



*Companies and The Media: Content, Causes, and Consequences of News about Large Corporations*

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## SUMMARY

The impact of large corporations in today's society encompasses the production distribution and consumption of goods and services, economic and financial circumstances and events, as well as environmental, moral, and political issues. The conduct of corporations is deeply intertwined with our daily lives and directly relates to important issues of our time, such as consumerism, labor, economic development, the financial system, climate change, health, privacy, and safety. It is therefore not surprising that news media pay substantial attention to large firms. It is, however, remarkable that we still know relatively little about *company news* and the way in which media report on large companies; what the drivers of company news are; and how this type of news may affect attitudes among members of the public.

With four empirical studies, this dissertation examines the content, causes, and consequences of news about large corporations, within the context of the Dutch media landscape. It does so by using a comparative approach and well-established communication theories, such as agenda setting, framing, and gatekeeping. In accordance with the agenda-setting approach, company news is conceptualized as an overarching public agenda which is: (1) used by journalists to highlight which corporations and substantive aspects of corporations are considered important and to depict firms in a positive, neutral, or negative manner; (2) potentially influenced by the effects of intra- and extra-media variables, and journalists and editors in their roles as gatekeepers to select some corporations and their attributes for coverage while neglecting others; and (3) influencing to members of the public, specific stakeholders and institutional actors, for example, in terms of corporate reputation.

Against this background, and building on the framework addressed above, the first two chapters examine attention patterns. The third chapter is focused on how corporate characteristics affect news content in terms of corporate visibility and tone. The fourth chapter examines the influence of corporate visibility and news tone on corporate reputation. The overall aim of this dissertation is to obtain a better understanding of the full process of company news in terms of its production, content and effects on corporate reputation.

The *first chapter* focuses on company news *content*. The chapter is a longitudinal case study, which examines the public debate about Schiphol and the issue of third-party airport risk, by analyzing over-time implicit frame variation in 17 years (May 1992 to May 2009) of media discourse in two Dutch quality newspapers (Trouw and NRC; N = 579 articles). Schiphol is an international *mainport*, while the Netherlands is one of the few countries in which third-party airport risks are modeled, systematically monitored, analyzed and integrated into the national external safety policy for industry. A semantic mapping method was used and implicit frames were constructed and visualized to represent the media discourse's latent structure. The research shows that the media agenda yielded a diverse set of implicit frames on third-party risk, varying dynamically over time, therewith communicating several angles to contextualize risk. However, third-party airport risk was mainly framed as an economic issue. In the 1990s these economic frames were accompanied by frames of accidents and risk, and in the 2000s by accidents and safety.

The *second chapter* also pertains to the *content* of the company news agenda. This chapter aims to further analyze dynamic attention patterns on the company news agenda by accounting for how attention to specific corporate actors may influence the diversity pattern of the whole company news agenda during the economic crisis. Despite discussions around the function of journalism in society, there is a wide

consensus that journalists should aim to build and maintain a diverse media agenda. Ideally, a diverse agenda is desirable because it offers ample opportunities for social actors (in this case companies, critics, and others) to gain media attention. Yet, building a diverse agenda may be challenged in times of crisis. Negative influence on agenda diversity is likely to occur in the context of crisis situations, for crises often involve explosive news coverage — that is, sustained large amounts of attention devoted to single actors, issues, events, or situations. The empirical investigation concerns an automated content analysis of news coverage of highly visible company types in a Dutch daily quality newspaper (NRC Handelsblad; N = 14,363) during the economic crisis (2007-2013). Building on the agenda-setting theory and media agenda diversity, the chapter shows that corporate actors receiving structurally more attention during times of crisis can influence long-term agenda diversity negatively. Specifically, the results suggest that attention to banks (and to a lesser extent, to the automobile and components industry) had a structural negative influence on media agenda diversity during the economic crisis. The majority of the other most visible company types had a positive impact on diversity, indicating that the agenda presence of these actors triggered more diverse coverage. In all, however, the company news agenda remained relatively diverse over the course of the economic crisis.

The *third chapter* concentrates on the *causes* of company news, by addressing the question: What drives news about large firms? In accordance with the gatekeeping approach, this chapter examines to what extent hard corporate characteristics (e.g., revenue rates, organizational age, type, and geographical location) affect news visibility of corporations and the tone related to firm coverage. Company characteristics of the largest Dutch corporations (N=100) are linked to results of an automated content analysis of Dutch online and print articles (N = 29,516) from 2014. The results show that governmental firms are more visible in the news than companies with other ownership structures. Additionally, business-to-consumer firms are more visible in the news than business-to-business companies. In general, company characteristics have a limited effect on tone in news coverage on firms.

The *fourth chapter* examines the *consequences* of company news. Building on agenda-setting theory, this chapter investigates the influence of corporations' visibility and tone in news coverage on reputation. To this end, data from an automated content analysis of Dutch online and print newspaper coverage (N = 5,235 articles) were linked to individual responses from a three-wave panel survey (N = 3,270) with repeated measurements of corporate reputation (12 organizations). Results indicate that prior reputation has a buffering effect for the damaging impact of negative news coverage: Negative news is less influential for people holding more positive initial reputational attitudes. The analyses show furthermore that mere exposure to corporations negatively affects reputation, whereas tone has a positive effect on reputation. In addition, the reputational effect of negative news is three times larger than the effect of positive news.

This dissertation revolves around the causes, content en consequences of news about large corporations in the context of the Dutch media landscape. In all, results of the works in this thesis suggest that the company news agenda is relatively diverse in terms of attention to media-prominent corporate actors and issue frames, but that some frames and actors are prioritized for longer periods in time. Prioritization of corporate actors during times of crisis can affect media agenda diversity negatively. Moreover, results indicate that there are substantial differences between large organizations in terms of their visibility: Whereas some firms are highly visible in the news, others barely receive attention. More specifically, corporate type matters when

it comes to visibility – governmental firms and business-to-consumer firms are more visible than other corporate types. News about large firms is mostly negative and – taking the consequences of company news into account - negative company news has a stronger influence on corporate reputation than positive news. Notably, tone affects reputation in a positive way: The more positive the news on a firm, the more positive the reputation becomes. Mere visibility of corporate actors, on the other hand, influences corporate reputation among members of the public negatively. And lastly, positive prior reputation is a reputational buffer for negative company news.

The studies in this dissertation contribute to scientific knowledge about journalism and news media, as well as corporate communication. The news constitutes a central mediating platform for the interplay between corporations, the media, and the public. This dissertation extrapolates well-established communication theories from the field of political communication (e.g., framing, agenda-setting, and gatekeeping) and shows that these approaches generally apply in the context of corporate communication. By testing these communication theories in advanced empirical media research this dissertation contributes to a better understanding of the content, causes, and consequences of company news.