicultural society, wishing to determine the different kinds of media different social groups turn to for their informational needs. Falkheimer and Heide (2009) believe it is important to determine what social groups are important for specific crises and how to best reach those groups should a crisis strike. For example, the researchers found out that in the households of first-generation immigrants in Sweden, Internet access was higher than in native Swedish households, where individuals still relied on national newspapers.

Falkheimer and Heide (2009) further stress the multitude of opportunities the use of ICT can offer organisations, both for interpersonal communication and for mass communication. The authors emphasize the fact that ICT can provide fast communication and interactivity at a relatively low cost. The researchers also point out that virtual communities are generally built around a common interest, facilitating the creation of strong relationships between their members. This can lead to stakeholder activism for various issues, making it possible for weak groups or organisations to make their voices heard (Falkeheimer & Heide 2009).

Liu (2010) takes the view from the media-end of the spectrum, and looks at how elite newspapers (online versions of large national newspapers) and highly rated blogs (blogs that are widely read) cover crises, and what can be learnt from their approach to managing crises online. Liu (2010) looked at five different political crises that occurred in the US during 2007. The author discovered that newspapers were more likely to rely on official sources of information than were blogs, that bloggers covered crises more subjectively than did professional journalists, and that bloggers tended to produce more posts about the crises than did journalists, but that their posts were shorter as bloggers were not subject to the same time and space constraints that journalists had to face.

To conclude, relevant research in crisis communication has shown that social media allow organisations to *create their own news*, whilst at the same time *paying attention* 

to the needs of the publics. Generating reader-focused news in the social media helps manage crises. However, not paying careful attention to what goes on in the social media may *enable crisis formation or escalation*. Therefore, *involving the public* in organisational social media efforts and taking into account the public's needs facilitates crisis management.

#### 2.4. Social Media in HRM

The role of HRM in reputation management is one that places the employee at the forefront, both as promoter of an organisation and as target for organisational efforts, for example in recruitment situations. The use and role of social media in human resource management is relevant to the topic of organisational reputation due to the involvement of internal stakeholders, the employees, both in helping maintain an organisation's reputation and in adding to its success or failure during and after their relationship with that organisation. For example, Burns (2008) writes about the misuse of social media and the blog fiasco involving the PR firm of Wal-Mart, Edelman (see Burns, 2008 and section 2.3. of this report for more details). The visitor comments posted on PR firm's leader own blog revealed that the public were dissatisfied with the Edelman employees, who knew their organisation was behaving unethically, but did nothing to correct the situation.

Research on the role of social media in HRM has generally focused on recruitment practices, social media use at work, and employee work efficiency. For example, regarding the use of social media at work, the Finnish retail company Kesko admits to having introduced micro-blogging in everyday work, where employees can share presentations, research or useful links (Kauppalehti 2010).

Much emphasis has been placed on how employers make use of social media to find out information about potential job candidates and how they use this information in making hiring decisions. Even though researching potential candidates can be considered discriminatory or even illegal, a 2006 survey by ExecuNet revealed that 77% of US recruiters used search engines to find out more information about potential candidates,

whilst 33% of recruiters reported to having eliminated a candidate based on the candidate's age discovered through an Internet search (ExecuNet, 2006). In Finland, during the spring 2010 dock workers' strike, shipping companies turned to Facebook as a channel through which they attempted to recruit non-union workers to replace those that had gone on strike (MTV3, 2010).

This section explores two faces of social media that affect reputation management through HRM: social media recruiting and using social media at work.

#### 2.4.1. Recruiting

Investigating recruiting practices from the point of view of potential candidates, Allen, van Scotter and Otondo (2004) argue that the choice of media channel in recruiting affects both recruitment processes and pre-hire outcomes, such as attitudes or intentions associated with recruiting behaviour. The authors believe that media channels that lack a diverse environment, such as the ability to transmit visual or audio content, personal focus, symbolism or the possibility for two-way communication, are more likely to be unsuccessful means of recruitment than those that offer such features. With a lack of diversity the desired candidates are not reached or the job advertisement is not interesting enough to make them apply for the post. Allen et al. (2004) are in favour of richer media for recruitment purposes because rich media are more persuasive due to their capacity of providing larger amounts of relevant information and of creating a stronger sense of personal presence, thus potentially positively affecting the receiver. Moreover, Allen et al. (2004, p. 151) stress the fact that recruitment messages and the channel chosen to transmit them can affect the perception readers will form of the recruiting organisation, including perceptions of credibility.

In their study on social networking websites as employment selection methods, Kluemper and Rosen (2009) investigated if consistent and accurate judgements could be made about a candidate's intelligence, personality and performance by looking only at the candidate's social network profile. The authors stress that using information found on social networking websites may lead to discriminatory employment decisions, such as those based on race, age or religion when choosing a candidate. In the US for example, these variables cannot be legally used in employment decision-making. The authors believe that at least regarding a candidate's personality, social networking websites can be seen as accurate personality predictors due to the wide range of information they provide. Kluemper and Rosen (2009) compare the impression formed after reading a person's profile with a typical 40-minute interview and the general picture an interviewer can create of the candidate as a result of the meeting.

However, it is also true that information posted in virtual profiles can be subject to manipulation and faking, but this is also the case with job interviews and self-report personality measures. Kluemper and Rosen (2009) believe that there is some evidence showing that intelligence is, in the authors' view, the single most effective predictor of individual performance, but they do not elaborate on the matter.

Phillips (2008), writing on the psychology of social media, attempts to project a possible future of the individual, concerning identity and self in the virtual world. The author admits that it is easy to steal identities online, unlike in the real world where people can recognize others through their voice, looks and mannerisms. Phillips (2008) predicts that the next step in the evolution of websites such as Facebook would be, for example, biometric retina scans, built into the security system. Such a feature would still allow an individual the possession of different online selves, but only one true self (Phillips 2008, p. 83).

Also related to the use of social media as tools to help recruiters make decision about potential candidates, Gilbert and Karahalios (2009) write about the strength of social ties in new media. The authors are of the opinion that posting information on social networking websites opens up a candidate's profile to the whole world. This may in turn lead recruiters to "cold call" social media friends of potential candidates for references only to find out that these friends are no more than "drinking buddies" (Gilbert and Karahalios, 2009).

In spite of the great risks that potential candidates can run as a result of the information their provide on their personal social networking pages, it should be noted that due to complaints from members, social networking websites have greatly improved their access and security choices, so that nowadays a person can choose exactly how much personal information can be accessed and by whom (e.g. Solis, 2009). Nevertheless, users need to be aware of security changes and constantly check their profiles if they wish to maintain both their privacy and their reputation.

Credibility is a concept tightly linked to an individual's chances of success from a social media personality point of view. Lim and Yang (2006) point out that credibility, the product of expertise and trustworthiness, is not always easy to establish in an online environment. In real life, verbal, non-verbal and social cues (such as occupation or peers) help build a person's credibility and reputation, but online social cues tend to be absent (this is especially the case with blogs). However, Lim and Yang (2006) do emphasize the fact that blogs can provide a good picture of a blogger's credibility, by revealing aspects such as blog popularity, blogger level of social activity or number of links to a blog. In addition, Phillips (2008) highlights the fact that, with the dawn of social media, a person is no longer defined by her personal virtues and characteristics, but rather by her lifestyle and visible attachment to a group, both features made visible by social media.

The importance of social media in the field of HRM is also seen in the increase in the number of online recruitment services, such as the network-oriented LinkedIn. LinkedIn is a social-network based online CV, where members are encouraged to develop their virtual profiles concentrating on their professional lives and achievements. Mayfield (2008, p. 15) considers LinkedIn as "the most grown-up" of all social media tools. Lietsala and Sirkkunen (2008) point out that on LinkedIn one does not search for friends but for business associates, subcontractors or future business clients. The authors also mention the fact that this social media tool offers a service called *Introductions* especially for the purpose of making business contacts, to reach other users through the network and the people one already knows (Lietsala & Sirkkunen 2008, p. 50). On websites such as LinkedIn the emphasis rests on network creation and utilisation and not on the interactivity of LinkedIn features.

#### 2.4.2. Using social media at work

The use of social media at work is a fairly well researched area in HRM. For instance, employing the concept of gatekeeper and writing about employees, Long et al. (2007) suggest that blogs represent both an opportunity and a temptation for employees to become informal gatekeepers and bypass the formal structure of an organisation by posting information that has not been filtered by, for example, official public relations gatekeepers. In contrast, Toivonen (2007) advises against restricting and monitoring social media use in organisations, and suggests the creation of clear rules for interacting with individuals outside the company.

Also focusing on blogging employees, Long et al. (2007) admit that it is very likely that some employees of any given organisation blog in their spare time, and that it is just as likely that they mention or even focus on their employer in their blog posts. Kaplan and Haenlein (2010) stress the fact that once organisations allow their employees to blog they may need to live with the consequences of staff members writing negative comments about the firm (p. 63).

Skeels and Grudin (2009) studied employee use of social networking sites at Microsoft. They discovered that the most used social networking tools were Facebook and LinkedIn, young employees using the former more and older employees being more active in the latter. Young professionals used LinkedIn most, especially as the service could help these individuals move on in their career after their first or second jobs. Work opportunities were a positive aspect for such employees (Skeels and Grudin, 2009). In addition, because LinkedIn functions as a contact book, whenever a user moves jobs or change address, his /her contacts get automatically notified. However, some successful older Microsoft professionals interviewed by Skeels and Grudin (2009) admitted to not seeing LinkedIn as useful or necessary. People with a LinkedIn account were active only when looking for a new job. Moreover, when in a successful career already, endless job offerings may not represent a benefit. Skeels and Grudin (2009) also discovered that Facebook was accessed more than LinkedIn. According to the authors, Facebook use in the workplace can benefit the workplace community through maintaining awareness of colleagues and building stronger relationships.

In addition to benefiting work relationships with present colleagues, Facebook allows employees to re-connect with former school or workmates, which may prove to be professional resources. For example, one can keep up with the latest trends in the profession by reading the posts of other professional colleagues (Skeels and Grudin, 2009). Skeels and Grudin (2009) believe that online social networks have an important role in professional life, with their interactive character and instant communication, helping return the social capital lost with the automation of office life.

Despite the benefits of using social networking tools at work, Skeels and Grudin (2009) explore the shortcomings of these social media and highlight four issues that frustrated the respondents of their survey at Microsoft. The first issue is that of legitimacy of use of social networking websites at work. Many Microsoft employees saw the use of Facebook and LinkedIn at work as a waste of time and a productivity killer, but executive adoption of the sites seemed to legitimize employee use as well.

The second issue concerns mixing personal and professional identities. Co-workers and family friends were seen as different audiences and they should be treated differently. Even though Facebook nowadays allows the creation of different friend groups, it takes a tremendous amount of time and effort to filter and tailor what posts should be seen by what groups of people.

The third issue raised by the Microsoft employees dealt with tensions arising from crossing power and hierarchy boundaries. When managers or even clients add an individual to their list of friends on Facebook, that individual's whole profile needs to change. For instance, executives must control what they reveal in their feeds and profiles because they too must maintain their professional personas.

The last issue identified by Skeels and Grudin (2009) is tension over disclosing confidential information. Because social networking websites cross the firewalls of an organisation, employees cannot share company-related information the same way they would personal matters. Moreover, employees whose work colleagues make up the largest portion of their online friends need to remain aware that work-related discussions that develop online must be conducted with care.

In order for organisations to manage their reputation whilst still allowing their employees to engage in social media, Long et al. (2007) suggest that PR practitioners monitor blogs written by employees and remain aware that negative content can surface in their blogs. The researchers present suggestions for preventing employees from spilling organisational secrets on the Web. One suggestion is to determine how much control the organisation should have over its employees and what kind of content can be considered as compromising and lead to an employee being fired. Long et al. (2007) believe that the question here is one of ethics, and thus at the discretion of each organisation. Another suggestion is for organisations to draft an organisational policy on employees' presence online. Like Toivonen (2007), Long et al. (2007, p. 116) believe that such guidelines would make clear the employer's expectations of an employee, and help educate naïve employees that may include organisational details in their blogs or websites, under the belief of complete anonymity.

