

**THE SIGNIFICANCE OF REPUTATION MANAGEMENT – A STUDY ON THE  
SINKING REPUTATION OF FACEBOOK.**

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## ABSTRACT

### **The Significance of Reputation Management – A Study On The Sinking Reputation of Facebook.**

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It is not clear whether the phenomenon is a pattern or a fad, given the lack of agreement in defining reputation, the uncertainty and dubious validity of reputation measures, and unanswered questions about when and how to "manage" reputation. Facebook is the world's largest social media network with great socializing features. Despite its socializing services an outstanding growth over the years, Facebook has been criticized several times due to several data breaches and hate speeches.

These controversies have resulted in Facebook facing the wrath of all those affected directly or indirectly by these reputation-damaging events. The company had to face several challenges afterward, too, which included the legal actions and penalties and also the advertisers walking out from the platform. Social media has influenced the reputation of Facebook and has excellent credibility to alter it. Moreover, the success of Facebook is dependent on its status and as the company has a poor performance history with data breaches and hate speeches, it is more likely to face a negative financial impact and can also result in losing users.

The understanding of the reputation crisis is a matter of concern For Facebook, as there is a noticeable number of users who have reduced the usage of Facebook and are willing to withdraw from the platform. Suppose Facebook fails to defend the user's privacy and not violate their hate speech policies. The response and strategies used by Facebook and not sufficient for users to regain lost trust and continue using the platform. Therefore, the reputation management strategies to be implemented should reassure users and gain the lost reputation.

**Keywords**-corporate strategies for reputation management, social media, crisis management, success, data privacy, hate speech, trust, values, corporate responsibility.

## DECLARATION

# Submission of Thesis and Dissertation

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## CHAPTER 1: INTRODUCTION

There is absolutely no company that is immune to a crisis like reputation, even if it is a social media giant like Facebook. Social media and other media platforms play an essential role in spreading news regarding the harmful activities around Facebook, and news spreads instantaneously. This reality could not be overlooked, and thus organizations need to respond immediately to the declining reputation. This decline in reputation can be managed by “reputation management.” Reputation management is essential for the survival of the brand because a good reputation is more likely to bring in more revenue. Hence, an improved reputation protects both the users as well as the organization.

The present study is addressing to the sinking reputation of Facebook and highlights why reputation management is vital for the success and growth of Facebook. The dissertation intends to be studied at a master's level, in brand reputation management discipline. The study aims at providing students with a real-life organizational reputation crisis and recommending Facebook with means to recover the reputation.

The current research is structured as follows. The first chapter gives a brief introduction of the research background on reputation management and the impact of a good or bad reputation. It also ‘reputation score’ and the reason for Facebook rated low on trustworthiness. Along with Facebook's reputation, this chapter gives the readers a brief understanding of the idea to select the research topic. The second chapter embodies a literature review of the subject, including a corporate reputation as a management tool. Trust is an essential factor in reputation management. The difference between the reputation of a company and the company's image come out ways to measure corporate reputation. In reputation management, managing the reputation, the role of social media activities and the impact of company reputation, the relation between a company's reputation and its spending on marketing activities, effects of depleting reputation on a company, and depleting reputation as a crisis for the company.

The next chapter is contextualization, which provides a timeline to the readers of Facebook and its privacy controversies and also Facebook's failure to moderate hate



speeches. This chapter gives an insight into the consequent Facebook controversies over the years, related to data harvesting, promoting hateful statements or failure to flag fake news on social media.

The third chapter is based on the research questions and the research hypothesis. The following hypothesis is considered at the beginning of the research that a company's success would suffer due to a bad reputation, the social media and the Internet have achieved enough credibility to alter a company's reputation, and there is a strong correlation between the reputation of a company and its overall spending on marketing activities and also, that, the degradation of Facebook's reputation would result in the loss of users, in the long run. It also highlights the research aim that is to understand the impact of reputation management on Facebook's depleting reputation. The research objectives listed in this chapter highlight the importance of reputation management and its effect on investment in the marketing systems. It also identifies and defines the strategies to overcome a bad reputation and the impact of a prolonged bad reputation in the market.

The next chapter discusses the research methodology; Its meaning, the research method used, the research philosophy, approach, sampling strategy, data collection, data analysis, time horizon, research limitations, research ethics, and also discusses the software used for the examination. The software used to analyze the survey data, IBM SPSS statistics, is briefly explained along with the purpose of it and accuracy.

The fifth chapter explains the use of IBM SPSS Statistics software to do the research and helps to analyze the data of the participants collected through the Google survey. It gives an insight into the research findings and also helps to study the variable statistically. The software has numerous data-oriented methods to statistically analyze data in terms of mean, frequency, standard deviation, and errors. The analysis chapter is followed by a discussion based on the above hypothesis. This chapter briefly explains the impact of a bad reputation On Facebook in terms of losing customers and also financial losses. It also highlights the importance of social media in improving Facebook's reputation in the market. The chapter also signifies that the overall corporate spending on marketing activities is

correlated with the company's reputation and also emphasizes the decline of Facebook's reputation may result in the loss of users in the long term.

## 1.1 Research Background

Reputation management means tracking the actions of a company as well as monitoring and reporting the opinions of its customers, cooperation partners (such as suppliers), and competitors (Tyler, 2017). A good reputation offers the basis for a company to deliver better financial results. A good reputation also attracts highly qualified employees and the right kinds of investment firms (Griffin, 2008). Reputation management should be part of corporate policy and its principles. Its reputation is one of the critical factors that companies can compete on. From the beginning, an organization must have a good reputation, and they must also be able to maintain that good reputation over the years (Friedman, 2009).

All in all, reputation management is a highly debated subject; its meaning is not fully agreed upon. Still, it has quickly become a popular topic in literature and techniques on corporate management (Tyler, 2017). Reputation is an intangible asset and cannot be calculated on a balance sheet. However, it still provides value when adequately managed, and is, therefore, a significant advantage for a company (Marr, Schiuma and Neely, 2004). When talking about reputation a couple of decades ago, it was all about corporate image and branding. Still, the reputation these days is seen more as a tool in public relations (Friedman, 2009). At the same time, they are referring to the Big-Tech companies and international companies, reputation management and strategies would be considered as they are composed of both time and resources to innovate, improve and even develop the corporate reputation. On the other hand, the small companies' reputation would usually revolve around their CEO's personality and also at the time the face of the company (Griffin, 2014).

Reputation is the "aggregate evaluation constituents make about how well an organization is meeting constituent expectations based on its past behaviors" (Wartick 1992). Any organization's primary concern is maintaining a good reputation among the users and stakeholders, inclusive of an organization's "good points" (Coombs, 2010b). Any crisis can be a menace to a company's reputation (Barton 2001). Thus, a company needs to build a reputation before a crisis for the benefit

during challenging scenarios. The Velcro effect reaction can be seen on a negative reputation that causes the positive outcomes of the business to slow down or diminish (Coombs & Holladay, 2006).

## 1.2 Related Academic Literature

The Axios Harris Poll conducted 100 surveys in a nationally representative sample from November through January. A group of 6,118 U.S. adults was asked to identify the best and worst reputations of the two businesses they claim to include (Rosenberg, 2019). Instead, the second group of 18,228 adults rated the 100 "most recognizable companies" through key corporate reputation indicators. Some of the individual characteristics which make up the overall score, including citizenship, ethics, and trust, ranked Facebook, particularly low on trustworthiness (Rosenberg, 2019). Google and Apple also saw their originally sterling reputations jeopardize, although not as rapidly as Facebook (Rosenberg, 2019). Just 22% of Americans say they trust Facebook with their personal information, far less than Amazon (49%), Google (41%), Microsoft (40%), and Apple (39%) (Vanian, 2018).

Facebook is of the view that some of its users are exploiting the system they set up to fight against fake news. That, they say, requires users to be using a 'trustworthiness Score,' also called a 'Reputation Score,' it sounds like the social scoring system of the 'Passenger Rating' of Uber (Gagne, 2018). The concern is that, for that matter, Facebook has a lot more data about its users than say, Uber, or any other company. Therefore, the potential for harm is much higher, with any scoring system they devise (Gagne, 2018).

Facebook claims to rate user 'trustworthiness' by using a social scoring algorithm. This algorithm identifies the users cheating the program by labeling the posts with which they disagree as false. Facebook is investigating their actions on the site to decide if they have a hidden agenda that drives their flagging operation (Gagne, 2018). Despite multiple layers of identity data protection in place, Facebook collects behavioral data that appears strikingly exposed and vulnerable (Gagne, 2018). That is the number one issue. Problem number two seems to be that Zuckerberg's poorly

constructed defense for his reputation scoring system has come up with. Facebook is churning away quietly at their Big Data storage devices, not only processing our personal information but also our behavior (Vanian, 2018).

### 1.3 Reason for selecting the research question-

The increasing competition in the market has made it harder for the company to stand out. Even the corporate responsibilities have added emphasis on the media and corporate strategies of the companies, more and more (Fombrun, 1996). Due to these reasons, company reputation has become a measurement of success and a new method to enhance the competitive advantage over the others. A good reputation provides an organization with the premise to achieve better financial results (Marr, Schiuma, and Neely, 2004). Furthermore, a good reputation attracts a skilled and educated workforce and the right types of investment companies (Smaiziene and Jucevicius, 2013). The management of reputation should be a part of organizational strategy and its values. Reputation is a multi-dimensional phenomenon, and its impact on the performance of the company should not be underestimated during these challenging competitive times (Fombrun, 1996).

## CHAPTER 2: LITERATURE REVIEW

### 2.1 Corporate reputation as a management tool:

The cohesive research theories are not scientifically recognized and thus do not have a scientific definition. Different fields see reputation in different ways regardless of agreeing to the futuristic importance to the company (Griffin, 2014). Reputation management is instead a new phenomenon as between the 1950s to 1970's reputation was looked only as of the brand image and was majorly used in researches around marketing and psychology (Friedman, 2009). Inside an organization, it is essential to study and determine the consequences of reputation on the company's success (Friedman, 2009).

Corporate Reputation is described by Andrew Griffin (2014) in New strategies for reputation management as *'perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all its key constituents when compared with other leading rivals.'*

Reputation exists by the judgment by others and recognition by others. First and foremost, credibility gathers and thus marks out a company's perceptions and images. Reputation also represents the goals, priorities, and directions of an organization (Friedman, 2009). The attraction is the basis for economic success is used to demonstrate the effect of a good reputation on the performance of the company in the market (Griffin, 2014).

### 2.2 Trust is an essential factor in reputation management:

Trust is ultimately the main factor in corporate reputation (Friedman, 2009). If the consumer does not trust the service or product or the manufacturer, there will be no contract. If the employees distrust the company, they will leave as soon as possible, or the company will not be able to recruit new employees very last. If the authorities doubt the company, its activities would be closely monitored, and limitations may be implemented. Even if the media does not trust the company, it

will be the next big hobby for journalists to bring the company out to the public in the most unfavorable light, creating suspicions amongst stakeholders (Griffin, 2014).

### 2.3 The Difference between the reputation of the company and the company image:

Reputation was often confused with the corporate image in the 1950s and 1960s, and even in the 21st century, when corporate reputation was discussed in the literature (Marr, 2008). The two things had been treated as congruent. There is still no academically accepted distinction between these two principles, which is commonly known (Marr, 2008).

First of all, reputation can be distinguished from the image by taking into account what it is usually associated with; reputation has to do with "respect and client favorability" whereas, the image connects to the brand(Griffin, 2014). As Smaiziene and Juseviciusstate in *Structural Composition of a Corporate Reputation Portfolio* (2013) states that: *"Corporate image is firmly related to brands and marketing, impression management and public relations decisions and actions; as the reputation of a company is associated with its character and credibility, and none of the departments may be segregated."*

While an image of a company can be created, but it must earn a reputation. No matter how hard you try to convey about the company's strong reputation to the outside world, if people disbelieve the words, the reputation won't be able to hold it (Fombrun, 1996). On the other hand, image is not something one needs to believe in, and reputation is just something that customers see (Fombrun, 1996).

### 2.4 Measuring Corporate Reputations in reputation management:

When assessing or evaluating the credibility of a business, it is crucial to bear in mind that reputation is a multi-dimensional phenomenon, and decisions of the reputation are made based on these dimensions of a company (Griffin, 2008).

The key points to note are that credibility has different definitions based on people's positions and professions, making those definitions; to ensure that the relevant issues are to be addressed at the right time, which involves an understanding of reputational anatomy. And to ensure that the preferred features become more influential and the bad features improve, the proper management actions are taken (Friedman, 2009).

The measure of corporate reputation which consists of six dimensions (Griffin, 2008):

1. **Emotional Appeal:** It is the level of contentment of the stakeholders with the company and execution of its strategies and activities. They confide in the business.
2. **Products and Services:** The products and services the company provides should be of high quality, creative, and beneficial in the view of the stakeholders.
3. **Financial Performance:** Stakeholders are convinced that the long-term prospects of the company are concrete, and that the business is profitable and capable of outperforming competitors, and that it is an investment of low risk.
4. **Vision and Leadership:** The business has a clear vision that will help it succeed in the future as well as maximize growth opportunities. The leadership of the organization also has to be on target to fulfill the vision.
5. **Workplace Environment:** Stakeholders believe that the company has skilled and productive, well-managed workers and that the company will bring in new and capable employees in the future.
6. **Social Responsibility:** Stakeholders are aware of the company's objectives as a "good citizen" that involves supporting good causes, concern for the environment, and taking into account what local communities might need and providing them with it.

## 2.5 Depleting Reputation as a crisis for the company.

There are various definitions for an organizational crisis proposed by different authors. According to Coombs (2012), a crisis can be defined as “the perception of an unpredictable event that threatens important expectancies of stakeholders and can severely impact an organization’s performance and generate adverse outcomes. Moreover, these crises are negative events that can pollute the positive aspects of an organization's image (Coombs, 1995). An organizational crisis can disrupt an organization's way of conducting business and can draw-in public scrutiny or even media coverage (Alvintzi and Eder, 2010).

