

Thinking about Building Reputation: how engagement should be understood on Social Networking Sites for Small and Medium-Sized Enterprises

Maria-Victoria Carrillo-Duran*, Juan-Luis Tato-Jimenez**

*Information and Communication Department, University of Extremadura(vicduran@unex.es)

** Information and Communication Department, University of Extremadura (jltato@unex.es)

Abstract

This paper aims to clarify the role of social networking sites (SNSs) in building the reputation of Small and Medium-Sized Enterprises (SMEs). The point of start is that although it is not always infallible, SNSs have a vast potential in the digital environment, however, it is important to cope with the fact that SNSs used in SMEs are marketing-centred, engagement is promoted only with customers and is short term and results centred. The paper opts for a literature review to discuss the concept of engagement, reputation, and propose some SMEs limits to get reputation. Although SNSs have the power to manage corporate reputation, it is not always possible if they don't take into consideration some important issues related to the nature of SMEs and the nature of SNSs. In this sense, SNSs constitute a perfect context to get reputation for SMEs, but only if companies understand two special points: the three sequential dimensions of the concept (the dialogic dimension to start the communication and get interactivity, cognitive dimension for generating good and positive content, not neutral, and emotional dimension to make up a profound link with the organization) and how to manage it in a the proper level with all stakeholders notably customers through a strategic communication approach (not a punctual action) in the long term.

Keywords: Reputation, SMEs, Engagement, Social Networking Sites

Introduction

This work tries to understand the role of Social Networking Sites (SNSs) such as Facebook, Twitter and LinkedIn... in building reputation for Small and Medium-Sized Enterprises (SMEs). Although, it is possible to find research about the social media practices in SMEs among both marketing and business scholars (Wang, Pauleen & Zhang, 2016; Dutot & Bergeron, 2016; Stankovska, Josimovski & Edwards, 2016; Narváez & Montalvo, 2014; Nobre & Silva, 2014), the issue about reputation and social media has not been addressed academically (Dijkmans et al. 2015; Pownall, 2015) rather than by professionals (Azevedo, 2018; Tyler, 2016; Miller, 2015).

However, the issue SNSs in building reputation (Ji, Li, North & Liu, 2017) and the value SNSs provide SMEs (Costa-Sánchez & Fontela Baró, 2016) is gaining popularity in communication and public relations scholars but the value that SNSs provide SMEs to build their reputations has not been specifically addressed (Huang-Horowitz, 2015).

First reason is related to problems to understand dialogic communication from a theoretical perspective (Wirtz &, Zimbres, 2018). In this sense, dialogic communication understood as a two-way dialogue is not

the same as engagement. Engagement is a multidimensional concept defined as a combination of rational and cognitive aspects, behavioural and content aspects and emotional feelings (Carrillo & García, 2020). The second problem is related to the issue that SMEs are marketing-centred (Musa, Azmia, Rahima, Samad & Shibghatullah, 2016; Karami & Naghibi, 2014; Michaelidou, Siamagka, & Christodoulides, 2011), instead of being long term and competitive advantage centred in promoting engagement with different stakeholders as a rhizome (Kent & Lane, 2017) that allows for multiple, non-hierarchical entry and exit points. A rhizome works with multidimensional connections, while an arborescent model works with vertical and linear connections.

According to Wirtz & Zimbres (2018) and Jelen-Sánchez (2017) studies on engagement need to focus on publics (not only consumers), socio-cultural aspects (including different types of organizations) and innovative research (paying attention to particularities of different platforms such as SNSs).

For this reason, the present paper will deal with the following objectives:

1. To discuss, particularly, the context of SNSs channels to build corporate reputation. Corporate reputation has been studied professionally and academically in the offline context but, it doesn't seem to have any in-depth explanation of it within the online environment (Khan & Digout, 2018). On the other hand, it is also needed to define how engagement is possible on SNSs (as part of social media strategy).
 2. To define how SMEs can manage the corporate reputation using SNSs as part of the communication strategy. Although Moss, Ashford & Shani (2004) shows that SMEs have a strong focus on marketing with an unsophisticated understanding of public relations, Zerfass and Winkler (2016) sheds additional light on how SMEs understand different practices of corporate communication. They found that SMEs do not generally have established communication departments or strategies, and do not think they need one. Even so, one-third of their respondents thought that proactive communication was especially important.
- Thus, taking into consideration both goals, this work is a theoretical revision about SMEs, corporate reputation, and Social Networking Sites, trying to explain how the online engagement is a "sine qua non" condition in SNSs to get reputation for SMEs through the communication management strategy.

SMEs and Communication Management

In accordance with The World Bank (2021) "Small and Medium Enterprises (SMEs) play a major role in most economies, particularly in developing countries. SMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They represent about 90% of businesses and more than 50% of employment worldwide".

SMEs encompass heterogeneous companies in diverse sectors ranging from traditional family enterprises to highly specialised global leaders with a wide range of both turnover figures and workforce sizes. They are characterized by close personal contact between employees and owners, and a readiness to undertake risks and take responsibility. The identity of an SME also tends to be strongly associated with its founder (Huang-Horowitz, 2015), and their size often means that there is one leader and perhaps no other managers.

They often have difficulties in engaging customers, innovating, increasing their budgets, and applying communications skills (Hadi, Abdullah & Sajilan, 2015). Zerfass and Winkler (2016) found that although

the majority of SMEs in their study have a good understanding of communication as two-way dialogue and attributing this to SME's high priority for contact in their stakeholder relationships, particularly customers, suppliers, business partners and employees, the marketing department was responsible for corporate communication in nearly two-thirds of the SMEs in their study. This view can easily lead to the conclusion that SMEs tend to be ad hoc in their communication; they incline to be spontaneous, are not strategic goal-oriented, lack resources, situational decisions are common, and they lack an overall communication strategy.