To conclude, relevant issues covered in HRM literature with respect to social media and reputation management emphasise the importance of *relationship maintenance with internal stakeholders*, such as job candidates and employees. The two aspects of relationship maintenance in social media are *recruiting* and *using social media at work*. Credibility and social media behaviour are factors affecting recruitment online, whereas divulging company information influences social media policies within organisations.

### **2.5.** Theoretical Framework

This section introduces the theoretical framework for the present study and defines the motivation behind researching the link between social media and reputation management. The purpose of the literature review was to explore social media research that had been conducted in different areas of corporate communication, research that is relevant for the present study. Figure 1 below pictures the theoretical framework of this thesis.

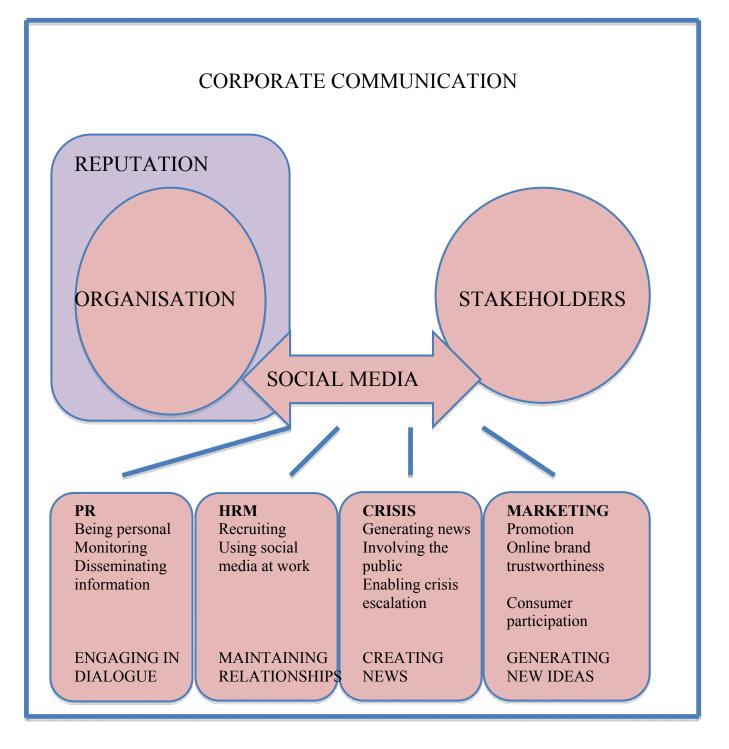


Figure 1. Theoretical framework

The aim of the theoretical framework is to explore the link between social media tools and reputation in the modern organisation and what their role might be in the management of reputation. The context where reputation management takes place is that of corporate communication, the different dimensions of corporate communication (PR, marketing, crisis and HRM communication) providing the activities through which reputation can be managed using social media. The relevant social media activities of each corporate communication function were introduced in the literature review.

In Figure 1, on the left hand side is the organisation surrounded by its reputation. Organisational reputation is the product of an organisation's actions, communication and interaction with its publics, which is managed over time. On the left hand side are the stakeholders. An organisation and its stakeholders are linked by social media, which, as part of an organisation's wider communication efforts and strategy, serve as factors affecting reputation management. Social media are thus tools organisations use in their communication with their stakeholders in order to manage the relationships with these, and also to influence the way the organisation is perceived by its stakeholders.

The aspects of social media included in reputation management are drawn from the four corporate communication fields explored in the literature review: PR, HRM, crisis communication and marketing communication. Both the organisation and its stakeholders contribute to the reputation management process by their actions in social media. The actions that are required of organisations when participating in the social media are acting with a in a personal way towards their stakeholders, and monitoring what the stakeholders say about the organisation. In addition, organisations provide news regarding their actions, listen to feedback from their stakeholders and respond in a manner they see fit, participating in the process of information dissemination. Stakeholders contribute to the management of organisational reputation through their expectations, opinions and experiences. Stakeholders use electronic word-of-mouth to share their own views with others and to form perceptions of brand trustworthiness. Through social media, organisations are able to promote their business and to include customer suggestions in improving their image and their online trustworthiness.

Stakeholders can participate both directly and indirectly in organisational decisionmaking thorough comments, product and service ratings or suggestions for improvement. Moreover, organisations and their stakeholders are linked in the social media through the processes of recruitment. Social media use at work is also an aspect connecting organisations with their internal stakeholders, who, through their social media behaviour, can contribute to how the organisation they work for is perceived.

# **3. METHODOLOGY**

The type of research conducted for the empirical part of this thesis is of a qualitative nature. Qualitative research is a research strategy that emphasizes words rather than numerical inputs in the collection and analysis of data (Bryman & Bell, 2003). Qualitative research stresses the generation of theories through induction, emphasizing the ways individuals interpret the social world, and sees reality as constantly changing as a result of the individual's thought creation (Bryman & Bell, 2003). In addition, in qualitative research the aim is not only to understand a situation as the participants construct it, but also to discover patterns that emerge after the analysis of the data (Maykut & Morehouse, 1994).

This study is both qualitative and inductive in nature, meaning that the results were generated based on the analysis of the data. The research problem was approached through the theoretical framework, constructed with the help of the reviewed academic literature. However, the framework itself was better defined by the data, itself an excellent means of clarification and definition of the relevant research parameters. This two-way process between the theory and the data shows the circularity and interdependence implied in qualitative research.

This chapter addresses the research methods used for this thesis, the justification for the choice of methodological instruments, the way data was analysed and the validity of the study. Section 3.1. explains the research methods employed and the data gathered, and section 3.2. assesses the trustworthiness of the study.

# 3.1. Research methods and data

The empirical data was collected with the help of two different qualitative tools: a semistructured interview and an online survey, with open-ended questions, administered through Facebook. First, the qualitative interview was conducted in line with the responsive interviewing method (Rubin & Rubin, 2005). According to Rubin and Rubin (2005), responsive interviewing emphasizes that the interviewer and the interviewee are human beings, each with ethical responsibilities towards the other. In addition, the goal of responsive interviewing is to generate depth of understanding rather than breadth, whilst at the same time the design of the research remaining flexible. The interview used for collecting the data took the shape of a semi-structured interview. Semi-structured interviews are organised around a set of predetermined open-ended questions, with other possible questions emerging from the dialogue between the interviewer and the interviewee (DiCicco-Bloom & Crabtee, 2006). This choice of interviewing was deemed the most appropriate as the aim of the research was to find out the unique opinions and perceptions of individual professionals, and similarities in their thinking and experiences.

Second, the qualitative online survey administered through Facebook was targeted at discovering the perceptions of a group of young professionals about social media and how these tools were used in organisations. Thus, the survey questions were openended. In addition, the online survey indirectly addressed the target group's view of how social media may affect the management of reputation in organisations.

#### 3.1.1. Interviews

The interviewees were selected from such companies that had international activities and were present on one or more social media platforms. Preliminary Internet research was done to determine which companies should be approached, by scanning the web pages of a number (>10) of Finnish and foreign multinational organisations, and, where possible, the social media presence of these organisations, for example on Facebook, Twitter or LinkedIn. International companies were targeted as the research was conducted within the field of International Business Communication. Moreover, it was assumed that organisations with cross-border operations would be present in the social media and would also possess the expertise and social media know-how to serve the aim of this research, that is, determining the link between social media and reputation management. Nine companies were approached via email with an interview request. The email interview request is presented in Appendix 1. Of the nine companies contacted, seven responded, but only four agreed to an interview. The four companies included in the research represented different fields of business, allowing for a broader range of opinions. Three of the four chosen companies were large Finnish multinational organisations, and the fourth company was the largest media agency in Finland, with both Finnish and international clients. Table 3 below gives a brief description of the four organisations, based on their public profile pages on LinkedIn and on the company websites.

Name	Dagmar Oy	Nokia Oyj	Finnair Oyj	Nordea Oyj
Industry	Marketing	Telecommunications	Airline/	Banking
	advertising		Aviation	
Туре	Privately held	Public company	Public	Public company
	company		company	
Number of	120	112,262	8,500	31,328
employees				
Revenue	157,4 mil eur	51,058 mil eur	1,993 mil eur	8,150 mil eur
	(2008-2009)	(2007)	(2006)	(2006)
Details	The leading	The world leader in	One of the	Has around 10
	Finnish media	mobility, driving the	world's	mil customers,
	agency,	transformation and	oldest	approx. 1,400
	serving	growth of the	operating	branch offices
	Finland's top	converging Internet	airlines.	and a leading net-
	advertisers	and communications		banking position
	and	industries.		with 6,2 mil e-
	international			customers.
	clients alike.			

Table 3: Description of target organisations (Source: LinkedIn)

Each of the four target organisations had an established presence in the social media, every company using more than one social media tool, as shown in Table 4 below. All information regarding the social media used in the four target organisations has been collected with the help of Internet research and based on the interviews with the professionals representing the organisations. Table 4 shows the social media tools in use at the time of the research.

Company	Dagmar Oy	Nokia Oyj	Finnair Oyj	Nordea Ojy
	Facebook	Facebook	Facebook	Facebook
Social media	Twitter	Twitter	Twitter	Twitter
tools employed	LinkedIn	LinkedIn	LinkedIn	LinkedIn
	Corporate blog	YouTube	Corporate blog	
		Corporate blog		
		Other blogs		

Table 4: Social media tools employed by the target organisations

The interviewees were chosen on the basis of their position and their involvement in social media in their respective organisations, that is, the interviewees were either communication mangers, marketing managers or otherwise social media experts. Nine experts were contacted via email, out of which four agreed to be interview or suggested other suitable professionals inside their organisations that would be able to participate in the interview.

Table 5 shows the information on the interviewees (title, company, tasks) and the type and duration of the interviews conducted. The interviewees agreed to have their name used in the research, but in order to facilitate reading the names were left out of the research itself. However, Appendix 2 lists the names of the four interview participants.

The interviews took place between September and November 2010. Due to the nature of the topic of this study and to the fact that not all professionals were located in Finland, the interview methods were not restricted to face-to-face meetings. The one interview that was conducted in person took place in Helsinki, Finland, at the headquarters of the organisation. In addition to face-to-face meetings, the interviewees were given the option to be interviewed via the telephone or by email. Thus, one interview was conducted face-to-face, two by telephone and one was administered via email. All interviews were conducted in English.

	Title	Company	Tasks	Type and Duration of Interview
Interviewee	Head of Dagmar	Dagmar Oy	Planning Director	Face-to-face, 60
(1)	Search			min.
Interviewee	Head of	Nokia Oyj	Marketing specialist	Email
(2)	Marketing			
	Activation			
	(Global)			
Interviewee	Head of	Finnair Oyj	Senior Vice-	Telephone, 30
(3)	Communication		President, PR &	min.
			Corporate	
			Communications	
			Member of the	
			Board	
Interviewee	Head of	Nordea Oyj	Head of External	Telephone, 25
(4)	External		Communications for	min.
	Communication		whole banking group	
			Responsible for	
			press, social media	

Table 5: Title, company and tasks of interviewees; type and duration of interview

The first interview was conducted in person and lasted around 1 hour. Interviewee (1) was Planning Director at the Finnish media agency Dagmar. The second interview was an email interview with the Head of Marketing Activation (Global) at Nokia. The third interview was a telephone interview, lasting approximately 30 minutes. The interviewee was the Head of Communications at Finnair. The fourth interview was also a telephone interview with the Head of External Communications at Nordea Banking Group, lasting approximately 25 minutes. In the following, the interviewees will be referred to as Interviewee (1), (2), (3), and (4) and the organisations they represent will be mentioned as "the media agency", "the telecommunications company", "the airline" and "the banking group".

The interviews that took place in person or over the telephone were not recorded, but careful notes were taken of everything that was brought up in the discussion. In the case of the face-to-face and telephone interviews, notes were taken by writing down what the interviewee actually said, refraining from adding any interpretation the researcher may have had at the time (see e.g. Rubin & Rubin, 2005). The face-to-face interview was not recorded due to the fact that it was the first interview and the researcher desired to keep the event as informal as possible and tap into the knowledge of the professional interviewed, rather than focus the interview too much. The desire was to use the experience and knowledge gained from this first interview to focus more clearly the following interviews and interview questions.

