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Damaged corporate reputation: Can celebrity Tweets repair it?

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Nienke D. Van Norel [a], Piet A.M. Kommers [a,*], Joris J. Van Hoof [a], Joost W.M. Verhoeven [b]

[a] University of Twente, The Netherlands
[b] University of Amsterdam, The Netherlands

A B S T R A C T

These days, many corporations engage in Twitter activities as a part of their communication strategy. Corporations can use this medium to share information with stakeholders, to answer customer questions, or to build on their image. In this study we examined the extent to which celebrity Tweet messages can be used to repair a damaged corporate reputation, and how this message should be designed and what celebrity should be 'used'.

In two experiments, a 2 × 2 (attractive celebrity versus intelligent celebrity) × (personal message versus general message) design was used. In total, 163 respondents first expressed their feelings regarding the two organisations in a baseline reputation measurement ($M = 4.72$ on 7 point Likert scale). After that a news items was presented communicating a big fraud and mismanagement, resulting in a decreased reputation score ($M = 4.10$). In the final stage one of the four experimental Tweets was presented, aimed at repairing the damaged reputation, which succeeded ($M = 4.43$). For both organisations, the crisis prime significantly decreased reputation scores, and the Tweet significantly increased reputation score again. The analysis of variance shows a main effect for type of celebrity. In our experiment the intelligent celebrity's Tweet was best to use.

The study reveals that celebrities' Tweets can restore a positive public opinion about corporations. This study shows that when it comes to serious matters, an intelligent celebrity, who has the best fit with the topic, is of best impact. Consequences for corporate communication and future research are discussed.

1. Introduction

Twitter has an ever-growing impact on marketing and corporate image. Enterprises feel the pressure to anticipate to this new medium as it is being used so widely. A great deal of research has been devoted to this trend. Researchers monitor the ways in which corporations analyse the information that emerges via Twitter, for example, by gathering marketing information, investigating brand perception (Jansen, Zhang, Sobel, & Chowdury, 2009), and spotting damaging rumours (Blackshaw & Nazzaro, 2006). Others examine the ways in which corporations can actively use Twitter themselves in responding to customer questions (Jansen et al., 2009). They also use Twitter to share relevant information about the corporation with stakeholders (Zhang, Jansen, & Chowdhury, 2011), engage in dialogues with stakeholders (Rybalko & Seltzer, 2010), or to strategically use Twitter as a tool to manage corporate

reputation (Becker, Nobre, & Kanabar, 2013). The current study examines the extent to which organization not only can use Twitter to manage a corporate reputation over time, but whether it is possible for a corporation to repair a damaged reputation via Twitter messages, not by posting Tweets themselves, but rather use others to do so. It is already known that information from secondary sources is regarded as more reliable than information that comes from the corporations themselves (Allsop, Bassett, & Hoskins, 2007). Corporations have already learned that they can engage celebrities to promote their products and services via Twitter. Can they also recruit the help of celebrities in order to spread positive messages and repair a damaged corporate reputation? And if so, then how should these messages be framed?

In this paper, a study is presented regarding the influence of celebrities and their Tweets on damaged corporate reputations. An experimental study was conducted to find out the effect of two variables on the perceived corporate reputation: (1) celebrity type, (in terms of attractiveness versus intelligence) and (2) message type, (in terms of a personal experience versus a general statement).

* Corresponding author. Address: University of Twente, Postbus 217, 7500 AE Enschede, NL, The Netherlands. Tel.: +31 534895936.
E-mail address: p.a.m.kommers@utwente.nl (P.A.M. Kommers).

2. Theoretical framework

2.1. Reputation

Reputation refers to 'mental associations about the corporation actually held by others outside to the corporation' (Walsh, Mitchell, Jackson, & Beatty, 2009, p. 189). Schultz, Mouritsen, and Gabrielsen (2001, p. 24) define: 'Reputation combines everything that is knowable about a firm. Empirically, it is a judgment of the firm made by a set of audiences on the basis of perceptions and assessments'. Reputation is an important criterion for corporations, as public perception determines its success (Fombrun, 1996). A positive reputation leads to favourable word of mouth as well as loyalty (Walsh et al., 2009). As a consequence, a good reputation has a positive impact on corporate financial performance (e.g., Rindova, Williamson, & Petkova, 2005; Roberts & Dowling, 2002). A bad reputation prevents the public from trusting corporate services and products (Groenland, 2002). It also complicates corporations to build a strong brand (Page & Fearn, 2005). Therefore, it is of great importance for corporations to ensure that its reputation is positive and to repair a damaged reputation, if necessary.

