

GRUPPE

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PRØVE

SFB50514 1 Corporate Communication

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Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

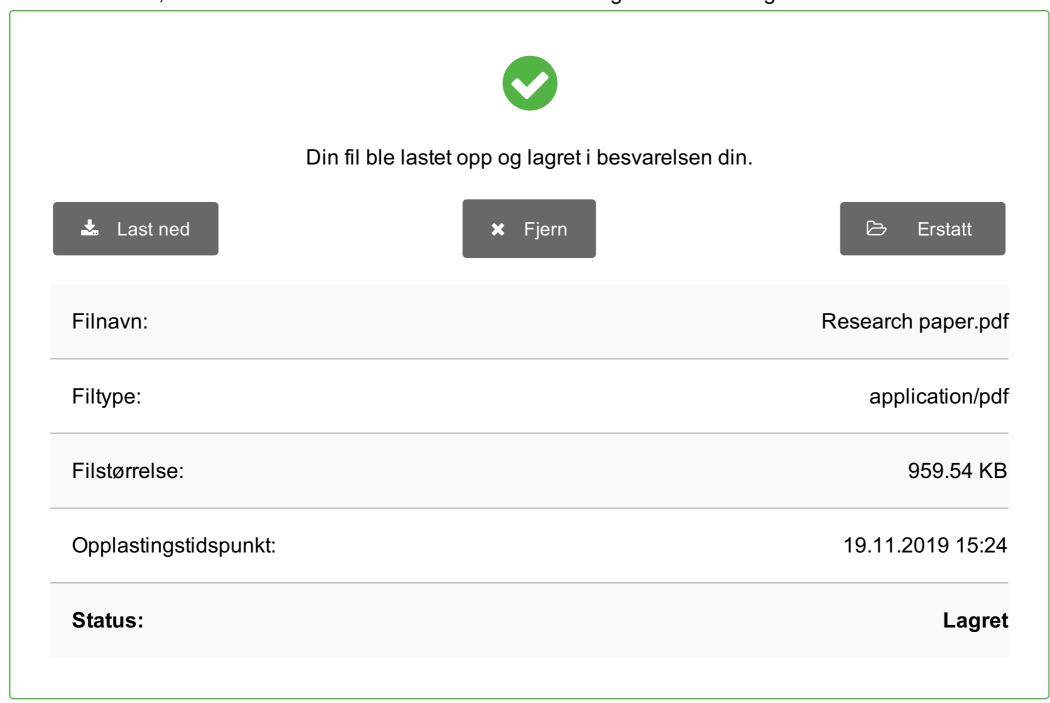
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Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

Research Paper

Corporate Communication

SFB50514

Fall 2019

Lervyn - 183625

Kristina - 183631

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1. Introduction

This research paper contains an analyzation of our case study problem which is the Zara's controversial designs "White is the New Black" and Zara's holocaust prisoners shirt through out the month August and year 2014. It will also contain an analysis about Zara's stakeholder reaction regarding the Zara's designs and how Zara handled the fashion crisis. This paper will be then built on the theoretical approach, the methodology, our analysis and lastly our conclusion. The building of this paper will be detailed further in each section.

To help us answer and analyze our case study problem, we decided to prepare a research questions that are relevant to our case. We found and thought of what research questions we will be needing by reflecting and connecting our case study problem in these research questions. These research guides us through our analyzation and in this case the research questions that we will be using are the following:

- Did the Zara company responded to the crisis?
- What kind of crisis communication strategy did Zara use in the designs?

1.1 Company description

Zara is a spanish clothing retailer based in Galicia, Spain. Founded by Amancio Ortega in 1975, it is the flagship chain store of the Inditex group, the world's largest apparel retailer. The company operates over 2,220 stores and is present in 88 countries. Zara has consistently acted as pioneer in fast fashion based in a highly responsive supply chain. (BoF, no year)

The company specializes in fast fashion. Fast fashion is the term used to describe clothing designs that move quickly from the catwalk to stores to meet new trends. The collections are often based on designs presented at Fashion Week events. Fast fashion allows mainstream consumers to purchase trendy clothing at an affordable price. (Kenton, 2019).

In August 2014, Zara has released a white t-shirt emblazoned with the slogan "White is the New Black" and Zara's holocaust prisoner shirt. (Kesler, 2018) Zara's designs then became an issue and Zara has received tons of blackflash, which means a lot of negative feedback from people through social media.

1.2 Research Scope

The main focus in this report will be on how Zara were handling their crisis, and the reactions from public stakeholders on different media platforms. The reactions are obtained from Twitter and other media platforms as illustrations, which means that there are no perception analysis of these comments.

Before we examine how Zara handled the crisis, we will lay a foundation that has a methodical and theoretical relevance for this task. However, that will make it easier to analyse and respond to the main research question. The analysis will consist of theory that will be connected to selected findings and used to discuss these in detail. We will evaluate what message Zara sends when they chose to not respond and respond to the reactions about the design. Based on this we will highlight what went wrong and propose an approach for how it could have been avoided.

The analyzation will take place in the year and month of the crisis, which in this case in August 2014. Zara's "White is the New Black" in August 14, 2014 and the Holocaust shirt in August 27, 2014.

2. Theory

This research project will compose of theoretical framework that will help and guide us to analyze our case study problem well. These theoretical framework will provide us with relevant information that we can use in our case study problem. Not just that but it also helps us to specify which key variable we are supposed to use in order to analyze and answer our case study problem in a right way. Since our case is about a crisis situation, we might as well define what crisis is.

A crisis is defined as an event or issue that requires decisive and immediate action from the organization. The necessity of immediate action may be triggered by, for example, mounting public pressure, intense media attention or the direct danger (in the case of an accident, product tampering or product fault) to employees, customers or members of the general public. Crises may involve accidents or natural disasters, but may also stem from a "cultural" problem which escalates into a crisis. (Cornelissen, 2017 p.212)

Social media has played a big role in this research project, especially on Twitter. It was mainly being used by a lot of people to express their feelings and opinions about Zara's t-shirt and shirt designs. Social Media is a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content (Kaplan & Haenlein, 2010, quoted in Cornelissen, 2017, p. 39).

Social media also has a role in the crisis. Its role can affect the crisis both positively and negatively. In our case, social media's role is to connect people using #hashtag and its communication tools like Facebook through messenger, it also spreads fake and true information about a person, event, and etc.. it also spreads

awareness about disasters, and last but not the least, it can be used to express an opinion and feelings about a certain topic.

When using social media during a crisis there are some points that are very important. Be present, when you are present it won't be any misunderstandings. Misunderstandings during a crisis makes everything worse. Be where the action is, which can also mean that you should be available, don't run away from the problem but try to respond if anyone has any questions. Be there before the crisis, if you know why the crisis happened, it will be easier to solve it as well. (Ove. A. Vanebo, 2019, forelesningsnotater)

A crisis is often something that has been going on for a while. When the crisis hits you it's too late to pretend that it isn't a crisis. Keep your eyes open because it's smart to deal with the problem early, so it won't develop into a crisis. Be polite, don't try to hide anything or make up lies. Be honest even though it can make you vulnerable. In the end it will be better to stay humble when you made a mistake. (Ove. A. Vanebo, 2019, forelesningsnotater)

3. Methodology

3.1 Case description

In August 2014, Zara has made a noise regarding to their designs "White is the New Black" and Zara's holocaust prisoners shirt. These two designs were made in the same month and year. Zara's white t-shirt "White is the New Black" was released first in August 14, 2014 and then following Zara's holocaust prisoner shirt in August 27, 2014. These designs have received negative feedback from people through social media platforms and Zara has responded differently to their stakeholders, which we will discuss further in the analysis.

Both of the design have made a noise and have received negative feedback from people, but the time difference between when it became the main issues are interesting. The design "White is the New Black" was first released, the feedback did not really became the main topic or became obvious in this time. But when Zara's holocaust prisoners shirt was released, and after all the feedback that they were receiving, Zara's t-shirt design "White is the New Black" began then to became obvious.

3.2 Empirical data

To do this task we collected empirical data to analyse and help us support our analysis. We found empiri that shows negative and critical feedback from people that think Zara appeared offending regarding their designs "White is the New Black" and Zara's holocaust prisoners shirt. And also empiri about Zara's response to the criticism.

There are a lot of divisive opinions that create big discussions. We collected empiri from different media platforms, mostly Twitter but also quotes from articles dailymail wrote, and other news channels and blogs. However, in this chapter we are going to take a look at different empiries we found about the fashion crisis in 2014.

We collected 20 empirical data that consist of stakeholders reaction about the designs, Zara's response to the crisis and relevant empiries that helps us explain and analyse our research paper. The empiries that consist of stakeholders reaction and Zara's response will be presented in August 2014, when the crisis arose.

Empiri is used in research on knowledge gained through systematic observations and investigations (empirical documentation). This contrasts with assumptions and knowledge derived from theoretical considerations, personal impressions (so-called: anecdotal evidence) or non-systematic observations or experiences. (Store norske leksikon, 2018)

Our empirical will be shown in the numbers of Figure we used in the analysis.

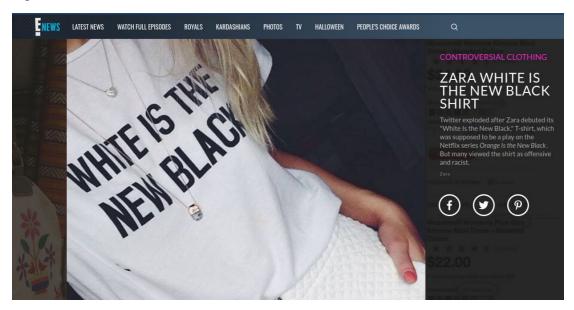
4. Analysis

In this analysis we will take a look at what Zara meant and inspiration with these T- shirts, and what consequences they have brought. Do we believe that Zara intentionally made these controversial t-shirt design? Was it just an innocent mistake? Or are the negative responders easily offended? We will also take a look on how Zara responded to the stakeholder and how Zara handled the crisis. Did they apologize? Did they admit they made a mistake?

The analysis will be built in which we first analyze the design "White is the New Black" following the Zara's holocaust prisoners shirt and then the stakeholders feedback about the designs. After it will be the analyzation of Zara's response to the crisis. We will be analysing these crisis by presenting its theory, collection of empiri and our thoughts about it.

4.1 "White is the New Black" and stakeholders response

Figure 1.



In August 14, 2014, Zara made a noise regarding their design "White is the New Black". As we can in Figure 1, some people have assumed that Zara's inspiration for this design is because of Netflix series "Orange is the New Black".

Netflix series *Orange is the New Black* is a comedy-drama Netflix series which takes place in a women's prison. The story is based around Piper Chapman, a woman whose past history with a drug dealer eventually causes her to be sentenced to 15 months in prison. (Fandom, no year)

Some people also said that the slogan referred to wearing white as a trend opposed to fashion's beloved black according to Huffpost. (Huffpost, 2014)

4.2 "Leopard is the New Black"

Figure 2.



In August 2014, Zara has also made a t-shirt design that says "Leopard is the new black" (as we can see in figure 2) in the same collection as the white t-shirt with "White is the New Black". Which can mean that Zara made other t-shirt that are connected to the popular TV- series *Orange is the new black*. White and black fits to everything, and that made Zara think the t- shirts were fine. It is important to remember that Zara is a fast fashion company. They mass produce trendy clothing in a short amount of time to make sure to get their clothes out in stores while it is still trendy. They think fashion and trends before anything else, which can lead to misunderstandings like the t- shirt crisis. We therefore concluded that the "Leopard is the New Black" is a confirmation that their inspiration of "White is the New Black" design is from the Netflix series *Orange is the New Black*. Although Zara did not confirm their inspiration in making the design, in our opinion, it is still obvious that their inspiration of the design is because of the Netflix series *Orange is the New Black*. We concluded this because by

the same year and month of released of the design, the series *Orange is the New Black* was popular and clothing company like Zara would likely make something related to the popularity.

But people have still reacted to it as racist and offensive. People shared their feelings and thoughts through social media platforms as in this case, Twitter and blog posts. As we can see in Figure 3, 4, 5, 6 and 7.

Figure 3.

Zara came out with a tshirt that says White is the New Black. No joke! Wow. Probably not the smartest marketing strategy. #stupididiots



Figure 4.



Figure 5.

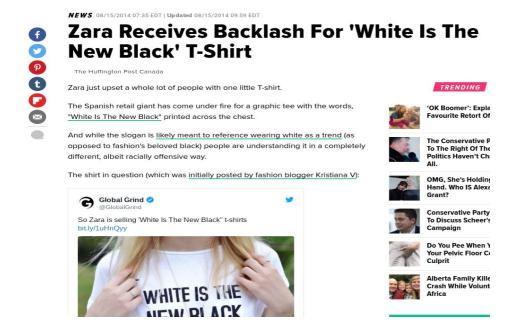


Figure 6.

But furning fashionistas say the shirt has inflammatory undertones.

"With all the uproar about cultural appropriation, did you really think it was a good idea to print a 'White is the New Black' shirt?' one Twitter user, @QFTPC, railed.

Another fumed, "Dumb, why would you think creating a shirt that says 'White is The New Black' would not be controversial?"

Excellent job Zara for the "white is the new black" tee. Which ever anonymous designer drew up that needs to be fired for ignorance/low IQ.

News Corp Australia

advertisement

Figure 7.



Ppl have been saying for years "white is the new black" in fashion (even black ppl) then Zara puts it on a shirt and now they're racist lmao

4.3 Zara's Holocaust Prisoner's Shirt and stakeholders response

Figure 8.

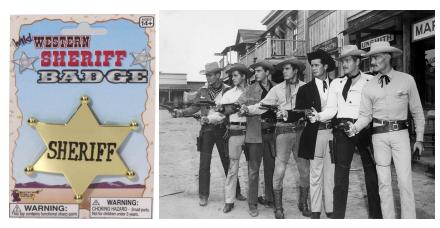


In the same year and month, on August 27, 2014 Zara had also released a kids shirt before the white t-shirts "White is the New Black" and "Leopard is the New Black", this shirt is a kids' shirt resembling Holocaust uniform which you can see in Figure 8. The design was stripped blue and white with the yellow star, which is pretty similar to the prisoner's shirt in the Holocaust. As we all know, the Holocaust was a period in history at the time of World War Two (1938-1935), when millions of Jews were murdered because of who they were. (BBC, 2019).

Based on Figure 14. Zara have stated that their inspiration of making this design is by the sheriff's stars from the Classic Western film. Western Film is a genre that revolves around stories primary set in the late 19th century in the American Old West. Most Westerns are set between the American Civil War (1865) and early 1900's. Common themes within Western Film include: the conquest of wild west, the cultural separation of the East and the West, the West's resistance to modern change, the conflict between the Cowboys and Indians, outlaws, and treasure/gold hunting.

American Western Film usually revolves a stoic hero and emphasizes the importance of honor and sacrifice. Figure 9 and 10. (Buffam, 2011)

Figure 9. Figure 10.



Regardless of Zara's background, the kids shirt still received a lot of criticism from people through social media which then made Zara on damage control mode after selling a children's shirt according to Forbes. (Forbes, 2017) Most of the criticisms from people were expressed through Twitter as we can see in Figure 7, 8, and 9.

Figure 11.

@zara designers/management show a shocking lack of historical awareness with 'Juden' star on striped shirt for kids zara.com/il/en/kids/bab...

Figure 12.

@ZARA Zara you sick nazi how dare you sell holocaust death camp look alike Jew clothing I'm calling for a WORLD WIDE BAN hope u go bankrupt

11:06 AM - 27 Aug 2014

Figure 13.

.@ZARA I never saw a blue white striped shirt in a Western movie...

♣ Reply 🗱 Retweet 🖈 Favorite ••• More

The Zara have received criticism and negative feedbacks from the stakeholders both in their design "White is the New Black" and Zara's holocaust prisoners shirt. The reaction was reacted at the same time as the design was released. In our further analysis, we will take a look on how Zara has responded to those crisis and why in detail have the stakeholders reacted to those designs.

4.4 Zara's response to the crisis

"White is the New Black"

As we know, Zara received a lot of criticism when they launched the white is the new black t-shirts. They were called racists, and stupid for not seeing that people could be offended by it. However, Zara chose not to apologize or give the crisis any attention at all. They ignored the criticism and hate they received, they kept on selling the t-shirts. Zara did absolutely nothing with the problem, which is denial strategy. The strategy isn't wrong to use if it turns out that the company isn't guilty, but Zara can't get away from the fact that some people did feel offended of it.

"Denying responsibility has been the go-to crisis communication method for many PR professionals. But research shows that denial is often the wrong approach – especially if your organisation is, in fact, guilty. In fact, the reputational damage from the predicament is increased when denial is used and the organisation is found to have responsibility for the event. Basically, disowning the event makes a crisis worse for an organisation when the organisation is guilty of being involved". (emeraldgrouppublishing, u.å).

Denial strategy is a simple statement denying that a crisis exists. (Cornelissen, p. 219) According to our research findings about using denial strategy, is when the company are guilty about something, it actually makes it worse. Zara probably didn't mean to do any harm, and the inspiration the making of the t-shirts were probably the that time famous Tv- series "Orange is the New black". Unfortunately it did not work and it was misunderstood. Which led to someone being offended.

Holocaust kids sweater

Figure 14.



Zara made a kids sweater inspired by the Classic Western film, and it went all wrong when people saw a lot of similarities to the shirt that jews wore during holocaust, and the sweater Zara made for kids. This made a huge media storm and the sweaters where everywhere on the internet with criticism to Zara. They received a lot of hate and negative response for launching that sweater and Zara did not use a lot of time to respond to it.

Zara chose to apologize for the holocaust sweater for kids, and explained the inspiration behind the sweater. They chose to stay humble and used twitter to apologize, this means that Zara has accepted the crisis, and admit that they made a mistake. In this case, Zara have used acceptance strategy which they claim accepting responsibility or culpability for the crisis. (Cornelissen, p.219)

"An apology cultivates a better relationship or preserves an existing one. When a customer is unhappy, it helps for them to hear someone acknowledge the problem and say they are sorry. Apologizing helps to move forward with a solution. If a customer is angry or feels like they have been treated unfairly, it can be hard to get to actually fixing the problem. Listening to the problem and saying something like "We are sorry this is

happening to you, let us fix it" opens the door to reaching a solution. When a situation is difficult, being empathetic helps diffuse any tension". (Giveainc, 2016).

An apology from a huge company like Zara gets a lot of attention. Many people are watching, and that's probably why it can be difficult for companies to apologize. In this case Zara chose to say they are sorry and they removed the sweaters from the stores. Although that means Zara chose to lose a lot of money by removing the sweaters, and to apologize which can cost a lot of pride. Anyway, based on our research an apology can lead to many positive feelings and solutions. There is no doubt that Zara did the right thing when they chose to say sorry for their mistake.

Why are people getting offended by "white is the new black" t-shirt?

Based on our empirical findings people are getting by it because they find "white is the new black" quote as racist. Most of us think that black and white people are equal, and that is what we are learning at school these days. However, there is a lot of history when it comes to black and white people. Races is a sensitive subjects because there is still a lot of racism between the black and white people and culture. Different skin colours has created a horrible history that still continues in some places.

"Apartheid has negatively affected the lives of all South African children but its effects have been particularly devastating for black children. The consequences of poverty, racism and violence have resulted in psychological disorders, and a generation of maladjusted children may be the result. This article describes the trauma associated with growing up in a divided society and the 'childshock' caused by political unrest and a

society in the throes of major social transition. Although the present mental health system is grossly inadequate, hopefully the dismantling of apartheid, social reconstruction and innovative counseling approaches will in time promote the psychological well-being of all South Africa's children. (Hickson & Kriegler, u.å)

"Today, there are still big differences between black and white Americans. You see it on poverty statistics, unemployment, incarceration rates and educational level. Many neighborhoods are still segregated. During the 2008 economic crisis, black families lost their homes to a much greater extent than whites. Most clearly, the difference is when it comes to wealth. According to the Pew Research Center, white households have about 20 times more wealth than blacks. Well over half of US households live without a special safety net, where a bill of just a few hundred dollars can send them out in deep disabilities. Most of them are black". (Skjeseth, 2016).

It's easy to forget what the black people has been trough, just because of their skin colour. We don't think about that racism is still happening today, but it is. That's why we have to be aware of what messages we send out as we speak or write. Zara offended many people, both black and white. Luckily we have learned a lot more about the consequences of racism, and how it affects. There are organisations that works for human rights so things are going in the right direction, and we have to make sure to continue doing that.

Why are people getting offended by the holocaust sweater?

People got offended by the shirt because the holocaust was a terrible political opinion at the time of world war two (1939- 1945). The Holocaust was a time in history when millions of jews were murdered because of their identity. The massmurdery were organised by Germany's Nazi party leaded by Adolf Hitler. Jews were the main target

because they were blamed for everything that was wrong in the society. About seven out of every 10 jews in Europe were murdered because of their identity.

Hitler hated the jewish people, and he pointed at them for everything that was wrong in the world. And the people believed him, and supported him. Hitler was a good speaker, and he knew what to say to make people like him. However, according to Hitler, the Jews were after world dominance, and they would not hesitate to use all possible means, including capitalism. In this way, Hitler took advantage of the existing prejudice that linked the Jews to monetary power and financial gain. (Annefrank, u.å.).

Unfortunately, the ideas that Hitler developed in the 1920 remained more or less the same until his death in 1945. Although, in 1933, he was handed the power to start realising them. During the 1930s, he did everything in his power to expel the jews from from the German society. When the world started, the Nazis resorted to mass murder. Nearly six million Jews were murdered in the Holocaust. (Annefrank, u.å.).

During World War II, the Nazi regime ordered the Jews of Germany to wear a yellow david star with the word Jude, "Jew," in black letters. The injunction was also introduced in some occupied countries, but not in Norway. Often, the clothes the jews wore at the concentration camps was blue and white in stripes, Just like Zara's sweater for kids. Stakeholders found this very offensive because of what happened to the jewish people during the war. People reacted in a negative way because of the history those shirts carry with them. (Store Norske Leksikon, u.å).

5. Conclusion

This section will contain a results regarding our answers to our research questions and our case study problem. It will also contain a presentation about how we should have dealt with the crisis and how we should have prevented the crisis to arise if we were the Zara company by that time of crisis.

5.1 Final conclusion

Zara as we mentioned above, responded to the crisis. They did respond in both designs the "White is the New Black" and the Holocaust shirt. In these designs, Zara have responded in different ways. In the "White is the New Black", though they did not give any statement or respond to stakeholders about their design, we still think that they did responded to the crisis by not responding or not reacting to any of the social media platforms at all. And the reason behind our assumption is mainly because they did NOT responded to the crisis. Which automatically means that Zara actually made a mistake and that Zara did not really care about the stakeholders feelings and their reputation. Which in this case they used Denial strategy. Well in this case, being in denial about what you did wrong is not a smart move.

If we were Zara at this time, we will apologize to the people that got offended and admit the real purpose or the intention of the design. We think that this is the best thing Zara could do instead of being silent about it and letting people assume that the company is racist and offensive. We also think that it is easier to apologize so that you do not lose your customers and that you do not destroy your reputation.

Though Zara did differently with their Hollocaust shirt and might have said they were sorry by apologizing via twitter and removing the product from their market, and using Acceptance strategy, we still believe that they were careless and insensitive.

Careless about their choices and insensitive to not think about the consequences of their choices. And at some point, we could not help ourselves but to agree at some people's reaction and opinion to the design and to the company.

But Zara did the right thing by apologizing to the stakeholders via Twitter and if we were in their shoes, we would have done the same. But at the same time, when we think about it, the crisis would have not happened or would have avoided if they learned from their past mistakes which in this time their mistake about "White is the New Black" design that was made the same year and month. They should have realized and more careful about the designs they were making and producing because people are sensitive and have different perspectives. Some may say that the designs were okay but some will also say that it is not okay.

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GRUPPE

0010

PRØVE

SFB50514 1 Corporate Communication

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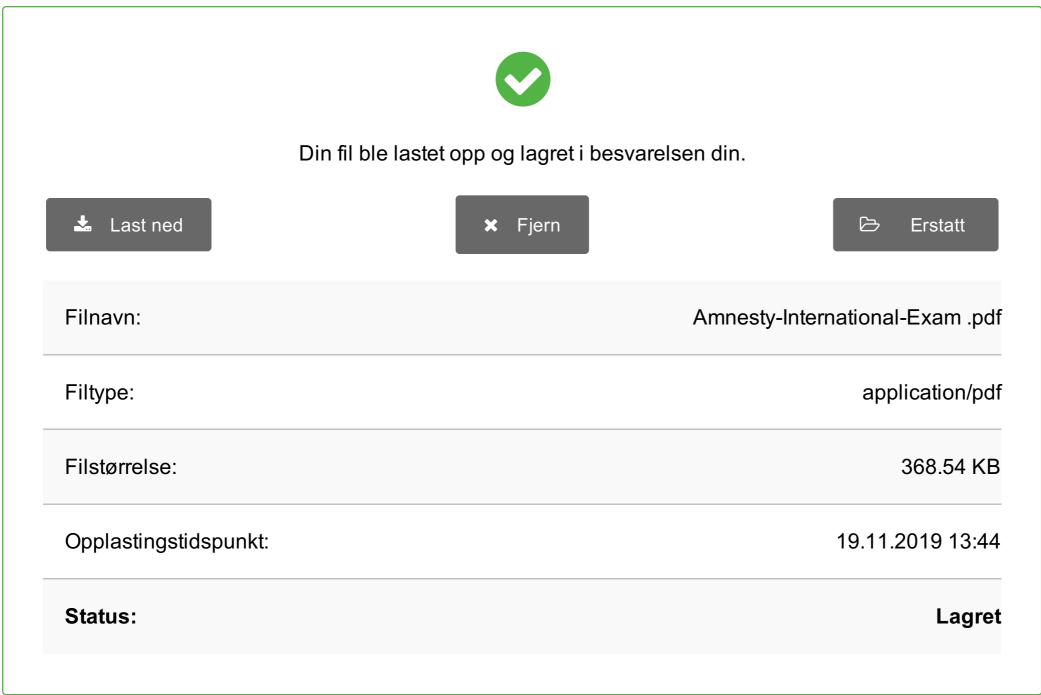
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The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.



SUBMISSION OF HOME EXAM

Course Code: Subject Title:

SFB50514 Corporate Communication

Submission Date:

20.11.2019

Class:

Second year, Bachelor

Candidate Number:

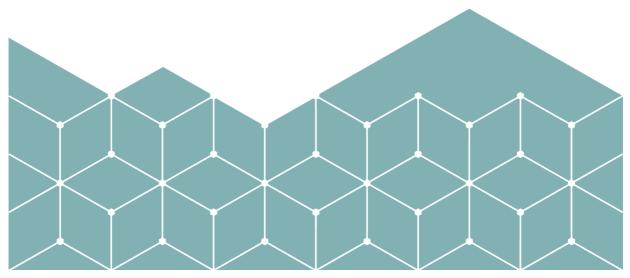
182572 & 183623

Title of the assignment:

How do Amnesty International engage with young people?

Number of words:

The answer is on 4653 words and 13 pages.



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Introduction

Amnesty International is an independent global organization that works for all people to be of value. Their work is driven by ordinary people like you and me. Amnesty started by getting political prisoners released from prison in the 1960s. Today, the organization contains seven million members. They wish to protect and strengthen human rights around the world (Amnesty International, 2019).

In our paper we have carried out a case study, based on two qualitative methods: content analysis and semi-structured interviews, of the organization Amnesty International and their use of stakeholder engagement with young people. The study will try to identify Amnesty International's young stakeholders and how they engage and influence them. Hence, our research question is: "How does Amnesty International engage with young people?"

This project was chosen because the group thought the theme sounded interesting and because Amnesty International is a global organization most people have heard of. The choice of the problem can help to give a broader and better insight into who the stakeholders of the organization actually are, and how they manage to engage with young people.

Sources that will be used for the theoretical part in this assignment are books from B. Gentikow "Hvordan utforsker man medieerfaringer? Kvalitativ metode", "Metodebok for mediefag" by H. Østbye et al., and J. Cornelissen's "Corporate Communication: A Guide to Theory & Practice". Further on, we have a focus group we interviewed and two campaigns from Amnesty International, "It's my body" and "my body, my rights", which is relevant to how the organization engages and communicates with its young stakeholders.

Theory

Stakeholder management, more than any other subject in business, has profound implications for corporate communication. It requires that managers think strategically about their business overall and about how they can effectively communicate with stakeholders, including customers, investors, employees and members of the communities in which the organization resides (Cornelissen, 2017, s. 61).

The stakeholders of Amnesty International is first of all its members and employees. The employees are important for the enlisting of more members, and makes the company able to



be huge and well known all over the world. The employees of Amnesty International is the face of the organization. The members themselves are important for the support and the reliability of the company. Other important stakeholders are the organizations investors and costumers who supports Amnesty International on the economic part of the work they do. In this particular project, we chose to focus on the promoters for Amnesty International, and the organization's activists and campaigns.

This makes the stakeholders of Amnesty International both Normative reasons and Instrumental reasons. Instrumental reasons point to a connection between stakeholder management and corporate performance, while normative reasons appeal to underlying concepts such as individual or group rights, social contracts, morality and so on. One important factor of Amnesty International is that they are an independent organization and gets no support from the government, but from their members (Cornelissen, 2017, s. 63).

This project will firstly take a look at where in Cornelissen's "the salience model" the stakeholders we focused on fit. Later on, when we take a closer look at the interviews, we want to find out how the promoters manage to recruit members and what strategies they use to engage young prospective customers to support Amnesty International's work. To get a greater understanding on how their campaigns and social media content engages with young people, we want to find out if they use what Cornelissen describes as guidelines within "risk"-or "opportunity" frames, have a conversational voice, and how their campaigns use social media to open up opportunities for corporate communicators (Cornelissen, 2017).

Method

The paper is based on qualitative methodology, and uses a semi-structured interview and content analysis, where the aim is to get a deeper understanding of how Amnesty International engage with young people. "How Amnesty International engage with young people" is therefore our research question.

The Purpose of the Survey

The purpose of the survey is based on the methods Amnesty International use to reach out to young stakeholders. In this way, we can get a greater understanding on what elements the organization uses to engage and maintain its members and employees.



Selection of Units and Recruitment

The choice of units varies according to the purpose of the survey. In some cases, one unit may be enough, while in other cases you will need several. In this project, a small focus-group of two people got interviewed, and we went into more depth on the topic than if one had chosen many more as one does in quantitative studies. A selection of a few units that delve deeper into the phenomenon is one of the elements of a qualitative study:

In qualitative method, the researcher gains access to the phenomenon mainly through words. Therefore, it is of the utmost importance for the research program to provide the best possible basis for informants to express themselves verbally (Gentikow, 2005, p. 45).

Qualitative methodology gives the researcher, and people in general, a greater awareness of the experiences of individuals and their perceptions of the world. In this way, one can gain a deeper understanding of a phenomenon than if one uses only a quantitative generalizing approach. In this project, the recruitment was to find advertisements, websites and employees within the company that can help us get insight in how Amnesty International engages and maintains their stakeholders.

Operationalization of Questions

Once the topic of the assignment and the issue has been decided and the choice of units has been discussed, one usually goes on to create an interview guide. It is important to design an interview guide, as it is used flexibly during informal interviews with the informants. This study is based on semi-structured interviews, and the interview guide "is no more than a rough sketch of the most important topics one wants to discuss during the conversation with the informants" (Gentikow, 2005, p. 89).

Interviews (and written data collections) require an abstract problem to be translated and made applicable in the form of specific questions: Academic," experience-removing concepts" must be transformed into "experiential concepts", that is to say concepts used and understood in everyday life, including in the informants' world of life (Gentikow, 2005, p. 89).

When working with the interview guide in question, it was important to formulate questions that the informants could understand and answer, and since the survey was based on Amnesty



International and its stakeholders, it was necessary to ask open and "everyday" questions initially ("a day at work"). Along the way, the interview guide worked more towards specific, but equally well-operationalized questions. These types of questions are important to prepare as a researcher, as the survey can be skewed if you don't. If overly complex questions are asked during the interview, "repetitions of questions, tedious rewrites, confusing reformulations, and clutter and frustration can be visible consequences" (Gentikow, 2005, p. 90). Also, this can make the informant irritable and prevent the interview from getting a good flow.

Results

The promoters

In Norway, Amnesty International has a collaboration with an advertising and communications agency called Face2Face. Face2Face represents Amnesty International, and has a number of young promoters going door-to-door to sell membership for the organization (Face2Face, 2019). We have been lucky enough to execute an semi-structured interview with two of their young promotes who travel around Norway and are Amnesty's face out.

Before we did the interviews, we developed an interview guide with seven questions asking what their job is about, how they engage potential customers to enlist to Amnesty International's organization and why they choose to stay in their job. Since this was a semi-structured interview, we asked unforeseen questions along the way and ended up with eleven questions together.

Firstly, we had to get an understanding of what their job was about, and the promoters answered that they are basically salesmen for Amnesty International, and their job is door-to-door sales. Therefore, they travel around Norway, spend a week in each city and knock on the doors of people who are potential customers. This means that both the customer who enlist and the promoter has a form of stake in Amnesty International- the promoter and the customers has economic or market stakes within the organization. That being the case, both parties have an economic interest in the organization, but does not have an ownership interest. (Cornelissen, 2017, p. 64).

What is important to note, is that the promoters cannot sell to everyone and anyone. They have a been given target group, and that group deals with people between the ages of 20-35.



That is, Amnesty International sees the importance of enlist relatively young people into their organization. This means Amnesty International use young promoters to recruit young customers. We believe that they use young promoters to recruit young people, because this makes the sales process more credible, rather than an older person selling the membership to a young person. What gives "credit" to the audience's eyes may vary. For example, if you talk to young people, it can increase the credibility of being young yourself (Federl, 2019). But in what way do the promoters manage to engage young people to enlist in the organization?

Further on in the interview, the promoters enlightened us that each promoter has their own iPad, and on the iPad they have been given two different scenarios where human rights violations have occurred. They have the freedom to create their own "script" to use when talking to customers, but they have to ask them which scenario made the strongest impression. One of the promoters had one example where a young man has been jailed for being gay, and one example of a young woman being jailed for abortion. Once the customer has chosen which scenario made the strongest impression, the promoters informs them about what Amnesty International has done to help the specific person the scenario deals with, and people in similar situations. "We try to make them imagine that it could have been them, or someone close to them. In this job, it is important to awaken some emotions of the customers in order to get them to support Amnesty International's work" (respondent 1). Hence, it is important for the promoters to express how important their members (stakeholders) are to Amnesty International, since it is their customers support that makes the organization's work possible. "We are the face of Amnesty and represent the organization, and we are the ones who communicate the message of the organization to future and potential stakeholders. Our work is important for Amnesty to carry out their work" (respondent 2).

According to Cornelissen, the stakeholder model of an organization should identify the various stakeholders, and that they must be addressed according to the stake that they hold. In this case, the customers that the promoters try to enlist, need to be supplied with information about Amnesty International and the work they do. They gain this information through sales promotions, ergo, through the promoters we interviewed (Cornelissen, 2017, p. 66).

Stakeholders are both identified and classified through something called a "stakeholder salience model", and that takes root in the stakeholder's salience to the organization. Salience is defined as how visible or prominent a stakeholder is to an organization based on the



stakeholder possessing one or more of three attributes: power, legitimacy and urgency. The various stakeholders are classified between dormant stakeholders, discretionary stakeholders, demanding stakeholders, dominant stakeholders, dangerous stakeholders, dependent stakeholders and definitive stakeholders (Cornelissen, 2017, p. 67-68).

In this case, the potential customers that the promoters try to enlist, are classified as dormant stakeholders. A dormant stakeholders have power to impose their will on others but they do not have a legitimate relationship or an urgent claim. The young people who enlist to Amnesty International through sales promotions have little or no interaction with the organization, but because they have the potential to acquire a second attribute, both urgency and legitimacy, practitioners should be aware of them and their potential impact on the organization (Cornelissen, 2017, p. 67). As mentioned earlier, Amnesty International is highly dependent on its members if they want to do their job of promoting human rights. Therefore, prospective customers have a significant impact on the organization, even though they may not have much interaction with them. However, Amnesty International's perceptions and message are communicated and engaged to the dormant stakeholders through the promoters we interviewed.

While the potential customers are dormant stakeholders, the promoters are classified as definitive stakeholders. A definitive stakeholder are powerful and legitimate stakeholders who, by definition, need to be communicated with (Cornelissen, 2017, s. 68). Both dormant-and definitive stakeholders are classified according to the salience model, and the model helps communication practitioners to engage and communicate with the promoters and prospective customers. The promoters needs to be communicated with on an ongoing basis, and Amnesty International communicates and engages with them through internal networking. When we spoke with the promoters, they informed us that the iPad is not only a tool in the sales process, but also a place where the organization can communicate with the promoters. Through the iPad, Amnesty can provide feedback on the efforts each promoter makes, give them tips to increase sales and simply engage with them.



Strategies

The promoters

So far, we have looked at the types of stakeholders Amnesty International has, and how the organization communicates with them. But what strategies do they use for stakeholder engagement? By looking at our findings above, one can at once say that they use both an informational strategy and persuasive strategy. Informational strategy is used to inform someone about something (Cornelissen, 2017, p. 71). The promoters use their iPad and their script to inform the prospective customers about what Amnesty International has done to help the persons the scenarios deals with, and people in similar situations, as for instance the young man that was being jailed for being gay, and the woman that was being punished for taking abortion. While informational strategy is based on the information given to the stakeholders, persuasive strategy uses campaigns, meetings and discussions to change and tune the knowledge, attitude and behavior of stakeholders in a way that is favorable to the organization (Cornelissen, 2017, p. 71). As one of the promoters mentioned, they try to make the potential customer imagine that it could have been them, or someone close to them. In their work, it is important to awaken some emotions of the customers in order to get them to support Amnesty International. That being so, the promoters use both informational- and persuasive strategies to create a complimentary image of the organization and to sell a particular kind of understanding of Amnesty International's work and services (Cornelissen, 2017, p. 71).

Results

Campaigns and activists

Amnesty International has five main goals to engage young people in the work they do. The five goals are securing equal rights for all, responding to crisis, reclaiming freedom, ensuring accountability and maximizing resources and engagement. In our project we have decided to focus on securing rights for all and maximizing resources and engagement. We have chosen these two goals because they are the most relevant goals to our project. They both have their main focus on young activists and stakeholders who aim to engage young supporters through Amnesty International.

Amnesty International and the young stakeholders works from an opportunity frame through these campaigns. Amnesty International is actively engaging and working with the young activists and supporters to become ambassadors of their organization but is still aware of the



question if the young supporters should be able to comment in their social networking sites. Both of the two campaigns are to find on social network sides created by Amnesty International. When there is a genuine experience of a "human" corporate voice through social networking sites like these campaigns and content communities, it turns into positive feelings, a good image for Amnesty International and strong stakeholder relationships. It clearly comes forward that Amnesty International are able to communicate directly with young stakeholders and supporters across the globe (Cornelissen, 2017, p. 50-52).

Securing equal rights for all

Young people, as both members of groups and individuals, may experience a mutually strong version of discrimination regarding one or more aspects of their identity – such as, gender, race, sexual orientation, gender identity and expression. Amnesty International believes that everyone should be able to enjoy and live a happy life with their sexual and reproductive rights free of coercion, discrimination and violence, including through similar access to comprehensive sexual and reproductive health information and services. Amnesty International is working to achieve this advancement through the Americas regional project called It's My Body (Amnesty International, 2017, s. 14).

The "It's My Body" campaign has resulted in a network of young people around the world who spreads the message of sexual and reproductive rights. It is a regional program/campaign which is implemented in Peru, Argentina and Chile. The campaign is made by youth and is meant for youth. The program is working with young people between the ages of 13 and 19 years old. The impact of the program is reflected in the youth leadership which is seen at all levels of the program and in the growing network of youth activists, who are creating and organizing their own actions to promote sexual and reproductive rights (Amnesty International, 2019). This makes these young activist's definitive stakeholders. They want to appear on the same base as their potential young supporters. This means that these stakeholders are using a conversational voice through their social networking sites to communicate and attract young supporters and potential stakeholders. Conversational voice is defined as "An engaging and natural style of communicating as perceived by the organizations stakeholders and as based on their direct communication with the organization" (Cornelissen, 2017, s. 50).



You, as a reader of Amnesty International, are able to access the campaigns information and content on their web page through files and articles. The content in the article which contains information about this campaign is written in a way that definitely is attracting more young supporters for Amnesty International's work. The information mentioned in the article about this campaign is affecting the youth in an emotional way. Some of them can even recognize their own situation regarding the issue with sexual and reproductive rights, other feel the urge to help other young people in danger. A good example from the article who plays a big role in attracting youth supporters is 'It's My Body!' has created a network of young people who are raising awareness of sexual and reproductive rights: what they are, the most common violations and how to achieve enjoyment of these rights" (Amnesty International, 2019, s. 12). This campaign is supported by stakeholders of Amnesty, such as Amnesty International Norway, Americas Regional Office and the Global HRE Program (Amnesty International, 2019).

These young stakeholders of Amnesty International wants to develop a mutually supportive and long-lasting relationship with young people around the world. The young activists are continuously posting information and content that is facts from real life scenarios regarding the "It's My Body" campaign. This way, they are engaging and seeking those young people who are interested in more direct engagement and possibly collaboration with the young activists, and Amnesty International in general. These campaigns also got online communities with the participation of young activists, where the aim is to include a conversational voice in these campaigns to involve young supporters in long-term relationships by incorporating with them in their internal research and campaigns (Cornelissen, 2017, s. 75-76). They see the opportunities that social media provide to show the young supporters the hostility for their organizations, and believe that a reputation cannot be claimed, but is constantly being created and changed based on the communication with their stakeholders, both on- and off-line (Cornelissen, 2017, p. 51).

Maximizing resources and engagement

Amnesty International is aware of that its members, supporters and activists include a very wide specter of young people. They believe that the possibility to make this group of young supporters even bigger is significantly high. The movement has set ambitious growth goals and would like to reach an even bigger specter of young supporters in a coherent, systematic and sustainable way. Some examples of the work Amnesty International do to attract these



young supporters: As part of the My Body My Rights campaign, 100 Amnesty staff and youth activists were trained to be Human Rights Educators. As a result, they were able to engage and teach over 100,000 others about sexual and reproductive rights in the campaign (Amnesty International, 2016, s. 25).

The "My body, My rights" campaign was created to make every single person on this planet able to make decisions regarding their own body on their own. Even now, in 2019, sexual and reproductive rights is not something many people in this world can take for granted. A backlash against these rights are brewing, driven by well-funded and organized interest groups. Some governments even try to bring all these rights out of their country, which definitely is a massive set back on their citizens human rights. Peoples rights to express their sexuality and make decisions over our own bodies are being challenged and the "My Body, My Rights" campaign is still a huge ongoing campaign for young people and activists because of this main reason (Amnesty International, 2019).

In the information we get from the content in this text, the young stakeholders of Amnesty International manage to put together a wide specter of numbers and statistics about how many people around the world who are experiencing these unfair actions. A good example on such a fact is "40% Of women of childbearing age live in countries where abortion is banned, restricted or not accessible" (Amnesty International, 2019). They are continuously posting news updates on the ongoing events and situation regarding the campaign and last but not least, what results all the stakeholders, supporters, activists and Amnesty International make together. This makes Amnesty International corporate communicators. "A corporate communicator needs to have a deep insight into data and analytics and into behavioral science, so that he or she can prime or nudge individual stakeholders into becoming advocates for the organization and mobilizing others" (Cornelissen, 2017, s. 51). Since this campaign aims for a difference in a case that is very relevant in the time we are living in regarding fighting for the right to decide over sexual and reproductive rights, it is not strange that the campaign got so much attention from young people as mentioned above. Social media campaigns lead to online conversations and potentially massive coverage by the media. At the same time, off-line campaigns and events may become an online setting as well as trigger media coverage and affect the reputation of the organization. Therefore, this campaign and the young stakeholders who are a part of it, engages young people to support the work Amnesty International does (Cornelissen, 2017, s. 52-76).



Strategies

Campaigns and activists

In these two campaigns mentioned and explained above, Amnesty International uses two strategies to engage young people. The two strategies are informational strategy and persuasive strategy.

The informational strategy is used in both of the campaigns, showing its audience numbers and statistics to create awareness of Amnesty International's decisions and is also a contributor to a degree of understanding on why Amnesty International choose to make the decisions they make regarding their fight for human rights for all people. The information given in these two campaigns is numbers and statistics from real life scenarios regarding crimes against human rights. The information given in these campaigns comes through press releases, newsletters and reports which can be found at the social networking sites Amnesty International has created where the campaigns also can be found. (Cornelissen, 2017, s. 71).

The campaigns is also based on persuasive strategy. Amnesty International and their young activists arrange meetings regarding the campaigns they are creating. These campaigns aims to get more young supporters and future stakeholders. Therefore, with this strategy, Amnesty wants to change the knowledge and behavior of these young supporters by creating these campaigns and content communities for young people. They want to make a favorable image of the campaigns and get an understanding of why the organization make the decisions and put in the work they do but also why it is so important to fight for the content in these campaigns. By using this strategy, Amnesty and their young activists wants to affect emotional feelings in young people (Cornelissen, 2017, s. 71).

Strengths and limitations

When writing this project, we had a couple of strengths and limitations along the way. Some strengths we got by choosing this topic as our project is first of all that Amnesty is one huge organization. Most people have heard about Amnesty International. To find stakeholders and information regarding Amnesty International on a general basis is therefore not a difficult job. This also helped us a lot on the way to find the methods we are using in our project. There was a wide specter of methods we could use from the textbook itself from this course, and it was therefore a strength to us to write and solve our project this way.



One problem we had when writing this project is that it necessarily wasn't that easy to find young stakeholders of Amnesty and to sort out what information and content we wanted to include in our project from the main goals, the campaigns and the interviews without making the project to "big". On the other hand, it also became a problem to keep the read thread through the paper when we decided what content that was most relevant to include in our paper. Another problem is that we only interviewed two objects for this project. Therefore, it might be that we have not got the whole picture of how Amnesty engages their young promoters only by interviewing these two objects for our project. We discussed to interview more than two objects, but decided that would be too much to include regarding the tasks limitations

Conclusion

In this paper, we have carried out a case study basing on two qualitative methods; semi-structured interviews and content analysis. We interviewed a small focus group of two people working as promoters of Amnesty International through an advertising agency called Face2Face. We found that they are, first and foremost, definitive stakeholders and that they have been given a target group with prospective customers aged between 20 and 35. The potential customers are classified as young dormant stakeholders, hence to their lack of interaction with the organization, but because they have a potential to impact on the organization. The strategies used to engage with the prospective customers are based on both informational strategy and persuasive. The promoters firstly inform customers about what Amnesty International has done to help the persons that have experienced human rights violations, and thereafter play on the customers feelings in order to get them to support Amnesty International.

It is also important to note that Amnesty International use young promoters to recruit young customers, and this makes the sales process more credible and gives the organization more credibility.

By using these sales-techniques and strategies with their potential customers, one can at once say the organization are strategical with them engaging with young people



In this paper, the young activists that write and work for the campaigns are the young stakeholders of Amnesty International. The young activists are "Definitive" stakeholders and they use an opportunity frame to engage and reach out to young supporters and people. The strategies used in the specific campaigns mentioned in this paper is first of all informational strategy but also persuasive strategy.

By using these techniques and strategies in the campaigns created by Amnesty International and their young stakeholders, it is clear that by being corporate communicators they manage to engage young people to support the work they do.



Appendix

Interview guide

(The questions marked with red was our seven original questions)

- 1. Are you working for Amnesty International directly?
- 2. How is the advertising agency representing Amnesty?
- 3. What is your job about?
- 4. What strategy do you as a promotor use to enlist members?
- 5. What happens next in the sales process when the customer has chosen what made the strongest impression?
- 6. How do you engage your prospective customers to enlist?
- 7. How do customers react?
- 8. What do customers need to do?
- 9. Why do you think the work you do is important for Amnesty's work?
- 10. Do you have any form of communication with Amnesty?
- 11. What makes you want to stay in the job?



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PRØVE

SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

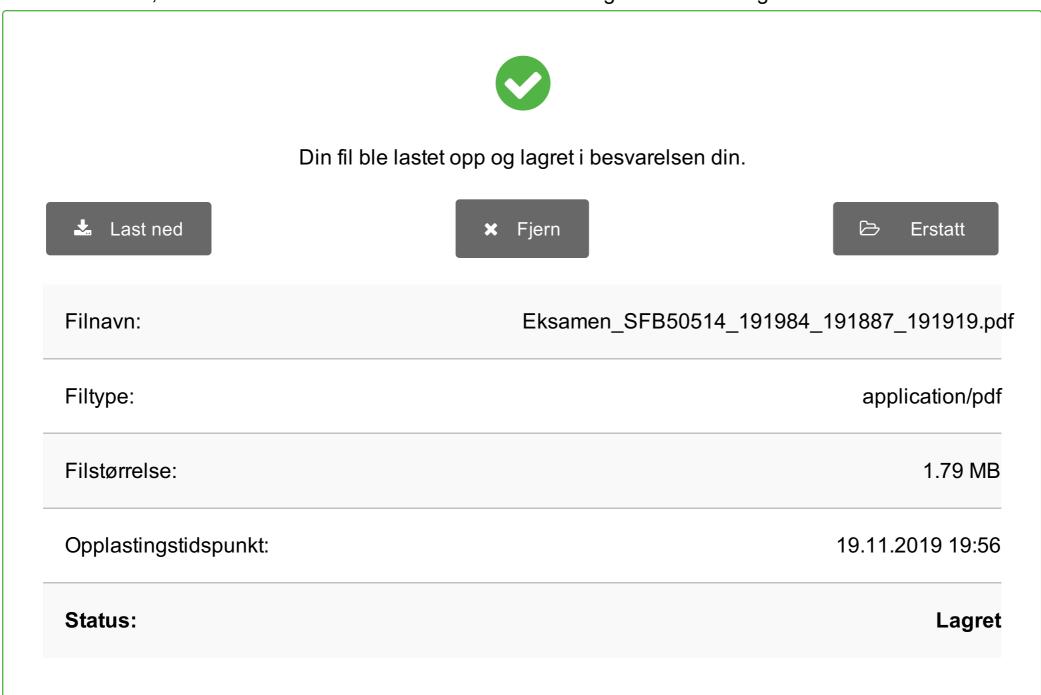
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

Case Study Report

How did Pepsi manage the crisis situation caused by their 'Live for Now' moments campaign with Kendall Jenner?



Written by

Astrid Klotz (191984) Lea Lauchstedt (191887) Alicja Mękarska (191919)

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1 Introduction

The main objective of this report is to analyse and evaluate how Pepsi communicated with its stakeholders on Twitter amid Pepsi's campaign "Life for Now - Moments".

Hence, this report focuses on the enterprise's crisis communication strategies and the type of impact these approaches have on their reputation. This incident is based on the advertisement which was uploaded on 4th April 2017 on YouTube. After going viral and creating tremendous consequences for the company, Pepsi was forced to remove it from the internet in less than 48 hours. (IBS, 2017)

Pepsi, the American multinational food and beverage enterprise, launched this protest-themed commercial including the 21-year old celebrity Kendall Jenner. The supermodel participates in a photo shoot, dressed in an elegant wardrobe and wearing a blond wig. After having eye contact with one of the protestors, Kendall Jenner whips off her wig, removes her make-up and joins the protestors.

Being in the middle of the crowd, she grabs a Pepsi coke can, walks towards a police officer. Suddenly she offers him the soft drink and the police officer accepts it. As a consequence of her action, there was an immediate reconciliation of the protesters with the authorities. (Kylie, 2017)

Pepsi's attempt to be millennial friendly with this advertisement turned into a brand image disaster with a massive social media reaction. (IBS, 2017) The campaign was promptly judged by critics on social media. Many Twitter users expressed their opinion about it. The ad was heavily mocked, ridiculed and condemned, as users demanded a response from the global drinks company. They claimed that it trivialized real-life protests, where several people lost their lives fighting for an actual cause. Some criticisers also pointed out, that Pepsi used the presence of the Black Lives Matter (BLM) movement for commercial profit.

The extensive public and media response to Pepsi's "Moments" campaign is being examined within this case study, as well as the feedback before releasing the ad and the aftermath. (Lily Tillman Branding & Identity, 2017)

1.1 Company description

Pepsi-Cola was established as a company in 1902 by Caleb Bradham, which later became PepsiCo and started to own several well-known global brands like Pepsi, Mountain Dew, Lay's, Gatorade, Quaker, Lipton, and many others. (IBS, 2017)

PepsiCo is one of the world's leading food and beverage enterprises, which includes 22 brands, that generate more than \$1 billion each in estimated annual retail sales. Their products are consumed one billion times a day in more than 200 countries and territories around the world.

The PepsiCo website provides information about the main goal of the enterprise: Performance with purpose. Meaning a wide range of foods and beverages are offered and at the same time innovative ways to minimize their impact on the environment and reducing operating costs are found. (PepsiCo, 2019)

2 Methodology

Primary and secondary sources are used to investigate the main research question "How did Pepsi manage the crisis situation?", as well as the sub-questions "What crisis communication strategies did Pepsi use during the campaign "Life for Now – Moments"?" and "How did these crisis communication strategies impact the brand perception of their stakeholders?".

Pepsi's Twitter page and official website function as primary sources, since it is a direct communication form between the enterprise and its stakeholders.

The empirical evidence that will be analysed consists of Pepsi's own statement, such as their initial response to the situation (Pepsi, 2019). Taking the stakeholder's reaction on the social media platform into account is also a part of this report. To link this case with the course material, the enterprises' statement, as well as six stakeholders' statements on Twitter will be analysed. The reactions have been tweeted between the 4th of April 2017 and the 13th of August 2017. These Tweets have been chosen, as they represent the overall negative tone of the response to both Pepsis advertisement and the following crisis communication strategy.

Thus, the comments are taken from verified accounts on Twitter as they underline the public interest profiles' authenticity. Moreover, the number of the selected Twitter users starts from 70 000 to 270 million followers. (Twitter, sd)

Secondary sources are considered as online articles containing objective descriptions of the case. These protestors' comments are valuable for analysing the crisis. The information is discussed critically according to the theories chosen from this case study.

3 Theory

In order to elucidate this research project, it is necessary to explain the used terminology, which is linked to the different aspects of the case study. This creates a broader understanding of the incident associated with releasing Pepsi's campaign and how it affected both Pepsi and their stakeholders.

In the beginning it is crucial to define the term crisis to examine this case. Cornelissen specifies a crisis as "(...) an event or issue that requires decisive and immediate action from the organisation" (Cornelissen, 2017, p. 212).

Besides that, in Coombs "Handbook of crisis communication" a crisis is also defined as "the perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact an organisation's performance and generate negative outcomes" (Coombs & Holladay, 2010).

Furthermore, Cornelissen classifies crisis communication into four different types: faux pas, accidents, transgressions and terrorism. Together, the type of crisis and "the degree to which the organization is perceived by stakeholders and the general public to be responsible or culpable for the crisis" (Cornelissen, 2017, p. 218) determine the selection of a suitable strategy to communicate appropriate with stakeholders during a crisis.

These crisis communication strategies are divided into six sub-strategies. Those are referred to as non-existence-, distance-, association-, suffering-, acceptance- and accommodative strategies. A series of concise but illustrative examples for each of the aforementioned strategies are the: denial, excuse, bolstering, victimization, remediation and rectification phenomena (Cornelissen, 2017, p. 219). It is highly important to underline the fact that those communication strategies for crisis management are necessary to describe both the pre-crisis and the post-crisis plans to all involved stakeholders (Crandall, 2014, p. 198).

A crisis on social media can intensify the issue in a matter of minutes. When stakeholders use social media platforms to share their disagreement and negative comments, it can affect many other people and transforms a single opinion into a public opinion.

Social media, as defined by Joep Cornelissen, can be a "group of Internet-based application that build on the ideological and technological foundations of Web 2.0, and that allow for the creation and exchange of user-generated content" (Cornelissen, 2017, p. 39).

Usage of social media such as Twitter, YouTube or Facebook have grown significantly throughout recent years. The explosion of "new media" made it possible to interact with employees, customers, news media and other stakeholders. Users can communicate with each other, as well as with an organization. However, with access to social media challenges and opportunities to organizations arising, using them as part of corporate communication. Organizations are enabled to a quick respond to a crisis situation, but with actions moving blazingly fast, they can lose control of communication (Cornelissen, 2017, p. 36). Creating a strong social media platform requires enormous effort that consist of planning, training and monitoring. In order to maintain a successful social media presence, companies should promote stakeholder engagement, which can be gained by a real and genuine presence in social media platforms. Firms should grasp the social media they have chosen in their communication strategies (Gomez, Chalmeta, & Sosa-Varela, 2015).

Pepsi applies the stakeholder model of strategic management. The enterprise's stakeholder management sees all their interest groups as important assets to their company. Thus, stakeholders themselves attain benefits of being an influence on the organisation (Cornelissen, 2017, p. 62).

Stakeholders can be defined as the following: "a person, group or organisation that has interest or concern in an organisation. They can affect or be affected by the organisation's actions, objectives and policies." (WebFinance Inc., 2019)

Stakeholder can be divided into two main groups; primary and secondary ones. The primary group contains people who are critical for the continuity of an enterprise, especially in financial meaning. The book Crisis Communication states the following: "primary stakeholders typically include the owners, employees, customers, local communities, and suppliers" (Crandall, 2014, p. 14). The other group represents persons who are commonly influenced by the enterprise or have an influence on the company. An example of this type of group is the media (Cornelissen, 2017, p. 65).

Pepsi prioritized its stakeholders according to the company's mindset and aim. Pepsi's main contributors are their consumers and customers. This group has the highest preference since they are the main primary group of stakeholders. Pepsi's customers have an interest in an advantage in business performance. That is the reason, why the company continues to improve its merchandise, for example products with less fat, salt, sugar, etc. along the consumer's health in their mind. After the consumers, Pepsi considers communities as important for their business, since they strive for a positive impact within the society. The third group consists of Pepsi's employees, followed by their investors. The last group is the government, since they are setting laws whose can affect the enterprise (Greenspan, 2017).

4 Analysis

In this segment of the report the organisation's announcement on Twitter will be dissected. Starting with the beginning of the campaign occurrence to analyse the stakeholders' reactions and ending with the stakeholders' reactions to Pepsis statement, this chapter shows the tone of the response clearly.

4.1 Stakeholders reactions to Pepsi's campaign

Outrage at Pepsi extensively focused around the trivialization of Black Live Matter. Stakeholders established a severe judgement against the company for devaluing social movements and using them for commercial gain. (Joyce, 2017) The campaign induced a spectacularly negative social media reaction. Pepsi had been the top trending topic globally on Twitter and the irreverent comments caused the video to be deleted from YouTube after 24 hours. (Marketingweek, 2017)

One of the posts with the highest reach came from Bernice King (Figure 1) and received more than 182 million impressions (King, 2017). The astonishing number of responses reflects the immediate awareness of people in Pepsi's failed attempt to redeem its crisis. The excessive attention of people in Twitter caused a wave of even more comments where everyone blamed Pepsi for trivializing actual demonstrations. The Twitter post shown in Figure 1 is a photo of a real protest with the description: "If only dad would know about the power of #Pepsi." The author ridiculed uploaded video and referred to a real protester who should have known about Pepsi's drink powerful conflict resolution skills before.



Figure 1: Negative reaction after uploading the video (King, 2017)

The author of Twitter post shown in Figure 2 ironically refers to scene from Pepsi's campaign in which Kendall Jenner hands a cop a can of Pepsi. In the ad, the policeman reaches for a soda given by the model and smiles. Afterwards the crowd begins to energetically cheer in which Kendall Jenner is present. Twitter users made fun of the naivety coming from the ad and generated a vision of abolishing racism with the help of Pepsi's beverage. People used this motive to create numerous serious and difficult to solve problems which were all resolved with the help of carbonated drink.



Figure 2: Stakeholders show sarcasm (Vincent, 2017)

Among all memes about Jenner's symbolic walk over to the police there were some that alluded to a BLM protestor Leshia Evans. She was arrested and forcibly thrown to the ground when she dared to walk over to US officers. The similarity of this two scenes but with different endings, really outraged everyone. Stakeholders pointed out, that the usage of protest imagery in order to peddle soda was once exceedingly tasteless. (Hensley, 2016)

The user's post illustrated in Figure 3 incites to put pressure on the company: to apologize for its actions and, on the other hand to call out the users to boycott PepsiCo by stop buying all their products. This shows how much advertisement with the supermodel influenced customers' perception of Pepsi's brand image.



Figure 3:Some stakeholders withdraw their support for Pepsi (McGarrigle, 2017)

4.2 Pepsi's initial response to the stakeholders



Figure 4: Pepsi's statement (Pepsi, 2017)

After unveiling the controversial ad campaign featuring Kendall Jenner brokering peace between protestors and cops with a can of soda, Pepsi faced a huge backlash. While Pepsi did not have much of pre-crisis phase, the company replied when the crisis hit. In under 48 hours Pepsi responded to the entire situation. This reaction forced Pepsi at 1:30 p.m. EST on Wednesday to immediately releasing their apology statement on Twitter and taking corrective action by removing the spot from YouTube. Using social media made it possible for Pepsi to address their stakeholders rapidly.

The enterprise apologized with the following public statement: "Pepsi was trying to project a global message of unity, peace and understanding. Clearly, we missed the mark, and we apologize. We did not intend to make light of any serious issue. We are removing the content and halting any further rollout." They continued: "We also apologise for putting Kendall Jenner in this position." (Figure 4)

Regarding to Cornelissen's crisis communication strategies this Tweet is obviously the acceptance strategy to apologise. "Acceptance (and accommodative) strategies emphasize image repair, which is what is needed as image damage worsens." (Cornelissen, p. 221) Apologising is the tactic of "... simply apologizing for the crisis and accepting the blame." (Cornelissen, p. 219). Pepsi did not try to place the blame elsewhere and did also not play the victim. Regardless of the deletion of the campaign, the spot continues to live online, as many people reposted it.

Many stakeholders claimed the apology was too weak, as Pepsi is not recognising the party, they have hurt in the apology itself— in this case, the Black Lives Matter movement, which is a reflection of the abuse in certain minorities. It immediately sparked a huge backlash from people who branded it as wrong and in bad taste.

After publishing the statement, there has been no real communication between Pepsi and its Stakeholders beyond that announcement. Pepsi clearly wanted to move on quickly. After remaining silent for more than five month, PepsiCo's chief executive Indra Nooyi spoke out about the controversy and told Fortune in September 2017:

"This has pained me a lot because this company is known for diversity, and the fact that everybody who produced the commercial and approved the commercial did not link it to Black Lives Matter made me scratch my head. I had not seen that scene. And I take everything personally. The minute I saw people upset, I pulled it" - she recalled - "and you know what, it's not worth it. There were people on both sides, but at the end of the day, our goal is not to offend anybody." (Kowitt, 2017)

Obviously, this statement came way too late. It is also interesting, because it shows that the CEO was clueless about the commercial, or at least had not seen the last scene, making reference to Jenner giving the police officer a can of Pepsi. But in the article, the CEO does not take any responsibility. This poor communication with Pepsi's stakeholders had a huge negative impact.

4.3 Stakeholders reactions to Pepsi's apology



Figure 5: Reaction on the statement (Joy, 2017)

After Pepsi's statement on Twitter, it is perceivable that the negative trend of stakeholder's reactions continued. The stakeholders did not feel satisfied after Pepsi's apologise, some of them were highlighting their poor apology strategy. The stakeholders wanted an explanation of what went wrong and a declaration of repentance. In addition, they prefer from Pepsi an offer to repair and request forgiveness or to make a promise to change in the future. It is remarkable, how Pepsi's stakeholders possessed high expectations of their crisis communication strategy.



 $Figure\ 6:\ More\ negative\ comments\ after\ the\ apology\ (Steinberg,\ 2017)$

Another group of stakeholders is questioning Pepsi about why it is apologising only to Kendall Jenner and not to the other non-famous actors in the advertisement. Most of the stakeholders did not find it appropriate, that Pepsi is apologising to Kendall Jenner, since she was well informed in what type of commercial she was going to engage with.



Figure 7: Some stakeholders never forgot Pepsi's failed campaign (Shamsian, 2017)

The incident did not leave unnoticed, regardless of how effusively Pepsi apologised for the controversial campaign and four months had passed, stakeholders had not forgotten about it. Due to the events, that took place in Charlottesville, social media users started talking again about Pepsi's advertisement failure.

On 12th August, the "Unite the Right rally" erupted in Charlottesville, Virginia (United States). Hundreds of white nationalists and their supporters met to march with torchlights through the streets to express their hate against, what they consider another race (non-white people), and to remove a Confederate statue. "Some made monkey noises at the black counter-protesters. Then they began chanting, "White lives matter!" (Heim, 2017). The march escalated quite violently, where even a car drove into the crowd of counter-protestors. This resulted into one death and several others injured. (Reuters, 2017)

Along these lines one can conclude, that after such tragedies and violent events, even after some years have passed like in Charlottesville, people still remember Pepsi's controversial advertisement. Not surprisingly, they quickly point fingers and raise their voice in social media. Mostly to provoke an answer or joke about the poor performance of this company. In a nutshell: Pepsi's stakeholders did not feel pleased after their apology and they continued talking negatively about the brand and still see the advertisement with Kendall Jenner as unsuccessful and disrespectful.

4.4 Kendall Jenner's response to the crisis situation

Surprisingly, one of the only people who did not respond to the Pepsi advertisement was Kendall Jenner. After being excited about her new role as a Pepsi spokesperson, the reality TV star got criticised in countless think-pieces, memes and parodies. While Pepsi tweeted an apology, Jenner remained silent until September, when she finally addressed the highly controversial advertisement in the trailer for the 14th season of "Keeping Up with the Kardashians". In this clip she is discussing the negative reactions with her sister Kim Kardashian West. "It feels like my life is over" – she told her, to which Kardashian West replies: "You made a mistake". She was clearly feeling sorry for herself and not for the people she has offended, which caused again a negative backlash. (Oppenheim, 2017)

4.5 Communication strategy with stakeholders

To communicate with its stakeholders, Pepsi uses the persuasive strategy. According to Cornelissen (2017), "it is a two-way asymmetrical model of communication". Pepsi communicates directly with its stakeholders and these groups can give indirectly feedback to the enterprise. This is the reason, why the model is called asymmetrical, because the stakeholders cannot have a dialogue itself with the enterprise. An example of this situation is the following: Pepsi posted one statement on Twitter to apologise for their unsuccessful advertisement campaign. Stakeholders replied directly on this post, however Pepsi never replied directly nor commented on them with a new post.

Along these lines, it is notable that the stakeholders' reaction gives indirect feedback to Pepsi. After the publication of the unsuccessful advertisement campaign, social media users started to post comments about the video. The company caught the public discussion concerning their commercial and in order to show they listen to their stakeholders; Pepsi withdraw the video from YouTube, and they posted an apologise on Twitter.

Accordingly, Pepsi cares about their stakeholders' opinion and they will follow up their feedback although the multinational won't make a dialogue conversation with them on social media platforms.

4.6 Brand perception and financial impact

After pulling the advertisement, Pepsi did not only deal with a lot of negative comments, but also with an overall negative brand perception of its stakeholders. On the 4th of April, the day that Pepsi launched their advertisement with Kendall Jenner, 28% of adult consumers

affirmed purchasing Pepsi if they should choose a soft drink. However, this percentage declined to 20% by 12th of April. Nonetheless the multinational was able to gain back half of its drop and managed to raise the percentage back to 24% by 19th of April. (Marzilli a, 2017)

The graph below shows Pepsi's consumer perception. This awareness is represented in a Buzz score which was assessed and evaluated by YouGov BrandIndex. YouGov BrandIndex asked respondents the following question: "If you have heard anything about the brand in the last two weeks, through advertising, news, or word of mouth, was it positive or negative?". The Buzz score can range from -100 to 100 with a zero-score equalling a neutral position.

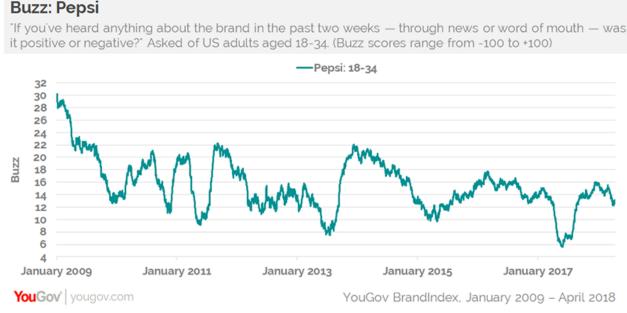


Figure 8: Pepsi's Buzz score (Marzilli b, 2018)

It is perceivable, that Pepsi's positive brand image dropped intensively in April 2017. Although one week later, the trend slowly pulled back upward and the multinational started recovering from the crisis event that occurred. Notwithstanding, the stakeholders' consideration of buying Pepsi was at its bottom level in three years, according to YouGov BrandIndex.

In total, Pepsi required nine months to fully recover from the controversial ad. The company's awareness level was low from May through July 2017. This was the lowest level perceived in at least eight years. Afterwards it sloped gradually upwards back to where it was before the crisis. (Marzilli b, 2018)

The possible reasons why Pepsi showed early signs of a slow recovery might be the following: United Airlines struggled at the same time in the media with their overbooked flight crisis which arose in April. Furthermore, the press was mostly chasing Kendall Jenner at Coachella about the campaign with Pepsi. (Marzilli a, 2017)

Despite the fact the multinational received boycott threats from some of its stakeholders, there were no reports showing a great financial loss for the company itself. Pepsi's stock prices fell after pulling the ad, however there is no prove that the ad is fully responsible for this negative impact. Pepsi's stock price arose to normalise within a week. (Dowjones, 2017)

Before long, Pepsi encountered a negative impact in their brand perception and their stakeholders would prefer buying other brands. However, the company could manage to reach their normal situation swiftly. This also applies for their financial aspect; they perceive a small loss in their shares but stabilised within a week.