Although it can be argued that email and telephone interviews cannot be semistructured, the interviewees were encouraged to give as much information as they saw fit, keeping the interview themes as guidelines. During the telephone interviews, the interviewees were encouraged to speak around the questions and provide further clarification and concrete examples to illustrate their views. The email interview required the use of set questions, but the questions were worded in such a manner that would prompt explanation. No question allowed only the use of yes/no answers. In all interview situations, the interviewees were eager to provide in-depth explanations of their answers and also give relevant examples stemming from their professional experience. The semi-structured interview was designed to explore the way social media was used in each company under scrutiny, the reason why social media was chosen as part of the respective organisation's communication strategy, and in what manner social media and reputation were related in the target organisation. The interview had eight themes, as follows:

1. communication and reputation;

2. use of social media in communication (does it have a role in reputation management);

3. opinion about social media;

4. what is communicated in social media and why (what social media is used for);

5. social media and the reputation of the company (what the company tries to achieve by using social media);

6. adoption of social media for client companies (when, how it works /doesn't work);

7. managing reputation through social media (e.g. monitoring);

8. lessons learned with respect to social media.

The data gathered with the help of semi-structured interviews with professionals of Finnish companies already involved in the social media represents the main source of information for the present research. For each interview, the eight research themes were adapted into questions that referred to the organisation under research. The questions were aimed at finding out the particular interviewee's perceptions and experiences regarding the adoption of social media as communication tools in his or her respective organisation and the nature of the connection between social media and reputation management for the same organisations.

### 3.1.2. Online survey

The additional data collected for this study consisted of responses to a qualitative survey concerning social media use and perceptions of a target group of young professionals. The purpose of collecting qualitative data through an online survey was to form a picture of how the specified target group perceived social media and the organisations that had adopted these communication tools to interact with each other. The online

survey questions are presented in Appendix 3. The answers to the open-ended survey questions were used to complement the views of the interviewed professionals.

The survey participants are addressed as "young professionals" in this study because, even though the majority of them were still pursuing higher education at the time the data was collected, all but two were also participating in the working life. Young professionals were chosen for the survey as it was assumed that this age group was both knowledgeable of and involved in social media, and therefore representing a base of educated knowledge about the phenomenon under research.

The survey participants were situated within the age range of 20 to 35 years old, and the majority of them were female. All participants had some form of higher education, most of them having or pursuing a Master's degree. In addition, all participants, but two, were professionals, working in different industries and on different positions at the time of the survey. Appendix 4 shows the composition of the survey group, detailing the age, sex, profession, education and nationality of each survey respondent. The sixteen survey respondents will be referred throughout the text as R1, R2, R3, and so forth.

The online survey was administered during September and October 2010. A nine-point survey (see Appendix 3) was administered to 50 individuals selected from the author's own list of acquaintances on Facebook. The survey was administered through the personal message feature available on Facebook, being sent to 10-20 individuals at a time. As the initial response rate was low, two reminder messages containing the survey questions were subsequently also administered. The final response rate was 30 percent or sixteen individual responses. Although the actual number of responses was low, the response rate was considered sufficient. Since the aim of the study was to look at individual details in the respondents' answers and to observe if there was a trend in the perception of the young professionals surveyed, the response rate of 30 percent was thought to meet the requirements of the study.

The survey questions addressed the respondents' knowledge of social media tools, their use of these tools, the respondents' perceptions of social media use by organisations in general, and the use of social media in their own workplace in particular. The online survey is presented in Appendix 3. The survey request and questions were sent out in

English, but the participants were given the option to answer in English, Finnish, French or Romanian. The majority of the participants answered in English. In this study, all direct quotations from the survey participants are given in English, the translation from other languages having been done by the researcher.

Even though the survey did not directly address the subject of reputation, the questions were designed in such a fashion that would enable the capturing of the participants' own perceptions about reputation. For instance, the survey participants were asked to describe what they believed organisations tried to achieve by engaging in social media, and what kind of impression this had made on them. This question was expressed thus, in line with what, for example, Fombrun (1996) argues reputation to represent: reputation is the history of the public's beliefs about, experiences with and expectations of an organisation and its products and actions.

### **3.2.** Trustworthiness of the study

In general in research, quality and trustworthiness are determined by the reliability and validity of the research. Bryman and Bell (2003, p. 74) argue that, "reliability is fundamentally concerned with issues of consistency of measures", how research can be re-conducted over time to yield the same results. According to Bryman and Bell (2003) reliability consists of three prominent parts: stability, i.e. whether a measure is stable over time; internal reliability, i.e. whether each respondent's answers may be correlated; and inter-observer reliability, i.e. whether there is inconsistency of decision when more observers are present. This study is not concerned with issues of inter-observer reliability as only one researcher participated in the data gathering process.

In order to enhance the reliability of the study all data generated for the study, as well as all questions asked in the interviews and online survey and the names of the interview and survey participants, were saved. All notes taken at the time of the interviews were also saved. Appendices 1-4 show the model interview email request, the names and titles of the interviewees, the online survey questions and the composition of the survey group. The survey participants were offered anonymity; hence, their names were not

published. In addition, even though the interviews were not recorded, all notes taken at the time the interviews were conducted attempted to reproduce the actual words of the interviewees (cf. Rubin & Rubin, 2005).

According to Bryman and Bell (2003), validity refers to the issue of whether an indicator that is built to measure and explain a concept really measures that concept, that is, how accurately the data portrays the phenomenon under research. In the case of the present study, the interview questions were designed to directly find out the perceptions of four professionals about the link between social media and reputation management. Moreover, the survey questions directly tried to discover the respondents' view of the use and role of social media in organisations, and indirectly also investigated the participants' implied perceptions of social media and organisational reputation.

A question of research trustworthiness can arise from the fact that this thesis is a qualitative study and that the amount of data was small, investigating the perceptions of four communication, marketing and social media experts from different organisations and at the opinions of sixteen young professionals drawn from a small group of individuals with similar backgrounds. However, as the study aimed at discovering individual perceptions, and making suggestions only for organisations similar to those used in the study, the type and amount of data gathered were considered adequate.

# 4. FINDINGS

The findings of this Master's thesis are based on the interviews with four professionals from different Finnish companies involved in the social media and on the online survey responses of a group of sixteen young professionals. The results obtained portray the perceptions of the four professionals on the role of social media in corporate communication and reputation management for the organisations they work for, but also their perceptions on social media in general. The results from the online survey serve as additional material in determining the link between social media tools and reputation management. The young professionals act as a control group in order to determine in what way a group of individuals knowledgeable of social media see the social media efforts of organisations, and if their perceptions are similar or different from those of professionals involved in the social media activities of their respective organisations.

The findings chapter explores two themes, each related to the two research subquestions introduced in chapter 1: social media use in the target organisations, and lessons learned concerning social media adoption and use in the target organisations. Based on these findings, the chapter will then address the main research question and investigate the link between social media and reputation management.

This chapter is divided into three sections. The first section addresses the first research sub-question, looking at the way social media was employed in the target organisations. The second section provides insights into what lessons were learned from social media by the interviewed and surveyed professionals, thus exploring the second research sub-question. Section 4.3. wraps up the findings section by addressing the main research question presented in chapter 1 and exploring the link between social media and reputation, as perceived by the interviewed and surveyed professionals.

The findings are presented first from the point of view of the interviewees and then from that of the survey respondents. Within each section, the findings are structured on larger themes, such as social media and marketing or social media use by employees, these larger themes following the research fields explored in chapter 2 and included in the theoretical framework.

### 4.1. Social media use in organisations

The first main finding of this study suggests all target organisations use social media in an involved and stakeholder-oriented way. All target organisations had an established social media activity, using the different aspects of social media in order to engage in genuine interaction with their various stakeholders. However, as the field of business of the four organisations varied widely, differences in the methods and purposes of using social media were also observed. Table 6 summarizes the uses of social media in the target organisations, following the categorisation used in the theoretical framework introduced in chapter 2.

The PR, HRM and crisis communication aspects of social media surfaced in the data as predicted by the theoretical framework. However, in the marketing communication category only the aspect of new product development through consumer participation was considered important by the target organisation. The promotion and brand trustworthiness features of social media marketing were not relevant for the surveyed organisations. According to the interviewees, the social media strategy of their organisations did not focus on marketing and promotion. In addition, the target organisations claimed to have strong positive images with their stakeholders, brand trustworthiness already having been established prior to engaging in social media.

Engaging in	Maintaining	Creating news	Generating ideas
dialogue with	relationships with	whilst responding	through
external	internal	to public needs	consumer
stakeholders	stakeholders		participation
(PR)	(HRM)	(CRISIS COMM.)	(MARKETING)
Being personal	Recruiting	Generating news	Developing new
Monitoring	Using social media		products and
Disseminating	at work		services
information			

Table 6: Social media use in the target organisations

This section explores each category presented in Table 6 in turn, describing the four functions of social media as perceived by the research participants: engaging in dialogue with external stakeholders, maintaining relationships with internal stakeholders, news creation whilst responding to the needs of the public, and idea generation through consumer participation.

### 4.1.1. Engaging in dialogue with external stakeholders

When engaging in dialogue with external stakeholders, organisations can use social media as listening tools, as monitoring tools and as a means for disseminating information.

First, social media were employed as listening tools in all target organisations, the degree of use nevertheless varying. For instance, the banking group had decided that the most important social media activities for the organisation were social media monitoring and establishing a listening position on Twitter. The banking group had been using social media almost exclusively as a listening channel, through which the bank could keep an eye on what was going on in the online world with respect to the organisation, whilst at the same time establishing a constant virtual presence for clients who wished to extend their personal bank relationships to the web.

Second, social media monitoring was perceived to be a crucial benefit of engaging in social media, and was considered "*a good and cheap tool*" (I1) for finding out what the publics thought about organisations. Interviewee (4) for instance, explained that so far social media monitoring had been extremely important for the bank. Picking out positive and negative information on social media was the main monitoring activity. The banking group had already had some experience with dealing first hand with the power of social media, when certain non-governmental organisations approached the bank through these tools. The organisation was able to answer and react quickly to the complaints raised, before the situation expanded and worsened. Interviewee (2) also stressed the importance of monitoring, expressing her view as follows:

"Social media (...) requires constant management. We need to monitor what is being said about the brand so that we can respond to it quickly". <sup>1</sup>(I2)

Nevertheless, it was emphasised that what a company does, that is, how it reacts to what it finds out in the social media, depended exclusively on company policy. Sometimes companies do not want to interfere or are not interested in participating in social media discussions. This strategy was perceived to be sound as sometimes it is better to remain silent than react without thought. Social media was considered to be only one communication channel out of many and as such, only a small means contributing to an organisation's reputation management efforts. Interviewee (1) believed that organisations needed to decide for themselves what was the best strategy, and for this they needed to be thoroughly familiar with their field of business and target groups.

The third use of social media from an external stakeholder point of view concerns the employment of social media tools in corporate communication, as opportunities for disseminating information in a unique and personal way. Social media tools have the requirement for complete involvement and for the use of a personal and caring way of communicating. Interviewee (2) emphasized the following:

"Social media is a new way of engaging with consumers (and other stakeholders) in a direct, immediate and conversational manner. We welcome this opportunity to create conversations as this is in line with our 'connecting people'". (I2)

Interviewee (1) analysed the term "social media" and posed the question of what the concept really meant. In his opinion, social media were not really media at all, but plain interaction between humans. He also stressed that the term was often used wrongly, and that it had become a hype word, social media being considered worth the effort if their use could increase revenue. As human interaction, social media should thus not be treated as mere communication channels, but as relationships. Interviewee (2) pointed out that

<sup>&</sup>lt;sup>1</sup> All quotations are written down as given by interviewees, without corrections.

"as a conversational channel, it [social media] requires constant listening and responding (...) When we engage with fans on Facebook, we cannot just sell our products to them. We need to listen to them, take their feedback, and address their concerns. If not, there is a danger that the fans would think that we do not care". (I2)

Amongst the young professionals surveyed, social media was perceived to be a useful means of communication between organisations and their stakeholders, but there was also a prevalent view that many organisations use social media as marketing and promotion channels, and not really as opportunities for engaging in meaningful dialogue with their customers.

