



INTERNATIONAL  
HELLENIC  
UNIVERSITY

# **Crisis Communication in the Digital Era**

**Tatsi Foteini**

SID: 3305160014

**SCHOOL OF SCIENCE & TECHNOLOGY**

A thesis submitted for the degree of

*Master of Science (MSc) in e-Business and Digital Marketing*

**DECEMBER 2017**

**THESSALONIKI – GREECE**



INTERNATIONAL  
HELLENIC  
UNIVERSITY

# Crisis Communication in the Digital Era

**Tatsi Foteini**

SID: 3305160014

Supervisor: Prof. Fraidaki Katerina

SCHOOL OF SCIENCE & TECHNOLOGY

A thesis submitted for the degree of

*Master of Science (MSc) in e-Business and Digital Marketing*

DECEMBER 2017

THESSALONIKI – GREECE

# Abstract

This dissertation was written as a part of the MSc in e-Business and Digital Marketing at the International Hellenic University.

Digital media have been added in organizations' communication strategies and are used as a two-way communication channel in real time between them and their stakeholders. Unfortunately, digital media help the rapid spread of a crisis, as it can "go viral"; a crisis can be shared in seconds to millions digital media users.

This study aims to examine if organizations can integrate into their communication strategy a crisis response strategy for their digital media accounts. Crises responses strategies have been determined by the Situational Crisis Communication Theory (Coombs). The research is done through a case study on a large Greek company that operates in electronics and entertainment retail industry. That selection was based on finding a company that has already embedded digital media in its communication strategy and has a strong presence in social media. Hence, the research would examine if the company had also implemented a digital crisis communication strategy and addressed crises with SCCT's response strategies in social media.

The analysis indicated that there was not a digital crisis communication strategy implemented and therefore, SCCT's response strategies were not used when a crisis occurred. On that basis, it was recommended for each type of crisis the best suited crisis response strategy from the SCCT that the company should follow to communicate with its stakeholders and address a crisis.

## ***Acknowledgements***

First of all, I would like to thank my supervisor, Dr. Katerina Fraidaki, for her for all the guidance and ongoing encouragement she offered me during the study. Moreover, I would like to thank my professors at the International Hellenic University for the knowledge they gave me and their support throughout my master's year.

Last but not least, I would like to thank my family and friends for being there for me in every step and for giving me the push that I always needed to help me through.

Tatsi Foteini

18/12/2017

# Contents

<b>ABSTRACT</b> .....	<b>III</b>
<b>CONTENTS</b> .....	<b>IV</b>
<b>1 INTRODUCTION</b> .....	<b>1</b>
<b>2 LITERATURE REVIEW: ACADEMIC</b> .....	<b>3</b>
2.1 CRISIS.....	3
2.2 NEGATIVE PUBLICITY: HOW CONSUMERS REACT .....	4
2.3 SITUATIONAL CRISIS COMMUNICATION THEORY (COOMBS).....	5
2.3.1 <i>Types of crises</i> .....	6
2.3.2 <i>Crisis Communication Response Strategies</i> .....	7
2.4 CRISIS IN THE DIGITAL MEDIA ERA .....	8
<b>3 LITERATURE REVIEW: BUSINESS CASES</b> .....	<b>10</b>
3.1 THE USE OF HUMOR IN COMMUNICATION .....	10
3.1.1 <i>The Red Cross Case</i> .....	10
3.1.2 <i>The TMall Case</i> .....	11
3.2 THE USE OF APOLOGY IN CRISIS COMMUNICATION.....	11
3.2.1 <i>The Kindle crisis case</i> .....	11
3.3 CULTURE AND SOCIAL MEDIA IN CRISIS COMMUNICATION (CHINA) .....	12
3.3.1 <i>The McDonald's Case</i> .....	13
3.3.2 <i>The KFC Case</i> .....	13
<b>4 METHODOLOGY</b> .....	<b>15</b>
4.1 OUTLINE OF DISSERTATION .....	15
4.2 RESEARCH METHOD .....	16
4.2.1 <i>Case Study as a Research Method</i> .....	16
4.3 DATA COLLECTION .....	17
4.4 QUESTIONNAIRE .....	17
<b>5 ANALYSIS</b> .....	<b>29</b>
5.1 PUBLIC: THE COMPANY PROFILE.....	29
5.2 PUBLIC: DIGITAL MEDIA PRESENCE.....	30

5.3	PUBLIC: CRISIS RESPONSE STRATEGIES.....	31
5.3.1	<i>Public's Unpaid Employees Case</i> .....	31
<b>6</b>	<b>DISCUSSION</b> .....	<b>33</b>
6.1	HYPOTHESIS ONE .....	33
6.2	HYPOTHESIS TWO.....	33
6.3	HYPOTHESIS THREE .....	34
6.4	PROPOSED RESPONSE STRATEGIES FOR PUBLIC .....	34
	<b>REFERENCES</b> .....	<b>39</b>
	<b>APPENDIX</b> .....	<b>41</b>



# 1 Introduction

Emerging technology has changed dramatically the way organizations operate. Concerning the communication mix, it has altered the way organizations communicate with their stakeholders. Digital media has entered into our lives the last decade, and they have a lot affected consumers behavior. Therefore, those years, companies have evolved and include digital media in their communication strategies. The communication is not a one-way communication like it was when using traditional media, like magazines, newspapers, television, radios, and billboards. Digital media permits a two-way communication in real time between organizations and its stakeholders.

Consumers are educated on how to use digital media and often seek information through them for companies, products, and services they are interested. Furthermore, they share their opinion and reviews online to other stakeholders. It is well-known that “customers with a positive experience with a company, they will share it with three people; in a case of a negative experience, they will share it with ten.” Negative feedback can be spread in minutes; what was once a 24-hour news cycle now has turned into a 24-second blast of social media posts. Companies get affected.

Negative feedback can escalate quickly in a digital environment and cause a crisis, within the company. Not only though, but negative feedback can also cause a crisis. Any organization can face a crisis in its lifetime. Thus, it is essential for businesses to have a digital crisis communication strategy.

The goal of this dissertation is to understand what an organizational crisis is, how much a crisis affects the companies (their web and the social media analytics, brand image, revenues, etc.), and what framework should a company implement to prevent, respond and overcome a crisis.





## 2 Literature Review: Academic

To be able to appropriately analyze how a crisis is handled in the digital era, it should be explored the work that other researchers and academics have done in the field of crisis communication management, through articles from journals and books on Communication, Marketing, and Public Relations.

In this section, it will be defined the terms crisis and crisis communication management as it will also be discussed the theoretical background, both in the traditional and digital media.

### 2.1 Crisis

A *crisis* is a disruptive and unexpected event (or a series of events) that is going or is expected to cause an unstable situation negatively affecting an individual, an organization, community, or the general public. Any organization, profit or non-profit, can face a crisis. An *organizational crisis* can severely disrupt business as it brings adverse changes to the organization, threaten its goals and has profound consequences for its relationships with stakeholders (Jonathan Bundy et al. 2017). Such a crisis triggers negative attention from the media or other groups of interest, that can significantly damage the reputation of the organization and therefore its financial stability and wellbeing.

