

# CORPORATE COMMUNICATION PRACTICES AND ONLINE REPUTATION MANAGEMENT

Prof. Ann Otuko Jasper

Department of Entrepreneurship, Mansoura University

Corresponding author's e-mail: [jharper@edithcowanjournals.org](mailto:jharper@edithcowanjournals.org)

*How to cite this article:* Jasper, A., O. (2020). Corporate Communication Practices and Online Reputation Management. *Edith Cowan Journal of Entrepreneurship and Project Management*, 1(1), 18-26

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## ARTICLE INFO

### Article history:

Received Date: 2nd June 2021

Revised Date: 7th June 2021

Accepted Date: 10th June 2021

### Keywords:

corporate communication practices  
online reputation management.

### ECJEP Classification:

G20, O40

## ABSTRACT

**Purpose:** The purpose of the study is to investigate the effect of corporate communication practices on online reputation management.

**Design/ Methodology/Approach:** The paper adopted the desktop literature review method. This involved an in-depth review of studies related to corporate communication practices and online reputation management. An in-depth search of the top keywords related to corporate communication practices and online reputation management was done in various databases. Thus, the paper was purely qualitative, drawing its findings from secondary sources of information.

**Findings:** The research concludes and provides practical strategic recommendations regarding effective communications to help guide managers in their planning and execution of their CSR endeavours.

**Contribution to policy and practice:** Thus, the stronger the attribution of organizational responsibility, the stronger are the emotions like anger and the more likely the act to harm the organization. Undoubtedly, reputation management requires a shift in mindset and approach. Crucially, there is a need for more robust theoretical and practical findings to use as a basis for online reputation building via online communication practices.

**Originality/Value:** This paper is justified by the fact that it adds to the knowledge and fills the gap that exists with regard to online reputation management. However, from the current review of the papers, some have presented knowledge gaps that form the basis of the current study. Therefore, given the observed problem with many firms in managing online reputation/image, the current paper sought to look into the problem and provide recommendations for further reference by scholars and policymakers. This paper is, thus, important to policymakers in the information and communication sector as it enables them to formulate policies that support and ease the adoption of digital marketing in organizational branding.

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## Background

Corporate communications can be described as the conveyance/dissemination of chosen messages of a given organization to the relevant stakeholders through either advertising, public relations, their website, logo, media tie-ins, sponsorships among others (Bunting & Lipski, 2000). Defining the concept of corporate communication includes the idea about corporate reputation which is the image the organization perceives the stakeholders have about them (Gotsi & Wilson, 2001; Mortara & Sinisi, 2011). Therefore, online corporate reputation management is characterized by engaging opposition, direct communication, third-party endorsement, and building relationships via digital media (Pak, 2010; Bunting & Lipski, 2000).

Theoretically, Davis (1986) and Coombs (2004) underscore that the uptake of digital technologies has been on the rise and being incorporated in various marketing strategies to portray the image of the company. These platforms as the internet, social media, mobile phones and other digital media among others have facilitated the process (Chaffey, Edmundson-Bird & Hemphill, 2019). With more than 90 per cent of consumers currently using the Internet and social media (Barnes, 2008), online corporate reputation management benches its hope on the digital media for sustainability and reaching a wider scope of consumers (McCusker, 2007). Platforms such as social media provide open participation and user-interaction platform, where the company and the consumers can establish relationships that can last. Due to the increasing easiness and user-friendliness of current digital arena, every Web user is now able to communicate unmediated and unchecked contents via simple and widely used publishing tools, thus affecting online reputation (Francesconi & Dossena, 2014).

Practically, within the scope of online corporate reputation management, the information found online about corporations is generally accepted by the business community as a contributing factor in shaping consumer perceptions and opinions of corporations (Gorry & Westbrook, 2009). These perceptions and opinions, regardless of the veracity, are equally as impactful on the organization's reputation as the organization's actions. Rivera-Castro, Ojeda-Castro and Valera (2018) acknowledge that companies nowadays use these online platforms as a means to market products, promote brands, connect with customers, and foster new business. Besides, they help to create social networks which facilitate the communication between the client and the company, which helps to create loyalty to the brand, and improve the impressions that their clients have of the company (Mortara & Sinisi, 2011).