## 4.1.2. Maintaining relationships with internal stakeholders

Social media can be used in order to maintain relationships with internal stakeholders, such as employees, the two relevant aspects here being recruitment and social media use at work. Concerning recruitment, the ways social media were employed in the target organisations for this purpose varied. For instance, the airline recruited through the social media four quality hunters out of 5000 applicants from around the world. The project consisted of these four individuals assessing the quality of the airline's flights and writing about their experience on their blogs, created on a website dedicated for this reason (http://rethinkquality.finnair.com/). The airline provided the flights, but the quality hunters wrote freely, with no interference from the airline company.

The telecommunications company also used social media for recruitment purposes, for example through Facebook or LinkedIn. Looking at the public LinkedIn profile of this organisation, it could be observed that it contained a list of the most recent employment opportunities at the company and a possibility to apply by signing in to LinkedIn (http://www.linkedin.com/companies/nokia).

For the media agency, the Facebook page of the organisation was used for the purpose of "*spreading good word about the company*" (I1), and not as a direct recruitment channel. Moreover, social media were seen as HR tools. The media agency had a very limited presence in the social media, even though the company's business included, amongst others, advising client organisations on introducing social media in their communication and marketing strategies. As HR tools, social media were created for the employees of the media agency, both existing and potential. The employees were encouraged to post comments in their own name, to have informal chats and write positive information about the company. Interviewee (1) pointed out that this type of action in the social media could put pressure on competitors through the positive feedback written by the employees of the agency about the company's activities and values, but that this also served as an indirect recruitment mechanism for those that were reading the company's fan page on Facebook.

The use of social media at work is the second HRM aspect that came up in the research interviews. At the airline, internal and external blogs were used, the internal ones for the employees where anyone could participate, and the external blog written by different professionals from across the airline company. Employees from different parts of the company contributed to the corporate blog, including the airline's Head of Communications, pilots and stewardesses. Interviewee (3) remarked that there was active recruitment for talented writers inside the airline. The individuals that wrote on the blog of the airline did so in their own name. Their writing was nevertheless read and edited before being posted on the Internet, due to length issues. However, the writing was never censored.

At the media agency social media activities were part of the job of every individual, with those more knowledgeable being involved more. At the telecommunications company, Interviewee (2) explained the situation as follows:

"(...) various functions within Nokia are involved in social [media]. It is not just a responsibility of one team, but more like a way of working by and amongst teams". (I2) At the banking group, employee participation in the social media was reserved for the Head of External Communications and his team, who were in charge of everything that took place in relation to the activities of the bank in the social media. This choice was justified by the fact that not every employee was or could be a spokesperson for the company, and the banking group had a code of conduct for those that were not spokespeople, even though it had not yet been implemented. Interviewee (4) believed that there was an issue of trust in the relationship shared by the employees and the organisations they worked for. He pointed out that employees must at all times recall that they are first and foremost bank employees before anything else, and that people should really act according to "common sense" (I4). For instance, an incident had taken place at the banking group, where an employee tried to pretend to be a customer. However, this employee posted his or her comments from within the company network, which was easily found out and acted upon.

In addition to the interviewees, the survey respondents provided different examples of how they, as professionals and employees, experienced social media in their own workplace. Some expressed the fact that, in their workplace, employees were encouraged to provide ideas; others that employees could directly participate in the social media, but following guidelines; and others pointed out that the CEO or the marketing department were in charge of keeping the company social media channels updated, with no direct input from the company's employees. When asked about the responsibility of updating company social media content and whether employees could have a hand in this task, the respondents provided different accounts of their experiences:

"My company has a FB [Facebook] page and a main administrator which is an area manager (...) Besides, there's the blog in many languages – one different blog/administrator for every area the company operates in. For example, the administrator of the Portuguese blog is the area manager but it is me who keeps the blog updated"<sup>2</sup>. (R1)

<sup>&</sup>lt;sup>2</sup> All quotations are written down as given by the survey respondents, without corrections.

"I do not know. I believe they [employees] could participate". (R9)

"Marketing management is responsible for the content on these social networks. Anyone, including its employees, who 'likes' Starbucks on Facebook may add to that content. I'm not sure of other social media, however". (R10)

"Yes, my boss just opened a Facebook page and added all his patients (who have Facebook) which I think is quite ridiculous. Yes, we can participate, but I did not accept his invitation yet. As I said, I do not like to have my colleagues knowing what I do or what I like. Especially not my boss". (R12)

"Our communications/marketing people are controlling it (social media). WE have multiple FB [Facebook] pages/groups". (R13)

### 4.1.3. Creating news whilst responding to public needs

As tools for creating news, social media can be used to provide information from the point of view of the organisation, whilst facilitating listening and responding to public needs and concerns. The news generation function of social media allows organisations to provide stakeholders with the organisation's side of the story, whilst at the same time enabling organisations to offer the information the public really needs. According to Interviewee (4), social media have empowered organisations to become news providers, without the need to go through the intermediary channel of the traditional media. Ten years ago companies were dependent on traditional media if they wanted to sell their products or services or simply have their opinions heard. They had to buy advertising space on television or in the newspapers. Companies were "censored by journalists" (I3). The Internet has changed the "game" and "the share of the media cake is getting bigger for organisations" (I4). For instance, blogs provide a good opportunity to thoroughly describe phenomena about an organisation's business sector. Blogs also offer company representatives the ability to exactly explain actions taken by the organisation, in contrast to press releases consisting of a few sentences only.

<sup>&</sup>lt;sup>3</sup> Translated from Finnish. All possible translation mistakes are the responsibility of the researcher.

In the data, it was perceived that the traditional media were becoming shallower in their news coverage, as their own agenda had commercialized and the desire to sell as many newspapers as possible had increased. Interviewee (3) stressed the fact that in a climate of commercialised news social media give organisations a "*playground*" where they can constantly put forth information, as "*people really want to understand things*". By reading only newspapers one can no longer understand everything, and the Internet is "*full of good material*"(I3). For instance, the airline had over 500,000 readers on their blog. According to Interviewee (3), every single reader of those 500,000 was relevant. This suggests that individuals reading organisational social media channels must be interested in those organisations in a way or another, if they take the trouble to look for information through such means.

The survey respondents perceived social media to be a good opportunity for companies to present themselves to their customers in a more direct and personal manner, as also stressed by the interviewed professionals. For instance, one survey respondent argued that

"companies want to openly communicate with their clients and collaborators, I believe that they [companies] permanently receive and give feedback through social media. Through the informal means of transmitting information with respect to their [the companies'] services and products, I suppose that they [companies] wish to transmit that they would like to be closer to their clients, that they wish to provide offers according to their [the clients'] needs"<sup>4</sup>. (R6)

## 4.1.4. Generating ideas through consumer participation

Social media use from a marketing communication point of view was discovered to take the form of idea generation, with the purpose of allowing consumers to participate in new product and service developments. Facebook was the social media tool that surfaced in the interviews as a means of generating new product and service ideas through the involvement of customers.

<sup>&</sup>lt;sup>4</sup> Translated from Romanian. All possible translation mistakes are the responsibility of the researcher.

The airline, for instance, had been using Facebook to get ideas for a new service concept. The company had created the website <u>www.departure2093.com</u> where it launched a competition in which readers were asked to write their ideas and opinions about what kind of services they would want to have in the future. According to Interviewee (3), the website generated around 14,000 answers, and a 500,000 reader count, with "not one cent spent" by the airline. "People liked to participate, to share ideas and to get in touch" with the airline (I3).

The telecommunications company perceived social media as a means of dialogue, that could not only bring customers together, but could also serve as a marketing tool. As a means of dialogue, social media cover a wide area of activities and responsibilities including crowd-sourcing (outsourcing the generation of ideas away from the organisation and to a large group of people), using social media for marketing or communications, and enabling consumers to connect with each other. Regarding the use of crowd-sourcing as a way of developing new mobile solutions, Interviewee (2) revealed,

"Recently, we launched a 'make my app' competition which generated ideas from consumers on desired apps [mobile telephone applications], then we connected them to the developers who made these apps for them". (I2)

Facebook was also the social media tool used the most by the young professionals surveyed in this study. All survey participants admitted to using Facebook, the main reason behind this being to keep in touch with friends and acquaintances. A small number of young professionals reported that they were using Facebook and social media in general for purposes other than amusement or keeping in touch with friends. Below, some answers given by the survey respondents are presented:

"I use them [social media] mainly because of two reasons: 1) I live away from home and it's one of the only ways I have to keep in touch with those friends who aren't really that close (...), and 2) it's impossible to keep up with all the events and news of the associations I am involved with if someone doesn't have FB [Facebook]". (R1) "I use Facebook and YouTube for personal, and Twitter for business". (R3)

"I use it [social media] mainly for communicating with people in my life that do not live close to me". (R10)

"(I) use FB [Facebook] and LinkedIn on a daily/weekly basis. Some other platforms once in a while as well. I use them for networking". (R13)

Some respondents also used social media to receive their daily news as well as to follow the companies they were interested in. The main reason behind using social media as news platforms seemed to be the convenience with which such tools manage to gather information from various sources and bring it together in an almost tailor-made format for each individual reader. One view of this aspect was explained as follows:

"(...) I would say the biggest benefit from social media is the way it provides me with information. For example, the people I have in my Facebook network are all people I trust and even respect to some extent. So having them share reviews, news, opinion sand have discussions (...) is actually shaping my own opinions on the matter and helping me to see different points of view. I find it very timeefficient to have the so-called 'biggest news' recommended to me on a daily basis". (R11)

The convenience of social media was reflected also in the perceptions of the interviewees. Interviewee (3) for example was of opinion that in the future all different services offered by social media and traditional media would be integrated in devices such as the iPad<sup>5</sup>, the direction being so that every individual would be bombarded with increasing amounts of information. What people need are trustworthy gatekeepers and sources that can filter through the immense amounts of information and provide users with the kind of information they need. Nevertheless, journalists were thought to still hold the role of gatekeepers, but that the trend was such that media houses were cutting

<sup>&</sup>lt;sup>5</sup> Wikipedia defines iPad as "a tablet computer designed and developed by Apple. It is particularly marketed as a platform for audio and visual media such as books (...), as well as web content". (Source: www. <u>http://en.wikipedia.org/wiki/IPad</u>).

down on resources, whilst private organisations were investing more in putting forth their own information and news.

Around a half of the survey respondents revealed that they did not follow companies in the social media. This appeared in contrast with the trust the interviewed professionals appeared to have with respect to a company's efforts to establish social media as reliable sources of information and as platforms where organisations can engage in meaningful dialogue with stakeholders. Reasons given by the survey respondents for their non-following attitude were a lack of trust in company messages, a perception that most social media activity was pure marketing or a belief that companies were not doing a good enough job in the social media. Two of the survey respondents expressed their views as follows:

"Yes, but no. I have company link in my social network, but I am not very keen in following their info. One main reason is companies seems not to put on real effort to utilized social network resource. There is not real benefit, in my opinion to follow the very generalized info from company social network updating". (R4)

"No, not really. So far I have felt it's more like advertising and not how I see the function of social media". (R7)

However, the other half of the survey respondents highlighted the reasons for which they used social media to keep in touch with organisations. The reasons were job opportunities and news about products and services. Some of the young professionals surveyed answered the following:

"Yes, for job and internship opportunities". (R2)

"Yes, as I said in question 4 I follow them a lot. I have around 100 pages that I follow". (R12)

"A few favourite companies to get latest information on new products and to get deals". (R16)

To sum up, section 4.1. showed that even though social media had begun to occupy an important place in the communication and strategic efforts of the companies analysed in this study, overcoming public perceptions concerning the real reasons behind including social media in a company's communication is still an issue. The perceptions of the survey respondents reflected somewhat the doubts companies may still have when it comes to successfully engaging in social media. This section explored four aspects of the use of social media in organisations. First, engaging in genuine dialogue with external stakeholders was seen to be necessary. Second, social media was perceived to be a means of maintaining relationships with internal stakeholders, present or potential. Third, social media was thought to enable organisations to generate news, directly participating in informing their stakeholders, learning what their publics want to know and responding to them in a suitable fashion. Last, social media use for marketing purposes was believed to require the participation of consumers in the development of products and services.

