The Dissertation Committee for Craig Eugene Carroll Certifies that this is the approved version of the following dissertation:

How the Mass Media Influence Perceptions of Corporate Reputation: Exploring Agenda-Setting Effects within Business News Coverage

Committee:

____
Maxwell E. McCombs, Supervisor

____
Roderick P. Hart

____
Stephen D. Reese

____
James D. Westphal

____
D. Charles Whitney

How the Mass Media Influence Perceptions of Corporate Reputation:

Exploring Agenda-setting Effects within Business News Coverage

By

Craig Eugene Carroll, B.S., M.A.

Dissertation

Presented to the Faculty of the Graduate School of

The University of Texas at Austin

In Partial Fulfillment

of the Requirement

for the Degree of

Doctor of Philosophy

The University of Texas at Austin

December 2004

UMI Number: 3150555

ProQuest Information and Learning Company
300 North Zeeb Road
P.O. Box 1346
Ann Arbor, MI 48106-1346

Dedication

I dedicate this work to the peer pioneers who together made this project possible: Max McCombs and Charles Fombrun. Agenda-setters, intellectual entrepreneurs, gentlemen, and scholars.

Acknowledgements

I am pleased to have so many friends and colleagues who have enriched my life both personally and professionally by their involvement. First and foremost I want to thank my adviser Max McCombs. Max is first and foremost a gentleman and a scholar. He is patient, wise, well-mannered, and dignified. And he is a mystery. How he is able to produce so much while keeping an open door, a clean desk, not a paper in sight—I will never know. But I am proud to be one of his students, proud to call him a friend, and honored to have work with him.

To my dissertation committee Chuck Whitney, Steve Reese, Rod Hart, and Jim Westphal. I consider putting together the research project where the five of you would want to be involved one of my greatest personal satisfactions. Chuck expanded my personal and professional vision through his introduction and emphasis on the public sphere, public policy, and life as a public intellectual. Steve drilled in me the importance of routines. He also introduced me to the work of C. Wright Mills, whose work *The Sociological Imagination* I shall keep nearby. I never had Rod for a class, but what I learned from Rod was that exciting accidents can occur as we go through the mundane routines of daily life and scholarship. I was introduced to Rod and to the UT Ph.D. program through the dissertations of three of Rod's former students (John, Jill, and Carol). Through the fabric woven throughout their work spanning 25 years, I found many of the core ideas that I still hope to spend a lifetime pursuing. Much of my learning from Rod came from reading his work and the works of his three former students. It's worth pointing out that during the first week of my Ph.D. program at UT, Rod told me he had

no interest in my research agenda, but "good luck!" Over time, Rod provided me the memorable messages that sustained me during my time at UT Austin. It was a pleasure and honor to have him serve. While I am most fond of Jim's approach to research, I am most appreciative of his style, graciousness, and humility. Each of my committee members embodies a set of traits, ideas, commitments, values, and relationships that I hold dear. They are forever a part of my UT experience—but if they ever leave, I shall carry the banner of their new alma mater (or at least the coffee mug). Never have I met a group of men of such stature, status, and character worthy of being held in such high regard. I am proud to call them all colleagues and friends.

I am fortunate—and saddened—that there were other faculty members who I wish I could have had on my committee in addition to the ones I had. What a nice problem for a Ph.D. student to encounter. The one that comes to mind is Jim Tankard. Jim matches my committee members in every way. Just by asking myself how Jim would handle situations is enough to ensure that I will handle teaching, research, and writing with as much honor, diligence, and respect as he.

To other faculty members at UT who played a fundamental role in my progress and development: Craig Scott, Laurie Lewis, Deborah Morrison, Rusty Todd, Don Carleton, and David Gracy.

To Charles Fombrun, I thank you for the faith you have placed in me throughout my doctoral program. You have made many things possible for me while I was a student at another university. I am continually amazed at what you have accomplished and what you continue to do. You are the true agenda-setter for thinking about corporate

reputation. Thank you for including me in your work and for you supporting mine. I am happy to call you a friend, counselor, and colleague.

To Cees van Riel, thank you for your friendship, counsel, and collaboration. I learned much from you during my time at the Corporate Communication Centre. I love your approach to intellectual entrepreneurship, and deeply appreciate the support you have shown me over the years.

To my financial supporters and institutional sponsors. I thank the Reputation Institute, Lexis®-Nexis® Corporation, Harris Interactive®, Hoover’s, Inc., the Schools of Journalism at The University of Texas at Austin and the University of Southern California, as well as USC’s Strategic Public Relations Center for their financial support, access to data, access to minds, and access to labor. This dissertation was funded by dissertation grants by the Lexis®-Nexis® Corporation and the Reputation Institute. I thank the Reputation Institute, Harris Interactive®, Hoover’s, Inc., and Lexis®-Nexis® for making data available for this project. I thank the UT School of Journalism for funding data-seeking trips to New York City and conference presentations during the early stages of this project. That spoke volumes in terms of their belief in me. Then finally, I thank the Annenberg School of Journalism and the Strategic Public Relations Center at the University of Southern California for providing a research stipend for the use of undergraduate coders to verify the machine coding and computer-aided text analysis used within this study.

Equally so, I appreciate the people behind these organizations who made this project possible: Charles Fombrun, Cees van Riel, Max McCombs, Joy Sever, Ray

Daley, Patrick Spain, Gary Hoover, Chuck Whitney, Steve Reese, Michael Parks, Jerry Swerling, Claudia Chidester, John Spanning. Also, I should add Tom Bohman and David Cohen for their technical skills and computer programming

To Charles and Cees—for your work at the Reputation Institute, your belief in me, and your support over the years.

To Cees—research collaborator, entrepreneur, mentor. Thank you for hosting my many trips to The Netherlands to work with you. I hope we continue to work together for years to come.

In addition, I thank the Reputation Institute for a trip to Paris, France to deliver a plenary address on the topic of this dissertation Christ'l deLandtsheer at the University of Antwerp in Belgium; Jan Kleinnijenhuis and May-May Meijer at Free University of Amsterdam in The Netherlands, and the Peter Dacin of Queen's Business School in Canada for providing forums for sharing my ideas on this subject matter.

I also express deep appreciation for the many relationships I formed while working at the Corporate Communication Centre at Erasmus Universiteit. I thank Guido Berens, Joke van Oost, Chantal Nieuwlaat, Ivonne van Zuilen, Gail Meyer, Merdita Elstak, Mignon van Halderen, and Ale Smidts for their friendship inside and outside of the lab.

There were a number of Ph.D. students—many of whom are now faculty—with whom I have experienced great camaraderie and community over the years. I thank each of these that I consider good friends. Guido Berens, Tina Carroll, Brad Crisp, Hector

Diaz-Saenz, Sabine Einwiller, Lucas Herchenroeder, May-May Meijer, Esben Karmark, Andrea Pitasi, Guillaume Soenen, Ithai Stern, and Jennifer Thackaberry.

I thank colleagues at other universities for their insight, guidance, support and friendship: David Deephouse, David Whetten, and Mary Jo Hatch.

Then my friends and colleagues in Austin. My Thursday morning coffee group: John McMullen, “T” Eubanks, and Ed Berger. And my friends and mentors and guides over the years who have made an enormous investment in my personal growth: Sixtus Oechsle, Steve Tippens, and Rick Runyeon.

Then, finally, last and certainly not least, I thank my mom and dad who have always been there for me. And, my brothers Tim and Barry, and my cousins, particularly Mary Kathryn, Tracy, and Eric.

How the Mass Media Influence Perceptions of Corporate Reputation:

Exploring Agenda-setting Effects within Business News Coverage

Publication No. __________

Craig Eugene Carroll, Ph.D.

The University of Texas at Austin, 2004

Supervisor: Maxwell McCombs

This dissertation investigates the broad assertion that agenda-setting theory can explain corporate reputation as a media effect.

First, the study examined the impact of media visibility on name recognition of firms. The firm's appearance in the news had a stronger effect on the firm's standing among the public than either advertising expenditures or the news releases.

Second, the study examined the impact of the favorability of news coverage on the public image of the firm, revealing that the two are correlated.

Third, the study examined the impact of specific topics that co-occurred with the firm in the news on the topics that the public associate with the firm cognitively. The amount of media coverage devoted to an attribute was correlated with the attribute being one about which respondents said they were highly knowledgeable. There was a direct correspondence between the amount of media coverage devoted to executive performance and workplace environment and the use of these attributes by respondents for describing the firm’s reputation. In the case of social responsibility, the relationship was negative. The study also identified two other types of corporate associations within the news: the one-to-many and the many-to-one. The 'one-to-many' association was when news coverage concentrated on one particular attribute, yet respondents formed a number of other reputation associations about the firm. The 'many-to-one' effect was just the opposite. It occurred when there was a high degree of news coverage related to a number of reputation topics, yet the public’s description of the firm converged on another attribute.

Fourth, the study examined the impact of how the favorability of these topics – discussed in the context of news about a specific firm – affected the public’s feelings about these aspects of the firm. This hypothesis was not supported.

A final hypothesis concerned priming, which has been generally regarded as a consequence of the media’s agenda-setting. The study examined the degree to which the overall agenda of reputation topics emphasized in the news prime the public to structure definitions of corporate reputation in general. This hypothesis was not supported.

Table of Contents

List of Tables

List of Figures

CHAPTER 1

Rationale, Significance, Need for the Study

With the indictments of senior executives from Enron, Tyco, Adelphia, and MCI Worldcom coming to their conclusions, the mass media have brought the issue of corporate responsibility before the American public in ways never before thought possible. In a study released at the 2004 World Economic Forum in Davos, Switzerland, 59% of the CEOs responding and attending said that corporate reputation was a more important measure of success than stock market performance, profitability and return on investment (World Economic Forum, 1/22/04, press release).

The prominence of media attention to a particular topic and the ensuing salience within the minds of the public have come to be known as the mass media's agenda-setting function. Central to the theory of mass media agenda-setting is the idea that although the media may not be successful in telling their audiences what to think, they are still very capable of telling them what to think about. More recently, the empirical support for agenda-setting theory has lead to the extension of the theory to show that the media also influence *how* the public thinks about items in the news.

Historically, empirical investigations of agenda-setting effects have been tied to the field of political communication. The focus of these studies has been how the prominence of media coverage of public issues and candidates effects the salience of these issues and candidates in the minds of the public. However, with the growth of business news coverage in general and the recent corporate scandals receiving media attention in particular, it is time to consider the media's agenda-setting effects on how the public think about business as well. As Diana Henriques (2000), business journalist for *The New York Times*, reports, the number of business magazines and minutes of TV network NYSE/NASDAQ coverage has doubled in the past 10 years alone. This rise in business news coverage is of particular importance to management because much of what consumers and external stakeholders learn about companies comes through the press (Chen & Meindl, 1991; Deephouse, 2000; Dutton & Dukerich, 1991; Fombrun & Shanley, 1990).

There are five central reasons that mass media scholars ought to cultivate interest in corporate reputation as a media effect in general. In part these are related levels of interdependence between the mass media and the corporate sector suggested by media systems dependency theory (Ball-Rokeach, 1989). First, the concept of corporate reputation has implications for the mass media themselves, who are concerned with improving or preserving their own reputations. Second, the media depend on large-scale organizations for information subsidies (Gandy, 1982), and there is evidence to support the claim that only companies with significant corporate reputations—whether good or bad—are used as information sources. Accordingly, most organizations that are not well-known are neglected because of their low levels of newsworthiness, or simply because the media are not familiar with them. Moreover, there are significant implications for the media's function as a watchdog when only certain firms are monitored and other firms that are neglected are permitted to operate outside of the public eye. Third, given the status of media firms as components of a larger economic system, their financial success is often closely tied to the success of other companies in that system, whose performance they may directly affect by positive or negative news coverage (Swisher & Reese, 1992). Fourth, the media's understanding of their rights and responsibilities under the law means that media need to become familiar with corporate reputation and the legal implications of their role in forming it, especially when reputation in general becomes an overriding concern in the legal system's determinations of what constitutes slander and defamation (Bunker, 1995; Langvardt, 1990). This last point is particularly crucial given the different understandings of slander and defamation among the courts, the media, and the public (Dillon & Covil, 1998). Then, finally, for rhetorical scholars, understanding the media's own role in forming corporate reputation is important because the media serve as a forum for the debate about the merit of organizations in a democratic society.

The rationale for this study includes the existence of few studies in this area and the increasing importance of studying the mass media's influence on corporate reputation, given the rapid growth of business news coverage, marked by the introduction of online and other 24-hour news sources in particular. The same period has also seen growth in the public's interest in corporate reputation, an increase in corporate scandals, a growing interest in the stock market, as well as marked interest in investigations of the media's effects on business performance.

This dissertation seeks to extend agenda-setting theory to business by examining how media coverage affects perceptions of corporate reputation, which itself can be understood as what the public perceives is salient about a firm or its characteristics (Fombrun, 1996). In applying agenda-setting theory to business, we hypothesize that the prominence of media coverage devoted to particular companies affects the salience of these companies *and their attributes* in the minds of the public. This salience can be observed in a number of ways; namely, which companies are thought about in the first place, how they are thought about (favorably or unfavorably), which issues described in connection with the firm's name best describe the firm's reputation, and whether the firm falls favorably or unfavorably in terms of these issues.

The present study considers the effect on corporate reputation produced by the appearance of specific companies in articles appearing in *The New York Times*. The Reputation Institute, which partners with the market research firm Harris Interactive® to conduct an annual public opinion poll on the corporate reputations of the most top-of-mind companies, has provided poll results from the Annual Reputation Quotient℠ study (henceforth, the Annual RQ℠ study). The Annual RQ℠ study relies on a nationwide stratified random sample of the general population conducted over the Internet, and involves over 25,000 respondents per survey, participating in two phases.

CHAPTER 2

Review of Literature

MEDIA EFFECTS

The Mass Media's Direct Effects.

The earliest concept of the media's effects on society was that such effects were direct and powerful. Labels such as the "bullet theory" (Schramm, 1954), the "hypodermic-needle theory" (Berlo, 1960), or the more obvious "stimulus-response theory" (DeFleur & Ball-Rokeach, 1982) all expressed this viewpoint. Lasswell's doctoral dissertation on the use of propaganda in World War I, published as *Propaganda Analysis in the World War* (1927), helped define the views of this period on the mass media's power to shape national consciousness. Regardless of which label was used, the prevailing concept was that "mass communications 'inject' ideas, attitudes, and dispositions toward behavior into passive, atomized, extremely vulnerable individuals" (DeFleur & Ball-Rokeach, 1982, p. 163-165), or that audience members are vulnerable to messages from the media that are crafted to strike a particular "target," or to produce some specific, intended result.

The question of direct media effects becomes complicated when considering the debate over whether the media themselves desire particular effects, are aiming to persuade in some way, or are simply "reporting the news" (Shoemaker & Reese, 1996). Setting aside the question of whether full intentionality of media staffs exists for any given effect, some degree of agency, at least, is present, and this warrants examination—of the decisions of editors, for instance, in determining news items to appear on, say, the front pages of the newspaper. One example of agency is apparent in Lasswell's

(1948/1960) descriptions of the functions of the mass media: the process of surveillance, whereby media staffs scan their constantly changing news environment (their sources, press conferences, the AP news wire) to decide what events should be covered in the first place. Another example is the decisions of editors themselves in choosing which of these reports by their staff members should receive coverage. As University of Chicago sociologist Robert Park (1922), regarded by many as the first mass communication scholar, wrote:

> Out of all the events that happened and are recorded every day by correspondents, reporters, and the news agencies, the editor chooses certain items for publication which he [sic] regards as more important or more interesting than others. The remainder he condemns to oblivion and the waste basket. There is an enormous amount of news "killed every day". (p. 328)

To use the hypodermic needle image, particular views of the world are injected into the news account, and these serve as the primary basis through which audiences learn about the world beyond their field of direct experience. Walter Lippmann, a journalist and political columnist, pointed out the distinction between the world of one's personal experiences and that beyond one's own experience, which is created out of the observations of others. The world outside our direct experience is a "pseudo-environment" (Lippman, 1922) created by the mass media, formed out of images created by others. "Whatever we believe to be a true picture, we treat as if it were the environment itself" (p. 4). Lippmann did not suggest that these pictures are false, simply that they have been reduced to a size where they capable of being grappled with, understood, or simply managed in order to make sense of the world. On a macro level, this implied that if people accept what they read as indicative of the world outside their direct experience, the media could mold a society's knowledge by appealing to its myths, traditions, and stereotypes.

The Mass Media's Limited Effects.

The metaphor of the "hypodermic needle" was derived from a theory of society and of the workings of the mass media within it (Katz, 1960). Paul Lazarsfeld produced much work in response to this guiding metaphor, attempting to loosen its hold on the understanding of media effects. Lazarsfeld's school produced a "search for specific, measurable, short-term, individual attitudinal and behavioral 'effects' of media content" (Gitlin, 1981, p. 75). Lazarsfeld and his team at the Bureau of Applied Social Research at Columbia University studied voters during the 1940 and 1948 elections. Both studies were sample surveys involving the same respondents interviewed several times, and both concluded that the media played a weak role in election decisions, as the respondents voted the same way as members of their primary affiliations.

Several things came out of the studies of Lazarsfeld et al., first, through the introduction and study of "intervening variables" existing between media content and the audiences that receive it. These included standard demographic variables such as age, education, and income, but also interpersonal variables such as "gregariousness," the "degree and extent of contact audience members have with significant others," and even the degree of "reputation" or "status" of the media as authorities. "Significant others" included not just family members, but opinion leaders outside of the household who succeeded in shaping respondents' views. Out of this work came the concept of the "two-step flow of communication" (Katz & Lazarsfeld, 1955), whose central tenet was that "opinion leaders" actually served as a "mediating variable" in shaping what the masses believed, rather than the mass media themselves.

As one of Lazarsfeld's students, Joseph Klapper (1960), summed up, "Mass communication *ordinarily* does not serve as a necessary and sufficient cause of audience effects, but rather functions among and through a nexus of mediating factors and influences" (p. 8). In his review of the literature of this tradition in his Columbia University doctoral dissertation and subsequent book, Klapper concluded that the most important outcome of exposure to media was one of reinforcement, rather than the change of existing attitudes and opinions. Reinforcement was the result of selective "exposure," "attention," and "retention." This is to say that people choose what they want to read, that they attend to what best fits their perceptions and expectations, and that they remember facts and opinions that fit their existing views. Klapper argued that people's choice of media, what they choose to look at, listen to, or read, and the things they remember, are significantly filtered by the values and norms of the cultures and groups to which they belong. In sum, Klapper proposed that even if the public were subject to media influence, such influence would be indirect, working through a "two-step flow" sequence of interpersonal channels. Lazarsfeld's conclusion, and that of his colleagues, was that the media were "not very important in the formation of public opinion" (Gitlin, 1981, p. 75). These findings, as many scholars such as Gitlin (1981) and McQuail (2000) suggest, have been accepted in the tradition of media research without being fully questioned.

The Mass Media's Indirect Effects.

Another paradigm within the media research tradition holds that the media's power to influence is neither limited nor direct, but indirect instead. With the development of cognitive psychology as a rival perspective to behavioral psychology, Severin and Tankard (2001) observe, researchers began to re-evaluate their understanding of media effects on audiences, and thus to shift their focus from changing attitudes to changing perceptions. The worldview of cognitive psychology was that people were active decision makers and information processors, rather than merely objects being acted upon, conditioned, and manipulated. Dearing and Rogers (1996) point out that the previous paradigm had focused on overt attitudinal and behavioral change, whereas, with more research produced by mass communication scholars with newsroom experience, it was realized that the mass media (at least the news media) did not have persuasion as their main goal, but rather information. As McCombs (1981) recalls, the launch of agenda-setting was tied to the "disenchantment both with attitudes and opinions as dependent variables, and with the limited effects model as an adequate intellectual summary" (p. 121). This disenchantment, which has been identified with a particular moment in the history of media scholarship, perfectly describes what Kuhn (1962/1996) says is necessary in scientific revolutions. Carragee, Rosenblatt, and Michaud (1987) noted that agenda-setting theory, which is described in more depth below, helped to shift the emphasis from "the study of short-term attitudinal effects to a more longitudinal analysis of social impact. This is no small contribution" (p. 42). The contrast in perspectives between the limited effects and the indirect effect traditions is best captured in Bernard Cohen's (1963a) now famous dictum that the press "may not be successful much of the time in telling people *what to think*, but it is stunningly successful in telling its readers *what to think about*…" (p. 13, italics added).

Agenda-setting is the process by which the news media create public awareness and concern for certain issues. In this process a wide range of news issues is filtered and reduced to a few that can be presented to the pubic, and this concentration upon certain issues or subjects results in the public perceiving those to be more important than others.

The agenda of a news organization can be found in its pattern of coverage on public issues over a period of time, whether a week, a month, or an entire year. Over this period of time, whatever it might be, a few issues are emphasized, some receive light coverage, and many are seldom or never mentioned. It should be noted that the use of term "agenda" here is purely descriptive. There is no pejorative implication that a news organization "has an agenda" it pursues as a premeditated goal. The media "agenda" is simply the totality of news discussion emerging from countless day-to-day decisions made by numerous journalists and their supervisors about the news of the moment.

The public agenda—the focus of public attention—is commonly assessed by public opinion polls that ask some variation of the long-standing Gallup Poll question, "What is the most important problem facing this country today?"

The results of agenda-setting research are mixed, and depend upon the issues studied and the research design employed. The work of McCombs and Shaw provides the empirical foundation for this theory (Lowery & DeFleur, 1987). In the first empirical explication and test of the agenda-setting hypothesis, McCombs and Shaw (1972) postulated that the mass media "set the agenda for each political campaign, influencing the salience of attitudes toward political issues" (p. 177). This landmark study examined agenda-setting effects during the 1968 presidential election by comparing the issues that voters felt to be important with the media messages to which these voters were exposed. A random sample of 100 registered voters in Chapel Hill, North Carolina, were selected from five demographically representative precincts. Among these undecided voters, high correlations were found between what voters cited as major issues and the attention of the mass media to those issues. The respondents' choices of important election issues mirrored issues covered in the media. In addition, while the three presidential candidates placed widely divergent emphases upon different issues, the judgments of those voters seemed to reflect the composite of the mass media campaign coverage.

Agenda-setting theory provides a tool for investigating the comprehensive communication process by which media professionals, the public, and elites (whether corporate, government, or other institutions) compete for the limited resources of media publicity and favorability. Media salience is the primary variable in agenda-setting theory, and since the beginning of agenda-setting studies, researchers have recognized that it has more than one dimension.

Three dimensions of media salience have emerged in the literature: attention, prominence, and valence (Kiousis, 2004). Attention is the amount of media awareness that an object receives, usually indicated by the sheer volume of stories or space devoted to a topic of interest (Benton & Frazier, 1976; Dearing & Rogers, 1996; Golan & Wanta, 2001). Another dimension of media salience is prominence, which can be characterized in a number of ways. First, although any study that focuses on front-page stories essentially includes prominence as an indicator of media salience, Kiousis also notes that prominence could be expanded to include all stories in the front section of the newspaper. Moreover, Watts, Mazz, and Snyder (1993) observe that

> "coverage prominence measures are superior to story counts because they acknowledge structural and presentational elements of the news story. Stories in the media indicate their importance (and thus, the agenda of the media) to the audience by virtue of their placement, length, or treatment". (p. 41)

Second, stories within elite newspapers such as *The New York Times* or the *Washington Post* could be characterized as instances of prominent media salience (Reese & Danielian, 1989). Finally, with frame analysis, prominence can be characterized by "placement, size, pictures, and pull quotes" (Tankard, 2001). These characteristics are different from the attention dimension because they focus on placement and position rather than volume. The third dimension of media salience, valence (Kiousis, 2004; Manheim, 1986), is also called "tone" or "tenor" (MacKuen & Coombs, 1981). The present study, using empirical support from Manheim and Kiousis, collapses "attention" and "prominence" into the single category of "visibility."

THE AGENDA-SETTING FUNCTION OF THE MASS MEDIA

First-Level Agenda Setting.

At the first level of analysis, agenda-setting theory concerns media “objects,” or news topics that receive coverage in media sources. Media objects may be any aspects of central importance discussed in a given news story. Issues such as healthcare, education, or other public issues typically associated with politics are all common media objects, and in fact, from its inception agenda-setting theory has been concerned with the political realm. Media objects have figured in tracing the influence of the media’s portrayal of political issues on audiences and their behaviors. According to agenda-setting theory, the prominence of given objects in news coverage has a direct effect on the salience of those objects within public awareness or discussion (i.e., on the level of attention the public devotes to those objects). Not only do the media in some way determine *that* an audience thinks about politics, but also *how* it thinks about politics, that is, what topics it considers relevant.

Studies within the agenda-setting theoretical framework have generally concentrated on political issues (e.g., Funkhouser, 1973; Palmgreen & Clarke, 1977; Smith, 1987; Winter & Eyal, 1981), and have aimed to establish links between media coverage and public attention to such issues. Researchers have shown that such links do exist by pointing out that members of the public, when asked to identify issues they consider important, have named issues that correspond to those that are most prominent in the mass media. For instance, an examination of civil rights from the 1950s to the 1970’s conducted by Winter and Eyal (1981) found a correlation of +.71 between the level of public concern (reflected in the Gallup Poll of public concern for civil rights issues) and the prominence of news coverage in the weeks immediately preceding. Ten years later, Eaton (1989) found the same pattern over a 41-month period while investigating eleven different issues. In a meta-analysis of 90 empirical articles reporting correlation coefficients for the agenda-setting effect, Wanta and Ghanem (2000) found a mean of +.53. The appearance of similar distributions of objects in media sources and assessments of public opinion indicates a strong line of influence from news sources to public opinion. Moreover, cross-lagged correlations show stronger lines of influence between public opinion polls and prior media coverage, rather than later news coverage, which would indicate the reverse, i.e., that the media seek to match public interest in stories. Hence, the daily decisions by journalists concerning publication or broadcast attention to certain media objects, or public issues, can significantly sway an audience's attention to or from them, and set an agenda of issues, or even dispositions toward those issues.

The agenda-setting model has been especially applied to study media effects during election seasons. During election campaigns the usual scope of media objects broadens to include the campaigns of political candidates, and even the candidates themselves (McCombs, Llamas, Lopez-Escobar, & Rey, 1997). As abstractions, the candidates themselves become a set of media objects, and as such may be traced in studies measuring correlations between the media agenda and public concern. Certainly, news coverage and campaign advertising through the media enhance the prominence of candidates in public perception, a phenomenon frequently measured in political research as "name recognition" (Ghorpade, 1986; Roberts & McCombs, 1994).

Second-Level Agenda Setting.

Whereas the first level of agenda setting concerns objects (whether public issues, political candidates, etc.), the second level concerns the attributes of those objects; namely, how the mass media describe, and how public groups perceive, a given object, as well as any correlation between the two. To be more specific, the attributes of media objects examined in second-level agenda setting are of two sorts, or dimensions: the affective and the cognitive. Simply put, the former is an assessment of tone or disposition expressed in the discussion of an object, and is used to measure its emotional appeal; the latter, an assessment of topical distinctions, or of the concentration on specified aspects in the discussion.

Assessments of the *affective dimension* recognize that news stories and public survey responses carry not only descriptions of objects, they also convey feeling and tone about the object described (McCombs & Ghanem, 2001). The feeling, or tone, expressed for a given object is typically a measurement of how favorably that object is portrayed, and may be articulated as positive, negative, or neutral (Lopez-Escobar, Llamas, McCombs, & Lennon, 1998; McCombs, Llamas, Lopez-Escobar, & Rey, 1997; McCombs, Lopez-Escobar, & Llamas, 2000). These measurements are then used in tracing lines of influence, and in describing correlations between media sources and public opinion. Hence, researchers using the agenda-setting framework may determine to what degree the tone of media coverage for given objects, such as political campaigns or the candidates themselves, affects the sentiment expressed in the public's descriptions of them.

Assessments of the *cognitive dimension* recognize that the descriptions of media objects in news coverage and public survey responses often adhere to standard topics and issues, and may be classified accordingly. In other words, the cognitive dimension allows classification of large bodies on information into more manageable sub-divisions, each bound by a common theme. For example, in one study of 1996 Spanish election data, researchers have classified descriptions of political candidates and their campaigns into five categories: ideology and issue positions, biographical details, personality and image, perceived qualifications, and integrity (McCombs, Lopez-Escobar, & Llamas, 2000). In studies of this type, researchers may analyze distinct categories of media content or poll data to trace lines of influence between the two by identifying the prominence or distribution of categories in their descriptions of media objects, allowing for a more sophisticated understanding of any correlation between media sources and public opinion.

Consequences of Agenda Setting.

A generally accepted consequence of media effects within the agenda-setting framework is "priming" (Iyengar & Kinder, 1987; McCombs, 1993; McCombs & Reynolds, 2002), the process by which certain media objects begin to occupy a place within the public's frame of concern and become part of the public's "top-of-mind" awareness related to decision making. Priming is due largely to the nature of information's accessibility in memory. When faced with issues and events of some complexity, people do not thoroughly review their knowledge in memory to respond, but instead rely upon information that is currently accessible or most easily retrieved (Iyengar & Kinder, 1987). Certain media objects then become important in the way the public formulates opinions. Greater degrees of emphasis on particular issues in newspapers, television, or other media enhance the issues' accessibility to audiences. In turn, this greater emphasis also increases the likelihood that particular issues will influence the way an audience forms attitudes or makes judgments. In the political domain, to which the agenda-setting model has been typically applied, priming describes the process by which the media prepare, or even steer, audiences in the ways they shape views on political favorites, the ways they determine the relevance of issues to campaigns, and even the ways they form emotional dispositions. In fact, the concept of priming has specific application to elections. Studies show that election issues that are particularly salient in media sources (in television particularly) often become criteria in the public's evaluation of candidates, or may even rule voters' perceptions of differences between candidates ((Jacobs & Shapiro, 1994; King, 1997). Indeed, Iyengar and Ottati (1994) have observed that most people rely on the mass media for information about political events, and that they selectively attend to issues that seem important in these sources. Hence, topics chosen by the media are primed for audiences and shape audiences' frame of concern for political issues, marking candidates and issues for significance, and swaying approval or disapproval.

Iyengar and Kinder (1987) have paid particular attention to priming in studies on television and its influence on presidential reputation. The results of these studies showed that television news not only increased the perceived salience of the issues covered most, but also that prominence in news coverage worked to prime particular issues in the public's awareness. As a result, poll participants attributed greater weight to the same issues in overall evaluations of political candidates and parties. Iyengar and Kinder applied these particular findings to the discussion of presidential reputation, observing that the "more attention television news pays to a particular problem—the more frequently a problem area is primed—the more viewers should incorporate what they know about that problem into their overall judgment of the president" (1987, p. 65). In other words, just the fact that issues are mentioned in a media source describing a political candidate (regardless of the tone expressed) is significant, because the public adopts issues primed in this way in its own understanding of the candidate since the issues are "top-of-mind" and readily accessible.

BUSINESS NEWS AS A NEW FRONTIER FOR AGENDA SETTING

In the past 30 years the agenda-setting framework has received substantial empirical support for the media's indirect effects on the public. Dearing and Rogers (1996) note that since McCombs and Shaw's (1972) initial study defining agenda setting as a paradigm for conceptualizing media effects, there have been over 350 studies between 1972 and 1994. During this time period an "invisible college" formed around this paradigm, and empirical support for agenda setting has been found in relation to the media's portrayals of public issues and political candidates in numerous ways: across geographical regions (Weaver, Graber, McCombs, & Eyal, 1981), across time (Winter & Eyal, 1981), across time and space (Brosius & Kepplinger, 1990; Takeshita & Mikami, 1995; Weaver, 1996), and through various forms of media, including newspapers, TV, radio, and the Internet.

Dearing and Rogers (1996) note that the next stage of paradigms within scientific revolutions occurs when a decline appears, when major research problems are solved, when anomalies appear, and when scientific controversies appear. Ten years ago they observed that that stage had not yet been reached. Indeed, in the ten years since Dearing and Rogers contextualized agenda-setting theory as a paradigm for understanding media effects, agenda-setting theory itself has been extended to measure second-level effects akin to framing (Ghanem, 1997; McCombs & Ghanem, 2001).

The present study seeks to extend agenda setting further, not to a new level, but to a new domain. During the same time period that agenda-setting scholars have devoted major attention to media content concentrating on politics and public life, the agenda of business news, which has steadily grown over the same time period, has been almost completely ignored (Carroll, 2002; Carroll & McCombs, 2003). Business journalist Diana Henriques (2000) of *The New York Times* has documented changes in business news coverage within roughly the same time period by observing the expansion of news staff and overall volume of news content with business topics (see Table 2-1). Many daily newspapers have increased the size of their staff by 200 to 600%. Page counts for content devoted to business news in daily newspapers have increased by up to 600%.

Other indications of the expansion of business news are not as acute, but reveal consistency of growth. For instance, between 1988 and 1999, the number of business magazines, weekly minutes devoted to business news coverage, and stock market exchanges on network TV have all doubled (see Table 2-2).

