

“A Study On Reputation Management During Crisis Using Social Media In India”

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ABSTRACT

We are living an era where a presence on Social Media is the need of the hour. Be it a start up or an established business, a regular presence on Social Media is needed not just to grow but also to maintain and sustain its brand image. Social Media is proliferating so fast. Gone are the days when its use was restricted to just personal interactions. Now it has been recognised as an effective marketing, branding, online selling tool, just to name a few of its functions. Most importantly, it comes across as a tool which can either save or break a business during crisis. Social media puts a lot of pressure on businesses at the time of crisis. This is due to its capability to spread a feedback or experience to millions of people in a few seconds. Hence, it has become a trend that dis-satisfied customers have been using this tool to share their bad experiences with public much more frequently than the satisfied / happy customers. This increases the complexity for brand managers, marketing managers and PR managers. Hence, there is no business today which can isolate itself from its deep impact. Social Media not just adds to the transparency and authenticity of a business, but also had rapidly developed a new standard of interaction between the customers as well as customers and the businesses. The way information is shared and searched today has undergone a proliferic change to an extent that if you are not active on social media today, even your existence comes across as debatable to your customers. Understanding, this inevitable role that Social Media plays today has given rise to this research which focuses on how an organization at the time of crisis, maintain its reputation by exploiting social media to its benefit..

Keywords: — Online Reputation Management, Role of Social Media, Crisis Management using social media, social listening, Facebook and Twitter as effective social media tools..

1. INTRODUCTION:

Last decade has seen proliferation of a new kind of media known as “Social Media”. Social media has changed the way organizations communicate with their customers. It is the biggest change in the way people search and share information. Whether, it is better than the traditional media of marketing is quite debatable but there is no doubt about the fact that it has caused a drastic drift in the way consumers trust and perceive brands. Customers now create their own “communities” and interact flawlessly and more comfortably with each other thereby, giving more importance to word of mouth than ever before. The peer to peer recommendations and reviews through social media channels seem to be gaining exponential importance. Not to forget that one

happy/unhappy customer can reach his/her entire circle of friends/ relatives in just a few seconds. Over the decades and centuries, marketers have focused on “happy customers” / “satisfied customer” thinking that one happy customer brings ten more customers with him. However, in the age of Social Media, an unhappy customer becomes even more important because he has access to a medium through which he can resonate a bad experience in a second to a million people.

This imposes fresh challenges for the marketing managers and brand managers and keeps them on their toes all the time. This access to social media is not just multiplying the negative word of mouth but putting the entire reputation of the management on stake. Hence, with fresh “threats to reputation”, .

it is high time for the organizations to look at fresh techniques of "Reputation Management especially during crisis" and the understanding of this need has given rise to this research paper. With the growing importance of Social Media and Digital Marketing, concepts like Online Reputation Management, Social Listening are also gaining importance. These are the key areas where the organizations are focusing in order to build, sustain and grow their brands.

Social listening is the process of monitoring digital media channels to devise a strategy that will better influence consumers. Taking information from places that consumers participate in online can be invaluable. Social listening in spite of being very useful to the organizations imposes lots of challenges as well. A primary downside to social listening is the mass of unstructured data a company receives that only tells them what is being said, not the actual context and background of why it was said or who said it. While social listening allows an organization to understand and act on customer conversations, it does not provide all the market insight required to be an industry leader.

Though there are a large number of social networking websites, but in this research, the main focus has been on Facebook and Twitter. The research has been conducted keeping in mind how these two social media tools have been exploited best by various organizations for their online reputation management. A special study has been conducted on Nestle and the way it has used social media to handle the Maggi – MSG controversy. In today's digital world, any information regarding a product, regardless of it being positive or negative goes around the globe at the speed of light. Anything positive or negative, is shared and assessed by the world. It creates an impression of the brand. This research lays emphasis on the crisis various organizations have faced over a period of time with special focus on Nestlé's Maggi and the controversies faced by it 2015 and how it has used the social media platforms to handle the crisis.

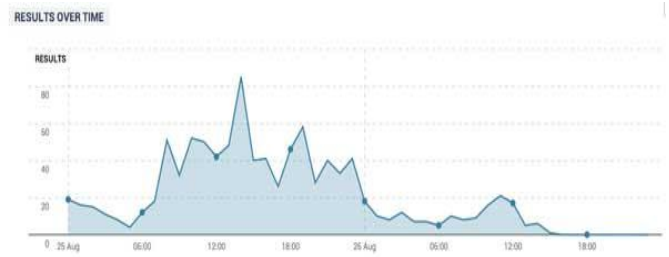
Nestle Case Study: A Study for this Research

Nestle is the world's leading nutrition, health and wellness Swiss company for over 140 year and came into India in 1912. The mission of the company is "Good Food, Good Life". It thrives on quality and provides the best products to its consumers. The company was founded in 1866 by Henri Nestle in Vevey, Switzerland. Maggi contributes 30% of Nestlé's annual revenue from Maggi sales, according to business standard.

