Crises Management in a Social media environment from the perspective of a public relations manager

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Abstract

Several organizations have shown unpreparedness to the continuous evolution of the social media, often considering it a threat when in fact it may be an opportunity if properly managed. In such an environment crisis may arise that could be easily avoided. In this study we identify the mechanisms of crisis management in a social media environment, from the perspective of public relations managers. Specifically we address how may managers dealt with a crisis in a social media environment using three case studies of communication agencies working with social media, while managing their customers’ presence in social networks. Results show that the crisis plan is not consensual and that it has mandatory and also optional steps according to the situation. We contribute to better understand the set of good practices that will enable organizations to prevent, manage and remediate crisis in a social media environment.

Keywords: Social media, Crisis management, Web 2.0

1. INTRODUCTION

“Crises are unpredictable, but do not have to be entirely unexpected. Thus, while not all can be prevented, managers should develop and embed a wide range of resilience building processes and activities to enable an organization to both prevent and mitigate the impact or duration of those crises that do occur” [Cockram & Heuvel 2012 p.8].

Over the past few years social media has achieved great importance in the business environment, dramatically changing business processes. This change has occurred mainly driven by the use of social networks, that enables productivity gains and the opportunity to obtain user feedback. Time Magazine [2013] considered social media as the most powerful tool any business owner can use to engage customers and drive revenue growth. Ennes [2013] reported that fifty eight percent of the companies already use social media, while twenty one percent are preparing to use it. Facebook, MySpace, Tripadvisor or Twitter are some well-known examples of social media firms [Blackshaw & Nazzaro 2006]. Facebook, one of the most widely used social media, is already part of the 100
most powerful brands in the world [Forbes 2013], with an overwhelming number of 1.15 billion active members, and a reported growth in 2013 of about twenty three percent compared to the previous year [Facebook.com 2013].

Social networks are growing, but this growth also triggers the need to plan for crisis management. Social media is certainly a part of this crisis equation and is contributing to the increased public and media scrutiny [Gonzalez-Herrero & Smith 2010]. There are plenty examples of social media crises and there is a general consensus in the literature that crisis communication plans are very important and that companies should implement them [Gonzalez-Herrero & Smith 2010]. However, in a time when the social media are increasingly taking the lead in communication between firms and their customers, especially through social networks, it is necessary to understand the particularities of this new environment, and adapt the way firms communicate, creating a somewhat online action plan. Firms will thus be better prepared for future crisis and to avoid many of them.

The impact of different types of media on the effects of different strategies in response to a crisis is still understudied [Coombs & Holladay 2008], while the integration of the internet and networks for crisis communication is discussed extensively. Gonzalez-Herrero and Smith [2008 p. 152] agree, stating that "crisis communication has never been as important as it is today, because there has never been so much information available to as many people at the touch of a button". In fact, social media can bring big problems for an organization in the midst of a crisis [Wigley & Zhang 2011].

In this paper we set to identify the mechanisms for managing crisis in a social media environment, from a managers perspective. Methodologically, we conducted multiple case studies in three communication agencies working with social media that were responsible for managing their clients’ presence in social networks. The results show that the approach to the crisis plan is not consensual and that it has both mandatory and also optional steps according to the situation. We contribute to better understand a set of good practices that will enable organizations to prevent, manage and remedy crisis in a social media environment.

This paper is organized in five sections. After this introduction, we present the literature review based on social media and crises management. The third section presents the methodology. The fourth section comprises a brief presentation of the three case studies and how they handled crises management in a social media environment. Finally, we discuss and presented concluding remarks.
2. LITERATURE REVIEW

2.1. Crises management

Fearn-Banks [2001 p.1] described crisis as “a major occurrence with a potentially negative outcome affecting an organization, company or industry as well as its publics, products or good name”. For Dubrovski [2007 p.333] crisis is “a short term, undesired, unfavorable and critical state in the company which arose from both internal and external causes and which threatens the further existence and growth of the company”. Organizational crisis are inevitably part of business and cannot be separated from regular business activity, but they can threaten the reputation and survival of an organization [Seymour & Moore 2000]. Jaques [2007] advanced a listing of the main causes of a crisis, including poor maintenance practice, human error, poor planning, material failure, unethical or dishonest behavior, unresponsive culture, lack of leadership, bad judgment, or insufficient training.