Due to all these ramifications a crisis causes, organizational research started from a variety of disciplines at the early 80s to study crises and understand how and why they occur, how they can be prevented from happening and how they can be managed after arriving to reduce the harm. Therefore, theories and frameworks were developed, making *crisis management* the process by which an organization deals with a disruptive and unexpected event that threatens to harm the organization, its stakeholders, or the general public and aims to minimize the adverse effects and the actual damages (Coombs 2007). To be a crisis management plan effective, it should consist of preventative measures of potential crises; they will reduce the organization's damage in case of a crisis, and might even keep an incident from ever turning into a crisis (Coombs and Holladay 2012a). On the other hand, *crisis communication* is part of public relations and deals

with "the collection, processing, and dissemination of all data required to address a crisis situation" (Coombs and Holladay 2012a). Crisis communication focuses on how an organization should respond (i.e., what to say) to stakeholders when facing a crisis and aims to protect and defend the organization reputation. How a crisis is being communicated to the stakeholders is extremely important; an improper crisis response can have negative results and make the situation worse (Coombs and Holladay 2012a).

## **2.2 Negative Publicity: How Consumers React**

Publicity is considered a relatively credible source of information and therefore is more influential than other marketer-driven communications (Bond and Kirshenbaum 1998). However, incidents of negative information are widely prevailing in the marketplace, that can lead to adverse publicity for an organization and be harmful, resulting in significant losses of revenue and market share. An organizational crisis can cause even more negative publicity and be incredibly devastating for the organization. Thus, it is essential to examine and understand how consumers are affected and how they are processing the negative publicity caused either by the negative information or a crisis.

Customer commitment plays a significant role in the processing of the negative publicity. Consumers with high-commitment and those with low-commitment to a brand respond differently. The first ones tend to have a more counterargument attitude towards the bad information about the brand than the second ones. Hence, a "mass approach" in responding to the negative publicity would probably be not efficient, while different response strategies for each commitment consumers are likely to be more effective (Ahluwalia, Burnkrant, and Unnava 2000).

However, apart from the negative information for an organization coming from the context of adverse publicity, there are also other types of damaging information (adverse advertising, word-of-mouth or reviews) that should be examined as they have an essential role in affecting consumers' behavior. A recent study (Kozinets et al. 2010) upon a WOM campaign among 83 bloggers was able to establish a theoretical framework that illustrates a pattern of four types of communication strategies and the community's reaction to each one. Therefore, we can sense that consumers react differently to the same information quite differently due to the different narrative of each blogger.

Last but not least, a consumer's reaction is also affected by the source that the information is coming and its credibility. A credible source of information is critics and critical reviews. Critics play a crucial role in consumers' decisions in many marketplaces (Holbrook 1999). An industry that is profoundly affected by the critic's review is the movie industry (Holbrook 1999). Box office revenues are correlated positively with both positive and negative reviews, as critics play a dual role, as influencers but also as predictors (Basuroy, Chatterjee, and Ravid 2003). At the same time, negative reviews are more damaging to revenues than positive reviews are favorable to revenues, in the first weeks of release (Basuroy, Chatterjee, and Ravid 2003). The impact of reviews is not symmetric; so, different strategies apply whereas a film gets positive or negative reviews.

## **2.3 Situational Crisis Communication Theory (Coombs)**

Situational Crisis Communication Theory (SCCT), developed by W. Timothy Coombs - Professor in Communication Studies, who holds a Ph.D. from Purdue University in Issues Management and Public Affairs - is at the top of the most frequently cited theories in crisis communication area. This theory was initially presented in a Coombs' article in 1995 (Coombs W. Timothy 1995), and it was based on Attribution Theory. However, it was not until 2002, that the theory went by this name (Coombs W. Timothy and Holladay Sherry J. 2002). Since 1995, the theory has been tested, refined, and developed to take its today's form. SCCT consists of three core elements:

- (1) the crisis situation
- (2) crisis response strategies
- (3) a system for matching the crisis situations and crisis response strategies

It is highly beneficial for crisis managers to understand a crisis adequately to make a compelling crisis communication strategy upon a crisis. SCCT presents a framework for crisis managers to interpret a crisis and provide them the appropriate crisis communication strategy for each situation. The model consists of a two-step process for an organization to choose a crisis response strategy. In the first step, the organization must identify the crisis type and determine the relevant cluster, while in the second one, it chooses a crisis response strategy based on the crisis type cluster and prior negative reputation or similar crisis history (Coombs W. Timothy and Holladay Sherry J. 2002).

### **2.3.1 Types of crises**

In the SCCT, Coombs has identified three clusters, types of crises: the victim cluster, the accidental cluster, and the intentional cluster. As the manager determines the crisis cluster, they can also anticipate the reputational threat the organization is facing. Research has indicated that crisis responsibility and organizational reputation are negatively related (Coombs and Holladay 2001). Each cluster respectively, in case of a crisis, attributes very low, low and high responsibility to the organization (Coombs W. Timothy and Holladay Sherry J. 2002).

#### **Victim Cluster**

For crises in the *victim cluster*, the organization is not credited as the cause of the crisis. Instead, the stakeholders view that the company is also a victim of the crisis, not the one that initiated it. The very low attributions of crisis responsibility lead to a mild reputational threat.

- Natural disaster (acts of nature, e.g., earthquake, flood)
- Rumor (e.g., false information being disseminated)
- Workplace violence (e.g., employees attack each other onsite)
- Product tampering/Malevolence (e.g., external agent, hackers)

#### **Accidental Cluster**

For crises in the *accidental cluster*, the organization has been associated with the cause of the crisis. However, the stakeholders perceive the crisis as being caused unintentionally or merely accidentally. The low attributions of crisis responsibility lead to a moderate reputational threat.

- Challenges (e.g., stakeholders claim an organization is operating inappropriately)
- Technical-error accidents (e.g., technology or equipment failure results in an accident)
- Technical-error product harm (e.g., technology or equipment failure causes a faulty product)

#### **Intentional Cluster**

For crises in the *intentional cluster*, the stakeholders consider that the organization has intentionally involved in behaviors and situations that caused the crisis. It was the company's responsibility the crisis. The high attributions of crisis responsibility lead to a severe reputational threat.

- Human-error accidents (e.g., human error causes an accident)
- Human-error product harm (e.g., human error results in a faulty product)
- Organizational misdeed management misconduct (e.g., management violates laws or regulations intentionally)
- Organizational misdeed with no injuries (e.g., management takes actions knowingly placing stakeholders at risk)
- Organizational misdeed with injuries (e.g., management takes actions knowingly placing stakeholders at risk and injuries occur)

### **2.3.2 Crisis Communication Response Strategies**

Different crisis response strategies affect the communication outcomes of a crisis differently; hence crisis response strategies have been studied a lot in academic research. Crisis response strategies have been determined as "what an organization says and does after a crisis hits" (Coombs 2006). Coombs, in the SCCT, has identified as primary crisis response three types of response strategies: denial, diminish and rebuild and one as secondary.

#### **Primary crisis response strategies**

##### ***Denial crisis response strategies***

Denial crisis response strategies aim to show that the organization is not responsible for the crisis occurring and it should be used when there is a low crisis responsibility.

- Attack the accuser (e.g., confront anyone claiming something is wrong with the organization)
- Denial (i.e., denying the existence of the crisis giving an explanation)
- Scapegoat (e.g., blaming someone outside of the organization for the crisis)

##### ***Diminish crisis response strategies***

Diminish crisis response strategies attempt to lower the negative effects of the crisis and minimize the organizational responsibility. It should be used when there is evidence of crisis responsibility from the organization to protect its reputation.

- Excuse (i.e., denying any intent to harm and/or claiming inability to control the events that triggered the crisis)
- Justification (i.e., minimization of the perceived damage caused by the crisis)

### ***Rebuild crisis response strategies***

Rebuilding crisis response strategies aim to save organization's reputation by apologizing and offering help to the victims. It tries to take the focus off the crisis. It should be used when there is high crisis responsibility.