Other changes that should have alerted media scholars include the expansion of business news into its own newspaper sections, onto cable TV, and the advent of the Internet. In 1978, *The New York Times* introduced "Business Day" and within a few years introduced the business news section. In 1980, CNN introduced "Moneyline." A year later, The Financial News Network went on the air on cable TV, along with the PBS *Nightly Business Report.* In 1989, CNBC was launched, and Bloomberg launched its wire service to compete with Reuters and Dow Jones. CNNfn.com was launched in 1995, and the Internet websites Hoovers.com, TheStreet.com, and MarketWatch.com all made their debut soon after. These are telling examples of the shift or extension of the media's agenda. Business news has become a matter of public importance, a notion that was first accepted sixty years ago with the recognition of the first Pulitzer Prize given for business news to *The Wall Street Journal*.

Perhaps this steady growth is a strong indication of a shift in the media's agenda. Taken together, the implications of these historical developments provide a new opportunity of fundamental, as opposed to incremental, developments in agenda-setting studies.

Table 2- 1 Business news growth in staff size, page counts, and business section

	Business News Staff Size			Daily Business News Page Count			Business News Section	
	Early 1980s	2000	Increase	Early 1980s	2000	Increase	Early 1980s	2000
Washington Post	18	81	350%	2	12	500%	No	Yes
Los Angeles Times	23	90	290%	6-7	14-18	166%	No	Yes
Dallas Morning News	8	54	575%	2	12	500%	No	Yes
San Francisco Chronicle	7	27	285%	5	12-16	180%	No	Yes
Tampa Tribune	2	14	600%	3	7	133%	No	Yes
Cleveland Plain Dealer	9	24-25	166%	4	8-10	125%	Yes	Yes
Milwaukee Journal Sentinel	7	19	171%	3	6-8	133%	No	Yes
Hartford Courant	3	17	466%	4	6-	133%	No	Yes
Rocky Mountain News	6	14	133%	14	16-25	42%	No	No

(*Adapted from Henriques, 2000*)

Table 2- 2 Growth in business magazines and TV coverage

OTHER MEDIA	1988	1999	Increase
Business magazines	358	694	93%
Weekly minutes of TV network business coverage	1,179	1,377	16%
Weekly minutes of TV network NYSE/NASDAQ coverage	152	296	95%

(*Adapted from Henriques, 2000*)

A Paucity of Research in Business News.

Surprisingly, a review of 30 years of journalism and mass communication literature shows a paucity of research has been conducted on the business press or news about business (Carroll, 2002). Fürsich (2002), in a review of over 25 years of journalism research, calls it one of the areas least investigated by communication scholars. Beyond limited studies examining the types of industries and sources featured (Endres, 1995; Fürsich, 2002; Hollifield, 1997), the influence of corporate ownership, or the nature of the relationship between the media and business (Deephouse, Carroll, & McCombs, 2003; Sethi, 1978), one can only find isolated examples focusing on media effects or media content related to business. Accordingly, these sparse and isolated approaches to business news have not developed an adequate system for conducting research on business issues in media coverage.

The basic categories of news content, production, and effects can be helpful in classifying business news research, but the third category, media effects, has not enjoyed wide application in studies of business news. Instead, mass communications researchers have focused upon media effects primarily in the political sphere, and upon media production and content in the business sphere. Those who have studied media effects in business are themselves in business—corporate strategists, for example, who address investors and other "business people" rather than the general public (Hollifield, 1997). Provided we understand the incomplete nature of business news studies, we can use the standard categories of news production and content to approach the issue, and treat media effects in business news afterward.

A Review of Research Findings Related to Business News.

News content. One common category for research has been news content. For example, in an early study, Breed (1955) found newspaper content to be determined by editors' imitation of the decisions of more prestigious publications or by anticipating the judgments of trusted peers and senior editors within their own newsroom. Deutschmann (1959), Bogart (1977), and Stepp (1999) all treated the subject of media content similarly: whether measuring proportions of page surface or story count, all three studies examined distributions of newspaper content by individual topics (sports, politics/government, business/economics/personal finance, etc.).

Other studies on news content have been more complex. For instance, in an exploratory study of six newspapers, Sumpter (2000) found that editors agreed on the attributes that front-page stories should possess. One issue raised by Sumpter's study has been editors' competence and their familiarity with business news issues, especially as regards their ability to make decisions on the placement of business news stories. Sumpter also observed aspects such as the tendency to abridge or simplify front-page business news for a more general readership and to make allowances for lengthier or more detailed stories for weekend editions. Sumpter's results showed that business news journalists frequently preferred their stories to be allocated to the business section in reaction to editors' attempts to alter front-page content to meet the presumed abilities and interests of general readers.

Sumpter's study concentrates primarily on content and distribution of news stories, and considers business news only incidentally, but it does identify another thread common to studies that address business news: production. Many studies concerning business news have examined aspects of media production, especially those relating to the adequacy of the mass media as business news resources. *Editor & Publisher* reports that business coverage in most newspapers is devoid of depth and given low priority internally, according to surveys of corporate executives, newspaper editors, and journalism instructors released Feb. 24, 2004. In *PR News* ("Media news: *The Philadelphia Inquirer* Business section, 2003) Mary Flannery, Business Editor of *The Philadelphia Inquirer*, claims that the newspaper devotes more coverage to issues in finance, healthcare, and technology than to business, stating that "unless [the firm is] a huge national consumer company or product that competes with our regional heavy hitters such as Campbell Soup and Comcast, we [the *Inquirer*] generally aren't interested."

More recently, Wu and Bechtel (2002) have considered news content distribution on websites. They observed that content on the homepages of business news websites, and on section fronts (such as Business or International) changed throughout the day as stories broke and progressed. They concluded that news websites are dominated by media coverage of unexpected events and incidents rather than of planned ones, and that coverage often seems geared simply toward increasing website visits.

Jung (2003) has examined distribution of news content in three weeks of business news reports in 2001 from three newspapers (*The Wall Street Journal*, *The New York Times*, and *USA Today*) and three websites (CBSMW, CNBC, and CNNfn). He found the content to be in nine categories (national economy, international business and trade, legal and regulatory issues, individual firm, industry profiles, executive profiles, stock market, consumer guide, and "others"), and to comprise 180 stories for both newspaper and Internet sources. Jung also found that Internet news sites devoted more coverage to the stock market and to individual firms. Three Internet news sites focused heavily on stock market news (41.7% in CBSMW, 56.7% in CNBC and 35% in CNNfn), and rarely dealt with other news stories. In particular, the three websites reported industry news and legal issues least—each of them having less than 5% of their coverage devoted to such stories.

News production. One study that has contributed much on the topic of production—a study perhaps more notable because of the lack of comparable studies than because of the impact of its findings—has been that of Strupp (2003), which examined polling data gathered by Selzer & Co. from four surveys of corporate CEOs and presidents, newspaper editors and managing editors, business editors and reporters, 34 journalism-school administrators, and business-school administrators. This study found that CEOs consider business news journalism in need of improvement. Of the 62% who said that they read their local daily newspaper almost daily, one in three CEOs was dissatisfied with the business news found there. They gave three key reasons: a dearth of business training for reporters, a shallow pool of talented financial writers, and journalists' limited understanding of business needs. According to Strupp, editors and reporters also agreed that coverage could be better, with some citing the following three causes: a lack of popularity in business reporting, the fact that business leaders are not typically the intended audiences of newspapers, and especially, the lack of training and formal business education among business news reporters. Concerning this last point, Strupp's study reported that just 18% of the surveyed editors rated their business staffs as excellent, compared with 44% citing excellence in their sports coverage, 30% in metro-news coverage, and 28% in both features and political coverage. Among news executives, only 14% rated the skills of their business reporters as excellent, while 52%

awarded this highest staff rating to sports, 43% to metro news, 39% to features, and 32% to government and politics.

Some studies have dealt specifically with the issue of preparation and training of journalists. In a study funded by the Ford Foundation and the Foundation for American Communications, Hamilton and Kalt (1987) surveyed journalism schools and journalists, and found a consensus that the relevant principles of economics are not widely understood by journalists. Weaver and Wilhoit (1996) reported that while 62% of the journalists surveyed desired training, only 7.2% desired training in business (and 2.9% in economics). Ludwig (2002) interviewed east coast newspaper business editors and reporters in an investigation of business journalist training and attitudes toward training in business and economics reporting. Nearly all of those interviewed agreed that business journalists needed training in economics to do their jobs well. Ludwig also found that at the time many did not have a fundamental understanding of economics, and that they desired additional training.

In a Syracuse University doctoral dissertation, Bruce (1999) examined how journalists within the trade press differed from traditional journalists. Bruce used the same questions as Weaver and Wilhoit's (1996) study on the journalism profession, and compared the demographics of his sample to Endres (1988), who offered one of the first investigations of the business journalism profession. Endres and Bruce both observed that business press journalists see themselves as content experts more than as mainstream journalists. The data gathered by Bruce and Endres is nonexistent for mainstream journalists, who cover business issues, and the topic is deserving of future research.

Similarly, Hollifield (1997) suggests that the trade press produce “print media publications that narrowly focus their editorial content to serve the information needs of readers who have a professional interest in a single specific industry or industry segment” (p. 761).

Another recent study, by Powell and Self (2003), has shown that newspapers often lack adequate resources, and that they rely heavily upon various government sources when reporting on business crises. This is especially true for newspapers which are not located in the geographic area in which events of interest occur, or which have no acquaintance with the surrounding circumstances. The large role of government sources does not eliminate doubts about the quality of some business news, such as questions about reporter competence and the objectivity of stories about business crises that injure consumers. Instead, Powell and Self’s findings about the role of government sources suggest a lack of balance in newspaper reporting on such matters. The study concluded that newspapers relied primarily on government sources, and used consumer sources sparingly when reporting on aspects of business cycles. The reliance upon government sources could allow newspapers to be manipulated by government officials in a manner that could adversely affect businesses, consumers, or other readers. Businesses can use these findings to support arguments that newspapers fail to report on them fairly in times of crisis. Consumers and consumer groups can use these results to show that the actual victims of some business crises are practically ignored by non-local newspaper reporters and editors.

Many studies of news production have directly engaged issues of bias and objectivity in reporting on business affairs. As Powell and Self (2003) have shown, the concentration on production in business news research may be very much concerned with issues of objectivity. In fact, the largest category of research on business news is concerned with aspects of objectivity, where the basic question is, Do the media convey any bias in reporting business news? Although researchers have suggested a range of answers to this question, the evidence for negative bias in news reporting is rather substantial. In fact, studies that portray business reporting as somehow negative in tone have been quite emphatic. For instance, Sethi (1977) pointed to anxiety over the media's objectivity among American business leaders, and found them to be critical of the media's business coverage because of the economic illiteracy of most journalists, inadequate coverage, and anti-business bias. Similarly, Peterson et al. (1984) found that 27.3% of 435 business editors surveyed thought there was at least some bias against business. Dominick's study (1981) has shown how consistent coverage of unfavorable content in business affairs may color perceptions of the media's neutrality. The study showed that 54% of network newscasts' business coverage during 1977-79 concerned so-called "bad news," such as strikes, environmental threats, product recalls, and illegal financial dealings, while only 10% of the coverage was positive, such as descriptions of new products. Sorley's (1998) analysis of coverage of the 1987 stock market crash showed that the financial media did play an important part in legitimization and operation of the markets.

Despite these studies, the baseline view on the issue of bias is that business news is impartial in its presentation. Fombrun and Shanley (1990) found most business news coverage to be neutral in their study. Furthermore, many have claimed that a thorough, unbiased recording of events, issues, and opinions is an important professional norm (Society of Professional Journalists, 1996; Weaver & Wilhoit, 1996); Peterson et al. (1984) found that 68.5% of 435 business news editors surveyed thought the news media were unbiased. Schudson (1978) has argued that neutrality may actually figure in attracting readership, and that by it newspapers are able to generate appeal to audiences of middle and upper middle class readers. In other words, neutrality can generate favorable appeal, increase profitability, and improve stock for a firm that produces a given media source.

Studies finding a pro-business media bias are less common than those pointing towards negative bias or neutrality but are not completely absent. Some suggest that the media may report favorably on business-related public issues, like the environment, which typically place businesses in conflict with other interest groups. In a content analysis of network television news stories about cutting old growth forests from 1989-1993, Liebler and Bendix (1996) found that sources used and reporter summaries favored the pro-cutting side. Similarly, other studies have shown a heavy reliance on business sources in stories about breast implants (Andsager & Smiley, 1998), auto trade policy (Chang, 1999), and labor relations (Knight, 1998). The media's pattern of framing these issues with business sources may indicate an implicit bias in favor of businesses. In a more recent study, Margolis and Walsh (2003) have looked at the way articles from the

Wall Street Journal between 1984 and 1998 described firms with special emphasis on language. They traced the occurrence of six keywords in particular. Comparing the incidence of the words “win,” “advantage,” and “beat” with the that of the words “virtue,” “caring,” and “compassion,” they found that the *Wall Street Journal* was drawn to cover the competitive side of business life to the exclusion of other aspects, such as virtuousness and responsibility. They found only 45 reports of corporate social performance in 540 companies profiled in 1998. The paucity of coverage on corporate social performance in national newspapers gives us pause. Yes, the firms may be hiding or embellishing their CSP records, but it seems that the national business press is not paying much attention, regardless.

In addition to the concentration on content and production within business news research, many studies have looked at the perspective of the audience. Researchers have made efforts to understand the concerns of audiences for business news. For instance, Bogart (1989) reported in his survey of newspaper-reading adults that 46% of the respondents looked at business and financial news. More recent studies have looked at the role of the Internet in understanding business news audiences, sometimes with relatively simple results. For example, a study by the Radio and Television News Directors Foundation (*News in the next century: Profile of the American news consumer*, 1996) found that early Internet adopters were more interested in business news than most Americans. A recent study by Tewksbury (2003), however, has produced more complex results using a biennial survey of Americans’ news consumption habits from the Pew Research Center for the People and the Press. Tewksbury reported that online news audiences were frequent users of traditional media, and that even after controlling for respondents' gender, education, and income, they were particularly likely to report an interest in business and finance content. According to the study, 38.9% of the respondents claimed to rely primarily upon online news; of these, 63.7% read business and finance news, while of the respondents relying primarily on off-line news (e.g., television or newspapers), only 38.8% followed business and finance news. This suggests that business and finance news followers are much more likely to be on the Internet. Furthermore, among categories rated by online news readers, business and money ranked second highest—behind sports, but ahead of politics, world news, and U.S. national politics (p. 704).

Conclusion

Endres (1995) argues that the shortcomings in business news research should be forgiven because of the "rudimentary state of the field" (p. 79). No answers have been offered as to why business news or the business press have not been studied as extensively as other communication disciplines. One suggestion is that many people see "business journalism" as "business" rather than "journalism," which may be due to the fact that, with few exceptions, research addressing business news media effects has come more often from business schools.

The present work would like to suggest that the study of "corporate reputation," itself a media effect of the business news investigated here, may be a suitable point of connection between the expansion of agenda-setting studies in mass communication and the role of media effects in business research. It is this area of research, therefore, that is surveyed subsequently below.

CORPORATE REPUTATION

Sudden interest in corporate reputation as a popular press topic can be traced to *Fortune Magazine*'s "Most Admired Corporations" special issue 20 years ago. Since then, a growing number of media outlets have developed their own rankings (Fombrun, 1998), including the *Wall Street Journal* and the *Financial Times*. The topic of corporate reputation has also become quite salient among corporate executives. Just within the past year, three major studies by market research firms have revealed the importance of reputation as a salient media agenda item for the corporate world. As noted earlier, in a study released at the 2004 World Economic Forum in Davos, Switzerland, 59% of the CEOs responding and attending said that corporate reputation was a more important measure of success than stock market performance, profitability, and return on investment (World Economic Forum, 1/22/04, press release). In a separate study of world CEOs, the *Financial Times* reported that 60% of their CEO respondents said corporate reputation was more important than it was five years ago. Last year, Edelman (2003) interviewed 850 opinion leaders (400 in the United States, and 450 in Europe) on behalf of the World Economic Forum. Nine out of 10 U.S. respondents said that a corporation's reputation played a large role in forming opinions of products and services; 80% said they were more willing to pay for goods and services from a company with a well-regarded labor and environmental record.

What is Corporate Reputation?

The research literature is replete with definitions of corporate reputation. Reputation is a synonym of esteem and renown and refers to "what is generally said or believed about the abilities, qualities etc. of somebody/something" (Bromley, 1993, p. 1). Perhaps a more firmly established definition of corporate reputation is "a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals" (Fombrun, 1996, p. 72). Wartick (1992) calls corporate reputation "the aggregation of a single stakeholder's perceptions of how well organizational responses are meeting the demands and expectations of many organizational stakeholders" (p. 34). Deephouse (2000) adds that reputation is the evaluation of a firm by its stakeholders in terms of their affect, esteem, and knowledge. Waddock (2000) says, "Reputation is essentially the external assessment of a company or any other organization held by external stakeholders. Reputation includes several dimensions, including an organization's perceived capacity to meet those stakeholders' expectations, the rational attachments that a stakeholder forms with an organization, and the overall 'net image' that stakeholders have of the organization" (p. 323). Sandberg (2002) explains, "Corporate reputation is the consensus of perceptions about how well a firm will behave in a given situation, based on what people know about it.… But corporate reputation is not about likeability; it's about the predictability of behavior and the likelihood that a company will meet expectations" (2000) (cited in Whetten & Mackey, 2002, p. 403). As Bromley (1993) has observed, "The firm's reputation can be defined…as the set of reputations in these interest groups, or as the intersection of these reputations" (p. 162). While the ascription of reputation is generally related to a particular type of stakeholder (e.g., customers, employees, community, investors) about a reputation for something (e.g., products and services, workplace environment, social responsibility, financial performance) these stakeholder groups seldom limit their judgments about reputation to their specific focus and often reference positions taken by stakeholders outside of their sphere of activity and influence.

Academic Disciplines Studying Corporate Reputation.

Corporate reputation research has grown extensively over the last few years, and a number of academic disciplines, including sociology, psychology, marketing, organizational theory, strategic management, accounting, and economics, have all made corporate reputation a topic of study. In addition, an annual academic conference devoted to the topic has been launched—the International Conference on Corporate Reputation, Identity, and Competitiveness, now in its 8th year—and an academic journal, *Corporate Reputation Review*, now in its 7th year. In the inaugural issue of *Corporate Reputation Review*, editors Charles Fombrun and Cees van Riel (1997) assessed contributions from different disciplines on corporate reputation, including accounting, economics, marketing, organizational theory, strategic management, and sociology.

Economics. Several theories from economics have offered insights into the concept of corporate reputation, including agency theory, signaling theory, and game theory. Agency theory suggests that relationships are nothing more than a series of implicit and explicit contracts that bring with them certain associated rights (Jensen & Meckling, 1976). The theory includes the assumption that corporate managers have to be watched because they are more likely to act out of self-interest than the interests of the firm. Investors and regulatory agencies, who fear their interests may be abused, may rely on the executive's reputation, which can serve as a substitute for a more binding contract, as a method of ensuring trust or control to protect their interests.

Signaling theory suggests that observers of a company are faced with incomplete information about its actions and must rely on interpretations from signals that firms routinely broadcast. Signals are "alterable observable attributes" (Spence, 1974, p. 1107). Observers must also rely on the evaluative signals refracted by key intermediaries such as market analysts, professional investors, and reporters. According to signal theory, the presence of information asymmetry forces onlookers to rely on proxies in making assessments about a firm and its operating environment. These proxies include the media, financial analysts, or other third parties (Deephouse, 2000; Gioia, Schultz, & Corley, 2000; Rindova & Fombrun, 1998). Consumers rely on firms' reputations because they have less information than managers do about firms' commitments to delivering product features like quality or reliability. When the quality of a company's products and services is not directly observable, high-quality producers are said to invest in reputation building in order to signal their quality.

In game theory, the reputation of a player is based on the perceptions others have of the player's choices, which then determine the observers' strategies in response. Because of information asymmetry in relation to the player's motives, intentions, and competencies, observers must rely on proxies that provide some indication of what they are. Outside investors, who have less than complete information, rely on reputation with the understanding that the subject will operate in 'reputation-consistent' ways. Consumers rely on reputation because they have little information about the commitment to quality of a company's employees. For game theorists, reputations are functional. They generate perceptions among stakeholders and the public as to core competencies, expertise, and reliability (Fombrun & van Riel, 1997).

Strategic Management. For strategic management, corporate reputation is both an asset and a mobility barrier. Established corporate reputations have the capacity of blocking the entry of newcomers because of the high costs and the length of time involved in producing aspects of reputation and having them coalesce in the mind of consumers. From this viewpoint, established firms concomitantly establish reputations that are difficult for newcomers to imitate or duplicate. Further, this viewpoint suggests that firms must allocate resources over time to erect reputational barriers to prevent rivals from entering the field (Barney, 1991). Conversely, reputations may impede market acceptance of new products and services seen by consumers as "outside" of the firm's traditional area, as subjectively ascribed by their reputation.

Marketing. For those studying marketing, reputation is often interchangeable with "brand image" and the focus is often upon the processing of information to produce "pictures in the heads" (Lippman, 1922) of external subjects. Marketing literature often deals with an endorsement of one brand by another in the same category, or products complementing each other or co-branding and making use of organizational associations about a given dimension (for instance, financial performance or social responsibility) and connecting them to another (to products and services, for instance). Marketing has also used the "elaboration likelihood model" of Petty and Cacioppo (1986) which designates three layers of elaboration: high, medium, and low. A high degree of elaboration of information about an object results in a complex network of meanings. A low degree of elaboration results in simple descriptions such as good or bad, attractive or unattractive. Fombrun and van Riel (1997) note that the degree of elaboration is a consequence of the existing knowledge of an individual, the level of involvement of the subject with the object, and the intensity and integrated nature of the marketing communications.

Organizational Theory. For organizational scholars, corporate reputation is rooted in sense-making (Weick, 1995), and thus involves cognitions. Here, the firm's culture and identity shape its business practices as well as the kinds of relationships that management can establish with key stakeholders. From this point of view, the self-identity of the organization and its members can constrain an organization's actions. Thick cultures homogenize the perceptions of members within the firm, increasing the likelihood that managers will be more consistent with self-presentations to outside observers. The blurring of organizational boundaries and increased transparency also means that organizations, particularly those that are known for being responsive to their stakeholders, will be more likely to take external constituents' viewpoints into their self-assessments and decision-making, thereby increasing the degree to which external reputations change or shape their identities (Dutton & Dukerich, 1991; Gioia, Schultz, & Corley, 2000; Morsing, 1999).

Sociology. Another theory from strategic management that offers insights is institutional theory, which suggests that firms are less rational or efficient than they appear. From this perspective, firms turn away from more essential (e.g., economic and efficient) activities in order to pursue those that may not be as economical, rational, or efficient (Zajac & Westphal, 1995), but may increase their reputational standing (Staw & Epstein, 2000). For sociologists, reputations are indicators of legitimacy. For example, firms may adopt practices or project the appearance of adopting practices of other firms with stronger reputational signals. This process of adopting appearances, however, does not bring about negative economic consequences necessarily. Instead, the pursuit of reputation can actually enhance legitimacy and other benefits for a firm.

Accounting. Those studying corporate reputation from accounting perspectives are concerned with the insufficiencies of financial reporting standards for documenting the value of intangibles. Accounting researchers seek to develop better measures for investments in branding, training, and research, and especially for how these can build important stocks of intangible assets not presently recorded in financial statements.

Psychology. Psychology was not reviewed by Fombrun and Van Riel, but does have some focus on corporate reputation (Bromley, 1993; Bromley, 2000). The conceptual work of personal reputation does have application to corporate reputation, and has produced the theories of "attribution" and "stigma."

Attribution theory (Kelly, 1971) suggests that people seek to understand what causes events they observe in their lives, motivated by the need to establish a sense of control over their environment. For instance, consumers are known to make attributions about why a product failed, why they switched brands, why a celebrity agreed to appear in an endorsement, and why a firm's employees are on strike (Folkes, 1988). Accordingly a relationship comes to exist between attributions and subsequent attitudes and behaviors (Kelly & Michela, 1980). Thus, if consumers develop attributions about corporate motives for the activities the firm undertakes, these attributions should exert some influence on later attitudes and behavior.

Another theoretical perspective that offers insights into corporate reputation is stigma theory (Goffman, 1963). Goffman described stigma as an "identity spoiled" by association with an attribute that deviates from expectations thus discredits through negative evaluations and associations. Responses to firms possessing stigmatizing traits are then more negative than responses to firms that do not possess the undesirable or controversial trait. The presence of such negative associations carries with it a bias that is difficult to eliminate.

Summary

What is noticeably absent in research on corporate reputation is an approach from the perspective of communication, broadly defined to include journalism, mass communication, public relations, and advertising. The present study seeks to contribute to studies on corporate reputation by offering a framework emerging from a mass communication perspective, and by using the Carroll and McCombs (2003) elaboration of agenda-setting and corporate reputation as a starting point.

Components of Corporate Reputation

A review of the literature suggests three essential components of corporate reputation: (1) name recognition, (2) a general impression of the firm, and (3) a series of associations. Without these three, corporate reputation cannot be said to exist. The increased level of interest in corporate reputation has brought with it a degree of confusion over how to define its precise form, its components, and its connection to related concepts. For instance, Brown (1997) argued that the concept of “corporate association” serves as an umbrella term for both “image” and “reputation.” On the other hand, Dutton, Dukerich, and Harquail (1994) argued that “image” is the umbrella term, and that reputation denotes a specific type of image. For this reason, it is especially important to set parameters for the use of these terms, to demonstrate the usefulness of distinct concepts, and to construct a framework for their relationships with one another.

At a very basic level, image and reputation can be distinguished from “corporate associations” because of the role of observers’ affective responses linked to them;

corporate associations imply "cognitions" instead, i.e., categories of issues/topics figuring in an observer's response. Image can be further distinguished from reputation: it is more fleeting, whereas reputation generally involves more detailed information. These basic distinctions aside, a suitable place to start might be the classifications developed by Whetten (1997), who distinguishes image and reputation by pointing out their relationships to notions of identity. While the notion of identity responds to the question, *Who/what do we believe we are?,* image responds to the question, *What/who do we want others to think we are?,* and reputation, the question, *What do we know about what/who others think we are?*

Public Recognition. For a firm to have a reputation, it must first be thought about by the public (Carroll & McCombs, 2003). This idea of visibility, recognition, and public awareness is probably the most easily understood of concepts related to reputation, but it is generally the least explicated. Those doing research on organizations often make use of terminology to convey ideas of visibility, such as "top-of-mind awareness" (Fombrun & Van Riel, 2003; Gardberg & Fombrun, 2002; van Riel & Fombrun, 2002), a term chosen to address simply *that* a firm is thought about, not *what* (about the firm) is thought. Celebrity, media visibility, mind share, media presence, awareness, attention, media exposure, recall, recognition, knowledge, all denote the state of a particular subject (a firm in this case) gaining public recognition or the status of a household term. "Top-of-mind," however, needs to be distinguished from two similar concepts: exposure and recall.

Exposure is a measure that can be taken of the public or of the media. When examining media content, exposure can refer to the number of press releases, the amount spent on advertising and product placement, or the amount of media coverage, controlled or not, a firm receives. To some degree, exposure is an estimate of the available opportunity to be seen by the public. A firm's presence in the public sphere, however, does not always mean that the public is paying attention (Heath, 2003), which is where the measure taken from the public applies. Observers must opt to notice the firm at some level; they retain a degree of selective perception, and whether they do this consciously or not, consumers do control their own attention. Attention to levels of familiarity among observers (e.g., many/some/perhaps/none, etc.) makes it possible to estimate both effective reach and frequency of messages about a particular firm. In this respect, then, exposure has important implications for methodology, since it figures in the means of measuring the effectiveness of advertising, its penetration, reach, and frequency.

Recall is a second concept to be distinguished from recognition (Cramphorn, 2004). Although the public recognition of a firm may reflect effective exposure, due to observers' selective perceptions, the opportunity to "see" may not always be chosen. Observers who have had previous exposure to a firm, however, no matter how briefly, may accurately recognize it later on, even among numerous other images. This phenomenon is recall. Recall is not the same as exposure, but is involved in the process of it, or at least can figure in its level of effectiveness.

The concept of public recognition is essential to understanding reputation, given the operation of elements like exposure and recall discussed above, and its existence for a given company is not to be simply taken for granted as a standing pre-condition for corporate reputation studies. Instead, the subject requires its own conceptual analysis, in addition to the other components of reputation (image and associations). For example, van Riel and Fombrun (2002) hypothesize that top-of-mind firms—i.e., those that are publicly recognized—have distinct characteristics: they are well known; they possess a high degree of visibility, publicity, and size; they often are older firms; their activities focus on "common interest issues"; and they are usually publicly-owned.

Affective and Cognitive Corporate Associations. The concept of "corporate associations" was first described in the marketing literature by Brown and Dacin (1997) as "the cognitions, affects (i.e., moods and emotions), evaluations (attaching to specific cognitive or affects), summary evaluations, and /or patterns of associations (e.g., schemata or scripts) with respect to a particular company." In other words, "corporate associations" was used as an umbrella term for reputation and image.

In a review of over 70 studies treating cognitive reputation topics, Berens and van Riel (2004) suggest that the number of ways cognitive associations can be classified is endless. They settle on three basic conceptual streams for use in distinguishing between types of corporate associations: social expectations, corporate personality, and trust. They conclude, however, that the study of corporate associations is more empirically-driven than theory-driven, and lacks an adequate conceptual structure, which is greatly needed.

Reviewing Berens and van Riel's (2004) suggestions of three conceptual streams of corporate associations, one finds that social expectations—the first of the streams—is rather prominent in discussions of reputation. Berens and van Riel point out that the "*Fortune* Most Admired" lists and the Harris-Fombrun Reputation Quotient are both strongly geared toward "social expectations." Brown and Dacin's concept also fits the "social expectations" framework by re-categorizing corporate associations into two general categories of "corporate abilities" and "corporate social responsibility." The second conceptual stream is that of "personality," which can be defined as characteristics that generally account for the consistent patterns of behavior of persons or people (Davies, Chun, Vinhas da Silva, & Roper, 2001). Berens and van Riel note that unlike "social expectations," "corporate personality" resists a simple assignment as positive or negative because, to some extent, it relies on the inherent "match" between the personality of the observer and the observed. The third conceptual stream of cognitive associations identified by Berens and van Riel is "trust." They observe that trust appears more in "business-to-business" rather than "business-to-consumer" literature, and that here, it generally relates to being able to draw predictions about future behavior.

Given the need for further research in the area of corporate associations, and especially the lack of conceptual structures pointed out by Berens and van Riel (2004), it is helpful to outline recent contributions to establishing this framework, and further, to demonstrate the use of this framework in the present study. At an annual conference devoted to the study of corporate associations, Carroll (2003) provided a conceptual foundation by using attribute agenda setting to make a more nuanced examination of cognitive and affective attributes. He illustrated how "corporate associations" could be treated with greater precision when restricted to the micro-level. This allowed a clearer specification of cognitive attributes to be used in discussing corporate reputation. In this framework for corporate reputation, “corporate associations” is limited strictly to cognitive or substantive attributes; the concept of “image,” previously used interchangeably with other terms in the discussion of reputation, is meant to refer to the affective dimension. This approach has received support from Schwaiger (2004) in his similar classifications of a cognitive component he called “competence” and an affective one he called “sympathy.”

Image. Discussion of “image” in the study of corporate reputation has failed to produce a clear and unambiguous concept. At least four different views exist in the research literature. In public relations, “image” is often used interchangeably with the term “reputation,” but with a preference for using the term “reputation” because of the negative connotations of the term “image” and its associations with manipulation (Grunig, 1993; Kim, 2000). Second, “image” has also been specified as the public’s summed up or overall perception or impression of an organization (Berg, 1985), usually associated with a particular action or event. This take on image is actually similar to the notion of reputation proposed by Gioia, Schultz, and Corley (2000): “Reputation can be distinguished from transient impressions in that the concept of reputation implies a more lasting, cumulative, and global assessment rendered over a longer time period; transient impressions concern more limited and/or ephemeral events.” In a third take on image, there is similar interchangeability with reputation. Dutton, Dukerich, and Harquail (1994) use “image” as a larger category, within which reputation is a sub-division, i.e., a particular type of image. Among three types—projected, perceived, and construed images, reputation is specifically a “construed external image.” In a fourth conception of “image,” it is strictly affective. It is an evaluation of favorability comprising a positive or negative valence (Ghanem, 1997; McCombs, Llamas, Lopez-Escobar, & Rey, 1997; McCombs, Lopez-Escobar, & Llamas, 2000) and functions similarly to organizational scholars’ use of “tenor” (Carter, 2001; Deephouse, 2000; Pollock & Rindova, 2003). This last understanding of “image” is the one adopted in the present study. In the framework presented here, it is more instructive to view image for its affective impressions—i.e., its focus upon positive and negative evaluations—than to employ it in specification of the cognitive content of those impressions, as the concept of “corporate associations” already serves that end.

Corporate Associations. Corporate associations here refer to the cognitive topics (devoid of evaluation or affect) that are discussed in connection with the firm. The question becomes not what is thought about these cognitive attributes, but which cognitive attributes are thought about at all.

