

Identifying the characteristics of crisis communication



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The study begins through identifying the characteristics of crisis communication. In doing so a comparison was carried out with the marketing communication characteristics. During the next phase a discussion was carried out to identify the ways in which crisis communication need to be managed and through examples (Child labour and sweat shop scandal in Cambodia with regard to GAP & Nike, Johnson & Johnson Tylenol crisis) impact of crisis communication on co-operate reputation was critically analyzed. The next chapter focused on the current crisis communication practices at MAS Intimates, where an in-depth discussion was carried out with the Manager Sustainability and Communication at MAS Intimates. Further analysis on of readiness level and future potential crisis which MAS Intimates might face in was discussed. The way in which the process could be evaluated was discussed. In the final chapter recommendations were given in order to improve on the Crisis communication at MAS Intimates.

What is Crisis Communication?

Organizations each day might face various types of potential crisis situations such as, workplace violence, explosions/fires, harmful products and management misconduct etc. The term “ crisis communication” could be defined as,

“ Not necessarily catastrophic event, but rather an event that, left to usual business processes, cases significant reputational, operational and financial harm (Doorley & Gracial, 2007)

“ The most challenging part of crisis communication management is reacting - with the right response - quickly. This is because behavior always precedes

communication. Non-behavior or inappropriate behavior leads to spin, not communication” (James E. Lukaszewski)

Characteristics of crisis communication

To analyze the characteristics of crisis communication it's wise to do a comparison with marketing communication based on factors such as, target audience, communication objectives, lead time, communication tools & message type. The following table denotes a comparison between crisis communication and marketing communications.

a) Target Group (TG)

In crisis communication, it may target many stakeholders or a specialized set of group, where it would depend based on the nature of the crisis which an organization faces. In marketing communication it generally targets the customers, competitors and channel members. (Retailers, suppliers etc...)

b) Communication objectives

The objectives of crisis communication would be, reduce threat/risk to the business, diffuse crisis situations (Inform and persuade) where as in marketing communication the main objectives would be to differentiate and remind)

c) Lead time

Lead time for crisis communication would be extremely low. (Reacts as a when it happens) but in marketing communication activates are well pre planed. (Higher respond time)

d) Communication tools

In crisis communications depending on the nature of the crisis the organization may use broadcast or narrowcast to communicate with its stakeholders. But generally in crisis communications tools such as PR articles & websites will be used. In marketing communications tools such as, TV, radio and news papers are commonly used.

e) Message type

During crisis communication, the message which is been communicated need to be impartial, rational, factual and direct, where as in MC the message generally tend to be vague & indirect.

f) Budget

In MC it's much more easy to determine the budgets where as in crisis communication it's a bit hard to determine a budget as it may differ based on the nature of the crisis.

Finally it needs to be stated the crisis communication is distinctly different from routine communication carried out by the company. Therefore it requires a different type of approach.

Managing Crisis communication

A corporate reputation is a valuable asset (Fombrun and van Riel, 2004). A crisis is a threat to the corporate reputation and crisis communication (Crisis response) can be integral parts of repairing that harm/protecting the reputational assets (Barton, 2001; Benoit, 1995).

As mentioned above the characteristics identified (TG, communication objectives, lead time, communication tools, message type and budgets) are distinctly different from the way in which the routine communication is handled at MAS Intimates. Due to this mismatch it's important to identify the way in which to manage the above characteristics during a crisis situation. Firstly it's important to have a solid plan, identify who are the stake holder group gets affected, developed contingency plans, allocate resources (sufficient budgets and man power), whose the team (It's not wise to depend on the routine people, therefore MAS need to provide necessary training and expertise to the relevant individuals), Identify which external parties would assist MAS Intimates, what are the media options, and to stimulate or rehearse the crisis plan for a crisis situation etc...

Impact of crisis communication on co-operate reputation

Crises damage the reputation and such changes can affect how stakeholders interact with the organization (Barton, 2001; Dowling, 2002). It need to be stated if an organization manages crisis communication in a ineffective manner it would make the crisis situation worse where as managing effectively would give the organization the opportunity to face the crisis successfully and convert it to a positive opportunity.