5 Conclusion

The multinational company's strategy about this advertisement can be addressed with the following: Pepsi unsuccessfully studied and managed the public impact of the advertisement, while endorsing the brand. Not only it missed the goal in terms of client perception while supporting the brand, but also underestimated the variables surrounding the market. It is clear, that the enterprise's decisions were taken when they recognized the PR predicament and their influence in the international brand came too late.

5.1 Recommended strategy

Since crisis can have the potential to damage an organization's reputation and the relationships with its stakeholders, companies must be prepared to respond to it. It's no secret that every organization is exposed to a crisis. That's why it is so important for companies to be prepared for an eventual response. Many crisis management plans already exist, and some of them are presented by Cornelissen in his book. (Cornelissen, 2017, p.211)

Pepsi's campaign as described in previous chapters didn't reach heights of recognition and appreciation. The company found itself in a place where they had to deal with the crisis that arose very quickly. The Acceptance strategy they used did not meet the needs of the crowd. Due to stakeholder dissatisfaction after Pepsi's apology, some have created a more appropriate version of it. One of them was Ezinne Ukoha, who wrote an apology on behalf of the company:

"Pepsi truly and deeply extends a heartfelt apology to all those who were offended by what was clearly a glaring lack in judgment. We pride ourselves as a company that always strives for excellence, and in the quest to maintain this mission, we misrepresented our best intentions, which regrettably has led to a dire misunderstanding at the expense of individuals and organizations that are heralded for their adherence to justice and the never ending quest for basic rights — for all.

Pepsi remains firmly in support of those endeavors and will strive to prove that pledge through future actions. Again, we are terribly sorry and are truly remorseful about the outcome of our embarrassing actions.

We will make it our endearing mission to overcome our unfortunate mishap." (Ukoha, 2017)

To ensure effective crisis communication, Pepsi could improve the one they used in various ways. Their apology post shouldn't consist mainly of feeling bad about Kendall Jenner, but also include people who had felt offended by it.

Pepsi could also add "remediation" tactic to their Acceptance Strategy, which includes announcing certain forms of compensation or assistance to victims (Cornelissen, 2017, p.219). Since the root problem of the advertisement is linked to racism, as in BLM movement, they could have implemented an inclusion campaign focused in this specific group of persons. As a matter of fact, even though in a different context, they have already worked in conjunction with charity organisations to take care of aggravating problems. As an example, they have executed the Food for Good programme that combats the food security uncertainty of certain vulnerable sectors in the US (PepsiCo, 2019). Making use of the knowledge acquired they could have applied a similar strategy to this advertisement. It is a common course of action to give financial support to charities and it would be a more efficient crisis communication strategy for Pepsi.

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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

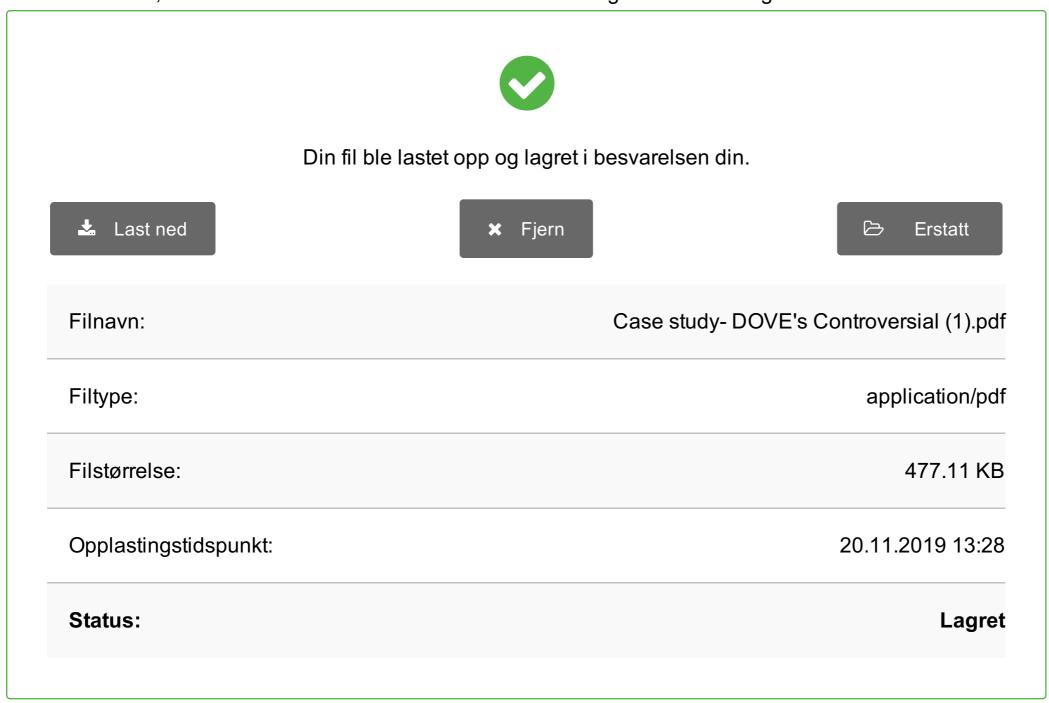
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

20.11.2019

DOVE CONTROVERSIAL ADVERTISING





How did Dove deal with the consequences of its controversial ad campaign?

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I. INTRODUCTION

This report is based on Dove's crisis management. Throughout our report we are going to analyse and discuss how Dove handled its crisis communication concerning its controversial ad. This report will be focused on which crisis communications strategies and how did that affect Dove's reputation. Our starting point for this report is the ad that Dove has posted, on the 7th of October 2017, on Facebook which caused a huge controversy for the company.

This subject is interesting to develop because all along our project we will see how social media has played a major role in this controversy. Nowadays, most of the controversies are due to the stakeholders' reactions on social media. It's interesting because we can point out which communication strategies Dove used during this controversial.

Social media is a platform that increases brand visibility with potential customers, thus reaching a wider audience. Thanks to social networks, brands considerably increase their brand recognition. Thus, a stronger interaction is created between the company and their stakeholders. In addition, social media reaches a wider audience and allows direct feedback from customers to be collected in order to improve brand image, reputation and customer relations. Customers feel listened to, valued, which make them happy. By responding to each message, comments, suggestions and considering the opinion of social media users it helps to develop the brand.

The stakeholders' comments influence the company's communication strategy because companies take into consideration the opinions of social media users. Therefore, when an advertisement is not well received by social media users, the company publishes an apologizing statement if the way they promoted their products is offending. The goal is to sell, and that customers are satisfied so whenever the brand receives a positive or negative review, it will take the review into account. Moreover, if they see an emerging trend, it will direct their products towards this new trend, like diversity, we find it in all brands. Knowing that most customers have different taste, the brand will always orient its products towards their preferences. The goal is to please and maintain customers loyalty. As we all know, customer is the king.

Throughout our project we are going to answer to our research question which is how did dove deal with the consequences of its controversial campaign.

II. METHOD

A. CONTENT ANALYSIS

Once the ad started receiving backlash after its publishing, Dove's social media platforms were used as their primary sources to gather credible information in order to answer their customers' questions. The following platforms that they used were Facebook which was the first place where they posted the ad, on the 7th October 2017 in the afternoon. Right after the advertising was posted, social media users reacted immediately and negatively towards the ad. In the following hours they published a statement in which they claimed that the message they tried to display has been wrongfully shaped in the ad. On the same day they made a different statement on their Twitter page. Two days after, on the 9th October 2017 they published another statement on their Instagram.

All along this case study, we will analyse the consequences faced by the company due to the controversial and we will discuss how primary stakeholders reacted and impacted Dove's ad and their statement concerning the case. Our empirical data will deal with the company's statement published on the 7th of October 2017 until the 9th of October 2017 and the stakeholders' comments posted on the 8th of October 2017.

B. CASE DESCRIPTION

According to National public Radio, Inc Washington, District of Columbia US (October 8, 2017), in a Facebook post Dove dropped a commercial for their new product which was a body wash. In this ad we can see three women from different backgrounds, black woman, white woman and middle eastern woman. The woman of colour is wearing a brown shirt and the second after she is removed her t-shirt and a white woman appears wearing a lighter shirt. Once the post was published social media users started to react to the post and stating that the ad was kind of racist. Then people started to wonder how their marketing director who is supposed to check everything before it is published, could let this kind of mistake happens.

III. THEORY-

For this project, we will use different terms and theories, who will be connected to different aspects of our case study.

According to Joep Cornelissen's book, Corporate Communication, a crisis can be defined as "[...]as an event or issue that requires decisive and immediate action from the organization." (2017, p.212).

Social media has a main role in this generation. It can be defined as a tool the company and its stakeholders use to communicate and share their opinions. Sometimes it is used to denunciate controversies in the world for example or causes. Thanks to social media information can be spread quickly. Moreover, companies use it to develop their image and promote their products, it is the best way to create a unique identity. *Corporate communication: A Guide to Theory and Practice by Joep Cornelissen p.38*

Crisis communication is "the objective is to exert control, insofar as possible, over events and organizational activities in ways that assure stakeholders that their interests are cared for and that the organisation complies with social, safety and environmental standards." *Corporate communication: A Guide to Theory and Practice by Joep Cornelissen p.211*

Based on Joep Cornelissen's book, Corporate Communication, a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives". (2017, p.7). Moreover, that is stakeholder can influence or be influenced by the final decision of a company and can be active in the firm. There is different type of stakeholders: customers, shareholder, employees, supplier and investors.

In our case study, we can use 5 different crisis communication strategies. We will talk about the acceptance strategy, particularly the "full apology". According to Cornelissen, this strategy is "a tactic of simply apologizing for the crisis and accepting the blame." Then we will discuss about association strategy precisely bolstering that it used to remind that they did something great in the past. Also, we will speak about the distance strategies, more specifically about "excuse" and "downplay". According to Cornelissen, "excuse" is "a tactic of denying intention or volition by scapegoating others for crisis". And the "downplay" strategy is more used to make the controversial not looking that bad compared to other controversies. Finally, we will talk about the accommodative strategy, precisely "rectification" is a tactic in which the offender takes the correct decision for the future.

IV. ANALYSIS-

Dove is known for their wide range of products. They have seen many ups and downs that has tarnished their reputation and their brand. The outcome of these controversial can bring out crisis, according to Cornelissen a crisis can be defined as an issue or incidence that needs instant and crucial act from the company.

In this part we are going to analyse the company's statements on different social media platforms such as Facebook, Twitter and Instagram from the beginning of the controversial as well as the stakeholder's reactions, also we are going to make a connection between our findings and the theories from the book.

As we mentioned in the beginning, social media has a major role today, because it comes with both advantages and disadvantages moreover it offers different ways of communications. Cornelissen stated that "the basic trend associated with the development of these new media is that it highlights the democratization of the production and dissemination of news on organizations, enabled by web technologies" (2014, p.256)

Social media allows people to have a better connection between them, also to interact with each other at the same time, to communicate, to give and share their opinions. But social media also comes with a big disadvantage, because sometimes it is indiscreet, and your reputation can be tarnished. At the same time, social media has made life easier for companies because now they can directly and simultaneously interact with stakeholders.

To manage this crisis, Dove had to put in place a good communication method. First, she apologized on various social networks. This method of communication is a way of controlling stakeholder reactions and calming the indignation of Internet users. In their crisis communication they show that they take the seriousness of the events and that they respect social norms, that is to say: show regret, show respect to all customers regardless of their skin colour. According to Cornelisen Crisis communication can therefore be defined as: "the objective is to exert control, insofar as possible, over events and organizational activities in ways that assure stakeholders that their interests are cared for and that the organisation complies with social, safety and environmental standards." *Corporate communication: A Guide to Theory and Practice by Joep Cornelissen p.211* (2017)

After the backlash that Dove has faced, they responded on their Twitter and Facebook accounts to issue an apology. We can notice, from what we read on the post on both platforms, they state that the message of the ad was misunderstood because the aim of this ad was to represent every aspect of beauty and every skin type and not offend a certain category of people. In both posts they reminded their customers what their brand is about, which is about inclusivity and embracing your skin, for example the expression "we missed the mark in thoughtfully representing women of colour". On both platforms, they are not really apologising they are just saying that people misinterpreted and misunderstood the message behind ad therefore they take the remarks into consideration and they will do better in the future. Moreover, they are not taking accountability for their actions and they don't really seem to realise the impact that the controversial has caused.



1. Facebook Dove Dove

→ 1.1K

Dove is committed to representing the beauty of diversity. In an image we posted this week, we missed the mark in thoughtfully representing women of color and we deeply regret the offense that it has caused. The feedback that has been shared is important to us and we'll use it to guide us in the future.

A

Concerning dove's statement from Facebook, they remind us the main politic of their brand them identity "representing women of colour" they are using association strategies precisely bolstering. According to Cornelissen bolstering is "a tactic of reminding stakeholders and the general public of existing positive aspects of the organization".

Then they just they say that they regret. And the difference between regret and apology is: regret is just expressing your personal feelings about something. Apologizing implies that you accept responsibility for the fault or error and that you express your regret about it. They use claim accepting responsibility precisely full apology. According to Cornelisen full apology is "a tactic of simply apologizing for the crisis and accepting the blame".

2. <u>Twitter</u>

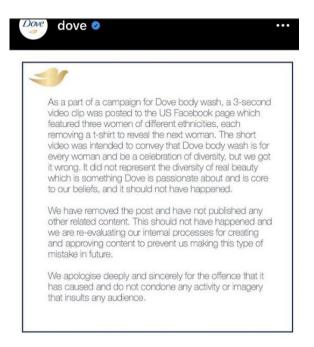
748

■ 5.2K



Dove posted another apologizing statement on Twitter, which shows us that they are not understanding how people felt towards their ad. First, Dove is just explaining that they "[...] missed the mark representing women of colour thoughtfully". According to Cornelissen (2017), this strategy is considered as downplay, "a tactic of convincing stakeholders or the general public that the situation is not that bad in itself or compared to other crises" (2017, p.219). On the same post, we can notice that they are showing some regret. According to Cornelissen (2017), this is called full apology, "a tactic of simply apologizing for the crisis and accepting the blame" (p.219). Their statement shows us that they don't feel that much worried about how their actions have affected others.

3. <u>Instagram</u>



On their Instagram page, the message they posted was longer and had more and meaningful content than the ones from Twitter and Facebook, because since the whole controversy happened on Facebook and that is where people shared the commercial the most, on Twitter also, as well as their opinions, Dove had to explained to its followers what happened, what the video was about, what it was supposed to portray and also, they reminded the values of the brand to their customers "[..] the diversity of real beauty which is something Dove is passionate about is core to our beliefs" (Dove, 2017). On that platform a part of the message they posted was, we quote: "This should not have happened, and we are re-evaluating our internal processes for creating and approving content to prevent us making this type of mistake in the future." (Dove, 2017) according to Cornelissen, that was a rectification strategy from the Company. The goal was to show their followers that not only they take full responsibility but also, they will take note from this mistake and its outcomes and will do better in the future, we quote: "a

tactic of taking corrective action to prevent a recurrence of the crisis in the future." (2017, p.219)

They also used a full apology strategy which is, we quote "a tactic of simply apologizing for the crisis and accepting the blame" (2017, p.219) as they acknowledged the offence they caused and took full responsibility for their wrong doings and accept every backlash their brand received during that moment. We quote: "We apologise deeply and sincerely for the offence that it has caused and do not condone any activity or imagery that insults any audience" (Dove, 2017).

Therefore, compared to the other statements they made on Facebook and Twitter, the length of the post is more voluminous and well-written. They seemed genuinely sorry for their act and the offence that their clumsiness has caused on their customers.

B. STAKEHOLDER STATEMENT

As we mentioned in the beginning, social media has a major role today, because it comes with both advantages and disadvantages moreover it offers different ways of communications.

Social media allows people to have a better connection between them, also to interact with each other at the same time, to communicate, to give and share their opinions. But social media also comes with a big disadvantage, because sometimes it is indiscreet, and your reputation can be tarnished. At the same time, social media has made life easier for companies because now they can directly and simultaneously interact with stakeholders.

After Dove apologized, primary stakeholders reacted, among them certain celebrities, gave their opinions concerning the company apology statement. We have chosen reactions from two different stakeholders.



Among those stakeholders, award-wining and film director Ava DuVernay responded to the statement. She stated that their apology was not enough deep then she advised them to do a better job in the way they promote their products and knowing that Dove is all about inclusivity and representing every beauty type they should do better in the way they want to advertise their products. We picked her because, she supports the international activism movement black lives matter, moreover she is a part of the fight against discrimination made towards black people and for the way she reacted because it was different, she is not throwing stones at them, didn't call them out as racist.

Cornelissen stated that "the basic trend associated with the development of these new media is that it highlights the democratization of the production and dissemination of news on organizations, enabled by web technologies" (2014, p.256)

2) Keith Boykin



Keith Boykin during his college years, he was a leader on the campus diversity movement and general editor of the Harvard Civil Rights-Civil Liberties Law Review. Moreover he was former White House aide to Bill Clinton when he was president of the USA, during that era he was recognized the highest-ranking openly gay person in the White House. Keith Boykin's reaction concerning Dove's ad was explicit. He doesn't focus on forgiveness, he focuses on publicity. He pointed Dove out. According to him, a second mistake is enough to qualify them as racist because in 2011 Dove did another controversial, in this ad, which shows a before and after use of the body wash from the brand, 3 women, black woman, Hispanic and white woman.

Therefore, according to Cornelissen "reputation is shaped both by the organization as well as by the community it embraces" and also "When an organization mishandles communication following a crisis, it may potentially lead to stakeholders severing their ties with the organization or spreading negative word-of-mouth about the company". (2017, p. 215)

From Cornelissen's book "organizations also realize that *messages in various media can complement one another*, leading to a greater communication impact than any one single message can achieve." (2017, p.24) That's why Dove uses various social media platforms to communicate about the crisis. Through consistent messages, it takes responsibility for the crisis and communicates about its actions.

V. CONCLUSION

Once the controversy blew out, Dove posted an apologizing statement first on their Facebook page and Twitter account, on the 7th of October 2017, just a few hours after they published their commercial. Later, on the 9th of October 2017 they posted a picture on their Instagram page in which they explained the whole issue to their Instagram followers.

The company adopted four different crisis strategies that were efficient; full apology, rectification, bolstering and downplay. At first, when social media users started to point out the fact that the commercial was displaying a bad image of the brand but Dove in return, tried to downplay and bolster the situation by minimizing the effect the commercial had on the public and for their first statement on the controversy they said "[...] we missed the mark in thoughtfully representing women of colour [...]" and later on, they backtracked and fully apologized on Instagram and made a promise to change.

In the way they decided to apologize it showed their lack of sensitivity and professionalism. Dove was wrong in opting to downplay the controversial, they should have apologized, claim their responsibility or guilt for the crisis and accept the public criticism and claim that they will prevent these types of events to happen again in the future.

After the controversy they are always reactive in the comments. They respond to comments and even invite their customers to send them messages in private to get more information about their product. Before the controversy they had a friendly relationship with their Internet users, and this is always the case after the controversy.

Dove posted his last apologising message on October 9th, 2017 and then on December 5th, 2017 they posted again. Dove took 3 months to be active in their Instagram account again. In their post on December 5th only one negative comment from a person who calls them racist.

However, they kept a low profile on their Twitter account, after their last tweet which was on the 9th of October in 2017, they didn't post anything until the 15th of February in 2018.

We also note that they have not lost in any way their brand legitimacy which is to "promote diversity" because they continue to put all women of different skin colours in their advertising and in my comments, they have messages of thanks and support.

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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

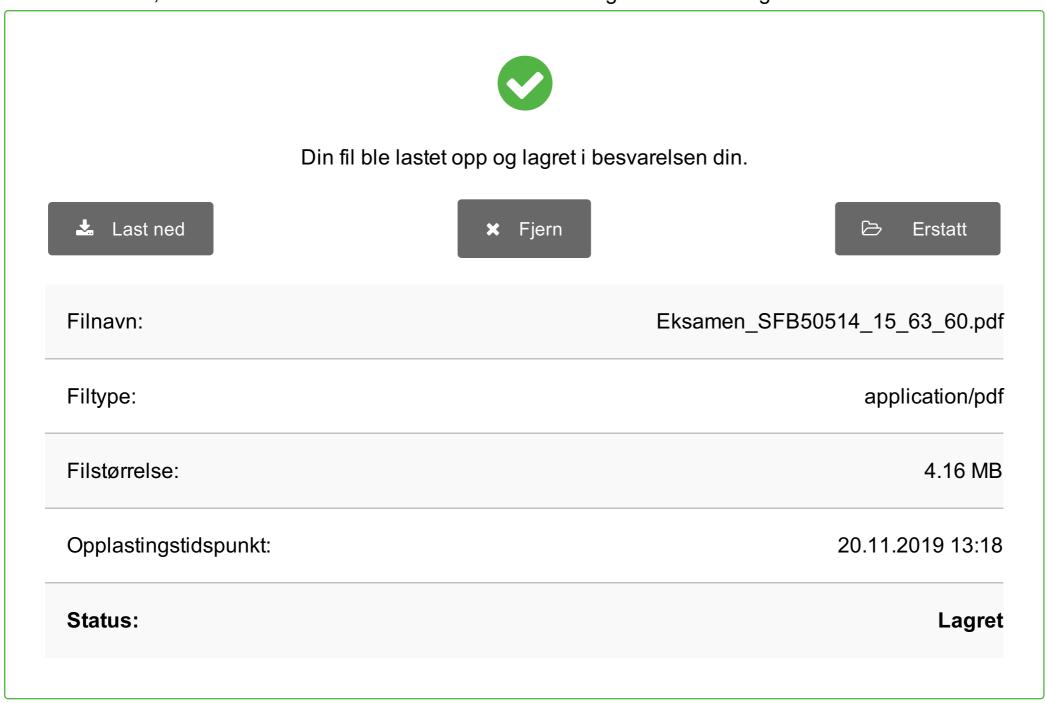
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

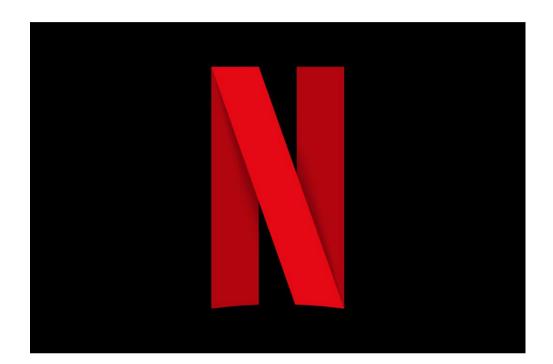
You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.



NETFLIX AND ITS COMMUNICATION STRATEGY ON TWITTER

Written by

Carla Magré (191560) Ena Eminovic (192115) Noémie Germain (191563)

Abstract

This paper initiated an investigation on how Netflix US brand employ social media, particularly Twitter, to increase brand awareness and reinforce brand loyalty.

It is no doubt that changes in the consumptive patterns of media have led companies to shift their focus from products to people and from information delivery to information exchange. Social networks are growing exponentially. Their main strength is their simplicity and speed. For most users, they are intuitive, do not require instructions, and have no difficulty accessing information. When an Internet user discovers a product, service or person that interests him, he immediately informs his entire community.

The present study represented findings from a content analysis of communication strategy on Twitter from Netflix US to see what is used to connect with their fans and users. Specifically, the study focused on the theoretical and practical implications of viral marketing in the branding strategies as Netflix US. Additionally, the study examined the way asset of networks is also the possibility of influencing a panel of people according to their interests, but without feeling guided.

These and other findings are discussed.

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1. Introduction

Through this report we will analyze and evaluate how Netflix's communication strategy works, in order to create a link with its audience and increase its reputation through social networks. Thereby, this report will focus on the company's communication strategy on Twitter. This report is based with empirical data of tweets made by Netflix US. Netflix being today the most used paid streaming platform (Read Hastings, 2018), it's interesting to analyze how the company manages to reach its target audience thanks to its communication strategy and what are the stakes of this strategy.

1.1. Company description

"From a DVD rental-by-mail firm to Leader of Entertainment Services"

Netflix Inc. is the world's leading internet entertainment. The CEO of the company is Read Hastings and the co-founder is Marc Randolph, they both created Netflix in august 1997. Currently the CCO is Ted Sarados who is also a key element of this company. Netflix's headquarter is in Los Gatos in California. The company provide TV series, documentary and films. As a services Netflix realize: films production; film distribution and TV production. As a product Netflix is a streaming media who make video on demands. On this platform, the user can feel free to watch whatever he wants, as much as he wants, whenever he wants, whenever he is, on his connected device. According to Netflix's Q3 Financial statement, Netflix it's over 5400 employees and 158 million paid membership in 190 countries. On 30th September 2019 the net income of the company was 1279 billion dollars.

Being an American company, our analysis will be based on the communication strategy of Netflix US on Twitter. We can see on Twitter Netflix US account, more than 6M subscribers with more than 30K tweets. Netflix US posts several tweets per day. The content of these tweets is very varied. We will see in the analysis their differences, why Netflix use them and how they contribute to the social responsiveness of the company.

1.2. Research scope

In order to be as relevant as possible we focused only on Netflix US Twitter. Through this account Netflix, we have access to tweets directly in English which facilitates our search. In addition, it is the most consistent given our concern that the company is American, it is the most developed account and with the most seniority, the information will be more relevant.

We will analyze the perception of the comments of the stakeholders and the company through 40 tweets of a period of 2 weeks. Before examining the communication strategy operated by

Netflix US, we will establish a theoretical and methodological foundation for this case study. These elements will introduce our analysis and will support our response to the main research question.

2. Theory

2.1. Social medias

For this research project, terminology drawn from several theoretical frameworks will be used and connected to different aspects of the case study. These are included to create a broader understanding of social media, what opportunities social media as Twitter being to Netflix company?

Social media platforms (Instagram, Twitter) have a huge influence on people and are making it possible for users to interact with each other. This also means that it's an opportunity to make a strong reputation of the brand.

According to Kaplan & Haenlein (2010), social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content.

Twitter is a popular website where users create status messages (called "tweets"). The tweets are however with a maximum limit of 280 characters of text. Social media is an impactful and innovative method to positively influence the target audience ("Netflix US (@netflix) on Twitter", 2019).

The consumption of social media generated information and the resultant actions, is not limited to the youth only. We can talk about the growing significance of social media (twitter) in shaping the sentiments by influencing the perception and the opinion, which eventually influences the sales of products (expectation).

2.2. Opportunities provided by twitter

On Twitter, Netflix runs multiple regional accounts, but the US one stands out with its 6.83 million followers ("Netflix US (@netflix) on Twitter", 2019).

Also, Netflix on Twitter takes more of a good friend's stand that shares some words with a trendy often innovation-related topics and of course a good sense of humor.

The cross promotion here, is that they receive a lot of traffic from actors, celebrities, and other artists' accounts.

However, we can see that the brand acts as everyone's best friend, both in relation to the celebrities as well as to any other user. Everyone gets the same attention, positive vibes and care.

Netflix on Twitter celebrates friendship and encourages you to do the same regardless the fact if this involves watching together your favorite episodes or not. Cornelissen states that "Twitter and other digital communication platforms is a game-changer for corporate communication." (Cornelissen, 2017, p37).

They keep their U.S. account busy and fresh posting something like 2-5 times a day but retweeting a lot. However, they share content from other accounts such as National Geographic and Co. Exist, touching subjects like national natural heritage and getting a nice level of fans engagement with this practice.

3. Methodology

3.1. Context

At a time when advertisements are invading our lives, leaflets and billboards in the street... Advertising breaks during TV shows, pop-ups and cookies on the Internet... Netflix offers a service where we can look at our program without interruptions and of which we are the real master.

For its communication strategy Netflix use various social media platforms. This report focuses on how Netflix use Twitter in its communication. Indeed, we chose Netflix US because it's the account that allowed us both to have tweets in English, a great reputation (this is the oldest account and the most popular), relevance: Netflix is an American platform.

To maintain their reputation, they adopt a communication strategy mainly oriented on social media. However, where we find them most and where they are, the social media where they are most efficient is Twitter. That's why we chose this media.

3.2. Approach

For our analysis we decided to gather all of Netflix's tweets over a period of time so that we could classify them. We chose a two-week period, which we think is enough to collect enough information. The period chosen is October 1-15, which is a representative sample of Netflix's regular tweets as it is a period without any particular event (like Halloween or Christmas).

We compiled a table listing Netflix tweets per day. See annex 1

To be specific and to illustrate our research we will use some of our most relevant collected tweets, to demonstrate the trends we will analyze.

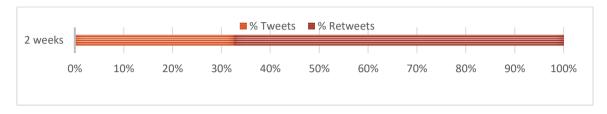
Thanks to this list we can identify the most important figures and the following trends that we will discuss in our analysis chapter.

4. Analysis

In this section of the report we are going to analyze the strategy used by the company on Twitter.

4.1. Key figures:

132 tweets/retweets in two weeks (43 tweets, 89 retweets)



During its activity on Twitter during this two-week period, Netflix US made 32.5% of tweets

8.8: average of tweets/retweets per day

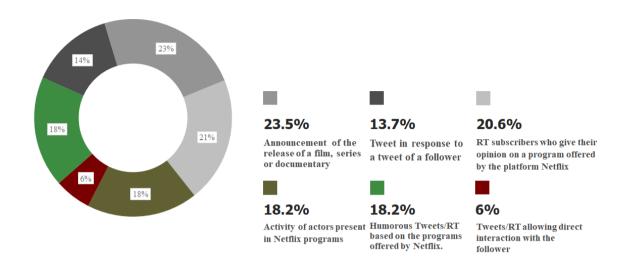
2 938: on average, Netflix's tweets attract 2938 retweets (considered Netflix's tweets, do not count retweets and tweets answers of Netflix). We considered 27 tweets.

12 455: on average, Netflix's tweets attract 12455 likes (considered Netflix's tweets, do not count retweets and tweets answers of Netflix). We considered 27 tweets.

During this period of time, we identified 132 tweets. We made a table in order to classify the different sorts of publications. We can identify the following trends: marketing, interaction, information (just to mention a few).

Catalania	T
Categories	Tweets
Announcement of the release of a film,	1, 17, 21, 34, 36, 37, 42, 44, 45, 49, 50, 51,
series or documentary	54, 56, 57, 58, 69, 70, 82, 83, 84, 85, 97, 98,
-	103, 105, 107, 110, 124, 126, 127
Tweet in response to a tweet of a follower	2, 33, 41, 61, 71, 73, 91, 98, 99, 100, 101,
(Netflix subscriber, actor)	112, 115, 120, 125, 128, 130, 131
Retweet subscribers who give their opinion	7, 8, 9, 10, 14, 26, 27, 35, 38, 39, 45, 62, 63,
on a program offered by the platform Netflix	64, 65, 67, 88, 90, 93, 94, 95, 96, 104, 111,
	116, 119, 132
Activity of actors present in Netflix	3, 6, 7, 11, 12, 13, 15, 22, 46, 47, 52, 53, 74,
programs	75, 77, 86, 89, 102, 104, 105, 113, 122, 123,
	129
Humorous tweets/retweets based on the	5, 16, 20, 23, 29, 31, 32, 47, 48, 55, 59, 60,
programs offered by Netflix. (example:	63, 66, 68, 72, 99, 100, 101, 106, 109, 117,
references to tweets that make the buzz right	118, 131
now on Twitter, references to key scenes of	
a program)	
Tweets/retweets allowing direct interaction	24, 25, 43, 63, 76, 78, 80, 121
with the follower (usually questions)	

We decided to present these results as a diagram because it is more visual.



The three most represented categories are the interaction with the followers, the announcements of films and humorous tweets.

4.2. Marketing

The intensification of communications facilities has opened new opportunities for the marketing world. In these opportunities we find the social networks which are today an essential part of strategy for each company. We will therefore analyze how Netflix's US marketing strategy aims to further align the company's vision and reputation.

This strategy allows for a certain positioning and a place in the minds of its stakeholders. Joep Cornelissen states that "A communication strategy involves the formulation of a desired position for the organization in terms of how it wants to be seen by its different stakeholder groups." (p. 90). Thus, by relaying the information given by the company on Twitter the Internet users participate in the advertising of the brand unconsciously.

We have identified 114 tweets related to marketing. This represents 87% of the tweets made by Netflix during our analysis period. In them we include the rational message style with tweets in the theme of: Announcement of the release of a film, series or documentary. Symbolic message style with: Retweet subscribers who give their opinion on a program offered by the platform Netflix; Activity of actors present in Netflix programs. Emotional message style with: Humorous tweets/retweets based on the programs offered by Netflix; Tweets/retweets allowing direct interaction with the follower (usually questions).

The marketing approach allows Netflix US, to create an interactive relationship, with its stakeholders (Cornelissen, 2017). Its products and services are highlighted and reach a greater number of potential customers. Tweets focused on a particular trend bring the most interaction. As in the case of Figure 1, Netflix Us used the attachment and community of fans related to the

singer group: One Direction, to highlight the documentary about them (<u>This is us</u>) that is broadcast on Netflix. This tweet was the one that garnered the most commitment (96.2k), of all the tweets collected over our analysis period.



Figure 1: Tweet who reached a total of 96.2k interactions (tweet n°97)

Twitter permit to have an openly discuss. It's a direct way of communicating with interested stakeholders and Netflix can use it for actively listening to suggestions and responses from stakeholders. Cornelissen states that stakeholders are "no longer passive "audiences" but active "participants" in the communication about an organization" (Cornelissen, 2017, p39). Through Twitter stakeholders feels sheltered from marketing influence. This is an invaluable opportunity for Netflix, because in reality the marketing strategy is present. Actually, Netflix, engaged a community of stakeholder and has built a network of participants ("push" element) and then use Twitter for new insights ("pull" element) (Cornelissen, 2017, p40).

In its communication strategy Netflix mainly uses rational and symbolic messages styles. These messages are then adapted to the media, which is Twitter, because the tweets are restricted by some limitations: 280 characters (Kaplan & Hanlein, 2010). This requires other ways to attract the attention of the stakeholder. Like the uses of images that easily catch the attention. For this reason, the Netflix's Global Manager of Creative Service Nelson states that: "We know that if you don't capture a member's attention within 90 seconds, that member will likely lose interest and move onto another activity, knowing we have such a short time to capture interest, images become the most efficient and compelling way to help members discover the perfect title as quickly as possible." (Fernández Gómez, E., & Martín Quevedo, J., 2018).

The use of emotional style messages for example will allow Netflix US to provoke involvement and positive reactions through a reference to positive (or negative) emotions (Cornelissen, 2014). In the example in Figure 1, the emotion solicited is empathy.



https://twitter.com/HamillHimself/status/1179104712513048576

Figure 2: Emotional message style used by Netflix US (tweet n°13)

The advantage of their marketing strategy is that it requires almost no budget. Indeed the cost of content production is low for new media environment as Twitter. For Netflix, Twitter is an owned media. According to Cornelissen an "owned media" is an online media that an organization owns and thus controls. The benefits are that Netflix can have a control, it's cost efficient and it's a way of engaging stakeholders. Interest for Netflix's products and services are directly or indirectly highlighted (Cornelissen, 2017).

4.3. Interaction

According to Cornelissen (2017), social media is an interactive and dialog-based form of communication. Hence, Netflix's twitter is very active as his followers. Netflix US posts several tweets per day. Some of these tweets are promoting their content, other are the responses to their public stakeholders, the tone of humor is mainly used. We can see that Netflix's tweets and retweets are quite varied: announcement of the release of series, interaction with the followers, activity of the actors, humorous tweets... which contributes to the social responsiveness of the company.

On twitter, humor is the Netflix's trademark. It makes them very like-able and followable. It also proves how well they know their audience. They post some funny tweets with a joke to keep their fans entertained. Telling a joke is not difficult, but making people laugh with it, is. You need to know people you talk to very well in order to make them laugh with your words.



Figure 3: Humor message style used by Netflix US (tweet n°66)

As to the engagement, Netflix answers to their twitter Fans (the U. S Page) comments on a regular basis. You kind of feel their consent presence here.

The rate of interaction is very good. Netflix keep on interacting with his followers by retweeting their messages or answering their questions. Followers are receptive as we can see with the number of likes and retweets. Netflix is famous for its replies on Twitter. The brand uses its handle to not just address queries but also engage in conversations with fans talking about trending movies and TV shows.



Figure 4: Interaction with fans made by Netflix US (tweet n°98)

They not only talk but also try to listen and answer. They interact with fans, celebrities or other Netflix accounts, and they give exclusive information. This gives fans the impression of being close to the brand and being privileged, which is invaluable for enhancing brand loyalty.

Important to say is that they really work hard on keeping the right balance between the cross-promoted and Twitter- exclusive content. This helps them to keep their audience entertained and happy.

According to Cornelissen (2017), on twitter, organizations can try to mobilize individuals to produce and share content in favor of the organization.

They are also reactive to trends. They rely on their movies to create commitment.



Figure 5: Reaction to trends made by Netflix US (tweet n°37)

They rely on specific themes: as Halloween



n

According to Cornelissen (2017), when the social presence is high, it generally leads to a greater degree of involvement of individuals in the interaction and potentially higher degree of commitment.

Social media such as twitter, allow companies to engage more directly with stakeholders.

Netflix post content usually center around upcoming movies and TV shows, giving their audience an overview of what's in store for them. The brand publishes videos, images, and also some questions based on viewers wishes or based on the current movies, series.

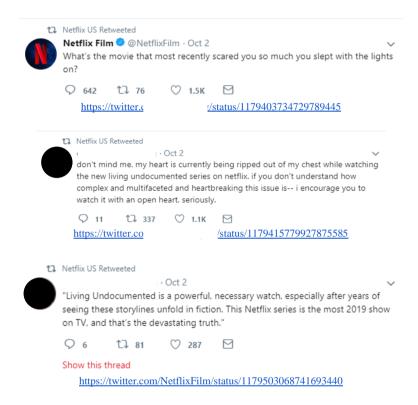


Figure 7: Tweets about upcoming movies and TV shows (tweets n°25/26/27)

These questions based on Halloween's trend help Netflix to get more closed to its audience because they try to know them and advise them.

Netflix simply gives customers what they want. Whether it is a movie suggestion for dinner or shows to watch during holidays. The brand interacts with its audience in many ways to get a sense of the kind of content that they can post on twitter.

Posting consistency is vital to remain active on social media. Netflix manages to stay consistent on twitter by posting every day. They are very complete and that is what people who follow this account like.

Social media plays an indispensable role in building relationships with clients. Netflix's replies to consumer queries and engaging in conversations with them has helped them build both a compelling social presence and a loyal fanbase.

According to Cornelissen (2017), social medias are changing the environment for corporate communication. Their success often hinges on the degree to which their use meets one of the so-called PARC principles for success: whether their use is participatory (stimulating interaction with the community), authentic (engaging in conversations without forced attitudes or a false demeanor), resourceful (providing an audience or community with helpful information) and credible.

Netflix has a clear idea of what they are doing on social media as twitter. Their main strategy is to entertain their fans through their twitter content. The brand listens to what its audience is saying and curates' content that best resonates with them. With this clear strategy it helps them to keep their fans constantly engaged.

4.4. Information

As a film platform, Netflix must have its networks focused mainly on information. The goal is being met on twitter as there are 55 tweets based on information about the period analyzed, almost half of them. We are informed about the releases of films, series and documentaries, but also about the activities of the actors present in these programs. Everyone is targeted in these types of tweets: teenagers, parents, adults, even users who are not subscribers to Netflix, but the principal target is young people.

Their promotional efforts are therefore naturally focused on informing viewers about what's up next, what will be broadcast later on a given day, or what they can look forward to watching the following week or month

Indeed, other than for fun, Netflix's Twitter followers are waiting for content: a new series to watch, knowing when the next season will come out, what's new.



Figure 8: Netflix US's promotion (tweet n°49)

One particularly successful example of its use of social media to promote a specific program is the **#AskOrange** Twitter campaign it launched eight days prior to the premiere of a new season of the series *Orange is the New Black* in 2016.

Netflix is well aware of the fact that no other social networking platform beats Twitter in terms of content churn and that Twitter users are exposed a higher volume of content during any given period (Letki, 2016).

The heavy emphasis it places on content underscores its desire to be seen as a producer as well as a streaming platform, an attitude clearly expressed in the way it customizes messages related to the shows it considers the most important to promote. Netflix knows the programs he broadcasts and plays this advantage by offering personalized tweets that attract attention.



 $\underline{Figure~9:}~Promotional~personalized~tweet~made~by~Netflix~US~(tweet~n^\circ51)$

In addition to promoting the new features, Netflix also promotes the actors.

The advantage of retweeting the activity of these actors is that a fan can find the activity of his favorite actors on one account, which is therefore easier for him. Promotional activities are intended to give visibility to these actors, but also to encourage new people to discover these actors in programs that are available on Netflix. This leads to a higher commitment rate.



Figure 10: Promotion of actors made by Netflix US (tweet $n^{\circ}52$)

5. Conclusion

This section will provide the results obtained from the research and an answer to the research question.

5.1. Findings and outcome

Netflix knows what they are doing on social media as Twitter, and they do care about what people say and think. They have a very coherent strategy aimed to entertain their fans and this helps them to send a very clear and targeted message. They successfully use twitter to promote their content and they carefully plan and structure the campaigns in order to keep a continuous and remarkably high level of fans engagement. Informed by social listening they do a great job in delighting their audience with the perfectly tailored offerings, the language and the sense of humor that gets them truly phenomenal results.

It is quite clear that Netflix understand their Twitter's audience, not only in the sense of their favorite TV episodes and shows but also in a much broader lifestyle sense. They use this knowledge to promote, entertain and engage. They are definitely a brand who doesn't play safe and isn't afraid to push the boundaries with their jokes. Everyone is a friend of Netflix on Twitter and this friendliness gets them outstand.

They really work hard on keeping the right balance between the cross-promoted and Twitter-exclusive content. This helps them to keep their audience entertained and happy.

5.2. Final conclusion

For its communication, Netflix count on networks and especially on Twitter. He saw the potential that this network could bring him and plays the upper hand to develop his notoriety and be appreciated. Their strategy is coherent in reaching the desired target: young people.

It's a strategy that works because of the engagement of fans keeps on increasing. Netflix must continue as well, always offer more information while being consistent with its fun personality. Therefore, we do not have any specific recommendation to do for Netflix US, concerning their communicative activity on Twitter. Despite all they must be careful because scandals are difficult to predict. Care must be taken to maintain authenticity, so as not to tarnish the reputation and the image of the company.

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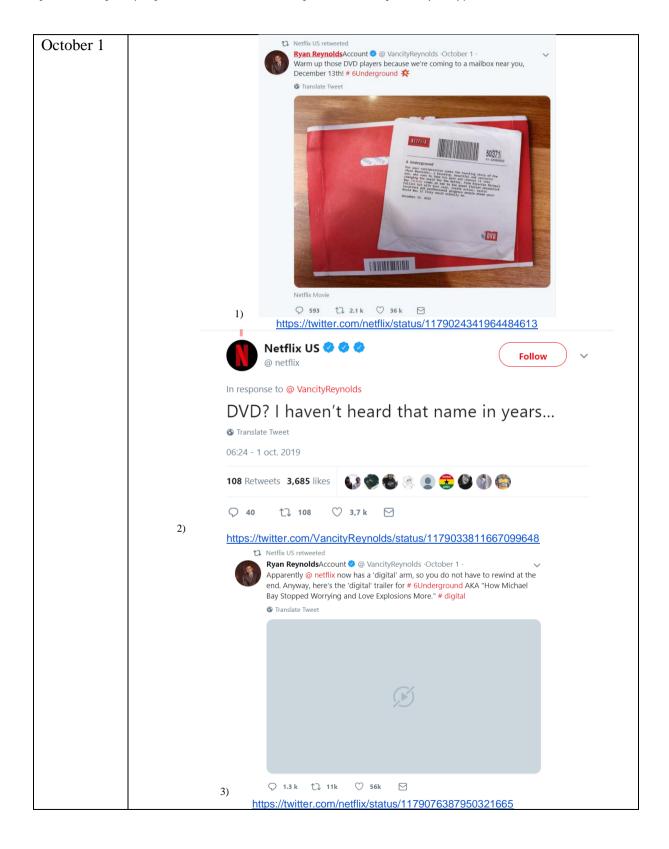
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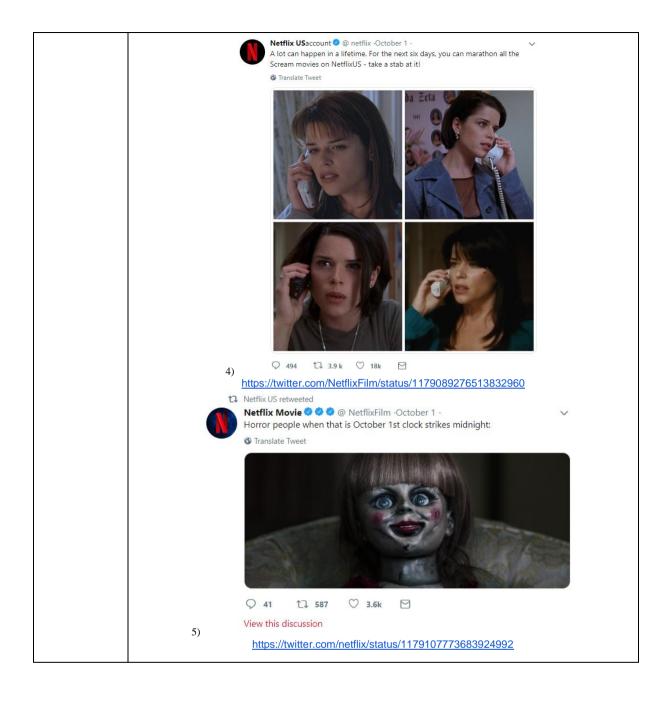
Netflix US (@netflix) on Twitter. (2019). Retrieved from https://twitter.com/netflix

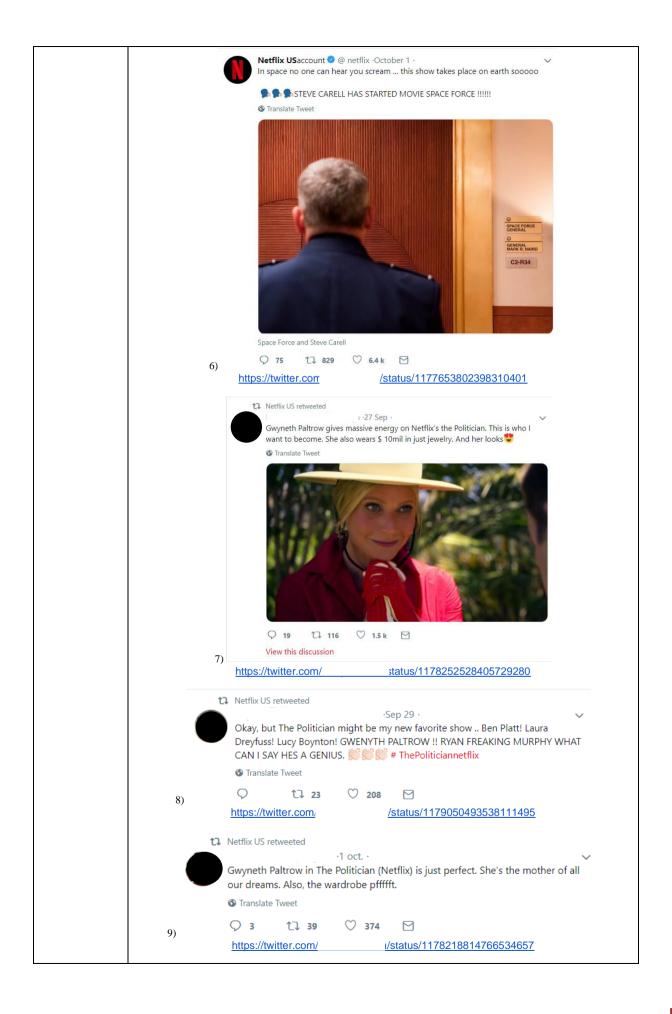
The 132 tweets analyzed during our research come from the Netflix US Twitter account.

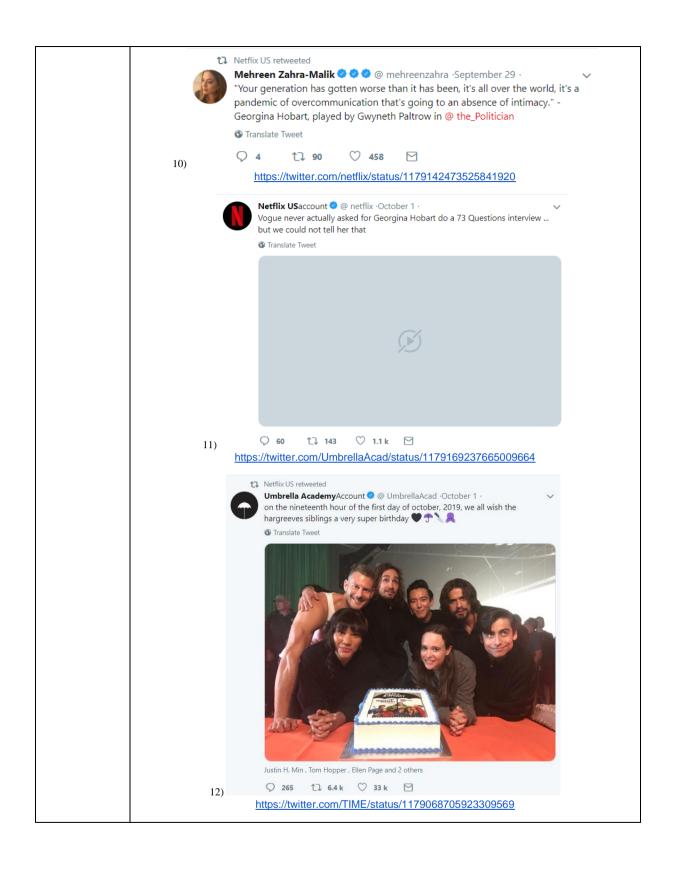
7. Appendices

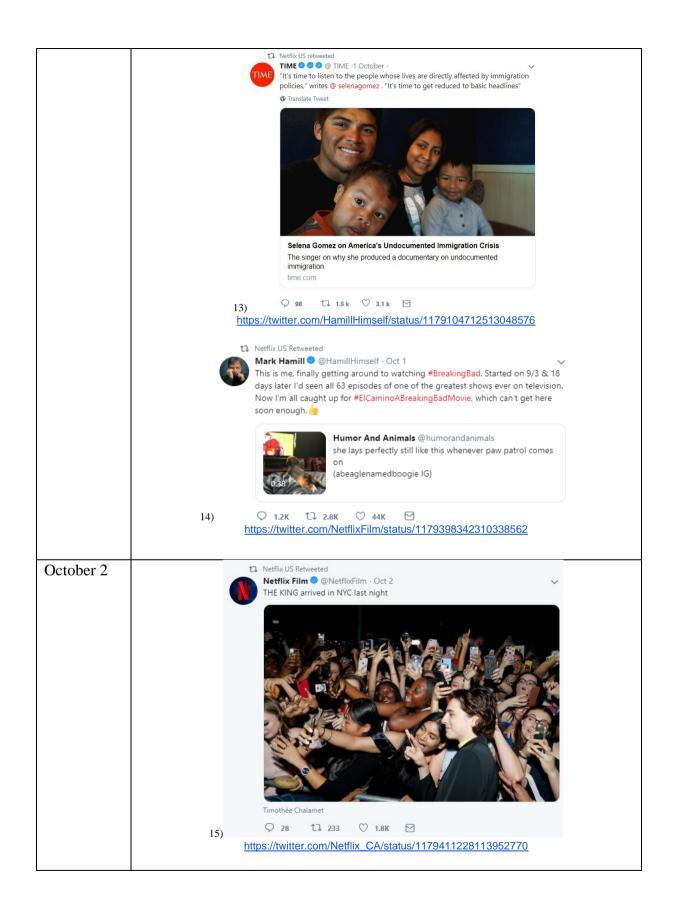
Annex 1: Table of all Netflix tweets and retweets from 1 to 15 October 2019. (names and photos of non-certified profiles have been blurred for reasons of anonymity)