For *Fortune Magazine*’s “Most Admired Corporations” the corporate associations are the eight attributes by which firms are judged: “quality of management,” “quality of products and services,” “innovativeness,” “long-term investment value,” “financial soundness,” “ability to attract, develop and keep talented people,” “responsibility to the community and the environment,” and the “wise use of assets.” For the Harris-Fombrun Annual Reputation Quotient^{SM} there are five: “vision and leadership,” “workplace environment,” “products and services,” “financial performance,” and “social and environmental responsibility.” For Davies et al. (2004), reputation comprised “agreeableness,” “enterprise,” “competence,” “ruthlessness,” “chic,” and “informality/machismo.” Newell and Goldsmith (2001) have produced two attributes: “expertise” and “trustworthiness.” Schwaiger (2004), ten: “quality of employees,” “quality of management,” “financial performance,” “quality of products and services,” “market leadership,” “customer orientation,” “attractiveness,” “social responsibility,” “ethical behavior,” and “reliability.” Reuben Cohen (1963b) identified many that Fombrun and colleagues (Fombrun, Gardberg, & Sever, 2000; Fombrun & Van Riel, 2003) have also, such as “product reputation,” “customer treatment,” “corporate leadership,” and “employer role,” although with two important differences. Where Fombrun has “concern for individuals” categorized within “social and environmental performance” (which includes the treatment of people), Cohen includes it as a separate category. It is interesting to note that Cohen also had a separate category for “defense contributions,” which was unique to his study and to his sample. This suggests that, as Berens and van Riel (2004) have suggested, while at some point corporate associations may be mutually exclusive, there may be no way to produce an exhaustive list of them. Then, finally, there are three suggested by the Council of Public Relations Firms, but these have not been examined by any empirical research: “fair attitude towards competitors,” “transparency and openness,” and “credibility,”

A MASS COMMUNICATION THEORY OF CORPORATE REPUTATION.

A number of theoretical frameworks have addressed corporate reputation over the years; sociology, psychology, economics, strategic management, organizational theory, accounting, and marketing, to name a few (Bromley, 1993; Fombrun et al., 1997). This section is devoted to discussion of how corporate reputation researchers have studied the mass media in the past as way of contextualizing the current study.

Existing Corporate Reputation Studies Relying on the Media.

Fombrun and Shanley (1990), who can be credited with putting corporate reputation on the agenda of organizational scholars, point out that firms with more positive and non-negative news coverage enjoyed higher rankings in *Fortune Magazine*'s "Most Admired of the Year" special issue. Agenda-setting theory was not among the theoretical frameworks offered by Fombrun and Shanley, but their findings about media coverage do offer some theoretical support for both the first and second levels of agenda setting. Similarly, Wartick (1992) concluded through time-series analysis that media coverage does affect firm performance. One limitation of studies such as these that rely upon the *Fortune* "Most Admired" database is their reliance upon opinion measures of corporate elites rather than of the larger public (Fombrun, Gardberg, & Sever, 2000; Wartick, 2002). If agenda-setting theory had been the theoretical framework of choice, one would have been concerned about their sample: business elites, who often know about what the press will be reporting far before the press reports on it.

Chen and Meindll (1991) were the first to identify the benefit of the agenda-setting hypothesis in their study of one CEO's press coverage. Chen and Meindll did not test the theory, but simply used it to make the point that the media matter. Their study examined how the images the media construct about organizations remain long after the reasons for the images' construction no longer exist. Deephouse (2000) used agenda-setting theory to argue for the concept of "media reputation." Rather than testing for agenda-setting effects, Deephouse assumed the effects were there based upon the body of evidence gathered over the 30 years of agenda-setting research. Others have taken similar approaches (Carter, 2001; Ferrier, 1997; Ferrier, Smith, & Grimm, 1999; Kotha, Rindova, & Rothaermel, 2001).

What Needs to be Studied Now.

Since corporate reputation is what the public perceives to be salient about the firm or its characteristics (Fombrun, 1996), a firm's media visibility and favorability can be evidence of the mass media's agenda-setting effects on the public.

Corporate Reputation and the first level of agenda setting. Media visibility is "the aggregated news reports relating to a specific company within a prescribed period" (Wartick, 1992, p. 34). In agenda-setting terms, the "top of mind" name recall that the public has for a particular firm should correspond to the amount of media coverage the firm receives. Thus, applying the first level of agenda-setting theory to business communication (Carroll & McCombs, 2003), the following hypothesis is put forward:

> **H1:** The more media coverage a firm receives, the higher the percentage of the public that will be aware of that firm.

Corporate Reputation and the second level of agenda setting. The second level of agenda-setting theory moves to the next step in the communication process—comprehension—and asserts that the amount of coverage the media devote to a firm's various attributes will affect the degree to which the public recalls those attributes or uses them to describe the reputation of the firm. The attributes of the firm can be described via the two dimensions comprising the second level of agenda setting: affective and cognitive attributes.

The second-level of agenda setting observes that news coverage carries not only descriptions of facts, it also conveys feeling and tone (McCombs & Ghanem, 2001). The affective dimension would be an indication of what Deephouse (2000) has called media favorability—"the overall evaluation of a firm presented in the media…resulting from the stream of media stories about the firm" (p. 1097). Deephouse used this term to suggest that the media not only convey information, they actually make and present reputational assessments to their audiences. Deephouse used "favorable" to indicate that a firm was praised for its actions or was associated with activities that should raise its reputation, and he used "unfavorable" when a firm was criticized for its actions or associated with actions that should decrease its reputation. A "neutral" rating identified a story that was the "declarative reporting of role performance without evaluative modifiers" (p. 1101). Media favorability referred to the sentiment of a particular news story about an object from the perspective of the object. That is, a story could be "good" for society, but say something "negative" about a firm, and thus one could say that the firm's coverage was unfavorable. Deephouse used media reputation to examine firms' financial performance rather than the public's opinion about these firms' reputations.

Fombrun and Shanley (1990), who imply, but do not explicitly invoke, the agenda-setting hypothesis, concluded that firms with positive and non-negative news coverage enjoyed higher rankings in *Fortune Magazine's* annual "Most Admired Companies of the Year" story. They also found that intense media visibility had a strong negative effect on firms' reputations, and it did not matter whether those ratings were favorable or unfavorable, except for diversified firms, for which non-negative press improved reputation. Fombrun and Shanley found that 87% of the news story titles were not negative. Carter and Dukerich (Carter, 2001; Carter & Dukerich, 1998) explain that the negative effect intensive media visibility had on firms' reputations may be because firms who had initially poor reputations were managing those reputations through an increase in press releases picked up by the media. Another explanation for Fombrun and Shanley's finding relates to their data set selection. Their measures of corporate reputation were the reputation rankings published in *Fortune Magazine's* "Most Admired Companies of the Year" annual study. The sample for this study is made up of business elites (namely, chief executive officers, financial analysts, investors, and other senior level executives), who could be described as roosters protecting their henhouses. This may also be the wrong group of respondents to survey about media effects on corporate reputation because this group has access to inside information and rumors about companies far before the information that reaches the business press. Viewing attribute agenda setting as an indirect media effect, the following hypothesis is put forth as regards the general public (Carroll & McCombs, 2003):

H2: The more favorable the firm's media coverage, the higher the percentage of the public who will view the firm favorably.

The cognitive dimension describes the characteristics or properties that help to define the object of the first level. In studying corporate reputation, much attention has been given to its attributes. Fombrun (1996; 1998; Fombrun, Gardberg, & Sever, 2000), reviewed these attributes, identifying the number of different research groups that have drawn upon these attributes in their corporate reputation studies. Their analysis, which included a series of focus groups to assess exactly what people meant when they referred to corporate reputation, concluded with the development of a scale measuring six specific attributes of reputation: overall corporate appeal, products and services, vision and leadership, workplace environment, financial strength, and social responsibility. Overall corporate appeal has been classified as an affective dimension, while the other five are cognitive dimensions (Gardberg & Fombrun, 2002). The following second-level agenda-setting hypothesis is therefore put forward:

H3: The more media coverage a particular attribute receives in the context of the firm, the higher the percentage of the public that will describe the company's reputation in terms of that attribute.

As McCombs, Lopez-Escobar, and Lamas (2000) verify, the attributes of the object itself can have an affective dimension has well. Thus, applying agenda-setting theory to corporate reputation (Carroll & McCombs, 2003), the following hypothesis can be put forward:

> **H4:** The more favorable the firm's media coverage for particular reputation attributes, the higher the percentage of the public that will favorably view the firm by those attributes.

Consequences of agenda setting within business-news coverage. Priming, as a consequence of agenda setting, suggests that news coverage not only heightens viewer cognizance of issues, but affects the criteria by which political leaders are judged (Carroll & McCombs, 2003; Iyengar & Kinder, 1987; Krosnick & Kinder, 1990; Krosnick & Brannon, 1993). The present study examines the consequences of agenda-setting by examining how media coverage devoted to particular business issues affects the criteria by which the public assesses corporate reputation. To do so, the following hypothesis is set forth:

> **H5:** The more media coverage devoted to a particular corporate reputation issue, the higher the percentage of the public that will define corporate reputation by that issue.

The following chapter will detail the methodology for testing these five hypotheses.

CHAPTER 3

Research Methodology

CONTENT ANALYSIS

The present study considers the effect on corporate reputation produced by the frequency of appearance of specific companies in articles appearing in *The New York Times*.[1] The importance of printed media over radio and television has been demonstrated by several studies. Epstein (1978), for instance, found the newspaper to be a predominant choice for news for the public, outweighing television and radio. More recently, in a similar study, Stempel (1991) found that roughly two-thirds of those polled claim to get their news about business from newspapers. Furthermore, those reading newspapers have been shown to possess a greater capacity for recall than those listening to radio or watching television (DeFleur, Davenport, Cronin, & DeFleur, 1992).

The present study's concentration on *The New York Times* is based on its established position as a kind of proxy for a national newspaper.[2] *The New York Times*' position of prominence among other newspapers is firmly established. Given the general regard among mass communication researchers for this publication as a national

[1] Analysis of media content for this project has been made possible by Lexis®-Nexis®, which has provided full access to its electronic archive of *The New York Times*, as well as a 10-month stipend to support this research. Furthermore, this project has profited from the use of encoded topical index terms produced and maintained by Lexis®-Nexis®. Newspaper contents themselves are copyrighted by *The New York Times*.

[2] Perhaps *The Wall Street Journal*, which, in fact, has a wider circulation than the *Times*, would also seem to provide a suitable basis for an analysis of corporate reputation in mass media. Yet the *Journal*'s narrower audience of business leaders and the corporate elite does not meet the *Times*' greater reach to the general public as a whole, nor does the *Journal* share the *Times*' position among other national media institutions described above.

newspaper, and as a standard for the daily coverage of other newspapers, *The New York Times* makes an especially suitable foundation for an analysis of newspaper media effects. For some it has been a benchmark for a broader media agenda, as Gans (1979) observed, noting that

> the *Times* is treated as the professional setter of standards....When editors and producers are uncertain about a selection decision, they will check whether, where, and how the *Times* has covered the story; and story selectors see to it that many of the *Times'* front-page stories find their way into television programs and magazines. (p. 180)

PUBLIC OPINION POLLS

The Reputation Institute, which partners with the market research firm Harris Interactive® to conduct an annual public opinion poll on the corporate reputations of the most top-of-mind companies, has provided poll results from the Annual Reputation Quotient℠ study (henceforth, the Annual RQ℠ study). This study has been conducted annually within the

United States for the past five years, and is profiled annually in *The Wall Street Journal*.[3] The Annual RQ[SM] study relies on a nationwide stratified random sample of the general population conducted over the Internet. There are over 25,000 respondents per survey, who participate in two phases.

Couper (2000) notes concerns about whether the demographic characteristics of Internet samples can actually match the general population. He also notes the importance of establishing validity by taking samples by phone and by Internet simultaneously, which Harris Interactive did for both years of the studies used in this dissertation. In their comparison of telephone and Internet survey users, Flemming and Sonner (1999) concluded that

> there were no predictable patterns to the success or failure of the Internet surveys. Respondents who took the surveys online were not consistently more conservative or liberal than those in nationwide telephone surveys, nor were they more optimistic or pessimistic. The lack of any predictable patterns to the differences raises important questions about the utility of Internet polls to replace traditional telephone survey practices. (p. 13)

---

[3] This project was underwritten by gifts from The Reputation Institute and Lexis®-Nexis®. The Reputation Institute has provided direct access to data jointly owned with Harris Interactive®, and which has been gathered for Annual Reputation Quotient[SM] public opinion surveys conducted in 1999 and 2000. Harris Interactive® is an independent collector of public opinion poll data, and adheres to guidelines outlined in the Code of Standards and Ethics for Survey Research of the Council of American Survey Research Organizations (CASRO), the American Association for Public Opinion Research (AAPOR) Code of Professional Ethics and Practices, the Federal Trade Commission (FTC) Fair Information Practice Principles, the FTC's Children's Online Privacy Protection Act (COPPA) Final Rule, the Children's Advertising Review Unit (CARU) Guidelines for Advertising on the Internet and Online Services. See Appendix A for CASRO Statement of Ethics.

Although Taylor (2000) has noted that online survey results can be "substantially different" from the telephone survey results, Couper (2000) has identified the value of propensity weighting in diminishing differences. The process—originally developed by Rosenbaum and Rubin (1983) specifically to reduce selection bias in analytic statistics (e.g.,, the relationship between smoking and lung cancer) obtained from observational studies—can be used to calibrate an Internet sample to reflect the demographics of a large group. Although the method was not originally intended to permit generalization to the full population in descriptive studies, Couper does point out that "Harris Interactive® estimates the propensity of being in the online sample, based on a vector of covariates measured in both modes" (p. 483).

Couper (2000) goes on to observe that the success of propensity weighting lies on the choice of variables used for the adjustment and on the quality of the telephone surveys used as a benchmark. The adjustment procedures used by Harris Interactive® are proprietary. All that is known about the procedures is that they include both demographic and non-demographic items, and use five to six items for adjustment. The present study considers only the results of the first two polls, 1999 and 2000, and examines the reputation of U.S. companies that appeared in both years of the poll.

Annual RQ℠ Study, Phase 1: Nomination of Firms.

Responses collected in the first phase of the Annual RQ℠ aim to establish a sense of which firms predominate in the public's frame of attention, that is, to determine what has been called the public's "top-of-mind awareness of corporate brands" (TOMAC)

(Fombrun & Van Riel, 2003; Gardberg & Fombrun, 2002; van Riel & Fombrun, 2002). In this phase, approximately 4,500 respondents were asked to nominate firms they considered to have the best and worst reputations in the country.[4]

Annual RQ^{SM} Study, Phase 2: Rating Corporate Reputation.

Responses collected in the rating phase (phase 2) of the Annual RQ^{SM} aim to ascertain perceptions of corporate reputation more accurately and fully, by using a 20-item evaluation of the reputation of each firm (Fombrun, Gardberg, & Sever, 2000). See Appendix B for a list of the firms studied. See Appendix C for the list of questions used. Although the survey uses a different set of respondents in this phase than in the first, it too draws on a nationwide probability sample.

In this phase, respondents provide detailed ratings of the firms identified in the first phase, and a smaller control group of alternate firms. The survey insures the familiarity of respondents with firms evaluated by a preliminary screening process, and by setting a maximum of two as the total number of firms to be evaluated by any one respondent. In 1999, there were 10,662 respondents providing 16,150 evaluations on a total of 40 firms (nominated and control). In 2000, there were 26,011 randomly selected respondents providing a sum of 40,586 evaluations on a total of 60 firms. An average of 490 respondents rated each firm in the 1999 Annual RQ^{SM}, and an average of 710 respondents rated each firm in the 2000 Annual RQ^{SM}. Further demographic analysis of

---

[4] All subsidiaries and brand names mentioned are deleted. In the first two years of the study, only the top forty companies were carried to the second phase. As of 2003, 60 companies were carried to the rating phase (*Guide to the Annual RQ^{SM} Methodology*, 2003).

respondents participating in the 1999 and 2000 Annual RQ^{SM} studies may be found below.

The present study includes only the U.S. firms that were found in the 1999 and 2000 surveys. The full lists from both years were reduced to a single group of 30 comprising only the firms that appeared in the rating phases of both the 1999 and the 2000 Annual RQ^{SM} studies, and that—with the exception of Ben and Jerry's—were U.S.-owned.

The rating phase of the Annual RQ^{SM} study is divided into an affective component, and a cognitive component. The 3-item affective component questions respondents on their degree of trust, admiration, and respect for the firm being evaluated. For use as data to be compared with the media content in the present study, responses to these three items were converted to a single value to reflect their cumulative tone: positive, neutral, or negative.

In the 17-item cognitive component of the Annual RQ^{SM} study, respondents were asked to what degree a series of reputation attributes describe their perceptions of the firm being evaluated. For use as data to be compared with the media content in the present study, these 17 items were collapsed by into the five general dimensions of corporate reputation suggested by Fombrun, Sever, and Gardberg (2000): "products and services," "executive performance," "workplace and employees," "social responsibility," and "financial performance."

In addition to the 20 closed-response questions, the rating phase also contains an open-ended component in which respondents are asked to share additional comments about the firms. After a series of experiments, Geer (1991) concluded that open-ended questions measure important concerns of respondents; they do not necessarily result in expression of superficial concerns, nor are answers overly influenced by information the respondents recently learned. For the present study, comments in the open-ended component were coded and collapsed into the same five general categories as the 17-item cognitive component.

For each company the respondents rated in the Annual RQ^{SM} study, they were asked how much they felt they knew about the five general dimensions of corporate reputation. Respondents were also asked if they recalled seeing or hearing things about the firms in the media or in advertising in the months prior to the survey.

RESEARCH POPULATION

This study relies on two samples. The first sample derives from the nominations of approximately 4,500 respondents naming firms with the best and worst reputations. No demographic information is available on this group of respondents. The second sample consists of more detailed assessments of the most frequently mentioned firms from the first phase.

Sample 1: Nomination Phase.

A panel recruited by Harris Interactive® provided an initial "prompt list" of 60 firms. This list of firms was expanded by the firm nominations of 4,500 respondents polled in the first phases of Annual RQ^{SM} 1999 and 2000. See Appendix A. No demographic information was available on the respondents providing the nominations. The firms receiving the highest nomination scores were studied in greater depth during the Annual RQ℠ rating phase.

Sample 2: Rating Phase Demographics.

The second phase of the Annual RQ℠ relies on a stratified random sample where respondents are selected according to demographic characteristics of the U.S. population. The demographics collected on the respondents were gender, ethnicity, age, education, income, and region. Appendix D provides a comparative description of the samples for each firm for the two years of the study.

TREATMENT OF THE DATA

Development of Search Syntax and Search Strategy.

Articles appearing in *The New York Times* during two six-month time periods (April 15-October 15, 1999, and April 15-October 15, 2000) were selected with Lexis®-Nexis® search syntax, and then downloaded to a home computer for examination. Searches conducted in this way do not examine the actual text of news articles. They examine topical index terms located within segments that accompany each document identifying whether it is a news article, press release, or legal document archived within the Lexis®-Nexis® database. These are generated for articles by Lexis®-Nexis®, and catalogued in their database. The descriptors used to conduct searches in the present study are of three sorts: document segments, topical index terms, and relevance scores attached to the topical index terms.

Document segments. Lexis®-Nexis® document segments are bodies of complementary information, generated to identify various characteristics of news articles to which they are attached. Information in document segments includes the number of words in a given story, its author, and its location according to newspaper section and page number. They also include particular information about the content of a given story, such as industries mentioned, firms, important discussion topics, and geographical regions. Moreover, a given story's origin, and whether a correction was issued can be found in the document segments.

Topical index terms. To identify stories prominently featuring a given discussion topic, bibliographers from *The New York Times* and Lexis®-Nexis® generate and catalogue topical index terms for subjects (or issue topics), public persons, publicly traded companies, and organizations. These terms are attached to news stories for Lexis®-Nexis® premier customers, but are not available with standard academic subscriptions.[5] A full list of the topical index terms is available online at http://www.lexis-nexis.com/infopro/products/index/. Those used for this study were current as of May 14, 2004. These terms provide a more sophisticated way of searching for relevant content by

[5] This study acknowledges the generosity of John Fanning and the Lexis®-Nexis® Corporation for providing access to these terms.

specifying only the related key words. The terms also allow end users to see other keywords used to identify the content. The two topical index terms most prominently used for this study were "subject" and "ticker". First, the terms were used to identify articles in the entire body of media content with some reference to issues and discussion topics that are examined in this study; the second, the terms were used to identify articles in the entire body of media content with some reference to firms of interest. The term 'ticker' is simply a coded designation of a given firm's public trade identity by which it is identified in financial news media.

Topical index terms for testing H1 and H5 were used to identify articles appearing in *The News York Times* on the front page, the front page of the business section, the op-ed page, and the "Company News" section during the six-month time period of April 15 to October 15, 1999. Those for testing H2, H3, and H4 were used to identify articles appearing in any section of the newspaper where any publicly-traded U.S. company was discussed during the same time period. A replication for both sets of hypotheses was conducted on content gathered between April 15 and October 15, 2000.

Relevance scores. The relevance score measures a given topic's discussion in a document; that is, what percentage of a document can be considered relevant to a particular topical index term. The score is computed from frequency counts of keywords found in the document, which have been compiled by Lexis®-Nexis® in proprietary dictionaries over the past 40 years. A 90% score indicates that the story has a major reference to a particular term, while 50% indicates a weak, passing reference. Any story with a low frequency of relevant keywords for a given topic—low enough to fall below 50%— receives no score for that topical index term. For gathering articles to be used in testing H2, H3, and H4, the present study set a necessary level of content relevance to a firm of interest, which is indicated by a minimum "ticker" relevance score of 50%.[6]

Downloading Archived Newspaper Content.

Downloading the media content sets took place in two stages. In the first, searches were conducted on the Lexis®-Nexis® archive using "section" document segments to specify articles appearing on the front page, the front page of the business section, the "Company News" section, letters to the editor, editorials, and the op-ed pages. All articles from the selected newspaper that were identified in the search results were downloaded. This included even those that lacked mention of publicly traded firms for the purpose of comparing stories on firms with the full range of news stories featuring other issues, such as the presidential election, healthcare, education, defense, and others. Such a comparison allows the contextualization of business news against the larger landscape of political news, in which the agenda-setting theoretical model was first developed. From this population of news stories, articles referring to a firm of interest were gathered using "ticker" document segments for use in testing H1 and H5. Moreover, at this stage, only

[6] To insure the reliability of document segments, topical index terms, and the relevance scores the researcher conducted 'concept-testing' with Lexis®-Nexis® staff in Dayton, Ohio. The trained staff of Lexis®-Nexis® bibliographers, computational linguists and taxonomers study and monitor natural language use in media content, and produce the topical index terms used by researchers to assess media content rapidly to determine the relevance of media stories to specific public persons, organizations, and public issues.

the articles' document segments and topical index terms (as opposed to their full text) was been considered in testing H1 and H5.

Table 3- 1 Parameters of the Media Population, Stage One

Start	End	Criteria	Syntax	Count
4/15/1999	10/15/1999	Front Page	SECTION (Section A; Page 1)	1317
4/15/2000	10/15/2000	Front Page	SECTION (Section A; Page 1)	1601
4/15/1999	10/15/1999	Front Page of Business Section	SECTION (Section C; Page 1)	908
4/15/2000	10/15/2000	Front Page of Business Section	SECTION (Section C; Page 1)	896
4/15/1999	10/15/1999	Pg. C4 ("Company News" column)	SECTION (BUSINESS) AND HEADLINE (COMPANY NEWS)	1290
4/15/2000	10/15/2000	Pg. C4 ("Company News" column)	SECTION (BUSINESS) AND HEADLINE (COMPANY NEWS)	1273
4/15/1999	10/15/1999	Opinion Page	SUBJECT ("EDITORIALS & OPINIONS") OR SUBJECT ("LETTERS & COMMENTS")	4,950
4/15/2000	10/15/2000	Opinion Page	SUBJECT ("EDITORIALS & OPINIONS") OR SUBJECT ("LETTERS & COMMENTS")	5,351

In the second stage of the download, the Lexis®-Nexis® archive was searched using the document segment "ticker" to specify all stories occurring anywhere in *The New York Times* within the prescribed years that mentioned a publicly traded firm. As with the first stage, downloading all articles mentioning any publicly traded firm allowed assessment of the prominence of those firms selected by this study. Unlike the content considered in the first stage, that used to test H1 and H5 (i.e., document segments, and topical index terms only), the content considered in the second stage included the full text of articles downloaded, and was used to test H2, H3, and H4.

Table 3- 2 Parameters of the Media Population, Stage Two

4/15/1999	10/15/1999	Story mentioning any publicly traded firm	PUBLICATION ("NEW YORK TIMES") AND ticker (%has%terms%)	6,508
4/15/2000	10/15/2000	Story mentioning any publicly traded firm	PUBLICATION ("NEW YORK TIMES") AND ticker (%has%terms%)	5791

In sum, media content was downloaded in the first stage because of its appearance in particular newspaper sections. Each story was examined for the firm itself (H1) and the reputation issue defined in the media story (H5) as units of analysis.

Media content was downloaded in the second stages and third stages for its concentration on the same firms. Here, the hypothesis tests each employed the following as units of analysis: affective attributes of the firm's "overall emotional appeal" (H2); the firm's cognitive dimensions[7] (H3); and the firm's affective attributes (H4). Although the first and second search phases sometimes produced the same articles as results, the appearance of some stories twice in the data set did not affected the validity of the study.

Downloading Archived Press Releases and Advertising Expenditures.

In the third stage, the Lexis®-Nexis® archive was searched for the press releases for each firm in the sample. Whitney and Becker (1982) found that news editors select categories of news content the same way as the wire services do, and that they also proportionate the news according to cues that are given by the wire services. Given their finding that the

[7] For the purposes of clarity, the agenda-setting term 'cognitive attributes' will be changed to 'cognitive dimensions' to avoid confusion with references here to affective attributes of corporate reputation.

media may be influenced by the newswire, the newswire content and the accompanying document segments were downloaded. The full set was downloaded from *PR Newswire* and *Businesswire*, which are the primary sources for *Fortune* 500 companies submitting their press releases.

Then, finally, in the fourth stage, the firms' advertising expenditures were downloaded from *Advertising Age*'s Top 200 Advertisers. Advertising expenditures were included in the analysis because previous research (Fombrun & Shanley, 1990; Winter, 1996, 1998; Carter & Dukerich, 1998) has determined that paid publicity in the form of advertising has a direct effect on corporate reputation. Advertising Age's Top 200 Advertisers were archived in the Lexis®-Nexis® database for both years of the analysis.

Development of Computer-Aided Text Analysis Dictionaries.

For H3 and H4, the news articles were classified according to the cognitive attributes (H3) of corporate reputation developed by Fombrun and colleagues (Fombrun, Gardberg et al., 2000; Fombrun & Van Riel, 2003): Products and Services, Vision and Leadership, Workplace and Employees, Social Responsibility, and Financial Performance (Fombrun, 1998; Fombrun, Gardberg et al., 2000). To begin, Lexis®-Nexis® topical index terms were categorized according to these five attributes. Next, two coders performed the same operation independently, and comparisons were made with the first step of categorizations until an acceptable level of agreement was reached with a Holsti reliability of .92. For H4, the computer-aided text analysis dictionaries involved the reputation categories from H3 plus “positive” and “negative” coding by using DICTION 5.0.

DATA ANALYSIS

The study uses data from two different years in order to replicate all the findings and tests of hypotheses. Accordingly, similarities in the observable level of influence of the media on public opinion (as they are revealed in *The New York Times* and the RQ^{SM} studies) between two subsequent years should demonstrate the usefulness of the agenda-setting theory in conducting studies on business news media.

H1: Top-of-Mind Awareness.

H1 proposed a correlation between the amount of news coverage that a firm receives, and its top-of-mind awareness. H1 was tested by comparing the frequency of references to certain firms in articles from specific sections of *The New York Times* with the Annual RQ^{SM} Phase 1 in 1999. The sections of the newspaper used were the front page, the front page of the business section, the “Company News” section, and pages from the editorial desk from April 15 to October 15, 1999. The counts of these articles were compared to the number of people who nominated the firms discussed in these articles. This analysis was replicated using the Phase 1 of the Annual RQ^{SM} 2000 and media content for the period of April 15 to October 15, 2000.

Firms mentioned in articles (gathered using the “ticker” topical index terms) from the specified sections of *The New York Times* for each year were assigned percentage values to reflect the proportion of articles bearing mention of them among all articles from the set. Firms mentioned in the RQ^{SM} study for each year were assigned percentage values to reflect the proportion of respondents who nominated them among the total number of respondents in the nomination phase.

A Pearson's correlation was calculated to compare the distribution of firms in the articles from the media coverage for each year (1999 and 2000) with the distribution of firms nominated by respondents in each year of the Annual RQ^{SM}. H1 seeks a strong correlation in both years between distributions of firms in the media coverage, and nominations in the public opinion polls.

H2: Affective Impression.

H2 proposes a correlation between the overall tone of media content discussing a firm and the overall tone of the public's perception of the same firm. The data come from examining 27 firms that have appeared in the rating phases of the Annual RQ^{SM} for 1999 *and* 2000. H2 proposes that firms that receive more favorable news coverage have more favorable "emotional appeal" among the public.

To test this hypothesis, all articles from *The New York Times* within each of the two six-month time periods (April 15-October 15, 1999 and 2000) featuring any of the 27 companies (selected using "ticker" document segments) were subjected to analysis using DICTION 5.0 (Hart, 2000), which measures the value of a specified thematic variable within media texts. DICTION 5.0 is particularly well-suited for agenda-setting studies because the program contains an assumption of additivity, which implies that a word used

10 times is twice as important as a term used only five times, and that "more is somehow better (or worse) than less" (Hart, 2001).[8] Specifying the variable "optimism" allows DICTION 5.0 to capture language that endorses media objects—such as persons or organizations—and highlights positive qualities (Hart, 2001). From the results of these analyses, an "optimism-score" was created and assigned to each article. The DICTION 5.0 coding was then compared to the results produced by independent coders working on the same media content. The results were used to compute a Janis-Fadner (1965) coefficient of media favorability (see Figure 3-1), which has been used in strategy research involving media to assess the degree of media favorability was used (Carter, 2001; Deephouse, 2000; Pollock et al., 2003). The coefficient was then compared to the DICTION 5.0 results. Results from the media coding were then compared to the 'overall emotional appeal' from the rating phase of the Annual RQ℠.

Figure 3- 1 Coefficient of Media Favorability

$$\text{Coefficient of Media Favorability} = \begin{cases} (F^2\text{-}fu/(\text{total})^2 \text{ if } f > u; \\ 0 \text{ if } f = u; \\ (fu\text{-}u^2)/(\text{total})^2 \text{ if } u > f \end{cases}$$

A weighted average was computed for each of the three questions based on the number of respondents who answered at each level (1 for "disagree" to 7 for "strongly agree"). Once the weighted average was figured for each of the three, a mathematical average between the three was used as the score for "overall emotional appeal." A Pearson's correlation was then computed between the overall emotional appeal score and

[8] Hart (2000, 2001) has developed the variable 'optimism' for DICTION 5.0 from James Barber, *Presidential Character* (1992).

a given firm's DICTION 5.0 score, verified by the coefficient of media favorability computed by human coders.

H3: Cognitive Reputation Dimensions.

H3 proposes a correlation between the amount of news coverage devoted to particular firms in terms of given dimensions of communications on corporate reputation and the proportion of the public who describe the firm within the same dimensions. The level of analysis in each test for H3 are the five cognitive reputation dimensions (Fombrun, Gardberg et al., 2000).[9]

Articles from *The New York Times* appearing within each six-month time period (April 15-October 15, 1999 and 2000) featuring any of the 27 firms were selected using the "ticker" document segment. Topical index terms from the "subject" document segments were used to determine the basic issues of articles' content rather than examination of their actual text.[10] These were then categorized into the five cognitive dimensions of corporate reputation, thus making them amenable to comparison with the

[9] The primary difference between the analysis for H3 and the analysis for H5 is that H3 was restricted to the topics as they co-occurred with 27 firms. Conversely, H5, discussed later, did not specify any firms; it focused solely on the news content devoted to the reputation topics.

[10] Issues considered were not chosen in advance, but were selected for their prominence based upon tabulation through a SAS count procedure, and verified through a separate parsing procedure using .XML and PHP. The tabulation examined the total number of stories where the issue appeared as a topical index term in the 'subject' document segment, and co-occurred in the specified sections of *The New York Times* with one of the 27 firms.

poll data from the 17-item cognitive components from the rating phases of Annual RQ^{SM} 1999 and 2000.[11]

Once the topical index terms were classified, a Pearson's correlation was conducted to compare the distribution of the media coverage for 1999 and 2000, respectively, between the five reputation dimensions with the distribution of poll responses for each year of the Annual RQ^{SM} between the same five categories. For support of this hypothesis, H3 requires strong correlation for distribution between reputation dimensions between media content poll data.

H4: Affective Evaluation of Reputation Dimensions.

H4 proposes a correlation between the tone of media coverage for particular reputation dimensions of a firm and the tone of the public's perception of the firm for the same dimensions. Support comes from 27 tests, one conducted for each of the firms that have appeared in the rating phases of the Annual RQSM 1999 and 2000. H4 considers, as the unit of analysis in each test, the affective attribute (the tone, or "overall emotional appeal") from each of five cognitive dimensions (Products and Services, Vision and Leadership, Workplace and Employees, Social Responsibility, and Financial Performance); this is the tone of news articles' textual content, or of public opinion poll responses, within the specified dimension. In other words, H4 considers the degree of

[11] Appendix D through Appendix H provide the key words related to corporate reputation. These key words are Lexis®-Nexis® topical index terms that were reclassified into the categories of corporate reputation for the purposes of this study. To insure reliability, outside coders classified them according to the five categories of cognitive reputation attributes (Scott's pi = .923).

favorable portrayal of a given firm (in each of the five attribute categories) in the actual text of articles from the media sample, and in evaluations from public opinion polls.