Crisis management is commonly defined as a group of factors that are designed to tackle the crisis and to decrease the damages inflicted (Coombs, 2012). The crisis management can be categorized into three phases; pre-crisis, crisis and post-crisis. Here, the crisis for Facebook is its reputation, which could generate negative financial, legal, or political repercussions on the company. Pre-crisis involves measures to prevent, identify, and plan for crises, such as gathering information on crisis risks and preparing personnel who may be participating in the process (Coombs, 2010a). The crisis process is the identification of the event and the immediate reaction to it. Post-crisis includes attempts to track stakeholders and learn from the crisis (Coombs, 2010a).

According to Coombs 1995, there are four types of crises that are inclined to two dimensions, i.e., Internal-External and Intentional-Unintentional. For a better understanding of the kinds of crises, refer to the table (1) below.

*Table 1: Matrix of types of crisis (Coombs, 1995)*

	Unintentional	Intentional
External	Faux Pas	Terrorism
Internal	Accidents	Transgressions



The internal external dimension relates to the origin of the crisis, caused by an organization itself or externally by a group outside. On the contrary, the second dimension comprises the crisis event to be committed unintentionally or intentionally. The faux pas is an unintentional action That is transformed into a crisis by an external agent. At the same time, ‘Accidents’ are also a type of accidental crisis due to sudden mishappenings within the organization. On the contrary, the intentional external factor is terrorism ‘that is intentionally harming the organization by a foreign agent. ‘Transgressions’ are another form of an intentional-internal element that a company in curse at the risk of the public and violating the government laws and policies.

It is essential to respond to the crisis with the correct strategy. The strategy used to prepare and respond to the crisis would aim to restore the damage caused to a company’s reputation due to the above-stated attributes (Allen and Caillouet, 1994). To decide the crisis response strategy, it is essential to identify the type of crisis followed by the evidence and the intensity of damaged caused and, at the end analyzing the performance history (Coombs, 1995).

For the case of Facebook, the type of crisis is due to transgression, with valid evidence which caused damage to the company's reputation. Also, Facebook has an adverse performance history of dealing with customer data inappropriately.

According to the above case analysis of Facebook, the response strategy of reputation crisis would be ‘mortification,’ as Coombs, 1995 transgression decision flow chart states in Figure 1.

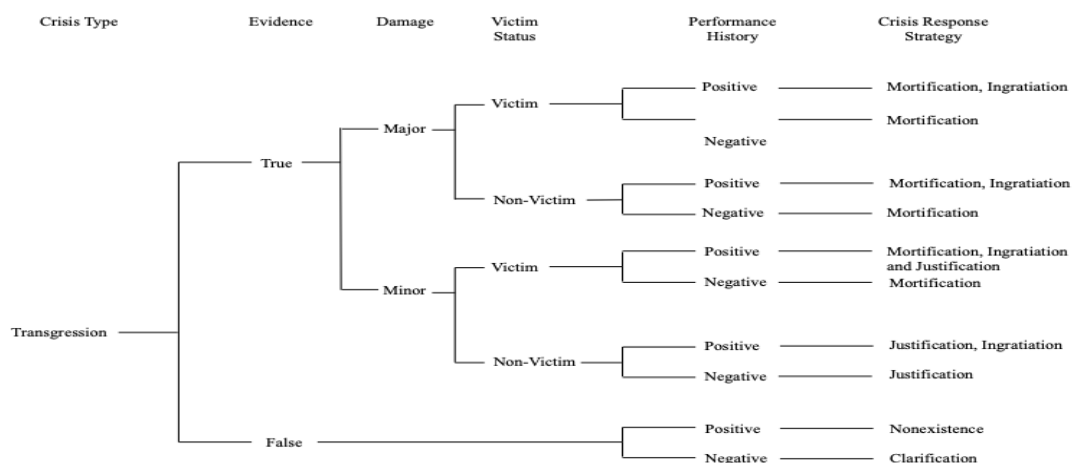


Figure 1: Transgression decision flowchart (Coombs, 1995)

The purpose of the Mortification Strategy is to gain forgiveness and create acceptance for the situation (Marcus & Goodman, 1991; Sharkey & Stafford, 1990). Remediation is one way to achieve this by providing a sort of relief or supporting participants. Also, repentance involves seeking mercy, and rectification requires taking measures to avoid the future recurrence of the situation (Coombs, 1995). Mortification and corrective actions both are equally essential for an organization to take responsibility for their ill and offensive activities, even if the accused organization is partially responsible (Benoit, 1995). Corrective measures should include the development of proactive steps to prevent the aggressive act from reoccurring and may consist of a plan to deal with the consequences of an offensive action (Holdener and Kauffman, 2014). Benoit (1995) strongly supported the mortification approach for the liable entities as the preferable option, undoubtedly depending on corrective measures as a way of fixing the damage to one's reputation quickly and efficiently.

## 2.6. Managing the reputation

Managing Reputation refers to managing and regulating the reputation of an individual or group. Originally a term for public relations, Internet and social media growth, together with reputation management companies, has made web pages a core part of the reputation of an individual, group, or company (Friedman, 2009). In present times, nearly every company ensures social media reputation. This reputation is potentially precious if adequately managed (Griffin, 2008). Nonetheless, if poorly handled, the use of social media may cause irreversible damage to a business Organizations should track their reputations on social media in the same way as people do (Marr, 2008).

Experts say companies need to respond to negative press quickly, in a respectful, thoughtful manner and admit the fault was necessary to minimize damage effectively. Companies should take advantage of social media to reach their customers directly (Friedman, 2009).

At the same time, this makes companies more responsive to their customers and offers businesses a specific and transparent way to respond to consumer concerns. Most customers in the internet age have high standards for companies and expect a response from them (Griffin, 2008). Businesses that have not responded on social media to their clients have been criticized for not caring for the clients. Not only do unhappy customers move their money elsewhere, but they can also spread bad reviews via social media (Griffin, 2014). Unlike this, companies that use social media to fix complaints from individual customers may benefit from a positive reputation on social media. Several studies confirmed that negative social media reviews would result in a drop in overall profits, while positive views result in the rise of business profits (Griffin, 2014). The press and public tend to allocate greater responsibilities to organizations as the potential for damage is more considerable. That goes along with the fact that people consider big companies more accountable for detrimental acts than for positive attributes (Griffin, 1997). Lastly, an organization's reputation also depends on its performance history and the users or less likely prove an organization guilty for the current events, if the past actions have been positive (Grunig, 1993). Similarly,, if an organization has a constant negative performance history, it is more likely to be proven guilty (Griffin, 1997). Here, it is of significance to understand that whether the people are more affected by Facebook's controversies around the security and safety of the user data and hate speeches, or are they content with the positive attributes of Facebook.

## 2.7 Role of social media activities on the impact of a company's reputation.

Social media provides a forum for people to connect and share views to provide feedback and knowledge regarding customers who use a brand and endorse it through social media by engaging and providing their thoughts on brands or products (Kietzmann, Hermkens, McCarthy and Silvestre, 2011). Due to globalization, a brand's reputation plays a crucial part in the organization's success, and it does seem that there is competition in the market based on brand repetition. It is,

therefore, necessary for brands to participate in creating value and enhancing the customer's experience (Faiz et al., 2019).

## 2.8 Relation between a company's reputation and its spending on marketing.

Kim (2001), found that the increase in marketing spending induced both a rise in popularity and sales and that an increase in revenue induced an increase in market share -believing that the correlation attained causality in either situation. Kietzmann, Hermkens, McCarthy, and Silvestre (2011), stated that social media advertising had been done as an afterthought to marketing. Still, social media is an essential tool that impacts not only a brands' reputation but also their survival.

Virtual trust has a strong association with the following backgrounds: established privacy, quality of service, reputation, the safety of data, risk, usability, and ability to trust, as well as the implications of commitment, purchasing purpose, and the intention of usage (Kovač and Žabkar, 2020).

## 2.9 Effect of depleting reputation on a company.

The increase in the prominence of social media and the internet, where bad news travels swiftly, has resulted in a rise in reputation risks among the companies (Lee, Hutton and Shu, 2015). Risk management is required for a thorough understanding of the relationship between customers and the company. It also links them to corporate reputation, reputation-damaging actions, and financial penalties. Henceforth, it is essential to take into account the behavior of customers and their perspectives (Gatzert, 2015). There can be several events that can damage a company's reputation including activities like operational risk events, especially violating the law and regulatory sanctions, deceitful earnings, environmental violations, promoting negativity and also few firm actions like downsizing and layoffs can damage a company's reputation for the customers (Gatzert, Schmit and Kolb, 2014). These events can result in a change in customers' behavior and decision-

making concerning their brand loyalty, service satisfaction, willingness to pay, trust, and consumption intentions (Gatzert, 2015).

### **CHAPTER 3: SCENARIO CONTEXTUALIZATION**

This part gives an outline of Facebook and projects the controversies related to Facebook's privacy breaches and bent policies about violence and hate speeches. It establishes the disputes briefly, and the effect of these controversies on the consumers as well as the advertisers.

#### **3.1 Company's Synopsis**

Facebook is one of the leading social networking platforms which allows people to socialize through it for free. The company was founded in 2004, and ever since Experienced only growth. Still, recently it has gained a lot of bad reputation Duedo the lack of adequate regulations and inaccurate privacy policies, which has made Facebook's reputation questionable for the users. This social media giant faced many controversies about the incapability of protecting the data of the users as well as the inability to condemn violence and hate speeches. Currently, Facebook is facing a huge crisis over its sinking repetition and consumer trust. The company's CEO, Mark Zuckerberg, had been made accountable for the incapability to protect the user's data, to which the CEO has apologized and assured to take necessary measures to avoid such events in the future.

#### **3.2 Privacy Controversies**

Facebook had been scrutinized over time for a variety of concerns related to privacy. The company has repeatedly been making adjustments to the Facebook privacy settings and policies but failed to safeguard the user's privacy each time. These privacy concerns are long-lived and first emerged in 2006 when Facebook decided to launch a new feature called the 'news feeds' that would allow Facebook friends to spot recent activities of each other and shared their details without the consent of the user. This new feature was disliked by the students (From the USA, Canada, Mexico, UK, Australia, New Zealand, and Ireland) as they were the only users at that

time. Zuckerberg acknowledged the user's reaction but reiterated this feature as the new cool (Time, 2006).

Again In 2007, an add-on by the name Beacon was added to Facebook's advertisement system that used to track users' online purchases from the partnered third websites and update on the News Feed without the user's consent(Newcomb, 2018). Mark Zuckerberg profoundly apologized and declared that the beacon program would then be optional, but no sooner, this feature was forced to shut down two years later. Facebook had to pay \$9.5 million to resolve the privacy concern and undertaken illegal actions (The Telegraph, 2009).

At the end of 2011, Facebook was charged for incompetency to live up to the user's expectation of data protection. Facebook was unable to stop making the users' personal information public, through the third-party applications and sharing the information with the advertisers. The Federal Trade Commission charged Facebook for these violations and made a settlement with Facebook in terms of the agreement to a privacy audit every two years. The CEO accepted that the company has made a bunch of mistakes and apologized for it and assured that the privacy problems were fixed (The New York Times, 2011).

The list of privacy controversies is never-ending in the case of Facebook, and again in the year, 2013 Facebook acknowledged a malfunction in their system that allowed users' contact information (mobile numbers, e-mails, and even address) to be public(Newcomb, 2018). This affected nearly 6 million users globally. In this situation, Facebook tried to convince the users that the information was exposed to one or two users with a similar connection. Facebook further added that only the user's contact information was breached, and no other data was leaked (ZDNet, 2013).

The Cambridge Analytica data scandal was one of the biggest privacy scandals that collected information from 87 million worldwide users. CA was a political consulting firm that collaborated with a firm called global science research (GSR) and made a

personality testing app called 'thisisyourdigitallife,' which was added on Facebook (Newcomb, 2018). This app was able to access the profile information (age and status updates), shares, likes, and even private messages. Irrespective of the one conducting the test, the data of his/her Facebook friends were also accessible. This data was used to promote several political campaigns as per the personality(The Guardian, 2018). Later in the year, 2015 Facebook noticed that the information of the users was being collected through the application and shared with Cambridge Analytica, to which Facebook responds with banning the application and seeking a pledge from the app owners to delete all the information they gathered inappropriately(The Guardian, 2015).

In March 2018, it came out that Facebook knew about the data harvesting but didn't take the necessary measures for user privacy protection. The Facebook CEO assured the investigation of the applications that we're able to access the data of the users (The New York Times,2018). Not only did Facebook put restrictions on the application that was able to access the user data, limiting access to name, photo, and email, but also claimed that Facebook would make it easier for consumers to recognize the application that has access to their data and then revoke the access accordingly (Newcomb, 2018).

### 3.3 Failure to moderate hate speeches

Facebook has traditionally taken a lighter stance on issues like hate speeches than on other controversial issues, such that involve nudity, partly because of the belief in the inherent ambiguity of hateful speech, and partly because of the challenge in automating the task(Hern, 2020). While Facebook has taken action to censor content and flag hateful speeches, it has stretched its boundaries to escape condemnation from the US president. In 2015, Trump, as a presidential candidate, posted a video calling for a ban on Muslims entering the United States. Facebook executives refused to push the post, setting an exemption for political discussion in motion(Dwoskin, Romm, and Timberg, 2020).

Facebook denied deleting an advertisement in October 2019, in which Trump's campaign wrongfully accused Biden of corruption and claimed that the advertisement did not breach the company's policy. Facebook was heavily criticized for ignoring these fake accusers and had been pressurized to take action on political hate posts by adding various labels to such content(Dwoskin, Romm and Timberg, 2020).

Once again, in the year 2020, the US President posted through his social media account, "When the looting starts, the shooting starts." The post was shared during the protests prompted by George Floyd's death. Facebook did not take down the post acknowledging the racial background of the phrase. Zuckerberg also wrote that "the statement was not an incitement to violence, but a warning to state intervention"(Hern, 2020). Following this announcement by Mark Zuckerberg, 400 companies declined to advertise on this social media platform. Big brands like Coca Cola, Adidas, and Hershey withdrew themselves from Facebook's advertisement operation. According to the New York Times, the advertisement makes up 98% of Facebook's revenue(Bort and Bort, 2020). These boycotts have pressurized Facebook to change its policies and abroad towards anything that can be a threat to even a small percent of the company's revenue (Telford and Dwoskin, 2020).



## CHAPTER 4: RESEARCH QUESTIONS

### 4.1 Research Questions

1. How can a good corporate reputation be achieved?
2. Is reputation a critical success factor?
3. Should reputation be actively managed, and how?
4. How can a company with a bad reputation make strategic changes to improve its reputation?

