Research Report

Improving the Corporate Public Perception through Social Media

COMPANIES USE SOCIAL MEDIA IN GENERAL AND MICROBLOGGING IN PARTICULAR FOR DIFFERENT PURPOSES, SUCH AS REPUTATION MANAGEMENT. WE EMPIRICALLY IDENTIFY DIFFERENT SOCIAL MEDIA ACTIVITIES IN TERMS OF SOCIAL MEDIA MANAGEMENT STRATEGIES, ACCOUNT TYPES, AND COMMUNICATIVE APPROACHES. BY ANALYZING A DATA SET OF OVER FIVE MILLION TWITTER MESSAGES, WE FIND POSITIVE EFFECTS OF SOCIAL MEDIA MANAGEMENT TOOLS, BROADCASTING ACCOUNTS, AND CONVERSATIONAL COMMUNICATION ON THE CORPORATE PUBLIC PERCEPTION.

Marten Risius   Roman Beck

Introduction

Over the past decade, Social Media platforms such as Twitter or Facebook have experienced an unprecedented growth in user numbers, which subsequently caused a proliferation of data in form of information, opinions, and relations. Companies use Social Media in general and microblogging in particular for different purposes, such as market research, recruiting, public relations, and reputation management. The underlying commonality of Social Media activities, however, is to improve and exploit user relationships. Considering the current reputational impairment of the financial industry as a whole, successful reputation management to build strong brand-centric communities has become very important. Successfully

addressing these purposes requires effective Social Media management strategies to include both a Social Media analytics enabled monitoring of the public data stream as well as the active participation through interaction. Up to date, however, research has not provided any insights regarding the success of different Social Media strategies (Aral et al., 2013). Therefore, in this study we addressed the research gap by empirically identifying different corporate Social Media behaviors and comparing their efficacy in improving the company's public perception on Twitter.

Corporate Social Media Activities

Following the framework for Social Media research from Aral et al. (2013), we distinguish

and analyze corporate Social Media management activities on different hierarchical levels (see Figure 1). Specifically, we assume that the company's public perception is a result of the message characteristics immediately apparent during the interaction (content features) and – on a higher structural level – of a company's overall Social Media management strategy and the manageable account characteristics. A company's *public perception* is assessed through its word of mouth (message sentiment, share of voice, and emotionality of messages) and the attitudinal loyalty of the users (number of followers, retweets, and favorites).

Regarding the *Social Media management strategy*, companies can follow two different primary engagement approaches to manage their Social Media appearance: Like every other user they can either use the web-front-end client to manually enter messages through their corporate account and monitor user interactions. Alternatively, they can apply more sophisticated, professional Social Media management tools (SMMTs), which provide additional Social Media analytics features to monitor interactions, sentiments, or trends in real-time that support corporate relationship management.

Context characteristics comprise characteristics of the Twitter account sending the message. Here, we consider the account characteristics that companies can immediately manage and which users directly experience when engaging with the company: account

verification, amount of messages sent (status), and number of friends. Accounts with a relatively higher status and more friends are referred to as "Broadcaster", who are associated with a larger number of followers and retweets. In this study, we adopt the typology and refer to the alternative type in terms of the semantic opposite as "Receiver" which is characterized by fewer friends and messages.

Content features include all aspects of a tweet that are related to its written text: number of hashtags, URLs, retweets, and user names as well as message sentiment. Based on the message content, we differentiate between a more bidirectional conversational approach and an information redistributing disseminative approach.

In general, we expect higher corporate relationship investment in form of the application of a Social Media management tool, a broadcasting account type, and a conversational communicative approach to translate into an improved public perception.

Empirical Findings

To test our research model, we conducted a multilevel analysis of approximately five million tweets regarding the main Twitter accounts of 28 large global companies.