Media content for tests in H4 was first drawn with “ticker” document segments for all articles appearing in any section of *The New York Times* within the established time period. To discern the level of favorability in the tone of news articles describing corporate reputation, individual KWIC dictionaries were created to code media content as positive, neutral, or negative. To determine the level of favorability in the tone of the open-ended poll responses from the RQ studies, the open-ended comments were collapsed into the six attribute categories and then coded for tone: positive, negative, neutral, or mixed.

Once the news stories and poll responses had been coded, a Pearson’s correlation was conducted for each of the 27 firms to compare the tone (positive, neutral, or negative) of its media coverage for each year (1999 and 2000) distributed between the five reputation attribute categories with the tone of poll responses for each year of the Annual RQSM distributed between the same categories. For each firm in the sample, H4 seeks a strong correlation for both years between the tones of media content and poll data per attribute category.

H5: Priming of Reputation Issues.

H5 proposes a correlation between the amounts of news coverage on firms defined within given dimensions of communications on corporate reputation and the proportion of the public who describe the firms within the same reputation dimensions.

H5 compares the amount of news coverage per dimension for any firm featured in articles from specific sections of *The New York Times*—the front page, the front page of the business section, the “Company News” section, and the op-ed page—from each six-month time period (April 15-October 15, 1999 and 2000) and the proportion of poll responses per dimension for any firm considered in the rating phases of the Annual RQSM 1999 and 2000.

All issues from the media content were first identified and gathered as topical index terms from “subject” document segments rather than from the actual text. These were then classified by independent coders into the five attribute dimensions (Products and Services, Executive Performance, Workplace and Employees, Social Responsibility, and Financial Performance) to make them amenable to comparison with the public opinion poll data.

Once the topical index terms were classified, a Pearson’s correlation was conducted to compare the distribution of the media coverage for each year (1999 and 2000) between the five reputation dimensions with the distribution of poll responses for each year of the Annual RQSM between the same five dimensions. For all firms as a group, H5 seeks a strong correlation between the media content and poll data.

CHAPTER 4

Descriptive Analysis of the Media and Public Agendas

This chapter provides an overview of the media coverage devoted to publicly traded firms. First, it looks at those parts of the newspaper that are generally regarded as the most prominent, such as the front page and those from the editorial desk—the two types of content traditionally studied in agenda-setting studies—as well as the front page of the business section and the "company news" column. The business section of *The New York Times* has existed for 25 years, yet over this period it has received little systematic treatment in mass media research, and the same can be said for the "company news" column. Second, this chapter includes a general description of the top-level Annual RQ℠ findings published in the *Wall Street Journal* and made available through executive reports issued by the Reputation Institute.

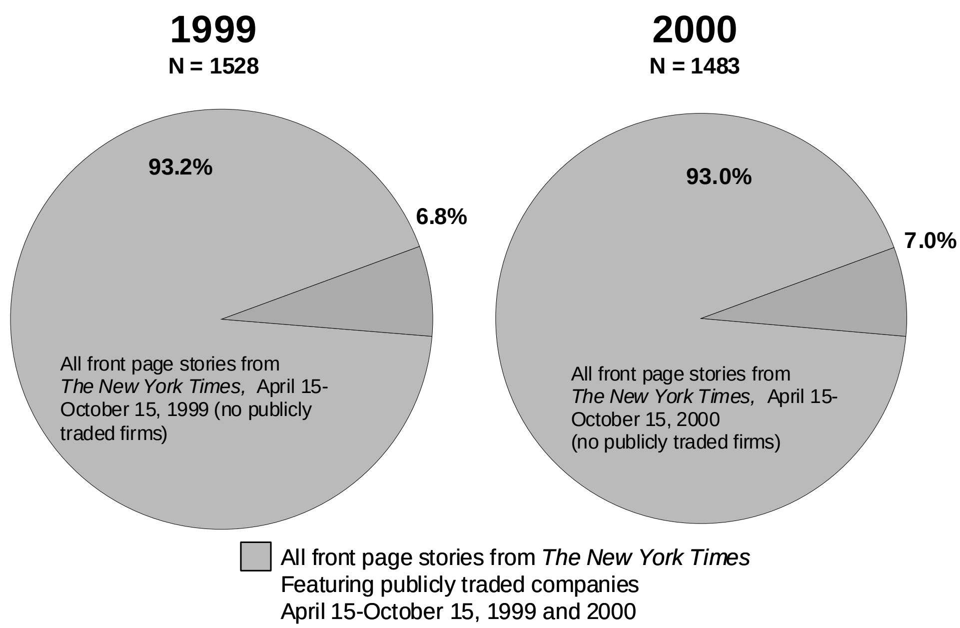
PROMINENT PAGES OF THE NEW YORK TIMES

Front Page.

Figure 4-1 helps to contextualize just how prominent firms are in news reporting. Only 6.8% of the news stories appearing on the front page of *The New York Times* referenced a publicly traded firm in 1999 (this includes all publicly traded firms, not just the firms in the sample for the present study). The percentage in 2000 was not much higher: 7%.

Although longitudinal data are required, the similarity in content patterns for 2000 suggests that there is a certain degree of stability in news reporting about firms.

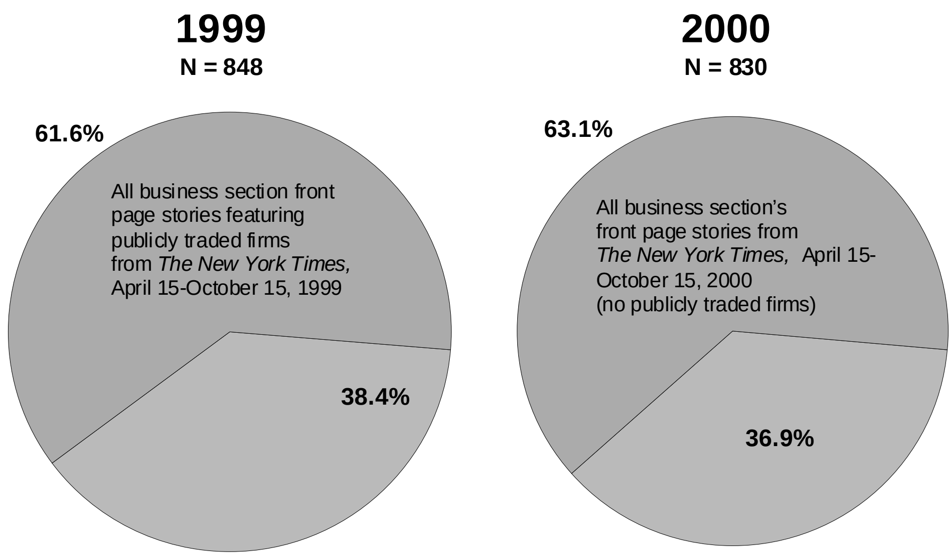
Figure 4- 1 Publicly traded firms on the front page of *The NYT*



Business Section Front Page.

Figure 4-2 may show why so little content about business appears on the front page of the paper: it is relegated to the business pages. Some 61.6% of the news stories appearing on the front page of *The New York Times*' business section referred to publicly traded firms in 1999. And while the total number of business news stories on the front page of this section decreased slightly in 2000, the percentage of stories referring to publicly traded firms on the front page of the business section increased slightly to 63.1%.

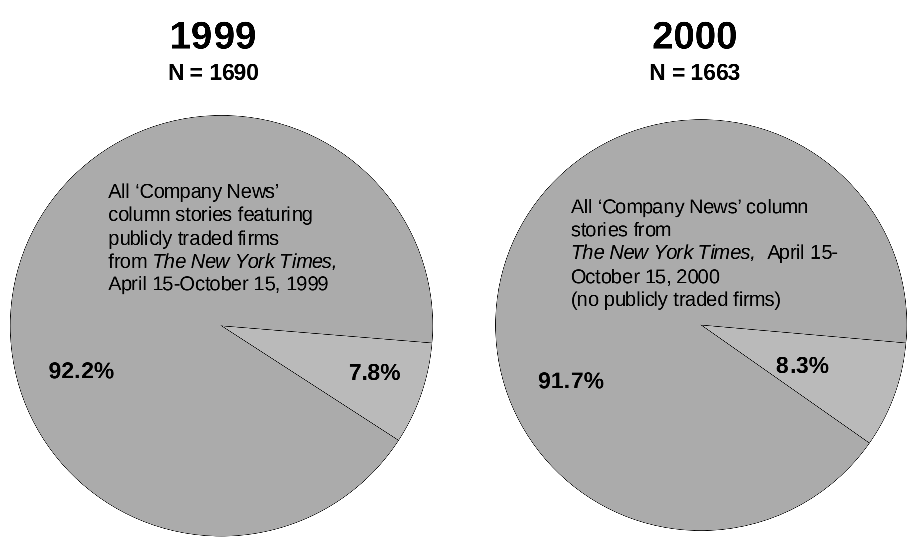
Figure 4- 2 Publicly traded firms on the business section front page of *The NYT*



"Company News" Column.

Compared to the front page of the business section, roughly twice as many "company news" stories were devoted to publicly traded firms, with over 90% of the coverage devoted to publicly traded firms (see Figure 4-3).

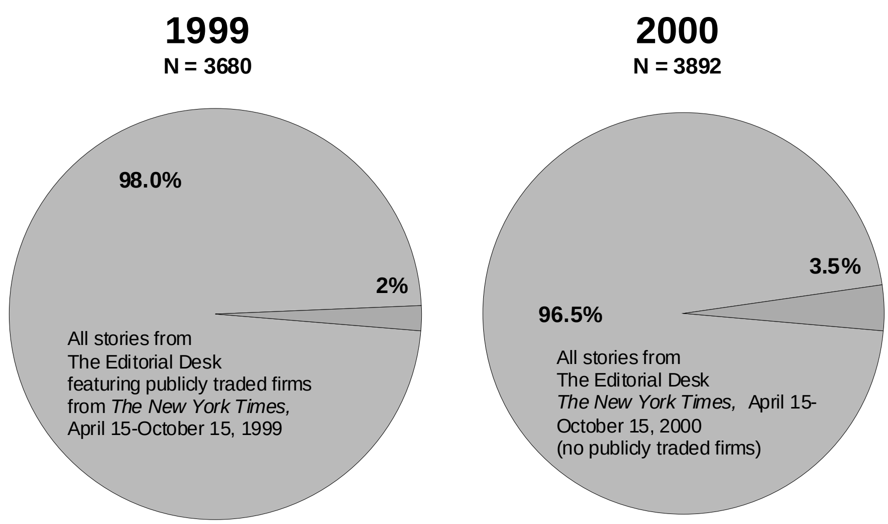
Figure 4- 3 Publicly traded firms in the "Company News" column of *The NYT*



Editorial Desk.

Finally, as Figure 4-4 shows, the smallest percentage of stories about publicly traded firms came from the editorial pages. Only two percent of the articles from the 1999 editorial desk mentioned publicly traded firms, and the number only slightly increased in 2000.

Figure 4- 4 Publicly traded firms in the editorial pages of *The NYT*



It comes as no surprise that the company news column and the business news section were the primary section containing stories about publicly traded firms. Examining the two years of news coverage devoted to publicly traded firms for the study does not reveal any dramatic change from one year to the next.

A GENERAL DESCRIPTION FROM THE ANNUAL RQ℠ STUDIES

The Annual RQ℠ studies have been conducted each year since 1999, with top line results published annually in the *Wall Street Journal*. Additional publications describing the Annual RQ℠ methodology have been books (Alsop, 2004; Fombrun et al., 2003), articles (Fombrun et al., 2000; Gardberg et al., 2002a, 2002b; van Riel et al., 2002) and white papers (Fombrun, 2001; Sever, 2004). While the present study relies on a secondary analysis of the data, it is instructive to consider the findings released by Fombrun (2001) and the *Wall Street Journal*

For example, in respect to respondents' knowledge of various attributes for the firms in question, Fombrun's analysis revealed that most had greater knowledge about the attributes "financial performance" and "products and services," and less about "social responsibility" and "executive performance." Fombrun also provided findings related to the age of the firms. Those rated in the Annual RQ℠ for 1999 had an average age of 47 years; those rated in 2000 had an average age of 80 years. Nevertheless, while reputation was correlated with market value, it was not correlated with age.

Fombrun (2001) also found that for the firms whose RQ℠ score decreased between 1999 and 2000, the average loss was 5.34 RQ℠ points on a scale of 1 to 100. For the firms that increased between 1999 and 2000, the average gain was 5.85 RQ℠ points. Firms that decreased in their RQ℠ scores from one year to the next also showed an average drop in market value of $28 billion. Firms that experienced an increase in their RQ℠ scores showed an average gain in market value of only $0.86 billion, or 16%. While the relationship is purely correlational and no statement about causation is made, it is clear that a decrease in reputation for the firms had more substantial effects than an increase in reputation.

Other interesting findings concerned the relationship between the cognitive attributes and the emotional attributes. There was a strong correlation between “products and services” and “workplace environment” in terms of “overall emotional appeal.” The primary analysis revealed that the respondents viewed certain aspects of the attribute “financial performance,” such as “taking advantage of market opportunities” and “profitability,” with somewhat negative sentiments. Firms that were described predominately in these terms had lower “overall emotional appeal” scores.

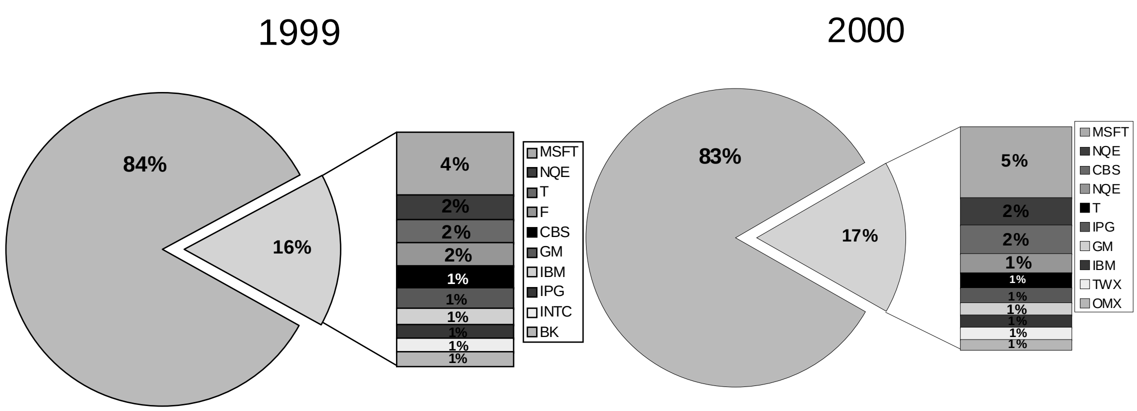
The following section will focus on the Annual RQ℠ companies as they are portrayed in the media content for this study. First, it will describe some of the more media-visible firms. Then it will review the degree of coverage for the reputation attributes of these firms.

THE MOST MEDIA-VISIBLE FIRMS

Attributes of the Most Media-Visible Firms

It is important to observe that mentions of publicly traded firms in *The New York Times* occur not only in the prominent pages previously mentioned, but throughout the paper. There were 2,701 publicly traded firms that received news coverage in 1999, and 2,466 publicly traded firms that received news coverage in 2000. There were 6,814 articles mentioning publicly traded firms in 1999 and 5,846 in 2000. Since more than one firm can appear in a news article, it is helpful to think in terms of firm-mentions as well. Altogether, there were 11,058 firm-mentions in 1999 and 8,991 in 2000. Figure 4-5 illustrates that when examining the total number of firm-mentions, about .06% of the firms comprised slightly more than 16% of the news coverage. Microsoft had the highest number of articles in both years of the study, more than twice that of the next highest firms on the list: Citigroup, AT&T, and Ford. A particularly interesting detail is that Citigroup and The Interpublic Group received no prominent coverage on the front page, front business page, editorial contents, or the "company news" column, yet was among the firms receiving the highest cumulative coverage.

Figure 4- 5 Stories about the entire population of publicly traded firms in *The NYT*



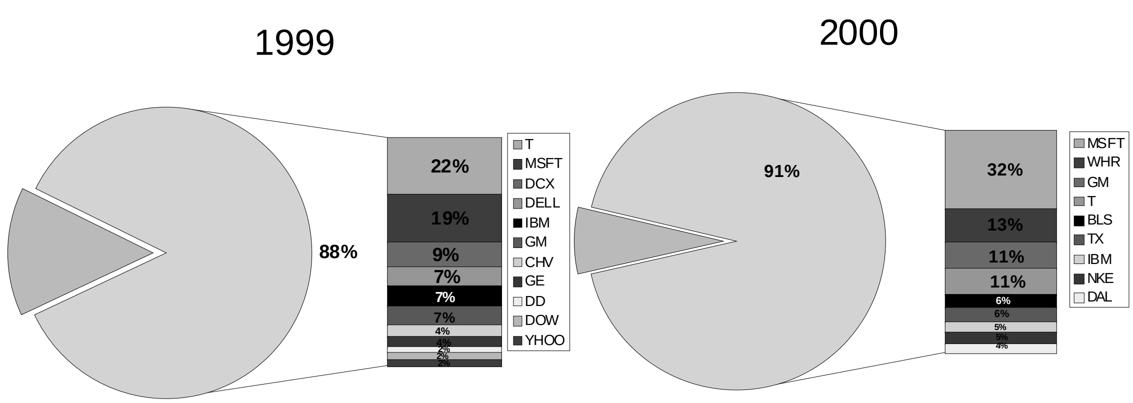
Reputation Attributes

Executive Performance.

In 1999, the five firms ranking the highest in "executive performance" from the Annual RQ^{SM} were Microsoft, Intel, Anheuser-Busch, and Coca-Cola (Alsop, 1999, September 25). In 2000, the five firms ranking the highest in "executive performance" from the Annual RQ^{SM} were from highest to lowest, Microsoft, Anheuser-Busch, Disney, Intel, and Maytag (Alsop, 2001, February 7).

In 1999, eleven firms comprised 88% of the coverage devoted to executive performance. AT&T comprised 25% of the total news coverage devoted to executive performance, and Microsoft comprised 20%. In contrast, in 2000, Microsoft comprised one-third of the total news coverage devoted to executive performance, while General Motors and AT&T each comprised over 10%.

Figure 4- 6 Firm news coverage about executive performance

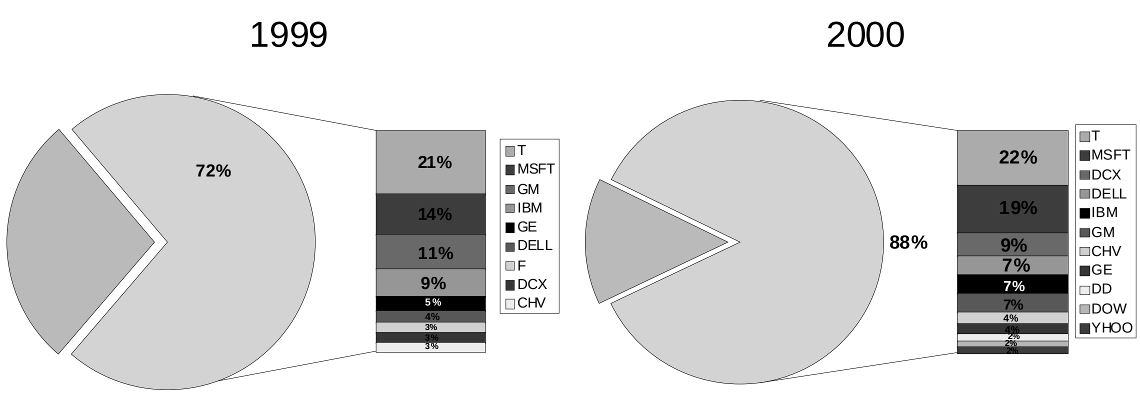


Financial Performance.

In the Annual RQ^{SM} for 1999, the five firms that ranked the highest in the category of "financial performance" were Microsoft, Wal-Mart, Coca-Cola, Johnson & Johnson, and Intel (Alsop, 1999, September 25). For 2000, the top five firms in this category were Microsoft, Maytag, Anheuser-Busch, Disney, and Sony (Alsop, 2001, February 7).

Figure 4-7 shows that 72% of the news coverage for the Annual RQ^{SM} firms devoted to financial performance came from nine firms, each with more than 50 articles in this area. Correspondingly, eleven firms had over 50 articles in 2000, and comprised 88% of the total coverage devoted to financial performance.

Figure 4- 7 Firm news coverage about financial performance

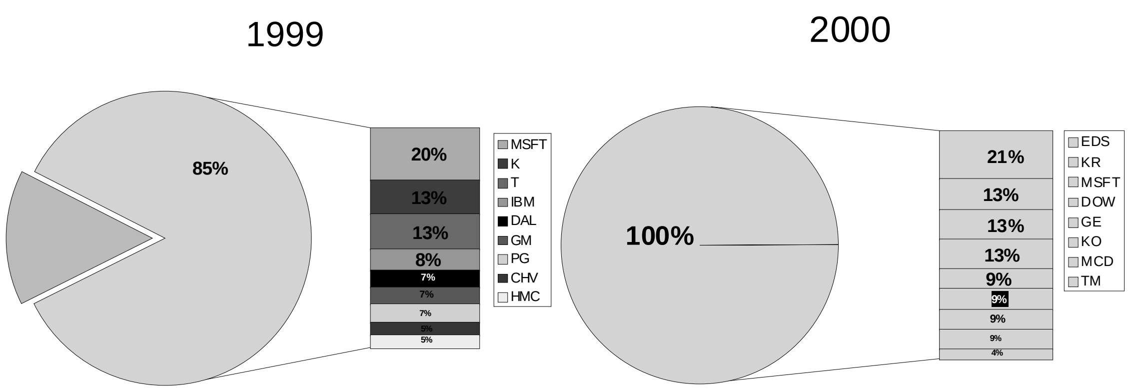


Workplace Environment.

In the results of the Annual RQ^{SM} for 1999, the five firms that ranked highest in the category of "workplace environment" were Johnson & Johnson, Lucent, Ben & Jerry's, Hewlett-Packard, and Intel (Alsop, 1999, September 25). For 2000, the five highest ranked firms were Anheuser-Busch, Johnson & Johnson, Maytag, Home Depot, and IBM (Alsop, 2001, February 7).

In 1999, 85% of the media coverage about the workplace was devoted to nine firms, while in 2000, 100% of coverage about the workplace was devoted to eight firms. Microsoft was the only firm to receive a prominent amount of news coverage in 1999 and 2000. The prominence of news coverage devoted to only a few firms shows that agenda-setting theory has a place in the understanding of business news coverage devoted to publicly traded firms.

Figure 4- 8 Firm news coverage about workplace environment

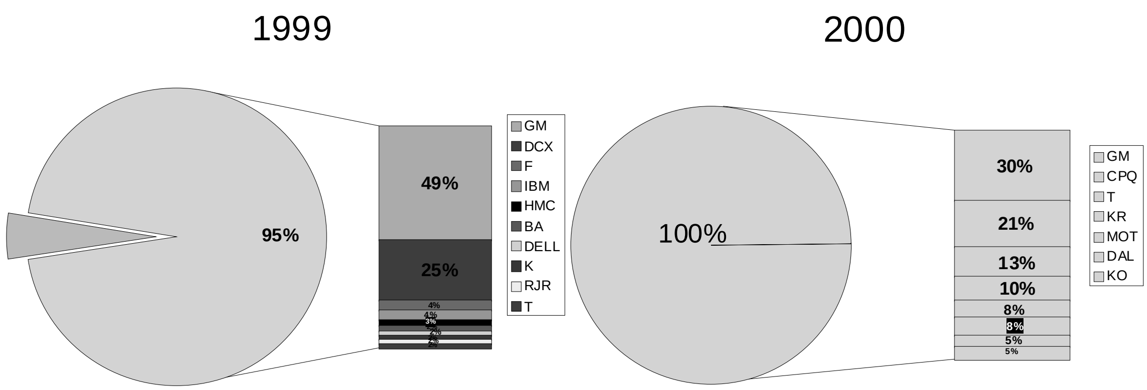


Products and Services.

In the results of the Annual RQ^{SM} for 1999, the five firms that ranked highest in the category of "products and services" were Johnson & Johnson, Intel, Hewlett-Packard, Xerox, and Ben & Jerry's (Alsop, 1999, September 25). For 2000, the five highest ranked firms were Johnson & Johnson, Sony, Maytag, Intel, and Home Depot (Alsop, 2001, February 7).

In 1999, ten firms from the Annual RQ^{SM} sample received 95% of the coverage devoted to products and services. In the replication for year 2000, seven firms received all of the coverage related to products and services. General Motors alone received 50% of the coverage in 1999, and 30% in 2000. Examining firms that appeared in 1999 but not in 2000, the omission of firm coverage in 2000 becomes more pronounced, as Figure 4-9 illustrates.

Figure 4- 9 Firm news coverage about products and services

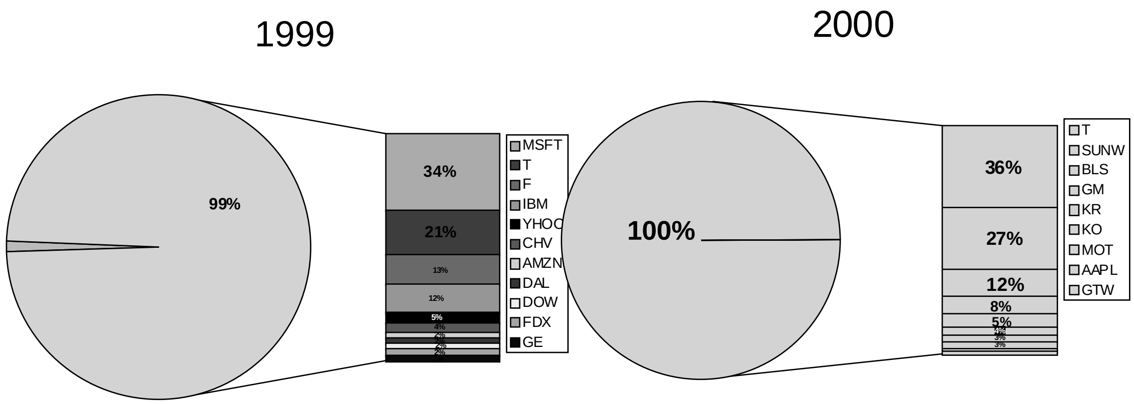


Social Responsibility.

In the results of the Annual RQ^{SM} for 1999, the five firms that ranked the highest in the category of "social responsibility" were Ben and Jerry's, Johnson & Johnson, Wal-Mart, and Xerox. For 2000, the five highest ranked firms were Home Depot, Johnson & Johnson, Daimler-Chrysler, Anheuser-Busch, and McDonalds.

In 1999, two firms were the focus of half of the news coverage about social responsibility, while in 2000, two firms comprised over two-thirds of the news coverage. AT&T was listed as #2 in 1999 (behind Microsoft), and was #1 in coverage devoted to social responsibility in 2000. Microsoft did not make the list in 2000. Figure 4-10 shows how news coverage about social responsibility narrowed to a smaller set of firms.

Figure 4- 10 Firm news coverage about social responsibility



The foregoing is intended only as a limited, but perhaps representative, description of the media coverage related to publicly traded firms and the various corporate reputation attributes receiving media attention in connection with them. The next chapter will provide the results from testing the hypotheses.

CHAPTER 5

Results

FIRST LEVEL AGENDA-SETTING

Gardberg and Fombrun (2002), who first examined the public's top-of-mind awareness using the Annual RQ^{SM}, noted that the companies nominated by the general public for the best corporate reputation tended to have highly recognizable name brand products and services. These companies were not, however, the largest firms in their industries. Gardberg and Fombrun examined the traditional measures of corporate size and financial performance, including revenue and profitability (return on assets and return on equity). Each of these alternative rankings contained many companies that were not among the most nominated (p. 386). Gardberg and Fombrun, who first examined these data, conducted several tests that proved to be inconclusive. Their study did not examine the impact of media coverage on top-of-mind awareness of firms.

H1 predicted that the more media coverage a firm receives, the higher the percentage of the public's awareness of that firm would be. All of the stories appearing on *The New York Times*' front page, the front page of the business section, the "company news" section, or the op-ed pages between April 15 and October 15, 1999, were initially examined for their contents by the topical index terms. A total count of all mentions of a publicly traded firm was compared with the total open-ended nominations from the first phase of the 1999 Annual RQ^{SM}. The procedure was replicated—as with the tests for all five hypotheses (see Figure 5-1)—using the media content for the same dates in the year 2000 and the open-ended nominations from the first phase of the 2000 Annual RQ^{SM}.

Figure 5- 1 Research design: Initial test and replication

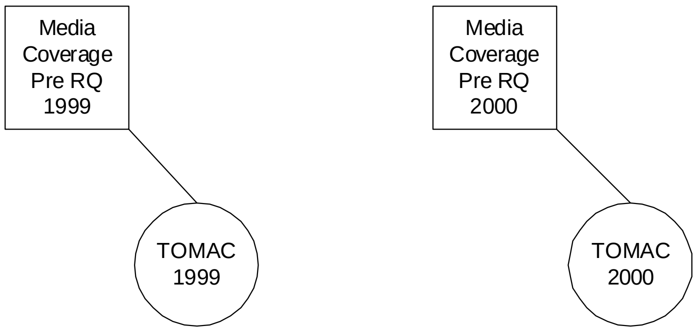


Table 5-1 through 5.6 show the analyses for Annual RQ^{SM} 1999 and Table 5-7 through 5-11 show the analyses for Annual RQ^{SM} 2000. In each of the 1999 analyses, which are based on data about 47 firms, media attention was not a significant predictor of a firm being top-of-mind in that year. Table 5-1, which concerns the effects of newswires and advertising expenditures alone, shows that both were significant predictors of firms' being "top-of-mind," with the newswires appearing six months beforehand having a much stronger effect. Table 5-2 shows that neither prominent media attention nor advertising expenditures had an effect on top-of-mind awareness; only the newswire press releases had an effect. Table 5-3 shows that being mentioned on the front page had no effect on firms' being top-of-mind; only advertising and newswire releases had an effect. Table 5-4 shows that when examining the front business page, there were no significant predictors—not advertising, the newswire, nor firms' being on the front page of the business section. Table 5-5 reveals that both advertising and the newswires were significant predictors of top-of-mind awareness, while the appearance of a firm in the “company news” section was not. Finally, Table 5-6 shows that a firm’s appearance in the op-ed section had no effect on top-of-mind awareness, only the newswires and advertising expenditures had such an effect.

Table 5- 1 Newswires and Advertising Effects on Top-of-Mind Awareness, 1999

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	4.808	3.060	
Pre-RQ 1999 Newswires	.025	.003	.721****
1999 Ad Expenditures	.005	.002	.187*

Full Model: R = .748, Adjusted R^2=.559, SEE = 13.71; f = 11.57 (df =45) p =.000
*p <.10 **p<05 *** p<01 ****p < .001

Table 5- 2 Prominent Media Coverage Effect on Top-of-Mind Awareness, 1999

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	5.071	3.101	
Pre-RQ 1999 Newswires	.019	.010	.535*
1999 Ad Expenditures	.004	.003	.152
Total Media Agenda Pre-RQ 1999	.189	.272	.202

Full Model: R = .751, Adjusted R^2=.564, SEE = 13.789; f = 11.57 (df =44) p =.000
*p <.10 **p<05 *** p<01 ****p < .001

Table 5- 3 Front Page Effect on Top-of-Mind Awareness, 1999

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	4.993	3.098	
Pre-RQ 1999 Newswires	.022	.007	.623***
1999 Ad Expenditures	.005	.003	.181*
Pre-RQ 1999 Front Page	.870	1.472	.115

Full Model: R = .750, Adjusted R^2=.563, SEE = 13.810; f = 18.874 (df =44) p =.000
*p <.10 **p<05 *** p<01 ****p < .001

Table 5- 4 Front Business Page Effect on Top-Of-Mind Awareness, 1999

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	5.986	3.170	
Pre-RQ 1999 Newswires	.011	.011	.317
1999 Ad Expenditures	.003	.003	.122
Pre-RQ 1999 Front Business Page	.575	.443	.430

Full Model: R = .759, Adjusted R^2=.575, SEE = 13.607; f = 19.883 (df =44) p =.000
*p <.10 **p<05 *** p<01 ****p < .001

Table 5- 5 "Company News" Section Effect on Top-Of-Mind Awareness, 1999

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	4.827	3.193	
Pre-RQ 1999 Newswires	.025	.004	.722****
1999 Ad Expenditures	.005	.003	.188*
Pre-RQ 1999 Company News	-.016	.643	-.003

Full Model: R = .748, Adjusted R^2=.559, SEE = 13.865; f = 18.611 (df =44) p =.000
*p <.10 **p<05 *** p<01 ****p < .001

Table 5- 6 Editorial Page Effect on Top-Of-Mind Awareness, 1999

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	4.998	3.085	
Pre-RQ 1999 Newswires	.022	.005	.637****
1999 Ad Expenditures	.004	.003	.176*
Pre-RQ 1999 Editorial Desk	.944	1.240	.114

Full Model: R = .752, Adjusted R^2=.565, SEE = 13.774; f = 19.049 (df =44) p =.000
*p <.10 **p<05 *** p<01 ****p < .001

The results for the Annual RQSM 2000 are quite different, primarily because the top-of-mind scores for the Annual RQSM 1999 could be used as a control variable. It is this set of analyses that supported H1. Top-of-mind awareness was regressed onto the media agenda, which consisted of a count of all stories for each firm that came from any of the prominent pages (the front page, the front business page, the "company news" section, or the editorial page). Also included in the regression model were each firm's advertising expenditures (expressed in millions of dollars) and press releases from the previous six months (expressed as the total number of press releases). Since the regression relied on listwise deletion—deleting firms from the analysis if the data were not available on all of the variables—the number of firms in the analysis was 30.