### 4.2 Research Hypothesis

**H<sub>1</sub>**- A Company's success would suffer due to a bad reputation.

**H<sub>2</sub>**-The social media and the internet have achieved enough credibility to alter a company's reputation.

**H<sub>3</sub>**-There is a strong correlation between the reputation of a company and its overall spending on marketing.

**H<sub>4</sub>**- The degrading reputation of Facebook would result in the loss of users in the long run.

### 4.3. Research Aim

The fundamental aim of the current research is to determine the impact of reputation management on Facebook's sinking reputation through reputation management strategies.

#### 4.4. Research objectives

- To determine the importance of reputation management for Tech-Giant like Facebook.
- To identify and define the strategies to overcome the sinking reputation of Facebook.
- To evaluate the impact of reputation on the investment in the marketing systems.
- To find out the effect of a bad reputation in the market.

## **CHAPTER 5: RESEARCH METHODOLOGY**

### **5.1: Introduction**

This chapter comprises of the various methods, philosophies and approaches that were adopted for this research. This section describes specific techniques or methods that were found appropriate (Morrel-Samuels and Zimmerman, 2010). The purpose of this research is to find an objective and definitive solution to the statement of problem which is achieved by identifying and then following the best suited techniques for data collection and analysis. Hence, research methodology is termed as the entire process of selection of various methods for the research work. Two fundamental research methods are employed for the study- primary and secondary methods (Samuels, Biddle, and Emmett, 2008).

### **5.2: Research method**

The pre-primary research methods proposed for this study is the quantitative research method. This approach is because of the large size of the target population in the proposed study- Facebook users across the globe, and hence using the quantitative methods help in providing a representation of the community. Furthermore, since quantitative studies primarily examine the relationships between numerically measured variables with the use of statistical techniques, it becomes easier to present, summarize, compare and generalize the collected data, making it easier for the audience to understand the results of a study. It was also the purpose behind the plan to use a quantitative approach for this analysis (Maxfield and Babbie, 2014). The quantitative research method was employed for this research. The researcher applied numerical and statistical tests to the research data to

generated the results and presented them in a graphical format such as tables and charts.

The quantitative approach was used for collecting primary data about how Facebook users were impacted by its' reputation and what influence does a social media platform reputation has on the user engagement to the platform or shift to another trustworthy social media platform. This aspect was completed through a survey within a section of Facebook users using Facebook for over ten years. A survey tool was used along with a set of questionnaires that were sent via e-mail.

### 5.3 Research Philosophy

The positivist research philosophy was proposed to be adopted for this research since it relies on a research concept that basically splits it down into tiny components that are then systematically evaluated to have an unbiased perspective on the research subject. (Denscombe, 2014). This philosophical approach tends to maintain greater objectivity in the results of the study. The focus of the research will be on several quantifiable facts related to the research topic to determine the social reality of the impact of brand reputation on customers that use social media for communication and form opinions about a Tech Giant like Facebook. This proposed research philosophy was achieved via viewpoints and opinions of the users of social media.

### 5.4: Research Approach

This study proposes to make use of the deductive research process that allows making use of existing research-related theories to create a theoretical framework for the collection of primary data (Ng and Coakes, 2014). In other words, the deductive approach concerns the deduction of conclusions from propositions or proposals. This approach suggests that this study should start with the expected pattern, and then tested through observations – which are different from an inductive approach that begins with observations and ends with patterns in the observations. (Babbie, 2010).

The primary advantage of adopting a deductive approach is that it allows for explaining the causal relationships between concepts and variables – which, in this case, are participants using Facebook and Facebook’s reputation. It also allows quantitative measuring of concepts and has a higher possibility of generalizing research findings to a certain extent. This study proposes to use the current and existing theories on the research topic, which will form the basis of research hypotheses. Those hypotheses were tested at the end of the study by comparing them with the outcome from both primary and secondary data. Secondary information was collected from a number of literary sources which are easily and available to the public and would form the basis for this approach. A fundamental framework or selection of primary data was developed on the basis of a logical follow-up to the facts collected in secondary data (Welman et al., 2005).

## 5.5 Sampling Strategy

The purposive sampling method involves a researcher using precise selection criteria of research participants based on the researcher's knowledge and skills of the research subject (Bryman and Bell, 2011). The purposive sampling technique used in this study to select the research sample wherein each research participant had to be active users of Facebook for ten years and were familiar with the social networking process and service settings of Facebook. This study targeted to gather a sample of at least 20, such as Facebook users.

While keeping in mind that the number of people in the target population – as described above, was very large, this study chose to create a representative sample from among the target population. This study has decided to approach at least 20 Facebook users with the qualities as defined in the above paragraph and confirmed that they were also in the habit of reading and reviewing the service or reputation of Facebook on social media communities. As a part of the process of selection of the sample, the researcher approached potential participants through social media platforms with an appeal to join the research. This sampling strategy was performed because it was easy to identify groups and communities within the social media itself

– helping to ensure that the approached potential participants were prolonged Facebook users and because it was not possible to personally and physically approach the potential participants because of the restrictions imposed due to the Coronavirus pandemic. The researcher also identified communities and groups on social media such as platforms such as Facebook and Instagram that were directly related to research questions.

Following this appeal to such potential participants, the researcher defined the purpose of the study. Initially, 70 people responded and agreed to participate in the survey. The participants were sent a questionnaire (attached in Appendix) and were requested to complete it. The study only considered those answers, which were by users who have been using Facebook and for ten or more years. After reviewing this condition and the profile of the respondents, the study finally decided to include responses from 40 respondents to the questionnaire.

## 5.6: Data Collection

The primary data collection method for the proposed research will be through a survey of the Facebook users and members of other social media groups and communities, too (Leedy and Ormrod, 2020). The survey will comprise of some demography related questions while the rest will relate directly to the research topic. All of the questions will be close-ended ones with multiple answers for the participants to choose from. Each of the answers will also be assigned a numerical value, as suggested in the Likert Scale, for the transformation of the primary data into statistical formats.

There were in all 16 questions; the first question is around the gender of the participants. The second and third question asks about the participants' age group and social media platforms they use, respectively. The next question to participants asks about the duration of the usage. The fifth and sixth questions ask to rate Facebook based on socializing and service and privacy, respectively. The seventh question seeks the users' view about social media's impact on building and sinking the reputation of a company on a scale of 5.

Further, the participants were questioned about their frequency of Facebook usage, and there has been a transition over the years in the about of time spent on the social platform. The transitional change on the amount of time spent was made to be rated on the Likert scale also. The next question dealt with the transition of usage of Facebook by the participants focusing on the sinking reputation of the company. Also, whether the current Facebook controversies affected the usage of the platform was questioned next. The participants were asked to rate whether Facebook should implement corrective measures to deal with declining reputation and evaluate their change in approach towards the platform if Facebook applies corrective actions. Further, the view of the participants' on the correlation of a company's reputation and its sending on marketing activities is asked. Lastly, the participants were made to rate their likeness to continue using Facebook.

Secondary data was collected from past studies and research on the topic from sources, including published research articles, books, and any other form of published and credible sources.

## 5.7: Data analysis

The descriptive data analysis approach attempts to determine the interaction between two or more statistical variables analyzed in the study (Saad, 2001). This research work was especially concerned and focused on the use of primary evidence, which was quantitative. This made it possible to draw data and inferences from it using statistical methods. Statistical analysis of the data provided certain findings that were related to the generalized idea that the study started with, and as well as the findings used to provide answers to the research questions. Moreover, in order to make it easy for the public to grasp the implications of the review and to view them in a more understanding way, this research used graphs, charts and tables. These methods have also been used for input of data and tabulation of survey results in order to allow as precise analysis of the data as possible (Welman, Kruger and Mitchell, 2005). The researcher used computer software Excel for compilation and IBM SPSS Statistics software to analyze the primary data. SPSS stands for

‘Statistical Package for Social Science.’ It is exclusively designed to conduct various tests and analyze the data statistically (Arkkelin, 2014). It is one of the most used software used for both academic and business work. SPSS not only works for simple descriptive numbers and complex matrices analysis but also plots the data in the form of histograms, scatter plots, and other means (Stehlik-Barry, 2017).

The utility of this software is immense as it converts the introductory level statistics and research methods into all kinds of statistical analysis. The cross-tabulation analysis was used to analyze categorical (nominal measurement scale) data, also called the contingency table analysis (Arkkelin, 2014). The chi-squared test was conducted through the cross-tabulation analysis to identify the association of two categorical variables, generally used to analyze the questionnaire data from a survey (Bland, 2006). However, the Pearson Chi-Square value cannot be conducted for the given survey result because the assumptions were violated for all the tests conducted due to the absence of a scaled variable. Thus, the Fisher’s exact test is considered for understanding the association between ordinal or nominal variables (Bland, 2006); also, the strength of association was determined by checking the value for Cramer’s V value (Sheskin, 2011). ANOVA is used to determine the difference between the means of two or more than two independent variables; one of the variables is a scale variable (Lawrence, 2013). ANOVA cannot be conducted for this study because the result violates the assumption, as the analysis requires a scale variable that is not present in this case (Arkkelin, 2014).

## 5.8: Time Horizon

To effectively complete the research, different procedures and tasks have been carried out according to a timeline, as indicated by academic researchers. The cross-section time horizon method would therefore help to determine the time limitation. According to academics, each portion or segment of the analysis will be treated individually and performed within a defined timeline. This allows the researcher to accomplish all the work within the specified period or at the least time possible to carry out effective and reliable analysis work (Welman, Kruger and Mitchell, 2005).



To create an efficient time plan, the researchers divided the entire work into several smaller parts. For example, conducting an initial literature review and deciding on the methodology or research methodology, the plausible theories to be used, scanning past literature for the selection of the best data sources, conducting a comprehensive literature review and noting the main points, developing the best data sources. Each of the tasks was set to be completed within a stipulated time frame. But for better utilization of time, the study was decided to conduct more than one of the tasks at a time, which mandated the use of a cross-sectional time horizon for the study. For example, while the researcher was conducting the literature, potential survey participants were also being contacted (Salaberry and Comajoan, 2013).

## 5.9 Research Limitations

There are several limitations to this research. Reputation was seen only from the point of view of the consumer public. Some can find specific qualities to the reputation of Facebook in their formation, while the majority of the participants declared that they are unhappy with the company's reputation. It should be noted that the original questionnaire was set out in Ireland. Every component in the questionnaire was given equal relative value despite any question that was meant to gain the most attention from the members of the focus group. Many of the findings are exclusive to Facebook. The sample size is limited to 40 participants, and it is essential to emphasize that the results are dependent on the size of the survey. The survey is also limited to Facebook users, using the platform for ten or more than ten years.

## 5.10. Research Ethics

This study focused on the follow-up of established research ethics in academic research. The researcher obtained the consent of the survey participants – mostly

verbally, though, due to time constraints and participants' reluctance. Nonetheless, a written undertaking was given via messaging services to the participants concerning the commitments that the researcher would make to ensure the confidentiality and protection of the data received, including a promise to keep the data protected in the researcher's personal digital computer for a period of six months or until the analysis was completed, whichever was earlier, after which the data would be removed. The researcher also assured the participants that the data they provided, including any personal data that they chose to disclose, would not be shared with anyone else but would be used solely for this study. (Salaberry and Comajoan, 2013). Also, the participants were informed about the purpose of research in advance of the survey so that they could make an informed decision about participating in the study and could exit at any point in time of their choice.

## CHAPTER 6: ANALYSIS

### 6.1 Introduction

The research was conducted through Google surveys, and the result of the survey forms are analyzed using IBM SPSS software. This software is a statistical computer package that performs various data-oriented tasks to statistically study a variable (Meyers, Gamst, and Guarino, 2013). SPSS stands for Statistical Package for the Social Sciences, which performs several statistical procedures and helps in finding the mean, frequency, standard deviation, and errors and also correlation Between variables as well as linear regressions. This package teaches not only simple descriptive numbers but also complex analysis of matrices is with multiple variants. It also makes it easier to plot graphs, histograms, scatter plots, pie-charts, etc. (Lawrence, 2013).

### 6.2 Analysis:

The data wasn't directly entered into IBM SPSS software; instead, the data was imported using Excel spreadsheets. All the data that was collected on Google Docs, in the form of Google surveys, and later downloaded in the form of an excel sheet, which was straight-away imported to the IBM SPSS software for further analysis. In this study, the SPSS software had been chosen to analyze the data statistically Because it is a package of its kind who was analyzing both academic and business circles. It allows various types of data transformations to adequately serving our purpose of research. This software was used to design our study, as we put in data for analysis, computing the data in wherein various forms of statistics. Thus, it enables interpretation of the results and provides the study with the recommendations and discussion.

The entire survey is not in the form of numeric variables; therefore, it was essential to transform the data into numbers representing scores to be analyzed. The question number 1, 2, 3, 4, 8, 9, 12 & 15 were all recoded into variables and labeled as a new value. As the question number 1 states the different genders of the participants, the variables were listed as 0 for female, 1 for male and 2 for prefer not to say. Similarly, for question 2 age group of the participants was represented in the form of various age bars. These age groups were also recorded in the way of variables and given new values that were 21-25 years were determined as 1, 26-30 years as 2, 31-35 years as 3, and 35+ years as 4. Question number 3 deals with the different social media platforms the participants are using. Thus, each platform was categorized from one to five new value variables; 1 For Facebook, 2 For Facebook and Instagram, 3 for Facebook, Instagram, LinkedIn, 4 for Facebook, Instagram LinkedIn, WhatsApp, and 5 for Facebook, Instagram, Twitter, LinkedIn. Unlikely, the 4th question asks the participants regarding the duration of Facebook usage, which were fixed as per the requirement of the study, which mainly focused on more than ten years users. The research had been filtered accordingly, and the surveys were provided to people who are or were using Facebook for ten or more than ten years. Henceforth, the new value label for this group is signified and re-coded as 0. The next questions, 5 & 6, deals with the user rating of Facebook on the basics of socializing and service, and privacy, respectively. The scores were re-coded and given new values; 1 for very unsatisfied, 2 for dissatisfied, 3 for neutral, 4 for satisfied, and 5 for very satisfied. Question 7 seeks the user's view on social media's impact in building and sinking a company's reputation, to which the variables are; 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree. The above-stated value is the same for question 11 also, which asks the users whether the change in Facebook usage is due to its depleting reputation.