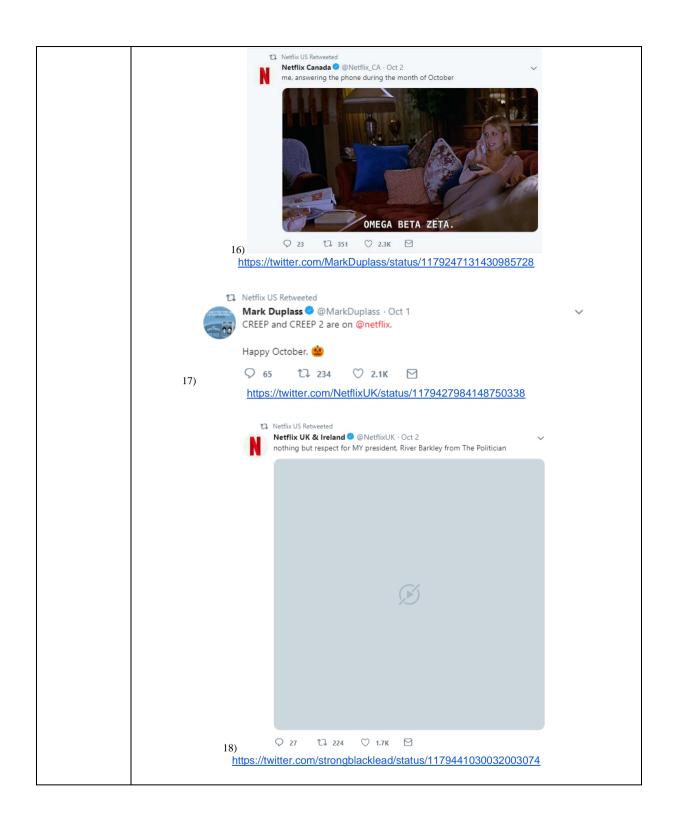


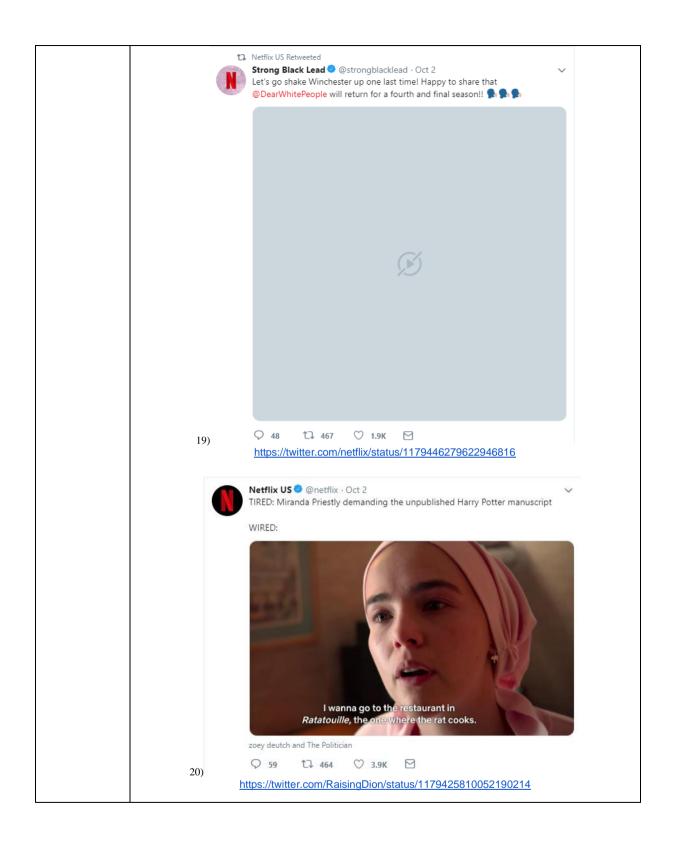


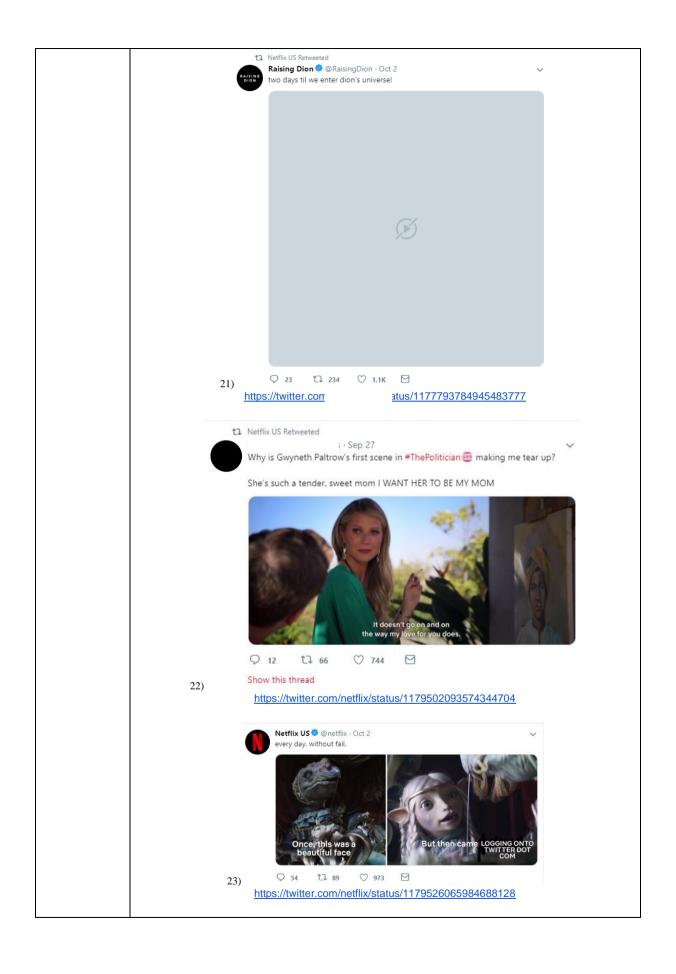


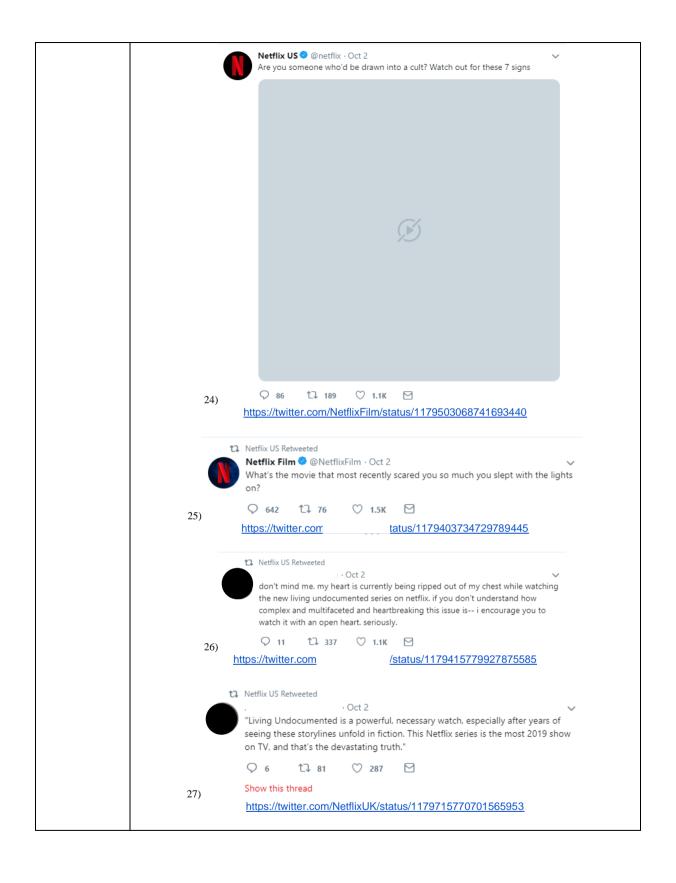


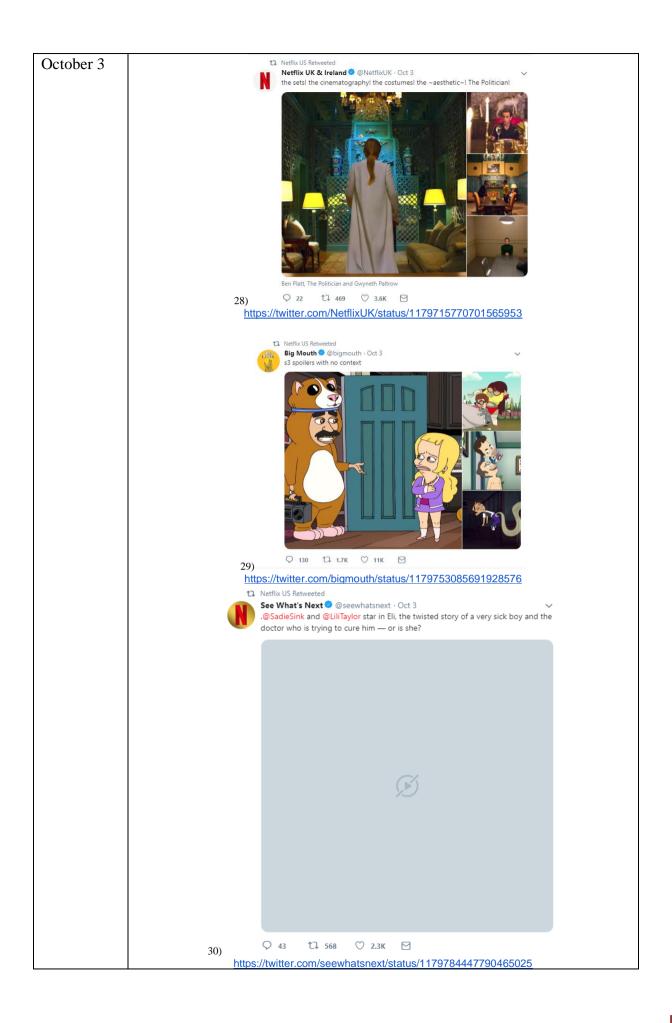


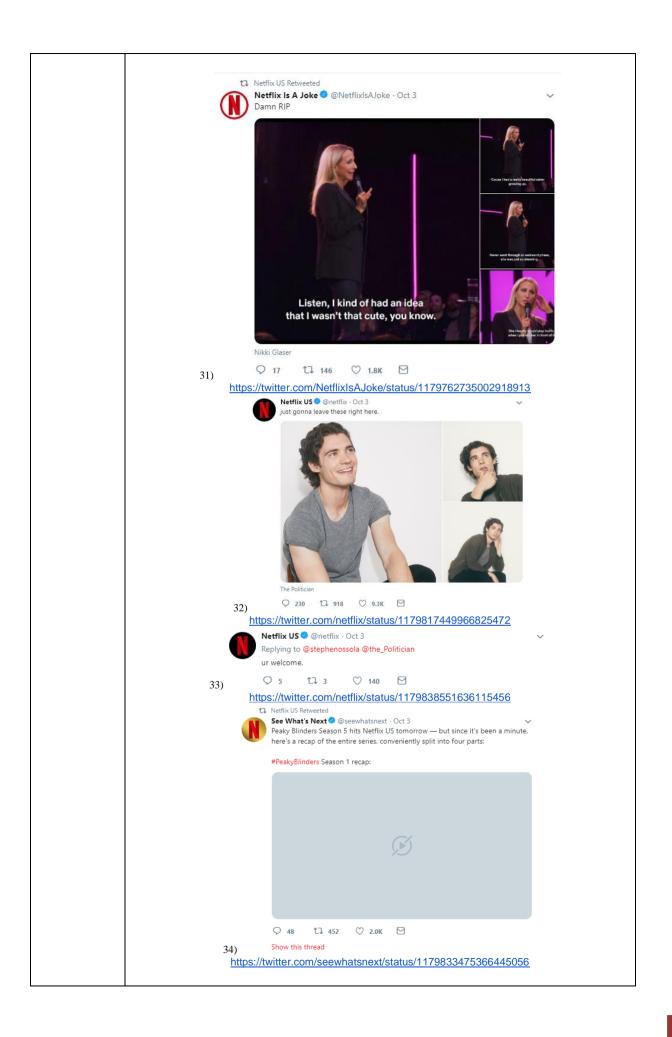


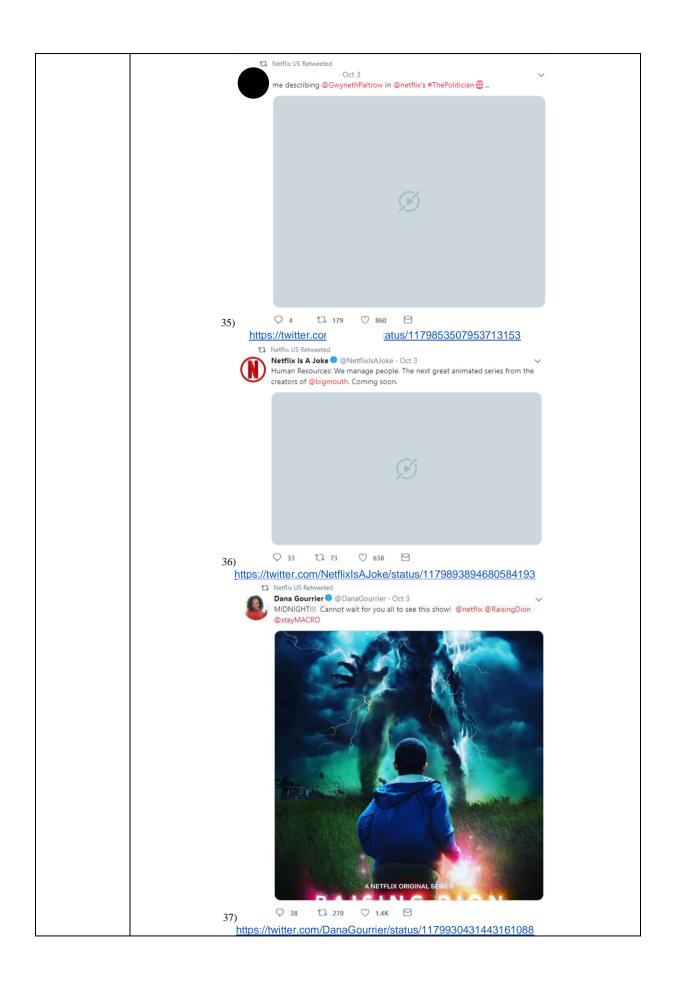


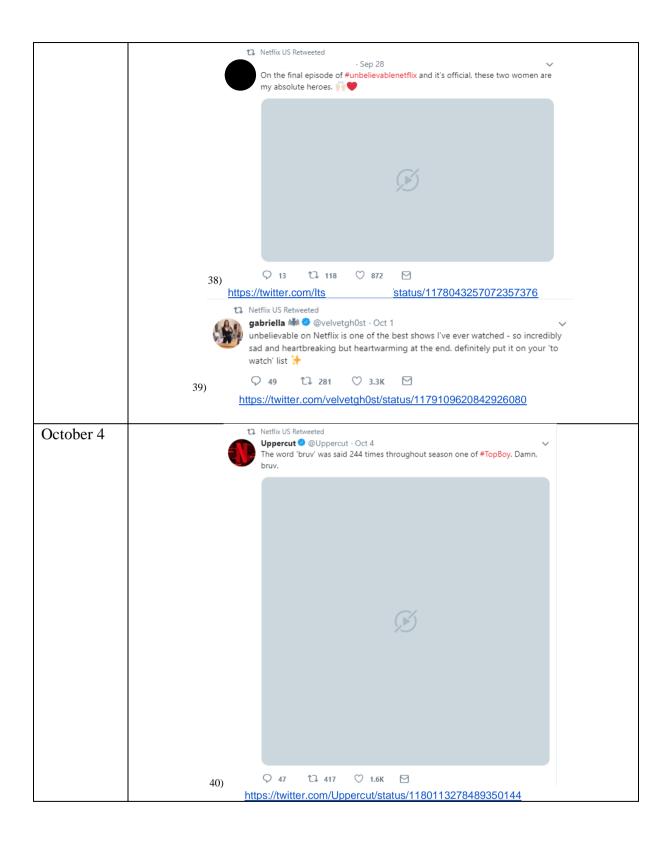


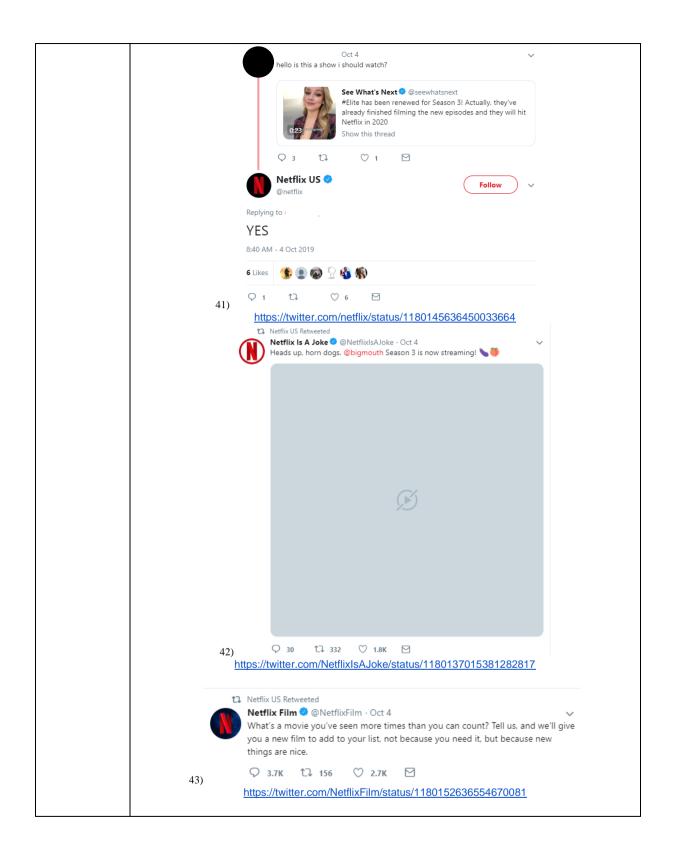


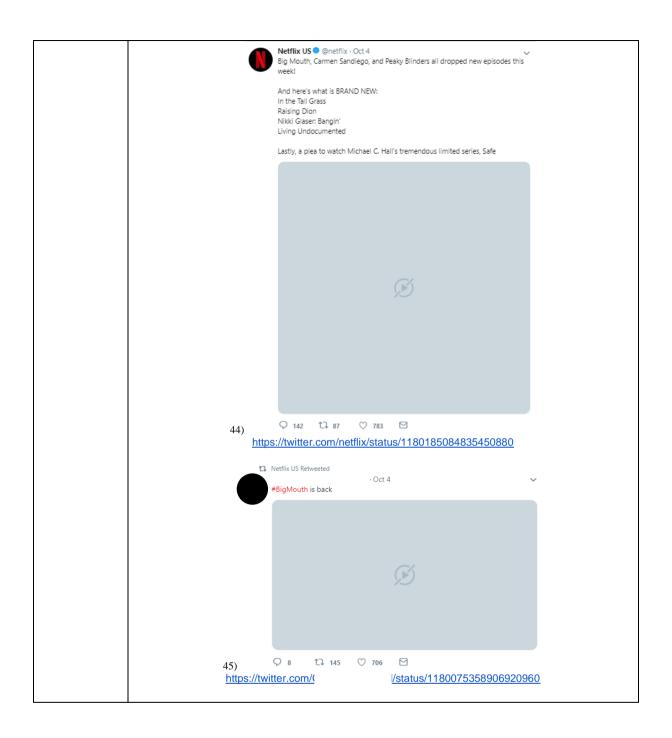


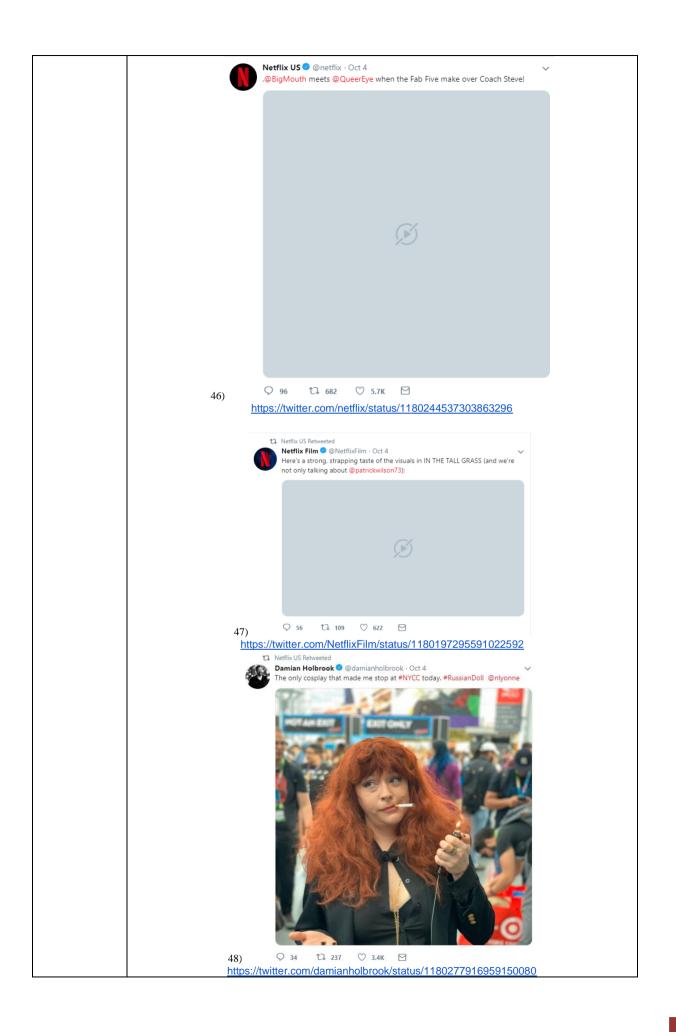


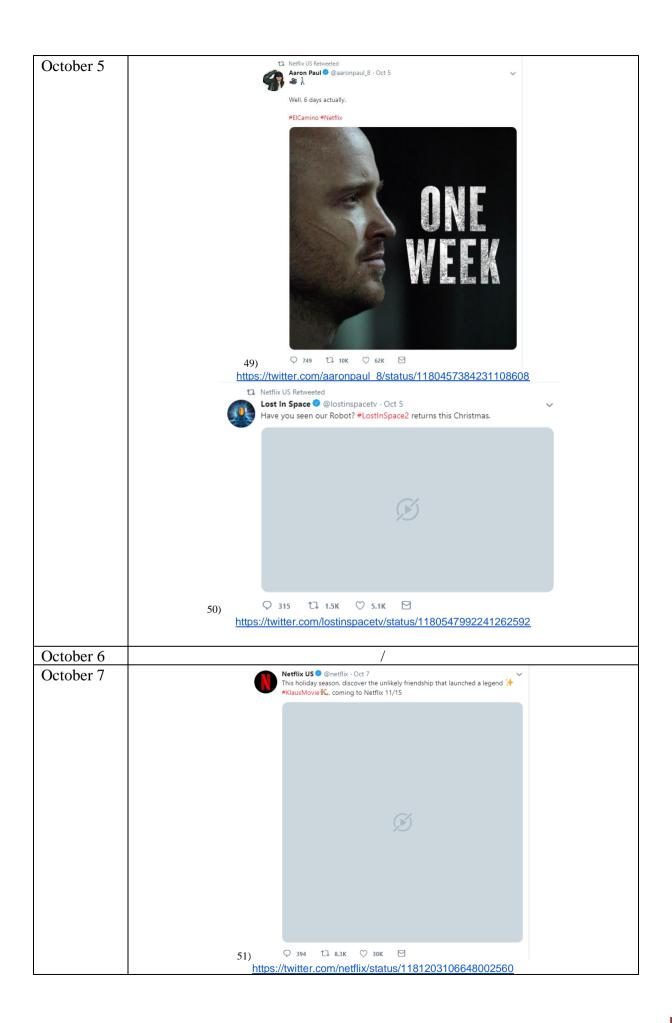


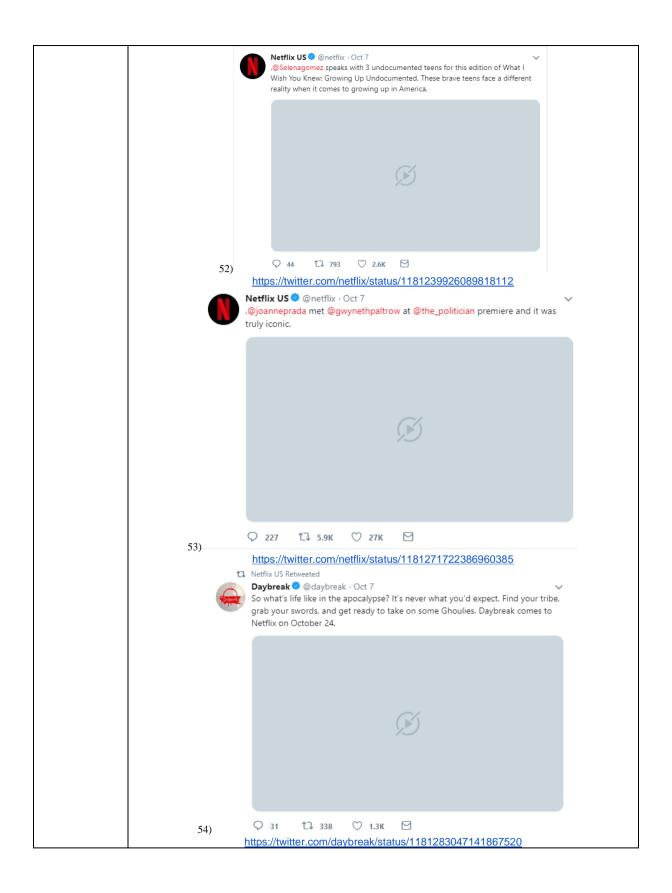


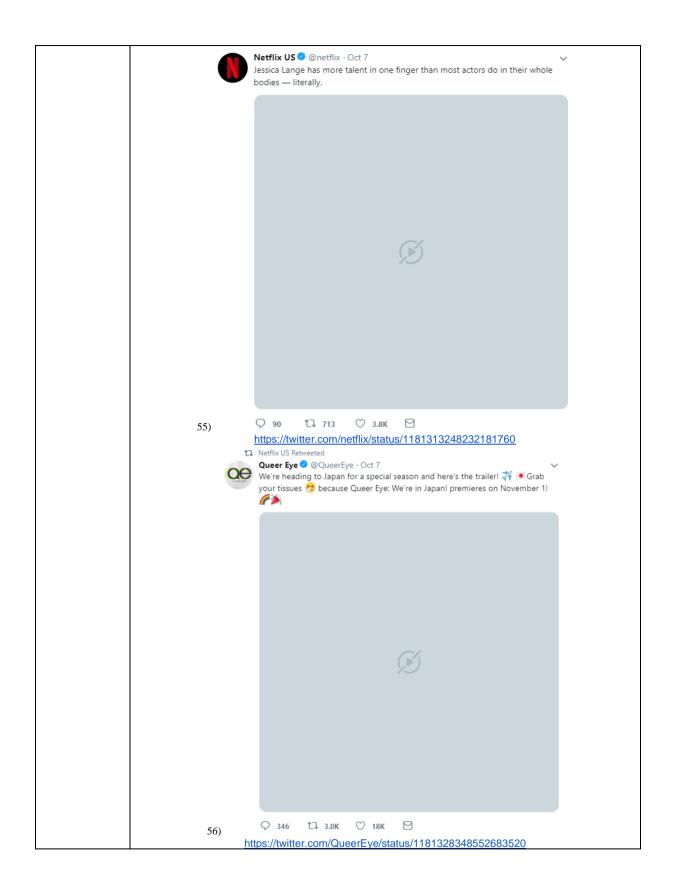


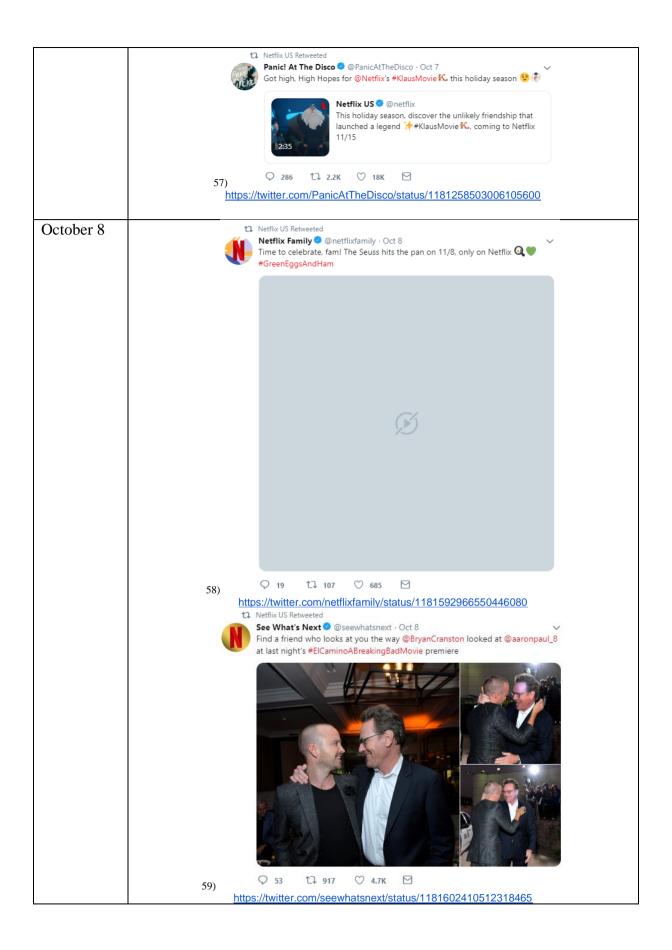


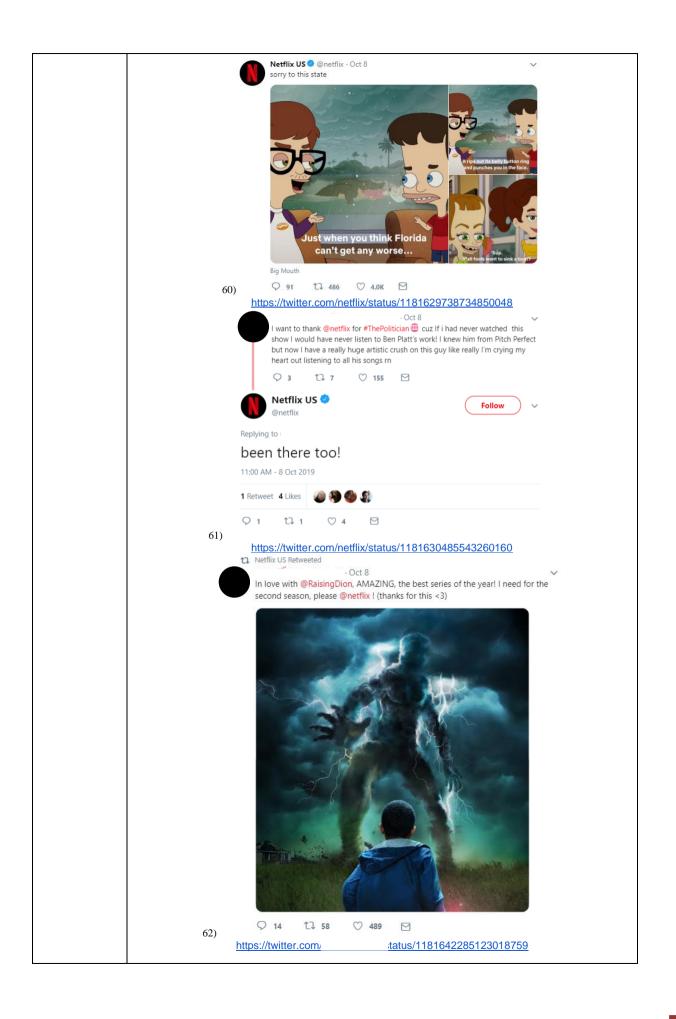


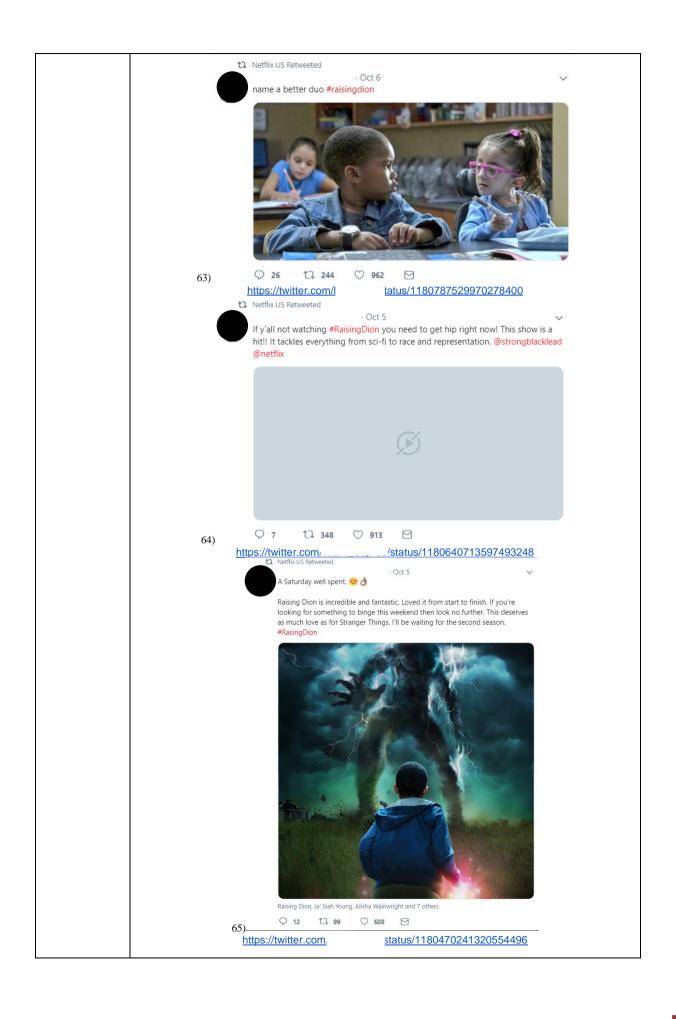


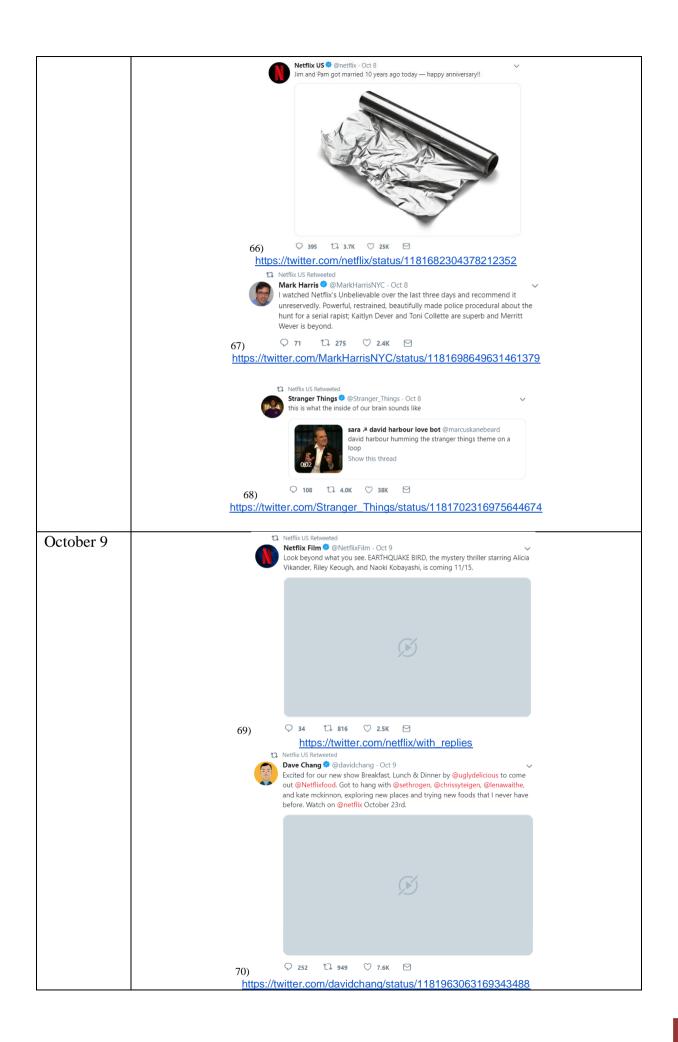




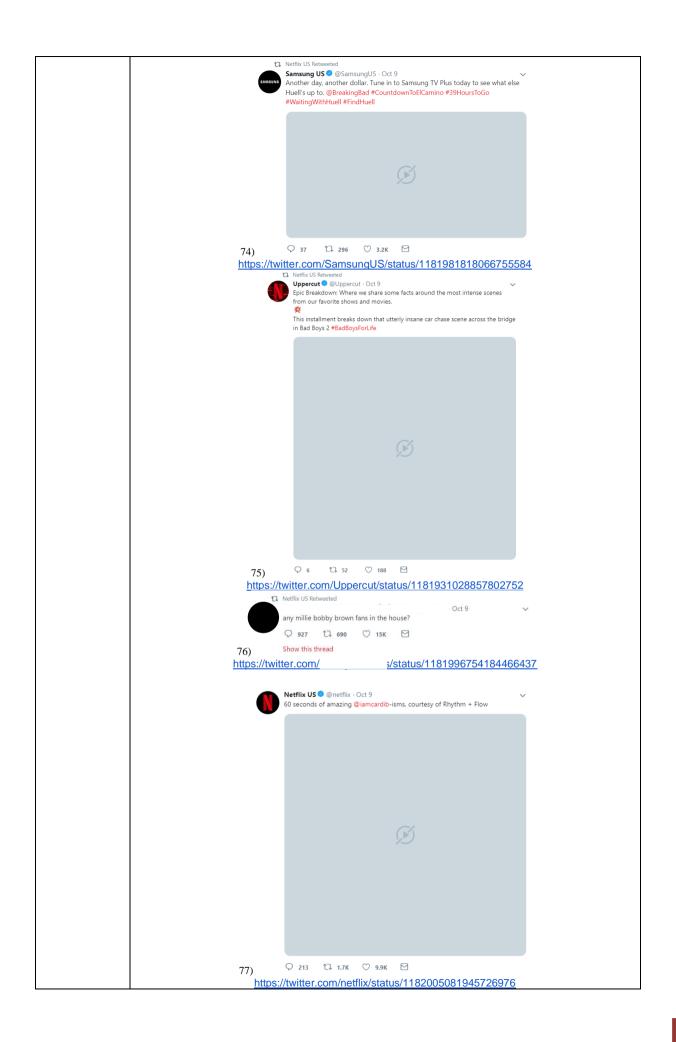


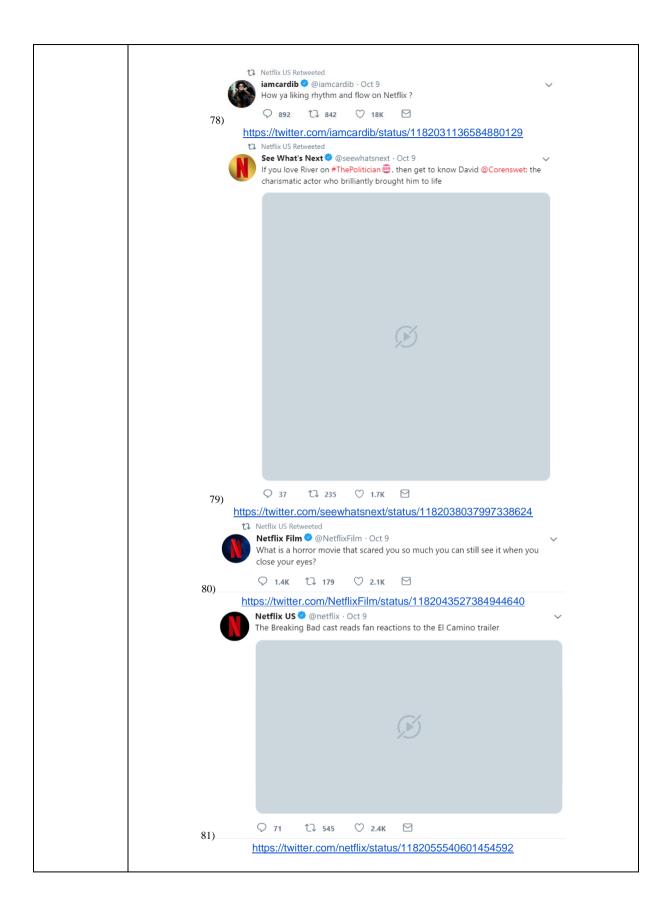


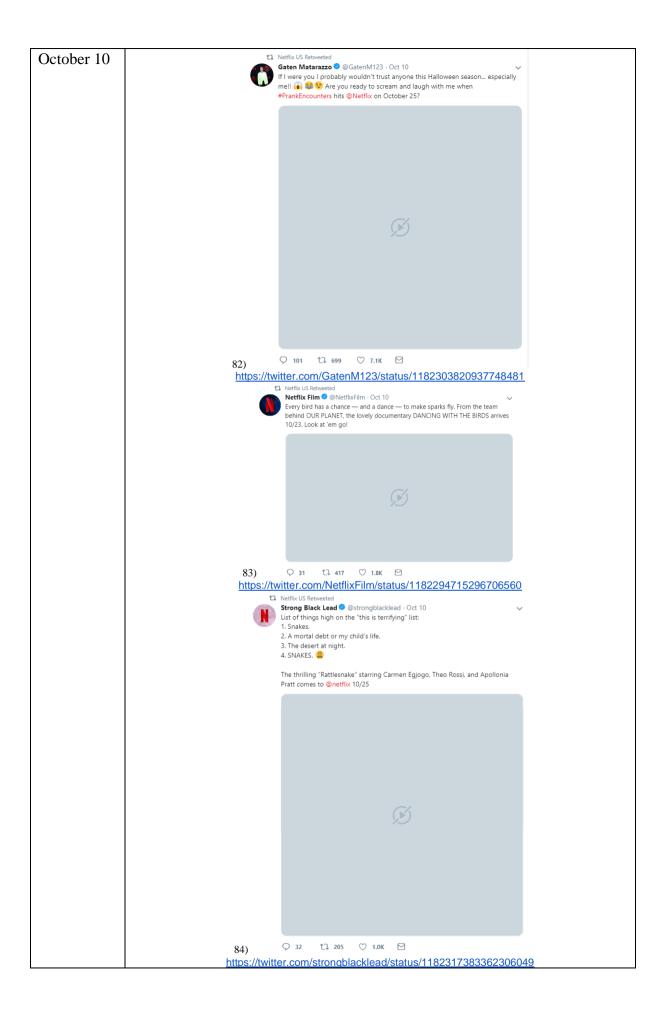


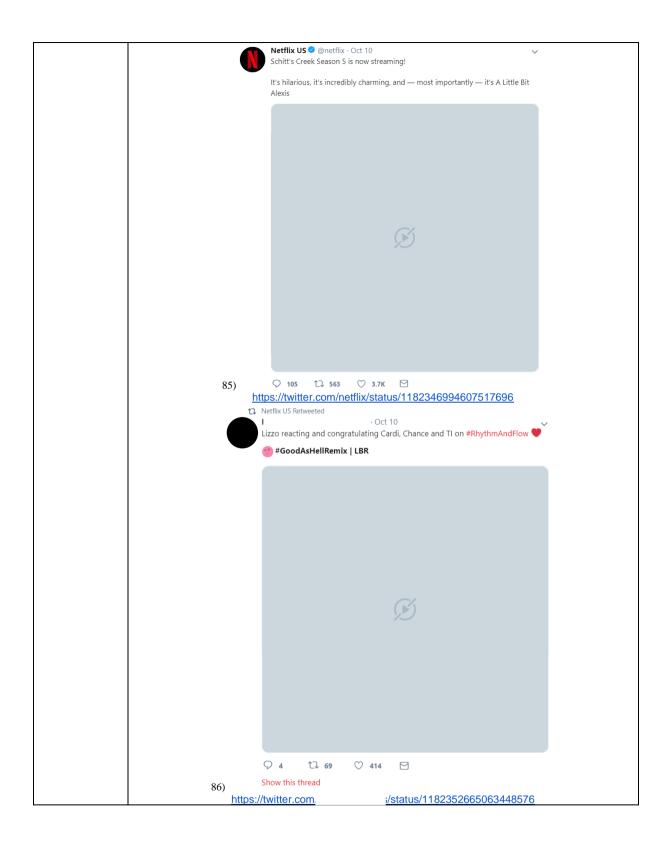


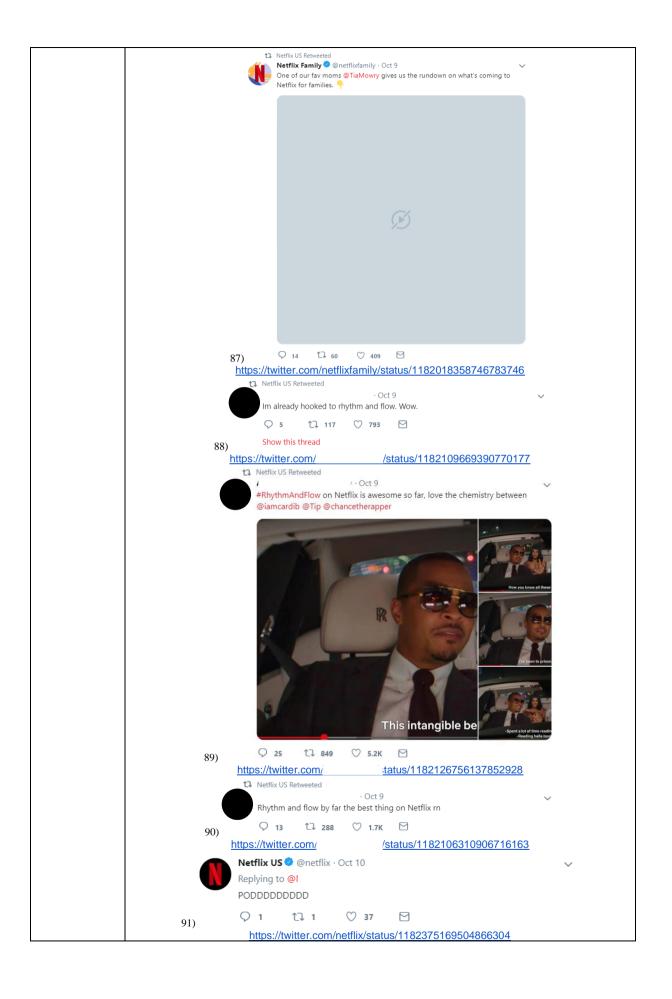


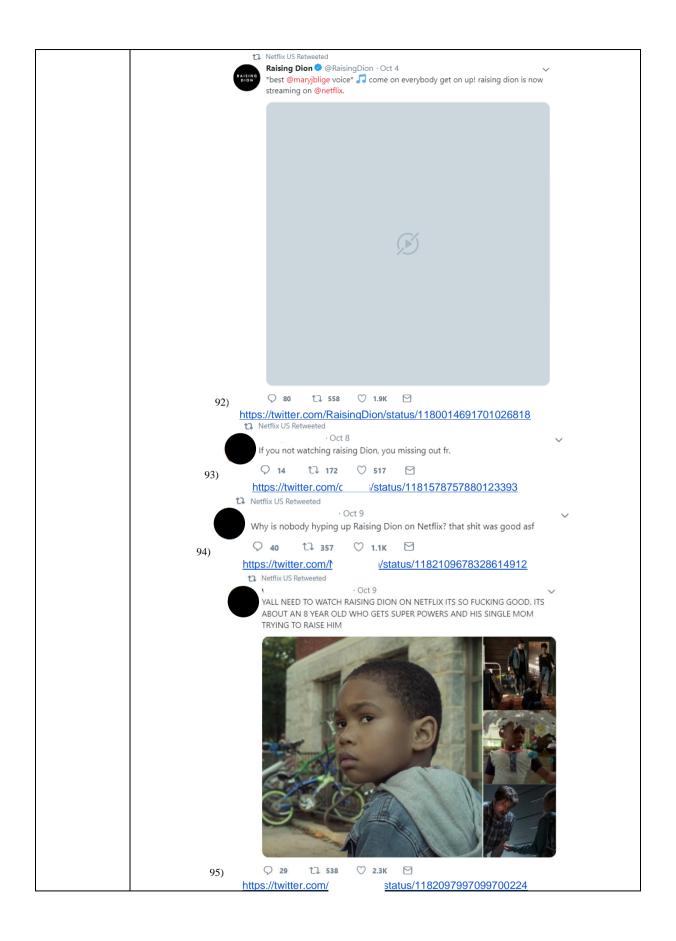


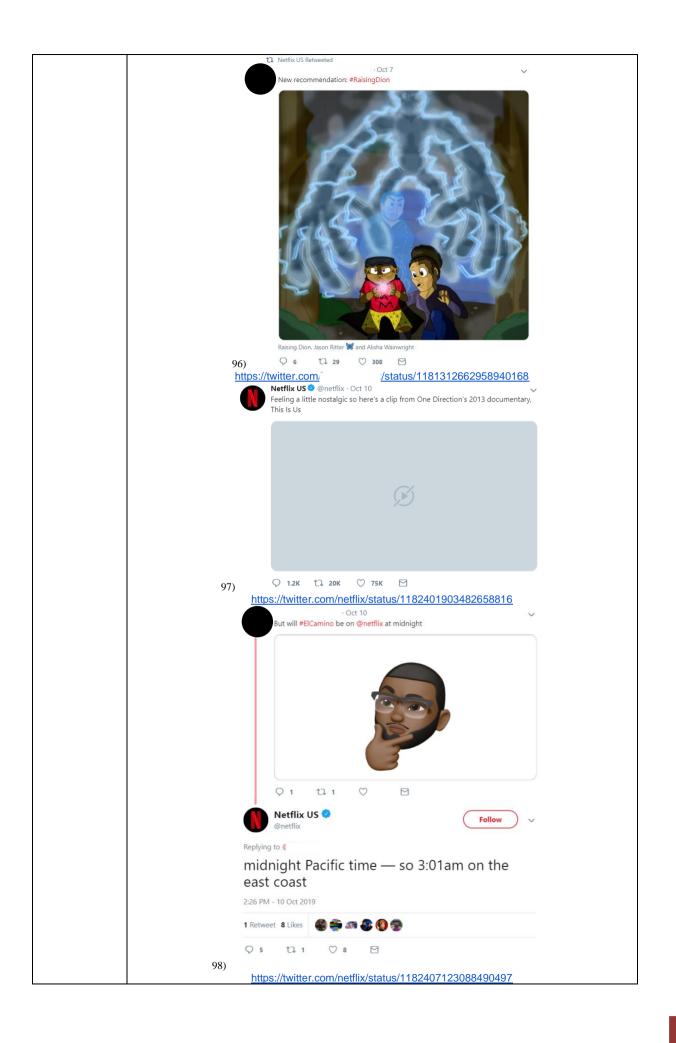


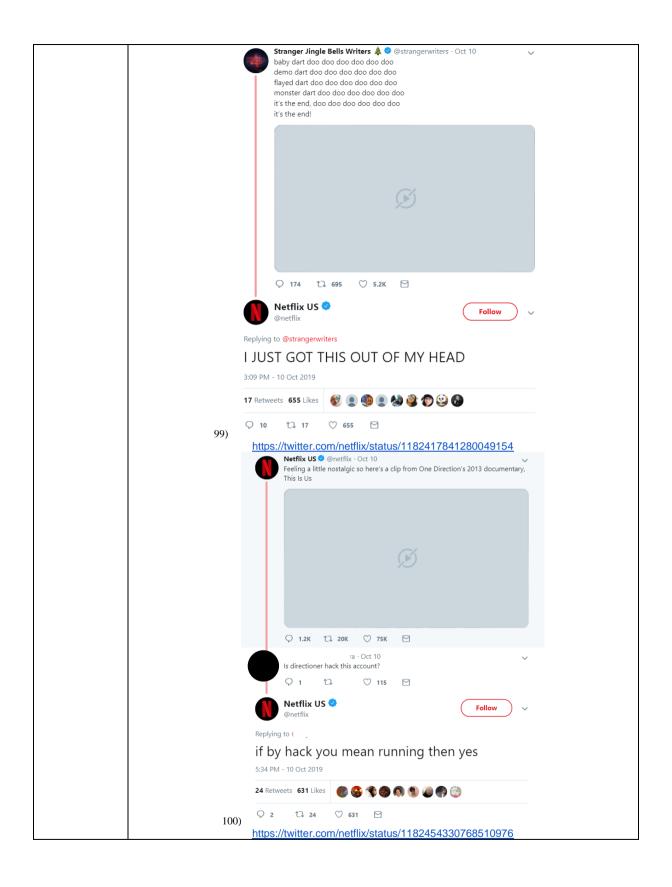


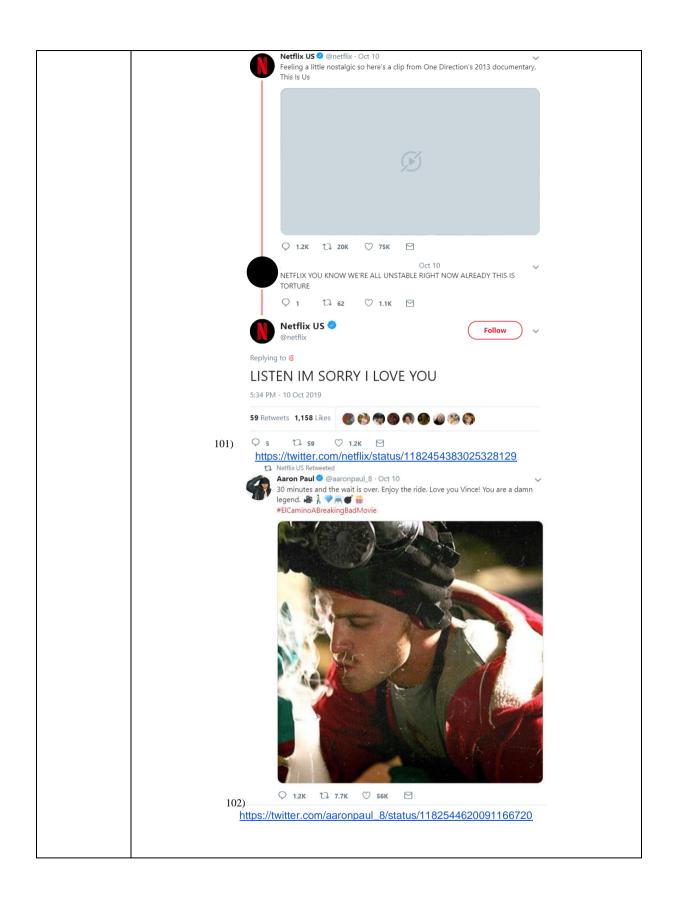


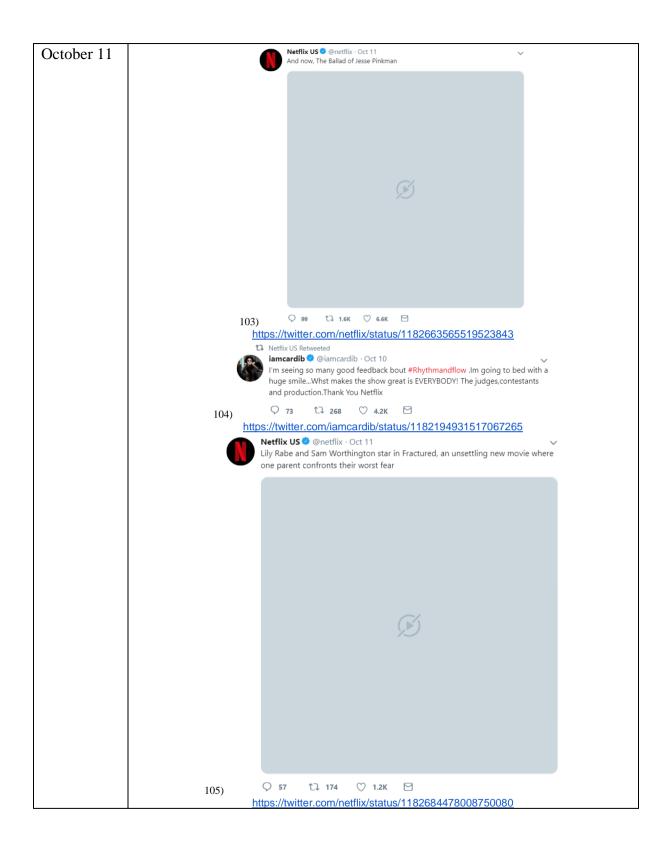


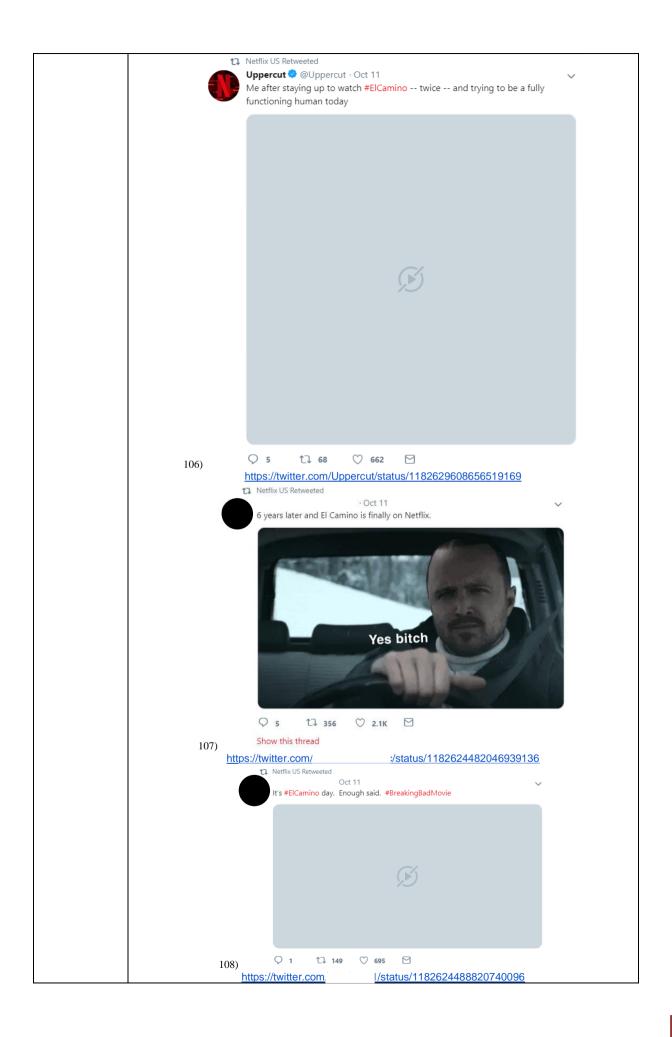


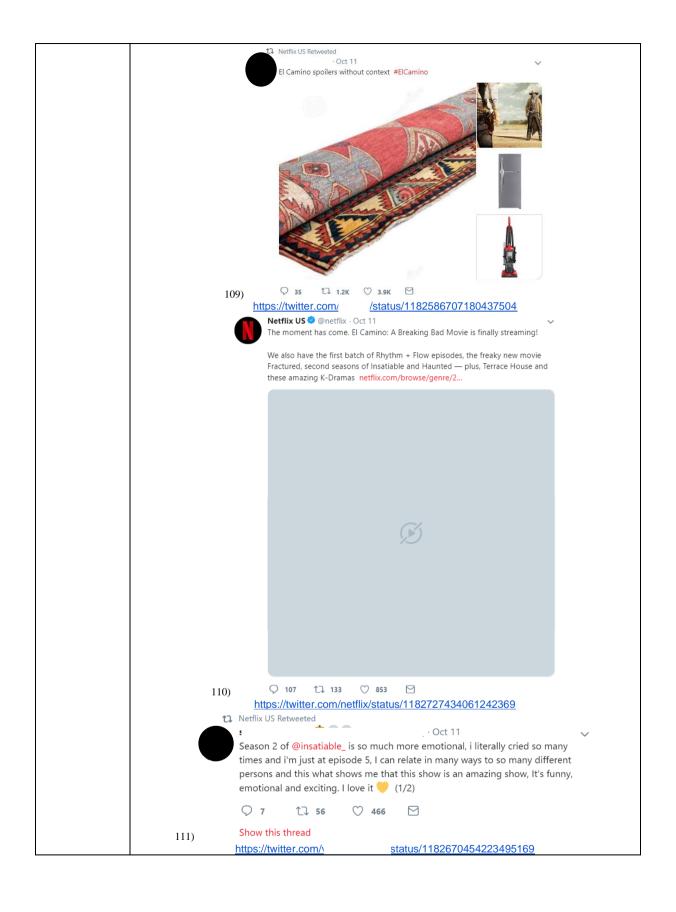


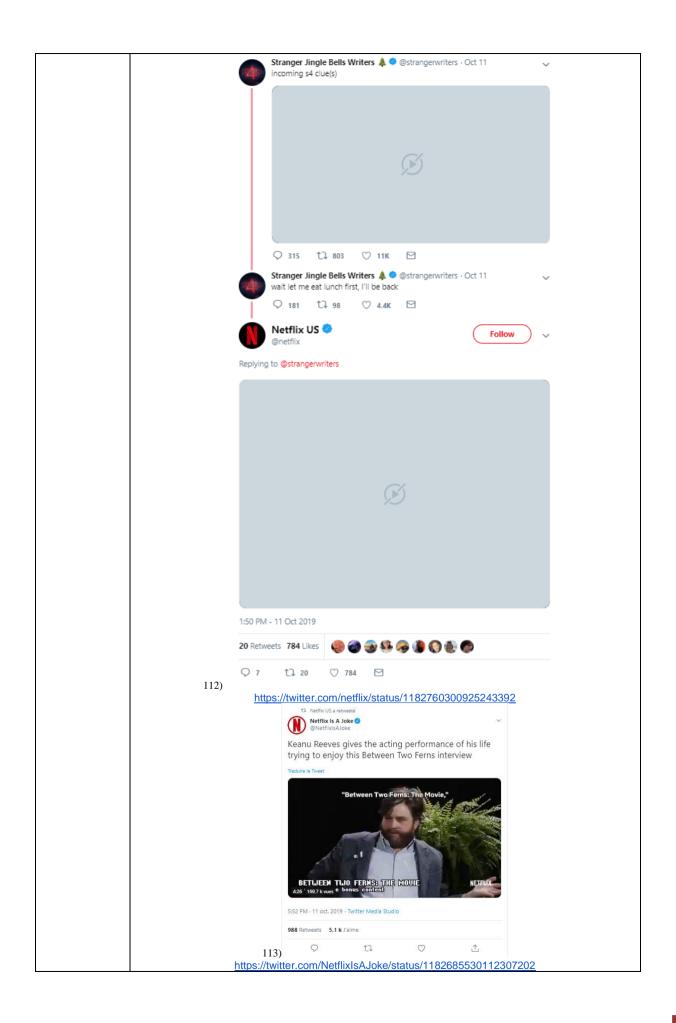


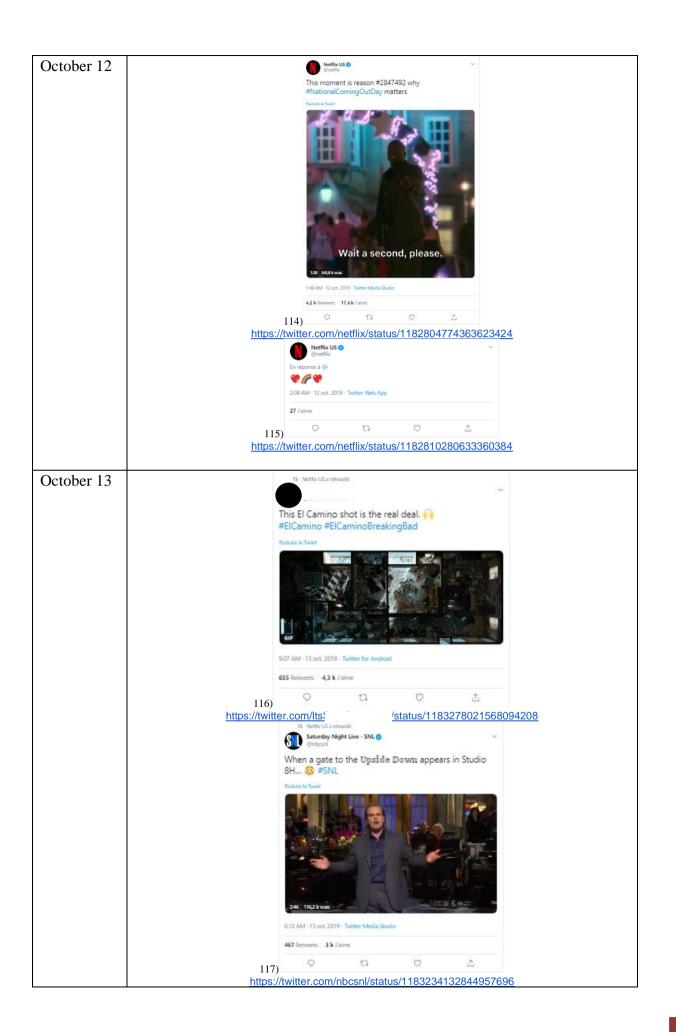


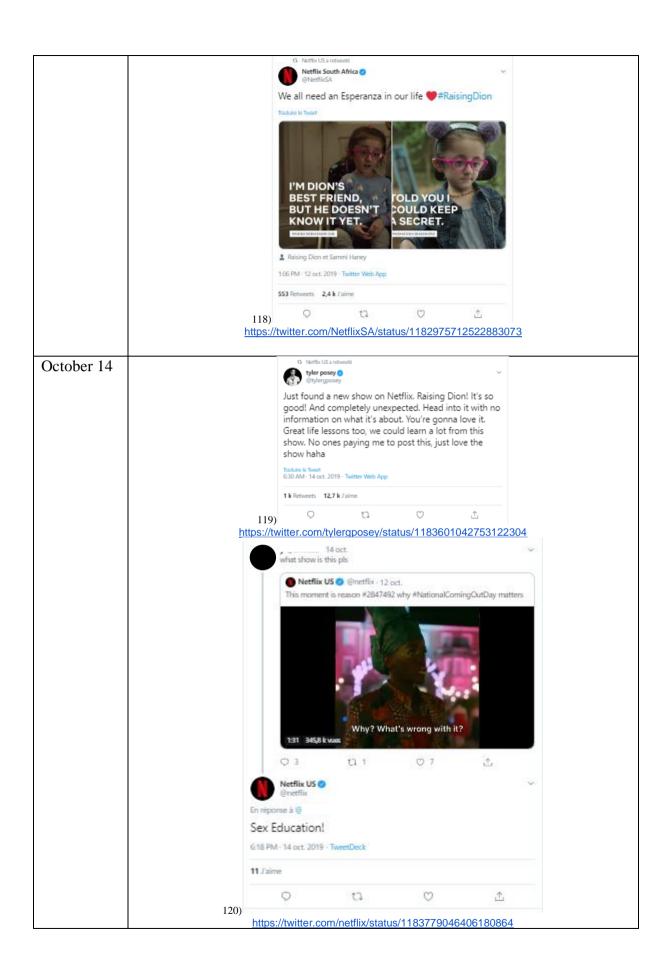


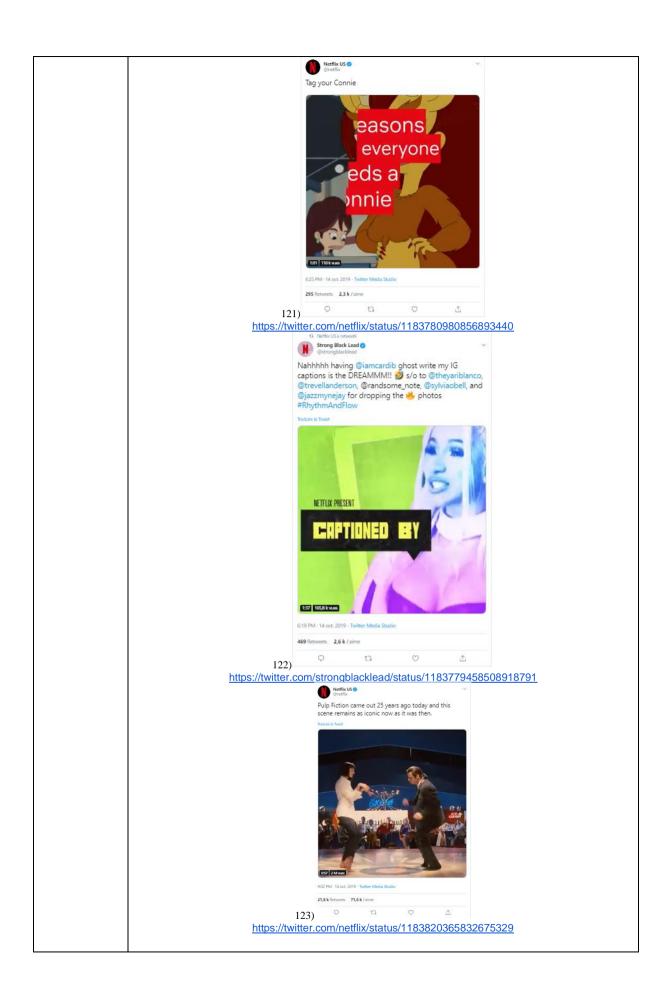


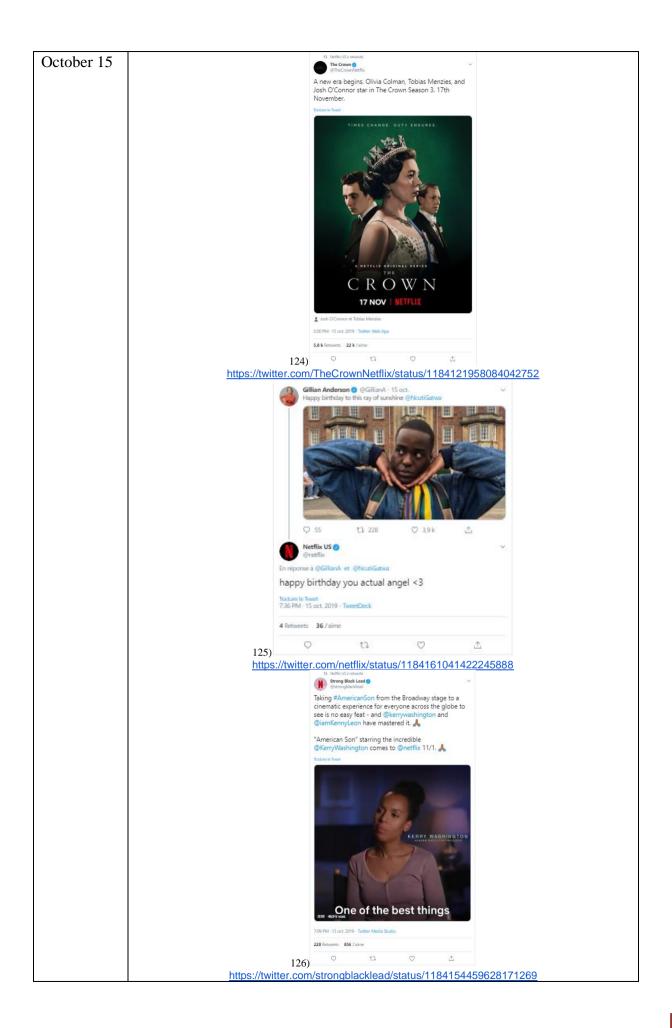


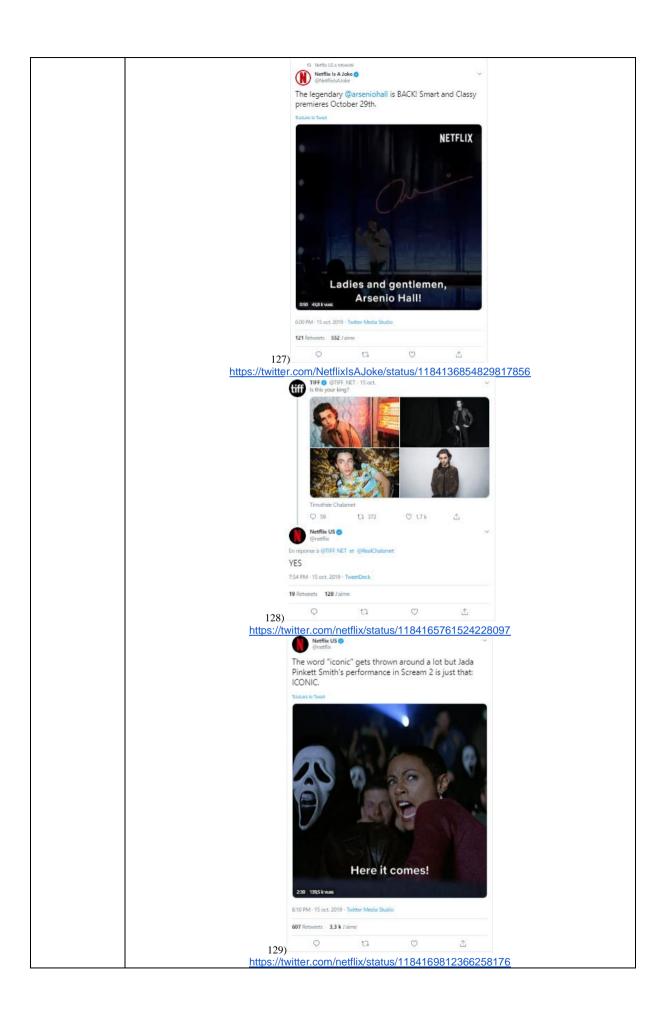


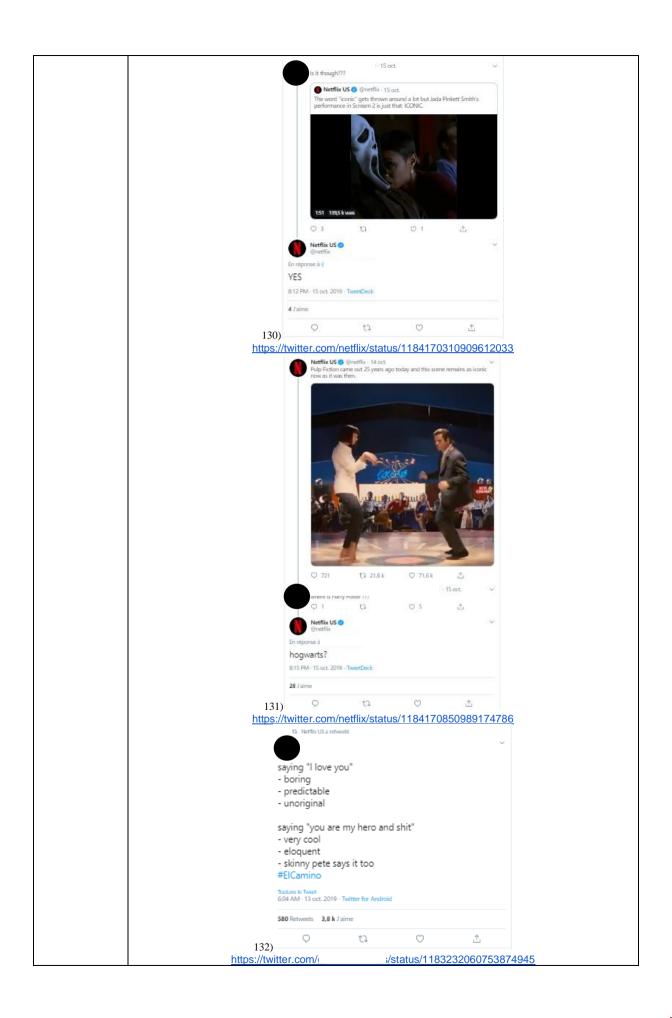














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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

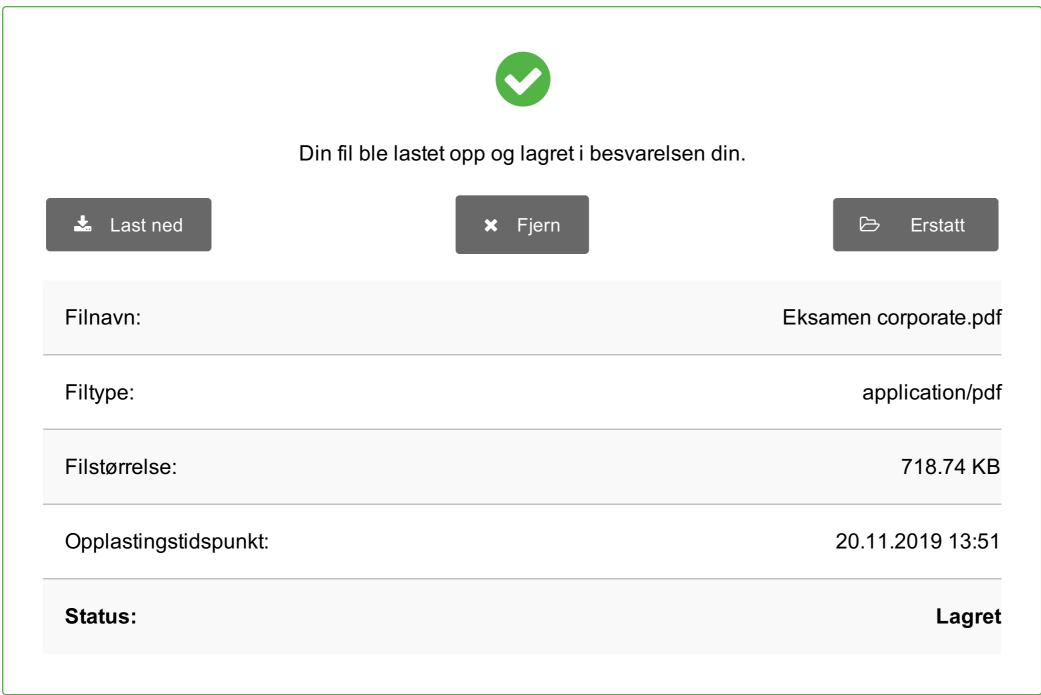
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

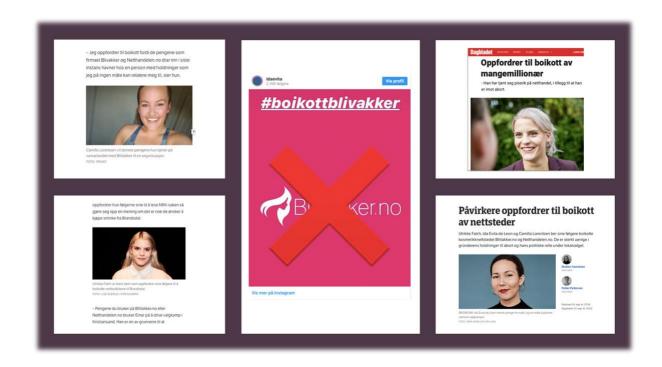
By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

The boycott of Blivakker.no

Did the owners personal values affect the corporate reputation?



Written by:

Ida Madeleine Bergman – candidate number 183639

Maria Madeleine Knutsen – candidate number 183626

Johannes Philip Nilsen Skalle – candidate number 173092

Case study report

20.11.2019

Summary:

The Norwegian online store Blivakker.no was established in 2007 by Eivind Øgrey Brandsdal, a Norwegian businessman and multimillionaire. The store has been awarded several awards for their customer service, and in 2019 they celebrated one million customers.

In September 2019 they got the media's attention after three influencers called for a boycott of the store. The owner of the store had political opinions that the influencers did not identify with. In this case study we have analyzed the customers reaction and how the influencers statements affected the corporate reputation of Blivakker.no

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Case study report

20.11.2019

1.0 Introduction

In this case study our group has decided to analyse and evaluate the reputational crisis that emerged when the owner of Blivakker.no´s personal opinions were made public. We decided to focus on this event because our group found it interesting how a company may be affected by the owner´s personal opinions, and how influencers are capable of affecting the corporate reputation. More interestingly was what the customers thought of the boycott, and if they were affected by it at all. The research question which we have formulated for this case study is "Does the personal values of a businessowner affect the corporate reputation?".

We chose to focus on the corporate reputation instead of image, since the influencers were focusing on the owner's personal values, and Dowling states that corporate reputation is a value-based construct (Dowling, 2001, p. 19).

2.0 Background

2.1. Company description: Blivakker.no

Blivakker.no is Norway's largest beauty shop online, currently celebrating more than one million customers (Blivakker, 2019). According to the website proff.no, there is 23 people currently employed at Blivakker.no (Proff.no, 2019). The store has been nominated for several customer service awards, they won the price of "Peoples favorite online-store" in 2016 (NTB Kommunikasjon, 2016) and "Online store of the year" in 2018 (Haugen, 2018). Both awards were won by public voting.

2.2. Case description: The CEOs political opinions and the influencers call for boycott Eivind Øgrey Brandsdal is a Norwegian entrepreneur and owner of Brandsdal Group, which consist of several webstores, including Blivakker.no. Besides running several businesses, he is also politically engaged in Kristiansand. Øgrey Brandsdal wrote in a chronicle published on NRK's website, that "I get chills down my back, when Jonas Gahr Støre, the leader of the Labour Party, refuses to discuss the right to abort twins" (Øgrey Brandsdal, 2018). He also wrote that he voted for the Christian Democrats (KrF) who wanted to decrease women's rights to abort one of two twin babies. In the chronicle he mentioned that this might be a biased point of view, as he is a parent of twins himself.

On September 17th, 2019, three female Norwegian influencers posted on their respective social media pages that the owner of Blivakker.no was against abortion (Pedersen, Hatlo & Dorholt, 2019).

They advocated consumer power and how important it is to be aware of where your money goes. Simultaneously they called for a boycott of the company and used the hashtag #BoikottBlivakker and encouraged their followers to spread the word. Among the influencers, Ulrikke Falch has posted several stories on Instagram, motivating her 900 000 followers to read about the issue before they consider buying anything from the company (Pedersen et al., 2019).

The Norwegian job portal utdanning.no defines the term "influencers" as someone who works with marketing on social media on behalf of different advertisers. Their main goal is to influence the opinions and actions of others (Utdanning.no, 2019).

3.0 Scope and approach

In this chapter, we will explain theories and concepts relevant to the research project, which are used to gain more knowledge about the chosen subject.

3.1. Theoretical framework

Crisis expert Timothy Coombs defines four types of crises based on two dimensions: internal-external and intentional-unintentional. In this case the organization is Blivakker.no, the issue is the political opinions of the company's owner, the external actors are the influencers encouraging a boycott, which classifies this crisis a Faux pas. A faux pas is an unintentional action which is transformed into a crisis by an external actor (Cornelissen, p. 217).

According to Joep Cornelissen's book, Corporate Communication, a crisis can be defined as "…an event or issue that requires decisive and immediate action from the organization" (Cornelissen, 2017, p. 212).

A crisis may damage the image or reputation of the company. If, as a result of the crisis, the company's reputation shifts from favorable to unfavorable, customers are likely to change how they interact with organization (Cornelissen, 2017, p. 215). They may walk away or

Case study report

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boycott the company, as the influencers has encouraged their followers to do with Blivakker.no.

Dowling defines corporate reputation as "a value-based construct. In effect, the individual's corporate image is compared to his or her free-standing values about appropriate behavior for this type of organization. Values are enduring beliefs that a specific mode of conduct or end-state of existence is personally or socially preferable to some other conduct or end-state" (Dowling, 2012, p. 12). Camilla Lorentzen told the media that she encouraged the boycott because the money they make eventually end up at a person who's values she can't identify with (Pedersen, et al., 2019). This shows that there indeed is a value-based conflict, and the values of the CEO is not preferable for the influencer.

Blivakker.no uses different social media platforms to communicate with their customers, such as Instagram and Facebook.com. The opportunity of having two-way conversations with customers can build reputational capital. Even so, it may offer some challenges. Customers can use social media to network with other customers and discuss corporate news, good or bad. In this case, the statements from the influencers went viral and the media outlets caught on and wrote about it. The company are therefore liable to suffer from negative word-of-mouth and customers can in some instances take concerted steps against the company (Cornelissen, 2017, p. 50).

3.2. Methodology

We used a quantitative method. The purpose of using this method is that the information extracted easily can be systematized, which makes it possible to analyze many units together. Using a survey, the information collected is predefined by us, the researchers, which is in line with the quantitative method. In this method, the units are forced into predefined categories of "yes", "no" or others (Jacobsen, 2018, p. 252). Thus, it is important that we formulate the questions as accurately as possible, to avoid that the questions create undesirable effects (Jacobsen, 2018, p. 243). However, we wanted to maintain a high degree of transparency by allowing respondents to elaborate in a comment box underneath some of the questions. By doing this, we are able to get a wider nuance of the case.

The influencers quotes and social media posts are used as a primary source for this case study, together with the results extracted from our survey.

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We conducted a survey to get a better impression on how the crisis had affected the corporate reputation amongst the customers. According to Cornelissen (2017), survey is the most suitable method to identify the public view of an organization (p. 141). A survey is based on a number of pre-specified questions (Cornelissen, 2017, p. 141). This prevents the data being so complex that it had become too comprehensive to analyze (Jacobsen, 2018, p. 149). The advantage of surveys is a larger sample of respondents, in our case the survey was answered by 659 respondents. We published the survey as a Google docs survey on November 3rd at 13:44 CEST and ended November 4th at 13:44 CEST, due to the time limitations of the case study. We posted the survey on two Facebook-groups: "Beauty Addicts" and "Fifty shades of Makeup" (Beauty addicts, 2019) (Fifty shades of makeup, 2019). We wanted to find respondents who had previously been customers at Blivakker.no, and since these groups were established by individuals interested in beauty, we decided that this was a good place to find respondents with knowledge about the store. In those cases where you find respondents with knowledge about the chosen subject, the possibility for random responses decreases (Jacobsen, 2018, p. 380).

The survey consisted of 13 questions, two of these were asked to provide identity information, such as gender and age. The remaining questions sought a broader understanding from the respondents about how the respondents would describe Blivakker.no's image, what they thought of the influencer's call for a boycott, and if they cared about what personal values the owner of a store expressed. The questions were written in Norwegian, since our target responders were customers of a Norwegian store. Some of the questions was designed to get a personal comment from the respondents. We did this to get a broader understanding of the case.

3.3. Limitations

There is more than one interesting angle to this case study. We could have analyzed the stores response to the influencer's statements, how statements made on social media makes the news and suddenly affects the corporate reputation of an established online store, amongst others. Our survey has 659 respondents, which is not representative since Blivakker.no is currently celebrating one million customers. Because of our limited timeframe we were not able to see if the issue had a lasting impact on the company's reputation. If we were to conduct a survey

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later, there is a possibility that we might find a different outcome. This case study will not be suitable for generalization, though it will give a foundation for future research.

4.0 Analysis

4.1. Blivakker's corporate reputation

Cornelissen writes that "...Any previously accumulated reputation capital may also buffer or shield the company from a crisis having a lasting negative impact" (Cornelissen, 2017, p. 215). He also state "that one way of looking at reputational capital is to liken the process to accumulation capital on a bank account: A crisis will inflict some reputational damage, and as such some capital is lost or spent." (Cornelissen, 2017, p. 215)

According to Dowling corporate reputation is a value-based construct. In the context of corporate behavior, values such as accomplishment, authenticity, integrity, honesty, responsibility and stewardship (Dowling, 2001, p.19). On their website Blivakker.no writes that they are Norway's biggest online beauty store and that they have won several awards. Amongst them "Peoples online favorite" four years in a row.