Nestle India's Successful Campaign on Social Media for Maggi (2014)

Nestle India is a brand which is actively available on platforms such as Facebook, Twitter etc. For them it is the best way to be close to their customers, fans and know their queries. On Facebook alone they have a fan base of 2.8M.

In 2014 Maggi came up with a contest to improve customer engagement. The campaign was on twitter #HealthIsEnjoyable in which people had to tweet their breakfast selfie on their twitter handle. This contest lasted for 7 days and each day 10 winners were awarded a month's free supply of Maggi Oats Noodle's.



From the Nestles' Website

Diagram 35: Nestle Sales

Maggi Controversy

Some people in India believed that Maggi was unhealthy to consume for children as well as kids as it had MSG and lead in it. In April 2015, the food regulator of Uttar Pradesh, India, UP FDA had ordered recall of a batch of about 2 lakh packs of the Maggi instant noodles due to more than permitted levels of lead and food additives around 17.2 parts per million according to UP authorities. After UP, 14 states also conducted tests on Maggi's safety and 5 states including Delhi have banned it. After this the government on a serious quality issue ordered Food Safety and Standards Authority of India to collect more sample of Maggi from other states and check the levels of lead in the product. In return Nestle India said it has got tested samples of the noodle brand in an external laboratory as well as in-house and the product has been found "safe to eat" with lead levels within the permissible levels for consumption. The company was, however, silent on presence of the taste enhancer monosodium glutamate (MSG). This controversy meant that Nestlé's stocks dropped significantly after the Maggi fiasco.

Reaction on Social Media

Since social media came in to existence, people have been sharing thoughts about their day to day experience in their life on social media. Similarly, when the reports about Maggi being banned in India broke, the social media was flooded with posts regarding Maggi.

Facebook

Due to all the controversy of their product containing high amount of Lead, Nestle took on social media to explain to their fans that their product is safe to consume as they pass through a strict and stringent quality check.

Since the controversy on Facebook-

Just 3 posts to try to retrieve their tarnished image since, 1st June to 4th June, the reports and banning of Maggi.

There is a mixed reaction among the consumers.

Around 17K people commented on the post.

Nestle posted on their Facebook handle Meri Maggi again trying to regain trust of their customers by explaining that Maggi is completely safe to consume at giving a link to their website and explaining the customers in detail.



To Press Releases list

NESTLÉ HOUSE, Gurgaon, Jun 5, 2015

Nestlé India reconfirms that MAGGI Noodles in India are safe. In spite of that, Nestlé India has decided to take the product off the shelves nationwide in view of recent developments and concerns around the product, which has led to an environment of confusion for the consumer. This, Nestlé believes, does not provide a conducive environment to have the product in the market, at this moment.

Speaking to the media, Mr. Paul Bulcke, Global Chief Executive, Nestlé said: "The trust of our consumers and the safety and quality of our products is our foremost priority everywhere in the world. Unfortunately, recent developments and growing concerns about the product have led to confusion for the consumer to such an extent that we have decided to take the product temporarily off the shelves, in spite the product being safe".

Nestlé applies the same quality standards and the same food safety and quality assurance systems everywhere in the world. This also prominently applies to MAGGI Noodles in India.

Responding to the recent concerns around lead, Nestlé has conducted extensive, additional tests on over 1000 batches of MAGGI Noodles at its own accredited labs, complimented by tests on over 600 batches at external laboratories. All results indicate that MAGGI Noodles are safe and well within the regulatory limits established in India. Nestlé has shared these results with the authorities, as well as with the broader public online.

The company also confirms that it does not add MSG (E621) to its MAGGI Noodles in India, as stated on the label. As some ingredients like groundnut protein, onion powder and wheat flour contains glutamate naturally, this may have led to the confusion and as such Nestlé has decided to remove the specific mention of "No Added MSG" from the label.

Twitter was flooded with tweets when the news broke about Maggi ban and people from all over India started tweeting. Some post showed concerned about Maggi and some post showed the anger of the people. On Twitter Nestle was trying to fix their image. Banmaggi trended for days before Nestle decided to go in for social media blackout.



Diagram 37: Maggi India

The post on Twitter revealed that Nestle tried to defend themselves. This particular post talked about Nestle sending Maggi sample to an outside laboratory to get it analyzed for the high lead contents. Simplify360, a Social Listening tool, did an analysis of chatter around the controversy over the past few weeks and found that the issue has gotten 4.43 lakh social media mentions with an average of 19,277 mentions per day since the controversy started. Most of the conversation took place on Twitter. It was observed that the brand was trying to reply to each and every post by their fans and their reply to them was 'We have engaged with authorities and are trying our best to come back soon'. Also on Facebook Nestle has been posting things like "We are one of the most active entities in the world when it comes to food testing" and 'we have the same rigorous approach to food safety in India that we have everywhere else.' They are basically trying to clear their name and all the controversies surrounding their company.