The internet culture presents a paradigm shift for corporate communicators; organizational success is increasingly dependent on stakeholder activities online. It can be argued that, in the past, reputation was the domain of marketing, while currently it is integrated into the company strategy itself. An interesting management view of the issue of reputation is the claim that reputation can also affect activities directly unrelated to the fulfilment of corporate goals. It may be informal expressions of personnel, insufficient, or unsatisfactory responses to customer complaints or ill-considered statements of representatives of organizations for the media. From the point of view of history, it is possible to believe that reputation or reputation management evolved from public relations (Pollák, Dorčák & Markovič, 2019). Therefore, corporate reputation as a derivative of

corporate communication is considered an asset of an organization which in its unmeasurable terms is hard to create, build and maintain.

### **Statement of the problem**

The problem of building a reputation in the traditional brick-and-mortar world has been known for centuries. It is widely known that a good reputation of a given individual can be affected by unforthcoming messages especially with the current era where information can be stored online for a very long time. Therefore, given the power of poor communication, companies/firms face the problem of building and maintaining a good reputation in the virtual world of the Internet (Pollák, Dorčák & Markovič, 2019).

Jung and Seock (2016) confirm that the risk to reputation weighs supreme and is associated with loss in brand value, financial damage, and regulatory investigation. Not surprising, the report finds that organizations are most unprepared to handle risks that are beyond their immediate control such as issues of ethics/integrity, competitive attacks, and other hazards (Dekay, 2012). Coping with the digital evolution and the social web is the second biggest challenge for communication professionals across many multinationals (Kaul et al., 2015). The European Communication Monitor acknowledges that in the PR profession, public trust in different organizational presents challenges of building trust and transparency. Communicators feel that their profession is only trusted by two-third of top executives (67%), and by a minority of influencers and bloggers (47%), journalists (39%) and ordinary people (27%) – but a vast majority feel trusted by their colleagues, bosses and internal clients, as well as by their external stakeholders and audiences (ECM, 2019; Hagelstein, 2020).

Besides, several knowledge gaps have been reported. For instance, Pak (2010) observed that vocal online stakeholders and their comments have been left unchecked implying missed opportunities to strengthen stakeholder loyalty and improve overall market performance. At the worst, they may wreak havoc on corporate reputation and possibly lead to substantial economic losses. Besides, Pollák, Dorčák and Markovič (2019) claim that the concept reputation is still a relatively unexplored area. According to Kaul et al. (2015), few definitive methodologies can be applied to shed light on how reputation can be built and managed on a multinational level. This, therefore, provides a basis for the current paper to conduct more qualitative research on corporate communication practices on online reputation management.

### **Objective of the paper**

To investigate the effect of corporate communication practices on online reputation management.

### **THEORETICAL FRAMEWORK**

The current paper is grounded on the Technology Acceptance Theory developed by Davis (1986). This is an information systems theory that shows how users come to accept and use technology and digital progressions. The theory suggests that when users are presented with new technology, a number of factors influence their decision about how and when they will use it. This is an information systems theory that models how users come to accept and use technology. Davis (1986) identified two distinctive beliefs related to Information System and computer applications

that are generally accepted, that is the perceived usefulness and perceived ease of use of the innovation. Davis (1986) asserted that there is an association between the take-up of an innovation and the apparent convenience, usability of the advancement, client's disposition towards the innovation and the behavioural intentions of the user.

Davis (1989) further developed this theory to explain user acceptance of a given technology. This theory is suitable for this study since digital acceptance is gaining prominence worldwide. According to the principles of the theory, companies accept the adoption of technology such as the use of social media to build relationships with the customers and assess their perceptions towards the product/service being delivered. Since the use of internet options has been regarded as a channel to help in building relationships, it also offers a way for building online reputation which enhances the image of the company.

## **METHODOLOGY**

The paper adopted the desktop literature review method. This involved an in-depth review of studies related to corporate communication practices and online reputation management. An in-depth search of the top keywords related to corporate communication practices and online reputation management was done in various databases. Thus, the paper was purely qualitative, drawing its findings from secondary sources of information.

### **Criteria for inclusion and exclusion of studies.**

The researcher established all the inclusion and exclusion criteria before the database search was done. Inclusion criteria involved studies that:

- i. Presented qualitative findings on corporate communication practices and online reputation management
- ii. Were written in the English language
- iii. Fully accessible journal articles
- iv. Appeared in a peer-reviewed journal published between 2010 and 2020.

The exclusion criteria involved:

- i. Articles on corporate communication practices and online reputation management that presented quantitative findings
- ii. Studies that were neither peer-reviewed and beyond the years 2010 and 2020.
- iii. Journal articles that were not fully accessible
- iv. Studies with duplicate findings.

