Digital Reputation in Marketing: A Conceptual Definition and Theoretical Framework

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Abstract:
As a key business value, reputation is today, in many cases, created and expressed through the lens of the digital reality of the related stakeholders. This paper presents work on the long-needed extension of reputation theory into a digital realm. Based on case work with three corporations from different industries, a comprehensive literature review, and established theory on corporate reputation, a conceptual framework for understanding digital reputation is derived, including a definition of the construct. The theoretical specification identifies three components of digital reputation: a performative, a normative, and an affective component. The influencing factors and consequences of the construct are carved out, an understanding of digital reputation building is developed, and directions for tailored measurement are provided. This work contributes to the field of reputation research by clarifying the conceptual basis of digital reputation, contextualising it, and outlining potential measurement approaches, allowing for practical guidance to corporations.

Introduction

The significance of corporate reputation for economic success is widely documented (e.g. Fombrun and Shanley 1990; Ramos and Casado-Molina 2021; Wiedmann 2014), underlining the practical relevance of corporate reputation. Therefore, the development and maintenance of a positive corporate reputation can be considered a strategic objective for commercial corporations. A positive reputation has been shown to contribute to an increase in brand value, customer loyalty, and competitiveness (e.g. Fombrun and Shanley 1990). Several models have been developed, and studies have been conducted on the construct's impact (Dowling 2016; Fombrun and Shanley 1990; Schwaiger 2004; Walsh and Beatty 2007; Wiedmann 2014). However, the question arises as to the extent to which insights into corporate reputation keep their relevance in the light of the digital turn and **whether ideas of corporate reputation can be completely transferred to the digital context**. It is therefore necessary to clarify the extent to which, for example, digital media influences stakeholders' perception and evaluation of a corporation. The way in which corporate reputation is created and managed may be subject to change due to the increasing digitalisation of businesses (Hamidi et al. 2023). For example, digital communication channels allow information to be shared more quickly and encourage stakeholder participation (Strauss, Harr, and Pieper 2024), impacting how a reputation is established and how stable it turns out to be. It seems that the development of digital technologies and the evolution of communication have led to the identification of potential differences between corporate reputation and a corporation's digital reputation, which require further investigation. Related to this, there is also the need to demarcate **the concept of digital reputation** to establish a clear understanding of what the term means. Hand in hand with this issue, it is important to clarify the relationship between digital reputation and corporate reputation. In the context of existing models of corporate reputation, which encompass diverse components of digital reputation (Dowling 2016; Schwaiger 2004). It is, moreover, imperative to discuss potential components of digital reputation. This is due to the fact that the concept of digital reputation should be explicable and consistent with prior theory on corporate reputation.

Given the mentioned reflections and considering the fundamental role that reputation plays for corporations, the **overall objective of our research** is to develop a theory-based approach for the monitoring and management of digital reputation. One sub-objective of the study is to establish a framework for understanding digital reputation, encompassing its influencing factors and the consequences. The second sub-objective is the definition of digital reputation, and the third sub-objective is the development of a measurement approach for digital reputation.

Emphasis is placed on **ensuring practicality**. For this reason, we have been collaborating with three partner companies in developing our results. Through workshops and discussions with these partners, we were able to test the practical relevance of our results and validate our considerations from a practical perspective. Moreover, the integration of these management perspectives enabled the findings to be adopted by different companies, each of which will have different given factors (Ali et al. 2015; Walsh and Beatty 2007). Consequently, the aim is to design the concept to allow for customisation to suit specific individual cases.

Corporation Reputation as a Theoretical Background

The reputation building model describes how corporate reputation is established (Fombrun and Shanley 1990). It assumes that corporations send stakeholders various signals, such as market, accounting, institutional, and strategy signals. The stakeholders perceive these signals and use them to form their perception of the corporation's reputation, which in turn can influence, for example, brand value (Fombrun and Shanley 1990). In addition to this model, there are various approaches to defining corporate reputation in the literature (Veh, Göbel, and Vogel 2019). One often cited definition is as follows: "A corporate reputation is a perceptual

representation of a company's past actions and prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals" (Fombrun 2018). However, there is still no uniform definition and operationalisation of corporate reputation (Veh, Göbel, and Vogel 2019).

Moreover, some studies have already been conducted on the components of corporate reputation. In one model, reputation is divided into cognitive and affective dimensions. For example, a distinction is made between the corporation's perceived competence and likeability (Eberl and Schwaiger 2005). Another model divides corporate reputation into three components. According to this model, reputation consists of a functional (e.g. success and competence), social (e.g. legitimacy and integrity), and expressive (e.g. attractiveness and authenticity) component, which can influence each other (Eisenegger and Imhof 2009).