Pearson and Mitroff [1993] had already realized the importance of preparing for a strategic crisis, as a precondition for survival. According to Marra [1998] many crises that have been poorly managed were not following a crisis plan1. Moreover, traditional crisis management plans and training methods are proving to be ineffective and a new crisis management approach is required [Robert & Lajtha 2002]. To be better prepared and know how to respond effectively and timely to a crisis firms employ the following:

Assessments - Conducting a comprehensive assessment is the starting point to identify loopholes and develop an action plan;

Training – Experience and skills are a key element throughout the process of crisis response, from the switchboard response to callers, to communicating with the mass media effectively and protecting reputation;

Certification - Companies may pursue certification of Crisis Management skills for staff and management to ensure everyone in the organization has the required skills, given that workstations can suffer a lot of changes and it is important to routinize training and retraining;

Practice and testing - Regardless of whether or not crisis plans are used, it is important to draft them, because even though many crisis plans were never even tested, firms are still practicing, discovering gaps and solving them [Sapriel 2003].

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1 “A crisis plan is a manual, a blueprint, a road map out of dangerous woods. It covers everything from A to Z on how to manage types of crises” [Fink 1986 p.56].
In order to deal with a crisis, Pearson and Mitroff [1993] put forth five phases in crisis management: (i) signal detection, (ii) preparation/prevention, (iii) containment/damage limitation, (iv) recovery, and (v) learning. Other authors only consider a simplified four-stage process of reduction, readiness, response and recovery. ‘Signal detection’ and ‘Preparation/prevention’ constitute proactive types of crisis management. If done properly and successfully these activities can prevent many crises from occurring in the first place. ‘Containment/damage limitation’ and ‘Recovery’ are reactive activities carried out after a crisis has happened and together they are called ‘Crash management’. The ‘learning phase’ points to the interactive aspect of crisis management. It can emerge either as part of a crisis management plan in the absence of crisis or as a result of experiencing a crisis [Elsubbaugh et al. 2004].

Reilly [1993] offered further refinements on preparedness suggesting that crisis readiness activities should incorporate both crisis prevention and crisis management elements. Crisis prevention involves technology and people focused activities to reduce vulnerability to crisis, while crisis management involves responding to a crisis. Reilly [1993] suggested that crisis management requires the capability for decision response, information flow, both internal and external, resource mobilization and implementation. “Behavioral readiness” is another element of crisis management. Smits and Niveen [2003] showed that leadership and team building were crucial elements of effective handling of crisis and pointed to the importance of meaningful human infrastructure development. In focusing on the preparation for unforeseen events, Andersen [2003] showed that firms may be prepared for future risks.

2.2. Social media and social network sites

Marchese [2007] stated that social media differs from traditional media because of the way information is discovered, distributed and consumed. Wright and Hinson [2008] complement that social media differs from traditional media because it is cheaper and more accessible. Palen [2008 p.12] stated that social media includes “blogs, social networking environments, person-to-person broadcasting messaging and other Web 2.0 applications”. And Kaplan and Haenlein [2010 p.61] defined it as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, allowing the creation and exchange of user generated content”. Social media is often called user generated content media because people can create content, share and bookmark content and network at an impressive speed [Blackshaw & Nazzaro 2006]. The impact of social media on tools and strategies within customers’ relationship is due to the large amount of online word-of-mouth forums, blogs, company-sponsored discussion boards and chat rooms, consumer product or service rating websites, social networking websites, etc. [Mangold & Faulds 2009].
Boyd and Ellison [2007 p.210] examined how social network sites (SNSs) “are web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system”. The main singularity of social networks is to allow users to articulate and make their social networks visible, making possible connections between individuals that would not exist otherwise [Haythornthwaite 2005].

Facebook, Twitter and LinkedIn are the three highest impact SNSs for businesses and organizations need to learn how to incorporate them [McHaney 2012]. This is true also for the public administration, as recently reported by Human Capital Institute that found that 66% of the governmental agencies also adopted social networking sites as a preferred communication channel [HCI 2010].

2.3. **Crises management in social media**

Social media are widely used by consumers to educate and inform each other about products, brands, services, personalities and issues. This is made easier since it is possible for one person to connect with a large number of other people, sharing information on products, manufacturers and sellers, thus playing a major role not only in information acquisition, but also influencing awareness, opinions, attitudes, purchase behavior and post-purchase communication and evaluation [Mangold & Faulds 2009]. Customers also often use the social media to voice their discontentment, much like filling a virtual complaint that they show to the world, allowing others to have access to information that may be detrimental to the company [Ward & Ostrom 2006]. Social media users take advantage of this communication capability to report their experiences with products and firms. When a negative comment is made by a user that is an opinion leader, with many followers, either in a blog, Twitter or Facebook, it might generate a harmful buzz to the organization.