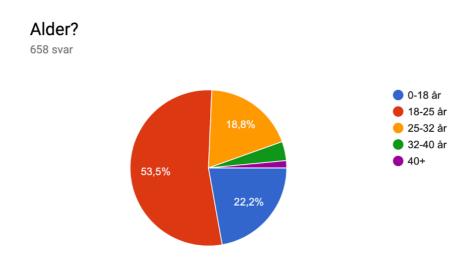
If we look at this as Cornelissen's example, these awards might bring reputational capital to the bank, and increase Blivakker.no's corporate reputation.

4.2. Influencers calls for boycott

The influencers used the social media platform Instagram to get their message out to the public (Svendsen & Pettersen, 2019). The three influencers who started the boycott-movement were Ulrikke Falch, Ida Evita de Leon and Camilla Lorentzen. Together they have more than 900.000 followers on Instagram (Pedersen, et al., 2019). Ida Evita de Leon is the less known of the three, with only 2162 followers on Instagram (idaevita, 2019) Ulrikke Falch is a well-known feminist who often put feminist issues on the public agenda (Skaret, 2018), while Camilla Lorentzen is mostly known for her body positivism and fitness videos, she might have an even bigger impact on this case since she used to do influencer marketing for Blivakker.no. On Instagram she commented that she did not know about the political opinions of the CEO before Falch and de Leon made their public statements. Lorentzen decided that she did not want to continue the relationship with the business after she was made aware of the case. By taking these actions, she might give credibility to the message brought to her by the other influencers and impact her own followers (camillalor, 2019).

The influencers stated that the money customers spend on Blivakker.no is used to support opinions and political campaigns that they themselves do not relate to. They do not mention the company itself, but the owner Einar Øgrey Brandsdal, who eventually ends up with revenue from Blivakker.no. They compare money to ballots and say that this is a good opportunity to encourage people for moral consumption. By saying this they might insinuate that money spent on Blivakker.no is immoral. It may create stigma, which can lead to negative customer attributions and judgements of an organization, and lead customers to "disidentify" with the company and act against the organization by spreading negative wordof-mouth or boycotting a company (Cornelissen, 2017, p. 216).

4.3. Survey: How did the customers react?



In our survey, 53,5% of all respondents are in the age of 18-25. 99,2% of the respondents are female, and out of 659 respondents, 91% of them answered "yes" when asked if they had ever bought anything from the store.

We asked how they would describe Blivakker.no's image. We found this relevant, as Dowling writes "If some beliefs and feelings about a company (i.e., its image) fit with a person's values about the appropriate corporate behavior, the individual will form a good reputation of that company." (Dowling, 2002, p. 21).

We used the word "image" in the question, instead of "omdømme" since image might be more used amongst young Norwegians. But was it a mistake to introduce image as a term, when the survey regards corporate communication, as image is a fixed term in the corporate

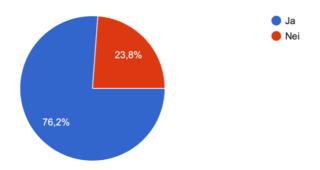
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communication theoretical framework? Peggy Brønn writes "In most of the literature on image, the terms reputation and image are used interchangeably". Dowling distinguishes between corporate image and corporate reputation. According to him, corporate image is "the global evaluation (comprised of a set of beliefs and feelings) a person has about an organization" (Dowling, 2001, p. 19). Dowling insists that it is critical that the definition of image and reputation be kept separate, but the complicated nature of trying to explain the differences is daunting (Brønn, 2005). From Brønn's arguments it is possible to conclude that our use of the word "image" might not have impacted the results. However, in accordance with Dowling Cornelissen also separates the terms. Therefore, there is a possibility that our use of "image" in this question made room for misinterpretations.

Har du fått med deg den nylige mediesaken, som involverer den administrerende direktøren av Blivakker.no?

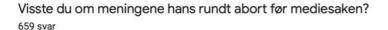
659 svar

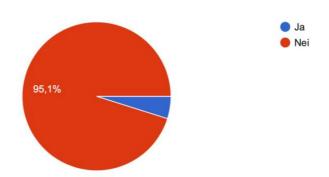


We asked the respondents if they had knowledge of the media case involving Øgrey Brandsdal, and 76,2% responded yes. We asked this to ascertain if the respondents were aware of the matter. Cornelissen writes that the changing media landscape is quickly changing how dialogues occur, how news about organizations is generated and disseminated, and how customer perceptions are shaped (Cornelissen, 2017, p. 38)

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We asked if they knew about Øgrey Brandsdal's opinions on abortion before the media wrote about it. 95,1% answered "no", which shows that even though he made them public himself by writing the chronicle in NRK in 2018, the respondents did not know about them before the influencers made their own statements on the matter, and media then covered the story.

Cornelissen discusses this topic in his book and writes "Where discussion previously focused on the consumption of digital information, as individuals accessed information provided by organizations, these popular new Internet applications enable sharing of information amongst users who are now individual information providers" (Cornelissen, 2017, p. 38). It is likely that this applies in this case, since the influencers statements were published on such app, whereas Øgrey Brandsdals chronicle were published by an organization (NRK) on their website.

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Positive on Blivakker's behalf	Negative on Blivakker's behalf	
Bra med engasjement, men hans personlige meninger skal ikke gå utover Blivakker som bedrift	Veldig bra at de oppfordrer til boikott!	
Dumt. Hans personlige meninger bør ikke ha noe å si. Det er uansett mange som er imot det av ulike grunner og det påvirker meg på ingen måte. Nettsiden er veldig bra, og dersom den blir lagt ned så vil mange også miste jobb.	Bra, har selv sluttet å handle der	
Syntes det er urimelig. Blivakker i seg selv har ikke gjort noe, og det å boikotte en hel bedrift med mange arbeidsplasser er jo helt på trynet. Ja, det er ikke greit at han er abortmotstander, men vi hadde aldri boikotta andre ting som kiwi, universiteter osv bare fordi en der er imot abort. Alle har rett til egne meninger	Syntes det er bra. De gjør noe bra med makten sin som influencer.	
I overkant. Ettersom det er ytringsfrihet i Norge bør ikke en manns meninger gjøre at det er verdt å påberope boikott. Selv om jeg ikke er enig i hans meninger så vil jeg fremdeles handle der jeg finner mine favorittprodukter billigst fordi jeg ønsker å ha en sunn privatøkonomi. Her mener jeg man bør skille admin. direktør som enkeltmenneske og selskapet som juridisk person, og selvsagt bevare ytringsfriheten i Norge.	Liker det og støtter det, for slike holdninger skal ikke høre hjemme i 2019	

As stated above in chapter 4.2, the influencers statements may create stigma, which can lead to negative customer attributions and judgements of an organization, and lead customers to "disidentify" with the company and act against the organization by spreading negative word-of-mouth or boycotting a company (Cornelissen, 2017, p. 216).

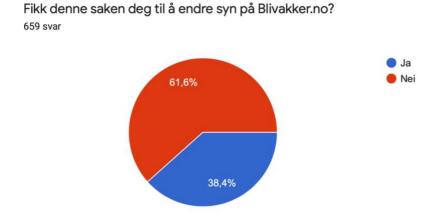
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Thus, we asked what the respondents thought about the influencers call for a boycott, and the responses varied quite a lot. Some of the respondents commented that the freedom of speech also meant that business owners should be allowed to have opinions you don't necessarily agree with, and that the company should not be punished because of it. Even though these are just a few examples of more than 600 responses, these seems to be representative to the opinions of the respondents.

Those who disagree with the boycott, separates the opinions of the owner from the business, while those who agrees with the boycott seems to hold the business responsible. Jacobsen writes that there is a possibility that the respondents write their answers without giving it much thought. Research shows that more specific questions (age, sex etc.) has less room for errors than questions that opens for personal interpretations (Jacobsen, 2018, p. 381). Therefore, there is a possibility that these answers are not fully reliable. To control the reliability of the answers would demand a re-test of the same respondents. Due to the time frame of the case study, this was not possible to implement.

When doing a search on the hashtag #BoikottBlivakker on Instagram, there is only four public posts. Three of these are posted by random individuals, the fourth is posted by Ida Evita de Leon. In other words, the hashtag itself did not go viral, which might indicate that people did not publicly engage in the boycott of Blivakker.no.



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We then asked if the story altered the recipient's views. More than half of the respondents answered that it did not, but almost 40% answered that it did. In chapter 4.1 we discussed Blivakker.no's reputational capital. The fact that almost 40% of the respondents answered that it altered their view on the company, might imply that Blivakker.no's reputational capital was not that strong as we first assumed. There is also a possibility that the reputational capital decreased since abortion is a sensitive matter, and 99,2% of our respondents were women. As earlier mentioned, corporate reputation is value based, and there is reason to believe that some women want to identify with the influencer's statements, since women are the ones who are directly affected by the laws regarding abortion.

When we look at the responses made from those who answered that their perception of the company had changed, these are mostly the same people who responded that they were positive to the influencers call for boycott. Some individuals use social media to influence others, but also to create a self-image. Such a self-presentation is typically achieved through a degree of self-disclosure, which is a crucial aspect of the medium as it allows individuals to exchange views and build relationships (Cornelissen, 2017, p. 43).

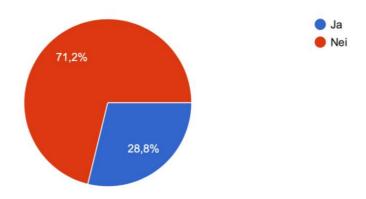
Mark Granovetter as cited in Cornelissen suggests that we often value so-called strong ties in social settings that are based on strong durable relationships with others and on frequent communication. Such strong ties may lead to an in-group mentality where you mirror each other's ideas and points of view (Cornelissen, 2017, p. 184). In other words, if the respondent feels like they have a strong tie to one or more of the influencers, they might develop an ingroup mentality, which leads them to accept and join the call for boycott.

When an organization mishandles communication following a crisis it may lead customers to severing their ties with the company (Cornelissen, 2017, p. 215). One might argue that the respondents who were positive to the influencers call for boycott, are likely to have a relationship to them, which might lead to the customer severing their ties with Blivakker.no. According to Cornelissen, this may have caused them to mirror the influencers point of view, making them change their perception of the company.

It is hard to conclude what theory applies when the respondents answered "yes" or "no". Our theory is that there is more than one possible reason for why the respondents got their perception of the store changed. It might be in-group thinking led by the influencers, but there could also be a feeling of mishandled communication from the company itself. Or it might be

both.



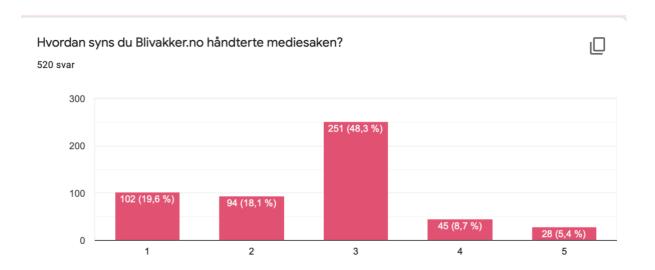


We also asked if the respondents had bought anything from the store after the media case. 71,2% said no. But when asked why, the answers differed. 292 left a comment on why, and they were mostly negative on Blivakker's behalf. The minority commented that they did not want to leave their money with a man that were against women's rights. The majority commented that it was coincidental, that they did not need anything right now or that they did not have the money to buy anything. It is important to bear in mind that there were only 44,24% of the respondents who commented, so this is not representative for our survey.

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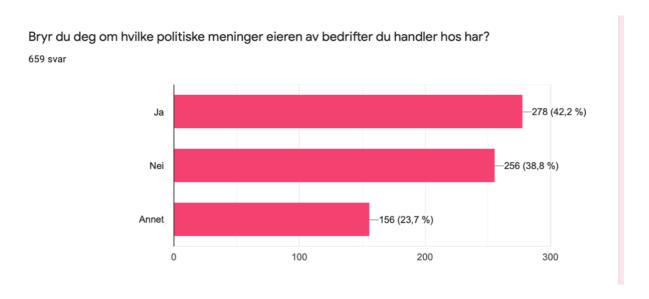
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Positive/neutral comments: examples	Negative: Examples
Har bare ikke hatt behov for å kjøpe noe enda	Boikotter
Har ikke hatt behov for noe.	Fordi jeg ikke ønsker å kjøpe varer fra noen med et slikt syn på en så viktig sak for kvinner.
Har ikke trengt å kjøpe sminke	Når jeg fant ut hans meninger rundt saker jeg et opptatt av så ble jeg mindre interessert i å støtte hans bedrift.
Prøver å holde meg unna, men merker det frister med de lave prisene	Fordi jeg ønsker ikke støtte noen som ikke støtter kvinner, deres nr.1 kjøper av produkter.



The next question was: How did you think Blivakker.no handled the media scandal? They could respond 1—5, where 1 was bad and 5 were good.

We asked this question because Cornelissen writes that "when an organization mishandles communication following a crisis it may lead customers to severing their ties with the company" (Cornelissen, 2017, p. 215). Blivakker.no did not respond to the issue or engage in debate. They might have chosen to do a buffering strategy where they have attempted to continue with their existing behavior by remaining silent (Cornelissen, 2017, p. 198). They have almost 300 000 followers on Facebook alone (Blivakker, 2019), but on their page is no evidence that a scandal has occurred, neither posted from Blivakker.no itself or the customers in the comment sections. It is hard to believe that not one of the followers wanted to express their opinion on the matter on their Facebook-page, which makes it possible that they have removed such posts from their social media pages and comment sections.



The final question was: Do you care about the business owner's political opinions? Over 42% responded yes, 38% responded no. 23,7% said other. We asked this question because we wanted to see if the opinions amongst the respondents were for this case only, or if the political values of the businessowners was of importance no matter what company is involved. We should have made it possible for the respondents to elaborate when they chose to reply "other". Without this opportunity it is not possible to draw any conclusions on this question.

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5.0. Conclusion

In this case study we have analyzed the incident, where Norwegian influencers called for a boycott of the online store Blivakker.no, and we wanted to know if the values of the owner did affect the corporate reputation. As our research has shown, the majority of the respondents did not know about Øgrey Brandsdals opinions before the influencers made their statements, even though he made them public in his chronicle in 2018. This shows that it was not the CEO's values alone that made the impact on the corporate reputation. By making their statement, the influencers made the issue a crisis that went viral. We have discussed that even though the company have gotten several customer satisfactions awards, this did not affect the company's reputational capital amongst the respondents. The respondents who said they boycotted the store, are also the ones who supported the influencers call for a boycott. We have argued that the respondents might have cared more about identifying with the influencers than disidentifying with the company. We have discussed that even though the company have gotten several customer satisfactions awards, this did not affect the company's reputational capital amongst the respondents. The research conducted has flaws as mentioned and is not suitable for generalization. It does however give a broader understanding of the influencers impact on corporate reputation.

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6.0 Sources

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Link to Fifty Shades of Makeup (Facebook): https://www.facebook.com/groups/fiftyshadesofmakeup/

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Link to Ida Evita de Leon's Instagram: https://www.instagram.com/idaevita/?hl=nb
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PRØVE

SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

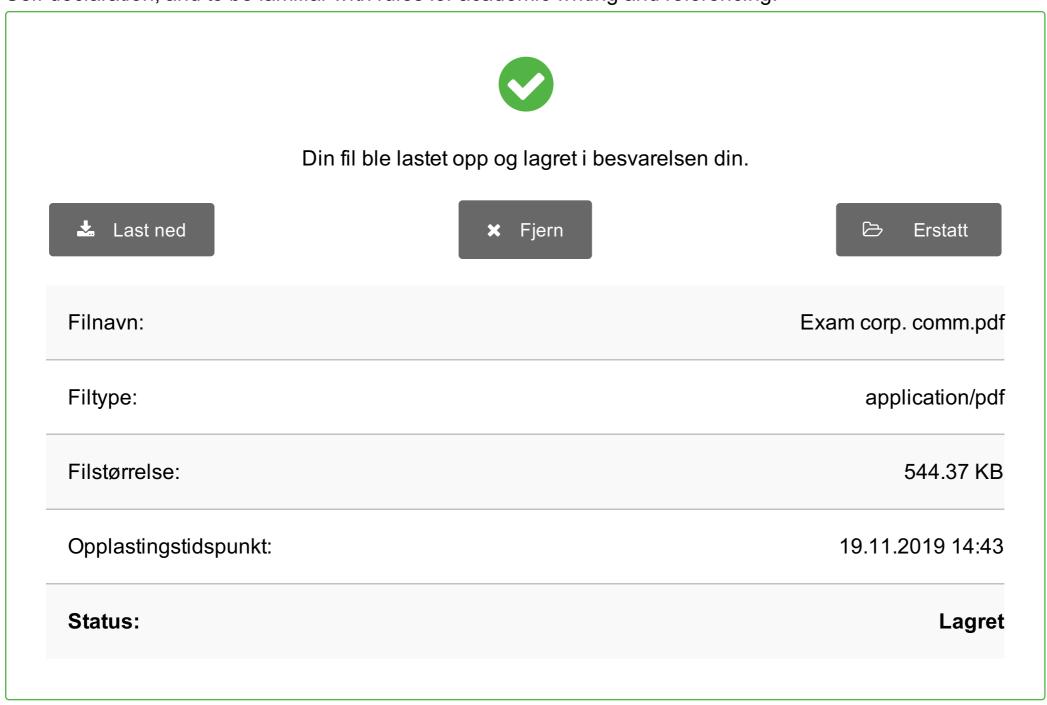
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

Case Study Report

The Cambridge Analytica Scandal: The Role of Mark Zuckerberg in Facebook's Crisis Management



Fall, 2019 SFB50514-1 19H Corporate Communication Faculty of Business, Language and Social Sciences STUDENT: KRISTIAN BERNTSEN

CANDIDATE NUMBER: 183620

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1.0 Introduction

In this case study report I will analyse how Mark Zuckerberg, Facebook CEO and creator, managed the crisis communication of his company, Facebook, after the infamous Cambridge Analytica scandal vent viral in the media. This event will be referred to as the CA-scandal from now on. Additionally, to get a full grasp of Facebook and Zuckerberg's strategies, it's necessary to investigate how Zuckerberg's persona and image have affected Facebook and their communication strategies during this event. Crisis communication should be an element of every company's communication strategy, and it's, therefore, relevant to analyse how Zuckerberg and Facebook handled this crisis and how he appealed to the public (Cornelissen, 2017, p. 211). But first I will supply some background information to get a richer understanding of the situation.

In 2013 a psychology professor named Alexander Kogan created an app called "thisisyourdigitallife". This app collected data from Facebook users and their friends in what I categorize as in a questionable manner. By accepting the user agreements of this app, you unknowingly allowed it to collect your friend's data as well, regardless if they had downloaded the app or not. Kogan, in turn, gave the political consultancy firm Cambridge Analytica access to this data (Cadwalladr & Harrison, 2018, p. 1). All in all, it has been estimated that the app managed to gather information from about 87 million people (Kozlowska, 2018). When Facebook in 2015 learned about this, they revoked the app and demanded that CA deleted this data. CA certified that they had done so, which resulted in Facebook assuming the case was closed.

Facebook never made a public statement about the incident and neither did they inform those who got their data stolen and shared with CA. Additionally, when Facebook should have reported to the Federal Trade Commission, as they should have in this incident, they refrained to do so. The Federal Trade Commission is an organ that determines what is unfair and predatory competitive practices. They also have the authority to declare them illegal (Rutherford, 2013, p. 214). Although Facebook did engage their attorneys and demanded that CA deleted the data and certified it (Kozlowska, 2018), this was not nearly enough, to keep this issue from developing into a crisis for Facebook's. The critical point for Facebook concerning this issue, was March 17, 2018. On this day, The Guardian broke the story about

Facebook's actions and made the matter of this issue publicly known (Cadwalladr & Harrison, 2018, p. 1).

The period that I will focus on this paper is the period from when Zuckerberg posted an apology on Facebook, March 21, 2018, up until, and including the congressional hearing that took place on October 23, 2019. During this period, Zuckerberg had to speak on behalf of his company in regard to the CA-scandal on several occasions. What truly sets this scandal apart is the possibility that the stolen data from the Facebook-users, may have influenced the presidential campaign of Donald J. Trump. Ultimately Trump won, which evidence points to, was done with the help of Cambridge Analytica (Kozlowska, 2018). By using said data to target amendable individuals in swing states, CA fed these individuals politicly saturated content. This content made it more likely that they would vote for Trump than Clinton, and quite possibly granted him the victory in the 2016 election (Kozlowska, 2018). This issue raised some potent concerns about data privacy, election integrity, and, democratic processes.

1.1 Company description

Since its beginning in 2006, Facebook has been the world's biggest social media with a reported 2.061 billion active daily users worldwide in 2017 (Aalen & Enli, 2018). A social media is categorised as web-pages and apps which allow the creation and sharing of contents as well as partaking in social networks (Aalen & Enli, 2018). Studies show that 50 % of these, log in every given day (Liao, Hsian & Wu, 2014, p. 712). The company has its headquarters in California, USA where Mark Zuckerberg leads Facebook as the main shareholder. Facebook is regarded as a social media strongly founded in the properties of web 2.0, a model where users create and share content as well as online communication (Cornelissen, 2017, p. 39). The company was founded in 2004 by Mark Zuckerberg and was launched internationally in 2006 (Aalen & Enli, 2017). Since then, Facebook has been featured in more than 100 languages. Mark Zuckerberg developed the precursor to Facebook in 2003 which was originally intended for students at Harvard University. This later became the social media and company that we know today (Aalen & Enli, 2017). The rapid growth they experienced lead many to believe that Facebook was going to be short-lived. Although there have been some competitors trying to knock Facebook down from the throne. However, due to constant measurements, user tests and adaptations, they have

managed to stay on top as the preferred social media for an excess of 2 billion users for some time (Aalen & Enli, 2017).

As a social media which is free to use, Facebook needs to make money through alternative models. As a result, Facebook supports themselves through a model aimed at advertisements. In the social media industry, this model is often referred to as social network marketing, SNM (Liao, Hsian & Wu, 2014, p. 713). Facebook themselves describes their income-model as thus:

"We don't charge you to use Facebook or the other products and services covered by these Terms. Instead, businesses and organizations pay us to show you ads for their products and services. By using our Products, you agree that we can show you ads that we think will be relevant to you and your interests. We use your personal data to help determine which ads to show you" (Facebook, July 31, 2019).

Facebook's mission is to "Give people the power to build community and bring the world closer together." (Facebook, n.d).

2.0 Theory

2.1 Crisis communication

Up until this point, "issue" and "crisis" have been used interchangeably, but according to Cornelissen, these terms do have some distinctiveness associated with them. Although issues and crises share a lot of the same features, it's safe to say that the latter is more pressing and in need of decisive and immediate action (Cornelissen, 2017, p. 212). According to the well-known issue management expert Howard Chase, an issue is "an unsettled matter which is ready for a decision". Chase further elaborates that "an issue often involves a matter that is in contention between an organisation and another party and requires decisive action of the organisation to protect its reputation" (Cornelissen, 2017, p. 192). The theories enveloping issues-management I would argue is relevant to the nature of this case because many crisis-situations that come to existence starts their life cycle as an issue which later evolves into a crisis. According to Cornelissen, there are four strategies in which one can apply to cope with an issue: buffering, bridging, advocacy and a thought leadership strategy. The buffering strategy consists of postponing decisions or even not reacting at all, to delay

its development. *The bridging strategy* occurs when a company recognises an issue, and adapt their operations, as well as communicate and involve their stakeholders. On the other hand, if a company attempts to change the expectations of the stakeholder and public opinion on an issue for that opinion to better conform with current practices, this would be regarded as an *advocacy-strategy*. Finally, there's *thought leadership strategy*, which consists of moving on an issue before it becomes active, and proactively stake out a leadership position on the issue (Cornelissen, 2017, p. 198).

The evolvement from an issue to a crisis was evident by the mounting public pressure

Facebook experienced in March 2018 which is one of the things Cornelissen describes as a
symptom of a crisis (Cornelissen, 2017, p. 212). If an issue is not tended to properly, or in
such a way that it satisfies the expectations of its stakeholders or the public, chances are
that an issue can develop into a crisis. As opposed to an issue, which is *ready for a decision*, a
crisis is an event that *requires decisive and immediate action* from the organisation.

Cornelissen states that the need for decisive and immediate action is affected by elements
such as intense media attention, mounting public pressure or the direct danger to
employees, customers or the members of the general public. Cornelissen also writes that
"The aim of crisis communication is to exert control over events and organisational activities
in ways that assure stakeholders that their interests are cared for and that the organisation
complies with social, safety and environmental standards." (Cornelissen, 2017, pp. 211-212).

2.2 Branding and Corporate Identity

The quality of a company's corporate branding and the image it exerts are strongly related to how a company manages four factors. These are visibility, distinctiveness, authenticity, and transparency. Cornelissen explains that "Visibility is the degree to which corporate themes are visible in all internal and external communication". Regarding distinctiveness, he expresses that it's "the degree to which the corporate identity or positioning of the organisation is distinctive". Authenticity is "the degree to which a company communicates values that are embedded in its culture". Finally, he states that "consistency pertains to the degree to which organisations communicate consistent messages through all internal and external communication channels". These four factors combined make out an organisation's brand (Cornelissen, 2017, p. 93).

In some situations, such as with brands as Louis Vuitton, Christian Dior or Coco Channel, the brands and products are so intensely interconnected with the owner or the founder that they are perceived *as* the brand themselves. This is also the case with Facebook and Mark Zuckerberg. Considering the role he has had in the creation of Facebook, as the main shareholder and how it's safe to assume that the public views him in relation to his product, it's quite difficult to separate the two of them apart. Therefor Mark Zuckerberg in many ways *is* Facebook (Mühlbacher et al., 2006, p. 6).

2.3 Stakeholders

Stakeholders are any group or individuals that are affected by or can affect the achievements of an organisation (Cornelissen, 2017, p. 64), and naturally, Facebook-users are stakeholders in relation to Facebook in this regard. Additionally, there are two subclasses of stakeholders, and these are community stakeholders and contractual stakeholders. Community stakeholders encompass those groups whose relationship with the organisation are no-contractual and more diffuse. Contractual stakeholders, on the other hand, are those groups who have some form of legal relationship with the organisation, which is the category that includes Facebook-users (Cornelissen, 2017, p. 65). By using Facebook you agree to a set of terms presented by Facebook, which in this situation is to be regarded as a contract. Hence making the users of Facebook contractual stakeholders (Facebook, 2019).

3. Methodology

3.1 Case Study Approach

To analyse the role and effort of Zuckerberg and the crisis communication of this case study, I will rely on a *case study approach*. According to Crowe et. al. "a case study approach allows an in-depth, multi-faceted exploration of complex issues in their real-life settings". This approach is also well recognised in the fields of business, law and, policy. Because of the possibilities this method offers of exploring complex matters as in the case described above, I have chosen this as my approach in attempting to reveal the different strategies and crisis-communication carried out by Zuckerberg (Crowe et. at. 2011, p. 1).

3.2 Timeframe

The timeframe that is of most relevance to this paper is the period from when the crisis erupted, March 21, 2018, up until and including the congressional hearing that took place on October 23, 2019. In this period Zuckerberg featured several public appearances addressing the issue on behalf of his company. As a result, the empirical data analysed consists of four situations. The first one deals with Zuckerberg's written apology, which he posted on Facebook on March 21 (Zuckerberg, 2018). The second source is CNN's interview with Zuckerberg also dated March 21 (Cable News Network CNN, 2018). The third source will be a second written apology, shaped as a personal letter coming from Zuckerberg himself. This apology was distributed in several major newspapers in the UK and the United States, on March 25 (McKenzie, 2018). The fourth and final source will be a video clip of Zuckerberg's congressional hearing that took place on October 23, 2019, showing Alexandria Ocasio-Cortez (AOC) questioning Zuckerberg about the CA-scandal (Global News, 2019). These situations will be systematically and chronologically analysed with a focus on the theories and concepts described in the theory-chapter.

4.0 Analysis

4.1 The Facebook-post

On March 21, 2018, Zuckerberg posted a lengthy Facebook-post regarding the CA-scandal. This post was without a title and is hence dubbed "The Facebook-post". The posting attempts to reveal the state of the situation by explaining what had happened so far. He explains who the involved parts are, what Facebook has done to prevent this from happening, and their future plans for mitigating the possibilities for this to occur again (Zuckerberg, 2018).

What I regard to be an admission of guilt occurs three times in this posting. The first one appears during the introduction and is expressed thusly: "We have a responsibility to protect your data, and if we can't then we don't deserve to serve you." He follows up in the same paragraph by saying: "But we also made mistakes, there's more to do, and we need to step up and do it." (Zuckerberg, 2018). In this paragraph, he obviously admits that they've made mistakes, but do not own them entirely. He avoids that by failing to mention what Facebook

really has done wrong (i.e. keeping shut about the incident for several years). But still, considering these two statements, he clearly admits wrongdoing of some kind. The next one comes in a segment where Zuckerberg talks about the breach of trust that had happened between Kogan, CA and Facebook. Here he also points to the breach of trust that had happened between Facebook and their users: "(...)it was also a breach of trust between Facebook and the people who share their data with us and expect us to protect it. We need to fix that" (Zuckerberg, 2018). Again, he admits that a mistake has occurred, but remains somewhat cryptic as to what they have done wrong, other than failing to safe keep the user data sufficiently. A final admission comes near the end of the post: "I started Facebook, and at the end of the day I'm responsible for what happens on our platform" (Zuckerberg, 2018). As in the previous example, Zuckerberg does admit guilt but still doesn't express it in a way that describes the full extent of their mistake.

In this posting, a *distance strategy* has been applied by Zuckerberg. A distance strategy occurs when an organisation distances themselves from direct responsibility of the crisis (Cornelissen, 2015, p. 219). The vague efforts of apologising and taking the blame for the entirety of their mistakes are evident in the three examples put forth in the previous paragraph. Further, subordinate the *distance strategy* we find the *excuse-tactic* which substantiates just this. Cornelissen states that the *excuse-tactic* is applied when a company denies intention or volition by scapegoating others for the crisis (Cornelissen, 2015, p. 219), which is exactly what Zuckerberg does. He scapegoats Kogan, the app creator's wrongdoing by pointing to the process in which he accessed user data (as seen in the excerpt below):

"In 2013, a Cambridge University researcher named Aleksandr Kogan created a personality quiz app. It was installed by around 300,000 people who shared their data as well as some of their friends' data. Given the way our platform worked at the time this meant Kogan was able to access tens of millions of their friends' data" (Zuckerberg, 2018).

This paragraph is an example of how Zuckerberg scapegoat's others, by emphasising what they have done wrong. Also, by adding "given the way our platform worked at the time" it is as if he is disclaiming some of their responsibility, on the account of that it happened before they altered how their platform worked. At the very least, they are to be regarded as less accountable, since it all happened in the past (Zuckerberg, 2018).

As described in the theory-chapter, certain brands are so strongly connected with the inventor that it's difficult to separate them apart (Mühlbacher et al., 2006, p. 6). This is something we can see in the Facebook-post. First of all, by personally writing this message, and posting it on Facebook through his own Facebook page, Zuckerberg creates a personal vibe in the message. Secondly, by opening the post with "I want to share an update on the Cambridge Analytica situation", just underlines the personalisation he is going for. By using personal pronouns, he personalises the message to such an extent that it's hard to separate Zuckerberg from Facebook, and vice versa. This verifies the level of personal branding present in Zuckerberg's communication, as well as in the brand itself.

4.2 Interview with CNN

The second source I will analyze is Zuckerberg's interview with CNN. In this interview, which took place on March 21, we witness Laurie Segall, a CNN reporter (CNN n.d.**), interview Mark Zuckerberg about the CA-scandal and the matter surrounding this event. The interview takes place in a lounge-like setting, in what I assume to be either Facebook or CNN's premises. The interview, which took place the same day as Zuckerberg posted the Facebookpost, was filmed and later posted on CNN's YouTube-channel (Cable News Network CNN, 2018). CNN is short for Cable News Network and is an American TV-company that was founded in 1980 (CNN, 2012). According to themselves they're a world leader in online news and information and seeks to inform, engage and empower the world (CNN, n.d*).

This interview shares a lot of the same key elements that we find in the Facebook-post. Zuckerberg immediately picks up the thread from the Facebook-post by stating that "we should have done a better job at protecting people's data, and if we can't, we don't deserve to serve our users." Also, like the Facebook-post, he goes into detail regarding what went wrong, and what they have done to prevent this, and what their future actions will be (Cable News Network CNN, 2018). Similar to the Facebook-post, Zuckerberg distances himself and his company from any responsibility pertaining to the buffering strategy that they used back in 2015. Zuckerberg rather blames the situation on "bad actors" such as Kogan and CA and implies that Facebook's only mistake was to not safe keep the data sufficiently. The dialogue posted below is evidence of this:

Reporter: "What happened Mark?

Zuckerberg: "This was a major breach of trust. We have a basic responsibility to protect people's data. If we can't do that, we don't deserve to have the opportunity to serve people" (Cable News Network CNN, 2018).

A bit later in the lengthy response to this question, Zuckerberg initiates scapegoating (which you can see 30 seconds into the video), and thereby shifts the focus from Facebook over to Kogan:

Zuckerberg: "We need to make sure that developers like Alexander Kogan who got access to a lot of information and improperly used it, don't get so much access going forward".

Interestingly, at 2:18, the reporter attempts to bring the issue regarding the buffering strategy up like so:

Reporter: "You guys knew this a long time ago, that this data was out there.

Why didn't you tell the users? Don't you think that users have the right to
know that their data is being used for different purposes?"

On this question, Zuckerberg fails to give a straight answer and ends up scapegoating Kogan yet again, by reiterating what *he* had done wrong, like so: "this [what Kogan did] was against our policies", and thus assuming the victim role. A bit later in the same segment, (3:16), Zuckerberg also points to that CA certified that they had deleted the data, and therefore, they didn't think there was any data out there. Once again, a feeble attempt at distributing blame, but this time it's projected in the direction of CA.

There is also some evidence supporting the strong interconnection between Zuckerberg and the brand of Facebook in this video, as we saw in the previous source. In a dialogue pertaining to if Zuckerberg will attend a congressional hearing if asked to, the reporter comments that "You are the brand of Facebook, you are the name of Facebook. People want to hear from you" whereupon Zuckerberg replies "And that's why I'm doing this interview", which indicates personal branding.

Zuckerberg's poor attempt at excusing their actions are picked up on by alert viewers in the comment section. A user by the name *Love Life* comments this: "*Translation: I'm really sorry I got caught*" which suggests that the viewers, at least some of them, aren't buying what

Zuckerberg's selling. Another comment by the user *Coyote*, which supports this assumption, is worded thusly: ""Sorry this happened" instead of "Sorry we did this". Not far from "Sorry you're upset". Hmh". Not only does some of the comments indicate that the apology is shallow, but also the amount of likes/dislikes that this video has gotten proves that his efforts at apologising are insufficient in the eyes of the public. At the time I'm writing this, the video has achieved 6.8 k likes, and 7.6 k dislikes (Cable News Network CNN, 2018).

This interview happens so close to the Facebook-post that there's very little that differentiates the two responses. Apart from when the reporter raises the question regarding why Facebook didn't alert their users (in which Zuckerberg fails to respond), the two responses are quite similar. When Zuckerberg doesn't feel like answering queries from the reporter, he simply beats around the bush and attempts to shift focus to Alexander Kogan or CA. This is still very much in line with the previously described distance strategy, which Cornelissen explains "aims to distance the organization from direct responsibility for the crisis" (Cornelissen, 2015, p. 219).

4.3 The newspaper apology

On March 25, Zuckerberg posted a written apology in several British and American newspapers. The apology can be viewed in its entirety below.



(McKenzie, 2018)

Again, as in the previous statements, Zuckerberg starts by stating what is obvious in the headline of this letter: they should have done a better job at protecting their user's data. What differentiates this apology though, is that we are now offered something reminiscent

of remorse regarding their sub-par efforts at informing their users about the events that had happened. That is evident in this paragraph:

"You may have heard about a quiz app built by a university researcher that leaked Facebook data of millions of people in 2014. This was a breach of trust, and I'm sorry we didn't do more at the time. We're now taking steps to ensure this doesn't happen again" (McKenzie, 2018).

"I'm sorry we didn't do more at the time" appears to be a comment referring to the buffering strategy applied in 2015 by Facebook. According to Cornelissen (2017), a buffering strategy is used with the purpose of stonewalling an issue, in order to delay its development (Cornelissen. 2017, p. 198). Although it's impossible to be certain that Zuckerberg isn't just referring to their failing efforts at preventing the breach, I would still argue that he is pointing to Facebook's act of secrecy at the time. Regardless, being cryptic and leaving out critical details about their attempts at buffering, bear witness that they have a long way to go before I consider their apology to be a full apology. A full apology occurs when a company apologizes for the crisis and accept full blame (Cornelissen, 2015, p. 219). Seeing how Facebook is reluctant to accept blame for the full extent of their actions, indicates that they still have a way to go before a fully-fledged apology has been offered.

At the end of this letter, Zuckerberg writes "Thank you for believing in this community, I promise to do better for you". Once again, personal branding is apparent in the use of personal pronouns, and the fact that this letter is (allegedly) personally written by Mark Zuckerberg himself. This claim is further substantiated by the featuring of Zuckerberg's signature in the sign-off of this ad. Additionally, there is very little mention of Facebook. The only clue we get is a blue "F" at the bottom, left-hand side of the page. Besides that, it's really up to the readers to make the connection between Zuckerberg's signature and the social media Facebook.

The greatest difference between this apology and the two previous ones that I've been analysed is that there is no explicit mentioning of neither CA or Kogan. This refraining from scapegoating others means that Zuckerberg and Facebook are closer to taking the full blame this time, and progress is apparent. A progress in that Facebook and Zuckerberg are closer to

taking the full blame. Although they still need to come clean about their reasons for secrecy between 2015-2018.

4.4 The Ocasio-Cortez Questioning of Zuckerberg in Congress

A congressional hearing is an event where members of congress, witnesses or experts discuss the definitions, causes, and solutions to specific issues that have by a congressional committee chair been categorized as problematic (Saghaye-Biria, 2012, pp.509-510). This particular clip features Alexandria Ocasio-Cortez (AOC), an American politician (Riotta, C. 2019), questioning Zuckerberg regarding Cambridge Analytica as well as fact-checking surrounding political messages on Facebook (Global News, 2019). To keep the empirical evidence relevant, I will primarily focus on the questions regarding Zuckerberg, and his knowledge of the CA-scandal in this clip, which occurs between 0:30 – 1:50. Although this video is fairly recent, (October 23, 2019), and is an excerpt of a hearing regarding cryptocurrency, Ocasio-Cortez asks Zuckerberg a series of questions about CA and at what point in time he and his team became aware of the CA-issue (Riotta, C. 2019).

AOC opens her segment of the hearing by asking what year and month he personally became aware of Cambridge Analytica. Whereupon he responds: "uhm, I'm not sure of the exact time, but it was probably around the time it became public. I think it was around March of 2018. I could be wrong though". This answer suggests a tactic of downplaying. Downplaying occurs when a company tries to convince stakeholders that the severity of a situation isn't so bad (Cornelissen, 2017, p. 219). According to Cornelissen, this is in line with a distance strategy, a strategy that Facebook has relied on since the issue went public. Additionally, I find this response to be very peculiar, knowing that Zuckerberg wrote in the Facebook-post (the first evidence of this report) that in 2015 they [Facebook] were alerted by journalists that Kogan had shared improperly acquired data with CA which Kogan had gathered from Facebook-users. This event resulted in that Facebook demanded a formal certification from CA proving that they had deleted the data (Zuckerberg, 2018). The fact that Mark Zuckerberg, founder, and CEO of Facebook, was unaware of a data-breach potentially involving 87 million of their user's information, seems to me unlikely. Besides, the very nature of his hesitant response, as well as the conflicting information in the Facebookpost, supports this assumption.

For the second question, Ocasio-Cortez asks Zuckerberg at what point in time Facebook-COO Sheryl Sandberg became aware of CA. To this question, he responds "I don't know at the top of my head", which to me also seems strange given the severity of this issue. Either Facebook's internal communication strategies need a serious upgrade, or Zuckerberg isn't being entirely honest.

Next, AOC asks if anyone on his leadership team knew of CA prior to the initial report by the Guardian on December 11, 2015. To this he responds "Congresswoman, I believe so, that some folks were tracking it internally." He also adds "I do think I was aware of CA as an entity earlier, but I don't think I was tracking how they were using Facebook specifically". Here he backtracks to the first question AOC asked, in an attempt to further compliment his initial response to the first question. To me, it's highly questionable to see how such a severe issue pertaining to user-privacy and election integrity can be taken so lightly upon, by Zuckerberg, that he remains almost oblivious of the CA-scandal up until it went viral. If his statements were to be true.

In the last question concerning the CA-scandal, AOC interrogates Zuckerberg to a point which he really struggles to give a straight answer. Between the stuttering and the "uhhm's" and "ehhm's" the discomfort is apparent, and consequently, his credibility takes a toll.

The dialogue went like this:

AOC: "When was the issue discussed with your board member Peter Thiel?"

Zuckerberg: "Congresswoman, I don't know that of the top of my head."

AOC: "You don't know? This was the largest data scandal with respect to your company, that had catastrophic impact on the 2016 election, you don't know?"

Zuckerberg: "Well, congresswoman, I'm sure we discussed it after we were aware of what happened."

When Zuckerberg claims to not know, AOC immediately retaliates with "You don't know? This was the largest data scandal with respect to your company, that had catastrophic impacts on the 2016 election, and you don't know?" With this response she attempts to ridicule Zuckerberg's inability to remember the details she requests, and rightfully so,

considering his role as CEO, and the potential scope of this breach. Obviously, this is information that the congresswoman feels that he should have possessed.

Although the purpose of the hearing was to discuss Facebook's involvement with Libra, a cryptocurrency, Ocasio-Cortez takes the liberty to ask these questions regarding the CAscandal. Fortunately, she raises some decisive questions in an effort to highlight the absurdity in Zuckerberg's inability to recall any specific details about the CA-scandal prior to when it became publicly known. This is picked up on by Carole Cadwalladr, a British investigative journalist, Pulitzer Prize finalist, and writer for The Guardian (MyData2019, n.d.*). On October 23, she posts the video of AOC's questioning Zuckerberg on Twitter, with the caption:

"Be still my beating heart... @aoc asks Zuckerberg the question. I & others (notably @jason_kint) have been asking for a looooong time. When exactly did he first learn about Cambridge Analytica? Tell me, does this sound like a convincing answer to you?"



(Cadwalladr, 2019)

Carole Cadwalladr's Twitter post bears witness of that the questions Ocasio-Cortez (@aoc) raises are key to understanding how much Facebook knew at any given time, and at what point they became aware of the issue. Additionally, at the end of her post, Cadwalladr asks whether his answer sounds convincing or not. This underlines my point: Zuckerberg's inability to give a concise and straight answer on this issue is somewhat unlikely to represent the truth. This interpretation is also shared by a gentleman named Jason Kint.

Jason Kint, CEO of Digital Content Next (Digital Content Next, n.d), also weighs in on Zuckerberg lacking ability to give a credible answer after being linked to by Cadwalladr. His twitter response can be seen here:



(Kint, 2019)

This response further underlines my point, that this is something a CEO should be aware of as soon as it occurs. To deny knowledge of CA's actions prior to March 2018 either shows that he is unfit to run Facebook, *or* is lying. A statement that I regard to be quite accurate.

In this hearing, AOC really makes it difficult for Zuckerberg to stick with the buffering-strategy that they first applied as a means of issue-management in 2015. He is questioned to the point of ridicule, and as a result, his decision to stay true to his strategy of pretending to have been unaware of CA and Kogan's actions until it got publicly known, makes him look like a poor leader. Not only does this hearing make his leader abilities look inadequate, but Facebook's integrity and position as a trustworthy company suffers as well. If Facebook regards an incident where 87 million profiles have been tapped and used to interfere in a presidential election as unfit for a discussion at a Board Meeting (and taking note of), I suspect that stakeholders will be uneasy regarding Facebook's policies in the future.

5.0 Summary

In these four pieces of evidence, we have seen that Mark Zuckerberg, a prominent figure with respect to Facebook, has tried to defend his product and their actions in the wake of the CA-scandal. He displays a strong sense of personal branding in his communication

strategies, but this isn't necessarily something that Facebook benefits from. His actions in regard to the issue and crisis management suffer a consequential beating as it becomes more and more apparent that both Zuckerberg and Facebook were aware of the crisis long before they have given the impression of having been. This can only mean that Facebook and Zuckerberg deliberately chose to not inform the proper organs, nor their stakeholders, when they should have, implying the use of both a distance- and downplaying-strategy. Ultimately, Zuckerberg gets caught off-guard in the hearing on October 28, where my guess is that he prepared for questioning regarding Libra, Facebook's cryptocurrency, and not the CA-scandal. His inability to prepare his answers beforehand, resulted in Zuckerberg giving vague and questionable responses to AOC's queries. This ends up portraying him either as an insincere leader, who has lied under oath, *or* as an unfit CEO who is of the impression that democratic processes and user privacy is no big deal. Either way, Facebook and Zuckerberg have lost some of its integrity due to their issue and crisis management strategies applied during this crisis.

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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

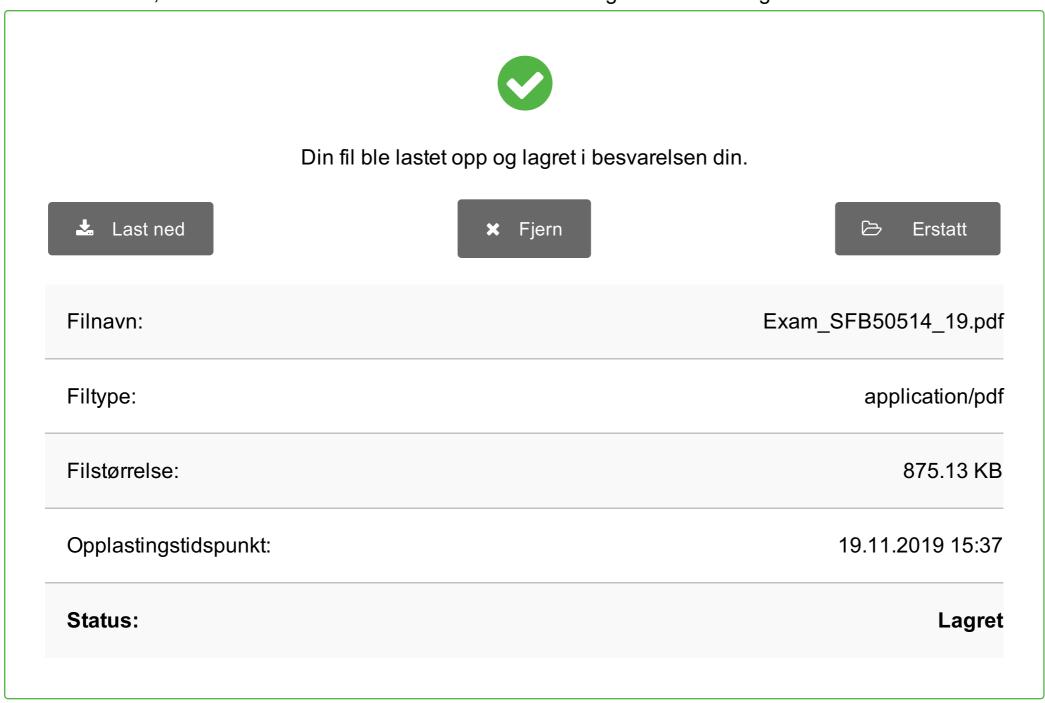
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

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Besvart.

Case Study Report

What kind of crisis communication did EA Sports team use on Twitter during the negative hashtag trend #FixCareerMode?



Written by

Jonathan Ramirez Steffensen (183619)

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Introduction

The main objective of this case study report is to analyze and evaluate how EA Sports decided to communicated with its stakeholders on Twitter, amid the bad quality of the game mode. Gamers created an worldwide hashtag trend "#FixCareerMode" on Twitter to express their frustration of the soccer game after the official release of the game September 27, 2019. This report will concentrate on how EA Sports team as a company strategized their crisis communication, and what kind of impact these strategies accomplished, as well as their reputation. The core for this case study is the complaints from the fans on unrealistic starting XI, Painful press conference from both players and managers, bizarre fixtures, and this creating significance consequences for EA sports. (Arora, 2019)

Regarding to the digital interactive entertainment industry there has been incidents in the past concerning bugs in game. It is intriguing to analyze how this specific occurrence was handled by EA Sports team and what the result of this was. Joep Cornelissen states that

The objective of crisis management and crisis communication is to exert control, insofar as possible, over events and organizational activities in ways that assure stakeholders that their interests are cared for and that the organization complies with social, safety and environmental standards. Such control requires that organizations develop contingency plans to prepare for possible crises as well as communication plans to effectively respond to crisis scenarios when they emerge (2017, p. 211-212).

I know now that crisis communication need decisiveness and instant action from an company, it is pivotal to consider how EA sports team communicated with their stakeholders on Twitter, If their strategies where as much productive as necessary.

Company description

Electronic Arts Inc. also known as EA is a global leader in digital interactive entertainment. With their headquarters in Redwood City, California. EA develops and delivers games, content and online services for internet-connected consoles, mobile devices and personal computers. EA has more than 300 million registered players around the world. In fiscal year 2018, EA posted GAAP net of 5.15 billion dollars. EA is recognized for a portfolio of critically acclaimed, high-quality brands such as The SimsTM, Madden NFL, EA SportsTM

FIFA, Battlefield, Need for SpeedTM, Dragon AgeTM and Plants vs. ZombiesTM. (Electronic Arts Inc, 2019)

EA Sports is active on all social media platforms. On Twitter in particularly EA Sports FIFA has over 7.14 millions followers and has tweeted over 260 thousands tweets (Twitter, 2019). This means that the company is committed to interact with their fans through social media.

Research Scope

Since this has been a global Twitter trend I cannot include every involvement of every single unit. To limit the span of the report, the prime focus will be on EA's team statements on Twitter to their public stakeholders between 27th September, 2019 to 2th October, 2019. For that reason I have divided the case report in different sections throughout the research. Stakeholders reaction will be included only as illustrations, meaning there is no approach of analyzing the tweet comments.

Before I dive in to the research on how EA Sports team reacted to the crisis, it will be decided which theoretical and methodological approach has the most relevance for this case study. This will help to analyze it easier and answer my main research question thoroughly. The theory in the analysis will be relevant to the selected data and will be discussed in detail. Also by analyzing which crisis communication strategies the company used on Twitter.

Theory

For this research project will terminology be added from different theoretical structures and be implemented and linked to various points of this report. This contain to build a wider understanding of this matter, how EA Sports team handled this occurrence, and how this affected both EA and their interests. Joep Cornelissen states that

Broadly speaking, a crisis is defined as an event or issue that requires decisive and immediate action from the organization. The necessity of immediate action may be triggered by, for example, mounting public pressure, intense media attention or the direct danger to employees, customers or members of the general public (2017, p. 212).

In this case its more about intense media pressure, this applies to companies who communicates through social media, such as Twitter, when crisis happens. On social media anything can happen, either it's in a positive matter or a negative one.

When customers express their concern on an issue it can affect many more customers, and this creates a public opinion on the incident, this can affect the company's reputation. In other word, they can use social media to network with others and disseminate corporate news, whether good or bad. Joep Cornelissen states that "The dynamics of such dissemination may often take on viral form, with news spreading exponentially from one person to the next and which in turn may quickly create a general mood amongst a large collective of social media users" (2017, p. 50) Focusing on the costumer and EA sports employees will be most relevant for this case study report. Based on the issue EA are facing, it can be defined as a crisis.

When a crisis happens, it all comes down to how the organizations communicates with their stakeholders. Cornelissen states that "when a organizations do not deal with issues in a timely or responsible manner a crisis situation may emerge" (2017, p. 216). This phrase is directly connected to the main research question. It needs to be analyzed in the report to find out which strategies EA Sports used in their crisis communication.

It's easier to communicate with each other now that social media platforms is a part of our daily life. Being connected through Facebook, Instagram and especially Twitter, makes it easier to interact to fellow users and as well organizations. With that in mind, social media can be seen as an opportunity but also a challenge for companies to communicate to the public quickly if crisis occurs. The overall control of communication can be taken away from the organizations as well.

Joep Cornelissen states that "A crisis may also damage the image or reputation of the organization more generally, which may also lead to a loss of earnings in the long run. If, as a result of the crisis, the company's reputation shifts from favorable to unfavorable, stakeholders are likely to change how they interact with an organization" (2017, p. 215) These threats are linked, because one can activate the other. A person getting discontent about an unplayable game the company has released can lead to reputational damage, and financial loss also. In this matter it is crucial for a company to find a way to approach the crisis, and to interact with their stakeholders, and also to find solutions to these menance. EA's crisis had a

big impact on the company's image unintentionally, which harmed EA's external image. Cornelissen(2017) provides the following definition

A faux pas is an unintentional action which is transformed into a crisis by an external actor. A faux pas often begins as an issue between an organization and a particular external actor who challenges the appropriateness of the organizations actions. When an organization does not engage in debate with this actor or when public opinion and stakeholder expectations move against the organization, the issue may turn into a crisis. (p. 217)

The definition on this is based on external actors who has expectations on what an organization promise in their products and don't delivers that. These actors has the ability to try and change the organizations image by expressing their opinions.

Methodology

EA Sports community managers EACoreySA, EA_GZaro and EA_Andy has been EA's spokespersons on Twitter, and their Twitter page will be used as primary source. So, the empirical data consist of EA Sports community managers statements on Twitter. There are statements in the period of time between 27th September, 2019 to 2th October, 2019. Cornelissen states that "At this corporate level, where strategy is concerned with corporate mission and vision, communication practitioners can aid senior managers in developing strategies for interaction with the environment" (2017, p. 111). Their communication and statements to the stakeholders and the public will help to answer the main research question. The credible evidence that has been found will be analyzed. Articles from the internet holds on to objective illustrations of the issue and direct statements from the EA's community. Valuable information will be used in the report. Also a timeline from EA's first statement to the final outcome will be addressed in the analysis.

Case description

On September 27, 2019, EA sports finally launched its much awaited soccer game FIFA 20 (Jones, G. 2019). Fans across the world bought their copies and tried the new game. The game involves the biggest soccer stars, biggest teams in every soccer league, and stakeholders have been picking up their copies and updating their first experience of the new game on social

media, especially Twitter. The fan interaction on FIFA was so massive that it was trending on top of worldwide trend on Twitter the same day of the release date.

The hashtag "#FixCareerMode" was trending on Twitter as fans found out certain bugs in the game career mode. Matt jones explains what career mode is; Career mode sees the gamer take control of an already existing team, and they play matches in a standard season format against the computer. The player can make transfers, control finances and tailor pre-season matches in different ways. (Jones, 2019) The fans expressed their frustration so much that some gamers actually demanded a refund with complaints that the game include bizarre fixtures, unrealistic starting XI and painful press conferences, and the list goes on. When something like this happens it requires an immediate reaction from the company in order to control the situation, and then release a response to their stakeholders.

Analysis

In this part of the analysis I am going to analyze the EA community's statements, in behalf of the EA organization, on Twitter. The study will include incident from the beginning and examine at how the consumers reacted.

EA's first response to the event.

Using Twitter, EA's first respond to the fans was shortly after few complaints. Despite this, their first reply was a general answer. A typical reply of a support team or a community team, an ordinary answer when someone complaints about a product. (Figure 1):

	EA_Andy COMMUNITY MANAGER	
Thanks f	or this	- we've passed the bugs onto the QA team to review.
- Andy -		
First Twitter p	ost (Figure 1)	

The statement indicates that EA sports at this stage of the upcoming crisis, they didn't know the importance of the situation at this point. What is notable with this statement is that EA_Andy appears to be little concern about the complaints, it looks like EA_Andy is bridging over the concern of the fans. According to Cornelissen (2017), bridging is "they can try to change stakeholders expectations and public opinions on an issue so that these expectations and opinions conform to current practices" (Cornelissen, p. 199).

Later in the same day after the first tweet, EA released another post. This time from Corey Andress, also known as EACoreySA, where he attempts to include, and promises to be attentive on the feedbacks. (Figure 2):



Figure 2: Second statement from EA community Manger

The EA Community manager offers an sincere presence by commenting that they are always listening to the feedbacks that stakeholders provides. What is noticeable about this tweet is that they are more focused on redressing the issue by offering game codes rather than offering a sincere apology. Cornelissen (2017) says following about remediation "a tactic of announcing some form of compensation or help to victims" (Cornelissen, p. 2019).

First apology

Shortly after Corey Andress first posted an attentive tweet where they have acknowledged the issue, the assurance wasn't enough for the consumers. Even though it was a form of communication, the Twitter trend still was still trending, and EA was feeling the pressure from the public. Then, Corey Andress posted the second post and explained that updates to

the career mode will take longer time to fix the bugs because career mode is client based and it needs to go through the patching process thoroughly. *Figure 3*



Hey all. Wanted to take a few minutes and address some of the concerns regarding career mode, some of the action being taken internally and also speak on why some fixes take more time than others.



First off, definitely want to acknowledge the feedback and we've been tracking a lot of the posts and initial complaints on various platforms. The thread from @FifaCMTips was definitely a helpful one (thank you!).

won't be immediate.



Corey Andress ② @EACoreySA · Sep 27

Let me say that the team is aware and prioritizing fixes for this area and have been successful in identifying some of the issues. In terms of an ETA or exact changes, I can't provide that yet, but also want to be transparent and say it



Figure 3: First apology from the EA Community Manager, Corey Andress.

In this eight long Twitter statement, Corey Andress used many crisis communication strategies. The first of many strategies is in the first post, he clearly uses an Accommodative tactic, by telling the stakeholders concern has been taken to consideration by offering information that some of the actions has been taken care of, regarding the career mode. This is what Cornelissen says about using Accommodative strategy "Claim promising to prevent the crisis from recurring" (Cornelissen, p. 219). This accommodative tactic appears again in the

third post by informing to the public that EA have been successful of identifying bugs in the career mode area. In the fourth and the fifth post in particular, transcendence has been identified where Corey Andress admits of missing out on fixes in career mode in the first patch. Further on telling us they are fully aware of the bad news provided, and this is something fans don't want to hear. Later pointing out their urgency of fixing the problem and hopefully they can provide good news soon. Cornelissen states what transcendence strategy means "a tactic of associating the negative and loss arising from crisis with a desirable, higher order goal" (Cornelissen, p. 219). In the seventh post Corey act on being victims by claiming the problem is more complex then it seems, even if it appears different from the publics point of view. Reading it between the lines EA are asking for patience. Cornelissen points out of using suffering strategy of being a victim tactic is following "a tactic of portraying the organization as a victim of the crisis in order to win public sympathy" (Cornelissen, p. 219). What Corey Andress did in his last of the eight Twitter posts, he offers a weak public apology instead of a full apology. According to Cornelissen, a full apology is "a tactic of simply apologizing for the crisis and accepting the blame" (Cornelissen, p. 219).

The public were fast to reply on EACoreySA Twitter post. However, in due to his general tone in the statements, it was not enough to repair the fact that the blame was EA's. In fact, the consumers of the game became even more frustrated with the company, and upset comments are pouring in on Twitter. Examples of comments below are shown in figure 4.



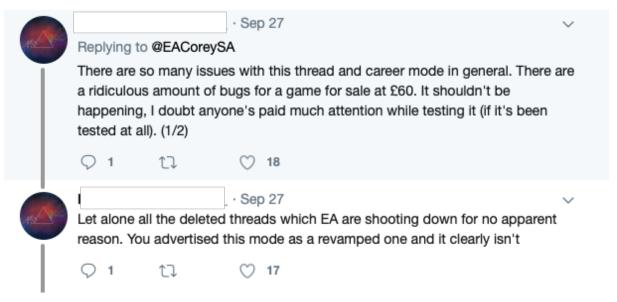


Figure 4: Stakeholders responses to EACoreySA Twitter statement.

The stakeholders are demanding an apology from EA itself, but no further apologies has been provided so far. It appears that EA are using distance strategy. According to Cornelissen by using distance strategy it means "claim of distancing the organization from direct responsibility for the crisis" (Cornelissen, p. 219). Keeping in mind that the EA's sports team are using Twitter, which would make it easier to release a statement.

Financial consequences

Releasing a game with many bugs means that not only will it affect the company's reputation, but also the company's financial situation. Corey Andress mentioned earlier that Career mode was an offline client-based mode, not knowing that there are many consumers who enjoy the FIFA game just because its features. With EA struggling to communicate to public, some stakeholders of FIFA are turning their loyalty against them. As mentioned earlier in the theory part, where the dynamics often take on viral form, news spread rapidly from one person to the other and creates general mood among social media users. In this matter, reputation and finance goes hand in hand, and within a month after the Twitter trend incident the stock share of EA dropped 3,02%. (Figure 5 & 6) (Marketwatch,2019)



Figure 5: EA's stock market on Launch day. September 27, 2019.



Figure 6: EA's stock market a month later. October 29, 2019.

Direct link to FIFA forum.

Four days after the global Twitter trend "#FixCareerMode", EA sport posted a tweet with a direct link to their official forum site, and explaining in detail on how they trying to take action to the feedback they have been receiving (Figure 7). In the forum post, the community managers tells repeatedly that they are "currently investigating" (FIFA forum. 2019), assuring nothing to the fans other than statements.



Figure 7: EA SPORT FIFA send a direct link to their official forum.

As we can see earlier, EA did not apologize in the first post, neither providing information on why the game contained bugs when many fans tweeted about this problem at the same time. When Corey Andress first communicated with his eight long Twitter posts, he was transparent and honest. But from a stakeholders point of view they can feel that Career Mode was abandoned because it is an offline mode. This did no good for the company's reputation. Rather than avoiding improvements quickly they could a focused on accepting the blame and made sure of not seeming passive to the situation. Cornelissen states that "the threat of image damage becomes greater, which means that communication practitioners need to utilize acceptance and accommodative strategies. Acceptance and accommodative strategies emphasize image repair, which is what is need as image damage worsens" (2017, p. 221). Four days after the first post of Corey Andress, EA sports posted a direct link to the forum site, this can be seen as a way to cover the wound. The direct link to the FIFA forum was quickly commented on, the public stakeholders where negative (figure 8 & 9), but most where less impressed with EA's effort (figure 10 & 11).



Figure 8: Negative response to the direct link provided by EA SPORT FIFA.



Figure 11: Stakeholders unimpressed by EA

Findings and effect

What was something to notice was EA sports team time management when communicating with the fans on Twitter and they did not lack on answering straight away, actually they communicated the same day the Twitter trend was streaming. Where they lacked was having compassion towards the stakeholders that have spent a lot of money on a game that did not hold up to standards, which was a digital game that contained many bugs, and consumers were furious that the company not even gave a sense of prioritizing on improve the game mode. EA's strategy did not contain any direct form of an apology or refund to the consumers that was affected. The statement of EA_Andy was a general answer, that did not give any form for answer to the complaints.

Seeing no improvement, stakeholders began to react even more furious towards EA's approach. EA's team seemed to take the feedbacks lightly with trying to convince stakeholders with offering a small acknowledgement that they are only listening to the feedbacks given. The fact that no board member of the organization have communicated to their stakeholders, with only the community team responding, have frustrated the stakeholder even more. This global trend made thing even worse as it provided with both negatively damage the company's finances and image.

The second post from Corey's eight long Twitter post gave some sort of indication of being transparent and honest would calm the situation down, the community manager used many communication strategies as being accommodative, transcendence and suffering. Corey Andress also comments that they will do better by solving the issue in the future and did not specify when this would be done, approaching the issue with no urgency.

The pressure from fans demanding improvements rapidly leaded to force EA's sports Twitter account release a statement that contained a direct link to FIFA's official forum site, where all the three community managers provided with a full document informing the fans how the situation are on improving the game mode. What frustrated the stakeholders even more was that in the full document provided from the EA community team they could only comment "currently investigating" in every feedback they received. The statement most likely have weakened the company's reputation even further.

Conclusion

EA's choice of communication strategies on Twitter did not meet the crisis they were up against, which in fact failed to provide the help the company might anticipated. The choice of crisis communication strategies affects the reputation of the company, especially in the stakeholders point of view. But at the same time, crisis can come from unintentional accident. Therefore it is crucial for a company to communicated in an acceptable manner that will in the long run help the company's finance and reputation in crisis circumstances.

Recommended strategy

When organizations are met with difficulties by stakeholders, organizations must be prepared to respond, and this is to prevent that the issue don't escalates to a more negatively environment then necessary. Companies often have a specific guidelines and crisis communication strategies in order should a crisis or an issue take place. If an organization don't succeed to have an inveterate plan for communication crisis that can be put in to practice quickly, may organizations run the risk of the issue escalating to be a crisis. In this case in particularly, where EA have failed to communicate with their stakeholders in an expected manner, the strategy that's recommended is called "bridging". This strategy requires a company to find a solution to accommodate the public stakeholders by "being open to change and recognizing the issue and its inevitability" (Cornelissen, p. 198)

When issues advances to become a crisis, it is crucial to map out the situation and to figure out the most appropriate response to the stakeholders. Although, if a company adjust the correct crisis communication strategy, it does not automatically guarantee the crisis to be fixed or solved. Cornelissen states that "following criticism from their stakeholders, organizations may aim to be more transparent in reporting progress on their environmental performance and may actively engage in a dialogue with their stakeholders about environmental issues and expectations" (2017, p. 198) EA sports consumers expected an thoroughly statement for FIFA 20's many problems and a full apology. Had EA's sport team or the CEO of the company acted on the bridging strategy it might have calmed down their stakeholders.

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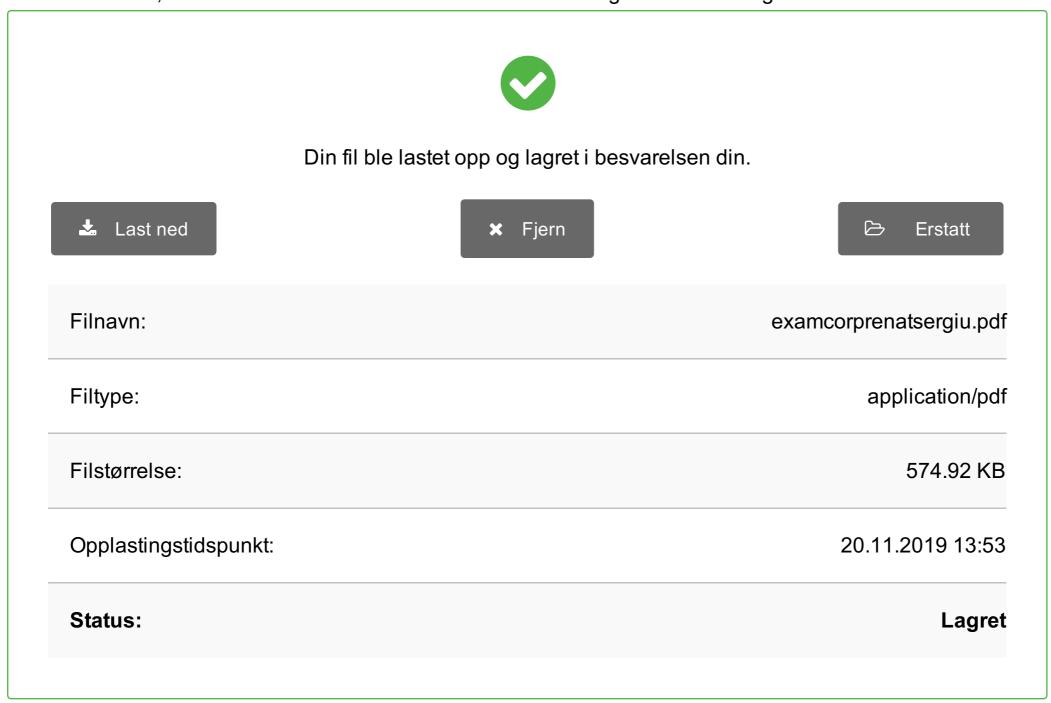
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Case Study

What kind of communication strategies did Domino's Pizza use to handle the crisis?

How did the crisis affect the reputation of the brand?



By Renat Antipov - 172429

Sergiu Arseni – 191918

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Abstract

There has been a huge increase in popularity of social media in the recent years. Social media sites such as Twitter, YouTube, Facebook and other websites have hundreds of millions of users log-ins daily. With help of these tools, users are able to follow the latest news and share their opinions.

For businesses, social media can be a very positive thing. Through use of social media, they are able to monitor the public perception, follow blogposts about the company and understand their reputation. However, social media may also bring some disadvantages for businesses. (Cornelissen, 2017, p.37)

The aim of this case report is to look at and evaluate the real events, in which a company was exposed to both positive and negative aspects of the social media. We will look at the trouble it has brought upon Domino's and how they were able to use it to their advantage.

1. Introduction

As the social media is growing, many companies have gotten themselves on the receiving end from users of social media. In some cases, accurate documentation of mistakes within the company have ended up in the world of social media. Our aim with this case study is to analyze the way Domino's communicated with its stakeholders on YouTube and Twitter in 2009, when they were embroiled in a viral crisis when two of company's employees posted videos of themselves adulterating the food they allegedly were preparing for customers, to YouTube (Clifford, 2009). Thus, we will be focusing on the crisis communication strategies used by the company and the way they handled this crisis.

1.1 Company description

Domino's is a huge American multinational pizza restaurant chain (Domino's, 2019). It is founded in 1960 and has headquarters at the Domino's Farms Office Park in Ann Arbor, Michigan. It has more than 13 800 stores in over 85 international markets. Domino's had global retail sales of over \$8 000 000 000 in 2013. 96% of the Domino's Pizza stores consist of franchise-owner operators (Reuters). Domino's Pizza is visible in almost all social media channels; Instagram (1.5mln subscr.), Twitter (1.3mln subscr.), YouTube (194 000 subscr.) and Facebook (21 mln subscr.).

