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Reputation in danger: Selected case studies of reputational crises created by social networking sites

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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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Abstract

Social media have established themselves as a relevant field of research in various disciplines, among them public relations and communication studies. While the focus during the past few years has been on the advantages that these offer for organisations, for example customer relationships and sales, this thesis argued that social media also pose an immanent risk for corporate reputation, which manifests itself in so-called "social media crises".

During a social media crisis, online users and non-governmental organisations attack business pages on social networking sites and damage their reputation. Often, negative emotions play a decisive role. This research looked at three case studies of multinational for-profit organisations that have experienced a social media crisis. The aim was to identify how the social networking sites Facebook and Twitter contributed to the development of reputational crises, how this impacted the affected companies and what response strategies were used.

To take the growing influences of external parties on corporate reputation into account, an interdisciplinary approach was employed, using a methodology of psychology and sociology. A multiple-case study method was used to allow for explanation building across cases. Qualitative and quantitative data was triangulated through the curating tool Storify (http://storify.com/LarissaOtt1). In order to assure the reliability, a theoretical framework of signaling theory and Situational Crisis Communication Theory was applied. While the former was used to analyse reputation management, the latter was employed to identify crisis response strategies, but also to evaluate how successful this traditional approach was in the social media.

The data analysis found that due to the heightened public scrutiny during a social media crisis, adhering to transparency and finding an authentic, coherent voice throughout traditional and social media was a crucial factor. Overall, the influence of the traditional media was still visible. Although they did not initiate the crisis, they added to its severity. In regard to crisis response strategies, deleting negative comments proved to be counterproductive. While dialogue has often been emphasised in literature on public relations online, this research

found that companies seldom employ dialogue, but focus on persuasion and negotiation. Moreover, dialogue is not always advised for, especially if the discussion gets too heated and strong negative emotions are involved. Consequently, companies have to adapt their strategy according to the situation when interacting with individuals online. During the crisis situation, accommodative strategies seemed to be more effective than deny or diminish response strategies. In general, building a reputational reservoir before a crisis, possibly through corporate social responsibility, and providing an open forum for discussion that also allows supporters of the company to speak up was identified as another factor for success.

The results of this study contribute to an understanding of the nature and dynamic of social media crises and offer helpful strategies for public relations practitioners. Further need for research was identified to adapt the theoretical concepts that are available in the area of crisis communication for social media crises and to keep up with the fast-evolving world of social networking sites.

1   Introduction

1.1   Thesis background

"We should try this Facebook thing" – a sentence that represents a mindset that seems to become increasingly popular among director boards and managers of various companies and organisations. Not only big businesses, but also small companies, non-profit organisations and institutions flock to the social media pages of the World Wide Web in the hope of gathering additional consumers, supporters or revenue.

This development became more apparent after the social networking site Facebook opened its doors for businesses in 2007 (Facebook, 2013b). Now, in 2013, companies can choose from various platforms with changing popularity; from Facebook to Twitter, YouTube, Pinterest, Instagram and more to come. Mostly, practitioner guides and handbooks have focused on the advantages of using social media for business and how to implement a successful business presence on these platforms (e.g. Barger, 2012; Clapperton, 2009; Sweeney & Craig, 2011). Academic literature in the field spans various disciplines that even include ethnology or law, but the field of communication studies and public relations will be the focus of this thesis. Mostly, authors of the latter disciplines have focused on researching marketing advantages or the potential of social media for two-way communication and relationship building with stakeholders (e.g. Montalvo, 2011; D. Phillips & Young, 2009; Solis & Breakenridge, 2009).

However, social media impacts on all areas of corporate activities, not only on customer relationships and sales. Risk management and internal employee communication are also affected, as are reputation and crisis management. The influence of the Internet on corporate reputation has already been described with the concepts of "e-reputation" and "e-word-of-mouth" that emerged with the existence of online customer review boards and blogs and describe the perception of a company that is communicated online (Chan & Ngai, 2011; Vecchio, Laubacher, Ndou, & Passiante, 2011). Social networking sites add an additional layer of reputation risk for companies, because negative opinions will not spread on a separate platform, but directly on corporate accounts that were

established for marketing purposes. Citizens and non-governmental organisations can impose public pressure on companies and can force them to react, a situation that is rarely planned for in the marketing and public relations plans of companies that probably just started their social media presence.

This phenomenon, which will be termed as a "social media crisis" in this research and will be explained in more detail in chapter 2.5.1, has hardly been researched yet. Nonetheless, it poses immanent problems for practitioners nowadays. In 2010, the food company Nestlé experienced the first and now prominent example of a real social media crisis. The non-governmental organisation Greenpeace posted a very graphic video on YouTube of an office worker eating an Orang Utan finger in his break that is wrapped in a KitKat-packaging. Through this video, Greenpeace accused Nestlé of using palm oil for the KitKat Chocolate bar and other sweets, thus allegedly contributing to the destruction of Indonesian rain forests and Orang-Utan habitat (Breakthrough PR, March 30, 2010). After Nestlé took legal actions against the video to have it deleted, even more supporters of Greenpeace's cause and critics started commenting on Nestlé's Facebook wall and posting altered versions of the company's logo. Nestlé reacted by deleting the photos and responding in rude ways to the critics, which fanned the flames even more (Broida, March 19, 2010). Although Nestlé quickly reacted to Greenpeace's accusations by publishing a news release which stated that the company had replaced the supplier that delivered the palm oil, this reaction strategy was lost in the storm of negativity that ensued in the social media (Breakthrough PR, March 30, 2010).

Nestlé should not remain the only example, but just the beginning of a trend that increasingly affects businesses that use social media worldwide (Webber, Li, & Szymanski, August 9, 2012). A similar, personal experience led to the research interest of the author of this thesis, who was managing parts of the social media appearance of the car manufacturer Volkswagen in 2012. During this time, Greenpeace launched an online attack against the company based on the accusations that Volkswagen hindered governmental regulations for carbon emissions in the car industry and purposefully avoided producing more fuel-effective cars. The general guidelines given out by the corporate communications department were not to react to the posts on the social media

pages and also not to delete them, but directly report these occurrences to the marketing team. Apart from reporting the attacks, no direct measures were taken and no general plan or strategy was communicated throughout the company. Both examples show that in contrast to traditional public relations programmes and crisis reaction plans, companies have seldom a strategic approach on how to deal with critics on social media, and their unsystematic attempts to mitigate the crisis situations can even have a deteriorating effect, as it happened with Nestlé's attempt to shut down its online critics.

Coombs, who focuses on crisis communication research, argued in 2008 that the fast evolution of the new and especially social media causes public relations practice to get ahead of the research in this field (Coombs, April 2, 2008). This results in the need to build a greater research base and knowledge about the importance of social media for crisis communication. Most of the published research on social media and crisis communication focuses on how to use the Internet to spread messages in the case of disaster or disease, thus, to employ social media as a communication tool (e.g.Bridgeman, 2008; Liu, Austin, & Jin, 2010; Solis, November 3, 2008). However, this field also lacks a strategic approach in practice, as a recent survey of 300 US companies by Pricewaterhouse Coopers (August 8, 2013) indicates. More than half of the respondents stated that they do not leverage social media as a crisis communication tool to proactively identify and respond to crisis events (Pricewaterhouse Coopers, August 8, 2013). If companies are not aware of the advantages social media can have in crisis communication, it is also likely that they are not aware of the risks or are prepared to address these.

For example, the importance of social media for corporate reputation remains a blind spot for corporate execute officers (CEO) and managers and thus for the dominant coalition in companies. According to the Digital Readiness Survey from the Zeno Group in 2012, more than one third of the interviewed executives stated that their CEO ascribes no importance to the company's reputation on social media (Miltenberg, January 11, 2013; Zeno Group, December 2012). Consequently, the phenomenon of social media crises and effective reaction strategies are not yet a part of academic or professional knowledge, although they increasingly occur and threaten corporate reputation (Aula, 2010). Aula (2010) identifies four common strategies to address reputation risk in the age of

social media: Absence, presence, attendance and omnipresence. While the first three span from complete absence on the social media sphere to awareness and non-participative listening, the last strategy includes close involvement and dialogic interaction with the public online. Interestingly, these four strategies show some similarities with Grunig and Hunt's (1984) four models of public relations, which distinguish between asymmetrical communication where only research is involved and symmetrical communication, which includes direct interaction and reaction. In the age of social media, Aula (2010) recommends the strategy of omnipresence for successful reputation management. Nonetheless, her list only points out different general approaches, but not how to implement them.

In this area, a knowledge gap in both public relations research and professional practice can be identified. Thus, both sides would profit from research that looks at social media as the source of reputational crises, its impact on the affected companies and effective response strategies.

1.2   Aims of the research

This thesis attempts to fill this gap and encourage additional research on social media crises by pointing out the main problems for companies and adding more knowledge to this relatively new field. By analysing three different case studies of multinational companies that have experienced a social media crisis, this research aims to provide findings across a range of fields and industries. Although each crisis situation will be industry specific and depends on different variables such as company size and involved publics, the researcher takes the approach that similarities between the different crises and useful reaction strategies can be identified. Throughout the data collection and analysis, the questions of how the social media contributed to the development of each reputational crisis, impacted on the company and how each company decided to react to the crisis will be the focus. Especially in regard to the crisis response strategies, this research follows the proposition that traditional crisis communication strategies, like the ones suggested by the Situational Crisis Communication Theory (SCCT) (Coombs, 2007), are less effective during social media crises.

Generally, this research will take the corporate point of view on how to deal with social media crises, whereas other research has also focused on the empowering effects of social media for citizens and non-governmental organisations (NGOs) (e.g. Siano, Vollero, & Palazzo, 2011; Valenzuela, July 2013). Coombs and Holladay (2010b) criticise corporate crisis research that is only focused on the benefit for the organisation and argue that it does not consider the impacts of the crisis on victims or customers. They state that ethical public relations research should emphasise the importance of resolving the crisis effects first before focusing solely on rebuilding corporate reputation. However, based on research on the causes of social media crises (Webber et al., August 9, 2012), it can be argued that these are often fabricated by advocacy NGOs or are minor occurrences that are being fuelled by negative emotions. Consequently, they do not necessarily impact on stakeholders to a perilous degree, which makes the focus on effective crisis response strategies from the corporate side possible.

Due to the scope of a Master thesis and the focus on three case studies, this research is limited in the sense that it can only look at a relatively small sample of data. The in-depth research approach is useful in this context because the phenomenon of social media crises has not been widely studied yet and overarching theoretical concepts do not exist, especially for recommendations for crisis response strategies.

It is not the aim of this research to look at the origins of social media crises or to investigate how companies can reduce to risk of them to take place, as this has already been investigated by the Altimeter Group in 2011 and 2012. Their research looked at the channels in which social media crises originated, typical triggers and how companies can mitigate the risk of a social media crisis by leveraging monitoring and internal policies (Webber et al., August 9, 2012). The findings of their report have been used and updated by Christian Faller in 2012, who concluded that the places of origin, hence, the social media pages where the crisis originated, have shifted, but that the risk is even more immanent nowadays (Faller, April 2012). In contrast, this research aims to investigate what companies can do if a crisis has already occurred and how they can mitigate the effects on their corporate reputation.

1.3   Thesis structure

In order to achieve this goal, the thesis will begin by examining the relevant literature for public relations and crisis communication. The literature review will explain why the public relations approach is more suitable to examine social media crises than marketing. It will also discuss the influence of the Internet on public relations practice and theory. Relevant developments in regard to the Internet and social media will be introduced and the central terms for this thesis will be defined, from social networking sites to corporate social responsibility. Other topics that will be examined are reputation, reputation management and crisis communication, which leads over to the field of social media crises.

After gaps in the literature have been identified, the thesis will proceed by introducing the interdisciplinary methodology for this research and the research design, which will employ the multiple-case study method. Additionally, the research design chapter (3.5) will give a summary of the backgrounds of the three chosen case studies, which will examine the companies Facebook, Applebee's and Jetstar.

The practical part of the research will analyse each case study on its own by giving examples from the data collection and connecting the findings with the theoretical background that was developed in the first two chapters, before attempting to cross-analyse the case studies and use own explanation building in the discussion chapter. Eventually, the thesis will conclude by pointing out the relevance of the findings for the wider field of public relations and its practice, but also for our daily understanding of the environment companies act in. Also, the final chapter will give recommendations for further research in this field.

1.4   Summary

This introduction chapter has given a broad overview over the new relevance of social media for corporate reputation and the immanent risk of social media crises for companies. Now that the aims of this research are clear, the next chapter will proceed by presenting the academic knowledge in the important fields.

2 Literature review

2.1 Introduction

This literature review will give an overview over the most important fields and concepts that are part of this research: Public relations, reputation and reputation management as well as crisis communication. The extensive review includes not only the most influential publications, but also the most recent ones to evaluate how the phenomenon of social media has challenged all of those fields. A separate section on social media will introduce the central concepts and the state of the new technology. Every main section will show how scholars perceive its influence on the established research disciplines. Moreover, the literature review covers academic and more practical publications such as white papers to assess how thoroughly researched this relatively new field is. Eventually, the review will create a basis for the research undertaken in this thesis, but will also show possible shortcomings and gaps in the knowledge of the field.

It will start with a review of the public relations literature, because, as Phillips and Young (2009, p. 96) put it, "the Internet is so significant in communications and in relationship mediation, this change is a PR issue from top to bottom".

2.2 Public Relations

Public Relations as an academic discipline is a relatively young field. While research began in the 1950s and 1960 as a side-track of mass communication research (J. Grunig, Grunig, & Dozier, 2006), recognisable theories were only developed during the last 35 years (Botan & Taylor, 2004). The dominant paradigm of the field is based on the four models of public relations that were identified by Grunig and Hunt (1984). They consist of the press agentry, public information, two-way asymmetrical and two-way symmetrical model. Grunig and Hunt (1984) put these models in a historical context and argue that they developed as different practices over time. The first two models are based on one-way communication that pushes out information to the recipient, whereas the last two models consider the interests of the audience and offer the possibility for interactivity. Later, those four models became part of the

Excellence theory that emerged from the Excellence study. The study was conducted in 1985 and integrated most of the available theories in public relations in an attempt to develop a more general theory of the field (J. Grunig et al., 2006). Among other findings about the organisational value of public relations, the Excellence theory also concludes that:

> Excellent public relations is research based (two-way), symmetrical (…) and based on either mediated or interpersonal communication (depending on the situation and public). (J. Grunig et al., 2006, p. 41)

Although the Excellence theory puts a strong, normative emphasis on the superiority of the two-way symmetrical model of public relations, the authors also admit that most practitioners still use one-way or asymmetrical communication models. Consequently, they state that public relations practice has to adapt the two-way symmetrical model in order to build better long-term relationships with the public (J. Grunig et al., 2006). This new focus is also visible in the most recent definition of public relations by the Public Relations Society of America (PRSA):

> Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics. (Public Relations Society of America, 2011/12, online)

This tendency towards more interaction with the public is said to be fostered by the new opportunities in communication that come along with digital media. Mersham, Theunissen and Peart (2009) identify a change from monologue to dialogue and a growing influence of consumers on the perception of companies and their messages. Other authors like Solis and Breakenridge (2009) agree and go even further by stating that the Internet brings a new era of public relations, or what they call "PR 2.0". Similarly, Phillips and Young (2009, p. 1) state that with the Internet, "nothing will ever be the same" for public relations. A critical voice regarding such claims is raised by Grunig (2009), who agrees that the practice of public relations might change, although some practitioners may just treat the new media like the traditional ones. However, Grunig (2009) argues that the digital media do not change public relations from a theoretical perspective and that the generic principles that were found in the Excellence study still apply. This claim has to be seen in the light that Grunig was one of the main authors of the Excellence study and thus has a heightened interest in

defending the validity of his theory. Nevertheless, his claim that the new media make it even harder for practitioners to avoid the use of the generic principles, such as two-way symmetrical communication, is supported by other authors.

According to Solis and Breakenridge (2009), digital media require genuine one-to-one conversations instead of traditional top-down campaigns and participation of the audience on a more informed level. Moreover, the authors put a special emphasis on the importance of social media for public relations. Likewise, Rand and Rodriguez (2007) highlight the similarities between public relations and social media and assert that both are focused on creating and sustaining relationships. Social media encompass "all sites where participants can produce, publish, control, critique, rank, and interact with online content" (Zolkos, 2012, p. 157).

Solis and Breakenridge (2009) are very optimistic about the possibility for real two-way communication and dialogue in social media. Other authors like Phillips and Young (2009), who look at the influence of the Internet and social media on the public relations environment and organisational development, support this point of view. Certainly, this enthusiasm is helpful for the practice of public relations to recognise the importance of progress and adaption to the environment. New channels provide new means of communication and interaction that every practitioner should be aware of. However, dialogue is a buzzword that tends to be overused. It is questionable whether big, international corporations will have the time, workforce and interest to communicate with every single customer in an individual way. Grunig (2009) holds the view that online public relations is still about building relationships with relevant stakeholders[1], but not with every individual who is not even a member of a relevant public. Still, he agrees that the new media may have the power to make public relations practice more symmetrical and dialogical. However, one also has to consider that real dialogue poses the risk that the other person has a different point of view. If mutual understanding cannot be reached, serious risk for the corporate reputation might be the consequence.

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[1] A stakeholder is a person that has a "stake" in the company, i.e. an interest in the actions and performance of the organisation. Typical stakeholders might be customers, employees or investors. More and more, non-governmental organisations can be described as stakeholders, too.

Neither Solis and Breakenridge (2009) or Phillips and Young (2009) consider whether two-way communication in social media is realistic or desirable, but they do point to the fact that control over the message fades away in digital media. Solis and Breakenridge (2009) argue that traditionally, the public relations practitioner (PRP) was the influencer that broadcasted the message via different channels to the audience. In the altered media environment, they predict that every person has the ability to start conversations that force public relations to react. Consequently, the authors propose a social-centric position in public relations that considers all groups of people as possible influencers.

Phillips and Young (2009) share the standpoint that the unique position of public relations to control the message and interact with opinion-influencing third parties is becoming less powerful. They indicate that the barrier which divides an organisation from its external publics has always been porous, but that the new communication channels have amplified this phenomenon (D. Phillips & Young, 2009). According to the authors, this porosity is due to a form of inadvertent transparency, which is another key factor in the digital media. They see transparency as a positive asset that changes and challenges online public relations in many ways. For example, transparency "implies openness, communication and accountability (…), is a building block of democracy (…) and provides a framework for good practice" (D. Phillips & Young, 2009, p. 27). They distinguish between different forms of transparency, for example a controlled one where only information is released on the Internet when it is intended; and unintentional transparency like the listing of a company website on Google. However, the only risk that Phillips and Young (2009) recognise in this regard is the disclosure of confidential corporate information or material.

The idea of the control of messages and influence in public relations is challenged by Grunig (2009), who assumes that it has always been an illusion rather than a reality. He argues that it stems from a traditional paradigm that "views public relations as a messaging, publicity, informational, and media relations function" (J. Grunig, 2009, p. 4). According to him, this paradigm sees public relations as a function that supports marketing through communication and believes that publics can be targeted and persuaded. It is noticeable that in the context of digital and social media, public relations tends to be confused or commingled with marketing. Solis and Breakenridge (2009) talk about the

influence of social media on both disciplines, and Phillips and Young (2009) discuss approaches such as viral or affiliate marketing. Other authors such as Giannini (2010) directly combine both disciplines under the concept of Marketing Public Relations (MPR), which he defines as

> any program or effort designed to improve, maintain, or protect the sales or image of a product by encouraging intermediaries, such as traditional mass media, the electronic media, or individuals, to voluntarily pass a message about the firm or product to their audiences of businesses or consumers. (Giannini, 2010, p. 4f.)

Visibly, this approach is still focused on selling products to a consumer rather than maintaining and improving relationships between a whole organisation and its stakeholders. Consequently, the combination of marketing and public relations is not useful for the purpose of this thesis, which is why I will follow Grunig's (2009) approach. He proposes to address online public relations as a behavioural, strategic management paradigm. Therein, public relations is a mechanism for an organisational learning process, which is based on research and aims to help all management functions to build relationships with their stakeholders (J. Grunig, 2009). Another reason to avoid the marketing-based approach is that it is very different from the corporate reputation approach, which is of central importance to this research. Helm, Liehr-Gobbers and Storck (2011) argue that while the first views consumers as controlled by the organisation, the latter considers how overall organisational behaviour affects the stakeholder's perceptions of the company. This phenomenon is part of the model of reputation, which will be discussed in more detail in section 2.4. However, in order to understand the central importance of social media for reputation and crisis communication, the current state of social media and the relevant terminology will be examined first.

2.3   The Internet, Web 2.0 and social media

Since the time 24 years ago when the physicist Tim Berners-Lee invented the Internet, there have been some profound changes. Originally, the Internet was more a static repository of information. However, with more accessible ways of programming and a faster broadband connection, it has evolved into an interactive platform for symmetrical communication and user-generated content.

This stage has been termed "Web 2.0" by Tim O'Reilly in 2003 (D. Phillips & Young, 2009). In contrast to the first World Wide Web, it is focused on users rather than developers and its inherent value is based on the numbers of participants who create the content (Montalvo, 2011). Due to this different structure, it offers potential for marketing and public relations. Phillips and Young (2009) argue that in the beginning, this potential was not recognised by professionals, because the Internet was still complicated to handle and required a lot of IT knowledge.

However, web design has evolved over the years and one distinctive feature of social media is that they allow anybody to embed multimedia content online (Phillips & Young, 2009). Nevertheless, Solis and Breakenridge (2009) warn that PRPs should not get caught up in the tools and that Web 2.0 or social media are not the holy grail of public relations. Instead, they see them as distinct movements that can complement each other. The authors put a special emphasis on a sociologist approach for public relations that focuses on transparency, participation, and dialogue. Although this position supports Grunig's (2009) standpoint that the digital media foster excellent public relations practice, he also admits that the channels can be used for the other models of communication. Phillips and Young (2009) point out that most digital communication programmes are still using one-way and asymmetrical communication, and Grunig (2009) confirms this. For example, he lists static websites as a tool for the propaganda model and blogs with a comment function for the one-way asymmetrical model. Nevertheless, Grunig (2009) maintains his position that two-way symmetrical communication is becoming more popular, for example during crisis communication. Moreover, he cites a study of the IABC Research Foundation (2009, as cited in Grunig, 2009, p. 13) that shows the usefulness of the digital media for all sorts of programmes designed to cultivate relationships with the public.

One of the most successful occurrences of the Web 2.0 are social media sites, which are consistently growing in popularity and are among the most used features on the Internet (D. Phillips & Young, 2009). As already defined in the previous chapter, they are centred around dialogue and interaction with others. According to the web data company Alexa, currently 6 of the 17 most-visited websites worldwide are social networking sites (Fitzgerald, September 8, 2012).

Giannini (2010) critiques that social media are often narrowly seen as social networking sites. The difference is that social media in general allow participants to produce, control, critique and interact with online content, whereas social networking sites also put a focus on interaction between individuals and groups. In order to differ between blogs or wikis and sites like Facebook and Twitter, which are of special interest for this thesis, the term "social media" will be used when referring to the whole spectrum of those sites, while the term "social networking sites" will be used in regard to sites like Facebook and Twitter.

2.3.1 Social Networking Sites

The first social networking site (SNS) that was able to amass millions of users was Friendster, which was launched in 2002 (Boyd & Ellison, 2008). Since then, social networks have been constantly growing with the increasing Internet access worldwide. In 2012, 50 per cent of all Internet users had signed up to a social network, and more than 60 per cent visited it at least once in a month (All Twitter, January 19, 2013).

Due to this mass of social networking sites, not all can be considered in this thesis. For example, sites like Friendster or dating websites are not relevant. They are profile-centric and focus on displaying networks between people, but do not foster the embedment and spread of other media types such as video, audio or blogs. Moreover, these websites are not popular and broadly oriented enough to feature company profiles, which will be central for the analysis in this thesis. Alternatively, there are also social networking sites like LinkedIn or Xing that focus on professional networking and job searching. They will not be included in the analysis because they only address a very small group of stakeholders, namely employees or potential employees. Video-portals like YouTube can be important forums for crisis communication, but are very different in their structure and not comparable to other websites. Thus, this thesis will focus on the two social networking sites that have become most important for corporate reputation: Facebook and Twitter. Among all social networking sites, Facebook and Twitter are currently the most popular ones in the Western world (*Top 15 most popular social networking sites.*, February 2013). In the rating of the most popular websites in 2012, Twitter ranks 10th and

Facebook 16th (Fitzgerald, September 8, 2012). Additionally, one has to consider that both networks are not available in countries like China, which has one of the largest populations worldwide. Consequently, it is surprising and highlights the popularity of both services that they ranked so high.

When deciding on the most important social networks for an academic analysis, one has to keep in mind that the environment of social media is fast-changing. A network that appears highly significant at the time of writing might experience a sudden loss of popularity and new channels might emerge. For example, the book of Phillips and Young (2009) mentions MySpace as the most popular network. Three years later, Facebook has taken its place in the ranking and MySpace has lost almost all its significance on the social web. Actually, Facebook is experiencing some problems now, too, that will be explained in the according sub-section 2.3.3. First, I will look at blogs and the role they play for public relations to explain why I will not include them in my analysis. Although blogs are not exactly social networking sites, they are definitely social media and have been examined thoroughly in the scholarly literature.

2.3.2 Blogs

The word "blog" is a contraction of the words Web and log (Fearn-Banks, 2011). It is a type of website that allows its owner to publish entries which can be accompanied by pictures, videos, music or other multimedia content. It is important to note that the entries are published in reverse order, which means that the most recent entry is always the first one. Although blogs have started as websites that are maintained by individuals (Fearn-Banks, 2011), companies are now using them, too, to publish content either for external or internal stakeholders (Phillips & Young, 2009). Phillips and Young (2009) argue that the significance of blogs for corporate public relations does not derive from huge readership figures. Instead, blogs receive their influence from the 'network effect', where the post gets picked up and disseminated through the web if it is of interest for a wider audience.

While the effect and use of social media in public relations has been seen mostly positive and one-dimensional, the opinion of the academic field on blogs is more sophisticated. For example, Porter, Sweetser and Chung (2009) investigated the use of blogs by PRPs and found that they mainly use them on

a personal level rather than connecting with the public. Kent (2008) analyses how blogs can be used as tools in public relations communication and concludes that blogs have great potential, for example for issues management. Fearn-Banks (2011) agrees on this matter and suggests that blogs can be used in crisis communication to influence public conversation and to enhance credibility. However, her approach shows what Kent (2008) criticises – that risks and downfalls are not being considered enough and tactics like disguising the identity of the blogger as a PRP can have strong negative reputational effects. Another standpoint is brought in by Smudde (2005), who points out that ethical considerations of blogging in public relations have been neglected. He states that blogs have to hold up to PRSA's ethical principles, for example honesty and independence.

Apart from those general considerations, other practical-oriented publications have employed case studies to look at the use of blogs in public relations. For example, Vecchio, Laubacher, Ndou and Passiante (2011) use the case of Dell Computers to show that the established reputation management approaches from the era of the mass media need to be reshaped for the Web 2.0. However, they also hold the view that a corporate blog provides a useful platform to engage in dialogue with customers and to improve reputation if the company handles the crisis right. An article from PR News ("Tip Sheet: Managing Crises Through Social Media," 2008) gives advice for blogging and stresses that fast and smart participation is the key. Moreover, it advises for a corporate blogging policy to avoid ethical and legal problems. The Economist Intelligence Unit (2006) emphasises that the main problem with the blogosphere is the fact that the company cannot exactly determine who the critics are, which makes it harder to come up with a good strategy.

These articles offer some good starting points and considerations regarding social media. However, the majority only examines brands (see, for example, PR News, 2008; EIU, 2006) and not the reputation of whole companies, so they tend to apply marketing theories rather than a public relations approach. Moreover, a direct correlation between their findings and the situation on social networking sites may not be drawn, because the structure of the media outlets is different. While blogs are mainly focused on publishing long pieces of information (similar to press releases) and only enable conversation through

comments, social networking sites consist of shorter pieces of information that resemble an actual conversation. Also, the factor of social groups and networks becomes even more apparent on platforms like Facebook or Twitter.

This is one reason to dismiss blogs from the intended research on public relations and social networking sites. Another reason is that visibly, the academic field in public relations has examined blogs quite thoroughly, whereas SNS have not received much attention. This impression is confirmed by Khang, Ki and Ye (2012), who recently published a comprehensive study on this topic. They analysed all peer-reviewed articles that talked about social media during the time period from 1997-2010. Public relations was just one of the disciplines they took into account, the others being advertising, communication and marketing. The authors found that overall, the most frequently researched social media type was "computer mediated group communication" (34.2%), followed by blogs with 16.3%. Especially public relations research focused on blogs with one half of the publications addressing this type of social media. Although the authors state that communication issues account for 14.7% of the research in public relations, it is not clear whether this involves crisis communication. This points to the fact that reputational crises are an under-researched field in public relations, especially in the realm of social networking sites, which only accounted for 11.7% of the research (blogs were counted separately). Thus, it is worthwhile to undertake a research project that focuses on sites like Facebook or Twitter.

2.3.3 Facebook

Facebook is a social networking site with a fast-growing number of users and a high popularity. Globally, Facebook is the number one social network in 127 of 136 countries included in a study by Social Jumpstart (All Twitter, January 19, 2013). Worldwide, it has almost one billion active users per month (*Facebook Nutzerzahlen*, 2013). The highest percentage of users (54%) falls in the age group of 35 to 55, which makes Facebook a relatively "old" social network (Jobstock, December 24, 2012). Recently, the user number plateaued for a while and then dropped (*Facebook Nutzerzahlen*, 2013). User data for the United Kingdom, the sixth most active user base of Facebook, suggests that the social network is reaching a saturation point in its core markets and becomes more dependent on the developing world (Kiss, January 14, 2013). This implies

that in the future, Facebook might lose its leading status and will be overtaken by other SNS. Nevertheless, right now it is still highly important for companies.

Facebook was launched in early 2004 as a closed network for Harvard students and opened up for individuals in 2006 (Boyd & Ellison, 2008; Facebook, 2013b). It can be seen as a micro-website, which allows users to connect with friends and exchange content such as messages, photos, music and videos (Phillips & Young, 2009). This can be done by means of private messages or "walls". Since November 2007, Facebook is not restricted to private profiles anymore, but also enables companies to set up pages about their firm or brands (Shah, November 12, 2007). These pages also feature public walls that enable people to connect with the firm and share their interest in it (Altes, 2009). Furthermore, since September 2011, users do not have to "like"[2] a Facebook page anymore to see its content or to post on its wall (Haydon, September 24, 2011). Consequently, this has some important implications for reputation and crisis management. On one hand, this means that potentially, business pages can reach a wider audience; on the other hand, it allows everybody to leave negative comments or complaints on the public wall without taking the commitment of liking the page first. Hence, it offers an easy accessible platform for criticism and viral, negative content.

Unfortunately, some scholarly writers such as Solis and Breakenridge (2009) do not refer to these pages and only talk about how PRPs as individuals can use Facebook to represent their brand. This is a crucial shortcoming, because business pages are the places where reputation management and public relations actually have to happen. However, a study by Vorvoreanu (2009) suggests that especially the college students who have formed the initial target group of the network can feel annoyed by corporate attempts to enter their "sphere". She argues that the users have developed a Facebook culture and social norms that are completely different of those for corporate websites or blogs. Companies have to be aware of these "netiquette" in order to engage in successful public relations and marketing efforts.

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[2] Users can "like" pages on Facebook, which means that their friends are able to see that they are a fan of the company or brand. Moreover, the user will receive status updates of the page as a part of their newsfeed. Generally, "liking" posts on Facebook is one of the main viral activities besides sharing and commenting.

2.3.4 Twitter

The social networking site Twitter was launched in July 2006 (Phillips & Young, 2009). In contrast to Facebook, Twitter resembles less a website in its structure, but rather has the characteristics of a micro-blogging service. Micro-blogging is a form of blogging where users have a very limited space to post new entries (Phillips & Young, 2009). Twitter allows a number of 140 characters or less that can be posted online as a "tweet". These can be accessed by "followers" of the user profile via the Internet and mobile devices such as smart phones. In the context of Twitter, "followers" form the social network, but unlike personal Facebook profiles, the relationship is not always reciprocal (Fearn-Banks, 2011): For example, celebrities can amass huge numbers of followers, while following only a small circle of people themselves. However, the same phenomenon applies to Facebook business pages, where the relationship is initiated through "likes" and not friend requests.

An important feature of Twitter is the "hashtag" that serves as a label for discussion topics. A hashtag can be added to any word and makes it possible to search for all the tweets that contain it. For instance, a company can ask its followers to share their thoughts on a new product and to use a certain hashtag, which is a much easier option than traditional polls.[3] The control over the content that is spread under this hashtag elucidates corporate influence and can also contain negativity or complaints. Photos can also be published, although not in albums as on Facebook, and the new application "vine", which was introduced in January 2013, allows Twitter users to post 6-second long loop videos (Honan, February 4, 2013).

There are more differences between Facebook and Twitter that make it advisable for a company that uses both to employ different strategies. On Twitter, it is not possible to send private messages unless both accounts follow each other, which makes the conversation much more public than on Facebook. Moreover, comments on a specific thread are not being bundled in a comment section like on Facebook, but in a relatively inaccessible conversation overview. This makes it more likely that actual debates develop on Facebook, because the conversation is closer to a face-to-face debate (MacArthur, November 5,

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[3] Facebook has recently introduced hashtags as well (Facebook, June 12, 2013). However, this new development is not relevant for this research as they were not available during the analysed cases and timespans.

2012). Additionally, Twitter's main group of users seems to be slightly younger than Facebook's, although the numbers vary because the age does not have to be disclosed. Depending on the sources, 39% to 89% of Twitter's user base fall between the age group of 18-35 (*An exhaustive study of Twitter users across the world*, October 10, 2012; Jobstock, December 24, 2012). In comparison to Facebook, Twitter has a relatively small number of 200 million monthly active users (Fiegerman, December 19, 2012). Nevertheless, it is still highly important for the public discourse in the web and especially social media crises. In early 2012, a random study of 30 social media crises showed a fundamental shift in the originating channels towards Facebook and Twitter. More than 50 per cent of the crises were distributed via Twitter, making it a crucial influencer in the social media landscape (Faller, April 2012).

This section has outlined that although social media and social networking sites only developed recently, they have to be considered in corporate reputation management. Not only their popularity, but also their programming structure, which facilitates social sharing on profiles directly associated with individual companies, can impact on the perception of a company. The next section will give an overview over the state of the field regarding reputation and social media's influence on this concept.

2.4   Reputation

2.4.1 Reputation, image and identity

Due to the widespread use of the term reputation in various disciplines like public relations, marketing, organisational studies and psychology, definitions of the term vary (Helm et al., 2011). Barnett, Jermier and Lafferty (2006) identify three typical clusters in established definitions: As a precondition for reputation, the public has to know that the company exists ("awareness"); also, reputation is based on the perceived attractiveness of the firm ("assessment"), and if the company manages to meet those expectations, the reputation it gains can be seen as an economic value ("asset").

Consequently, reputation is some form of judgement about a company that takes place in the minds of the public. In the context of this research, Walker's (2010) definition will be applied. According to him, reputation is:

A relatively stable, issue specific aggregate perceptual representation of a company's past actions and future prospects compared against some standard. (Walker, 2010, p. 370)

By using this definition, the relevant parts of reputation will be explained in the following paragraphs. First of all, Walker (2010) states that reputation is *stable*. This is in contrast to other concepts that are often used in the context of reputation, namely corporate *identity* and *image*. The most influential authors in the field of reputation studies, Fombrun and van Riel (1997), state that reputation consists out of corporate identity and corporate image. While the literature in the field of marketing often uses the terms identity, image and reputation interchangeably (Helm et al., 2011), the public relations approach perceives reputation as a result of identity and image. Usually, it is implied that reputation forms through some kind of communication process from the organisation to the public.