Corporate Reputation

Corporate reputation is a relevant concept for all organizations, regardless of their size or the market in which they operate (Khan & Digout, 2018). Although it is a concept that is defined very broadly, it is still confused with many approaches and terms such as identity and image (Podnar & Golob, 2017). According to Gardberg (2017); Money, Saraeva, Garnelo-Gomez, Pain & Hillenbrand (2017), in twenty years there has been no evidence of corporate reputation being just a fashion.

According to the Reputation Institute (2014:2), reputation is an invaluable contribution for firms which have converted their stakeholders' perceptions into input for the development of their overall strategy, rather than only the output of how well they are doing their communication.

Therefore, strategic communication is an instrument to manage stakeholders' perceptions to build reputation. Different channels of communication (offline and online communication) can take part of this strategy. Social Networking Sites (SNS) are an important online tool for strategic communication. However, SNSs should not be an excuse for SMEs that typically have a small budget for corporate communication (Oni, 2021). SNSs would be useful if they provide SMEs with a certain level of engagement. The engagement is needed to make up a positive relationship between stakeholders and SMEs in the long term.

Social Networking Sites

In this sense, there are some contextual and conceptual issues relate SNSs. The first conceptual problem is that there is confusion between social media and SNSs terms, assuming that both have been understood as synonymous. In accordance with Chung (2017) when SNSs is introduced as key word in databases, the most part of documents referred generally to social media, not to SNSs. However, many times, the object of study on the paper was particularly SNSs such as Facebook, Instagram, LinkedIn...

The difference between social media and Social Networking Sites (LinkedIn, Instagram, Facebook, etc...) is that social media are part of a firm's social media strategy (Chung, Tyan & Chung, 2017) and act as communication platforms that allow networking.

According to Carrillo & Tato (2019) SNSs present some different particularities from other social media channels such as webpages, blogs, wikis, etc. In general, SNSs are "Web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of

other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system" (Boyd & Ellison, 2007:211).

The Context of SNSs to Build Corporate Reputation

In terms to explain the relationship between SNSs and corporate reputation, it is needed to clarify some key point such as, the role of SNSs in Social Media strategy and the definition of engagement and its dimensions on SNSs.

SNSs and Social Media

According to Baruah (2012) some of the most popular electronic forms of social media are, particularly, social networking sites (SNSs), blogs (including so-called microblogs), media-sharing sites, social bookmarking and selection sites, analysis sites, forums and effective worlds, and applications for mobile communications. Particularly, SNSs are formats of social media that have unleashed a revolution not just in marketing, but also in the communications industry (Saxton & Waters, 2014).

Carrillo, García, Castillo & Tato (2013), distinguishes SNSs into categories according to target and specialization, which is fundamental when choosing and managing SNSs according to an organization's intended target.

Depending on the use made of them, SNSs can be grouped into generalist, specialist, and professional. Generalist (or horizontal) social networks sites are characterized by not having a definite topic and are aimed at a generic audience. They all share the same characteristics: creating a profile, a list of contacts, and sharing content. Examples are Facebook, Twitter, Google+, and Identi.ca. Specialist (or vertical) social networks are platforms that are aimed at a specific sector. This type of platform makes it easier for users to find other people with similar tastes and hobbies.

The specialist SNSs are very diverse, focusing on such sectors as sports, free time and leisure, video games (Wipley), music (Last.FM), motorcycling (Moterus), crochet (Ravelry), graphic artists (Domestika, Behance), pets (Unitedcats, Uniteddogs), and travel (Minube). Professional social networks focus on establishing relationships with people who share common professional interests. Examples are Viadeo, Xing, and LinkedIn.

The Concept of Engagement

According to Taylor & Kent (2014:384) "The term engagement is used regularly in the scholarly literature but rarely defined. Engagement is a part of dialogue and through engagement, organizations and publics can make decisions that create social capital. Engagement is both an orientation that influences interactions and the approach that guides the process of interactions between groups". In this sense, engagement is not only interactivity and the definition it is stated is that "Engagement is an affective, cognitive, and behavioral state where in publics and organizations who share mutual interests in salient

topics interact along continua that range from passive to active and from control to collaboration, and is aimed at goal attainment, adjustment, and adaptation for both publics and organizations".

The concept takes centre stage in the digital environment in which engagement on social media, wrongly, "is viewed as interactions with stakeholders and public via social media" (Taylor & Kent, 2014:386), with many authors in particular using it to describe communication via SNSs.

Engagement can be explained in Social Networking Sites (SNSs) (Taylor & Kent, 2014) due to the possibilities of SNSs to manage engagement according to its special characteristics. In this line, Panagiotopoulos et al. (2015) define engagement on social media as the management of social interactions, the creation of content to interact with specific audiences, and the use of SNSs as channels to further develop that engagement.

Therefore, engagement is a multidimensional concept (Dijkmans, 2015:59) defined as "a combination of cognitive aspects (e.g. being interested in a company's activities), behavioural aspects (participation in the company's activities), and/or emotional aspects (feeling positive about a company's activities)".

In this line, one can establish three dimensions within engagement: the behavioural or dialogic dimension (based on social interactions), the cognitive dimension comprising interest in the organization and its contents, and the emotional dimension based on feelings towards the firm.

Social Networking Sites and Reputation

Although SNSs are very important platforms in a social media strategy, directly affecting communications, innovation, and profitability by reducing costs and increasing revenue (Bughin and Chui, 2010), it is still an open question as to whether they represent a major form to build reputation (Raj and Babu, 2017). When considering reputation creation on the Internet, the first issue is that firms do not have an online and offline reputation. They only have a corporate reputation that must be managed both in and out of network environments. One must not lose sight of some of the basic characteristics of corporate reputation that are the same for large and small companies, for analogue and digital environments.