1.2 Research scope

We will be focusing on Domino's responses to their stakeholders and an apology video they have uploaded to YouTube because that is where the crisis started. This case is split into several sections, in which we will focus on the actions Domino's has taken to address and ease the crisis, as well as statements of the company.

We are going to use several theoretical frameworks and methodology that are relevant for the case, in order to be able to analyze and answer our research question. In the analysis section, we are going to connect our findings with the theory and use the theory to evaluate the crisis communication strategies used by Domino's, as well as look at the impact of this crisis on the reputation of the company.

2. Theory

We will use terminology from several theoretical frameworks to better understand what kind of crisis communication strategies Domino's used in 2009. Furthermore, we are going to investigate how the crisis affected the company's reputation.

A crisis is "...an event or issue that requires decisive and immediate action from the organization' (Cornelissen, 2017, p. 212). A crisis requires decisive and immediate action from the organization especially when it comes to crisis communication on social media.

There are numerous different crisis communication strategies provided by Joep Cornelissen in Corporate Communication, 2017. He states that the strategy one chooses depends on the type of crisis the company finds itself in and "... the degree to which the organization is perceived by stakeholders and the general public to be responsible or culpable for the crisis" (p.218). In our case, the choice of the crisis communication strategy is of high relevance for our research question. This will be further elaborated in the analysis section of our report, to help us find out which crisis communication strategies that Domino's has used.

The advances in media and web technology in recent years provide new challenges and opportunities for organizations to communicate and engage with their stakeholders, including their employees, local communities, customers and the news media. (Cornelissen, 2017, p.36). With the help of new media sites, such as Facebook, Twitter, YouTube, etc. users can now communicate with each other and with an organization as well. Through social media, organizations can quickly respond to a crisis by communicating with the public. At the same time, organizations are deprived of some control because the information about a given organization not exclusively produced by the organization. (Cornelissen, p.37).

According to Cornelissen (2017), a crisis poses both a financial and reputational threat for an organization (p. 215). He provides the following definition of corporate reputation: "reputation of a company can be defined as a subject's collective representation of past images of an organization (induced through either communication or past experiences) that is established over time)". (Cornelissen, p.145). Anyone that personally has experience with a company, can change company's reputation by getting a word in.

3. Methodology

3.1 Approach

We will use YouTube as a primary source and relevant online articles as a secondary source to gather information that will aid us in answering our research question. Empirical evidence that will later be discussed in analysis section, will be based on a video that Domino's had themselves posted on YouTube, as well as Tweets by the company. The original tweets have been removed from Domino's Twitter account, therefore we are going to use secondary sources such as online articles describing the situation at the time.

3.1 Case description

Domino's Pizza faced a viral crisis in April 2009, when two of their employees posted a video of themselves doing unsanitary things in the kitchen of a Domino's restaurant in North Carolina, USA. With the help of social media, the video they had posted became viral within a few days. (Clifford, 2009) People were angry and disgusted after watching the video in which the workers had contaminated the food, they told they later would serve to customers (Jacques, 2009). This video damaged company's image through negative publicity and discredited quality of their brand among the public. The social media made it even worse by having and amplifying effect on a company's reputation, as it is easy for the media to "add fuel to the fire" (Cornelissen, 2017, p.158). Stakeholders were blaming Domino for inaction right after the incident happened, so instant actions were required from the company, to address the public, acknowledge the issue and come up with a response. (Jacques, 2009)

4. Analysis

An analysis of the company's statements on Twitter and on YouTube will be provided in this section. Social media may provide both advantages and disadvantages for a company (Cornelissen, 2017, p.36). Effective communication is crucial for businesses when they are dealing with crisis. Through Twitter, YouTube, etc. companies can effectively communicate with the public, while at the same time they are deprived of some control because of the pace the information spread. (Cornelissen, 2017, p.37)

4.1 Identifying the perpetrators

Domino's were informed of the video by the consumerist on April 13th. The first actions carried out by Domino's, were identifying the people responsible for these unsanitary crimes. They were able to identify these individuals on the same day, by 11 p.m. (Jacques, 2009). Once their identity was revealed, Domino's fired and reported both employees responsible for this scandal, to the police. (Clifford, 2009)

4.2 Removing the video from the internet

Domino's contacted YouTube asking them to remove the video to stop the increase in views, causing damage to company's reputation. YouTube replied that for the video to be removed, a request by the copyright owner had to be done. Kristy Hammock, the rightful owner, had to make a request (Clifford, 2009).

4.3 Domino's responses on Twitter

Domino's decided that the best way of communicating with its stakeholders in this situation, was not a public statement through a public press release, but rather being consistent and respond through the same platforms, through which the company was approached about the story. They knew that if they would go the press release/news conference route, they would alert

more people about what had happened, which would in turn cause to information about the incident to spread even more (Vogt, 2009).

In the evening of April 14th, at about 7:30, Domino's social media team noticed that some chatter was starting on Twitter.

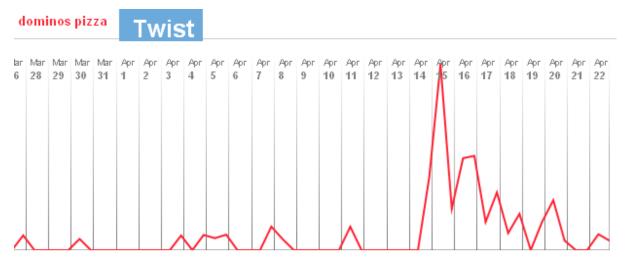


Figure 4.1: Domino's pizza Twitter trends at the time of the incident (Weiss, 2009)

The company had no activity on social networks prior to the incident. They had a social media team, that had been assembled about a month before the incident. The social media team was working on a strategy for entering the social media realm at the time of the incident. The plan was to implement it a week after the scandal, but because of what had happened, they had to jump in during the crisis (Jacques, 2009).

According to Cornelissen, a crisis is an event that "...requires decisive and immediate action from the organization" (2017, p. 212). With use of Twitter, they could have addressed the public within 24 hours, but they did not do it until 2 days after. On April 15th, Domino's created a Twitter account @dpzinfo (Domino's, 2019), to respond to the customers about the incident. (Shankleman, 2009).

The company responded on Twitter with a statement that they had earlier posted on their website and directed users to the post on their website.



Figure 4.2: A post on Domino's website

"In the last 24 hours, videos of two of Domino's Pizza employees appearing inappropriately within one of our franchise restaurants have been circulating online.

Since the videos first surfaced yesterday, the two workers have been identified, fired and the affected franchise has filed a criminal complaint against them, and there are warrants for their arrest.

The opportunities and freedom of the internet is wonderful. But it also comes with the risk of anyone with a camera and an internet link to cause a lot of damage, as in this case, where a couple of individuals suddenly overshadow the hard work performed by the 125,000 men and women working for Domino's across the nation and in 60 countries around the world. We apologize for the actions of these individuals and thank you for you continued support of Domino's Pizza". - transcript of the post (YouTube, 2009)

With this post, they tried to explain, that these two employees are not representative of their brand. By them stating that "...a couple of individuals suddenly overshadow the hard work performed by the 125,000 men and women working for Domino's across the nation and in 60 countries around the world", we can see that they are using bolstering strategy, which is,

according to Cornelissen, "a tactic of reminding stakeholders and the general public of existing positive aspects of the organization in order to offset the negatives the crisis brings the organization" (Cornelissen, 2017, p.219).

It is clear that they did acknowledge the incident. The emphasis in this post seems to be that Domino's themselves have been victimized by these two individuals. It is evident by them stating that the company has suffered because of the actions of these two employees, who actually did not represent the company. Here, they used a victimization crisis communication strategy, which is described by Cornelissen as a "...tactic of portraying the organization as a victim of the crisis in order to win public sympathy" (Cornelissen, p.219). There is no mention of what measures they were taking in order to prevent something similar happening in the future.

On Twitter, they also responded to comments of other Twitter users and thanked customers for the support. (Shankleman, 2009)

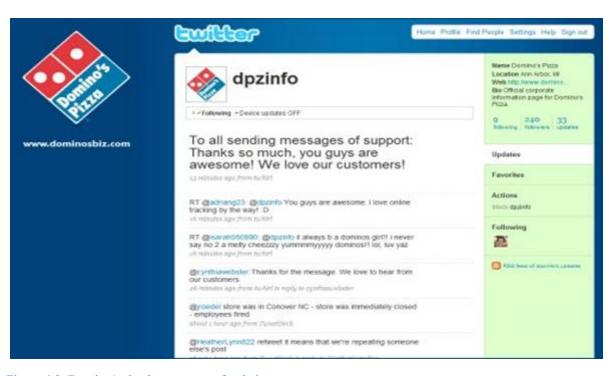


Figure 4.3: Domino's thanks customers for their support

4.4 Domino's response on YouTube

On April 15th, Domino's posted a video on the same platform that was used by the two employees that started the crisis, where their target audience was, YouTube (YouTube, 2009) This time, the president of the company, Patrick Doyle, was featured in the video. He issued an apology and addressed the issue, stating that the customers' trust is above all else.



Figure 4.4: Apology video from Patrick Doyle on the behalf of Domino's

"Hello. I'm Patrick Doyle, President of Domino's USA. Recently, we discovered a video of two Domino's team members who thought that their acts would be a funny YouTube hoax. We sincerely apologize for this incident. We thank members of the online community who quickly alerted us and allowed us to take immediate action. Although the individuals in question claim it's a hoax, we are taking this incredibly seriously. This was an isolated incident in Conover, North Carolina. The two team members have been dismissed, and there are felony warrants out for their arrest. The store has been shut down and sanitized from top to bottom. There is nothing more important or sacred to us than our customers' trust. We're reexamining all of our hiring practices to make sure that people like this don't make it into our stores. We have auditors across the country in our stores every day of the week making sure that our stores are as clean as they

can possibly be and that we're delivering high-quality food to our customers day in and day out. The independent owner of that store is reeling from the damage that this has caused, and it's not a surprise that this has caused a lot of damage to our brand. It sickens me that the actions of two individuals could impact our great system where 125,000 men and women work for local business owners around the U.S. and more than 60 countries around the world. We take tremendous pride in crafting delicious food that they deliver to you every day. There are so many people who have come forward with messages of support for us, and we want to thank you for hanging in there with us as we work to regain your trust. Thank you." - Transcript of the apology.

In this video response we can see a combination of four crisis communication strategies; full apology, victimization, bolstering and, this time, rectification.

Patrick Doyle, the president of the company, tried to convey the message that this was an isolated case. He stated that 125 000 men and women work at Domino's across 60 different countries and that these two individuals did not represent the company. Here is victimization crisis communication strategy used again, by expressing his regret for how actions of two individuals could impact their great system. Victimization is a tactic of "...portraying the organization as a victim of the crisis in order to win public sympathy." (Cornelissen, p.219)

Patrick Doyle expressed also that Domino's is sorry, despite stating that actions of the two did not represent their company. His apology seemed sincere and was a full apology crisis communication strategy. Full apology is a tactic of "... simply apologizing for the crisis and accepting the blame." (Cornelissen, p.219)

In the video, he says that they are reexamining their hiring practices and that they have auditors in every store every day of the week, ensuring that the stores are as clean as they can possibly be. This may be an attempt at rectification, which is a tactic of "...taking corrective action to prevent a recurrence of the crisis in the future." (Cornelissen, p.219)

4.5 Effects of the crisis on the reputation of the company and its financial situation

By 15th of April, the video that started the crisis, had been viewed by over 1 million people (Clifford, 2009). There were two surveys indicating that this video had a considerable

impact company's sales and customers loyalty. An online research firm, YouGov, had conducted a study and concluded that the perception of Domino's brand quality went from positive to negative in a span of 48 hours (Vogt, 2009). Furthermore, a national study was conducted by HCD Research. By using its Media Curves Web, they had discovered that 65% of respondents were less likely to repeat their visits to Domino's Pizza after viewing the video (Flandez, 2009). It is also worth mentioning that within a week of the incident, they experienced a 10% drop in their stock value. (Yahoo Finance, 2009)

5. Conclusion

In this section of the case study, we will provide our learning outcomes and the results obtained through research. A suggestion of what Domino's could have done better will also be included on what they could have done differently and may have prevented this incident from escalating as much as it did.

5.1 Learning outcome

All in all, the strategy that was used by Domino's proved to be sufficient to handle the public, but the crisis had great consequences for the image of the company. According to Cornelissen (2017), a crisis poses both a financial and reputational threat for an organization (p. 215). Domino's had to use funds to hire people and help them resolve this crisis. Actions of these rogue employees angered the public and information was being spread rapidly on social media. The crisis provoked anger in stakeholders and made them question company's integrity. This makes a difference regarding the strategy an organization uses to incorporate in order to minimize the effects of the crisis on the reputation of the company (Young and Flowers, 2012). Through social media, Domino's were able to calm down the audience on YouTube, who were at first outrageous after seeing the video of employees contaminating the food. They did so by building a strategy, and social media player a big role in it. They only thing the company could

have done at that point, was integrating social media with the crisis communication strategies (Young and Flowers, 2012).

5.2 Final conclusion

The type of crisis communication strategies a company uses to incorporate amid a crisis, are of high degree of importance, because they directly affect a company's reputation. Patrick Doyle stated in the video that the company takes tremendous pride in crafting delicious food. According to Cornelissen, a company needs to achieve "alignment" or "transparency" between its internal identity and its external image, in order to manage the company's reputation (2017, p. 97). Domino's has managed to maintain its reputation throughout many years, but a video posted on YouTube by the employees damaged company's reputation and angered the people. Because of this viral video, posted by later fired and convicted employees, got the public questioning ethical practices of Domino's by publishing blogs and articles to receive a statement from the company. The company dealt with the situation well, by identifying the people responsible for all of this and then addressing the stakeholders. The video posted by the employees was taken down from YouTube and Domino's president, Patrick Doyle, issued an apology on the behalf of the company to, acknowledging the incident, promising to reassess the hiring practices at Domino's, close the restaurant and clean it, to gain trust of their loyal customers and stakeholders back. Domino's has learned from it and managed use this situation to their advantage later. They turned their non-existing social media presence into their strength (Cannon, 2016). After the crisis, they made a website (www.pizzaturnaround.com) to communicate what they were up to and embraced Twitter. They started using hashtag #newpizza to start conversations with their customer on how they could improve. (Cannon, 2016)

5.3 What could they have done better

The organization had a slow response to their public. At first, they did not want to give a public response to the clients about this crisis, because they thought that people that are unaware of the situation will find out about it and it will only throw more fuel in to the fire. While they were trying to figure out their next steps and communicating internally, instead of giving a response to the public, the crisis escalated significantly. Once they set up their Twitter account,

they were able to reassure the customers that this was an isolated incident and that measures were taken to try to fix it. Because of that, they managed to ease the crisis and stabilize their sales in the first week. (Flandez, 2009). Information on the internet spreads rapidly.

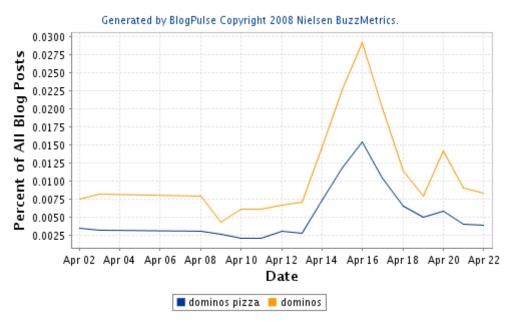


Figure 5.1: Blog trends on Domino's at the time of the crisis (Weiss, 2009)

Figure 5.1 shows the interest this scandal has garnered.

"Domino's" had for the first time surpassed Paris Hilton as a search word on Google. A lot of people were becoming aware of it at the time. (Jacques, 2009)





Figure 5.2: Google search trends at the time of the scandal (Weiss, 2009)

At the time of the incident, they had no activity on social networks. Their social media team had a month of forming ant it was not clear if they kept track of comments about the company on social media and blogs (Jacques, 2009). In our era, it is very important for the companies to have presence in social networks and be prepared for when they are confronted with unexpected situations like this. If they had integrated social media communication strategies earlier, a lot of this unwanted attention could have been avoided and lesser damage could have been done to their company.

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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

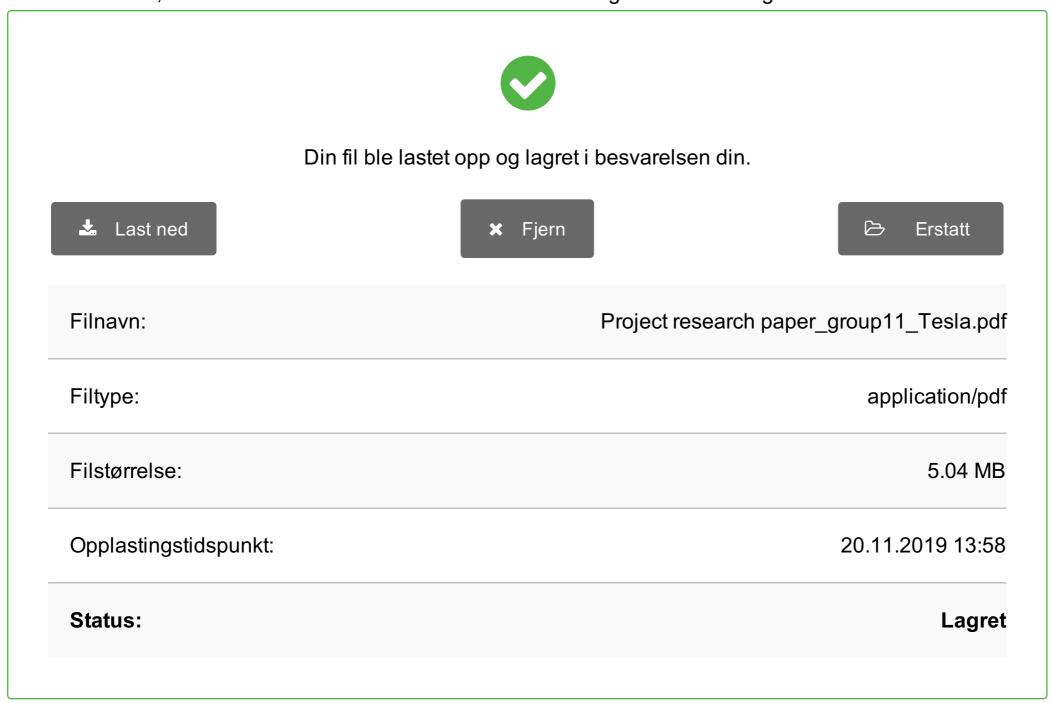
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.



How does Elon Musk's tweets influence the branding of Tesla?

CASE STUDY REPORT

Eliott Delsart - 191924 Lowie Van den Bogaert - 193844 Sarah Béranger -191921

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Introduction

The main objective of this report is to analyse and examine how Elon Musk's tweets on Twitter influence the branding of his company, Tesla. Therefore, this report will focus on all the tweets, retweets and replies to tweets Musk has sent from the 12th of October until the 26th of October.

Social media marketing is very important nowadays for companies who want to build their brand, improve customer loyalty and satisfaction, increase sales, ... Twitter gives companies the opportunity to spread news efficiently and fast, to provide a proactive customer service, to respond to questions to have conversations. You can even mobilise customer to a particular behaviour or engagement with Twitter. Elon Musk is a perfect example of a CEO who uses Twitter very optimally and accurately.

1.1 DESCRIPTION OF THE COMPANY

Tesla is an American automotive and energy enterprise which is specialized in electric cars manufacturing and solar panels manufacturing. The owner and CEO of the brand is Elon Musk, which is a very famous personality in the world. Tesla pays a lot of attention to social corporate responsibility. Their mission is to accelerate the world's transition to sustainable energy. It is essential for the company to maintain an adequate corporate social responsibility strategy to ensure minimal negative impact on and optimal benefit to stakeholders. Despite having financial problems at the moment, the company is very well known for their strong brand identity and is also a perfect example of how to use social media nowadays. Elon Musk plays a big part in this and is a very good role model of this strategy.

Tesla and Elon Musk are visible in almost all social media channels. In the analysis we will show some evidence captured from Elon Musk's Twitter account. On Twitter Elon Musk has more than 29 million followers and he has published more than nine thousand tweets. He posts several tweets a day. Most of the tweets are dedicated to corporate social responsiveness.

1.2 RESEARCH SCOPE

As said before, we examined the tweets of Elon Musk over a period of only two weeks (12 October – 26 October). Otherwise the span of this report will be too long and not precise enough. Therefore, we have classified all the tweets in that period into different categories. These categories can be found in the analysis part. Tweets/Reactions from stakeholders/followers of Elon Musk on Twitter are added as illustrations only, meaning there is no perception analysis of these comments. We also blurred out the personal information of the stakeholders/followers of Elon Musk in the tweets, so that the privacy of these people is respected. Before we examine how Elon Musk's tweets influence the branding of Tesla, we will lay a theoretical and methodological foundation that has relevance for this case study. The research question will be better answered with this kind of approach. The analysis part of this report is the most important part; we linked the theory with our findings and discussed these findings in further detail, by evaluating Elon Musk's communication strategy on Twitter. Based on this we will conclude what makes Tesla such a strong brand due to the tweets of its CEO.

2 Theory

2.1 BRANDING

According to Cornelissen (2017), branding is "the set of physical attributes of a product or service, together with the beliefs and expectations surrounding it – a unique combination which the name or logo should evoke in the minds of the stakeholders" (p. 273).

In other words, branding is a marketing move done by a company to create an identity for their brand by using different techniques in order to distinguish the product or brand from other products on the market. Strategic and consistent branding is important to add more value and popularity to your brand. A strong brand will also improve the loyalty, interest and involvement of the costumers. This means that customer will be more likely to choose the product of your company instead of a product from a competitor.

(Entrepeneur, n.d.)

Successful branding benefits also other parties than just the customers. Employees will be more likely to work for your company if they feel connected to the brand and if they understand the story behind the product. A strong brand also increases the reputation of the company, which means that shareholders will have more interest in working with the firm. There are a few different tools and techniques for a company in order to create a strong brand. They can achieve this through their design, logo, advertisement, communication or in our case; with the use of social media.

(Marion, 2015)

2.2 TWITTER

According to Cornelissen (2017), Social media are accordingly defined as 'a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow for the creation and exchange of user-generated content.'

It is a way to connect people all around the world. You can share your daily life, speak with your friends and follow the life of the persons that interest you. Social networks are now media, but unlike traditional media, these platforms have many specific features. For a lower cost, social networks are a good way to communicate for a firm. There are lot of social networks that can be used by the brands. The most popular are: Twitter, Instagram and Facebook.

In this research paper only Twitter will be featured. Everybody can have an account on Twitter, it is free. You can follow who you want, this does not require any approval unlike Facebook for example. A tweet must be short, 140 characters or less. Twitter allows interactivity, engagement with users, immediacy, better measurability (clicks, views, sharing) and speed of propagation. For brands and CEOs, using Twitter is a good way for establishing a relationship based on exchange with customers, followers or fans, but also to prospect new customers beyond their community.

2.3 CORPORATE SOCIAL RESPONSIBILITY

Cornelissen uses the definition of Richard Watts in his book. According to the World Business Council for Sustainable Development, in its 2002 publication *Making Good Business* by Lord Holme and Richard Wants, the term CSR can be broadly defined as 'the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large'. (p. 255)

According Cornelissen (2017) implies CSR the adoption by an organization of 'the responsibilities for actions which do not have purely financial implications and which are demanded of an organization under some (implicit or explicit) identifiable contract' with stakeholders in society (p. 255).

3 Methodology

This research paper is a qualitative research with information and data that is collected from primary and secondary sources from the internet. To approach and answer the research question, we will first explain the social media marketing strategy of Tesla. In the second chapter of our analysis a few different types of tweets on the account of Elon Musk will be analysed. These tweets are primary sources and are the first type of data/information that is used in the paper. We chose to analyse Musk's Twitter account, because that is the social media platform where he is the most active on and that he uses the most. The analysis contains tweets from the 12th of October 2019 till the 26th of October 2019. There are 93 tweets in total and they are divided into five different categories. We will only analyse the most relevant and interesting tweets from each category to show the social media activity.

Finally, in order to prove the influence and the positive consequences of the use of twitter for the branding of Tesla, information and data will be collected from secondary sources from the internet. The sources are recent, differ from each other and are from reliable websites.

4 Analysis

4.1 SOCIAL MEDIA MARKETING STRATEGY OF TESLA

The world is growing fast and constantly changing; a new generation has arrived, there are new technologies, and the use of social media is becoming crucial in this electronic world. Tesla understands this and adapted it well in their marketing strategy. The most important aspect of their strategy is that the company almost doesn't spend anything on advertising. Tesla has a focus on the earned media instead of the paid media. Word of mouth and most importantly the use of social media are two examples of the earned advertisement of the company. (Blanco, 2016)

According Malhotra & Malhotra (2016), there are four different profile of CEOs who use Twitter. Elon Musk belongs to the Business Mavens category. It's mean that he uses Twitter to share business-related content (like new product announcements/ information about existing products/ customer references/ information about management initiatives and strategy). But he also uses this social network like a personal account and publishes personal opinions and interest, or he just share something that could be interesting for everybody.

In reference to an article from 2006 "Brands as Complex Social Phenomena", in some cases the owner of a company is can be perceived as being part of the brand. In this case Elon Musk is a good example of that and he is often seen as the face of Tesla. He uses social media like no other normal CEO does. He has a strong charisma and isn't afraid to share his thoughts or talk about failures on social media. This can be dangerous, and his ideas can be controversial, but that doesn't hold him back. Elon has a vision of the future and a lot of people are interested and invested in that. Not only does he talk about his products on social media, he also often posts funny jokes or memes on Twitter, he shares some random thoughts, or he interacts with his fans and follower base. This marketing strategy is different, challenging and isn't suitable for every company now, but it shows that CEO's and brands will have to show their presence and activity more on social media in the future to be successful. (Folschette, 2019). In the following chapters we will show this social media strategy by including and analysing a few different types of tweet.

4.2 ELON MUSK'S USE OF TWITTER

In order to classify the tweets from Elon Musk and show the trends in his social media activity, we divided the 93 tweets into five different categories. Each numbered tweet can be found in the appendices. The last category won't be analysed, because those tweets aren't' related to Tesla and aren't related to our research.

Categories	Tweets
Inform followers about (new)	2, 3, 4, 10, 11, 14, 16, 52, 54, 55, 59, 60,
products/services/prices of Tesla	61, 70, 63, 69, 73, 77, 81, 88, 89
Corporate Social Responsibility	12, 23, 24, 29, 67, 91
Reacting to complains/ problems	8, 12, 15, 18, 32, 36, 37, 38, 41, 65
Replying to questions/recommendations	1,5, 6, 7, 9, 13, 20, 21, 32, 38, 39, 40, 42,
from customers	43, 48, 53, 68, 72, 74, 84, 92
Entertainment (humour, grabbing	17, 19, 22, 25, 26, 27, 28, 30, 31, 33, 34,
attention followers)	35, 50, 51, 56, 57, 62, 64, 71, 75, 76, 80,
	83, 85, 86, 87, 90, 93
Tweets to inform and talk about other	44, 45, 46, 47, 49, 58, 64, 66, 78, 79, 80,
things than Tesla	82

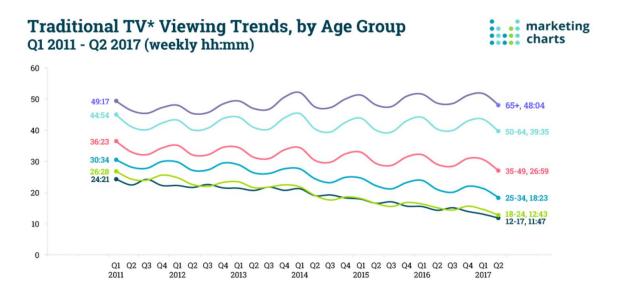
4.2.1 Informing followers about products and services of Tesla



In these two tweets (tweet 55 from October 16, 2019 and tweet 2 from October 12, 2019) Elon Musk shows us that he uses twitter to promote the Tesla brand. He informs his followers of new products coming out, in this case, a Tesla model and solar panels.

Referring to Cornelissen's book in Chapter 3, recent analyses of successful social media initiative shows that the role of campaign events to generate publicity may in the future be displaced by social media.

Nowadays, the level of audience of the television decreases more and more due to the rise of social networks. Elon Musk is getting ahead and already communicating on social networks.



With reference to the *Marketing Charts* graph, we can see that over the entire population, between 2011 and 2017 the audience of the television has continued to decline regardless of the age and especially among young people. For the 12-17-year-old category the graph goes from 24:21 in 2011 to 11:47 in 2017. Same observation for the 18-24 years-old category, the graph goes from 26:28 in 2011 to 12:43 in 2017.

For the 25-34 category and the 35-49 category the viewing time has dropped as well. Note that this target of consumers under 50-year-old may be the future customers of Tesla. So, Elon Musk does well to communicate on social networks because he is building a place in the minds of young consumers who can become future customers.





Based on these two tweets (tweet 10 from October 12, 2019 and tweet 11 from October 12, 2019) Elon Musk tries to keep a good relationship with its customer by undermining the questions. In this way he keeps a good image because it is better to answer upstream questions that might come later, so Elon Musk remains totally transparent regarding his product.

He avoids criticism and initiates the claims by doing this.



In reference to the tweet 4 from October 12, 2019, Elon Musk remains transparent about information that may worry or annoy his customers. As we can read in Cornelissen's book in chapter 3, if there are any outright discrepancies, or concerns about the organization not being true or if the company is trying to hide to his customers certain information, this is very quickly picked up in the social media environment. In this case, customers can mobilize to denounce a lack of authenticity. If Elon Musk does not keep his customers informed about a price hike coming soon, the customers may feel betrayed on the day of the increase in the price. "Prevention is better than cure".

He doesn't only tell his customer that the price will increase, he gives a date, he gives the amount of the increase and he explains what the increase is about. Thanks to this transparency, consumers will be more understanding and will accept the price increase more easily.

4.2.2 Reacting to complains and problems from customers



Social networks allow a free expression for everyone. However, in case of a complaint the company cannot express itself freely. As Cornelissen explains in the Chapter 3, companies have to limit the free expression in some cases, suggest a specific voice and editorial style, and promote more "defensive" attitude in responding to negative comments.

In the tweet 12 from October 12, 2019 Musk informs his customers about the price to invest for customers who want to have another functionality in their Tesla car that they bought a few years ago. A Tesla customer does not agree with the new investment he has to make because he bought his Tesla in 2018 and now he has to invest \$3k more to have the new functionality in his older car. Customers who have bought a Tesla in 2019 have nothing to add because the functionality is already included. This customer denounces a form of injustice towards earlier consumers.

In reference to Cornelissen's book, Chapter 3, we can talk here about the idea of priming or nudging. With a few carefully chosen expressions or speech acts, in this case, emotive expression, a company can try to mobilize individuals to produce and share content in favor of the organization.

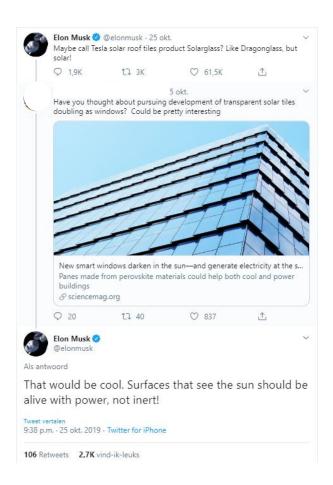
Elon Musk responds to this customer's complain by mentioning a financial problem and justify this increase in price by the desire and the need to achieve the goal of Tesla; environmental sustainability. Also, he recalls that without money Tesla cannot reach their goal.

So, we can see that he plays with the feelings of Tesla consumers who support environmental protection. Elon Musk stay defensive and transparent and directly involves the consumer in the financial problems of the company

	12 (oct.	~
En réponse à @elonmusk et			
I called Apple to see if I can get the 3rd camera for free in my IPhone X Tim didn't answer yet 2 come on guys no other brand will do it why you push the limits?			
♥ 6	17 8	♡ 288	riangle

And again, the community of Elon Musk is here for him. This follower takes his defence with humour and show the absurd side of the request of the dissatisfied.

4.2.3 Replying to question/ recommendations from customers



Referring to Cornelissen, Chapter 3, social media are more interactive and inclusive in nature compared to more traditional advertising and marketing channels. Also, social media allows the company to present a more human image of itself and to have a conversational voice; it involves an engaging and natural style of communication.

In the tweet 84 from October 25, 2019 Musk communicates about Tesla's solar roof. Tesla's customers can ask questions to Elon Musk about the product or make suggestion and he responds to the more relevant questions.

As we can see in this reply from Elon Musk's tweet, the follower presents an idea to Elon Musk about the solar panels. The idea here is to pursue the development of transparent

solar tiles as windows. Musk found this suggestion interesting and responded by showing a real interest in the idea. He uses a natural respond with a familiar word like "cool", which creates proximity with the customer. It places the customer in a zone of comfort and consideration that allows Elon to keep a good image of Tesla and himself with customers. In reference to Cornelissen, when there is a genuine experience of such "human" corporate voice through social network it translates into positive feelings with a strong stakeholder relationship.

After that, a part of Elon Musk's followers retweets his tweet, like or react to the tweet. In this fact, just one tweet of Elon Musk reaches more than just his followers and thanks to this, he communicates more than just to his community. Like we can read in Cornelissen's book, Chapter 3, Twitter and other social media foster more interactive and free-flowing conversation between customers of an organization.

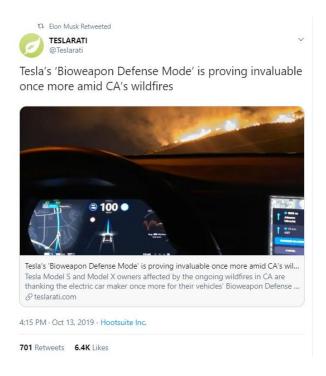
Here we can talk about "push" and "pull" technique in reference to Cornelissen (Chapter 3). This technique involves for an organization to first engage a community of stakeholders and to build a network of participants and then harnesses the network for new insights.



We can also see a kind of friendship between Elon Musk and his followers who react to the tweet in a more friendly way. There is a kind of closeness when customers ask questions about Elon's personal life. In the case of this tweet, showing that he is himself a daily user of Tesla products, he proves the safety of these.

4.2.4 Corporate Social Responsibility in Tweets

Referring to the official website of Tesla, "Tesla's mission is to accelerate the world's transition to sustainable energy." That Tesla is environmentally friendly, is well known because it's even in their mission. The stakeholder management strategy that Elon Musk applies is also very adequate. Elon Musk accentuates it even more that Tesla is corporate social responsible on his Twitter account by tweeting tweets, retweeting tweets and replying to tweets. The tweets we found in our period of two weeks are more precisely about the People aspect of Corporate Social Responsibility.



In the picture above, tweet 29 from October 13, we can see that Elon Musk retweets a tweet from the account 'Teslarati'. Teslarati is a multiplatform media company which focusses on Tesla, Elon Musk and Space X. The tweet is about the ongoing wildfires in California which causes hazardous air conditions outside. Due to the 'Bioweapon Defence Mode' of the electric vehicles, the passengers of Tesla cars can breathe clean air inside the cabin.

Elon Musk proves with this retweet that he cares about the health of his customers. Everyone knows he makes environmentally products, but he is also concerned about the healthcare of his customers.



In this tweet (tweet 67 from October 21) we can see that a customer bought solar panels of Tesla. Elon Musk asks this customer to let him know about his experience and what the customer thinks that can be improved.

It's obvious that Musk is concerned about the satisfactory of his customers. He always wants to improve/adapt his products to the needs of his customers. This interaction testifies Elon Musk wants to have a good relationship with his customers.

But Elon Musk also cares a lot about his own team/employees. In the tweet below (tweet 91 from October 26, we can see that someone praises the work of a Tesla employee. Elon Musk agrees with his opinion and says that his employee is great. Moreover, he even praises his team by reacting on the tweet of Ross Gerber.



By reacting to these kinds of tweets, he gives his employees recognition. The employees will appreciate that and they will prefer to work with a grateful CEO.

4.2.5 Entertainment in Tweets



"For corporate communication practitioners themselves, one further opportunity in using social media is that it allows the company to present a more human image of itself and to have a conversational voice. Conversational voice is defined as an engaging ad natural style of communicating as perceived by the organization's stakeholders and as based on their direct communication with the organization. When there is a genuine experience of such a 'human' corporate voice through Twitter feeds, blogs and social networking sites, it translates into positive feelings, a favourable image and strong stakeholder relationships". (Cornelissen 2017, p. 50)

As we can see in the tweets above, Elon Musk is not only an attractive person because of all the ideas he has made happen (Tesla, Space X, ...) but also because of how he entertains his followers with his humour. Referring to Cornelissen chapter 3, informal communication is a key feature of social media. This kind of entertainment also affects Tesla. People will appreciate the brand more because of the funny CEO behind it.

Elon Musk uses also informal communication (humour for example) to entertain his followers/customers. Because of this Elon Musk builds a strong relationship with his followers and becomes a more attractive person.

In October 2019 the famous game Fortnite was taken down for a few days after the first chapter of the game (second picture on the previous page, tweet 26). Elon Musk took the opportunity to make a funny joke about this. He told everyone that he bought it and removed it forever. Then he said; "I had to save these kids from eternal virginity". Elon Musk is a famous person which has a lot of fans and is appreciated by a lot of people. The entertainment he secures takes part in this. Tesla becomes a stronger and stronger brand just because of a very entertaining, attractive CEO.

The CEO of Tesla also loves interaction with his fans. This interaction is often about very random stuff. At least he keeps in touch with his followers and takes the opportunity to entertain them, as we can see in the tweet-conversation below (tweet 51 from October 13).



4.3 RESULTS OF SOCIAL MEDIA MARKETING STRATEGY AND BRANDING OF TESLA

Tesla's popularity is constantly growing online and a lot of people are talking about the brand on social media. The customers have a better understanding of Musk's vision when he shares his thoughts and products so much on social media. Because Elon Musk engages, shares his thoughts and use humour with his fans and followers, they will think more positively about the company and they will feel like they are a part of the brand.

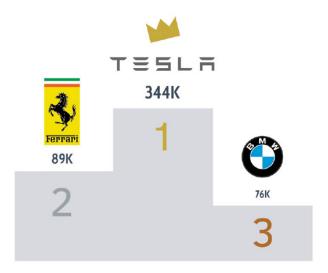


Figure 1: Image from Folschette's article "Tesla's marketing strategy shows that it's time for CEOs to get social" written in 2019

This image above from Talkwalker shows the amount of Twitter mentions from July 23 till August 19 in 2017. We can see that Tesla has three times more mentions on Twitter during that period than Ferrari, who is in second place. This confirms that people are actively talking about and engaged with the brand on social media. (Folschette, 2019)

The following graph on the next page is from an article written by Alex Manecuta in the Medium. It shows the growth percentage across social media networks from the 4th of October 2017 till the 22th of February 2018. Tesla's social media presence grew with 34% during that period. This shows again that the social media strategy has been very

successful; Tesla's popularity has been growing rapidly compared to their competitors without the use of any paid advertisement and without a lot of promotion.

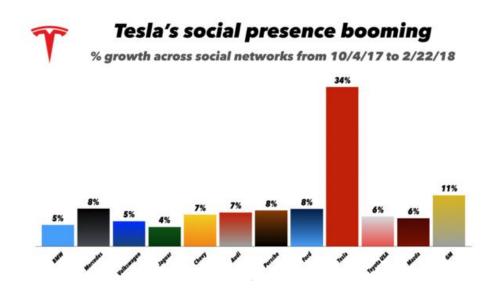


Figure 2: Graph from Manecuta's Article "Tesla: How to Leverage Social Media to Build a Top Brand" written in 2018

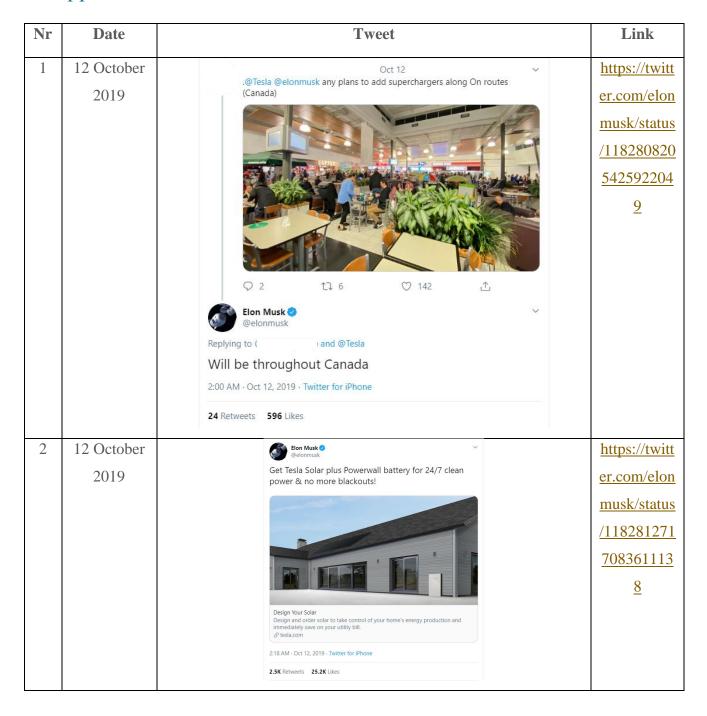
Elon Musk has created a story behind Tesla and he has been telling and showing us this story trough social media and the internet. He has a vision of the future, a sustainable world with clean energy. His customers and followers are following this story and vision which results in an emotional connection with the brand. When buying a Tesla they feel like they are moving forward and that they are doing something good for the planet. The customers are not only buying a mean of transportation, they are buying a piece of the future. This results in strong brand loyalty, brand awareness and in general a strong brand. (Blanco, 2016)

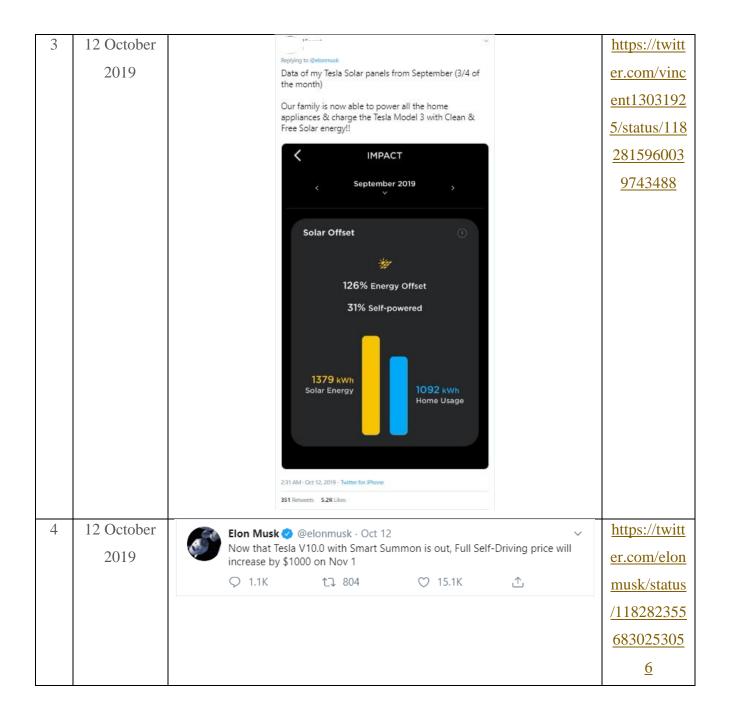
5 Conclusion

In our research we first found out that Tesla uses a social media marketing strategy. The company doesn't spend their budget on advertisement, instead they choose to increase the brand's popularity through social media and word of mouth. Elon Musk, who is seen as the face of Tesla and a part of the brand, plays a big role in the marketing strategy. He is very active on Twitter and writes a lot about the brand on that platform. When we looked at the 93 tweets that the CEO tweeted during two weeks in October, we found five different trends. During that period the tweets were mostly to about entertainment and humor. There were also a lot of tweets to give information and updates about Tesla and reactions to questions/ recommendations of his customers and fan base. This shows that Elon Musk has a good variety of Tweets.

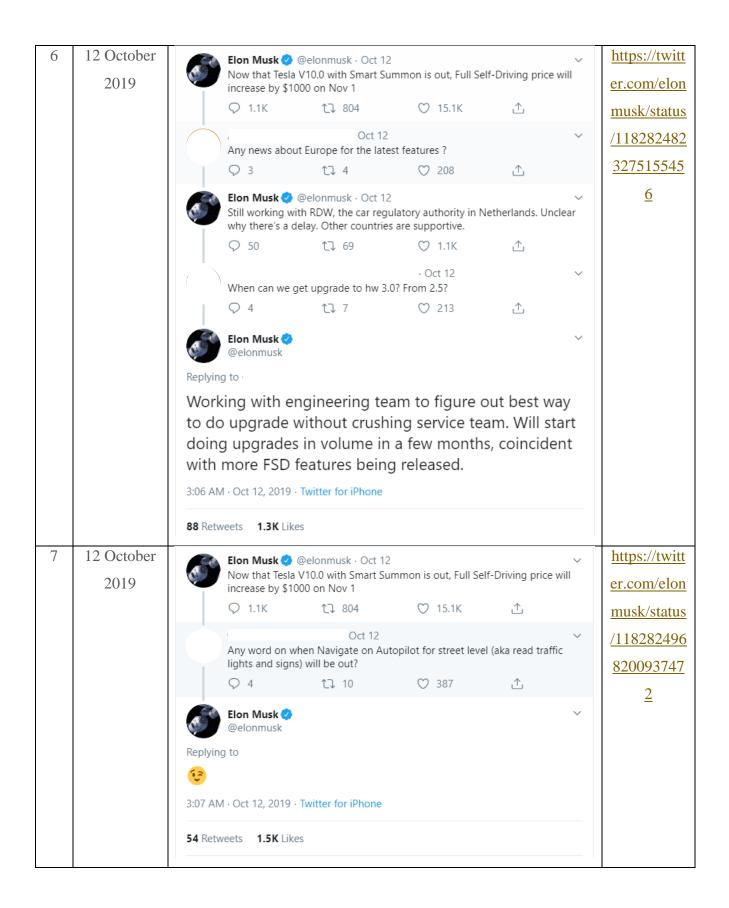
To give an answer to our research question, "how does Elon Musk's tweets influence the branding of Tesla?", we also had to look for results and consequences of his use of social media. The amount of humour that is present in Tweets shows that he is genuine and that he wants to appear as a fun CEO or that he just cares to entertain his followers. The fact that Elon Musk also takes time to answer questions from his customers about Tesla and problems also shows that he cares about his customer and that creates a bond. This increases the brand loyalty. Because Elon Musk tells so much about Tesla on Twitter, the customers and stakeholders are more familiar and have more knowledge about the brand. This results in a high brand awareness. With the graphs in our research paper we have seen that Tesla's growth across social media is the biggest compared to their competitors in the automotive world and that Tesla is one the most mentioned car brand on Twitter. Social media users are interested in what the brand does and the new technologies in the future. This social media strategy is one of the reasons why Tesla is such a strong brand.