2. LITERATURE REVIEW

Kaplan and Haenlein (2010): defined social media as a marketing tool, Social media cannot be understood without first defining Web 2.0: a term that describes a new way in which end users use the World Wide Web, a place where content is continuously altered by all operators in a sharing and collaborative way. Broadly, ~~social media is the environment in which social~~ *Advances in Consumer Research*

networking takes place and has altered the way in which consumers gather information and make buying decisions. Campbell et al. (2011): Web 2.0 has evolved from simple information retrieval to interactivity, interoperability, and collaboration. Shankar et al. (2011, 30) : Social media has advanced from simply providing a platform for individuals to stay in touch with their family and friends to a place where consumers can learn more about their favorite brands and the products they sell. Marketers and retailers are utilizing these sites as another way to reach consumers and provide a new way to shop. "Technology related developments such as the rise of powerful search engines, advanced mobile devices and interfaces, peer-to-peer communication vehicles, and online social networks, Search Engine Marketing have extended marketers' ability to reach shoppers through new touch points". Gonzalez (2010,23) : reported that while social media provides infinite avenues for communicating, but the consumer behaviors and decisions are influenced by the individuals and not technology. He also reported very importantly that user generated content produces social currency for marketers because it helps define a brand. It also describes "the sum of all ways in which people make use of social media, usually applied to describe the various forms of media content that are publicly available and created by end users", very similar to the point made by Kaplan and Haenlein (2010, 61) in their research. Hennig-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy, Skiera (2010), in their research on the impact of new media on customer relationship discovered a new "pinball" framework of impact of new media's Facebook, Twitter etc that makes it possible for all stakeholders to actively engage in brand shaping process and the elongate the relationships with customers in general. This research supports the fact that the new and unconventional mediums are much more effective than the traditional ones for brand building.

Taylor, Strutton, and Thompson (2012), stated that social media users use "message sharing behaviors" which are attributed to the need for self-enhancement. When consumers perceive an online advertisement to be consistent with their identity, they are more likely to share the message with others because it is representative of who they are and what they like. Hence, they concluded that "advertisers" should consider the symbolic and self-expression properties of their online ads and match them to targeted consumer's self-concepts".

3. OBJECTIVES

The main objectives of this research study are:
To understand how organizations are using social media effectively for their reputation management during crisis
To focus on a recent case of Nestle's Maggi and evaluate its social media strategies for their reputation management during controversial phase faced by them.
To understand the growing importance and complexities of Online Reputation Management.

4. RESEARCH METHODOLOGY

This research was Exploratory in nature. Exploratory research attempts to discover general information about a

topic that is not well understood by the marketer and still needs to be explored. This research will be useful in understanding those impacts of social mediums for online reputation management that have not been fully understood till now. The research was secondary in nature and did not include primary data collection. No survey or response method was used. Data has been collected from various secondary sources like journal articles, research papers, websites, books and social media portals.

Data Analysis/Interpretations

Acknowledgement of the crisis: Running away from crisis will make the situation worse. Rather acknowledging at the right time that "there is a crisis" is the first step towards managing online reputation. A crisis situation has a direct impact on an organization's reputation. However, the negative impact is more in the case of "Online Reputation". Moreover, more popular a brand name, higher is the damage caused to the brand reputation. The leader who have not shyed away from social media, rather have taken the responsibility of explaining to people through social media, apologizing to them if found guilty or asking for more time to present their verdict are the ones who have been able to reverse the damages caused to their online reputation faster and more effectively. Just like done by Tony Fernandes, CEO of Air Asia.

At the time of crises, the speed of responding on social media becomes very important. Since, social media is a tool using which you can reach a million consumers in a few seconds, delay in communication is mostly perceived by the consumers as averting communication or acceptance of guilt. Regular and speedy communication through social media channels is what is expected by the customers and is the most important strategy by managing online reputation. Malaysian Airlines followed this approach very effectively to avoid anger and frustration from the people during the controversy faced by them in 2014.

Tone: Every communication on the social media at the time of crisis should have empathetic tone from the organization's end. Even the allegations and rude customer comments should be handled empathetically. That is the only way of rebuilding the broken customer trust.

Content: A very important learning from this research is that content used in all the communications should be highly consistent. All the employees, stake holders should communicate the same message in all the mediums. Content should be consistent across mediums whether online or offline. Content should also be based on just the relevant data and valuable information pertaining to the crisis.

Do not under-estimate the power of Social Media: Social Media is a new way for firms to go ahead in future. Apart from these crises social media has a far greater impact on people for example, when a company launches a new product. It can make or break for companies on social media.