First, reputation is an intangible asset although the inputs and outputs to deal with it are themselves tangible. Second, reputation creation is a dynamic process, and it is not enough to deal with the state of the company in some particular period. Third, reputation creation is a dialectical process, and therefore a dynamic perspective is needed with a distinctive process model and method concerning reputation creation and utilization (Brønn and Brønn, 2015).

To be successful in building reputation for all kinds of companies, two conditions must be met: reputation must be managed in different environments (including the digital one) and in the long term (because it is impossible only in the short term), and the engagement of stakeholders together with their reactions in those environments must be cultivated and observed so as to generate the necessary mutual trust. Reputation management on SNSs thus becomes not a corporate necessity, but an opportunity for the company to create and add value by managing its reputation holistically.

Among the different requirements in SNSs, of particular interest is how the company wishes to be known in its online strategy, the definition of their strategic stakeholder groups, and how the stakeholders later

behave by giving back to the company their positive or negative recognition. Positive recognition may be transformed in the long run into reputation as a competitive advantage (Roberts and Dowling, 2002). Therefore, effective reputation management requires the attention, assessment, and management of communication with the different stakeholders, establishing relationships of engagement with each group. This is a key aspect that can be developed in the SNSs as it allows dialogic communication, the germ of interactivity, understood as a conversation that is neither unidirectional, nor even bidirectional, but multidirectional.

According to a 2017 report by Arroyo et al., on the management of engaging with stakeholders in the digital age, SNSs can foster and enhance reputation because they help create such engagement by establishing a multidirectional relationship of dialogue with each interest group.

The particular novelty and issue brought by the SNSs is that they encourage the feeling that the opinions other users have can be important. The sum of these opinions become the company's letter of presentation, personal and public as well as uncontrollable, which directly affects the level of reputation they will attain and, more importantly, the real opportunities they have for their future. Thus, "the evaluations, reviews, ratings, and stars that users give are the metaphorical traffic lights that govern these new interactions at all levels. That is where the avenues of reputation interact" (Arroyo et al., 2017:4) and the online and offline worlds connect.

In the end, what has virtual nature has important consequences in the real world, but also can provide benefits to organizations if it is well managed as it is proposed on this paper.

Little by little, the use of SNSs is forcing organizations to innovate and reorganize strategically since manage reputation taking them into account can be positive. For this reason, while there had not been many studies about reputation and SNSs in the past, they are now appearing (Raj and Babu, 2017; El Marrakchi et al., 2016). However, attention by companies and scholars on the use of SNSs in building reputation has been focused on marketing objectives, but not corporate ones (Musa et al., 2016: 5). As pointed out by Dijkmans et al., (2015), studies on SNSs focus on consumer engagement or brand attitude more than on reputation.

For example, "brand attitude" has a stronger correlation than "brand reputation and image" on performance (Musa et al., 2016). For this reason, companies are not paying enough attention to the process of creating online reputation, only to how the results of their behaviour are perceived in the digital environment.

According to Costa-Sánchez and Fontela (2016), it is possible to determine factors that influence corporate reputation, such as a proactive attitude, quality of information, consumer attitude, corporate presence and dynamism on SNSs. However, measurement of how these factors influence long-term reputations on SNSs has been through the quantification of opinions about or evaluations of the company (Arroyo et al., 2017). Little by little, these experiences in SNSs are creating a theoretical "corpus", but this corpus is still quite vague and imprecise to say that SNSs can always increase reputation to the organization. However, it can influence positively on stakeholders' perceptions of organizations managing engagement at different levels.

In this line, according to Carrillo & García (2020:4) "there seem to be a triangular relationship between reputation, engagement and SNSs". This has been assumed as if using SNSs provided the necessary engagement to attract reputation. Although reputation can

indeed exist without the use of SNSs, its construction does require engagement with stakeholders (Ji et al., 2017) and SNSs make this possible. In any case, the inclusion of SNSs in a communication strategy will not by itself necessarily guarantee that there will be a sufficient level of engagement to generate reputation.

As a result, the first proposition in this work is that since the SNSs enhance relationships with stakeholders, which is an important aspect in corporate reputation, the management of the engagement capable of being generated on SNSs can help to some extent to manage the reputation. In this line, this engagement ought to be understood as possible to foster stakeholders' relationships at different levels and for different stakeholders, managing the three dimensions of engagement: dialogic dimension, cognitive dimension, and emotional dimension.

SMEs, SNSs and Corporate reputation

In terms to define a second proposition in this work it is needed to clarify some particular key points related to SMEs and how SNSs can help them as part of their communications strategy to manage the engagement and how this engagement can help SMEs in building reputation and its limits.

In this sense, firstly, it is needed to point out the role of SNSs in that they usually pay attention to the short-term relationships with customers and not using them as part of their communication strategy to build their reputation in the long-term. Secondly, and taking into consideration its own features as businesses, explaining the importance to manage the engagement with different stakeholders and at different levels taking into consideration their limits.

SNSs, Engagement and SMEs

On the one hand, given the particular context of SMEs, SNSs are particularly useful for maintaining commercial online interaction with current clients, in terms of increasing sales (Nobre and Silva, 2014), and also, they can help improve those clients' engagement with the SMEs. Also, SNSs can help SMEs attract new consumers (Bång and Hell, 2015).

According to Nobre and Silva (2014:5), SNSs have "the ability to advertise to a particular consumer group, focusing messages that meet their specific needs and tastes (Deloitte, 2012)", which can facilitate the process of word of mouth (WOM) in online communications (Becker et al, 2013), a process that may be critical for the survival of an SME. Hyllegard et al., (2011) emphasize that users seem to rely more on the opinions expressed in Facebook or Twitter than on the information generated and shared by the companies themselves.