Table 5-7 presents the results of this regression analysis. The results demonstrate the direct effects of the media on the public's top-of-mind awareness for specific firms. Clearly, top-of-mind awareness from the previous year had a significant effect on top-of-mind awareness for the current year. Also, the number of press releases had a negative effect on top-of-mind awareness. The media, of course, monitor press releases carried on the newswires, but do not always use them to produce content. The impact of newswires should also vary by newspaper section. The total news coverage coming from the four news sections had an effect on the top-of-mind awareness for the firms.

Table 5- 7 Prominent Media Coverage Effect on Top-Of-Mind Awareness, 2000

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	-13.999	26.691	
Top of Mind 1999	8.683	1.019	.77****
Pre-RQ 2000 Newswires	-.111	.042	-.37***
2000 Ad Expenditures	.071	.019	.24****
Total Media Agenda Pre-RQ 2000	4.543	1.185	.49****

Full Model: R = .944, Adjusted R^2=.872, SEE = 88.576; f = 61.87 (df =30) p < .01
*p <.10 **p<05 *** p<01 ****p < .001

As with the data for 1999, a regression was run for each prominent section of the newspaper separately. In each case, the result was significant, providing additional support for H1. Table 5-8, which shows the results of the front page analysis, shows that next to being top-of-mind in 1999, the next best predictor of top-of-mind for 2000 was the number of news stories appearing on the front page. Table 5-9 shows the results for the front business page. While the front page and the front business page are not featured in the same model, it is interesting to note that the front business page had a stronger beta in its model than the front page beta coefficient had in its model. In both cases, the firm's appearance in the media had a larger effect than the firm's advertising expenditures. The results for the "company news" section varied slightly. While the firm's appearance in the "company news" section was a significant predictor, the firm's advertising expenditures had a greater effect on the firm's top-of-mind (see Table 5-10). Finally, a firm's appearance in the editorial pages also had a significant effect on the firm's being top-of-mind with the public, a stronger effect than the firm's advertising. The results indicate the cumulative effect (appearance in all of the sections together) had a greater effect than appearance in any one section by itself. It is interesting to note that while the editorial pages had the fewest number of stories about the firms, appearance in the editorial pages still had a substantive effect on firms' top-of-mind awareness.

Table 5- 8 Front Page Effect on Top-Of-Mind Awareness, 2000

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	-15.575	28.848	
Top of Mind 1999	8.729	1.095	.78****
Pre-RQSM 2000 Newswires	-.060	.038	-.20
2000 Ad Expenditures	.083	.020	.29****
Pre-RQSM 2000 Front Page	26.390	8.898	.32****

Full Model: R = .936, Adjusted R^2=.859, SEE = 95.070; f = 52.72 (df =30) p < .01
*p <.10 **p<05 *** p<01 ****p < .001

Table 5- 9 Front Business Page Effect on Top-Of-Mind Awareness, 2000

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	-12.665	28.635	
Top of Mind 1999	8.845	1.077	.787****
Pre-RQ 2000 Newswires	-.108	.048	-.358**
2000 Ad Expenditures	.076	.020	.262****
Pre-RQ 2000 Front Business Page	7.489	2.388	.458***

Full Model: R = .937, Adjusted R^2=.863, SEE = 93.823; f = 54.33 (df =30) p < .01
*p <.10 **p<05 *** p<01 ****p < .001

Table 5- 10 "Company News" Section Effect on Top-Of-Mind Awareness, 2000

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	-43.646	28.999	
Top of Mind 1999	8.874	1.131	.790****
Pre-RQ 2000 Newswires	-.004	.031	-.014
2000 Ad Expenditures	.069	.023	.236***
Pre-RQ 1999 Company News	13.329	5.394	.202**

Full Model: R = .937, Adjusted R^2=.863, SEE = 93.823; f = 54.33 (df =30) p < .01
*p <.10 **p<05 *** p<01 ****p < .001

Table 5- 11 Editorial Page Coverage Effect on Top-Of-Mind Awareness, 2000

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	-14.773	27.749	
Top of Mind 1999	8.658	1.059	.77****
Pre-RQ 2000 Newswires	-.099	.043	-.33**
2000 Ad Expenditures	.092	.018	.32****
Pre-RQ 2000 Editorial Desk	15.372	4.517	.44***

Full Model: R = .940 Adjusted R^2=.868 SEE = 91.831; f = 54.33 (df =30) p < .01
*p <.10 **p<05 *** p<01 ****p < .001

Summary. This study found that, when controlling for the previous year's public agenda—that is, the firms that were top-of-mind—the media do have an effect on the public. All four prominent sections—the front page, the front page of the business section, the editorial desk, and the company news column—had significant effects on a firm's being top-of-mind in 2000, when controlling for the firm's standing among the top-of-mind in 1999, their advertising expenditures, and their news releases. In addition to applying agenda-setting theory to the study of firms, this analysis departs from the more conventional approach to agenda-setting studies by examining the previous year's public agenda rather than relying on cross-lagged correlation. In doing so, it found that the media's role in a firm's top-of-mind awareness is manifested in the degree of change in the amount of salience from one year to the next, rather than the amount of salience at any one point in time.

SECOND-LEVEL (ATTRIBUTE) AGENDA SETTING

Affective Attribute Agenda Setting

The test of H2, involving both CATA (computer-aided text analysis) and human verification, also included a replication with data from the second year of the Annual RQ^{SM}. As Table 5-12 shows, H2 was supported, albeit with some limitations, by the CATA coding, the replication using human coding, and the replication with the second year involving both forms of coding.

For 1999, there was no relationship between the CATA when the main DICTION 5.0 variable "optimism" was used, though there was a relationship seen in the subscale for "satisfaction." There, the analysis revealed that the more satisfaction about a firm was portrayed by the media, the more favorable the firm's overall emotional appeal to respondents (.67, $p < .01$). This relationship also was particularly strong within certain groups—those who did not recall the firm's advertising (.47, $p < .01$) or the firm's media coverage (.57, $p = .02$), or those who did not recall seeing either (.53, $p < .03$). CATA results did not show any relationships between the tone of media coverage and overall emotional appeal among respondents who were familiar with any of the firms' cognitive reputation attributes. Strong correlations existed, however, for respondents who had no knowledge of the attributes of the firm examined. The correlations by category are as follows: products and services (.48, $p < .05$), executive leadership (.47, $p < .05$), workplace environment (.47, $p < .05$), social responsibility (.48, $p < .05$), or financial performance (.50, $p < .03$). Larger correlations existed for respondents who recalled seeing advertising for the firm in question but did not recall anything in the media about the firm in question (.57, $p = .01$). Correlations were also high for overall emotional appeal among those who did not recall seeing the firm's advertising or media coverage (.53, $p < .03$).

The CATA analysis was replicated using human coders on the first year of data. The Janis-Fadner (1965) coefficient of imbalance, which has been used in strategy research involving media (Carter, 2001; Deephouse, 2000; Pollock & Rindova, 2003) to assess the degree of media favorability, was used. The results were similar. The same correlation existed between the amount of media coverage and "overall emotional appeal" for respondents who recalled seeing the firm in the media (.54, $p = .02$), and those who did not (.54, $p = .02$). Finally, there was a relationship between the degree of positive news coverage and "overall emotional appeal" for respondents who recalled seeing the firm's advertising and the firm's media coverage (.55, $p = .02$). The analysis with human coding did, however, reveal additional relationships between the tone of the media coverage of the firm and the evaluations of the respondents who had knowledge of the firm in question. The correlations with overall emotional appeal for respondents who were familiar with the products and services for the firm examined was .56 ($p = .02$), and

.52 ($p < .03$) for those who were not. For respondents saying they had knowledge of executive performance for the firm in question, the correlation was .47 ($p < .05$) for those who had knowledge of the firm in question, and .53 ($p = .02$) for those who did not. For respondents who had knowledge of the attribute "social responsibility" for the firm in question, the correlation was .51 ($p < .03$) for those who were familiar, and .50 ($p < .04$) for those who did not. For financial performance, the relationship was .53 ($p < .02$) for those who did have knowledge, and .52 ($p < .02$). The largest correlation existed for those who had knowledge of products or services for the firm in question (.56, $p = .02$), followed by those who recalled seeing advertising and also something in the media about the firm in question (.55, $p = .02$).

In year two, the replication yielded much stronger findings for the CATA analysis. The overall "optimism" variable for DICTION 5.0 was strongly correlated with overall emotional appeal .55 ($p < .03$) without any consideration of advertising recall, media recall, or knowledge of the firm's attributes. Among those saying they lacked knowledge of any of the corporate reputation attributes, there was a relationship between the favorability of the media coverage and a firm's overall emotional appeal. The results in 2000 differed somewhat from 1999 in terms of the levels of correlation for respondents' advertising recall and media recall. In 2000, for the respondents who recalled seeing the firm in the media prior to the survey but not the firm's advertising, there was a relationship between the favorability of the firm and the firm's emotional appeal (.68, $p < .01$). Each of these relationships was also found to exist when comparing the human coding results with those involving the CATA coding. The human coding results showed even stronger correlations when media recall was used to stratify respondents.

Table 5-12 Relationship of Tone and Firm's Overall Emotional Appeal

	1999		2000	
	CATA	Human Coding	CATA	Human Coding
DICTION 5.0 Optimism	.67 Ŧ ***	.54***	.55**	.56**

Ŧ Only "Satisfaction" dimension
*p <.10 **p<05 *** p<01 ****p < .001

Cognitive Attribute Agenda Setting

There were five tests of H3, one for each of the five cognitive attributes of corporate reputation. Full support of this hypothesis requires a direct and positive relationship between the amount of news coverage about a particular attribute and the public's use of that same attribute to describe the company's reputation. Although Table 5-13 reveals that there was no direct relationship between media coverage and respondents' descriptions for any of the cognitive reputation attributes, a strong relationship was often found between the media content and restricted groups of the poll respondents—those indicating media recall or advertising recall about the firm in question, for example. Table 5-14 and 5.15 summarize the findings from these subgroups, and in doing so provide partial support for the hypothesis. Finally, there was a relationship between the cognitive corporate reputation attributes and the knowledge of the specific attributes, as shown in Table 5-16. While this last group does not provide support for the hypothesis, these relationships provide insights important for contextualizing these findings.

Table 5-13 Relationship between Media Coverage of Cognitive Reputation Attributes and Attributes' Use as Reputation Descriptors

	1999		2000	
	CATA	Human	CATA	Human
Executive Performance	NS	NS	.46*	.43*
Financial Performance	NS	NS	NS	NS
Products & Services	NS	NS	NS	NS
Workplace Environment	NS	NS	.45*	NS
Social Responsibility	NS	NS	NS	NS

*p <.10 **p<05 *** p<01 ****p < .001

Table 5-14 Effect of Media Recall on Relationship between Media Coverage of Cognitive Reputation Attributes and Attributes' Use as Reputation Descriptors

	1999		2000	
	CATA	Human	CATA	Human
Executive Performance	NS	NS	No Media Recall .60**	NS
Financial Performance	NS	NS	No Media Recall .60***	NS
Products & Services	NS	NS	NS	NS
Workplace Environment	No Media Recall .48**	NS	High Media Recall .54**	NS
Social Responsibility	NS	NS	NS	High Media Recall -.56**

*p <.10 **p<05 *** p<01 ****p < .001

Table 5-15 Effect of Advertising Recall on Relationship between Media Coverage of Cognitive Reputation Attributes and Attributes' Use as Reputation Descriptors

	1999		2000	
	CATA	Human	CATA	Human
Executive Performance	NS	NS	No Ad Recall .61**	No Ad Recall .64 ***
Financial Performance	No Ad Recall .56**	NS	No Ad Recall .50**	No Ad Recall .50**
Products & Services	NS	NS	NS	NS
Workplace Environment	NS	NS	NS	NS
Social Responsibility	NS	NS	NS	High Ad Recall -56 (p < .05)

*p <.10 **p<05 *** p<01 ****p < .001

Table 5-16 Effects of Advertising Recall and Media Recall on Relationship between Media Coverage of Cognitive Reputation Attributes and Attributes' Use as Reputation Descriptors

	1999		2000	
	CATA	Human	CATA	Human
Executive Performance	NS	NS	High Media Recall & No Advertising Recall: .41*	NS
Financial Performance	NS	NS	High Media Recall & No Advertising Recall: .47**	No Media Recall & No Advertising Recall: .55**
Products & Services	NS	NS	NS	NS
Workplace Environment	NS	NS	NS	NS
Social Responsibility	NS	NS	NS	High Media Recall & No Advertising Recall: -.41*

*p <.10 **p<05 *** p<01 ****p < .001

Table 5-17 Relationship between Media Coverage of Cognitive Corporate Reputation Attribute and Knowledge of Specific Attribute

	1999		2000	
	CATA	Human	CATA	Human
Executive Performance	NS	.62 ***	.51**	.51**
Financial Performance	Yes .66 ***	Yes .68***	Yes .59**	Yes .65 ***
Products & Services	Yes .48 **	Yes .50**	NS	NS
Workplace Environment	NS	NS	NS	NS
Social Responsibility	NS	NS	NS	NS

*p <.10 **p<05 *** p<01 ****p < .001

Executive performance. As Table 5-13 shows, there was a correlation between the amount of media coverage devoted to executive performance and the use of "executive performance" as a descriptor for the firm's reputation. This was only true, however, for the second year of the study; the first year's results were not statistically significant. In 2000, the results were the same for both CATA coding and the human coding.

The relationship between the amount of media coverage devoted to executive performance and the public's use of "executive performance" as a descriptor for the firm was even stronger when considering the influence of media recall and advertising recall. Table 5-14 reveals that for respondents who had no media recall, there was a relationship between the amount of media coverage devoted to the firm's executive performance and the respondents' use of the same descriptor to characterize the firm's reputation (.60, p < .02). This relationship existed in the second year of the study only, and then only within the CATA coding. Thus, Hypothesis 3 finds tentative partial support when considering the influence of media recall.

Table 5-15 reveals that for respondents who had no recall about the firm's advertising, there was a strong correlation between the amount of media coverage devoted to financial performance and the use of this term to characterize the firm's reputation. This correlation only existed for the second year of the study, but the results were the same for both the CATA coding (Pearson correlation coefficient .61, $p < .02$) and the human coding (Pearson correlation coefficient .64, $p < .01$). Thus, when considering the influence of advertising recall, there is also tentative additional support for Hypothesis 3.

Additionally, for respondents who reported no advertising recall yet high media recall, there was a relationship between the amount of news coverage devoted to a firm's executive performance and the use of the attribute to describe the firm's reputation (.41, $p < .10$). See Table 5-16. This relationship was found for the CATA coding in 2000, but was not found in 1999 or in the human coding of 2000.

Finally, there was a relationship between the amount of media coverage devoted to executive performance about the firm and the number of respondents who had a great deal of knowledge about the firm's executive performance (.62, $p< .01$). This relationship was found for both years of the study. While this finding does provide evidence of media effects on what the public knows about cognitive dimensions of corporate reputation for specific firms, it does not provide support for the agenda-setting hypothesis per se. Support for agenda-setting would require that the public use the same attribute—in this case “executive performance”—to characterize the firm’s reputation. Table 5-17 simply suggests that the media influences awareness of the attribute, but not that the public does or thinks anything in particular as a result.

Also of interest, but not shown in the tables, is that there was a relationship between the amount of media coverage devoted to executive performance and the use of “financial performance” as a descriptor for characterizing the firm’s reputation. This relationship existed for both 1999 and 2000 and in both the CATA coding and the human coding. Another interesting finding not shown in the tables is the use of “executive performance” as an attribute to characterize the firm’s reputation when there was increased media coverage devoted to workplace performance (.45, $p < .08$), financial performance (.44, $p < .09$), social responsibility (.66, $p < .01$), and products and services (.51, $p < .04$).

Financial performance. Table 15.13 shows that there was no direct relationship between the amount of media coverage devoted to financial performance and the use of “financial performance” as a descriptor for the firm’s reputation. The results for this test of the hypothesis do vary, however, when the influence of media recall (see Table 5-14) and advertising recall are taken into account (see Table 5-15).

Table 5-14 shows that there was a relationship between media coverage devoted to financial performance and the use of “financial performance” as a descriptor of the firm’s reputation, but only for respondents who did not recall seeing the firm in the media prior to the survey (.60, $p = .01$). This relationship however, only existed for the replication in year two, and then only with the CATA coding, and not with the human coding. Again, this is at best tentative partial support for Hypothesis 3.

When considering the effects of advertising recall and media recall together, there were additional findings for the attribute "financial performance." For respondents who reported no advertising recall but high media recall, there was a relationship between the amount of media coverage devoted to financial performance and the use of the attribute to characterize the firm (.47 $p < .05$). However, this relationship was only found for 2000, and only for the CATA coding, not the human coding. Instead, for the human coding in 2000, there was a relationship between the amount of media coverage devoted to financial performance and the use of the attribute to characterize the firm among those who reported no media recall and no advertising recall (.55 $p < .05$).

A relationship also existed between the two primary variables of interest (media coverage about the firm's financial performance and the use of the category to describe the firm's reputation) for respondents who did not recall seeing the firm's advertising prior to the survey. This relationship existed in both years of the study. In the first year of the study, the correlation existed only with the CATA coding (.56, $p < .02$), and not with the human coding. In the second year of the study, the relationship existed with both the CATA coding and the human coding (.50, $p < .02$ and $p < .05$ respectively).

This test of the hypothesis yielded some surprising results that were unlike those yielded by any of the other tests. For respondents who did not recall seeing the firm's advertising prior to the survey, there was also a relationship between the amount of media coverage devoted to the firm's financial performance and each of the other attributes (in addition to financial performance) that were used to characterize the firm's reputation—specifically, executive performance (.55, $p = .02$), products and services (.53, $p = .03$), social responsibility (.51, $p = .03$), and workplace performance (.60, $p < .01$). This relationship, however, was only found with the CATA coding in 1999, and not with the human coding, nor in either of the analyses in the replication in year two. Moreover, Table 5-16 reveals that for respondents with high media recall and no advertising recall, there was a negative relationship between the amount of media coverage devoted to the firm's social responsibility and the use of that attribute to characterize the firm's reputation (-.41, $p < 10$).

Finally, there was a strong relationship between the amount of media coverage devoted to the firm's financial performance and the number of respondents who said they had a great deal of knowledge about the firm's financial performance. As Table 5-17 shows, this relationship existed for both years of the study and for both sets of CATA coding and human coding. As noted in the discussion of the previous attribute, a relationship between media coverage about a firm's financial performance and respondents' awareness of the firm's financial performance does not constitute support for the agenda-setting hypothesis, although it can still be classified as a media effect.

Products and services. There was also no direct support for the hypothesis when examining products and services. As a reminder, 60% of the respondents said products and services was the most important issue in defining corporate reputation, yet products and services received less news coverage than any other reputation topic. Further, there was no support for the hypothesis when considering the influence of media recall (Table

5-14) or advertising recall (Table 5-15). The only relationship found was one between the media coverage devoted to product and services and the respondents' knowledge of a firm's products and services (Table 5-17). This relationship existed in the first year of the study for both the CATA coding (.48, $p < .05$) and the human coding.50, $p < .04$), but not in the replication.

Workplace environment. There was a relationship between the amount of media coverage about the workplace environment and the use of "workplace environment" by the respondents to describe the firm's reputation. The relationship was only found for 2000, however, not for 1999, and only in the CATA coding, not the human coding. However, when considering respondents' level of media recall, the results vary. As Table 5-14 illustrates, there was a relationship between the amount of media coverage devoted to the workplace environment and the use of "workplace environment" as a descriptor for the firm's reputation for those who did not recall seeing the firm in the media (.48, $p = .04$). This relationship in the first year existed only with the CATA coding, but not with the human coding. In year two, the result was the opposite: the relationship existed for those who reported high recall of something about the firm in the media (.54, $p = .03$), but this relationship was only found in the CATA coding, not the human coding.

Finally, advertising recall did not affect the relationship between the amount of media coverage devoted to a firm's workplace environment and the number of people who used "workplace environment" as a descriptor for the firm (Table 5-15). Further, Table 5-17 illustrates that there was no relationship between the amount of media coverage devoted to the firm's workplace environment and respondents' level of knowledge about the firm's workplace.

Social responsibility. Table 5-13 shows that there was no support for the attribute agenda-setting hypothesis when examining media coverage about a firm's social responsibility.

The results varied in surprising ways when considering the influence of media recall and advertising recall: there was a negative relationship rather than a positive relationship(see Table 5-14 and 5.15), which runs counter to the hypothesis. These results only existed for the second year of the study, however, and then only for the human coding, not the CATA coding.

There was no relationship between the amount of media coverage devoted to the firms' social responsibility and the degree of knowledge respondents' expressed about the firms' social responsibility.

Surprisingly, other interesting relationships were revealed beyond those central to the present study. In the replication for year two of the study, the CATA coding showed a relationship between media coverage about social responsibility and the use of other attributes to characterize the firm's reputation. For example, there was a correspondence between media coverage about social responsibility and the respondents using each of the other attributes—executive performance (.66, $p < .01$), products and services (.47 $p < .07$), financial performance (.43 $p < .09$), and workplace performance (.52, $p < .04$) as prominent descriptors for the reputation of the firm in question. These results are noteworthy for their adherence to an agenda-setting pattern, yet they do not fully fit the logic of the agenda-setting template in the sense that the relationship is not found with the anticipated attribute.

Summary. This hypothesis examined the media's influence on the public's use of specific attributes to describe the corporate reputations of specific firms. Primary support for this hypothesis was found for two attributes: executive performance and workplace environment. While the results were found for only one year of the study, the results for executive performance were found with both the CATA coding and the human coding (see Table 13).

Additionally, the analyses identified additional effects when breaking respondents into groups based upon their level of advertising and media recall for the firms in question. The results reveal that the media's influence varied by attribute and varied by exposure to the firm. The degree of advertising recall and media recall had different effects depending upon the attribute. In some case, media coverage for specific attributes had a strong correlation with the public's use of the same descriptions. In other cases, the relationship of media coverage to how the public described the firm was restricted to those respondents who recalled the firm's advertising and/or media coverage of the firm. In still other cases, there was an effect when there was high media recall and no advertising recall at all.

In some cases, the media coverage of certain attributes had spillover effects related to descriptions of other corporate reputation attributes. Two types of spillover effects were identified: in one case, increased media coverage devoted to financial performance not only affected the public's descriptions of the firms in terms of financial performance, but also executive performance and products and services; in another case, increased media coverage related to several reputation attributes led yet another attribute (executive performance) to be the one characterized as descriptive of the firm's reputation. In still other cases, there were adverse effects: increased coverage about social responsibility was related to social responsibility being characterized as an attribute that was not indicative of the firms in question (which is, however, different than saying that a firm is not socially responsible). This analysis did not consider tone or tenor of the media coverage, simply the degree of salience based on the degree of coverage devoted to the attribute.

Finally, although this last finding is not indicative of agenda-setting per se, there was a high degree of correspondence between the amount of media coverage devoted to an attribute and the attribute being one about which respondents reported having a great deal of knowledge. This finding existed for both years of the analysis and for both CATA and human coding.

Attribute Agenda-Setting of the Affective Dimension

H4 hypothesized that the more favorable the firm's media coverage for particular reputation attributes, the higher the percentage of the public who will favorably view those attributes of the firm. H4 was not supported. No relationship was found between the amount of media coverage devoted to the affective components of corporate reputation and the public perception of the affective components of corporate reputation.

CONSEQUENCES OF AGENDA-SETTING

H5 predicted that the more media coverage devoted to a particular corporate reputation issue, the higher the percentage of the public who will define corporate reputation by that issue. H5 was not supported. There was no statistically significant relationship between the percentage of the public who defined corporate reputation by a particular attribute and the amount of media coverage devoted to the same attribute. The test was conducted on the entire set of media coverage as well as by section (front page, front page of the business section, the editorial desk pages, and the "company news"). No statistically significant relationship was found for any section of the newspaper or for the aggregate of coverage. The same was true for the replication study in the second year.

Table 5-18 and 5.19 show that members of the public considered "products and services" to be the most important attribute related to corporate reputation for both years of the RQ^{SM}. Yet, the attribute "products and services" was the one least covered by the press—at least in prominent locations, such as the front page or the front page of the business section.

Table 5-18 Reputation Topics Across Media and Public Agenda, 1999

Media Agenda 6 months before RQ^{SM} 1999				Public Agenda "Most Important Issue" RQ^{SM} 1999			
		Count	Percent			Count	Percent
1	Financial Performance	2,788	58.24%	1	Products & Services	9777	61.4%
2	Executive Leadership	919	19.20%	2	Social Responsibility	1918	12.1%
3	Workplace Environment	509	10.63%	3	Executive Leadership	1636	10.3%
4	Social Responsibility	432	9.02%	4	Financial Performance	1605	10.1%
5	Products & Services	139.	2.90%	5	Workplace Environment	975	6.1%

Table 5-19 Reputation Topics Across Media and Public Agenda, 2000

Media Agenda 6 months before RQ^{SM} 2000				Public Agenda "Most Important Issue" RQ^{SM} 2000			
		Count	Percent			Count	Percent
1	Financial Performance	2,498	54.48%	1	Products and Services	15,414	30.0%
2	Executive Leadership	874	19.06%	2	Executive Leadership	12,001	23.3%
3	Workplace Environment	595	12.98%	3	Workplace Environment	9,226	17.9%
4	Social Responsibility	429	9.36%	4	Social Responsibility	8,787	17.1%
5	Products & Services	189	4.12%	5	Financial Performance	6,012	11.7%

Figure 5-2 shows that for each section of the newspaper included in this study the attribute receiving the least attention was "products and services." Similarly, the media covered "financial performance" more than any other topic for the sections of the newspaper covered in this study, yet "financial performance" was one of the attributes mentioned least by the public: in the first year of the Annual RQ[SM], "financial performance" was listed fourth, while in the second year it was listed fifth.

Figure 5-2 1999 Corporate Reputation Attribute Within the Public and the Media

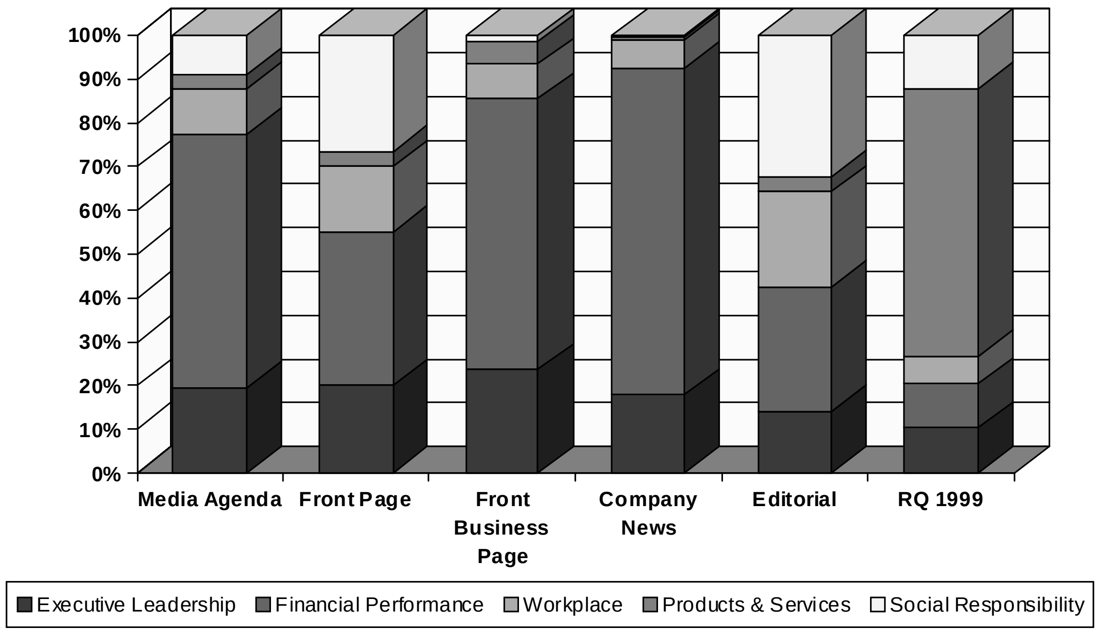
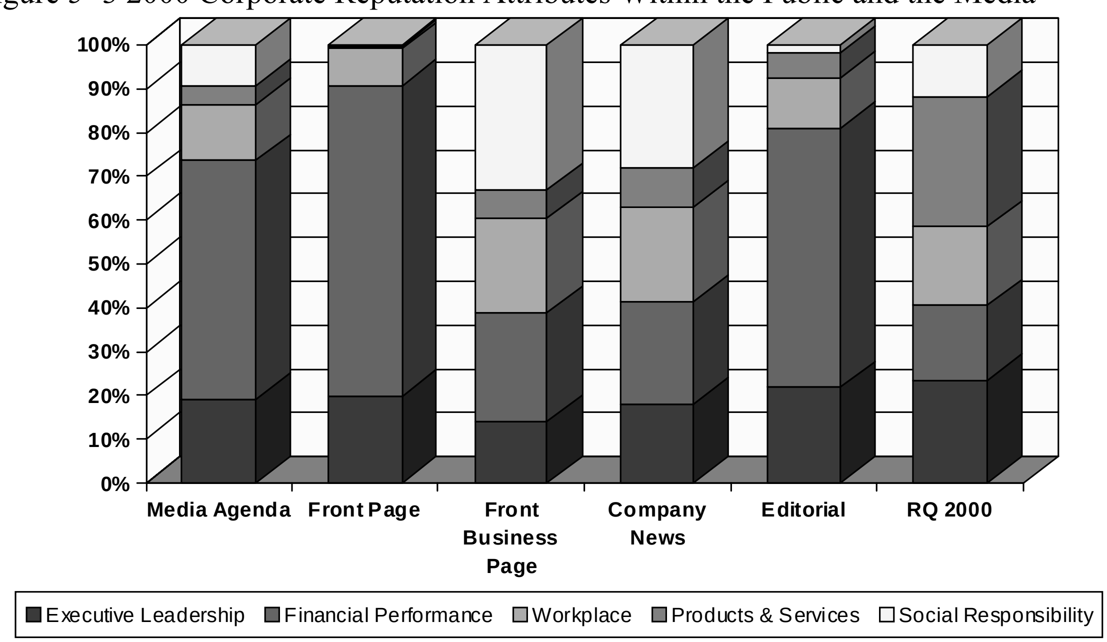


Figure 5- 3 2000 Corporate Reputation Attributes Within the Public and the Media



It is important to note in this analysis is that the media agenda did not change at all for the two years of the study (see Table 5-17 and 5.18). Roughly the same percentage of stories was devoted to each topic for each year, and the topics were covered in the same preferential order. Three times as much news coverage went towards the topic of “financial performance” as went to the next frequently occurring topic, which was “executive leadership.” Twice as much coverage went to “executive leadership” as went to “social responsibility.” In addition, twice as much coverage went to “social responsibility” as went to “products and services.”

One explanation for the lack of change in the media agenda can be found in the concept of media routines (Shoemaker et al., 1996). Journalists and editors adhere to a number of routines in the construction of the day’s news. Shoemaker and Reese give two examples that seem relevant here. One is the media’s desire for consistency; reporters are guided by their past work in selecting their stories and selecting the people and topics they cover. Consistency can serve as a guide, and a demarcation of credibility. Another indicator is the degree consistency in the distribution of topic coverage within the newswire services themselves, as journalists and editors rely on them in their story selection

While future research needs to examine whether the similarity in the distribution of news content by the media indeed is a matter of consistency—a matter that can only be determined by a longer time span—there is at least some indication that the media are not paying attention to the preferences of the public in their choices. Although “products and services” was the attribute least covered by the media, as has been mentioned, for the public it was the most important attribute of corporate reputation without change for both years of the analysis. Aside from deeming “products and services” the most important indicator of corporate reputation, the public was not as consistent in their indicators from one year to the next. Perhaps it is here in the middle range of issues where the media may most influence the public’s preferences. Future research should examine such questions.

CHAPTER 6

Summary and Conclusions

The theoretical framework for this study is agenda setting theory, which asserts that, while the media may not be successful in telling the public what to think, they are very successful in telling the public what to think about. This oft-cited dictum of Cohen's (1963) has been revised in recent years to reflect evidence from attribute agenda setting theory (McCombs, 1997; McCombs & Ghanem, 2001), which suggests that the media may also influence which attributes people think about and even how they think about them. In this respect, the revised dictum is of even greater value, and offers a nuanced approach to understanding subtleties in the agenda setting model and the different types of effects the media can have.

