

Mitigating Corporate Image Crisis in the Social Media: Focus on some Nigerian Firms

Herbert Batta, Ph. D.*, Nevelyn W. Batta, Ph. D., & Prof. Mbuk Mboho
Department of Communication Arts, University of Uyo, Uyo, Nigeria.

1. Introduction

We all live in an entrepreneurial/industrial age just as we live in a digital age. That combination is as challenging, intriguing as it is complex. Corporate organisations have had to grapple with the use of the conventional (old) media to help build their corporate image as well as repair damaged corporate image. However, the advent of the social media makes this challenge more daunting. True, the social media can help bolster a desirable corporate image. They can also generate and escalate corporate image crisis, just as they equally can be deployed to mitigate the effects of corporate image crisis.

In this paper, we shall, together examine the following:

- Corporate image, identity, reputation and brand
- Corporate crises, types and dimension
- Forms, advantages, and disadvantages of the social media
- Managing corporate image crisis in the social media.

Before delving into the details of the paper, we need to provide important contexts to understanding the rationale for the topic. *Firstly*, Pang *et al.* (2014) see the use of the social media platforms as a two edged sword namely: an effective crisis management tool, and serving as platforms where crises could be triggered.

Secondly, the management of corporate identity in the social media context, Kostamo (2013) observes, requires understanding of both the management of corporate identity and management of social media. This is so because social media have altered the consumer's role from a passive listener to a more active participant, the reason brand owners tell brand stories and re-create the brand by collaborating with the consumers in the social media.

Thirdly, Chaher and Spellman (2012), the widespread use of the social media has equal potential to transform corporate agenda. These tools are available for use by directors as much as by disgruntled employees, by consumers both satisfied and aggrieved, by competitors and by share owners in confrontations with the board.

Fourthly, the social media are new media technologies which as Pang *et al.* (2014) say, share at least three defining features: digital, converging, and networked. Digitisation means sharing, accessing, and interfacing multimedia information with other smart devices and users to enable the public to interconnect irrespective of geographical boundaries or time zones. User-generated content leads to increased consumer participation and facilitates the free flow of opinions and the sharing of experiences online. Information and conversations are no longer controlled top-down by governments, mainstream media and organisations. To this end, persons empowered by social media platforms such as Facebook, Twitter, YouTube, Flickr and Blog, are able to confront giant corporations with ease.

Fifthly, evidence is growing higher, as Chaher and Chaher (2012) point out, that social media can increase awareness about a company and its products and services, provide opportunities for more targeted marketing, help gain ideas for new business opportunities, improve communication with partners in the supply chain and help companies learn how existing and potential customers perceive the company's brand and reputation.

2. Literature Review

2.1 On Corporate Brand/Image, Identity and Reputation

- The corporate brand concept, to Warin *et al.* (2013) goes beyond the product to embrace directly the organisation through its different stakeholders. The brand concept encapsulates how others see a company or the impressions and perceptions held by external stakeholders. It is the image of a company. How the public perceives a company is important in a market marked by competition. A favourable perception of a brand can produce or strengthen new market shares.
- Warin *et al.* continue to explain that identity refers to how a corporation sees itself, image is how others see the corporation whereas, desired identity is how a corporation wants others to see it. To this end, corporate reputation accommodates the overall impressions of internal and external stakeholders. It is also seen as a perception that represents a company's past actions and future prospects that picture the organisations cumulative appeal to major stakeholders comparative to other leading competitors.
- The importance of the social media to a firm's reputation/image cannot be overemphasised. Numerous firms adopt the strategy of monitoring the social web to reach customers. Using scores of monitoring tools to access customers' opinions, complaints, and questions. Such tools include Google Alerts, Hyper

Alerts, Netvibes, YahooPipes, Brandwatch, BuzzMetrics, etc. Managing online reputation through measuring, monitoring and participating and by means of internal and external transparency achieves good results. This strategy is critical especially in times of crisis, as crises have the tendency to damage the reputation of an organisation because people think badly of it.