### **Search strategy**

This is the first stage, which comprised the initial identification of all articles that were based on corporate communication practices and online reputation management in various databases; that is PubMed, Biomedical Central, ScienceDirect, Sage journal and Emerald. The first search was done generally by searching for articles according to the article title, abstract, and keywords. The key words included corporate communication practices and online reputation management. This was aided by a snowballing technique where studies that were found led to a roadmap in

identifying similar studies in the searching process. Besides, a page-by-page grey literature examination of relevant journal issues, reference lists, conference proceedings and other publications for relevant studies was done in line with the top keywords (corporate communication practices and online reputation management) under investigation. The identification and search arrived at 31 articles in total.

### **3.2.1 Filtration Process**

Further filtration process was done based on the recentness of the articles (between the years 2010 and 2020). This section describes the process that the paper followed in analyzing the literature. The researcher reviewed the articles to eliminate duplicate as well as the articles that were not peer-reviewed. Studies in other languages that required translation were dropped. The paper, therefore, arrived at 21 fully screened articles. After the filtration was done, the third step involved the selection of fully accessible publications. Narrowing of the literature to only fully accessible publications yielded specificity and allowed the authors to focus on articles related to the top keywords. An in-depth review of the inclusion criteria, that is, those articles that were qualitative. The authors arrived at 10 fully accessible and peer-reviewed articles that were suitable for analysis while 11 were excluded. However, additional 11 articles were added since they were reflected in the introduction and were used for reference purposes. The analysis was done using content

### **Data extraction**

Based on the extensive literature reviewed, the current paper has found considerable literature in support of corporate communication practices and how they relate to online reputation management.

## **FINDINGS**

Siano, Vollero and Palazzo (2011) sought to identify the role of online consumer empowerment in affecting online brand reputation. Using a qualitative research design and the use of a literature-based approach, the study indicates that increase knowledge about e-marketing improves the capacity of the management in building a brand reputation to a new e-marketing concept. In practice, the identification of the communication with the consumers via electronic media improves the firm's e-reputation and indicate how the firm could take advantage of online consumer empowerment, without being overwhelmed by it.

Francesconi and Dossena (2014) specifically investigated the relationship between online corporate reputation management and information technology as a mechanism to disseminate information online. The study was based on a pragmatic approach and a case study where it was noted that the development of Web-based technologies, stakeholders can easily spread their perspective about an organization, its products, services, brands, members and so forth, affecting its online corporate reputation.

With this in mind, organizations need to rethink their approach to communications to build and to protect their corporate reputation (Berg & Blomqvist, 2019). The traditional communication approach in the current era is severely incapacitated geographically and therefore, by appreciating the use of digital platforms, corporate reputation can be easily affected (Kaul et al., 2015). Modern

social media make easier and virulent the diffusion of comments, anecdotes, opinions, and this can be both profitable and problematic for corporate reputation (Kizak, 2015).

Kaul et al. (2015) studied the impact of social media as the new communication mantra for managing reputation. The qualitative design approach proved that evolving patterns of communication, collaboration, consumption, and innovation have created new domains of interactivity for companies and stakeholders. However, with free-flowing communication, undoubtedly reputational risks have increased manifold. There have been umpteen horror stories where stakeholders have tarnished company reputation, and stories where smart organizations have used the medium to build credibility and trust. Yet, the desire for both companies and stakeholders to stay connected has neither reduced nor dissipated. On both sides, there is a felt need to network, voice opinions, and to work collaboratively

Along the same vein, Kizak (2015) investigated how to employ good communication practices to deal with online reputation threats. The study reviewed 35 academic papers and 6 news articles. The papers selected for the review were published between 1995 and 2014. The findings demonstrate that a significant relationship between communication and online reputation. That is, just one negative comment can contribute to worsening the corporate reputation within an online forum, while the perception of a positive corporate reputation is merely proportional to the number of positive comments. Therefore, though corporate reputation is a resource cumulated in time, it is also quite fragile and quickly damageable. This makes more important a fast detection of possible threats as well as proactive interventions and that is through an online system.