For example, Löwensberg (2009) points out that identity is formed by the organisation itself, partly proactively (by using logos and appearances) and partly unintentionally (by simply operating in a societal context). Argenti (2007) states that identity is the only part of reputation management that is completely under company control. Whetten and Albert (1985) define "organizational identity as that which is most central, enduring, and distinctive about an organization" (as cited in Whetten & Mackey, 2002, p. 394). This identity is communicated to the stakeholders and the public, who then form various organisational images in their mind. Consequently, the company has no control over the image and depending on the stakeholder, there can be different images. In other words, corporate image is the "reflection of an organisation in the eyes and minds of its publics" (Löwensberg, 2009, p. 239). Helm et al. (2011) assume that the transition from identity to image happens through the shaping influence of public relations, marketing and other external forces such as media coverage. Thus, images are under the influence of environmental forces and relatively unstable. Dissonance might exist between how the public perceives an organisation and how the organisation perceives itself, and it is the task of public relations to reduce these inconsistencies (Löwensberg, 2009).

Argenti (2007) argues that a close alignment between identity and image will result in a strong corporate reputation, because he sees reputation as the sum

of all images stakeholders hold of the company. Similarly, Tench und Yeomans (2009, p. 649), define reputation as "the sum total of images an individual has accumulated over a period of time that lead an individual to form an opinion about an organisation". This accumulation, as Coombs (2010a) explains, can happen in two ways: Through direct contact, e.g. buying a product, and mediated contact, e.g. word-of-mouth communication or news media coverage. The idea that reputation is based on aggregate perceptions is also a key attribute of Fombrun's (Fombrun, 1996) definition. However, Walker (2010) criticises that the idea of aggregated perceptions has two major problems. He states that reputation can be issue specific (e.g. having a good reputation for social responsibility but a poor one for profitability) and might differ from stakeholder to stakeholder. Consequently, there is no overall corporate reputation, but many different kinds.

A final part of Walker's (2010) definition is the notion of a "standard" companies are being compared to. This means that reputation is comparative: Stakeholders compare the organisation to an ideal picture (encompassing personal values) of how it should be. Mostly, the public opinion will define this standard, together with the power of media coverage that already shapes organisational images. In this context, the concept of *corporate social responsibility* becomes relevant, which will be explained in the following section.

2.4.2 Corporate Social Responsibility

Nowadays, companies are not only measured against their financial performance and product quality, but are also held responsible for their social commitment and environmental-friendly behaviour (Scott & Walsham, 2005). This concept has been termed as *corporate social responsibility* and has been identified as one of the major tasks that public relations has to address today (L'Etang, 2008). This is partly due to the fact that it is heavily linked with corporate reputation: Griffin (2008) names it as one component of reputation management and Fombrun and Van Riel (2004) include it as a main factor in the transparency part of their reputation model.

For this research project, the concept of corporate social responsibility (CSR) is of importance because this is the area where the critique of advocacy non-governmental organisations takes place. These "microconstituencies" (Gaines-

Ross, 2008, p. 15) become increasingly empowered in the realm of social media. According to Gaines-Ross (2008), they evaluate and provide frames on how companies treat their employees, manage their resources and contribute to society. Wakefield (2008) describes this as *cyberactivism,* which can lead to reputation damage and social media crises. Curbach (2008, December 6) argues that non-governmental organisations can use their 'capital' of legitimacy to influence the actions of companies by imposing normative pressure that threatens reputation. However, the academic field differs in the evaluation of CSR. Griffin (2008) argues that the concept has been shaped by non-governmental organisations and thus does not belong to the core business. He states that NGOs are opinion formers rather than actual stakeholders; consequently, responding to their critique distracts from important topics and leads to more problems. Moreover, Griffin (2008) asserts that although CSR is a part of reputation management, it does not shield from reputation risk. In particular, he criticises the value of time that is spent on CSR and the return, which he states to be minimal.

This claim is disproved by research of the Rice University which found that social responsibility can help to avoid greater financial loss during crises (Gaines-Ross, 2008, p. 158f.). Additionally, a recent study by Havas Worldwide confirmed the correlation between good reputation and financial allocation for CSR efforts (Miltenberg, January 31, 2013). Regarding the importance of CSR in social media, Aula (2010) refers to the new transparency issues and the need for an actual good performance in order to avoid credibility problems. Consequently, he advises for a fostered ethical orientation in reputation management rather than traditional business interests as well as proactive communication. On the other hand, one has to take into account that by median age, the audience in social media is often younger than the general public (Jobstock, December 24, 2012). Schmeltz (2012) found in a relatively narrow survey that the younger generation is more interested in personal advantages from CSR programs. This target public is less interested in the ethical argumentation that focuses on the overall good that corporate social responsibility offers for society.

Also, the communication strategies of companies in regard to CSR on social networking sites often fail to achieve alignment with the expectations of

stakeholders. For example, Colleoni (2013) found in an empirical research of CSR communication on Twitter that companies focus on very few key words like "green" and the company's name to promote the connection to favourable concepts, while the discussions of the general public evolve around a large variety of key words. Consequently, CSR communication on the social media often misses the keywords that are relevant for the users, thus failing to create legitimacy in the discourse. This shows that although companies are investing more efforts in their CSR programmes to improve their reputation, the communication might still lack efficiency. Overall, reputation management is a difficult task that becomes even more complex under the influence of social media.

2.4.3 Reputation and reputation management

Building and maintaining a good reputation is said to be one of the central concerns and tasks of public relations (L'Etang, 2008). The most common advantages listed are competitive advantage, differentiation and business value (Aula, 2010; Gaines-Ross, 2008; Helm et al., 2011; Montalvo, 2011; Scott & Walsham, 2005; Walker, 2010). Although reputation is often seen as an intangible asset (Helm et al., 2011), recent research has linked the stakeholder's perception of companies with valuation and a strong performance on the stock market (Anderson & Smith, 2006). Consequently, a good reputation also adds financial value (Doorley & Garcia, 2011).

Gaines-Ross (2008) states that the concept of reputation experienced increasing attention at the end of the twentieth century and led to a growing relevance of the *Fortune's Most Admired* rankings of companies. She claims that the practice of reputation and reputation management has entered a new era. What began, according to Gaines-Ross (2008), as an interest in the advantages of reputation, became increasingly professionalised. However, she also points out that the risks of reputation loss were quickly recognized, which is why the need for reputation management to avoid failure evolved.

In order to practice successful reputation management, one has to approach the concept of reputation with the appropriate theory. Walker (2010) singles out the most prominent theories in the field of reputation and reputation management: Institutional theory, signaling theory and the resource-based

view. Moreover, he distinguishes the theories according to their use for the different stages of reputation management (Figure 1).

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Figure 1. Pre-action to post-action (Walker, 2010, p. 376).

Institutional theory is mostly used at the building stage of reputation and examines how companies gain legitimacy by acting in and conforming to their institutional contexts. According to institutional theory, an organisation is more likely to gain legitimacy if it conforms to commonly used strategies, structures and practices in its environment (Deephouse & Carter, 2005). Signaling theory is used at the action stage, where existing reputations have to be maintained or defended during a crisis. Every action of the company is perceived as a signal towards its stakeholders that communicates the company's culture and reliability (Basdeo, Smith, Grimm, Rindova, & Derfus, 2006). The stakeholders interpret the actions, which impacts on their impressions or images of the company and thus on the corporate reputation. The third theoretical approach in reputation management, the resource-based view, focuses on the outcome of a strong reputation (Walker, 2010). Studies that use this approach look at the profitability of corporate reputation and are mostly longitudinal in their design (Walker, 2010).

For the purpose of this research, the signaling theory is the most useful, because it focuses on maintaining and defending a reputation, which becomes necessary in the case of a corporate crisis. Since this thesis is not concerned with reputation building or evaluating its value, the other theories are inconsequential. Because the signaling theory interprets the strategic choices of firms as signals (Fombrun & Shanley, 1990; Walker, 2010), it can explain how the actions during a social media crisis help to resolve or aggravate the issue. For example, Nestlé's choice to abandon their supplier of palm oil can be

interpreted as a signal that the company is willing to change their practices, while their harsh reactions on Facebook are a signal that they do not value the opinions of their customers. Visibly, the signaling theory works especially well at explaining the influence of corporate social responsibility on corporate reputation (Walker, 2010). This strength makes the signaling theory even more relevant in the context of this research, because as already outlined in section 2.4.2, cyberactivism in this area is a growing threat to corporate reputation online.

2.4.4 Online reputation management in social media

Reputation, as introduced in section 2.4.3, is seen as a valuable asset and its loss would affect factors such as competitiveness, stakeholder trust and loyalty or even business revenues (Aula, 2010). Helm et al. (2011) explain that reputation is notoriously hard to manage, because it consists of many 'soft' variables like perceptions of credibility, reliability, accountability, trustworthiness and competence. Moreover, reputation management has to consider probable risks that threaten corporate reputation. As it can be seen from the example of the financial crisis, reputation loss can endanger an entire industry. The financial breakdown of a few banks made the public question the reliability and trustworthiness of this business sector in general. Eccles, Newquist and Schatz (2007) identify three factors that generate reputation risk: If the gap between an organisation's reality and how it presents itself becomes too large, if the expectations and beliefs of the customers change, and if the organisation's internal coordination is poor, which also weakens its ability to recognise the first two problems.

Visibly, the Internet and social media reinforce these factors by making reality gaps more obvious and fostering news expectations about companies. For example, Scott and Walsham (2005, p. 319) criticise the conventional literature on reputation risk and argue that in today's society, a general tendency towards distrust threatens corporate reputation. The Internet allows everybody to reveal if public relations works with wrong facts or tries to "polish" the corporate reputation. Likewise, Aula (2010) sees a crucial change in reputation risk and management and argues that social media has brought a change towards *ambient publicity* (Aula, 2010, p. 47). In contrast to conventional forms of

publicity, this means that reputation is increasingly based on conversations and interpretations among stakeholders. Additionally, it becomes difficult to identify boundaries between different media and content producers. For instance, content that has a strong impact on the corporate reputation can originate from every stakeholder. Aula (2010) asserts that social media tend to fuel new expectations or beliefs about companies (for example their social responsibility) that they have to respond to. He states that in order to look good in social media, an organisation actually has to be good. Moreover, he points out that reputation risk can also result from the company's own communication activities in the social media, for example if they react in a rude way to website comments.

Griffin (2008) claims that often, corporate reputation management strategies are still based on the assumption that the biggest threat to reputation is a massive physical disaster. However, the information technology allows more scrutiny and empowerment for both individuals and non-governmental organisations and poses new challenges to reputation management. Besides the changes towards more transparency, time is another factor that is often mentioned. Griffin (2008) explains that in the Internet, the time to react to reputation threats becomes increasingly short. Additionally, it is harder to recover from reputational crises. Gaines-Ross (2008) affirms that the old claim, according to which public interest in the incident would wane within two years, is not valid anymore in the digital environment. Her concern is shared by Phillips and Young (2009, p. 144), who specify this phenomenon with the term *long tail effect*. This means that search engines can bring up old stories at any time and readership stretches down the "long tail" instead of discarding the news.

In order to avoid this risk proactively, many authors advise for continuous social media monitoring (e.g. Fearn-Banks, 2011; Montalvo, 2011; D. Phillips & Young, 2009; Zolkos, 2012). In contrast, Mandelli and Cantoni (2012) argue in a recent research proposal that social media monitoring does not suffice to evaluate whether reputation is in danger. They diagnose a research gap in the issue of how social media influence reputation and propose a multi-level framework that also takes offline media into account. In general, Phillips and Young (2009) offer examples how customers were able to force organisations to certain actions via social media and stress how important it is that reputation

managers find the tools and expertise to handle this development. However, they do not present any solutions on how to manage it.

The Beeline Labs (2009), a research-based consulting firm with clients like Microsoft and FedEx, summarises in a report that reputation management is one of the most important reasons to use social media. Brian Solis (2008) argues similarly and states online conversations about firms will take place, whether they participate or not. Social media have become an important factor to be considered by companies, which provokes the question whether and how these new channels can be controlled. Although reputation emerges independently from the places of communication, online reputation management describes specifically those actions undertaken online to enhance corporate reputation (Riedel & Sonntag, 2012).

The term "social media management" is often associated with online reputation management and can be mostly found in the realm of marketing or in texts written for practitioners (Aula, 2010; Marken, 2009; Montalvo, 2011). It implies that social media can be easily utilised and controlled by the organisation. For example, Montalvo (2011, p. 91) defines social media management as "the collaborative process of using Web 2.0 platforms and tools to accomplish desired organizational objectives". He asserts that due to their digital structure, social media offer the perfect database to evaluate the success of management strategies. However, this quantitative approach falls crucially short in recognising the true meaning of online interaction. For instance, a marketing practitioner could assume that the high number of posts for a certain hashtag is a good sign for the firm's popularity. Meanwhile, the users on Twitter might use the hashtag to make fun of the firm or complain about its services. This problem is addressed by Branthwaite and Patterson (2011), who examine different research approaches in social media. They conclude that quantitative social media monitoring is insufficient and advise for a qualitative approach. Although Phillips and Young (2009) suggest that digital communication is easier to track and categorise, they also allow that it adds to the complexity of corporate planning. Thus, the authors advise for a strategic approach that impacts on how the social media are used for public relations.

Consequently, one has to examine the concept of social media management from two sides. If we strictly look at the marketing point of view, social media

are becoming a helpful tool to increase sales. For example, statistics from Gardner Research show that soon, 50 per cent of web sales will occur via social media (Vocus, November 2, 2012). Moreover, Vorvoreanu's (2009) study shows that although college students are not interested in interacting with companies on Facebook, they happily accept vouchers or similar offers that are focused on increasing sales. Thus, one can assume that this part of social media is easily measurable and manageable.

However, in regard to less concrete concepts such as reputation, which are more relevant for public relations, this assumption becomes fragile. In regard to the question whether reputation is manageable under these circumstances, there is diversity in interpretation. Scholars who take a marketing point of view, for instance Montalvo (2011) or Siano et al. (2011), claim that online reputation is a management tool that offers various advantages, for example a development of better relationships with the customer. The authors tend to see the advantages of social media for reputation management, but not the potential risks. In comparison, the standpoint of Aula (2010) is more critical. He provides practical advice and strategies that can be used for successful reputation management such as focusing on ethics and engaging in dialogic interaction. Nonetheless, he also argues that because of the structures of social media, it becomes almost impossible for organisations to control the content and conversation and hence corporate reputation.

Many authors admit that online conversations elude corporate control. The empowerment of the individual is not only emphasised by Aula (2010), but also by other authors such as Phillips and Young (2009), Gaines-Ross (2008) or Siano, Vollero and Palazzo (2011). Siano et al. (2011) focus on reputation building and argue that while electronic reputation is crucial to safeguard consumer trust in the Internet, consumer empowerment also makes reputation building more difficult because it leads to a huger variety of judgements about corporate performance. Phillips and Young (2009, p. 2) see the Internet as "the great leveller". They argue that the significant change for reputation risk lies in the fact that hostile positions do not stay limited to a certain circle of people, but become part of public and aggregated conversations. Moreover, they point out that content on the social media can easily switch between platforms. They

argue that this convergence gives the network media and the customers that use them much more power than the traditional mass media.

Gaines-Ross (2008, p. 22) uses the term *corporate citizenship* to describe the way in which customers express their values through individual or group action. She argues that the Internet has amplified this phenomenon. According to her, the information revolution is one of the three key factors that have increased the vulnerability of corporate reputation, the others being the influence of small, powerful groups like NGOs and the importance of public trust. The current findings of the Edelman Trust Barometer (Edelman, 2013) support her point. While less than one fifth of the general public would believe business leaders when they are confronted with a difficult issue (for example, a crisis), trust in NGOs is still the highest with 22% and highly involved and passionate consumers are the most trusted communicators in social media. Consequently, the corporate voice during a crisis in social media is just one of many, and it is probably the least trusted.

Griffin (2008) refers to this problem, too, but does not share the general concern about the growing influence of individuals on the corporate reputation. He states that although the Internet has become a powerful medium for anti-corporate messages and consumers possess more influence, one has to consider that not everybody is actually a consumer of the company's goods or services. According to Griffin (2008), the difference between individual and consumer activism poses the problem for a company whether they should try to appease their critics or should focus on the needs of their customers. Similarly, Gaines-Ross (2008) describes that the majority of global business executives do not see dialogue and responding to individuals on social media as an effective tool for reputation management after a crisis.

Nonetheless, Helm et al. (2011) point out that a good reputation is necessary for an organisation to overcome times of crises without suffering too much damage. Other authors like Greyser (2009) and Coombs (2007) emphasise the importance of proactively building a "reputational reservoir" before a crisis occurs. Consequently, reputation management is closely linked to crisis communication.

2.5   Crisis communication

Interestingly, some scholarly articles about crisis communication do not even define the word "crisis" (see for example Veil, Buehner, & Palenchar, 2011), as if it were a self-explanatory concept. However, in order to academically approach the new phenomenon of social media crises, an actual definition becomes necessary.

Fearn-Banks (2011, p. 2) describes a crisis as

> a major occurrence with a potentially negative outcome affecting the organization, company, or industry, as well as its publics, products, services, or good name. A crisis interrupts normal business transactions and can sometimes threaten the existence of the organization.

For this research, the point that a crisis can affect the "good name", i.e. the reputation of a company, is the most important one. External disasters and erratic behaviour of the company are often listed as possible reasons for a crisis (Argenti, 2007; Fearn-Banks, 2011). However, Coombs (2010a) proposes to distinguish between crises and disasters and the form of communication they require. He argues that disasters are large-scale events that cannot be handled on a local level, but can spawn a crisis.

Other terms that need more differentiation are risks and issues. Coombs (2010) states that risks emerge on their own (e.g. the risk of an earthquake). If risks become relevant for business, they turn into an issue that may cause a crisis. In contrast, Griffin (2008) argues that while a crisis happens suddenly and poses an acute risk to organisations, issues are rather chronic risks and allow more space and time to be managed. Heath (2010) modifies this clear distinction by pointing out the reciprocal relationship between issues and crises: Issues can lead to crises, but crises may continue in form of an issue debate after the organisation has responded to the crisis. Coombs (2010) assumes that especially in the Internet, stakeholders can now raise issues and create a crisis that threatens corporate reputation. In general, Griffin (2008) states that crisis and issues management are both important components of reputation management.

However, crisis communication and crisis management are not the same. Oltmans (2008) explains that crisis managers are responsible for the

operational part and cannot carry the burden of effectively communicating their actions at the same time. Thus, crisis communication is a separate, but interrelated function. Coombs (2010b, p. 20) defines crisis communication as "the collection, processing, and dissemination of information required to address a crisis situation". Moreover, Coombs (2007) states that communication during and after a crisis affects long-term impressions, i.e. corporate reputation.

The aim of effective crisis communication is to minimize damage to the corporate reputation. Thus, crisis communication is used in each of the five stages of a crisis, which Fearn-Banks (2011) summarises as detection, prevention and preparation, containment, recovery, and learning. The first stage usually begins with warning signs that require the company to react, for example negative customer feedback. Prevention refers to tactics that can be employed to limit the impact of crises, for example building good customer relationships. If a crisis cannot be prevented, one has to prepare for it by installing a crisis communication plan. The next stage is during the crisis, where it has to be contained through immediate action. The final two stages occur after the crisis, when the company attempts to rebuild reputation and learn from the previous mistakes. During all these stages, crisis communication is essential for communicating with internal and external publics (Fearn-Banks, 2011). However, Fearn-Banks' (2011) statements are contradictory: On one hand, she states that crisis communication is a dialogue, on the other hand, she argues that its essential role is to influence public opinion in the interest of the company. This shows that often, dialogue is perceived as simple two-way communication and not in its philosophical sense, which would also allow for outcomes that are counterproductive for the organisation (Theunissen & Wan Noordin, 2012). Consequently, one also has to approach the claim that social media improves dialogue in crisis communication with certain scepticism (see, for example, Veil et. al., 2011). Although these platforms offer more possibilities for dialogue, it might be that companies do not actually use this opportunity to engage with users and employ persuasive communication instead.

Overall, protecting reputation by forming relationships is very much in line with the interests and responsibilities of public relations, which is why crisis communication has become a focal point of public relations research (Coombs, 2010b). An and Cheng (2010) tracked the research trends in crisis

communication that emerged out of the publications of two major journals (*Journal of Public Relations Research* and *Public Relations Review*) over thirty years. The authors found that the issues management theory and the rhetorical approach (rooted in apologia theory) have been the most widely applied theoretical frameworks. The field of crisis communication has also made use of theories that originate in related fields such as psychology and sociology. Among the more dominant ones is the relatively recent approach of situational crisis communication theory (SCCT) by Coombs (2007), which roots in the attribution theory of social psychology. SCCT shares the belief with Image Restoration Theory that the right communication protects against negative reactions to a crisis (Coombs, 2007). It provides a framework that assesses the reputational threat of a crisis based on different crisis clusters and the perceptions of stakeholders. Out of this, crisis communication guidelines emerge.

In order to add empirical background to the case study method in this research, SCCT will be used as a theoretical framework to analyse social media crises and appropriate response strategies. More often than not, authors who recommend certain crisis communication strategies do not employ a theoretical framework to justify them. For example, Veil et al. (2011) say that listening to the public's concerns and understanding the audience is a best practice in crisis communication. Moreover, the authors also advise to establish policies and responsibilities beforehand, to communicate with honesty and empathy and to provide messages of self-efficacy through meaningful actions.

These are general guidelines, whereas the use of a theoretical framework such as SCCT will add rigour to the analysis of my case studies. However, Coombs (2007) did not consider the impact of social media on crises in his approach, so it has to be examined from case to case whether SCCT can still be applied. A few recent theses employed his framework to look at case studies of crises in social media and reached different conclusions. For example, Schwarz (2012) confirms the external validity of Coombs' (2007) hypothesis that attributions of cause and responsibility in crises have a higher negative impact on reputation. However, Schwarz (2012) did not examine whether the strategies of the affected organisation were successful. Tomsic (2010) finds that the theory provides effective response strategies in regard to blogs. In contrast, Soule

(2010) examines a corporate crisis on YouTube and argues that the strategies recommended by the SCCT model did not work. She concludes that social media pose a new challenge that cannot be met with traditional public relations strategies.

The problem is that the Internet and social media have influenced many important points in crisis communication, like the speed at which bad news spread and how stakeholders expect to be addressed. Solis (November 3, 2008) argues quite optimistic that "many, if not a majority of potential crises are now avoidable through proactive listening, engagement, response, conversation, humbleness, and transparency" (Solis, November 3, 2008, p. 4). On the other hand, Bridgeman (2008, p. 175) warns that in the Internet, the "pace, scope and impact of potential crises" is much higher, which requires faster responses of the crisis communication team. He argues that in contrast to traditional crisis communication, the Internet is less about pushing out a statement and more about conversation and engagement. Moreover, accepting uncertainty and ambiguity, as Veil et al. (2011) advise, is even more important in the unpredictable sphere of the Internet.

Additionally, social media has challenged the relationship between the news media and public relations, which was once a relatively controllable factor. Traditionally, public relations would build media relations to distribute its messages over the journalists in the interest of the company (Solis & Breakenridge, 2009). Not only becomes user-generated content increasingly influential (Solis & Breakenridge, 2009), but also meeting the need of the media and remaining accessible becomes much more challenging in the social media. Relationships to traditional media are increasingly intertwined – for example, journalists often use social media to generate news (Lariscy, Avery, Sweetser, & Howes, 2009). David Sommers, director of public affairs for the Los Angeles County CEO, argued in a recent interview with PR News (February 15, 2013) that social networking sites like Twitter are a powerful way to anticipate the needs of the media. Nevertheless, he also admitted that the corporate voice has to struggle for attention in the social media, so companies have to offer unique information during a crisis.

Not only practitioners have predominantly focused on social media as tools during a crisis, but also scholars take this point of view. Fearn-Banks (2011)

states that Facebook and Twitter are mostly utilised by crisis communicators and public relations professionals to prevent crises or to cope with them. Other recent examples include Jordan-Meier (2011), White (2012) and Veil et al. (2011) or less academic articles such as those from Maul (November 2010), PR Newswire ("Companies turn to social media to survive global crisis," 2009) and Johnson (May 2012). Jordan-Meier (2011) and White (2012) are good examples for the fact that literature on crisis communication often stems from the realm of social sciences and does not refer to the role of public relations. While Johnson (May 2012) looks at crisis communication in regard to food safety and concludes that customer concern does not necessarily needs a trigger in the Internet, Maul (November 2010) deliberates about whether it is always helpful to engage in conversations online or not. Both authors consider advantages, but also risks of using social media for crisis communication, for example the limited space for explanations.

However, their articles do not offer an in-depth examination of the field, something that is supplied by Veil et al. (2011), who reviewed the most recent academic literature on social media in relation to crisis communication. The authors also included industry whitepapers and trade publications. Overall, the authors summarise advice regarding best practice in the use of social media and recommendations for practitioners. Veil et al. (2011) conclude that the mere use of social media in crisis communication is not a best practice, but that it is a tool which can assist practitioners in manifold ways. They name different examples, such as the H1N1 virus, where social media can help to raise awareness and encourage involvement.

Overall, the influence of social media on crisis communication has been acknowledged, but the advantages that are considered in the literature still overweigh the possible risks. Additionally, most authors have not taken the possibility into account that social media alone can cause a corporate crisis. Fearn-Banks (2011) expresses her concern that online crises do not necessarily need a trigger that could be predicted by the organisation. She assumes that rumours often suffice to create a critical situation. Because they start a storm of negative emotions, those crises often threaten reputation directly without allowing immediate corrective actions (Wüst & Kreutzer, 2012). Coombs and Holladay's (2007) concept of the negative communication dynamic fits well for

this situation. The authors state that the anger that is often generated by a crisis can have a strong impact on corporate reputation. This assumption is part of the situational crisis communication theory (SCCT), which asserts that attributed crisis responsibility causes negative emotions such as anger and *schadenfreude* (Coombs, 2010b).

The concept of a negative communication dynamic is interesting for my thesis because social media make it easier for customers to articulate and disseminate their anger. For example, Workman (2012, p. 217) uses the term *cyber smearing* to describe the "intentional effort to damage the reputation of an individual or corporation using the Internet as the medium". Although he focuses more on the psychological state of the individual that leads to such behaviour than the effects on companies, it is important to note that such behaviour is intensified by the anonymity in the Internet and is not necessarily objectively justifiable from the perspective of an outsider. Moreover, it is more likely that companies are under attack, because they are easier to objectify than individual persons (Workman, 2012). Recent studies from the Beihang University and University of Pennsylvania (Berger & Milkman, 2009; Fan, Zhao, Chen, & Xu, 2013) found that anger is the most viral emotion on the Internet, hence, the one that spreads faster and wider than positive feelings. Also, negative comments and word-of-mouth are much longer accessible due to the "long tail" (D. Phillips & Young, 2009) of the Internet, which makes it less likely that anger will dissipate over time. Coombs and Holladay (2007) suggest that although crisis communication allows for more or less accommodative response strategies, the former could be more effective in resolving anger issues.

2.5.1 Social Media Crisis

Anger is a factor that plays an important role in a social media crisis. Problems often occur because a customer is unhappy with the products or services of a company and publishes his or her complaint on the company's page on a social networking site. Other customers fall in line, which eventually draws general attention to the issue and may cause traditional media to pick up the story. In Germany, the debate about this phenomenon started in 2010, after the recognised blogger Sascha Lobo described the Nestlé crisis during the conference republica with the Anglicism "shitstorm" (republica2010, 2010). The

German dictionary Duden defines a "shitstorm" as a storm of protest and outrage that takes place in the Internet and is accompanied by insulting comments (Duden, 2013).

Noticeably, the social networking sites have amplified the likelihood for such occurrences. If the traditional media add to the momentum, "shitstorms" can easily become social media crises that seriously threaten the corporate reputation. Overall, the academic field has hardly addressed this phenomenon. As shown in chapter 2.4.4, scholars agree that social media heighten reputation risk, but do not consider the possibility of social media crises. Semi-professional articles and books that focus on practitioners touch upon it briefly, with the German literature offering more extensive examinations. For example, a publication of a marketing and public relations magazine looks at the meaning of social media crises for crisis communication (Stoffels & Bernskötter, 2012). The authors focus on the empowerment of the individual in the Internet and the dissolving role of the traditional mass media. Stoffels and Bernskötter (2012) argue that the Internet culture has evolved into a "complaining" culture that threatens corporate reputation. Moreover, they also analyse the suitability of different social networks for crisis communication, which provides some interesting background material for this thesis. However, I think that their non-critical presumption that dialogue is a major solution for social media crises seems to be narrowly considered. Soule (2010), for instance, found in her analysis of United Airline's social media crisis that dialogue failed to resolve the issue. Additionally, the authors only categorised case studies according to their stage in crisis communication and did not take into account that social media crises can occur for many reasons. This is a shortcoming I plan to avoid by analysing three case studies of social media crises that occurred due to different causes and circumstances.

English publications on the matter of social media crises are relatively rare. The Altimeter Group (August 9, 2012) has researched the channels in which social media crises manifest and how companies can mitigate the risks of encountering such a crisis, but did not offer advice for the crisis management stage. Tomsic (2010) and Soule (2010) have examined crises that manifested themselves on blogs and YouTube respectively in their theses, but have not taken the area of social networking sites into account. Besides from that, semi-

professional articles, mostly quoting practitioners, give some advice, for example responding in the same medium (Lochridge, 2011; Zolkos, 2012). Lochridge (2011) points out that although crises are typically seen as an external event outside of the company's borders that forces it to react via media channels, crises can now arise completely within the realm of social media. An article by Champoux, Durgee and McGlynn (2012) addresses the issue of anger that fosters corporate crises on Facebook, but focuses on marketing and image rather than a broader public relations approach. These publications have in common that they do not refer to any theoretical framework and hardly cite any references to back up their claims.

Other articles do not cover social media crises and public relations directly, but offer some helpful approaches to the topic. Peters, Thomas, Howell and Robbins (2012) take a marketing approach. The authors examined various cases where brands were attacked on the Internet and deduce five defensive or offensive response strategies (delay, respond, partner, sue, control). These strategies can be kept in mind when analysing the case studies to evaluate their efficiency. Another author is Fearn-Banks (2011). She examines the problem of rumours that occur on the Internet and reasons they can lead to crises that threaten the reputation of a firm. Although she mainly focuses on rogue websites that are not comparable to social networking sites, some of her deductions can be helpful for this thesis. For example, Fearn-Banks (2011) points out that step-by-step instructions to fight those rumours are not applicable, because too many variables such as the type of the organisation and the nature of the rumour affect how the response should be tailored. This is a claim that should be kept in mind when analysing social media crises to avoid rash assumptions and recommendations. Furthermore, it also casts a critical light on all the practical publications that limit themselves to a short list of how-to instructions.

Apart from those publications, the possibility for crises in the social media is not addressed. This suggests that the use of social media is still perceived as an add-on tool of public relations practice rather than a new environment with its own rules and dynamic. Mostly, authors try to achieve a balanced discussion by mentioning some risks. Solis and Breakenridge (2009) argue that companies should not be afraid of participating in the social media, despite the negative

feedback that can occur. They hold the view that negativity will happen with or without a company's presence and that it offers the opportunity to change a perception. Likewise, Giannini (2010) says that publicly posted, negative comments are the cost for taking part in online conversations. He refers to the possibility of perceived crises that can turn into actual crises, which is close to Fearn-Banks' (2011) conceptualisation of rumours. Nevertheless, Giannini (2010) concludes that those risks can be managed if the company is willing to be prepared and proactive. Overall, this indicates that the phenomenon of social media crises and the risk they pose for corporate reputation is still an underestimated and under-researched field.

2.6   Gaps in literature and own approach

It is the purpose of this research to fill this gap in regard to social media as a cause for reputational crises as far as possible in the scope of a Master thesis. Additionally, this research aims to point towards new possibilities for further research in this field. It is necessary to add a different perspective towards social media, because social networking sites are becoming increasingly important for companies and thus public relations. More and more people are connecting to the Internet, and for longer amounts of time. The largest amount of time is spent on social networks, with 20% of people's PC time and 30% of their mobile time (Nielsen, 2012). Half of all social media users said that at least once in a month, they expressed complaints or concerns about brands or services on those platforms (Nielsen, 2012). This development impacts to a greater extent on companies, because their social media adaption increases as well. Research of the Centre for Marketing Research of the University of Massachusetts, Dartmouth (2012), shows that 73% of the Fortune 500 companies have corporate Twitter accounts and 66% of them are represented on Facebook. In comparison to 2011, the increase in usage totals 11% and 8% respectively, which indicates that having a social media presence becomes more and more popular.

Consequently, it is highly important to investigate the reputational risks of social media crises. Mandelli and Cantoni (2012) find that the theoretical background on how social media influence corporate reputation needs more development. They propose to find a framework that describes how social media influences

reputation. My research goes a step further by assuming that social media can, indeed, have a strong impact on corporate reputation that can lead to a crisis. This has already been observed by Phillips and Young (2009), who stress the need to develop strategies for those crises. Peters et al. (2012), who examined the negative impact of social media on brand reputation and suggested some strategies, agree that more research and case studies need to be conducted to confirm those.

The literature review showed that the viral environment of social media poses major challenges and issues for public relations practitioners. So far, public relations research has mainly focused on the topics of social media usage and perception. Risks and downfalls have only been examined in regard to blogs, but not for social networking sites (SNS). This is confirmed by the research of Khang et al. (2012), who found that public relations mostly employed relationship management theory in regard to SNS and not any form of crisis management theory. Generally, the conclusions remain positive and focus mainly on opportunities for dialogue or two-way communication in regard to reputation building. At this point, it becomes visible that the public relations standpoint on social media tends to turn to sociology and might be overemphasising the opportunities for dialogue (D. Phillips & Young, 2009; Solis & Breakenridge, 2009), whereas the marketing and business standpoint focuses mainly on the technology and underestimates the social media realm as easy manageable, for example with data analysis (e.g. Montalvo, 2011).

Thus, I aim to find a balance between those two approaches by addressing online public relations as a strategic management paradigm in regard to reputation management and crisis communication. For reputation management, signaling theory will be used because it focuses on maintaining and defending a reputation, which is necessary in the case of a corporate crisis. In regard to crisis communication, I will test whether Coombs' (2007) Situational Crisis Communication Theory is still applicable in social media. Case studies that employed SCCT to analyse social media crises (Schwarz, 2012; Soule, 2010; Tomsic, 2010) did not provide homogenous results, which makes further research advisable. Moreover, they researched social media like YouTube and blogs and did not look at the influence of social networking sites like Facebook and Twitter. Overall, SCCT is useful in order to take the relationship between

anger and outrage on the Internet and reputational damage for companies into account. For example, Jin and Pang (2010) point out that the field of crisis communication has to look more into the influence of public's emotional experience on the success of corporate crisis communication.

2.7   Summary

This chapter has reviewed and summarised the literature on the important concepts in his research and how social media impact on each of them. It concludes that the field of reputational risk through social media crises is under-researched and that effective crisis response strategies need to be found, which take the impact of negative emotions during a crisis into account. The signaling theory and the Situational Crisis Communication Theory (SSCT) were chosen for the theoretical framework of the analysis.

The goal is to achieve a more sophisticated and multidimensional view on social networking sites in public relations, similar to the state of the field for blogs. To take into account that social media crises can occur for many reasons, the research project will be positioned in a social science research methodology. It will employ the qualitative method of case studies to avoid the limitation to simple how-to lists that have dominated the publications about social networking sites so far (Vorvoreanu, 2009). Moreover, research on blogs has shown that case studies are a useful method to analyse reputational risk. The next chapter will look more detailed into the methodology and methods that will be employed.

3 Methodology – an interdisciplinary approach

3.1 Introduction

Research in public relations has long been dominated by the paradigm of the Excellence Theory, which was coined by Grunig (1984). It can be described as a functionalist and organisation-centric model with a focus on managerial perspectives and approaches. They tend to oversimplify the influence corporate messages have on stakeholders, in contrast to approaches that are more socially und culturally orientated (Macnamara, 2012). Similarly, the theoretical lens applied in crisis communication is more concerned with the state of the organisation and does not take the influence of the stakeholders on the course of the crisis into account.

It is argued that a new, interdisciplinary approach will add more value to the field of public relations research. Additionally, it is likely to offer further insight regarding the new phenomena of social media and social media crises. Employing a combined methodology of sociology and psychology frameworks is helpful to recognise and value the power over corporate reputation that emanates from every individual in the era of the Internet. Although this research still aims to show how companies can deal successfully with those crises, an exclusively organisation-centric model cannot adequately describe the dynamics of the current situation.