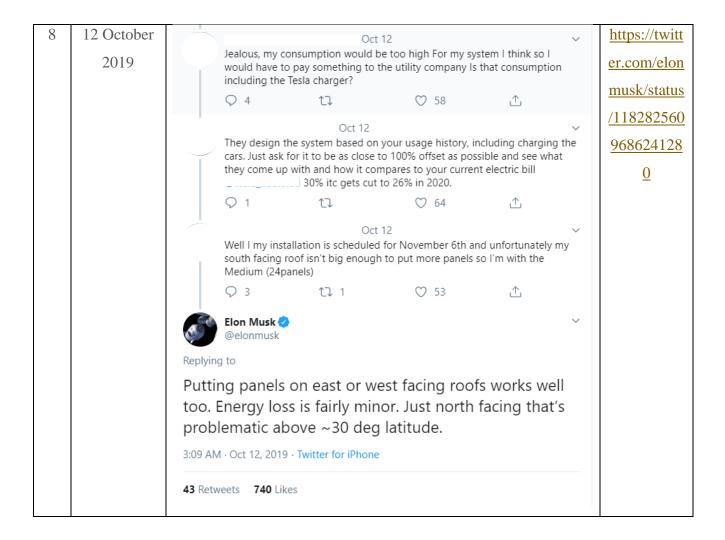
6 Appendices



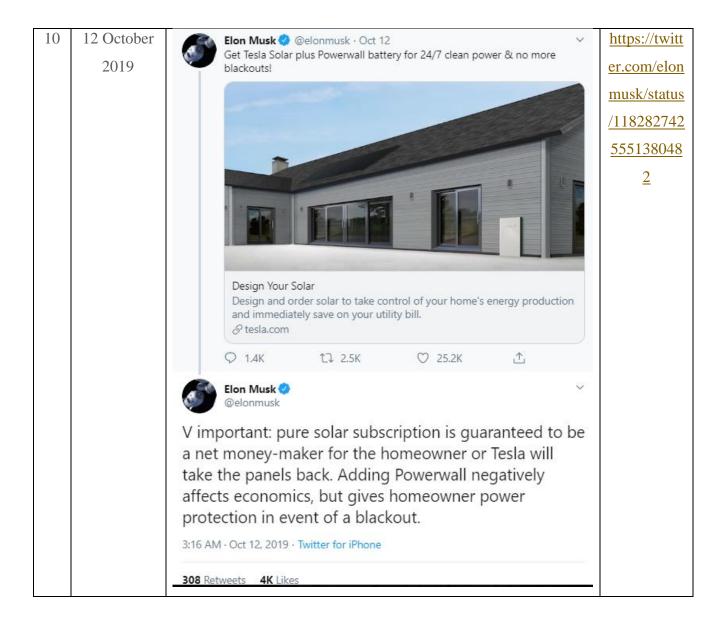


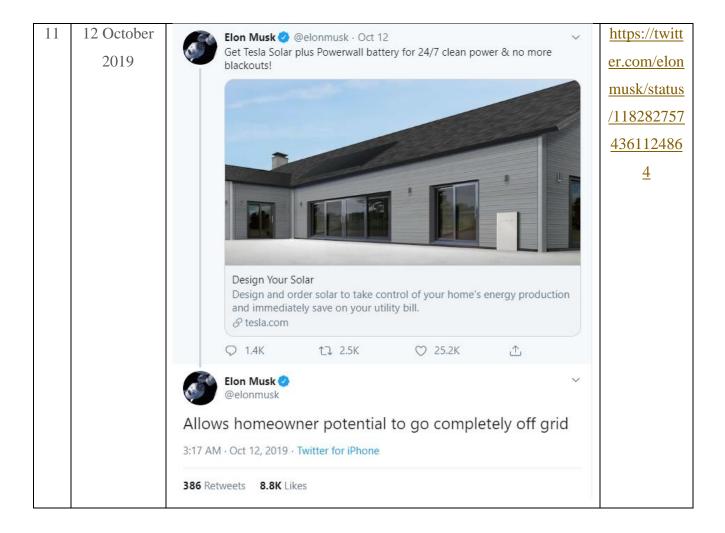


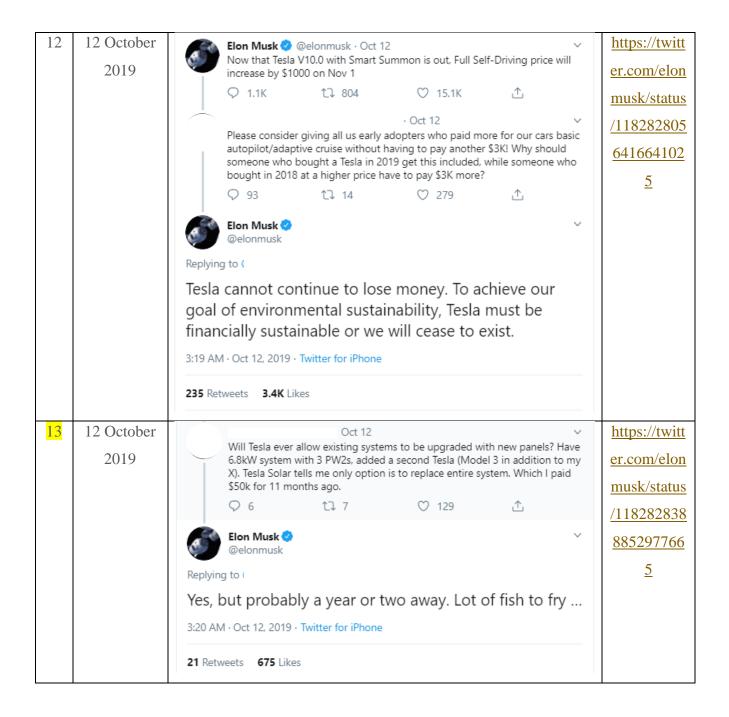


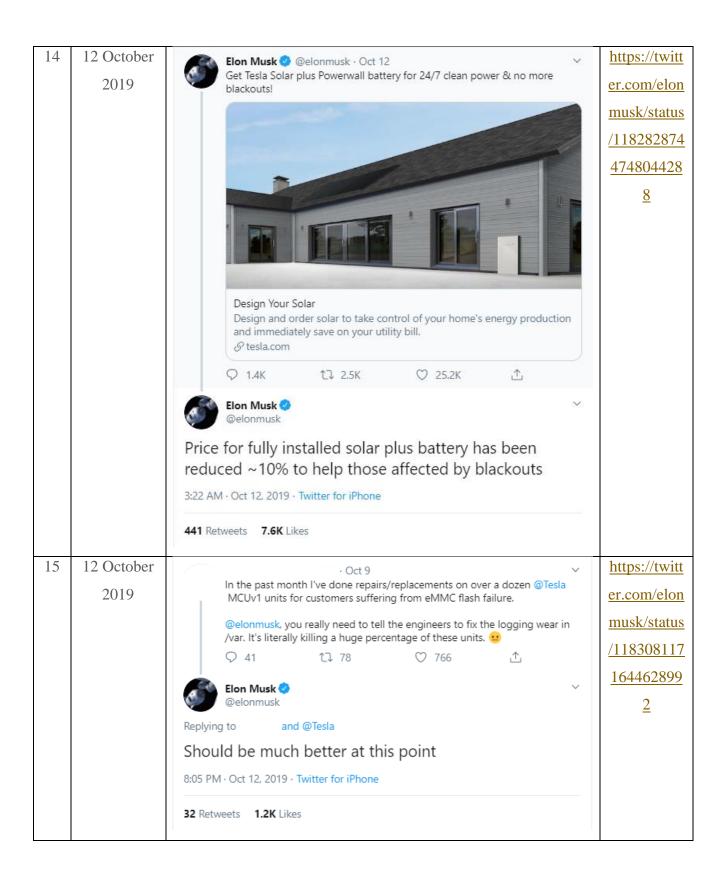


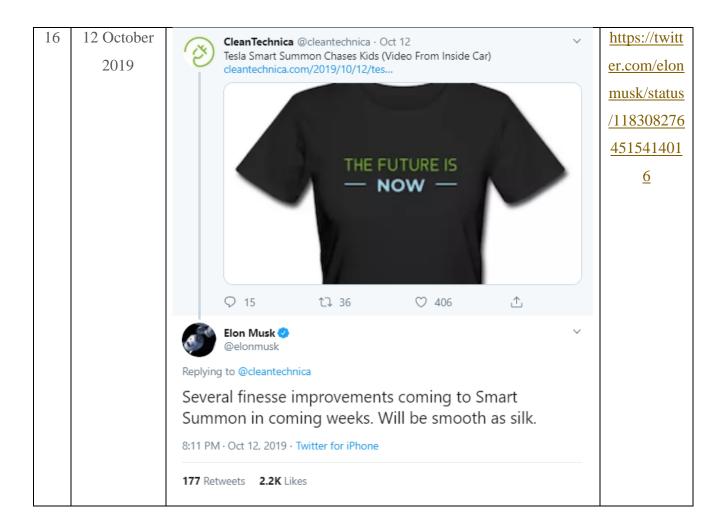


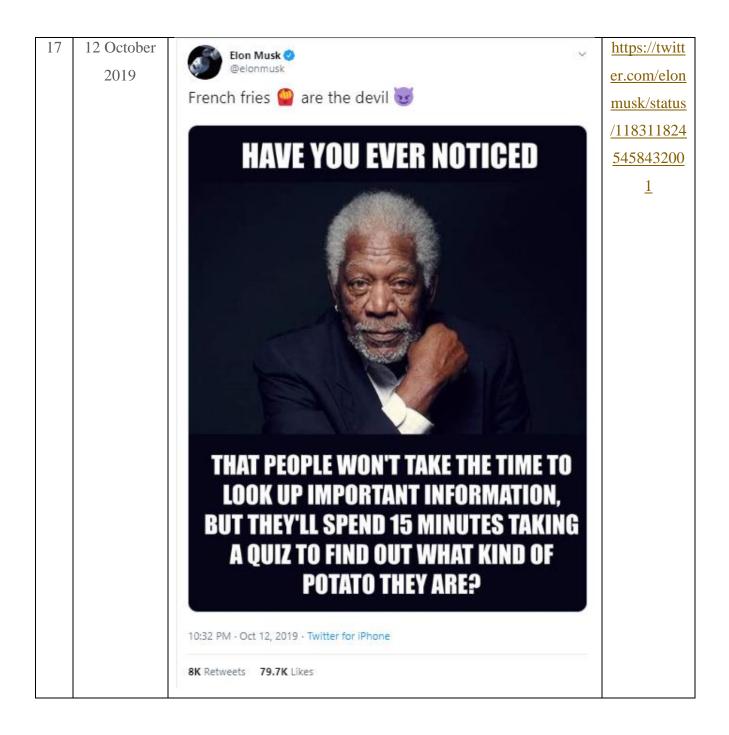


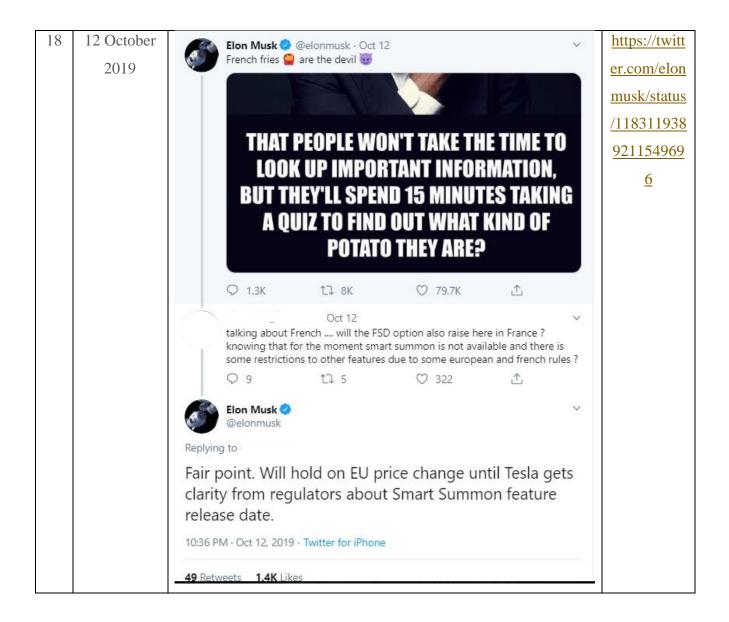


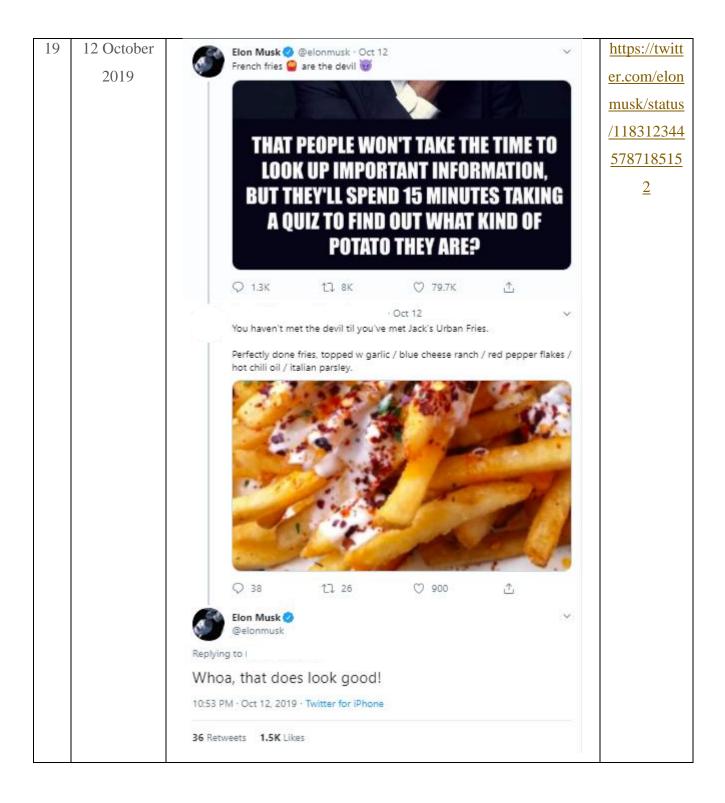


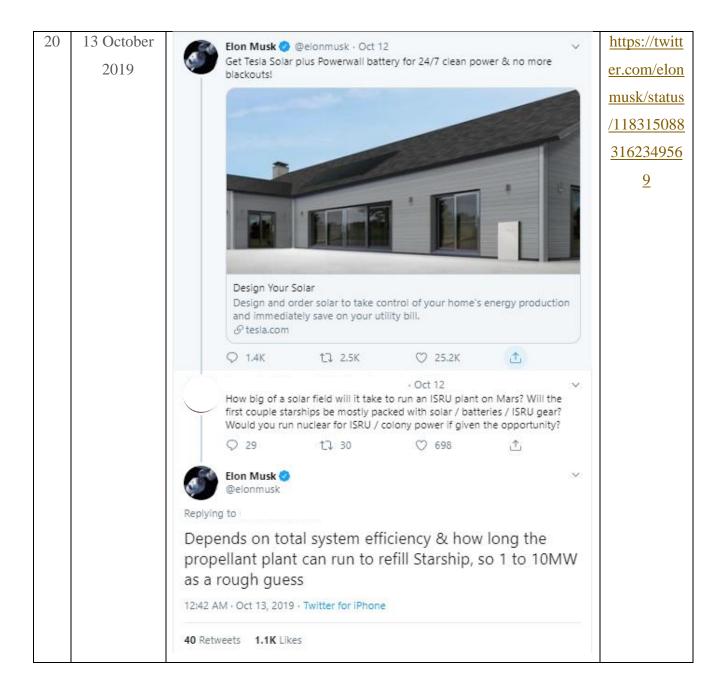


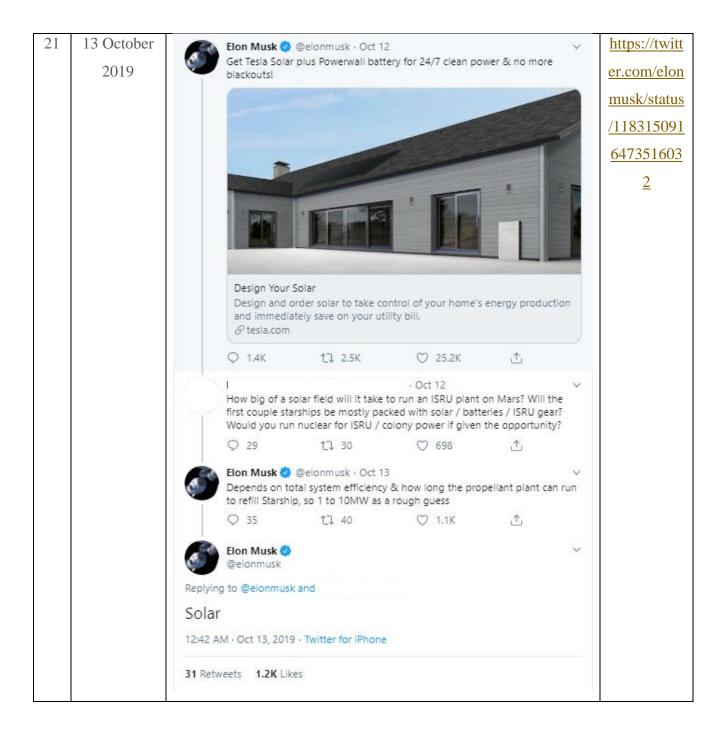


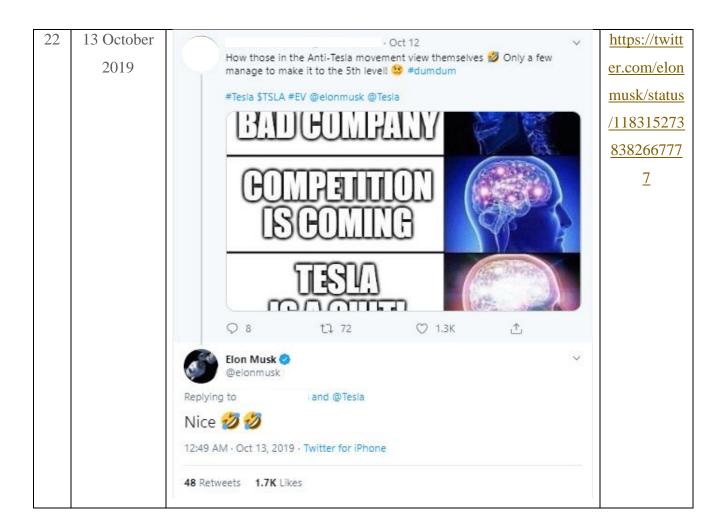


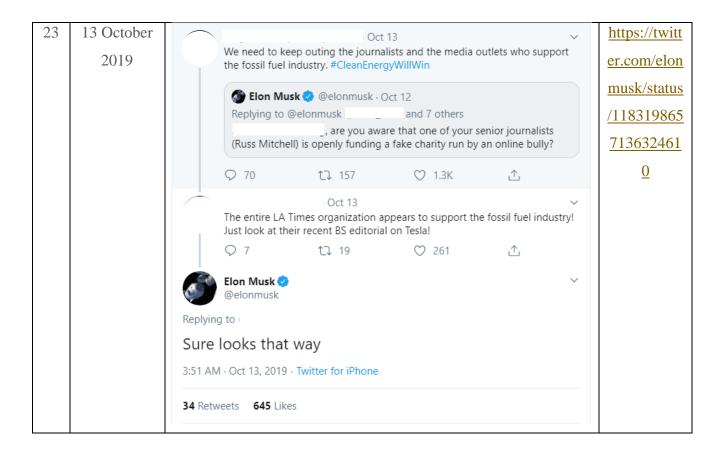


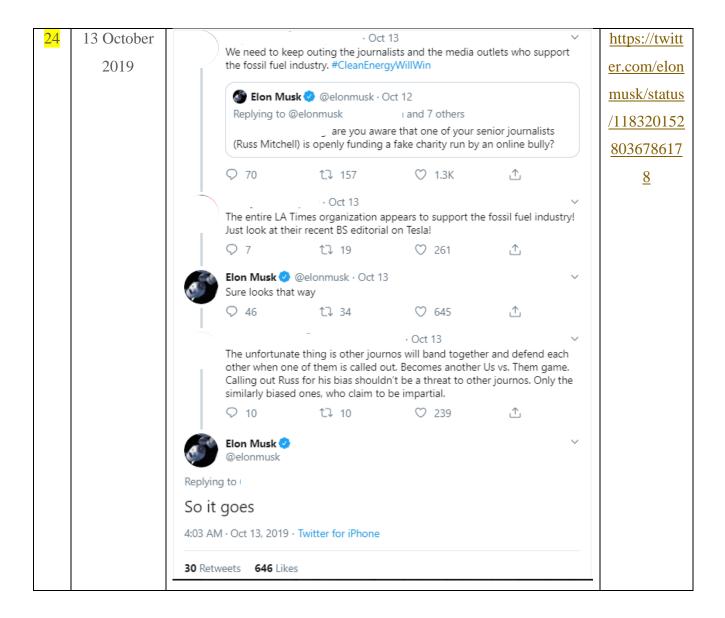




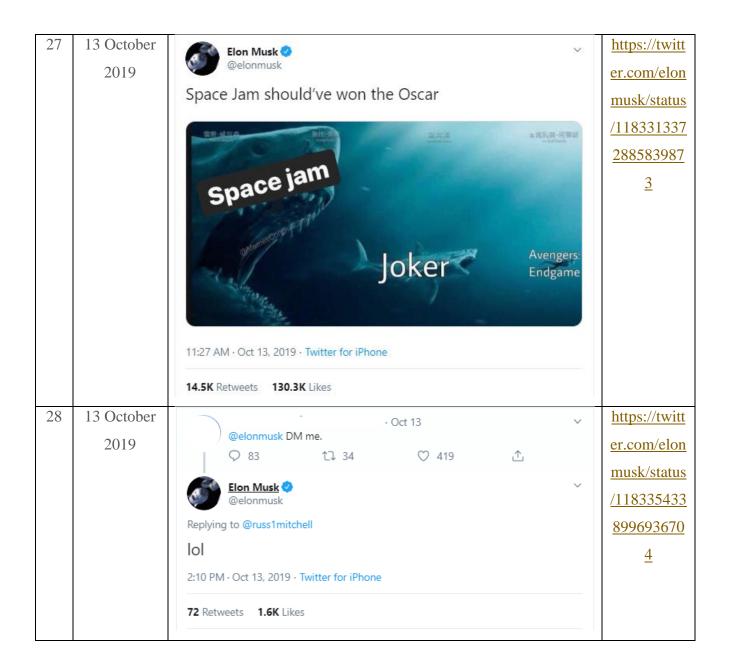


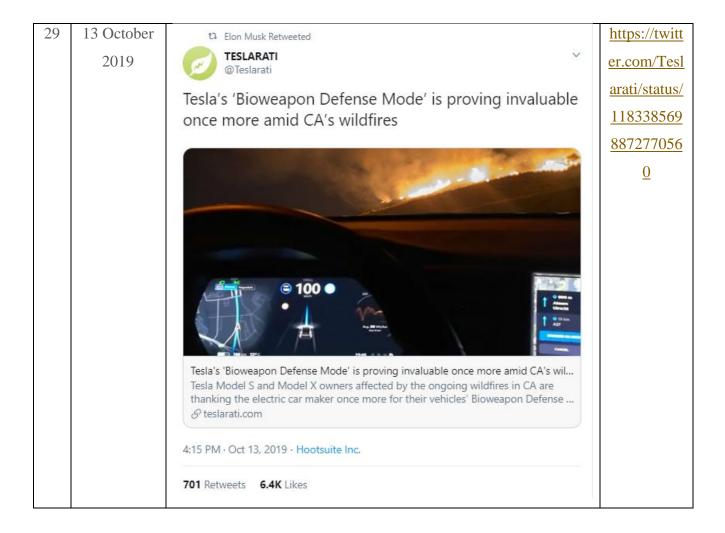


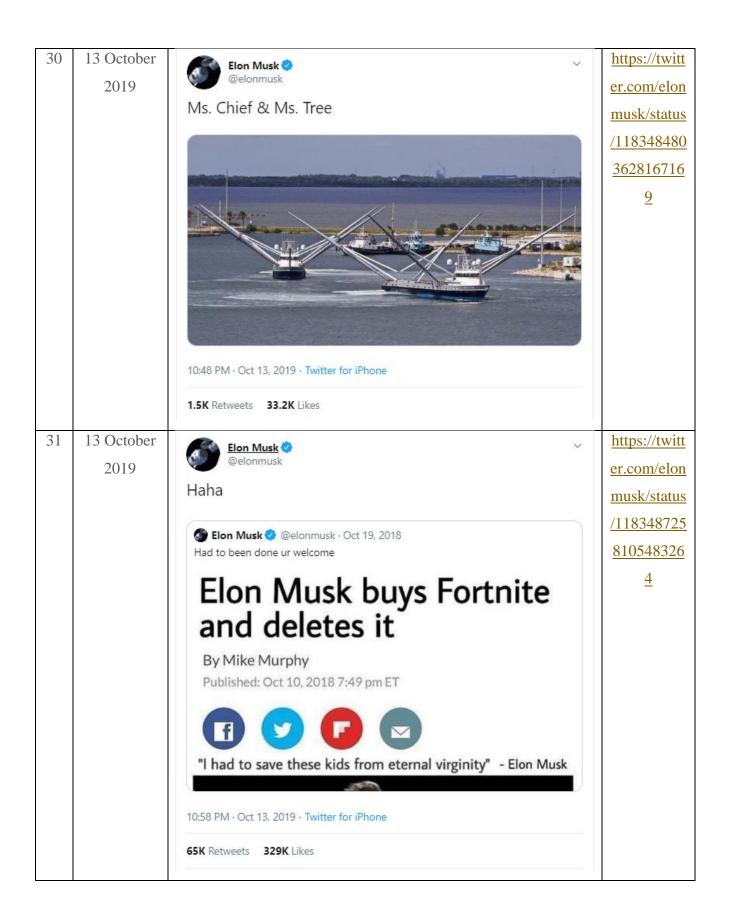


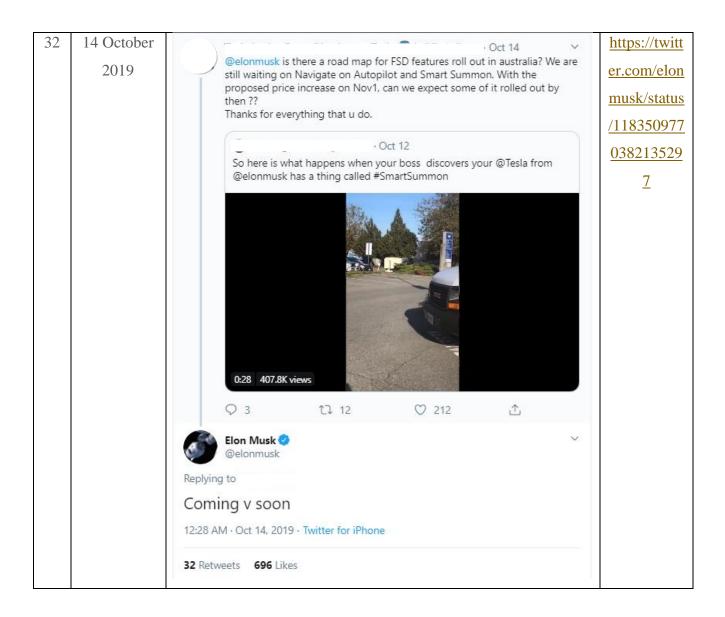




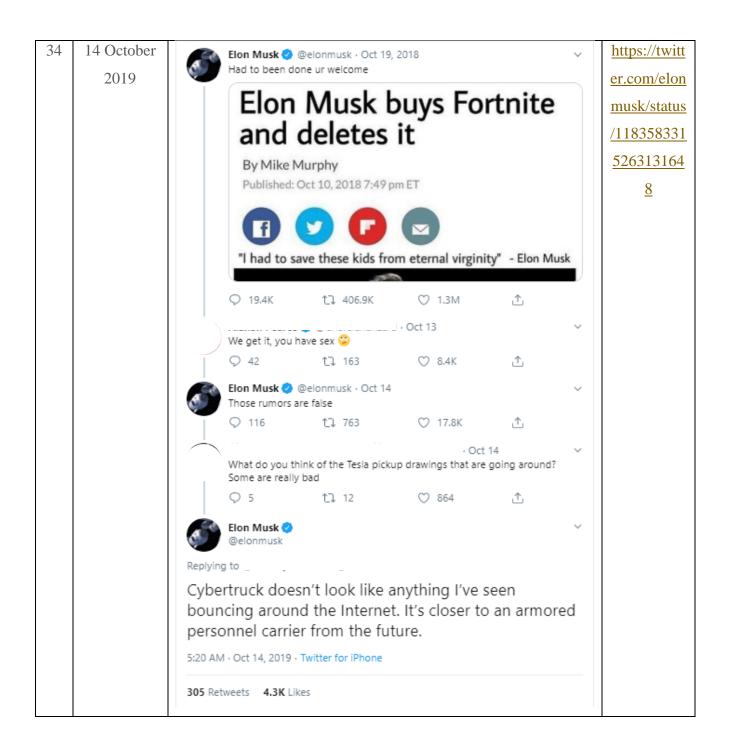


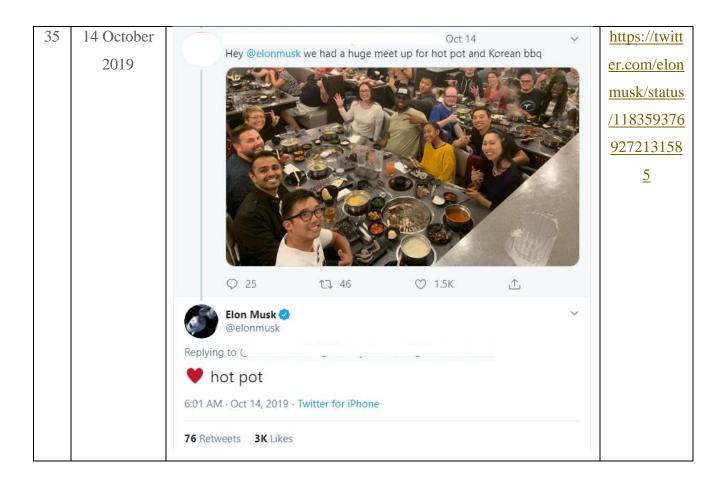


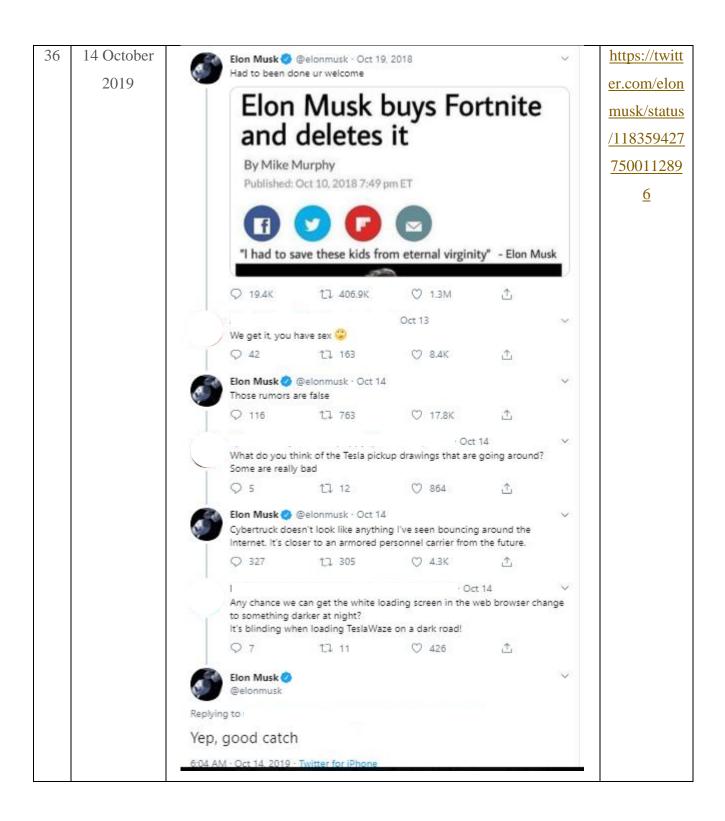


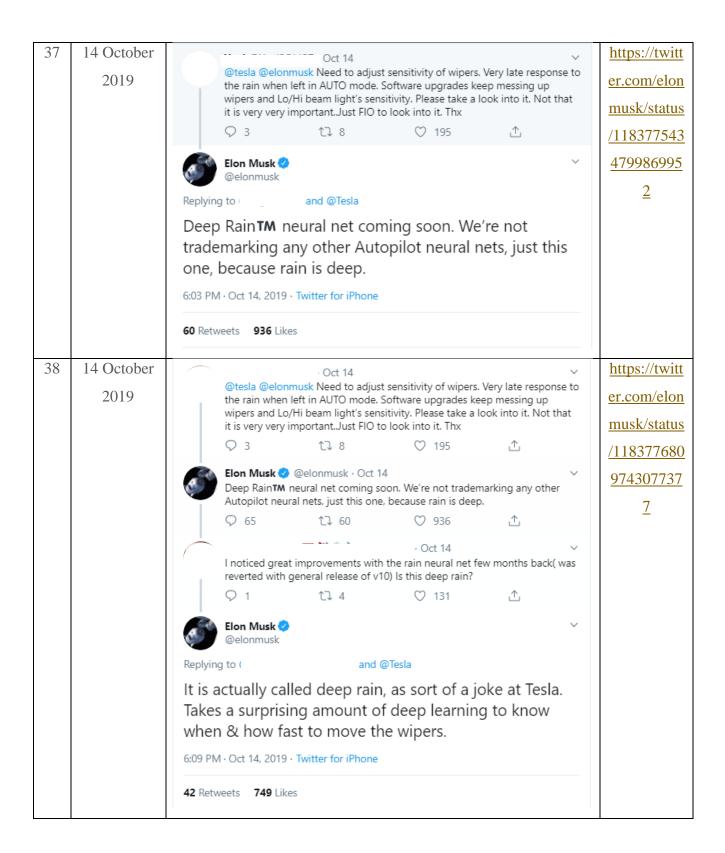


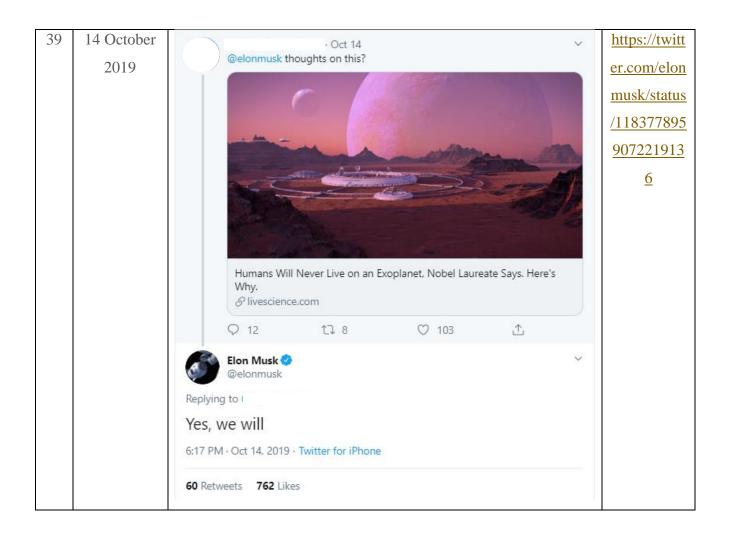


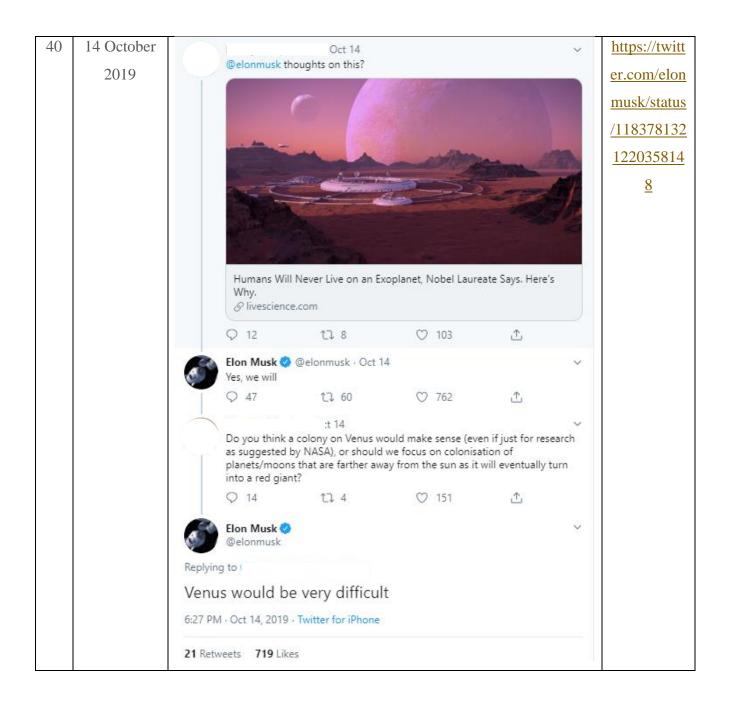


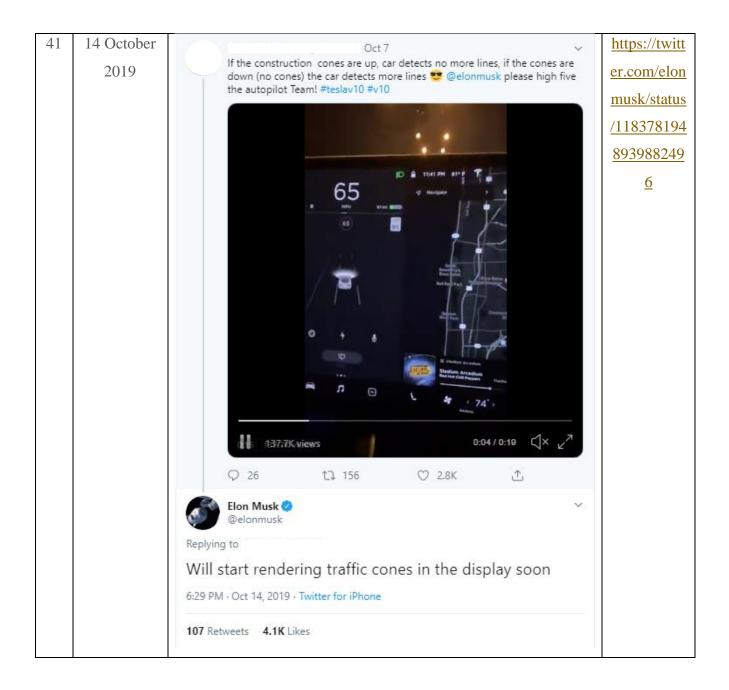


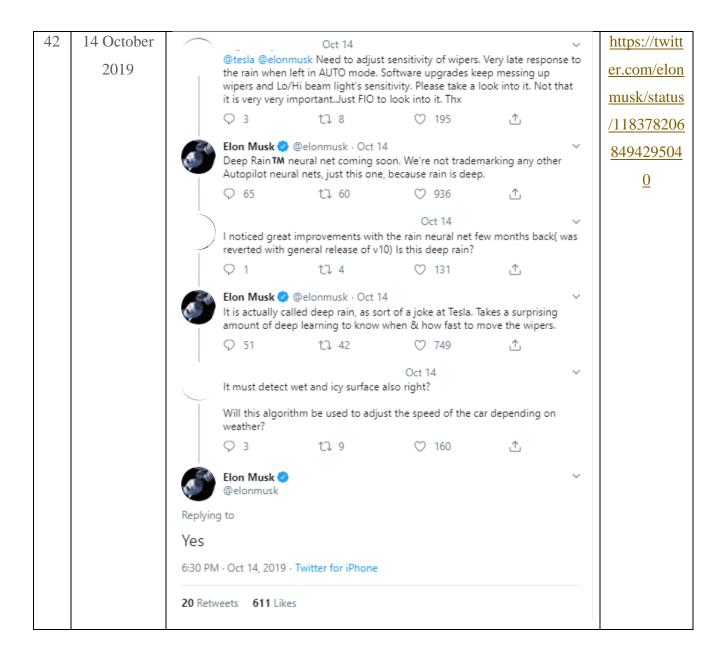


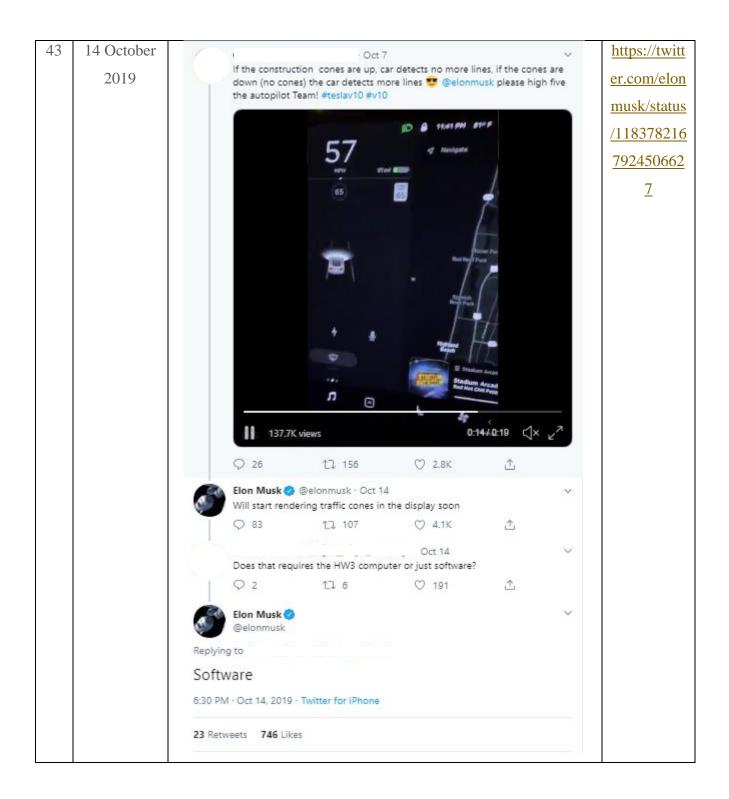


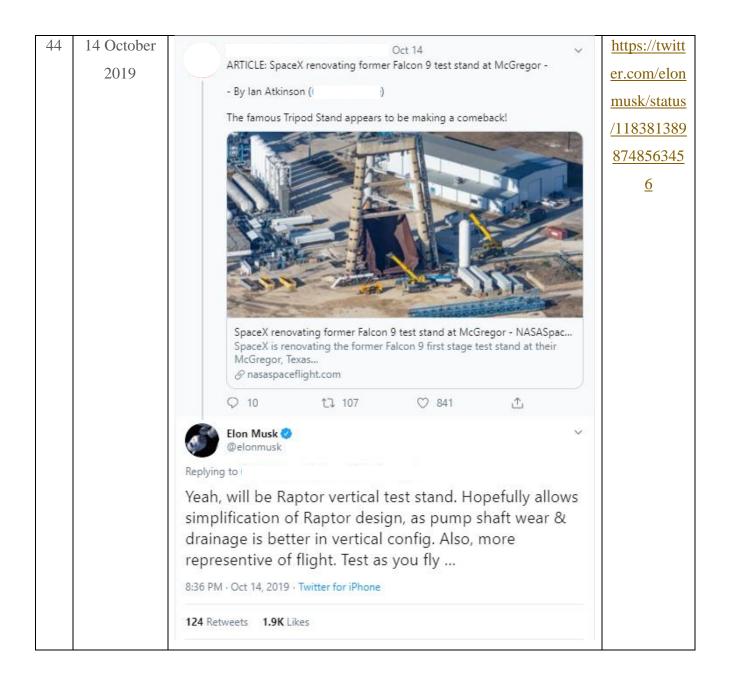


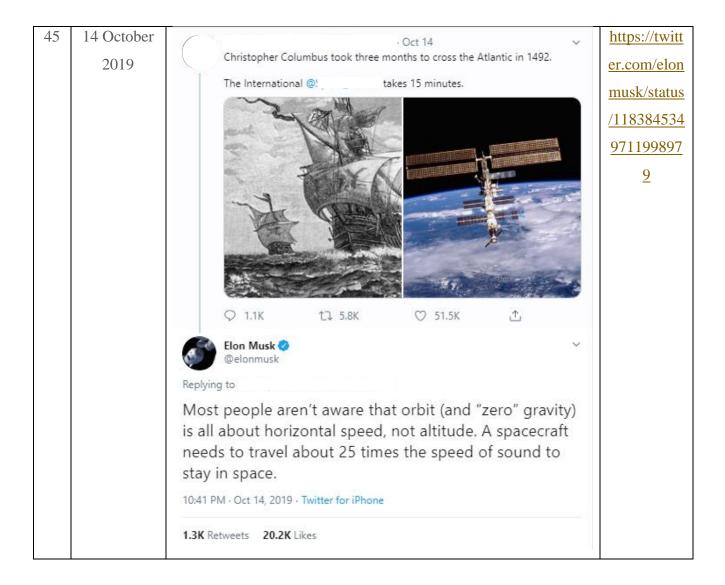


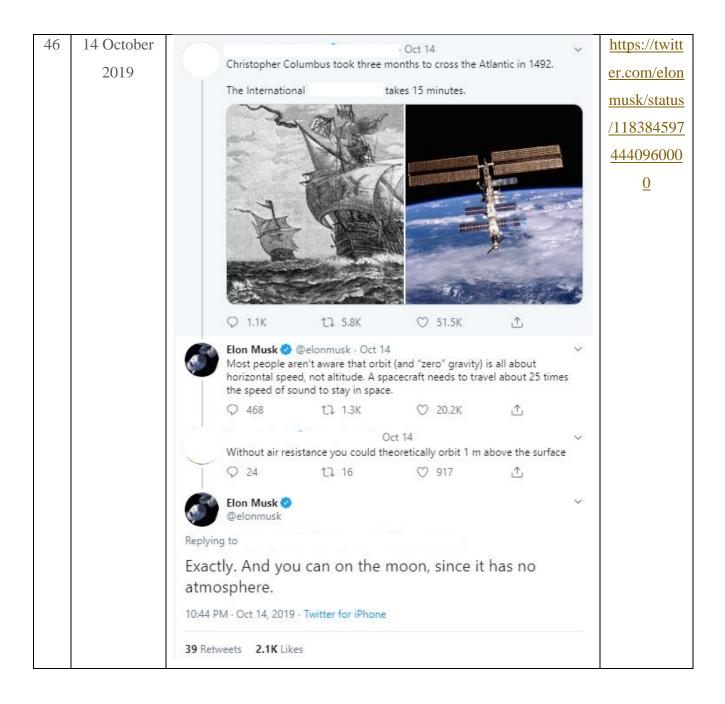




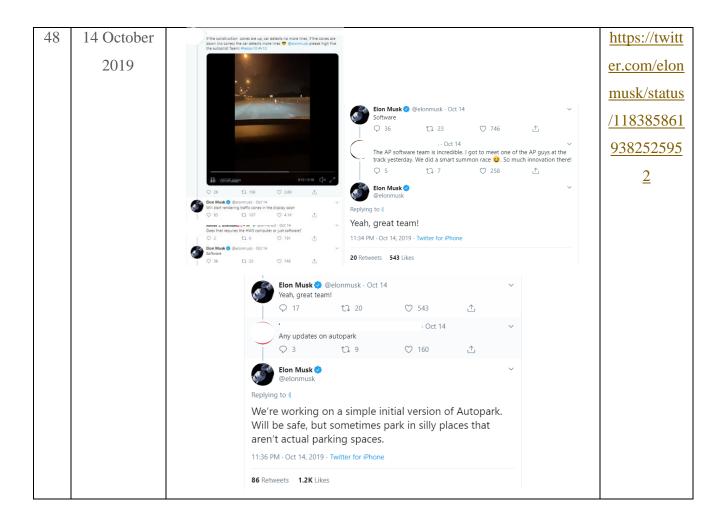


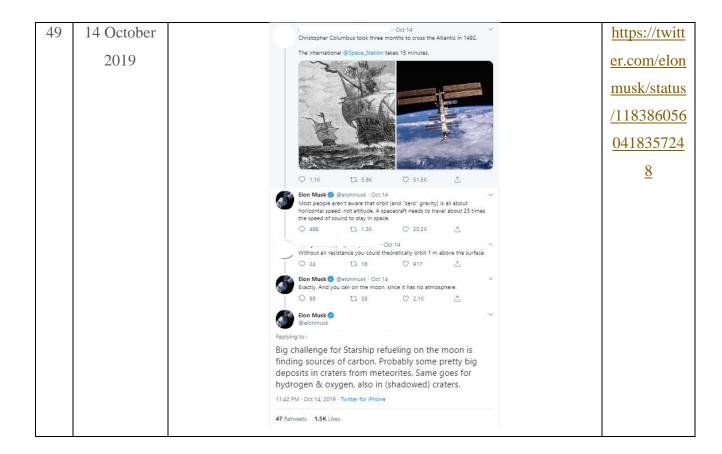


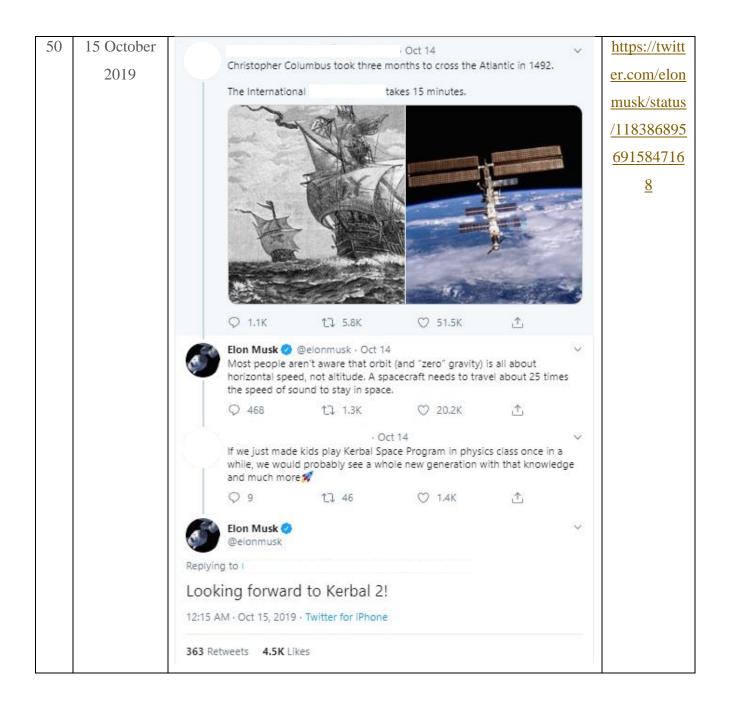


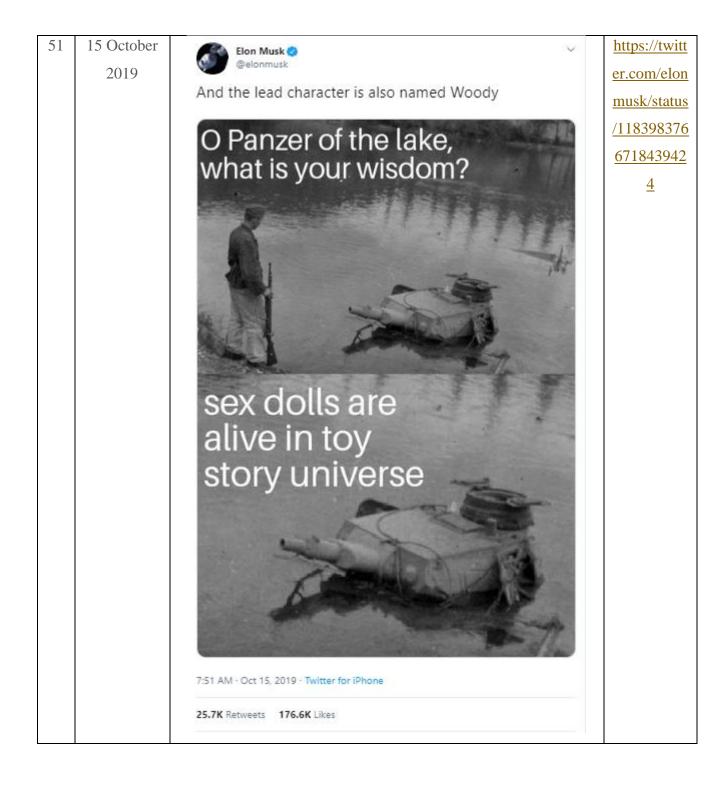


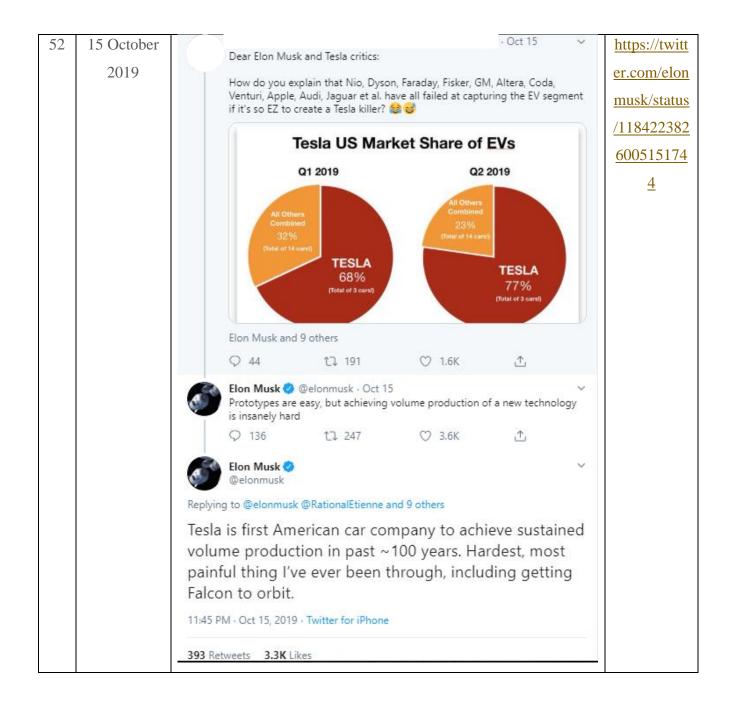


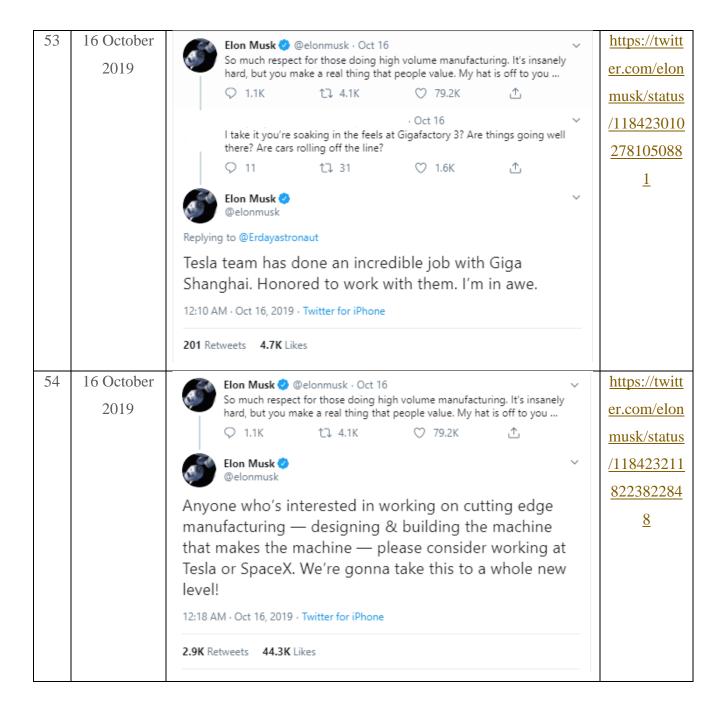


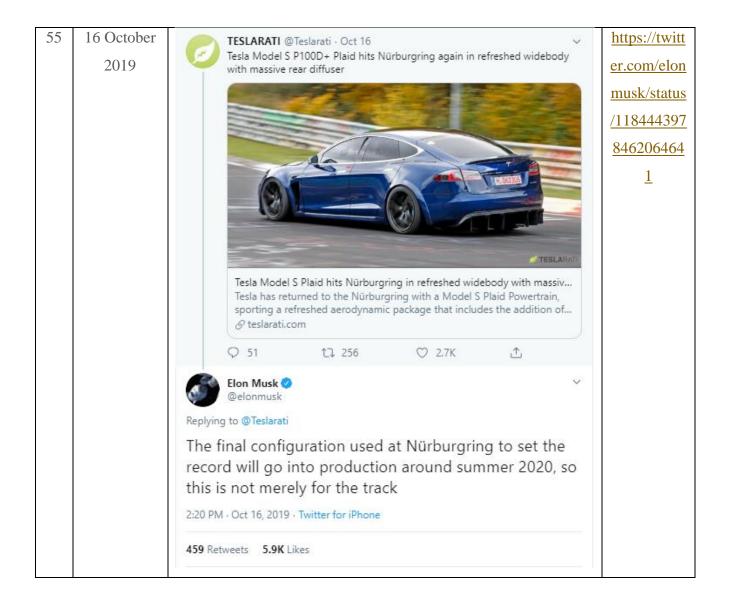






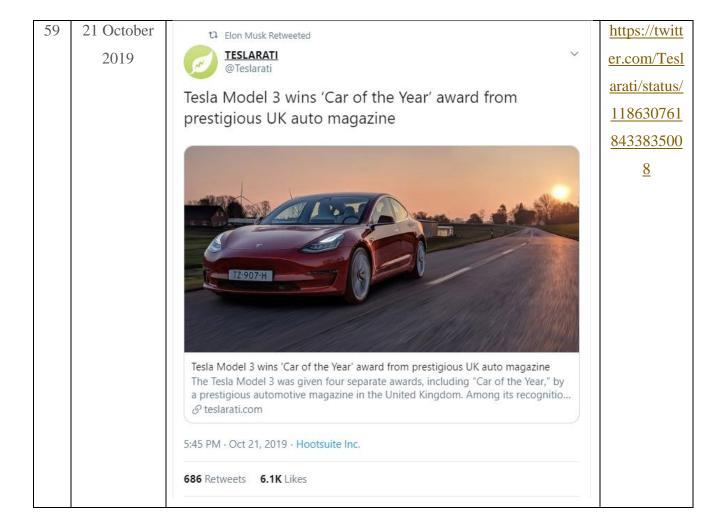




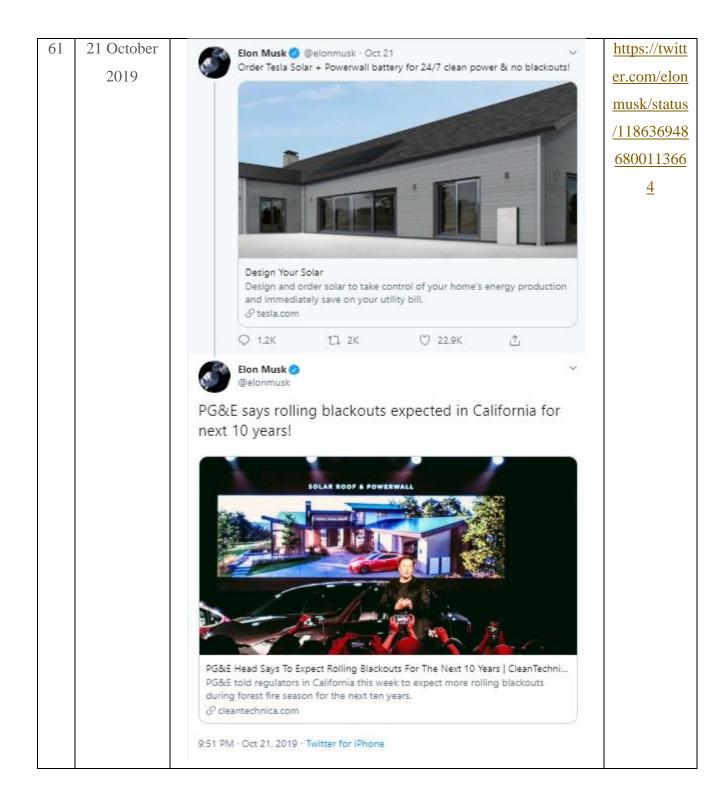




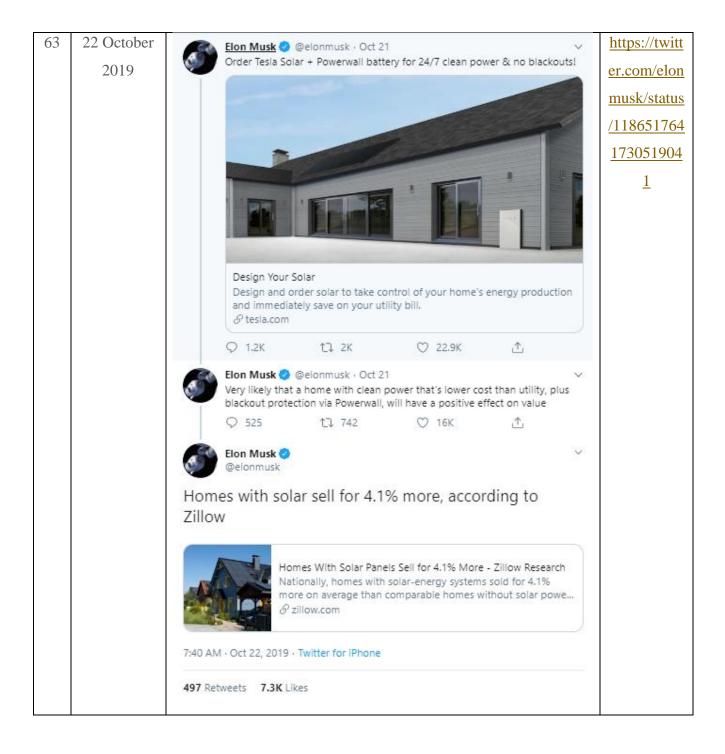


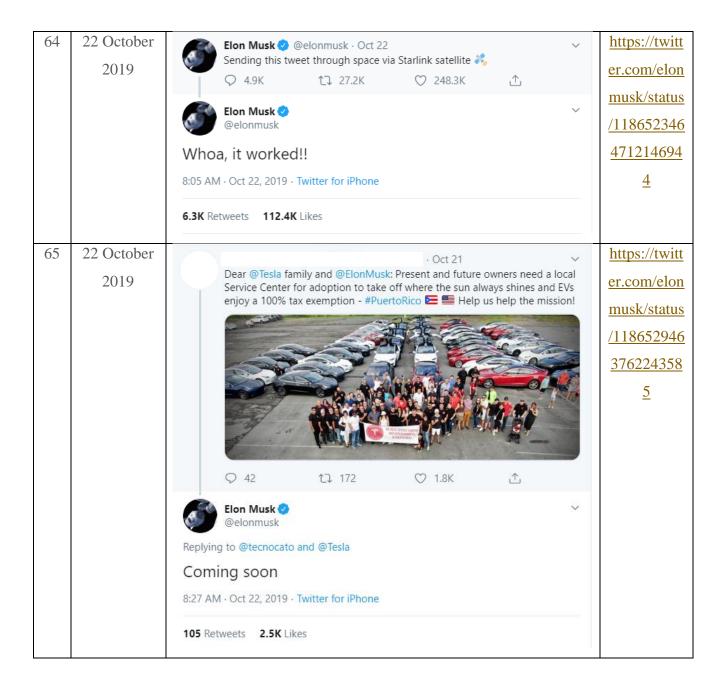


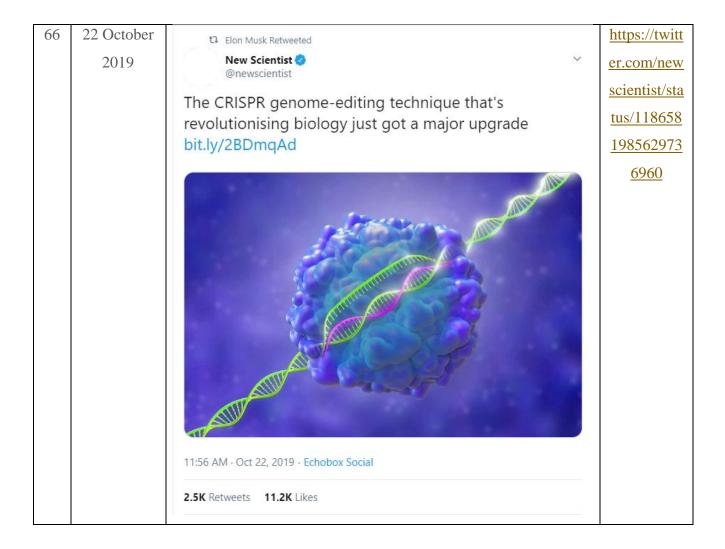
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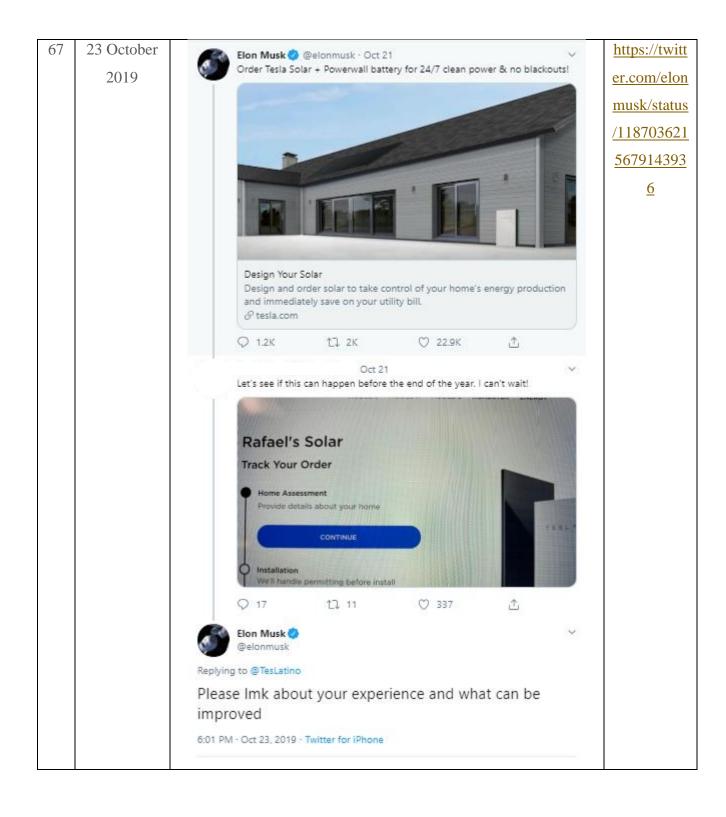


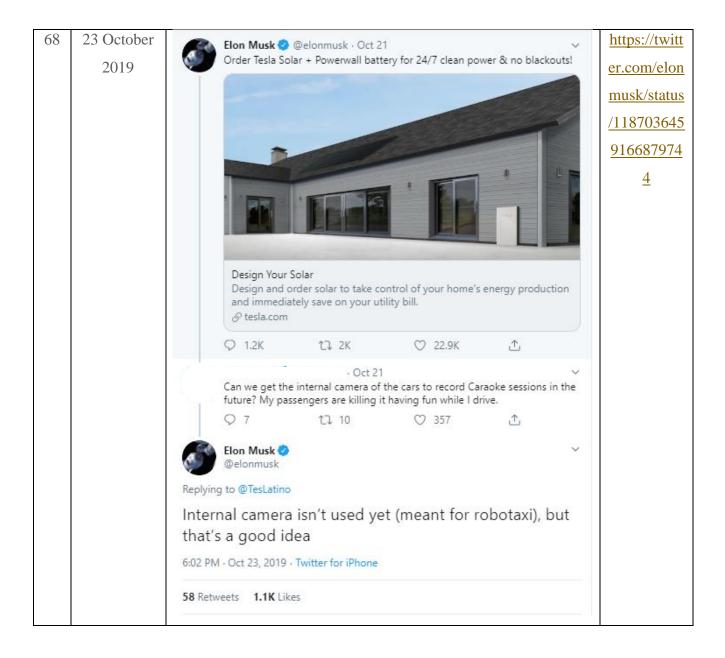
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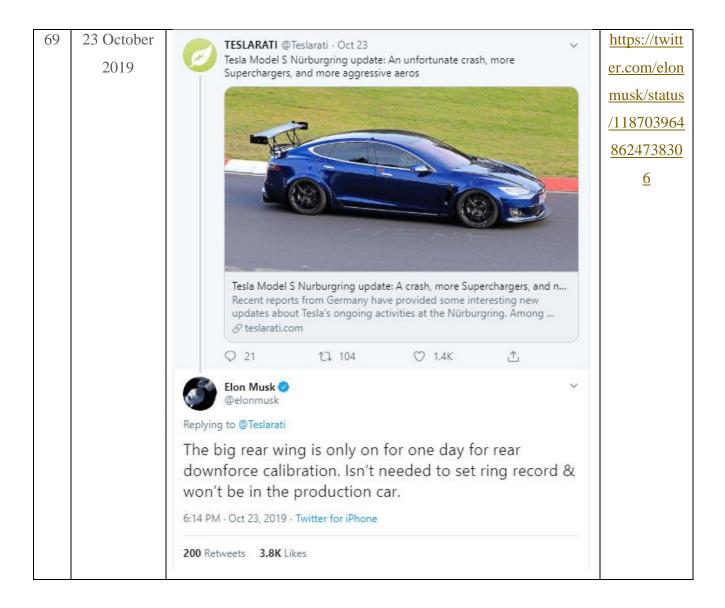






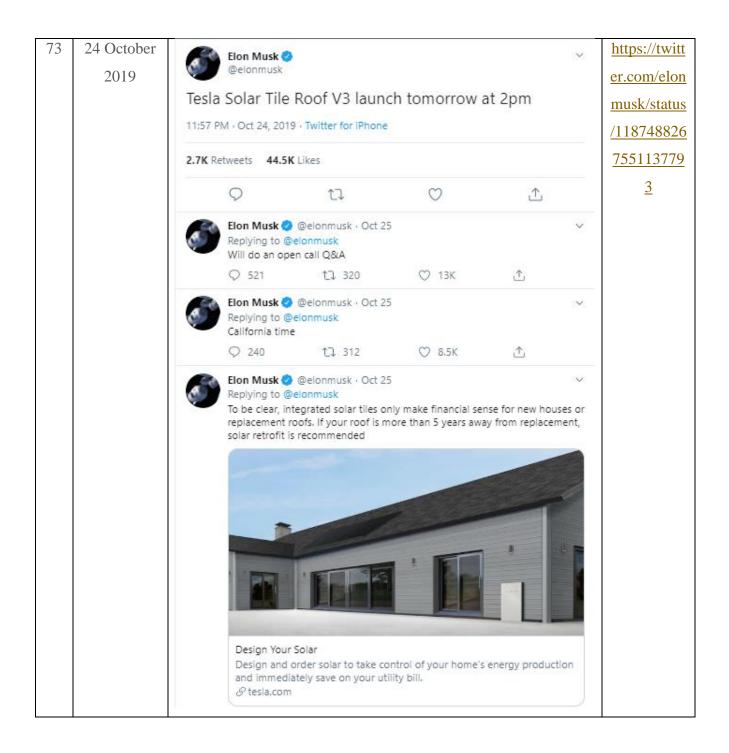


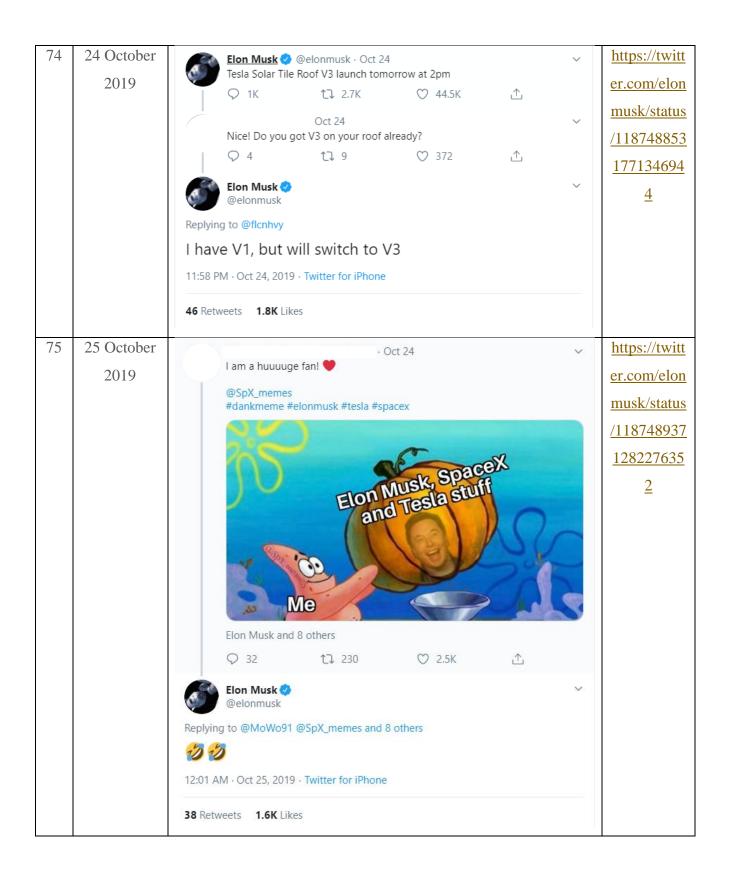


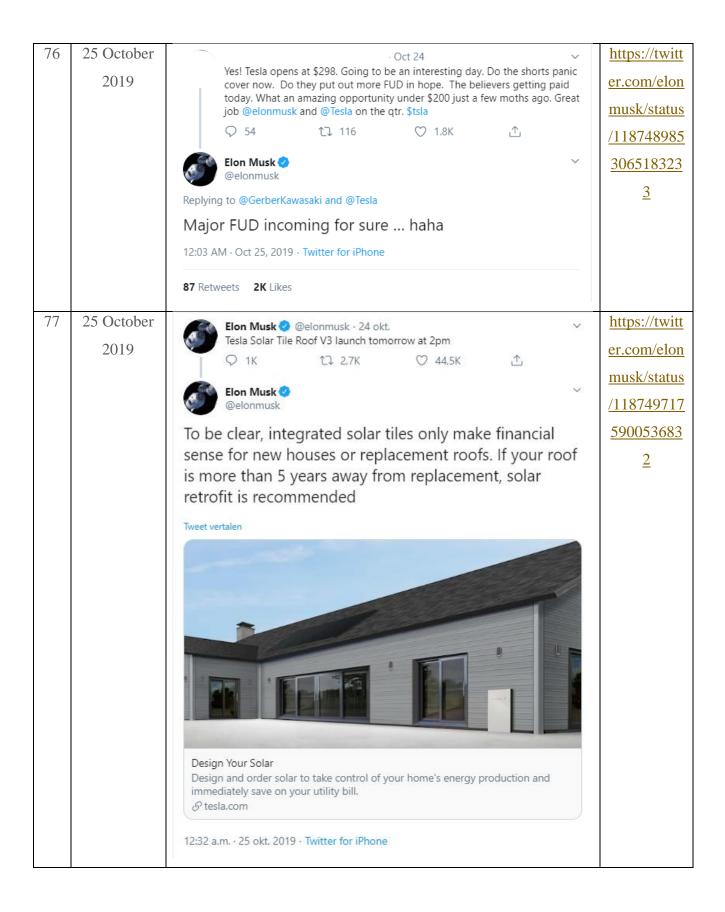


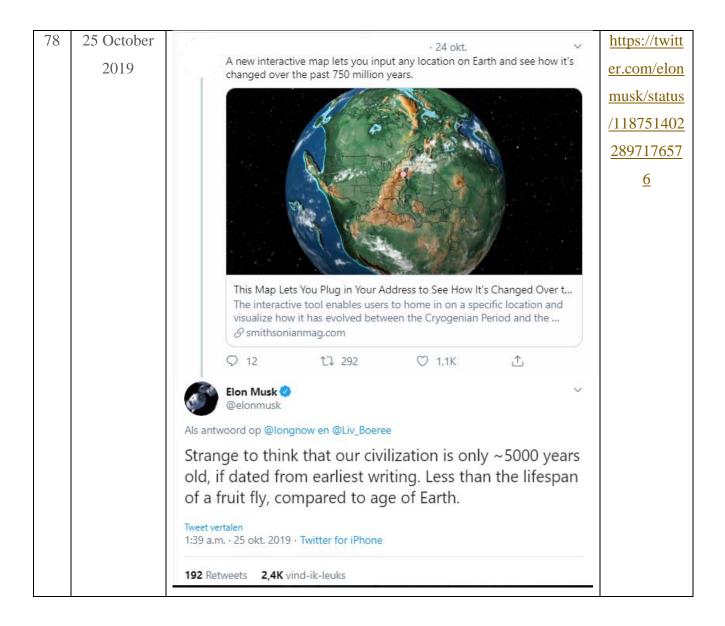


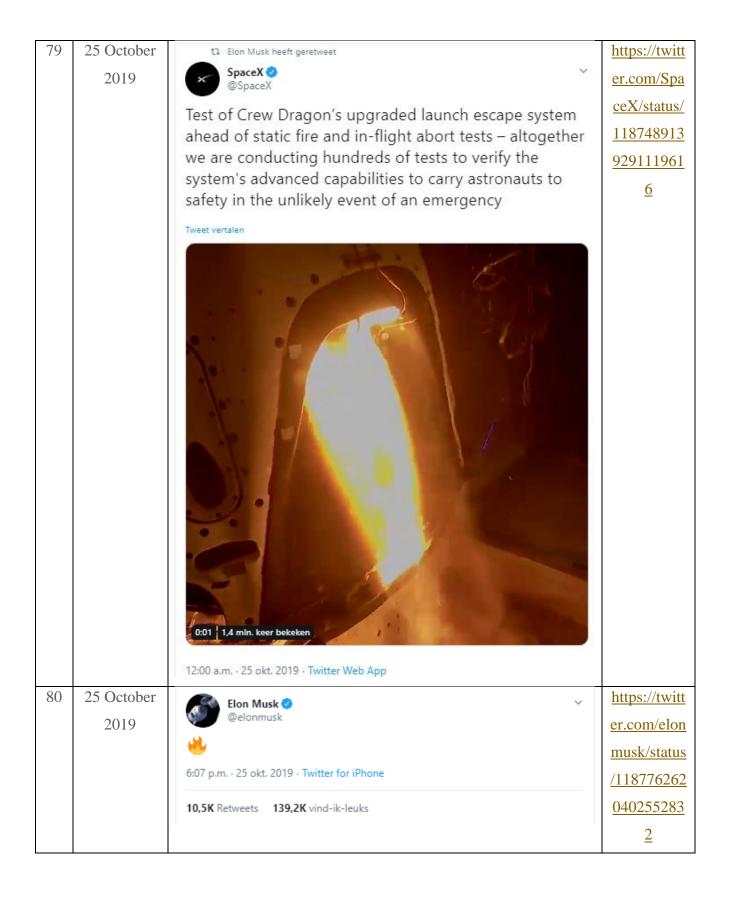


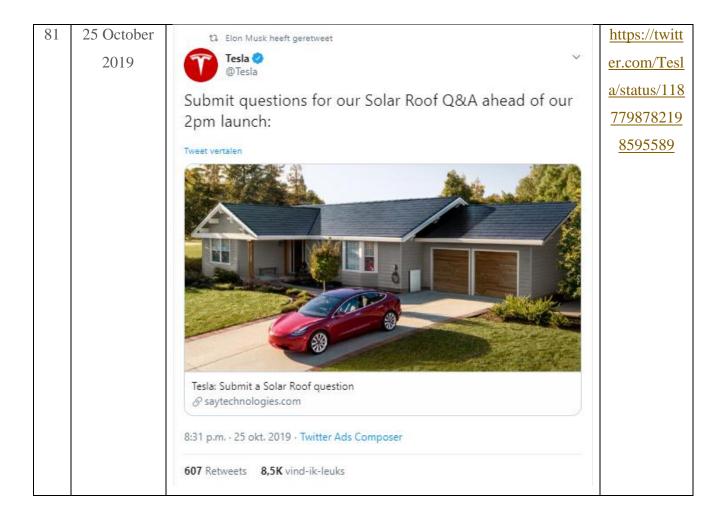


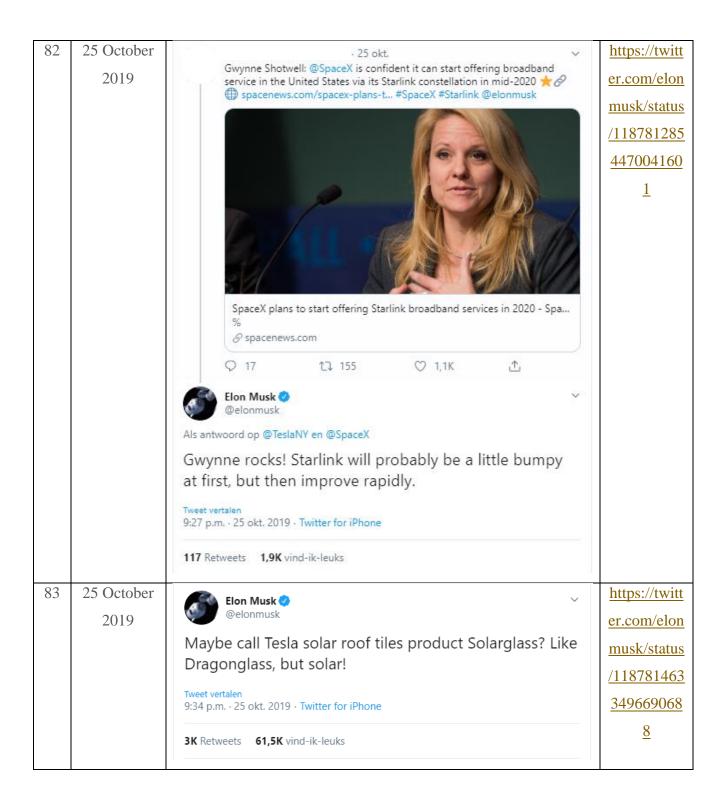


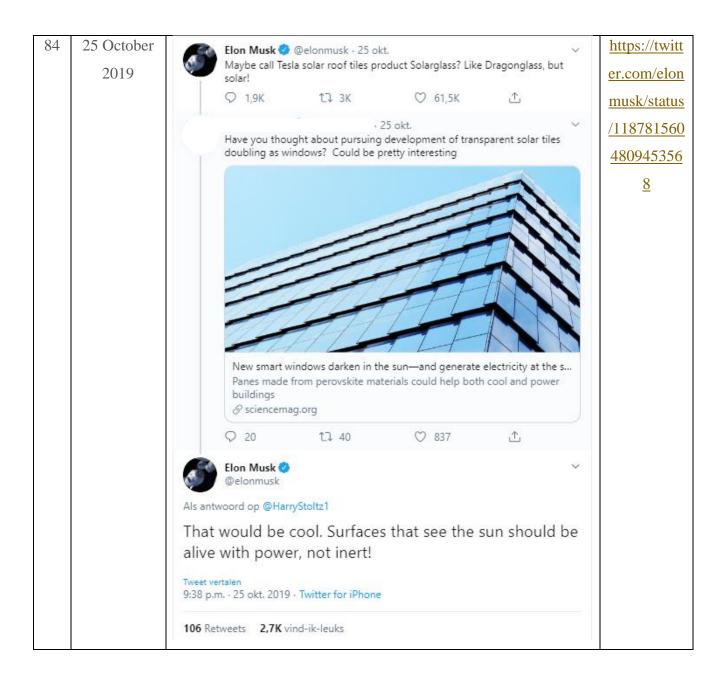


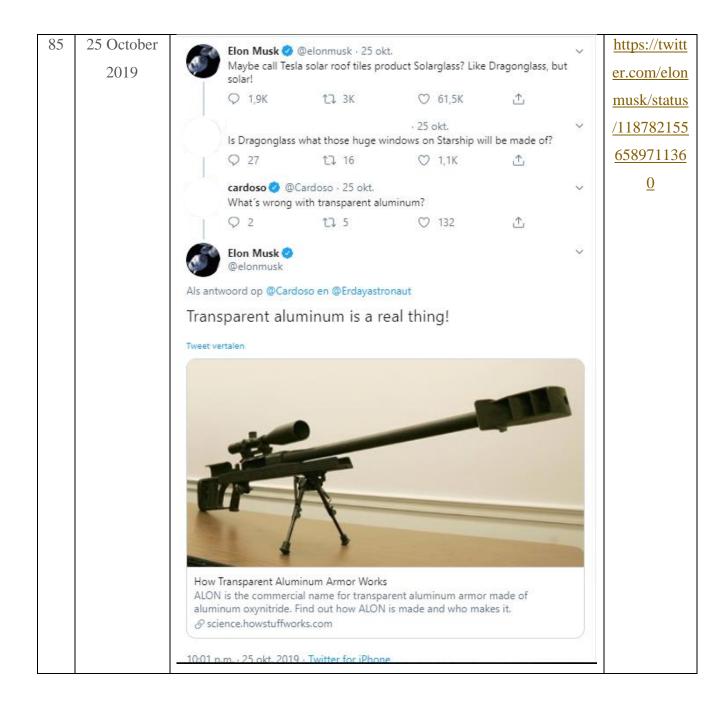


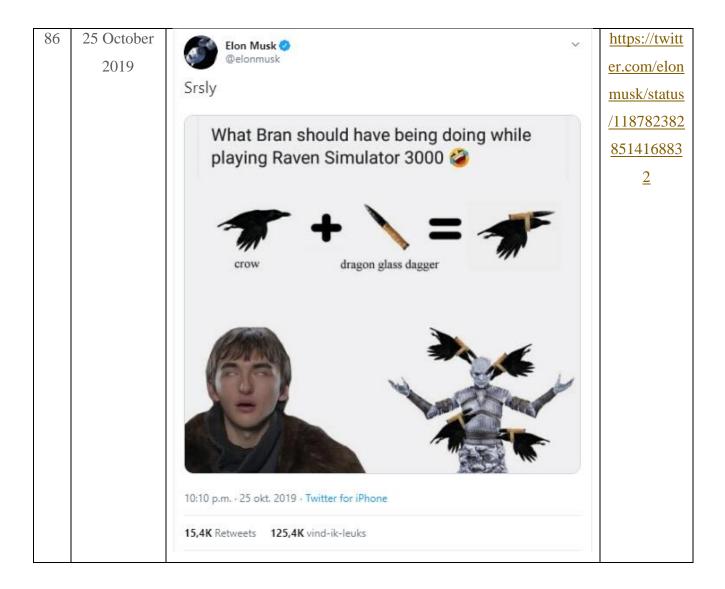


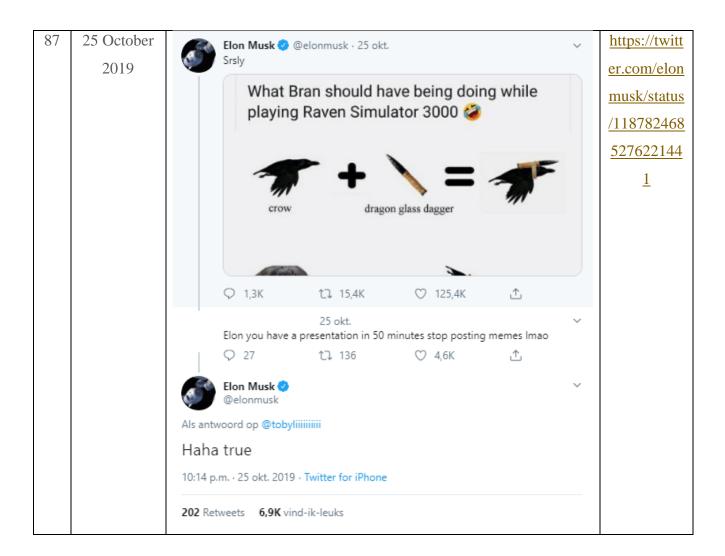


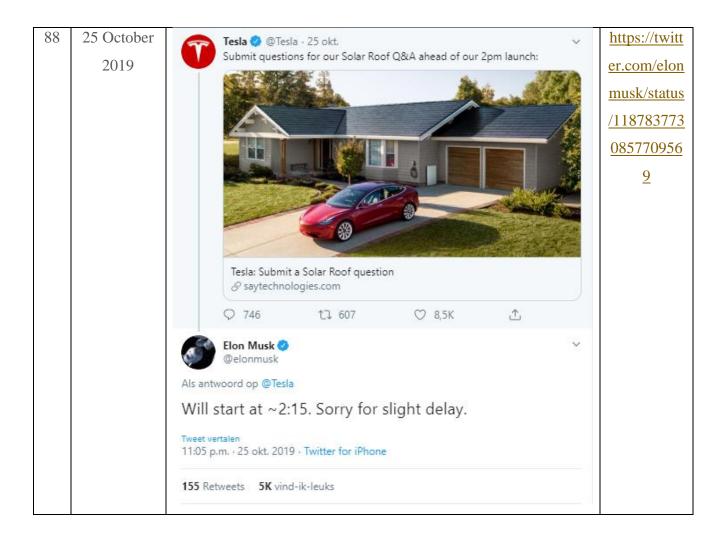


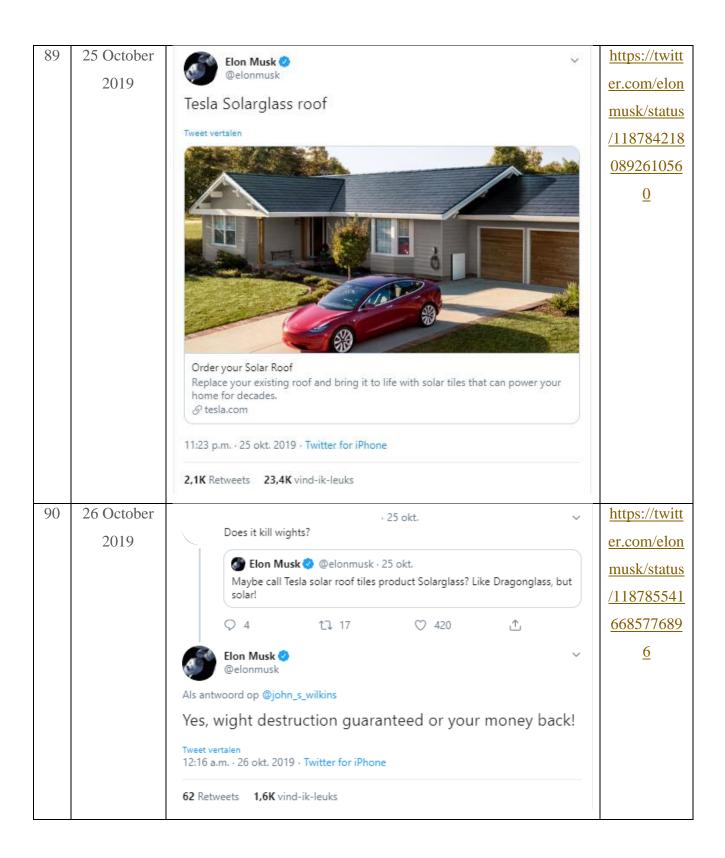




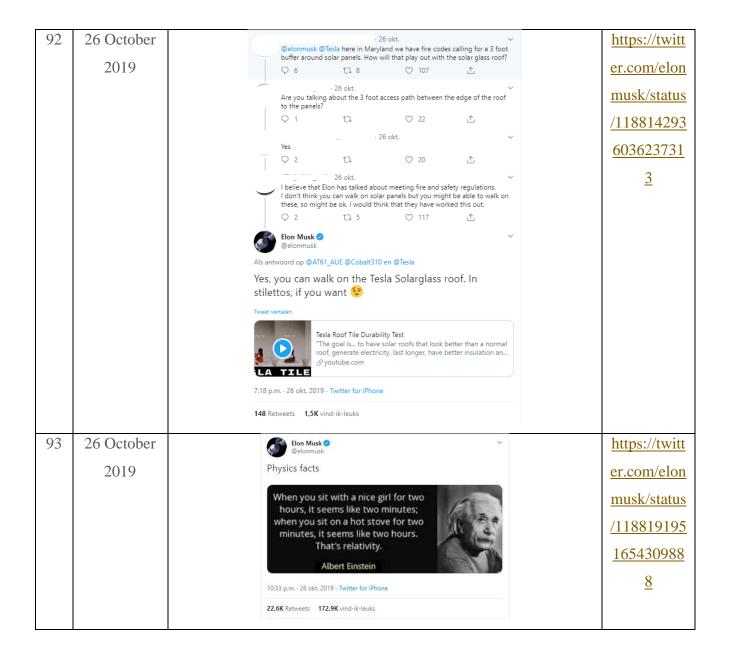












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PRØVE

SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

Case Study Report

How Findus handled the horsemeat crisis?