Furthermore, one study provides an overview of the factors that influence reputation and its consequences. It identifies factors such as financial situation, media visibility, corporation size, trust, and loyalty (Ali et al. 2015). Additionally, a distinction is made between internal (Da Almeida and Coelho 2019) and external (Barnett and Hoffman 2008) factors that influence corporate reputation.

Other questions relate to the operationalisation. Various approaches to operationalising reputation have been reported. For example, a reputation quotient was introduced (Fombrun, Gardberg, and Sever 2000), or scales for reputation dimensions such as sympathy and competence were published (Schwaiger 2004). Some of these have been adapted for use in the digital context to measure digital reputation (Li et al. 2020). Specific scales for digital deputation are not available yet, however. Moreover, literature research reveals that what is taken for digital reputation refers to specific phenomena such as brand characteristics, website quality, service quality, or social media presence (e.g. Dutot and Castellano 2015). There are also scales for specific use cases, such as the reputation of online shops (Škerháková et al. 2022) or customer-based reputation (Walsh and Beatty 2007). However, a consistent procedure for measuring digital reputation still does not exist (Dutot, Lacalle Galvez, and Versailles 2016). Overall, it is clear that there are many publications on corporate reputation. Recent reviews on corporate reputation research can be found in Veh, Göbel, and Vogel (2019), Ali et al. (2015), Money et al. (2017), Modh Sofian, Abdullah, and Mohd-Sabrun (2023), or Bigus, Hua, and Raithel (2024). However, **research on digital reputation is scarce to non-existent.** The few examples for reviews on digital reputation include, for example, Amahjour and El Khalkhali (2024), Hamidi et al. (2023), and Ratnayaka et al. (2024).

In summary, there is extensive theoretical and empirical work on corporate reputation. However, and in strict contradiction to the need identified due to the changes in business realities outlined above, there is a paucity of theory on specific digital viewpoints of reputation. Consequently, research on the conceptualisation of digital reputation was done; the details will be explained in the following section, before measurement issues are addressed.

Framework Development

To develop a framework of digital reputation, a systematic **literature review** was conducted to get an overview of existing research. This involved analysing the existing definitions of digital reputation and the different ways of operationalising the construct, as well as influencing factors and consequences of digital reputation. The PRISMA framework (Page et al. 2021) was applied for the literature search strategy, using input from two databases, Web of Science and Scopus, and relying on several search terms, including synonyms for digital reputation. The analysis covered a total of 193 publications. The results of this systematic literature analysis form the basis of our initial findings. The literature analysis was supplemented by **involving business partners**. The partner companies were three companies of different sizes from different industries to ensure that a variety of perspectives on the topic

were considered adequately. In addition, the partners differ in terms of their current stage of digital reputation monitoring. As this document is a working paper, our initial findings are described in the following.

Based on the systematic literature review, its extended research, and the expert discussion with our practice partners, we were able to identify the main factors influencing digital reputation as well as its main consequences. Regarding the **factors influencing digital reputation** and its **consequences,** the insights of our comprehensive approach indicated that a variety of factors are involved (Ali et al. 2015; Walsh and Beatty 2007). For example, we considered the STEEPLE dimensions, the macro and micro environments, the different types of media (digital and non-digital, as well as owned, earned, and paid media), and the RepTrek model (The RepTrak Company 2025). A visualisation of the carved-out interrelationships is shown below (Figure 1). It is important to note that both external and internal conditions influence the causal factors of digital reputation (Gini and Agala 2023). On the one hand, the digital reputation is shaped by the depicted three types of media and, indirectly, by factors influencing the corporation. On the other hand, a digital reputation can have a variety of **consequences**, such as being given the benefit of being trusted to do the right thing (The RepTrak Company 2025).
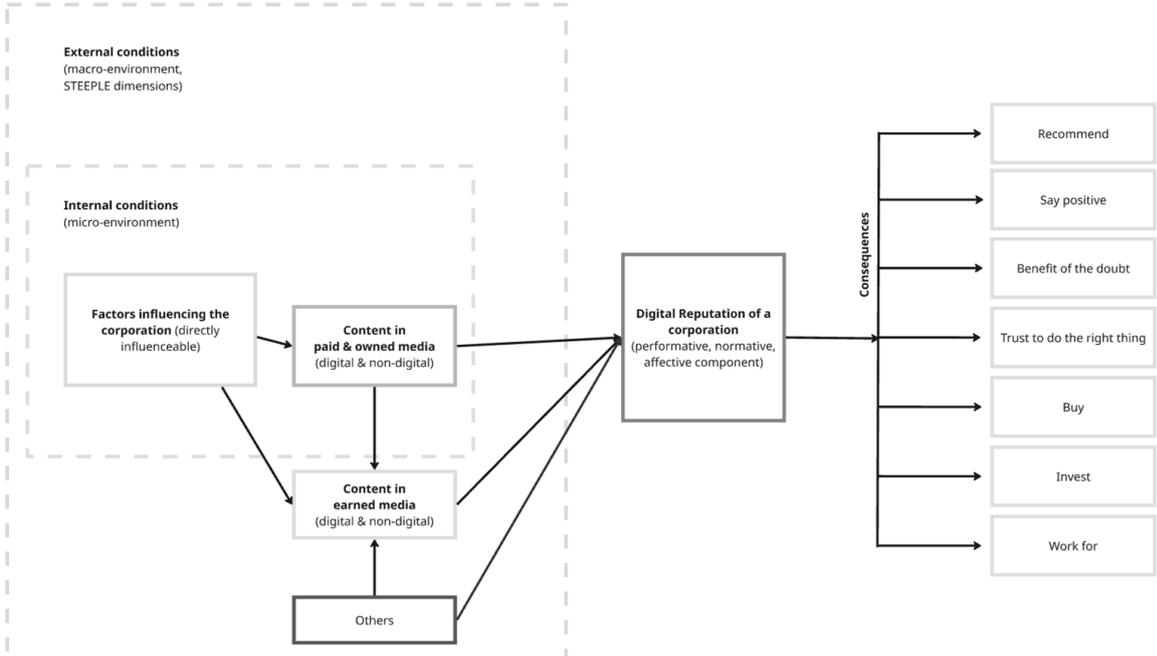