This study has provided a broad test of agenda setting theory's applicability to media coverage about publicly-traded U.S. firms. Carroll and McCombs (2003) have noted that the historical evidence for agenda setting theory is derived largely from the domain of politics, where the concern is with the salience of the public issues of the day and the representation of political candidates. Others, however, have suggested that agenda setting theory is relevant to understanding corporate reputation (Chen & Meindl, 1991; Deephouse, 2000; Wartick, 1992), and Carroll and McCombs (2003) outlined a framework for how agenda setting theory applies to corporate reputation as a media effect. The need remained for a comprehensive test of the theory's applicability to the domain of business news. Some researchers have used agenda setting theory to explain why they included media coverage in their models of organizational performance, or to explain their use of media coverage as a proxy for understanding the public's sentiment, yet no systematic examination had been conducted to detail the theory's appropriateness for business news.

This dissertation investigated the broad assertion that agenda setting theory can explain corporate reputation as a media effect. Specifically, the research examined agenda setting theory in respect to several aspects of business.

1 First, this study examined the impact of media visibility on *name recognition of firms*. This was important as a first step, because a firm essentially has no reputation unless it has been recognized by at least some members of the public.

2 Second, this study examined the impact of the favorability of media coverage on the public image of the firm, that is, *the sentiment or Overall Emotional Appeal the firm has with the public*.

3 Third, this study examined the impact of the media's coverage specific topics or aspects of a firm on *the topics that the public associate with the firm cognitively*. Here the research probes more deeply into the reputation of a firm, namely, when a firm does have a reputation among the public, and what are the specific aspects of a firm's reputation? The focus here is on the descriptions of specific firms.

4 Fourth, this study examined the impact of how the favorability of the media's coverage of these topics affected *the public's feelings about these aspects of the firm.*

5 A final hypothesis concerned priming, which has been generally regarded as a consequence of the media's agenda setting. To what extent does the overall agenda of aspects of firms emphasized in media coverage prime *the aspects of firms used by members of the public to structure their images of firms in general?* Here the focus is on the overall strategy of framing firms.

This research is important for those interested in corporate reputation because the mass media are generally regarded as a primary forum for the creation and representation of corporate reputation (Dutton & Dukerich, 1991; Fombrun, 1996; Fombrun & Shanley, 1990; Wartick, 1992). Interestingly, journalism and mass communication is one of the few fields concerned with corporate reputation that offers a detailed theoretical perspective from which to approach this subject.

SUMMARY OF THE FINDINGS

Beginning with the content analysis of business news in *The New York Times*, this study found that a very small number of publicly-traded firms constitute an inordinate percentage of the news hole devoted to business news. For the six-month period examined in 1999, ten firms, which make up only .06 % of the publicly-traded firms, comprised 16% percent of the news coverage, in which just over 2,000 firms were discussed in *The New York Times*. Similar ratios were found for the second year of the study as well. This suggests that the media focus primarily on a few companies to the neglect of many more. Microsoft, the most mentioned firm, received twice the coverage as the second most mentioned firm, which in turn had twice the coverage as the third most covered firm.

Second, this study found that a very small percentage of the mainstream news hole is devoted to business issues. Less than 7% of the front page news coverage was devoted to issues related to publicly-traded firms, and less than 4% of the news hole from the editorial desk comprised stories about publicly-traded firms. This stands in contrast to the front page of the business section, where over 60% of its front page content was devoted to publicly-traded firms, and the “company news” column, where over 90% was. This suggests that in most cases business news content is confined to the business section. Future research should examine the degree to which business news is considered mainstream news or under what conditions business news might be relevant to the wider public.

Third, the content analysis portion of this study found that some publicly-traded firms are discussed by the media while remaining below the radar of the prominent pages. Citgroup and the Interpublic Group of Companies are two firms that were completely neglected in this study because it only examined the prominent pages of the Times, yet these publicly-traded firms had the highest total count of news articles. Despite their coverage being relegated to the less prominent pages, these were two of the most media-visible firms overall. Future work needs to consider the degree to which agenda setting effects are restricted to the more prominent pages. *The New York Times*¸ as with many other prominent newspapers, now provides a “table-of-contents” listing companies in the news, thereby allowing readers to quickly find the stories about firms they are interested in.

Media Visibility.

Turning to the tests of the hypotheses about the agenda setting effects of business news on the public, there were two general findings regarding the first hypothesis. First, this study found that, when controlling for the previous year's public agenda—that is, the firms that were top-of-mind in 1999—news coverage does have an effect on the public in terms of which firms are thought about in the first place. All four prominent sections—the front page, the front page of the business section, the editorial page, and the "company news" column—had significant effects on a firm's being top-of-mind in 2000, when controlling for the firm's standing among the top-of-mind in 1999, their advertising expenditures, and their news releases. This basic agenda setting effect was found whether one considered the aggregated effect of all of the prominent pages added together or examined the sections one by one.

Second, and not surprisingly, advertising expenditures and newswire press releases also had an effect on firms' being top-of-mind. Carter (2001) refers to a firm's use of press releases and advertising as forms of "reputation management." This is consistent with earlier work in journalism (Shoemaker & Reese, 1996; Whitney & Becker, 1982) and public relations (Turk, 1985, 1986) showing that journalists rely on news content from the wire services and from press releases issued by firms. Of particular interest in the present study, however, is that in three of the four sections of the paper—front page, front page of the business section, and the editorial pages—the firm's appearance in the media had a stronger effect on the firm's standing among the public than either advertising expenditures or news releases.

This finding is important because it provides empirical support for an idea that has been current within the public relations community for over fifty years, namely, that third-party endorsement has a greater effect on the public than advertising. Public relations scholars Todd Hunt and James Grunig (1993) concluded ten years ago, "We know of little research evidence that people actually believe journalists have endorsed a product when they run a news story or that editorial copy has greater credibility than advertising copy .... the evidence is so scanty that we recommend caution in assuming and claiming third-party effects" (p. 383). More recently, Hallahan (1999) has recommended that public relations scholars abandon the claim.

The conclusion of this study is not that the media are more credible than advertising or that the media inadvertently endorse a project or firm by writing about it, but rather that the news media have a stronger effect on the public's view of corporate reputation than advertising, and that the news media may be viewed as a "propagator of legitimacy" (Pollock & Rindova, 2003). Pollock and Rindova argue that while some levels of legitimacy may be necessary for a firm to be considered newsworthy, media coverage further legitimates firms (Pollock & Rindova, 2003). The present study provides empirical support for an idea that has generally been regarded as conventional wisdom—an idea that public relations scholars have argued should be abandoned in the absence of empirical verification. The present study makes no claims about the credibility of the media as compared to advertising, but simply notes that the media are used as a reference point in the public's configurations of which firms are top-of-mind in the general area of corporate reputations. A separate question, and one not addressed here, is whether there are diminishing returns after a firm receives a certain amount of news coverage (Brosius, 2004).

The present study, in addition to shifting the topic from public affairs to the study of firms, also departs from the more conventional approach to agenda setting studies by using the previous year's public agenda as a control, rather than relying on cross-lagged correlation. In doing so, it found that the media's agenda setting role is manifested in the degree of change in the amount of salience, rather than the amount of salience itself. While the relationship between the prominence of news coverage and the prominence among the top-of-mind firms was not present in the first year studied here, a plausible explanation is the lack of a control for the previous year's top-of-mind awareness (Carter & Dukerich, 1998). Two explanations of how one year's top-of-mind firms influence the next one are the halo effect and the Velcro effect (Coombs & Holladay, 2001). Coombs and Holladay use these concepts for reputation, but they apply equally to top-of mind awareness. The halo effect applies to firms with favorable top-of-mind awareness and the Velcro effect to firms with an unfavorable one. The halo effect posits that once a positive view of a person or organization is established, people will ignore information that contradicts the favorable reputation (Coombs & Holladay, 2001). Thus, due to the halo effect, a firm's previous reputation with the public affects the public's acceptance and interpretation of new information. Conversely, the Velcro effect suggests that the public may discount or ignore new information that is positive if their initial view is unfavorable.

Summary. The media's agenda-setting role can be thought of as a zero-sum game (McCombs & Zhu, 1995) in the sense that the potential for media exposure is a scarce resource. There is only so much space on the front page of the newspaper (or in the newspaper as a whole). Likewise, there is only so much attention-space that firms can receive from the public. Thus, if a firm is to climb in the public agenda, that is, to become more top-of-mind, it means that another firm is shoved lower in the public agenda and becomes less top-of-mind, or perhaps becomes forgotten altogether. Recent developments in agenda setting research within political communication have found that over the last 40 years the public's agenda-capacity has expanded to include more issues at one time, it has become much more diverse, and it has become much more volatile (McCombs & Zhu, 1995). The findings for the present study, although only examining two years of data, show that a number of firms (such as Microsoft) remain constant at the top of the list for both the public and the media. More research is needed to examine how stable this top-of-mind awareness is, and whether there may be, over time, a greater capacity, degree of diversity, and volatility as illustrated with public issues. What can be said at this point, however, is that media visibility does impact placement among the top-of-mind firms.

Media Favorability.

Moving to the second level of agenda setting, attribute agenda setting, the results of this analysis demonstrate a relationship between the tone of the firm's news coverage and the Overall Emotional Appeal to the public. The tests of this hypothesis produced a number of interesting findings. First, there was a direct relationship between the tone of news coverage of the firm and the firm's Overall Emotional Appeal with the public. This finding was supported by both the CATA coding and the human coding.

Second, there was a distinct relationship for respondents who claimed to have little or no knowledge of the firm. The firms these respondents evaluated had lower "Overall Emotional Appeal" scores, but they were still statistically significant. The same was true for lack of knowledge about each of the five reputation attributes respondents were asked about: Products and Services, Financial Performance, Social Responsibility, Executive Leadership, and Workplace Environment. Thus, people who are unfamiliar with firms do form impressions about firms they read about, but the emotional impact is less.

Third, there was no relationship between the tone of the coverage and the firm's Overall Emotional Appeal for respondents who said they knew a great deal about the firm (as expressed in their knowledge of the firm's attributes). This suggests that the media may not have as much influence over the public's impressions of firms for those who have personal knowledge or experience about the firm. Interestingly, this finding also suggests that sentiment can be conveyed in news coverage, and reinforces the idea that Overall Emotional Appeal can be tied to a general impression of a firm without regard to specific firm attributes. In other words, image matters. In sum, how the media portray publicly-traded firms is correlated with the firm's Overall Emotional Appeal. This study makes no claim about causality but simply notes a relationship between the two.

Methodologically, these findings also are important for reasons beyond validation of the theoretical approach. As with all the hypotheses tested in this study, this analysis relied on CATA for conveying tone—a method that some researchers find suspect. The results of the CATA coding, however, were subject to human verification from a team of coders not familiar with the CATA coding, and their analyses produced similar results.

Corporate Associations.

The present study produced five distinct findings related to the cognitive dimension of attribute agenda setting. These findings concern the media's influence on the public's knowledge of specific attributes of a firm, the degree of correspondence between news coverage of various attributes and how the public uses these attributes to characterize a firm, differential effects related to advertising and media recall, adverse effects, and spillover effects.

Knowledge about the firm's attributes

The first major result of this study was to establish, as a basic effect of news coverage, a significant correspondence between the amount of media coverage devoted to an attribute and that attribute being one about which respondents said they were highly knowledgeable.

Several points are of interest here. First, the respondents in this study were from the general population. Knowledge of Financial Performance would be more characteristic of the sample of respondents from Fortune Magazine's "Most Admired Companies" annual survey—not the general public. Second, while Financial Performance was the least important attribute for respondents in 1999, the findings from the content analysis indicated that this was the attribute receiving the most coverage in both 1999 and 2000. Moreover, Financial Performance was shown to be the attribute with which respondents recalled having a degree of familiarity. These results are purely correlational, and future investigations will need to assess whether there is a degree of causality. While the relationship between the amount of news coverage devoted to an attribute and the public's knowledge of that attribute of a firm may not constitute an agenda setting effect per se, the relationship does constitute a media effect more broadly and is still important to this study.

Direct correspondence

A second major result of this study was to establish, for two specific attributes of firms, a direct correspondence between the amount of media coverage devoted to a particular attribute and respondents' use of that attribute to describe a firm's reputation. This finding is much stronger that simply saying that the respondents had knowledge about an attribute. The use of the attribute to describe a firm's reputation constitutes support for the attribute agenda setting hypothesis. The support is limited, however, in that it relates to only two attributes: Executive Leadership and Workplace Environment.

While the results may be surprising, some factors may have affected the results. First, the attributes Products and Services and Social Responsibility received less media attention than Financial Performance, Executive Leadership, and Workplace Environment. Another factor that may have affected the results was that there was no control variable for this analysis as there was for H1. For H1, the analysis simply focused on whether the firm was mentioned at all. For H2, the news coverage was broken down by attribute, meaning a far smaller number of observations was involved in the analyses. Controlling for the previous year's media coverage in this case would have produced a much smaller set of firms that could have been analyzed.

In summary, the present study found evidence to suggest a correspondence between the amount of news coverage devoted to some reputation attributes and the public's use of those attributes in describing a firm's reputation. The evidence does not, however, exist for all the attributes in the study. It should be noted that the evidence presented here is purely correlational, and future studies should begin investigating relationships that are more predictive in nature.

While the findings of the present study may not be as great as one would expect, the only existing reference points are agenda setting studies concerned with public issues and political candidates, and then only in election season. Important differences exist between the present study of attributes applying to publicly-traded firms and studies of public issues and political candidates.

First, studies of public issues are usually restricted to ten issues, and studies of political candidates restricted to even fewer candidates. In contrast, when the public thinks of firms, hundreds could potentially come to mind. While the media and the public do concentrate their attention on a small number of firms, this small number is still far greater number than the number of political candidates or public issues the public is confronted with at any given time.

Second, most studies that examine agenda setting theory in political communication are restricted to election season. While one could argue that political candidates are always vying for the public's attention, studies examining agenda setting effects are usually bracketed around election season. To find an adequate point of comparison for the present study, research within political communication would need to consider the degree to which agenda setting effects exist outside of election season.

Third, even if political candidates are always vying for the public's attention, there is some indication that the public only pays attention to what they think of political candidates when elections are approaching. The same general arguments could be made about political communication studies investigating public issues and the public's interest in public issues. In contrast, while senior-level executives who are regularly surveyed about the "most admired companies" for Fortune Magazine may anticipate the season of the year when that survey is conducted (one would expect this after 20 years of the survey's being conducted at the same time of year), the general public—the focus of the present study—has not been conditioned to think about firms at one particular time of year more than others.

Differential effects related to advertising and media recall

A third major finding of this study was that there were additional agenda setting effects when considering the intervening roles of advertising and media recall, although there were no consistent findings across attributes. In some cases, there was a correspondence between the amount of media coverage devoted to an attribute and the use of the attribute to describe the firm's reputation when there was no advertising recall. This occurred for both Financial Performance and Executive Leadership in 2000, existing in both CATA and human coding. This suggests that the media has some role, although the relationship is purely correlational.

There was also correspondence between the amount of media coverage devoted to some attributes and the use of those attributes to describe the firm's reputation when respondents had no media recall. As with the lack of advertising recall, this result was found for Executive Leadership and Financial Performance. This finding was unclear, if not contradictory. The relationship between the media coverage of these attributes and the respondents' use of them to characterize a firm when they had no media recall certainly raises questions. Hawkins and Hock (1992) argue, however, that simple repetition increases the degree to which acceptance of a message increases even when subjects are unaware of their prior exposure. One possibility is that the media coverage was in the distant past and thus there was no recency effect. Another possibility is that the media coverage may have been subtle or unobtrusive, or that the respondents learned of the issues discussed in the media from third parties or from other opinion leaders.

Still other effects were found when advertising recall and media recall were considered together. Here, there was a correspondence between the amount of media coverage devoted to a particular attribute and the use of that attribute to characterize a firm's reputation—but only for those who recalled seeing something in the media about a firm but did not recall seeing the firm's advertising. This occurred for both Executive Leadership and Financial Performance in 2000. However, only Financial Performance found additional support through the human coding.

Summary. In addition to the existence of a direct correspondence between the amount of media coverage devoted to a particular attribute and the use of the attribute to characterize the firm's reputation, the relationship existed when considering the effect of advertising recall and media recall, first separately and then together. When considered together, there was support for the agenda setting hypothesis for two attributes, Financial Performance and Executive Leadership, but only for respondents with high media recall and no advertising recall.

Adverse consequences (A negative effect)

The fourth major finding of this study related to the cognitive attributes could be considered a negative relationship, that is, an undesirable outcome for the firm. It is reasonable to assume that most firms would like to have Social Responsibility, a particularly desirable attribute, considered characteristic of their firm. This study found, however, that among respondents with a high degree of media recall, a high degree of advertising recall, or even high media recall with no advertising recall, there was a correspondence between an increase in media coverage devoted to a firm's Social Responsibility and a decrease in the number of respondents who characterized the firm's reputation in terms of Social Responsibility. It is also interesting to note that this is one attribute in which there was no correspondence between the number of press releases a firm issued on a particular topic and the amount of news coverage. In both cases—the hypothesis tested here and the analysis of the newswire, the relationship is purely correlational, but it does refute the second hypothesis. It also calls for additional research to verify causal relationships. In sum, the negative relationship found here runs contrary to the agenda setting hypothesis.

Spill over effects: One-to-many and many-to-one

The fifth major finding related to the cognitive attributes may not be a result of attribute agenda setting at all. Two types of spillover effects were identified that are related to the reputation attributes covered in the media. These can be characterized as "one-to-many" associations and "many-to-one" associations. A "one-to-many" association exists when media coverage concentrates on one particular attribute, yet respondents form a number of other reputation associations about the firm. A "many-to-one" effect is just the opposite, and occurs when media coverage relates to a number of reputation topics, but some other (related) attribute is used by respondents to describe a firm's reputation.

A "one-to-many" association was seen when increased media coverage devoted to Financial Performance corresponded with other attributes—such as Products and Services and Executive Leadership—being named as more descriptive of a firm's reputation. A “many-to-one” effect was seen when there was increased coverage about Workplace Environment, Financial Performance, Social Responsibility, and Products and Services, but it was Executive Leadership, rather than these attributes, that was perceived as being most salient in describing a firm’s reputation. In another case of the latter, extensive coverage about Social Responsibility led to associations about the firm for all of the other attributes, but not Social Responsibility. The relationship is, once again, purely correlational, but one that is interesting to note nonetheless.

The question of spillover effects raises a number of possibilities. First, a conservative perspective on attribute agenda setting theory would suggest that such a finding refutes the attribute agenda setting hypothesis; that is, attribute agenda setting theory calls for a direct correspondence between media coverage of an attribute and the use of the same attribute by the public to describe the firm’s reputation. Under this interpretation, the cognitive attribute agenda-setting hypothesis would not be supported; nevertheless, other attributes showed a direct correspondence between the media coverage of an attribute and the public’s use of that attribute to describe the firm.

A second interpretation might conceptualize audiences more as active rather than as passive aggregations of respondents. Such a conceptualization might deal with the sense-making and information processing that audience members perform in making their interpretations. A logical example is the reasoning an audience member might make regarding Financial Performance: that is, to have good Financial Performance (as reported by the media) the firm must also be characterized by positive Executive Leadership or good Products and Services that led to good Financial Performance. The trouble with this interpretation is that by expanding agenda setting theory so broadly it leads toward a problem of “if everything is agenda setting, then nothing is agenda setting.”

A third interpretation leads one to assess the boundaries of agenda setting theory. Such a view would say that while the finding of spillover effects is interesting and important, but agenda setting theory may not be adequate to explain it, and another theoretical framework that complements agenda setting might offer insights. One readily available is attribution theory (Kelley, 1967; Kelly & Michela, 1980). Attribution theory, as discussed in the review of the literature, suggests that as audience members read about a firm in the media, they take what they read about a firm’s attribute and not only associate the specific attribute with the firm, they also make a number of other associations as well, i.e., they ascribe to the firm characteristics they perceive to be complementary. In other words, they form inferences about what they do not know (these other firm characteristics) based on what they do know, in their efforts to develop a full picture or account of the firm in the absence of complete information. In support of this interpretation, one might note that the evolution of agenda setting theory involves a complementary relationship with a number of other social science theories.

All three of these interpretations are open for future exploration within attribute agenda setting theory as it applies to the firm, within the traditional range of agenda setting theory in the field of political communication, and at the fringes, where linkages can be made to other conceptual frameworks.

LIMITATIONS

Limitations to this study include a number of factors outside the researcher's control that affected the study in important ways. First, this study relied on secondary data, and as such, carried the typical limitations associated with this form of data. For example, the survey questions were developed and asked by Harris Interactive®, and thus the researcher had no control over the questions. It is important to point out that the Harris Interactive® study included the 20-item Reputation Quotient^{SM} scale (Fombrun, Gardberg, & Sever, 2000; Gardberg & Fombrun, 2002), which the researcher would have used if he had collected primary data himself. However, the researcher has been bound by any limitations associated with the asking of the questions by phone or by Internet.

One important limitation produced by the sample is the firms that were selected. There were 40 firms included in the Annual RQ^{SM}1999 Rating Phase and 45 in the 2000 Annual RQ^{SM}. This study addressed only firms appeared in both years. Reducing the from the number of firms nominated in both years of the RQ^{SM} study, a total of thousands, has concentrated this analyses on a much smaller set of firms.

When the demographic characteristics of the respondents for the 33 firms in the sample were compared to the demographic characteristics of the full dataset from the Annual RQ^{SM} of 1999 and 2000, some important demographic differences emerged. While no statistical differences existed between the sample used by the present study and the full sample of the Annual RQ^{SM}, there were important differences in the sample for the 2000 Annual RQ^{SM}. On the whole, while the education level of the respondents for the original study decreased as the Annual RQ^{SM} expanded its base to sample more on lower levels of education and income, the respondents for the present study who rated the 33 firms had a higher level of education and income than the average of respondents for the full population of 2000, and for the full sample of 1999. To a large degree, these differences prevent generalizing the findings from this study. Moreover, Harris Interactive® relies on propensity weighting, a procedure for ensuring that Internet samples are generalizable to the larger population. This study did not capitalize on the propensity weighting offered by Harris Interactive®, which makes the findings of this study limited in terms of its ability to be compared to other RQ℠ studies.

In addition, the RQ℠ database has only been in existence for five years, and this study reports on only the first two years of this database. While a number of studies examining media effects on corporate reputation have employed limited time-periods (Wartick, 1992), a more meaningful analysis for corporate reputation would have entailed a longitudinal perspective (Park & Berger, 2004). Another database, such as that of Fortune Magazine's "Most Admired Firms," could have been employed to gain a longitudinal perspective, but the tradeoff would have produced greater limitations associated with the database than the two-year limit (Fryxell & Wang, 1994).

Still another limitation emerged from connecting the Harris Interactive® sample respondents to the Lexis®-Nexis® media sample of *The New York Times*. No data were considered about the sample's media use, including whether or not they actually read *The New York Times*, or whether news content the respondents read in the absence of *The New York Times* was for general news purposes or for learning about business issues. This limitation, however, is a common one within agenda setting theory research and reflects a set of assumptions about the nature of the audience and the homogeneity of media agendas. While no questions were asked about respondents' specific media use, they were asked about the degree to which the media and the firm's advertising contributed to what they knew about the firm they were rating.

Other limitations sprang from using data from Lexis®-Nexis®. Examination relied on "document segments" and "topical index terms" supplied by Lexis®-Nexis®, and included those supplied to Lexis®-Nexis® by *The New York Times*. These terms are essentially computer-generated codes stamped onto media articles indicating the degree to which the media articles fit the characteristics specified by the end-users of the Lexis®-Nexis®. While the use of these advanced-search components added greatly to the richness and value of this study and overcame many limitations linked to conducting content analysis by Tankard, Hendrickson, & Lee (1994), several limitations must be acknowledged.

First, the list of keywords and the algorithms for assigning topical index terms to these articles were proprietary. Unlike DICTION 5.0 (Hart, 2000, 2001), which allows the researcher to see which words are contained in each of the key-word-in-context dictionaries, the word lists in the key-word-in-context dictionaries used by Lexis®-Nexis® to produce the topical index terms were unavailable to the researcher for the present study. Officials from Lexis®-Nexis® did provide the researcher access to the procedures for their production and testing as well as examples of the listings of the keywords and phrases for a sample of topical index terms, but not all of them. Still, it must be acknowledged that the results of the study are dependent upon the validity of these search terms.

Second, the use of these topical index terms produced another limitation, which is that the topics chosen by Lexis®-Nexis® for coding represent their own interests. A review of their keyword search terms revealed that "corporate reputation" itself was not a creative focus within Lexis®-Nexis® at the time of the study. Some characteristics of some of the corporate reputation attributes were represented—for instance "product recalls," which would be associated with the attribute Products and Services—but not all of the attributes were represented. Moreover, the list of keyword search terms created by Lexis®-Nexis® is constantly expanding, although this too, can produce limitations. For instance, the constant expansion of new keyword search terms (topical index terms), and the word lists used to produce existing topical index terms, limits the ability of other researchers to replicate the present study. Researchers must record the dates of downloads they make from the Lexis®-Nexis® database and be aware that disparities may exist if they engage in downloads on separate dates. In the case of this study, the researcher noted an expansion of the keywords on the dates of his download and those available on the date of this writing. It should be noted that outside coders did review the stories for how the stories related to the attributes of corporate reputation, but they did not focus on the degree to which Lexis®-Nexis®' topical index terms attached to the media articles were related to corporate reputation.

Another limitation has to do with intervening variables that were not considered in the analysis. Previous agenda setting research has found that the media's credibility, interpersonal communication, and a need for orientation may enhance or inhibit the agenda setting effects of the mass media (Dearing & Rogers, 1996; Rogers & Dearing, 1988; Weaver, Graber, McCombs, & Eyal, 1981). Because this study relied on secondary data, there was no opportunity to ask questions on these dimensions.

Still another limitation of this study is its strong reliance on correlation rather than on more elaborate methodological designs. Endres (1995) argues that given the "rudimentary state of the field" (p. 79), correlations should suffice for an early glance at media effects on corporate reputation. Their use, however, still calls for caution in the interpretation of the findings of this study, and indeed calls for additional research to examine firms over time.

In respect to the surveys, there are also noteworthy limitations. For three of the hypotheses, the study was restricted to 33 firms: those that appeared in each of the surveys' two individual parts—its nomination phase and its ratings phase. Eliminated from this group were firms that did not appear in both years (1999 and 2000) of the survey; also eliminated were certain foreign firms. News coverage about these firms or perceptions of their corporate reputation may be susceptible to factors not considered by the design of the present study, since it is based on secondary data.

On a broader level, this study of corporate reputation was limited to specific multi-dimensional components identified to date in this emerging field of research. These attributes are "Overall Emotional Appeal," Executive Leadership, Workplace Environment, Products and Services, Financial Performance, and Social Responsibility. Dimensions of corporate reputation that might exist outside of these areas were not studied here, such as “Legal Issues” and “Communications” which regularly appeared in news content.

Another limitation to the study has been imposed by the use of material from both Harris Interactive® and Lexis®-Nexis®. The study only considered large-scale publicly-traded firms, not private firms, small businesses, non-profit organizations, or global firms, and data analysis was restricted to the national borders of the United States. Many activities and situations which involve the very same firms never made the U.S. press. The results of this study, then, are confined to the United States. In his empirical study of the international media coverage surrounding the Firestone tire recall, Freitag (2002) has observed that much can be learned about the media’s impact on corporate reputation by examining media reports from other countries, even if it concerns firms or their activities within the United States.

CONTRIBUTIONS

The present study makes a number of important contributions. First, this study provides empirical support for the conceptual validity of agenda setting theory as it applies to publicly-traded firms and business news. This is important because the existing research in corporate reputation suggests—and, even more broadly, assumes—that the media, as intermediaries, are one of the primary vehicles for corporate reputation. Given that many other academic disciplines (accounting, finance, sociology, psychology, economics, etc.) have offered perspectives on corporate reputation, it is important for mass communication to offer its perspective, given its silence on the matter for many years.

Second, most research on corporate reputation has conceptually defined the term as relying on public perceptions, but has traditionally operationalized the term in ways that are anything but public. For instance, most large-scale studies on corporate reputation rely primarily on the Fortune Magazine's "Most Admired Companies" database, which consists almost exclusively of senior-level executives and financial analysts—people whose opinions are far removed from those of the general public. This study, therefore, makes a contribution by having a real sample of the public.

Third, even though this study relies heavily on computer-aided text analysis and proprietary information belonging to Lexis®-Nexis®, each story in the sample was coded separately by human coders, providing an important degree of verification for the coding.

FUTURE RESEARCH

Journalism and Mass Communication

Future research by mass communication scholars can expand on the findings of this study in a number of directions. Significantly, it should be noted that the findings of the present study have implications for all three levels of analysis in mass communication scholarship: production, content, and effects.

Production

As regards the production of mass media content, future research should consider how Shoemaker and Reese's (1996) examination of media content in general might offer new insights when restricting the analysis to business news alone. Some immediate research questions that come to mind concern patterns of content, the influences of individual media workers on content, the influence of media routines, organizational influences on content, influences on content from outside of media organizations, and various ideological influences. Some aspects of many of these questions have been treated by researchers; for instance, "journalistic-source relationships" and the "influence of public relations campaigns" have been popular topics of study. Given the growth in business news coverage, however, and the differences that exist between sections of the paper, future research should expand the focus to examine how these journalist-source relationships might vary between companies and government sources, or might vary between smaller, local newspapers and elite ones. Further, researchers ought to consider whether public relations press releases have indirect effects on news content besides increasing the likelihood that a story will reach print.

Sections of the newspaper. The present study found systematic differences in the relationships between news content and information subsidies. The front page and the editorial pages differed from the front business news page and the editorial page in terms of their relationships to corporate messages, whether from advertising or from the newswire. While the results of this study are tentative and demand further scrutiny, they do suggest possible new directions for studying influences on the media agenda.

Characteristics of business journalists. Studies could examine whether journalists are more likely to cover specific business organizations or specific business issues. How do business journalists from the mainstream press differ from mainstream journalists covering non-business or public issues? Are business journalists from the mainstream press more like journalists who work for the mainstream press or are they more like those who work for the trade press? Few data exist as to the nature of business journalists who work for the mainstream press, yet such journalists are more likely to influence the public's views on business than those who work for trade publications such as Fortune, Forbes, or Business Week. The research findings of Bruce (1999) and Endres (1988) offer additional insights into how trade journalists differ from business journalists, and in doing so, leave mainstream journalists who cover business completely unstudied themselves. Future studies of the profession addressing these questions, such as that by Weaver and Wilhoit (1996), should offer important contributions.

The media conglomerates. An area unexplored by this study concerns the high visibility of media companies. Other researchers have studied corporate influence on the media, but little research has discussed media influences on these very companies—particularly in terms of corporate reputation.

Organizational newsworthiness. One question sparked by this study concerns the question of what it is that first makes a firm newsworthy. Why are some organizations more likely to receive coverage and given more space or broadcast time than others? Are the answers to these questions found at firm-level characteristics, or at the level of norms of media production? What determines when an organization is first covered by the news media? One way to examine these questions would be to take a random sample of firms founded over the past 60 years and examine the first 10 years in the life of each firm to identify the moment when it first broke into news coverage.

Not all organizations can be covered every day by the mass media. As has been mentioned, the picture of organizations presented in the news is often distorted by a bias towards older and larger organizations. Even laypersons unfamiliar with business can notice that events connected to a given organization may loom so large that they occupy most of the available news hole for news coverage devoted to organizations. It is noteworthy that the total portrayal of organizations presented in the news is often distorted by privileging older and larger organizations, and that, in some sense, organizations are unevenly represented in public discourse. Why are some organizations more likely to be covered and given more space or broadcast time than others? What should intrigue scholars of organizational and mass communication are the hidden structural underpinnings that shape coverage of businesses in news media—for young organizations in particular. Public databases exist from which information about firms—even those that no longer exist—can be gathered to examine the initial stages of their development.

The news in general over-represents events that occur close to home, incidents that are disruptive, and those that feature well-known or powerful people. Research in organizational theory suggests that another approach to research is more suitable, although it has not been widely pursued. Factors likely to lead to an increase of news coverage include age, size, networks, communication resources, market size, and density, all of which can be categorized under the umbrella of "systemic factors." These systemic factors tend to influence the volume and content of news that flows from various parts of the U.S. (New York City, for instance), and can determine the "menu" of organizational news available to gatekeepers. The organizations we see, read, and hear about in the news are products of both news values and the organizational system of news-gathering and distribution.

Content

The media's influence on the definition of corporate reputation. Future research should examine the mass media for content that helps to generate new insights into corporate reputation. An examination of the media content from the present study suggests that the media's discussions of advertising, marketing, publicity, and even social involvement may be worthy of investigation in future studies of corporate reputation. While these topics were outside the purview of this investigation, additional research in these areas would certainly uncover new ground and make possible additional insights into corporate reputation.