- Compensation (e.g., compensating victims offering money or gifts)
- Apology (e.g., taking full responsibility and apologizing for the crisis)

### **Secondary crisis response strategies**

#### ***Bolstering crisis response strategies***

Bolstering crisis response strategies attempt to construct a connection between the organization and stakeholders

- Reminder (i.e., recalling past good works of the organization)
- Ingratiation (i.e., praising stakeholders)
- Victimhood (i.e., explaining that the organization is a victim of the crisis)

## **2.4 Crisis in the Digital Media Era**

The digital era has changed dramatically the way organization operates generally, but mostly how it communicates with its stakeholders (e.g., social media, newsletters). Social media, in particular, has been defined as "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 and Haenlein 2010); meaning that it has provided businesses both opportunities and challenges (Hanna, Rohm, and Crittenden 2011; Kietzmann et al. 2011). Social media's nature allows companies to a dynamic and engaged communication with its followers. At the same time, they can "listen" to them and receive feedback; and as they have access to real-time data about them, they can respond to them accordingly. On the other hand, as social media are a two-way communication, they do not always work in favor of the organizations. Stakeholders are allowed - even encouraged - to share their thoughts, sentiments, opinion about the organization publicly through social media.

However, businesses' lack of control over stakeholders' posts in the social media has made them more vulnerable to crises. Customers share their opinion with other people either they have a positive experience with a company, either a negative; in the digital era "sharing their opinion" does not mean talking about it with a few friends but most

likely posting it in a company's social media page. Therefore, negative feedback can be spread in minutes; what was once a 24-hour news cycle now has turned into a 24-second blast of social media posts. Consequently, social media have increased the frequency and severity of organizational crises (Gruber et al. 2015; Kietzmann et al. 2011). Social media are a recent addition to crisis communication management. First and foremost, many "crises" - more precisely, negative reviews about organizations - start from social media post, while other organizational crises are being spread worldwide via social media sharing. Also, as people during all stages of a crisis seek various forms of information to learn more about it, social media gives the opportunity to businesses to communicate with their stakeholders timely (Floreddu, Cabiddu, and Evaristo 2014). Besides the importance of social media in a crisis, businesses still do not fully understand how to exploit them to its maximum potential and use them efficiently as a crisis communication management tool (Eriksson 2012; Jin, Liu, and Austin 2014). Also, while academics and researchers have a lot of theories and frameworks developed in the field of crisis communication, there are too little concerning crisis communication via social media as it is at an early stage.

# 3 Literature Review: Business Cases

In this section, it will be reviewed some case studies on how well-known companies handled and communicated a crisis using social media. In particular, it will be discussed the following cases: (a) Red Cross (Kim, Zhang, and Zhang 2016), (b) TMall (Kim, Zhang, and Zhang 2016), (c) Amazon's Kindle (Coombs and Holladay 2012b), (d) McDonalds (Zhu, Anagondahalli, and Zhang 2017) and (e) KFC (Zhu, Anagondahalli, and Zhang 2017).

## 3.1 The Use of Humor in Communication

Humor is being frequently used in communication; research has shown that it has a positive impact. Below are presented two cases where a humorous self-mockery response was adopted as a crisis strategy to avert a social media reputation crisis.

### 3.1.1 The Red Cross Case

The American Red Cross (ARC), is a humanitarian organization that provides emergency assistance, disaster relief and education in the United States.

#### **Crisis**

On February 15, 2011, Red Cross almost got itself in a potential crisis. Its social media specialist, Gloria Huang, accidentally posted a tweet from the @RedCross Twitter account, that was supposed to be tweeted from her personal Twitter account (See Appendix).

#### **Reaction/Handling**

Both Red Cross and Gloria Huang acted quickly, addressing the situation via tweets from their Twitter accounts respectively (See Appendix). Red Cross deleted the "rogue tweet" from its Twitter account and successfully averted a crisis by posting a good-humored tweet that acknowledged the mistake.



### **3.1.2 The TMall Case**

Tmall.com is a Chinese-language website for local Chinese and international business-to-consumer (B2C) online retail, operated in China by Alibaba Group. Founder and CEO of Alibaba Group are Jack Ma, an iconic figure in China (“Forbes The World’s Most Powerful People #22 Jack Ma,” 2016).

#### **Crisis**

On November 11, 2013 - China's 'Cyber Monday' - TMall's online sales surpassed a record 30 billion RMB (i.e., US\$ 4.5 billion). The company made a promotional post on its official Weibo page, claiming that it sold 2 million pairs of underpants within an hour. To highlight the volume of the sale, it also claimed that if that amount of underpants were laid out one after another, then the row of underpants would be 3000 km in length. That claim led to a minor crisis for the company, as local police department stated on its official Weibo account (@ Police Online) that TMall’s claim was extravagant and their data were false unless the company was selling its customers underpants more than a meter long (i.e., 1.5 m long).

#### **Reaction/Handling**

Within an hour upon the Police accusation, TMall addressed the situation with two responses from Rao Tao, vice president of Alibaba Group by applying traditional crisis communication strategies. However, those responses did not avert the crisis and raised public's doubts about TMall's sincerity. Then, TMall used Jack Ma's personality, adopting his humorous tone to post some self-mockery responses regarding the incident. Those posts successfully changed the public sentiments against the false promotional post. (All the posts are in the Appendix)

## **3.2 The Use of Apology in Crisis Communication**

### **3.2.1 The Kindle crisis case**

Amazon.com is an American e-commerce and cloud computing company. Amazon started as an online bookstore. To strengthen its position in the digital world, Amazon designed and marketed in 2007 Kindle, an e-reader. Amazon Kindle users can browse, buy, download, read and make notes on e-books, newspapers, magazines and other digital media via wireless networking to the Kindle Store. However, the e-books cannot be shared as they underlie to the Digital Rights Management (DRM) system.

## **Crisis**

On 16 July 2009, Amazon realized that George Orwell's books, including *1984*, in Kindle were copies bought from a third party, who did not have the copyright. The lack of the copyright was making their e-books illegal, so Amazon immediately deleted those copies from their servers without informing the Kindle users. Customers were outraged that Amazon "took" their books without a warning or explanation. Also, a student filed a lawsuit, as he lost all his notes, made digitally on the e-book, for his homework. The Kindle crisis was causing a significant reputation damage, and it was also a financial threat.

## **Reaction/Handling**

The very next day, Amazon sent an email to the Kindle users (see Appendix). However, customers were not satisfied by this vague statement and asked for clarification posting on Amazon's discussion board. Consequently, a crisis response was needed. Drew Herdener, Amazon's spokesperson issued a statement, which was delivered to traditional and online media, to explain Amazon's action and show corrective actions (the refund, the changes in the system). A second statement was posted as an online apology from Amazon's CEO, Jeffrey Bezos, on 23 July 2009 (see Appendix). Bezos' response was slow on Internet time; though, a late apology is better than a no apology at all. The majority of Kindle Community readers accepted Bezos's apology, making that crisis response efficient for handling a crisis.

## **3.3 Culture and Social Media in Crisis Communication (China)**

When communications managers set their organization's communication strategies, they took into account the characteristics of the stakeholders' culture; culture highly affects people's perception.

China is a collectivistic society that stresses harmony and belongingness. The collectivistic "We" identity carries a lot more weight than the individualistic "I" identity in the Chinese context (Hofstede, 2011).

### **3.3.1 The McDonald's Case**

It was not until January 1984 that a Western-style fast-food restaurant opened in China; the first one to open back then was McDonald in Taipei, Taiwan Province in the Republic of China.