Question 8 asks the participants about their frequency of Facebook usage, further categorized into 4 and re-coded as; 0 for daily, 1 for monthly, 2 for very rarely, and 3 for weekly. Question number 9 intends to question the users whether there has been any transitional change over the years in the amount of Facebook usage, which was recoded into two variables, and 0 stands for Yes while 1 stand for No. The

participants were then question10, asked to rate the transitional change on a scale of 1 as a minor change, 2 as below-average change, 3 as average change, 4 as above-average change, and 5 as major transitional change. Similarly, question number 12 and 15 enquires the participants whether their approach towards Facebook changed or has been affected due to the current Facebook controversies around privacy breaches and asks their views over the correlation between a company's reputation and the amount it spends on marketing, respectively. Both the questions had been categorized into 3 auto-recoded new values as; Yes as 0, No as 1, and Maybe as 2. The participants were to rate on the Likert scale the likeliness of Facebook usage if Facebook implements corrective measures and the likeliness of continuing to use Facebook if it doesn't (question 14 and question 16, respectively). The new values for these questions were 1 for very unlikely, 2 for more unlikely, 3 for moderate, 4 for more likely, and 5 for very likely.

Then, the frequencies analysis was run on the recoded new values, and various frequency tables are obtained for each survey question. The question specifies the gender of the participants, and among the 40 participants, 21 will females, 18 were males, and 1 preferred not to say. And the frequency table determines that 52.5% of females, 45% for males and 2.5% rest we're using Facebook for around and over ten years. The next question looks into different age groups of the participants (table 2), wherein 25 Participants (consisting of 62.5% of total) were aged between 21-25 years, 9 participants were between 26-30 years (22.5% of the total participants), 2 of the participants were of 31-35 age group that is 5% of the total participants, and only 4 participants aged more than 35 years making it a 10% overall (figure 2.).

*Table 2: Frequency of participants' age group.*

Q2.Pleasespecifyyouragegroup					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21 - 25 years	25	62.5	62.5	62.5
	26 - 30 years	9	22.5	22.5	85.0
	31 - 35 years	2	5.0	5.0	90.0
	35+ years	4	10.0	10.0	100.0
	Total	40	100.0	100.0	

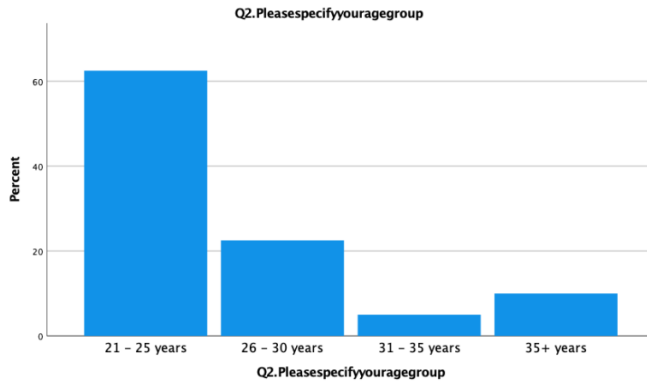


Figure 2: Bar graph of participants' age group.

The frequency tables for questions 3 and 4 were not considered as both the questions are fixed as per the need after study. Question 3 deals with is social media platforms used by the participants in which all the 40 participants selected Facebook as one of their platforms. Similarly, for question 4, the participants will make the choose the duration of the usage of Facebook. The study is concentrated on ten years or more than 10-year Facebook users.

The participants but then asked to rate Facebook on the basis of socializing and its service to which it was noted that 57.5% of participants that were 23 of 40 rated Facebook at 3 on the Likert Scale ranging from 1 to 5 (Table 3.). Only three by participants voted for below 3 rating (7.5%) and 14 participants that is 35% of the total rated Facebook above average, as above 3 on the Likert scale (Figure 3.).

Table 3: Frequency of Facebook's rating on its socializing and service.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	2.5	2.5	2.5
	2	2	5.0	5.0	7.5
	3	23	57.5	57.5	65.0
	4	10	25.0	25.0	90.0
	5	4	10.0	10.0	100.0
	Total	40	100.0	100.0	

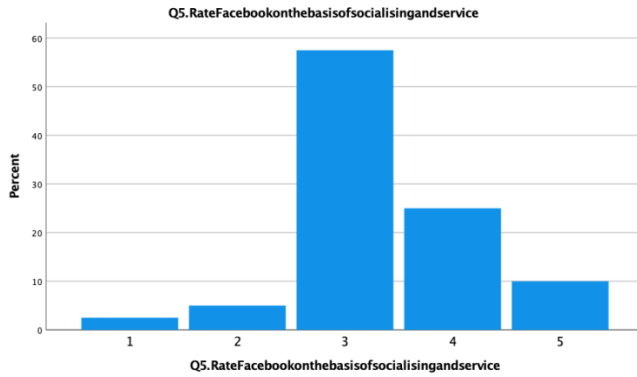


Figure 3: Bar graph of Facebook's rating on its socializing and service.

The participants were than us to rate Facebook based on its privacy on the Likert scale, ranging from 1 to 5, in ascending order of satisfaction. It was noted that 24 participants were making it 60% of the total participants opted for a rating of 2. In comparison, five more participants (12.5%) believed Facebook to be rated as 1 based on its privacy. Moreover, 6 people (15%) pinned Facebook on the basis of its privacy as 4, and 2.5% (that is 1 participant) rated Facebook a 5. The rest 10% or 4 participants preferred rating Facebook like 3.

Table 4: Frequency of Facebook's rating on its privacy.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	5	12.5	12.5	12.5
2	24	60.0	60.0	72.5
3	4	10.0	10.0	82.5
4	6	15.0	15.0	97.5
5	1	2.5	2.5	100.0
Total	40	100.0	100.0	

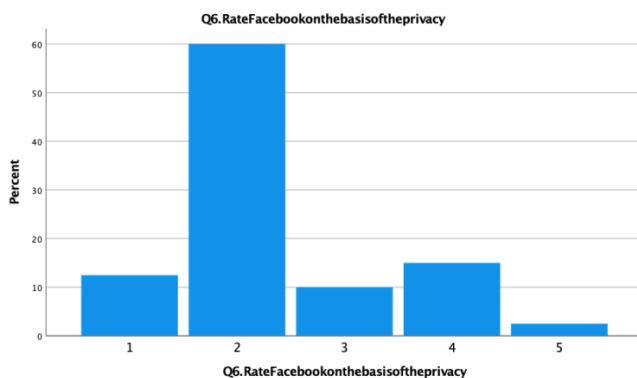


Figure 4: Bar graph of Facebook's rating on its privacy.

The next question examined the participants' views on how strongly social media has an impact on building or sinking the reputation of a company. The participants were asked to rate the effect on a scale of 1 to 5 over the Likert scale (Figure 5). A majority of 30 participants, that is 75% of the total, selected 5 indicating this strong belief in the above statement, 8 people opted for 4 rating and only 2 opted for 3. There were no participants who selected 1 and 2 as an option to this question (Table 5).

Table 5: Frequency of social media's impact on altering a company's reputation.

**Q7.**  
**Doyoufeelsocialmediahasanimpactonbuildingorsinki**  
**n**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 3	2	5.0	5.0	5.0
4	8	20.0	20.0	25.0
5	30	75.0	75.0	100.0
Total	40	100.0	100.0	

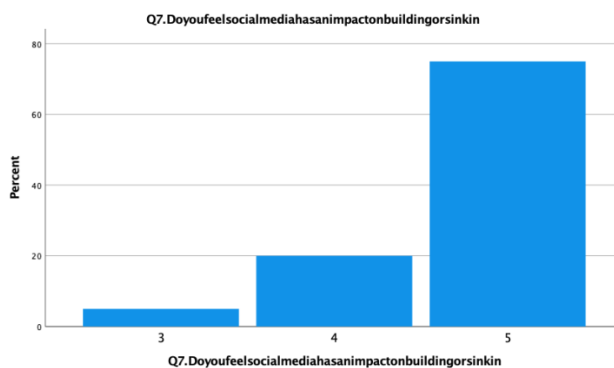


Figure 5: Bar graph of social media's impact on altering a company's reputation.

The participants were questioned regarding the current frequency of Facebook usage, 62.5% of the participants (25 of 40) were using Facebook very rarely, while 25% (10 participants) were daily Facebook users. Moreover, there were 7.5% (3 participants) weekly users and 5% (2 of 40 participants) monthly users (Table 6 & Figure 6).

Table 6: Frequency of usage of Facebook.

**Q8.IfFacebookisyourplatformhowoftendoyouseit**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Daily	10	25.0	25.0	25.0
Monthly	2	5.0	5.0	30.0
Very Rarely	25	62.5	62.5	92.5
Weekly	3	7.5	7.5	100.0
Total	40	100.0	100.0	



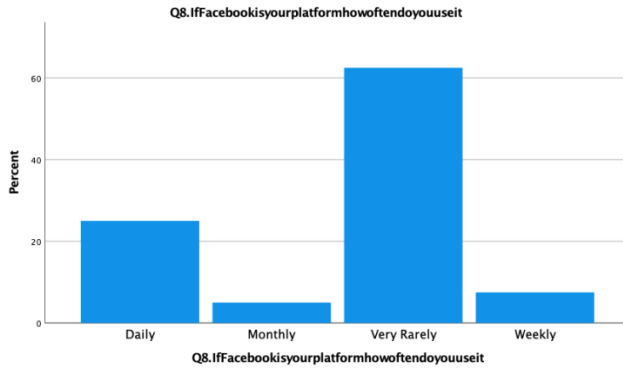


Figure 6: Bar graph of the frequency of usage of Facebook.

The next question was related to the above question, wherein the participants are questioned whether they have experienced a transition, over the years, in the amount of Facebook usage. Almost 39 or 40 participants (97.5%) believe that there has been a transition over the years in the amount of Facebook usage, while only 2.5% that is 1 participant disagreed.

The next question is its continuation of the previous question and asks the Facebook users to rate the transitional change on the Likert scale, 1 indicating the minor change to 5 indicating the major change. This transitional change is based on the amount of time spent on Facebook, and a majority of 28 participants (that is 70%) rated a 5, that is, they have experienced major transition change over the years (Figure 7). While only 5 participants (12.5%) of the participants rated the change to be minor, that is below 3. A percentage of 12.5% of participants (5 participants) rated this change as 4, and only 5% of participants rated the shift as 3 (Table 7).

Table 7: Frequency of the transitional change in Facebook usage.

**Q10.**  
**Please rate the transitional change on the amount of time**  
**s**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	5.0	5.0
	2	3	7.5	12.5
	3	2	5.0	17.5
	4	5	12.5	30.0
	5	28	70.0	100.0
Total	40	100.0	100.0	

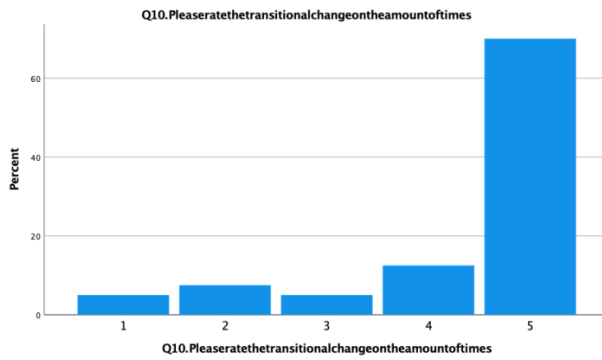


Figure 7: Bar graph of the transitional change in Facebook usage.

The next question is also interrelated to the previous one and further asks the participants whether the change in usage of Facebook due to its sinking reputation and how to justify how likely they believe the above statement on the Likert scale (Table 8). It was noted that 55% of Facebook users, as in 22 participants, have restricted their usage of Facebook due to its sinking reputation. Few candidates rated below 3 Likert scale quantity, but that is just 15% of the users (6 candidates). On the other hand, 6 participants have rated 4, and the rest 15% (or 6 participants) have rated a 3 (Figure 8).

Table 8: Frequency of transitional change due to Facebook's sinking reputation.

**Q11.**  
**IsthereasonofchangeintheusageofFacebookduetoits**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	10.0	10.0	10.0
	2	2	5.0	5.0	15.0
	3	6	15.0	15.0	30.0
	4	6	15.0	15.0	45.0
	5	22	55.0	55.0	100.0
	Total	40	100.0	100.0	

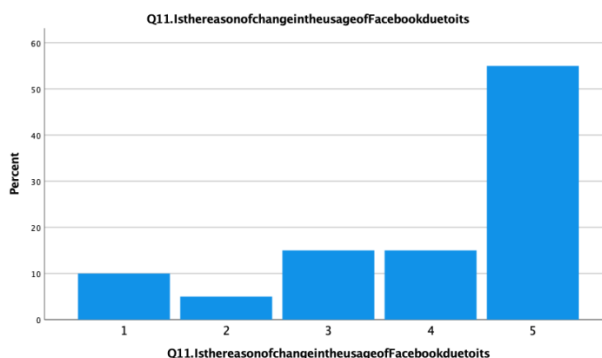


Figure 8: Bar graph of transitional change due to Facebook's sinking reputation.

The contestants were reasoned whether the change in usage of Facebook is due to The Facebook controversies around privacy breaches and hate speeches or not. A majority of 28 candidates that were 70% of the total participation opted for a yes and confirmed that these controversies had affected their usage. Moreover, there were only four participants (that is 10%) denied this reason and selected the option no. Also, there were eight candidates (20%) who were unsure about this reason for the change and thus selected the option may be, according to the responses to the question seeking the users' view over Facebook implementing corrective measures on the Likert scale and rate it on the scale of 1 to 5 from unlikely to very likely. There were 39 users (97.5% of candidates) who believe that Facebook should very likely implement corrective measures and select the scale rating above 3.

In comparison, there was just 1 candidate (2.5%) that selected the scale rating of 3. The next question asks the candidates to rate their likeliness of change in the usage of Facebook if Facebook implements corrective measures. This is to be rated on the Likert scale, where 1 stands for a minor change, and 5 stands for major reform (Table 9). It is noted that 65% of people (26 candidates) selected the options above 3 or major change in their approach, while 15% of candidates selected the options below 3 that are a minor change in approach. Out of the 40 candidates, 8 candidates selected option 3 (Figure 9).