3.2 Sociology

In traditional crisis communication, the news media and the corporate spokespersons provide the frames that define how a crisis is experienced (Coombs, 2007). Crises that unfold in an online environment, however, are characterised by a huge variety of people commenting on the situation and posting crises-related information (Coombs, 2007). They provide influential frames that rival traditionally more powerful positions, like the ones of corporate spokespersons or so-called "experts".

Consequently, it is useful to approach public relations from a social-centric position that recognises every individual in the corporate environment as a

potential influencer. Solis and Breakenridge (2009) argue that by doing so, companies can identify the groups that have an impact on the organisation and choose the right tools and words to communicate with them. Curbach (2008, December 6) adds that a sociological approach perceives businesses as integrated in a societal frame of values and norms. This is helpful because it emphasises the impact of reputation (stakeholders compare the organisation to a set of standards, including personal values) on the organisational functionality. Thus, the environment of the organisation is seen as a communicative and interpretative area where reputation is both fabricated and challenged by stakeholders. Boundaries between traditional media and content-producing stakeholders are blurred rather than strictly defined (Aula, 2010). Overall, the sociological framework allows public relations research to acknowledge the changing relationships between individuals and organisations in the age of social media. The field of crisis communication can thus benefit from applying frameworks of other disciplines – not only sociology, but also psychology (Fearn-Banks, 2011).

3.3   Psychology

The theoretical lens of psychology is not completely new to the field of crisis communication. Some factors have already been taken into account by the academic field, for example what kind of information or actions organisations have to provide to help victims cope with the psychological stress they experience in crises (Coombs, 2007). However, the specific emotions of stakeholders and especially anger in crisis situations are a relatively new factor. Jin and Pang (2010) argue that the public's emotional response has to be taken into account because it affects information processing and behavioural tendencies. Thus, the influence of emotions is particularly interesting in regard to the effectiveness of the crisis communication strategies employed by the affected organisation.

Based on the attribution theory that stems from the realm of psychology, Coombs (2007) claims that negative emotions such as anger can cause stakeholders to attack an organisation and engage in negative word-of-mouth. These reactions can heavily damage the corporate reputation, although Coombs (2007) argues that the connection between emotions and reputation is

mainly based on the perceived crisis responsibility of the organisation and hence does not occur in every situation. Jin and Pang (2010) found that anger is the dominant emotion publics experience when a crisis involves reputational damage of the company, which supports the connection between corporate reputation and negative emotions.

A psychological framework acknowledges the fact that human beings are not always rationally thinking entities that can be persuaded by following a checklist of managerial tactics. When researching crises that occur on the Internet and social networking sites in particular, it is even more important to consider this problem. It seems that the relative powerlessness of corporations on the Internet amplifies anger and outrage (Champoux et al., 2012). Additionally, people are more likely to write damaging commentary because they perceive companies as an inanimate object and not an individual they could empathise with (Workman, 2012). Although Coombs (2007) claims that his Situational Crisis Communication Theory (SCCT) relies on experimental methods rather than case studies, the research by Schwarz (2012) and Tomsic (2010) shows that it is very well applicable in a case study research method. In the next section, this method and the corresponding research design and questions shall be discussed.

3.4   Method – case study

The case study is a method that has its origins in the social sciences, but has proved to be useful for various disciplines. Public relations and, in particular, crisis communication, are no exceptions. A case study is a "detailed examination of a single example" (Flyvbjerg, 2006, p. 220), an empirical enquiry that is especially useful to answer "how" or "why" research questions (Yin, 2009). Other characteristics of the research situation are that the investigator has little control over the events he or she is researching and that the focus is on a contemporary event that is embedded in a real-life context (Yin, 2009). In summary, the case study allows an in-depth analysis of a social phenomenon.

The context and characteristics of this research enquiry are in such a manner that they make a case study the most adequate method. To begin with, this research is interested in answering the following questions:

RQ1   How do social media contribute to the development of reputational crises?

RQ2   How does the risk of social media crises impact on companies, and

RQ3   how can they react to social media crises (i.e. communication strategies)?

Thus, my research project is concerned with answering "how" questions, which aligns well with the purposes of a case study. Moreover, a case study investigates a contemporary event. Social media and social networking sites in particular are a relatively new phenomenon with the first being launched in 2002. The possibility of social media crises and the risk they pose for corporate reputation only appeared on the radar in March 2010 when Nestlé experienced massive attacks on its Facebook site. As the literature review (e.g. Khang et al., 2012) has shown, academic research has not yet explored this phenomenon in depth and theoretical frameworks are not established, which makes a case study the best way to build a knowledge base in this area.

Another value of the case study is that the context-dependent knowledge it offers is most useful for practitioners to become experts in their field (Flyvbjerg, 2006). As a social media crisis is mostly an issue that public relations practitioners and crisis communicators in companies will have to face, this research will generate beneficial insight that goes beyond simple recommendations based on common sense. Nonetheless, case studies are also very helpful to accumulate new knowledge in the academic field, generate and test propositions or hypotheses and even contribute to theory building (Flyvbjerg, 2006), although numerous authors have disputed this. For instance, Abercrombie, Hill and Turner (1984) claim that case studies cannot provide reliable information that goes beyond the single case. In regard to crisis communication, Coombs (2007) argues that case studies limit the academic understanding of crisis response strategies because they are based on personal preferences and thus unscientific. Similarly, Stacks (2002) classifies case studies as informal research because he asserts that their findings are not projectable on larger populations.

Consequently, case studies are often seen as a preliminary form of research that is only suitable for generating hypotheses, but not testing them. Yin (2009) and Flyvbjerg (2006) criticise this hierarchical standpoint and argue that case studies are a fully-fledged method in the methodology of social sciences. Flyvbjerg (2006, pp. 221-241) refutes the most common arguments against case study research in his article. For example, while theoretical and context-independent knowledge is usually seen as more valuable than practical and concrete knowledge, Flyvbjerg (2006) argues that this does not apply to the study of human affairs. Stake (2000) even claims that abstract generalisations can be harmful in practical terms, for example in jurisdiction.

This points to one of the key criticisms of the case study, the alleged lack of generalizability on the basis of a single case. Because generalisation is seen as the essence of scientific development, the assumption that the case study cannot provide this result threatens its position as a scientific method (Ruddin, 2006). Especially in the social sciences, methods that are closer to the natural science ideal, like statistical analysis and survey research, are seen as more valuable. Stacks (2002) denies the case study method any way of generalisation that is valid and reliable. However, different counterarguments have been developed. First of all, Flyvbjerg (2006) argues that it is possible to generalise from a single case, as long as the case is carefully chosen. He uses the example of a "critical case" like Galileo's test of the law of gravity by choosing the materials feather and metal. If Galileo's thesis worked for these materials, it could be assumed it would work for all other sorts of materials as well.

Second, academics like Stake and Trumbull (1982) have shifted the responsibility for generalisation to the readers of the case study, ergo what *they* make of the findings of the author. They termed this concept "naturalistic generalisation". Flyvbjerg (2006, p. 227) agrees and states that just because knowledge cannot be formally generalised, it can still enter the "collective process of knowledge accumulation". He also contends that generalisation is generally overrated as the main source of scientific progress. The same applies to the assumption that it is often difficult to summarise and develop general propositions and theories on the basis of specific case studies. While Flyvbjerg (2006) admits that this is true regarding the case process, he points out that

often, case outcomes can be summarised very well. Moreover, he states that it is often not desirable to summarise a case study, because the form of a narrative is much more helpful to make sense of an experience.

There is a difference in how theory is generated and how it is applied, a point that is also highlighted by Lincoln and Guba (2000). According to them, generalisations are still relativistic when applied to particulars in practice. They are temporally and contextually relative, something that is taken into account by the case study method. Also, Stacks (2002, p. 73) contradicts himself by stating that if a case study is process-oriented, like this research about social media crises is, it is "as a representative of a process of public relations and (…) may provide insight into similar situations and solutions". Consequently, generalisation is achievable.

Resulting from this criticism, it is often assumed that the case study is more suitable for the first stage of research, that is, generating hypotheses, but not for hypotheses testing and theory building. According to Flyvbjerg (2006), this misunderstanding derives from the second misunderstanding that the findings of case studies cannot be generalised. Because this assumption has been refuted, one can state that case studies are useful for all kinds of research activities and stages. While Walton (1992) claims that case studies are likely to produce the best theories, Eckstein (2000) even states that case studies are better for testing theories than generating them. These authors agree with Flyvbjerg (2006) that because case studies have a tendency towards falsification, they are a useful method to test theories. Ruddin (2006) states that falsification is one of the strictest tests that a theory can be submitted to: If one detail does not fit with the general proposition, the whole theory loses its validity. Because of their in-depth approach, case studies are more likely to uncover these faults. Consequently, one can argue that the case study method offers a very high validity, which refutes the argument that case studies tend to confirm the researcher's previous notions and thus have a bias towards verification.

Overall, there is no reason why a case study should be seen as inferior to any other form of research. This does not imply, however, that a case study is always the right method. Still, one has to look close at the specific requirements of each research enquiry to make sure that the right method is employed. As

shown above, the case study is particularly suitable for answering the research questions under investigation. Moreover, certain precautions will be taken to ensure that this case study meets the standards of good social science research.

The first precaution has already taken place, as a theoretical framework (SCCT) has been introduced and will be applied to the case study. This will add rigour and structure to the research. Gillham (2000) asserts that a case study research should not start out with previous theoretical notions but should induce them from the data in the tradition of the *grounded theory*. A grounded theory approach allows theories and hypotheses to emerge out of the collected data (Charmaz, 2006) rather than defining a theoretical approach beforehand. Thus, it is a form of *inductive* research, in contrast to *deductive* research. However, this research project adopts Yins (2009) point of view, who states that grounded theory and case studies are different research methods. He argues that the process of data collection and data analysis benefits from the guidance that is provided by theoretical propositions, thus taking a deductive approach.

Consequently, the second precaution is to generate propositions, because they will help to answer the research questions that were posed in the first place (Yin, 2009). An and Cheng (2010) refer to Cutler's (2004) critique of the case study method and argue that especially in the field of crisis communication, the majority of researchers failed to clearly state their methodological approach. Although they often referred to some kind of theory, their research design was inconsistent because they did not propose any research questions or propositions based on this theory. In acknowledgement of Cutler's (2004) critique, a number of propositions for the case study are listed. However, they are not completely based on SCCT, because this theory does not take the influence of the Internet and social media on crisis communication into account. Instead, my propositions show the typical tendency of the case study method towards falsification:

P1   Anger and outrage of stakeholders are fostered by the structure of social networking sites, which makes crises more likeable to occur.

P2   Citizens and non-governmental organisations become more important than traditional media outlets for corporate reputation.

P3 Traditional crisis communication strategies are insufficient to deal with social media crises.

It is important to choose the proper case or cases to gain the right material which will answer the research questions and hypotheses. This is part of the research design.

3.5 Research design

According to Yin (2009, p. 26), the research design is the "logical sequence that connects the empirical data to a study's initial research questions and, ultimately, to its conclusions". The first step is to define the units of analysis, for instance individuals or programs. In my case, the units of analysis will be multinational, for-profit organisations[4]. They should be multinational because one can assume that if a company operates worldwide rather than locally, it is more likely that it can amass a critical number of stakeholders that could criticise or attack this company. Moreover, the focus will be on whole organisations instead of brands, because the thesis is concerned with the concepts of reputation and a public relations approach and not with the ideas of image or a marketing approach.

The question whether one should research one or multiple case studies depends on the context of the research, although some authors argue that multiple-case studies are more likely to produce reliable and generalizable data (Ruddin, 2006; Yin, 2009). Anthropology and political science see the two approaches as different methodological frameworks, but Yin (2009) states that it is simply a choice in research design. A multiple-case study design, including three different case studies, will be used because social media crises can arise for different reasons. If one were to analyse only one social media crisis, one could easily dismiss important factors that influence the success of the crisis communication strategies. Although simple miscommunication or rude behaviour of a company online can also cause anger and negative effects, the analysis will focus on external events that started the crisis on the social networking sites. This is due to the fact that, as a summary of different case

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[4] Note that the terms organisation and company will be used interchangeably, because in the context of this research, organisations will be seen as for-profit orientated (unless explicitly stated to be a non-governmental organisation).

studies by the Young Digital Lab (March 23, 2012) has shown, the first problem can be relatively easy resolved with a simple apology. Attacks that are connected to general or perceived company misbehaviour in the real world, however, pose a higher risk for corporate reputation, because it is often much harder to find a satisfying solution for the problem. By comparing the progress and results of the different crises, it will be possible to see whether there is some kind of replication logic (Yin, 2009) and if the hypotheses can be confirmed or disproved for every case. For each case study, the design will be holistic, which means that it will not include additional or multiple units of analysis like different departments in a company or various brands. Instead, one company represents exactly one unit of analysis.

3.5.1 Case study selection

The first case study will focus on non-governmental organisations[5] (NGOs) as the cause for a corporate social media crisis. As already introduced in the literature review (see section 2.4.2), these groups have gained a highly influential status in the public discourse. The concept of corporate social responsibility and the high level of public's trust in NGOs allow them to impose a moral leverage on for-profit organisations that can threaten corporate reputation. Moreover, some of them – like Greenpeace – are very successful in utilising the means of the social media to mobilise a strong, global base of supporters. As the example of Nestlé in the introduction has shown (see section 1.1), organised online attacks by Greenpeace pose a serious risk that can even force a company into policy change. Since the case of Nestlé has already been analysed widely due to its signal effect, being the first real reputational crisis caused by the social media (see, for example, Champoux et al., 2012; Smith, April 1, 2010; Woodward, June 2010), this thesis will look at a more recent example.

From February 2010 to October 2011, Greenpeace ran an international Facebook campaign against the company Facebook itself that was titled the "Unfriend Coal Campaign". This refers to the general possibility on Facebook to

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[5] In this thesis, the term "non-governmental organisation" shall be defined as a transnational body that is not part of or influenced by the governmental apparatus, but promotes and seeks to influence issues with international policy dimensions (Watts, 2007). According to this definition and the United Nations (1988), Greenpeace is a non-governmental organisation.

"unfriend" previous friends, that is, to dissociate oneself from these persons. The reason for the campaign was that in 2010, Facebook announced its plans to build two half-billion dollar data centres in Oregon and North Carolina (US) to cope with the explosive growth in user numbers. Greenpeace argued that the electricity use of each data centre would be equivalent to the usage of 30,000 – 35,000 US homes (Greenpeace International, February 3, 2011). The NGO criticised that the energy supply was mainly generated from coal, thus making Facebook a significant contributor to environmental pollution and climate change (Meikle, December 15, 2011). Greenpeace demanded from Facebook to make its carbon footprint and energy use more transparent, use its power over the contractors to shape what kind of energy is provided, and generally act as an advocate for clean energy in the IT business (Greenpeace International, February 3, 2011).

This example makes a very interesting case study because the campaign continued over 20 months and amassed more than 700,000 supporters on Facebook. The activists even set the world record for the most commented post on Facebook with 80,000 comments in 24 hours (Greenpeace International, 2012). Eventually, Facebook gave in and, in August 2012, published its carbon footprint and announced its goal to achieve 25% of clean and renewable energy by 2015 (Tam, August 1, 2012). Overall, this is a great example for a social media crisis because not only was the pressure that forced the organisation into action completely imposed via social networking sites, but it also focused on a social media company.

The second case study will look at a combined erratic behaviour of an employee and an employer in the service industry that led to a social media crisis. In January 2013, pastor Alois Bell was a guest at the restaurant chain Applebee's that operates franchises in 15 countries worldwide, but has the biggest representation in the United States (Applebee's, 2013a). Instead of tipping the waitress the usual 18% for big parties, which is considered good practice due to the minimum wage of waiters in the US, the pastor crossed out the tip and wrote: "I give God 10%, why do you get 18?" on the receipt. A co-worker of the waitress, Chelsea Wench, took a photo of the receipt and posted it to the online platform Reddit later. Applebee's fired her the next day for violating the privacy policy of the company, because the name of the pastor was

clearly visible on the photo. This, however, led to an enormous attack of the Internet community on Applebee's Facebook and Twitter accounts, where the users pointed out that Applebee's itself had posted a photo with the name of a customer on it earlier on.

The crisis was fuelled when the social media team of Applebee's started to reply to every single complaint with the same message at 3am in the morning and eventually deleted posts (Stollar, February 2, 2013). Although the company and the pastor offered several apologies and Applebee's tried to engage in "dialogue", the situation resulted in a huge boycott movement of the company on the social networking sites. Furthermore, it can be assumed that the storm of anger and outrage led to a severe damage of the corporate reputation, because Applebee's website features a "What's the buzz" widget that displays the current conversations about the company on Twitter (Stollar, February 2, 2013). Therefore, the company themselves contributed to the circulation of negative news. This case study will offer a different cause for a social media crisis and displays well how a reputation can be demolished literally overnight on the Internet.

The third case study addresses two problems at once that can lead to a social media crisis: First of all, if the company does not live up to the services and standards it advertises and second, the risk of somebody compromising the corporate social network account. The company that had to deal with both circumstances is Jetstar, a low-cost airline. It has its main base in Melbourne, Australia, and is a subsidiary of Qantas. Jetstar offers domestic and international flights across Australia, New Zealand, and the Asia Pacific region (Jetstar, 2012). The airline advertises its services and deals with customer queries on Twitter and Facebook. While Jetstar has a general Twitter account (Jetstar Airlines) and different ones for each carrier of the group (Australia, New Zealand, Asia), there is no account on Facebook that represents the whole group. For the analysis on Facebook, the Jetstar Australia site will be used (Facebook, 2013e), because it has the most "fans" (225,839) and the most activity on the site (4,545 are talking about it, as on April 23, 2013).

The problem Jetstar had to face on the social networking sites is the fact that their customers are usually dissatisfied with the services the company provides. Mostly, complaints are about delayed or cancelled flights and the attitude of the

employees in dealing with those problems. Although this is an on-going issue, the flight cancellations between Melbourne and Auckland during the Christmas period led to even more anger being expressed on the social networking sites (Garrett-Walker, November 26, 2012). The website "Amplicate", which collects the opinions of the public from Facebook and Twitter concludes that 83% of the users "hate" Jetstar (*Jetstar hate*, 2013). Not only have several anti-Jetstar Facebook accounts been created, but the negative word-of-mouth created on the social networks has spread into an overall bad reputation on the Internet. In November 2012, this critical situation was intensified by a hoaxer who created a Facebook account with the name "Jetstar Australia" and the corresponding logo and started to respond rudely to customer enquiries (Starke, November 28, 2012). In combination with the overall negative reputation for customer service, this incident additionally tarnished Jetstar's reputation and is a good example for the new risks that social media entail.

3.5.2 Data collection methods

Now that the case studies and the units of analysis are defined, the different methods to accumulate the data for the analysis have to be evaluated. Although the case study is the main method for this thesis, there are different sub-methods for data collection. Gillham (2000) takes a rather traditional standpoint and lists interviews, observations, documents, record analysis and work samples as examples. In contrast, Yin (2009) distinguishes case study research more explicitly from ethnography or participant observation and argues that a case study does not solely rely on interviews or observation. Because his work is more recent, he takes into account that, depending on the topic, contemporary case study research can find all the data that is required on the Internet.

This applies without doubt to my case because the point of social media crises is the fact that they evolve completely on the Internet. While the social networking sites Facebook and Twitter provide the data in regard to the corporate crisis communication strategies and the reaction of the stakeholders, other sources like blogs and online newspaper articles offer the necessary background information. These sources were found by conducting a Google search with the company's name and typical keywords for the crisis situation

(e.g. "unfriend coal" for the Greenpeace campaign) as search terms. On Facebook and Twitter, all posts are directly available in a "timeline" on the companies' profile pages. The posts were accessed by scrolling down to the timeframe that was relevant for each case study. The data had to be accessed manually, because the application programming interface (API) of Facebook and Twitter only allows key word searches for the last seven days. While the long duration of the "unfriend coal" campaign meant that the contents of the page had to be scanned for the whole 20 months (February 2010 – October 2011), the focus for Jetstar could be narrowed down on October to December 2012 and for Applebee's from the 30th of January 2013 to April 2013, when comments about the issue began to fade. Visibly, some of the time periods were relatively long, which meant that not all relevant tweets were displayed directly in the Twitter search anymore. This problem was solved by retrieving the relevant tweets via Google's advanced search mode.

The advantage of this kind of research is that all the information is completely public. Ethical considerations like limitations to privacy or voluntary consent are not an issue, because this research is not interested in the identity of the users who post comments on the companies' sites, but only in the opinions expressed. As the company sites are public spaces and visible to all users, it can be assumed that users who post on these pages know about the public nature of their comments and have accepted this willingly and voluntarily. However, there is also a problem with this form of data collection: Companies can delete or hide material they previously posted in an attempt to influence the situation or cover up unsuccessful communication strategies. Thus, some important data might not be available, which makes it necessary to be attentive towards this phenomenon. The solution is to watch out for user comments that usually point out this behaviour and access different blog sites that have saved screenshots of those conversations.

The website "Storify" (Storify, 2013), which works as a curation tool, allowed me to triangulate the data. Due to the nature of social media, information is often repeated or republished in different places, which is why certain tendencies or reactions are often found through the use of aggregated data rather than by examining single components. Thus, data was triangulated and different sources, for example blog posts, websites and posts on Facebook or Twitter,

were used to find all the necessary information on the case. Text was added to connect and explain the material. Hence, this method generated a valuable case study database. Moreover, other users had collected several screenshots of online conversations on Storify that were relevant to this research, which made the website an additional source for the data collection.

First of all, this database added to the reliability of my research, because it is accessible online for every researcher who would like to review it[6]. Second, it allowed for the extraction of both qualitative and quantitative data – what the stakeholders or the company said in their statements, but also how the ratio of positive and negative feedback looked like and when the number of comments reached its peak. According to Yin (2009) and Gillham (2000), this, and the triangulation, are typical characteristics of the case study method and add to its construct validity because different forms of data are being cross-referenced. The external validity of my case study is being ensured by the use of a theoretical framework and by examining whether there is some kind of replication logic to be found throughout the different cases. While these procedures maintain the quality of the research during data collection, others have to be taken into account for the data analysis.

3.5.3 Data analysis methods

Yin (2009, p. 126) states that "data analysis consists of examining, categorizing (…) or otherwise recombining evidence, to draw empirically based conclusions". He argues that every case study should follow a general analytic strategy, that is, setting the priorities for what is being analysed and why. In my case, my general strategy will be to rely on the theoretical propositions and strategies provided by SCCT to examine each social media crisis. I will focus on how the crisis emerged, how each company decided to deal with it, and whether the strategies proved to be successful or whether they had to be altered. Content analysis will be used in the way that certain keywords and their purpose in the different corporate reaction strategies will be singled out and explained. Also, the word choice in the replies of online users will be observed to infer the effectiveness of the corporate statements in mitigating the crisis. Overall, this leads to a qualitative and interpretative approach for the data analysis.

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[6] The URLs for every case study are provided at the beginning of each analysis chapter.

After each case has been analysed individually, the findings will be compared to gather more general insights from the data. Out of the five different techniques Yin (2009) suggests for the analysis of case study data, two will be useful for me. First, *cross-case analysis* is important for my research project because I am using the multiple-case study method. Although each of my cases has a different cause that led to the social media crisis, it is worthwhile to see whether the findings can be aggregated across the individual cases. Moreover, comparison will show similarities and differences between the cases that will contribute to a better understanding of social media crises. Overall, by employing these different methods, the internal validity of a case study is being maintained during data analysis (Yin, 2009).

Second, *explanation building* is used to explain why certain strategies were successful or why some tendencies could be observed. This method may offer causal links that reflect the propositions given by theory. For example, SCCT can help to explain the negative impacts of the social media crises on corporate reputation. However, I am also aware of the fact that this theory might not suffice to explain the phenomena during social media crises. Explanation building will be used to interpret the findings in such a way that they can contribute to further theory building.

In contrast, other methods for data analysis will not be employed because they do not offer the necessary reliability and validity for my research. One example is automated, quantitative content analysis that uses computer software to code the user comments on social networking sites. In general, social media offer a huge amount of data that can be scanned for the attitude of the public in regard to organisations. However, as Branthwaite and Patterson (2011) argue, the reliability and validity of this research approach is debatable. The most important point is that irony and sarcasm are hardly detected or understood by computer programmes (Branthwaite & Patterson, 2011). Especially in the context of social media crises and the anger and outrage that is expressed by the stakeholders, those nuances in communication might appear quite frequently. This requires an in-depth analysis of the dynamics of the social media crisis by a human researcher that takes qualitative and quantitative data into account.

3.6   Summary

This chapter has introduced the methodology that will be employed in this research, which relies on frameworks provided by sociology and psychology. Regarding the method, the multiple-case study approach will be used to highlight and examine the different causes for social media crises and the possible differences in crisis communication that might follow from this.

The next chapters will present the research findings that have emerged out of the three case studies in regard to the research questions. First, each study will be presented on its own, before they will be cross-analysed in the discussion (see chapter 7). The progress of the social media crisis will be reviewed and the company's crisis response strategies and tactics will be linked to those suggested by the Situational Crisis Communication Theory (SCCT) (Coombs, 2007). Coombs (2007, p. 170) says that "crisis response strategies are used to repair the reputation, to reduce negative affect and to prevent negative behavioural intentions". While strategies will be understood as the overall plan that is applied to achieve the goal of mitigating or resolving the crisis, tactics will refer to the methods and actions used on the operational level to implement the strategy (Cutlip, Center, & Broom, 2006).

4 Moral leverage: Greenpeace asks Facebook to "unfriend" coal

4.1 Introduction

From February 2010 to October 2011, Greenpeace targeted the social networking company Facebook as part of a campaign that aimed to increase the use of renewable energies in the IT industry. The data collection from which the analysis of this case study derives can be found on http://storify.com/LarissaOtt1/when-ngos-take-the-lead-facebook-unfriends-coal.

Facebook, which was launched in 2004, soon became highly popular worldwide and user numbers increased rapidly (Boyd & Ellison, 2008). Because all the online operations of the users needed more and more server capacity, Facebook first started by leasing data centres, but then decided it would be more effective to build their own, customised data centres (Heiliger, January 21, 2010). However, impartial websites like "Data Centre Knowledge" were already raising awareness about the high energy consumption in the IT industry and the importance of striving for "greener" data centres (Miller, October 29, 2009). A study issued by The Climate Group and the Global e-Sustainability Initiative (GeSI) (2008) showed the increasing impact of the IT industry on global greenhouse gas emissions and highlighted the importance of innovations and the use of renewable energy sources to avoid climate change. Upcoming regulations for carbon emissions in the US, taking effect in January 2011 (United States Environmental Protection Agency, 2013), made it more likely that data centres would have to consider energy sources and energy efficiency in the future.

Not only did IT companies have to face pressure from the government, but their carbon footprint was also an issue that made them more vulnerable to attacks from environmentalist, non-governmental organisations like Greenpeace. Here, one has to be aware that because Facebook is a for-profit organisation, it is focused on working in the most profitable way, for example by buying cheap coal energy. By comparison, Greenpeace aims to protect the environment and uses the current awareness about climate change among the public to achieve their goals.

4.2 The crisis unfolds

When planning the new data centres, Facebook chose to focus on energy efficiency rather than energy sources. In January 2010, the company announced its first customised data centre by publishing a blog post on its Facebook blog. The post itself is very detailed, explaining why Facebook needs a new data centre (due to its popularity and expanding user number) and how a data centre impacts on the Facebook experience of each user. Moreover, a rather large part of the blog post is dedicated to the use of energy-efficient technologies. A screenshot of this section is depicted in Figure 2. As Jonathan Heiliger, Facebook's vice president of technical operations and the blog author, puts it: "We wanted to minimize the environmental impact of our new facility and its energy costs" (Heiliger, January 21, 2010, para. 7). However, Facebook never published any reports on the energy consumption of their data centres.

Energy-Efficient Technologies

Along with making sure Facebook operates quickly for you, we wanted to minimize the environmental impact of our new facility and its energy costs. To best achieve those goals, we will use several energy-efficiency technologies, including:

- Evaporative cooling system: This system evaporates water to cool the incoming air, as opposed to traditional chiller systems that require more energy intensive equipment. This process is highly energy efficient and minimizes water consumption by using outside air.

- Airside economizer: The facility will be cooled by simply bringing in colder air from the outside. This feature will operate for between 60 percent and 70 percent of the year. The remainder of the year requires the use of the evaporative cooling system to meet temperature and humidity requirements.

- Re-use of server heat: A portion of the excess heat created by the computer servers will be captured and used to heat office space in the facility during the colder months.

- Proprietary Uninterruptible Power Supply (UPS) technology: All data centers must have an uninterruptible power supply to continuously provide power to servers. The Prineville data center will use a new, patent-pending UPS system that reduces electricity usage by as much as 12 percent.

Figure 2. Blog post announcing Facebook's first custom data centre (2010, excerpt). Retrieved from http://blog.facebook.com/blog.php?post=262655797130.

In reaction to this announcement, authors from the websites Data Center Knowledge and Search Data Center (February 2, 2010) pointed out that against all expectations, Facebook chose a utility provider that relies mainly on coal

energy, which is not a renewable energy source. Pacific Power, owned by PacifiCorp, has an energy mix that contains 66,8% coal, in comparison to the overall energy mix in Oregon that relies heavily on hydroelectric power (Oregon Department of Energy, 2010). Earlier, Google had built a data centre in the same part of Oregon, mainly because of the cheap hydro power available in this region (Miller, February 2, 2010). Other IT companies like Yahoo and Google that put a higher emphasis on using renewable energy for their data centres (Miller, October 29, 2009) became the standard to which Facebook was being compared. As pointed out in the literature review (see chapter 2.4), reputation is partly based on how the actions of a company are perceived in comparison to some standard. In this situation, Facebook was at the risk of being seen as a company that deliberately chose coal power over renewable energies.

The articles by Data Center Knowledge attracted attention by the non-governmental organisation (NGO) Greenpeace. It started the "Unfriend coal" campaign that lasted for 20 months. As their first action, Greenpeace published an article on their website, which argued that Facebook's choice of using coal energy contributes to climate change (Greenpeace International, February 19, 2010). Because the data centre would be using high amounts of energy (about the usage of 30,000 to 35,000 US homes as calculated by Greenpeace), Facebook's business would have a strong negative impact on the environment (Greenpeace International, February 3, 2011). Moreover, the NGO claimed that because Facebook is such a huge energy consumer, it should use this influence to increase the use of renewable energies like Google does (Greenpeace International, February 19, 2010). Although Greenpeace named other IT companies like Apple and Amazon, it focused its campaign on Facebook. As Rich Miller from Data Center Knowledge (February 17, 2010) notes, it is highly ironical that a company which makes sustainability a high priority would come under such scrutiny. This is presumably due to the fact that IT companies such as Google and Yahoo do not offer enough potential for criticism because their data centres already run on green energy. Also, the non-governmental organisation (NGO) argued that in the US alone, Facebook accounts for 9% of all Internet transactions, being almost as much as all Google products combined (Greenpeace International, February 3, 2011). In comparison to the other two companies under scrutiny, Apple and Amazon, Facebook directly provides the platform on which a campaign can be spread

easily. According to Greenpeace, the close integration of social media in their campaigns is one of their central success factors (Pressesprecher, November 27, 2012).

This case study shows the problem that Curbach (2008, December 6) addresses: While for-profit organisations like Facebook possess political and financial power, non-profit organisations such as Greenpeace have the power of a superior morality and thus societal legitimacy at their hands. By framing Facebook as the villain and simplifying the company as being a major contributor to climate change, the NGO imposed a moral leverage on Facebook. The company, on the other hand, tried to frame their focus on electricity efficiency as the most important factor for a reduced carbon footprint, thus portraying Facebook's new data centre as "green". The work on the data centre in Prineville had already begun and another data centre in North Carolina was in the planning, so there was no economic way for Facebook to stop its plans and solve the issue by adapting to Greenpeace's critique (Sider & Bigus, 2012), a general solution for confrontations with NGOs that Curbach (2008) suggests in her article.

Consequently, the right communication strategies and strategic choices were crucial in order to deal with the mounting pressure from Greenpeace and the negative word-of-mouth and publicity that resulted out of this. A timeline of the events, based on the analysis of Facebook's social media crisis, will be displayed on the next page. It begins with the initial events that started the crisis and displays the actions and reactions from Facebook and Greenpeace up until the resolution of the conflict in 2011.

Timeline: Facebook "unfriends" coal

Jan / Feb 2010	Facebook announces the new data centre in Prineville. Data Center Knowledge points out that it will be mainly powered by coal, Facebook spokesperson replies in the comments 13 days later Greenpeace starts "Unfriend Coal" campaign, also on Facebook
Mar 2010	Greenpeace releases its report "Make IT green: Cloud computing and its contribution to climate change"
	Facebook announces via Prineville page that it will double the size of the data centre
Jul 2010	Greenpeace publishes an open letter from its CEO to Mark Zuckerberg on their webpage. Facebook replies within 3 hours in the comment section.
Sep 2010	Greenpeace encourages its supporter base to send direct messages via Facebook to Mark Zuckerberg and provides a sample text.
Oct / Nov 2010	Zuckerberg replies 15 days later to one of the messages. This reply goes viral via Twitter.
	Facebook announces that it has joined the "Alliance to save energy" and launches the "Green on Facebook" Facebook page Green on Facebook publishes a post about how new cooling strategies in data centres improve energy efficiency
Apr 2011	Facebook announces on the main page that it started the "Open Compute Project", making its data centre designs public Greenpeace breaks the world record for the most commented post on Facebook for their "Unfriend Coal" campaign The Prineville data centre in Oregon officially opens 22.04: Earth Day. Greenpeace had challenged Facebook to make a public statement against the use of coal by now
Oct 2011	Facebook announces a cooperation with the NRDC and OPower Facebook announces that its new data centre in Lulea, Sweden, will operate mainly on hydro power
Dec 2011	Facebook and Greenpeace agree to cooperate and support each others initiatives. The "Unfriend Coal" campaign comes to an end

Figure 3. Timeline of Facebook's social media crisis.

4.3 The struggle for the power of interpretation shifts to the social networks

The first research question was concerned with how social media contribute to the development of reputational crises. By examining the progress of the case of Facebook and Greenpeace, it became clear that social networking sites like Facebook offer additional and powerful means for non-governmental organisations (NGOs) to reach their ends, because they can easily mobilise a high number of users. Over the course of the "Unfriend coal" campaign, Greenpeace claimed that more than 700,000 users had joined either the international Facebook groups that were active until January 2011, liked the Facebook campaign page that replaced them or subscribed to the campaign specific mailing list (Greenpeace International, February 3, 2011; Meikle, December 15, 2011). In comparison, a petition issued on the change.org platform (a site where every individual can start and join campaigns for social change) achieved only 15,546 signatures (Change.org, 2010). In general, it has been argued that online activism may generate more support than traditional, in-person activities like volunteering or taking part in a demonstration, because it requires only a simple click on the "like" button (M. White, August 12, 2010). Although the Greenpeace campaign also included offline activities (Greenpeace International, 2012), much pressure on Facebook was generated online through the social network.

One example is the world record attempt by Greenpeace that took place on the 12th of April in 2011. They asked their followers to comment on a special post on the Facebook campaign page and within 24 hours, they received more than 80,000 comments, thereby breaking the world record (Greenpeace Unfriend Coal, April 12, 2011). A sample screenshot is depicted in Figure 4.

COMMENT HERE & share for the World Record! (We made it -- 80,027 comments in 24 hours is the new world record!!)
by Unfriend Coal (Notes) on Tuesday, 12 April 2011 at 21:59

ESPAÑOL abajo >> FRANCAIS ci-dessous >> ITALIANO al di sotto >> DEUTSCH unten >> POLSKA poniżej >> SVENSKA nedan >> TÜRKÇESİ aşağıdadır>> INDONESIA lihat di bawah

► ► ► ENGLISH ► ► ► We've set the world record with 50,000 comments today. Can we make it to 100,000?? ◄ ◄ ◄

Want to be part of a Guinness World Record by commenting on Facebook's choice of electricity?