2.2 Corporate Crises: Types and Dimensions

Warin *et al.* (2013) cite definitions that see crises as sudden and unexpected events that threaten to disrupt an organisation's operations and poses both a financial and a reputational threat.

- Pang *et al.* (2014) argue that the very features that make social media unique e.g. interactivity, multimedia capability and lack of gate keeping are also their undoing for while they offer alternative sources of news and information, they would also lead to the spread of inaccurate information, spoofs, and spin-offs. In the age of the social media, organisations are said to face these sorts of crises:
 - Reinforcing crisis: stakeholders use this as an additional channel to present opinions.
 - Absurd crisis: These are rumours and meaningless theories and viewpoints about a subject matter or organisation.
 - Affecting crisis: This occurs when stakeholders painstakingly examine a firm and make it a topic of negative public discourse.
 - Competence crisis: This is a situation where online experts engage in online discussion marked by disparate notions of competences between the stakeholder and the organisation.
- Hilding-Hamann (2012) describes crisis as perceptual, unpredictable, and has the potential to disturb stakeholder expectations. He distinguishes incidents which are minor, localised disruptions; from crises which disrupt the entire organisation. The dimensions of crises can be of four types namely:
 - Faux pas: Here, an external agent transforms an unintentional action of a firm into a crisis.
 - Accidents: These are workplace injuries, product flaws, force majeure, natural disasters, epidemics which are impossible to predict and lead to minimal organisational responsibility.
 - Terrorism: This is deliberate action taken to destroy the reputation of an organisation. This could be sabotage, product destruction, and precipitated violence.
 - Transgressions are crises due to intentional organisational misconduct such as safety breaches, withholding compromising information and telling lies about faulty products.
- It is because crisis is a perception that Coombs (2007) states that the public's perception of a crisis in an organisation ultimately represents the real situation meaning that if an organisation's stakeholders sense a crisis, then it truly exists. This public perception is critical as an element in crisis planning and outcomes (Penrose, 2000), even as crises in organisations are unpredictable and unexpected Cloudman and Hallahan (2006). However Panrose (2000) observes that crisis anticipation and the attenuation of damage occasioned by crisis are key functions of effective planning.
- Based on situational crisis communication theory, Coombs (2007) provided the following crisis typology as contained in Brown and Ki (2013):
 - (a) Victim cluster comprising of natural disasters, workplace violence, rumours and malevolence.
 - (b) Accidental cluster which encompasses challenge, technical error accidents, and technical error product harm, and
 - (c) Preventable cluster consisting of human-error accidents, human-error product harm, and organisational misdeeds.
- It is important to note that both the organisation and its stakeholders assign or attribute responsibility for crisis. Coombs (1998) sees crisis responsibility as the extent to which stakeholders hold the organisation responsible for the crisis event. To this end Seeger, Sellnow, and Ulmer (2003) agrees with Coombs (2007) that the level of crisis responsible is an ideal indicator of the level of reputation threat for an organisation and that this threat can lead to some untoward results such as damaged image, legitimacy, and reputation for the firm in addition to financial and legal liability (Brown and Ki, 2003). On these bases, Brown and Ki underscore the value of allocating, resources to the right crisis strategies to minimise the damage from the crisis.

2.3 On Social Media, Forms, Advantages and Disadvantages

- Social media have been described as a set of Internet-based applications structured on the basis of Web 2.0 technology and ideology which permit contact to be generated or created and exchanged by users.
- Social media take on several different forms including magazines, Internet forums, weblogs, social blogs, micro blogging, wikis, podcasts, photographs or pictures, video, rating and social bookmarking. There are several forms of different social media. These includes:
 - Collaborative projects e.g. Wikipedia, blogs, and micro blogs (e.g. twitter)