Given the difficulty that SMEs have in communications skills in general, and corporate communications, in particular (Hadi et al., 2015), SNSs can also potentially be exploited from a different point of view. The purpose is to explain that SNSs not only can foster relationships with customers but also allow the company to "tell a story" about its own identity (Burson-Marsteller, 2010) and create new messages as part of its corporate communications or public relations strategy. SNSs can thus enhance relationships with a range of stakeholders and increase awareness about a firm.

The effectiveness of SNSs in developing personal relationships with the company "can result in connections between individuals that would not otherwise be made" and "these meetings are frequently between people who share some offline connection" (Boyd and Ellison, 2008:211) as is always common in the more accessible business contexts such as those of SMEs. SNSs relationships eliminate intermediaries and barriers, reduce costs, and facilitate the arrival of new stakeholders (González et al., 2015). New stakeholders are constantly arriving through SNSs, and it is important for the firm to discard the idea that not only its consumers are in contact with it through the SNSs: "Even if a user is not interacting with an unknown user, he/she might get invitations/requests from friends of a known friend. The friends of a friend are indirectly connected to the user" (Raj and Babu, 2017:1).

There is a need to reinforce research on the impact of SNSs on SMEs for them to better manage their stakeholder engagement. A quantitative measure of effectiveness could show up any lack of expertise related to the benefits of creating dialogue with stakeholders. A qualitative approach would be in line with the possibility of actively listening to stakeholders, not just hearing their online conversations.

According to Sung et al., (2010), an interesting practice related to dialogue with stakeholders is to facilitate the formation and continuance of brand communities. A brand community is a place in which to experience the brand. SNSs can be brand communities with which firms can enhance their long-term relationships with current and future consumers (Bagozzi and Dholakia, 2006). This study also revealed that incentive seeking is one of the main motives attracting new community members, and also strengthens the existing relationships. However, there is a risk of overusing such incentives because community members may not actually participate in the community's activities (e.g., information exchange, communicating with other members), but merely obtain the incentives and leave. Thus, marketers should provide not only tangible incentives but also venues for social interaction and entertainment to promote engagement.

Establishing and maintaining appropriate contacts with stakeholders through SNSs is fundamental for the management of engagement. It demands the definition of a map of the firm's groups of stakeholders (consumers, potential customers, employees, public institutions, suppliers...), and combining them with the possibilities provided by each type of SNSs.

It is also important to establish the level of relationship and active communication that is necessary with each of those groups. To this end, some variables will help determine the relative importance of communication with each stakeholder group. For example, one might establish as general variables to help delimit the firm's strategy each group's importance for the organization, management, and economic interests of the company, and the capacity of each group to influence the opinions of the other stakeholder groups on the SNSs. It is very important in the firm's gaining a realistic view of the level of engagement that is needed on SNSs.

In this line, according to Carrillo & Tato (2019) engagement can be possible managing strategically two variables. One variable is related to types of SNSs possible and the other one is related to get different levels of engagement as will explain later.

The first variable is using different types of SNSs to open up to new stakeholders so as to foster networking entails adapting the firm's SNSs strategy to each of the different groups of stakeholders which the SME must identify a priori. Not all SNSs refer to the same stakeholder profile (there are specifically professional networks, leisure social networks...). Therefore, the different SNSs allow a firm to implement

such targeting without increasing the number of groups of stakeholders they need to address, but rather, on the contrary, to segment them so as to better address their different interests and concerns.

This is particularly important for SMEs, given their need to develop and manage the influence they seek within their network of personal contacts to receive the engagement needed to get an effective reputation (Raj and Babu, 2017).

The second variable to take into consideration is studying that different levels of engagement are possible. Achieving stakeholder engagement means working different dimensions of engagement.

The dialogic dimension is referred to the possibility to generate dialogue. Dialogue requires a certain level of interest on the part of the publics. SNSs can familiarize people with a company's online activities, experiencing interest and emotions, interacting, contributing, participating, etc., with the company. According to Tsai & Men (2015) dialogue is possible when there is active engagement between the user and the content.

The cognitive dimension is related to the possibility to generate content. Therefore, according to Muntinga et al (2011), the level of engagement acquired by users will depend on whether users are merely passive recipients of content or active contributors who actively generate content. This must be taken into account, given that the meaning and value of user comments is crucial in the management of reputation from a strategic standpoint, a consideration that is not always taken into (Ji et al, 2017).

The emotional dimension is related to explaining how emotional involvement occurs. This is crucial in the development of engagement (Taylor & Kent, 2014). With respect to emotional aspects, SNSs can present an emotional dimension of the company while it is dealing directly with its different stakeholders, not just consumers (Dijkmans et al., 2015). This is especially relevant for SMEs because of their size and characteristics due to the fact that SMEs have fewer stakeholders to engage with and greater flexibility to adapt to the context, especially the online context.

According to Carrillo & Tato (2019) there are indications to think that all of three aspects of engagement are sequential. It is evident that if no dialogue is developed, it will not be possible to actively generate valid content, nor will it be possible to internalize emotional engagement (Carrillo & García, 2020).

Therefore, the requirements of each stage must be fulfilled to a sufficient degree and sequentially. As a result, engagement will be able to be achieved at different levels: first level involves a superficial participation in the dialogue. This superficial participation impedes the generation of content sufficient to foster higher level of engagement.

Second level is possible when there is development of dialogue to a maximal level, whereby participants actively create content, comment, rates and evaluate or make recommendations. In this case, the nature of user comments also influences the level of engagement reached.

Third level is reached when the dialogue is effective and leads to the contribution of content (negative or positive but not neutral) (Ji et al, 2017), what carries with it the optimum level of internalization of emotional engagement. In conclusion, all three aspects of engagement must be present in order to manage reputation effectively.