Table 9: Frequency of Facebook's implementation of corrective measures.

**Q14.**  
**How likely would the implementation of corrective measures**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	5.0	5.0	5.0
	2	4	10.0	10.0	15.0
	3	8	20.0	20.0	35.0
	4	23	57.5	57.5	92.5
	5	3	7.5	7.5	100.0
	Total	40	100.0	100.0	

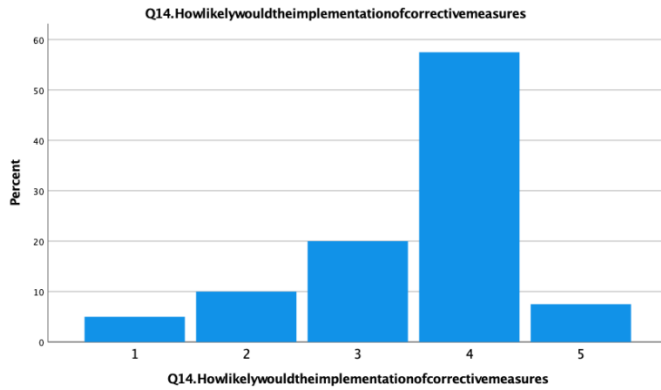


Figure 9: Bar graph of Facebook's implementation of corrective measures.

The contestants are later asked to determine there is a correlation between A company's reputation and the amount spent on marketing, according to them (Table 10). There were 34 candidates (85%) who agreed to this correlation theory and opted for yes, 2 of the candidates disagreed (5%) with the correlation, and 4 of the candidates (10%) were not sure about the correlation and opted for maybe (Figure 10).

Table 10: Frequency of correlation between a company's reputation and it's spending on marketing activities.

**Q15.**  
**According to you is there a correlation between a company**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maybe	4	10.0	10.0	10.0
	No	2	5.0	5.0	15.0
	Yes	34	85.0	85.0	100.0
Total		40	100.0	100.0	

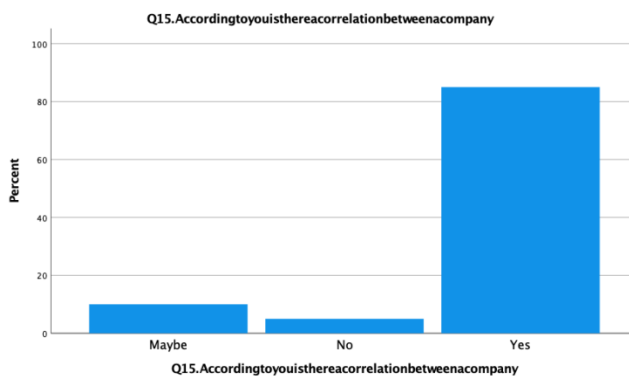


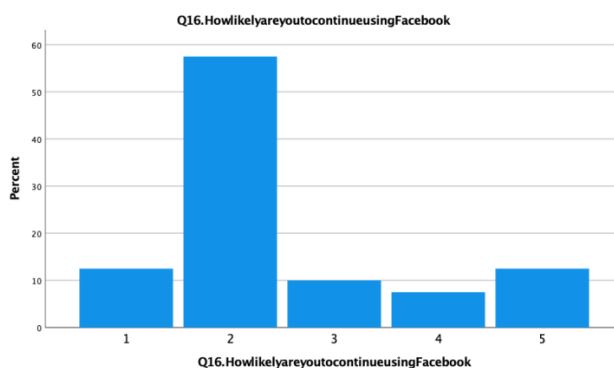
Figure 10: Bar graph of the correlation between a company's reputation and it's spending on marketing activities.

The last question was asked regarding the likeliness of the candidates for continuing with Facebook. On the Likert scale, from 1 to 5, the ratings were in decreasing order of likeliness: 1 signifying unlikely to continue using Facebook and 5 signifying very likely to continue using Facebook. It was noted that 70% of candidates would not continue to use Facebook and rated it below 3, 10% of candidates rated Facebook as 3, and 8 candidates (20%) are likely to continue with Facebook (Table 11 & Figure 11).

*Table 11: Frequency of likeliness of participants' continuity to use Facebook.*

**Q16.HowlikelyareyououtocontinueusingFacebook**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	5	12.5	12.5	12.5
2	23	57.5	57.5	70.0
3	4	10.0	10.0	80.0
4	3	7.5	7.5	87.5
5	5	12.5	12.5	100.0
Total	40	100.0	100.0	



*Figure 11: Bar graph of likeliness of participants' continuity to use Facebook.*

After conducting the frequency analysis of each response to the questionnaire, the subsequent analysis was based on the study of two categorical variables to determine whether they are associated with each other or not. For this analysis, we would perform a Chi-squared test with additional Fisher's exact test and Cramer's V's test. For conducting the Chi-square test, it is essential to have two continuous variables that are not available in our study. Therefore, we would be looking at Fisher's exact test to determine the relationship between the chosen variables and also the Cramer's V's test to assess the strength of the relation between the variables.

One-way ANOVA cannot be used to analyze the data because the data do not fulfill the criteria that one of the independent variables should be a continuous variable. The questionnaire only consists of ordinal and nominal variables and no continuous (or scale) variables. Similarly, Pearson chi-square value can also not determine the relationship between the variable because expected frequencies should be at least 5, and all the assumptions are violated while performing the test between different variables. Therefore, Fisher's Exact Test can be an alternative to the Chi-Square test. Fisher's exact test is conducted to determine the association or relationship between two divided categorical variables. The alpha value of  $p$  or standard value is 0.05 to analyze the data. The strength of the association of two categorical variables can be determined by Cramer's V test. This test calculates the correlation in matrices of more than 2x2. The Cramer's V ranges between 0 to 1; close to 0 show little association while close to 1 shows the strong relationship of the variables.

Different categorical variables were analyzed through descriptive statistics and via crosstabs to get an outcome. The process started with an assumption of the relationship by chance; this is called the null hypothesis ( $H_0$ ), that is, more than 0.05. Statistical analysis through fisher's exact test for the transitional change in the user's usage of Facebook to their opinion on Facebook's implementation of the corrective measure is 0.025, which is quite less than 0.05. Hence, the null hypothesis ( $H_0$ ) is rejected, and the relationship is concluded to be significant. The Cramer's v value for the is 1.000 which indicates the strength of the association to be very strong, as the  $p$ -value is close to 1 or 1 it indicates strong associations between the variables (Figure 12) (Figure 12).

anytransitionalchangeinusage \* doyouthinkFBshouldimplementcorrectivemeasures  
Crosstabulation

		doyouthinkFBshouldimplementcorrectivemeasures				
			neutral	agree	strongly agree	Total
anytransitionalchangeinusage	yes	Count	0	5	34	39
		Expected Count	1.0	4.9	33.2	39.0
		% of Total	0.0%	12.5%	85.0%	97.5%
	no	Count	1	0	0	1
		Expected Count	.0	.1	.9	1.0
		% of Total	2.5%	0.0%	0.0%	2.5%
Total		Count	1	5	34	40
		Expected Count	1.0	5.0	34.0	40.0
		% of Total	2.5%	12.5%	85.0%	100.0%

Chi-Square Tests						
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	40.000 <sup>a</sup>	2	.000	.025		
Likelihood Ratio	9.353	2	.009	.025		
Fisher's Exact Test	9.683			.025		
Linear-by-Linear Association	17.135 <sup>b</sup>	1	.000	.025	.025	.025
N of Valid Cases	40					

a. 5 cells (83.3%) have expected count less than 5. The minimum expected count is .03.  
b. The standardized statistic is -4.139.

Symmetric Measures				
		Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	1.000	.000	.025
	Cramer's V	1.000	.000	.025
N of Valid Cases		40		

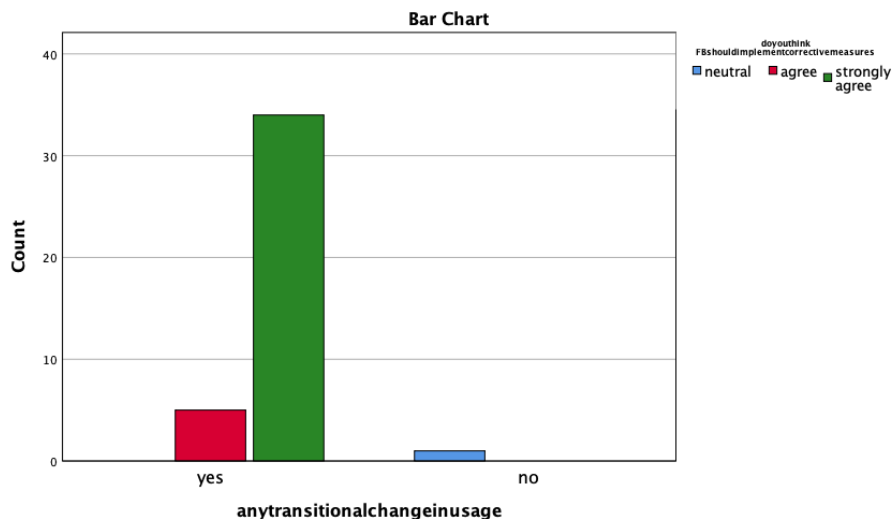


Figure 12: Crosstabulation (1).

Although statistical analysis through fisher's exact test for the frequency of Facebook usage to the reason for the change in usage to be Facebook's sinking reputation is 0.004, that is less than 0.05, indicating that the frequency of usage is related to Facebook's reputation. Thus, accepting the 'alternative hypothesis' ( $H_1$ ) that is the two categorical variables are relevant and rejecting the 'Null hypothesis' ( $H_0$ ). The Cramer's V value for the above variables is 0.461, which is near to 0, which can be

considered as a not so strong association or highly unlikely to be called not associated (Figure 13).

**howoftenyouseFB \* isthereasonforchangeduetofBsinkingreputation**

**Crosstab**

		isthereasonforchangeduetofBsinkingreputation					Total	
		strongly disagree	disagree	neutral	agree	strongly agree		
howoftenyouseFB	daily	Count	3	1	2	2	2	10
		Expected Count	1.0	.5	1.5	1.5	5.5	10.0
		% of Total	7.5%	2.5%	5.0%	5.0%	5.0%	25.0%
	weekly	Count	0	1	2	0	0	3
		Expected Count	.3	.2	.5	.5	1.7	3.0
		% of Total	0.0%	2.5%	5.0%	0.0%	0.0%	7.5%
	monthly	Count	0	0	0	0	2	2
		Expected Count	.2	.1	.3	.3	1.1	2.0
		% of Total	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%
	other	Count	1	0	2	4	18	25
		Expected Count	2.5	1.3	3.8	3.8	13.8	25.0
		% of Total	2.5%	0.0%	5.0%	10.0%	45.0%	62.5%
Total		Count	4	2	6	6	22	40
		Expected Count	4.0	2.0	6.0	6.0	22.0	40.0
		% of Total	10.0%	5.0%	15.0%	15.0%	55.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	25.549 <sup>a</sup>	12	.012	.020		
Likelihood Ratio	24.251	12	.019	.009		
Fisher's Exact Test	22.021			.004		
Linear-by-Linear Association	11.738 <sup>b</sup>	1	.001	.000	.000	.000
N of Valid Cases	40					

a. 18 cells (90.0%) have expected count less than 5. The minimum expected count is .10.  
 b. The standardized statistic is 3.426.

**Symmetric Measures**

		Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	.799	.012	.020
	Cramer's V	.461	.012	.020
N of Valid Cases		40		

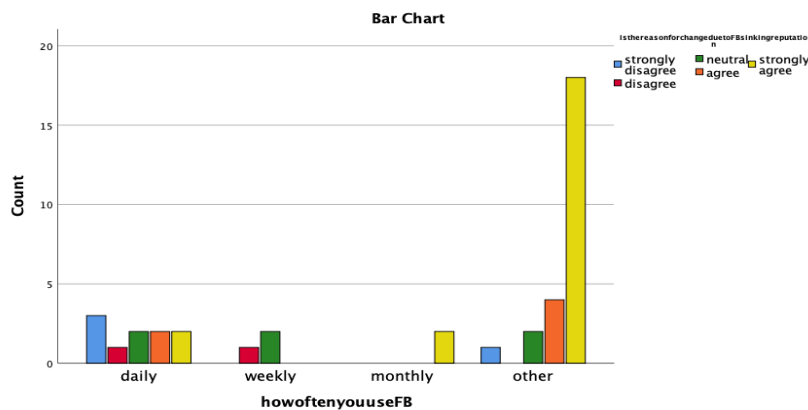


Figure 13: Crosstabulation (2)

The subsequent statistical analysis was considered between the frequency of Facebook usage and the reason for the transitional change in usage to be the Facebook controversies around privacy breaches and hate speeches, and the Fisher's exact test value was 0.001, which is less than 0.05 rejecting the null hypothesis ( $H_0$ ).



Cramer's V value is 0.560, which is more towards one and indicates the influential association of the two variables compared (Figure 14).

**howoftenyouseFB \* isthecurrentFBcontroversiesareasonforthechange**

		Crosstab				Total
		isthecurrentFBcontroversiesareasonforthechange				
			yes	no	maybe	
howoftenyouseFB	daily	Count	4	5	1	10
		Expected Count	7.5	1.5	1.0	10.0
		% of Total	10.0%	12.5%	2.5%	25.0%
	weekly	Count	1	0	2	3
		Expected Count	2.3	.5	.3	3.0
		% of Total	2.5%	0.0%	5.0%	7.5%
	monthly	Count	2	0	0	2
		Expected Count	1.5	.3	.2	2.0
		% of Total	5.0%	0.0%	0.0%	5.0%
	other	Count	23	1	1	25
		Expected Count	18.8	3.8	2.5	25.0
		% of Total	57.5%	2.5%	2.5%	62.5%
Total		Count	30	6	4	40
		Expected Count	30.0	6.0	4.0	40.0
		% of Total	75.0%	15.0%	10.0%	100.0%

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	25.124 <sup>a</sup>	6	.000	.002		
Likelihood Ratio	19.050	6	.004	.003		
Fisher's Exact Test	17.728			.001		
Linear-by-Linear Association	8.410 <sup>b</sup>	1	.004	.003	.003	.001
N of Valid Cases	40					

- a. 10 cells (83.3%) have expected count less than 5. The minimum expected count is .20.
- b. The standardized statistic is -2.900.