Written by

Célia Simon (193981)

Victor Jaud (191557)

Martin Le Frapper (191561)

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Introduction

The goal of this report is to analyze and evaluate how Findus communicates on different sort of media including primary sources and secondary ones during and after the horse meat scandal. Therefore, this report will focus on the company's crisis communication strategies and which impact this communication had on their stakeholders and on their reputation.

Considering that this scandal was really important in France and that we talked a lot about it, it's interesting to analyze how this particular case was managed by Findus and what was the result of it. Since crisis requires decisive and immediate reaction, it's interesting for this case study to see if Findus's strategies used to communicate right after the crisis occurred with their stakeholders and see if it was efficient enough.

1.1 Company description

Findus is a Swedish fresh frozen company created in 1945. Established in France since 1962, the company has a turnover of more than 260 million euros in 2017 in the country of Eiffel Tower (Lsa-conso, 2013).

More than 400 employees contribute to the production of high-quality frozen products such as Delicacies, lasagna, cannelloni, gratins and vegetables and to their marketing in Switzerland and Europe. Regionality is one of their priorities and they claim Swiss quality products (Findus official website).

In 2006, it was considered the «Most Trusted Brand» by Swiss consumers in the «Prepared Dishes» category. This is why Findus takes initiatives like the 2018 one: The company is committed to sustainable fishing, replacing Baked Fish cod and Fish Sticks with 100% Alaskan hake fillets from the MSC-certified fishery.

In France, this brand is the leading brand of frozen foods in front of Charal by Bigard and Mccain.

1.2 Research scope

To limit the span of the report, the main focus will be on **what kind communication was held in France and UK**. Plus, we have decided that the reaction from the public stakeholders will be added as illustration only, meaning there is no perception analysis of the reaction to their communication.

Before we examine how Findus handled the crisis, we will lay a theoretical and methodological part relevant for the case study. Thanks to that, it'll be easier to analyze and answer the main research question: **How Findus handled the horsemeat crisis?**

Theory

For this project, we will use several theoretical concept. According to Joep Cornelissen's book, *Corporate Communication*, a crisis can be defined as "...an event or issue that requires decisive and immediate action from the organization" (2017, p. 212). This often applies to a company's crisis communication on social media sites such as Twitter, as it can intensify the issue in a matter of minutes. It's effective to create an opinion and answer a controversy. A crisis can be a threat to both the survival of a company and to its stakeholders.

In the book *Crisis Management*, stakeholders re defined as "...owners, employees, customers, local communities and suppliers (Crandall, Parnell & Spillan, 2014, p.14). There are 6 different types of crisis communication strategies. Indeed, there are the non-existence strategies, the distance strategies, the association strategies, the suffering strategy, acceptance strategy and finally the accommodative strategy. In the case of Findus, the type of crisis communication is the acceptance strategy. We will explain why in the analysis.

To communicate with stakeholders during a crisis, Cornelissen gives several strategies. The choice of a strategy depends on the type of crisis and "... the degree to which the organization is perceived by stakeholders and the general public to be responsible or culpable for the crisis." (Cornelissen, 2017, p. 218). Given that the choice of strategies is directly linked to the main research question, we will discuss a lot about it in the analysis to be able to find out which strategies Findus used for their crisis communication.

According to the Marketing professor B.Bathelot, the term crisis communication "is made up of all the devices, techniques and communication actions undertaken to combat the effects of an event that may have negative effects on the image of the organization concerned or its products." (2019, Marketing).

Dr W. Timothy Coombs, a crisis communication professor, explained that a crisis can creates threats related to reputational loss and financial loss and public safety. That's why, the way how an organization manages its crisis and communicates with its stakeholders is crucial to deal with these threats. For Findus, this scandal had an impact on the company's reputation and, by the way, on their external image.

According to Cornelissen the reputation of a company can be defined as "a subject's collective representation of past images of an organization (induced through either communication or past experiences) that is established over time." (2017, p. 145). If we follow the saying of this definition, any individual who has personally experienced something with a company in the past can create an image for this one through word-of-mouth, and by this way, can change the company's reputation. That's exactly what happened when horses meat was found in many of Findus beef products.

To communicate through a crisis, all companies use means, more or less different tolls. The **Findus company used its website and communicated via press releases**.

Communication via a website may be a force as a threat. Indeed, if the release is fast, effective and provides complete information, this is considered a strength. On the other hand, it may be considered a weakness if visitors to these crisis sites feel that they are facing urgent "connections" that do not add to the information already posted on other media. These cautious and improvised answers leave a feeling of frustration for the surfer who asks to know more "than the others".

As a result, how an organization approaches a crisis and communicates with its stakeholders is critical to addressing these threats. In this case, Findus had a considerable impact on its reputation. Communication via its website and press has therefore been the solution.

Methodology

3.1 Approach

Findus's own statement and website action are used as a primary source to help answer the main research question. **Our analyze we'll be focus on Findus France and Findus UK**. First, we'll analyze the three-step reaction of Findus France. Indeed, the first step was Findus's transparency on this case by revealing the presence of horse meat in their products. Then, the next step was DNA tests on all their beef products and the withdrawal of their involved products. Finally, the last step was the creation of a tab on their website that allows the consumers to check the conformity of all the products. A tab Questions/Answers about the involved recipes is also posted. Then, the public apology letter of Findus UK will also be examined.

As this crisis happens in 2013 we don't have original Findus France statement anymore, they are unavailable. That's why we'll use online articles from french newspapers as secondary source to support our analysis. These articles containing objective description of the issue and of Findus's reaction with some citations.

We'll not analyze the communication of Findus from other countries because these reactions are almost similar so we think that 2 of them is enough. We also want to focus our analysis on these countries because these are the countries we have the most information.

3.2 Case description

Findus is a Swedish fresh frozen company created in 1945. Established in France since 1962, the company has a turnover of more than 260 million euros in 2017 in this one.

According to Le Figaro article from February 2013, In mid-January of 2013, the UK health authorities discovered that Irish-produced pure beef-certified ground steaks contain horse meat.

Ten days later, we learn that British horse carcasses, contaminated by a banned medicine, were sold in France in 2012. There is no direct link between these two events, but these scandals cast doubt on the reliability of the European meat traceability system.

Alerted by a subcontractor, the Swedish giant Findus conducts tests on his products and thus announces at the beginning of February to have found **equine meat in his lasagna**, first in the United Kingdom then in France.

It was not Findus who produced the lasagna in question, but a French subcontractor based in Metz, Comigel. This company itself alerted its Swedish client when it realized, after investigation, that the meat used by one of its Luxembourg subsidiaries, Tavola, came from Romanian slaughterhouses producing both beef and horse.

Spanghero, It was this French meat processing company that supplied Tavola with the fraudulent meat loaves.

According to the French anti-fraud agency (DGCCRF), 750 tonnes of falsely labelled beef meat have left the Spanghero plant in south-west France. Some 550 tons were delivered to Tavola which cooked 4.5 million dishes with this meat. At least six countries claim to have found horse in frozen lasagna: France, the United Kingdom, Germany, Switzerland, Sweden and Norway. (Le Figaro, 15/02/2013)

So, the big question is, how did Findus decide to deal with this scandal? And did it work as intended? So that is what we will analyze right now.

Analysis

During this crisis, **Findus used the acceptance strategy** which consists in accepting the responsibility and culpability for the crisis. This strategy is composed of 3 steps which are the full apology (accepting the blame and apologizing), the remediation (a tactic of announcing some form of compensation or help to victims) and finally, the repentance.

Matthieu Lambeaux, CEO Findus Southern Europe and CEO of Findus France explain the 30th of January that the results of the DNA tests revealed the presence of horse meat in their products. "The next day, we launched our "transparency operation"". This sentence, expressed by the CEO of Findus France represents the first step, "Full apology" because the firm accepted the blame but also the first step of Findus France reaction. Indeed, the company removed all products from their warehouses and stores as early as February 4, so less than a week after the occurrence of the scandal. The quick reaction was an important part of this first stage and was to them, we will see it in more detail later, very beneficial, and they knew it: "we then decided to step up to the plate, considering that it was to our advantage to have acted very early and to have all the elements of traceability" (Matthieux Lambeaux).

The Findus leaders wanted to react to this crisis in a very honest way from the very beginning with this **desire for transparency** and have even decided to separate themselves from some communicators who did not agree with their will to act. From the beginning they accepted their mistake, which was not to be sure of the origin of their meat earlier and did not hide themselves from it. The French CEO explained that they estimated "that as a brand, we could not be silent. So we chose transparency, believing that we had nothing to hide. It was not a matter of pretending to stop the media whirlwind, but rather of preparing the way out. So we separated ourselves from those communicators and we did what we wanted to do ourselves, not what was expected of us. With our agencies and our entire team, we have explained to journalists" "It was just a matter of restoring the truth".

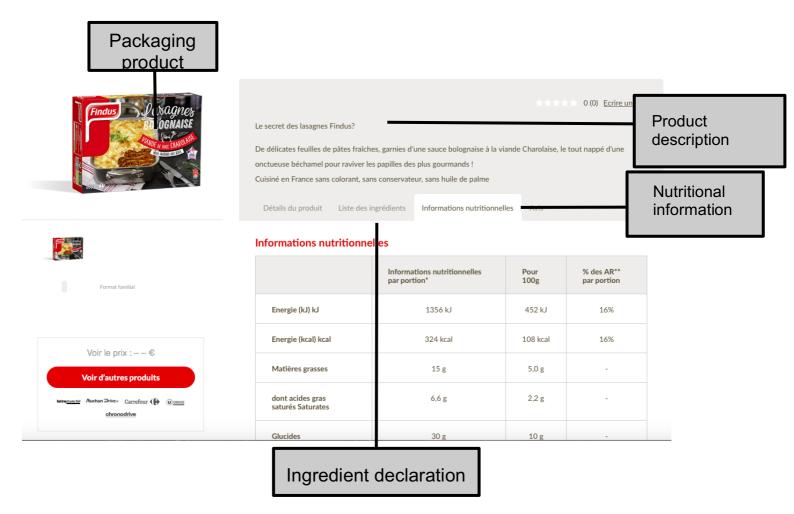
After having fully assumed the existence of the crisis and explained itself on it, Findus has put in place different things to allow Findus to be closer to the stakeholders and help them to get through the crisis with them.

"Then, the brand will make several strong commitments summarized in a press campaign that focuses on transparency". This sentence represents the second step, "Remediation", because the company will prove the way in which Findus to help the victim of the scandal of horse meat. Indeed, the brand committed to DNA testing all products containing beef. This is the second step of Findus France reaction. The share of turnover devoted to DNA testing and the marking of meat origin increased

from 0,5 % to 1 % in 2013. Matthew Lambeaux, spoke on all the media saying: "We are one of the only companies in France to do so many tests." Or this magnificent and very paradoxical: "We are the one who found the problem (...) Without Findus, we would still be eating horse meat!".

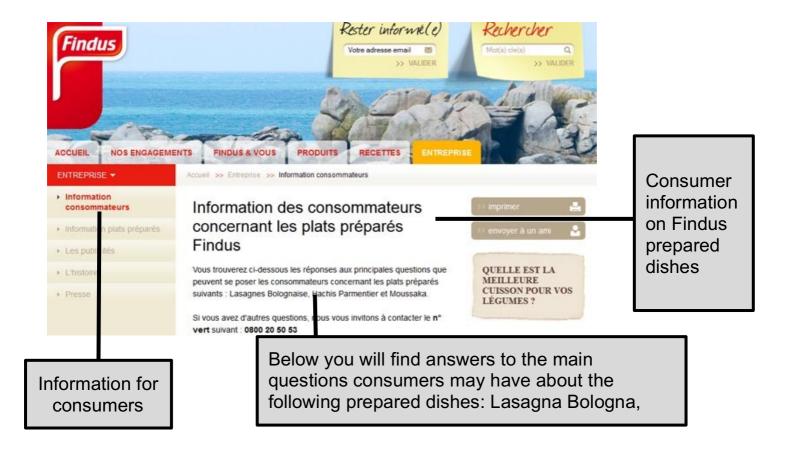
The last part of the "Remediation" step matches the third and last step of the Findus reaction.

Findus France has created on its website a special tab that allows to verify the conformity of all their products.



With this tool, the consumer can knows all the ingredient declaration of the product. But also, all the nutritional information as, for example, the number of fats and carbohydrates. This tab also provides a little description and the packaging of the product. This last point allows the consumer to more easily find the product in store.

The firm has also set up on Findus France's website a series of questions/answers that are supposed to come from consumers.



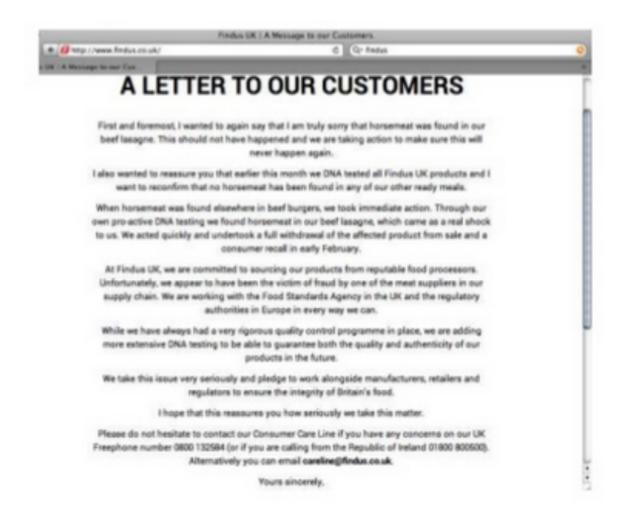
The expression "no health risk" is repeated in almost all responses, and the brand has chosen to illustrate the rigour of its controls by highlighting its DNA analyses, "complex analyses which are not part of the controls required by legislation". The word DNA comes back about ten times, this is what we call an element of language: a word, an expression, an idea strong and symbolic enough to strike the spirits... continuously repeated to get the message across.

Finally, the brand is fully committed to the fight for an infallible traceability. Indeed, it brings a response to consumers. They will be much more aware of the traceability and this shows a strong commitment of the brand.

The last but not the least step into the Acceptance strategy is the "Repentance" which consists of asking for forgiveness. The organization apologizes for the crisis and asks stakeholders and the general public to forgive its misdeeds.

The letter of apology that Findus UK published on its website illustrates this last step very well. In fact, the purpose of this is to apologize and to obtain the "forgiveness" of the public.

You can feel, directly from the first line of that letter, the wish of apologize. "First and foremost, I wanted to say that I am truly sorry that horse meat was found in our beef lasagna. This should not have happened...". Then, later in the letter, the desire for "forgiveness" appears, especially with this sentence: "I hope that this reassures you how seriously we take this matter.".



You can find below the full transcript of the findus UK apology letter:

A LETTER TO OUR CUSTOMERS

First and foremost I wanted to say that I am truly sorry that horsemeat was found in our beef lasagna. This should not have happened and we are taking action to make sure this will never happen again.

I also wanted to reassure you that earlier this month we DNA tested all Findus UK products and I want to reconfirm that no horsemeat has been found in any of our other ready meals.

When horsemeat was found elsewhere in beef burgers, we took immediate action. Through our own pro active DNA testing we found horsemeat in our beef lasagna, which come as a real shock to us. We acted quickly and undertook a full ... of the affected product from sale and a consumer recall in early February.

All Findus UK, we are ... our products from regulable beef processors. Unfortunately, we appear to have been the victim of fraud by one of the meat suppliers in our supply chain. We are working with the Food Standards Agency in the UK and the regulatory authorities in Europe in every way we can.

While we have always had a very rigorous quality control programme in place, we are adding more extensive DNA testing to be able to guarantee both the quality and the authenticity of our products in the future.

We take this issue very seriously and ... to work alongside manufacturers, retailers and regulations to ensure the integrity of Britain's food.

I hope that this reassures you how seriously we take this matter.

Please do not hesitate to contact our Consumer Care Line if you have any concerns on our UK Freephone number 0800 132584 (or if you are calling from the Republic of Ireland 01800 800500).

Alternatively, you can email careline@findus.co.uk

Yours sincerely...

Conclusion

In 2013, the Findus group had suffered badly from the horse meat crisis: sales of ready-made meals had fallen by 17%, while the frozen food market registered a decrease of 11%. But since the beginning of the year 2014, breaded fish, cooked dishes, snacks and frozen spinach have once again the favors of consumers. Matthieu Lambeaux, president of Findus in Southern Europe, says that *«the consumer has understood that we had nothing to do with the horse meat scandal in 2013»*.

But, thanks the way they manage their strategy, and to all its transparency efforts, Findus has managed to increase its sales by 4% (excluding prepared dishes) and while sales of food products in general grew by only 1.8% in 2013 (Hélène Van Heems: Huffpost). The frozen food manufacturer ended 2013 on a 1% growth in its turnover, at 211.1 million euros. So, Findus is far from "the drop in sales that some predicted", insisted on 18 March 2014, Matthieu Lambeaux, president of Findus Southern Europe.

Mr. L. explained that, today, consumers do not attribute any guilt to the Findus brand and they have not seen any particular impact on their sales, other than the one caused by the crisis on certain categories, but all brands combined, not only Findus. Consumers understood that the food problem was broader. They even have feedback that consumers seem to recognize their transparency. He said that they are now receiving positive feedback. He concluded saying: "So we were right—and this is a lesson for the agri-food industry in general—to bet on transparency without biasing our communication."

Mathieux Lambeaux admitted that Findus got out of this crisis much faster than what they could have imagined. One of the reasons for this, beyond their more than convincing strategy, is also the fact that the announcement of the resignation of Pope Benedict XVI, announced at the same time, diverted the attention of the media and of the public by the same way. It brought great happiness for Findus.

The transparency strategy that guided Findus' crisis management in the horsemeat business seems to have paid off.

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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

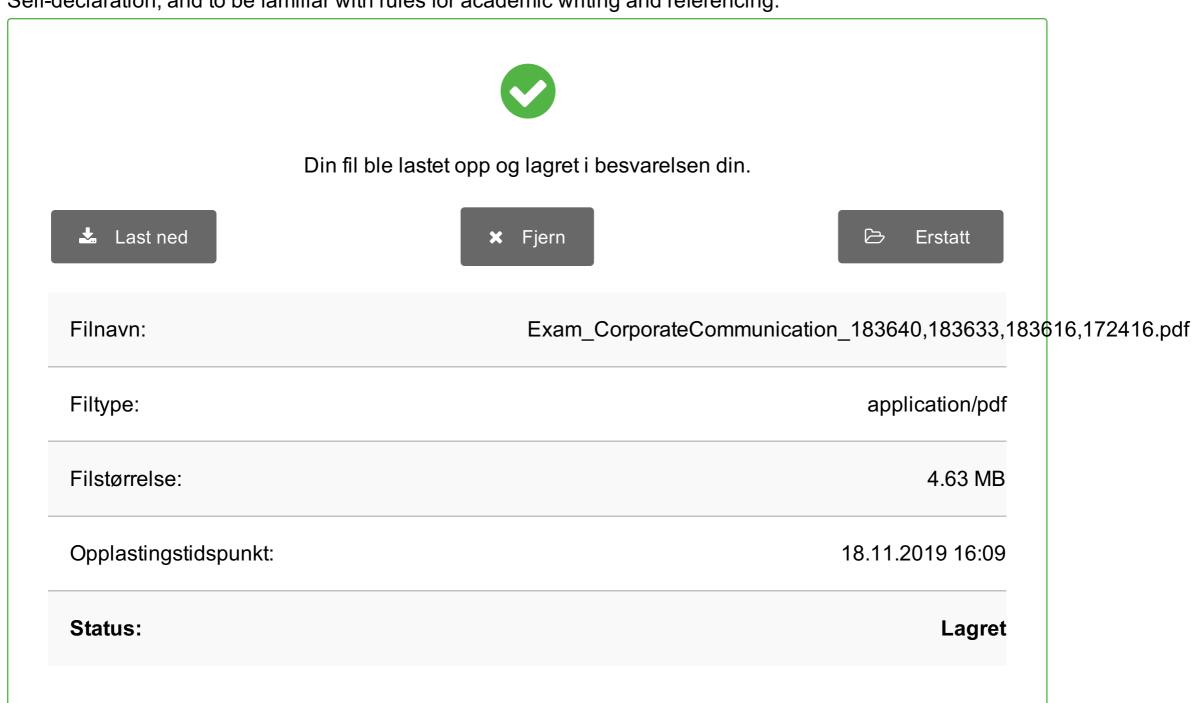
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

How do beauty vloggers influence their YouTube community?



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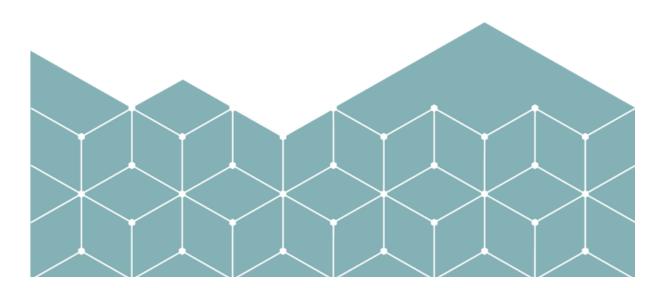


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1.0 Introduction

The main objective of this report is to analyze and evaluate how beauty vloggers influenced social media such as YouTube during the online feud between Tati Westbrook and James Charles. Therefore, our research question is "How do beauty vloggers influence their YouTube community?". This report will focus on the beauty community - especially Tati Westbrook and James Charles. We will also look into how this online conflict impacted the community in a whole. The case study relies on content analysis as a research method.

1.1 YouTube Description

YouTube is a social media platform where people can upload and watch videos. In addition, it is also possible to subscribe to people, like, dislike and comment on videos posted. The platform has over 1.9 billion users worldwide (Mohsin, 2019). A person who uploads videos on the platform is called a YouTuber and people who follow are called subscribers. With many subscribers, being a YouTuber can be a full-time job with a million-dollar paycheck (Influencer Marketing Hub, 2019).

Tati Westbrook is an American YouTuber in the Beauty Community. As of today, 31. October, she has 9,73 million subscribers and 1613 uploaded videos. She is known to post biased product reviews, tips, hauls and makeup tutorials (Westbrook, 2019). In addition to YouTube, Tati owns a supplement brand called Halo Beauty. The brand sells hair and beauty supplements for hair and skin improvement (McLaughlin, 2019).

James Charles is a 20-year-old YouTuber from the United States. As of today, 31. October, he has 16,2 million subscribers and 239 uploaded videos (Charles, 2019). His videos range from makeup tutorials, singing videos and day to day vlogs. Outside of YouTube he is known for being Covergirl's first male Covergirl. He has also launched two palettes and a brush set with the makeup brand Morphe (Dixon, n.d). His subscribers are often referred to as sisters, as he starts his introduction in the videos by saying "Hi, Sisters!" (Urban Dictionary, 2018).

Tati and James have numerous times collaborated in videos on both of their channels. James Charles has multiple times called Tati a parent figure and called her his mentor as she was one of the first YouTubers who reach out to James when he first started. Their friendship has lasted over three years before an Instagram story was the beginning of the end (Lawler & Aggeler, 2019).

1.2 Research Scope

In this report we will focus on the main participants, Tati Westbrook and James Charles. During this online conflict, other parties got involved. In order to minimize, we decided to divide the report into certain sections that individually will look into different statements in the timeline. When it comes to public stakeholders, which in this case is the audience, we will add illustrations in forms of screenshots. These comments will not be deeply analyzed but combined with other findings. Before examining how the beauty vloggers handled the crisis, we will lay a theoretical and methodological groundwork that has relevance to the case study. By doing this approach, it will be easier to analyze and answer the research question. In the analysis, the theory will be connected to findings and then used to discuss these in further detail. We will look at how the influencers' strategy got handled on social media such as YouTube. These findings will show what went wrong and what possibly could have been done differently.

2.0 Theory

This part will focus on defining relevant terms and theories. We will start by explaining which social media platforms that were used as outlets for communication and discussion during the happening. Then we will explain relevant terms related to social media. In addition, we will, once again, briefly mention the people involved in the conflict. Lastly, we will look at the theoretical aspect of the case and include terminology related to that.

In this day and age, social media is bigger than ever. Social media is best characterized as a form of "crowd casting"; it enables stakeholders of an organization to self-organize as a "crowd" in order to produce and disseminate content about an organization. Stakeholders are no longer passive "audiences", but active "participants" in the communication about an organization (Cornelissen, 2017, p. 39). Having so many people use social media makes it hard for individuals to stand out and be successful on the different platforms. However, some do manage to accomplish success. An influencer is a content creator with a social media following. Social media influencers develop a following by sharing quality content that inspires, entertains, informs, and connects them with their followers (Mediakix, n.d). In other words, people who work on social media and uses their face and name as a brand can be called influencers. More specifically, influencers make a living off their work on social media. This can be achieved through sponsorships, collaborations, views and other factors. Influencers can operate on platforms such as Instagram and YouTube. However, Twitter and other outlets are also frequently used, but mostly as a tool to easier reach out to their followers or supporters. On Instagram and Twitter, you can have followers, which means that people who want to support you or be kept updated follows your account. On YouTube it is called subscribers, or a subscriber. If you subscribe to someone's channel you will get their newest videos on your timeline, which makes it easier for you to

find and watch their content. Also, all platforms allow you to choose a notification setting which, obviously, gives you a notification every time the person uploads or posts something (YouTube, 2019). Understandably, all these different actions and settings makes the internet or the world of social media work faster than ever. Once something is published, it will stay on the internet forever, regardless if the person deletes it right after or not. Someone, somewhere, will already have gotten a notification and the time to save or remember it. This can in some ways be seen as the dark side of the internet or social media.

A beauty vlogger is a person who make and post recordings on YouTube about their lives, their leisure activities and ranges in excellence circle ability (Fischer, 2014). However, beauty vloggers focus mostly on makeup, skincare and external beauty to keep the viewers aesthetically pleased. Having to work with looks and beauty on a day to day basis, makes the beauty community obsessed with looks. "The beauty community" is a term used to describe a group of boys and girls on various social media platforms who share a common interest; beauty related products (Urban Dictionary, 2019). Some famous beauty influencers are Tati Westbrook and James Charles - which we will focus on in this analysis. As mentioned, it is getting harder and harder each day to succeed as an influencer in general. Therefore, something called cancel-culture or stan-culture has become present in social media. Cancelculture can be described as "A modern internet phenomenon where a person is ejected from influence or fame by questionable actions. It is caused by a critical mass of people who are quick to judge and slow to question" (UrbanDictionary, 2019). In other words, cancel culture is about freezing someone out until they finally decide to quit or change. "Getting cancelled" or "cancelled", as in "famous influencer is cancelled". Stan culture, on the other hand, is the opposite. Stan culture can be explained as "fandom evolving into a culture of intense social media following, idolization and even protectionism. 'Stan' is a blend of the word 'stalker' and 'fan'" (Mulcahy, 2018).

3.0 Methodology

We are going to look into what happened between Tati Westbrook and James Charles. Two youtubers who's online feud changed YouTube and gained worldwide attention. The online feud spread across numerous social media platforms like YouTube, Instagram and Twitter. Multiple YouTube personalities joined the feud and voiced their opinions and support. We are not going to focus on them, as they are a small part of what happened. Furthermore, we are going to look into what a beauty community is and how this feud changed the community and YouTube. In addition, we are going to look at how Tati and James' brand was affected by the feud. A timeline of the situation will also be included as well as an explanation of terms used.

3.1 Approach

The primary source we will use to gather credible information are from James and Tati's YouTube channel. The empirical evidence and information we will analyze consists of seven of their own statements, their initial response and approach from the first statement to the final outcome. We will look into seven episodes between 22. April to 18. May with different statements uploaded on social media such as YouTube, Instagram and Twitter. James first posted his apology on Instagram on 22. April and then progressed on to YouTube which we will examine. Then we will look at valuable facts and dates that are important for the analysis, as well as direct quotes from both Tati and James. The information will be critically discussed. The timeline of the internet conflict lasted from the end of April until the end of May 2019 and will be followed using theories that are relevant for this analysis.

3.2 Case Description

On April 22, 2019, James Charles posted a "swipe up" Instagram story promoting Sugar Bear Hair (Stellar, 2019). Sugar Bear Hair is Tati Westbrooks biggest competitor for her supplement brand Halo Beauty. James was at Coachella weekend two with VIP passes which is open for the public and he felt bullied and attacked by fans. Artist passes at Coachella means that you are in a private area with security and it's only offered to performing artists and their crew (Waga, 2016). A fellow YouTuber connected him with her sponsor Sugar Bear Hair, who got her the Artist access. James immediately said yes to the sponsor. All he had to do was post a "swipe up" Instagram story which he did the following Monday. Tati followed with an Instagram story shortly after where she looked upset, expressing her feelings about the sponsorship deal with James (Westbrook, 2019). James then posted a public apology on his Instagram story regarding Tati and his sponsorship with Sugar Bear Hair.

A few weeks later, Tati uploaded a video of her explaining her relationship with James Charles. The video was 40 minutes long and she described all the reasons why she would no longer be associated with James - which goes far beyond just Sugar Bear Hair. The upcoming week, James posted another video titled "No More Lies" (Charles, 2019) where he addressed all the rumors. This incident quickly went viral, and the subscribers rapidly made up an opinion and choose a side, either Tati or James. In addition, social media platforms like Twitter and Instagram exploded with subscribers' and followers' outrage within this incident. Although we will not look into the other parties and followers in this case, we will focus on the main participants, Tati and James, and how they reacted. During this crisis, the influencers did not interact with their stakeholders right away. Instead they waited. According to Cornelissen, this can add fuel to the fire, because they have the power to give silence to the issue (Cornelissen, 2017, p. 158). The amount of crisis in this conflict could possibly be minimized if the influencers reacted and stated their point of view instantly.

4.0 Analysis

In this section we will look into how James and Tati communicated with both each other and their subscribers. We will analyse how the conflict got handled and how the stakeholders reacted. This section will also look at this crisis in a chronological timeline according to when the incidents happened, true to the actual time. Firstly, we will look at how the influencers responded to the incident. By viewing each of the seven episodes, we will look at how they uploaded information on their social media. Secondly, we will look at how the stakeholders reacted to this incident, and how this affected the influencers subscribers. Lastly, a brief description of how this conflict changed YouTube will be presented.

"Broadly speaking, a crisis is defined as an event or issue that requires decisive and immediate action from the organization. The necessity of immediate action may be triggered by, for example, mounting public pressure, intense media attention or the direct danger (in case of an accident, product tampering or product fault) to employees, customers or members of the general public" (Cornelissen, 2017, p. 212). In this case, the issue happened on 22. April, which Tati Westbrook then responded shortly to the same day (Instagram, 2019). Both the cause of the issue and Tati's response was published on Instagram. However, the main apology videos on YouTube did not get published until 10. May (YouTube, 2019). The whole issue ended 17-18. May. In other words, the apologies came out too late. Because of the intense media attention and the potential danger of Tati's and James' reputation, it was necessary with an immediate reaction and apology. If they had published a proper apology video earlier, maybe the media attention and the damage of their reputation would have been less intense. Acting fast in a crisis can help prevent it from escalating into something bigger. Unfortunately, Tati and James were not able to prevent the issue from worsening, because of their late responses.

4.1 Beauty Influencers Response to the Incident

With the use of social media, the beauty vloggers get the chance to address information to their stakeholders immediately (Cornelissen, 2017). When James Charles wanted to get a sponsored ticket to Coachella Music Festival, he did not hesitate to advertise for Tati Westbrook's main competitor, Sugar Bear Hair. This post was uploaded on 22. April 2019, and got this conflict activated (Figure 1). Advertising for a product from another company is a normal way to brand an influencer. By doing this, James did not take into consideration that this incident would lead to a conflict with his mentor, Tati. An advertisement like this can in many ways be referred to as a faux pas (Cornelissen, 2017, p. 217). A faux pas occurs when a particular external actor challenges the appropriateness of an organization. This type of crisis often occurs in social settings and are referred to as a violation of acceptance, even though social media have unwritten rules and expectations (Cornelissen, 2017, p. 217). When James advertised for Tati's competitors, he unknowingly jeopardized her organization.



Figure 1: Screenshot of James Charles's Swipe-up post on Instagram advertising for Sugar Bear Hair (Stellar, 2019).

It did not take long before Tati answered with a video on Instagram. The video got uploaded on an Instagram story, which leaves the video online for 24 hours (Westbrook, 2019). In this video she states that she's in a bad period in life due to what James did. Even though she's not mentioning any names, it is easy to understand who she is talking about with statements like "You use social media as a distraction and that's ok when you do so much for people in your life. They not only don't return the favor, but they just don't see you" and "Everybody says what they need to say and uses who they need to use to get ahead" (YouTube, 2019). Especially the latter statement can easily be interpreted to when James advertised to Sugar Bear Hair to get into Coachella. During this post, Tati portrays herself as the victim in this conflict. According to Cornelissen, the strategy of victimization is a tactic of portraying the organization, in this case, Tati's brand, as a victim of the crisis in order to win public sympathy (Cornelissen, 2017, p. 219).

On the same day, 22. April 2019, James Charles posted a post on Instagram addressing how sorry he was. In this apology-post he apologized for any discomfort on Tati's behalf (Figure 2). The fact that this was only a text posted on social media, it is hard to believe that this apology was genuine. Therefore, it is easier to believe that this strategy was towards his personal stakeholders, his subscribers. According to Cornelissen, this kind of tactic is called repentance and are often used to ask for forgiveness. Cornelissen also states that this tactic is used to not necessarily get the organization, in this case Tati, to forgive, but ask the stakeholders for forgiveness and the public in general to forgive his misdeeds (Cornelissen, 2017, p. 219).

I want to publicly apologize to my close friend Tati. She has been like a mother to me since my first days in this industry and has given me more love, support, resources, and advice than I could ever ask for. This weekend I did an instagram story for Sleep Vitamins that I've been taking, because the brand helped me with security when the crowd around me at Coachella became unsafe. I did not accept any money for the post. As most of you know, Tati has a vitamin brand which I take on a daily basis, but in the moment, I did not think about the competition, which was a major oversight. I've supported Tati both online and off like she has done for me and am devastated that I hurt someone that I truly love and have endless respect for.

Figure 2: Screenshot of James Charles' apology post on Instagram (BBC, 2019).

Twenty days later, on 10. May 2019, Tati uploaded her first YouTube video connected to this conflict. The video is titled "Bye Sister" referring to James Charles and his subscribers who are called sisters (Figure 3). In this video, Tati explains her discomfort during this conflict and addresses that she does not support all the things James has done and stands for, even though she cares about him as a person (YouTube, 2019). During this 43-minute-long video, she talks about how this crisis created hard times for her and mentions how this crisis caused problems for her relationship with James. It is worth taking into consideration that another tactic is used in this video. Tati spends multiple minutes within this video explaining that James is to blame for this crisis. This tactic can, therefore, be attack and intimidation. Cornelissen state that this tactic is used when confronting the person who claims that a crisis exists and may include a threat (Cornelissen, 2017, p. 219).



Figure 3: Screenshot of Tati Westbrook's "Bye Sister" video on YouTube (YouTube, 2019).

On the same day, 10. May 2019, James Charles answered with a YouTube video where he once again apologized (Figure 4). During this 9-minute-long video, he portrayed a full apology where he sincerely wanted to apologize to Tati. According to Cornelissen, a full apology is used to simply apologizing for the crisis and accepting the blame (Cornelissen, 2017, p. 219). By addressing this apology, James seems sincere and the stakeholders understand that he understands his responsibility in this crisis and takes the blame.



Figure 4: Screenshot of James Charles' apology video (YouTube, 2019).

Few days later, 13. May 2019, Tati posted a tweet on Twitter, explaining that she is taking a break from YouTube until the conflict has settled (Figure 5). She describes how she is feeling and comes on as she is suffering from the crisis (Westbrook, 2019). This type of suffering strategy is used to claim that Tati suffers from the crisis (Cornelissen, 2017, p. 219).



Figure 5: Screenshot of Tati Westbrook's tweet (Twitter, 2019).

A week later, 17. May 2019, Tati uploads a video on YouTube explaining her reasons for doing the things she did during this crisis (Figure 6). In this video she blames her action on her overwhelmed emotions, and that she acted on her feelings of hurt. Similar to her post on Instagram the previous month, she makes herself the victim. The tactic is again victimization, which she uses in order to gain public sympathy (Cornelissen, 2017, p. 219). She also portrays an excuse. According to Cornelissen, this use of excuse can be used in order to deny intention or volition by scapegoating others for the crisis (Cornelissen, 2017, p. 219). Tati victimizes herself as well as scapegoating James for the current crisis. This video is also the last interaction toward this crisis from Tati Westbrook.



Figure 6: Screenshot of Tati Westbrook's video "Why I Did It" (YouTube, 2019).

The next day, on 18. May 2019, James Charles uploaded his last video related to the crisis (Figure 7). This video is titled "No more lies" and addresses accusations against him during this conflict. During this 40-minute-long video, James defended accusations against him. He backed up these accusations

with evidence and proof (Charles, 2019). Looking at Cornelissen's tactics, we can argue that there has been an attempt of downplaying the crisis. Downplay is a tactic that convince stakeholders that the situation is not that bad (Cornelissen, 2017, p. 219). At the same time as James tries to downplay, he is also using a suffering strategy, trying to show that he is suffering from this crisis (Cornelissen, 2017, p. 219). Even though he is trying to show that this crisis has multiple angles and perspectives, he also accepts responsibility for this crisis. This tactic is called acceptance strategy (Cornelissen, 2017, p. 219).

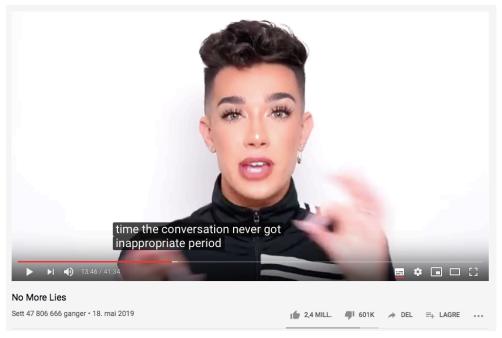


Figure 7: Screenshot of James Charles' "No More Lies" video (Charles, 2019).

4.2 Stakeholders Reaction

According Edward Freeman, as mentioned in Cornelissen, a stakeholder is any group or individual who can affect or is affected by the achievement of the organization's purpose and objectives (Cornelissen, 2017, p. 64). Tati and James' brand both depend on subscribers to get sponsors, earn money and get views. Therefore, the stakeholders are Tati and James' subscribers. Without subscribers it is difficult to get views. The higher the following, the more attractive you are to brands.

When the first video dropped the stakeholders reacted by unfollowing James Charles and following Tati. As more videos and tweets about James Charles' behavior erupted, more and more people unsubscribed to him and followed Tati instead. He lost followers on Instagram, Twitter and YouTube. Since YouTube is the main focus in this case study we are going to focus on the stakeholders on his and Tati's YouTube channel.



Figure: 8 Graph of James Charles Weekly subscribers (Socialblade, 2019).

As seen in this graph (Figure 8), James had 16,5 million subscribers in May before it dropped down to 13,9 million. The day his subscriber count started to drop by the million is the same day Tati posted her "bye Sister" video.

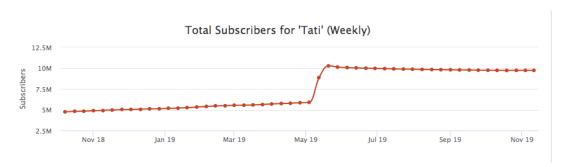


Figure: 9 Graph of Tati's weekly subscriber count (Socialblade, 2019).

The graph above shows that in May of 2019 Tati's subscriber count skyrocketed. Before she posted her "Bye Sister" video, Tati had 5,8 million subscribers. Shortly after the video was released she had 10,2 million subscribers, meaning she gained 4,4 million subscribers and stakeholders in just a couple of weeks (Socialblade, 2019).

Cornelissen states that a crisis emerges as sudden and unexpected event that disrupts an organization's operations and possesses both a financial and reputational threat. In addition, a crisis can also damage the image and reputation - which in the long run may lead to loss of income. An end result of a crisis can lead to a brand or company's reputation changing from favorable to unfavorable. In this case, it is stakeholders going from supporting James Charles to unsubscribing and subscribing to Tati instead. Investors can leave and invest elsewhere (Cornelissen, 2017, p. 215).

This all comes down to how the participants approach the crisis and treats the stakeholders and investors that are associated with the person or company. In some cases, previous accumulated reputation with stakeholders may help or shield the participants reputational capital (Cornelissen,

2017, p. 215). In other words, make the negative impact short term. Tati and James Charles have both required reputational capital over the years as YouTubers. James Charles has multiple scandals behind him - which in this case did not help him (Krause, 2019).

In this event, Tati and James had different tactics to handle the crisis. Tati showed feelings and dragged James for multiple things he had done while they were friends and his behavior towards others. She also posted her video first, so automatically people believed her, as James had not defended himself yet. James, on the other hand, apologized straight away and showed "receipts" in his final apology video. Urban dictionary defines receipts as proof or evidence where the tea is getting spilled (Urban Dictionary, 2018). The receipts backed up his reasons and his actions. By doing so, people started to believe and support him rather than the 37-year-old.

In the following months James Charles has slowly gained the subscribers he lost. His subscriber count is now 16,3 million (Socialblade, 2019), 0.2 million less than what he had before the crisis erupted. On the other side, Tati has over the past few months slowly lost subscribers and are now down to 9,73 million subscribers (Socialblade, 2019).

4.3 How this Changed the YouTube Community

Many researchers have stated that vloggers and Youtubers are a part of forming the community. However, recent studies state they did not affiliate or construct a community, but rather building an audience (Gannon & Prothero, 2018). The most important thing for a Youtuber is the connection between them and the stakeholders, not internally between the Youtubers themselves (Gannon & Prothero, 2018).

While the world was paying close attention to James and Tati's subscriber count on socialblade and numerous live streams, YouTube made the decision to hide subscriber count. Previously it was possible to watch the exact number of followers a person was gaining or, more importantly, losing. Now it is only showing a flat number. For instance, if a YouTuber have 5,7 million subscribers and lost 700 000 it will only show 5 million. This is to prevent bullying that erupts when drama occurs, or crisis happens. YouTube's product team posted a blogpost stating that "Subscriber counts are extremely important for creators". The blogpost also mentions that the reason for the change is to "create more consistency everywhere" (Alexander, 2019).

5.0 Conclusion

Taking our research question into consideration, the findings show that the happening completely changed the dynamic between the people involved. Trust, friendships and partnerships were broken, and the YouTube community will most likely never be the same after the incident. Of course, YouTubers still have to do their jobs and continue making videos, but some may have difficulties trusting their fellow influencers. The community has become more "politically correct" in the way that people are more aware and careful of what they say, show and do. It has become more difficult for influencers to be successful and liked, because of the so-called cancel culture. This implies that whenever someone makes just a minor mistake, they are less likely to be forgiven and their name and brand will more or less be boycotted.

5.1 Recommendation Theory

The best recommendation theory for this feud would have been to take it privately between the two of them. The conflict has hurt both Tati and James' brand and all that could have been avoided if they solved the situation privately. By doing so, the stakeholders would not have been involved and would not have an effect on the crisis. Tati was at the time 37 years old and James was 19. The age difference should have made Tati take charge as she is older with more experience and authority. If they had solved the feud privately their subscriber count would not have skyrocketed or dropped. For Tati that would have meant that she would not have gained all those subscribers which was the only upside from her side of the situation. On the other side, James would not have lost all those subscribers. On the other hand, he did slowly gain them back. Their brand would not have taken a hit and investors would not have known, which then could have a good purpose when it comes to brand deals and sponsorships. To summarize, both could have gained more by taking it privately, leaving outsiders not knowing about the drama.

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GRUPPE

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PRØVE

SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

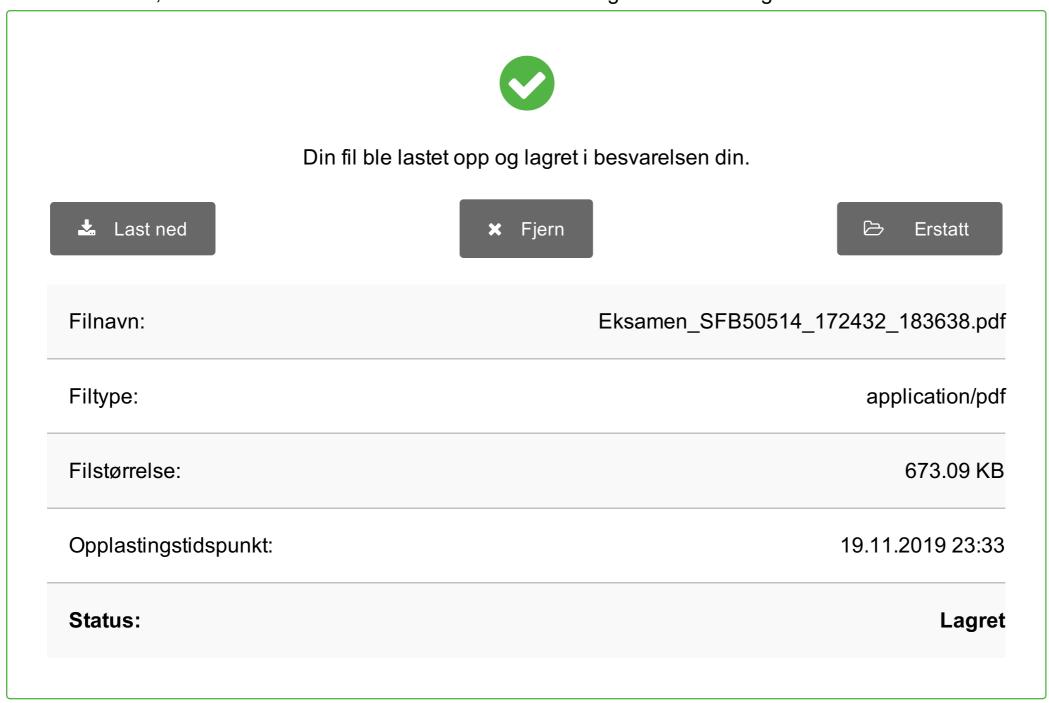
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

Case study

Thomas Cook/Ving crisis

Corporate communication SFB50514





Date: 20.11.2019

Candidate numbers:

172432

183638

Summary:

In this case study we will look at the recent Thomas Cook group/Ving crisis. At September 23, after a crisis meeting Thomas Cook's company decided to declare themselves bankrupt after several decades in operation. This event/crisis affected a lot of people around the worlds, thousands lost their jobs, and a considerably degree/a lot number of customers where affected in one way or another. In our case study we chose to focus on how this crisis affected Ving Norway and its customers. We will analyze seven extracts from Ving's social media account/page on Facebook, to look at/analyze how they communicated with its customers during this crisis. In the conclusion we will talk about how it went for ving and what was good about the communication from them and look at their main crisis communication strategies and how they worked for Ving.

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Introduction

In this case study/report we will look at the recent Thomas Cook/Ving scandal, in which their company is on the verge of bankruptcy, and the development following the incident. This crisis affected a lot of people around the world in different ways and is the main reason for why we chose this crisis, it is also an interesting, relevant and basically a good example of an crisis to use/look at in our assignment in corporate communication. The crisis is that Thomas Cook's company have gone bankrupt which left several people stranded in the country they wear visiting without any possibilities to get home. We chose to concentrate/look at how Ving (Norway) communicated with their customers through their page on Facebook during the crisis, which in the analysis part of the report we are going to analyze their crisis communication/the theories they used.

First there will be a summary of the report, which sums up the most important aspects of the report. Then there will be a list of content. After list of content there will be an introduction which firstly explains roughly what is in the report, then there will be a short summary of the background information about the company, and then there will be a scope of the report, where we will narrow/specify what we will focus on. After this we will explain what kind of theories we are going to use in the report. Following this we have the methodology part of the report, which first describes the case, then describing the scandal and after this the timeline/course of event of the crisis/scandal. Then we will present our research design. After this we will have the main part of the report, which is the analysis of how the company/Ving communicated with its customers. And last in our report we will have a conclusion and literature list.

Background information

Thomas Cook group is a well-known travel company that have been in business for more than 178 years.(Høgseth, 2019) It was a British company that was established in 1841 by an entrepreneur/founder by the name of Thomas Cook, his company grew and grew larger over the years offering tours to a vast number of countries (NRK, 2019), and eventually established/bought several subsidiaries including the vinggroup (Ving, 2019).

Moving on to Ving's history which is more relevant for the report. Ving started out as a Swedish travel organizer in 1958, meanwhile (1959) in Norway Saga tours was established. After nearly a decade in business Ving was taken over by the Swedish merchant bank in 1967,

and sold to SAS in 1971. In 1989 the Norwegian company saga solreiser (formally saga tours) was bought by Ving. Then in 1994 Ving was incorporated in Airtours which was a British travel operator, who had taken over the charter business of SAS (Scandinavian Leisure group). This company (airtours) changed its name to mytravel group in 2001. And when we get to 2007, mytravel merges with the vast British company Thomas Cook and thus become Thomas Cook group. Since 2007 Ving and all of its sub companies/Ving group has been owned by the company Thomas Cook, and when it went bankrupt in September, 2019 the vinggroup (including ving, spies, Tjareborg, Globetrotter, and the air company Thomas Cook Airlines Scandinavia) which are separate legal entities continues operations. (Ving, 2019) (Jørgensen, 2019). Ving's pressroom (Ving, 2019) states that Vinggroup and Thomas cook airlines Scandinavia, have been one of the most profitable travel agencies in the Nordic region for several years, and is one of the why they decided to continue with the company/operations. Although Thomas cook unfortunately went bankrupt, Ving (Vinggroup) have had a good cooperation that have prospered good and will still stand today/will continue with the company/operations.

About a month after the bankruptcy of Thomas Cook, Ving announced that they have been bought and now have new owners. These owners where Petter Stordalens Strawberry Group, Altor and TDR Capital. (Kvale, Orentzen, 2019) Strawberry Group and Altor are both Scandinavian companies which now means that Ving is now an owned by the countries they operate in, which also seems to strengthen their position as a company.

Scope of the report/scope the narrative research questions

To scope the narrative in we have chosen to concentrate on how Ving communicated with its stakeholders (customers) on their page on Facebook during the Thomas Cook bankruptcy crisis. We are going to look closer into this later in our report, this research question is going to be the basis of our report/how they crisis communicated.

After examining (looking at) the different media outlets of the company, we found out that most of the information conveyed by the company (Ving) was through their Facebook page. That it is through Facebook that they mainly inform their customers about various aspects/happenings/developments of the company. We will extract information from their page on Facebook, which is about/deals with how they communicated with their customers about the crisis. Then we use the information we found from their page on Facebook (the extracts concerning how they communicated with their customers) in the analysis part of our

case study/report. In the analysis part we will use relevant theories/information from the book "Corporate communication" to analyze/look at how they communicated with their customers.

Theory:

A crisis is defined as "an event or issue that requires decisive and immediate action from the organization". (Cornelissen (2017, p.212) As we can see from this definition from Cornelissen, Thomas Cook's company is indeed in a crisis situation where they need to take immediate action to resolve the crisis. Which is that Thomas Cook group is bankrupt, several flights have been cancelled, and several other affects following a bankruptcy. The need for immediate action was triggered by "mounting public pressure, intense media attention" (Cornelissen, 2017, p. 212) in form of customers complaining and attention in media (NRK, 2019). Where several customers traveling with the airline Ving was not able to travel home/because the flights were cancelled. Thomas Cook/Ving's crisis is internal "Resulted from something done by the organization itself' (Cornelissen, 2017, p. 217) because it was a result of the company (Thomas Cook) declaring itself as bankrupt. It was in a way intentional "Was committed deliberately by some actor" (Cornelissen, 2017, p. 217) because they had to declare themselves bankrupt, and in another way not intentional because Ving as its own subsidiary did not went bankrupt, but had to cancel all flights as an effect of the bankruptcy of Thomas Cook. In these modern days we have a wide specter of social channels/media outlets that we can use to communicate instant and to a broad specter of recipients. Which is both beneficial and challenging for crisis management. "With modern communication and information technologies, people are increasingly aware of the issues and risks associated with organizations and their industries" (Cornelissen, 2017, p. 211) And poses a treat for companies to cope/handle crisis before they escalade, because people can communicate about the crisis in an instant and to a lot of people. As you can see from this quote from Cornelissen where he addresses this matter in a more extensive way. "these technologies also afford a way of voicing concerns on these issues, providing a direct challenge to organizations and their attempts to manage health, safety and environmental risks" (Cornelissen, 2017, p. 211) Which can damage Thomas Cook/and its subsidiary in ways of reputation, economic, and relationships with stakeholders. (Cornelissen, 2017, p. 215)

Methodology

Approach (description of the case)

There are two methods that we are going to use continuously through our report, qualitive method "Qualitive method, are open in their design, in that with such methods practitioners invite respondents to describe an organization in their own words, which generally leads to rich descriptions and insights." (Cornelissen (2017), P.139), and primary data, which is data/information collected directly from the source (Jacobsen, 2015, s. 139). We are also going to use secondary data when we describe the scandal, secondary data is when data/information is collected from others/another source/by others (Jacobsen, 2015, s. 140). The primary data we have collected, are we going to use in our analysis and to present our findings. Which are findings/information from their page on Facebook. We are going to collect empirical "Information about reality" (Jacobsen, 2015, s. 13) information/extracts from Ving's page on Facebook to analyze in the analysis part of the report. By using a qualitive method, we can use good descriptions and fulfilling information in our report, to describe/conduct our analysis and present information about the scandal/and how they handled it in a good and informative way.

According to Edward Freeman there are three types of stakes "an interest or a share in an undertaking, that can range from simply an interest in an undertaking at one extreme to a legal claim of ownership at the other extreme": Equity stakes, economic or market stakes, and influencer stakes. In our report we are going to look mostly at the economic or market stakes "Are held by those who have an economic interest, but not an ownership interest, in the organization, such as employees, customers, suppliers, and competitors" (Cornelissen (2017). P. 64) which in our report is the customers of the company Thomas Cook, which is the ones they have to communicate with in this type of crisis. Because it is an issue that affects the customers of the company directly.

In this report we are going to look at how the Thomas Cook scandal/bankruptcy affected their subsidiary Ving (Norway) and its customers. When the scandal occurred (when Thomas Cook declared itself as bankrupt which we are going to look at later) 23. September (Høgseth, 2019), Ving cancelled all of their flights to and from the north, which left several customers stranded in the country they were visiting (NRK, 2019). Moving on, later in our report/the analysis part of the report we are going to analyze/look at how Ving (Norway)

communicated with its customers through their social media outlet/page on Facebook during this crisis.

Description of the scandal

It was 21. September that it became known that the large British travel company Thomas Cook was on the verge of bankruptcy (e24, 2019). After rumors that the company has been struggling for a while. If the company is to continue operations/business they will need 200 million pounds, and in addition to this they will need a deal worth 900 million pounds. According to our sources (e24, 2019) they are trying to get the government to save the company, but it does not look like it's going to have any success. In this article they also address the problems that can arise if they do not get a deal/that they go bankrupt. Which is that thousands may lose their jobs, TUI (travel company) will take control of the market, and that a large number of (perhaps hundreds of thousands) vacationers may be stranded in their vacation destination. According to e24 (e24, 2019) the company had a debt of 1,25 billion pounds in May, which does not exactly sound like good news for the company already at that time. In the days that followed, it only looked more and more dark for the future of the company. At 22. September 23.47 it does not look like that the company is going to get any rescue package, and the company will most likely go bankrupt Monday, according to sky news's sources (NRK, 2019).

Around 03.00, 23. September Thomas Cook company announced that they wear bankrupt, after negotiations that lasted the entire weekend/after negotiation all weekend (Høgseth, 2019).

After more than 178 years in operation, it is sad to say that the vast travel company has reached an end, which affected a huge amount of people around the world. Thousands lost their jobs, and many (hundreds of thousands) of customers where affected in one way or another (Høgseth, 2019). As we are going to concentrate/focus on how this crisis affected the Norwegian (subsidiary) Ving and their customers we will now go a little deeper into how the Thomas Cook bankruptcy affected them. When the crisis occurred early Monday morning (23.september), Thomas Cook's subsidiary Ving canceled all flights from and to the north. More than 6 000 nordic customers is on vacation during this time where only 457 of them are travelers with ving (Norway) (NRK, 2019) (Høgseth, 2019). The ving management held a crisis meeting at this time (Monday) and announced on their page that they are going to help all of their customers, but that they first will prioritize the ones going home today. They

assure their customers that even though Thomas Cook group has gone bankrupt it does not mean that they (ving and Nordic subsidiary) will to, and that they are currently discussing the future of the company (Ving/Vinggroup) in a crisis meeting. (Ving Norway, 2019). The travel guarantee fund (Norwegian) is working with Ving (Norway) to get Norwegian travelers home (NRK, 2019). Which is as mentioned before their main priority. In a press release announced Monday evening/23. September, from Ving (Norway) on their Ving page, they say that the Ving group in the north will continue to invest, and that as of Tuesday flights will continue as normal. Further on in this press release, they state that the Nordic ving group (Thomas Cook airlines Scandinavia) has been one of the most profitable travel companies in the north for many years. And that they have secured their continued operations with support from banks, lenders, and guarantors and that they will continue on as usual. They ensure their customers that the bankruptcy of Thomas Cook will not directly affect Ving customers." Our focus here in the Nordic region has always been to create the best weeks of the year for our travelers for over 60 years, and we will continue to create experiences and holiday memories in the future" says the administrating director (CEO) Magnus Wikner of vinggroup in the Nordic region. "We in Ving Norway have been working intensively for the past 24 hours, and now we are just very happy. We continue to focus fully on our wonderful guests, who have been incredibly patient and supportive during these difficult times, "says Siri Røhr-Staff Information Manager in Norway" this press release from Ving ends with these quotes from two important members/employees of the Ving group/Ving, which is a great way to reassure their customers that the crisis has been handled and that everything is back to normal/that the company will continue as usual. (Ving, 2019)

The sources used in this description of the scandal includes (e24, 2019), (NRK, 2019) and (Høgseth, 2019).

Research design

In the analysis part of this report we are going to look at how Ving communicated with its customers through their social media page on Facebook. In the analysis we will present different excerpts from Facebook, which we are going to analyze, explain and use relevant theories to comment what they did. Ving uses several social media platforms to communicate with their follower. After looking at their different social media platforms we chose to only focus on their Facebook page, because this is their most popular social media account and it is on Facebook their primary communication took place. On their page there

were more statements and more frequent updates, then it was on their other social media platforms, which is why we chose to only look at this in the analysis. We will present seven different updates from Ving from the period of time between 22. September which was the start of this incident to 3th of October where their last crisis relevant update was published.

Analysis:

Our empirical collection consists of seven Facebook posts from Ving published in the period of time from 22. September 10.57 to 3. October 16.05. We will use these posts in this analysis to look at how they communicated with their customers. As mentioned before, we chose their Facebook page because it is their most popular social media account.

When you look at all seven Facebook posts you can see that they choose to be very open and honest about the entire situation and they choose to share everything with their customers.

The first statement we will look at was released the 22th of September here Ving says "We understand that many have questions about the Thomas Cook situation. We have posted the information we have available right now on Ving.no." (Figure. 1) This was released a day before Thomas Cook declared bankrupt but there was a lot of rumors since it went public that they were negotiating with the state to make a deal. They choose to respond with a very open and honest approach where they laid everything on the table. Since this was during the negotiations, they did not have all the answers. They also put out the exact same statement a second time as seen on figure 2. According to Cornelissen they are using a crisis communication strategy called denial "A simple statement denying that a crisis exists."

(Cornelissen, 2017 s219). They do not acknowledge that this is a crisis, and to satisfy the customers they are putting out the information without admitting guilt or blaming anyone.



Figure 1



Figure 2

The morning of 23th of September Ving announced that their owners Thomas cook was bankrupt, they updated their website and linked to it again. They still did not have all the information and answers, so they asked for understanding for the lack of answers. They linked to their website again where they had written about the subject in more details and tried to explain the situation as best they could. It was a scary and uncertain time for the Ving employees, but they still shared everything with their customers. Ving used a different crisis

communication strategy here, they used the strategy called excuse or at least a version of it, "a tactic of denying intention or volition by scapegoating others for the crisis.".

(Cornelissen, 2017, s219.) They inform their customers about the bankruptcy of their owners, but they do not take any blame for this.



Figure 3

The evening of the 23th of September Ving announced that travels with them would continue the following day and that they are still in business. They also told the customers that any previously booked tours are still going to happen so their customers can still go on the vacation that they have booked from Ving. It is clear that a lot of work went into making this happen and it is a very good look for Ving that they did this. They used a crisis communication strategy called *clarification "an extension of the denial tactic with attempts to explain why there is no crisis"* (Cornelissen, 2017, s219.) They explain that they will continue flying and that all previously booked vacations will continue as normal, so therefore they are essentially saying that there is no crisis.



Figure 4

On the 24th of September they announced and celebrated that they are up and flying again. They thank their customers for all the support, love and patience, and thanking their customers for 60 wonderful years and saying that they are looking forward to 60 more years. Celebrating 60 years and coming over this hurdle is great for them and also works well with getting on the good side of their customers. Here they are using a form of the crisis communication strategy bolstering "a tactic of reminding stakeholders and the general public of existing positive aspects of the organization (e.g. reminders of past charitable donations or a history of fair worker treatment) in order to offset the negatives the crisis brings to the organization." (Cornelissen, 2017, s219). They remind the general public that they have been in business for 60 years and are celebrating that and they promise to continue for 60 more and being in business for 60 years is a very positive achievement for a flight company.



Figure 5

On the 26th of September they announced that they still have some issues with getting their planes to leave on time due to the bankruptcy of Thomas cook. They apologies for this and ensure the customers that they are doing everything they can to fix these issues. They use two different crisis communication strategies here. The first strategy they use is victimization "a tactic of portraying the organization as a victim of the crisis in order to win public sympathy." (Cornelissen, 2017, s219) They lay all blame on Thomas cook and blame them for the delays and difficulties with getting their airplane off the ground. But they also use a version of the strategy called full apology "a tactic of simply apologizing for the crisis and accepting blame", they do not follow this to the point but come very close. The apologies for the problems caused by the crisis and promise that they are trying to fix it as soon as possible, but they do not accept any blame.



Figure 6

The final update came the 3th of October where they issue a long thank you to the customers for all the support they have gotten. They talk about how hard it has been for everyone working for ving. They thank the customers for all the nice emails, calls and social media post they have gotten, and says that they have been so moved by this. This is a crisis communication strategy called victimization "a tactic of portraying the organization as a victim of the crisis in order to win public sympathy." (Cornelissen,,2017, s219.) They write about how hard it has been for them making the pubic feel bad for them and grateful for all the hard work they have done.



Figure 7

Discussion of findings/strategies used by the company

These strategies where Denial "A simple statement denying that a crisis exists." (Cornelissen, 2017 s219)., excuse "a tactic of denying intention or volition by scapegoating others for the crisis." (Cornelissen, 2017, s219.), clarification "an extension of the denial tactic with attempts to explain why there is no crisis" (Cornelissen, 2017, s219.), Bolstering "a tactic of reminding stakeholders and the general public of existing positive aspects of the organization (e.g. reminders of past charitable donations or a history of fair worker treatment) in order to offset the negatives the crisis brings to the organization." (Cornelissen, 2017, s219), Full apology "a tactic of simply apologizing for the crisis and accepting blame" (Cornelissen, 2017, s219) and victimization "a tactic of portraying the organization as a victim of the crisis in order to win public sympathy." (Cornelissen, 2017, s219.). These strategies involve showing the general public that everything is okay and that there are no problems, it also involves distancing themselves from the company responsible for the crisis and not taking any blame while at the same time apologizing for the problems that occur

because of this crisis. From what we found in the excerpts is that the crisis communication strategies that they used where very effective and saved them from a potentially catastrophic crisis. It is clear that they have a great communication team.

Findings (presentations of findings)

As we can see from the figures above (1-7) Ving's communication team uses several different crisis communication strategies. The majority of strategies used in communicating with their customers include, victimizing themselves and denial (Cornelissen, 2017. P. 219). They did this by stating that they where not responsible, and denying that there is a crisis and that they are going to solve the incident and that they are still going to do business as usual.

Conclusion

In conclusion we can say that this was a very drastic crisis which possibly could have ruined Ving and its reputation. This was a possible PR scandal which could have damaged their reputation in a significant way which could have led to a loss of income and possibly ruined Ving. But they handled the crisis very well by using several crisis communication strategies and because of this they wear able to limit the crisis. They distanced themselves from the scandal and the company responsible (Thomas Cook) while fixing the problems that came with the scandal, apologizing for these problems and ensuring that they are fixing them as fast as possible kept the general public happy and they directed the negativity towards Thomas cook.

In our one main research question: how Ving communicated with its stakeholders (customers) on their page on Facebook during the Thomas Cook bankruptcy crisis. From what we found we can see that they use these crisis communication strategies: Denial, excuse, clarification, Bolstering and victimization. We followed the crisis communication strategies are taken from Cornelissen's "Corporate communication: A guide to theory and practice" and it is from this book we found crisis communication strategies. From the figures we can see that they tried to solve this situation by distancing themselves from the crisis and hose responsible and being honest with the general public. Ving handled this crisis very gracefully by using all of their platforms but focusing on their most popular one, and by distancing themselves they avoided that this crisis got out of hand.

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Ving (2019) Picture. Collected from: https://www.ving.no/



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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

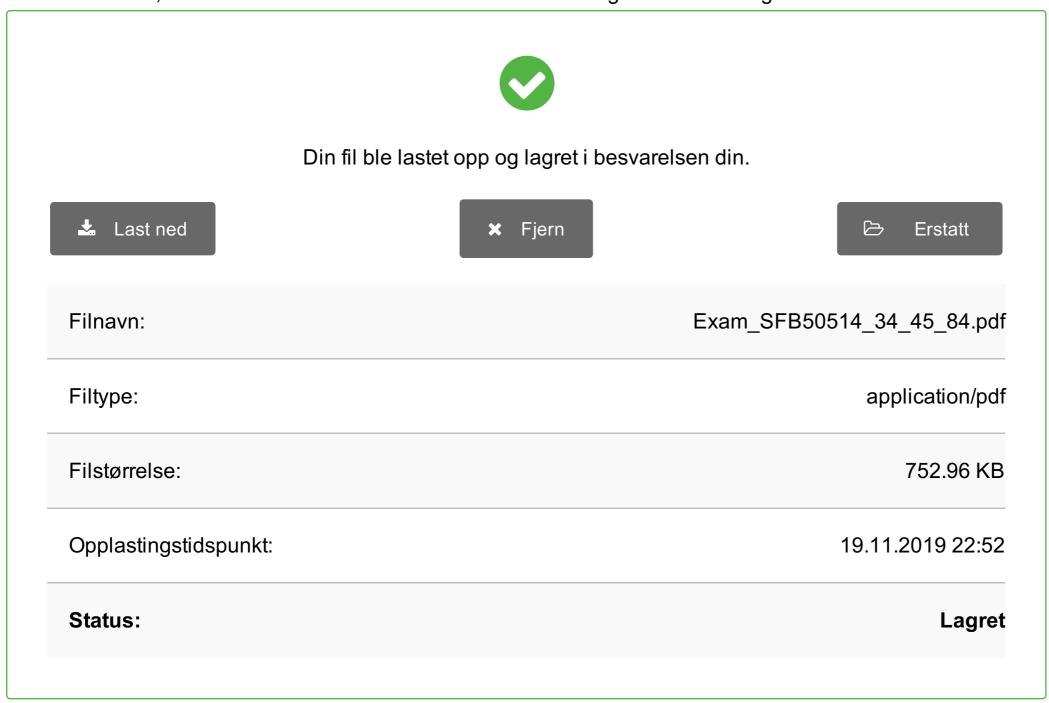
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

Case Study Report (Samsung)

What type of Crisis Communication Strategies did Samsung implement on Twitter during the exploding battery crisis of Samsung Galaxy Note 7?

How did Samsung's crisis communication affect corporate reputation?



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1.0 Introduction:

In this case analysis, our group has decided to analyse and evaluate the exploding battery crisis that emerged among Samsung's smartphone Samsung Galaxy Note 7. We decided to focus on this topic because our group found it fascinating how a major global company as Samsung were the recipients of both an outside and inside battery production failure. These events led to a crisis on a scale unmatched in the company's history. More interestingly are which crisis communication strategies did Samsung utilize to regain its position as one of the top distributors within the electronic market?

We divided our case study problem into two questions: "What type of Crisis Communication Strategies did Samsung implement on Twitter during the exploding battery crisis of Samsung Galaxy Note 7" and "How did Samsung's crisis communication affect corporate reputation".

1.1 Company description:

Samsung is a multinational conglomerate founded in 1936 as a trading company in Seoul, South Korea, in 2018 the company announced a sales revenue of 10,8 trillion dollars making Samsung one of the world's leading company with income higher than many countries BNP (Samsung, 2019. snl, 2019). The most valuable part of the company is Samsung Electronics which produces consumer electronics such as mobiles, computers, cameras and appliances.