Follow these steps:
1. To comment on this post you must first 'Like' the page www.facebook.com/UnfriendCoal
2. Leave comments AT THE END OF THIS POST for Facebook staff, in support of renewable energy. We want Facebook to run their MASSIVE data-centres on renewable energy, and 'Unfriend' dirty coal and dangerous nuclear.
3. Repeat! You can comment more than once – it is still counted in the record attempt!
4. Share this note on the profile to spread the word among your friends!
We are displaying your comments today directly outside FB headquarters in California

The best 50 commenters worldwide will get fabulous 'Facebook Unfriend Coal t-shirts!
More campaign info at www.greenpeace.org/unfriendcoal
100% renewable energy is possible. Check out our Energy [R]evolution scenario at www.greenpeace.org/energyrevolution

Like · Comment · Share

Aashutosh Yadav, Daniel Vázquez, Steven Ocampo and 13,394 others like this.

View previous comments   1,497 of 84,842

Paul Dante GO GREEN!!!
15 April 2011 at 08:25

Berk Gürbüz GreenPeace!
15 April 2011 at 08:27

Pg Marie por un FB verde!!
15 April 2011 at 08:34

Beth Glover please un friend coal!!!
15 April 2011 at 08:35

Marinella Turco l'energia pulita è il futuro, la terra non può continuare a sostenere il nostro attuale consumo di energie non rinnovabili!
15 April 2011 at 08:36

Marinella Turco go green!!
15 April 2011 at 08:37

Marinella Turco fb potrà essere l'esempio da seguire!
15 April 2011 at 08:38

Sara Sweets OUR GENERATION IS GONNA BRAND A WHOLE NEW REVOLUTION!! THE CLEAN FUTURE REVOLUTION!! GET THE EFF ON BOARD FB!!
15 April 2011 at 08:54

Se Bastian Stop climatechange now!!
15 April 2011 at 08:55

Marco Rietzschel Go Green, Safe the world and Stop climatechange now!!
15 April 2011 at 09:00

Figure 4. World record post by Greenpeace (2011). Retrieved from www.facebook.com/note.php?created&&note_id=138626456210552.

This event resulted in several news outlets mentioning the Greenpeace campaign and thereby raising awareness about Facebook's use of coal power for its new data centre (Chapman (AFP), April 13, 2011; Fehrenbacher, April 13, 2011). This shows that social media might foster the rise of reputational crises because they can be used by non-governmental organisations (NGOs) to raise support for their campaigns. If their activities on the social media become newsworthy enough (for example the world record on Facebook), their agenda is also represented by the traditional news media. The articles quote spokespersons by Greenpeace and compare Facebook's data centres with those of eco-friendlier IT companies like Google, but also evoke the notion that Greenpeace is "harassing" Facebook and highlight the company's efforts in regard to energy efficiency. This is due to the fact that just in time for Greenpeace's world record and challenge to make a public coal-free commitment by Earth Day 2011, Facebook announced on Facebook that it started the "Open Compute Project" (see Figure 5, Facebook, April 7, 2011; Green on Facebook, April 22, 2011).

Figure 5. Facebook announces its Open Compute Project (2011). Retrieved from www.facebook.com/facebook/posts/196003030439177.

The company stated that it would make the design of its servers and data centres openly available for every other (rival) company that would like to use this technology. By doing so, Facebook claimed that power savings up to 38% are achievable for every company. Not only did this project underline Facebook's commitment to be energy efficient, it was also a subtle attack against other companies such as Google and Amazon who have kept their data centre designs in secrecy. This tactic of countering campaign actions by

Greenpeace with own actions and information about them was successful insofar that the company's point of view was represented in news media articles about Greenpeace's campaign and other publications (Shiels, April 8, 2011; Tomson & Murray, April 11, 2011). Moreover, Facebook avoided responding directly to its critics, thus dodging the risk of becoming embroiled in an argument.

Interestingly, publishing the announcement on Facebook did suffice for the message to spread in the traditional media outlets and shows the increasing interdependency between the two. The project and its implications countered Greenpeace's public relations efforts and supported Facebook's communication strategy and position that energy efficiency is much more important than the energy source. Consequently, if companies are aware that their opponent will use social media to gain publicity (Greenpeace announced the world record attempt in advance), they can use the social media to represent their side of the story in time. The second proposition that citizens and non-governmental organisations become more important than traditional media outlets for corporate reputation, could thus only be confirmed partially. On one hand, the issue of Facebook's reliance on coal energy was brought up by Greenpeace and spread by individuals online. On the other hand, traditional news media can still impact on corporate reputation. According to Stoffels and Bernskötter (2012), a majority of journalists looks for ideas for news reports online, and if they pick up the story, it might reach publics that are not part of the online community. The authors argue that through this interplay, crises can be amplified.

4.4   Transparency is key; control an illusion

The second research question was focused on how the risk of reputational crises in the social media impacts on the companies. In the case of Facebook, it becomes clear that companies can be easily singled out as a target and attacked by NGOs. There is some evidence in this case study that Greenpeace's framing of the issue had a large impact on how the users acted towards Facebook in the social media. In all their messages, Greenpeace emphasised how much they value Facebook and that they appreciate the efforts the company puts into energy efficiency, but that they want to challenge

Facebook to go a little bit further and become the industry leader in the matter of renewable energies. In contrast to many social media crises, boycott messages are hardly found. Because Facebook is highly valued by many stakeholders, Greenpeace had to take a friendly approach to avoid alienating supporters. Consequently, the risk for Facebook was more in losing the reputation of an environmentally friendly company and having their efforts to save energy publicly devalued rather than losing subscribers. On their Facebook campaign page, the NGO suggested actions the supporters could take and how they could word their protest messages. One example is the reaction to Facebook's announcement that they started an initiative with the Natural Resources Defense Council (US) and OPower that sought to encourage individuals through social media to save energy. Greenpeace met the announcement on the "Green on Facebook" page with a post on their own campaign page.

Figure 6. Greenpeace International's reaction to OPower (2011). Retrieved from www.facebook.com/unfriendcoal/posts/248512668535044.

In comparison, the comments of the users under Facebook's post on the "Green on Facebook" page:

Figure 7. Stakeholder reactions on Facebook (2011). Retrieved from www.facebook.com/green/posts/261377383905057.

The majority of the comments by users on Facebook's pages complies exactly with Greenpeace's wording and does not show the typical, organic and unpredictable development of irrational comments that most social media crises

exhibit (Champoux et al., 2012; Soule, 2010). Consequently, having an overall "leader" in a social media attack might influence the psychological component of social media crises. Another indicator is the fact that after Greenpeace officially stopped the campaign and started praising Facebook for its environmental efforts, all the negative commentary from the Facebook users stopped as well. For this case study, the second proposition that the structure of social media fosters expressions of outrage and anger could hence not be confirmed.

Another way in which the risk of reputational crises in social media impacts on companies is that due to the heightened focus on transparency and authenticity (D. Phillips & Young, 2009; Solis & Breakenridge, 2009), companies have to be even more aware of potential issues and vulnerabilities. Facebook did not provide any data on the energy consumption or the actual percentage of coal energy used in their data centres, which made the numbers published by Greenpeace the only resource for stakeholders who wanted to know more about the issue. As a part of their campaign, Greenpeace also demanded that Facebook discloses its energy and carbon footprint (Greenpeace International, February 3, 2011), figures that Facebook did not publish until 2012. During the crisis, Facebook focused on promoting the Power Usage Effectiveness (PUE) of their data centres in a response to the NGO on Greenpeace's website.

> Imagine two identical houses with all of the same power consumption inside (appliances, electronics, etc.) only one is cooled by a large air conditioner and the other is cooled by ceiling fans. Obviously, the house with the fans will use significantly less energy. That's why you may get rebates from your power company when you install a ceiling fan and why our data center will use less energy to deliver our service to people.
>
> All of these investments in efficiency design, planning and technology will result in one of, if not the most, energy efficient data centers in the world. Data center energy efficiency is measured by Power Usage Effectiveness (PUE). The industry average for PUE ranges from 1.6 to over 2. Our Prineville data center will have a PUE of 1.15.

Figure 8. Paragraph of the reply from Facebook's Director of Policy Communications to Greenpeace (2010). Retrieved from www.greenpeace.org/international/en/news/Blogs/Cool-IT/executive-director-of-greenpeace-to-ceo-of-fa/blog/26324/#comments-holder.

PUE describes how much of the overall energy used by a data centre is actually put into powering the servers and not for other factors like cooling or heating the facility (Search Data Center, 2009). The closer it ranges to 1.0, the better the effectiveness of the data centre. In comparison to other IT companies, Facebook ranked very high (1.15 versus an industry standard of 1.6 to 2)

(Schnitt, September 1, 2010). Consequently, Facebook attempted to reframe the discussion towards the macro scale and show that in comparison with the industry standard, Facebook works more efficiently. However, Greenpeace argued that PUE is not the right form of measurement to evaluate the environmental impact of Facebook's data centres (Greenpeace International, February 3, 2011) and the critique online did not recede. From 2010 to 2012, Facebook has changed a lot in regard to the availability of figures about their data centres. Not only did the company publish a website on Facebook about their sustainability approach (Facebook, 2012), but they have also started to share their carbon footprint and energy mix. This openness and transparency seems to protect the company from further criticism, despite of them hinting at the fact that their growth might impact negatively on their carbon footprint.

Figure 9. Prineville Data Centre shares its carbon footprint and energy use (2012). Retrieved from www.facebook.com/prinevilleDataCenter/posts/242793699174349.

Another finding that has to be taken into account when considering the impact of social media crises on companies is that nobody owns or controls a certain channel of communication, which is very obvious for this case study. The fact that Facebook owns the very platform on which it was attacked did not prevent

Greenpeace's campaign from unfolding over 20 months. Facebook had no means of intervention, which is illustrated by the example of the "Unfriend coal" Facebook group that Greenpeace started in February 2010. In contrast to a Facebook page, a group is a closed circle of users without an official landing page. On January 18th, 2011, the group was replaced with an official "Unfriend Coal" Facebook page and is not online anymore. Still, through blog posts one can reconstruct that some problems occurred with the group in the beginning. Greenpeace noted that the group went offline for about 12 hours, what caused group founder Dietrich Muylaert to accuse Facebook of using "undemocratic, totalitarian tactics" (Miller, February 20, 2010). After an enquiry from Data Centre Knowledge, the group was restored and Facebook apologised for erroneously disabling it. While Greenpeace argued that this was an attempt to stop the group from gaining popularity, other observers noted that blocking the group might have been in coherence with Facebook's guidelines that prohibit the promotion of groups via unsolicited emails and tweets (Miller, February 20, 2010).

More important is how such occurrences are perceived. When Greenpeace attacked the car manufacturer Volkswagen online, they asked their supporters to report if their comments were deleted or hidden (Borgerding, September 8, 2011). Consequently, companies cannot hope that these tactics will not be noted. As the case of Greenpeace's attack on Nestlé has shown[7], deleting comments in the hope of stifling the storm of negativity can cause an even stronger backlash (Breakthrough PR, March 30, 2010). Crisis communications consultants like Chris Syme (October 24, 2012) argue that a posting policy that asks users to refrain from posting abusive, illegal or hateful content can offer a framework to delete some messages. As Facebook might have had a legal reason to block the group, apologised quickly and enabled it again, it did not experience negative consequences. After this, the company refrained from taking influence on the "Unfriend coal" campaign that took place on Facebook's own networking site.

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[7] As outlined in section 1.1, Greenpeace posted a derogatory video about Nestlé's use of palm oil on YouTube. The food company tried to have the video removed and also deleted negative comments on their Facebook page, which enraged online users.

4.5 Answering the initiators, not the masses

The findings for the second research question already show one problem for the answer to the third question – how can companies react to a social media crisis? Apparently, trying to avert the crisis by deleting comments or groups on the social media is not an advisable strategy. In general, one has to be aware of the fact that Facebook had different channels where it could have responded to the social media crisis sparked by Greenpeace. First of all, Facebook has a main Facebook page (Facebook, 2013a) that posts everything generally related to the company. Posting by users is disabled, so anybody who would like to send a message over this page has to do so in a comment under a post from Facebook. These comments usually reach numbers of up to 8,000 replies to one post, and most of them are unrelated spam. This makes it likely that if there were any comments of users on the "Unfriend coal" campaign, they would have been buried right away without having any further impact. Thus, one can assume that Facebook's main page was less relevant in regard to the crisis.

Apart from the main Facebook page, the company employs other sites like the Facebook engineering page (Facebook, 2013c), the Facebook blog (Facebook, 2011), the newsroom page that provides press releases (Facebook, 2013d) and two Facebook sites dedicated to the new data centres (Facebook, November 2009, November 2010) that each went online approximately 18 months before the data centre was officially opened. Almost every form of communication is somehow connected to Facebook, which makes it the main area for the company to interact with its stakeholders. This is due to the fact that Facebook does not operate any webpage on its own like companies usually do. In contrast, everything can be found on various pages within the Facebook universe. The only exception is the Twitter account of the company (Facebook, September 2009), which is still very closely linked to Facebook, because it only reposts content that has been published on Facebook before and always includes weblinks that lead back to the social networking site. Also, there were no answers and reactions from Facebook to tweets and enquiries related to the campaign, which is similar to the communication strategy on Facebook. Hence, there was no adaption of the communication strategy for different channels.

Throughout all these channels, it is noticeable that Facebook refrains from interacting with its users. Similar to the main page, all Facebook sites have a

relatively restrictive communication policy where direct public posting is shut down and only commenting is enabled. On the Facebook blog, even this feature is disabled. On this particular site, users are only able to like or share the blog post, which makes direct feedback impossible. This is in contrast to the usual form of a blog, which is normally understood as a mean for two-way communication and stakeholder engagement (Solis & Breakenridge, 2009). Many authors who have written about social media have emphasised the importance of dialogue and two-way communication on those platforms, especially in crisis communication (see, for example, Oltmans, 2008; D. Phillips & Young, 2009; Veil et al., 2011). Thus, one possibility for Facebook would have been to reply to the comments on their pages and engage in conversation with the people who criticised the company for using coal energy. Interestingly, Facebook's general communication strategy on its social media platforms was to use them for one-way communication and a tool to push out information.

However, this does not mean that Facebook did not react to the crisis evolving around the coal energy at all. The company published lengthy statements that justified and explained their actions at the sources of the crisis – in reply to the article by Data Center Knowledge (February 2, 2010) and under a blog post of Greenpeace (September 1, 2010) that included an open letter to Facebook's CEO Mark Zuckerberg. Although these blogs are not the focus of this study, the responses Facebook posted there have to be taken into account to recognise its general communication strategy and achieve a better understanding of the company's behaviour on the social networking sites. Concerning the article by Data Center Knowledge, Lee Weinstein, a Facebook spokesperson, posted a reply in the comment section 13 days after the article went online (see Figure 10).

Lee Weinstein

Posted February 15th, 2010

I'm writing on behalf of Facebook to share their response to the issues you've posed.

Most electrical commercial and residential power in the United States comes from a variety of sources. Our new data center will be receiving our power through PacifiCorp, which like most utilities has a diverse generation portfolio including hydro, geothermal, wind and coal. PacifiCorp is now the #1 utility owner operator of renewables, having grown their portfolio 2,400 percent over the past three years.

When it comes online in early 2011, the new Facebook data center will also be one of the most energy efficient in the world, featuring an innovative cooling system created for the unique climate characteristics in Prineville, Oregon.

The new, world class energy-efficiency technologies the Facebook data center will utilize include an evaporative cooling system; an airside economizer that will bring colder air in from the outside; re-use of server heat to warm office space in the colder months; and new patent pending highly efficient electrical design will reduce electricity usage by up to 12 percent. The entire facility will be built to LEED Gold standards.

The State of Oregon has a very aggressive Renewable Portfolio Standard, calling for 25 percent of power in the state to be produced by renewable resources by 2025. Facebook believes this policy will ensure continued growth of renewable generation resources.

Facebook's commitment is, regardless of generation source, to use electricity as wisely and as efficiently as possible.

Thanks for your consideration.

Lee

Figure 10. Response from Facebook to Data Center Knowledge (2010). Retrieved from www.datacenterknowledge.com/archives/2010/02/02/facebooks-green-data-center-powered-by-coal/.

In this statement, Facebook tried to understate the idea that the data centre would be powered solely by coal energy. Weinstein did not mention the fact that still, 66% of PacifiCorp's energy portfolio stems from coal energy, which is considerably above the US average (Oregon Department of Energy, 2010; U.S. Environmental Protection Agency, 2012). This omission of facts can be understood as a persuasion strategy that tries to decrease the belief strength in a negative belief (Facebook uses coal energy) to change the attitude towards

an issue (O'Keefe, 2002). The last paragraph of Weinstein's response points out that the state Oregon plans to source 25% of its energy from renewable sources by 2025, which suggests that the issue will solve itself over time and no immediate actions are required.

The statement mainly focuses on the importance of energy efficiency and cites how the data centre will live up to the LEED gold standards[8] to support this claim. Overall, it is very much in line with the initial blog post by Facebook and basically just repeats the facts that were already stated beforehand. It frames energy efficiency as the most relevant factor for a new data centre, and makes this more memorable to the audience by repeating this. This technique belongs more to the realm of marketing, where advertisers repeat the message to increase memory recall (Fennis & Stroebe, 2010) and is not a tactic that aims for understanding or discussion. Overall, the response by Facebook shows that the company used the crisis response strategy of denial. The Situational Crisis Communication Theory (SCCT) states that deny strategies seek to establish a crisis frame where the company is not involved in the crisis or responsible for it (Coombs, 2007). Facebook argues that there is no problem to be seen with its coal powered data centre, because its energy efficiency reduces Facebook's carbon footprint and environmental impact well enough. Facebook's response was successful in the way that it got featured in the next web articles of the author about this topic (Miller, February 17, 2010). After posting this statement, Facebook did not comment further on Greenpeace's campaign, therefore not engaging in the public discussion or dialogue.

In July 2010, the company announced via the Facebook page of the Prineville Data Centre that it would double the size of the complex. In reaction to this, Greenpeace made a new attempt to fuel their campaign by publishing an open letter from Greenpeace's CEO to Mark Zuckerberg on its website, stating that "in this time it is both a threat to a company's reputation and financial health risk to ignore their company's environmental impacts" (Greenpeace International,

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[8] LEED stands for Leadership in Energy and Environmental Design. It is an ecology-oriented building certification program run by the U.S. Green Building Council. It defines an American benchmark for all kinds of "green" buildings, for example schools, retail facilities or data centres. The criteria include energy and water usage, but do not take the energy source into account (Search Data Center, April 2010). Some critics argue that the standard should be expanded to address the specialised nature of data centres in comparison to other buildings (Miller, February 3, 2009).

September 1, 2010, online). Three hours later and being one of the first three comments, Facebook's Director of Policy Communications, Barry Schnitt, posted a lengthy response (the most relevant parts are displayed in Figure 11, the whole post can be retrieved via the provided link). First of all, having a person in a higher position in the company posting the statement is a reputation management strategy that attempts to increase credibility, although having the CEO acting as a spokesperson is mostly advised (Coffee, February 12, 2013; Gaines-Ross, 2008) and would have been an option because Mark Zuckerberg was the one addressed in Greenpeace's letter. At the bottom of the comment, Schnitt's position and contact details can be found, which makes the statement look more official and gives journalists who read Greenpeace's post the opportunity to hear the standpoint of the other side.

Hi Jodie,

We appreciate your efforts on behalf of the planet and we agree that environmental responsibility is important and we are committed to it as a company. In addition, we are proud that our service is used by more than 500 million people around the world to connect and interact in place of many more carbon-intensive activities such as air travel and postal mail.

At the same time, it is simply untrue to say that we chose coal as a source of power. The suggestions of "choosing coal" ignores the fact that there is no such thing as a coal-powered data center. Similarly, there is no such thing as a hydroelectric-powered data center. Every data center plugs into the grid offered by their utility or power provider. The electrons powering that data center are produced by the various sources (e.g. hydro, natural gas, coal, geothermal, wind, etc.) the provider uses in proportions similar to the mix of sources used. That is, if 25 percent of the provider's energy comes from natural gas, it's a good guess that 25 percent of the electrons powering the facility come from that source. Even when a facility is in close proximity to an individual source of energy, such a dam or coal plant, there is no guarantee that the electricity produced by that source are flowing to the facility at any particular time.

It's true that the local utility for the region we chose, Pacific Power, has an energy mix that is weighted slightly more toward coal than the national average (58% vs. about 50%). However, the efficiency we are able to achieve because of the climate of the region minimizes our overall carbon footprint. Said differently, if we located the data center most other places, we would need mechanical chillers, use more energy, and be responsible for an overall larger environmental impact—even if that location was fueled by more renewable energy.

In addition, we plan to have our data center in Prineville for a long time so when considering the sources of energy, we took a long term view. The state of Oregon has an aggressive plan for increasing their renewable energy mix. In fact, Pacific Power plans to increase their renewable energy mix in the coming years. Their most recent plan calls for having more than 2,000 megawatts of renewable resources by 2013. Thus, our data center is only going to get greener over time as these resources come on line and contribute to even greater proportions of the facility's energy.

> Finally, Greenpeace's own infrastructure illustrates many of the challenges we face. As recently as March of this year, they indicated that they had a number of servers in a rented data center in northern Virginia (http://www.datacenterknowledge.com/archives/2010/03/03/greenpeaces-hosting-not-truly-green/). Their representative commented that these servers are "using whatever the grid mix is in Virginia." The reporter on the story estimates that mix to be 46% from coal, 41% from nuclear, 8% from natural gas, and just 4% of its power from renewable generation. While this mix includes a little less coal than Pacific Power, there is 5 times as much renewable energy available in Central Oregon (i.e. Pacific Power includes more than 20% renewable sources). I honestly can't say whether the energy mix in Northern Virginia or Central Oregon emits more carbon per watt. That's not the point.
>
> We also recognize that Greenpeace's technology infrastructure is probably small compared to ours. The point is, if an organization focused on environmental responsibility like Greenpeace can't do better than the mix above for just a few servers, what options are available to Facebook? Unfortunately, there just isn't a perfect solution yet. Therefore, we strongly believe that the best way to minimize our impact is to concentrate on efficiency and building servers that work towards that goal. We have invested heavily in efficiency are very proud of our achievements. We would welcome the opportunity to partner with Greenpeace to challenge others to meet our efficiency standards and, in parallel, help the world move to more renewable energy sources.
>
> Sorry to drone on for so long but I hope this has been helpful.
>
> Best,
> Barry
>
> --
> Barry Schnitt
> Director, Policy Communications
> Facebook
> barry@facebook.com
> 650.543.4979

Figure 11. Facebook's response to Greenpeace (2010, excerpts). Retrieved from www.greenpeace.org/international/en/news/Blogs/Cool-IT/executive-director-of-greenpeace-to-ceo-of-fa/blog/26324/#comments-holder.

In this statement, several communication strategies are used. In the beginning, Schnitt states that Facebook appreciates Greenpeace's efforts in regard to climate change and the use of renewable energies. He adds that Facebook is committed to these goals as well and has replaced other, more climate damaging services. By doing so, he sets a friendly tone in the conversation and frames Facebook as an ally of Greenpeace rather than an enemy. This call for agreement is a negotiation strategy with the goal to reduce differences between the participants and find points of agreement (Mulholland, 1991).

In contrast to this friendly approach in the beginning, Schnitt uses a more aggressive approach throughout the statement. A part of it is the use of a diminishing communication strategy (Coombs, 2007), which hints at the fact that

data centres of other companies cause even more damage to the environment and thereby shifts blame away from Facebook to a larger industry issue. To strengthen the case, Schnitt uses the strategy of attacking the accuser (Coombs, 2007) and claims that Greenpeace's data centres are not powered by renewable energies either. By doing so, Schnitt undermines the credibility of the attacking non-governmental organisation and portrays Facebook as a victim of the circumstances, a bolstering crisis response strategy (Coombs, 2007). In addition to these actions, Schnitt also uses several denial strategies as defined by the Situational Crisis Communication Theory (SCCT) (Coombs, 2007) by justifying Facebook's choice to build a data centre in Oregon and making excuses by stating that Facebook has no influence on the power mix of the utility provider. Spokespersons using this strategy claim their inability to control the events that triggered the crisis (Coombs, 2007). Facebook argues that it is bound to accept the kind of power the local utility provides and turns the situation around by showing that Greenpeace has the same problem. Here, Facebook was obviously trying to educate the stakeholders involved in the crisis so that they might change their understanding of the subject.

A prominent part of the response is the attempt to frame energy efficiency as the most important way of minimizing environmental impact and emphasising the good work Facebook has already done. Several indifferent statements in regard to a timeframe for using more renewable energy are a reaction to Greenpeace's call for becoming coal-free by 2021 (Flock, February 10, 2011). This statement insinuates that Facebook is already on the right path and will continue to commit to environmental friendly practices. The attempt to shift away from crisis responsibility can be useful because, as SCCT states, the more stakeholders perceive a company as liable for a crisis, the more likely they are to express anger or other negative emotions (Coombs, 2007). Facebook acknowledged the critique of Greenpeace and provided answers for several points, but after posting the statement, the company did not react to the conversation that followed in the comment section or Greenpeace's answer. It was simple one-way communication that did not engage in any form of discussion afterwards.

The same strategy was employed on Facebook itself, where enquiries from users about the use of coal energy by Facebook were not answered, but left on

the sites. However, the company reacted in one instance to the mass of people sending CEO Mark Zuckerberg private messages after an appeal of Greenpeace that included the following sample:

> [sample email given] Hey Zuck! I love Facebook and use it all the time, but what's up with this coal business? Haven't you heard of climate change? A BIG company like Facebook can really benefit by going green. I hope you can make the right energy choices to save the planet and your millions of friendships. PEACE

Figure 12. Greenpeace's sample text, provided by Donohue, C. (October 2010). Retrieved from www.sfbg.com/pixel_vision/2010/11/10/greenpeace-and-zuck.

On the 16th of September 2010, Mark Zuckerberg responded to just one single message. His answer reads as follows:

> **Mark Zuckerberg** September 16 at 2:23pm Report
> Some of the old data centers we rent use coal but most are already green. The newer ones we're building from scratch in Oregon use hydro power from dams. We're moving in the right direction here.

Figure 13. Reply by Mark Zuckerberg (2010). Retrieved from www.green peace.org/international/community_images//86/2286/11405_20040.jpg.

This answer went viral over Greenpeace's Twitter account and thus reached most of the relevant publics for this part of the campaign. Thereby, Zuckerberg achieved in a quite effective way what he would have achieved by answering every single message to him, but avoided annoying the campaign supporters by copying and pasting the same statement over and over again. In contrast to the statements the company issued before, this one is short and does not employ any justification or denial strategies. Zuckerberg uses generalisations rather than facts and states that there is no need for Facebook to change its data centre strategy, thus emphasising the strategic goal of the company to go "green". On Twitter and Facebook, there were no immediate reactions to Zuckerberg's message to be found. The CEO of Facebook has a publicly available personal profile as well, but did not post any referring statements there. The comments on his posts are positive and, in comparison to the main Facebook page, remarkably few. This raises the question whether the profile is being monitored and censored, although this suspicion could not be confirmed.

The three statements analysed here were the only ones issued in direct response to the campaign and users who demanded Facebook to change their energy source. However, Facebook took several actions on its social networking platform to tout their own point of view more aggressively, but indirectly. One tactic was to provide a platform where topics around sustainability and ecological practices on Facebook could be addressed. At the end of October 2010, the company launched a new Facebook site called "Green on Facebook", which states that it is "a resource for people interested in learning more about Facebook's commitment to environmental stewardship" (Facebook, October 2010). The launch of this page was promoted over the main Facebook page, the engineering site, the pages of the data centres and Twitter. Generally, similar to the other Facebook pages of the company, posts by users are disabled and only commenting is possible.

Over time, the page became the new platform for the company to address topics around energy efficiency and environmentally friendly practices on Facebook that might have been out of place on the other pages and could have alienated users that were not interested in these issues. Throughout the timeline, comments of users continuously refer to the "Unfriend coal" campaign and some demand the admin of the page to answer the queries, but Facebook did not answer any comments. Accordingly, this page was simply another channel to push out one-way information. The posts focused, similar to Facebook's communication strategy in the issued statements, on the advantages of saving energy in data centres. For example, a post published in November 2010 promotes the new cooling strategies in Facebook's data centres that improve energy efficiency. It uses the format of a "note", a rather lengthy post that resembles a press release and offers a lot of detailed and technical information. There were 244 comments to this post, which is approximately twice the number of the usual reaction to previous posts. This shows that this topic is perceived as very relevant by the stakeholders, who meet posts from Facebook that address these issues with more engagement.

The majority of the users requests Facebook to abandon coal as a power source for its data centres, thus repeating the claims of Greenpeace's "Unfriend coal" campaign. Interestingly, the same post was published on the Facebook engineering site and received mostly very positive feedback. Just a few users

made general statements about going green or recommended further use of renewable energies. This shows that while the audience of the other Facebook sites might not have been involved much with the Greenpeace campaign, the Green on Facebook site provided a forum for the crisis to develop.

From October 2010 onwards, Facebook took several actions to demonstrate the value it places on sustainability and energy efficiency. This is a strategy that can be explained with the signaling theory (as introduced in section 2.4.3) that serves to protect the company's reputation during the crisis. In the beginning, Facebook focused on leveraging its energy efficient data centres. In October 2010, Facebook announced via its main page and its Twitter channel that it joined the "Alliance to save energy", a non-profit organisation that promotes energy-efficiency policies and technologies for a cleaner environment. In April 2011, Facebook announced that it had started the "Open Compute Project", making its energy efficient data centre design openly available (Green on Facebook, April 22, 2011). The company also made an attempt to start cooperating with Greenpeace. Facebook's vice president of technical operations, Jonathan Heiliger, contacted Greenpeace's International Executive Director with a letter, asking him to "like" the Open Compute Project and bring the non-governmental organisation aboard as a partner. Greenpeace responded by stating that they look forward working with Facebook on making their data centres fully holistic (Heimbuch, April 15, 2011) – meaning that they appreciate the effort of the company in the sector of energy efficiency, but are still concerned about energy sources.

As the attacks by Greenpeace continued, Facebook had to adapt its actions to signal the stakeholders that it was also making progress in regard to the energy sources. In October 2011, corrective actions were taken for the planning of yet another, new data centre in Lulea, Sweden. A Facebook post on the "Green on Facebook" site (Green on Facebook, October 27, 2011) explicitly pointed out that while energy efficiency was still a high priority for the company, they were also aware of choosing the right energy source for this data centre (see Figure 14).

Figure 14. Facebook announces the new data centre in Sweden (2011). Retrieved from www.facebook.com/green/posts/298392286855458.

This announcement was met with very positive reactions, not only from the stakeholders, but also from Greenpeace, and started the phase of actual policy change in the company. In December 2011, two months after taking a new direction with the data centre in Sweden and 20 months after the start of Greenpeace's campaign, the non-governmental organisation (NGO) and the social media company agreed on a partnership. Facebook published an official statement about this on their Green page and on the Prineville Data Centre page, but not on Twitter or other channels. Consequently, their communication strategy was focused on the channels where a majority of the critique occurred.

The statement finds positive words for the aims of the NGO and the campaign and states that although Facebook did not agree with Greenpeace on

everything (thus not ascribing too much power to the NGO), Facebook agrees that it needs to further reduce its environmental impact (Green on Facebook, December 15, 2011). While Facebook did not agree to change anything for its existing infrastructure, it promised to engage in dialogue with utility providers about using renewable energies in the future and eventually raising the amount of green energy used for its data centres from 23% to 25% by 2015. These goals are relatively modest and do not require huge actions from the company. Interestingly, they sufficed to achieve a major gain in favourable reputation and support from their former enemy, probably because after Google, Facebook was now one of the few companies to have those goals formally announced (Klimas, December 16, 2011). The focus of Greenpeace and the online activists has now shifted towards other companies such as Amazon and Apple.

Greenpeace promised its support for the Open Compute Project and joined the partnership with the Natural Resources Defense Council and OPower. After December 2011, the NGO praised the company's effort and transparency continuously as a role model for other IT companies on their website and in the media. They especially applauded Facebook after the company published its carbon footprint in August 2012, although Facebook warned that the percentage of coal energy might increase first because of the rapid expansion of its data centres (Finley, August 1, 2012; Tam, August 1, 2012). Eventually, it seems the most effective way for Facebook to stop the campaign and the social media crisis was to formally cooperate with Greenpeace, while negotiating goals that did not hugely differ from their original path. This shows that Curbach's (2008, December 6) advice to partner with NGOs in the case of an attack is also effective in the realm of social media.

Interesting about this case study is the fact that Facebook did not engage with its stakeholders via the social networking sites, but focused its communication efforts on the cause of the attack – Greenpeace – behind the scenes and occasional statements in the right channels. This shows that two-way communication with individuals was not necessary in this case, probably because Greenpeace's attitude towards the company framed the public's reaction on Facebook. While Facebook mainly employed traditional crisis communication strategies like persuasion, attacking the accuser and denying the crisis at first, these were hardly effective in fighting the crisis. In this case, it

means that Facebook's communication strategies could not prevent that the power source for data centres was still seen as a highly important factor, opposed to the field of energy efficiency where Facebook was very progressive and exemplary. Thus, the third proposition that traditional crisis communication strategies are insufficient to deal with social media crises partly applies. Especially the strategies recommended by the Situational Crisis Communication Theory (SCCT) (Coombs, 2007) did not stop Greenpeace and its supporters from attacking Facebook, but taking action eventually did. Transparency is, however, key in social media, and Facebook continues on this path. It has published a website that is completely devoted to portraying the sustainability approach and progress of the company (Facebook, 2012) and now uses the "Green on Facebook" page mainly to promote its efforts and publish data about the power and water efficiency of their data centres. On the social networking site, no negative comments have been posted about this topic since December 2011.

4.6 Summary

The analysis of this case study found that social media allow non-governmental organisations to quickly generate global support for their campaigns, which poses an immanent risk to corporate reputation. While advocacy groups and citizens are becoming increasingly influential, traditional media outlets are still important. However, especially with Internet companies like Facebook, the traditional ways of communicating with the media are replaced by public statements on social media platforms.

Facebook's reaction strategies to its social media crisis were focused on replying at the source of the critique, but mainly employed traditional response strategies. The company attempted to reframe the discussion by providing relevant and educating background information, without actually engaging in direct discussions that might have been harmful for its reputation. Overall, this case study highlighted that proactive engagement in the realm of corporate social responsibility can safeguard reputation. Anger and outrage of online users can be directed to social media pages that are dedicated to the discussed topic. Furthermore, the data suggested that non-governmental organisations can frame the attack and thus guide emotional reactions from the public.

5   Throwing stones at a glass house: Applebee's

5.1   Introduction

Although external organisations like Greenpeace are able to mobilise social media users for their ends, the Internet community can also cause a social media crisis on its own. The smallest incidents, seemingly irrelevant at first, can cause a huge stir. Here, the reactions of the company and the social media team under attack are crucial, because the wrong reaction might even fan the flames. In 2013, the franchise restaurant chain Applebee's suffered from several incidents that impacted negatively on the reputation of the company. The incident where the influence of social media became most apparent is the case of the waitress Chelsea Welch, who was fired because she allegedly violated the privacy policies of Applebee's. An accumulated collection of the data to which the findings of this chapter refer can be found under http://storify.com/LarissaOtt1/throwing-stones-in-a-glass-house-the-case-of-apple.