Engagement on SNSs to Help SMEs' Communication in Building Reputation

On the other hand, SNSs do not necessarily contribute to the construction of positive reputation but it is an important help to manage stakeholder relationships. Stakeholders' relationships are difficult to establish if this is not coupled with a focus on strategic communication to get the necessary levels of engagement with all stakeholders in every dimension of engagement (dialogic, cognitive, and emotional). According to Durkin, McGowan, and McKeown (2013) the relationship between companies and their stakeholders has two directions. One is that, when referring to sales, the action is "pushing" consumers, but the other is that, when referring to reputation, the action is "pulling" stakeholders so as to engage them.

The management of engagement involves the adoption of strategic communication in SNSs to manage stakeholder relationships, and therefore, the strategy must aim towards the engagement with all stakeholders defined a priori. Partial management of engagement supposes that the use of SNSs will achieve only partial levels of engagement not enabling to complete the process of gaining reputation.

Getting the maximum level of engagement is possible by strategic communication, as a way to enhance stakeholders' relationships to achieve the corporate reputation. Strategic communication is an important instrument to get the dialogue, with a valid content and involving emotional aspect, but while referring to SMEs there are some important limits to take into consideration.

First limit, although SMEs differ from large corporations, nonetheless the value of communication is common to all companies, regardless of their size (Karami and Naghibi (2014)). Although the size of SMEs' allows them more flexibility in the development of their online communication, their actual communication skills are more limited.

In terms of determining the barriers for companies who adopt SNSs, "the top five challenges for companies and marketers in their social media effort is to measure return on investment (ROI), linking social activities to business outcomes, developing a social media strategy, lack of control, and difficulties identifying true customers" (Headly, 2015 in Korotina and Jargalsaihan, 2016: 15).

Second limit, since by nature SMEs' strategies tend to focus on a short temporal horizon, on SNSs, SMEs need to include the long term to manage reputation. A priori, it would seem complicated for SMEs to deal appropriately with this since, in truth, they are more accustomed to managing their short-term image than their long-term reputation (Bång and Hell, 2015). Reputation implies a certain control and constancy in the firm's implementation of its corporate strategies and its communication strategies, and this may be at odds with the human, economic, and technological personnel and resource constraints intrinsic to an SME (Hadi et al., 2015).

There are various reasons why SNSs are a very useful resource with which to include the long term in SMEs' management of their reputation. Firstly, because of their nature, they are channels with great continuity in time (Nobre and Silva, 2014), unlike other media or tools such as the use of advertising campaigns which have a useful life that practically only covers the duration of the campaign, and at a much greater cost.

In sum, corporative reputation is a real competitive advantage that is only possible in the long term, so that it can be more a strategic possibility than a short-term operational advantage.

Third limit is that SMEs usually implement a communication strategy designed only for products.

In this sense, gaining competitive advantages through SNSs should not be understood only as making it possible to save on resources, to generate traffic, or to gain a potential market (Narváez and Montalvo,

2014) through interaction among users. Users are not only consumers, so their interaction should be seen in a wider sense as involving different stakeholders.

If SNSs constitute a good channel through which to engage stakeholders and thus helping to build an SME's reputation, decisions must be taken at the highest level of management, not at the level of the marketing strategy. The firm's top managers must be involved. In this sense, Dutot and Bergeron (2016:1165) report that: "An SMEs decision to participate in a Social Media platform is strategic". This strategic decision should be taken as an opportunity to redefine targets, business resources, and actions aimed at sustaining performance more proactively.

SMEs usually do not use SNSs for business purposes but rather to socialize with friends. Only in relatively few cases do they communicate with their stakeholders on issues related to the company (Garrido-Moreno and Lockett, 2016), the reason being that they do not take advantage of the possibilities offered by SNSs to differentiate between their real stakeholders from other users such as friends or acquaintances.

The fourth limit, although according to the Neo-institutional Theory (Cornelissen, Durand, Fiss, Lammers & Vaara, 2015) in which communication, dialogue and social media has an important role to shape institutional logics and frames, seems to be that SMEs do not consider SNSs as being useful unless their competitors already include them in their strategies. SMEs are thus more dependent on the point of view of their owners than on that of the corporate strategy, and this becomes a new limitation. The owners and managers of SMEs seem to be more concerned about watching their competitors' steps, and therefore doing something because the "other one" does it, rather than thinking about how to optimize their own investment in SNSs and measure the corresponding ROI.

The fear of not controlling what happens on SNSs, in part because of not having the resources to monitor them, is another element the firm must take into account. In this sense, SMEs find it easier to control their owners' personal profiles (for example) than their corporate profiles, which leads to confusion between what is personal and what is professional and makes it even more difficult to control what happens in relation to the company, thus complicating the relationship with the different stakeholders and the measurement of the results.

Although SNSs have become a tool with which SMEs can get to know their stakeholders, whose needs and views they cannot ignore, many SMEs see these sites as relatively insignificant for communication due to the limited effect they have on most customers, and their bias towards personal rather than business communications (Durkin, 2013).

The fifth limit is to be no clear idea or decision about who is responsible for managing the sites. Researchers found two marked tendencies. One is of SMEs that create their SNSs internally. The other is hiring an external company, responsible for taking decisions.

Employing SNSs to build reputation requires having someone responsible for linking the SNSs strategy with the corporate strategy (whether this is done internally or externally).

A common risk when there is no one in charge and the management of SNSs is done outside the company is that external agencies only provide technical support (Narváez and Montalvo, 2014) which is often not enough, and may end up being a very bad decision for the implementation of a strategic approach in the use of SNSs. Another risk is the lack of coherence between what is being done to enhance corporate reputation and the SNSs activities. Two important errors are possible. The first is to use the SNSs only to contact consumers as being the main followers. In this, typically a push type of marketing strategy is

applied, underestimating the possibility of contacting other stakeholders to interact with the company. The second is the inconsistency of trying to use SNSs activities only to create value for its products, not for the company as a whole.

