PR Crisis Management

A quick, example filled guide

determ

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Mitigating online crises can help you maintain your online reputation and the value of your business.

"Past and present corporate behavior is the most significant element in a crisis situation."
– Stephen A. Greyser

In this digital world, ruled by social media, reputation management is more important than ever. How a company conducts itself is put under the microscope, and sometimes even the smallest transgression can lead to the biggest crisis.
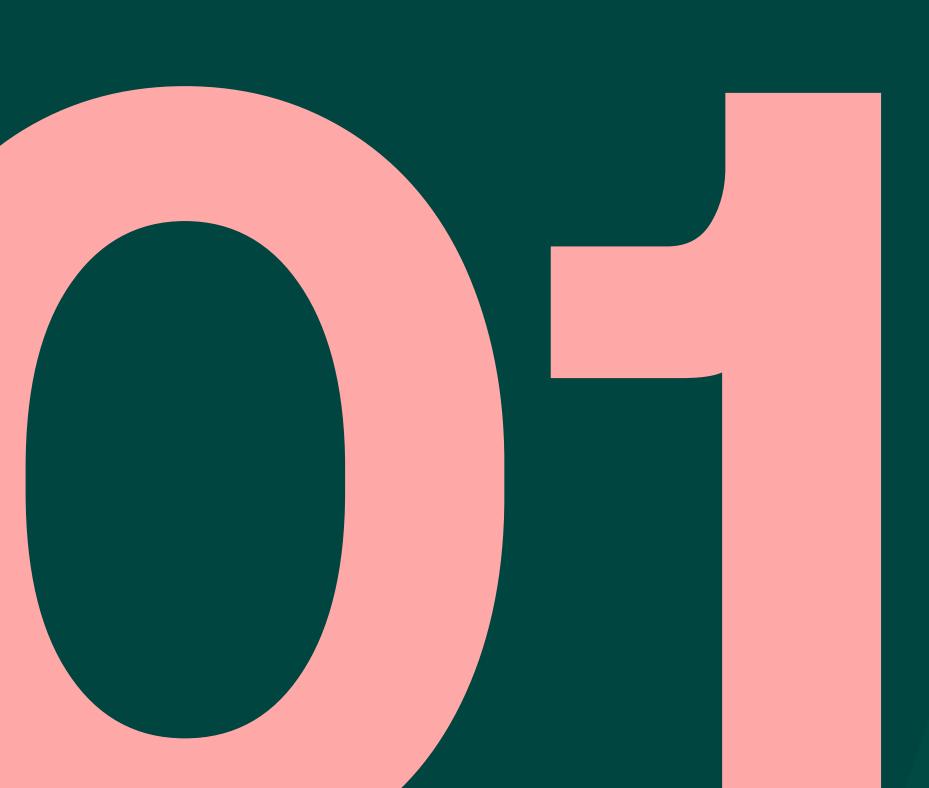
If anything, social media has given people a platform on which they can publicly air their grievances with brands. It's made them and their issues more seen and repercussions for brands more severe. (Hell hath no fury like a customer scorned?) Social media puts the customer and brands on a more equal footing.

What's more - what happens online, stays online. Building your online reputation means managing to avoid being remembered as a villain in your company story.

It means being transparent and forthright in your communication with the public. It means owning up to your mistakes, coming clean, and taking action to make a problem right.

It means building a trustworthy relationship with your customer base, and subsequently, positioning yourself in their minds as having a good reputation.

Can you <u>prevent a crisis</u> from happening if you have a good reputation?

01

A good reputation may not prevent a crisis in the exact meaning of the word. However, it can help mitigate the negative effects of a crisis.If you've managed to establish a loyal relationship with your customers, you have their trust. They trust your brand and they're more likely to give you a benefit of the doubt.

The benefit of the doubt may be where it stops, though. How a brand conducts itself during a crisis is what really counts. The customers have certain expectations of your brand and it is up to you to live up to them (or not) during a crisis.

The biggest question is: will your brand reputation follow through the crisis? Or will it suffer long-term consequences?

Research has shown that there is a relationship between how and when companies respond to crises and their ability to maintain a brand reputation in the long term.

If you're slow to react or react poorly – the public will remember. Remember in 2017 when the United Airlines had footage leaked of an airplane official forcibly removing an unwilling passenger from the plane that sparked an enormous crisis? Well, fast forward to seven months later when a research was conducted to find out that the percentage of people unwilling to fly with United Airlines was even bigger than during the crisis.

01 ——————— Crisis prevention with reputation

However, if you react immediately and react in good faith – it may even strengthen your brand reputation. This example goes all the way back to the 80s and the Tylenol's cyanide crisis. Even though their tablets were killing people (due to someone lacing them with cyanide), they've managed to turn the narrative so the public perceived them both as a victim and a superhero – immediately pulling all tablets from the shelves and alerting and warning the public to the issue. They've even established a hotline for worried customers. In the end, they've emerged even stronger.

Viral social media posts easily spread due to their emotional component that tugs at people's heartstrings.