On the 25th of January 2013, a pastor hosted a party of 20 persons at a local Applebee's franchise in St. Louis, US. When she had to sign the credit card bill for the evening, she crossed out the automatically added, mandatory gratuity of 18% that Applebee's charges for groups larger than 8 (Weber, February 1, 2013). Although tips in the United States are generally voluntarily, a gratuity is automatically added to the bill if large parties are served, because it is assumed that they cause a higher workload for the waiting staff. Moreover, one has to be aware of the fact that in contrast to many European countries or New Zealand, tips are an essential part of the wage in the United States. The Fair Labour Standards Act defines that employers are allowed to make a certain amount of tips count towards the overall federal wage, meaning that servers receive a special, sub-minimum wage that totals to $2.13 per hour (Wiser waitress, 2013). While it is certainly not uncommon that patrons decide to not pay the tip, the pastor also left a comment on the receipt that pointed out her clerical position and said: "I give God 10%, why do you get 18?" (see Figure 15). This comment refers to the customary tithe offering, which is accepted by many Christian churches (Weber, February 1, 2013). Because she assumed that other Internet users would find this excuse amusing, a co-worker of the affected waitress,

Chelsea Welch, posted a photo of the receipt in the atheist thread[9] on the Internet platform Reddit (Morran, January 31, 2013). The signature of the pastor was visible on this photo, although Welch argued that she thought it to be illegible (Morran, January 31, 2013).
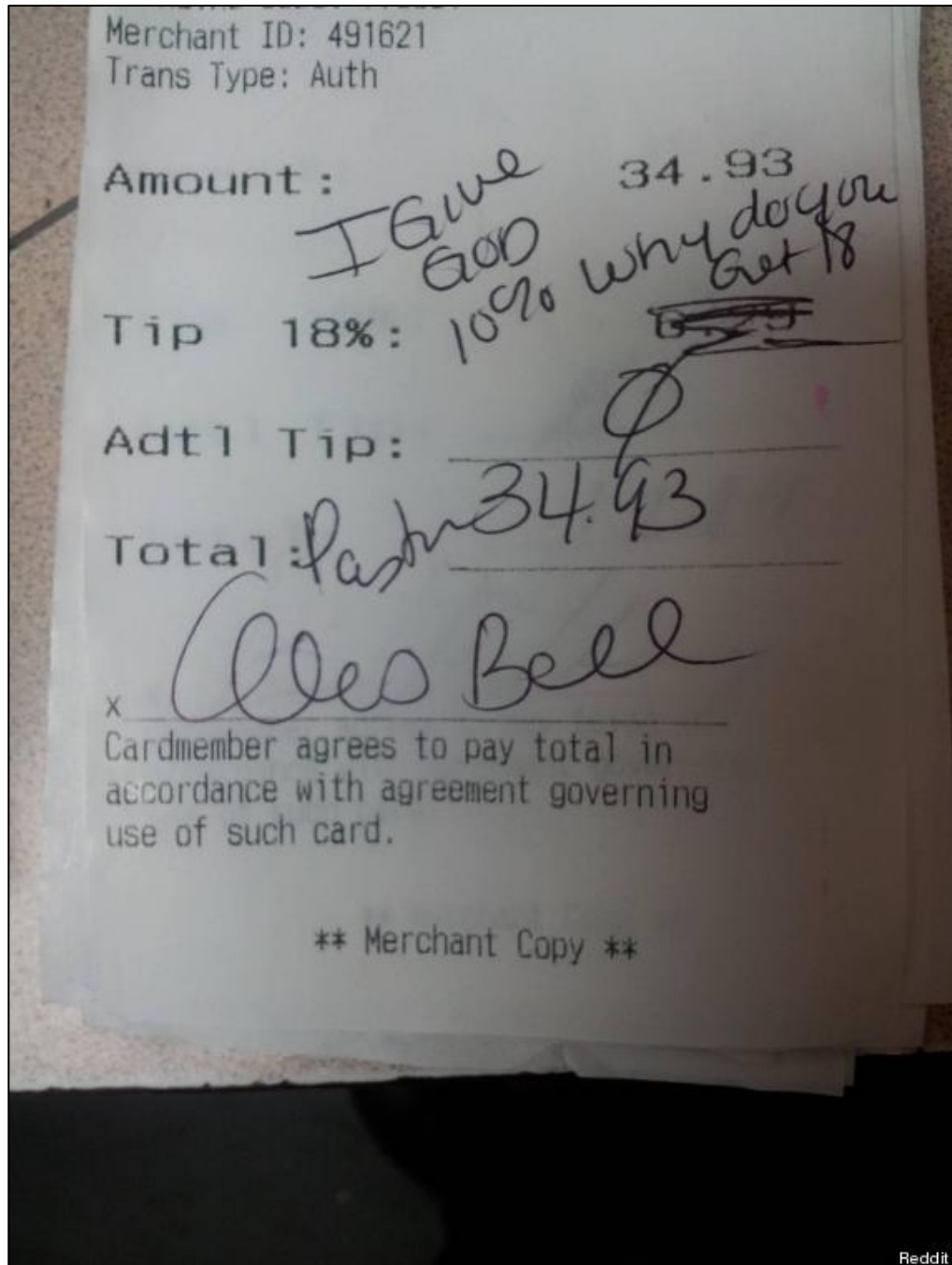
Figure 15. The receipt that Chelsea Welch posted online (2013). Retrieved from www.huffingtonpost.com/2013/01/31/applebees-waitress-fired-god-tip-receipt_n_2591794.html.

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[9] A chain of postings on a single subject in a newsgroup or forum online. The original thread can be found under the following URL: www.reddit.com/r/atheism/comments/17i382/ my_mistake_sir_im_sure_jesus_will_pay_for_my_rent/.

The post was submitted on the 29th of January and, by now, has amassed more than 4,600 comments (Gateflan (Reddit)). The Consumerist, a website that is run by a US consumer advocacy organisation, published a short article about the incident and how it increasingly gained attention on Reddit (Morran, January 29, 2013). Two days later, pastor Alois Bell heard that her receipt was displayed on the Internet and called the franchise in question, demanding that everybody who worked there during her visit should be fired. Applebee's franchise decided to meet her complaints by firing Welch, and Consumerist updated their story (January 31, 2013).

At this point, negative comments began to stream in on Applebee's official Facebook page (www.facebook.com/applebees) and Twitter account (www.twitter.com/applebees). Most users were angry that religion was used as an excuse to avoid paying a tip and many felt that Applebee's took the wrong side in this situation (see Figure 16).

Figure 16. Example comment displaying the anger about Chelsea's termination (2013). Retrieved from www.facebook.com/applebees/posts/10151381971104334.

On the 1st of February, Applebee's issued a statement on Facebook, which argued that the waitress had violated the privacy of the guest and therefore, "disciplinary action" was taken (see Figure 17). Contrary to the opinions expressed by most of the stakeholders in the comments, Applebee's post focused on the rights of guests and how they value them "above all else".

Figure 17. First Facebook statement by Applebee's (2013). Retrieved from www.facebook.com/applebees/posts/10151383621179334.

This post soon amassed more than 10,000 comments, with thousands of comments streaming in per hour. The negative backlash was not only due to the company actively taking the side of the guest, but also referred to Applebee's citing privacy issues as a reason for firing the waitress. Chelsea has argued that she checked the company's handbook to see if she violated any specific guidelines and could find no proof for this (Morran, January 31, 2013). Applebee's president Mike Archer, on the other hand, specified in a later statement that employees must seek permission (written approval from the Vice President of Operations) before publishing material that might violate guest's privacy, and disciplinary actions "up to and including termination of employment" might be the consequence (Applebee's, February 2, 2013, online). However, as the Internet users quickly discovered, the franchise that had just fired Chelsea had already posted pictures on Facebook that contained personal information from patrons, and there was no evidence of written approval for these actions (see Figure 18). This photo is not available on Applebee's Facebook page anymore, because after people started calling out the company for it, the photo was quickly deleted.
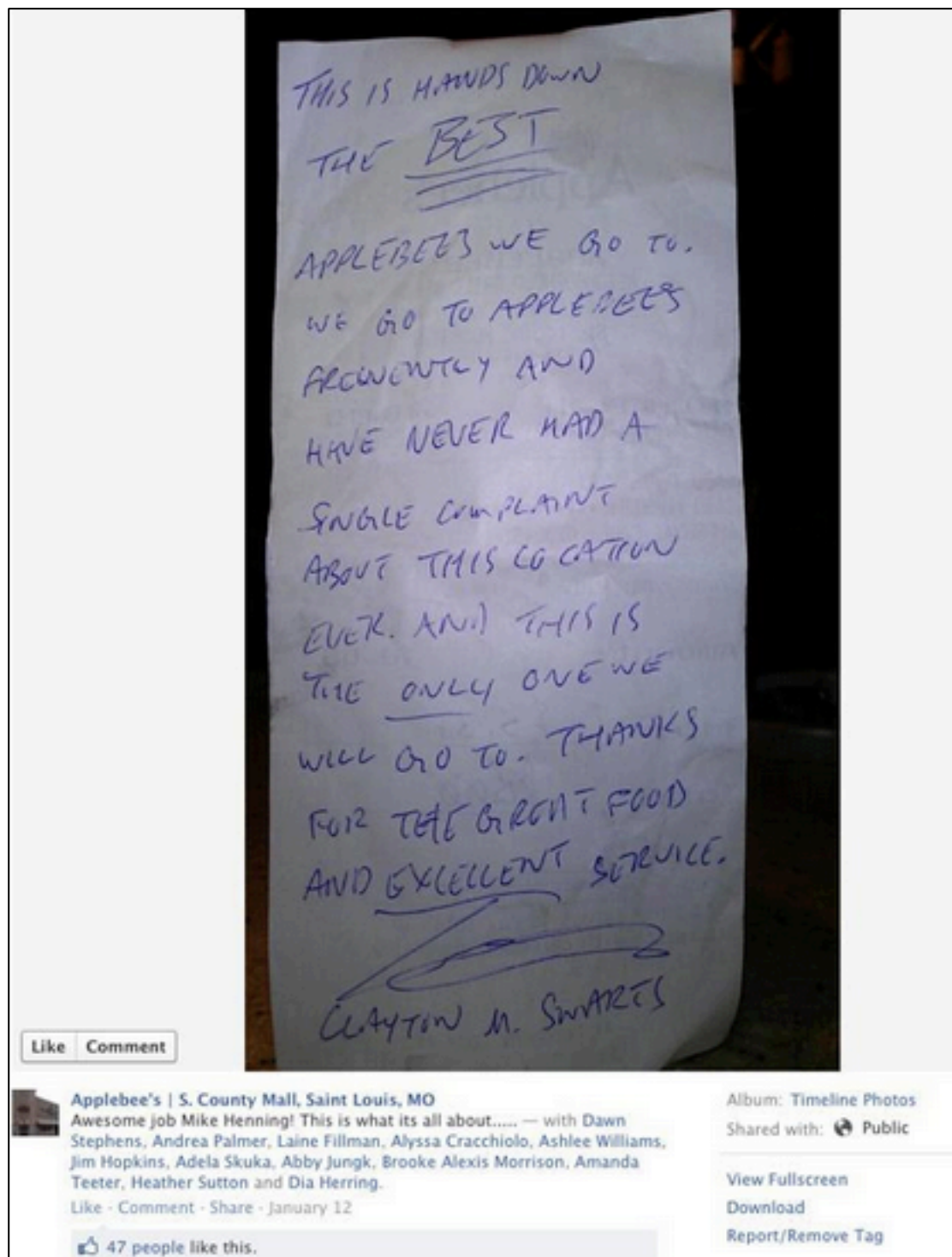
Figure 18. Post by Applebee's franchise containing guest information (2013). Retrieved from http://cdn0.dailydot.com/uploaded/images/original/2013/2/1/applebeesnote.jpg.

Users had saved screenshots of the post and were hence able to show that Applebee's tried to cover up that the privacy policy was not enforced when it came to positive customer feedback. As human resources professional Lori Dorn (February 2, 2013) has pointed out in a blog post about the subject, employee policies need to be enforced equally, or they can create a public

relations nightmare. Now, users started criticising Applebee's for their hypocrisy and their attempt to cover up their previous actions, which is where the social media crisis for the company really started. A timeline of the events is displayed in Figure 19.

Timeline: Applebee's and the issue with a receipt

Jan 2013
- Pastor Alois Bell crosses out the tip at an Applebee's franchise
- A photo of the receipt is posted on Reddit
- Bell calls the franchise and complains, Welch is fired

01.02.13
- Users start posting online articles about the incident on Applebee's Facebook page
- Boycott groups and "Hire Chelsea Welch back" groups
- Negative comments on all posts in January
- **Applebee's reacts** with a short statement ("We wish this situation…")
- Amasses more than 10,000 comments until midnight

02.02.13
- Applebee's posts **another statement** in the middle of the night ("We appreciate the chance…") in the comments of the previous post
- Allegedly **deletes comments and blocks users**, tags and argues with them
- Later publishes the statement as official post, more than 14,000 comments
- Publishes **new statement at 10am** ("As a company that relies…"), more than 28,000 comments
- **Hides** first post and all the comments associated with it

04.02.13

09.02.13
- Negative comments keep pouring in, people pointing out post has been deleted
- Applebee's **reinstates** original post from 01.02.

Rest of Feb 2013
- After a pause without activity from 2nd to 9th of February, Applebee's starts posting again. Just food posts, **no replies** to comments about the issue
- Applebee's keeps posting food pictures that are being overrun by negative comments.

Mar 2013 and later
- Slowly, negative feedback is receding.
- According to separate protest and boycott Facebook groups, this is due to Applebee's **blocking users and deleting** their comments.
- The first quarterly report of the overall company reports a **42% decline in profit**.

Figure 19. Timeline of Applebee's social media crisis.

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5.2 Wrong tactics can cause a stronger backlash than the original issue

This initial phase of the case study is relevant for answering the first research question, that is, how social media contribute to the development of reputational crises. For Applebee's as a restaurant chain, a typical crisis situation might be that their food is perceived as bad or unhygienic conditions are revealed, whereas it is unusual that a guest who does not tip causes a crisis. As this case shows, small incidents can cause a huge stir, and even more so, completely unpredictably. Every day, amusing pictures are posted on Reddit and patrons do not leave a tip. An important factor why this special case caused so much uproar might be the religious connotation of the incident. Many comments and Chelsea Welch herself have highlighted that using religion as an excuse to not pay a tip was considered especially offensive (JohnR001, February 2013; Morran, January 31, 2013), and research on YouTube comments has found that aggressive comments on social media often arise around controversial topics like religion (Burgess & Green, 2008). Consequently, social media might be more likely to foster the rise of reputational crises in areas that are untypical for the affected company.

The pastor apologised in an interview and argued that she left a cash tip on the table, although this claim was mostly doubted because of the nature of the comment she wrote on the receipt (*Pastor apologises for snide remark on meal receipt*, January 31, 2013). Interestingly, the backlash and negative commentary online was mainly directed at Applebee's and thus damaged the reputation of the company, not the pastor as an individual. There are two explanations for this phenomenon: First, there was no platform available to direct the anger at, because in contrast to Applebee's, the pastor and her ministry apparently took their Facebook pages and websites down (Connelly, February 2, 2013). Although the local Applebee's franchise has a Facebook page, too (www.facebook.com/ApplebeesSouthCountyMall), it was mainly the company in general that was attacked, which points at the second explanation: As the crisis progressed, the anger soon focused on how Applebee's headquarter handled the situation on Facebook and Twitter instead of looking at the original issue. This shows that the wrong crisis management and communication strategies on the social media can make reputational crises

worse, especially, if they disregard the importance of authenticity and transparency online. People can and will find proof if the company has not adhered to its own guidelines in the past, because every action and post is saved on the social media platforms. As mentioned in the literature review, Phillips and Young (2009) have termed this the *long tail effect*. Attempts to erase the evidence by deleting it are doomed to fail, because users are able to take screenshots. Moreover, this kind of behaviour only increases the attention that is paid to the material the company wants to delete.

This phenomenon has been termed the "Streisand effect" in reference to Barbara Streisand. The singer tried to supress photos of her Malibu house in 2003, which resulted in even more Internet publicity (Morozov, December 26, 2008). Nowadays, with the omnipresence of social networks, these occurrences become even more likely, because of the additional platforms where content can be socially shared and spread. Recent examples include the singer Beyoncé. Her publicist contacted the Internet platform Buzzfeed, asking them to remove unflattering photos from the singer's performance at the Super Bowl in 2013. Instead, Buzzfeed published the request and the photos became an international, viral Internet phenomenon (Augie, February 25, 2013; Zimmerman, February 7, 2013). In the case of Nestlé's social media crisis, it has been argued that the company's decision of forcing YouTube to take down Greenpeace's anti-Nestlé video was what really started the crisis. Before the company filed their lawsuit, the video had fewer than 1,000 views; after the issue went viral, it had more than 300,000 (Armstrong, March 20, 2010; Masnik, March 19, 2010).

Most advice in regard to the Streisand effect emphasises the importance of dialogue and engaging in discussion about the issue, which gives the opportunity to, where necessary, correct erroneous information (Allen, June 18, 2012; Augie, February 25, 2013). Accordingly, Applebee's could have tried to explain why the photos published before did not violate the corporate privacy policies. However, the company did choose not to engage with its stakeholders and failed to address this point, which led users to believe that Applebee's was trying to hide previous misconduct, did not apply the rules equally and was wrong to fire Chelsea:

Figure 20. Example of reactions to Applebee's post announcing that Chelsea was fired for violating the privacy of a guest (2013). Retrieved from www.facebook.com/applebees/posts/10151383621179334.

As it already becomes visible in this screenshot, the majority of the commenters also pledged that they would boycott Applebee's until the company decided to rehire the waitress. Boycott groups were founded and users were calling for action. While on Facebook, this content stayed relatively enclosed on Applebee's site, Twitter works quite differently as a social network. Users can use the @ sign to write to Applebee's directly, but if they use the hashtag (#), their tweet will be listed in a general and searchable list for this topic. So, when people were starting to use the hashtags #Applebees and #boycott in their tweets, this informed the whole Twitter conversation about the company.

Figure 21. Example for Twitter users calling for a boycott of Applebee's (2013).
Retrieved from https://twitter.com/RealEddieW/status/297072448443142144.

5.3 Social media crises can ask too much of a reply team

In regard to the second research question – how the risk of social media crises impacts on companies – this case study shows that a negative discussion can spread like a wildfire on the social media, thus dominating the conversations that are taking place about the company online. In the case of Applebee's, the company itself contributed to the spread of negative news, because its website had a tool installed which portrayed in real time and unfiltered the online posts mentioning Applebee's. In times when the online reputation of a company is favourable, such a tool is useful because it shows positive opinions from individual users, which are usually deemed trustworthier than the corporate voice (Edelman, 2013). In case of a social media crisis, however, the official corporate website becomes a frame where the negative perceptions are being spread (see Figure 22).

Figure 22. Applebee's feature displaying current tweets on their website (2013). Retrieved from www.ragan.com/Main/Articles/6_steps_Applebees_should_have_ taken_to_manage_its_46171.aspx#.

While this is a way in which negative impressions can spread via Twitter, the risk of social media crises on Facebook can also have a strong impact on companies. Facebook's application programming interface (API), which specifies the algorithms according to which posts from business pages are displayed in the news feeds of their fans, is designed in a way that it prefers especially popular posts. The more "relevant" a post is rated by Facebook's API (based on the likes, shares and comments, ergo, interaction), the more likely it is to show up in the personal newsfeeds of fans (Allen & Sebastian, November 21, 2012; Facebook Developers, 2013). In the past, Applebee's posts usually generated a few thousands of likes and comments in the numbers of hundreds. For the company, this means that if a post like the statement about Chelsea violating the guest's privacy generates a negative backlash that amasses more than 10,000 comments, this guarantees it will be displayed in all the newsfeeds of the millions of fans. Facebook's algorithm does not differ between positive or negative activity on a company's Facebook page. Users who might have not heard about the issue before were made aware of it at this point.
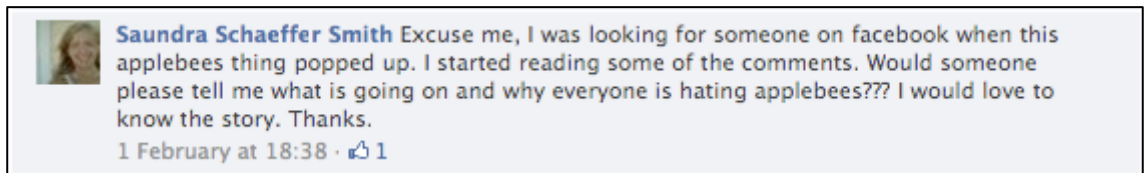
Figure 23. Applebee's social media crisis becomes prominent on Facebook (2013). Retrieved from www.facebook.com/applebees/posts/10151383621179334.

Allegedly, Applebee's tried to supress this phenomenon by requesting a large number of their employees to like new posts that were focused on the food served at Applebee's and to leave positive comments (see Figure 24). Applebee's did not comment on whether they used this kind of tactics, because it would be seen as an unethical public relations spin by the public that tries to construct a false positive online reputation. However, it is noticeable that the food posts from the 27th of January to the 1st of February have an unusual high number of likes.

Figure 24. Facebook users claim that Applebee's generated false positive feedback on their page (2013). Retrieved from www.facebook.com/photo.php?fbid=101513668480 89334&set=a.106500769333.92005.84917689333&type=1&comment_id=9068302&off set=0&total_comments=3157.

Officially, a team of four employees was responsible for managing the company's social media presence on Twitter and Facebook at this time (Weisbaum, February 5, 2013). According to a survey by Ragan (April 10, 2013), a public relations publisher, this is a large number and it is even more unusual that social media is the only field of work for the employees. They surveyed 2,714 respondents online and focused on professionals like communicators, marketers and public relations practitioners who are involved in the work with social media. Ragan (April 10, 2013) found that 65% of the respondents have other work responsibilities and duties on top of their social media management. From the practitioners that do social media exclusively, nearly 83% work in small teams of three or fewer. For 42% of the respondents, just one person manages the whole social media appearance of the company. 25% of the companies have interns helping with social media activities (Piombino, April 10, 2013). However, one has to take into account that the majority of practitioners participating in the survey were working for mid-sized companies (500-1000 employees), while Applebee's employs approximately 28,000 people company-wide (Applebee's, 2013b).

Nonetheless, Applebee's was relatively well equipped in this area, but in a social media crisis, the storm of outrage and negative commentary can ask too much of a social media team that tries to answer every individual. Company spokesperson Dan Smith claimed in an interview with NBC News (February 5, 2013) that they try to respond personally to over 90% of the messages, which are usually concerned with menu items or store locations. The responses always end with a name abbreviation (e.g. ARE, ARG), which signals that individuals are replying to enquiries.

Accordingly, Applebee's self-proclaimed communication strategy is one of two-way communication and dialogue. A social media crisis poses the problem that far too many comments are streaming in for every single one to be answered. Moreover, the social networking sites are globally available and accessible 24 hours and seven days a week. This means that social media crises may develop over night and after the usual business hours, which also happened in Applebee's case.

5.4 Does adjusting information on the crisis situation suffice?

Interestingly, the second statement of Applebee's, which was posted around 3am in the comment section of the first post that caused such a backlash, was worded in a very official way and based on a corporate statement by Applebee's CEO released the next day (see Figure 25). As Applebee's has not commented on which statement was based on which, it cannot be determined whether somebody from the company's social media team contacted the CEO in the middle of the night. Nonetheless, it shows that somebody took action, although one has to be aware that the technical frame conditions of social networking sites can cause some challenges for effective crisis communication.

As numerous users pointed out with gloat, posting an official statement as a comment in a post that received thousands of comments per hour was useless because it got buried immediately. After an hour of attempts to alert individual users to the statement and trying to communicate their point of view in the comments, Applebee's published the statement again as an official post (see next page):

We appreciate the chance to explain our franchisee's action in this unfortunate situation.

Please let us assure you that Applebee's and every one of our franchisees values our hard working team members and the amazing job they do serving our guests. We recognize the extraordinary effort required and the tremendous contribution they make, and appreciate your recognition and support of our colleagues.

At the same time, as we know you will agree, the guests who visit Applebee's -- people like you -- expect and deserve to be treated with professionalism and care in everything we do. That is a universal standard in the hospitality business. That includes respecting and protecting the privacy of every guest, which is why our franchisees who own and operate Applebee's have strict policies to protect personal information -- even guest's names.

With that in mind, here is what happened in St. Louis:
- A guest questioned the tip automatically attached to her large party's bill by writing: "I give God 10%. Why do you get 18?" on the check.
- A different server, who did not even wait on the group, photographed the receipt, posted the photo online and commented about the incident.
- The guest subsequently heard from friends who identified her from the posting, where her name is clearly visible, and the restaurant was notified. There was no further communication with the guest.
- The team member was asked about posting the receipt and admitted she was responsible.
- When she was hired, the team member was provided the franchisee's employee hand book which includes their social media policy and states:
"Employees must honor the privacy rights of APPLEBEE's and its employees by seeking permission before writing about or displaying internal APPLEBEE'S happenings that might be

considered to be a breach of privacy and confidentiality. This shall include, but not be limited to, posting of photographs, video, or audio of APPLEBEE'S employees or its customers,
suppliers, agents or competitors, without first obtaining written approval from the Vice President of Operations. The policy goes on to specify: Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.
– As a result of her admission to violating a clear company policy intended to safeguard guests, the team member is no longer employed by the franchisee.

Our franchisees are committed to acting in the best interests of guests and team members. This is a regrettable situation and we wish it had never happened. However, the disregard for an important policy left the franchisee no choice but to take the action they did.

We hope this provides you with some additional insight. Thanks for giving us the opportunity to explain the facts involved.

Like · Comment — 818

Scott Pyle, Jenni Guarnero, Scott McCallum and 5,740 others like this.

View previous comments — 41 of 14,694

Figure 25. Applebee's second response to the evolving crisis (2013). Retrieved from www.facebook.com/permalink.php?story_fbid=10151390415294334&id=84917689333.

Apparently, posting this and the first company statement at the first of February was what Applebee's spokesperson Dan Smith described as the first step in the company's response strategy: Explaining "the situation in as clear of terms as possible (...) and we fully understand that some people might not agree with our position. Our simple goal here is to provide the public with facts" (Bhasin, February 5, 2013, online). Consequently, their initial crisis response strategy was purely reactive, by informing and adjusting information in regard to the incident. However, the guidelines of the Situational Crisis Communication Theory (SCCT) state that relying solely on this move is only advisable if the crisis situation has minimal attribution of crisis responsibility and if the reputation and history of the company is neutral or positive in regard to similar crises (Coombs, 2007). In the case of Applebee's, the perceived crisis responsibility was high, because the online users felt that Chelsea was fired on false grounds and that the "crime" did not warrant the justification. The attributed responsibility shifted from the pastor's wrongdoing to the company, because they were the ones who decided to fire the waitress. Moreover, this perception of Applebee's was connected to a sense of moral injustice, because firing Chelsea was perceived as too much for a disciplinary action.

Additionally, Applebee's already had an unfavourable reputation in regard to their treatment of employees. Only a year before the incident with pastor Bell, the U.S. Supreme Court rejected Applebee's appeal in a lawsuit against more than 5,500 employees who argued that the restaurant chain underpaid them by not paying the full minimum wage (The Wall Street Journal, January 17, 2012). This was also brought up in the discussions on Applebee's Facebook page as a proof that the company did not stand behind its employees.
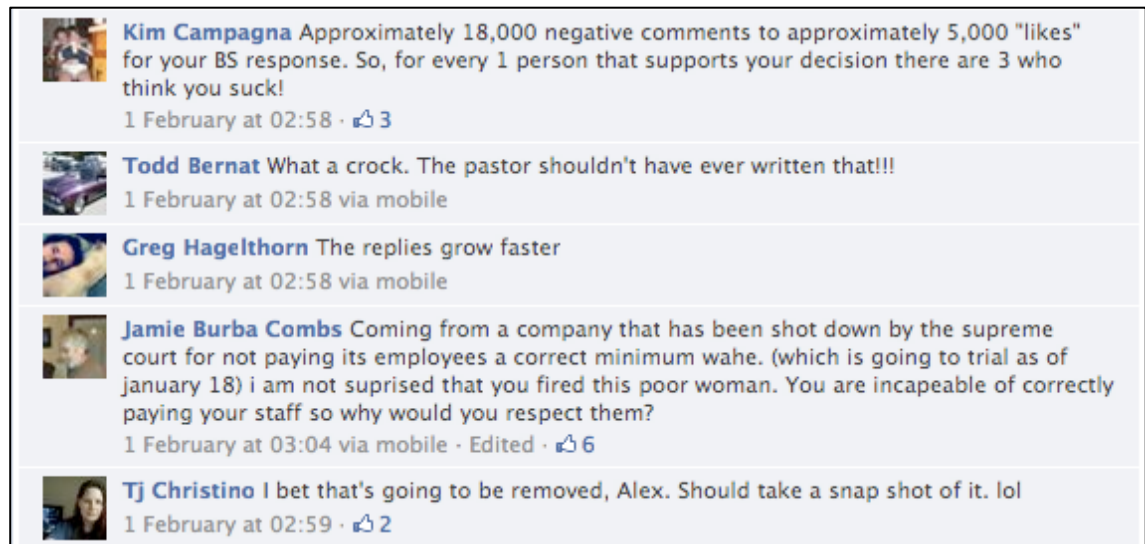
Figure 26. Users refer to Applebee's unfavourable crisis history (2013). Retrieved from www.facebook.com/applebees/posts/10151383621179334.

Although apparently, Applebee's took the negative feedback in reaction to the first post into account by focusing more on how they appreciate their workers rather than on the rights of guests, they still insisted that Chelsea's termination was a direct result of the violation of privacy guidelines. The company supported this claim by quoting a passage from the guidelines, which might be legally correct, but did not address the moral implications of the situation. Also, the communication strategy did not refer to the main issue that started the online crisis, the fact that Applebee's themselves had previously posted similar material on their Facebook page. The statement includes several evaluative adjectives that describe the situation as "regrettable" and "unfortunate", but, nonetheless, left the company "no choice". This can be described as a justification strategy.

Moreover, the statement employs a persuasion tactic by implying the desired reactions of the audience ("as we know you will agree") (O'Keefe, 2002), a plea

to reason that did not resonate well with the accusers. The post with the second statement soon amassed more than 14,000 comments in addition to the negative feedback that already occurred after it was published in the comment section of the first post. The dominant reaction was that Applebee's statement did not justify the termination of Chelsea Welch. Also, people were using the passage from Applebee's guideline to support their own point, that Applebee's had revealed customer names before and receipts were not necessarily mentioned in the guidelines.

After the second, explanatory post, followed what Applebee's spokesperson Dan Smith described as "the engagement piece" (Bhasin, February 5, 2013). This means that the company claims it tried to answer to as many people on the social networks as possible, with the goal of engaging in dialogue and hearing the people's thoughts on the situation. In another interview, Smith stated: "Transparency matters to us. We want to hear from our guests regardless of the subject matter" (Weisbaum, February 5, 2013). Looking at the company's responses, they rather show attempts to persuade the users to agree on the company's point of view and not any form of dialogue, which would imply the will to change their standpoint or to take action. Applebee's social media team relied on copying and pasting the essential parts of the corporate statement and "tagging" individuals to make them aware of the response. Tagging is a mechanism on Facebook that creates a hyperlink connection with the individuals name and will alert them with a message that they have been mentioned in a comment. Essentially, Applebee's tried to establish a personal interaction with as many users as possible in the stream of the fast-evolving reactions.

Applebee's Marshall Adame Michael Christopher Knowlton Lexer Grande Joe Richard May Tu Scott Tibbs We can understand why you are upset. But the details circulating about this story do not represent all the facts. For example the team member who posted the receipt WAS NOT the team member that waited on the group. The 18% gratuity was added to the bill. We'll be posting a statement later that explains the facts. We want and value you as guest. This is an unfortunate situation but please let us assure you that Applebee's and every one of our franchisees values the hard working team members and the amazing job they do serving the guest. We appreciate your support of them too.
1 February at 02:23

Figure 27. Applebee's using copy and paste to reply to individuals (2013). Retrieved from www.facebook.com/applebees/posts/10151383621179334.

On Twitter, the company took the same approach. After using a typical crisis response strategy of assuring the users that the issue was investigated, Applebee's used the same explanatory statement as on Facebook; albeit much shorter because the social network only allows tweets with the maximum length of 140 characters.

Figure 28. Applebee's responding to individuals on Twitter (2013). Retrieved from https://twitter.com/Applebees/status/297034805911109632 and https://twitter.com/madest/status/297053896197689344.

Consequently, the answers appeared relatively brusque, as Travis Mayfield, director of digital social strategy for Fisher Interactive Network, pointed out in an interview with NBC News (February 5, 2013). Psychologists suggest that because factors like tone of voice and gesture are missing on the Internet, people are more likely to misunderstand their counterpart's perspective, which can lead to a failure to communicate successfully (Wolchover, July 25, 2012). This would confirm the first proposition of this research that the structure of social networks fosters expressions of anger and outrage from stakeholders. In this case, the users got very upset about Applebee's using copy and paste replies, which is not an attempt to engage in dialogue, and turned the situation around by copying and pasting their own posts over and over again, thus amplifying the attack. Applebee's social media team tried to appease its critics by reacting with more personal replies that highlighted the fact that they were "real" people, too.

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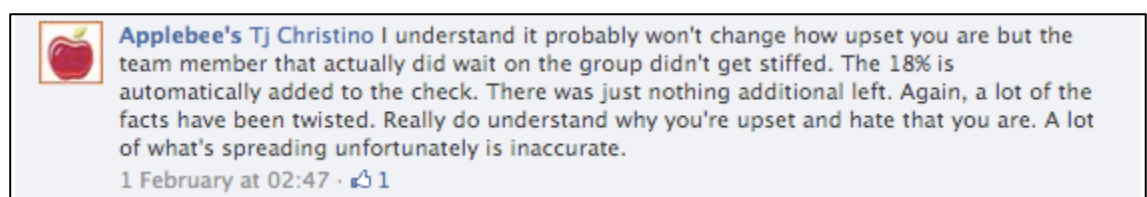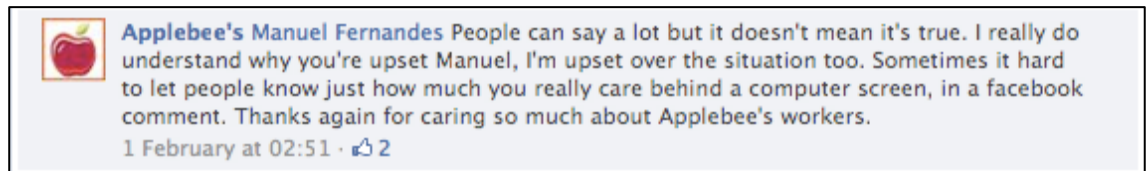
Figure 29. Personalised replies by Applebee's (2013). Retrieved from www.facebook.com/applebees/posts/10151383621179334 and https://twitter.com/Applebees/status/297047232404938752.

Nonetheless, this did not resolve the matter, as users kept criticising Applebee's for alleging that they had their facts wrong. Louis Richmond, crisis management expert at Richmond Public Relations (Seattle), advises to avoid criticism when replying to social media attacks (Weisbaum, February 5, 2013), but Applebee's used this relatively aggressive tactic. Visibly, the company's communication strategy was still focused on adjusting information on the case, and did not employ other, more accommodative strategies like apologies, thus taking responsibility for the crisis (Coombs, 2007).
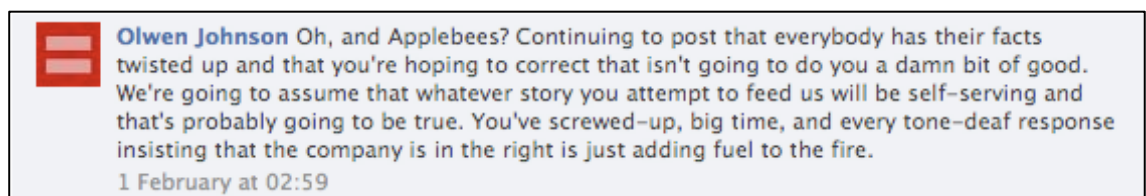
Figure 30. Users' reactions to Applebee's communication strategy (2013). Retrieved from www.facebook.com/applebees/posts/10151383621179334.

Among angry reactions, many users pointed out that they did not ask much of the company to resolve the situation (see Figure 31).

Figure 31. Users demanding an apology and compensation for the waitress (2013). Retrieved from www.facebook.com/photo.php?fbid=10151426514314334&set=a. 106500769333.92005.84917689333&type=1&comment_id=9142647&offset=0&total_c omments=280 and www.facebook.com/photo.php?fbid=10151422849224334&set=a. 106500769333.92005.84917689333&type=1&comment_id=9126022&offset=0&total_c omments=564.

However, after posting the second statement in the early morning of the 2nd of February, Applebee's apparently changed its crisis management strategy. Several users point out that comments were deleted or that their accounts were being blocked from posting on Applebee's Facebook page, which they announced over new or secondary accounts. On Twitter, the same phenomenon could be observed, as journalist R.L. Stollar (February 2, 2013) reports in his photo essay. Six hours after posting the second statement, Applebee's published their final post about the matter on their Facebook page (see Figure 32). Content wise, this post did not offer new information, but repeated the previous statements with a varied wording. By using the expression "this unfortunate situation has nothing to do with work", Applebee's tried to detach the company from the instance that started the crisis. At the same time, the original post, by now with more than 20,000 negative comments, disappeared from Applebee's Facebook wall.