Generally, most entrepreneurs state that they have no definite budget intended for building SNSs (Narváez and Montalvo, 2014). According to Stankovska et al. (2016:225), such a budget is necessary so that SNSs can be part of the firm's communications strategy. A budget is necessary not only for commercial communication through SNSs, but also when the communication is corporate communication and addressed to different stakeholders.

As a result, the second proposition in this work is that although SMEs usually pay attention to the short-term relationship with customers, they can use SNSs as part of their communication strategy to build their reputation as a long-term competitive advantage (Bång and Hell, 2015) managing the engagement with different stakeholders and at different levels, taking into consideration its own features as business. For that, it is important to know SMEs limits to manage communication and to use SNSs strategically to engage stakeholders as a condition to get reputation.

Further Research

One suggested line of future research is to look at actual SNSs practices in SMEs. This has not been examined adequately from a strategic corporate point of view taking into consideration the engagement of all the groups of stakeholders and taking into account different dimensions and levels of possible engagement. Studies of SNSs adoption and utilization by such companies remain limited (Kietzmann et al., 2012). Researchers have been focusing on customers, but not on other stakeholders (Dijkmans et al., 2015).

It is important to analyse this aspect in order to better determine SMEs' actual practices on SNSs so as to evaluate the possibility of applying communication strategies to get different levels of engagement in the path of enhancing corporate reputation.

According to Durkin et al., (2013), another line of research is to look at the challenges that arise in the processes of adopting SNSs, in particular those regarding the relationships with the company's stakeholders (not only its customers) and their implications for SMEs. Due to their size, SMEs would seem to be more likely to engage in dialogue, although it is not clear that they do so nor whether they take a strategic approach on social networking. A more organization-wide strategic approach is necessary to optimize the benefits of social networking to get reputation, and this needs further exploration within SMEs. For that, assuming on this paper that engagement on SNSs is possible in different levels with different dimensions (dialogic, cognitive, and emotional) to manage on SNSs, is very important to explore how to get different levels of engagement managing correctly its dimensions one by one and proposing particular strategies with objectives, steps and methods to achieve it with all stakeholders.

A third line of future research that is worth exploring is the emphasis on personal contacts preferred by SMEs versus virtual contacts with their stakeholders. Given that SMEs see the quality of their personal contacts as particularly important, and that their use of virtual contacts through SNSs is focused more on

friends and family than on stakeholders, it would be worthwhile to explore this gap so as to align efforts to achieve greater benefits.

In this sense too, future work could consider how to align different lines of research about best practices, stakeholder relationships (Bång and Hell, 2015), and engagement. This would mean putting the focus on the importance of reputation given that, as an intangible asset, corporate reputation can not only gain new consumers, but also improve corporate brand value and visibility/recognition in the long term managing different levels of engagement with the rest of stakeholders.

The fifth possible line of research would be based on the great diversity of SMEs. Therefore, it is important to recognize that reputation management, although possible for any company, large or small, will have to be adapted to particular realities. This calls for a precise and rigorous study of the different types of SMEs and their different approaches to the management of reputation on SNSs.

Conclusion

SNSs constitute a perfect context for SMEs when they want to develop appropriate online communications using a strategic approach that includes a budget for the implementation of actions in the long term but it is not clear if they can use SNSs to achieve reputation. Although SNSs have any kind of power to manage corporate reputation, not always is possible if not taking into consideration some important issues related to the nature of SMEs and the nature of SNSs.

SNSs can be used to engage stakeholders but only if companies understand the engagement concept and how to manage it taking into consideration its dimensions and the proper level of engagement necessary with all stakeholders, as an important issue in getting reputation.

Given that SMEs are characteristically changing constantly (Gnan et al., 2013), this work has attempted to provide with information to contribute to their continuing progress on SNSs in particular, trying to explain its limits and possibilities. Despite the generally limited outlook among SMEs on employing SNSs to build reputation, this type of firm can achieve competitive advantages by utilizing SNSs, always bearing in mind its specific characteristics, limitations, and possibilities. The traditional strengths of SMEs include the ability to serve specialist markets and to build strong relationships with their customers. This article has shown how SNSs can be critical for SMEs for also can engage stakeholders at different levels of engagement.

Reputation building using SNSs is compatible with the characteristics of SMEs. They are useful for all organizations that have a solid sense of their corporate reality, a sense which translates into doing things well, and striving for recognition from key groups of stakeholders taking into account how to get the engagement, managing communication strategy in this direction.

This article reflects on the context of SMEs, trying to relate their particularities to the explanation of how engagement is defined and how to understand it in SNSs to achieve reputation.

Acknowledgments

Research funded by the Junta de Extremadura (Consejería de Economía, Ciencia y Agenda Digital) and by the European Union "European Regional Development Fund. A way of shaping Europe". Ayuda GR21028