On the other hand, by allowing two-way and continuous communication with its stakeholders, social media enable firms to realize what they are doing wrong, and improve upon it, or to provide a prompt response to a problem that arises, reinforcing positive relations with stakeholders [Heradstveit & Hagen 2011]. Using social media, practitioners can monitor in real time what is been said about the firm and can respond immediately [Porter & Sallot 2003]. This streaming feedback between firms and customers can help prevent crisis from unveiling [Perry et al. 2003]. Moreover, the social media permits timely, direct, efficient and cheap connection to end consumers. This makes social media relevant not only to large multinational corporations but also for small and medium enterprises [Kaplan & Haenlein 2010].
However, given the frequent and sudden changes in the social media panorama, to succeed firms need to carefully choose the tools and applications needed, making sure they are all in tune with each other. The social media must be integrated with the traditional media in the media plan [Kaplan & Haenlein 2010], namely to better deal with emerging crisis [Burnett 1999]. Planned responses are important when a crisis unfolds [Marra 1998; Ward 2011]. A crisis is an event that increases in intensity and which is given much attention by the media [Fink 1986].

There are several organizations that failed to fully integrate "social media" in their efforts to manage crises [Taylor 2010]. These efforts must include the pre-crisis period, the crises itself and the recovery from the crisis. Harrison [2000] highlighted that in the pre-crisis organizations need to be aware of the possible scenarios that may occur. During the crisis it is often advisable to swiftly accept responsibility to generate positive reactions and improve reputation [Schultz et al. 2011]. An organization that takes responsibility and expresses solidarity with the victims is considered more noble and sympathetic [Coombs & Schmidt 2000]. Schultz et al. [2011] state that the strategy of apologizing and sympathy leads to a higher reputation than the information strategy, probably because during a crisis sharing information is considered a required action [Coombs & Holladay 2008].

Furthermore, it is important to define which communication tools to use in the course of a crisis. According to Schultz et al. [2011], blogs and Twitter are considered efficient tools to "repair" the reputation and prevent boycott. These are instruments with great promptness and interactivity, enabling the building of relationships [Schultz & Wehmeier 2010]. Controlling information flows is crucial in managing a crisis but it is increasingly difficult to achieve given the widespread use of social media, allowing millions of people to share information (but also rumors and disinformation) in a short time [Schultz et al. 2011]. That is, firms need to gain control over the electronic word-of-mouth [Schultz et al. 2011] to prevent a negative impact on the reputation of the firm [Tucker & Melewar 2005], and avoid boycotts and future buying intentions [Coombs & Holladay 2007]. As this information is transmitted at high speed, there is no time to define prevention strategies, and as such, reactive actions should be taken in order to repair the "damage" caused by the crisis itself.

3. Method

We conducted three case studies. According to Yin [2009], case studies are a relevant research method when we are looking to answer “how” and “why” questions. The case studies were conducted in three communication agencies that offer social networks management services.

The interviewees were selected based upon their proximity to daily basis crises management. The interviews were semi-structured and the same script was used for all of them. A data collection
protocol guided the interviews and each of them lasted on average forty-five minutes. The interviews were later transcribed for additional analysis. Secondary data, such as internal documentation from the firms and their websites was also analyzed in order to fully grasp the firms’ activity.

3.1. The cases

The three communication agencies selected to conduct the cases were: GuessWhat, StepValue and Havas Media.

GuessWhat is a Portuguese communication and activation media agency. It operates in Europe, America, Oceania, Africa and Asia, through local partners and global networks of communication companies. It is a communications consulting and public relations agency. In essence, that means that GuessWhat offers holistic solutions for public relations, media relations, reputation management, events, digital engagement and buzz marketing. Its services are divided into four main areas: public relations, digital, publishing and events. In GuessWhat we interviewed a Founder and Managing Partner, and the Communication Director.

StepValue was founded in 2007 and works with the concept of “Web Intelligence” in daily tasks. This Lisbon-based agency works as an extension of the marketing, communication and sales team to its customers and focuses primarily in Digital Marketing to generate value for its customers, using advanced digital marketing solutions, including the design of online presence, awareness campaigns and sales activation, mobile, email marketing and social marketing. In StepValue we interviewed the Content Marketing and Social Media manager, and a Community manager.

Havas Media Group gathers the media talent within Havas, one of the leading global communications and marketing groups. It is made up of two media brands, Havas Media and Arena both of which work alongside Havas Sports & Entertainment, the industry’s largest global brand engagement network. With a simple organizational structure they are able to fulfill their clients’ needs by creating a unified culture with teams that are able to focus on delivering client value rather than reporting into large brand hierarchies. In HavasMedia we interviewed two Community managers.