As a company that relies on literally hundreds of thousands of incredibly hard working Team Members, we can assure you that we and our franchisees value and support them and their efforts. However this unfortunate situation has nothing to do with work. The Team Member involved did not wait on the guest or party. Regrettably, and without the restaurant's knowledge, she took it upon herself to take a Guest's receipt, with the name clearly visible, and posted it online with her own commentary. That is a clear violation of our Guest's privacy and against the franchisee's company policy that the Team Member was provided when hired. We simply cannot accept behavior that compromises the safety and privacy our Guests have every right to expect and deserve. Please note that we are also not excusing the Guest's behavior in this matter and the unacceptable comment she wrote on the receipt, which is offensive to us and all our hard working team members. To be clear, the 18% gratuity added to large party tickets was paid by the Guest's party. This is a regrettable situation, and we wish it had never happened. we hope this provides you with some additional insight. Thanks again for the chance to explain.

Like · Comment   639

Kevin Andrew Hough, Gwen Boone, Evelyn Gutierrez and 5,178 others like this.

View previous comments   42 of 28,367

Figure 32. Final statement from Applebee's (2013). Retrieved from www.facebook.com/applebees/posts/10151390928154334.

In an interview with NBC News (February 5, 2013), company spokesperson Dan Smith admitted that Applebee's had disabled the comment function on their wall and "hid" the original post. On a business Facebook page, a company can "hide" posts, which means that they are not publicly visible on the page, but still visible to the person who posted it and restorable. Alternatively, a company can actually delete posts and comments. While Smith argues that the company used the former option, their actions were perceived as the latter. In the NBC article, Mayfield (director of digital social strategy) evaluated this move as a "terrible idea – it seemed like they were deleting posts, which is the worst thing you could possibly do" (Weisbaum, February 5, 2013, online). Smith states that "at no point was this done to mislead or delete comments, we simply couldn't keep up", assuring that Applebee's simply wanted to review all the comments in order to reply to them or filter out inappropriate content like pornography (Weisbaum, February 5, 2013, online), which signifies another attempt to regain control over those channels.

Users then started to complain on Twitter, pointing out that the original Facebook post was apparently deleted, which made the anger against the company worse. The social media team replied to a few attackers and claimed that no posts were "deleted", justifying their actions by stating that the post was older and they did not want people to get confused, now that the new statement was up (Stollar, February 2, 2013). After the 2nd of February, Applebee's stopped replying to individuals and on the 4th of February, reinstated the original post and all the negative comments that were hidden before. Still, the criticism did not recede, and as the company started taking up their usual "food" posts on the 9th of February without referring to the issue anymore, the post were overrun by negative commentary. Users did not only continuously highlight the fact that Chelsea was fired, they also took the chance to criticise the food that was displayed in the Facebook posts. Visibly, at this point the crisis had reached a state where even changing the communication strategy to silence and waiting out did not change the situation. Although Applebee's did not fan the crisis by getting caught up in discussions with users anymore at this point, the company posted a few updates that were perceived as insensitive at the time. For example, on the 22nd of February, the company published a post that said "Work for Us" (see Figure 33 on the next page). It received 170, mostly negative, comments. Users felt that they were made fun of and took the chance to remind the readers on the Facebook page about Chelsea's fate.

Figure 33. Applebee's advertises open job positions on Facebook shortly after the crisis peak (2013). Retrieved from www.facebook.com/applebees/posts/ 10151432647984334.

Also, the Facebook users often found a way to turn the content of an Applebee's post around in order to mention Chelsea's situation. For instance, if the company would post "Chocolate is the answer… What was the question?", users would comment: "The question is why do you treat your employees so badly, say, like Chelsea Welch?".[10] Nonetheless, the negative feedback had receded at last, because despite all negativity, the comments did not reach the previous numbers. Partly, this might be ascribed to Applebee's new strategy of not replying to individuals anymore, which prevented the emergence of heated discussions. Furthermore, social media controversies tend to be fast-paced and short-lived (B. Phillips, April 24, 2013). However, if one takes a closer look at the comments and at other Facebook groups, like the ones calling for a boycott of Applebee's and for Chelsea to be rehired, a different picture emerges.

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[10] See www.facebook.com/photo.php?fbid=10151476466284334&set=a.106500769333.92005. 84917689333&type=1.

In the Facebook group "Picking Apples" (www.facebook.com/PickingApples 2013), about 280 users have taken Chelsea Welch's case as a reason to support fair wages and compensations for employees in the food service industry. Through this site, they also organise their boycott actions and point out in their conversations that allegedly, Applebee's has started to take rigorous steps against users who mention the issue on the company's Facebook page.

Ron Madara ▶ **Picking Apples**
23 May at 08:12 · 🌐

Where do we stand here? I'm still outraged by the Chelsea Welch situation, but I feel like everyone else has moved on..Applebee's wins.

Badum Tisst It's not that everyone else has moved on, it's that Applebee's has banned us all. 😊 They're apparently getting really aggressive at reporting accounts too, not just banning them, which can lead to huge hassles for people.
4 June at 23:49 · Edited

Joshua Adams ▶ **Picking Apples**
6 May at 01:45 · 🌐

Wow I wondered why some of the names I was used to on the applebee's page weren't posting. It's cause they banned you guys. They suck.

Like · Comment

👍 Picking Apples, Roberta Bravakis and Kathy Paulson Mikkelson like this.

Barron Sean Jensen But, they don't ban people. They welcome all opinions positive and negative...wait...no they don't.
6 May at 10:31 · 👍2

Badum Tisst They're absolutely ban-crazy over there.
7 May at 00:02 · 👍2

Kathy Paulson Mikkelson Unless you say Yum like a million times, then you get to stay.
8 May at 13:38

Ron Madara I've been banned for months
23 May at 08:14

Figure 34. Facebook users report about Applebee's strategy of blocking and deleting critics (2013). Retrieved from www.facebook.com/PickingApples2013/posts/414476 135327274 and www.facebook.com/PickingApples2013/posts/407260499382171.

These tactics might help to keep the official Facebook page "clean", but Applebee's cannot exercise the same control about independent Facebook groups or other Internet communities, where word about these practices spreads and worsens the general reputation. Legally, Applebee's is allowed to ban and block people from posting on their Facebook page or on their Twitter

stream. In order to ban a person from posting on those social networks, they have to be "caught" leaving a comment, from whereon the company can choose from the options to ban the commenter (Clark, March 2013). In a comment to a Raglan article about Applebee's social media crisis, a user claimed that the company has been using "bait" posts to lure the critics into commenting to subsequently ban them while simultaneously creating false positive feedback:

> **Dan** · 18 weeks ago   0
>
> You could probably use some updating to this story after what Applebees PR did tonight on facebook. Somewhere between 5 and 5:30PM, Applebees posted a taunt with chicken wings and posted the caption "Ranch or Blue Cheese," and within 30 seconds of posting it, it got over 60 comments and was deleted. A little while afterward, they posted the same pic but without the ranch of blue cheese comment. Posts and likes quickly came in with it also, from people that had not ever posted on that facebook page before. Still, many angry Chelsea supporters overrun all of the shenanigans, but what no one knew was that this post was just bait. Applebees was picking out people to target on its next post, a post with an alcoholic beverage. Within 15 minutes, this posting had almost 6,000 likes, something none of the other applebee's posts have had that are even a month old, and there were over 200 comments from people who had not ever commented on applebee's facebook page, pretty much all positive comments generally saying the same thing. "mmm" "love it" "got to have it" and many variations of that, including lots of Spanish. At the same time, Applebee's PR had its sights on those people from the previous thread and started banning masses of people from its page, along with deleting posts that were honest but respective in regards to the chelsea welch situation. Now, three hours later, they have over 10,000 likes and almost 500 comments, which I (and many others) believe a big portion of are fake facebook accounts.
>
> Reply   Report
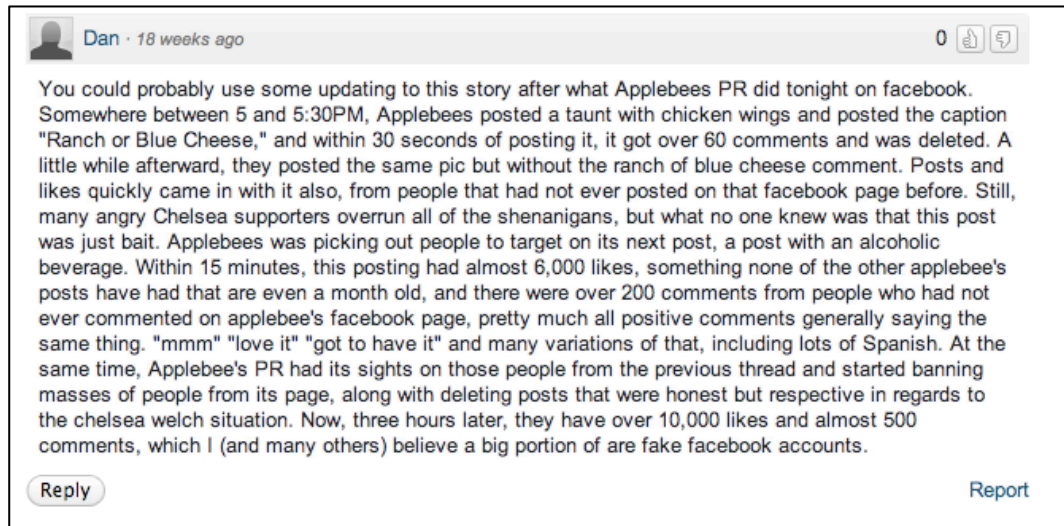
Figure 35. Users claim that Applebee's has been using dirty tactics to rid themselves of critics (2013). Retrieved from www.ragan.com/Main/Articles/6_steps_Applebees_ should_have_taken_to_manage_its_46171.aspx (comment section).

As the practice this user describes would be necessary to filter out negative commenters and ban them, this is a likely scenario if a company would want to use this approach. However, Applebee's has only met the accusations by stating that the company never deleted any posts and only blocks users that are spamming the page or behave inappropriately (Weisbaum, February 5, 2013), a wording that leaves a lot of room for interpretation. Eventually, the company did not take any actions. Chelsea was not rehired, and Dan Smith stated that due to the clear violation of policy, Applebee's would not grant compensation, although the company respects that some people might not agree with this decision (Weisbaum, February 5, 2013). He also termed the situation a "learning experience" for Applebee's (Weisbaum, February 5, 2013, online).

The lessons the company took from the social media crisis in February became apparent at the end of March 2013, when another incident happened at an Applebee's franchise in Rice Lake, US. A gay employee was attacked by the husband of a co-worker at the restaurant's parking lot, apparently for

homophobic reasons. He suffered severe injuries and then was told by his restaurant manager that he could not return to his job due to the negative publicity around the incident (Weisberg, March 31, 2013). Again, users turned to Applebee's social media accounts to complain about the treatment of the employee and the stance the company took. This time, Applebee's did not issue any statements on their Facebook page and did not reply to comments mentioning the incident. Overall, the social media backlash was much smaller than the one that emerged after Chelsea's termination. After an intervention of the CEO of Applebee's American Group franchise, the employee was able to return to his job and the criticism receded. Nonetheless, this additional incident might have added to Applebee's reputation of a company that does not stand behind its employees, because it reinforced the crisis history the company has in this regard.

This might also explain why DineEquity Inc., the parent company that owns Applebee's and another chain, IHOP, reported a 42% decline in profits for the first quarter of 2013 (Nation's Restaurant News, May 2, 2013). In 2012, the net income added up to 31.3 million US Dollars, while the revenue for the first quarter in 2013 totalled $18.2 million. CEO Julia Steward argued that a "challenging" consumer environment was one of the reasons for the decline, but also stated that the chains have done better than others in casual dining and pointed to macroeconomic influences on the whole industry (Nation's Restaurant News, May 2, 2013). Although Louis Richmond, crisis management expert at Richmond Public Relations (Seattle), does not believe that Applebee's social media crisis will have a long-term impact on business (Weisbaum, February 5, 2013), this case study shows that in the age of social media, a single employee in a franchised chain can impact on the reputation of the overall company. Thus, the second proposition for this research can be confirmed, that is, citizens become more important for corporate reputation than traditional media outlets. The whole case of Chelsea Welch posting the receipt and being fired as a consequence evolved on the Internet, by starting on Reddit and then moving to the social media platforms.

In regard to the third proposition that traditional crisis communication strategies are insufficient to deal with social media crises, it can be concluded that the Situational Crisis Communication Theory (SCCT) (Coombs, 2007) can be

applied to this case. According to SCCT, a higher crisis responsibility and a negative prior crisis history lead to higher emotional involvement and feelings of anger and *schadenfreude*, which both were clearly expressed in the online comments. Also, SCCT links negative emotions and perceived crisis responsibility with behavioural intentions, which could also be found in the calls for boycott that emerged during the crisis situation. Using accommodative response strategies such as compensation and apology, as suggested by SCCT, might have been effective to stop the crisis from evolving. The approach that is often recommended for communicating on the social networks, for example engaging with individuals and using two-way instead of one-way communication, failed in this case and even fanned the flames. This might be due to the fact that contrary to their own description of their strategy, Applebee's did not engage in actual dialogue and conversation with the critics and refused to accommodate their position to achieve an understanding. Feelings of being power- and helpless on the corporate side during a social media crisis can lead to counterproductive attempts of controlling the discussion by blocking users or deleting comments. In the separate Facebook boycott groups, users are waiting for their accounts to be allowed to post on Applebee's Facebook page again to remind other users of the case of Chelsea Welch. The waitress has personally written on the wall of the group "Picking Apples" to thank them for their support (Welch, April 28, 2013).

5.5 Summary

Applebee's case showed that seemingly small incidents can cause a social media crisis. Often, public relations practitioners might underestimate the power of the online community and focus on traditional customers like the pastor in an attempt to protect the company's reputation.

The concept of dialogue was misunderstood in this case and replaced with tactics of negotiation, persuasion and attacking the accuser. Applebee's communication strategy actually fanned the crisis to a point where the original issue was hardly relevant anymore. In light of the strong negative emotions that were involved, more accommodative response strategies would have been advisable.

6 When the online communication is better than the actual service: Jetstar

6.1 Introduction

In contrast to the first and second case study, the last case of a social media crisis that will be analysed does not focus entirely on one single event that threatened corporate reputation, but rather utilises a certain timeframe to look at the chronic risk that social media pose for the reputation of a company in the service industry. The data collection for this case study can be found under the following link: http://storify.com/LarissaOtt1/jetstar.

The example that will be used is the company Jetstar, an Australian budget airline and subsidiary of Qantas. Although Jetstar is renowned for its cheap trans-Tasmanian flights, it also has a negative reputation in regard to reliability and quality of service. In 2010, the company pledged to improve its customer service after the Australian government published a white paper that demanded a higher quality in customer care in the sector of low-cost airlines (Australian Government, December 2009). In order to heighten responsiveness to issues, Jetstar introduced a customer charter that committed staff to acknowledge online complaints within 24 hours and respond to them within 15 working days ("Jetstar changes direction to reduce complaints," February 20, 2010). Overall, digital customer service has been strongly leveraged throughout the company. In 2010, the airline announced through a media release that it would shift 40% of its marketing budget to digital and social media channels. According to the release, Jetstar is using social media for "new route launches, special offers and announcements, responding to customer queries and posting sale and news updates daily" (Jetstar, March 22, 2010, online). In an interview, Jetstar's former social media manager Andrew Mathwin explained that the primary strategy of the airline is to provide customer support in social media with up to 17 employees involved in the process, although this number can be increased during a crisis situation to monitor and respond to issues online (iGo2 Group, August 31, 2011).

As the airline industry in general has to deal with issues of immediacy and their services are easily influenced by external forces, for instance environmental catastrophes, they are at higher risk to experience a crisis (Glaesser, 2006). This risk is heightened by Jetstar's failure to improve its reputation in the eyes of Australian and New Zealand customers. Despite the pledge of improvement in 2010, Jetstar still suffered from bad publicity in regard to reliability and customer service in 2013 (Bradley, April 5, 2013). Taking Jetstar's negative prior crisis history into account, one can use the Situational Crisis Communication Theory (SCCT) (Coombs, 2007) to explain why customers are more likely to perceive the company as responsible in the case of a crisis. If a company has experienced similar crises in the past, this suggests an on-going problem that the company is not willing or capable to resolve, thus putting the company in the preventable cluster that implies high attribution of crisis responsibility (Coombs, 2007). This leads to customers reacting with feelings of anger and negative behavioural intentions such as boycotting the services of the company. In regard to the problem of reputational risk, the social networking sites of Jetstar offer a variety of incidents worth of analysis. Every day, the company encounters a myriad of complaints and queries from angry customers over Twitter and Facebook, every single one a potential trigger for a major social media crisis and reputational threat. Examples span from a general lack of service (flights are cancelled or baggage is lost) to inappropriate behaviour of employees or customer complaints that are not handled fast enough by the customer service centre. Additionally, in March 2013, New Zealanders took their outrage to the Facebook page of the airline after the company required the mother of the victim of a fatal shark attack to pay a fee of $265 to change her flight (D. Schwartz, March 1, 2013).

However, this incident shows a high similarity to the second case in the sense that citizens used the social media to support an individual they perceived as powerless, but in the moral right in the conflict with a company. Hence, the focus of this case study will be on another problem Jetstar experienced to provide a higher variety of data for the analysis of social media crises. In November 2012, over the course of one week, Jetstar had to deal simultaneously with angry reactions to Christmas flight cancellations from Australia to New Zealand and a prankster who created a fake Jetstar Facebook account and started replying to customers in a rude manner (Garrett-Walker,

November 26, 2012; Starke, November 28, 2012). The majority of customers were made aware of the flight cancellations on the 22nd of November, resulting in a peak of comments on the official Facebook page that continued until the 28th of November. Initially, the press was told that only the flight on the 23rd of December from Melbourne to Auckland was cancelled and 80 passengers were affected (Cookie, November 26, 2012). However, no seats were available on Jetstar's website from December 18 to 27 (Garrett-Walker, November 26, 2012). Moreover, customers were using the Facebook page of the company to exchange information about the situation and soon confirmed that flights over this whole period were cancelled, both in Perth and Melbourne.
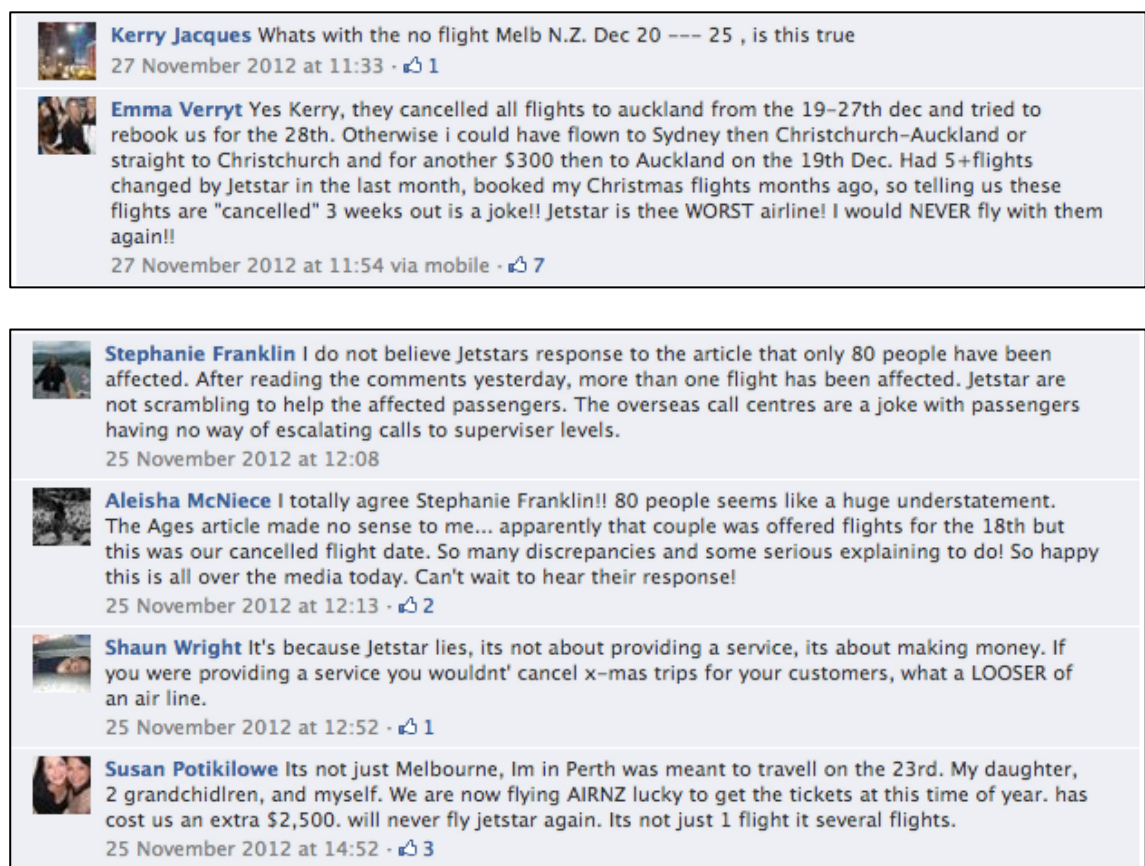

Figure 36. Customers use Jetstar's Facebook page to exchange information about the cancelled flights (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/ 474299159280474 and www.facebook.com/JetstarAustralia/posts/507040319327590.

From Jetstar's side, no specific reason for the cancellation was given, apart from "airlines reschedule flights from time to time" (Keall, November 26, 2012, online). In an email to affected customers, the airline stated: "While we try to avoid any changes to our timetable, in this instance it was unavoidable. The change to the schedule has been made so we can maximise our aircraft

utilisation and continue to offer you everyday low fares" (Cookie, November 26, 2012, online). This lack of transparency was also highlighted by users on Facebook.

Figure 37. Scrutiny in regard to Jetstar's promises about transparency in flight cancellations on Facebook (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/472701752773548.

While these events unfolded on Facebook, an impersonator created a false Jetstar account on the 27th of November and started replying to customer queries on Jetstar's official Facebook page in a rude manner. For the analysis, screenshots that were captured by other online users and used in reports from online news sources had to be used, because the offending responses were deleted after the issue was resolved with Facebook. Some examples are displayed in Figure 38.

Pip ▮▮▮▮

jetstar will you be having another melbourne to goldcoast sale this year?

Like · Comment · 51 minutes ago

> **Jetstar Australia** Hi Pip, Thanks for your message. No. Dont be such a tight ass and pay the full price. Its cheap anyway. Thanks – Anita
>
> A few seconds ago · Like

Stephanie ▮▮▮▮

As someone who has had conflicting advice (and subsequently lead to trouble for myself and hubby) from Jetstar, I thought I'd post on here in a hope that either the issue is cleared up publically or future mothers with children are forewarned. When I booked my flight to New Zealand through Jetstar, I called up the information line and asked the Jetstar staff if strollers were allowed to be used through the airport. Yes, I was assured, right up to the gate! Phew, that's a relief to me. You can imagine, then, my dismay at check–in, only to be told that my strollers had to be checked in with the oversized baggage and that the lady who said I could use the strollers up to the gate had been wrong. I then had two hours in the dead of night carrying two toddlers around an airport. If I had been better informed I would have made alternate transport arrangements for them and it would have saved myself and my hubby aching arms and back muscles (not to mention the hassle of trying to keep cranky toddlers still while filling out customs forms).

I urge Jetstar to please clear up their policy on stroller use. Are they or are they not allowed to be used to the gate? Either way, one of your employees is misinformed. I wish to save future travellers with young children the same frustration I've had over this issue.

Like · Comment · 31 minutes ago

> **Jetstar Australia** Hi Stephanie, This is a "comment box" not "write a long story" box. Please shorten it and send to someone who cares. Thanks – Anita
>
> A few seconds ago

Figure 38. Examples for Jetstar's impersonator on the Facebook page (2012). Retrieved from http://www.perthnow.com.au/technology/outrage-over-fake-jetstar-facebookpage/story-fn7bsj10-1226525997260.

Both incidents, one caused by the company itself and one by illegal actions of an individual, demonstrate typical issues that can occur for the service industry in the age of social media and ways in which these can be handled. A timeline of the events will be displayed on the next page in Figure 39.
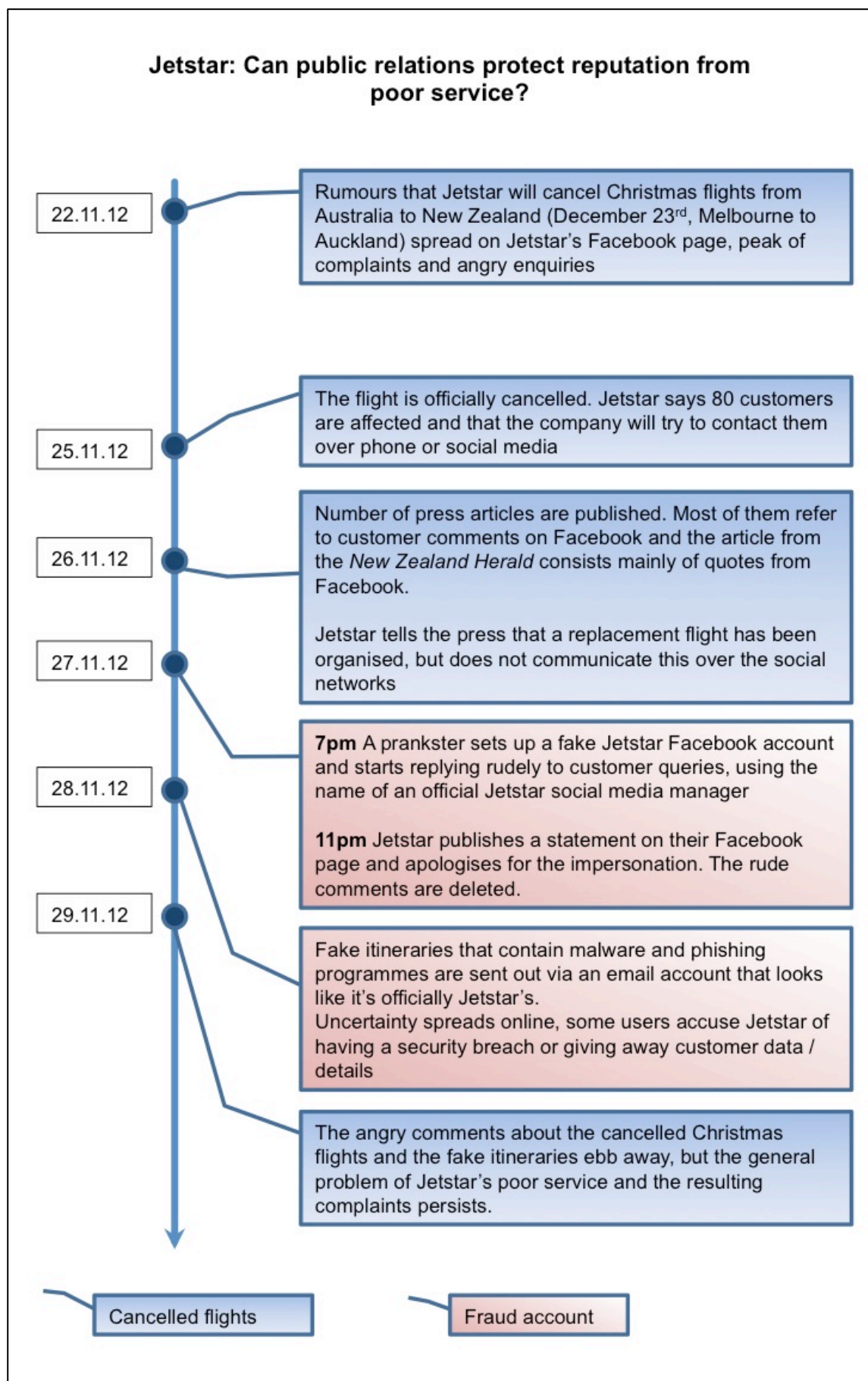
Jetstar: Can public relations protect reputation from poor service?

22.11.12 — Rumours that Jetstar will cancel Christmas flights from Australia to New Zealand (December 23rd, Melbourne to Auckland) spread on Jetstar's Facebook page, peak of complaints and angry enquiries

25.11.12 — The flight is officially cancelled. Jetstar says 80 customers are affected and that the company will try to contact them over phone or social media

26.11.12 — Number of press articles are published. Most of them refer to customer comments on Facebook and the article from the *New Zealand Herald* consists mainly of quotes from Facebook.

27.11.12 — Jetstar tells the press that a replacement flight has been organised, but does not communicate this over the social networks

28.11.12 — **7pm** A prankster sets up a fake Jetstar Facebook account and starts replying rudely to customer queries, using the name of an official Jetstar social media manager

11pm Jetstar publishes a statement on their Facebook page and apologises for the impersonation. The rude comments are deleted.

29.11.12 — Fake itineraries that contain malware and phishing programmes are sent out via an email account that looks like it's officially Jetstar's.
Uncertainty spreads online, some users accuse Jetstar of having a security breach or giving away customer data / details

The angry comments about the cancelled Christmas flights and the fake itineraries ebb away, but the general problem of Jetstar's poor service and the resulting complaints persists.

Cancelled flights   Fraud account

Figure 39. Timeline of Jetstar's social media crisis.

6.2   Customer complaints are most likely to trigger crises

The Internet offers new platforms and ways through which customers can vent their negative experiences with companies and can spread negative word-of-mouth that might prevent other people from becoming customers of this company. For the airline industry, including Jetstar, the fact that the newer mobile communications technology grants mobile Internet and that most airports offer some form of wireless Internet hot spots translates to a higher risk of negativity on the social media. If frustrated customers miss a flight or are treated impolitely by staff, the easily accessible Internet and the social media pages of the responsible company are a fast way to share their negative experience and demand compensation. In general, the opinions about Jetstar voiced online are very negative. The website "Amplicate", which collects and analyses the opinions of the public from Facebook and Twitter concludes that 83% of the users "hate" Jetstar (*Jetstar hate*, 2013). Moreover, several Jetstar boycott groups exist on Facebook, for example "Don't fly Jetstar" (https://facebook.com/DontFlyJetstar). However, although many negative opinions are being voiced on Jetstar's social media accounts, there is also positive feedback and a self-regulation of the community evident. Many users state that critics should stop "whining" and point out that it is their choice to use the services of the company (see Figure 40). This self-regulation was not apparent during the cancelled Christmas flights, probably due to the higher number of affected passengers and the strong negative emotional impact of the situation, because customers were not able to visit their families during one of the most important Western holidays.

> **Sam Schubert** Try to understand how it is for the Jetstar consultants who have to rebook and cancel all the passengers on board these flights! They are the ones doing an amazing job with it all. I'm a travel agent and I know first hand how hard these things are for everyone who has to help fix it! Rebooking flights and entire holidays can take days of hard work!!
> 16 December 2012 at 00:12 via mobile · 👍 8

> **Kate Rees** You should all be happy that you can even "FLY in the air" to visit loved ones in the matter of hours or visit places that you could never dream of! Get a grip people!!! Open your eyes, stop being so goddam narrow minded!
> 27 November 2012 at 05:08 via mobile · 👍 18

Figure 40. Self-regulation of the community on Jetstar's Facebook page (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/481940468516343?comment _id=5364913&offset=0&total_comments=51 and www.facebook.com/JetstarAustralia/ posts/474299159280474?comment_id=5295763&offset=100&total_comments=206.

More importantly, social networking sites establish a direct relationship between companies and their customers. If a company like Jetstar possesses a Facebook and Twitter account, users expect to receive answers to their queries through these channels. Shana Quinn, social media manager at United Airlines, says that Twitter posts tend to require immediate help such as a missed flight, while the possibility to write lengthy posts on Facebook generates more general and less urgent complaints (Karp, June 9, 2013).

Especially companies in the service industry that are likely to face these complaints have to be prepared to provide this customer service, as the example of the Deutsche Bahn (the major German train company in public transport) in 2010 showed. Initially, they launched their Facebook page as a marketing and sales channel for new tickets, but were soon overrun by negative comments of users who used the page as a platform to voice their anger about the bad service. Because the company did not anticipate this backlash, it was unable to cope with the situation and started by deleting comments and finally disabling the whole page (Söhler, 2010). One year later, it set up a new page that was focused on providing customer service and questions were answered quickly, which kept the negative commentary at bay (Buggisch, 2011).

This shows in regard to the first research question – how social media contribute to the development of reputational crises – that companies who work in this industry sector have to be prepared to deal with customer enquiries through their social networking sites. If not handled correctly, these can cause major crises. A study conducted in 2011, which analysed the origins of 30 social media crises, concluded that the majority of the crises (28.6%) was triggered by negative customer experiences (Faller, April 2012). In the airline industry, a well-known example is the case of United Airlines in 2009 (Soule, 2010). After the airline damaged the guitar of the little-known Canadian country singer Dave Carroll and failed to provide compensation over a period of 9 months, the musician created a music video about the incident and uploaded it to YouTube. It went viral and caused a major backlash online, prompting the company to spend more than thrice the money Carroll originally demanded to make amendments and rescue the corporate reputation (Greenfield, July 13, 2009; Tran, July 23, 2009). A positive example on how social media can be used in the airline industry to improve reputation is the company KLM Royal Dutch

Airlines, which operates from the airport Amsterdam Schiphol. For three weeks, a social media team tracked people who logged in on Twitter on the airport and mentioned with a hashtag or @ symbol that they were flying with KLM. By analysing their publicly available posts, the social media team found personalised gifts for 28 customers and surprised them with these gifts at the gate. For example, one woman who was going hiking in Rome was given a watch that tracks distances and walking speed (Peveto, January 11, 2011). The positive feedback of the surprised customers spread quickly over the social media and generated over 1,000,000 direct impressions on Twitter alone (Peveto, January 11, 2011).

Consequently, interacting with customers on the social media can improve reputation, but in order to avoid a social media crisis, it is highly important to monitor customer feedback online and reply timely at the source of the complaint. As mentioned before, Jetstar employs 17 social media managers that work on both Twitter and Facebook. The airline has an open posting policy on Facebook, where both user comments and posts are enabled. In an interview with the iGo2 group, Jetstar's social media manager Andrew Mathwin claimed that they handle about 10,000 requests per month and up to 1,000 enquiries per day in the case of a crisis (iGo2 Group, August 31, 2011). The general analysis by the website Social Skift (2013) shows smaller numbers: Per month and on average, Jetstar sends out 700 replies on Twitter (96% of posts or enquiries were answered) and posts 500 replies on Facebook (73% of posts or enquiries were answered). Thus, Jetstar has a good responsiveness rate, especially on Facebook. True to the customer charter that promises fast acknowledgement of customer issues on the social media, Jetstar's average response time on Facebook is one hour (Social Skift, 2013).

However, this only means that the issue is recognised and reported, but does not imply that it is resolved. Conversocial (2013), a company known for improving the customer service of large brands like Groupon and Tesco on the social media and reducing negative customer sentiment, conducted a study among the top 100 US online retailers. The results showed that more than 50% of customers expect a response in less than 2 hours online, and 65% say that first contact resolution is the most important part of a good customer experience (Farrell, July 12, 2013). Jetstar's customers are usually grateful to be able to

make contact with a company spokesperson, but still, the work pace of the social media team is at odds with the general customer service at Jetstar (see Figure 41). Some problems can be resolved by directly accessing the booking and giving advice, but most issues (like refunds and complaints that require action) have to be escalated through the official online form or the call centre. This, however, only guarantees a response to the issue within 15 working days, and many customers report that Jetstar does not adhere to this guideline.

Figure 41. Difference between Jetstar's customer service on Facebook and through the call centre (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/4742991 59280474?comment_id=5296216&offset=50&total_comments=206 and www.facebook.com/JetstarAustralia/posts/474255185951538.