02

"Not all negative events become scandals. The likelihood of a full-blown public scandal, in need of an equally public response, goes up when the incident is surprising, vivid, emotional, or pertinent to a central attribute of the company or brand." - Harvard Business Review

To fully understand and apply this, you first need to understand the **difference between a value-related crisis and a performance-related crisis.** The distinction is especially relevant for social media, as the first type, the value-related crisis is more likely to blow up and cause a crisis.

Why is that so?

The performance-related crisis is one caused by product defects and, as Charles Blankson and Stanley Coffie stated in their book, "primarily reduces the brand's perceived ability to deliver functional benefits".

On the other hand, a value-related crisis is not product-related, but rather "involves social or ethical issues that implicate the values espoused by the brand".

The value-related crisis, therefore, invites discussion and passionate response that leads to the viral spreading of a brand's faux pas.

02 ———— Viral social media posts

It is so easily spread due to its emotional component that tugs at people's heartstrings need to get their indignation heard loud and clear. In the age of movements like #BlackLivesMatter and #MeToo, cases such as one Starbucks baristas' racial profiling and Fox News sexual harassment accusations do not go over well with the audience.

Social media is a powerful platform that allows people to be heard. No holds barred, injustice fueled commentary spreads like wildfire, not allowing the affected brand to escape the scrutiny and subsequent need for damage control.

How to recognize social media posts that will go viral, then?

Pay close attention to those situations that can **trigger an emotional response** from the audience; those situations that **embody an injustice** people relate to and want to fight against. Any social or ethical issues can strike a chord with the right audience.

Keep in mind, though. While performance-related issues won't go as viral, keep close eye on the **issues that display a combination of performance and value.**

02 ⎯⎯⎯⎯ Viral social media posts

Let's not forget the **Ford Pinto** crisis of the 70s. Yes, it was mostly a performance-related crisis, however it did contain a value element. While it was a product defect that caused cars to explode, what struck a bad nerve with the customers was Ford's deliberate negligence (they knew about the problem, but did nothing) that essentially put a price tag on human life. Putting money ahead of their customers' lives put Ford in reputation-destroying limelight. Their mistake was knowingly putting human life in danger and not addressing customer safety concerns.

03

<u>Predicting a crisis</u> includes different approaches such as identifying your brand sentiment and associated topics.

03 ———————— Predicting a crisis

There are four ways to keep up with your brand reputation and predict possible crises:

- Research complaints in your customer database & identify recurring problems

- Identify brand sentiment

- Identify topics most commonly associated with your brand

- Track mentions in real-time

- Research **complaints** in your customer database & identify recurring problems

What are some common complaints and issues your customers identify with your brand? Is it your customer support, staff complaints, product defects?

Find a pattern, identify those issues that arise often, and address them head-on. Don't wait for it to become a bigger problem.

03 ———— Predicting a crisis

- Identify brand **sentiment**

Really, identify sentiment related to any aspect of your business. Media monitoring comes in extremely handy in this situation. Using a media monitoring tool, track your brand name, people of interest, specific products... That way, you get insight into how people perceive your company. Are they seeing you in a positive or negative way?

With the help of sentiment charts, you can know the positive-negative sentiment ratio, as well as gain insight into what caused the negative mentions. Once you know what's the problem, you can steadily work on righting it.

- Identify **topics** most commonly associated with your brand

You can do this by googling your brand name or searching it via social media platforms. Or, you can once again make your job easier by using media monitoring tools. By regularly tracking relevant keywords, media monitoring will pool all brand mentions into one feed. To make it even easier, you can set up alerts and digests, and have mentions sent to you every day or twice a week.

A great tip for keeping your mentions sorted and organized is to separate them into different groups. If you identify a popular topic closely related to your brand you can select all mentions containing that topic under one collection.

03 ———— Predicting a crisis

For instance, if you're an airline, you can create collections like "Delay complaints" or "Online reservations" or "Catering". Each of these collections would contain mentions that deal with those topics. By continuously keeping up with your brand mentions you can get a feel for how people perceive your company, what issues they face, what are their experiences.

And that leads us to our next point.

• Track **mentions** in real-time

Monitor, monitor, monitor. That's all there is to it. Keep your eyes open - be vigilant and alert. It's hard to miss a brewing crisis if you always know what is happening with your brand reputation. Some crises you can see coming and all these actions we've gone over can help you recognize them.

Track your brand mentions, important names, products, common complaints, keywords related to a crisis you've already overcome (you never know when someone might bring it up again). Anything you may think of that is relevant to your brand and reputation and everything you may pull from your experiences thus far.

Real life <u>examples</u> of how brands handled crises.

04

04 —————— Examples

You may say PR crises are par for the course in the life of any company. A crisis can happen to any brand, anytime. Some you might be able to predict. Others may come out of nowhere.

Similar crises can hit different brands, but their approach to managing a crisis is where they exceptionally differ. Approach means everything, as it can mitigate the negative effects of a crisis, or blow it up even more.