4. How Firms Managed Crisis in a Social Media Environment

We now analyze how the three agencies deal with crisis management in a social media environment. This analysis is organized in five parts: prevention, causes, communication (timing and honesty), training and crisis plans/guidelines, as follows.
Prevention. At GuessWhat, according to the Communications Director, prevention is done by having a system for brand monitoring: “What we have is brand awareness - a monitoring system of the brand, allowing us to know what is being said about the brand, making somewhat of a ‘tag cloud’ of the concepts which are more often associated with the use of a brand. Allows us to detect e.g. who are the opinion leaders, who became more active voices either for or against, but still talking about the brand, and to identify the media where these people manifested themselves.”

The Community Manager from StepValue, provided an example of what to do to prevent crisis, specifically addressing the importance of meticulously choosing the content that will be shared on social networks: “The first clients I was assigned for which had some comments about content that would pass on a particular channel, that day. We knew from the outset that the post wasn’t going to generate a lot of interaction, because we didn’t ask questions, to avoid having answers that could generate dissatisfaction. And yet, in a comment in which we said ‘Today, sit in your living room, warm, with some popcorn’, automatically generated some negative comments like ‘I don’t want any popcorn, all I want is to see all channels working’. That is, we had to be very careful on how we communicate. So the only prevention we did was analyzing these possible scenarios”.

Causes. GuessWhat’s Founder and Managing Partner argued that the lack of communication skills is the main cause for a crisis to emerge: “The main crisis situation happened not by itself but due to how the brand responded”. On the other hand, Content Marketing and Social Media Manager from StepValue highlighted the importance of having a good Customer Service, to avoid customers from taking their disgruntlement to the social networks. “When a brand has a customer support service that doesn’t work well, from which the client doesn’t obtain a result that he likes, these dissatisfied customers use Facebook to channel all their questions and all their anger”.

Crisis communication. The Communication Director from GuessWhat believes that because someone is behind a computer or a tablet they react differently to what an organization says. "It's an area where sensitivity, gut feeling, instinct or the sixth sense have a very important role, because we are always dealing with very emotional territories, where people have the emotions to the surface, where people are hiding behind a computer or a tablet, which also causes very exacerbated reactions, very often”.

Taking a different perspective, the Content Marketing and Social Media Manager of StepValue trusts that an apology is a valuable “tool” that should only be used in special circumstances. "In my personal opinion, "apologies" should not be a recurring action, and rather be used only in highly severe situations, where there is a major error from the brand that requires dealing with strength and humbleness".
Timing. Our three cases show that timing is one of the key elements of crisis management in a social media environment. The community manager from Havas Media emphasized the importance of timing to prevent spreading the impact of a negative message: "One of the key points is surely the ease of messages propagation. In one minute, you can make a comment that generates thousands of other comments, and spread the negative impact for many people, without the brand having proper control over it!". The Content Marketing and Social Media Manager from StepValue introduced the concept of “immediate response” as a differentiation factor for traditional media: “Online, we have a completely different timing. We have the immediate response”.

Honesty. According to Seeger [2006], a significant body of crisis communication research emphasizes honesty as a best practice to build credibility and trust before and during a crisis. This was corroborated by the Founder and Managing Partner of GuessWhat, according to whom firms should not try to hide information from customers, because that can generate a much bigger problem, if someone finds out. “There has to be honesty, transparency, and when there is a mistake, assume it. In Portugal there’s always a way to ‘work around’ the issues […] Communication is a channel for the consumer, so brands have to be transparent and honest”. StepValue’s Community Manager shared this perspective: "The type of response we give is also very important. It must be a clear answer without circling and without artifices, because that will immediately generate complaints”.

Training. There have been many changes in the crises management panorama and perhaps more notable are the changes in the training methods as prior manners revealed ineffective, proving a new crisis management approach was required [Robert & Lajtha 2002]. In this respect both Havas Media Community Manager, and GuessWhat’s Founder and Managing Partner agreed that experience and working in the field is the best training in this environment:

"I've had to deal with some crisis communication, derived from errors in contests, or ambitious projects of brands in social networks, entailing a high degree of programming a microsite which could easily lead to access errors and complaints from customers. Besides the presence in conferences, academic training and regular reading of academic literature in the field of digital marketing and daily experience are the best training that a professional in this area may have to react the best way to crisis situations in a social network". (Community Manager, Havas Media).

