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# The Link Between Social Media Activity And Corporate Reputation

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Companies understand that they cannot control everything their customers say about them in the unpredictable, spontaneous, and potentially viral realm of [social media](#). This leads management asking questions such as: What can I do about user-generated online content? How do I harness negative criticism? And, how can my company best integrate itself into the social media conversation? In recognizing the need to consistently evaluate the relationship between online consumer activity and [corporate reputation](#), researchers from VU University Amsterdam conducted a study that revealed that corporate reputation can be enhanced through social-media activity.

## The Study

To examine this phenomenon, more than 3,500 people were surveyed about their social-media engagement with [KLM Royal Dutch Airline](#). KLM is acknowledged as a frontrunner in commercial use of social media being cited as “[a company that ‘gets’ it](#).” The total number of survey participants were categorized in two groups—customers and non-customers. Customers were classified as people that had used KLM’s services in the past two years; comparatively, non-customers had only limited interaction with the company. Distinguishing these two groups proved significant in results, which indicated that companies should more actively focus their social media activities on non-customers.





KLM A330-200 PH-AOD. (Photo credit: Wikipedia)

Participants completed an online questionnaire that addressed participants' perceptions on KLM's corporate reputation, their intensity of social-media use, and their level of engagement in KLM's social media activities. Following a statistical analysis, researchers arrived at two main conclusions:

- 1) Consumers' level of engagement in a company's social-media activity was positively related to their perceptions of corporate reputation.
- 2) Consumers who engaged more intensively on social-media platforms were more likely to be engaged in a company's social-media activities.

### **Corporate Takeaway**

The first conclusion highlights the importance of [word-of-mouth marketing](#) on social-media sites. If your social-media profile features positive consumer reviews, your "friends" and "followers" will likely develop favorable impressions of your reputation.

The second conclusion suggests that high intensity social-media users are more likely to be engaged in your company's social-media activities. The rapid rise in social-media use among all demographics means that more people will be wanting to engage with you on social media, thus presenting you with an excellent opportunity to use this platform to [improve your reputation](#).

Finally, it's critical to consider the engagement of non-customers on your social-media sites, as this group is more susceptible to forming perceptions about your reputation based on your social-media activity. As indicated by this case study of an airline, this conclusion is especially important to the tourism and travel industry because the intangibility of their services makes potential customers more vulnerable to being influenced by indirect experiences such as consumer reports and social media.

**Reference:** *The study featured in this story was conducted by Corne Dijkmans, Peter Kerkhof, and Camiel Beukeboom at VU University Amsterdam.*