In order to minimise the risk of social media crises, Jetstar has already undertaken important steps in its social media strategy, for example fast replies and a continuous monitoring of mentions of the company online. Andrew Mathwin explained that Jetstar uses the social media monitoring platform Radian6 to track conversations about Jetstar online to address problems quickly and escalate if necessary (iGo2 Group, August 31, 2011). Moreover, the Twitter and Facebook pages of the company have clearly visible operation times (7am – 8pm Monday to Friday and weekends 9am - 5pm AEST) to show users when they can expect fast replies. Additionally, the community managers on the social networking sites communicate that the feedback of the customers is valued and that complaints or ideas for improvement are included in regular reports to the senior management of the company (see Figure 42). In this regard, Jetstar acts in accordance with the guidelines for excellent public relations in the digital age by Grunig (2009), who states that public relations

should have a close relationship to the dominant coalition in a company to work effectively.

Figure 42. Jetstar includes social media feedback in reports to senior management (2012). Retrieved from www.facebook.com/JetstarNZ/posts/571844742834091.

These structures are helpful when addressing the risk of reputational crises caused by customer complaints, but can only work as a "band aid" to cover up generally poor service. Also, having these measures in place does not protect a company from other crisis situations like the possible hacking of a social media account.

6.3   Heightened vulnerability can impact on reputation and trust

Compromising a corporate account on Facebook or Twitter can take place by two methods: Number one is creating an imposter account by using the same name and logo as the affected company, which happened to Jetstar. This method is relatively easy to play out and can be seen as a form of spoofing. In reaction to the spoof that took place on Jetstar's Facebook page, strategic communication professional Nicole Matejic claims that she was able to create a false Jetstar Facebook account herself within two seconds (Matejic, 2013). On the other hand, this fraud is easily unveiled, because clicking on the name of the fake account leads to a different wall, as some Facebook users on Jetstar's page quickly discovered. Moreover, the company gave this advice themselves with the wall post they published in reaction to the incident.

Figure 43. Users and Jetstar point out how to reveal the fake account on Facebook (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/474255185951538 and www.facebook.com/JetstarAustralia/posts/474299159280474.

Additionally, Twitter has introduced "badges" for verified accounts that signal users if celebrities or brand are genuine or an imposter. Recently, Facebook has started to use the same method, but the numbers of accounts with badges are still limited (PR Web, June 22, 2013). Consequently, the obstacles for impersonating a company with a fake account become increasingly higher.

The second method requires more knowledge and time and is based on actually gaining access to the real corporate account by stealing the password through phishing methods or hacking. If this happens, the reputational consequences for the affected company can be immense. For instance, both

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the Twitter account of the car company Jeep and Burger King were hacked in February 2013. The imposters claimed that the companies had been taken over by their rivals, Cadillac and McDonalds respectively. Additionally, the hackers on Jeep's account posted that the company's employees were abusing opiates and using crack cocaine (Coldewey, February 19, 2013). These incidents pose the serious risk of reputation loss and even stock-market impacts, as the example of the news agency Associated Press shows. After a bogus tweet in April 2013 which reported that the White House had been attacked, the Dow Jones Industrial Average dropped 127 points into the red zone (M. Schwartz, April 23, 2013). Even if this is not the case, those hacks still cause a lot of trouble for the affected company because they somehow have to regain access and control first before even addressing the reputational problem that might have occurred due to this incident. The general public does not differentiate between spoofing and hacking, and although only the latter affects the organisation's security, both occurrences can have a negative effect on reputation.

Interestingly, the main problem the spoof represented for Jetstar was not that the snarky responses by the imposter caused anger or outrage on their Facebook page. Naturally, the affected customers were confused or shocked, especially a woman who was told that her holiday flights to the Gold Coast were cancelled. Nonetheless, after Jetstar's statement was published, she was more relieved to hear that the situation was resolved than angry with Jetstar (see Figure 44 on the next page). The overall reaction on the Facebook page was that users found the fraud amusing, although some used the situation to make remarks about how the imposter's customer service was not very different from the one provided by the airline.

Figure 44. Customer reactions to the fake Jetstar page and Jetstar's apology (2012). Retrieved from www.perthnow.com.au/technology/outrage-over-fake-jetstar-facebook-page/story-fn7bsj10-1226525997260 and www.facebook.com/JetstarAustralia/posts/474299159280474?comment_id=5294727&offset=150&total_comments=206.

This reaction can be explained with the Situational Crisis Communication Theory (SCCT) (Coombs, 2007), which argues that negative emotions towards a company are less likely if the perceived crisis responsibility is low. In this case, Jetstar falls into the victim cluster of crisis types, which means that it is more likely to experience sympathy from the stakeholders (Coombs, 2007). Still, the situation bears risks for the company, because it impacted on the trust relationship with the online user on Facebook. Users were irritated and

confused because they were not sure whether the actual Jetstar community management was replying to their messages. This insecurity was fostered by the fact that the imposter used the name of a member of Jetstar's social media team to sign his answers.

Figure 45. Insecurity among Facebook users about the genuineness of Jetstar's replies and posts (2012). Retrieved from www.facebook.com/photo.php?fbid=4753541425 08309&set=a.154255624618164.28214.144075565636170&type=1&comment_id=138 8852&offset=0&total_comments=31 and www.facebook.com/JetstarAustralia/posts/ 475309462512777.

Additionally, legitimate traffic and queries from the company's Facebook page were diverted to the fake page, which posed the risk of customers getting mislead and not receiving any service (Matejic, 2013). The delicate trust relationship online is also threatened by other companies like MTV, which pretended that its Twitter account was hacked in order to promote a new show on the network (Clay, February 19, 2013). Consequently, Jetstar tried to distance itself as quickly as possible from the postings, but between the first activity of the imposter and the official Facebook statement from Jetstar, almost four hours passed by.

6.4 Reaction strategies to spoofs and customer complaints

Four hours can be a long time for an imposter to inflict damage on corporate reputation and it can take even longer to block the responsible account, because Facebook has to be contacted for this measure first. In Jetstar's case, the first screenshots of the false account responding to customers were taken at 7:30pm Australian time on a Tuesday (Starke, November 28, 2012), a time at which the community management of Jetstar should have been active for at least another half an hour. However, this also shows that attacks on the corporate pages are not limited to business hours and companies might have to react in the middle of the night, as Jetstar did by publishing a statement at 11pm.

In regard to the second research question that was concerned with how the risk of social media crises impacts on companies, Jetstar's spoof situation demonstrates that users will still be able to post over the weekend or during the night time and this can be the timeframe in which a crisis situation builds. Through this circumstance, imposters or hacker who compromise the corporate account can, due to the worldwide accessibility of the social media, still gain a lot of attention in countries with different time zones. Also, this illustrates that occurrences like these are relatively regular on the social media, but at the same time out of the control of the victimised company. The only measures that can be taken against hacking incidents are better password security and a regular monitoring of the pages, but they still cannot eliminate the possibility of a hack completely. Although these actions are illegal and the affected companies are protected by law, prosecution of online crimes can be complicated and can only take place as a reactive, not a proactive measure.

In case of a hack, PR practitioners like Jason Ginsburg, director of interactive branding at Brandemix and Matthew Krayton, director of social media at ebrand Studios, advised in an interview with PR Daily (February 21, 2013) to quickly react with a statement and an apology. They also stated that it is the company's responsibility to follow up about the hack on the social networks. Interestingly, the crisis response strategy here is often separated for the platforms. Most companies have not addressed their hack on a social network that was not affected (Wilson, February 21, 2013). Jetstar reacted similar and did not publish a statement on Twitter. The reaction strategy on Facebook was two-fold: One

general post was displayed prominently on the Facebook page and reached all users, but personal replies were also written to all the affected users to make them aware of the fact that they had fallen victim to the impersonator. Both messages were apologetic in tone, but also relatively casual and employed less formal corporate speech, for instance addressing the user community with the words "Hi everyone" (see Figure 46). In comparison, other companies like Applebee's or Facebook have crafted carefully worded statements in their crisis situations, using for example "we appreciate…" and "we can assure you…" (see chapters 4 and 5).
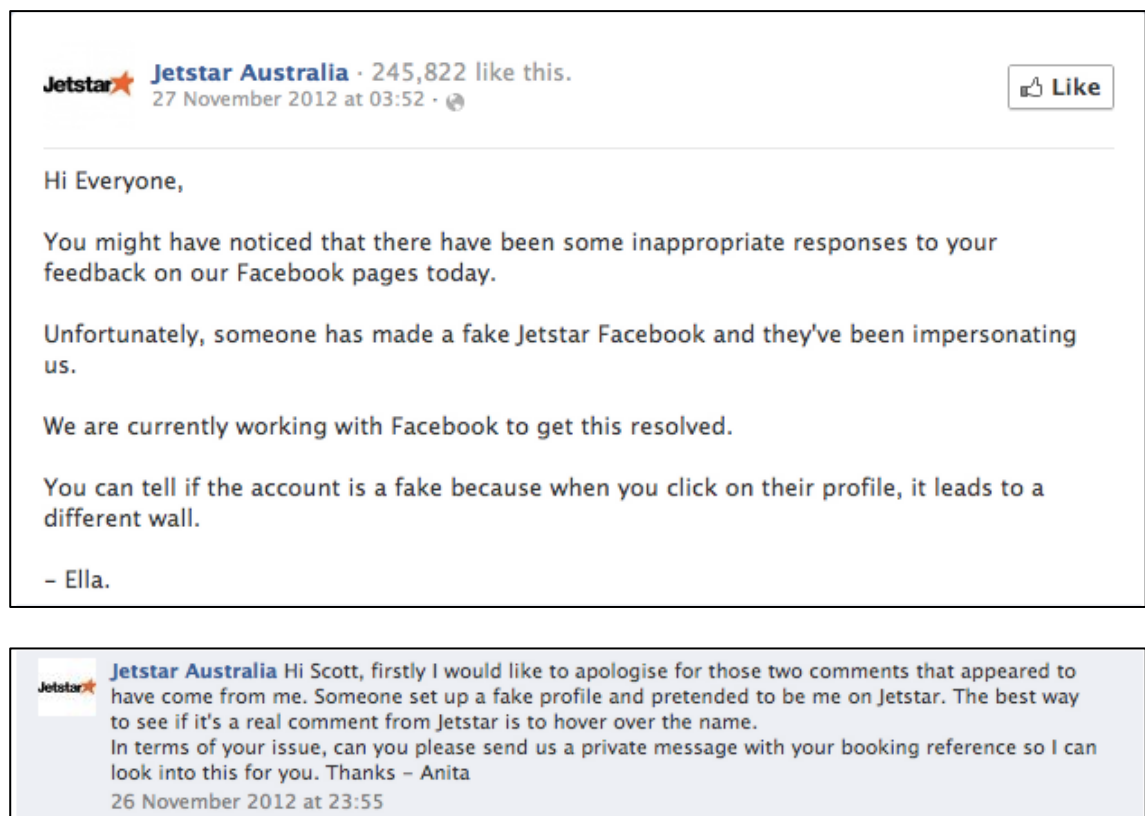
Figure 46. Jetstar's statements in reaction to the hack (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/474299159280474 and www.facebook.com/JetstarAustralia/posts/474240929286297?comment_id=5294090&offset=0&total_comments=8.

This seems to reflect the company's general strategy in addressing problematic topics that might cause a crisis by reducing the distance between customers and company through casual speech (Mizrachi, March 18, 2013). In March 2013, customers were increasingly upset about the credit card surcharges that occurred during the booking process. Jetstar addressed this with a public wall post that explained the circumstances around the fees and how to avoid them,

but similarly chose to address the customers in a less formal way by beginning the post with "Hi guys" (Mizrachi, March 18, 2013).

The statement about the spoof received 205 comments, most of them expressing amusement about the situation or using the occasion to criticise Jetstar's general service. Unfortunately, the incident and the issue with the cancelled Christmas flights mingled on Jetstar's Facebook page, as customers were enquiring about the flights in the comment section under Jetstar's apology statement referring to the fraud. This enforced the perception of inaptness and unreliability that customers had of the airline, because evidence for the company's lack of competence in the areas of service and online communication were publicly visible and available. Another occurrence on the 28th of November, where Jetstar had to warn their Facebook users about malware emails that were sent out, disguised as flight itineraries by Jetstar, added to this (Ducklin, November 29, 2012).

In the case of the cancelled Christmas flights, the major awareness about the issue was generated through the social media. After some customers received emails telling them that their flight was cancelled, they flocked to the Facebook page of Jetstar and Twitter because they were apparently not able to gain more information by calling the customer centre or contacting the company otherwise. Four days after the first posts appeared on social media, traditional news outlets picked up the story, relying heavily on the customer feedback and the information that was given through them on Facebook (Garrett-Walker, November 26, 2012; Keall, November 26, 2012). For example, the article in the New Zealand Herald (November 26, 2012) consisted mainly of information obtained from the Facebook page and quoted the different posts people posted on the wall. Consequently, in regard to the second proposition of this research, which states that citizens become more important for corporate reputation than traditional media outlets, it can be said that the activity on the social media pages initiated the news articles on the topic. On the other hand, these newspaper articles in turn brought people to the Facebook pages that had not heard of the issue before, so in this case, the interplay of new and traditional media reinforced the attention that was paid to the incident.

However, Jetstar seemingly did not respond with a coherent crisis communication strategy that involved all channels, but focused on traditional

crisis communication by giving new information on the situation predominantly to the press. No general news update about the situation was published as a post on Facebook and only individual queries were answered. Hence, some information, for example which flights were affected, was available through the newspapers and other, partly contradictory information through the social media. Jetstar used a traditional crisis response strategy by providing information to news outlets to create awareness about the situation. Nonetheless, it was a reactive strategy that followed angry customer reactions on the social networking sites and was focused on diminishing the crisis by making it appear less negatively (Coombs, 2007). Hence, customers turned to social media for further, explanatory knowledge. On the Facebook page, they were able to exchange information on the status of the flights and soon found out that in contrast to initial media reports on the issue and the official statement from Jetstar, more than one flight and more than 80 passengers were affected. These flight cancellations had a higher impact on the emotions of most customers and perceptions of the airline than general changes in the timetable. In the Western society, Christmas is an emotionally important holiday, because it is usually spent with the family and many customers had booked the flights more than six months in advance in order to be able to see them. Some customers argued that they would have to spend additional amounts from $600 to $2000 to book a flight with another airline. Consequently, having their flights cancelled four weeks before departure and without having many alternatives, the affected customers were angry and took those feelings to the social networking sites of Jetstar.

The company's crisis response strategy on Facebook and Twitter was to only engage with customers that were actually affected and ignore abusive language or anger. Also, Jetstar did not address the various rumours that passengers were laid off due to overbooking or because they booked cheap flights that Jetstar aimed to resell now. First, Jetstar mainly apologised for the situation and then, after more and more affected customers were posting on Facebook, offered to get into contact with them via email or telephone to find alternatives. Similarly to the statements given to the press, Jetstar avoided to give concrete reasons for the cancellations to individuals.

Moira Slavich ▸ **Jetstar Australia**
21 November 2012 at 23:29 · 🌐

Jetstar Australia I will never fly with you again. Just had a call saying my flight to Auckland on 23rd December was cancelled!!! So now I will not be spending Christmas Day with my mother !!! No more flying with you !!!

Like · Comment

👍 Samantha Welsh, Kate Peta, Joseph Muscat and 3 others like this.

> **Jetstar Australia** Hi Moira, I'm really sorry to hear your flight to Auckland has been changed, we do try to avoid changes to our flight times – especially during such busy times, but it's sometimes unavoidable. Unfortunately our flights to Auckland around the Christmas period are all full. I can see you have contacted our Telephone Reservations Team and the offer of a refund still stands if you are able to find a more suitable alternative. I apologise again for the inconvenience this has caused and hope you still enjoy your trip despite it. Thanks – Kylie
> 22 November 2012 at 00:50

Court Fano ▸ **Jetstar Australia**
26 November 2012 at 20:47 near Auckland · 🌐

JETSTAR YOU SUCK. How can you cancel peoples flights at christmas time that have been booked for months in advance. People have booked hotels, rental cars, time off work, connecting flights, entertainment etc...and at the drop of a hat you cancel the flight without explanation and just over 3 weeks away from xmas. Sure you are offering other days to fly for these people...NOT GOOD ENOUGH...what happens to all these things they have booked months in advance..IT IS YOUR RESPONSIBILITY TO MAKE THINGS RIGHT...Pay for them to rebook on other airlines IF YOU PEOPLE CANT GET THEM TO THEIR DESTINATIONS AS PROMISED MONTHS AGO. Try explaining to bosses, rental car companies, hotels etc that JETSTAR F*#ked up again so we need to take time off work earlier at the busiest time of the year (AND BE DECLINED) Cancel the rental car, cancel the hotel booking and entertainment.. all of which have been paid for months ago...How can you sleep at night...congratulations on ruining Christmas for so many children and their families..WHAT A SAD EXUSE FOR AN AIRLINE. i WILL NEVER FLY WITH JETSTAR.

Like · Comment

👍 Emz Keach, Colin Beumelburg, Leighton Skilling and 39 others like this.

> **Birgit Andres** what a nightmare! thanks for alerting us to this– I was just considering booking with JS... don't think so, now.
> 26 November 2012 at 20:55 · 👍 2

> **Larry Dale** Thanks Court, Unfortunately my family of 3 were booked on this flight. Everything you have mentioned has affected our Xmas plans. We were able to get on another carrier but on Xmas day at cost of $1850 one way. I have just cancelled our rental car as they aren't open on Xmas day and we couldn't stay in Aucks the night because the whole reason we're coming home is to spend Xmas day, or what will be left of it, with the family. At least we're still coming home. Some people on THAT flight may not be so fortunate. Way to go JETSTAR... Yeah right!!!!
> 26 November 2012 at 21:39 · 👍 1

> **Jetstar Australia** Hi Court, I'm really sorry to hear we've disrupted your plans. Could you please send us a message with your booking reference and I'll see what options I can give you. Thanks – Anita
> 26 November 2012 at 21:41 · 👍 2

> **Steve Clark** New swear word that is worse than any swear word in the world , It is JETSTAR !
> 26 November 2012 at 23:18 via mobile · 👍 5

> **Steve Whiting** Jetstar this is not on, how disgusting. I will personally never fly with you and will be telling all my friends what poor service you give. You had these peoples $$$ for months and couldn't even refund straight away. Where they suppose to find that much money again in a hurry to book with another airline.
> 26 November 2012 at 23:32 · 👍 2

> **Court Fano** They told us it would take 3 weeks for a refund mean while flight costs are rising as it gets closer to xmas....SHAME ON YOU JETSTAR.
> 27 November 2012 at 00:20 · 👍 3

> **Laura Erueti** That's so terrible!!!!!!
> 27 November 2012 at 00:50 via mobile · 👍 2

> **Mica Paral** That's horrible!!!
> 27 November 2012 at 01:06 via mobile · 👍 1

Figure 47. Jetstar's replies to affected customers (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/472358299474560 and www.facebook.com/JetstarAustralia/posts/474216992622024.

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Only after the traditional media got involved on the 26th of November, 4 days after the peak of complaints on Facebook, Jetstar promised to arrange an additional flight on the 23rd of December to replace the cancelled flight. By then, many customers had already changed their plans or booked with other airlines. As the public pressure became to high, the airline took action to protect their reputation and stop the crisis, which can be explained with the signaling theory (Walker, 2010). However, Jetstar only communicated this to the press and promised they would call affected customers, which led to even more confusion on the social media pages as this was not the case. At this time, the formalities for the promised flight had not yet been finished, thus making it look like a premature attempt to appease the public, and requiring information to be corrected in the communication on Facebook. The data hints at a lack of internal communication and coordination at Jetstar, especially in the relationship between the general public relations department and the social media management, although Jetstar apparently implemented an Intranet system in 2007 that was supposed to facilitate internal exchange of relevant information (Intranet Dashboard, 2008).

Figure 48. Confusion on Jetstar's Facebook page about the new flight (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/390796891004697.

This shows in regard to the third proposition of this research that traditional crisis response strategies are unsuccessful in a social media crisis if resolutions or amendments are not communicated through all the affected channels, which generates information gaps and inconsistent messages. In 2009, United Airlines was in the same situation. The airline took traditional measures like apologies and compensations to respond to Carroll's case, but did not communicate these sufficiently online. As the social media were the channel of origin for the crisis, the negativity and attacks continued (Soule, 2010).

In Jetstar's case, the airline decided not to publish a general, public post on their wall to address the issue in an overall effort. Visibly, the strategy was to reply to all affected passengers personally, but to eventually move the communication away from the page. There are two explanations for this approach: First, it limits the negativity on the page because the potential back-and-forth between customer and customer service is not displayed publicly, but is resolved away from the public platform. Second, dealing with sensitive personal customer data, which is often required to resolve the problems, has legal implications because no personal details can be made public. By default, all communication on social networking sites is public and companies can only use the means of private messages (Facebook) or direct messages (Twitter) to exclude the public from conversations with customers. However, these means often complicate the situation because companies have to follow users on Twitter to allow for direct messaging and users on Facebook have to allow messages from users outside their personal circle. Eventually, it is simply easier for a company to handle customer complaints over traditional communication channels like email or telephone and just initiate the contact over social networking sites. On the other hand, this poses the problem of slow processing times again. Customers can anticipate a reply to their query within 15 working days, which left only a small time frame to solve the customers' problems in the remaining four weeks until Christmas (see Figure 49 on the next page).

Figure 49. Facebook response time conflicts with Jetstar's general customer service (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/473730909337299.

In regard to Jetstar's strategy to only address affected customers, Andrew Mathwin, Jetstar's former social media manager, has said that the airline has developed a process based on experience on which they decide whether to immediately respond to a comment or not. He states that Jetstar takes special care only to engage in conversation with a customer if they have been invited to do so or if they can be of help (iGo2 Group, August 31, 2011). Apparently, there are corporate guidelines for the social media communication, and these also extend to the vocabulary and wording used. This assumption could not be confirmed, because Jetstar's digital communication guidelines are only accessible for staff.

One theme in Jetstar's responses is the frequent use of apologies, next to general set phrases of thanks and the name of community managers, with which they sign and personalise their responses. This is illustrated by the Tweet Cloud of Jetstar's Twitter account, a computer algorithm that displays the most

frequently used words in larger letters (see Figure 50). Usually, apologies are seldom used in traditional crisis communication because these words could imply the admittance of guilt, thus entailing legal liability and additional expenses for the company (Tyler, 1997). Coombs (2007) describes this as a highly accommodative strategy that usually includes compensation, although this is not always the case in Jetstar's responses. Thus, the company uses apologies more as a strategy on its own to demonstrate empathy and appreciation of the customer's situation, not in combination with other crisis responses.

Figure 50. Tweet cloud displaying Jetstar's top five words in Twitter communication. Retrieved on July 10, 2013, from www.tweetstats.com/graphs/jetstarairways#tcloud.

Another general theme in Jetstar's online communication strategy is the use of real names for the community managers, with which they "sign" their replies to customers. Jetstar's social media manager Andrew Mathwin has noted that this "social response" is an extension of the customer service the call centre provides, so the goal is to make it appear as if the customer is communicating with a real person in real time (Yap, July 13, 2011). An advantage of this communication strategy is that it makes users less likely to aggressively attack Jetstar's representatives on the social media. As Workman (2012) points out, people are more likely to write inflammatory or damaging commentary online when they feel that they are not addressing an individual, but a faceless corporation. This strategy removes some of the anonymity that tends to lead to strong emotional attacks on the social media (Wolchover, July 25, 2012). Noticeably, Jetstar's customers tend to write very angry posts on the company's Facebook wall at first, but respond more politely as soon as a community manager gets involved. Consequently, the first proposition for this research that anger and outrage of stakeholders are fostered through social media can be

confirmed, but it also becomes apparent that there are certain strategies that might prevent a spiral of anger to build up.

Figure 51. Example for positive reaction to personalised answer from community manager (2012). Retrieved from www.facebook.com/photo.php?fbid= 485753774801679&set=a.154255624618164.28214.144075565636170&type=1&comment_id=1498009&offset=0&total_comments=44.

Overall, Jetstar's online customer service evokes the perception of being more efficient than the other customer care tools of the company and many users are grateful for the help. The community managers are generally appreciated and seldom attacked personally, probably because they identify themselves with

real names and engage in personal and less formal conversations. By engaging in two-way communication with customers and answering to queries of affected customers timely, Jetstar was able to remove the conversation about the cancelled Christmas flights from the social media platforms. Also, all affected customers could be identified through social media and were offered refunds, alternative flights or other solutions, so this issue ebbed away after the 28th of November, 2012. In reaction to the troublesome time the company had over the week from the 22nd to the 28th of November with the additional hack and fraud emails on top of the attacks, one user wrote the following message on Jetstar's Facebook wall:

Figure 52. Evaluation of Jetstar's social media crisis on Facebook (2012). Retrieved from www.facebook.com/JetstarAustralia/posts/474896739220716.

Jetstar's response, which included a personal and individual touch through the use of smileys and the general tone, was well received by the community and settled the matter with a comical note. Nonetheless, no matter how good the online service of Jetstar and its community managers is, it cannot solve the general problems that come along with poor service quality and reliability. The risk of a social media crisis is likely to stay a chronic one for the company, unless these issues are resolved, as section 2.5 in the literature review highlighted.

6.5   Summary

One of the main findings that emerged from Jetstar's case study was that social media pose various challenges towards companies in the service industry. They foster new customer expectations about reaction times, problem solving and transparency if problems occur. Additionally, the openness of social networking sites and digital media in general makes companies vulnerable for imposters and other attacks. In this context, reputational reservoir and a loyal customer fan base become even more important.

In regard to crisis response strategies, Jetstar demonstrated that finding an authentic, consistent voice is important for online communication. Giving the company a human face can protect from angry attacks, although replies to individuals have to be crafted carefully dependent on the context. Removing the conversation from a public forum to less disclosed options like email and telephone are additional options.

7 Discussion of results

7.1 Introduction

Now that all three case studies have been analysed in-depth and separately, this chapter will cross-analyse the results each case provided in regard to the research questions and propositions to identify trends and enable explanation building. Moreover, the actions of the companies will be evaluated and compared with traditional and new reaction strategies to reputational crises to discuss the impact of social media on corporate reputation and communication.

To reiterate, the research questions asked:
1) How do social media contribute to the development of reputational crises?
2) How does the risk of social media crises impact on companies? and
3) How can companies react to social media crises (i.e. communication strategies)?

The findings that emerged out of the analysis for these three research questions will be compared and discussed in the next sections. This chapter will also draw on academic literature and publications from public relations professionals online to contextualise the findings.

7.2 Social media and the development of reputational crises

7.2.1 What makes a crisis in the social media?

To look at the first research question in general, it became apparent throughout the analysis that the traditional understanding of corporate crises does not wholly apply to social media crises. Traditionally, a crisis was defined as a major occurrence that negatively affects the company, its publics, products or good name, interrupts business transactions and could even threaten the existence of the organisation (Fearn-Banks, 2011, see chapter 2.5, Literature Review).

However, the analysis of the different cases of social media crises has shown that this definition is not completely accurate for a crisis in the digital sphere. A

social media crisis will not stop general business, but will affect the actions of the (online) communication team (for example, reactions and statements) and will sometimes stop the posting online, if this is part of the response strategy (see, for instance, Applebee's case). Most importantly, social media crises require immediate attention and action from the communication team to be resolved, because even more than before, stakeholders demand quick reaction times and information about the situation (O'Reilly, January 27, 2012). Catherine Mathis, senior vice president of corporate communication at the New York Times Co., summarises the important characteristics of a crisis that are still relevant in the age of social media: It occurs suddenly, is unexpected, demands attention and has a negative impact on corporate reputation ("Social media meltdown: Tweeting your way into and out of a crisis ", May 4, 2009). James Donnelly, senior vice president of crisis management at Ketchum, adds a valuable trait of social media crises by pointing out that they "thrust us into a fishbowl of scrutiny" ("Social media meltdown: Tweeting your way into and out of a crisis ", May 4, 2009). This was a characteristic that emerged out of all three analysed social media crises – the companies suddenly faced a situation where every action and statement was meticulously judged and previous actions were used to criticise and attack the company.

Although traditional crisis communication theory already distinguishes between the terms crisis and issue, an additional factor to differentiate between the two concepts in social media could represent an interesting alarm signal for companies. The Swiss Marketing and social media professionals Barbara Schwede and Daniel Graf developed a "shitstorm" social media scale on the basis of various case studies. It takes the Beaufort storm scale as an example to show when companies have to weather a PR "storm". Interestingly, they argue that one criterion of the situation getting worse is that more negative emotions get involved (Graf & Schwede, April 24, 2012). Similarly, Melissa Agnes, digital crisis management consultant, states that the main difference between a social media issue and a social media crisis is the power of the involved negative emotions, because these also support a high level of virality (Agnes, February 11, 2013). She argues that one way for a company to assess the seriousness of the situation is to evaluate the emotional impact of the situation on the stakeholders and if a strong impact is evident, the company should immediately escalate its actions to crisis level. Agnes (February 11,

2013) asserts that if Applebee's had recognised the high emotional potential of the situation that evolved around the firing of Chelsea Welch, the company would have been able to avoid its social media crisis.

7.2.2 Why is everybody on the Internet so angry?

This points towards the first proposition of this research, which assumed that the structure of social networking sites fosters negative reactions and makes crises more likely to occur. The findings showed that not only the public Facebook and Twitter walls, but also additional and independent boycott groups offered a forum for angry online users to share their points of views and vent their feelings. Consequently, the first proposition could be confirmed, which still leaves the question why some companies experience especially strong backlashes and how they can react most effectively to calm down the angry masses.

The only case study that did not showcase clear expressions of negative emotions such as anger or *schadenfreude* or behavioural intentions like boycott was the one of Facebook, which was in contrast to the ones of Applebee's and Jetstar. One explanation was already given in the analysis (see chapter 4.3) by stating that Greenpeace framed the crisis situation and Facebook's role in it, thus giving guidelines to the online users on how to approach the company and voice their demands.

Another explanation for this phenomenon is offered by the Situational Crisis Communication Theory (SCCT), which states that when perceived crisis responsibility is low, stakeholders are less likely to engage in negative emotional responses or behavioural intentions. In this case, Facebook was surely not completely responsible for the climate change and environmental pollution caused by coal. Moreover, the company had a "reputational reservoir" (Coombs, 2007; Greyser, 2009) in the area of sustainability awareness, although this does not apply to other areas like security and privacy issues. According to Coombs (2007), crisis history and prior relational reputation have a direct impact on the reputational threat posed by the crisis. Because Facebook had a favourable history in regard to environmentally friendly practices, attribution of crisis responsibility was less likely.

However, the data collected from the case studies hints at additional factors that foster negative reactions in a social media crisis. Personal and emotional involvement seems to play an important role. That does not imply that every single online user has to be personally involved in the crisis situation to react irrational and emotional; it appears to suffice that the people can relate to certain kinds of situations or feel empathy. In Facebook's case, the fact that the company did not use green energy to power their data centres did not affect the user experience or the availability of the product. Consequently, the personal and emotional involvement was relatively low. A small survey among college students by Schmeltz (2012) also found that in regard to corporate social responsibility (CSR) efforts of companies, young stakeholders are much more interested in their personal gains out of these programmes than the general ethical value. Hence, if the CSR programmes of the company do not interfere with the individual customer experience, personal involvement might be lower.

In Applebee's case, the firing of the waitress did not affect the online users, but the majority of them were able to empathise with her because they had worked in the service industry as well or had experienced the problem of non-tipping before. Furthermore, many online users felt that the waitress was in an inferior position in comparison with the powerful corporation that ruled her guilty, which resulted in feelings of comradeship and a "we against them" attitude. In Jetstar's case, both types of involvement could be observed: The majority of complaints was initiated by affected customers that showed a high personal and emotional involvement in the situation. However, the flames were also fanned by customers who were not booked on the Christmas flights, but had experienced similar situations with Jetstar before and empathised with the affected individuals.

Apart from tropes of the inferior, "small man" against the powerful corporation, other controversial topics can also add to the dynamic of a social media crisis by triggering emotional responses. In Applebee's case, the analysis showed that the connection to religion sparked the debates and anger on the company's Facebook page and Twitter account (see chapter 5.1). Other examples with more or less predictable social media attacks include the restaurant chain Chick-Fil-A and the cookie brand Oreo, which both took a public stand on the controversial social issue of same-sex marriage. In an interview with the *Baptist*

Press in July 2012, the president and CCO of Chick-Fil-A clearly stated that he supports conservative family values and admitted donating to anti-gay charities (Blume, July 16, 2012). After attempting to qualify this statement and to mitigate the negative reactions on the social media with a corporate statement on Facebook, the attacks grew even worse, but the company also received support messages (Tice, July 20, 2012). Just a month before, in June 2012, Oreo had posted a picture on their Facebook wall that displayed a rainbow-coloured cookie with the caption "Proudly support love!" (the post is not available anymore). The reactions among fans were divided and Oreo received both support and hate messages on their wall. Twitter dominated the discussion with 90% of the mentions and the sentiment was general positive with about 81% of the posts supporting the brand's stance, although the Facebook posts tended to be more negative than the ones on Twitter (Boies, June 27, 2012). While it can be argued that Oreo at least willingly accepted the possibility of a social media backlash by posting the photo directly on Facebook, the attacks on Chick-Fil-A were less predictable.

Similar to the case of Jetstar, these examples demonstrate that online communities will show a sense of self-regulation if open debate and discussion are encouraged. By not censoring a debate or trying to regulate and control conversations online, companies can allow loyal fans and supporters to speak up for them and defend them in more authentic ways than corporate statements could (Agnes, July 30, 2012). This phenomenon will lose its efficiency if the overall negative sentiment gets too strong or if the company has lost the stakeholder's trust online by making itself suspicious of using dirty tactics, as the example of Applebee's demonstrates, where the company was suspected of blocking critics and forcing employees to generate positive feedback. Customers and online users who spoke up for the restaurant chain mid-crisis were accused of being corporate scarecrows and fake accounts, so other important factors to mitigate strong emotional and negative attacks online are trust, authenticity and transparency.

7.2.3 Importance of trust, authenticity and transparency

The Edelman Trust Barometer (2013) found that although consumer trust in business has risen over the years, it is still low in comparison with other public

voices like non-governmental organisations and especially in crisis situations, company CEOs are not perceived as credible spokespersons. Additionally, the report argued that on social media, peers and other customers experience the highest trust. Consequently, companies that experience a social media crisis have to battle with many different voices over sovereignty of interpretation and framing. John Bell, Global Managing Director at Ogilvy, has argued in a blog post that trust on social media only develops if companies and brands put aside their focus on self-orientation (Bell, July 31, 2013). However, he bemoans that this becomes increasingly rare with marketing professionals taking over the social media channels and staging hacks or playing other tricks on customers, because they favour quick likes over building long-term relationships (Bell, July 31, 2013).

Authenticity can help build these relationships by creating trust (Greyser, 2009; Helm et al., 2011), but especially in crisis situations, it is not easy for companies to find an authentic way to express their standpoint. Until the crisis emerged, Applebee's replied in a personal and relaxed way to customers on the social networking site by using smileys, slang and initials at the end of each post, which showed that an individual person was replying. However, the company's statements in the crisis differed clearly in their choice of words and one of them was ascribed to Applebee's CEO Mike Archer. Interestingly, these official statements were not well received, other than the crisis communication by Jetstar, which employed the previous communication patterns.

Traditional crisis communication focuses on fact listing and advises to use the CEO as a spokesperson in a corporate crisis to add authority and credibility to the statements (Gaines-Ross, 2008), but this is aimed at communicating with news media outlets. In the social media sphere, this can be easily perceived as "talking down" to the stakeholders and not seeing them as equals. On the other hand, a rather formal approach might work if it is in line with the previous communication strategy. In Facebook's case, the company did never actually engage with its customers and opponents on the social networking platform, but employed a consistent communication strategy throughout the crisis and all channels (see chapter 4.5). Moreover, it has to be noted that Facebook did not react defensively but calmly to the accusations online. Reacting defensively and engaging in confrontational and argumentative conversation like Applebee's did

is said to add to the fires of negativity (Monhollon, August 2011), whereas proactive actions and even a bit of self-effacing like in Jetstar's final response to the crisis appear to be helpful.

Using an authentic, human voice is certainly not the only factor that makes a successful crisis reaction strategy, but it is worthwhile to consider. The assumption that narrative forms of sharing information with online users about a crisis are more effective than simple fact listing is also supported by a recent study by Seoyeon Hong, a doctoral candidate at the University of Missouri (September 3, 2013). The author found that statements in the form of storytelling help to improve corporate reputation and lessen ascribed crisis responsibility, because they are perceived as being more human (University of Missouri School of Journalism, September 3, 2013).