- Content communities e.g. YouTube
- Social networking sites e.g. Facebook
- Virtual game worlds e.g. World of Warcraft
- Baruah (2012) explains that
 - Social networking sites provide a web-based platform for building social relationships among people e.g. shared interests or activities using the Internet, e-mail, and mobile phones. Some of the most used websites for social networking include Twitter, LinkedIn, Facebook, and MySpace.
 - Blogs are online journals where an individual, group, or corporation presents a record of activities thoughts and beliefs. Examples of Blogs include Wordpress.com, Blogspot.com and Blogger.com. Microblogs limit the number of words that can be generated per message. Twitter is an example.
 - Content-generating/sharing sites serve as sources of information/data such as pictures (Flickr.com), video (YouTube), slides (slideshare.com) or documents (docstoc.com)
 - User-appraisal sites allow users to evaluate or review products and services. Examples are www.mouthshut.com and www.pagalguay.com.
- Social media offer many advantages. Chaher and Spellman (2012) emphasise their ability to provide new levels of transparency, ability to empower stakeholders, rise in opportunities to e-lobby and e-advocate governments and NGOs, the immediacy of the social media, provision of a level playing field for businesses, etc.
- Similarly, Baruah (2012) discusses advantages that include sharing of ideas, tool of communication, bridging of communication gap, sources of information, important marketing tool, important customers' interaction tool, important crisis communication tool, low cost/cost effectiveness and less time consumption.
- Baruah (2012) also lists the disadvantages of the social media to include intrusion of privacy, breakdown of personal ties due to addiction to social media, reduction in worker productivity, and impersonal nature of interactions. Hilding-Hamann (2012) adds to these advantages the tendency of the social media to fall short of credibility because of its immediate nature allowing minimum of proof reading, accuracy and lack of gate keeping. Also, Warin *et al.*(2013) warn that social media and their complexities produce the exact basis for information to go viral. Viral communication is explained as one which is characterised by networking, disseminated flows, using faulty and confused yet patterned means to bring together communication format, the communication technology, and the social contact.

2.4 Managing corporate Image Crisis in the Social Media

The new media particularly, the social media because of their power to reach huge population within a short span of time have the capacity to trigger and escalate crises. Pang *et al.* (2014) state that sharing user-generated content via YouTube, Twitter, Facebook, blogs and other social media have enabled and empowered more people with the ability to express their unhappiness with the organisation, and create organisational crises. With this in mind, organisations manage new media crisis through the following models and ways:

- Blog-mediated crisis communication model: Here, communication professionals monitor the blogosphere and respond to influential bloggers.
- Social-mediated crisis communication model: This seeks an understanding of how audiences deploy social media during crises to obtain information and connect with significant others. For example, non-profit organisations may use social media tools such as Facebook to engage stakeholders and build relationships
- The framework to combat online threats is another model which extrapolates potential online threats on a crisis lifecycle from issues management and strategic planning to crisis communication and post-crisis management.
- New media crisis communication model: This involves the incorporation of the social media into crisis planning and response.
- The image repair theory allows organisations to employ various textual devices to respond to crises. It permits firms to use a major construct to appraise corporate crisis communication. Essentially, organisations repair their image crisis by denial: simply or shifting the blame, evading responsibility, reducing offensiveness, corrective action, or mortification.

2.5 The New Media Crisis Communication Model

Initiated by Siah *et al.* (2010); Pang *et al.* (2014) explains the three phases of the model thus:

- Issues management phase: This involves identifying the stakeholders, opinion leaders and significant social media platforms.
 - Identifying major social media influences who do not depend on third party approvals that can mould attitudes via the new media.
 - Integrating social media platforms into a firm's stakeholder management plans.

