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# **The use of social media in corporate communication and its impact on corporate image**

## **Paper 14**

### **Abstract**

Technology connects people globally and gives them the opportunity to interact and form online social networks. Virtual interactive communication platforms (VICOPs) may change traditional communication processes and companies need to adapt to those new forms of communication. Inappropriate communication might negatively influence the image people form about a company. In online environments, people's interpretive capabilities and preferences in terms of how they perceive a company's identity might be quite different in contrast to the offline world. This research investigates in the new challenges companies face when dealing with people gathering on VICOPs and how this might impact the image they form about a company.

### **Introduction**

Technologies like radio or television have brought mass means of communication, which changed the way people are communicating and receiving information. The Internet again causes many changes in the way people communicate with one another, and it has changed customer behaviours dramatically.

Computer-mediated communication (CMC) has capabilities and functions that differentiate it from traditional media and face-to-face communication. The advent of social online media has brought new communication platforms such as VICOPs, where the clear separation

between interpersonal and mass-mediated communication collapses. People gathering in those spaces are not only looking for information but also socializing and hanging out with their peers. Digital spaces, however, have functions that differentiate it from offline publics. They are (Boyd and Ellison, 2007): (i) persistent, even if posts are rarely written with long-term archiving in mind (there are people joining a platform at a later point in time, reading posts, which have been written a certain while ago), (ii) searchable by anyone at anytime, (iii) replicable and remixable with other content on other platforms, and (iiii) having an invisible audience.

Interactive digital media might bring new communication structures and we need to better understand how communication-flows are affected by those changes. Consumers will not overlook communication weaknesses in the online world and inappropriate corporate communication might negatively influence the image they have about a company. Because corporate communication can be emphasised as the interface between corporate identity and corporate image, the conceptualisation of corporate identity and image in digital spaces, is an important part of the study. In order to measure the virtual corporate image formed in VICOPs, new scales might be needed. These scales would enable us to quantify a virtual corporate image and compare it with that of competitors.

In the following sections a background regarding the definitions of concepts referred to in this study is given. We draw on the studies in virtual interactive communication platforms, communication, corporate identity and image.

## **Communication**

Communication studies have first been concentrating on interpersonal communication until the first mass media technologies have been introduced. The term mass media was coined in 1920 when the radio and mass-circulation newspapers have been introduced (Laughey, 2007).

In the early 20th century the emphasis of the study was on propaganda and media effect. Propaganda and media effects were examined by scholars such as Lasswell, Lewin and Lazarsfeld. In the 1950s and 1960s scholars such as Innis and McLuhan conducted influential analyses of communication and technology.

Laughey (2007) presents eight distinctive strands in media theory. The proposed study borrows most from the interactionist and structuration strand of theory, because the “interactionist media theory considers the dynamic relations between producers, texts, technologies an interpretative audience“ (Laughey, 2007, p. 78). *Interactionist and structuration theory* derives from the sociological tradition of symbolic interactionism. Blumer’s (1969) *theory of symbolic interactionism* is based on the assumption that our society is a system of interpersonal communication and interaction. People create shared meanings through their interactions and those meanings become their reality. Symbolic interaction describes social interaction via symbols, which allows individuals to align themselves with an identity.

CMC brought new communication conditions, which are thoroughly described in computer-mediated theories, such as social presence theory by Short et al. (1976), media richness theory by Daft and Lengel (1984), SIDE theory by Reicher (1984) and social information processing theory by Walther (1992).

In face-to-face interactions the contextual cues (e.g. nonverbal cues such as facial expressions, postures, dress, social status, as well as vocabulary, grammar, tone, accent) influences the ways in which impressions of one another are formed (Goffman, 1959; Lea and Spears, 1992). In CMC many of these contextual cues are absent or strongly attenuated. Short et al. (1976) have developed the *social presence theory* that focused on the idea that if there is little social presence, the communication is more impersonal. They also suggest that mediated-communication is not able to convey social context cues and thus is more distant.

The aforementioned literature suggests that CMC does not have the ability to convey social context cues and thus CMC is not an appropriate medium for social interactions. However, contradictory theories and empirical findings appeared and more recent studies questioned if this findings are generalisable to all CMC and their applications (Reicher, 1984; Walther, 1992; Lea and Spears, 1992). Walther (1992) has introduced the *social information processing theory* (SIP), which claimed that CMC users have the same interpersonal needs just like those individuals who are communicating using the traditional face-to-face communication. He suggests that time plays an important role in CMC communication as it takes longer to decode verbal cues compared to multichannel (spoken as well as nonverbal) cues. If participants spend enough time communicating with one another - even if the nonverbal cues are filtered out - CMC has the ability to carry out the exchange of social cues.