Bibliographical References

- Arroyo, I., Murillo, D. and Val, E. (2017), *Confiados y Confiables. La fabricación de la confianza en la era digital*, ESADE, Barcelona.
- Bagozzi, R. P., & Dholakia, U. M. (2006), "Antecedents and purchase consequences of customer participation in small group brand communities". *International Journal of research in Marketing*, 23(1), 45-61.
- Bång, A., & Hell, J. (2015), Digital Marketing Strategy: Social Media and its contribution to competitiveness, available at: <https://www.diva-portal.org/smash/get/diva2:824959/FULLTEXT01.pdf> (accessed 20 July 2017).
- Baruah, T. D. (2012), "Effectiveness of Social Media as a tool of communication and its potential for technology enabled connections: A micro-level study", *International Journal of Scientific and Research Publications*, 2(5), 1-10.
- Becker, K., Nobre, H., & Kanabar, V. (2013), "Monitoring and protecting company and brand reputation on social networks: when sites are not enough", *Global Business and Economics Review*, 15(2-3), 293-308.
- Boyd, D.M. and Ellison, N. B. (2008), "Social Network Sites: Definition, History, and Scholarship", *Journal of Computer-Mediated Communication*, 13, pp210–230.
- Brønn, C., & Brønn, P. S. (2015), "A systems approach to understanding how reputation contributes to competitive advantage", *Corporate Reputation Review*, 18(2), 69-86.
- Bughin, J., & Chui, M. (2010), "The rise of the networked enterprise: Web 2.0 finds its payday", *McKinsey quarterly*, 4, 3-8.
- Burson Marsteller (2010), "Global Social Media Check Up White Paper", available in <https://www.slideshare.net/webconomia/burson-marsteller-2010-global-social-media-check-up-white-paper-3368506>, (accessed 20 July 2019).
- Carrillo-Durán, M. V., & GarcíaGarcía, M. (2020). Exploring the need for stakeholders' engagement through social networking sites to build the reputation of higher education organisations. *Higher Education Quarterly*, 74(4), 442-457.
- Carrillo-Durán, M. V., & Tato-Jiménez, J. L. (2019). The Benefits of Social Networking Sites in Building Reputation for Enterprises. *Organizational Transformation and Managing Innovation in the Fourth Industrial Revolution*, 65-85.

- Carrillo, M.V., García, M., Castillo, A., Tato, J.L. (2013), *Los retos de la comunicación*. Madrid: Pearson.
- Chung, N., Tyan, I., & Chung, H. C. (2017). Social support & commitment within Social Networking Site in Tourism Experience. *Sustainability*, 9(11), 2102.
- Cornelissen, J. P., Durand, R., Fiss, P. C., Lammers, J. C., & Vaara, E. (2015). Putting communication front and center in institutional theory and analysis. *Academy of Management Review* 2015, Vol. 40, No. 1, 10–27.
- Costa-Sánchez, C., & FontelaBaró, B. (2016), "Public relations and Social Media. Spanish Companies proactivity in the audiovisual social networks", *Revista Internacional de Relaciones Públicas*, 6(11), 235-254.
- Dijkmans, C., Kerkhof, P., & Beukeboom, C. J. (2015), "A stage to engage: Social Media use and corporate reputation", *Tourism Management*, 47, 58-67.
- Durkin, M. (2013), "Tweet me cruel: Perspectives on battling digital marketing myopia". *The Marketing Review*, 13(1), 51-63.
- Durkin, M., Mcgowan, P., & McKeown, N. (2013), "Exploring Social Media adoption in small to medium-sized enterprises in Ireland", *Journal of Small Business and Enterprise Development*, 20(4), 716-734.
- Dutot, V., & Bergeron, F. (2016), From strategic orientation to Social Media orientation: Improving SMEs' performance on Social Media", *Journal of Small Business and Enterprise Development*, 23(4), 1165-1190.
- El Marrakchi, M., Bellafkhi, M., & Bensaid, H. (2015), "Towards reputation measurement in online social networks", In *Intelligent Systems and Computer Vision (ISCV)*, 2015(pp. 1-8). IEEE.
- El Marrakchi, M., Bensaid, H., & Bellafkhi, M. (2016), "Intelligent reputation scoring in social networks: Use case of brands of smartphones". In *Intelligent Systems: Theories and Applications (SITA)*, 2016 11th International Conference on (pp. 1-6). IEEE.
- European Commission (2006), "The new SME definition", available at: file:///C:/Users/Victoria/AppData/Local/Temp/sme_report_2006_en.pdf (accessed 20 July 2019).
- García García, M., Carrillo-Durán, M. V., & Tato-Jiménez, J. L. (2017). Online corporate communications: website usability & content. *Journal of Communication Management*, 21(2), 140-154.
- Gardberg, N. A. (2017). "Corporate Reputation: Fashion, Fad, or Phenomenon?", *Corporate Reputation Review*, 20(3-4), 177-180
- Garrido-Moreno, A., & Lockett, N. (2016), "Social Media use in European hotels: benefits and main challenges", *Tourism and Management Studies*, 12(1), 172-179.
- Gnan, L., Montemerlo, D., & Huse, M. (2015), "Governance systems in family SMEs: The substitution effects between family councils and corporate governance ", *Journal of Business Research*, 68(4), 823-828.