## 4.2. Lessons in social media

The second main finding of this study suggests that there are general lessons that were learned by the interviewed professionals with respect to social media. Each professional interviewed for this study offered insights into what he or she had learned from the social media or what organisations in general should remember when adopting social media, insights stemming from their personal experiences. The opinion was unanimous with respect to the necessity of being active, once the decision to participate in the social media had been taken. Being active not always referred to reacting to every comment, but rather to monitoring and listening, responding when a response was required and engaging in meaningful dialogue with stakeholders.

This section explores the lessons that were learned by the interviewees from using social media in their organisations. The desire was to understand how the interviewees perceived social media to relate to their own views and positions in the companies they were working for, but also what aspects they believed should be taken into consideration with respect to the increasing popularity of social media. This section also

presents what the group of young professionals surveyed perceived social media to be and what they found important regarding this phenomenon.

The existing literature on social media, both academic and that originated from the organisational world, is abundant with suggestions and to-do lists of what companies should take into consideration when deciding to engage in social media, what they should do when they are already involved in the social media and how they can manage and learn from their behaviour once social media has become a part of the company's strategy.

In the data, the general view was that companies should not rush to the social media only because the trend dictated it. Organisations were advised to pay attention to their own needs, to know their publics and begin their activity in the social media accordingly. Resources could always be increased later if the choice proved to be beneficial. Table 7 below exhibits the perceptions of the four interviewees as to what were the most important lessons learned with respect to the role of social media in their organisations and in reputation management.

	Lessons from social media
1	Social media is not hype, but is likely to remain important.
2	Social media should not be used for marketing purposes only.
3	Social media principles should be taught to employees.
4	Social media are important dialogue channels when communicating with external stakeholders.
5	Social media require organisations to know their business.
6	Social media demand active engagement.

As can be seen in Table 7, the first lesson from social media, as perceived by the professionals interviewed, states that social media is likely to remain important and that its effects will endure. The social media trend was perceived not to be only a hype phenomenon, a fad that would come to pass in a few years' time, but rather a permanent change in the way organisations and their publics interact with each other. The present popularity of social media may seem to afford social media tools the reputation of the famed IT-bubble of the beginning of the century (cf. Kauppalehti, 2010), but, for instance, it was pointed out that the phenomenon should not be regarded as such at all, that organisations were not required to engage in social media if they did not choose to do so or only because other companies or competitors were doing it. For the banking group for example, realising that the decision to join social media was in the hands of the organisation was the biggest social media lesson. For instance, Interviewee (4) saw the fact that his organisation had taken its time to get involved in the social media as a positive action, starting small and using social media tools only for listening and responding to stakeholder demands.

Related to the importance of social media but also to an organisation's possibility to choose whether to participate or not, Interviewee (4) expressed his view that "people will be social on the web with or without the participation of companies". The responsibility was thought to rest with organisations to find a way to interact with their stakeholders without appearing too pushy or being seen as exploiting social media in a bad way. It was believed that people tend to be scared away when organisations employ a too pushy marketing approach in the social media.

Social media was also perceived as a phenomenon that would gain in importance in the future. The growth of social media would require tapping into the resources of various divisions of an organisation. On the other hand, shifting resources might prove to be an easy task if social media were used for the organisation's benefit. For instance, keeping social media pages updated with all the necessary information customers might need could lead to a smaller demand for personnel that would answer customer service calls.

The second social media lesson addresses a potential pitfall of social media, namely, that these new tools should not be employed only for marketing reasons. For the

banking group for instance, social media were not deemed to be efficient marketing tools in the long run, although their use for temporary, short-term campaigns was thought appropriate. Social media were not considered marketing tools at the bank, but tools contributing to the building of communities. If these communities were to develop and grow they needed to be provided with content that would make people interact and participate. Marketing was thought to be a unidirectional process, meaning that using social media for marketing purposes would be unsuitable for the banking group, an organisation that desired to nurture its relationship with its customers. The banking group had however had small marketing campaigns in the social media, but they were considered to work for short periods of time only.

Providing an example of an organisation that had successfully used social media as marketing tools, Interviewee (1) explained that Dell, the large US-based computer manufacturer, had been using Twitter only to communicate to their followers about product discounts. This practice had brought huge revenues for the company. The same success with using Twitter for business promotion was also experienced by one of the survey respondents. The respondent explained the situation as follows:

"I own an online Shop and I can say twitter REALLY helped me get lots of customers and exposure". (R3)

In spite of these two examples of material success enabled by social media, the question was raised whether using social media exclusively for marketing purposes could even be qualified as social media at all. Interviewee (1) believed that on one hand social media marketing was social media, in line with the definition of social media as tools used for the sharing of information (cf. Semple, 2007), but on the other hand using social media only for sales was not social media, as, in the case of Dell for instance, on Twitter there was a complete lack of interaction between the company and its customers.

One young professional surveyed brought up the same idea of the social character of social media, stressing the importance of the "social", by giving the example of an entrepreneur friend, as follows:

"My friend manages nowadays some sort of clothing company and every now and then invites people to some "let's drink something and buy clothes cheaply" type of parties. I have not yet participated, but in my opinion he/she is able to use social media skilfully. It feels that my friend has got something of his/her own going on in there. That the question is really about a social thing and not about some visibility campaign ordered from a fat, white-collar, advertising agency"<sup>6</sup>. (R9)

Other factors in addition to a lack of personal touch in the social media can represent potential pitfalls for organisations using these tools only for marketing purposes. For instance, consumers might be unpredictable, not acting on the preferences they had expressed to have; the technical platforms chosen for marketing in the social media might be wrong, leading to faulty end results; the advertising format or title of an advertisement might be uninteresting. In short, the same problems facing traditional marketing could also be experienced in the social media.

One survey respondent, herself a communication professional, mentioned an important pitfall that the use of social media for marketing purposes may encounter, namely that, if a marketing campaign was to be successful in the social media it would still need to fulfil all the requirements a successful campaign in other media would. Respondent (11) made the following observation:

"Using a mode of campaign that has become a 'standard' in social media has more often a negative impact on people's opinions than using a standard print ad. Things get 'old' in social media very quickly and 'I've seen that type of campaign before' is not exactly the response you want from your customers. Companies seem to forget that marketing is not that different whether it's in social media or in a more traditional form. It's just a different channel. You still have to get the interest of the people". (R11)

<sup>&</sup>lt;sup>6</sup> Translated from Finnish. All potential translation mistakes are the responsibility of the researcher.

Another survey respondent had a rather strong view of the use of social media in marketing, perceiving popular social media tools such as Facebook, as shallow or useless. Respondent (9) expressed his opinion as follows:

"Generally, social media and marketing and easily a bad combination. The fact that people like products and want to tell about that to others is often, in my opinion, disgusting. During this year, many individuals became fans [on Facebook] of, for example, Audi. Ridiculous! Other non-profit and charitable services and products are in my opinion a different thing. Such are for example the City Car Club<sup>7</sup> and Netcycler<sup>8</sup> services. Those I can recommend to my friends"<sup>9</sup>. (R9)

The third lesson learned from social media was remembering to educate employees about the basic principles of these tools. For example, Interviewee (4) highlighted the fact that the extensive work that he had undertaken with internal stakeholders, the personnel of the bank, had proved to be the most important learning for him personally. Over the last year, Interviewee (4) believed to have given at east 15 presentations on the topic of social media. His desire had been to educate his colleagues, and to create a platform where people could discuss the topic so that everyone would have a clear idea about what social media represented. The biggest contribution appeared to have been the interaction with other people that social media generated inside the banking group, even if only from a training point of view.

For the banking group, monitoring and answering to customer issues were not considered sufficiently involved social media actions. Instead, it was stressed that social media efforts inside the banking group should expand, and something more proactive should be built, so that the organisation would have dedicated spokespeople whose task would be to be actively present in the social media.

<sup>&</sup>lt;sup>7</sup> Service providing club based in Helsinki, Finland, that offers the use of a car against a fee for members of the club. See <u>http://www.citycarclub.com/</u>.

<sup>&</sup>lt;sup>8</sup> Website, where registered members can trade goods and services. See http://www.netcycler.fi/.

<sup>&</sup>lt;sup>9</sup> Translated from Finnish. All potential translation mistakes are the responsibility of the researcher.

The fourth lesson concerns a benefit that social media confer organisations. This benefit is the ability of social media tools to facilitate interaction and dialogue between companies and their customers and stakeholders, as well as amongst customers. At the telecommunications company the ability of the social media to facilitate dialogue, interaction and conversation raised above all others. Interviewee (2) expressed her view as follows:

"The most important lesson about social media is that it is a conversational media. It is not a one-way channel. We should use it to listen to what people are saying to us, and what they are saying about us". (I2)

Interviewee (2) also provided an example of how important but also how real and relevant the conversational features of social media were to the telecommunications company:

"It [social media] also allows consumers to connect with each other, with Nokia as a common interest. It is a means of dialogue. (...) For example, Starbucks is a strong social brand because they are active in the social media channels –but they will never be able to 'connect' people with coffee. Nokia, on the other hand, make handsets and offer services that can enable people to update their Facebook status anytime, anywhere". (I2)

The fifth lesson regarding the adoption of social media in organisations dealt with knowing the organisation-specific business requirements before engaging in social media. In the data, organisations were advised to be realistic when they were beginning their activity in the social media. Organisations should also not start off on a too large scale, but should rather proceed in a fashion that they are sure they could handle. Organisations should preferably start on a small scale, especially if they do not have much first-hand information on social media, and add more resources as learning progresses. In addition, the learning curve was though to be steep and that, once in the social media, it would soon become clear which specific activities required what kind of input. In the view of Interviewee (3), adding more resources should be easy once this kind of learning has occurred.

The survey respondents also thought it was necessary for organisations to not only know their business, but also to be aware of what social media are all about and how to behave once deciding to use these tools. Respondent (11) explained:

"As to my own experience, I have a strong belief that you can do a lot of good with social media for a company but you really have to know your stuff. In the online world people's opinions and perceptions change a lot faster than in print media and the only way to know the best strategy to use social media is to use it yourself. Otherwise you won't know when e.g. marketing through Facebook events or when a campaign (...) has become more of an annoyance to the people in the community than a new and innovative road to the hearts of the consumers". (R11)

Another respondent felt that organisations appeared to use social media only in order to capture young audiences, regardless of what target groups would actually be interested in their business and message. Respondent (5) stated the following:

"I think the companies seek to get attention from the younger audiences. Sometimes I think I, as a 29 year old, am probably too old for their target group. It seems to me as many companies feel that they MUST be present in social media, but they don't actually stop to think about their targets or strategy. Thus, the content of their presence is uninteresting and confusing". (R5)

The sixth and last lesson from the social media was the necessity of being active. Once an organisation starts to be active in the social media some minimum resources would have to be guaranteed to maintain a steady information flow. Posts need to be updated often for readers to be interested. Being active was seen as a commitment to social media and as a requirement when deciding to engage in social media.

In connection to lessons five and six, knowing organisation-specific requirements and a commitment to being active in the social media, three elements were believed to make interaction in the social media successful. The three components of successful social media interaction are passion, collaboration and innovative ideas (original concepts by Patrick Persson of Great Works AB Agency in Sweden; see <u>http://www.greatworks.se/</u>).

The first component, passion, relates to being interesting, to putting forth information that comes from the organisation's core competences, but that would also be different and unique, in order to attract and keep the audiences. The second element, collaboration, refers to listening and reacting to what takes place in the social media, being active. The last component of successful social media interaction, innovative ideas, refers to an organisation's efforts of standing out from the crowd.