The *social identity model of deindividuation effect* (SIDE) theory by Reicher (1984) accepts the idea that the anonymity of CMC can cause the hindrance of personal identity awareness to individuals. However, Reicher (1984) argues that hindrance of personal identity does not “destroy identity but rather increase the salience of social identity” (p. 342). Individuals communicating in computer-mediated environments tend to over-attribute social identity because of deindividuation, and are lead to build stereotypical impressions and ingroup favourism (Lea and Spears, 1992).

Beside the peculiarities of CMC outlined above, two additional points need to be considered. People gathering on VICOPs are not a passive audience. They are engaging actively and are both, consumers and producers of information. The futurologist Toffler (1980) coined the term “prosumer” when he predicted that the role of producers and consumers would begin to blur and merge. Companies need to perform for a large and invisible audience like in mass communication with the difference that people expect an interpersonal, informal communication (feel the social presence) and want to actively participate (produce and

consume). Further, contextual cues allow understanding how to behave. While we know how to behave in public, we don't know how to behave in a front of a potential, unknown audience of all people across all space and all time (Boyd and Ellison, 2007).

## **Identity**

Every day we produce our identity, we dress ourselves in a set of clothes, we behave in a certain manner, we use a certain type of language, etc.

Online this identity production can also be observed. People are generating profiles on digital platforms, which can be seen as digital bodies displayed to the online publics. In Goffmann (1959) sense, those digital identities can be used to manage ones impression and perform on the digital stage. Goffman (1959) developed the *theory of self-presentation*, which describes how individuals or groups “perform an expression of themselves to others. This expression is usually intended to form a favourable and amicable impression” (Laugey, 2007 p. 79).

Goffman (1959) describes social life using the metaphor of drama. According to Goffman (1959), everyone plays a multiplicity of roles on different social stages. For each ‘audience’, one offers a somewhat different version of his self. Thus a huge part of identity development is performing for the public in order to experience reactions (Boyd and Ellison, 2007).

Corporate identity is what is known as the persona of the company that is designed to facilitate the goal to reach the business’ objectives. Therefore, companies as well, are concerned with identity production in order to form a favourable image.

Despite many divergent views as to what corporate identity or corporate image are, it is commonly agreed that “identity and image are typically seen as opposite ends of the communication process” (Christensen and Askegaard, 2001, p. 296). These opposite ends are connected through corporate communications, which can be divided in planned and unplanned communication (Melewar and Karaosmanoglu, 2006). In the proposed research it

is assumed that planned and unplanned communication interact in an uncontrollable manner in VICOPs. This is due to the fact that messages posted by a company can be shared and discussed with the company and all the other VICOP members.

Christensen and Askegaard (2001) state, “identity and images, however, are volatile social constructions that, although seemingly “objective”, base their existence and significance largely on the interpretive capabilities and preferences of their audience” (p. 293). The behaviour, interpretive capabilities and preferences in virtual environments, are assumed to have their peculiarities. For this reason, the usefulness of the study of virtual corporate image in VICOPs is undeniable. An additional complexity is that boundaries between companies and their audiences are becoming blurred, especially when using online communication tools. Further it has to be taken in consideration that members of organisations are members of stakeholder groups (Christensen and Askegaard, 2001) and might gather around in social network in the role of company members as well as in the role of stakeholders.

## **Conclusion**

An image is composed of a number of attributes. This research will investigate the most important attributes in the environment of VICOPS: The company’s communication and behaviour on VICOPs.

This is a positivist research, as it will be attempting to find relationships or association of corporate communication in VICOPs (taking in consideration all the CMC peculiarities) and image formation. The deductive approach will be chosen, as there exist testable propositions used in earlier CMC research. Because no study could be found measuring corporate image built through interaction on VICOPs, this study will have to establish some measurements that will enable to analyse virtual corporate image. Thus, an in-depth exploratory fieldwork will have to be conducted first. As suggested by Churchill (1979), the literature review (providing

testable items) and the in-depth interviews will help to develop a questionnaire and lead to the main survey.

This study will help to better understand what influences the image formation in VICOPs and thus aid companies to better manage an important part of their corporate identity: the online communication.

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