#### **Crisis**

McDonald's food crisis started on March 15, 2012, when China's TV station- China Central Television - had a reportage featuring a McDonald's restaurant. Hidden cameras exposed employees at McDonald's Sanlitun branch selling expired food to their customers.

#### **McDonald's Reaction/Handling.**

McDonald's managers acted quickly, thirty minutes after the CCTV evening show. They informed their stakeholders that McDonald's operations at the offending franchise had been suspended. Also, they apologized for that incident on its official microblog. The apology was shared and commented multiple times; most of them were positive comments.

### **3.3.2 The KFC Case**

In October 1987, KFC opened its first restaurant in Beijing.

#### **KFC's crisis**

KFC's crisis started on November 23, 2012, when China Economic Net reported that one of KFC's poultry providers, Shangxi Lihai Group, raised chickens to maturity within a period as short as 45 days.

#### **KFC's Reaction/Handling**

KFC's reaction was late. Sometime later that same day, KFC responded through its official microblog. It stated that there was no evidence that Lihai Group was using unethical operations, as raising broiler chicken within 45 days was the industry norm and that this supplier's products were only a small percentage of the total KFC's poultry purchases. That statement fueled negative media coverage, public criticism and negative comments, such as "Boycott Western garbage food!" "Liar! Liar!" and "how could we rest assured? We need evidence!".

On December 18, 2012, Liuhe Group, another KFC's poultry supplier, was reported that fed growth hormones to their chicken to speed up maturity. Again, they deny any

part of the wrongdoing. The negative comments continued, and they profoundly affected KFC's reputation, which made many wonder why KFC chose not to apologize.

On January 10, 2013, JCEO of Yum (China's parent company of KFC) posted an apology on KFC's official microblog. He stated that Yum would improve its testing and cultivation of its products. The statement came out late after the incident, and as it has already affected stakeholders' beliefs for KFC, negative comments still existed. Also, Yum's net profit in China dropped by 26% in the first quarter of 2013.

# 4 Methodology

This section consists a description of the methodology followed in the dissertation

## 4.1 Outline of Dissertation

This dissertation aimed to explore how crisis communication can be handled in a digital era, through social media, blogs and emails/newsletter.

To achieve that, it was reviewed relevant literature in the area of crisis communication. Firstly, we examined publications and articles that concerned traditional crisis communication and then, we searched for ones relating to digital crisis communication. The literature review in the field of digital crisis communication was not adequate as the use of digital tools such social media, blogs and emails are a new addition to the crisis communication mix. However, we were able to find some recent case studies concerning known organizations that used social media during a crisis.

While reviewing all that previous work done in the field, we came up with our research question. In particular, this dissertation aims to identify if traditional theories on crisis communication, like the SCCT model, can be applied in the digital media. Therefore, we made three hypotheses.

*H1: Organizations have implemented digital media in their crisis communication plan.*

*H2: Organizations have fully understood the importance of digital media in crisis communication that they have a crisis team educated and the necessary tools available anytime.*

*H3: The SCCT model is used in response strategies through digital media.*

In our approach to testing our hypotheses and have better results, we decided to choose a large Greek company with strong social media presence and do a case study research. We analyzed the company, its usage of digital media and presence in the social media and reviewed how it responds to a crisis. Upon collecting all that data for that company, we discussed the findings and proposed a crisis communication strategy.



## 4.2 Research Method

Considering the aim of this study is to gain insight into the implementation of digital media in crisis communication, a case study as a research method is best suited. As there is lack of adequate research existing in the field of crisis communication with digital media, an in-depth, focused study is of more importance. Therefore, we chose to do a case study research in a large Greek company. The electronics retail industry has been using digital media for years; hence the industry has reached a maturity level on how to use digital and social media in their communication mix. So, it would be best suited to do a case study choosing a company from an industry that has to implement social media in their communication strategy and monitor if they also have implemented social media in their crisis communication mix. The case study conducted does not aim to create a new to theoretical model on crisis communication and response strategies through social media, but to establish if, from the existing traditional ones, there are implementations in the digital media and what they might be.

### 4.2.1 Case Study as a Research Method

Case study as a research method endorses a more explicit examination of data within a specific context and is designed to bring out the insights from a particular viewpoint (Tellis 1997). It seeks to understand the problem that it is being investigated in the research. There are many advantages in using case studies. The most significant is that the research is usually conducted within the framework of its use. Therefore, the case study approach provides the opportunity to the researchers to ask precise questions and to have a clear perspective of the case being studied. In our case, the crisis communication strategies being followed by a company was analyzed within real incidents. Through the case study, the research gave us specific insights on how an organization indeed operates and responds in case of a crisis. Thus, thanks to the case study research method, one can fully understand the processes being followed in the particular area of study.

However, the conclusions, which are drawn from a case study, may be specific and applicable to that case study only. They might not be able to generalize. So, a case study

can be used as primary research to identify some norms in the industry and later, a survey can be used as a secondary research method to test if the findings are generalizable in the industry.

### 4.3 Data Collection

We chose to study an industry (electronics retailers) that has implemented in its marketing and communication mix digital media, with the purpose of providing a basis for further research. From the electronics retail industry, we selected a large Greek company – PUBLIC – with both physical stores and online store and with strong presence in social media. To have a better analysis in our research, we designed a questionnaire as a *study tool*. Through our case study, we aimed to answer those questions and draw some conclusions. The questionnaire can be later used, in other research, as a survey tool and be distributed to companies within the same industry and examine if there is a generalization pattern and therefore, probably a theoretical framework.

### 4.4 Questionnaire

The questionnaire used as our case study's *study tool* can be found below.

#### About the Company

1. What is your title in your company? (optional)  

---
2. What is the type of your company?
  - SME
  - Large Company
  - Multinational Company
3. Which is the number of employees?
  - 1 – 100
  - 101 – 500
  - 501 - 1000
  - 1001 and more
4. What kind of presence does your company have?
  - ONLY Physical Store(s)
  - ONLY Online Store
  - Physical Store(s) & Online Store

5. Which Social Media platforms are used in your company? (check all that apply)

- Facebook
- Instagram
- Twitter
- YouTube
- LinkedIn
- Google+
- Pinterest
- Tumblr
- Snapchat
- Company's micro-blog
- Other: \_\_\_\_\_

6. How often does your company posts on Social Media?

	more than once daily	daily	several times in a week	weekly	monthly	rarely
posts about your products / sales / promotions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
posts with information about the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Who manages your company's Social Media accounts?

- Marketing Manager or Team (IN HOUSE)
- Public Relations Manager or Team (IN HOUSE)
- Social Media Manager or Team (IN HOUSE)
- Agency (OUT SOURCE)
- Other: \_\_\_\_\_

8. Does your company have a formal, approved Social Media policy for employees?

- Yes
- No

### **Crisis Communication**

9. Does your company have a crisis communication plan - in case of a crisis?

- Yes
- No

10. Do you feel your company is adequately prepared to manage crises effectively?

- Yes



- No
  - Maybe
11. Who is responsible for the crisis communication plan in your company?
- Marketing Team
  - Public Relations Team
  - Out-sourced Agency
12. In a crisis, your company uses only traditional media or/and digital media?
- Mostly traditional media (press, radio, tv)
  - Mostly digital media (website, forums, social media)
  - Both traditional and digital media equally
13. In your experience.... Which form of communication allows to best manage company's reputation?
- Traditional Media
  - Digital Media
  - Both

### **Crisis Communication with Digital Media**

14. Which digital communication tools does your company use in case of a crisis?
- Social media tweet/post
  - email / Newsletter
  - Company's website
  - Forums related to company's sector
  - Press release to online media
  - Webcast / Video
  - SMS messages
  - Other: \_\_\_\_\_
15. If your company use Social Media in case of a crisis, which ones mostly uses to communicate with its stakeholders?
- Facebook
  - Instagram
  - Twitter
  - YouTube
  - LinkedIn
  - Google+