In 2009 Samsung launched their Galaxy series for mobile phones and tablets. Two years later their Galaxy Note was released to fuse a mobile phone with a tablet. August 2016 the now-infamous Galaxy Note 7 was released worldwide (gsmarena, 2019),

1.2 Case Description:

On August 16, Samsung launched a new smartphone to the global electronics market, the *Samsung Galaxy Note 7*. At that time, it was an impressive technological phone sought after and spoken about months before the launch, breaking the record for pre-sale in South Korea. For Samsung, the Note 7 was intended to compete with the upcoming iPhone 7 from their rivals Apple, and by the beginning of August, the Note 7 is for sale in all markets. (BBC, 2016)

By the end of August, there were several reports of Note 7 devices malfunctioning and catching fire. Users on YouTube started posting videos of their burnt-up devices, some of which got millions of views within days. (Williams, 2016)

On September 2, Samsung issues a voluntary recall of Note 7 citing "Battery issues." The company would either refund the customers or replace devices. 2,5 million of the Galaxy Note 7 were in circulation worldwide by this time, and 35 different reports of devices malfunctioning. The president of Samsung mobile, Ko Dong-jin, said in the statement: "It will cost us so much it makes my heart ache. Nevertheless, the reason we made this decision is because what is most important is customers safety." (Kleinman, 2016)

The next day on September eight, the FAA (Federal Aviation Administration) issued a press release warning passenger flying not to turn on, charge or store an example of the Galaxy Note 7 in their checked luggage. (FAA, 2016)

The department of transportation issued on October 14 a total ban to all passengers in possession of a Note 7, designating it as forbidden on all aircraft. (FAA, 2017)

On September ninth the US Consumer Product Safety Commission advises people to stop using their Note 7 altogether. Six days later, they announce a formal recall of all devices as they were unhappy that Samsung itself was in charge of the process. In a statement Elliot Kaye, chairman of the US Consumer Product Safety Commission said: "Anybody who thinks that a company going out on its own is going to provide the best recall for that company, and more importantly for the consumer, needs to have more than their phone checked."

At this point, 92 reports of batteries overheating in the US alone. (BBC, 2016)

Late September there are several reports of battery malfunctions from customers in China. The country was not a part of the general recall issued by Samsung because the batteries in the Chinese Note 7 were from a local supplier as opposed to Samsung's own that were in the devices sent globally. Samsung had assured the Chinese market on September 1 that the devices in China were "safe to use". (BBC, 2016)

In the first days of October, Samsung continues its sales of Note 7 in South Korea while in the US, the replacement of phones is well underway.

Then on October 6, there is an incident onboard a Southwest Airlines flight in the United States where a replacement Note 7 emits smoke and causes an evacuation of the plane. (Lee, 2016)

October 11 Samsung announce they are stopping all sales of the Note 7 worldwide and tells customers to "power down and stop using the devices". (BBC, 2016)

2.0 Theory:

Our project will combine theoretical perspectives from crisis communication and the field of rhetoric. The terminology will provide us with a deeper understanding of the incident, which strategies Samsung implemented in order to overcome it and how this affected their company and stakeholders

As mentioned in the introduction, the project will analyse how Samsung's crisis communication on Twitter affected the company's reputation. The choice of rhetoric as an additional theoretical perspective is rather obvious. Rhetoric as purposeful and persuasive communication (Hellum, 2013) helps explain how organizations can achieve specific goals and build relationships with their stakeholders. In order to identify the efficiency of Samsung's communication, we are going to analyse the use of rhetorical proofs and tools. For this, we will use theory from Hellum's compendium Marketing Communication Text and Context. "In marketing communication, it is extremely important to establish credibility, or establish credentials as it is called in genre theory, in order to make consumers want to deal with your company or products." (Hellum, 2019, p. 53)

The stakeholders who are involved in Samsung's company are defined as "Any group or individual who can affect or is affected by the achievements of the organizations purpose and objectives (Cornelissen, 2017, p. 64).

According to the professor of crisis management, Joep Cornelissen defines an organizational crisis as "An event or issue that requires decisive and immediate action from the organization." (Cornelissen, 2017, p. 212). Based on Cornelissen's definition, we can see that the exploding battery incident is an organizational crisis, and this term will be used throughout our case study to describe the incident. The reason for this is because the incident

was exposed to immediate media attention and changed the lives of their customers with a negative outcome (Cornelissen, 2017, p. 212).

Before analysing the crisis that emerged with the Samsung Galaxy Note 7, we are also going to identify what type of crisis the unfortunate event can be categorized as. By clarifying the crisis, we can determine which strategy to implement and effectively answer our research question.

Timothy Coombs has categorized four types of crisis events based upon two different dimensions which are *Internal – External* and *Intentional – Unintentional* (Cornelissen, 2017, p. 2016). The external dimensions deal with outside factors, be it an act of terrorism or in the case of Samsung's crisis, an outside battery manufacturer. The internal describes an intentional transgression from company employees or an accident in manufacturing from within. Based upon Timothy Coombs' categorization of a crisis, we can distinguish that the exploding battery scenario is an *Internal Unintentional Accident*. The reason is that the crisis that emerged was not committed intentionally by the organization, it was an accident which arose during the development of their products and was caused within the organization (Cornelissen, 2017, p. 2016-218).

The crisis communication strategies we have decided to focus on are Distance strategies, Associating strategies, Acceptance strategies and Accommodative strategies from table 11.1 (Cornelissen, 2017, p. 2019). These crisis communication strategies will be further elaborated during the analysis section of our case study.

The majority of our case study involves analysing the actions pursued by Samsung on the social media platform, Twitter which "enables sharing of information amongst users who are now individual information providers" (Cornelissen, 2017, p. 212). This definition indicates that Twitter will provide us with the necessary social network insights on how Samsung handled their crisis. Although there exists a variety of social media platforms such as Facebook, we have decided to use Twitter because Samsung has extensively used this platform to post updates on the malfunction to their customers.

The professor in Corporate communication and Management, Joep Cornelissen, highly emphasizes that a crisis such as the Samsung Galaxy Note 7 incident can disrupt the

organization's operations and escalate into an immense impact on the company's finance and reputation (Cornelissen, 2017, p. 212).

According to Cornelissen company reputation is defined as "an individual's collective representation of past images of an organization (induced through either communication or past experiences) established over time."

3.0 Methodology:

To analyse the crisis communication strategies Samsung implemented on Twitter we have decided to rely on content analysis as a research method. Our empirical data consists of seven tweets published by Samsung from 16th September 2016 to 7th March 2017. We are also going to use a range of articles which we have researched online to gather credible information relevant to the incident.

4.0 Analysis:

In this section of our case study, we have decided to pursue an analysis of Samsung's statements on Twitter. The analysis will focus on the statements published from the beginning of the crisis 16. August 2016, and follow through chronologically which we believe are valuable for this case. Twitter has become an important communication platform for companies to communicate with their customers, expand their sales, increase product information and boost their customer service (Driver, 2019). Twitter is used to influence stakeholders and can lead to a loss of control. The loss of control is because once the tweet is published, it can be shared in a different context by followers often not in intended form. Furthermore, organizations have no control over the production and dissemination of corporate information (Cornelissen, 2017, p. 40).

Twitter is a free social networking site that allows Samsung and its members to interact directly with each other. Registered members can broadcast short posts called tweets and follow other members within this digital network (Rouse, 2015). Cornelissen defines a Twitter account as owned media which means from a company's point of view that they control and own their account. Some of the benefits of using Twitter as a communication tool is control, cost efficiency and can be an attempt to engage different stakeholders. He also mentions some challenges, such as no guarantee of engagement, potential scepticism towards

the organization and their statements (Cornelissen, 2017, p. 43). Samsung Mobile US has approximately 5.1 million followers today and can immediately interact with all of them through one single post (Figure 1).



(Figure 2 – Samsung's followers on Twitter, Twitter, 2019)

4.1 Recalling statement:



(Figure 3 – First recalling statement)

The tweet from 15th September 2016 posted by Samsung Mobile US is one of the first tweets they uploaded on Twitter during the crisis. It is a recalling where Samsung informs their customers that they can hand in their examples of their Note 7 for a replacement or a refund (Figure 1).

A statement such as this can be perceived as an effective strategy to maintain control of their customers values and take responsibility for their incident. The reason for this is that "[...] When organizations do not deal with issues in a timely or responsible manner a crisis situation may emerge" (Cornelissen, 2017, p. 216).

According to Cornelissen (2017), the statement includes one of the acceptance strategies – remediation where a company claims responsibility for their actions and takes necessary steps to remedy. Remediation is step two in this strategy where a company offers compensation to customers, in this case, for the defective smartphone. Step one of the Acceptance crisis strategy is a full apology. (Cornelissen, 2017, p. 219)

It is clear that with this recalling statement, Samsung is concerned with their costumers' safety. However, it should have come with a form of apology. If only for the inconvenience placed on their costumers having to replace their product. Samsung shows concern, but lack responsibility and empathy.

4.2 Apology statement:



(Figure 4 – Apology statement)

The second tweet Samsung Mobile posted on Twitter 22_{nd} January 2017 contained a 2:18 minute video describing the process Samsung went through, which lead to the recalling statement of their smartphone. The tweet is an indirect apology statement Samsung posted on

Twitter and explained what caused their smartphones overheating, in addition to announcing being committed to quality. (Figure 4). From the period 15th September 2016 to the 22nd January 2017, Samsung did not post any updates on Twitter regarding their attempts of resolving the issue they were facing.

The video clip included in Samsung's tweet describes in specific technical terms precisely what caused the battery malfunctions and the number of resources Samsung provided in the investigation (Samsung Mobile, 2017, 0:18-1:57).

The apology statement Samsung posted was a valuable strategic decision the company decided to implement. As mentioned before this apology should have been the first step Samsung took when choosing the acceptance strategy (Cornelissen, 2017). It is an apology which indicates that Samsung took responsibility for their actions. At the same time, we can see that Samsung has used the bolstering step from the Association strategy. It is a strategy used to remind stakeholders of the positive aspects of the organisation. In this case, the number of resources made available by Samsung to thoroughly investigate the incident. By highlighting the degree of their dedication in the investigation, they underline the strength of the company in difficult times. (Cornelissen, 2017, p. 216-219).

The technical aspects of the information in the video attached to the apology statement is a strengthening of Samsung's ethos. According to Hellum, ethos is a rhetorical tool to strengthen credentials among customers. Samsung announces in the video that they exceed industry standards. "The rhetor may also show competence, for instance, sound knowledge about the subject in question, and professionalism.". (Hellum, 2019, p. 52)

One negative aspect of this tweet is the gap between the recalling and apology statement Samsung posted on Twitter. From the period 15th September 2016 to the 22nd July 2017, Samsung did not post any updates on Twitter regarding Samsung attempting to resolving the issue they were facing. The reason for this could be that Samsung was occupied with conducting experiments of their defected smartphones to figuring out what the issue was with their Samsung Galaxy Note 7.

The effect of this apology statement as we see it is that while at the same time being professional and thorough, it is evident in hindsight that many customers felt the apology was

indirect and late. According to Cornelissen, a crisis requires decisive and immediate action. (Cornelissen, 2017, p. 212)

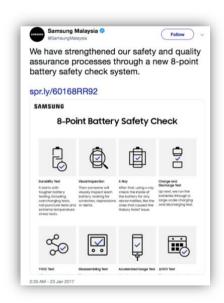
The indirect and late apology made stakeholders question Samsung's level of customer service..



(Figure 5 – Stakeholders response to apology tweet)

Samsung shows force in the video. They go through the resources and time put on getting to the nature of the battery malfunctions and steps they intend to take in the future. This strengthens their reputation with stakeholders.

4.3 Quality Assurance and maintaining control:



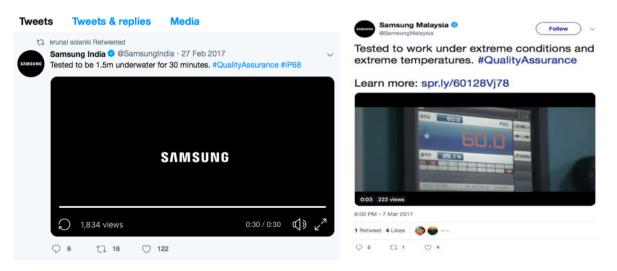
(Figure 6 – Improving their quality assurance)

In the video attached to the Apology tweet we previously analyzed, Samsung announced they were going to exceed the industry standard. One of the ways that manifested was the launch of their Quality Assurance Protocol for batteries the very next day. It is an eight-step approach to quality control; a means to secure future malfunctions (Figure 6).

To maintain control of their crisis, Samsung implemented a rectification tactic to prevent the crisis reoccurring in the future. According to Cornelissen, a rectification indicates "a tactic of taking corrective action to prevent a recurrence of the crisis in the future" (Cornelissen, 2017, p. 219).

Viewed in a rhetorical aspect, Samsung uses a seeming logos argument as a hidden pathos argument. Logos is where the rhetor appeals to the logic of an argument, whereas pathos is arguments based on emotions. The customers seeing this eight-step battery plan most likely will not focus on the technical aspects of it. Instead, Samsung means to reassure shareholders that the plan they have set in motion will ease their future concerns of phones spontaneously combusting. (Hellum, 2019, p. 53-54).

4.4 Remaining tweets:



(Figure 7 and 8) – Focusing on the positive aspects of the company)

The last two tweets in our analysis, posted March and February 2017 contain a video clip highlighting the new, improved components of their upgraded smartphone. The focus and message of the videos is the quality of their phones — waterproof and durability against extreme conditions. Samsung also puts a heavy focus on its Quality Assurance programme hashtagging both videos with it. The screen is black with a text that reads: Innovation is our legacy; quality is our priority. (Figure 7 and 8).

The strategies of both these tweets have attributes of the bolstering tactic by their emphasis on the Quality Assurance hashtag.

"A hashtag, created by using "#" in front of a word or words without spaces is one of the most significant symbols used these days in social media marketing. It's used on social media sites to help find posts and information or specific contents easily" (A1 future technologies, 2018)

The videos are Samsung's way of convincing stakeholders of their priority for quality. At the same time, it can be seen as a rectification tactic. By implementing the Quality Assurance Protocol, Samsung is taking steps to prevent another quality crisis from happening again (Cornelissen, 2017, p. 219). Moreover, we can determine Samsung's use of Kairos in the text at the end of the video. Kairos as a rhetorical tool is the rhetors capacity to say the right things at the right time. Innovation is our legacy; quality is our priority, reassures the stakeholders of Samsung's determination to prevent further incidents. (Hellum, 2013, p. 92)

The effects of these two similar videos are for stakeholder's trust and confidence towards the company's quality priority. The battery incident represented a trust issue with Samsung that they are rectifying. By implementing the Quality Assurance Protocol and referring to it, Samsung is honouring their slogan of Quality is our priority.

5.0 Summing up

In this last section of our thesis, we will provide the results of our findings, and answer our research question stipulated at the beginning. We are ending with a conclusion and our recommendation.

As shown in our analysis Samsung used several of the strategies defined in Cornelissen's book that we were able to identify. We believe there are several reasons for this. Firstly, we believe that when the reports came in about batteries malfunctioning, there was confusion as to the cause and if Samsung was itself to blame. There was one manufacturer of batteries in addition to Samsung's own battery department, and this is likely a source of initial confusion at the beginning as to selecting a communication strategy for Samsung.

The first tweet we analyzed was the recalling statement from Samsung (Cornelissen, 2017). A part of Acceptance strategy it was done to prevent further harm to customers and to take control of the situation. The confusion we mentioned was most likely the reason Samsung did not use this tweet to apologize wholeheartedly. At this point in the developing crisis, Samsung was under immense pressure with the media focusing on incidents reported worldwide. As the crisis developed and became increasingly public, it was vital for Samsung to ensure their customer's safety and attempt to get in front of the development.

A five-month time period followed before the results of Samsung's investigation into the incident became public. It came in the form of an indirect apology and explanation of what happened with promises of improvements going forward. There was criticism from Twitter users for the apology being long-awaited. However, in the long run, we can see strength in their implementation of the bolstering strategy with this announcement. They claimed full responsibility for what happened, detailing technically how their investigation had uncovered the facts and the future steps for quality control. The slogan: Committed to quality is recurring throughout the video, cementing the company focus on future crises being prevented.

In the aftermath of the crisis, Samsung changed their protocols for quality control. They announced an eight-step battery checklist in production and used the hashtag #QualityAssurence in their tweets as a recurring theme.

The remaining tweets is a continuation of Samsung's focus on quality in their products. As we see it, they implement the Rectification tactic to prevent future situations reoccurring (Cornelissen, 2017).

As to our research question, we have identified three strategies used by the company throughout this crisis. Not using the complete strategies but instead implementing different tactics from all three. If it was a plan or not is something, we cannot determine with our investigation.

6.0 Final conclusion and recommendation

Looking back at the crisis and how it developed, we recognize that although we are not satisfied with some of the company's choices in strategies, they effectively came out of it

stronger. They did take a substantial economic loss but used the events to create a new quality protocol which they highlighted going forward.

Throughout the whole crisis, Samsung was perceived professional and showed their customers that they have the resources and skills to improve for the future.

According to Cornelissen (2017), Samsung did not follow the steps in any one of the strategies. Instead, they utilized different elements from what we found to be three strategies. Although the result ended up as positive for the company if we disregard the economic side of it, we would recommend using one strategy and seeing it through.

Our recommendation for this crisis would have been to use the Acceptance strategy's first two steps, followed by the Accommodative only step. The strategy would be a three-step tactic that includes:

- Full apology
- Remediation
- Rectification

The apology is for taking full responsibility even if the circumstances as it was, in this case, were not precise. An apology gives stakeholders empathy towards the company involved and more often than not a great deal of patience.

Remediation is where a company gives a form of compensation to customers (Cornelissen, 2017). In this case, it was the recall and offer of a new phone or refund — the first two steps we recommend announcing together for future events. In this case, Samsung announced the recall five months before the apology, which was indirect.

Rectification is a tactic for a company to take necessary steps to reduce the risk of an incident similar happening again. In this case, Samsung made its Quality Protocol that was designed to ensure future batteries having defects. Their focus shifted towards one of quality that since has made Samsung more reliable and esteemed (Cornelissen, 2017, p. 219).

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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

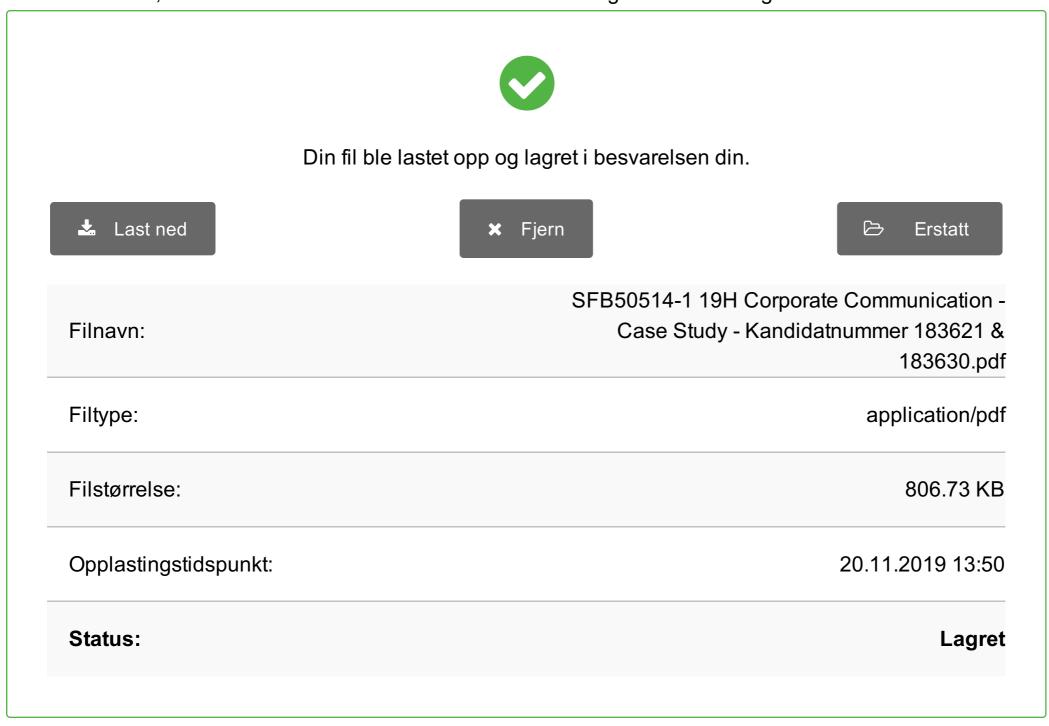
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

Did the dating app "Tinder" create their own crisis?

Written by

Chalin Cirkeline Borgund & Ida Evelina Fossli Støten

Bachelor's in international communication
Oestfold University College

Written for:

SFB50514-1 19H Corporate Communication

Case study report



Tinder and Vanity Fair's silly Twitter-war

Tinder's Twitter Account Has Emotional Meltdown Over Vanity Fair Article

This is what happens when you create an app everyone hates, but can't put down.









Figure 1. "Screenshot from HuffPost's article about Tinder and its "emotional meltdown" on Twitter", 2019, HuffPost.

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Introduction

Background information

On the 6. of august 2015, the pop culture and fashion magazine "Vanity Fair" published an article about the then still quite new dating app sensation "Tinder". Vanity Fair named the article "Tinder and the dawn of the Dating Apocalypse" (Sales, 2015). In this article, it's fair to say that Vanity Fair is critically claiming that Tinder removes the romance from the modern dating culture. According to Samovar, culture is "a set of human-made objective and subjective elements that in the past have increased the probability of survival" (Samovar et al., 2009, p.23). Essentially, Vanity Fair move on to accuse Tinder of being a straight down sex app (Sales, 2015). As their response to these accusations, Tinder took to the social media platform "Twitter" to communicate their feelings towards the article, posting a number of tweets (Chen, 2015).

Research question

At the early point in our case study, we felt it would be most interesting to investigate how the crisis management of Tinder handled the situation with the Vanity Fair article in correspondence to the academic knowledge we have earned throughout this semester. Other research questions that also were of interest was:

"How the crisis management from Tinder in this situation with the Vanity Fair article, affected the stakeholders perception of the company."

and,

"What crisis management strategies lie behind the way Tinder responded to the Vanity Fair's article".

As we progressed into a more detailed study of the case, we were open for the possibility that we could develop interests in more diverse directions and that our main research question of interest would become subject to some adjustments, or even exposed to complete change. This as we developed a deeper understanding of all events surrounding the case. This led to the final research question for this case study;

"Did Tinder create their own crisis?"

Company description

Tinder is the world's most popular app for meeting new people. Tinder likes to think about themselves as a dependable wingmate, they are always there. You use the swipe right function to like someone, and you swipe left to pass. If someone likes you back, then you have a match. If you really like what you see, you can give a "superlike". For those who really want to meet "the love of your life", you can upgrade your account to "gold membership" (Tinder, 2019). Tinder is available in about 196 countries, and some claim if you smile on your pictures in your tinder-profile you are 14% more likely to match with someone.

Vanity Fair is a worldwide-known, journalistic magazine that covers a range of journalistic and artistic field such as news and world affairs, Hollywood and photography. They describe themselves as a "mix of lively writing, bold portraiture, keen cultural intuition, in-depth reporting, and memorable profiles of the movers and shakers of the age, Vanity Fair has become, by many estimates, magazine journalism's acknowledged arbiter of modern society, power, and personality". (Friend, 2004)

Research scope

In this report, we will be focusing mainly on discussing if Tinder had a crisis management strategy behind their response to the Vanity Fair article "Tinder and dawn of the "dating apocalypse", published on August 6. 2015. Tinder's way of responding to the accusations in the article was executed with the use of their social media account on Twitter. Twitter is known as a micro-blogging site, "Usually blogging consists of people setting up basic websites where they write about whatever they want, whether it be politics, sport, cooking, fashion etc. Posting a message is known as a tweet." (Webwise, 2019). With this as the distribution channel, they expressed their comments towards the article. We want to look upon if Tinder unintentionally ended up creating their own crisis by the way they chose to communicate these comments.

Looking through Tinder's different social media accounts, such as Facebook and Instagram, it became clear that Tinder only posted comments on the Vanity Fair article by using Twitter. Based on this, the scope of this report is limited to collecting empirical data from the article from HuffPost, the article from Vanity Fair and Tinder's tweets about the case on their Twitter page to attempt answering the research question presented earlier.

Pictures with screenshots of the tweets and an apology are included for illustrational purposes, to demonstrate our arguments. Before we examine if Tinder may have made the crisis themselves, we look into which crisis communication strategies may be present.

Theory

This report will be focusing on Tinder's crisis communication strategy on the social media platform Twitter. In the book "Corporate Communication", written by Joep Cornelissen, a crisis is defined as "an event or issue that requires decisive and immediate action from the organization" (Cornelissen, 2017, p 212). There are four types of crisis, based on two dimensions. Internal-external and intentional-unintentional (Cornelissen, 2017, p. 216-217). Social media can be defined as "websites and computer programs that allow people to communicate and share information on the internet using a computer or mobile phone" (Dictionary Cambridge, w.d.).

Different terminology from several theoretical frameworks will be used in its attempt to explore possible options for answering the research question. The frameworks will provide a broader understanding of how Tinder handled the critique directed at them in the Vanity Fair article and will function as relevant tools to achieve clarification on the case.

Corneliussen distinguishes between six different crisis communication strategies, non-existence strategy, distance strategy, association strategy, suffering strategy, acceptance strategy and accommodative strategy (Cornelissen, 2017, p. 219). Tinder made used two of these strategies during August 12. These are the suffering strategy and the acceptance strategy.

Tinder are active in three different social media platforms, these are Twitter, Facebook and Instagram. According to Kaplan and Hanlein, different social media offers different opportunities and challenges for corporate communication (Kaplan and Hanlein, 2010, p.59-68). Tinder are using these three social media platforms in quite different ways. Looking through their social media accounts, we can see that Tinder has a lack of consistency throughout their use of these social media platforms. Consistency is "the degree to which organizations communicate consistent messages through all internal and external communications channels" (Cornelissen, 2017, p. 92-93).

By taking to use social media platforms, Tinder is able to get out responses to their stakeholders directly and immediately. A stakeholder is defined as a group/individual who can affect/be affected by the achievement of the organisation's objectives (Cornelissen, 2017, p. 295).

A lot of companies don't understand the importance of having trained professionals to take care of the corporate social media accounts, and they are therefore often not taking the effect their corporate identity on social media are having on their corporate image, seriously. Corporate identity is "the profile and values communicated by an organization/the character a company seeks to establish for itself in the mind of its stakeholders(..)". Corporate image is "the way a company is perceived, based on a certain message and at a certain point in time/the immediate set of meaning inferred by an individual in confrontation or response to one or more signals from or about a particular organization at a single point in time" (Cornelissen, 2017, p. 278).

Many companies and organisations give several employees access to their social media accounts, the consequence of this can be that the corporate will struggle to have the full overview of what information comes out from the organisation through their distribution channels. Distribution channel is defined as the process and way of getting the goods from the manufacturer or supplier to the user (Corneliussen, 2017, p. 280).

Methodology

Approach

The empirical data evidence used in this report consists of eighteen tweets published by Tinder on Twitter in the period of time on August 12. 2015 from 12:06 am to 1:44 am, and screenshots of an additional ten deleted tweets from Tinder published by HuffPost on August 12. 2015. Tinder's Twitter page function as the primary source for gathering empirical data on their response to Vanity Fair's article.

In an article from HuffPost, we can find screenshots from several more tweets from Tinder that no longer appear on their Twitter-page, indicating that a number of tweets have been deleted (Chen, 2015). The article from HuffPost is therefore used as a secondary source to retrieve the additional empirical data consisting of the deleted tweets.

As of October 28. .2019, Tinder had 146 000 followers on Twitter(put in ref). This gives them the ability to reach many of their stakeholders directly with important information.

HuffPost's article offers an edit at the end, where they have added a statement from a company spokesperson from Tinder to HuffPost. In this statement, Tinder says "they overreacted (Chen, 2015).

For the analysis chapter, the theories expressed in the theory-chapter will be connected to the empirical data presented above and used to critically discuss all the empirical data collected here. This will be executed through applying an analytical approach.

Case description

On August 6. 2015, the pop culture and fashion magazine "Vanity Fair" published an article about the then still quite new dating app sensation "Tinder". Vanity Fair named the article "Tinder and the dawn of the Dating Apocalypse". The article features interviews with several people in New York City, US, who uses the app for dating, one way or another. When the journalist engages in conversation with them, they start to complain about their dissatisfactions involving Tinder and speculate in how the app has impacted the dating culture. Simultaneously, they share stories and experiences from their "Tinder"-dating lives.

When discovering and reading the article, Tinder seems to be the one getting their feelings hurt. They make use of their social media platform, Twitter, to communicate their response, six days after the article was published. Tinder posts a number of tweets on August 12. 2015. These tweets consists of content with an effort to enlighten their stakeholders and Vanity Fair about their own statistics for the topics mentioned in the article, the many positive aspects their app also holds and even some "advice" on how to do "proper" journalism,

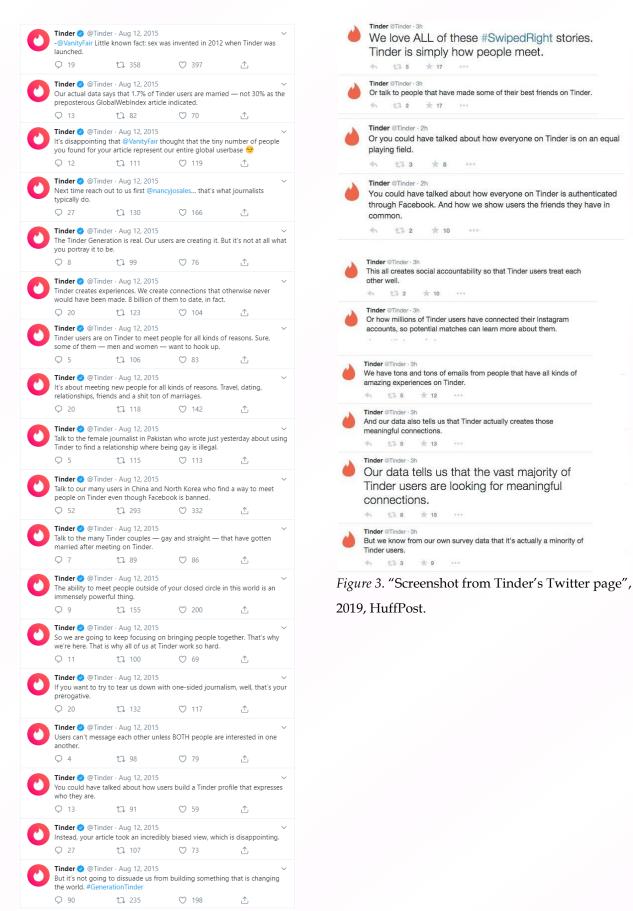


Figure 2. "Screenshot from Tinder's Twitter page", 2019,

Tinder.

-

Analysis

This part of the report will be analysing Tinder's statements on Twitter to try and define their specific strategy. Looking through Tinder's different social media accounts, such as Facebook and Instagram, it became clear that Tinder only posted comments on the Vanity Fair article by using Twitter.

Tinder uses three different social media platforms, which is Twitter, Facebook and Instagram. According to Kaplan and Hanlein, different kinds of social media offers a varied range of opportunities and challenges for corporate communication (Kaplan and Hanlein, 2010, p.59-68).

Tinder uses their three social media platforms, Twitter, Facebook and Instagram, in quite diverse ways. According to Kaplan and Hanlein, different social medias offers different opportunities and challenges for corporate communication (Kaplan and Hanlein, 2010, p.59-68).

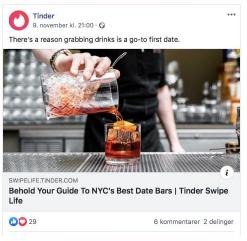


Figure 4. "Screenshot from Tinder's Facebook page", 2019, Tinder.



Figure 5. "Screenshot from Tinder's Facebook page", 2019, Facebook.

With Facebook, Tinder appears to promote themselves as a "dating-guru". On this platform, Tinder share advice for the dating life, like where you can find the best bars for dating in New York, and stories from people that have met each other on Tinder and who are now planning to get married.





Instagram page", 2019, Tinder.

Me: Go talk to them. You got this. Also me: Run away.





Figure 6. "Screenshot from Tinder's Figure 7. "Screenshot from Tinder's Instagram page", 2019, Tinder.

Instagram is mostly used in many of the same ways as Facebook. Some of the difference is how Instagram is a more visual and personal platform. Tinder has made use of this difference by also adding some humour in their Instagram posts and also shares "memes".

Having a look at Tinder's different social media accounts, we can see that they have a lack of consistency throughout their platforms. As you can see demonstrated in the screenshots from Tinder's Facebook and Instagram accounts in figures 4-7. This lack of consistency throughout their social media platforms comes out clearly from these. Fombrun and Van Riel carried out comparative analyses of the corporate reputations of the most visible and reputable organizations across the world. Basing their analyses on stakeholders' evaluations, they found that organizations with the strongest reputations are characterized by high levels of five important factors. Visibility, distinctiveness, authenticity, transparency and consistency. Consistency is "the degree to which organizations communicate consistent messages through all internal and external communications channels" (Cornelissen, 2017, p. 92-93).

As mentioned in the methodology chapter of this report, there are 28 known tweets combined (including the deleted ones can be seen in HuffPost's article) posted by Tinder on Twitter about the article the Vanity Fair article published august 12.



Figure 8. "Screenshot from Tinder's Twitter page", 2019, Tinder.

The statement from figure 8 is taken from Tinder's Twitter profile and can be used as a demonstration of how Tinder seems to not take this case too seriously. Their way of formulation is showing signs of what could be defined as a rather passive aggressive tone of voice, when perhaps a more ideal approach could be to defend the accusations stated in the content of the article, with rational examples of the opposite.

With this kind of crisis communication strategy, it can be argued whether or not Tinder is solely responsible for producing a crisis out of this situation all on their own. In his book, Corneliussen describes six different crisis communication strategies we can use. They are non-existence strategies, distance strategies, association strategies, suffering strategy, acceptance strategy and accommodative strategy.



Figure 9. "Screenshot from Tinder's Twitter page", 2019, Tinder.

In the attempt to figure out if Tinder had a conscious crisis communication strategy behind their initial way of handling this case, no written statement from Tinder themselves could be found. This was proven a difficult task to define without approaching the employees responsible at the time for interviews. As stated in the methodology chapter, this report is operating with only the written empirical data publish by Vanity Fair, HuffPost and Tinder, thus such interviews have not been conducted. As a consequence, this attempt was limited to interpreting the empirical collection mentioned, giving it higher scientific uncertainty.

As for our interpretation, we looked into the way Corneliussen describes the suffering strategy as: "a tactic of portraying the organization as a victim of the crisis in order to win public sympathy" (Corneliussen, 2017, p. 2019). We feel that this applies well for Tinder's handling of this case. By shaming Vanity Fair, we suspect that the aim that Tinder had in mind, was to put themselves in a better light. However, later on that same date, Tinder shows a sign of having reflected on their way of handling the situation and regretting how it went down. In an update at the bottom of the HuffPost article, we can see that a company spokesperson from Tinder had reached out to the newspaper and given them a statement.

UPDATE - Aug. 12, 2015: Tinder "overreacted," a company spokesperson said in a statement to HuffPost.

"We were saddened to see that the article didn't touch upon the positive experiences that the majority of our users encounter daily. Our intention was to highlight the many statistics and amazing stories that are sometimes left unpublished, and, in doing so, we overreacted."

Figure 10. "Screenshot from Tinder's apology in the HuffPost article", 2019, HuffPost.

"We were saddened to see that the article didn't touch upon the positive experiences that the majority of our users encounter daily. Our intention was to highlight the many statistics and amazing stories that are sometimes left unpublished, and, in doing so, we overreacted." (HuffPost, 2015).

By giving out this statement to HuffPost, Tinder demonstrates that they have had a change in their choice of crisis communication strategy. From their initial attempt at applying the suffering strategy for their own good, they seem to have reconsidered and then chosen to try out the acceptance strategy instead. The acceptance strategy is defined by Corneliussen as accepting responsibility or culpability for the crisis. This strategy is divided into three categories. Number one is the full apology, a tactic of simply apologizing for the crisis and accepting the blame. Number two is remediation, a tactic announcing some form of compensation or help to victims. And the last, number three, is repentance, a tactic of asking for forgiveness: the organization apologizes for the crisis and asks its stakeholders and the general public to forgive its misdeeds (Cornelissen, 2017, p. 219).

With the functions that Twitter offers, Tinder had a great possibility to address their stakeholders on the matter immediately and directly. Corneliussen defines a stakeholder as "any group or individual who can affect or is affected by the achievement of an organisation's objectives" (Cornelissen, 2017, p. 295). Despite having that opportunity though, it took Tinder a whole six days before they decided to post their comments on the article. The Vanity Fair article was published on August 6. while Tinder's first tweet directed towards it, was posted by Tinder on August 12. A possible explanation of why Tinder let these six days go by before coming with a response, could be that Tinder initially did not have any intention of making any statements on the article.

Even though it's getting more and more common to hire educated communicators to run corporate social media accounts nowadays, a lot of companies still lack an understanding of the importance of having trained professionals for this task. Many of them not taking the effect their image on social media are having on their corporate identity seriously enough. Corporate image is "the way a company is perceived, based on a certain message and at a certain point in time/the immediate set of meaning inferred by an individual in confrontation or response to one or more signals from or about a particular organization at a single point in time" (Cornelissen, 2017, p. 278). Corporate identity is "the profile and values communicated by an organization/the

character a company seeks to establish for itself in the mind of its stakeholders, reinforced by consistent use of logos, colors, typefaces and so on" (Cornelissen, 2017, p. 277).

This results in many companies and organisations giving several of their employees' access to their social media accounts, usually without having a preplanned social media structure and strategy. As a consequence of not having corporate communication practitioners to supervise the corporate social media activity, the company or organisation will have difficulty to achieve complete control of the information flow going out to their stakeholders through this distribution channel (Cornelissen, 2017, p. 36-37).

Summary

On August 6. 2015, the journalistic magazine Vanity Fair published an article about the dating app sensation Tinder. The article named "Tinder and the dawn of the dating apocalypse", claimed that Tinder removed the romance from the dating culture, and how it was used as a straight down sex app.

Since the start of this case study, we have thought of Tinder's choice of strategy for how to handle this situation with the Vanity Fair article and their accusations, was quite interesting. With a developing deeper understanding of the case throughout this case study report, the research question became victim of several adjustments. In the end, we feel pleased on settling with the end product; "Did Tinder create their own crisis?".

As the world's most popular dating app, Tinder has been made available in about 196 countries. We assume they want to keep it this way, so they would of course prefer to defend themselves from the negative accusations from Vanity Fair. Vanity Fair is a worldwide-known magazine.

In this case study report we mainly focused on Tinder's response to the Vanity Fair article "Tinder and the dawn of the dating apocalypse" from August 6. 2015. Tinder mainly responded to this article by posting tweets on the social media platform Twitter. We looked upon defining what kind of crisis communication strategy Tinder was applying to the situation. We used different terminology from several theoretical frameworks. The frameworks provided a broader understanding of how Tinder handled the critique directed at them in the Vanity Fair article.

The empirical data used in this report was taken from Tinder's own tweets published on August 12. 2015 and several screenshots from an additional ten tweets that have been deleted by Tinder on their Twitter account, that was published in the HuffPost article on the same date. As of October 28. 2019, Tinder had 146 000 followers on Twitter.

In the analysis, we looked on which social media Tinder uses, and found that they are active in three platforms, which is twitter, Facebook and Instagram. They make use of them in quite different ways. Tinder posts advice for the dating life on Facebook, funny memes and other pictures on Instagram and short texts on Twitter. Kaplan and Hanlein says that different social medias offers different opportunities and challenges for corporate communication. One of them is maintaining a consistency on material and identity. We found that Tinder did have a lack of consistency throughout their social media platforms. Consistency is an important factor for the corporate image.

As shown in the screenshots attached to this report, from Tinder's tweets, Tinder's way of responding to the Vanity Fair article have a rather passive aggressive tone of voice and by down talking Vanity Fair, looks to be trying to put themselves in a better light.

Throughout this date in August 2015, Tinder applied two of the crisis communication strategies. Their first approach was taking to the suffering strategy. When this probably seemed to make the situation worse, their second choice of crisis communication strategy was the acceptance strategy, when they later the same day came with an apology.

Conclusion

So, did tinder create their own crisis?

In the book, "Corporate Communication", written by Joep Cornelissen, a crisis is defined as "an event or issue that requires decisive and immediate action from the organization" (Cornelissen, 2017, p 212).

According to Cornelissen, there are four types of crisis based on two dimensions. These are internal-external and intentional-unintentional. These two dimensions together creates four mutually crisis types which is Faux pas, terrorism, accident and transgression. "Faux pas is an unintentional action which is transformed into a crisis by an external actor. (...) The term faux pas comes from the French and literally means "false step". Transgressions are intentional acts taken by an organization that knowingly place stakeholders or publics at risk or harm. Knowingly selling defective or dangerous product, withholding safety information from authorities, violating laws, or "creative" bookkeeping are all examples of transgression. Terrorism refers to intentional acts taken by external agents. These intentional actions are designed to harm the organization directly. Accidents are unintentional and happen during the course of normal organizational operations" (Cornelissen, 2017, p. 216-218).

Our theory is that Tinder was not supposed to make these statements on Twitter. On the basis that Tinder later went out and apologized these statements to HuffPost, and on the basis of our theory that the employee who posted this on Twitter had not clarified this with the management. Therefore, this was an accident.

Recommended strategy

We recommend the use of the crisis communication strategy association strategy which is "Claim of connecting the organization to things positively valued by stakeholders and publics" (Cornelissen, 2017, p. 219). This strategy is divided into subcategories which is "1. bolstering. A tactic of reminding stakeholders and the general public of existing positive aspects of the organization (e.g. reminders of past charitable donations or a history of fair worker treatment) in order to offset the negatives, the crisis brings to the organization" and "2. transcendence. A tactic of associating the negatives and loss arising from a crisis with a desirable, higher order goal (e.g. animal testing to develop life-saving drugs" (Cornelissen, 2017, p. 219). We recommend the subcategory number one, bolstering. With this strategy Tinder can promote every couple Tinder actually have matched together. With this choice of crisis communication strategy, we think that they could have avoided escalated this situation to turn into a crisis.

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Figure 1.

HuffPost. 2019. Screenshot from HuffPost's article about Tinder and its "emotional meltdown" on Twitter.

Figure 2.

Tinder's Twitter account. 2019. Screenshots of the collection of tweets found on Tinder's Twitter profile.

Figure 3.

HuffPost. 2019. Screenshot of HuffPost's screenshot showing the tweets no longer available on Tinder's Twitter profile.

Figure 4.

Tinder's Facebook account. 2019. Screenshot of one of Tinder's posts on Facebook account.

Figure 5.

Tinder's Facebook account. 2019. Screenshot of one of Tinder's posts on Facebook account.

Figure 6.

Tinder's Instagram account. 2019. Screenshot of one of Tinder's posts on Instagram account.

Figure 7.

Tinder's Instagram account. 2019. Screenshot of one of Tinder's posts on Instagram account.

Figure 8.

Tinder's Twitter account. 2019. Screenshots of selected tweets found on Tinder's Twitter profile.

Figure 9.

Tinder's Twitter account. 2019. Screenshots of selected tweets found on Tinder's Twitter profile.

Figure 10.

HuffPost. 2019. Screenshot from HuffPost's article showing Tinder's apology statement.



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SFB50514 1 Corporate Communication

Emnekode	SFB50514
Vurderingsform	Oppgave
Starttid	13.11.2019 09:00
Sluttid	20.11.2019 14:00
Sensurfrist	11.12.2019 23:59
PDF opprettet	20.11.2019 14:43
Opprettet av	Margrethe Karijord Johnsen

¹ SFB50514 Corporate Communication - Group project

Group Project Hand-in

Candidates must form groups in Inspera.

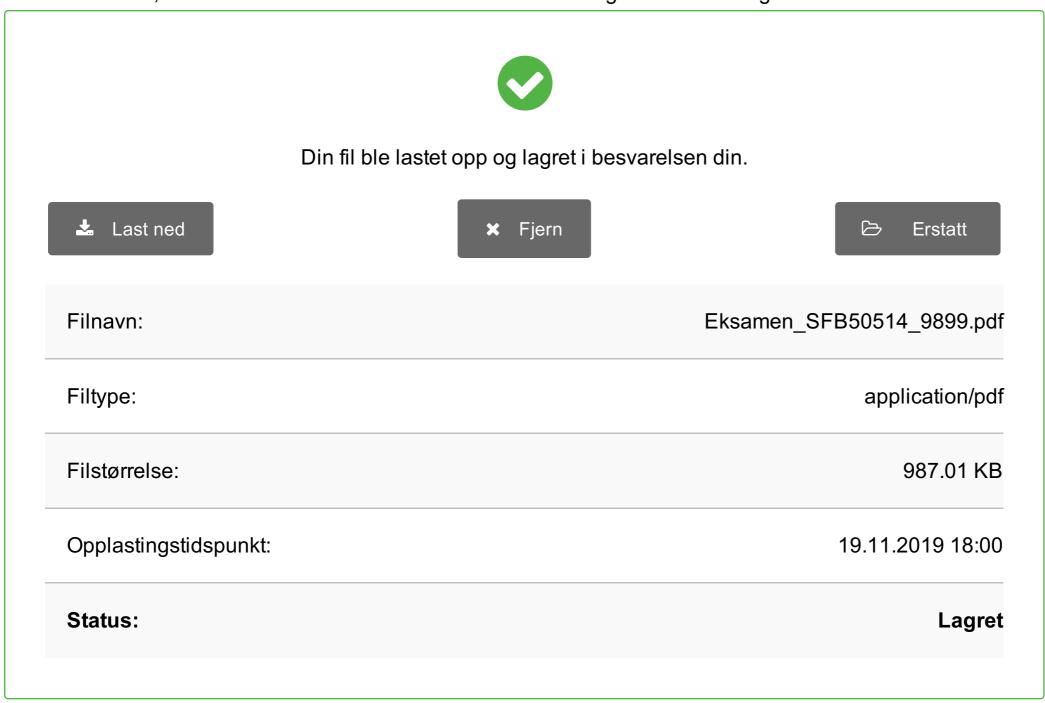
Each group must pick one person to hand in the project on behalf of the entire group. Please write the title of the project and the student numbers and full names of group participants on the front page of the project.

The group project must be uploaded in ONE (1) file, in PDF-format.

You can find detailed instructions for submitting assignments in Inspera Assessment on our webpage.

Self-declaration

By handing in my exam, I confirm to have read and understood the contents of Østfold University College's Self-declaration, and to be familiar with rules for academic writing and referencing.



Besvart.

CASE STUDY REPORT

Which crisis communication strategy did Dolce & Gabbana use during the Chinese crisis?



Alessandro Druetta (191558)

Charles Devienne (191926)

Thomas Barbeillon (191986)

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6. BIBLIOGRAPHY

3. INTRODUCTION

In this report we will see and try to analyse the behaviour and the strategy adopted by Dolce & Gabbana during the Chinese crisis.

Through all the available sources we will start from a detailed temporal description of the case to conclude with suggesting a better strategy that they could have adopted.

a. Company description

Dolce & Gabbana is first of all the story of a meeting, the story of an artistic and human passion. Domenico Dolce and Stefano Gabbana founded D&G in 1985 when they presented their first women's collection. When the brand was created, Dolce and Stefano indicated their influences « Armani for the discipline, Alai for the madness, Chanel for the sewing concept and Jean-Paul Gaultier for the creativity ». The brand is becoming a true symbol of success and the absolute reflection of fashion (Strowski De Lenka, 2018)

Nowadays Dolce Gabbana is a global luxury brand and its turnover is more than one billion of dollars (Pan, 2018).

We know, fashion is more and more appealing to Instagram bloggers for their communication campaign. Dolce & Gabbana has 22,5 million of followers on Instagram (Dolce & Gabbana Official Instagram Account, [@dolcegabbana])

This is the perfect social media to show their new clothes and new fashions.

b. Research scope:

Nowadays, social networks play a very important role in business communication. Indeed, all information is relayed in minutes to the followers.

Companies use these social networks to improve their marketing. It's the corporate communication.

But even a small mistake can become fatal for the company. This has been the case for several companies like Nike, H&M, and Dolce Gabbana.

This is actually interesting to definite Corporate Communication; this is the way in which a company gives to the public and its employees information about its aims and what it is doing. In reality, the main activity of a social network is to make communication!

Whether it publishes articles, shares photos or plays games on social networks, the user seeks to communicate. Moreover, it is from this very principle that commerce is based: to make

communication. The interest of social networks for companies is not limited to the acquisition of information about users. Communicating via social networks is also a way to build a brand image, to exhibit innovative products or offers, to stand out from the competition through contests or games, to establish a more humane relationship with users, to create interactions with the public, to make a daily technological watch, to find the latest trends.

3. THEORY

In order to understand the crisis that has affected Dolce & Gabbana in 2018 it is necessary to define the elements that make up this event. The first step is to define what is a crisis. "A crisis is defined as an event or issue that requires decisive and immediate action from the organisation..." (Joep Cornelissen'book, *Corporate communication*, 2017, p. 212)

This definition applies especially to social networks like Instagram; according to Cornelissen "... a social media provides new challenges and opportunities for organization to communicate and engage stakeholders, including their own employees, local communities, customer and the news media." (2017, p. 37)

Organisations realized that they need to communicate with their stakeholders to develop and protect their reputation. In this way social media are necessary to organizations and their relationship with stakeholders. Stakeholders can be defined as "... person, group or organization that has interest or concern in an organization" (Business dictionary, 2019).

In fact, these social networks have the power to multiply the scale of an event in hours or even minutes. This power comes from users, they can freely express a negative point of view on a subject and influence public opinion and impact the image of the brand. The image "leads them to be seen in particular symbolic terms by important stakeholders" (Cornelissen, 2017, p. 85)

In the present case the stakeholders are the representative figures of the brand Dolce & Gabbana which have suffered the most from this misstep. The company was quickly accused of racism that is "... is prejudice, discrimination or antagonism direct against someone of a different race based on the belief that one's own race is superior" (LaRousse, 2019).

During a crisis there is always a moment when you have to communicate with the stakeholders. When it comes, Cornelissen gives many strategies. The choice of the strategy depends on the type of crisis and "the degree to which the organization is perceived by stakeholders and the general public to be responsible for the crisis" (Cornelissen, 2017, p. 218). Regarding the choice made by Dolce & Gabbana we will talk about it more deeply in the analytical part.

Previously we talked about the power of social networks has been able to impact the image of a brand through the opinions of users. But social networks also have the power to connect individuals and make interaction / dialogue between them and the organization. This also means that content about a given organisation is no longer solely produced and disseminated by the organization (Cornelissen, 2017, p. 37). Because of this, social networks are double-edged, they can represent an opportunity but also a threat to faith. As we will see, they create proximity with consumers and respond quickly to crisis situations. Nevertheless, they prevent organizations from being the only actors in their communication.

For an organization a crisis can cause mainly two kinds of loss:

- loss of reputation;
- financial loss.

These three losses are closely linked: a loss of reputation can lead to a fall in sales and therefore financial losses. In the same way, misbehaving communication can lead to morally hurting people and following up on fills, eventually resulting in financial loss and even loss of reputation.

In the case of Dolce & Gabbana the crisis and the management of the communication firstly generated a racist image of the brand and thus a loss of reputation. According to Cornelissen, the reputation of a company "can be defined as a subject's collective representation of past images of an organisation (Induced through either communication or past experiences) that is established over time." (Cornelissen, 2017, p. 145).

To sum up, the management of the social results is essential during the management of a crisis, either to avoid the losses of reputation or money, or even to establish a strategy.

3. METHODOLOGY

a. Approach

Our analysis will be qualitative, based both on primary and secondary sources. Primary sources are immediate, first-hand accounts of a topic, from people who had direct connection with it. (Haley Library, 2019); secondary sources are created by someone who did not experience first-hand or participate in the events or conditions you're researching. A secondary source interprets and analyses primary sources. (Harvard Library, 2019).

The primary sources are constituted by the official accounts and pages of the various parts such as D&G, DietPrada and other actors. In particular we used the four published videos, the three promotional and the final apology and all the statements published both by D&G, by the users and by other pages as Diet Prada. The secondary sources are constituted essentially by newspapers articles which will be analysed to be sure of their reliability.

We will focus on the use of three primary sources: D&G's official Instagram and Weibo, a Chinese microblog, accounts and DietPrada's official Instagram page.

Although D&G also has other active official social media channels such as Facebook and Twitter, these have much lower numbers and interactions than Instagram, which could be considered the best social media in the fashion sector and to share pictures. In fact, on Instagram, D&G has over 22 million followers (Instagram official account, 2019, [@dolcegabbana]) while on Facebook about 11 million (Facebook official page, 2019, [@DolceGabbana]) and on Twitter only 5.5 million (Twitter official account, 2019, [@dolcegabbana]). His communication and brand promotion activities are also carried out mainly on Instagram, although the most important information such as news and official communications are posted on all three social networks.

We will also analyse some comments from users that we found under the posts on social networks in order to obtain a non-mediated feedback on the feelings of consumers and users.

We decide to include these feedbacks because it's very important to see and understand the reaction of the audience both to the actions and to the solutions provided and assess whether the communication strategies adopted are satisfactory and positive for the brand.

b. Case description

On Sunday 18th November 2018, in anticipation of "The Great Show", one of the biggest ever fashion show in China, Dolce & Gabbana releases, on its official Instagram and Weibo pages, a series of video advertisements (Dolce & Gabbana official Instagram account, @dolcegabbana). The video footages depict a fashionably dressed Chinese model, seated in a typical Chinese restaurant, to which it is taught how to eat various Italian foods, such as pasta, pizza and cannoli, with chopsticks. The purpose of these videos was mixing the Italian and the Chinese culture. In each meal the difficulties of eating are very evident especially in one segment, when the model struggles and giggles with a cannolo and a voiceover says, "Is it too huge for you?" according to some alluding to sexual meanings.

The day after, on 19th November Diet Prada, a famous fashion Instagram page, shares the Cannolo video which becomes viral (DietPrada official Instagram account, @diet_prada). Indeed, it is translated and shared all over the world stoking the outrage internationally.

The most common messages of the users were related to racism and disgust for the treatment of the girl and Chinese culture. Furthermore, the hashtags like "#boycottDolce&Gabbana" immediately become viral.

Within 24 hours of publication the videos are deleted from Weibo social network but kept on Instagram.

To make matters worse, on Wednesday November 21st, screenshots are published that show Stefano Gabbana, one of the two founders of the fashion brand, heavily insulting China and its people.

To try to stop the storm that had come about, Stefano Gabbana pointed out everything to a hacker attack both to his personal profile and to the brand one by inserting the first apologies to the Chinese people.

Furthermore, Chinese celebrities, like Zhang Ziyi, Li Bingbing and Huang Xiaoming, showed their antipathy towards the content presented in the three video clips, and confirmed that they would have cancelled the show; two D&G brand ambassadors, Chinese pop stars Wang Junkai and Dilraba Dilmurat, terminated their contracts with D&G.

In the afternoon of the same day a post on the Instagram and Weibo pages is published which declares the cancellation of the event planned for the evening at 8.00 pm. The causes are not mentioned, but it can easily think of the unleashed mess for the three promotional videos.

In addition to the reputational issue, the first economic damages also begin: on Thursday 22_{nd} November, all the key Chinese online stores which sell luxury goods removed D&G products from their shelves.

Finally, on Friday November 23rd, the two Dolce & Gabbana owners, always through Weibo and Instagram, post an official apology video, in which the two designers apologize in Italian with Chinese subtitles; the video is republished by other social pages and before midnight, it had received more than 166,000 comments, more than half a million shares and over 100,000 people 'liked' the post.

4. ANALYSIS

In this section of the report we are going to analyse the behaviour and the strategy adopted by the company from Sunday 18th November to Friday 23rd November. We will also see if the crisis has actually ended or has simply been closed to the social sphere.

Furthermore, we try to understand if the accuse of racism sent against the brand can be defined as such or have simply been enlarged due to the media echo due to the media used.

Nowadays social networks are one of the most used tools in promoting company's brand, image and products.

They are very fast tools that can reach a wide target but can also be very risky if they are undervalued when they go out of control as in the D&G case.

4.1 Start of the crisis and first users' responses

Immediately after the publication of the three videos on Instagram (figure 1, 2, 3) and Weibo, the first negative comments (figure 1, 2, 4) from users began to circulate and the main fashion pages began to repost the videos (figure 4).



Figure 1: First video "Eating with chopsticks with first negative comments



Figure 2: Second video "Eating with chopsticks"



Figure 3: Third video "Eating with chopsticks" with negative comments

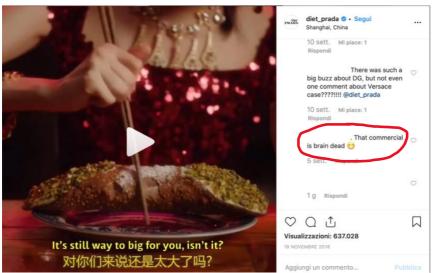


Figure 4: Repost of the second video by DietPrada with negative comments

As you can see from the first video, users' feedbacks "... information and statements about something that can tell you if it is successful or liked" (Cambridge Dictionary, 2019) are very negative with feelings of offense and racism, but the brand, careless, continues its promotional activity, getting the negative comments multiplied and causing a scandal we know.

The accusation of racism is probably exaggerated and amplified by the media used because the society never puts in comparison on the racial level or it makes fun of the Chinese people but simply because of a clumsy representation it is distorted in comparison to the reality.

Probably if D&G had noticed the immediate negative feedback, it could have avoided posting the following two videos or at least removing them as soon as possible thus avoiding the enormous damage of image and reputation.

It is possible that nothing has been done because they did not have a plan B available, thinking that the situation would resolve itself or at least had not developed so much and so badly.

4.2 Deleting of the videos from the page by Weibo

The following day, the Weibo social network decides to remove the video considered offensive and racist from its platform. This behaviour shows how social media, besides being a means of sharing content and communication, must also be "controllers" which avoid putting offensive and racist products in circulation towards someone and therefore may also be denied on the social network itself.

4.3 Publication of Stefano Gabbana's screenshots

On Wednesday 21_{st} November, first a fashion blogger, Michaela Tranova, and then an Instagram page, DietPrada, publish screenshots of a conversation between Stefano Gabbana and the fashion blogger herself (figure 5). The content of the conversation is very heavy because the designer insults China and its people, pointing them out as ignorant, smelly and mafiosi.

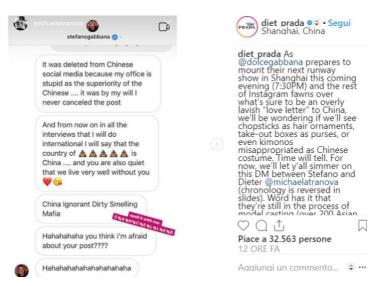


Figure 5: Post of the screenshot about Stefano Gabbana

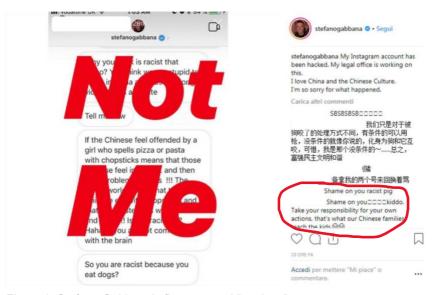


Figure 6: Stefano Gabbana's first personal "apology"

This is the moment when the situation definitely escapes from hand; certainly, affirmations of this kind are very serious in any case, but above all in this case because Stefano Gabbana is a public character, "an important person by his social role, by his influence" (LaRousse, 2019) and should never be released.

4.4 First intervention and hacker attack

There is a first intervention by D&G that through both Stefano Gabbana and the brand itself they accuse of having been hacked by an unknown subject.

This first intervention is carried out on the official Instagram pages (figure 6, 7) for two reasons: first, because the scandal was born from them and the second because it is the most used and most followed communication medium of D&G.

Our Instagram account has been hacked. So as the account of Stefano Gabbana.
Our legal office is urgently investigating.
We are very sorry for any distress caused by these unauthorized posts.
We have nothing but respect for China and the people of China.



DOLCE & GABBANA

Figure 7: First "apology" of Dolce & Gabbana

Actually, these first statements cannot be called excuses because the intention is to proclaim innocence and not accept responsibility.

In this case the company claims to be a victim, citing responsibility over others. According to Cornelissen, victimization is "... a tactic of portraying the organization as a victim of the crisis in order to win public sympathy." (2017, p. 219)

In fact, especially the post on the official profile of the brand refers to Gabbana's conversation and not to the initial videos that are still considered non-offensive and racist. Clearly it is not easy to believe the words of the designer because the evidence seems overwhelming even if it is very strange that a fashion blogger can have such a personal conversation with someone like Stefano Gabbana.

4.5 Declaration of the models and ambassadors

In the meantime, many famous faces as models and ambassadors of D&G publicly announce to dissociate themselves from the behaviour of the company and in some cases to withdraw from the contracts in being (Zhou, 2018).

Also, in this case the use of social networks is very wide, both because the main source of communications of the interested parties and because it is the same media from which the scandal was born.

This situation is very dangerous, especially for a fashion brand that bases its communication activities through celebrities who use and sponsor their products; in fact more attention had to be paid, asking the famous faces not to externalize their reactions so publicly because they immediately go around the world causing great damage to society.

4.6 Cancellation of the D&G Great Show

In the afternoon of Wednesday 21 November, finally, through the Weibo social network, it is announced that the Great Show is definitively cancelled without any explanation (Figure 8).

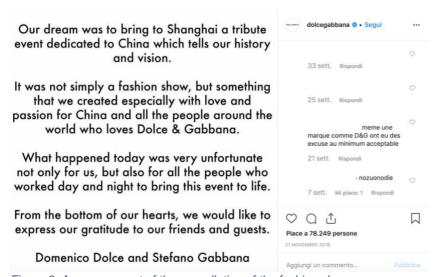
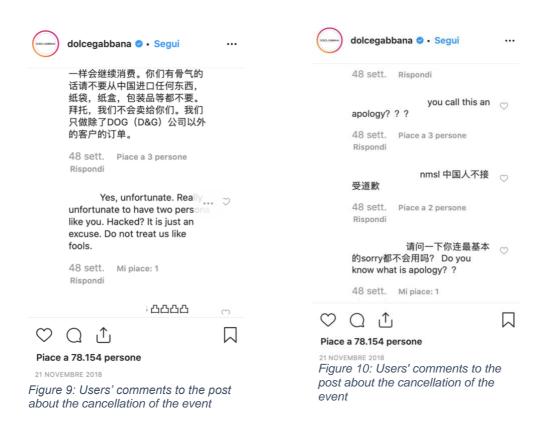


Figure 8: Announcement of the cancellation of the fashion show

Again, a social network is used as an official means of communication. Although the motivations seem very clear, the post makes no reference to the scandal born of the videos demonstrating a certain lack of respect for the public, thinking of them as fools who do not deserve to know the truth although they are fans and supporters of the brand.

Even if some aspects are not very sincere, we can call it a full apology because as Cornelissen says it is "... a tactic of simply apologizing for the crisis and accepting the blame" and that was the main purpose of the company.



As a demonstration of kind of lack of respect and not complete sincerity, we can note some comments from users (figure 9, 10) who ask for greater respect and sincerity and they show how the communication strategy implemented up to that moment can be considered partly wrong and in any case not satisfactory.

4.7 Removal of the products from major e-commerce sites

In addition to the reputational damage, the first economic damage is also reduced the following day: in fact, several e-commerce sites such as Yoox-Net-a-Porter, Tmall, JD.com, Xiaohongshu and Seeco.com remove D&G products from their portals (Tashjian, 2018).

4.8 Financial issues

Some analysts have tried to calculate the economic and financial damages that D&G could suffer as a result of this scandal.

The most immediate damage is certainly the \in 20 million spent on the event then cancelled; according to some there may be a depreciation of the brand value of 20% considering that at the time it was worth about \$ 1 billion. But the heaviest impacts will surely be on sales, whose official figures are not yet available even though some specialized newspapers have pointed out that the value of sales in South East Asia has increased from 25% to 22% of turnover (Economic Times. India Times, 2018)

4.9 Final apologies

Finally, on Friday November 23rd, the two designers decide to post a video both on Weibo and on Instagram (Figure 11, 12) where, in a speech in Italian with Chinese subtitles, the designers apologize to both China and the Chinese people.



Figure 11: Video of the final apologies posted on Weibo



Figure 12: Video of the final apologies posted on Instagram

In this latest video, the two designers personally full apologize, that is "... a tactic of simply apologizing for the crisis and accepting the blame" (Cornelissen, 2017, p. 219) to all those who may have felt offended by the videos published, also adopting a repentance tactic asking for forgiveness to the public and to stakeholders. According to Cornelissen, repentance is "... a tactic of asking to the general public to forgive its misdeeds." (2017, p. 219).

In reality, the apology could be better because it doesn't seem completely sincere for example when they say: "they excuse us if we made mistakes, if we lacked respect", showing that even at the time of the video they think they are not in the wrong.

Moreover, the intonation of the voice seems very rigid as if it were a speech written by someone else and repeated by heart and the looks are in some situations as absent, not to "look into the eyes of the spectators".

Again, the positive fact that in part may have cleaned up the image is the fact that they put their faces directly, avoiding simple and cold writing again.

Certainly, the main reasons for this final intervention can be traced back to reputational reasons but above all to economic reasons, given that, as we have said before, China is the largest luxury market in the world.

4.10 Was the crisis really ended?

Now the most difficult task will be to recover the confidence of China and its people through not just words, but facts as the two designers have actually repeated in the apology video.

Moreover, it is necessary to understand if the crisis is definitively closed; actually, we can say no because the Chinese e-commerce sites have not yet put D&G products back on sale and if we look for the brand on Google both web and images are still very evident and recurrent references to the Chinese case one year later.

Ultimately, we can say that it has been closed on social channels also thanks to the fact that nobody has spoken about it directly anymore, but surely in the memory of many it will remain for many years also as an example not to be followed absolutely.

5. CONCLUSION:

In this part, we will reply to our question about the communication strategy used by Dolce & Gabbana after the racist crisis who was really complain by followers and stakeholders (especially on the Chinese market). Moreover, it will be a good chance to explain how social medias are important in our century. Corporate Communication must be coherent, and companies must adapt to his customers. But to be effective, this communication must be the subject of in-depth reflection that will translate into a strategy. Thus, the manager will be able to set up communication action plans that will enable the company to harmonize its communication by joining a global communication.

Without coherence, the various communication actions of the company can't be effective. It is the communication strategy that will bear the heavy responsibility of making communication coherent and conveying a single image of the company in relation to and in harmony with its objectives.

a. Findings and outcome

After this big crisis, the main objective of the brand was to avoid as much as possible that the video remained in the memory of users. Indeed, this would have had a serious consequence such as a lower goods demand because of the bad image and reputation of the brand.

Things could have stopped there if Stefano Gabbana had not gone into a spin on the message of his personal Instagram account, treating China as a "shitty country" and punctuating his remarks with excrement emojis. Instantly revealed by the fashion Instagram page DietPrada, screenshots in support, these insults ignited the powder, sweeping in minutes the collective work of many stylists, models, makeup artists, hairdressers and technicians who prepared the event for months.

The Italian brand had to cancel its fashion show, celebrities and Chinese models expected to participate have condemned the brand, consumers have filmed themselves burning their Dolce & Gabbana products in boycott that is "... the fact to engage in a concerted refusal to have dealings with usually to express disapproval or to force acceptance of certain conditions" (Merriam Webster, 2019), others have posted posters "Not me" on shop windows to make fun of the brand's defence, which tried to seal the fire by stating that the stylist's account had been hacked. Known for his harsh words he spoke out against children in gay couples and described Selena Gomez as "ugly" on Instagram and no one believed him.

This crisis had really bad effects especially in the Chinese market. In a few days, Dolce & Gabbana products have disappeared from Alibaba's Tmall, jd.com, secoo.com, the large Lane Crawford department store, the Yoox-Net-A-Porter e-shops Chinese sites and Farfetch. The Dolce & Gabbana have often had problems with their choice of communication. In China, it is not a first for them either. Their campaign "D&G Loves China" had already aroused indignation by the choice of staging.

On the same site, the two creators of Dolce & Gabbana chose to answer the controversy by presenting a video of excuses. They confide sheepishly, "We hope you will forgive us for the mistake we made in understanding your culture". But for the general public, the damage is done even if the spokesman of the Chinese Foreign Ministry, Geng Shuang, said that "China did not intend to make this problem a diplomatic matter."

Capital country for luxury today (a third of luxury sales would be made in China), the Middle Kingdom is a major issue for the brand Dolce & Gabbana; the calls for boycotts and the withdrawal of the sale of products on the Chinese sites will probably see a significant impact on its turnover. And for now, China does not seem willing to accept the apologies of the Italian creators.

b. Recommended strategy

Every organization today must build an effective and coherent communication strategy both internally and externally.

The quality of a communication depends as much on the techniques used as on how to use them and on the choice of the most appropriate means to achieve the objectives set.

Crisis management needs to be analysed to generate better adaptation in the future. The crisis is sometimes also an excellent opportunity to accelerate restructuring, reposition an image or win back the opinion.

The answer must be proportionate to the gravity of the crisis and the apology must be sincere.

In addition, brands would benefit from learning to identify different online activist communities and

their digital content. In this way, it is easier to identify sensitive topics in order to take them into

account when planning and carrying out campaigns or actions. This upstream work aims to reduce

the risk of misinterpretation before the implementation of communication or marketing actions.

Understanding and interpreting foreign codes and cultures is a key success factor for a brand that

aspires to conquer millennials from another continent.

c. Final conclusion

Nowadays, more and more people use social medias. In June 2018, one billion people used Instagram.

Then companies like Dolce & Gabbana use them to stay close to their stakeholders and especially

consumers which can sometimes be detrimental especially when the information circulate quickly

through the new medias.

Dolce Gabbana used the wrong strategy. If this controversy is (in part) the consequence of malicious

hacking (we still don't know), the brand did not have the means to effectively guard against such an

incident? The protection of the intangible capital of the company, and in this case, the security of

data, is one of the aspects addressed in the approaches of economic intelligence that many companies

do not take seriously yet.

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