The survey participants had various opinions about what organisations were not doing well in the social media, what they could do better, and what they could offer their stakeholders that would set them apart from other companies in the social media. Some respondents suggested:

"I have not seen any company has been very efficiently attracts me by their social network pages. Somehow, the real professional bbs forum might be a better place to discuss technical intensive matters, and traditional marketing channels are quite mature with their ways of promoting. If I must give some suggestions for social network management for companies like Nokia, probably event management can be a good try". (R4)

"I think there are two good things about the current use of social media by companies. In the first place, it is a great marketing for the companies. They can show and sell their product a lot faster and to more people. For example, when IPhone 4 came out, I found it through Facebook. Also, when Matt & Nat have their amazing handbags sale every year, I received the invitation through facebook. Otherwise, I would have surely missed their sale. In second place, it is good for the people because we can find out about new products in a faster and easier way. The only problem I think is the personal security of the people and also it is too 'transparent'. (...) And also, sometimes you receive too much publicity that you don't actually need". (R12)

"If you use the same channels for campaigns as the 100 other brands (and they all are in social media) out there you have to have a message that stands out. Using a new tool or a channel is only a means to an end and should no be confused with the actual message". (R11) To sum up, this section explored the lessons learned by the professionals interviewed, and the perceptions held by the surveyed young professionals with respect to the adoption and use of social media in organisations. The most important issues raised were active involvement in the social media, knowing the business and social media requirements and acting accordingly, training personnel in the basic aspects of social media, and willing to believe in the durable character of social media tools.

#### 4.3. The link between social media and reputation management

The last finding of this study addresses the main research question introduced in chapter 1, referring to the link between social media and reputation management. This link is suggested to be threefold. First, how social media and reputation interact depends on each organisation. Organisations need to analyse their business and the social media environment before deciding to engage in activities that might affect their reputation. Nevertheless, it is difficult to point out clear effects of social media on reputation. Second, organisational reputation can benefit from social media as these tools allow organisations to open up and communicate directly with their stakeholders. However, organisational and stakeholder perceptions of this benefit may not coincide. Last, organisations should participate in the social media with a genuine interest in building relationships and engaging in dialogue with their stakeholders. Social media should not be used as marketing tools only if they are to have a role in reputation management.

All professionals interviewed argued that social media could have an effect on reputation, but this effect was deemed difficult to measure both because social media are new tools, recently taken into use by organisations and forming only a small part of their strategies, and because reputation is a concept with many definitions and many components. The role social media played in the management of reputation in the target organisations was closely linked to the use of social media tools in these organisations. Table 7 depicts the six insights into the link between social media and organisational reputation.

Table 8: The link between social media and organisational reputation

Social media and organisational reputation
The link between social media and reputation is organisation-dependent.
It is difficult to point out the effects of social media on reputation.
Social media allow organisations to open up, which benefits reputation.
Social media are not marketing tools, even if they are often used as such.

As can be seen in Table 8, the first issue to consider, when investigating the link between social media and organisational reputation, is the fact that the effects of social media on reputation are organisation-dependent. Accordingly, the organisations analysed in this study employed those social media tools believed to best suit organisational communication and strategic needs. For example, Interviewee (2) explained that

"the role of communications is to manage perceptions about a company/brand or a person. As such, the success of the communications team can be determined by the positive image that is projected by the company/brand/image. Social media is a channel that communication leverages in order to maintain those positive perceptions". (I2)

The way social media and reputation interacted depended on each organisation in question. It was stressed that what each organisation generally needed, even before deciding to engage in social media, was a good brand and clients that had trust in the organisation. Hence, for instance, the media agency did not see social media as vital to their business. The customer trust and the good brand were already there, so relying on old-fashioned word-of-mouth was generally enough for this organisation. Nevertheless, the media agency did use social media. The use of social media concerned employee wellbeing and the promotion of the media agency as an interesting workplace (see section 4.1. for more details).

However, it was also believed that there was a need for social media in today's society, from the point of view of media and journalism. If a decade ago organisations were dependent on print and television media in order to make their opinions heard, nowadays even these traditional media were pooling their resources and competing in the online world. It is thus in the interest of an organisation to take advantage of social media to express its views, no longer having to face the journalistic censorship.

The second aspect of the relationship between social media and reputation states that it is difficult to point out clear effects of social media on organisational reputation. For example, Interviewee (4) believed that for the banking group it could not be said that the social media efforts of the bank had changed its established reputation yet or that social media had had a significant effect on the reputation of the banking group. Social media was still a new instrument for the bank, with limited resources invested in these new tools, fact which might contribute to a lack of measurable effects on the organisation's reputation.

For the customers of the banking group the best part about the bank was the personal bank advisor. Hence, the banking group aimed at extending this feeling to a medium the customers were already familiar with – the Internet – and at creating an online bank advisor with the help of social media. In return, this move was thought to have an impact on reputation, but this would not change the way communication was taking place at the banking group, for example. The importance of showing a friendly face was seen to be paramount and the only channels where this could be achieved were the social media. One of the young professionals surveyed expressed a similar view:

"Social media provides a platform for information exchange. This does not over run tradistional marketing channels, neither can be a substitutes of real human to human social interaction. However, as a new IT invention, its impact is a subject to study". (R4)

For the media agency, social media were not considered crucial communication channels at all. The organisation still relied on traditional word-of-mouth and on the reputation it had gained by having long relationships with its clients. In the field of business of the media agency, most clients did not change agencies often, but rather aimed at building long-lasting relationships with their media and publicity providers.

At the airline, the relationship between social media and reputation management was perceived in a more straightforward way. Interviewee (3) pointed out that nowadays Internet use was widespread and most airline customers were using the Internet in their dealings with the airline. This also meant that customers expected to get information on matters of interest in a quick fashion, on the Internet. It was suggested that if a company could not provide the necessary information fast enough to meet the customers' demands then first reputation would be lost, and then also the business. Thus, being able to react quickly and appropriately to customer demands was strongly linked to how customers perceived the service they received and the company that provided it.

The third issue linking social media and reputation is the ability of organisations to open up and send forth their own message, without intermediaries, through the social media. For the airline, social media had proved to be a very useful tool in managing organisational reputation. For example, during the Iceland ash cloud incident that took place in spring 2010, a crisis event, which had countless flights to and from Northern Europe cancelled or delayed, the airline had kept its customers informed through the social media. The Facebook channel of the airline proved to be a success, the fan page getting around 27,000 fans and a lot of positive feedback. This social network page acted as the optimum solution the airline used for informing their customers of the developments that took place to remedy the situation. Many posts on Facebook were read over 50,000 times, and the people visiting the page tried to help each other. Interviewee (3) believed that this was really *"how Facebook ought to work"*. Thanks to the amounts of positive feedback the airline received as a result of their efforts on Facebook, the company decided to invest even more resources in this social media tool, for example, by using the tool to generate ideas for a new service concept.

The social media characteristic of being constantly changing and requiring monitoring was seen as both a useful and as a challenging aspect. Whereas the decision to engage in social media requires companies to allocate resources for an active participation, this same decision also improves the way a company is seen due to its involvement and

desire to open up. Generally, the more one knows about a company or product the more one has reasons to show trust towards this same company or product.

The decision to include social media in organisational strategy meant that the target organisations had opened up to the world more than they used to when only relying on traditional media. For the banking group for instance this had consequently had a positive effect on reputation. The fact that the bank had already had an excellent reputation with its customers, by seeing them as the most important stakeholder and by offering them good service, facilitated the transmission of this positive reputation to the virtual world.

The requirement of social media for active involvement was also relevant when looking at social media from the point of view of reputation management. Due to the constantly changing nature of social media, companies were advised to remember to be ever vigilant and aware of what company-related information circulates the web. Social media were considered important defensive tools, and organisations were advised to be present on these channels with "good proactive content" (I4), so they can respond promptly if the need arises. Interviewee (2) highlighted the following:

"We need to monitor what is being said about the brand so that we can respond to it quickly. Left unchecked a company can immediately gain negative publicity as news on the web can circulate quickly and widely". (I1)

The general perception amongst the survey respondents was positive with respect to the engagement of organisations in the social media. Even though the survey did not ask specific questions about the connection between social media and organisational reputation, the desire to know the perceptions the young professionals had about the whole phenomenon and how their own experiences came into the equation helped draw some conclusions about the perceived image of companies in the social media.

Most survey respondents saw the adoption of social media in companies as a good move, especially concerning product or service promotion, but also as a means of keeping in touch with customers. The following quotations highlight this finding:

"I think it is a very smart move because the influence of social media (e.g. FB) only tends to increase in the future, even though it is already strong". (R1)

"I believe that it [social media] is a means of keeping in touch with customers or with those interested in the company, that it is a means of receiving and sending constant feedback and, as a result, improve the offering"<sup>10</sup>. (R6)

"I think it's a good way for these companies to promote their products and to always be in the lives of their customers". (R3)

"It's so hard to say, since some companies have very good pages, some again quite bad ones. I like the fact that you can see what other people think, and that not everything is the company's own words". (R14)

Contrasting views of the usefulness and efficiency of social media were suggested in the findings. For instance, in the interviews it was stressed that the question was no longer one of whether to engage in social media or not, but rather how much resources an organisations should dedicate to its social media activities. However, a different view of the meaning of social media in today's information society was also presented. Organisations should not be compelled to engage in social media only because the trend for doing so is powerful and the temptations great. On the other hand, any organisation *"should spend money carefully"* (I4) on the social media. It was thought to be a better move having a low profile in the beginning in case social media did not prove suitable for the company. However, it was also stressed that if the customers really expected an organisation they are interested in to be on the social media, the best option would be to listen to this customer expectation and get involved.

The findings from the online survey suggest that even though certain survey respondents were fans of their favourite companies in the social media, this did not mean that they were personally active in following these companies. The majority of survey respondents perceived organisational engagement in social media as a step forward in company-stakeholder communication, but the behaviour of some was somewhat in contrast with their opinions. Two respondents pointed out:

<sup>&</sup>lt;sup>10</sup> Translated from Romanian. All potential translation mistakes are the responsibility of the researcher.

"I don't follow companies in Facebook, only what I get though e-mail. I think email bulletins start to get annoying; the information in small enough packages, but it comes too often". (R5)

"I think it's good for companies to take advantage of social media sites. I often notice the advertisements posted by companies on social media sites. I like Starbucks, and have joined their Facebook group, however, I seldom go to check out its page on Facebook". (R15)

Organisations and their stakeholders may not always have the same view of the efficiency of social media actions. In spite of the generally favourable opinion about the organisations' use of social media, some survey respondents raised issues of lack of professionalism in the way social media seemed to be approached by companies and of lack of relevant information shared on these channels. Some respondents raised the following issues:

"For example, a company send several times a month a message saying that they have a sale on 20, 25, 30, etc. per cent just for two three day ... It does seem like they have a sale everyday". (R5)

"As a less positive aspect I would point out the lack of skills in online promotion of those that are in charge of the companies' web pages (this also happens because it [social media] is a new field and companies do not invest in training their personnel in this respect)". (R6)

"(...) I believe that the constant messages from all of these different companies creates chaos among these social site. One may often feel overwhelmed by the huge output of information and advertisement, and eventually become unaffected by the messages". (R10)

The fourth and last insight into the link between social media and reputation management is the danger of employing social media for marketing reasons only and thus not genuinely fulfilling the social requirements these tools entail. Interviewee (4) highlighted the fact that for his organisation social media and marketing had not so far been closely linked. The banking group had not used, nor did it intend to use, social media as a marketing channel, but rather as a listening post. The only cases when social media might prove useful for marketing efforts would be when using these tools for occasional campaigns. As pointed out in section 4.1., the banking group has had some social media marketing campaigns, but they were not long-lasting. The banking group aimed at emphasizing the human side of the bank in the social media, where people could meet bank representatives as individuals, not as voices of an organisation.