We'll be going through the following examples:

- Airbnb layoffs vs Bird Scooter layoffs,

- United Airlines vs American Airlines,

- Nike vs Adidas.

04 ————— Examples

- Airbnb layoffs vs Bird Scooter layoffs

Due to Coronavirus, many companies were forced to lay off their workers. Laying off people in a situation like this is not something that will necessarily cause a crisis for your brand. If you don't fire over 400 workers in a two-minute Zoom call, that is.

Yes, that actually happened.

Bird Scooter

Bird Scooter came under fire on social media after the way they fired employees were revealed. Dot.LA first broke the story and obtained an actual recording of the infamous meeting.

When dot.LA asked for an interview, they received a statement from the company that said:

> "Layoffs are never easy or comfortable to do and COVID-19 has impacted the way they are done in at least the near term...We are eternally grateful to the impacted individuals and wish that the entire situation could have been avoided."

After the meeting, which some describe as a "Black Mirror episode", fired employees were automatically logged out of their work accounts, and their company-issued MacBooks started restarting.

04 ——— Examples

Airbnb

Airbnb also had to layoff employees due to Coronavirus. But, they've chosen the humane approach.

On May 5, Airbnb CEO Brian Chesky sent out a thorough and compassionate note to Airbnb employees explaining why they have to lay off people, how they made that decision, and what they're going to do to help laid-off employees. That includes base pay for the next couple of weeks (depending on where you are), dropping the one-year cliff on equity for everyone they've hired in the past year, paid healthcare and job support that includes Alumni Talent Directory, providing support to find a new job, four months of career services, etc.

Here we have **two identical situations with diametrically different outcomes.** Both companies had to fire people. But, the **approach makes all the difference.** Crises are difficult, but having compassion and being a decent human being doesn't have to be.

Many are watching how companies are acting during this crisis because how they act now will follow them in the future.

04 ——— Examples

- United Airlines vs American Airlines

Every phone nowadays has a camera. And every once in awhile, those phone cameras record situations that you wouldn't believe happened if someone simply told you about them.

United Airlines

David Dao was sitting in his seat, minding his own business when he was told to get off the flight because the airline needed to find space for four extra crew members. He rejected but was carried out of the flight kicking and screaming. The video of that event quickly spread and people were horrified. Here's the first thing United did.

The CEO Oscar Munoz tried to smear the passenger. Thankfully, there was a video that proved the CEO wasn't really telling the truth. Also, as the outrage grew bigger, United's stocks started falling and the CEO released another statement with a different tone, but it didn't really make much of a difference. The damage was already done.

American Airlines

A video surfaced showing a crew member arguing with a female passenger over a buggy. While trying to take away a buggy from the passenger, a crew member accidentally hit the passenger and almost hit her child too. All hell broke loose because now other passengers started to get involved as well.

04 ———— Examples

Here's what American Airlines did - they released a compassionate response in which they said that they're investigating the matter, apologized, and said that the actions of the crew member do not reflect their values. Also, they removed the crew member from duty during the investigation.

So, who handled it better?

Again, the choice is pretty obvious. We all make mistakes sometimes, and if United simply acknowledged that throwing out a passenger was a mistake, the situation probably wouldn't escalate. The worst part is that United had another incident a few months later when they wanted to throw out two girls wearing leggings, and yet again, their response was an utter disaster.

- Nike vs Adidas.

These two sports brand giants found themselves in a bit of a stir in recent years. In 2017, Adidas sent out emails to Boston Marathon runners with the subject line saying: "Congrats, you survived the Boston Marathon!"

It's quite self-explanatory why this sentence is extremely wrong given what happened in 2013. The screenshot of the email started spreading on social media and people were outraged. Soon enough, international media started publishing news about this as well.

Adidas issued an apology on social media a few hours later, acknowledging their mistake and taking the responsibility.

First of all, who approved this, and why? It's really strange because it's such an obvious "no, no". Yes, they apologized, but it's still surreal that something like this even happened.

On the other hand, Nike's crisis began in 2019 when basketball player Zion Williamson fell and injured himself because of the shoe malfunction. Social media exploded. Photos of Williamson sitting on the court with a broken shoe were everywhere. Nike reacted by issuing an apology and wished Zion quick recovery. They also mentioned that this was an isolated incident. The next day, Nike sent out people to investigate Wiliamson's shoes and also sent people to China to the manufacturing plant.

Also, a few months later, Williamson signed a shoe contract with Nike worth $75 million.

Still, Nike suffered a giant stock value drop at the time. And that wasn't really an isolated incident.

Who handled it better?

It feels like Nike handled the crisis better because they didn't only apologize, but took concrete steps to make the situation right again. Their response was a textbook example for brands on how to handle crises.

Work on your online reputation before, during and after the crisis.

Monitor your online presence vigilantly. That's really all there is to it and all you can do for crisis prevention. Above all, just be transparent and straightforward in your relationship with your customers. Show them you care about them, but also problems that ail them. Acknowledge their complaints and work on setting the issues right.

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