Negative Scenario

In identifying the impact on reputation one could use the crisis which GAP and Nike experienced during it's allegation for breaking it's strict code of conducts and anti sweat shop rules which was investigated by Panaroma.

(BBC) The two internationally successful brands claim that regular

monitoring ensures that most factories are free of unethical practices. But <https://assignbuster.com/identifying-the-characteristics-of-crisis-communication/>

the Panaroma team uncovered sweatshop working conditions and child labour in textile factory in Cambodia which produces GAP and Nike garments.

The news evoked the customers (University students in Oregon who lived near Nike and Gap head offices) in United of States, where they not only started to protest and reticulate on anti sweat shops claims & against the Nike owner (It's suppose to be the biggest protest movement in US since Vietnam)

Impact on crisis communication in GAP & Nike reputation

During the investigations it was clearly evident that both these companies knowingly have breached it's code of conduct, as a result they have mislead it's customers the promises given on anti sweat shop practices and banning child labour in it's manufacturing process

It was evident the spokes personnel addressed the media in this aspect didn't disclosed the exact ground situation. Instead they made an attempt to cover the existing situation by sighting vague excuses, which will no doubt cast a question in respect of the credibility with regard to GAP & Nike, and as a result it will create a negative impact in terms of company's reputation.

“ To avoid misunderstanding and confusion, organizations need to direct the public's attention to credible sources and ensure they hear the truth” (Taylor, 2006).

Positive scenario

In 1992, Johnson and Johnson Tylenol medication commanded 35% of US “over the counter” market analysis. The SKU was doing growing rapidly and it showed 15% of the company profits.

Crisis hits Johnson and Johnson

Unfortunately at a stage where the company sales were blossoming an individual succeeded

in lacing drugs with cyanide. As a result seven people died of it and there were rumors spreading due to contamination in the drug were causing the deaths. At the end of the episode every one in US knew Tylenol was associated with the allegation. As a result of it company market value dropped by \$1 billion & (Impact towards the company reputation) the share price dipped drastically.

Impact on crisis communication in Johnson and Johnson reputation

a) They responded quickly by complete openness and immediately removed any source,

that would bring a threat by with out waiting for any evidence from other states.

b) Having acted quickly they ensured every measurement was taken to avoid any similar

future occurrences. (Providing a tame proof packaging)

c) Willingness to share the cost on behalf of customer safety

Finally it's important to note the crisis communication has a clear bearing on co-operate reputation. Therefore it needs to be managed properly to reduce impact from a crisis.

Readiness level for crisis communication

Problems are inescapable in the dynamics of the twenty-first century, but it does not mean tackling them is insurmountable. Eliasson and Kreuter (2000) argues, one major complication with crisis is how to define the actual “ crisis variable”. In doing so, the following criteria's need to be assessed to check the readiness level of an organization to tackle any crisis situation. They are identification of the crisis, assessment of crisis in terms of impact, likelihood, which stakeholders get affected, planning and action, team appointed, spokesperson, training of people, tools and equipment & internal communication.

Potential crisis & Readiness level at MAS Intimates

As mentioned above the organization has position it self as a supplier who produces guilt free garments to its world renowned customers. In doing so, one could state that MAS is anticipating crisis in terms of providing guilt free garments though they haven't experience or rehearsed any crisis to-date.

Apart from it MAS are prone to expose in to crisis such as, loss of quality

suppliers, physical injuries during production, workplace violence, explosions/fires, management misconduct etc...

In analyzing the readiness level presently at MAS Intimates majority of the criteria's mentioned above are not put in to practice. For an example MAS doesn't posses a specific team to manage any crisis situation, lack of a senior spokes person with media credibility, no proper crisis plan or a process & a structured program to train personnel.

Finally it needs to be stated the readiness level at MAS Intimates to face a crisis is at a lower state. Going forward the gaps identified need to be mitigated if MAS are to manage crisis in an effective manner.