Figure 1: Digital reputation and its interrelationships

Construct Development

A literature review concerning the definitions and components of corporate and digital reputation was conducted. Again, this supported the idea that there is almost no conceptual work on digital reputation. Of the few papers that reported on a conceptual background, most did not define the construct under examination. Furthermore, the definitions that could be identified referred to very different objects and varied considerably in scope. We used the given definitions to carve out both similarities and differences between the descriptions of digital reputation. Based on this and the general theoretical background, we drafted a definition of the digital reputation construct, which we then refined through various discussions within the research team. Specifically, we compared our versions with definitions of corporate reputation and discussed possible dimensions in analogy with corporate reputation. The definition of the construct was then further refined through a series of iterative discussions with our partnering

companies. These discussions led to the identification of new aspects, which were subsequently incorporated into the definition. This resulted in the following **definition of digital reputation**:

> *A corporation's digital reputation is the sum of all stakeholders' perceptions and evaluations of corporate- or user-generated digital information and all digital experiences.*
>
> *Digital reputation is an element of corporate reputation, which is the sum of all stakeholders' perceptions and evaluations of the culture and identity of a corporation.*

This definition of digital reputation considers the relationship between digital and corporate reputation and conceptualises it as a part of corporate reputation.

To specify possible facets of digital reputation, an additional examination was conducted of the existing components of corporate reputation. The findings indicate that corporate reputation is often segmented into two or three distinct components. This observation confirmed our initial assumption that digital reputation is also a multidimensional construct. In analogy to Eisenegger and Imhof's (2009) existing model of corporate reputation, there is, to our knowledge, much evidence to suggest that **digital reputation has three facets** or dimensions. One line of argument originates from existing concepts of corporate reputation, such as the Eisenegger model mentioned earlier. Another argument stems from the theory of the three distinct evaluation mechanisms that influence human judgment and, consequently, presumably also reputation formation. The various pieces of information available about a company are evaluated on different bases. The evaluation mechanisms are based on cognition, individual values, or emotions (Baxter 1987). These mechanisms should, in turn, be reflected in the three components of digital reputation. As previously defined, all evaluations of a corporation are concerned with its reputation.

As a result of our analysis, we assume three facets of digital reputation; these are as follows: performative, normative, and affective (Figure 2). Building on this, the definition of digital reputation can be supplemented with a further description of its components:

> *The digital reputation of a corporation is comprised of three components: a performative, a normative, and an affective component. The three components are based on the perception and evaluation of digital information about the corporation by different stakeholders. The affective component depends on the performative and normative components.*
>
> 1. *The performative component is defined as the perception and cognitive evaluation of digital information with regard to the achievement of objectives and the performance of the corporation. Relevant content refers to perceived successes, competencies, resources, innovations, and the quality of satisfaction of needs.*
> 2. *The normative component is defined as the perception and value-based evaluation of digital information with regard to the corporation's normative foundations. These include ethical behaviour, social legitimacy, and cultural and social responsibility.*
> 3. *The affective component is defined as the emotional perception and individual evaluation of corporate information. For example, perceived sympathy, authenticity, attractiveness, and transparency are influencing factors of this component.*
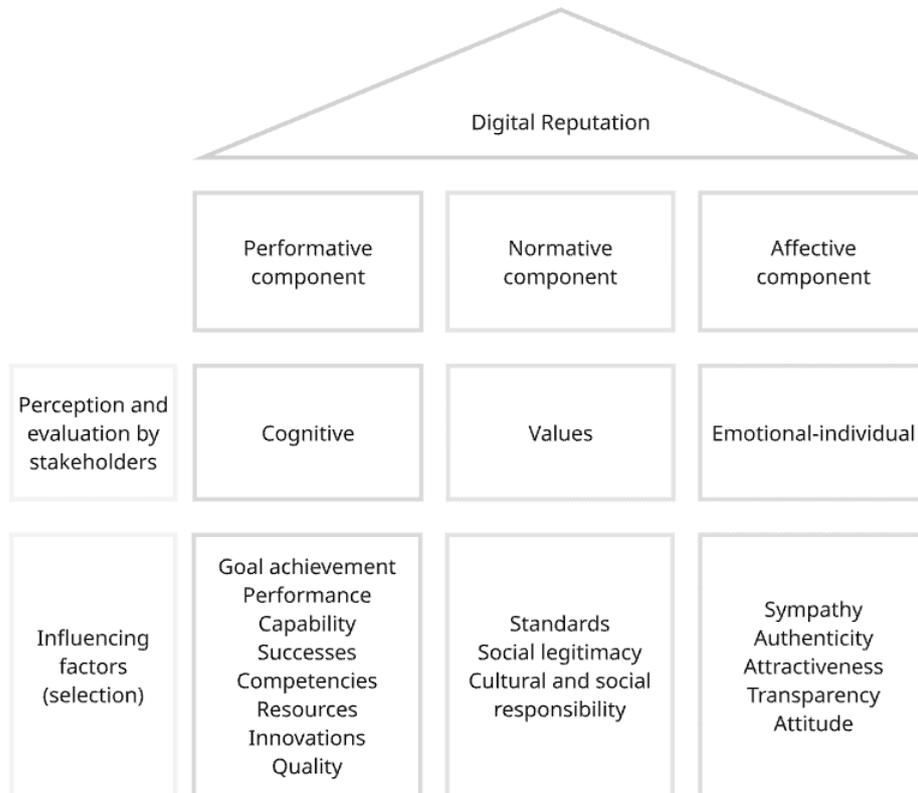
Figure 2: Facets of digital reputation

Development of Measures

As a next step, another literature review on existing operationalisation approaches for digital reputation was conducted to identify relevant measurement instruments. The analysis of the existing literature on operationalisation approaches shows that digital reputation is measured using various methods, such as performance-based, content-based, or survey-based approaches.

In addition, a search for **key performance indicators** for the various digital media channels from the developed framework was conducted. Moreover, existing measurement **scales** were reviewed. The scales researched were found to be related to either corporate reputation, digital reputation, or individual components of digital reputation.