The business newspaper and the mainstream news. As a focus in media scholarship, *The New York Times* is generally regarded as the standard for assessing the media's agenda. Conversely, the *Wall Street Journal* is generally regarded as the newspaper for business elites, suggesting that its contents are not only pro-business, but are, in fact, all business. Only a cursory examination of its pages, however, reveals that this business newspaper often tackles the issues of the day. Given that the *Wall Street Journal* has the largest circulation in the United States, surpassing that of *The New York Times* and USA Today, media scholars should examine the degree to which the *Wall Street Journal* influences the public agenda. Thus, a systematic study of the *Wall Street Journal* as compared with *The New York Times*, USA Today, and the Washington Post is needed. Very few studies of journalism actually include the *Wall Street Journal* in their sample, even though this newspaper, which has the highest circulation in the U.S., also covers public issues and topics.

In addition, there are likely to be systematic differences between guest editorialists who write for the *Wall Street Journal* and those who write for *The New York Times*. Similarly, when considering the letters to the editor section one might ask why readers choose to write in to one over the other; careful research is needed to look at the letters published in the *Wall Street Journal* and *The New York Times* (among others) for a systematic examination of differences of content and tone.

A baseline for corporate reputation topics. Two years alone do not supply enough data to make any projection of a business news agenda beyond what Henriques (2000) observed a few years ago. If, however, we use the baseline established by Park and Berger (2004) on CEOs in the press, we may have a wider context for making such projections about business news. Future research should expand the work begun by Park and Berger to examine the amount of news coverage devoted to companies.

Effects

Inter-media agenda setting. Is *The New York Times* the agenda-setter for other major daily U.S. newspapers? Many journalism scholars argue that the Times can be used as a proxy for public opinion because it is the agenda-setter for journalists producing news content for other U.S. newspapers and organizational elites. Nevertheless, many questions on this topic require further investigation. For example, does *The New York Times* serve as the inter-media agenda setter? To what degree do the various newswires set the agenda for the Times itself and for other newspapers? Does inter-media agenda setting occur for specific issues or across issues? Does this inter-media agenda setting occur over time? The process for answering questions such as these can begin with comparing a sample from *The New York Times* and a stratified sample of regional newspapers to test empirically for the existence and extent of inter-media agenda setting for a random sample of public issues over a 20 year period.

Does every organization have a corporate reputation? Corporate reputation has been the subject of a considerable amount of research over the past 15 years, which implies that corporate reputation is a topic of importance for every firm, but no existing research has been able to give an adequate answer to this question. In addition, research along these lines ought to consider under what circumstance an organization might not be concerned about corporate reputation. Researchers should also consider the following questions: Should all organizations be concerned about corporate reputation? Are there particular types of organizations that should be more (or less) concerned about corporate reputation? What is the geographical scope of reputation in terms of size and reach (audiences in Des Moines may not care about how audiences in New York see a given company)? What are the characteristics of organizations concerned about corporate reputation? There are many types of organizations for which the topic of reputation can be addressed, each with its own set of issues. For example, how does reputation figure with so-called "scavenger" businesses that preserve low operating costs by optimizing on the failure of other businesses to do so? Related to these questions are others concerning companies whose interactions are strictly business-to-business. These companies are perhaps not as concerned with public reputation as others whose interactions are business-to-consumers. However, while business-to-business (B2B) focused firms get less media attention, they are often covered in the trade press. Companies with these relationships are more concerned with their coverage within the trade than with their mainstream press. One might say that for B2B firms the force of an unfavorable reputation is more likely to keep new customers away than customers with pre-existing relationships. Different reputational considerations exist in connection with the general public and with subgroups of the general public. Furthermore, publicly-traded companies, which rely on public and institutional investment via the stock market, are more concerned about their reputations than are private companies. Private companies will mainly care about reputation in connection with subgroups of the public—specifically those key and target constituents using their product(s) or service(s)—until media coverage or widely-publicized federal or state legislation exposes them to the public eye.

Corporate Reputation and the Limits of the Public's Memory. What is it (in terms of organizational structure, communication, or media coverage) that contributes to an organization dropping out of the public's awareness? Future research should involve developing a panel study of the Annual RQ^{SM} firms to track the effects that media coverage has on the reputation of these firms over time. Agenda setting studies have primarily examined media effects for issues receiving prominent attention. But how does media coverage (or the lack thereof) contribute to an issue or organization falling out of public favor? The goal of such a panel study would be to study these firms until the point in time when each firm drops out of the first phase of the Annual RQ^{SM}—meaning, when it drops out of public awareness.

Effects of Public Communication on Organizational Survival Rates. What role does public communication play in the very survival of the firm? Future research should consider examining how the communication-function within organizations affects their survival rates. Under "communication-function" are included the effects of press releases, press conferences, the hiring of a communications director, the hiring of an outside PR agency, the use of a spokesperson, and/or the creation of a communications department. Studying "survival rates" involves an examination of the company's entire lifespan, concluding at the point at which the firm "dies." Much of the knowledge we have about organizations concerns those that have stood the test of time, but those that have failed to survive may be no different in terms of the concepts being studied. Such research would involve longitudinal and archival research methods to gather data on organizations that no longer exist, even though the data about them still exist.

Adverse media effects. A new area for investigation concerns whether adverse media effects in the domain of business even exist. For instance, ever since the *Wall Street Journal* story about CEO pay broke, the pay scale for CEOs has increased rather than decreased. Similarly, in the time since media attention has turned to production outsourcing, which is generally regarded as having an adverse effect on the American economy, the pace of outsourcing work to India has actually increased rather than decreased. In part, the *Wall Street Journal* noted, this is because controversy in the U.S. over the trend has publicized India's low costs and expertise. These are just two telling examples of "non-existent" adverse media effects.

Public Relations

Media frames of public relations. If the media influence the reputations of companies, they most likely impact the reputations of professions. A framing analysis of how the media talk about "public relations" is important in this respect. The hypothesis to be investigated is that that the media talk more about public relations nightmares, fiascos, crises, and errors than they do public relations Godsends, blessings, miracles, and golden moments. In other words, the very definition of public relations may be shaped by the topics that co-occur in the media coverage with public relations.

A promising area for future investigations of media content to examine is how the mass media shape the definition of public relations. Although the field of public relations has often been considered an organizational function charged with the management of corporate reputation, the discipline has generally been ranked among professions with the lowest ranking reputations. Indeed, considerable research has identified the mass media as a culprit through the negative connotations that often accompany the use of the term in the media (Bishop, 1988; Henderson, 1998; Spicer, 1993).

The mass media and corporate reputation management. Given that the mass media have displayed a low regard for the public relations profession, or at best have misunderstood the public relations function, it is worth raising the question of to whom the media can turn for managing their own reputations. A first glance at reputation-repair by *The New York Times* suggests that the media are relying only upon themselves for reputation management. A commonly asked question concerns how media organizations actually report on themselves (Rosen, 2000); however, in the context of corporate reputation, the question must become much more complex. For instance, *The New York Times* offered a public apology to its readers for being uncritical of the Bush Administration's rush to war with Iraq, and it offered a similarly scathing exposé of its own Jayson Blair crisis. Similarly, the Los Angeles Times gave media critic David Shaw full authorization to disclose details connected to the paper's crisis related to the Staples Center.

How can media coverage be conceptualized and operationalized for PR evaluation? The public relations field has been concerned with forms of evaluating its contributions to organizational performance for years. The use of press clippings, one of the oldest forms of evaluation, has been criticized as often as it has been used (Broom & Dozier, 1990). The current study verifies that machine coding of news content offers insights for organizations concerned with media visibility and media favorability. Additional research needs to consider to what degree machine coding or artificial services, such as those offered by Biz360 or Morning Star, can supplant those offered by media monitoring firms such as Carma International or Media Tenor, which both perform work manually.

Media coverage as a proxy for corporate reputation. Many organizational scholars have used mass media content as data, operationalizing content in a variety of ways to build predictive models of organizational performance. Deephouse (2000), for instance, develops and uses the concept of media reputation to argue that it is an intangible asset which can be tied to return on assets.

Additional research is necessary to assess whether significant relationships exist between the amount of media coverage firms receive and their organizational performance, taking into account age, size, and region for their effects.

SUMMARY

Although the principles of agenda-setting theory have been applied numerous times outside the political domain in the areas of corporate communication, public relations, and strategic management, these external extensions have simply assumed that what takes place in the public sphere concerning political communication should also hold true in the marketplace concerning business communication. In making this assumption, researchers have simply used media coverage as a proxy for public sentiment without any direct test of agenda setting theory in these new settings (e.g., Carroll & McCombs, 2003; Deephouse, 2000). This dissertation is an opening step in the systematic, empirical investigation of the agenda setting influence of business news coverage on corporate reputation.

Beyond the specific empirical findings about the basic agenda setting and attribute agenda setting effects of business news, this study expands our theoretical perspective. While a number of early studies suggest that corporate reputation arises more-or-less directly from the mass media, the present study further explicates the process of media influence on corporate reputation. It suggests that, rather than the media simply attaching a particular reputation label to a firm in the minds of the public, there are distinct steps in the process.

1. Initially, the mass media tell the public which firms are worth thinking about. This is the classic agenda setting effect.
2. The media also convey a general tone about these firms in the course of their neutral reporting, and this tone is related to the firm's Overall Emotional Appeal within the larger public. This is a key aspect of attribute agenda setting. Moreover, this tone is communicated through the media's coverage more strongly for respondents who are not familiar with the firm's Products and Services,

Executives Leadership, Financial Performance, Workplace Environment, or degree of Social Responsibility.

3. News media coverage of attributes of corporate reputation in the context of specific firms correlates highly with the use of some, but not all, of these attributes as descriptors for characterizing the same firms. This calls to mind the concept of “compelling arguments” in traditional agenda setting research—the idea that news coverage of certain attributes has an inordinate degree of impact on the public. In other words, the inherent resonance of attributes among the public is uneven.
4. Firms attempt to influence these processes through advertising and press releases. While the precise tone may not carry from the firm to the media to the public, the topics of discussion initiated by the firm more frequently do.

Beyond the immediate implications of this research for future studies of corporate reputation from an agenda setting perspective, the present study has implications for the continuing evolution of agenda setting as a general theory of mass communication. A major advantage of applying this long-standing theory in a totally new setting, that of business news, is that it leads us to take a fresh look at the entire theory.

APPENDIX A

CASRO Code of Standards and Ethics for Survey Research[12]

Introduction

This Code of Standards and Ethics for Survey Research sets forth the agreed upon rules of ethical conduct for Survey Research Organizations. Acceptance of this Code is mandatory for all CASRO Members.

The Code has been organized into sections describing the responsibilities of a Survey Research Organization to Respondents, Clients and Outside Contractors and in reporting study results.

This Code is not intended to be, nor should it be, an immutable document. Circumstances may arise that are not covered by this Code or that may call for modification of some aspect of this Code. The Standards Committee and the Board of Directors of CASRO will evaluate these circumstances as they arise and, if appropriate, revise the Code. The Code, therefore, is a living document that seeks to be responsive to the changing world of Survey Research. To continue to be contemporary, CASRO advocates ongoing, two-way communication with Members, Respondents, Clients, Outside Contractors, Consultants and Interviewers.

Responsibilities to Respondents

Preamble

Researchers have professional and legal responsibilities to their respondents that are embodied in the procedures of a research study. Underlying these specific responsibilities are four fundamental ethical principles:

Respondents should be:

a. willing participants in survey research;
b. appropriately informed about the survey's intentions and how their personal information and survey responses will be used and protected;
c. sufficiently satisfied with their survey experience;
d. willing to participate again in survey research.

[Available on-line at http://www.casro.org/codeofstandards.cfm]

A. Confidentiality

1. Since individuals who are interviewed are the lifeblood of the Survey Research Industry, it is essential that Survey Research Organizations be responsible for protecting from disclosure to third parties--including Clients and members of the Public--the identity of individual Respondents as well as Respondent-identifiable information, unless the Respondent expressly requests or permits such disclosure.

2. This principle of confidentiality is qualified by the following exceptions:

a. A minimal amount of Respondent-identifiable information will be disclosed to the Client to permit the Client: (1) to validate interviews and/or (2) to determine an additional fact of analytical importance to the study (including the practice of appending Client-owned database information to the Survey Research Organization's data file as an analytic aid). Where additional inquiry is indicated, Respondents must be given a sound reason for the re-inquiry; a refusal by Respondent to continue must be respected.

Before disclosing Respondent-identifiable information to a Client for purposes of interview validation or re-inquiry, the Survey Research Organization must take whatever steps are needed to ensure that the Client will conduct the validation or recontact in a fully professional manner. This includes the avoidance of multiple validation contacts or other conduct that would harass or could embarrass Respondents. It also includes avoidance of any use of the information (e.g., lead generation) for other than legitimate and ethical Survey Research purposes or to respond to Customer/Respondent complaints. Assurance that the Client will respect such limitations and maintain Respondent confidentiality should be confirmed in writing before any confidential information is disclosed.

Where Respondent-identifiable data is disclosed to clients so that the Survey Research Organization may analyze survey data in combination with other respondent-level data such as internal customer data, respondent-level data from another survey, etc., it is understood that the information will be used for model building, internal (Survey Research Organization) analysis, or the like and not for individual marketing efforts and that no action can be taken toward an individual respondent simply because of his or her participation in the survey. To assure Client compliance, the Survey Research Organization must obtain written confirmation from the Client before releasing any data. (A suggested CASRO Client agreement clause is available.)

Further, with respect to such research uses as Database Segmentation and/or Modeling (see preceding paragraph), specific action(s) may not be taken toward an individual Respondent as a result of his/her survey information and participation beyond those actions taken toward the entire database population group the Respondent by chance has been selected to represent. In order for such specific action, the following two elements must be met:

The Respondent has first given his/her permission to do so, having been told the general purpose and limitations of such use; and

The research firm has obtained a written agreement from the Client assuring that no other use will be made of Respondent-identifiable information.

Predictive equations which integrate a segmentation scheme into a Client database may be applied so long as no action is taken toward an individual Respondent simply because of his or her participation in the survey. Respondents must be treated like all other individuals in the database according to the segment(s) to which they belong or have been assigned.

b. The identity of individual Respondents and Respondent-identifiable information may be disclosed to other Survey Research Organizations whenever such organizations are conducting different phases of a multi-stage study (e.g., a trend study). The initial Research Company should confirm in writing that Respondent confidentiality will be maintained in accordance with the Code.

c. In the case of research in which representatives of the Client or others are present, such Client representatives and others should be asked not to disclose to anyone not present the identity of individual Participants or other Participant-identifying information except as needed to respond, with the Participant's prior specific approval, to any complaint by one or more of the Participants concerning a product or service supplied by the Client.

3. The principle of Respondent confidentiality includes the following specific applications or safeguards:

a. Survey Research Organizations' staff or personnel should not use or discuss Respondent-identifiable data or information for other than legitimate internal research purposes.

b. The Survey Research Organization has the responsibility for insuring that Subcontractors (Interviewers, Interviewing Services and Validation, Coding, and Tabulation Organizations) and Consultants are aware of and agree to maintain and respect Respondent confidentiality whenever the identity of Respondents or Respondent-identifiable information is disclosed to such entities.

c. Before permitting Clients or others to have access to completed questionnaires in circumstances other than those described above, Respondent names and other Respondent-identifying information (e.g., telephone numbers) should be deleted.

d. Invisible identifiers on mail questionnaires that connect Respondent answers to particular Respondents should not be used. Visible identification numbers may be used

but should be accompanied by an explanation that such identifiers are for control purposes only and that Respondent confidentiality will not be compromised.
e. Any Survey Research Organization that receives from a Client or other entity information that it knows or reasonably believes to be confidential, respondent identifiable information should only use such information in accordance with the principles and procedures described in this Code.

f. The use of survey results in a legal proceeding does not relieve the Survey Research Organization of its ethical obligation to maintain in confidence all Respondent-identifiable information or lessen the importance of Respondent anonymity. Consequently, Survey Research firms confronted with a subpoena or other legal process requesting the disclosure of Respondent-identifiable information should take all reasonable steps to oppose such requests, including informing thecourt or other decision-maker involved of the factors justifying confidentiality and Respondent anonymity and interposing all appropriate defenses to the request for disclosure.

B. Privacy and the Avoidance of Harassment

1. Survey Research Organizations have a responsibility to strike a proper balance between the needs for research in contemporary American life and the privacy of individuals who become the Respondents in the research. To achieve this balance:

a. Respondents will be protected from unnecessary and unwanted intrusions and/or any form of personal harassment.

b. The voluntary character of the Interviewer-Respondent contact should be stated explicitly where the Respondent might have reason to believe that cooperation is not voluntary.

2. This principle of privacy includes the following specific applications:

a. The Research Organization, Subcontractors and Interviewers shall make every reasonable effort to ensure that the Respondent understands the purpose of the Interviewer/Respondent contact.

(1) The Interviewer/Research Company representative must provide prompt and honest identification of his/her research firm affiliation.

(2) Respondent questions should be answered in a forthright and non-deceptive manner.

b. Deceptive practices and misrepresentation, such as using research as a guise for sales or solicitation purposes, are expressly prohibited.

c. Survey Research Organizations must respect the right of individuals to refuse to be interviewed or to terminate an interview in progress. Techniques that infringe on these rights should not be employed, but Survey Research Organizations may make reasonable efforts to obtain an interview including: (1) explaining the purpose of the research project; (2) providing a gift or monetary incentive adequate to elicit cooperation; and (3) re-contacting an individual at a different time if the individual is unwilling or unable to participate during the initial contact.

d. Research Organizations are responsible for arranging interviewing times that are convenient for respondents.

e. Lengthy interviews can be a burden. Research Organizations are responsible for weighing the research need against the length of the interview and Respondents must not be enticed into an interview by a misrepresentation of the length of the interview.

f. Research Organizations are responsible for developing techniques to minimize the discomfort or apprehension of Respondents and Interviewers when dealing with sensitive subject matter.

g. Electronic equipment (taping, recording, photographing) and one-way viewing rooms may be used only with the full knowledge of Respondents.

3. Internet Research

a. The unique characteristics of internet research require specific notice that the principle of respondent privacy applies to this new technology and data collection methodology. The general principle of this section of the Code is that survey research organizations will not use unsolicited emails to recruit respondents for surveys.

(1) Research organizations are required to verify that individuals contacted for research by email have a reasonable expectation that they will receive email contact for research. Such agreement can be assumed when ALL of the following conditions exist.

a. A substantive pre-existing relationship exists between the individuals contacted and the research organization, the client or the list owners contracting the research (the latter being so identified);

b. Individuals have a reasonable expectation, based on the pre-existing relationship, that they may be contacted for research;

c. Individuals are offered the choice to be removed from future email contact in each invitation; and,

d. The invitation list excludes all individuals who have previously taken the appropriate and timely steps to request the list owner to remove them.

(2) Research organizations are prohibited from using any subterfuge in obtaining email addresses of potential respondents, such as collecting email addresses from public domains, using technologies or techniques to collect email addresses without individuals' awareness, and collecting email addresses under the guise of some other activity.
(3) Research organizations are prohibited from using false or misleading return email addresses when recruiting respondents over the Internet.

(4) When receiving email lists from clients or list owners, research organizations are required to have the client or list provider verify that individuals listed have a reasonable expectation that they will receive email contact, as defined, in (1) above.

4. Privacy Laws and Regulations

a. Research Organizations must comply with existing state, federal and international statutes and regulations governing privacy, data security, and the disclosure, receipt and use of personally-identifiable information (collectively "Privacy Laws"). Some of the Privacy Laws affecting Survey Research are limited to specific industries (e.g., financial and health care industries), respondent source (e.g., children), and/or international venues.

b. In instances in which privacy laws apply to Survey Research operations for specific industries or respondent source, Research Organizations will:

(1) Always enter into a confidentiality or "chain of trust" agreement when receiving and using legally-protected, personally-identifiable information from a source other than the data subject, insuring that the Research Organization will protect the information and only use it for the purposes specified in the agreement;

(2) Always require subcontractors and other third parties to whom they disclose personally-identifiable information to enter into confidentiality or "chain of trust" agreements that require such party(ies) to provide the same level of security and limitations of use and disclosure as the Research Organization;

(3) Always store or maintain personally-identifiable information in a verifiably secure location;

(4) Always control and limit accessibility to personally-identifiable information;

(5) Always use reasonable efforts to destroy personally-identifiable information once the survey is complete and validation has been conducted, unless the personally-identifiable information relates to Respondents in panels, to ongoing studies, or for some other

critical research reason, or the research Client is legally or contractually obligated to require its service providers to maintain such information for a certain period of time and contractually imposes this requirement on the Research Organization;

(6) Never knowingly receive, use or disclose personally-identifiable information in a way that will cause the Research Organization or another party to violate any Privacy Law or agreement.

c. In order to conduct international research that requires either transmitting or receiving personally-identifiable information of Respondents, Research Organizations must comply in all material respects with international privacy laws and regulations, by, in the case of data transfers with a person or entity in the European Union, either (i) certifying their compliance with the privacy provisions described in the United States Safe Harbor Principles of the European Union Directive on Data Protection or (ii) satisfying an alternative method of complying in all material respects with the Directive. The EU Safe Harbor privacy principles are contained in the CASRO Model Privacy Policy and are as follows:

(1) Notice: A description of what information is collected, how it is collected, its purpose, and its disclosure to third parties.

(2) Choice: A statement of and procedures for allowing individuals to choose not to participate in the research and/or to have their personal information used or disclosed to a third party.

(3) Onward Transfer: A statement that personal information will be transferred only to third parties who are also in compliance with the Safe Harbor Principles.

(4) Access: Procedures to provide individuals with access to their personal information in order to correct, amend, or delete that information where it is inaccurate.

(5) Security: A description of the reasonable precautions taken to protect personal information from loss, misuse and unauthorized access, disclosure, alteration, and destruction.

(6) Data Integrity: A statement that information will be used consistent with the purpose for which it was collected.

(7) Enforcement: A description of internal and external mechanisms for assuring compliance, and addressing and resolving disputes and complaints.

d. Research Organizations will, to the extent required by law or as necessary to fully and completely comply with the principles set forth in the section of this Code entitled Responsibilities to Respondents, adopt effective and comprehensive legal and operational policies, such as those set forth in CASRO’s Privacy Protection Program, which will be updated as necessary to conform with additions to and changes in Privacy Laws.

Responsibilities to Clients

A. Relationships between a Survey Research Organization and Clients for whom the surveys are conducted should be of such a nature that they foster confidence and mutual respect. They must be characterized by honesty and confidentiality.

B. The following specific approaches describe in more detail the responsibilities of Research Organizations in this relationship:

1. A Survey Research Organization must assist its Clients in the design of effective and efficient studies that are to be carried out by the Research Company. If the Survey Research Organization questions whether a study design will provide the information necessary to serve the Client's purposes, it must make its reservations known.

2. A Research Organization must conduct the study in the manner agreed upon. However, if it becomes apparent in the course of the study that changes in the plans should be made, the Research Organization must make its views known to the Client promptly.

3. A Research Organization has an obligation to allow its Clients to verify that work performed meets all contracted specifications and to examine all operations of the Research Organization that are relevant to the proper execution of the project in the manner set forth. While Clients are encouraged to examine questionnaires or other records to maintain open access to the research process, the Survey Research Organization must continue to protect the confidentiality and privacy of survey Respondents.

4. When more than one Client contributes to the cost of a project specially commissioned with the Research Organization, each Client concerned shall be informed that there are other Participants (but not necessarily their identity).

5. Research Organizations will hold confidential all information that they obtain about a Client's general business operations, and about matters connected with research projects that they conduct for a Client.

6. For research findings obtained by the agency that are the property of the Client, the Research Organization may make no public release or revelation of findings without expressed, prior approval from the Client.

C. Bribery in any form and in any amount is unacceptable and is a violation of a Research Organization's fundamental, ethical obligations. A Research Organization and/or its principals, officers and employees should never give gifts to Clients in the form of cash. To the extent permitted by applicable laws and regulations, a Research Organization may provide nominal gifts to Clients and may entertain Clients, as long as the cost of such entertainment is modest in amount and incidental in nature.

Responsibilities in Reporting to Clients and the Public

A. When reports are being prepared for Client confidential or public release purposes, it is the obligation of the Research Organization to insure that the findings they release are an accurate portrayal of the survey data, and careful checks on the accuracy of all figures are mandatory.

B. A Research Organization's report to a Client or the Public should contain, or the Research Organization should be ready to supply to a Client or the Public on short notice, the following information about the survey:

1. The name of the organization for which the study was conducted and the name of the organization conducting it.

2. The purpose of the study, including the specific objectives.

3. The dates on or between which the data collection was done.

4. A definition of the universe that the survey is intended to represent and a description of the population frame(s) that was actually sampled.

5. A description of the sample design, including the method of selecting sample elements, method of interview, cluster size, number of callbacks, Respondent eligibility or screening criteria, and other pertinent information.

6. A description of results of sample implementation including (a) a total number of sample elements contacted, (b) the number not reached, (c) the number of refusals, (d) the number of terminations, (e) the number of non-eligibles, (f) the number of completed interviews.

7. The basis for any specific "completion rate" percentages should be fully documented and described.

8. The questionnaire or exact wording of the questions used, including Interviewer directions and visual exhibits.

9. A description of any weighting or estimating procedures used.

10. A description of any special scoring, data adjustment or indexing procedures used. (Where the Research Organization uses proprietary techniques, these should be described in general and the Research Organization should be prepared to provide technical

information on demand from qualified and technically competent persons who have agreed to honor the confidentiality of such information.)

11. Estimates of the sampling error and of data should be shown when appropriate, but when shown they should include reference to other possible sources of error so that a misleading impression of accuracy or precision is not conveyed.

12. Statistical tables clearly labeled and identified as to questionnaire source, including the number of raw cases forming the base for each cross-tabulation.

13. Copies of Interviewer instructions, validation results, code books, and other important working papers.

C. As a minimum, any general public release of survey findings should include the following information:

1. The sponsorship of the study.

2. A description of the purposes.

3. The sample description and size.

4. The dates of data collection.

5. The names of the research company conducting the study.

6. The exact wording of the questions.

7. Any other information that a lay person would need to make a reasonable assessment of the reported findings.

D. A Survey Research Organization will seek agreements from Clients so that citations of survey findings will be presented to the Research Organization for review and clearance as to accuracy and proper interpretation prior to public release. A Research Organization will advise Clients that if the survey findings publicly disclosed are incorrect, distorted, or incomplete, in the Research Organization's opinion, the Research Organization reserves the right to make its own release of any or all survey findings necessary to make clarification.

Responsibility to Outside Contractors and Interviewers

Research Organizations will not ask any Outside Contractor or Interviewer to engage in any activity which is not acceptable as defined in other sections of this Code of Standards and Ethics for Survey Research or related CASRO publications.

APPENDIX B

List of Firms Studied

Companies	H1	H2	H3	H4
Amazon.com, Inc.	✓	✓	✓	✓
American Express Company	✓			
Anheuser-Busch Companies, Inc.	✓			
Apple Computer, Inc.	✓	✓	✓	✓
AT&T Corp.	✓			
Bank of America Corporation	✓			
BellSouth Corporation	✓			
Compaq Computer Corporation	✓			
DaimlerChrysler AG	✓			
Dell Computer Corporation	✓	✓	✓	✓
Delta Air Lines, Inc.	✓			
E. I. du Pont de Nemours and Company	✓			
Eastman Kodak Company	✓			
Electronic Data Systems Corporation	✓			
Eli Lilly and Company	✓			
Exxon Mobil Corporation	✓	✓	✓	✓
FedEx Corporation	✓	✓	✓	✓
Ford Motor Company	✓	✓	✓	✓
Gateway, Inc.	✓	✓	✓	✓
General Electric Company	✓	✓	✓	✓
General Mills, Inc.	✓			
General Motors Corporation	✓	✓	✓	✓
Hewlett-Packard Company	✓	✓		
Honda Motor Co., Ltd.	✓			
Intel Corporation	✓	✓	✓	✓
International Business Machines Corporation	✓	✓	✓	✓
J. C. Penney Company, Inc.	✓			
Johnson & Johnson	✓	✓	✓	✓
Kellogg Company	✓			
Kmart Corporation	✓	✓		
Lands' End, Inc.	✓			
Maytag Corporation	✓			
McDonald's Corporation	✓	✓	✓	✓
Merck & Co., Inc.	✓			
Microsoft Corporation	✓	✓	✓	✓
Minnesota Mining and Manufacturing Company	✓			
Motorola, Inc.	✓			
NIKE, Inc.	✓	✓	✓	✓
PepsiCo, Inc.	✓			
Philip Morris Companies Inc.	✓	✓		
R.J. Reynolds Tobacco Holdings, Inc.	✓			
RadioShack Corporation	✓			
Rite Aid Corporation	✓			
Sears, Roebuck and Co.	✓	✓	✓	✓
Southwest Airlines Co.	✓	✓		
Starbucks Corporation	✓			
Sun Microsystems, Inc.	✓			
Target Corporation	✓			
The Boeing Company	✓	✓	✓	✓
The Coca-Cola Company	✓	✓	✓	✓
The Dow Chemical Company	✓			
The Gap, Inc.	✓			
The Home Depot, Inc.	✓	✓	✓	✓
The Kroger Co.	✓			
The Procter & Gamble Company	✓	✓	✓	✓
The Walt Disney Company	✓	✓	✓	✓
Toyota Motor Corporation	✓			
United Parcel Service, Inc.	✓			
Wal-Mart Stores, Inc.	✓	✓	✓	✓
Whirlpool Corporation	✓			
WorldCom Group	✓			
Xerox Corporation	✓		✓	✓
Yahoo! Inc.	✓	✓	✓	✓

APPENDIX C

Annual RQ^{SM} Corporate Reputation Survey Questions

155. In your opinion, how important do you think the following are to a company's overall reputation where "0" means you think it is not important at all, and "10" means it is extremely important? If Not Sure, please enter 98. (Range = 0-10, 98=Not sure) (50)

160. Which ONE do you think is the MOST important to a company's overall reputation? Please select one response only.(15)

ROTATE
1. Products and Services
2. Vision and Leadership
3. Management and Organization
4. Social and Environmental Responsibility
5. Financial Performance
   Not Sure

305. Of the 20 companies listed below, which ONE do you think most highly of? You may need to scroll down to see the entire list.
310. How familiar are you with each of the following companies? [Choices: "Not at all Familiar", "Have only Heard the Name", "Somewhat Familiar"," and "Very Familiar".

398. The remainder of the questions in this survey deal with TWO companies. These two companies have been chosen randomly from among the companies with which you said you were familiar.

399. The remainder of the questions in this survey deal with [NAME OF COMPANY/IN COLOR].

503. How would you rate the OVERALL REPUTATION of [NAME OF COMPANY], where "0" means the company has TERRIBLE reputation and "10" means the company has an EXCELLENT reputation? ? If Not Sure, please enter 98. (Range = 0-10, 98=Not sure)

505. Have you personally seen or heard any ADVERTISING for [INSERT NAME OF COMPANY/IN COLOR] in the PAST 12 MONTHS? [Yes, No, Not Sure]

510. Other than any advertising you might have seen or heard, do you recall reading or hearing ANYTHING, about [NAME OF COMPANY/IN COLOR] in THE MEDIA in the PAST 12 MONTHS? [Yes, No, Not Sure]

Perceived Knowledge of Core Values – Company Specific

515. How much do you feel you know about [NAME OF COMPANY/IN COLOR]'s [INSERT ITEM] – A lot, a little, or nothing at all?

1. Products and Services (PS)
2. Vision and Leadership (VL)
3. Work Environment (WE)
4. Social and Environmental Responsibility (SR)
5. Financial Performance (FP)

Affective Component (RQ Questions 1-3)

620. Using a scale from 0 to 10 where 0 means you have a BAD FEELING about the company and 10 means you have a GOOD FEELING about the company – how do you feel about [NAME OF COMPANY]?

625. Using a scale from 0 to 10 where 0 means you DO NOT ADMIRE AND RESPECT THE COMPANY AT ALL and 10 means you ADMIRE AND RESPECT THE COMPANY A GREAT, how would you rate your admiration and respect for [NAME OF COMPANY]?

630. Using a scale from 0 to 10 where 0 means you do NOT TRUST THE COMPANY AT ALL and 10 means you TRUST THE COMPANYA GREAT DEAL – how much do you trust [NAME OF COMPANY]?

Cognitive Component (RQ Questions 4-17)

650. We would now like you to look at a variety of descriptions and tell us how well they describe [NAME OF COMPANY]. Even if you don't feel you have enough information to rate this particular company, just give us your best impressions based on anything you might know about this company, or anything you might have read, seen, or heard.

Please enter a number from "0" to "10" where "0" means this item DOES NOT DESCRIBE THE COMPANY AT ALL and "10" mean that it DESCRIBES THE COMPANY EXTREMELY WELL. Again, even if you are not very familiar with the particular aspects of the company, just base your responses on any impressions you might have. Please enter "98" for Not Sure.

Products & Services	4. Can be counted on to do the right thing if faced with a serious product or service safety problem.
	5. Offers high quality products and services.
	6. Offers products and services that are a poor value for the money.
	7. Stands behind its products and services.
	8. Develops innovative products and services.
Vision & Leadership	9. Is a company with weak leadership.
	10. Communicates its values clearly.
	11. Has a clear vision for its future.
Workplace	12. Is poorly-managed.
	13. Looks like a good company to work for.
	14. Looks like a company that would have good employees.
Social Responsibility	15. Is an environmentally responsible company.
	16. Supports good causes.
	17. Looks like a company that would behave unethically.
Financial Performance	18. Has a strong record of profitability.
	19. Looks like a high risk investment.
	20. Looks like a company with strong prospects for future growth.