Our analysis supports the assumptions regarding beneficial effects of relationship investment on Twitter in form of message content, account context, and Social Media
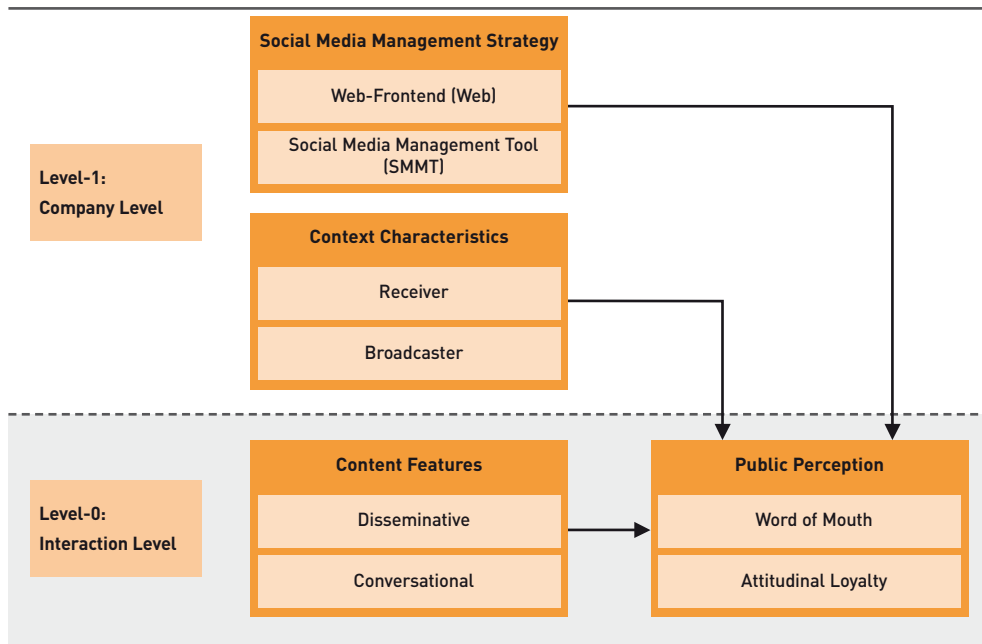
Figure 1: Research Model for Analyzing the Efficacy of Different Social Media Activities to Improve the Public Perception

Public Perception	Word of Mouth			Attitudinal Loyalty		
	Sentiment	SoV	Neutrality	Follower	Retweets	Favorites
Level-0						
Intercept	0.083*** (0.019)	3.404** (2.113)	0.572*** (0.025)	42.509 (141.357)	0.181 (0.229)	0.139 (0.116)
Content	0.003 (0.008)	0.372** (0.172)	-0.014** (0.006)	-0.096 (0.714)	-0.071 (0.101)	-0.101* (0.057)
Level-1						
Context	0.055* (0.032)	0.691 (3.369)	-0.067* (0.04)	207.549 (225.527)	-0.435 (0.366)	-0.106 (0.185)
Strategy	0.002 (0.028)	5.641* (3.144)	0.023 (0.037)	361.211* (210.653)	0.578* (0.33)	0.216 (0.166)
Intercept Variance						
Level-0	0.136	0.026	0.096	0.074	0.162	0.094
Level-1	0.061	0.077	0.088	0.051	0.071	0.034
$N_{company}$	28	28	28	28	28	28
N_{day}	605	606	605	606	606	606

Notes: standard errors are in parentheses below unstandardized coefficients; share of voice (SoV) figures depicted in thousands; p-values: *** $p < 0.01$; ** $p < 0.05$; * $p < 0.1$ (two-tailed significance); Likelihood ratio test statistic: -2ln (likelihood null model) + 2ln (likelihood alternative model)

Table 1: Results of the Hierarchical Linear Modeling Estimations Regarding the Public Perception

management strategy on users' word of mouth as well as attitudinal loyalty (see Table 1). We find positive effects of Social Media management tools on the share of voice as well as on the numbers of followers and retweets compared to the simple web-based approach. Moreover, a broadcasting account type positively affects the average message sentiment compared to receiver accounts. Lastly, a bidirectionally oriented conversational communicative approach improves the emotionality of messages, while it negatively affects the number of favorites. Regarding this last unexpected finding of beneficial effects for disseminative communication on attitudinal loyalty, we have

reason to believe that the observed effect can be ascribed to the selection of the company's main account in this study. It seems likely that a consideration of differential effects of relationship investment in terms of different company account types would find conformably differential effects. Furthermore, seeing that none of the outcome variables is simultaneously affected by all predictors shows the necessity for considering multiple outcome variables and deliberately choosing appropriate outcome measures in Social Media analytics research. Our results show that neither action on Social Media platforms serves as a silver bullet to build strong brand-centric communitites but

that different approaches have distinct effects on relational outcomes.

Conclusion

The goal of our study was to apply Social Media analytics tools and theory to investigate the effect of Social Media relationship investment on public perception on Twitter. We analyzed data of approximately five million user and company tweets concerning the Twitter accounts of 28 large global companies. Thereby, we distinguish the companies' amount of relationship investment within different Social Media management strategies, manageable context characteristics, and content-related communicative

approaches. The results commonly support our hypotheses of increased relational outcomes in terms of better word of mouth and attitudinal loyalty attained through a higher relationship investment in form of the Social Media management tool strategy, broadcasting account type, and conversational communication.

References
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