Berens and Van Riel (2004) distinguish various types of reputations: social expectations, corporate personality and trust. The concept of social expectations has been addressed in recent research (Berens & Van Riel, 2004). One of the methods for measuring reputation that is based on social expectations is the reputation quotient developed by Fombrun, Gardberg, and Sever (2000). The reputation quotient is based on the fact that people justify their opinions about corporations with two factors: emotional appeal and rational appeal. These factors are represented by the following dimensions: emotional appeal, products and services, workplace environment, vision and leadership, financial performance and social responsibility. More than a decade after the introduction of the reputation quotient, Ponzi, Fombrun, and Gardberg (2011) launched a shorter version of the measurement instrument: the RepTrack™ Pulse. It is a simplified emotion-based measurement tool for assessing corporate reputations. The tool was created as prior reputation instruments were too time-consuming. Respondents complained that questions appeared to be redundant, and this can lead to fatigue and non-response; a shorter measurement instrument can enhance the willingness of respondents to participate.

The measurement instruments show that reputation is a multidimensional concept that is based on different associations. These associations have different sources. A corporation's reputation can be influenced by people's direct experience of a corporation. Trusting and being satisfied by a corporation are important ingredients of a good reputation (Walsh et al., 2009). People can also base their opinions about a corporation on what they receive via the media or from persons in their direct environment (Highhouse, Brooks, & Gregarus, 2009). The latter form of information is called 'word of mouth', known in the digital environment as 'electronic word of mouth'. WOM is a channel of marketing that is dominated by consumers. Because of this, word of mouth is perceived as reliable because the consumer decides for himself whether or not to say something about a brand, product or service. He or she is independent from the corporation (Arndt, 1967 cited in Brown, Broderick, & Lee, 2007, p. 7; Silverman, 1997). Additionally, WOM is perceived as being more credible and trustworthy than messages that are spread by corporations themselves (Allsop et al., 2007).

2.2. Electronic 'word of mouth'

Due to the rise of the Internet, people can now engage in electronic word of mouth (eWOM). EWOM is defined as 'any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet' (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004, p. 39). As a social media platform, Twitter can be used for eWOM (Wolny & Mueller, 2013). Before the rise of eWOM, customers were only passive receivers of marketing actions. There was a unidirectional relationship in which corporations had a large amount of control over the shaping of brand messages (Hennig-Thurau et al., 2010). These days, the relationship is multidirectional. According to Deighton and Kornfeld (2009), corporations now provoke interactions among customers. The reasons for people to engage in eWOM include the desire for social interaction, the concern for other consumers and the potential to enhance their own self-esteem. EWOM is an important type of word of mouth because of the characteristics of the Internet and the immediate nature of microblogging. EWOM reaches many people for an indefinite period of time and can even be anonymous (Hennig-Thurau et al., 2004).

EWOM has different effects on consumers. It is already known that conventional word of mouth has an influence on both the attitude (e.g., Fitzgerald Bone, 1995; Giese, Spangenberg, & Crowley, 1996) and the behaviour (e.g., Godes & Mayzlin, 2009) of stakeholders towards corporations and their products and services. Based on previous research, Cheung and Thadani (2010) show that the effects of WOM are similar to EWOM. They both influence consumers, their beliefs, attitudes and their purchase intentions. Other researchers, for example, Chu and Kamal (2010), found a relationship between positive WOM on blogs and favourable brand attitudes. EWOM can be a predictor of sales according to both Davis and Khazanchi (2008) and Chevalier and Mayzlin (2003). This is also confirmed by Forman, Ghose, and Wiesenfeld (2008), who argue that positive online product reviews lead to an increase in product sales. Unfortunately, corporations cannot easily control such external factors, especially with the rise of online platforms where everyone can share his or her opinion (Blackshaw & Nazzaro, 2006). Nevertheless, it seems that the research into eWOM has mainly focused on marketing effects such as purchase intention. Hardly anything is known about the effects of eWOM on the reputation of a corporation. In addition, most of the research addresses the effects of eWOM through product review websites and blogs. There has not been much research into eWOM in other platforms where people can share their opinions, such as Twitter. Yet, eWOM seems to occur quite often on Twitter, as Jansen et al.'s (2009) research shows that brands are mentioned in 19% of microblogs. Twenty per cent of them contain some expression of brand sentiment: Half of those tweets were positive; 33% were negative.

2.3. Celebrity endorsers

Twitter is used by many types of people, from students to businessmen. Among the many users, celebrities constitute quite a large group (Kwak, Lee, Park, & Moon, 2010; Lipsman, 2009). There has not been much scientific research on the topic of celebrities' use of Twitter. Wu, Hofman, Mason, and Watts (2011) found that although mass media generate most of the information, celebrities are being tracked even more. They also found that a relatively small group of elite users, including celebrities, post 50% of the Tweets that contain URLs. Hessert (Greenberg, 2009) argues that celebrities share their stories through Twitter because people want to know about them as people. In this way, celebrities can please their fan base and enhance themselves as their own "brand".

In the offline world, celebrities have a substantial impact on people's opinions. Many corporations engage in celebrity endorsement as a marketing tool for creating brand awareness (Premeaux, 2005), a positive brand image (Hakimi, Abedniy, & Zaeim, 2011), a positive brand attitude (Amos, Holmes, & Strutton, 2008) or to