- Hadi, N. U., Abdullah, N., & Sajilan, S. (2015), "Conceptual Framework of Factors Affecting SMEs Manufacturing Business Performance", *Review of Integrative Business and Economics Research*, 4(3), 250.
- Harvey, W. S., Morris, T., & Müller Santos, M. (2017). "Reputation and identity conflict in management consulting", *Human Relations*, 70(1), 92-118.
- Huang-Horowitz, N.C. (2015), "Public relations in the small business environment: Creating identity and building reputation", *Public Relations Review*, 41(3), 345-353.
- Hyllegard, K. H., OGLE, J. P., YAN, R. N., & REITZ, A. R. (2011), An exploratory study of college students' fanning behavior on Facebook", *College Student Journal*, 45(3), 601.
- Jelen-Sanchez, A. (2017). "Engagement in public relations discipline: Themes, theoretical perspectives and methodological approaches", *Public Relations Review*, 43(5), 934-944.
- Ji, Y. G., LI, C., North, M., & Liu, J. (2017). "Staking reputation on stakeholders: How does stakeholders' Facebook engagement help or ruin a company's reputation?", *Public Relations Review*, 43(1), 201-210.
- Karami, S., & Naghibi H S. (2014), "Social Media marketing (SMM) strategies for small to medium enterprises (SMEs)", *International Journal of Sales and Marketing Management Research and Development Vol. 4, Issue 4*, Aug, 11-20.
- Kent, M. L., & Lane, A. B. (2017). "A rhizomatic metaphor for dialogic theory", *Public Relations Review*, 43(3), 568-578.
- Khan, S., & Digout, J. (2018). "The Corporate Reputation Reporting Framework (CRRF)", *Corporate Reputation Review*, 21(1), 22-36.
- Kietzmann, J. H., Silvestre, B. S., McCarthy, I. P., & Pitt, L. F. (2012), "Unpacking the Social Media phenomenon: towards a research agenda", *Journal of Public Affairs*, 12(2), 109-119.
- Korotina, A., & Jargalsaikhan, T. (2016), "Attitude towards Instagram micro-celebrities and their influence on consumers' purchasing decisions", available at <http://www.diva-portal.org/smash/get/diva2:950526/FULLTEXT01.pdf>, (accessed 20 July 2020).
- Men, L. R., & Tsai, W. H. S. (2015). "Infusing Social Media with humanity: Corporate character, public engagement, & relational outcomes", *Public Relations Review*, 41(3), 395-403.
- Michaelidou, N., Siamagka, N. T., & Christodoulides, G. (2011). "Usage, barriers and measurement of Social Media marketing: An exploratory investigation of small and medium B2B brands", *Industrial marketing management*, 40(7), 1153-1159.
- Money, K., Saraeva, A., Garnelo-Gomez, I., Pain, S., & Hillenbrand, C. (2017). "Corporate Reputation Past & Future: A Review & Integration of Existing Literature & a Framework for Future Research", *Corporate Reputation Review*, 20(3-4), 193-211.
- Moss, D., ashford, R. & Shani, N. (2004), "The forgotten sector: Uncovering the role of public relations in SMEs", *Journal of Communication Management*, 8(2), 197-210.

- Muntinga, D. G., Moorman, M., & Smit, E. G. (2011). "Introducing COBRAs: Exploring motivations for brand-related social media use", International Journal of advertising, 30(1), 13-46.
- Musa, H., Azmia, F. R., AB Rahima, N., samad, A., & Shibghatullah, N. A. O. (2016), Analyzing the Effectiveness of Social Media Marketing, ISSC 2016: International Soft Science Conference, available at <http://dx.doi.org/10.15405/epsbs.2016.08.2>, (accessed 20 July 2017).
- Narváez, G. A., & Montalvo, E., (2014), "Best Practice in the Use of Social Networks Marketing Strategy as in SMEs", Procedia - Social and Behavioral Sciences, 148, 533–542.
- Nobre, H, Silva, D., (2014), "Social Network Marketing Strategy and SME Strategy Benefits", Journal of Transnational Management, 19(2):138-151
- Oni, O. (2021). Small-and medium-sized enterprises' engagement with social media for corporate communication. In *Strategic corporate communication in the digital age*. Emerald Publishing Limited.
- Podnar, K., & Golob, U. (2017). "The Quest for the Corporate Reputation Definition: Lessons from the Interconnection Model of Identity, Image, & Reputation", Corporate Reputation Review, 20(3-4), 186-192.
- Pownall, C. (2015). *Managing Online Reputation: How to Protect Your Company on Social Media*. Springer.
- Raj, E. D., & Babu, L. D. (2017), "An enhanced trust prediction strategy for online social networks using probabilistic reputation features", Neurocomputing, 219, 412-421.
- Reputation Institute (2014). Playing to Win in the Reputation Economy 2014. Annual Reputation Leaders Study. Retrieved from <https://www.reputationinstitute.com/research/reputation-leaders-study>
- Roberts, P. W., & Dowling, G. R. (2002), "Corporate reputation and sustained superior financial performance", Strategic management journal, 23(12), 1077-1093.
- Saxton, G. D., & Waters, R. D. (2014). "What do stakeholders like on Facebook? Examining public reactions to non-profit organizations' informational, promotional, and community-building messages", Journal of Public Relations Research, 26(3), 280-299.
- Stankovska, I., Josimovski, S., Edwards, C. (2016), "Digital channels diminish SME barriers: the case of the UK", Economic Research-Ekonomska Istraživanja, 29(1), 217-232.
- Sung, Y., Kim, Y., Kwon, O., Moon, J. (2010), "An explorative study of Korean consumer participation in virtual brand communities in social network sites", Journal of Global Marketing, 23(5), pp 430-445.
- Taylor, M., & Kent, M. L. (2014). "Dialogic engagement: Clarifying foundational concepts", Journal of Public Relations Research, 26(5), 384-398.
- The world bank (2021) "Small and Medium Enterprises (SMEs) Finance Improving SMEs' access to finance and finding innovative solutions to unlock sources of capital".
<https://www.worldbank.org/en/topic/smefinanceSmall>
- Wang, W. Y., Pauleen, D. J., & Zhang, T. (2016), "How Social Media applications affect B2B communication and improve business performance in SMEs", Industrial Marketing Management, 54, pp4-14.

Wirtz, J. G., & Zimbres, T. M. (2018). "A systematic analysis of research applying 'principles of dialogic communication' to organizational websites, blogs, and social media: Implications for theory and practice", *Journal of Public Relations Research*, 30(1-2), 5-34.

Zerfass, A. & Winkler, L. (2016), "Corporate Communication in SMEs: Unveiling an Ignored Field of Practice". In: *The Management Game of Communication*, in Brønn, P., Romenti, S. & Zerfass, A. (eds.). Bingley, UK: Emerald Group Publishing Limited.