To measure digital reputation in all three of its facets, the measurement method needs to be based on the three components of digital reputation: performative, normative, and affective. Obviously, some components can be captured using indicators from the digital marketing discipline (e.g. traffic and media mentions) (Ballouk et al. 2024; Najafi et al. 2017), which offer advantages in terms of availability and ease of use in practice. However, the perception and evaluation of digital reputation by stakeholders, as described in the definition, can only be reflected through psychometric measurement. Consequently, it is argued that two measurement approaches should be combined: key performance indicators and psychometric measurements, to fully operationalise digital reputation. This is why a **two-layer measurement model** was crafted (Figure 3). Our current research is focusing on concretising the two layers of measurement. This involves researching and validating digital key performance indicators that capture the above-reported facets, as well as generating a collection of items based on related scales and input from our practice partners, to initiate scale development.
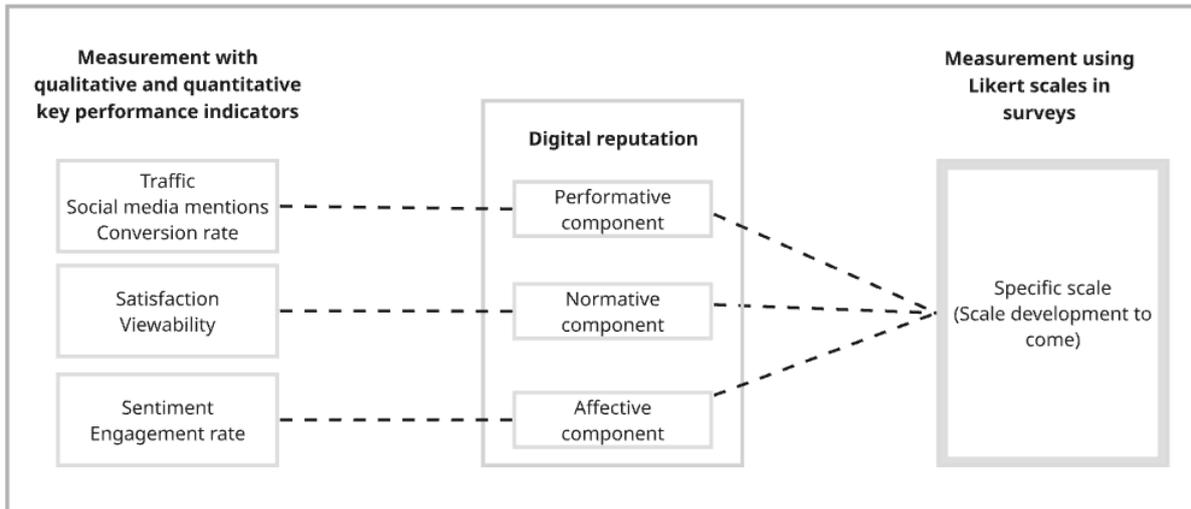
Figure 3: Two-layer measurement model of digital reputation

Discussion and Implications

In the context of this research, we considered digital reputation within a broader framework and have developed a model that takes into account the factors influencing it and its consequences. These factors include external and internal conditions, as well as owned, paid, and earned media. The examination presented highlights that digital reputation is an element of corporate reputation, defining it as the sum of all stakeholders' perceptions and evaluations of corporate- or user-generated digital information, as well as all digital experiences. Further, we pinpointed a performative, a normative, and an affective facet of digital reputation and then outlined these facets.

To develop a measurement approach for digital reputation, a two-layer measurement system was devised, comprising key performance indicators for digital marketing in one layer and a psychometric scale in the other. Although the development of suitable measures is still ongoing, the initial results establish a structured foundation for systematically recording digital reputation and make it usable for reputation management.

In view of the currently scarce and fragmentary research literature on the field of digital reputation, the **main contribution** of this paper lies in the first systematic outline and delimitation of the emerging field of digital reputation, which is important for marketing practice. This was achieved by integrating theoretical concepts from reputation research with practical approaches in the digital context, which is another key achievement of this research. In practical terms, the work provides corporations with a framework for analysing and managing their digital reputation in a targeted and differentiated manner. In particular, the two-layer measurement model helps to facilitate systematic monitoring and can serve as the foundation for implementing strategic initiatives. A key feature of this research is the collaboration with partners from a range of industries, which further underscores the practical relevance of the approaches that have been developed.

One of the **challenges** we have faced during our examination is differentiating between corporate and digital reputation. For our research project, we identified arguments to conceptualise digital reputation as an element of corporate reputation, the latter of which is a superordinate concept. However, it is important to note that some argue that digital reputation is simply the digital manifestation of corporate reputation and that there is no need for such a distinct concept. Furthermore, the extent to which the developed definitions and components can be transferred to different industries and corporate contexts is still subject to further examination. Another significant challenge is finding a suitable weighting if the aim is to

integrate the three facets into a total digital reputation indicator, as this will probably depend on various contextual factors.

As the work is based on theoretical considerations and conceptual modelling, **further research** steps should focus on validating the two measurement layers for digital reputation and testing the facets identified. This should include securing expert validity for the construct again, specifying the digital key performance indicators in more detail, going through a scale development process, and measuring the indicators and the scale against an external criterion. Alternatively, multi-trait multi-measurement could be applied.

Moreover, further research should explore the applicability of the concepts in different industries and contexts. It needs to clarify how the digital reputation of a company is measured for the various stakeholders it has, too. Remember that, unlike traditional brand monitoring, digital reputation monitoring will enable companies to analyse differences in stakeholder groups' perceptions of their digital reputation.

Another avenue for further research is to examine the relationship between a corporation's digital reputation and its corporate reputation. To integrate digital reputation perspectives into the monitoring of current co-created brand management efforts, relations to customer-based brand value indicators should be examined. Subsequent studies should also empirically analyse the consequences of a positive or negative digital reputation for companies, for example, the effect on trust or purchasing decisions of potential customers, or behavioural parameters of other stakeholders.

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