- Pinterest
- Tumblr
- Snapchat
- Company's micro-blog
- Other: \_\_\_\_\_

16. Have you identified any red flags that would mean your company is under social media attack?

- Yes
- No

17. If yes, can you mention a few?

---

18. Has your company a loyal online network of brand advocates and supporters?

- Yes
- No

19. In the heat of the moment, would you be able to leverage the help of your loyal brand advocates?

- Yes
- No
- Maybe

20. Does your company have adequate personnel and the tools to respond to a social media crisis in real time?

- Yes, it has both
- It has the adequate personnel, but not the tools
- It has the tools, but not the adequate personnel
- Maybe
- No

21. Does your company know the cultural norms of Greece, in order to respond in a suitable way in case of a crisis?

- Yes
- No
- Maybe

22. During a crisis, digital media is best used for...

- Public Relations
- Monitoring Organization's Reputation

- Communicating with stakeholders (clients, employees, etc.)
- Forwarding information to traditional media contacts

23. In your experience... from the digital media, which ones "worked" better for handling the crisis in your company?

- Social media tweet/post
- email / Newsletter
- Company's website
- Forums related to company's sector
- Press release to online media
- Webcast / Video
- SMS messages
- Facebook
- Instagram
- Twitter
- YouTube
- LinkedIn
- Google+
- Pinterest
- Tumblr
- Snapchat
- Company's micro-blog
- Other: \_\_\_\_\_

24. What is the biggest reason for not using social media more frequently for a crisis in your company?

- Lack of staff
- Lack of staff experience
- Non-established policy for the social media in the company
- Non-established framework for the social media in the literature
- Other: \_\_\_\_\_

25. In your opinion... What are the biggest risks/concerns for using social media during a crisis?

---

26. In your opinion... Which are the most beneficial reasons for using social media during a crisis?

## Response Strategies

Questions 27, 28 and 29 are about how most likely your company's manager would react in crisis.

Questions 30 to 41 are small scenarios, incidents that happen to your company. Please answer with 1 - 2 lines.

27. A crisis\* occurs in your company and a lot of people post about it in your social media accounts, ....

\* Victim cluster: In these crisis types, the organization is also a victim of the crisis (ex. Natural disaster, false rumor, external malevolence). Weak attributions of crisis responsibility = Mild reputational threat

	It won't happen in my company	Most probably, it won't happen	Small chances, it won't happen	Neutral	Small chances, it will happen	Most probably, it will happen	It will surely happen
1. Crisis manager confronts the person or group claiming something is wrong with the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Crisis manager asserts that there is no crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Crisis manager blames some person or group outside of the organization for the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Crisis manager minimizes organizational responsibility by denying intent to do harm and/or claiming inability to control the events that triggered the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Crisis manager minimizes the perceived damage caused by the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Crisis manager offers money or other gifts to victims.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Crisis manager indicates the organization takes full responsibility for the crisis and asks stakeholders for forgiveness.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Tell stakeholders about the past good works of the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. Crisis manager praises stakeholders and/or reminds them of past good works by the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. Crisis managers remind stakeholders that the organization is a victim of the crisis too.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

28. A crisis\* occurs in your company and a lot of people post about it in your social media accounts, ....

\* Accidental cluster: In these crisis types, the organizational actions leading to the crisis were unintentional (ex. Technical-error accidents, Technical-error product harm). Minimal attributions of crisis responsibility = Moderate reputational threat

	It won't happen in my company	Most probably, it won't happen	Small chances, it won't happen	Neutral	Small chances, it will happen	Most probably, it wil happen	It will surely happen
1. Crisis manager confronts the person or group claiming something is wrong with the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Crisis manager asserts that there is no crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Crisis manager blames some person or group outside of the organization for the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Crisis manager minimizes organizational responsibility by denying intent to do harm and/or claiming inability to control the events that triggered the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Crisis manager minimizes the perceived damage caused by the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Crisis manager offers money or other gifts to victims.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Crisis manager indicates the organization takes full responsibility for the crisis and asks stakeholders for forgiveness.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Tell stakeholders about the past good works of the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. Crisis manager praises stakeholders and/or reminds them of past good works by the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. Crisis managers remind stakeholders that the organization is a victim of the crisis too.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

29. A crisis\* occurs in your company and a lot of people post about it in your social media accounts, ....

\* Intentional cluster: In these crisis types, the organization knowingly placed people at risk, took inappropriate actions or violated a law/regulation (ex. Organizational misdeed management misconduct, Human-error accidents or product harm, Organizational misdeed with or without injuries) Strong attributions of crisis responsibility = Severe reputational threat

	It won't happen in my company	Most probably, it won't happen	Small chances, it won't happen	Neutral	Small chances, it will happen	Most probably, it wil happen	It will surely happen
1. Crisis manager confronts the person or group claiming something is wrong with the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Crisis manager asserts that there is no crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Crisis manager blames some person or group outside of the organization for the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Crisis manager minimizes organizational responsibility by denying intent to do harm and/or claiming inability to control the events that triggered the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Crisis manager minimizes the perceived damage caused by the crisis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Crisis manager offers money or other gifts to victims.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Crisis manager indicates the organization takes full responsibility for the crisis and asks stakeholders for forgiveness.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Tell stakeholders about the past good works of the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9. Crisis manager praises stakeholders and/or reminds them of past good works by the organization.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10. Crisis managers remind stakeholders that the organization is a victim of the crisis too.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

30. A flood occurs in one of your physical stores or headquarters/warehouse (only online store: it affects your servers) and makes severe damages. You will be out of operation for some days. However, it is SALES period that means a lot of customers would like to visit either your physical or online store - both now closed. Also, there are some orders from previous days that you should handle, as customers are waiting them.

---

---

31. There is an article in an online newspaper - not well known - claiming that based on rumors your company is not financially stable, meaning you will be out of business in a few months; it encourages its readers to buy products from other companies as they will be in business in the future and so they will be able to provide them with after-sales services. Other online news media share the article. Rumors are not true. But the story has been shared by many news media, making people wondering.

---

---

32. One of your managers is not happy with the work performance of an employee. He starts yelling at him, telling him how useless he is and that he might get fired. A customer (in a physical store) or another employee (in an online store) records in his phone the incident and uploads it to YouTube.

---

---

33. One of your major suppliers - example Samsung - decides for its own reasons to stop working with you. So, it won't provide you with new products. Customers started noticing the lack of this supplier's products in your store and start asking questions on your social media accounts.

---

---

34. Your company unintentionally had forgot to update the security in your payment systems. Your customers noticed and now, there is a buzz in social media about your company; they say that your company is irresponsible and does not care about its customers' security and money.

---

---

35. Due to a technology failure, an elevator of your store stops working while inside of the elevator, there are customers\*. They end trapped in the elevator a couple of hours. They are frightened. Posts and photos are uploaded in social media about the incident. Stakeholders blame your company.

\*if you only have online store, imagine that the trapped passengers are your employees

---

---

36. In the last days, a lot of your customers complain that the packaging they received their ordered products was damaged and therefore the products has been harmed and had minor defaults. Disappointed customers write bad reviews in company's website and social media.

---

---

37. Due to human-error of one of your employees, your customers' database (names, contact information, order details ...) are being posted in your website. It takes you one hour to realize that all that info is published and available to anyone. You immediately delete it. However, you have already received hundreds of angry emails and posts on social media from people arguing that you violate their privacy.