**Symmetric Measures**

	Value	Approximate Significance	Exact Significance
Nominal by Nominal Phi	.793	.000	.002
Cramer's V	.560	.000	.002
N of Valid Cases	40		

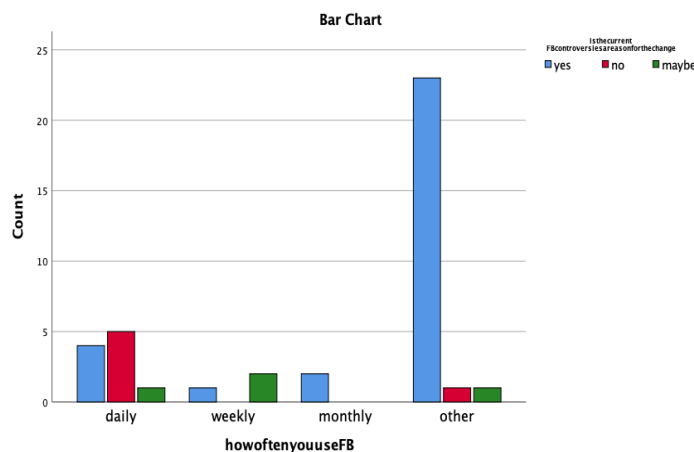


Figure 14: Crosstabulation (3)

The analysis is conducted between the usage frequency of Facebook and the user's rating based on Facebook's privacy, to which the Fisher's exact test value was 0.000, and the Cramer's V value was 0.499. Fisher's exact test value was quite low as compared to the standard value that is 0.05, indicating association Facebook's

privacy to the frequency of usage. Cramer's V value supports the above test and determines the association of the two variables to be very strong (Figure 15).

				howoftenyouuseFB				Total
				daily	weekly	monthly	very rarely	
ratefacebookonprivacy	very unsatisfied	Count	2	0	0	3	5	
		Expected Count	1.3	.4	.3	3.1	5.0	
		% of Total	5.0%	0.0%	0.0%	7.5%	12.5%	
	unsatisfied	Count	1	1	2	20	24	
		Expected Count	6.0	1.8	1.2	15.0	24.0	
		% of Total	2.5%	2.5%	5.0%	50.0%	60.0%	
	neutral	Count	2	2	0	0	4	
		Expected Count	1.0	.3	.2	2.5	4.0	
		% of Total	5.0%	5.0%	0.0%	0.0%	10.0%	
	satisfied	Count	4	0	0	2	6	
		Expected Count	1.5	.5	.3	3.8	6.0	
		% of Total	10.0%	0.0%	0.0%	5.0%	15.0%	
	very satisfied	Count	1	0	0	0	1	
		Expected Count	.3	.1	.1	.6	1.0	
		% of Total	2.5%	0.0%	0.0%	0.0%	2.5%	
Total		Count	10	3	2	25	40	
		Expected Count	10.0	3.0	2.0	25.0	40.0	
		% of Total	25.0%	7.5%	5.0%	62.5%	100.0%	

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	29.869 <sup>a</sup>	12	.003	.016	
Likelihood Ratio	28.892	12	.004	.001	
Fisher's Exact Test	27.223			.000	
Linear-by-Linear Association	8.333 <sup>b</sup>	1	.004	.003	.002
N of Valid Cases	40				

a. 18 cells (90.0%) have expected count less than 5. The minimum expected count is .05.  
b. The standardized statistic is -2.887.

Symmetric Measures				
		Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	.864	.003	.016
	Cramer's V	.499	.003	.016
N of Valid Cases		40		

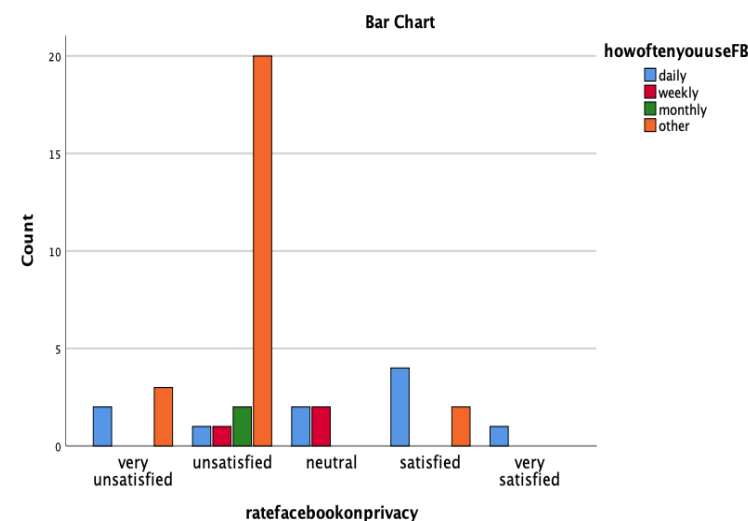


Figure 15: Crosstabulation (4)

Fisher's exact test conducted between the participants' perception of social media's impact on building and sinking reputation of a company and Facebook's reputation

being the reason for the change in usage of the platform. The test value was 0.026, which rejects the null hypothesis ( $H_0$ ) And accepts the alternative hypothesis ( $H_1$ ), which states that there is a significant relationship between the two variables. The Cramer's V value is noted to be 0.403, which indicates that the variables are not entirely unassociated to each other, but the relationship is moderate (Figure 16).

socialmediaimpactonbuildingnsinkingreputation \* isthereasonforchangeduetofBsinkingreputation

		isthereasonforchangeduetofBsinkingreputation					Total	
		strongly disagree	disagree	neutral	agree	strongly agree		
socialmediaimpactonbuildingnsinkingreputation	neutral	Count	0	0	0	1	1	2
		Expected Count	.2	.1	.3	.3	1.1	2.0
		% of Total	0.0%	0.0%	0.0%	2.5%	2.5%	5.0%
	agree	Count	2	0	2	3	1	8
		Expected Count	.8	.4	1.2	1.2	4.4	8.0
		% of Total	5.0%	0.0%	5.0%	7.5%	2.5%	20.0%
	strongly agree	Count	2	2	4	2	20	30
		Expected Count	3.0	1.5	4.5	4.5	16.5	30.0
		% of Total	5.0%	5.0%	10.0%	5.0%	50.0%	75.0%
Total		Count	4	2	6	6	22	40
		Expected Count	4.0	2.0	6.0	6.0	22.0	40.0
		% of Total	10.0%	5.0%	15.0%	15.0%	55.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	12.990 <sup>a</sup>	8	.112	.154		
Likelihood Ratio	13.498	8	.096	.078		
Fisher's Exact Test	14.008			.026		
Linear-by-Linear Association	1.092 <sup>b</sup>	1	.296	.358	.177	.045
N of Valid Cases	40					

a. 14 cells (93.3%) have expected count less than 5. The minimum expected count is .10.  
 b. The standardized statistic is 1.045.

Symmetric Measures

		Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	.570	.112	.154
	Cramer's V	.403	.112	.154
N of Valid Cases		40		

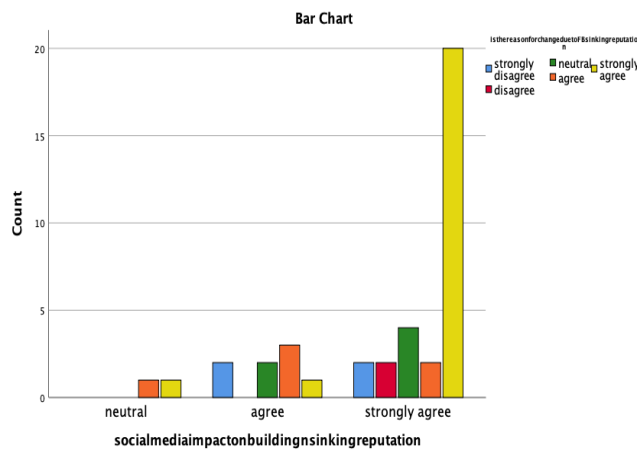


Figure 16: Crosstabulation (5)

On conducting Fisher's exact test between the participants' view on social media's impact on a company's reputation to their opinions on the Facebook's implementation of corrective measures to improve the reputation, the  $p$ -value was 0.035. That's the null hypothesis ( $H_0$ ) is rejected, and the variables are expected to

have a relation. The Cramer's V value was 0.363 indicates that the link is not so strong, but they're unlikely to be entirely not associated (Figure 17).

		doyouthinkFBshouldimplementcorrectivemeasures				
		neutral	agree	strongly agree	Total	
socialmediaimpactonbuildingnsinkingreputation	neutral	Count	0	0	2	2
		Expected Count	.1	.3	1.7	2.0
		% of Total	0.0%	0.0%	5.0%	5.0%
	agree	Count	1	3	4	8
		Expected Count	.2	1.0	6.8	8.0
		% of Total	2.5%	7.5%	10.0%	20.0%
	strongly agree	Count	0	2	28	30
		Expected Count	.8	3.8	25.5	30.0
		% of Total	0.0%	5.0%	70.0%	75.0%
Total	Count	1	5	34	40	
	Expected Count	1.0	5.0	34.0	40.0	
	% of Total	2.5%	12.5%	85.0%	100.0%	

#### Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	10.518 <sup>a</sup>	4	.033	.072		
Likelihood Ratio	8.939	4	.063	.043		
Fisher's Exact Test	10.025			.035		
Linear-by-Linear Association	3.402 <sup>b</sup>	1	.065	.083	.083	.053
N of Valid Cases	40					

a. 7 cells (77.8%) have expected count less than 5. The minimum expected count is .05.

b. The standardized statistic is 1.844.

#### Symmetric Measures

		Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	.513	.033	.072
	Cramer's V	.363	.033	.072
N of Valid Cases		40		

#### Bar Chart

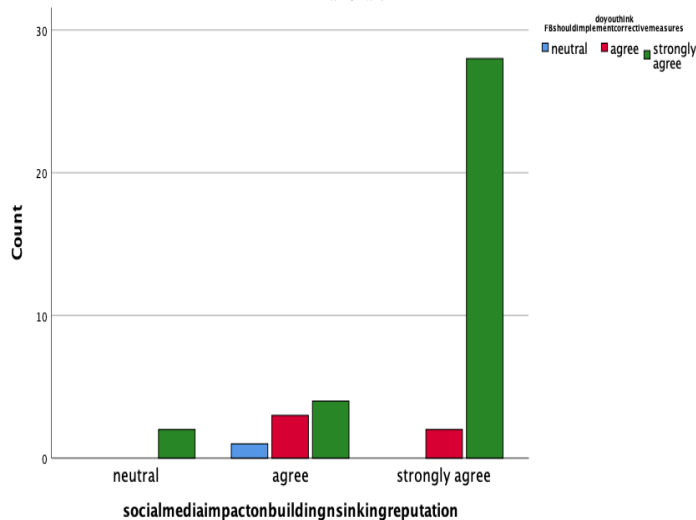


Figure 17: Crosstabulation (6).

The research has been conducted through the 'crosstabulation' tool to analyze the fisher's exact test and determine the relationship between the user's willingness to continue using Facebook and the users' view on Facebook on the basis of socializing

and service. The Fisher's exact test value was 0.000, which is less than 0.05, indicating an association between the two variables, and the Cramer's V value is reported to be 0.500 which is near to 1, and suggests that strength of the relationship is significant and strong (Figure 18).

**ratefacebookonsocializingandservice \* howlikelyareyoutocontinueusingFB Crosstabulation**

		howlikelyareyoutocontinueusingFB					Total	
		very unlikely	partially unlikely	neutral	partially likely	very likely		
ratefacebookonsocializingandservice	very unsatisfied	Count	1	0	0	0	0	1
		Expected Count	.1	.6	.1	.1	.1	1.0
		% of Total	2.5%	0.0%	0.0%	0.0%	0.0%	2.5%
	unsatisfied	Count	0	2	0	0	0	2
		Expected Count	.3	1.2	.2	.2	.3	2.0
		% of Total	0.0%	5.0%	0.0%	0.0%	0.0%	5.0%
	neutral	Count	2	19	0	2	0	23
		Expected Count	2.9	13.2	2.3	1.7	2.9	23.0
		% of Total	5.0%	47.5%	0.0%	5.0%	0.0%	57.5%
	satisfied	Count	1	1	4	0	4	10
		Expected Count	1.3	5.8	1.0	.8	1.3	10.0
		% of Total	2.5%	2.5%	10.0%	0.0%	10.0%	25.0%
	very satisfied	Count	1	1	0	1	1	4
		Expected Count	.5	2.3	.4	.3	.5	4.0
		% of Total	2.5%	2.5%	0.0%	2.5%	2.5%	10.0%
Total		Count	5	23	4	3	5	40
		Expected Count	5.0	23.0	4.0	3.0	5.0	40.0
		% of Total	12.5%	57.5%	10.0%	7.5%	12.5%	100.0%

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	40.027 <sup>a</sup>	16	.001	.002		
Likelihood Ratio	39.247	16	.001	.000		
Fisher's Exact Test	36.425			.000		
Linear-by-Linear Association	8.326 <sup>b</sup>	1	.004	.004	.002	.001
N of Valid Cases	40					

a. 23 cells (92.0%) have expected count less than 5. The minimum expected count is .08.  
b. The standardized statistic is 2.886.

**Symmetric Measures**

	Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	1.000	.002
	Cramer's V	.500	.002
N of Valid Cases	40		

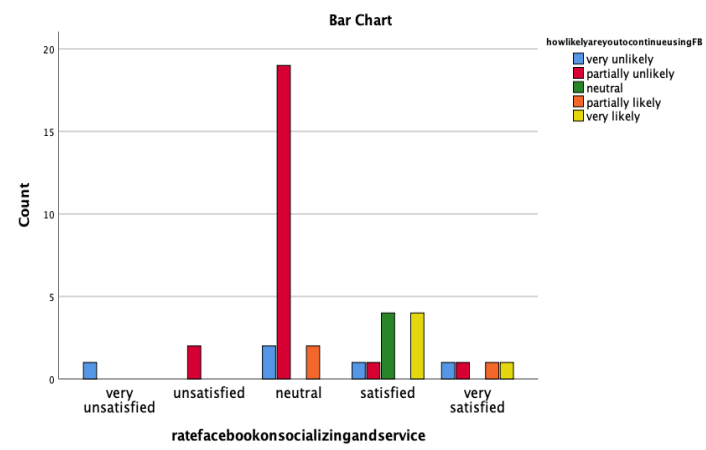


Figure 18: Crosstabulation (7).

