High/low reputation companies' dialogic communication activities and semantic networks on Facebook: A comparative study

Yoo Jung Hong, Donghee Shin, Jang Hyun Kim *

Sungkyunkwan University, South Korea

ABSTRACT

The present study aims to examine whether there is a significant difference between the level of activity and semantic networks of the Facebook pages of highly reputable and less reputable companies of the same industry. Applying the dialogic communication theory, the present study conducted a semantic network analysis. Samples used in the study include a total of five technology companies: Google, Sony, Dell, Fujitsu and Lenovo. Various elements, such as word clusters, co-occurring words and visual representation, were carried out through NodeXL, WORDij and UCINET software. The results show that high reputation score companies are not necessarily more engaged in direct interaction with its publics than low reputation score companies. In addition, high reputation score companies had positive words, whereas low reputation score companies had mixed results.

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1. Introduction

Corporations have used social media for managing their reputation. In particular, reputation has become more salient than ever, especially as the stakeholders' trust on corporations has dwindled (Helm et al., 2011). Such fluctuation may have a direct impact on the organization's financial performance (Doorley and Garcia, 2011).

Reputation has been referred to as a corporate asset that "adds value to the actual worth of a company" (Doorley and Garcia, 2011, p. 5). It is intangible yet "quantifiable, measureable and manageable" (Fombrun and Low, 2011, p. 21). The term 'reputation' has been given a plethora of definitions. In an effort to analyze the various definitions of corporate reputation presented by researchers, Barnett et al. (2006) reviewed and classified them into the following three main clusters: asset, assessment, and awareness. Furthermore, the researchers offered their definition of corporate reputation as "observers' collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time" (Barnett et al., 2006, p. 34). According to Helm et al. (2011), corporate reputation is different from corporate image, as image is "a snapshot of an individual stakeholder only" (p. 29), whereas reputation is "the collective and relatively stable perception of stakeholder groups over time" (p. 29). This is in the same vein with Doorley and Garcia's (2011) argument, as they defined reputation as the sum of images held by the stakeholders. Doorley and Garcia (2011) proposed the following formula in defining reputation:

$$\text{Reputation} = (\text{performance} + \text{behavior} + \text{communication}) \times \text{authenticity factor}.$$

The present study focused on the communication aspect. In order to capitalize the value of public relations (PR), long-term relationships with the public must be built through symmetric communication (Grunig and Grunig, 2008). As argued by Helm et al. (2011) and Doorley and Garcia (2011), reputation is composed of an accrual of daily communication with stakeholders. Today, one of the most common ways for companies to interact with its stakeholders is social media, which has been defined as "a new communicative environment for strategic reputation management and a new participatory public arena that can greatly impact how firms implement strategic decisions" (Aula, 2010, p. 46-47). In 2014, among the existing social media sites, Facebook continued to be the most popular, albeit its stagnation in growth (Pew Research Center, 2015). Furthermore, the engagement level of Facebook users remained to increase, as 70% of the users were engaging on a daily basis, which was a 7% increase from the previous year in 2013 (Duggan et al., 2015). Moreover, according to Treem and Leonardi (2012), organizational use of social media allows four affordances – visibility, persistence, editability and association – which may have a significant effect on organizational communication processes (Treem and Leonardi, 2012). An annual study on the influence of new communication technologies on PR practices is conducted, in which one of the key findings was that the two-way symmetrical communication nature of blogs promotes reputation (Wright and Hinson, 2009).

* Corresponding author.
E-mail addresses: yjasmine@skku.edu (Y.J. Hong), dshin@skku.edu (D. Shin), alohakim@skku.edu (J.H. Kim).

Moreover, nowadays, with the rapidly evolving business environment, it is essential that organizations effectively utilize dynamic capabilities for organizational change (Jiao et al., 2013). This also may be applicable to organizational communication, as companies should continuously adjust its way of communication to fulfill the relentlessly changing customer needs and preferences.

The purpose of the current study is to determine the relationship between reputation status and the communicative engagement in social media space. It focuses on whether there is a significant difference in the level of social media activities and the contents, between highly reputable companies and less reputable companies in the same industry on Facebook. Through this paper, the comprehensive influence of social media technology on the formation and change of corporate reputation will be examined.

2. Literature review

2.1. Corporate social networking sites (SNSs), reputation, and dialogic communication

The term 'dialogue' has been widely studied and derived from various fields, such as, but not limited to, philosophy, religion, and psychology (Johannesen, 1971). However, Johannesen (1971) introduced the then burgeoning view of dialogue: "the concept of communication as a dialogue" (p. 373) as opposed to being a monologue, implying that communication occurs symmetrically. However, Kent and Taylor (1998) made a clear distinction between two-way symmetrical communication and dialogic communication, arguing that the former is a process where organizations communicate with its publics, while dialogic communication is a product or "relational interactions – one in which a relationship exists" (p. 323). Thus, dialogic communication is referred to as "any negotiated exchange of ideas and opinions" (Kent and Taylor, 1998, p. 325).