- Understanding how to maximise available social media tools.
- Engaging in a two-way interaction with stakeholders.
- Planning and Prevention Phase: This phase involves developing the framework to identify, and rate crisis threats with a view to preventing them.
 - Diagnosing if a crisis is paracrisis or a real crisis by assessing the severity, attribution of responsibility, nature of stakeholders, urgency of the threat, impact on business, and the chance to influence.
 - Understanding the potential impact through examining the news value which could trigger mainstream media coverage; resonance which gauges the depth of stakeholder involvement and moral high ground which tackles acceptable response to the issue as well as document stakeholder support.
- Crisis phase involves resorting to online and offline media relations efforts by being present at the action site, being available before the onset of the paracrisis, and becoming redundant and sprawling. A post crisis phase is even necessary to ensure offending materials on cyberspace are less easily available to social media users through generating positive reports countering once-discriminating terms in search engines.
- Also, as a way of building and managing corporate identity with some measure of success in the social media, Kostamo (2013) suggests the need to:
 - (i) Establish a personal tone of voice
 - (ii) Communicating in a consistent manner
 - (iii) Emphasising different dimensions of the organisation's identity
 - (iv) Utilising various social media channels
 - (v) Engaging the audience
 - (vi) Utilising the platforms' design elements such as logo, cover photos, profile image, backgrounds, and supporting graphics.
- Corporations can also engage in, Kostamo (2013) states, identity-related social media management processes through the following:
 - Positioning strategy through establishing a unique and distinctive brand image relative to the competition.
 - Codes of conduct about how to present the company in the social media, what details of the company's operations can be shared and the tone of voice to use in posts, etc.
 - Communication programme by seeing the social media as an important part of marketing or communication plan.
- Finally, in relation to how the Board of Directors can play a role in corporate governance through the social media, Chaher and Spellman (2012) cast such roles in terms of reputation, crisis policy, strategy, and culture and leadership. To fit into these roles, the authors suggest as follows among others:
 - On reputation; directors should determine the right social media communication policy for the board, and employees, listen to what is being said about it in the social media; and systematically gather, and analyse social media information to measure reputational risk (current and future, direct and indirect from stakeholders) and to formulate and implement responses.
 - On Information transparency and disclosures; the board should be ready to use social media as a tool for transparency and disclosure of information as well as back it up with a culture, budget, technology, etc.
 - On crisis policy; the board of directors need to have the right crisis plan in place that integrates social media interactions.
 - On strategy; it is important for companies to leverage subsisting client information and trends gleaned from the social media and employ the knowledge to plan and foretell future situations.
 - On company culture and leadership; companies may use the social media proactively by giving good client service instead of merely responding to adverse viewpoints.

3. Focus on Corporate Image Crisis in Some Nigerian Firms

Corporate image crisis often plague firm, organisations, agencies non-governmental organisations, civil society groups, etc. These crises are not alien to the Nigerian establishment. The Nigerian Police, Immigrations Service, Nigerian Customs Service as well as multinational corporations such as ExxonMobil, Shell, Chevron, Elf Petroleum, etc. have had to grapple with corporate image crises from time to time. These are often occasioned by poor service delivery, fraudulent practices, bungled recruitments exercises, neglect of corporate social responsibility, accidents, sabotage, etc. However, the extent to which these crises play out in the social media has received scant scholarly attention.

However, lately, corporations in Nigeria have begun to espouse how they interface with the social media to mitigate corporate image crises. Airtel Nigeria, a major telecommunications service provider, Samsung

Electronics, a significant dealer in Samsung electronic products in West Africa, and MTN, a leading telecommunications firm on the African continent with a massive operation in Nigeria are examples.

Airtel reports that in 2011 when the company experienced the Abuja call centre crises, it attempted to leverage on its massive goodwill to engage with various stakeholders. However, without a deliberate social media strategy, the company at the time, lost control of the crisis and suffered image costs in finances, and reputation. Luckily for the company, at the time its Kano showroom suffered a terror attack masterminded by the Boko Haram sectarian group, it had deployed its social media platform to contact all employees and their families, issue regular communication, engage relevant stakeholders and ensure minimal disruption of its operations. Smarting from these experiences, Airtel believes that corporate communications practitioners need to continuously engage and connect with various stakeholders because effective stakeholders' engagement is critical in successful crisis management particularly in a new communication world order governed by the social media. (@Airtel Nigeria, 2015).