Also, the same tests were conducted between the participants' likeliness to continue using Facebook and their reported transitional change in the usage of Facebook. The value for fisher's exact test was 0.000, and Cramer's V was 0.523; both the value rejects the null hypothesis ( $H_0$ ), or absence of association between the variables and

signifies that the two variables are quite strongly associated to each other (Figure 19).

howlikelyareyoucontinuingFB \* ratethistransitionalchange

**Crosstab**

		ratethistransitionalchange						
		minor change	below average change	moderate change	above average change	major change	Total	
howlikelyareyoucontinuingFB	very unlikely	Count	0	1	0	1	3	5
		Expected Count	.3	.4	.3	.6	3.5	5.0
		% of Total	0.0%	2.5%	0.0%	2.5%	7.5%	12.5%
	partially unlikely	Count	0	0	0	1	22	23
		Expected Count	1.2	1.7	1.2	2.9	16.1	23.0
		% of Total	0.0%	0.0%	0.0%	2.5%	55.0%	57.5%
	neutral	Count	1	0	0	1	2	4
		Expected Count	.2	.3	.2	.5	2.8	4.0
		% of Total	2.5%	0.0%	0.0%	2.5%	5.0%	10.0%
	partially likely	Count	0	1	0	2	0	3
		Expected Count	.2	.2	.2	.4	2.1	3.0
		% of Total	0.0%	2.5%	0.0%	5.0%	0.0%	7.5%
	very likely	Count	1	1	2	0	1	5
		Expected Count	.3	.4	.3	.6	3.5	5.0
		% of Total	2.5%	2.5%	5.0%	0.0%	2.5%	12.5%
Total	Count	2	3	2	5	28	40	
	Expected Count	2.0	3.0	2.0	5.0	28.0	40.0	
	% of Total	5.0%	7.5%	5.0%	12.5%	70.0%	100.0%	

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	43.740 <sup>a</sup>	16	.000	.001		
Likelihood Ratio	37.087	16	.002	.000		
Fisher's Exact Test	35.376			.000		
Linear-by-Linear Association	12.146 <sup>b</sup>	1	.000	.001	.001	.000
N of Valid Cases	40					

a. 24 cells (96.0%) have expected count less than 5. The minimum expected count is .15.  
b. The standardized statistic is -3.485.

**Symmetric Measures**

	Value	Approximate Significance	Exact Significance
Nominal by Nominal Phi	1.046	.000	.001
Cramer's V	.523	.000	.001
N of Valid Cases	40		

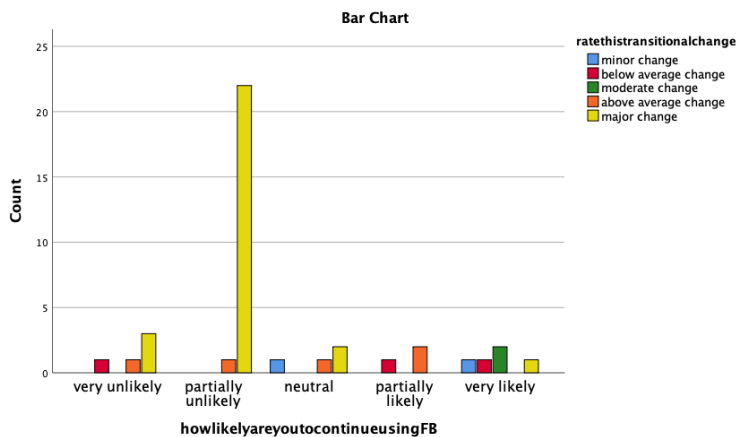


Figure 19: Crosstabulation (8).

The Fisher's exact value is conducted between Facebook users' change in usage due to Facebook's reputation, and their likeliness to continue using Facebook is 0.000 which is lower than 0.05 and thus indicates the variables are more likely to have an outcome and have a significant association with each other. Also, the Cramer's V test

conducted gives a value of 0.486, which determines the strength of the association to be moderate as 0.486 is nearly midway two both 0 and 1 (Figure 20).

how likely are you to continue using FB \* is there a reason for changing due to FB sinking reputation

		is there a reason for changing due to FB sinking reputation					Total	
		strongly disagree	disagree	neutral	agree	strongly agree		
how likely are you to continue using FB	very unlikely	Count	1	1	1	1	1	5
		Expected Count	.5	.3	.8	.8	2.8	5.0
		% of Total	2.5%	2.5%	2.5%	2.5%	2.5%	12.5%
	partially unlikely	Count	0	0	2	1	20	23
		Expected Count	2.3	1.2	3.5	3.5	12.6	23.0
		% of Total	0.0%	0.0%	5.0%	2.5%	50.0%	57.5%
	neutral	Count	0	0	1	2	1	4
		Expected Count	.4	.2	.6	.6	2.2	4.0
		% of Total	0.0%	0.0%	2.5%	5.0%	2.5%	10.0%
	partially likely	Count	1	1	1	0	0	3
		Expected Count	.3	.2	.5	.5	1.7	3.0
		% of Total	2.5%	2.5%	2.5%	0.0%	0.0%	7.5%
	very likely	Count	2	0	1	2	0	5
		Expected Count	.5	.3	.8	.8	2.8	5.0
		% of Total	5.0%	0.0%	2.5%	5.0%	0.0%	12.5%
Total		Count	4	2	6	6	22	40
		Expected Count	4.0	2.0	6.0	6.0	22.0	40.0
		% of Total	10.0%	5.0%	15.0%	15.0%	55.0%	100.0%

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	37.777 <sup>a</sup>	16	.002	.004		
Likelihood Ratio	39.055	16	.001	.000		
Fisher's Exact Test	36.307			.000		
Linear-by-Linear Association	7.583 <sup>b</sup>	1	.006	.005	.005	.001
N of Valid Cases		40				

a. 24 cells (96.0%) have expected count less than 5. The minimum expected count is .15.  
 b. The standardized statistic is -2.754.

Symmetric Measures

		Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	.972	.002	.004
	Cramer's V	.486	.002	.004
N of Valid Cases		40		

Bar Chart

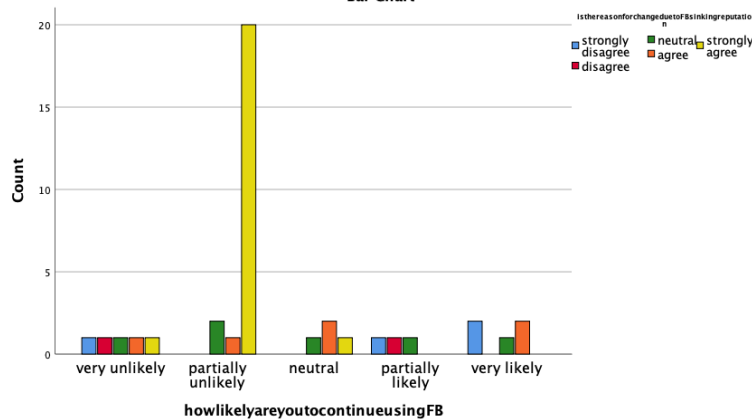


Figure 20: Crosstabulation (9).

Moreover, there is a close association between Facebook's socializing service, and the participants believed to change their approach towards Facebook if Facebook implements corrective measures. This can be determined by Fisher's exact test value, which is 0.011, less than 0.05, showing a significant association between the

two. The Cramer's V value was 0.486, which is again midway to both 0 and 1. Thus, showcasing the strength of the association is moderate (Figure 21).

ratefacebookonsocializingandservice \* howlikelywouldC  
MschangeyourapprochtowardsFB

				howlikelywouldC MschangeyourapprochtowardsFB					Total
				very unlikely	partially unlikely	neutral	partially likely	very likely	
ratefacebookonsocializingandservice	very unsatisfied	Count	0	1	0	0	0	1	
		Expected Count	.1	.1	.2	.6	.1	1.0	
		% of Total	0.0%	2.5%	0.0%	0.0%	0.0%	2.5%	
	unsatisfied	Count	0	2	0	0	0	2	
		Expected Count	.1	.2	.4	1.2	.2	2.0	
		% of Total	0.0%	5.0%	0.0%	0.0%	0.0%	5.0%	
	neutral	Count	1	1	3	17	1	23	
		Expected Count	1.2	2.3	4.6	13.2	1.7	23.0	
		% of Total	2.5%	2.5%	7.5%	42.5%	2.5%	57.5%	
	satisfied	Count	1	0	4	3	2	10	
		Expected Count	.5	1.0	2.0	5.8	.8	10.0	
		% of Total	2.5%	0.0%	10.0%	7.5%	5.0%	25.0%	
	very satisfied	Count	0	0	1	3	0	4	
		Expected Count	.2	.4	.8	2.3	.3	4.0	
		% of Total	0.0%	0.0%	2.5%	7.5%	0.0%	10.0%	
Total		Count	2	4	8	23	3	40	
		Expected Count	2.0	4.0	8.0	23.0	3.0	40.0	
		% of Total	5.0%	10.0%	20.0%	57.5%	7.5%	100.0%	

#### Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	37.755 <sup>a</sup>	16	.002	.009		
Likelihood Ratio	25.744	16	.058	.017		
Fisher's Exact Test	26.103			.011		
Linear-by-Linear Association	2.341 <sup>b</sup>	1	.126	.136	.077	.026
N of Valid Cases	40					

- a. 23 cells (92.0%) have expected count less than 5. The minimum expected count is .05.
- b. The standardized statistic is 1.530.

#### Symmetric Measures

	Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	.972	.002
	Cramer's V	.486	.002
N of Valid Cases	40		

#### Bar Chart

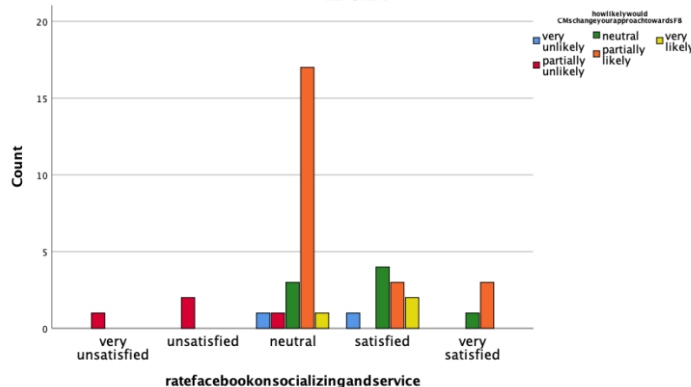


Figure 21: Crosstabulation (10).

The association of participant's likeliness to continue using Facebook and the correlation between the reputation and spending on market activities is quite strong, as Fisher's exact value is 0.001, and the Cramer's V value is 0.647. The



Cramer's V value was closer to 1, indicating a powerful relationship between the two variables (Figure 22).

**howlikelyareyoucontinueusingFB \* correlationbetweenacompanysrepoonsandmarketing**

**Crosstab**

		correlationbetweenacompanysrepoonsandmarketing			Total	
		yes	no	maybe		
howlikelyareyoucontinueusingFB	very unlikely	Count	4	0	1	5
		Expected Count	4.3	.3	.5	5.0
		% of Total	10.0%	0.0%	2.5%	12.5%
	partially unlikely	Count	23	0	0	23
		Expected Count	19.5	1.2	2.3	23.0
		% of Total	57.5%	0.0%	0.0%	57.5%
	neutral	Count	2	2	0	4
		Expected Count	3.4	.2	.4	4.0
		% of Total	5.0%	5.0%	0.0%	10.0%
	partially likely	Count	1	0	2	3
		Expected Count	2.6	.2	.3	3.0
		% of Total	2.5%	0.0%	5.0%	7.5%
	very likely	Count	4	0	1	5
		Expected Count	4.3	.3	.5	5.0
		% of Total	10.0%	0.0%	2.5%	12.5%
Total	Count	34	2	4	40	
	Expected Count	34.0	2.0	4.0	40.0	
	% of Total	85.0%	5.0%	10.0%	100.0%	

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	33.490 <sup>a</sup>	8	.000	.001		
Likelihood Ratio	22.083	8	.005	.001		
Fisher's Exact Test	20.358			.001		
Linear-by-Linear Association	3.639 <sup>b</sup>	1	.056	.061	.046	.015
N of Valid Cases	40					

a. 14 cells (93.3%) have expected count less than 5. The minimum expected count is .15.  
 b. The standardized statistic is 1.908.

**Symmetric Measures**

	Value	Approximate Significance	Exact Significance
Nominal by Nominal	Phi	.915	.000
	Cramer's V	.647	.000
N of Valid Cases	40		

**Bar Chart**

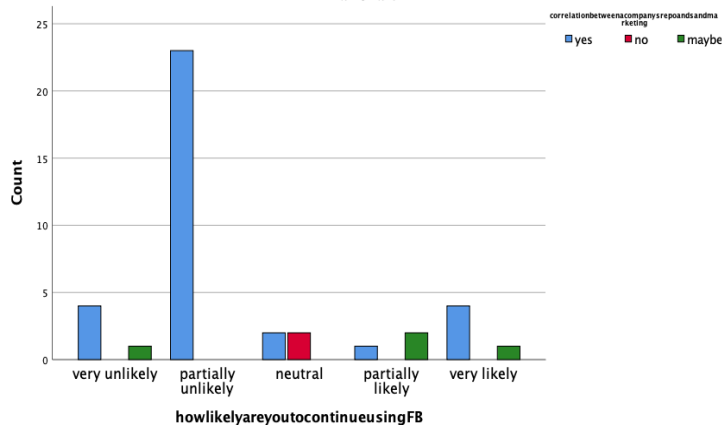


Figure 22: Crosstabulation (11).

The research had been conducted significantly between various variables and had taken up mostly the values that reject the null hypothesis and is of more importance to the study. Although the analysis was conducted between the less significant variables to the results, which showed very less association or no association were not added to the analysis chapter.