---

---

38. Your company has just shipped more than 50 orders with different products to customers. The next day, an employee finds out that due to human-error most of the labels are misplaced, meaning most people won't receive what they purchased. You can't stop the shipment.

---

---

39. It's sales period. You advertise that you have big discounts, actually your products discounts start from -10% and are up to 60%. A couple of minutes after the offers is uploaded, those products with the big discounts (-40% and more) appear as "out of stock". Customers complain in social media that you deceive



them. They state that you use them as a marketing trick and that in reality you have one product in stock for the big discounts.

---

---

40. Your company refused to refund some customers when they said that they did not want after all the product they purchased. These customers claim that your company violates “return regulations”, while you state that there are none violations. Angry customers claim that you are unethical and write bad reviews in company’s website and social media.

---

---

### **Crisis in Your Company**

Questions 41 – 44 are optional

41. Has your company faced a crisis (either major or minor) recently? If yes, can you describe how it was handled?

---

---

42. Has your company ever turned a social media crisis into a positive PR campaign? If yes can you describe it?

---

---

43. Has any of your competitors ever benefit from a crisis in your company by making a positive social media campaign for his gain? If yes can you describe it?

---

---

44. Have you ever benefit from any of your competitors' crisis by making a positive social media campaign for your gain? If yes can you describe it?

---

---

Thank you for time!



# 5 Analysis

In this section, it will be analyzed the Greek company *Public*. It will be presented and examined the company, its operations, its presence in the digital media and its response strategy to small incidents and crises thoroughly.

## 5.1 Public: The Company Profile

*Public* is a large Greek company. It operates in the retail industry, and it has a chain of stores with technology and culture products. It was founded in 2005, and the chain belongs to the P. Olympus Group of Companies (Olympia Development). Retail World SA started its operations in the Greek market in November 2005, creating its first public store at the Mediterranean Cosmos Shopping Center in Thessaloniki. The second store in the chain opened in December 2006 in Volos, while the third opened in September 2007 in Cyprus. In December 2007, the fourth store was opened in Syntagma Square, in Palli Palace. In Attica, *Public* has 15 stores, while in Cyprus 4, namely Nicosia, Larnaca, Limassol, and Paphos. The headquarters of the company, which changed location and moved in September 2013, are located now in Kifissia. Today, *Public* has 53 stores in Greece and Cyprus. In less than a decade, *Public* achieved to be today one of the largest stores of electronics and entertainment in the Greek market with 54 stores and 2 online shops ([www.public.gr](http://www.public.gr) and [www.public-cyprus.com.cy](http://www.public-cyprus.com.cy)) in Greece and Cyprus respectively, welcoming each year more than 25 million visitors. *Public* is a certified member of the Greek eCommerce Association, GR.EC.A.

*Public* offers a wide range of technology and entertainment products that cover the needs of customers at any age. The product categories are found in a *Public* store are: (a) music and films, (b) mobile and digital products, (c) sound and image, (d) books and comics, (e) gadgets and toys, and (f) computers and gaming. In addition, *Public* offers theater tickets, concert tickets, and other international shows.

## 5.2 Public: Digital Media Presence

*Public* has adapted from the early beginning to the new the trends and changes that the emerging technology has brought to the organizations. *Public* added digital media to its communication strategy. It created a micro-blog in its official website, where it shares in average 20 blog posts concerning its products, services, and events in the form of a review or summary. Also, when a visitor lands on its website, it asks him to subscribe to its newsletter. Emails are sent to subscribers quite often as it shares information about new products, promotion and sales of products and events on the store. In addition, *Public* created and uses accounts to the most used social media in Greece and had implemented social media in its communication mix.

The social media used by *Public* are Facebook, Instagram, YouTube, Google+, Twitter and LinkedIn. The Facebook account, where *Public* has 770.407 likes, is the most active one. It shares in average 25 posts per week. The posts are in the form of photos or videos and not only text format, to attract the audience and increase engagement. There is a variety of the content of posts shares; most of the posts are promo posts for the products, advertising a specific product or category, while there are info posts, to share product and service information, fun posts, to increase engagement and call-to-action posts, to encourage the audience to take action, like participating in a contest, subscribing to newsletter, sharing the post or messaging the company. However, *Public* has chosen to inactivate its Facebook wall, meaning that people can not post directly to it. They can only message it through the Messenger or write something as an answer to a post made by *Public*.

In its Instagram account (@public\_stores), it has 73,1 thousand followers, and it shares in average 15 posts per month. Almost all are posts are in the form of a photo, and rarely, there are videos. The content of posts being shared on Instagram is the same on Facebook. In addition, in some of its posts, it uses relevant hashtags, such as #Public #PublicTheMallAthens. In its YouTube account (Public Stores), it has 7.729 subscribers, and it shares in average 15 videos per month. The videos shared on that account are mostly promotional of their products and services, while there are video reviews and video from cultural events taking place in their stores. In its Google+ account (Public.gr) has 56.281 followers. While it has many followers, the account is not very active, and a few posts are shared per year; this is probably because Google+ is not very popular in Greece. In its Twitter account (@PublicStores), it has 61,1 thousand followers,

and it shares on average 4 tweets per month. All its tweets are informative and include a small text, a photo and a link to a specific landing page on its website. In its LinkedIn account (Public Retail World SA), it has 4.891 followers.

## **5.3 Public: Crisis Response Strategies**

*Public* has added to its communication mix the digital media. However, it is not clear if it has also implemented digital media in its crisis communication strategy and if it has developed a crisis response strategy to follow in case of a small incident or a crisis. While reviewing *Public's* online and digital media presence, we were unable to find any post shared by *Public* in any digital media addressing an incident, or a crisis occurred in their stores, physical or online.

In addition, negative feedback from stakeholders can be given only through private messages from the social media accounts and emails or posted as answers to any post, most probably irrelevant, shared by *Public*. As mentioned before, in *Public's* Facebook account, the wall, i.e., the place where users can post to *Public*, is inactive. Hence, nobody can post a negative feedback publicly or write a bad review on its page publically.

### **5.3.1 Public's Unpaid Employees Case**

A crisis that *Public* faced and was resolved in the Greek courts was concerning allegations from former employees of Kalamata's store that they were not paid for the actual number of hours they had worked.

The employees initially worked in *Multirama* claimed that the working conditions never corresponded to what they had signed, as the company was operating having two schedules for the employees. The first one was the legal one with written 8 hours and 5 days of work to be reported in Labor Inspection and the other one, the actual one, with written 12 hours and 6 days of work for employees. However, they got a salary for the eight hours they supposed to work. They stated that this was their working condition, instructed by the regional manager to reach a specific goal in the store's turnover. If the goal was reached, they had a 10% bonus of the target, in their salary. The employees complained a few times, but they were intimidated they will lose their jobs. They also believed that sometimes they would be paid for all the extra work they had done.

In 2012, *Multirama* terminated all its operations, and there was a merger between *Multirama*, *Public*, and *GetItNow*, as they belonged to the same group. All the remaining stores were named *Public*. During the merger, the previous debt was not paid, besides the two companies were owned by the same group. *Public* continued that working conditions, but now overtime was paid, when the goal was reached, with supermarket coupons.

In 2014, some of the employees decided to ask their accrued money through Greek courts. Their case was heard on 30 May 2017 in the Labor Court of Athens Court. On 8 November 2017, the employees won the trial. By [judgment 1761/2017](#), the court ruled against *Public*, obliging the company to pay all the accrued work plus interest. According to the lawyer of the former *Public* employees, "The company (as *Multirama*) has also been convicted in 2013 for unpaid and overtime work, as well as in 2014, while other similar cases are pending against *Public* at the moment".