The young professionals surveyed believed that organisations adopted overtly marketing-oriented actions in the social media. The respondents appeared wary of having to face the same kind of marketing messages they had been used to in the traditional media, albeit transmitted through new channels. Some of the respondents pointed out the following:

"Most companies seem to have rushed into the social media market without actually thinking how they would feel themselves if they were bombarded with similar messages. Many seem to forget the whole reason social media has become so big: you trust the people you are connected with – which is why you take their recommendations seriously. Companies think they can just utilise the channels without taking the time to build that trust". (R11)

"Companies use social media too much through all kinds of lotteries and not give out relevant information". (R16)

The popularity of social media in marketing communication is not to be overlooked, but organisations were to a large extent seen as adopting social media only for marketing reasons, both by the interviewed professionals and by the survey respondents. Companies were thought to forget the deeper purpose of social media at the expense of a desire for increased profits. Some of the young professionals surveyed saw company efforts in the social media as promotion or as actions aimed at furthering an organisation's own interests, as follows:

"Well, it's obvious that they want to achieve recognition by the highest number of people possible and they want to give an image of innovation and 'high-end' technology, especially companies that want to promote themselves and their products to young people". (R1)

"Companies always invest a lot of money in advertising and this is a way to advertise, much cheaper than commercials, banners etc.". (R3)

"Well in the end all of us are trying to achieve more sales. Also, I think that social media is showing in a funny way how all of us really want to be 'liked'". (R11)

"Most of them try to get their name known and to attract new customers". (R16)

Other survey respondents brought up different aspects as to their own perceptions of organisational engagement in the social media. One aspect was the similarity between organisational social media behaviour and organisational behaviour on more traditional marketing channels or on the corporate website, as shown below:

"More visibility, more personal marketing, more customers. However, I find regular marketing campaigns would already be enough to make people aware of the products. Still, social media must be a very effective channel for companies". (R8)

"It is hard to create content that really provides value for people in social media. Recruiting is a good example of value provided but otherwise social media seems to work just like the company web pages". (R13)

To sum up, this section suggested that there is a relationship between social media and organisational reputation and that social media has a role in reputation management, but that this role is both difficult to measure and is yet to be explored in more detail. The online survey participants generally viewed company engagement in social media in a positive light. Nevertheless, the overall expectation was for firms to be genuinely interested in communicating with customers, to be using social media in relevant and innovative ways and to be steering clear of bombarding customers with impersonal or overtly sales-oriented information.

### **5. DISCUSSION**

This chapter discusses the findings of the current study in the light of the earlier literature explored in chapter 1, but also from the point of view of current developments in the social media.

Existing research has not only provided an overview of social media tools and how they can be used in PR, marketing, crisis and HRM communication, but it has also comprised various pieces of advice for organisations which have decided to adopt social media in their promotion and reputation management efforts (Lim and Yang, 2006; Long et al., 2007; Mangold and Faulds, 2009; Topper, 2009; Semple, 2009). Social media have also given the opportunity to organisations to change the way news generation and information sharing take place (see e.g. Deniaud, 2010).

This study explored the use of social media in four target organisations, lessons learned from social media by the researched professionals and the link between social media and reputation management. The findings arising from the data collected for this thesis confirm to a large extent earlier research findings introduced in chapter 2. This study showed that all four target organisations paid attention to aspects such as being personal in the social media (Lim & Yang, 2006; Xifra & Huertas, 2008), and using social media for engaging in dialogue with external stakeholders, rather than for the enforcement of unidirectional marketing campaigns (Briggs, 2010). In addition, the survey respondents were of opinion that the most important feature of social media is to get organisations and their stakeholders together, the general belief being that social media have allowed organisations to become more approachable.

The target organisations researched also used social media for recruiting new talent (Allen et al., 2004; Phillips, 2008; Lietsala & Sirkkunen, 2008) and for promoting themselves as good workplaces. Moreover, social media activities in the target organisations consisted not only of monitoring what was going on in the social media, but also of learning how to improve organisational products, services or actions.

The research findings showed that the target organisations attempted to make their social media presence personal and interesting, in accordance with Xifra and Huertas (2008) and Topper (2009), who believe that individuals prefer to do business with those they know things about and which address them on a personal level. In addition, as suggested by Topper (2009), all target organisations were present on more than one social media channel. This practice helps reaching different groups of stakeholders by addressing them through the channels they prefer. Engaging in more than one social media can also stress that an organisation is thorough and serious about its social media efforts, allocating sufficient resources to the interaction with its stakeholders.

The current research also suggested that it is necessary to determine who is a company spokesperson and who isn't. Most research participants pointed out that in general there are certain rules regarding who can publish content on an organisation's social media pages. In addition, it was pointed out that it is important to educate employees about the nature of social media and the ease with which reputations can be tarnished on these platforms, in line with the findings by Long et al. (2007), Toivonen (2007) and Kaplan and Haenlein (2010).

In the current research, the findings emphasized the news-generating feature of social media, as described by Topper (2009), through which organisations are now finally in the position where they can provide information on their business, without the interference of gatekeepers such as the traditional media.

With respect to marketing communication, it is worth mentioning that although in earlier literature some stress has been put on the use of social media as cost-efficient sales and promotion tools (Toivonen, 2007), the current research discovered that, in the target organisations, social media use from a marketing point of view focused on the generation of new product and service ideas through consumer involvement, rather than on straightforward marketing. Nevertheless, in contrast with the claims made by the organisational interviewees, the participants in the survey generally viewed the social media behaviour of many organisations as merely sales-oriented and no different from more traditional marketing. The advice in crisis communication and in PR literature that organisations need to monitor what is written and said about them in the social media was also highlighted in the current research. In earlier literature, it was stressed that organisations should establish a constant presence in the social media so they know at all times both the good and the less favourable opinions voiced by various stakeholders, enabling them to react accordingly and in a timely manner (e.g. Lim & Yang, 2006; Lachlan & Spence, 2007; Sweetser & Metzgar, 2007). These suggestions were also made in the present study. In addition, this thesis discovered that making sure what is going on in the social media, already before actually deciding to join, is a prerequisite for setting up a well-thought social media presence.

In addition to social media monitoring, the findings made clear that organisations must remain aware of the fact that social media is all about sharing, collaborating and interacting, rather than simple advertising and selling, as suggested by Drury (2008) and Briggs (2010) for example. Moreover, similarly to Topper's (2009) suggestion that organisations should take their time and be patient when building an online community, the interviewees in this study agreed that organisations need to know, already before joining the social media, why thy wish to join and also how they would like to behave once in the social media.

Concerning the "social" component of social media, Kaplan and Haenlein (2010) argued that organisations must be active and engage in discussion with customers and stakeholders. In the current research, an organisation's active and personal engagement was stressed several times, the emphasis being on the necessity to regard the "social" aspect of "social media" as the most important feature of these new tools. The current research suggested that the four target organisations were both active and personal in their social media activities.

The findings also confirm the suggestions by Lim and Yang (2006) and Xifra and Huertas (2008), who point out that organisations need to be personal in their social media presence in order to benefit. All interviewees highlighted that fact that their respective organisations were participating in the social media with the purpose of engaging in dialogue, forming relationships and learning from their stakeholders. At the

same time, the survey participants commended organisational decisions to open up and to listen to their stakeholders.

In the present research, one finding stated that using social media only for marketing purposes is not really social media at all. This view needs to be contested in the light of what social media are described to be. Social media enable not only organisations to talk with their stakeholders but also stakeholders to talk with each other. In social media marketing stakeholders are those that engage in dialogue with one another. Consumers let each other know of interesting promotions and offers they find out about in the social media, they buy products and services and they tell about their experience to other consumers, effectively engaging in social media. An organisation is present in this interaction through the products or services sold, and also through the comments made and images formed by its stakeholders, even though not directly as a member in the social media dialogue. Thus, even only engaging in promotion can still be classified as social media interaction.

In spite of the dangers of using social media for marketing and promotion, as stressed in the findings, it should be pointed out that, as social media increase in popularity and in use by both organisations and consumers, the issue of overtly advertisement-like social media pages may no longer be relevant. It can be argued that the presence in the social media by organisations is likely to grow in the future. This can also lead to more and more advertising taking place through the social media. It is possible that if organisational social media engagement becomes widely spread, viewers will no longer be affected by social media advertising, but will merely see the practice as normal, similar to traditional advertising.

The present research has showed that the interviewed and researched professionals perceived social media as a tool that should be centred on the connection between individuals. All interviewees gave examples of the listening and responding efforts their organisations had been trying to employ in order to fulfil their customers' expectations. Respecting the rules of social media was also seen as a self-evident fact, both because trustworthy companies, with an already strong reputation, could not afford to mislead their stakeholders, and because social media are efficient at self-regulating, thanks to

the fast propagation of information and the great number of voices that are contributing to the creation of knowledge in the social media.

Social media are still new mechanisms of communication, and success or failure cannot yet be clearly discerned. The current study suggested that there is a link between social media and the management of reputation in organisations, this link manifesting in the fact that social media allow organisations to open up and communicate directly with their stakeholders. At the same time, social media offer more power to consumers, who can affect how organisations behave, what they sell and how they promote their products and services, through voicing their opinions, experiences and wishes.

To conclude, the urge to understand and employ social media as tools for interaction and dialogue and not only for marketing, promotion and the transmission of news was seen as the most relevant element in the relationship between organisational reputation and social media. Moreover, social media were thought to be tools that would endure in the future, the changes they had already caused in the way organisations and their stakeholders interact being clearly visible in the opening up of organisations.

### **6. CONCLUSIONS**

The purpose of this study was to investigate the link between social media and organisational reputation management, by looking at the perceptions of communications professionals on the role of social media in their organisation, as well as by exploring the views of young professionals on their experience with and knowledge of social media. The research was motivated by the increased academic interest in social media and by the growing use of social media as communication tools inside organisations.

Because research on social media in organisations has focused on general advice or on the suitability of particular new media tools (e.g. the blog) in organisational communication and reputation management, the current study aimed at finding out the perceptions of communications professionals directly involved in social media. The study investigated how these individuals had experienced social media and what insights can be drawn from their first-hand accounts.

This chapter concludes this master's thesis by summarizing the research methods and the main findings in section 6.1., by exploring practical implications of the study in section 6.2., by presenting the limitations of the thesis in section 6.3., and by making suggestions for further research in section 6.4..

#### 6.1. Research summary

In this study, an effort has been made to create a theoretical framework for positioning social media within the context of organisational reputation. This was attempted by taking into consideration contributions made by both organisations and by stakeholders, the two players in social media. The elements of the framework were closely linked to aspects of earlier research, such as social media monitoring, the importance of being personal in social media communication, social media promotion, customer involvement in product and service development, social media recruitment, and social media use at work.

The methods of the study consisted of four semi-structured interviews with communication, marketing and social media professionals from medium and large Finnish organisations and a related online survey, answered by sixteen young professionals, the majority of which were both pursuing Master's degree studies and participating in the working life at the time the research was conducted.

The interviews and the survey were designed to investigate the personal views and perceptions of the respondents, the practical study being thus of a qualitative nature. This study examined the link between social media and reputation management, focusing on how social media tools were used to promote organisations and attract favourable opinions, and on what lessons were learned by the professionals involved in the social media. The main research question was therefore the following:

What is the link between social media and reputation management, as perceived by the interviewed and surveyed professionals?

In order to answer the research questions, two additional sub-questions were set:

1. How are social media used in the target organisations?

2. What are the lessons learned from the social media in the view of the researched professionals?

As a result of the four semi-structured interviews and the sixteen survey responses, it was suggested that there is a link between social media and organisational reputation management, social media being an important part of an organisation's strategy and activities and one that would continue to play its part in the future as well, albeit in some different form. The main findings of the study are presented in Table 8 below.

The findings in table 8 are structured in accordance with the research questions presented above: social media use in the target organisations, lessons from social media and social media and organisational reputation. Table 8 comprises the information shown in Tables 6-8 in chapter 4.

Social media use in target organisations	Lessons from social media				
Maintaining dialogue with external	Social media is not hype, but is likely to				
stakeholders.	remain important.				
Maintaining relationships with internal stakeholders.	Social media should not be used for marketing purposes only.				
Generating news whilst responding to the needs of the public.	Social media principles should be taught to employees.				
Generating new ideas through consumer	Social media are important dialogue				
participation.	channels when communicating with				
	external stakeholders.				
	Social media require organisations to				
	know their business.				
	Social media demand active engagement.				
Social media and organisational reputation					
The link between social media and reputation is organisation-dependent.					
It is difficult to point out the effects of social media on reputation.					
Social media allows organisations to open up, which benefits reputation.					
Social media are not marketing tools, but are often used as such.					