Additionally, authenticity is closely linked to notions of openness and honesty, which goes hand in hand with transparency in a crisis situation (Schindler & Liller, 2011). Transparency and truthfulness in regard to information about the situation and the company's actions is a classic principle in corporate crisis communication (Gaines-Ross, 2008), but it has been reinforced and emphasised in literature that points towards social media. Phillips and Young (2009) in particular argue that transparency is at the core of online public relations and should be part of its strategic approach, although with the Internet, much of it is likely to be inadvertent. Moreover, transparency is one of the factors that is advised for in recent PR blog posts about how to handle social media crises (Davis, July 22, 2013; Osterholm, February 28, 2013). All the analysed case studies overlapped in this area and showed that putting out detailed information on the case of a social media crisis is as important as openly addressing relevant concerns of the stakeholders. For example, Facebook answered every accusation of Greenpeace in a very detailed way and shared this information publicly, while proactively communicating about the company's efforts in the area of social responsibility and energy efficiency. Transparency might also help to avoid angry accusations from online users, because it became apparent that the Rutherford Data Centre Facebook page received much more negative comments than the Facebook page of the Prineville Data Centre, which was proactively sharing engaging behind-the-scenes videos and additional information on its energy use.

Applebee's, on the other hand, addressed its issue with the receipt and the firing of the waitress in a detailed post, but failed to address other occurrences of privacy violation through the company's social media account itself. Consequently, the restaurant chain was inconsistent in its approach to transparency and avoided addressing issues where it was the only one responsible. In Jetstar's case, the fact that the airline did not share the reason for the cancelled Christmas flights created a lot of anger and incomprehension among customers. Additionally, it fuelled rumours of unethical business practices and fraud, a typical phenomenon when an information gap exists (Fearn-Banks, 2011). Consequently, transparency can build consumer trust and loyalty, but failure to reveal relevant information can impact negatively on the relationship between customers and corporations.

7.3 Impact of social media crises on companies

7.3.1 Interrelationships between NGOs, citizens and the news media

A topic that emerged throughout the cases in regard to the second research question was the increasing power of citizens and non-governmental organisations (NGOs) over the public perception of a company. In contrast to traditional crisis communication, the news media are not the only channel public relations practitioners have to monitor to safeguard corporate reputation. NGOs like Greenpeace or individuals like Chelsea Welch can put topics on the public agenda that require immediate action from the affected company.

Curbach (2008, December 6) distinguishes in her analysis of the relationships of corporations and NGOs between confrontational and cooperative organisations and allocates Greenpeace to the first group. Especially when NGOs are very skilled in utilising the social media for their means like Greenpeace (Owyang, July 19, 2010), they can have a strong influence on the public agenda-setting and debate. Similarly, Curbach (2008) argues that confrontational NGOs bear a higher risk for corporate reputation. As a strategy, she advises to engage in partnerships with cooperative NGOs to foster corporate social responsibility and safeguard corporate reputation. In the case of Greenpeace's attacks on Facebook because of their energy sourcing for the company's data centres, Facebook was able to negotiate a "truce" after 20

months and started cooperating with the NGO on different levels. Mostly, both parties agreed that they would support each other's initiatives in the sector of environmentally friendly data centres (see chapter 4.5). Eventually, this strategy helped Facebook to improve its reputation, because the public support by Greenpeace added to Facebook's credibility.

However, the growing influence of NGOs and citizens does not mean that newspapers, radio or television broadcasting lose their relevance. It appears that the interrelationship between online media and traditional news sources can reinforce a crisis situation and create higher awareness through both channels, which was demonstrated throughout the analysed case studies. In Facebook's and Applebee's case, the crisis initially started on the social media, but was reinforced through traditional newspaper reporting (mainly Facebook) and the spread of online articles about the issue (mainly Applebee's). In regard to Jetstar, the first news paper articles relied almost completely on the information that was publicly available on Facebook, but the news about the replacement flight were communicated first to the press and then on the social networks, after confusion spread. Consequently, the second proposition of this research, which stated that citizens and non-governmental organisations (NGOs) become more important for corporate reputation than traditional media outlets could only be partially confirmed. Citizens and NGOs become more powerful in starting potentially threatening crisis situations, but the traditional media still play an important role in building pressure and adding dynamic.

7.3.2 Effective responses through different channels

Visibly, it can be complicated to determine which channel is more appropriate for effective crisis communication. In Facebook's case, putting the corresponding updates about the company's approach to energy efficiency on the corporate Facebook pages did suffice for the message to spread into the traditional media and to counter Greenpeace's public relation efforts. This might be due to the fact that the company does not employ an official website and that journalists can only access the different Facebook pages to collect information about the situation. On the other hand, Jetstar mainly employed crisis communication through the press, which led to contradictory information available on news media and social networking pages and reinforced the crisis

situation. Consequently, companies might be well advised to employ a coherent crisis communication strategy on all channels and provide relevant information on their social networking sites (Davis, July 22, 2013).

In both a "normal" and a social media crisis, it is essential to reach the most affected public through crisis communication ("Social media meltdown: Tweeting your way into and out of a crisis ", May 4, 2009). In her analysis of United Airline's social media crisis, Soule (2010) concluded that the reaction strategies of the airline would have been more effective if it would have published them at the source of origin (YouTube), and not the social media platform they had conveniently available, which was Twitter. Other examples include the restaurant chain Domino's. After a YouTube video went viral that showed employees of the chain compromising food in an unhygienic way, the company reacted with an apology video on the same platform ("Crisis forces Domino's to revamp social media plan ", April 20, 2009). This had the advantage that the company's statement was displayed directly in the search results next to the video that started the crisis, thus reaching the key public in this situation.

Of the case studies analysed, Facebook demonstrated this strategy by replying directly at the sources of origin – the Data Centre Knowledge blog and Greenpeace's website – in the comments. Focused response strategies are important to avoid that the awareness about the crisis spreads further and maybe inadvertently alerts publics that were not involved before. For instance, Jetstar only published the apology in regard to the imposter account on Facebook, where the incident occurred, not on Twitter, which had not been compromised. This is one way in which companies can still try to control the impacts of a social media crisis. However, companies should also take care that this strategy of containing the crisis does not get in the way of transparency by trying to cover up facts that might be relevant for stakeholders.

7.3.3 Loss of control

A certain amount of control over the conversations on Facebook and Twitter can be exerted as long as companies provide publicly available posting guidelines that prohibit profanity, racism or similar expressions. In these cases, it is reasonable for a company to delete those comments or block the users,

preferably after reprimanding them first before taking action, as Jetstar does. This is also advisable in terms of some new regulations that took effect in Australia, where it was decided that companies can be made legally liable for content posted by users on their social networking sites (Advertising Standards Bureau, 2012). Not only offensive content is problematic, but also user comments that do not comply with the industry's self-regulations and consumer protection laws in advertising. For example, if a user comment on the Facebook page of Smirnoff Vodka states that the brand is Russian (it is Australian) or drinking the vodka increases success with women, this can be seen as false advertising and the company could be sued on the basis of this user generated content (Worstall, August 7, 2012).

On the other hand, legal actions and rights can also protect the reputation of a company to a certain extent. Companies have the right to delete offending messages or to prosecute hackers who compromise corporate social media accounts. Nonetheless, law enforcement on the Internet can prove to be more difficult than in the offline world and even if a company is legally in the right, this does not automatically match the public sentiment. As Melissa Agnes (February 5, 2013), crisis management consultant in the digital age for various global enterprises, argues, companies now have to differentiate even more between the court of law and the "court" of public opinion. For instance, Applebee's was legally in the right to fire Chelsea Welch because she violated the company's guidelines of guest privacy, but the court of public opinion ruled that this decision was morally wrong and unjust (Agnes, February 5, 2013). In extreme cases, this "court" of public opinion can degenerate into behaviour that resembles bullying, where online users keep imposing pressure to force companies into certain actions because it is seen as morally right (Agnes, March 5, 2013).

7.3.4 Impact of social media crises on reputation and bottom-line

The by stakeholders ascribed crisis responsibility is a factor that was already pointed out for traditional crisis situations by the Situational Crisis Communication Theory (SCCT) (Coombs, 2007). The theory makes a connection between ascribed crisis responsibility of the company, accompanying negative emotions and behavioural intentions of customers. In

other words, SCCT states that if customers deem the company as responsible for a crisis, they will feel angry and are more likely boycott products or services, which will eventually impact on the company's bottom line. In the three case studies analysed in this research, two social media crises displayed clear statements of behavioural intentions from the customers. For both Applebee's and Jetstar, various boycott groups were founded on Facebook, but online users also called for boycott on the company's Facebook walls and over Twitter. Additionally, these were the two case studies where negative emotions like anger and *schadenfreude* were explicitly voiced, which supports SCCT's assumption of a close correlation between emotions and behavioural intentions.

The impact of these boycott initiatives on the financial success of the companies is not completely clear, because the general market environment and other reputational negative incidents are also factors that need to be considered. Additionally, it becomes apparent that social media crises are relatively short-lived and although the negative impact they had on the company can be brought up again on later occasions due to the long-tail effect of the Internet, the attention they receive fades fast. Consequently, it is debatable whether social media crises can tarnish corporate reputation on the long term, which might provide an interesting field of research for the future. So far, social media crises are a very recent development and their influence on corporate reputation cannot be fully estimated. Some crises seem to have a negative impact on the overall reputation of a company and its bottom line, for example the analysed case of Applebee's or the case of Abercrombie and Fitch. After quotes of an interview in 2006 resurfaced in which the CEO of the apparel company stated publicly that he did not want "uncool" or overweight people to wear his clothes, a furious social media backlash emerged and caused a decline of 11% in share value and a clear decrease in reputation in comparison to similar retailers (Bradford, May 16, 2013; Callan, May 25, 2013). On the other hand, other companies like United Airlines or Nestlé, which experienced the prime example of a social media crisis in 2010, did not suffer any long-term consequences (Tobin, May 5, 2013). Nestlé returned to their pre-crisis sales average after two financial quarters (Galbraith, August 28, 2012).

One explanation why social media crises do not tarnish the overall corporate reputation on the long run, thus significantly impacting on the bottom line, is the

assumption that they mainly cause image damage (Wüst & Kreutzer, 2012). According to Argenti's (2007) model of reputation, different images, which are perceptions of stakeholders, will add up to a reputation. Consequently, the image held by one group can be tarnished, while others remain intact. Additionally, Helm, Liehr-Gobbers and Storck (2011) have pointed out that images can change quickly and are relatively unstable, which could explain why social media crises usually change the perception of a company extremely and abruptly, but eventually, the scrutiny and awareness about the issue will fade. Although this might be one argument for companies to perceive social media crises as less threatening and react with a "do-nothing" attitude, effective response strategies are still important to keep up a successful social media presence.

7.4 Social media crisis response strategies

7.4.1 Dialogue versus one-way communication

Transparency and trust emerged as important factors in crisis communication online out of the findings for the first research question. They are also said to be prerequisites of effective dialogue in public relations (Theunissen & Wan Noordin, 2012). Most organisations in this research have claimed to follow a strategy of dialogue and engagement with the customer on the social networking sites. Applebee's spokesperson Dan Smith stated in an interview that they aim to reply to about 90% of the messages they receive and that "transparency matters to us" (Weisbaum, February 5, 2013). Similarly, Jetstar has a high response rate on both social media channels, Facebook and Twitter, and uses personalised replies when engaging in conversation. On the other hand, both companies utilise certain forms of standard replies and phrases and especially Applebee's started to simply copy and paste parts of their corporate statement to individuals mid-crisis (see chapter 5.3). This tactic does not fulfil the criteria of actual dialogue, which would include individual answers that reflect the content of the previous conversation. Additionally, attempts to control and shut down the conversation by deleting negative comments or blocking users are contrarian to the notion of dialogue.

Moreover, Applebee's showed no willingness to change their point of view based on the customer feedback about the situation. They could have altered their strategy by admitting that they probably overreacted by firing the waitress Chelsea Welch on the spot and could have adapted the disciplinary actions to a less extreme level, which would have posed a compromise based on the outcome of a dialogue. Jetstar and Facebook showed that they were listening in so far that they adapted their actions by reinstating another Christmas flight and taking considerations of renewable energy sources for a new data centre into account, respectively.

Theunissen and Wan Noordin (2012) approach dialogue as a philosophical concept and criticise that so far, it has been equated uncritically with Grunig's (2006) model of two-way communication in public relations. The authors argue that if an organisation aims to take control over the outcome of the dialogue or persuade consumers to reach consensus in the best interest of the organisation, this does not fulfil the actual criteria of dialogue. Dialogue, according to Theunissen and Wan Noordin (2012), is based on a mentality of openness and the willingness to accept the other person's point of view and, if necessary, adapt to it. This mind-set, however, is usually not in the interest of businesses that aim to achieve specific goals and thus unhelpful in the context of effective public relations. Hence, this research suggests that although numerous publications about public relations in the social media age have emphasised the importance of dialogue (Mersham et al., 2009; D. Phillips & Young, 2009; Solis & Breakenridge, 2009), this concept is, in its philosophical sense, not yet feasible for crisis management and communication in everyday practice.

Although it is part of the dialogic communication approach to address the public as equals and in ethical ways (Taylor, Kent, & White, 2001), most organisations are not ready for this kind of openness and risk and use false claims of dialogue when describing their social media communication strategies. This phenomenon spans over all kinds of institutions and organisations, as McAllister's (2012) research has shown. The author's analysis of the websites and social media pages of the world's top 100 universities found that 85% of the institutions utilised Facebook as a one-way communication tool without enabling feedback and posts from users. Overall, there is an evident gap between what

public relations practitioners state "should" be happening in relationship building online and what is actually taking place. Mostly, this seems to stem from a common misconception that equals interactivity and dialogue, something that can also be criticised of McAllister's (2012) study. Although interacting with stakeholders holds the potential for dialogue, the case studies in this research have shown that the latter does not automatically imply the former. Hence, it is proposed that the term of dialogue could be replaced with the concepts of *interactivity* and *responsiveness*, which have been suggested by Avidar (2013).

Both terms are at the centre of computer-mediated communication and relationship-building between organisations and their publics online. Avidar (2013) argues that responsiveness is important to continue an interaction and organisations are often said to fail in responding to individual enquiries online, mostly due to lack of organisational resources such as staff and time. Related to responsiveness is interactivity. Avidar (2013) refers to Rafaeli's (1988) interactivity model, which divides corporate responses into non-interactive (does not refer to original request), reactive (refers to request) and interactive (response refers to request and initiates additional conversation). Consequently, corporate responses to costumer or stakeholder enquiries on the social media are always a sign of responsiveness, but they are not necessarily interactive.

In regard to the case studies that were analysed in this thesis, this means that what was often described as a strategy of dialogue and engagement was mostly only responsiveness and in some cases interactivity, for example if the organisation posed questions in its response, thus encouraging further conversation. For instance, Facebook did employ a strategy of selective responsiveness by replying to Greenpeace in a few blog comments, but these replies were not interactive in the way that they offered more than the requested information. Also, Facebook did not react to Greenpeace's answers. Applebee's was responsive in the beginning but shut down this communication throughout the crisis. Jetstar, on the other hand, communicated throughout the crisis and showed some signs of interactivity by engaging in longer conversations with customers online to resolve problems. Nevertheless, the airline relocated most of the interaction with its customers away from the social networking pages and continued to communicate through less public channels like email and telephone.

7.4.2 When to respond

Responsiveness and interactivity are helpful concepts to analyse corporate communication strategies on the social media in contrast to dialogue, which is not useful in public relations in its philosophical sense. But how effective are both approaches in social media crisis situations? Avidar (2013) suggests that responsiveness and interactivity should be seen as part of online relational maintenance strategies, which is important in crisis situations and will support trust and credibility. Consequently, one could deduct that Facebook's strategy of low responsiveness and one-way communication was not effective in resolving the crisis situation.

In contrast, the research findings showed that although Facebook experienced some pressure by stakeholders online, which was reinforced by the traditional media, negativity was low and Greenpeace had to regularly reignite the activity of the users. Looking at Applebee's, the individualised replies by the restaurant chain fuelled the crisis because they offered more potential to cause anger and irritation. For instance, users were able to "nit-pick" about word choice of the statements and felt offended by some corporate replies that implied that the online users assessed the situation wrong. Consequently, individual replies and responsiveness provided the space for emotional discussions and irrationality. In regard to the case of Applebee's, Travis Mayfield, director of digital social strategy for Fisher Interactive Network, highlighted that sometimes, not responding is the right response: "You don't wrestle with a pig because you get very dirty and the pig just loves it." (Weisbaum, February 5, 2013, online). To put it in other words, engaging in a discussion with an emotional online user who probably does not even want to hear the company's point of view or listen to its justifications, will not help to resolve the social media crisis.

However, taking the "head in sand" approach by not responding to an online backlash at all is also not recommendable, according to Brad Phillips (April 24, 2013), media training blogger and author for PR Daily. He uses the example of Epicurious, a muesli company that used Twitter to promote their brand during the Boston Marathon bombing: "Boston, our hearts are with you. Here's a bowl of breakfast energy we could all use to start today". After furious online reactions about the insensitivity of these posts and even more angry reactions to a first apology, the company deleted all its recent posts, remained quiet for

six days and then went back to normal business. Phillips argues that a general, heartfelt statement about the posts might have received angry reactions, but would have been cited in every blog post and media follow-up of the story, thus representing Epicurious' point of view (B. Phillips, April 24, 2013). By not giving any perspective on what they learned of the incident or what they were going to do to avoid such posts in the future, Epicurious appeared to be unethical and unwilling to take accountability.

Thus, responding to a social media crisis is advisable. Responding to individuals, however, is a tactic that should be applied very carefully, as the example of Jetstar showed. The former social media manager Andrew Mathwin explained in an interview that the airline takes care only to engage in discussion where they have been explicitly invited to do so or where they can offer help (see chapter 6.4) (iGo2 Group, August 31, 2011). This approach is supported by a small study among college students by Vorvoreanu (2009), which found that students perceive dialogue attempts by companies on Facebook as intrusive and doubt their motives, but deem them acceptable if they accomplish goals like solving customer service problems. With Jetstar's social media incident, replying only to the affected customers avoided a general social media crisis to erupt about the customer service of the airline. Naturally, these general, negative comments still occurred. However, Jetstar gave these users a chance to vent without restricting the online communication, but did not reply to them directly, which would have posed the risk of becoming tangled in heated discussions. If no individuals are directly affected as it was the case with Facebook, or these individuals do not partake in the online conversation as with Applebee's, general status updates that address the issue "in one go" seem to be most effective.

What emerged out of the three case studies is that, although actual dialogue is hardly achievable in a social media crisis, companies should provide an open forum for discussion. Controlling the discussion in the sense that offensive and abusive content will be deleted is acceptable if it has been stated so in the posting policy, in short, if rules of engagement have been identified. In contrast, attempts to control the sentiment about the company and its online reputation by deleting unfavourable posts or blocking critics will deteriorate consumer trust and damage the reputation further. Reacting to the crisis by posting general

status updates online is important to show transparency and commitment, while engaging with affected individuals will help to resolve actual issues and demonstrate that the company cares.

7.4.3 Actions speak louder than words?

Nonetheless, only engaging with customers in a conversation online might not suffice to calm critics down and to mitigate the crisis situation. Here, the old public relations adage of "actions speak louder than words" still applies in the sphere of social media ("Social media meltdown: Tweeting your way into and out of a crisis ", May 4, 2009). In contrast to typical traditional crisis situations, social media crises are not necessarily based on disasters or situations that could inflict harm on stakeholders (see chapter 1.2), as the three examples in this research demonstrated. Consequently, whereas ethical crisis management usually implies that the company secures the well-being of all affected parties before starting their communication efforts (Coombs, 2010b), companies now have the choice whether they want to mitigate the crisis through communication or through action strategies.

As outlined in the literature review (section 2.4.3), the signaling theory is part of reputation management during a crisis. It is based on the assumption that the actions of an organisation represent signals that are read by the stakeholders and impact on their perception of the company, hence, its reputation. The signaling theory takes especially the influence of social performance, or corporate social responsibility, on reputation into account (Walker, 2010). Facebook is a good example for this strategy, as the company first focused on using negotiation and persuasion tactics to change the attitude of their critics, but over the course of the crisis started to take actions to show that they were listening to Greenpeace and the activists. Their example also demonstrates that often, no drastic actions are required to mitigate the crisis and that existing structures like energy efficient servers can be leveraged to support the company's stance.

The same applies to Applebee's case. The Situational Crisis Communication Theory (SCCT) recommends that in cases where attributed crisis responsibility or a negative, prior crisis relationship is high, rebuild strategies such as compensation or apologies should be used. These strategies are defined as

highly accommodative (Coombs, 2007). Facebook, for example, did not need to apologise in their situation, as the perceived crisis responsibility was low. Accommodative strategies can be combined with signaling actions. As Applebee's strategy of explanation and communication was apparently not successful, the company could have tried to take action to signal their critics that they were willing to find an agreement. Among angry reactions, many users pointed out that they did not ask much of the company to resolve the situation – mainly just admitting that they overreacted by firing Chelsea Welch and offering the waitress compensation.

Apologies are often recommended in public relations practitioner's publications about successful crisis communication online (Agnes, February 27, 2012; Champoux et al., 2012; Lochridge, 2011). As Applebee's did not apologise in this situation, but focused on stating the facts and trying to persuade the users that their actions were rightful, the restaurant chain was perceived as unreasonable. Here, attempting to deny the crisis and justify the company's point of view was counterproductive. This is the difference to the established *apologia* theory in crisis communication, where an actual apology is just one option and denial or redefinition are also applicable strategies (Fearn-Banks, 2011).

According to Coombs (2007), research in traditional crisis communication has proven that overly accommodative strategies do not have a higher beneficial effect on reputation than other strategies, for example making excuses and adjusting information. In social media crises, however, actual apologies seem to calm down angry reactions, mostly in combination with personalised answers like the ones Jetstar employs to show the customer that individuals care about their situation. On the other hand, if the company has to apologise permanently without any changes to the source of the problem, these statements appear like empty words without much value or sincerity. L'Etang (2008) argues that the negative image often ascribed to PR practitioners stems from the idea that they are apologists who only cover up risks. Consequently, combining highly accommodative strategies with small actions that show that the affected company is listening to the customer's concerns, emerged as a useful strategy out of the collected data.

Overall, the third proposition of this research that traditional crisis communication strategies are insufficient to deal with social media crisis cannot be confirmed completely. All the examined companies employed strategies were in accordance with the model the Situational Crisis Communication Theory (Coombs, 2007) provides. On the other hand, the case studies showed that social media crises change the emphasis on some strategies and that different forms of communication have to be considered. First of all, companies have to be aware of the public scrutiny during a social media crisis, which implies that fast reaction times are of essence and that providing all relevant information is crucial. Moreover, companies will have to interact with individuals, but need to make strategic choices about whom to reply to and which channels to use in order to be effective and avoid fanning the flames. All relevant recommendations for social media crises that emerged out of the data are summarised in Figure 53 on the next page.

Reaction strategies in a social media crisis

Do not	Do (if…)	General
Delete comments or block users unless it is profanity	Establish a (Facebook) site where critique can be addressed and redirected	Provide additional background information without responding to critics directly
Delete material that contradicts your position (brings even more attention to it)	Reply to individuals if they are affected by the crisis, engage	Answer at the source of critique and carefully select channels
Tag people and start arguing with them	Listen and address all relevant concerns, even if they are unflattering	Provide quick customer service and acknowledge complaints timely
Copy and paste answers to individuals	Partner with NGOs if an NGO is the attacker	Monitor and track conversations about your company
Create false positive feedback by buying likes / forcing employees to post	Publish official statements as one post, not in the comments. Follow up regularly	Publish operation times and posting guidelines (rules of engagement)
Engage in conversation with obviously angry, unaffected users	Apologise, apologise, apologise (if crisis responsibility can be attributed)	Use real names for community managers and informal way of speech
Publish very formal statements from your CEO in a crisis online	Redirect customer issues away from public forum (to phone / email) after acknowledging it there	Evaluate the emotional impact of a situation and proactively escalate to crisis level if high level of anger is evident
Take the "head in the sand" approach		Use a coherent communication strategy in all affected channels

Figure 53. Summarised recommendations for reaction strategies in a social media crisis.

7.5   Summary

After discussing the findings for the research questions and propositions in a general context, it becomes clear that although social media crises will have industry-specific characteristics and variables dependent on the situation (such as types of common risks and emphasis on certain platforms), some general trends and strategies can be identified. The emotions of the stakeholders are a

factor that has to be taken into account and can be what causes an issue to develop into a crisis. Companies can protect themselves by building a strong relationship and a reputational "reservoir" by adhering to the principles of truthfulness and transparency and finding an authentic, coherent voice throughout all channels. This includes the traditional media, whose significance for the causes of social media crises is much lower in comparison with other interest groups like citizens and non-governmental organisations, but which can add to the severity of the crisis. The relevance of the Situational Crisis Communication Theory (SCCT) to crisis response strategies for social media crises could be confirmed, although it was concluded that more accommodative strategies seem to be more effective on social networking sites than deny or diminish response strategies. The following table displays the available crisis response strategies provided by SCCT and summarises visually which ones were used by which company.

Figure 54. Application of SCCT response strategies in the case studies. Original table from Coombs (2007, p. 170).

Visibly, Facebook employed a variety of strategies in different clusters, which is generally not recommended by Coombs (2007). Applebee's focused on deny

and diminish strategies while simultaneously attempting to adjust information in the situation, whereas Jetstar employed more accommodative strategies. Each cluster can be effective dependent on the attribution of crisis responsibility and pre-crisis history. The case studies have showed, however, that the first two clusters are less effective in social media crises. The next chapter will discuss the importance and significance of these findings for theory and practice.

8 Conclusions and recommendations

8.1 Introduction

This thesis had the purpose of investigating the relatively new phenomenon of social media crises from a public relations perspective. It employed an interdisciplinary methodology of sociology and psychology, which took the growing impact of the corporate environment and its stakeholders on a company's reputation into account. By choosing the multiple-case study approach, an in-depth analysis of each case was manageable in the scope of this Master thesis while still providing insights on social media crises as a whole. Three case studies of multinational for-profit organisations were analysed: Facebook, Applebee's and Jetstar. The choice of these particular cases took into account that social media crises can arise for different reasons. While Facebook faced critique from the non-governmental organisation Greenpeace in the area of corporate social responsibility, Applebee's crisis originated in erratic behaviour from an employee and the company's reaction to this. Jetstar was confronted with two problems: Not only did the airline not live up to the quality of service it advertised, it also experienced an imposter on one of it social media accounts.

This chapter will summarise the key findings of the research and discuss recommendations for public relations practice and research that emerge out of them. The aim of this research was to answer how social media contribute to the development of reputational crises (research question 1), how the risk of social media crises impact on companies (research question 2) and what strategies companies can employ in reaction to social media crises (research question 3).

8.2 Key findings

The first two research questions were focused on identifying the impact of the social networking sites Facebook and Twitter on corporate reputational risk and how this affected the actions of the companies. Apart from the growing

influence of citizens and non-governmental organisations (Applebee's and Facebook), the case studies demonstrated that actions of franchises can impact on the reputation of the whole organisations (Applebee's). Moreover, the digital environment raises additional security problems that are different from the offline world, for example the danger of hacks and imposters (Jetstar). From the organisational point of view, the research findings showed that a dedicated social media management team is important to respond effectively to issues, although this does not automatically alleviate the crisis. Problems with the internal communication and weak connections of the social media department to the general corporate communication can lead to misinformation and inconsistent messages. This tendency is problematic because all three case studies have demonstrated that a social media crisis will entail heightened scrutiny from the online users, which requires transparency and a homogenous approach from the corporate side.

The last research question attempted to point out reaction strategies that proved to be counterproductive during a social media crisis and identify those that succeeded in mitigating the crisis. In doing so, it compared the crisis response strategies with those suggested by the Situational Crisis Communication Theory (SCCT) (Coombs, 2007) and also took the signaling theory (Walker, 2010) into account. Overall, it appeared that traditional crisis communication strategies could be applied to the social media with some alterations. The case studies demonstrated that a dialogical approach is effective if the users are actually affected by the crisis. Otherwise, it is likely to enforce the negative emotions that accompany the online attacks, although some companies like Applebee's seem to confuse the dialogical approach with tactics of persuasion and arguing. In contrast to traditional crisis communication, highly accommodative strategies appeared to be more successful, if they were combined with actions which demonstrate that the company is listening to its critics. Noticeably, these actions do not have to be grand gestures and do not necessarily entail huge financial efforts. Furthermore, the consistency of the corporate communication seems to be important: If the company usually communicates in a colloquial way on the social networking sites, officially-worded crisis statements appear out of place. A visual summary of effective strategies was displayed in Figure 53 in chapter 7.4.

8.3   Recommendations for public relations practitioners

The importance of these findings for the practice of public relations in for-profit organisations is evident, if one considers the growing use of social networking sites in business (University of Massachusetts Dartmouth, 2012), but also the increasing number of social media crises (Webber et al., August 9, 2012). In regard to this type of crisis, some recommendations for PR practitioners (PRPs) can be derived from the research findings. A simple step-by-step list that claims to offer all solutions for a social media crisis would be inept, because it does not take individual factors that influence a crisis, like the type of company and the dynamic of a crisis, into account (Fearn-Banks, 2011). However, as pointed out in the introduction to this chapter, the analysis of three different social media crises has provided general trends that can be helpful for public relations practice.

First of all, practitioners will simply need to be aware of social networking sites as an important channel for corporate reputation and acknowledge that these crisis situations can damage reputation, although it appears to be seen whether the impact is on a long-term basis. This means that similar to "normal" crisis communication, a crisis reaction plan should be in place for the corporate presence on social networking sites and possible crisis scenarios should be considered beforehand. Moreover, PRPs should rethink their priorities in regard to safeguarding corporate reputation. The incident with Applebee's social media crisis demonstrated that the restaurant chain anticipated the angry pastor to be the bigger threat for its reputation, which is why they fired the waitress in an attempt to appease the patron. Unexpectedly, the Internet community turned out to be the crucial public that should have been considered. This misleading focus was still visible in the first company statement that emphasised how Applebee's values their customers privacy, and which infuriated the Facebook users even more. Applebee's misjudgement points towards poor risk assessment and management. As L'Etang (2008) argues, risk assessment is not based on statistical calculation, but needs to take emotions, cultural context and questions of power into account.

Generally, it needs to be emphasised that in the case of a social media crisis, PRP should never attempt to subdue the negativity by deleting comments or blocking users who offer respectful criticism that does not fall in the categories

of problematic content like racism or pornography. This strategy does not only evoke notions of censorship and raises suspicions that the company has something to hide, it also prevents any chance of learning the motives of the attackers and ways to calm them down. In contrast, tolerating different points of views as long as they are appropriate to the communicated guidelines would be a principle of successful dialogue and engagement (Theunissen & Wan Noordin, 2012).

The research also demonstrated that social media crises should be addressed in any case and that the "head in the sand" approach will bereave the company of the chance to represent its own standpoint. This becomes particularly important when traditional media get involved. Threats to corporate reputation should be addressed proactively in the relevant channel, like Jetstar did with the instances of fraud Facebook accounts and itinerary emails. In doing so, transparency is crucial, because the Internet will enable the online users to discuss irregularities or situations where the company did not disclose all relevant information. When the crisis is addressed on the social networking sites, the PR practitioner does not necessarily need to cite the CEO. What emerged out of the research findings is that authentic, sincere and human statements which engage with the users instead of formal speech and fact-listing are more effective in settling anger and other negative emotions.

Overall, investing in corporate social responsibility (CSR) strengthens the trust relationship with the stakeholders and is a pro-active measure against attacks from non-governmental organisations (NGOs) like Greenpeace. Even if the programme does not exactly match the demands from the NGO like in Facebook's case, it can be leveraged to support the company's position. What companies need to learn in this area is that this kind of engagement should also be communicated regularly via the social networking sites. In Facebook's case, some online users only learned about their energy-effective approach after the company reacted to Greenpeace's attacks by publishing a Facebook site completely dedicated to the company's CSR efforts.

Although this research showcased the negative effects social networking sites can have for companies, it is by no means intended to be a discouragement for PR practitioners to represent their companies or clients on these platforms. The step towards digital media offers various advantages that have already been

discussed widely in the academic field, from easier relationship building and market research to real-time crisis management and opportunities for media relations. Not every conversation on social networking sites will be negative and companies will have a lot of potential to build a reputational reservoir and gain stakeholder loyalty. If a crisis occurs or customers attack a company, social networking sites can be the channels on which rumours can be fought and the critique can be met. As Solis and Breakenridge (2009, p. 153) have already pointed out in their book, "negativity will not go away simply because you opt out of participating".

In the end, it is about appropriate response strategies and a strategic approach that avoids the typical scenario in which the corporate PR person fans the flames instead of dowsing them. Hopefully, this research pointed out a few of them and demonstrated different scenarios by analysing the three case studies. Nonetheless, further research in this field is highly advised and necessary and will be discussed in the next section.

8.4   Limitations and recommendations for future research

Due to the scope of a Master thesis and the focus on three case studies, this research was limited in the sense that it could only look at a relatively small sample of data. Although it has nearly reached the allowed maximum number of 60,000 words, it could merely introduce all relevant concepts in this area and gather enough data to make a useful case. In the age of social media, case studies on recent social media crises can be usually found scattered all over the Internet on marketing or public relations blogs, but most of them will not display a consistent methodology and method or apply a theoretical framework to their interpretations. Consequently, it is important that public relations research uses an academic approach to analyse case studies of social media and eventually adapt the theoretical concepts that are available in the area of crisis communication for social media crises. In the fast-evolving world of social media and social networking sites, the parameters can change during weeks and new phenomena might emerge that were not relevant before. Thus, regular and continuous research of social media and their relevance for public relations is highly recommended.

The in-depth research approach of this thesis was useful in this context because the phenomenon of social media crises has not been widely studied yet and overarching theoretical concepts do not exist. Ultimately, however, it should be the goal to analyse larger numbers of social media crises across a range of industries and causes to achieve a thorough understanding. Because it is the very nature of a social media crisis that it will happen publicly accessible on the Internet, data gathering for this research was possible without conducting interviews or surveys. On the other hand, this limits the knowledge of the analysis in regard to the motives of the participants, not only on the corporate side, but also on the side of the stakeholders, online users and members of non-governmental organisations (NGOs). Thus, future research could use methods like surveys and interviews to develop the academic knowledge on social media crises and especially on the involvement of negative emotions. These were already an important factor in this research because they affect the effectiveness of corporate crisis communication strategies (Jin & Pang, 2010), but also offer an interesting field for future research.

Additionally, there is not yet enough data available to assess the long-term impact of social media crises on corporate reputation and bottom line. If one were to describe Greenpeace's attacks on Nestlé in 2010 as the first social media crisis, the time span is still relatively short. Especially if one takes the "long tail" effect of the Internet into account, it would be interesting to see whether social media crises can re-emerge and how this affects corporate reputation. Consequently, a longitudinal research project on social media crises would be another promising research area. Social media and social networking sites also impact on society's understanding of privacy, control and power in manifold ways. This does not only affect individuals and social groups, but also businesses and for-profit organisations. Hence, the influence of social media on the interrelationships of these groups is another interesting field that was already outlined in the first case study of this research, but would allow more general research that looks beyond corporate management strategies.

Social media as a specialised form of public relations does not yet emerge out of the social setting, because traditional means of communication are still highly relevant. However, this discipline might develop with the growth of companies that operate entirely in the digital realm.

8.5 Summary

This chapter has summarised the research which has taken place in this thesis and has made the connection to the introductory chapter by pointing out the main findings for the research questions that were posed initially. It also highlighted the limitations of this research, which result from the limited scope of a Master thesis and the chosen research methods. Future research in the area of social media crises is necessary and recommended to fill these gaps and to keep up with the fast-evolving world of social networking sites.

Various recommendations for public relations practitioner could be derived from the research findings, although every case of a social media crisis serves as a useful example for practitioners. Looking at the mistakes others have made hopefully avoids that one repeats those mistakes – because the next social media crisis could be just around the corner.

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