## CHAPTER 7: DISCUSSION

Facebook has had a pattern of privacy issues, and faced criticism due to refusal to moderate hate speeches, an innate ability to effectively flagged misinformation on the platform. This study analyzed that Facebook's reputation is at stake due to various controversies and security breaches. The results revealed that the majority of users had withdrawn themselves from this social media giant due to inefficiency to protect the users' data and incapability from turning down the hate and violence promoting speeches. Each of the analyses can be discussed based on the considered hypothesis.

### ***7.1. H<sub>1</sub>- A company's success would suffer due to a bad reputation.***

The results obtained by the survey indicate that the consumers are affected by Facebook's inadequate policies to stand up against hate speeches and protect the user's data. It was noticed that the majority of people believed that their approach towards Facebook has changed over time with the most diminished frequency of usage. The foremost reason for this transitional change was noted to be the inability to trust Facebook with their personal information. The Independent (2019) speaks about Facebook's relentless 18 months of poor reputation due to the Cambridge Analytica data breach scandal, and the tech giant was fined 5 billion US dollars for misusing the personal data of the users without their knowledge and permission. This caused Facebook to lose a number of users. It was reported that 3 million Irish users withdrew themselves from the platform in nine months (The Independent, 2019).

Economically, Facebook runs on network externalities; that is, the value or utility of Facebook is dependent on the number of users and their usage (Currier, 2018). Network externalities occur when customer benefits rely directly on the overall number of purchasers of the same network service; Facebook becomes more useful as more users join it (Chiu, Cheng, Huang and Chen, 2013). Therefore, if Facebook continues to lose users due to its depleting reputations, the success of the company would substantially decrease over the years. Subsequently, Facebook had bent their

policies towards hate speeches a couple of times and disappointed not only the users but also the companies but advertised through this platform. These advertisements make up to 98% of Facebook's revenue (The New York Times, 2020), which is quite an amount to lose if Facebook does not take corrective measures. Moreover, it was noted that the users were gradually withdrawing from the platform and reduced their Facebook usage. This has, in the term, questioned Facebook's credibility, even when the same users believe that Facebook is a reasonably good platform to socialize and offers good socializing services. As Griffin (2008) states that few features are responsible for a reputation to be bad or good, one of which is an emotional appeal that the customers have with the company and its strategies and other activities. Since Facebook is surrounded by such controversies around user data harvesting and refusing to take down the hate speeches by the US president(Hern, 2020), each company has a social responsibility that involves supporting good causes and taking in account the local communities and the environment but also the critical feature for building a good reputation is the quality of products and services offered by the brand (Griffin, 2008). Well, the responses to the survey outline Facebook's Sinking repetition around data breaches and violating their policies and overlook hate speeches. All the above controversies, altogether, weight heavier to the users than the socializing services provided by the platform.

***7.2. H<sub>2</sub>-The social media and the internet have achieved enough credibility to alter the company's reputation.***

According to the study, social media and the Internet has a lot of impact on the user's way of perceiving a brand. The Internet is now credible enough to impact a brand's reputation. Since the participants stated the reason for the transitional change in Facebook usage is due to its sinking reputation, it can be analyzed that social media and other media have brought forth the controversies and affected the reputation of Facebook. Likewise, Kietzmann, Hermkens, McCarthy, and Silvestre (2011) validates that Social media provides a forum for people to share their views and connect to provide feedback and knowledge regarding a product or service, to the other customers. They are further adding that advertising through social media is

an afterthought to marketing but is equally essential as it affects the brand's reputation and determines its survival accordingly (Kietzmann, Hermkens, McCarthy, and Silvestre, 2011). This socializing giant is facing difficulty due to its reputation in the market both by the users, as well as the companies, look up to Facebook for advertising. The user's virtual trust has a strong relationship with the users' established privacy, quality of service, the safety of data, reliability, and other implications of commitment and intention of usage (Kovač and Žabkar, 2020). The results also state that corporate marketing among these media and shareholders can result in an improved reputation of the company and would likely to bring back the users who have quit the platform. Facebook has to implement new policies in terms of security, ban on hateful and discriminatory language to improve the reputation of the company, and prevent it from further sinking.

***7.3. H<sub>3</sub>- There is a strong correlation between the reputation of a company and its overall spending on marketing activities.***

According to a similar study conducted by Hutton, Goodman, Alexander, and Genest on *Reputation management- the new face of corporate public relations*, in 2001, The relationship between organizational communication Spending and reputation is not smooth and consistent. The results for Fisher's exact value (0.036) show that there is an association between a company's reputation and its overall spending on marketing activities. Although the Cramer's V value was noted to be 0.395, which shows that the relationship of the two components are not strong enough to signify that if a company tends to spend more on its marketing activities, there are relatively slight chance of reputation improvement. Similarly, The results for the crosstab between social media's impact on reputation and the correlation of reputation with spending oil companies marketing activities.

With the current on-going Facebook controversies, when one of the questions was analyzed, a lot of participants said that they are unlikely to use Facebook, as Grunig (1993) states that an organization's reputation is significantly dependent on its performance history. The users are less likely to prove an organization guilty for the current events if the past actions have been positive. Similarly, if an organization has

a constant negative performance history, it is more likely to be proven guilty (Griffin, 1997). According to the Guardian 2018, Facebook has affected more than 87 million users by their largest data breaches in the history of social networks. The data of Facebook users was exploited by Cambridge Analytica and harvested for their interest. This draws links to the question of how social media has an effect on consumers' minds towards a brand's reputation. Because of all the controversies of Facebook's privacy breaches consumed by users through social media or other media channels Would reflect in the behavior after consumer towards the brand. Most of the millennials and Generation Z consumed news through Instagram, Inshots, or through other social platforms, thus, whatsoever they see have an impact on their mind as consumers. When the participants were questioned regarding social media's impact, they responded that social media has a strong influence on building a brand reputation, which is believed to be correlated to the amount spent on marketing activities. The same participants also found that investing more in marketing would probably affect a brand reputation. Because if companies invest more in better marketing and PR, the reputation is more likely to be affected by it. As money gives you power, if a company has invested in doing better marketing and improving its image, it would result in an improved reputation over the years. Although the analysis states that there is an association between the social media impact on reputation, and the correlation of reputation and market spending of a company, the study also indicates that this relation is relatively weak in terms of strength. A similar analysis conducted by Hutton, Goodman, Alexander, and Genest, in 2001 states that the correlation between total spending and reputation is relatively weak, and the greater an organization contributes to corporate communication, it's likely to improve the reputation. The study also states that the drivers of the correlation between a company's good reputation and the corporate communication, are the investor relations and media relations (Hutton, Goodman, Alexander and Genest, 2001).

***7.4. H<sub>4</sub>- The degrading reputation of Facebook would result in the loss of users in the long term.***

The social network's crisis has affected Facebook and would continue to do the same if Facebook does not implement corrective measures. The social media giant has made a series of mistakes which has declined its reputation. Coomb (1995) confirmed that the history of the organization's performance is also a critical aspect of the crisis. As the results of the analysis quite clearly depict that if Facebook does not take the security and safety of the users' data and also the discriminatory and heedful posts seriously, they are more likely to experience copious quantities of withdrawing users. The vulnerability of customer data can lead to feelings of betrayal, feelings violation, and declining levels of trust (Richman & Leary, 2009). The participants look at Facebook as a reasonably good platform to socialize and also partially agree to the service provided in terms of socializing, activities, and new features but do not support the ongoing controversies. Griffin (1997) verifies that people tend to hold others more accountable for negative activities rather than positive ones. In the future, these participants agreed to refrain from the platform if Facebook does not take the user data security and their social responsibility seriously.

## CHAPTER 8: CONCLUSION

Facebook has seen huge growth and is one of the world's largest social media network. But Facebook has been surrounded by my critical controversies in recent years. The company has constantly been failing to provide security to the users regarding their data and also impotent in terms of their policies regarding hate speeches and violence promoting posts. The author initially makes the readers familiar with the background of the research highlighting the importance of reputation management for an organization and the effect of a bad reputation on the customers. Then the literature is built on the research background, which is about Facebook's current 'Reputation Score.' Also, the company's reputation is an important tool for the measurement of success and provide the company with a competitive advantage over others. Thus, Stating the reason for selecting the study and further elaborating how corporate repetition can be used as a management tool by brands to achieve success. Through understanding the indications that customers interpret while implementing a corporate reputation, management may initiate strategies intended to improve the firm's trust with customers.

The analysis provides management with a highly accurate instrument that allows the evaluation of corporate reputation over time, thus enabling the appraisal of the success of the ongoing activities. The literature provides the readers but the difference between a company's reputation and a company's image, which is off and confused as one. The study also highlights that trust is a critical factor in reputation management and also defines crisis as an unpredictable event that could impact an organization's performance, here, Facebook's ongoing crisis is its depleting reputation. The study gives an insight into types of crises and provides strategies to improve and Control situations. Moreover, Social media plays an important role in managing the reputation of a company and understanding the utility of connecting to customers through social media and portraying positive attributes of the organization. The readers have a better understanding of how the company's reputation is correlated to the amount spent in corporate marketing activities, and the effect of a bad reputation of an organization Can Change the customer behavior

and decision-making. As we proceeded onto the scenario contextualization chapter, the company's brief synopsis was taken forward to Facebook's privacy controversies and Facebook's failures to moderate hate speeches. Facebook has undergone numerous controversies and notice to bend their policies towards hate speeches a couple of times for their interest. There were few hypotheses regarding a company's bad reputation negatively impacting a company's success; the credibility of social media can build or sink a company's reputation, a company's reputation, and its overall spending on marketing are correlated. Facebook will face the loss of users if the reputation continues to sink. The research aim and objectives define and determine the importance and impact of reputation management on a tech giant like Facebook and identify strategies to overcome their reputation loss. A survey was conducted of 16 questions, which was circulated to 40 participants for which the primary research method proposed for this study was quantitative.

The research method was followed by the positivist research philosophy and deductive research approach. The purpose of sampling strategy was used to select the research sample wherein selected participants had to be using or had used Facebook for ten years. The data was collected employing a survey, and a descriptive data analysis method was used to analyze the relationship between two or more research variables. The time horizon of the study is cross-sectional, and it reminds the limitation of time and also highlights the various other research limitations followed by establishing research ethics for conducting academic research. The analysis and discussion are the heart of the research and emphasizes the impact of declined reputation and also the impact of reputation management.

The analysis was carried by a software called IBM SPSS statistics software, which is a software design to perform various data-oriented tasks statistically. The various survey questions were first analyzed based on descriptive frequency. Later, crosstab was performed between two variables to identify their association and also the strength of association via Fisher's exact test and Cramer's V value. Later in the discussion, the results of the analysis were discussed according to the research hypothesis. All the hypotheses were proved, and we're back to with the academic



literature. the hypotheses were true as the analysis run by the participants' responses to the questionnaire agreed that Facebook's bad reputation has affected their approach towards the brand and not only, they trust Facebook but also, they are likely to withdraw themselves from the platform.

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## **10: APPENDIX**

### **Appendix 1: The Significance of Reputation Management – A Study On The Sinking Reputation of Facebook.**

Dear Respondent,

I am a student at National College of Ireland, and I am conducting a survey for my dissertation project on the sinking reputation of Facebook. For this reason, I would like to ask for your collaboration in answering this questionnaire with your honest opinion regarding the topics covered. There are 16 Questions and it will not take you more than 10 minutes to complete the survey.

In agreeing to participate in this research I understand the following:

The information provided by me will

be exclusively used for research purposes. It will not be used in any manner which would allow identification of my individual responses.

It is the above-named student's responsibility to adhere to ethical guidelines in their dealings with participants and the collection and handling of data.

If I have any concerns about participation, I understand that I may refuse to participate or withdraw at any stage.

I have been informed as to the general nature of study and agree voluntarily to participate.

There are no known expected discomforts or risks associated with participant.

All data from the study will be treated confidentially. The data from all participants will be

compiled, analyzed, and submitted in a report to the School of Business. No participant's data

will be identified by name at any stage of the data analysis or in the final report.

I may withdraw from this study at any time and may withdraw my data at any point during my participation. I understand that once my participation has ended, that I cannot withdraw my data as it will be fully anonymized.

\* Required

Q1. Please specify your gender. \*

*Mark only one oval.*

- Male
- Female
- Prefer not to say
- Others

Q2. Please specify your age group. \*

*Mark only one oval.*

15 - 20 years

21 - 25 years

26 - 30 years

31 - 35 years

35+ years

Q3. What social media platforms do you use? \*

*Check all that apply.*

Facebook

Instagram

Twitter

LinkedIn

Other:  \_\_\_\_\_

Q4. How long have you been using Facebook? \*

*Mark only one oval.*

Less than a year

1 - 5 years

5 - 10 years

10+ years

Other: \_\_\_\_\_



Q5. Rate Facebook on the basis of socializing and service.

Mark only one oval.

	1	2	3	4	5	
Poor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Good

Q6. Rate Facebook on the basis of the privacy.

Mark only one oval.

	1	2	3	4	5	
Poor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Good

Q7. Do you feel social media has an impact on building or sinking a brand's reputation building? \*

Mark only one oval.

	1	2	3	4	5	
No impact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Major impact

Q8. If Facebook is your platform, how often do you use it? \*

Mark only one oval.

Daily

Weekly

Monthly

Very Rarely

Other: \_\_\_\_\_

Q9. Has there been a transition over the years in the amount of time spent on Facebook? \*

Mark only one oval.

- Yes
- No

Q10. Please rate the transitional change on the amount of time spent on Facebook. \*

Mark only one oval.

	1	2	3	4	5	
Minor transition in usage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Major transition in usage

Q11. Is the reason of change in the usage of Facebook due to its sinking reputation? \*

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

Q12. Has the current Facebook controversies around the privacy breaches and Hate speeches affected the usage of the platform? \*

Mark only one oval.

- Yes
- No
- Maybe

Q13. Do you think Facebook should implement corrective measures? \*

Mark only one oval.

	1	2	3	4	5	
Strongly Disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Strongly Agree

Q14. How likely would the implementation of corrective measures change your approach towards Facebook? \*

Mark only one oval.

	1	2	3	4	5	
Unlikely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very Likely

Q15. According to you, is there a correlation between a company's reputation and the amount of spent on its marketing? \*

Mark only one oval.

- [Yes](#)
- No
- Maybe

Q16. How likely are you to continue using Facebook? \*

Mark only one oval.

	1	2	3	4	5	
Unlikely	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very Likely