By qualitatively reviewing twenty research articles from 2011 to 2017, Rivera-Castro, Ojeda-Castro and Valera (2018) studied the use of social media networks as a decision support systems tool for the efficiency of small and medium enterprises. The findings suggest that the use of decision support systems help the organization gain a competitive advantage, improve performance by analyzing the data obtained, and the data extracted from social networks add value to the company with low investment. Social networks have transformed the availability of information for their customers, making available a set of tools for searching, debugging, and validating data from both: individuals and organizations. The use of social media is an effective modality for the development of relationships with clients and employees thus building the reputation of the organization.

Becker and Lee (2019) sought to provide evidence on the influence of culture on managing corporate reputation and brand image using social media (SM). Using longitudinal time-series approach on 326 listed companies in the New York Stock Exchange (NYSE) between 2011 and again in 2015, it was clear that culture directly affects social media ownership, reply time, and response styles (attitude). Therefore, multinational companies by adopting social media for their brand image can enhance relationships and be able to manage online reputation as well as formulate more effective public relations marketing strategies by accommodating cultural influences.

Perks (2015) analyzed the influence of interactive, non-interactive, implicit and explicit corporate communication on young adults' perception of UK supermarkets' corporate brand image and

reputation. Set within the context of the UK supermarket industry, and adopting a qualitative design on 30 young adult consumers, the findings show that interactive communication functions are effective methods of improving consumers' emotional brand value, knowledge and memory of supermarket corporate social responsibility, therefore, impacting positively on corporate brand image and reputation.

Goldring (2015) sought to investigate the link between reputation orientation and communication towards building and maintaining a positive corporate reputation among key stakeholders. The study tested the key stakeholder relationship between sellers and buyers by using an online survey of US-based marketing managers from a variety of for-profit industries. The findings indicated that reputation orientation is a valid construct and show a positive relationship between reputation orientation and business performance which is partially mediated by construed image. Therefore, reputation orientation has implications for stakeholder satisfaction, socially responsible behaviour, ethical decision making, and sustainability.

Dodds, Novotny and Harper (2020) recently sought to determine the extent of online communication by festivals regarding their sustainability practices has enabled the shaping of perceptions of reality. The study employed a mixed-method approach and the findings indicated that best practice festivals - having communicated 5.47 initiatives or more - were found to have been significantly more likely than non-best practice festivals to be music festivals and have been in operation longer. The propensity to communicate sustainability initiatives was found to have been impacted by awareness, categorization, timing, policy and funding. Therefore, the study concludes that communicating the right message to the stakeholders improves the perceptions of the firm/project and thus boosts the reputation of the firm.

## DISCUSSIONS

### Corporate Communication Practices

The current review has established a considerable literature and empirical evidence in support of the relationship between corporate communication practices towards building of online reputation management. Perks (2015) acknowledges that interactive communication practices, therefore, have the potential to induce more positive perception consumers both physically and online thus improves the corporate brand image and reputation. Goldring (2015) likewise, along the same vein indicated that reputation orientation is a valid construct and show a positive relationship between reputation orientation and business performance which is partially mediated by construed image. According to Becker and Lee (2019), by adopting social media for their brand image can enhance relationships and be able to manage online reputation as well as formulate more effective public relations marketing strategies by accommodating cultural influences.

### Online Reputation Management

It can, therefore, be acknowledged that there is a significant, direct and positive effect of corporate communication practices (especially electronic communication methods) on online reputation management. Both theoretically and practically, with the advent of new technologies, reputation spreads like gossip and within an instant can either ruin or build the firm in question (Chaffey,

Edmundson-Bird & Hemphill, 2019). With more than 90 per cent of consumers currently using the Internet and social media, online corporate reputation management benches its hope on the digital media for sustainability and reaching a wider scope of consumers. Therefore, it can be acknowledged that the implementation of online practices to ensure reputation is managed goes a long way in the global era to establish corporate performance to an international level. Therefore, the internet culture presents a paradigm shift for corporate reputation management where organizational success is increasingly dependent on stakeholder activities online.

## CONCLUSION

The research concludes and provides practical strategic recommendations regarding effective communications to help guide managers in their planning and execution of their CSR endeavours. Based on the theoretical backgrounds, since consumer often seeks someone or something to charge for the cause of the event, the judgments people make about these causal dimensions affect their emotions and also their behaviour toward the actor. Thus, the stronger the attribution of organizational responsibility, the stronger are the emotions like anger and the more likely the act to harm the organization. Undoubtedly, reputation management requires a shift in mindset and approach. Crucially, there is a need for more robust theoretical and practical findings to use as a basis for online reputation building via online communication practices.

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