[Open-ended] Do you have any comments you would like to share with us about the company you rated? [915]

APPENDIX D

Key Words for Executive Leadership

ALLIANCES & PARTNERSHIPS
BENCHMARKING
BEST PRACTICES
COMPANY STRATEGY
CORPORATE GOVERNANCE
CORPORATE RESTRUCTURING
DISMISSALS
ENTREPRENEURSHIP
EXECUTIVE COMPENSATION
EXECUTIVE MOVES
RANKINGS
RESIGNATIONS
RESTRUCTURING
RETIREMENT & RETIREES
SARBANES OXLEY ACT
STRATEGIC PLANNING

APPENDIX E

Key Words for Financial Performance

ACCOUNTING
ACCOUNTING STANDARDS
ANNUAL REPORTS
BANKRUPTCY
BUSINESS CONTINUITY
BUSINESS FORECASTS
BUSINESS LIABILITY
CLOSINGS
COMMODITIES BROKERS
CONVERTIBLE SECURITIES
CORPORATE DEBT
COST PLUS CONTRACTS
DAMAGES
DEPRECIATION
DEREGULATION
DISCOUNT BROKERS
DIVESTITURES
DIVIDENDS
EARNINGS PER SHARE
ECONOMIC DEVELOPMENT
ECONOMIC GROWTH
ECONOMIC NEWS
ECONOMIC POLICY
EQUITY RESEARCH
ESTATE PLANNING
ETHICAL INVESTING
FINANCIAL RATINGS
FINANCIAL RESTATEMENTS
FINANCIAL RESULTS
FINANCIAL RISK MANAGEMENT
FUTURES
INITIAL PUBLIC OFFERINGS
INSOLVENCY & BANKRUPTCY
COURTS
INTERIM FINANCIAL RESULTS
JOINT VENTURES
LIQUIDATIONS
MANAGEMENT BUYOUTS
MARKET CAPITALIZATION
MARKET SHARE
MERGERS & ACQUISITIONS
MUTUAL FUNDS
PRODUCT LIABILITY
PROFIT WARNINGS
PROFITS
REPOSSESSION
RETURN ON INVESTMENT
REVERSE MERGERS
RISK ARBITRAGE
RISK MANAGEMENT
SALES PROJECTIONS
SECURITIES BROKERS
SECURITIES REGULATION
SPINOFFS
STARTUPS
STARTUPS
STOCK EXCHANGES
STOCK INDEXES
STOCK OFFERINGS
STOCK REDEMPTIONS
STOCK REPURCHASE PLANS
TAKEOVERS
VENTURE CAPITAL
WAGES & SALARIES

APPENDIX F

Key Words for Workplace Environment

CORPORATE CULTURE
EMPLOYEE BENEFITS
EMPLOYEE INCENTIVES
EMPLOYEE STOCK OWNERSHIP PLANS
EMPLOYEE TERMINATION
EMPLOYEE TIMEKEEPING
EMPLOYEE TRAINING
EMPLOYEE TURNOVER & RETENTION
EMPLOYERS LIABILITY COVERAGE
EMPLOYMENT
EMPLOYMENT AT WILL
EMPLOYMENT COSTS
EMPLOYMENT DISCRIMINATION
EMPLOYMENT GROWTH
EMPLOYMENT LAW
EMPLOYMENT RATE
EMPLOYMENT SERVICES
FAMILY & MEDICAL LEAVE ACT
FAMILY LAW
JOB CREATION
JOB SHARING
KEY EMPLOYEE INSURANCE
LABOR DISPUTES & NEGOTIATIONS
LABOR UNIONS
LAYOFFS
MINIMUM WAGE
PENSION & RETIREMENT PLANS
PENSION FUNDS
PLANT CLOSINGS
PRODUCTIVITY
RELOCATIONS
SEXUAL HARASSMENT
STOCK OPTIONS
STOCK PURCHASE RIGHTS
STRIKES
UNIONS
WORKPLACE SAFETY

APPENDIX G

Key Words for Products and Services

DELAYS & POSTPONEMENTS
BOYCOTTS
CUSTOMER RELATIONSHIP MANAGEMENT
CUSTOMER SERVICE
MALPRACTICE LAWSUITS
MERCHANDISE LICENSING
NEGLIGENCE
NEW PRODUCTS
PRICE CHANGES
PRICE CUTTING
PRODUCT LABELING
PRODUCT MANAGEMENT
PRODUCT PACKAGING
PRODUCT RECALLS
PRODUCT WARRANTIES
QUALITY CONTROL
REGULATORY COMPLIANCE
RETAIL SALES
SALES FORCE

APPENDIX H

Key Words for Social Responsibility

AFFIRMATIVE ACTION
ANTITRUST
BRIBERY
CHILD LABOR
CIVIL RIGHTS
CONFLICTS OF INTEREST
CORPORATE GIVING
CORPORATE SOCIAL RESPONSIBILITY
CORPORATE WRONGDOING
COUNTERFEITING
DISORDERLY CONDUCT
EMBEZZLEMENT
ENVIRONMENTAL AGREEMENTS
ENVIRONMENTAL LEGISLATION
ETHICS
FALSE ADVERTISING
FRAUD & FINANCIAL CRIME
GRANTS & GIFTS
HUMAN RIGHTS
INSIDER TRADING
INSURANCE FRAUD
INTERNET CRIME
LIBEL & SLANDER
MAJOR GIFTS
MATCHING GIFTS
MEDICARE FRAUD
MISAPPROPRIATION
MISCONDUCT
MONEY LAUNDERING
MURDER
NONPROFIT ORGANIZATIONS
PHILANTHROPY
PRICE FIXING
PROTESTS & DEMONSTRATIONS
RACE & RACISM
SARBANES OXLEY ACT
SOCIAL JUSTICE
SOCIAL WELFARE
SPONSORSHIP
TAX FRAUD
TOXIC TORT

REFERENCES

Alsop, R. (1999, September 25). The best corporate reputations in America, *The Wall Street Journal*. New York City.

Alsop, R. (2001, February 7). Survey rates companies' reputations, and many are found wanting. *Wall Street Journal*, Section B, Page 1, Column 2.

Alsop, R. (2004). *The 18 immutable laws of corporate reputation*. New York, NY: *Wall Street Journal* Books.

Andsager, J., & Smiley, L. (1998). Evaluating the public information: shaping news coverage of the silicone implant controversy. *Public Relations Review, 24*(2), 183-202.

Barney, J.B. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17*, 99-120.

Benton, M., & Frazier, P.J. (1976). The agenda-setting function of the mass media at three levels of information-holding. *Communication Research, 3*, 261-74.

Berens, G., & van Riel, C.B.M. (2004). Corporate associations in the academic literature: Three main streams of thought in the reputation measurement literature. *Corporate Reputation Review, 7*(2), 161-78.

Berg, P.-O. (1985). Organization change as a symbolic transformation process. In P. J. Frost, L. F. Moore, M. R. Louis, C. C. Lundberg & J. Martin (Eds.), *Organizational culture.* (pp. 281-99): Sage Publications, Inc, Beverly Hills, CA, US.

Berlo, D.K. (1960). *The process of communication*. New York: Holt, Rinehart, Winston.

Bogart, L. (1977). *How the public gets its news.* Newspaper Advertising Bureau. Vienna, VA.

Bogart, L. (1989). *Press and public: Who reads what, when, where, and why in American newspapers* (2nd ed.). Hillsdale, NJ: Lawrence Erlbaum and Associates, Inc.

Breed, W. (1955). Social control in the newsroom: A functional analysis. *Social forces, 33*, 326-55.

Bromley, D.B. (1993). *Reputation, image, and impression management.* London: Wiley.

Bromley, D.B. (2000). Psychological aspects of corporate identity, image and reputation. *Corporate Reputation Review, 3*(3), 240-52.

Brosius, H.-B., & Kepplinger, H.M. (1990). The agenda-setting function of television news: Static and dynamic views. *Communication Research, 17*, 183-211.

Brown, T.J. (1997). Corporate associations in marketing and consumer research: A review. *Corporate Reputation Review, 1*(1-2), 34-9.

Brown, T.J., & Dacin, P.A. (1997). The company and the product: Corporate associations and consumer product responses. *Journal of Marketing, 61*(1), 68-84.

Bruce, I.R. (1999). *A survey of business press journalists in the United States: Characteristics, professional roles, and working conditions.* Unpublished doctoral dissertation, Syracuse University, Syracuse, NY.

Bunker, M.D. (1995). The corporate plaintiff as public figure. *Journalism and Mass Communication Quarterly, 72*(3), 597-609.

Carragee, K., Rosenblatt, M., & Michaud, G. (1987). Agenda-setting research: A critique and theoretical alternative. In S. Thomas (Ed.), *Studies in communication 3* (pp. 868-77). Norwood, NJ: Ablex.

Carroll, C.E. (2002). *Corporate reputation as a new media agenda item.* Paper presented at the Association of Educators in Journalism and Mass Communication, Miami, FL.

Carroll, C.E. (2003, July). *Integrating corporate associations into a mass communication framework of corporate reputation.* Paper presented at the 2nd International Conference of the Corporate Identity/Associations Research Group, Queen's University, Kingston, Ontario, Canada.

Carroll, C.E., & McCombs, M.E. (2003). Agenda-setting effects of business news on the public's images and opinions about major corporations. *Corporate Reputation Review, 6*(1), 36-46.

Carter, S.M. (2001). *Tooting one's own horn: Help or hindrance?* Paper presented at the 5th International Conference on Corporate Reputation, Identity, and Competitiveness, Paris, France.

Carter, S.M., & Dukerich, J.M. (1998a). Corporate reputation and its effect on organizational actions: How reputations are managed. *Corporate Reputation Review, 1*(3), 152-6.

Carter, S.M., & Dukerich, J.M. (1998b). Corporate responses to changes in reputation. *Corporate Reputation Review, 1*(1-2), 250-70.

Chang, K.-K. (1999). Auto trade policy and the press: Auto elite as a source of the media agenda. *Journalism & Mass Communication Quarterly, 76*(2), 312.

Chen, C.C., & Meindl, J.R. (1991). The construction of leadership images in the popular press: The case of Donald Burr and People Express. *Administrative Science Quarterly, 36*, 521-51.

Cohen, B.C. (1963a). *The press and foreign policy.* Princeton, NJ: Princeton University Press.

Cohen, R. (1963b). The measurement of corporate images. In J. J. W. Riley (Ed.), *The corporation and its publics* (pp. 48-63). New York: John Wiley & Sons.

Couper, M.P. (2000). Review: Web surveys: A review of issues and approaches. *Public Opinion Quarterly, 64*(4), 464.

Cramphorn, S. (2004). What advertising testing might have been, if we had only known. *Journal of Advertising Research, 44*(2), 170-80.

Davies, G., Chun, R., Vinhas da Silva, R., & Roper, S. (2001). The personification metaphor as a measurement approach for corporate reputation. *Corporate Reputation Review, 4*(2), 113-27.

Davies, G., Chun, R., Vinhas da Silva, R., & Roper, S. (2004). A corporate character scale to assess employee and customer views of organization reputation. *Corporate Reputation Review, 7*(2), 125-46.

Dearing, J.W., & Rogers, E.M. (1996). *Agenda-setting*. Thousand Oaks, CA: Sage.

Deephouse, D.L. (2000). Media reputation as a strategic resource: An integration of mass communication and resource-based theories. *Journal of Management, 26*(6), 1091-112.

Deephouse, D.L., Carroll, C.E., & McCombs, M.E. (2003). *An empirical cross examination of the media's anti-business bias in reporting about Twin Cities' commercial banks: The effects of ownership and newspaper section.* Paper presented at the Academy of Management, Seattle, Washington.

DeFleur, M., & Ball-Rokeach, S.J. (1982). *Theories of mass communication* (4th ed.). New York: McKay.

DeFleur, M.L., Davenport, L., Cronin, M., & DeFleur, M. (1992). Audience recall of news stories presented by newspaper, computer, television, and radio. *Journalism Quarterly, 69*, 1010-22.

Deutschmann, P.J. (1959). *News-page content of twelve metropolitan dailies*. Cincinnati, OH: Scripps-Howard Research.

Dillon, J., & Covil, E. (1998). What journalists, judges and public consider defamatory. *Newspaper Research Journal, 19*(2), 47-63.

Dominick, J. (1981). Business coverage in network newscasts. *Journalism Quarterly*, 179-85, 91-.

Dutton, J.E., & Dukerich, J.M. (1991). Keeping an eye on the mirror: Image and identity in organizational adaptation. *Academy of Management Journal, 34*(3), 517-54.

Dutton, J.E., Dukerich, J.M., & Harquail, C.V. (1994). Organizational images and member identification. *Administrative Science Quarterly, 39*, 239-63.

Eaton, H., Jr. (1989). Agenda setting with bi-weekly data on content of three national media. *Journalism Quarterly, 66*, 942-8.

Endres, K.L. (1988). Business press journalists: Who they are, what they do, and how they view their craft. *Gallatin Review, 8*(Winter), 23-45.

Endres, K.L. (1995). Research review: The specialized business press. In D. Abrahamson (Ed.), *The American magazine: Research perspectives and prospects* (pp. 72-83). Ames: Iowa State University Press.

Ferrier, W.J. (1997). Tough talk and market leaders: The role of overt signaling and reputation building behaviors in sustaining industry dominance. *Corporate Reputation Review, 1*, 98-102.

Ferrier, W.J., Smith, K.G., & Grimm, C.M. (1999). The role of competitive action in market share erosion and industry dethronement: A study of industry leaders and challengers. *Academy of Management Journal, 42*(4), 372-88.

Flemming, G., & Sonner, M. (1999, May). *Can Internet Polling Work? Strategies for Conducting Public Opinion Surveys Online.* Paper presented at the American Association for Public Opinion Research, St. Petersburg Beach, FL.

Folkes, V.S. (1988). Recent attribution research in consumer behavior: A review and new directions. *Journal of Consumer Behavior, 14*, 548-65.

Fombrun, C.J. (1996). *Reputation: Realizing value from the corporate image*. Boston: Harvard Business School Press.

Fombrun, C.J. (1998). Indices of corporate reputation: An analysis of media rankings and social monitors' ratings. *Corporate Reputation Review, 1*, 327-40.

Fombrun, C.J. (2001). *The RQ Gold 2000SM Summary Report*. New York, NY: Reputation Institute.

Fombrun, C.J., Gardberg, N.A., & Sever, J.M. (2000). The Reputation Quotient: A multi-stakeholder measure of corporate reputation. *Journal of Brand Management, 7*(4), 241-55.

Fombrun, C.J., & Shanley, M. (1990). What's in a name? Reputation building and corporate strategy. *Academy of Management Journal, 33*(2), 233-58.

Fombrun, C.J., & van Riel, C.B.M. (1997). The reputational landscape. *Corporate Reputation Review, 1*(1/2), 5-13.

Fombrun, C.J., & Van Riel, C.B.M. (2003). *Fame and Fortune: How successful companies build winning reputations.* London, UK: Financial Times Prentice Hall.

Funkhouser, G.R. (1973). The issues of the sixties: An exploratory study in the dynamics of public opinion. *Public Opinion Quarterly, 37*, 62-75.

Fürsich, E. (2002). Nation, capitalism, myth: Covering news of economic globalization. *Journalism and Mass Communication Quarterly, 79*(2), 353-73.

Gandy, O.H., Jr. (1982). *Beyond agenda setting: Information subsidies and public policy.* Norwood, NJ: Ablex.

Gans, H.J. (1979). *Deciding what's news*. New York: Pantheon Books.

Gardberg, N.A., & Fombrun, C.J. (2002a). The Global Reputation Quotient Project: First steps towards a cross-nationally valid measure of corporate reputation. *Corporate Reputation Review, 4*(4), 303-7.

Gardberg, N.A., & Fombrun, C.J. (2002b). USA: For better or worse--the most media visible American corporate reputations. *Corporate Reputation Review, 4*(4), 385-91.

Geer, J.G. (1991). Do Open-ended Questions Measure 'Salient' Issues. *Public Opinion Quarterly, 55*, 360-70.

Ghanem, S.I. (1997). Filling in the tapestry: The second level of agenda-setting. In M. E. McCombs, D. L. Shaw & D. H. Weaver (Eds.), *Communication and democracy: Exploring the intellectual frontiers in agenda-setting theory*. Mahwah, NJ: Lawrence Erlbaum Associates.

Ghorpade, S. (1986). Agenda setting: A test of advertising's neglected function. *Journal of Advertising Research, 26*(4), 23-7.

Gioia, D.A., Schultz, M., & Corley, K.G. (2000). Organizational identity, image and adaptive instability. *Academy of Management Review, 25*(1), 63-81.

Gitlin, T. (1981). Media sociology: The dominant paradigm. In G. C. Wilhoit & H. DeBock (Eds.), *Mass Communication Review Yearbook* (Vol. 2, pp. 73-122). Thousand Oaks, CA: Sage Publications.

Goffman, E. (1963). *Stigma: Notes on the management of spoiled identity*. Garden City, NY: Anchor Books.

Golan, G., & Wanta, W. (2001). Second-level agenda setting in the New Hampshire primary: A comparison of coverage in three newspapers and public perceptions of candidates. *Journalism & Mass Communication Quarterly, 78*, 247-59.

Grunig, J.E. (1993). Image and substance: From symbolic to behavioral relationships. *Public Relations Review, 19*(2), 121-39.

Hamilton, J.T., & Kalt, J.P. (1987). *Study of economic and business journalism for the Ford Foundation by the foundation for American Communications*. Los Angeles: Foundation for American Communications.

Hart, R.P. (2000). *DICTION 5.0: The text analysis program*. Thousand Oaks, CA: Sage-Scolari.

Hart, R.P. (2001). Redeveloping DICTION: Theoretical considerations. In M. West (Ed.), *Theory, method and practice of computer content analysis.* New York: Ablex.

Heath, R. (2003). *The hidden power of advertising: How low involvement processing influences the way we choose brands*. Henley-on-Thames, U.K: Admap Publications.

Henriques, D.B. (2000, Nov-Dec.). Learning curve: The rise of business reporting. *Columbia Journalism Review, 39,* 18-21.

Hollifield, C.A. (1997). The specialized business press and industry-related political communication: A comparative study. *Journalism & Mass Communication Quarterly, 74*, 757-72.

Iyengar, S., & Kinder, D.R. (1987). *News that matters : Television and American opinion*. Chicago: University of Chicago Press.

Iyengar, S., & Ottati, V. (1994). Cognitive perspectives in political psychology. In R. S. Wyer & T. K. Srull (Eds.), *Handbook of social cognition* (Vol. 2, pp. 143-87). Hillsdale, NJ: Lawrence Elrbaum Associates.

Jacobs, L.R., & Shapiro, R.Y. (1994). Issues, candidate image, and priming: The use of private polls in Kennedy's 1960 presidential campaign. *American Political Science Review, 88*(3), 527-40.

Janis, I.L., & Fadner, R. (1965). The coefficient of imbalance. In H. D. Lasswell, N. Leites & Associates (Eds.), *Language of Politics* (pp. 153-69). Cambridge, MA: MIT Press.

Jensen, M.C., & Meckling, W.H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics, 3*, 305-60.

Jung, J. (2003). Business news web sites differ from newspapers in business content. *Newspaper Research Journal, 24*(2), 114-9.

Katz, E. (1960). Communication research and the image of society: Convergence of two traditions. *American Journal of Sociology, 65*(5), 435-40.

Katz, E., & Lazarsfeld, P.F. (1955). *Personal influence*. New York: Free Press.

Kelly, H.H. (1971). *Attribution in Social Interaction*. New York: General Learning.

Kelly, H.H., & Michela, J.L. (1980). Attribution Theory and Research. *Annual Review of Psychology, 31*, 457-501.

Kim, Y. (2000). Measuring the bottom-line impact of corporate public relations. *Journalism & Mass Communication Quarterly, 77*(2), 273.

King, P.T. (1997). The press, candidate images and voter perceptions. In M. McCombs, D. L. Shaw & D. H. Weaver (Eds.), *Communication and democracy: Exploring the intellectual frontiers in agenda setting*. Mahwah, NJ: Lawrence Erlbaum.

Kiousis, S. (2004). Explicating media salience: A factor analysis of *New York Times* issue coverage during the 2000 U.S. presidential election. *Journal of Communication, 54*(1), 71-87.

Klapper, J. (1960). *The effects of mass communication*. Glencoe, IL: Free Press.

Knight, G. (1998). Hegemony, the Press and Business Discourse: News Coverage of Strike-Breaker Reform in Quebec and Ontario. *Studies in Political Economy, 55*(spring), 93-125.

Kotha, S., Rindova, V.P., & Rothaermel, F.T. (2001). Assets and actions: Firm-specific factors in the internationalization of U.S. Internet firms. *Journal of International Business Studies, 32*(4), 769.

Krosnick, J., & Kinder, D.R. (1990). Altering the foundations of support for the president through priming. *American Political Science Review, 84*, 497-512.

Krosnick, J.A., & Brannon, L.A. (1993). The impact of war on the ingredients of presidential evaluations: Multidimensional effects on political involvement. *American Political Science Review, 87*, 497-512.

Kuhn, T.S. (1996). *The structure of scientific revolutions* (4th ed.). Chicago, IL: University of Chicago Press.

Langvardt, A.W. (1990). Defamation in the business setting: basics and practical perspectives. *Business Horizons, 33*(5), 66-79.

Lasswell, H.D. (1927). *Propaganda Analysis in the World War*. New York, NY: Alfred A. Knopf.

Lasswell, H.D. (1948/1960). The structure and function of communication in society. In W. Schramm (Ed.), *Mass communications* (pp. 102-15). Urbana IL: University of Illinois Press.

Liebler, C.M., & Bendix, J. (1996). Old-Growth Forests on Network News: News Sources and the Framing of an Environmental Controversy. *Journalism & Mass Communication Quarterly, 73*(1), 53-65.

Lippman, W. (1922). *Public opinion*. New York: Harcourt Brace.

Lopez-Escobar, E., Llamas, J.P., McCombs, M., & Lennon, F.R. (1998). Two levels of agenda-setting among advertising and news in the 1995 Spanish elections. *Political Communication, 15*(2), 225-38.

Lowery, S., & DeFleur, M.L. (1987). *Milestones in mass communication research: Media effects*. New York: Longman.

Ludwig, M.D. (2002). Business journalists need specialized finance training. *Newspaper Research Journal, 23*(2/3), 129-41.

MacKuen, M.B., & Coombs, S.L. (1981). *More than news: Media power in public affairs*. Beverly Hills, CA: Sage.

Manheim, J.B. (1986). A model of agenda dynamics. In M. L. McLaughlin (Ed.), *Communication yearbook 10*. Newbury Park, CA: Sage Publications.

Margolis, J.D., & Walsh, J.P. (2003). *Corporate social performance, the media, and organizational scholarship.* Paper presented at the Academy of Management, Seattle, WA.

McCombs, M., Llamas, J.P., Lopez-Escobar, E., & Rey, F. (1997). Candidate images in Spanish elections: Second level agenda-setting effects. *Journalism & Mass Communication Quarterly, 74*, 703-13.

McCombs, M., Lopez-Escobar, E., & Llamas, J.P. (2000). Setting the agenda of attributes in the 1996 Spanish general election. *Journal of Communication, 50*, 77-92.

McCombs, M.E. (1981). Setting the agenda for agenda-setting research: An assessment of the priority, ideas and problems. In G. C. Wilhoit & H. DeBock (Eds.), *Mass communication review yearbook 2*. Beverly Hills, CA: Sage Publications.

McCombs, M.E. (1993). The evolution of agenda-setting research: Twenty-five years in the marketplace of ideas. *Journal of Communication, 43*(2), 58-67.

McCombs, M.E., & Ghanem, S.I. (2001). The convergence of agenda-setting and framing. In S. D. Reese, O. H. Gandy, Jr. & A. E. Grant (Eds.), *Framing public life: Perspectives on media and our understanding of the social world* (pp. 67-81). Mahweh, NJ: Lawrence Erlbaum & Associates.

McCombs, M.E., & Reynolds, A. (2002). News influence on our pictures of the world. In J. Bryant & D. Zillman (Eds.), *Media effects: Advances in theory and research* (pp. 1-18). Hillsdale, NJ: Lawrence Erlbaum Associates, Publishers.

McCombs, M.E., & Shaw, D.L. (1972). The agenda-setting function of the mass media. *Public Opinion Quarterly, 36*, 176-87.

McCombs, M.E., & Shaw, D.L. (1976). Structuring the unseen environment. *Journal of Communication, 26*(2), 18-22.

McQuail, D. (2000). *McQuail's mass communication theory*. Thousand Oaks, CA: Sage Publications.

Morsing, M. (1999). The media boomerang: The media's role in changing identity by changing image. *Corporate Reputation Review, 2*(2), 116-35.

Newell, S.J., & Goldsmith, R.E. (2001). The development of a scale to measure perceived corporate credibility. *Journal of Business Research, 52*, 235-47.

News in the next century: Profile of the American News Consumer. (1996). Washington, DC: Radio and Television News Directors Foundation.

Palmgreen, P., & Clarke, P. (1977). Agenda setting with local and national issues. *Communication Research, 4*, 435-52.

Park, R.E. (1922). *The immigrant press and its control*. New York, NY: Harper & Row.

Peterson, R.A., Albaum, G., Kozmetsky, G., & Cunningham, I.C.M. (1984). Attitudes of newspaper business editors and general public toward capitalism. *Journalism Quarterly, 61*(1), 56-65.

Petty, R.E., & Cacioppo, J.T. (1986). *Communication and persuasion: Central and peripheral routs to attitude change*. New York: Springer-Verlag.

Pollock, T.G., & Rindova, V. (2003). Media legitimation effects in the market for initial public offerings. *Academy of Management Journal, 46*(5), 631-42.

Powell, L., & Self, W.R. (2003). Government sources dominate business crisis reporting. *Newspaper Research Journal, 24*(2), 97-106.

Reese, S.D., & Danielian, L.H. (1989). Intermedia influence and the drug issue: Converging on cocaine. In P. J. Shoemaker (Ed.), *Communication campaigns about drugs* (pp. 29-46). Hillsdale, NJ: Lawrence Erlbaum.

Rindova, V.P., & Fombrun, C.J. (1998). Institutional intermediaries and refracted images. In D. Whetten & P. C. Godfrey (Eds.), *Identity in organizations: Building theory through conversations*. Thousand Oaks, CA: Sage Publications.

Roberts, M.S., & McCombs, M.E. (1994). Agenda setting and political advertising: Origins of the news agenda. *Political Communication, 11*, 249-62.

Rosenbaum, P.R., & Rubin, D.B. (1983). The Central Role of the Propensity Score in Observational Studies for Causal Effects. *Biometrika, 70*(1), 41-55.

Schramm, W. (1954). How communication works. In W. Schramm (Ed.), *The process and effects of mass communication* (pp. 3-26). Urbana: University of Illinois Press.

Schudson, M. (1978). *Discovering the news*. New York: Basic Books.

Schwaiger, M. (2004). Components and parameters of corporate reputation--an empirical study. *Schmalenbach Business Review, 56*(1), 46-71.

Sethi, S.P. (1977). Business and the news media: The paradox of misinformed understanding. *California Management Review, 19*(Spring), 52-62.

Sethi, S.P. (1978). The schism between business and American news media. *Journalism Quarterly, 54*, 240-7.

Sever, J.M. (2004). *Guide to the Annual RQ^{SM} methodology*. New York, NY: Harris Interactive.

Severin, W.J., & Tankard, J.W., Jr. (2001). *Communication theories. Origins, methods, and uses in the mass media*. New York, NY: Addison Wesley Longman.

Shoemaker, P.J., & Reese, S.D. (1996). *Mediating the message: Theories of influences on mass media content*. White Plains, NY: Longman.

Smith, K.A. (1987). Newspaper coverage and public concern about community issues. *Journalism Monographs, 101*, 1-32.

Society of Professional Journalists. (1996). *Code of Ethics*. Retrieved April 14, 1999, from http://spj.org/ethics/code.htm

Sorley, M.G. (1998). The media, the markets, and the crash: A consideration of financial press coverage. In O. Feldman & C. l. De Landtsheer (Eds.), *Politically speaking: A worldwide examination of language used in the public sphere*. Westpoint, CT: Greenwood Press.

Spence, A.M. (1974). *Market signaling: Information transfer in hiring and related screening processes*. Cambridge, MA: Harvard University Press.

Staw, B.M., & Epstein, L.D. (2000). What bandwagons bring: Effects of popular management techniques on Corporate performance, reputation, and CEO pay. *Administrative Science Quarterly, 45*(3), 557-90.

Stempel, G.H., III. (1991). Where people really get most of their news. *Newspaper Research Journal, 12*(4), 2-9.

Stepp. (1999). Then and now: The state of the American newspaper. *American Journalism Review, 21*, 60-75.

Sumpter, R.S. (2000). A case study: How to get on (or stay off) the front page. *Newspaper Research Journal, 21*(3), 39.

Takeshita, T., & Mikami, S. (1995). How did mass media influence the voters' choice in the 1993 general election in Japan? *Keio Communication Review, 17*, 27-41.

Tankard, J.W., Jr. (2001). The empirical approach to the study of media framing. In S. D. Reese, O. H. Gandy, Jr. & A. E. Grant (Eds.), *Framing public life: Perspectives on media and our understanding of the social world.* (pp. 95-106). Mahwah, NJ: Lawrence Erlbaum Associates, Publishers.

Taylor, H. (2000). Does Internet research work? Comparing online survey results with telephone survey. *International Journal of Market Research, 42*(1), 51-63.

Tewksbury, D. (2003). What do Americans really want to know? Tracking the behavior of news readers on the Internet. *Journal of Communication, 53*(4), 694-700.

van Riel, C.B.M., & Fombrun, C.J. (2002). Which company is most visible in your country: An introduction to the special issue on the Global RQ-Project. *Corporate Reputation Review, 4*(4), 296-302.

Waddock, S. (2000). The multiple bottom lines of corporate citizenship: Social investing, reputation, and responsibility audits. *Business and Society Review, 105*(3), 323-45.

Wanta, W., & Ghanem, S.I. (2000). Effects of agenda-setting. In J. Bryant & R. Carveth (Eds.), *Meta-Analyses of Media Effects*. Mahwah, NJ: Lawrence Erlbaum.

Wartick, S.L. (1992). The relationship between intense media exposure and change in corporate reputation. *Business & Society, 31*, 33-49.

Wartick, S.L. (2002). Measuring corporate reputation. *Business & Society, 14*(4), 371-92.

Watts, J.H., Mazza, M., & Snyder, L. (1993). Agenda setting effects of television news coverage and the effects decay curve. *Communication Research, 20*, 408-35.

Weaver, D.H. (1996). What voters learn from the media. *Annals of the American Academy of Political and Social Science, 546*, 34-47.

Weaver, D.H., Graber, D.A., McCombs, M.E., & Eyal, C. (1981). *Media agenda setting in a presidential election: Issues, images, and interest*. New York, NY: Praeger.

Weaver, D.H., & Wilhoit, G.C. (1996). *The American journalist in the 1990s: U.S. newspeople at the end of an era.* Mahweh,.

Weick, K.E. (1995). *Sensemaking in organizations*. Thousand Oaks, CA: Sage.

Whetten, D.A. (1997). Theory development and the study of corporate reputation. *Corporate Reputation Review, 1*, 26-33.

Whitney, D.C., & Becker, L.B. (1982). "Keeping the gates" for gatekeepers: The effects of wire news. *Journalism Quarterly, 59*, 60-5.

Winter, J.P., & Eyal, C.H. (1981). Agenda-setting for the civil rights issue. *Public Opinion Quarterly, 45*(3), 376-83.

Wu, H.D., & Bechtel, A. (2002). Web site use and news topic and type. *Journalism & Mass Communication Quarterly, 79*(1), 73-86.

Zajac, E.J., & Westphal, J.D. (1995). Accounting for the explanations of CEO compensation: Substance and symbolism. *Administrative Science Quarterly, 40*, 283-308.

VITA

Craig Eugene Carroll was born as the second son to Curtis and Pat Carroll in Nashville, Tennessee on September 18, 1969. Craig graduated from Munford High School in 1987. In August 1991, he completed his B.S. in Communications from Freed-Hardeman University in Henderson, Tennessee. Craig received a master's degree in Human Communication from Abilene Christian University in Abilene, Texas in August 1995. Before his Ph.D., Craig has taught at Lipscomb University and University of Alabama. During the coursework for his Ph.D. at the University of Texas at Austin, he worked at Hoover's, Inc. During the later stages of his doctoral program, Craig spent his summers and holiday breaks as a visiting researcher at Erasmus Universiteit's Corporate Communication Centre in Rotterdam, The Netherlands. He currently teaches Public Relations Research & Evaluation at the graduate and undergraduate level in the University of Southern California's Annenberg School of Journalism. He has published in *Management Learning, Communication Research, Corporate Reputation Review*, *Journal of Organizational Change Management,* and the *Encyclopedia of Public Relations*.

Permanent address: 1234 McClellan Drive, West Los Angeles, CA 90025

craig.carroll@usc.edu

This dissertation was typed by the author.