Evaluating the effectiveness of the Crisis Management Plan (CMP)

A CMP would present a list of contact information, reminders of what generally should be done in a crisis and it helps to develop the crisis response. A CMP is not a step-by-step guide on how to manage a crisis, where Barton (2001), Coombs (2007a), and Fearn-Banks (2001) have noted how a CMP saves time by pre planning tasks, collecting information prior to the crisis, and serving as a guiding source.

Once MAS Intimates execute it's Crisis Management Plan it's important to evaluate the effectiveness of it. In doing, so MAS Intimates could use the following criteria's to evaluate the effectiveness of it's crisis plan. They are,

a) Early warning systems

This is the ability to monitor and identify the crisis. It's the responsibility of the appointed

team to monitor the internal and external environment on a consistent basis.

Identify the scale of the crisis

When a crisis is detected by the crisis management team it's important to analyze the

level of impact & the reaction of each and every stakeholder group.

The plan should be flexible to cover the scope of the crisis.

d) Respond time

It's one of the critical criteria's in which MAS needs to consider when they are measuring the effectiveness of the crisis plan. It could measure through how fast the plan reacts to the crisis and to get through to your stakeholders.

Ex- Johnson and Johnson were able to react fast and as a result they were able to get over the Tylenol crisis within a period of five months.

e) Ability to influence stakeholder opinion

This is the extent to which the plan could influence the stakeholder opinion in favour of

MAS Intimates.

Media Comments

This refers to the way in which the media reacts to the crisis situation. Ideally the crisis plan need to make sure that majority of the communication tools need to provide positive comments in favour of MAS during and post crisis.

Post crisis reputation

It's the extent to which the crisis plan has influenced the crisis situation. The evaluation will be done based on,

The level of improvement,

Has it worsen the situation

Is the situation remains the same

Recommendations

The following suggestions are recommended to improve the crisis communication at MAS Intimates.

a) Internal communication

Employees are perhaps the most important stakeholders during a crisis, where poor internal communication could undermine the efforts to manage a crisis externally. For example lack of trust, employee turnover and poor customer relations would make the crisis even worse if it's not properly managed. The following practices; are recommended to improve the internal communication at MAS Intimates. They are, set up crisis communication channels, desktop alerts, message reporting tools, use social media to listen to your employees, setup target audience in advance, carry out scenario

planning and plan messages ahead, provide pocket guide, have crisis communication maps etc...(Paste posters on the wall)

b) Recruitment of a PR agency

It's important to recruit a PR urgency which would be very useful in a crisis situation for MAS. It would help MAS to link with other media communication channels specially in executing PR articles, and developing media strategies to counter attack or defend against a crisis situation.

Media Relation

Media relation experts are often criticized for the ability to craft stories & spin stories in favor of the relevant party. So it's critical for MAS Intimates to build a strong relationship with the relevant media channels and media houses. The following techniques could be used by MAS intimates to create a strong bondage with the media personnel.

Carry out proper research and prepare

Always admit the truth

Meet in person -One on one & face to face goes along way in media relation. For an example Coca Cola used to take its media personnel for lunch or invite for it cocktail gatherings.

Be available for 24/7 - Appoint a designated person to handle calls receiving from media channels

Finding new ways to communicate - Co-operate blogs, message and business networks.

d) Training

The nature of training would vary based on the crisis. In providing training MAS could use

techniques such as stimulations, mock ups, media training, mock plays, sharing best

practices carried out by other company's etc.

e) Spokesperson

A " spokesman" would play a critical role in a crisis situation as the team need to prepare

themselves to talk to the news media. In doing so MAS Intimates need to recruit or train a

spokesman to tackle the media pressure during crisis. Lerbinger (1997), Feran-Banks

(2001), and Coombs (2007a) devote considerable attention to media relations in a crisis.

Proposed article will be published in the " Marketer" and " LMD" magazine which would be read by leading business professionals and business students.