"Because we find that there’s a structure, if there’s a type of business that is better prepared to intervene in the digital world, it’s the communication agencies and public relations practitioners. We're used to grab the same content, and direct it to various types of target, i.e, even in the sphere of press relations, targets are different” (Founder and Managing Partner, GuessWhat).

Crisis plans/guidelines. There is a general agreement in the literature that firms need to hold crisis communication plans [Gonzalez-Herrero & Smith 2010]. According to StepValue’s Content
Marketing and Social Media Manager, managing a crisis in the social media demands great flexibility than in the traditional media, even though they have a set of guidelines: "Let’s say that we have a manual for the use of Facebook, our daily basis practice forces us to be much more flexible than what was written in the guide"; and "If I find that we can decide at that moment for sure, because we have the standard reply and customer specifications, we respond immediately. If I have questions about this response, I call someone in a higher rank, so we check together with the company, which is the best answer to that problem. Once you find an answer, this response is always validated by our client".

GuessWhat has a more formal process, and follows the crisis plan, even when the crisis transcends to traditional media: "Thinking about a normal process, it involves analysis of potential scenarios, developing the digital Crisis Management dossier, definition of key messages according to the scenarios. There is an assumption that we have, which is, within an hour there must be an answer in the Facebook website. It has to be transparent. We condemn deleting posts, and we think it is one of the worst things that can be done, because our digital footprint will still be there" (Founder and Managing Partner, GuessWhat).

5. DISCUSSION

Managing a crisis in a social media environment entails many different features from the traditional media. Organizations need to completely rethink and to some extent reengineer how to communicate in a social media environment when responding to any crisis. In this qualitative study, based on three cases, we resorted to the expertise of top executives in three communication agencies, with large experience in communication, and a portfolio of well known brands. We specifically analyzed what makes social media’ environment different, and how firms act to prevent, manage and solve an emerging crisis.

This study contributes to the extant literature by being, to the best of our knowledge, one of the first ones in Portugal to address crisis management in social media. Moreover, we also open several future research avenues addressed at better grasping how to develop and implement a crises management planning guide specifically oriented towards social media. For practitioners we draw some different perspectives and best practices on how to act in a social media environment.

Firms normal operations (pre-crisis) basically rely on prevention through monitoring social networks using specific software to know what is being said online about the brand, establishing standard responses to prevent the spread of a negative comment, and other similar actions. Negative comments – or a crisis - may emerge– from dissatisfaction with poor customer support service and the lack of ability to communicate. Social networks empower customers and force organizations to
respond quickly before a crisis spreads over a community that may have dozens or millions of followers. Avoid crisis from unveiling is the focus.

Within communication crisis, we identified two key elements that must be handled carefully in social media: timing and honesty. Timing has undoubtedly gathered more consensus among respondents as the most important variable when communicating in a social media environment. This is due to the virality when subjects go online, with messages propagating at enormous speed, demanding a swift - record time - response. Honesty is a key element to attend for instance in but the content of a message. In a comment seen by a community, the likelihood of someone detecting a lie or omission is much greater, and if shared may generate a rush of outrage. Honest communication is very clear and avoids raising doubts and suspicions.

In the literature, we have identified four tools that should be included in the crisis plans: Assessments, Training, Certification and Practice/Testing. Based on our three cases, training seems crucial in managing a crisis in social media. Managers must reinforce their competences and formal and informal education on these matters. Conversely, it is not as consensual among our three cases the relevance of holding Crisis Plans. On one side, we have agencies with a more formal, well defined and transversal plan, with a set of steps to be mandatorily complied, but on the other side, there is also a flexible “plan”, in which there is a group of key steps, and several optional. All interviewees agreed however that each case is different, and what is adequate for one company today, may not serve the same company tomorrow.

6. **Concluding Remarks**

Many firms still either ignore or are unable to manage social media opportunities although social media is – for better or worse — a very powerful reality. Many executives are either reluctant or unable to develop strategies and allocate resources to engage effectively with the social media [Kietzmann et al. 2011]. The lack of understanding regarding what social media are, and the various forms they can take constitutes the basis for the dilemma that many companies are currently facing, namely in which social media platforms they should be present, how to do it, and why should they do it and what strategy to define and implement.

At a time when social media is increasingly linked to the business world, it is important to do further research on this issue especially in business to consumer relations. Albeit there is a substantial body of knowledge on crisis management, the stock of knowledge on social media is far scantier. Moreover, importing crisis management concepts that were developed to other contexts into social media is unlikely to render the desired outcomes. Future research is likely to endeavor into a broader
understanding of how firms in different industries face crisis in a social media environment and how to better manage and prevent these crises.

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