*Public* is being accused of bad working conditions, overtime work, and unpaid work for a couple of years, most probably since 2012. Moreover, the last month, all those allegations are ruled against *Public* in Greek courts. However, that crisis is nowhere addressed or even mentioned publicly by the company in digital media. The company, till now at least, chose to keep it quiet and do not respond, or either communicate it to its stakeholders and share its perspective and viewpoint.

# 6 Discussion

In this section, it will be discussed the findings of the analysis of the Greek company *Public*. In addition, a proposed crisis response strategy will be reviewed.

## 6.1 Hypothesis One

Our first hypothesis was concerning the implementation of an organization's digital media to their crisis communication strategy.

*H1: Organizations have implemented digital media in their crisis communication plan.*

From the analysis done in *Public*, we can conclude that the company prefers to do not publicly communicate its crises with its stakeholders, hence it does not use its digital media to address a crisis. Besides *Public's* strong presence in social media, they are not included in the crisis communication mix. It instead prefers to stay quiet and let crises pass on. In addition, it chooses to address incidents in private like the trial case or negative feedback sent via Facebook messenger or email.

## 6.2 Hypothesis Two

Our second hypothesis was whether an organization had realized the significance of the digital media implementation in a crisis communication plan that encouraged the education of the team responsible for addressing a crisis to the stakeholders and provided them with the necessary tools.

*H2: Organizations have fully understood the importance of digital media in crisis communication that they have a crisis team educated and the necessary tools available anytime.*

The study on *Public* showed in the previous question that digital media are not included in the crisis communication mix. Therefore, we can conclude that the company has not accepted digital media as a mean of response in case of crisis and has not had a team educated and equipped with the tools needed.

### 6.3 Hypothesis Three

Our third hypothesis was regarding the implementation of the Situational Crisis Communication Theory in the digital media an organization already uses.

*H3: The SCCT model is used in response strategies through digital media.*

As *Public* does not include digital media in its crisis communication plan, the SCCT model is not used in response strategies in case of a crisis through social media.

### 6.4 Proposed Response Strategies for Public

The crisis response strategies that we propose are based on Coombs' Situational Crisis Communication Theory. In the SCCT model, there are three clusters, types of crisis and 7 primary crises response strategies and 3 secondary crises response strategies. For each cluster of crisis, we proposed a crisis response strategy.

#### Victim Cluster

In the victim cluster are integrated all the crises that do not define *Public* as the cause of the crisis. Instead, is also a victim of the crisis. Some probable crises might be the following:

1. A flood, a fire or an earthquake causes severe damages to one of *Public's* store or headquarters and warehouse. The operations stop for a few days. The scale of the crisis would be determined by whether the damage only harms a store, or it damages the headquarters (moreover, the serves and online operations) or the warehouses (also, a vast amount of products). The natural disaster might result in lives of employees and customers being at risk.
2. Rumors about *Public* been circulated in social media, through bloggers, influencers or even online newspaper.
3. Videos uploaded showing workplace violence among *Public's* employees
4. Hackers attack *Public's* online store, taking down the website or taking over social media accounts, posting inappropriate material

In this cluster, *Public* should choose denial crisis response strategies. Through its communication with the stakeholders, *Public* must show that it was not responsible for the crisis.



In case 1, the scapegoat response is best suited. The company posts in its social media account a post concerning the natural disaster, informing how long will the store be closed, or the company won't operate and assure the customers that it does everything possible to be soon open for business.

In case 2, the ideal is the attack the accuser response. Public's crisis manager publicly confronts the person attacking the company by disseminating false information. The manager can post a small video or a photo objecting to the rumors showing that they are just fake information and nothing more. In addition, it can use the Victimage response, explaining that Public is a victim of set-up done by its competitors.

In case 3, the denial response can be used, if senior management members are not involved in the incident, claiming that it was an argument between co-workers and that Public will not interfere in their differences. However, if senior management is included in the conflict, Public should state that it will inspect the incident to examine if there was workplace violence and then, take actions. Such a crisis would be better to be communicated through a press release to traditional and digital media (online newspapers and blogs), instead of addressing it directly through their digital media channels. However, if someone asks for the incident in its social media, Public should respond accordingly.

In case 4, if hackers attack *Public's* online store and take it down for quite some time, it is better to use the denial response. The should deny the hackers' attack through their social media accounts in order to save the store's credibility and reputation, as if they confirm the attack customers will lose faith in *Public* and feel their transactions are not safe. They can post funny photos, stating that it was a technical issue. However, if the hackers' attack was comprised the customers' privacy, *Public* should state the truth.

### **Accidental Cluster**

In the accidental cluster are integrated all the crisis cause by *Public* unintentionally. Some probable crises might be the following:

5. The security in the payments system in the *Public's* online store has not updated automatically. No one checked it and for a few hours, transactions through *Public's* online store were not secured.
6. All *Public* stores have multiple floors, meaning the customers and the employees move through the store via the elevators and escalator, moving stairway. Due to

a technological failure, an elevator in one of Public's store stopped working, trapped in the elevator for a couple of hours some customers.

In this cluster, *Public* should choose diminish crisis response strategies. Through the communication with the stakeholders, *Public* would aim to lower the negative effects of the crisis and minimize the organizational responsibility.

In case 5, it is best suited the justification response strategy. As soon as *Public* realizes the problem, it should immediately fix it. Then, it should inform through email all the customers that have done a not secure situation and explain them the situation. Last, they can post a blog post, which later would be post in their social media, concerning the safety in online transactions. *Public* can state that it a responsible company, caring about its customers' security and money and that incident would not happen in the future.

In case 6, the appropriate response is the excuse. *Public* should have a small funny post in its social media account, stating that sometimes we cannot control electronic devises and failures happen. It wasn't *Public*'s intention to harm the customers by trapping them in the elevator. Also, it can state more measures will be taken to prevent happening again such an incident.

### **Intentional Cluster**

In the intentional cluster, *Public* is considered that intentionally has caused the crisis, due to its behaviors. Some probable crises might be the following:

7. Due to human-error, the database with *Public*'s customers information (names, con-tact information, order details ...) is being posted in your website.
8. Due to human-error, *Public* has just shipped more than 50 orders with different products to wrong customers, due to labeling misplaced. That means customers won't receive what they purchased.
9. *Public* refused to refund customers when they wanted to return a product. Customers claimed that *Public* violated "return regulations". After inspecting the incidents, *Public* realizes that some cases should have been refunded.

In this cluster, *Public* should select rebuilding crisis response strategies. The aim of *Public*'s communication is to save its reputation; to achieve that, it should apologize and offer help to the victims.

In case 7, to address the crisis an apology response would be best suited. It was *Public*'s fault that the data was published and compromised. *Public* should address the situation

through a press release where it would be apologizing for the incident. In addition, an apology post should be posted to all its social media accounts. *Public* should take full responsibility of the incident and ask from its customers forgiveness. Moreover, a secondary response would be needed; the most suited in this case is reminder. The next days of the crisis, *Public*'s communications should focus on previous good work done by the company.

In case 8, a combination of the apology and compensation response should be more appropriate. In particular, *Public* should send an email apologizing for send them a wrong order. For that inconvenience, *Public* should inform its customers that with the correct order they will receive a small gift.

In case 9, *Public* should select compensation as respond. Public should share a post in its social media that some of its products were wrongfully not refunded. The owners of those products can go to a physical store and for refund. With their refund, they will receive a discount coupon to use in their next order.