According to Kent and Taylor (1998), the online web can be used as a source for public relationships to be formed and transformed. Solis and Breakenridge (2009) referred to social media as "anything that uses the Internet to facilitate conversations" (p. xvii). Kim et al. (2014) stated that social media allows organizations to use the unexplored interactive side of the Internet. Kent and Taylor (1998) proposed five dialogic principles – the dialogic loop, the usefulness of information, the generation of return visits, the intuitiveness/ease of the interface and the rule of conservation of visitors – of which the present study concentrated on the dialogic loop. The dialogic loop or feedback loop on the web "allows publics to query organizations and, more importantly, it offers organizations the opportunity to respond to questions, concerns and problems" (Kent and Taylor, 1998, p. 326). As of 201, this not only applies to organization's websites but also to social networking sites (SNSs).

Subsequently, applying the dialogic communication theory, numerous studies have analyzed the use of SNS of various subjects such as, but not limited to, university health centers in the United States (Waters et al., 2011), Chinese and US companies (Men and Tsai, 2012), and non-profit organizations (Stockhausen, 2014).

Rybalko and Seltzer (2010) scrutinized how Fortune 500 companies utilized their Twitter accounts for dialogic communication. One of the key findings from the study is that Twitter was more widely used for announcing information rather than facilitating dialogic communication (Rybalko and Seltzer, 2010). Kim et al. (2013) examined how organizations of different industries utilized social networking sites (SNS) including Facebook, Twitter, YouTube and LinkedIn to facilitate dialogic communication with the public in an online setting. Among the four types of SNS, Twitter and Facebook were the main platforms used for online communication (Kim et al., 2013). Facebook was the most utilized for dialogic communication use among the four (Kim et al., 2013). Various posting types of Facebook use, such as the number of company's wall comments, the number of fans' wall comments and the number of responses from both companies and fans, were analyzed

in order to gauge direct interaction between the company and the public (Kim et al., 2013). In addition, the number of fans (page 'likes') was recorded (Kim et al., 2013). The results of Kim et al.'s (2013) study further supports that social media is used as a major communication channel for companies to interact and communicate with its publics.

In another study, Kim et al. (2014) examined how environmental non-profit organizations used dialogic principles on various Internet platforms including website, Facebook and Twitter. They reported that Facebook was the platform in which the dialogic loop principle was used the most (Kim et al., 2014), thus providing further support for Kim et al.'s (2013) findings. Therefore, Facebook was selected as the platform to be analyzed in the present study.

Based on the theoretical discussion above, the following hypothesis has been derived:

Hypothesis 1. The reputation of a company is positively correlated with the level of the company's interaction with its publics on Facebook.

Kuikka and Äkkinen (2011) reported that organizations confront two kinds of 'challenges' of social media adoption: 1) internal challenges include ownership, resources, attitudes, authorization, economic issues; 2) external challenges include legal issues, public/private network identity, and corporate reputation. The report implied that extant reputation could be an obstacle in adopting social media for organizations. However, this study and dialogic communication standpoint do not necessarily assume that a company's online interaction through social media is an antecedent of enhanced reputation. Rather, it evaluates whether a company's Facebook interactions are *correlated* with its reputation.

2.2. Semantic networks as an indicator of reputation online and its management

Semantic network analysis is an analysis of texts by analyzing the relationships among words. The frequency of words and distance among words used for social media messages were examined in the current study. Since Monge and Eisenberg (1987) introduced the concept of semantic networks, the analysis has been used because it provides a systematic treatment of message content in a form of networks. A plethora of studies applied the network analysis method to examine online content (i.e. social media and websites) on various topics, such as, but not limited to: health (Xu et al., 2015), Korean pop (Meza and Park, 2015), blogosphere (Woo-young and Park, 2012), internet censorship (Xu and Feng, 2015), and triple helix (university, government, and industry) (Kim, 2012). More specifically, regarding semantic network analysis and reputation, Carrillo et al. (2011) conducted a study on the relationship between corporate reputation and the semantic networks in the press, relating to corporate communication and crisis. The sample of the study included 60 organizations, the top 30 and bottom 30 of the ranking, derived from the Reputation Institute's 2009 Global Pulse 600 Report (Carrillo et al., 2011). One of the key findings is that as for low reputation companies, crisis was the dominant concept that appeared, compared to high reputation companies (Carrillo et al., 2011). Despite a surfeit of studies on reputation as well as semantic network analysis respectively (e.g., Jiang, 2014; Cho et al., 2012; Fadul, 2014; Hsu et al., 2013; Jung et al., 2014; Danowski and Park, 2014; Phillips, 2014; Rho, 2014; Shapiro, 2014), there is a lack of adequate research on both corporate reputation and the respective semantic structures regarding the company's online communication. Furthermore, semantic structures represented by multidimensional scaling and frequency list of the words efficiently reflect what people think and talk about the objects. In other words, the figures of the network analyses provide a summarized overview of people's thoughts regarding a particular subject. Thus, numerous studies analyzed media texts including newspapers, broadcast transcripts, social media texts, and open-ended responses to survey questionnaires. The current study employs semantic network