For example, Ford Motors enjoyed many highs in its long history, but some lows as well. The near collapse of the American auto industry was definitely one of them. So to change their misfiring fortunes they turned towards social media. Ford decided to test this strategy so for a European

brand making its debut in the US on social had a budget of almost 0. Ford marketers had an idea. Ford brought 100 Fiesta models to the U.S. and gave them to agents to drive and create content based on their experience. Fifty thousand pieces of content were created and seeded through social media like YouTube, Facebook and Twitter. The content got a whopping 28 million views. This created 58 percent brand awareness before the launch of the Fiesta in the U.S. 52,000 test drives and more than 10,000 online vehicle reservations. Social media gave Ford insight into what colors, features and options people want. It has learned that global campaigns won't work. Ford needs to focus on local markets. This shows the remarkable turnaround of Ford through social media.

In case of Nestle's Maggi: According to an analysis done by Simplify360, it was found that maximum number of people were in disbelief and hurt that a trusted brand could stray from its path. Topics like #Maggiban #Maggi inasouptrended for weeks. The brand which was earlier accused of keeping a 'dismissive' and 'defensive' tone on social media, is now working towards changing it. It roped in US based PR specialist APCO Worldwide to tide over the negative publicity. Even though, the last post on the Facebook page of Maggi was on June 5th. Hence, people prefer regular communications comprising of even explanations when an organization faces crisis.

Since June 5th, 2015 to June 30th 2015, Meri Maggi has not posted any post on their respective page as they wanted the controversy to subside which is a trick in the bag of the PR of the company this particular act is termed as social media blackout.

Tailor – make your message regularly on Social Media:

On Social Media, it is very important to upgrade/update your message based on the route your crisis/controversy takes. For example, As news of high levels of Lead and MSG started pouring in, communication strategy of Nestle from "Lead is freely available in agro products being used" to "we are safe to be used". Profit should become secondary during crisis. For example :Maggi created a page for their customer wherein they could return any amount of Maggi they have in exchange for money.

Communication through official pages is considered to be more trust worthy by the customers

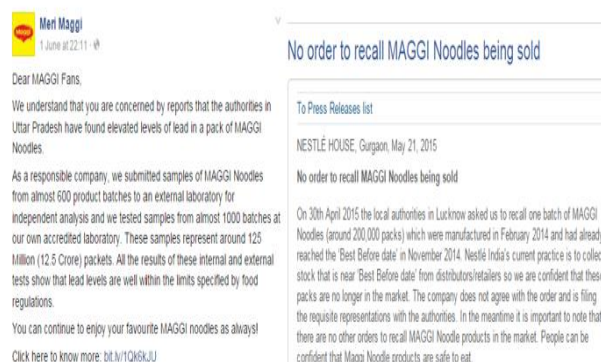


Diagram 38: Post on June 1st 2015(Facebook)

The above images show that Maggi addressed their fans to assure them that everything is fine and the product is safe to consume. The link mentioned on their post takes

the customer directly to their website to explain that their product is completely safe. Some interesting findings reinforcing importance of the social media and its role in online reputation management

There are 1 billion "likes" daily on Instagram. (Source: [Instagram](#))

71% of consumers that receive a quick brand response on social media and are likely to recommend that brand to others. (Source: [CeBIT](#))

Every minute, Tumblr owners publish approximately 27,778 new blog posts. (Source: [IACP](#))

Facebook users typically are spending 10.5 billion minutes (almost 20,000 years) on the social network. And, that's excluding mobile devices (Source: Search). If Facebook were a country, it would be the third largest in the world (Source: [Socialnomics](#)). 74% of consumers rely on social media to influence their purchasing decisions. (Source: [CeBIT](#)). It took radio 38 years to reach 50 million users; Facebook added over 200 million users in less than a year. (Source: [IACP](#))

Conclusion

This research emphasizes in the fact that with the advent of social media, brands have to be on their toes all the

time to maintain their reputation. Maintaining online reputation is more more complex. Dis-satisfied customers can really take a toll on a business. Hence, in times of crisis, social media should be used to the best benefit by the organization to rebuild the broken trust of the customers. Customer queries should be the highest priority at the time of crisis and should be answered in a professional and template approach. Accepting the mistake, apologising for it, asking more time before the final verdict are much better approaches in online reputation building rather than defying the allegations and shutting off from the social media. Regular presence and communication via various social media channels is the biggest necessity at the time of crisis. Communicating through official online pages is considered much more trust worthy by the customers rather than random communications. Hence, it can be concluded that there is no organization today, which can isolate itself from the positive or the negative impacts of social media. Hence, learning to use the social media effectively is the need of the hour. It is the same social media which can either make or break online reputation of an organization during crisis..

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