# References

- Ahluwalia, Rohini, Robert E. Burnkrant, and H. Rao Unnava. 2000. "Consumer Response to Negative Publicity: The Moderating Role of Commitment." *Journal of Marketing Research* 37 (2):203–14.
- Basuroy, Suman, Subimal Chatterjee, and S. Abraham Ravid. 2003. "How Critical Are Critical Reviews? The Box Office Effects of Film Critics, Star Power, and Budgets." *Journal of Marketing* 67 (4):103–17. <https://doi.org/10.1509/jmkg.67.4.103.18692>.
- Bond, Jonathan, and Richard Kirshenbaum. 1998. *Under the Radar: Talking to Today's Cynical Consumer*. New York: Wiley.
- Coombs W. Timothy. 1995. "Choosing the Right Words: The Development of Guidelines for the Selection of the 'Appropriate' Crisis-Response Strategies." *Management Communication Quarterly* 8 (4):447–76. <https://doi.org/10.1177/0893318995008004003>.
- Coombs, W. Timothy. 2006. "The Protective Powers of Crisis Response Strategies: Managing Reputational Assets During a Crisis." *Journal of Promotion Management* 12 (3–4):241–60. [https://doi.org/10.1300/J057v12n03\\_13](https://doi.org/10.1300/J057v12n03_13).
- . 2007. "Crisis Management and Communications." *Institute for Public Relations*, October. <http://www.instituteforpr.org/crisis-management-and-communications/>.
- Coombs, W. Timothy, and Sherry J. Holladay. 2001. "An Extended Examination of the Crisis Situations: A Fusion of the Relational Management and Symbolic Approaches." *Journal of Public Relations Research* 13 (4):321–40. [https://doi.org/10.1207/S1532754XJPRR1304\\_03](https://doi.org/10.1207/S1532754XJPRR1304_03).
- Coombs W. Timothy, and Holladay Sherry J. 2002. "Helping Crisis Managers Protect Reputational Assets: Initial Tests of the Situational Crisis Communication Theory." *Management Communication Quarterly* 16 (2):165–86. <https://doi.org/10.1177/089331802237233>.
- Coombs, W. Timothy, and Sherry J. Holladay, eds. 2012a. *The Handbook of Crisis Communication*. Handbooks in Communication and Media. Chichester: Wiley-Blackwell.
- . 2012b. "Amazon.Com's Orwellian Nightmare: Exploring Apology in an Online Environment." *Journal of Communication Management* 16 (3):280–95. <https://doi.org/10.1108/13632541211245758>.
- Eriksson, Mats. 2012. "On-Line Strategic Crisis Communication: In Search of a Descriptive Model Approach." *International Journal of Strategic Communication* 6 (4):309–27. <https://doi.org/10.1080/1553118X.2012.711403>.
- Floreddu, Paola Barbara, Francesca Cabiddu, and Roberto Evaristo. 2014. "Inside Your Social Media Ring: How to Optimize Online Corporate Reputation." *Business Horizons* 57 (6):737–45. <https://doi.org/10.1016/j.bushor.2014.07.007>.
- Gruber, Daniel A., Ryan E. Smerek, Melissa C. Thomas-Hunt, and Erika H. James. 2015. "The Real-Time Power of Twitter: Crisis Management and Leadership in

- an Age of Social Media.” *Business Horizons*, EMERGING ISSUES IN CRISIS MANAGEMENT, 58 (2):163–72. <https://doi.org/10.1016/j.bushor.2014.10.006>.
- Hanna, Richard, Andrew Rohm, and Victoria L. Crittenden. 2011. “We’re All Connected: The Power of the Social Media Ecosystem.” *Business Horizons*, SPECIAL ISSUE: SOCIAL MEDIA, 54 (3):265–73. <https://doi.org/10.1016/j.bushor.2011.01.007>.
- Holbrook, Morris B. 1999. “Popular Appeal versus Expert Judgments of Motion Pictures.” *Journal of Consumer Research* 26 (2):144–55. <https://doi.org/10.1086/209556>.
- Jin, Yan, Brooke Fisher Liu, and Lucinda L. Austin. 2014. “Examining the Role of Social Media in Effective Crisis Management: The Effects of Crisis Origin, Information Form, and Source on Publics’ Crisis Responses.” *Communication Research* 41 (1):74–94. <https://doi.org/10.1177/0093650211423918>.
- Jonathan Bundy, Michael D. Pfarrer, Cole E. Short, and W. Timothy Coombs. 2017. “Crises and Crisis Management: Integration, Interpretation, and Research Development.” *Journal of Management* 43 (6):1661–92. <https://doi.org/10.1177/0149206316680030>.
- Kaplan, Andreas M., and Michael Haenlein. 2010. “Users of the World, Unite! The Challenges and Opportunities of Social Media.” *Business Horizons* 53 (1):59–68. <https://doi.org/10.1016/j.bushor.2009.09.003>.
- Kietzmann, Jan H., Kristopher Hermkens, Ian P. McCarthy, and Bruno S. Silvestre. 2011. “Social Media? Get Serious! Understanding the Functional Building Blocks of Social Media.” *Business Horizons*, SPECIAL ISSUE: SOCIAL MEDIA, 54 (3):241–51. <https://doi.org/10.1016/j.bushor.2011.01.005>.
- Kim, Sora, Xiaochen Angela Zhang, and Borui Warren Zhang. 2016. “Self-Mocking Crisis Strategy on Social Media: Focusing on Alibaba Chairman Jack Ma in China.” *Public Relations Review* 42 (5):903–12. <https://doi.org/10.1016/j.pubrev.2016.10.004>.
- Kozinets, Robert V., Kristine de Valck, Andrea C. Wojnicki, and Sarah J. S. Wilner. 2010. “Networked Narratives: Understanding Word-of-Mouth Marketing in Online Communities.” *Journal of Marketing* 74 (2):71–89.
- Tellis, Winston. 1997. “Application of a Case Study Methodology.” *The Qualitative Report* 3 (3):1–19.
- Zhu, Lin, Deepa Anagondahalli, and Ai Zhang. 2017. “Social Media and Culture in Crisis Communication: McDonald’s and KFC Crises Management in China.” *Public Relations Review* 43 (3):487–92. <https://doi.org/10.1016/j.pubrev.2017.03.006>.

# Appendix

## The Amazon Case

### *The first email*

“The Kindle edition books Animal Farm by George Orwell. Published by MobileReference (mobi) & Nineteen Eighty-Four (1984) by George Orwell. Published by MobileReference (mobi) were removed from the Kindle store and are no longer available for purchase. When this occurred, your purchases were automatically refunded. You can still locate the books in the Kindle store, but each has a status of not yet available. Although a rarity, publishers can decide to pull their content from the Kindle store”.

### *Drew Herdener, Amazon's spokesperson statement*

“These books were added to our catalog using our self-service platform by a third party who did not have the rights to the books. When we were notified of this by the rights holder, we removed the illegal copies from our systems and from customers’ devices, and refunded customers. We are changing our systems so that in the future we will not remove books from customers’ devices in these circumstances”

### *Amazon's CEO, Jeffrey Bezos statement - online apology on 23 July 2009 at 12:16 p.m. (PDT):*

This is an apology for the way we previously handled illegally sold copies of 1984 and other novels on Kindle. Our “solution” to the problem was stupid, thoughtless, and painfully out of line with our principles. It is wholly self-inflicted, and we deserve the criticism we’ve received. We will use the scar tissue from this painful mistake to help make better decisions going forward, ones that match our mission.

With deep apology to our customers,

Jeff Bezos

Founder & CEO Amazon.com

## **KFC' first statement**

“KFC always attaches great importance to food safety and asks its chicken providers to take food safety measures seriously...”