### Table 9: Summary of research findings

This study showed that the most important factor in social media was being active and acting in a personal manner. Marketing efforts in the social media were shown to be less crucial for the target organisations, whose aim was relationship maintenance rather than product or service promotion. Nevertheless, the research discovered that social media could be excellent tools for the generation of product or service ideas through allowing

consumers to participate. Social media was also shown to be efficient means for the target organisations to generate news from their own point of view, without the need to pass through the journalistic gatekeepers, and in a manner that would directly meet the informational needs of their stakeholders.

Regarding the role of social media in reputation management, the main finding of the study showed that the link between social media and reputation was organisation-specific. Each organisation experienced social media differently, but the general perception was that social media can have a positive effect on reputation, for example by allowing organisations to open up to their stakeholders. Nevertheless, it was though difficult to isolate clear effects of social media on organisational reputation from an otherwise overall successful communication strategy. In addition, the study also showed that social media use in organisations was generally perceived as a good strategy by the survey respondents, but that issues such as lack of interaction, lack of professionalism and an emphasis on marketing and promotion may lower the opinion stakeholders have of organisations active in the social media.

Concerning the lessons learned from social media, the research showed that various points were learned when utilising social media tools. It was found that social media is not a fad, but that the changes it brings will be seen in the future as well. Getting organisations and their members to become aware of the rules of social media was deemed necessary. In addition, it was shown that social media should not be used only for marketing purposes, if an organisation's desire is to truly form a mutually beneficial relationship with its stakeholders. Moreover, social media were found to be important dialogue channels, but that they require active involvement and the prerequisite of knowing both the organisation's field of business, strengths and weaknesses, and knowing the rules of social media.

Research findings that were supported by earlier literature are being personal and showing a human face (Lim & Yang, 2006; Xifra & Huertas, 2008), engaging in genuine two-way communication rather than only using social media as a marketing or general information providing tools (Drury, 2008; Briggs, 2010), using social media when a quick response is required (Lim & Yang, 2006; Lachlan & Spence, 2007;

Sweetser & Metzgar, 2007; Macias et al., 2009), educating and involving employees in the technicalities of social media (Skeels & Grudin, 2009; Solis, 2009; Kaplan & Haenlein, 2010), and allocating sufficient resources to social media (Semple, 2009).

In the present study, social media were shown to act as recruitment channels, supporting the suggestions made by Mayfiled, (2008) and Kluemper & Rosen (2009), but also to serve organisations in difficult times, when responding must be swift in order to maintain a company's reputation, consistent with Lim & Yang (2006), Lachlan & Spence (2007) and Semple (2009).

In accordance with Drury (2008) and Mustonen (2009), it was shown that there is a danger that social media could be used only as marketing tools, rather than tools for building relationships and listening to customers. Consistent with the findings by Sweetser & Metzgar (2007) and Topper (2009), keeping organisational social media channels active and updated with interesting material is a good solution for attracting and keeping stakeholders interested in a company.

The importance of monitoring and being aware of what company-related information is shared in the social media was stressed in earlier research (e.g. Porter et al., 2009), for instance by following blogs (Eyrich et al., 2008; Touri, 2009; Kaplan & Haenlein, 2010). The current research did not discover any particular emphasis on the use of blogs for reputation management; in contrast with the findings by, for example, Lim & Yang (2006), Burns (2008) and Xifra & Huertas (2008) all organisations under scrutiny employed various social media channels in their communications.

The findings of the study also lend support to, for example, Gotsi & Wilson (2001) and Helm (2007), suggesting that the link between social media and reputation is not clearcut, as reputation is a concept that consists of many different aspects, from the actions a company does, to the products or services it sells, to the experience its customers have with the company, and that social media is only a part of an organisation's communication and reputation management strategies.

#### 6.2. Practical implications

Evaluating the practical implications of this study for business practitioners may prove challenging, as the study showed that each organisation is a unique entity, with specific traits, needs and desired outcomes. Nevertheless, perhaps the most valuable contribution of a study like this is that it can give social media the attention it deserves, especially since the research looked at perceptions and experiences of communications and social media experts in known international organisations and at the views of young, social media-knowledgeable professionals. Moreover, this study suggests that various social media tools should be used by organisations, and that organisations should not focus only on marketing and promotion in social media, but rather on dialogue and meeting the needs of their stakeholders, if they wish their presence on these new platforms to make an impact. It can therefore be suggested that social media should be exploited more thoroughly to tap into the perceptions, knowledge and experience of customers and stakeholders so that organisations could better meet the needs of their publics, leading to an enhanced reputation and perhaps better revenues.

The findings of this study also suggest that social media are communication channels with a lot of potential in corporate communication and in reputation management efforts. The results seem to indicate that professionals in large organisations find social media to be useful tools for opening up organisations and for fostering dialogue and interaction with stakeholders. In addition, the findings would suggest that social media are but a small part of the wider reputational efforts of an organisation, but that it can be argued that the their effect on corporate reputation could potentially be significant.

It seems that the social aspect of social media could be considered the most important feature when deciding to engage in social media. The research findings indicate that social aspects such as being personal when participating in social media, engaging in dialogue with external stakeholders, listening and responding to stakeholders and involving stakeholders in decision making are thought to be the chief actions organisations should take if they wish to have a positive and successful social media presence.

#### 6.3. Limitations of the study

The topic of the present study was somewhat challenging because of lack of research in the field of social media as tools of reputation management from the perspective of professionals using them in organisations. For this reason, finding a suitable model for the role of social media in reputation management was difficult. Hence, the theoretical framework was built as a result of the most common and meaningful social media activities described in earlier literature.

One weakness in this study arises from the fact that social media is a relatively new concept, not widely studied to date, and with developments taking place at a rapid pace. Thus, this study captures perceptions and uses of social media at the present moment, during the fall/winter 2010-2011, but it may well be that changes and conflicting views will arise in the near future that will require a different approach to the topic than that taken in this study.

Another weakness in the current study is represented by the relatively small amount of data, making the implications made suggestive only and pertaining to organisations that are similar to those represented in the current research. Moreover, the views of the professionals interviewed and surveyed are also quite specific, the respondents being either involved in social media and communications or being young professionals knowledgeable of social media through their personal or professional lives. In addition, the group of survey respondents was composed of young individuals, most of them female, and drawn from an unrepresentative pool of acquaintances of the researcher, fact that also represents a weakness in the study.

The last weakness in the present research consists of the overlapping character of the findings. As it was also obvious in earlier research, the effects of social media are broad and it is difficult to separate actions in one business function, such as the use of social media at work, from other areas, such as crisis communication. Because social media can affect more than one organisational aspect at the same time, clearly compartmentalising the perceptions of the professionals involved in this study was challenging.

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#### 6.4. Suggestions for further research

The present study suggests at least four directions for further research. First, analysing social media content, such as performed by Hughes and Palen (2009) and Macias et al. (2009) in crisis situations, could be looked into in more detail from the point of view of enhancing organisational reputation, for example, by examining reader comments on corporate blogs, Twitter or Facebook.

Analysing social media content and comparing this actual content with information gathered through interviews could also be a subject for future research. This study suggested implications of social media for reputation management based only on interviews and surveys, but this kind of research could be taken a step further by investigating if what was found out in the interviews matches the content posted by organisational spokespeople in the social media.

More research attention should be given to recent crises, such as the Iceland ash cloud incident that took place in spring 2010, and how the social media behaviour of airlines affected by the crisis correlated with the subsequent public image or reputation these organisations gained as a result of their actions.

Possible further studies could also focus on the use of social media in the work place. Skeels and Grudin (2009) explored the perception of Microsoft employees with respect to the use of social media at work. As advised by Toivonen (2007), this kind of research could be extended and made both more practical and more general by researching what kind of guidelines organisations could adopt in order for both employees and the organisation at large to function adequately in the social media.

Finally, the role of social media in reputation management could be explored with the help of a long-term case study of an organisation active in the social media. This kind of research would allow for the in-depth analysis of an organisation's communication and social media strategy, as it changes to accommodate new insights gained through social media participation.

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### Interviewees

Haglund, Christer. Head of Communications at Finnair. Telephone interview 20.10.2010.

Ruotsalainen, Roope. Head of Dagmar Search at Dagmar. Interview 29.09.2010.

Sjöhelle, Rune. Head of External Communications at Nordea. Telephone interview 04.11.2010.

Soriano, Carol. Global Head of Marketing Activation at Nokia. Email interview 12.10.2010.

# **APPENDICES**

## Appendix 1

### Model of the interview request email sent to communications professionals

### Greetings,

I am an International Business Communication master's student at the Aalto University School of Economics and am writing my thesis on the role of social media on organisational reputation. My thesis explores the way new media channels are changing the way businesses conduct their activities and how they interact with their various stakeholders, these actions ultimately affecting the way they are perceived, i.e. their reputation. For this purpose, I wish to interview communications managers of international organisations, but also some media experts.

I know that (the name of the company) is present in many of the social media channels available (Facebook, Twitter, etc) and I would like to know how social media is viewed and used at (the company), and also why. (The company) is a large international company with many products, services and clients, factors that all contribute independently and collectively to how (the company) is perceived. Therefore, I would be very grateful if I could find out more about (the company's) efforts in the field of social media and how these efforts contribute to (the company's) reputation and overall business success.

This being said, I would wish to request an interview to answer some questions regarding the topic of social media and reputation.

If you are unable to give an interview, but can direct me to someone else who can, that would also be ok. Also, an email or phone interview can work too, whichever you prefer.

Thank you for your help and I am looking forward to hearing from you soon.

Best regards, Andreea Sarniola

# Appendix 2

# Names of interview participants

Interviewee	Name	Company	Title
(1)	Roope Ruotsalainen	Dagmar Oy	Planning Director
(2)	Carol Soriano	Nokia Oyj	Head of Marketing Activation (Global)
(3)	Christer Haglund	Finnair Oyj	Head of Communications
(4)	Rune Sjöhelle	Nordea Oyj	Head of External Communication

### Appendix 3

### **Online survey questions**

1.Age, sex and nationality

2.Do you know what social media are? Do you use them or not? Why?

3.What kind of information do you use social media for? What online social media activities do you engage in?

4. Do you follow companies, products, etc. in social media? Why?

5. What do you think of the current use of social media by various companies (e.g. Nokia for example has FB pages for the company and for its products)? What is good / bad and what could be improved?

6. What about social media use at the workplace (e.g. are you allowed to go on FB at work?). Why or why not?

7. If your company (the one you work for) is present in the social media, who is in charge of the content posted? Can employees participate?

8. What do you think companies try to achieve by being in the social media? What kind of perception do they give you?

9. Anything else you may wish to say regarding companies and social media, your own experience, etc.

# Appendix 4

## Composition of online survey group (age, sex, profession, education, nationality)

Respondent	Age	Sex	Profession	Education	Nationality
R1	25	F	Translator	Pursuing master's	Portuguese
			Customer	degree	
			service		
	27	Г		D	0
R2	27	F	Student	Pursuing master's	German
				degree	
R3	24	F	Talent agent	College studies	Romanian
			(film industry)		
R4	32	F	Global product	Pursuing master's	Finnish
			manager	degree	
R5	29	F	Student	Pursuing master's	Finnish
				degree	
R6	24	F	Human	Master's degree	Romanian
			resources		
			specialist		
R7	23	F	Business	Pursuing master's	Finnish
			Analyst	degree	
R8	25	F	Communications	Pursuing master's	Finnish
			intern for an	degree	
			NGO		
R9	31	М	Doctoral	Master's degree	Finnish
			researcher in		
			Agricultural		
			Engineering		

R10	25	М	Assistant manager	College studies	Canadian
R11	27	F	Communications coordinator	Pursuing master's degree	Finnish
R12	24	F	Administrative assistant Researcher in international security	Bachelor's degree	Romanian/ Canadian
R13	21	М	Working in B- to-B sales	Pursuing master's degree	Finnish
R14	24	F	Project manager	Master's degree	Finnish
R15	23	F	Intern at a marketing communications company	Pursuing master's degree	Finnish
R16	29	F	Security officer	Pursuing master's degree	Finnish