In the same vein, Samsung electronics West Africa sees the social media as a strategic business management tool used in social listening for the purpose of understanding customers' needs/desires, gathering competitor intelligence, measuring marketing performance and garnering early warning system for looming corporate crises. Other uses include building support with potential clients, tracking public perceptions around sensitive business issues, recruiting, and enhancing customer retention.

Lastly, the recent fine imposed on MTN Nigeria by the Nigerian Communication Commission over MTN's non compliance with the directive to register all SIM card owners has brought to the fore how the social media may be used to manage corporate image crises. Apart from its presence in the World Wide Web through its official websites, MTN's web presence is prominent in the social media including Facebook and Twitter. Using these platforms, stakeholders posted news and voiced views such as:

- South Africa lawmakers say MTN fine row risks Nigeria trade ties.
- Don't scare away foreign investors. Ben Murray Bruce warns NCC on \$5.2billion MTN fine.
- Nigeria is getting short term revenue breaks. Abacha loot plus MTN fine will help balance the books in 2016.
- FG will use this MTN fine to pay N5000 allowance to jobless youths for one year. Next year we will fine shell, then Nigerian Breweries for making our youths drunk.
- I love the way MTN fine is a national matter, while 50 years of oil spills in the Niger Delta are the faults of communities/leaders
- MTN agrees to pay N1.04 trillion fine
- MTN's CEO resigns over \$5.2billion (N1.4 trillion) Nigerian fine (MTN Group, 2015)
- Africa's largest wireless operator, MTN believed to be nearing deal to cut \$5billion fine.

An examination of some of the social media messages shows that they consisted of factual news stories linked to established news organisations such as Bloomberg, sympathetic opinions in favour of MTN, castigatory or other messages intended to ridicule or tarnish the image of the firm, and unfounded rumours.

Interestingly, through the instrumentality of the digital social media and especially the MTN Group webpage, the firm clearly elaborates on its "contributions to the social development of the countries" in which it operates emphasising focal areas of education, health, enterprise development, etc. ostensibly to boost its corporate image.

More significantly and in an apparent bid to repair the damage to its reputation, MTN also used the internet platform to respond to its crisis in Nigeria. In a statement issued on November 3, 2015 MTN highlighted the following.

- MTN cautions against reports purporting that the company has agreed a resolution with NCC on the fine.
- MTN has conducted its business in accordance with established principles related to sound corporate governance.
- MTN is conscious of its responsibility to invest in the growth of local economies and development of communities wherever it operates including Nigeria.
- MTN is committed to maintaining solid partnerships with regulators, governments, communities and its markets including Nigeria (MTN Group Corporate Affairs, 2015).

An analysis of the MTN response to the crisis in Nigeria as captured in its statement posted on its Internet/social media platforms indicates their use for dispelling harmful rumours that may dent corporate image, reassuring stakeholders of the security of their investments in the corporation as well as affirming corporate commitment to sound practice and compliance with regulatory requirements.

4. Conclusion

We have established in this paper that consistent with the notions of globalisation, digitisation and industrialisation, citizens of the world whether private or corporate cannot avoid the social media. The social media have become a major means through which humans and corporations interface. It is apparent that the social media have become a significant means of obtaining information, expressing grievances, and instigating crises. However, it is also true that the social media have also become important tool in crisis communication. This statement by Baruah (2012) provides for us a fitting conclusion:

when the major forms of public relations tool fail, social media can be used extensively to communicate with the general public regarding any crisis situation that might have gripped the...organisation. But it is important to remember that while social media can have a positive impact during natural disasters; it can have a less favourable effect during business crises, in which case, corporate communication teams need to understand how they can use social media to their advantage.

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