Chapter 17

Putting Humanity Before Brand Reputation in the Context of Turkey

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ABSTRACT

This chapter examines how food leaders responded to the Gezi Park protests in Istanbul, Turkey in 2013. Recent Gezi Park protests in Istanbul triggered a multi-layered crisis. These protests lasted more than two months, having long-term effects on Turkey’s social, cultural, and economic life. This chapter considers the Gezi Park protests as a crisis for food sector businesses in the neighbourhood around the park. It uncovers how food leaders in Taksim area managed their firm brand reputations by addressing the protests as leaders’ responses affected their businesses. Some leaders of these firms have managed the protests successfully by opening their doors to provide humanitarian help to people. However, on the other hand, leaders of some other firms have failed in managing the crisis resulting in damaged brand value of the whole company in Turkey.

INTRODUCTION

In the last two decades, we have seen an increasing number of crises from televisions and newspapers (James & Wooten, 2005) which ranged from corporate fraud scandals to natural disasters (Van der Vegt, Gerben, Essens, Wahlström & George, 2015). The early 2000s started with financial scandals of Tyco, Enron and Worldcom, and the late 2000s finished with the global economic crisis which caused the largest and the sharpest drop in economic activities since the Great Depression (Reinhart & Rogoff, 2008). In 2010, we witnessed the world’s second worst environmental disaster that occurred in the Gulf of Mexico when BP’s Deep-water Horizon oil drilling rig exploded, resulting in 11 deaths and spilling oil for three months (Robertson & Krauss, 2010).

We have witnessed devastating natural disasters such as Hurricane Katrina in 2005, and China’s Sichuan earthquake and flood in 2008; terrorist activities, including September 11 in 2001 and the London bombings in 2005; and widespread diseases, including Swine Flu, H1N1, and Bird Flu, bombings in...
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Paris and Ankara in 2015, and the 2016 Istanbul bombings, which have affected businesses at varying extents (James, Wooten & Dushek, 2011). Business crises are added to the list above, such as corporate fraud, scandals, mismanagement, workplace violence, employee strikes, product recalls, and discrimination lawsuits (Pearson, Roux-Dufort & Clair, 2007). In particular, the subprime mortgage crisis and the global financial crisis have impinged not only on financial institutions but on every organisation in the world (Gephart, Van Maanen & Oberlechner, 2009). Yet, most leaders have been caught unprepared as they have been expected to act promptly to manage these crisis situations (James & Wooten, 2005). When an organisation confronts a grave challenge, a proper public relations technique is required to guide the stakeholders and ensure organisations’ survival (Mumford, Friedrich, Caughron and Byrne 2007). In situations mentioned above, previously practised crisis management procedures, e.g. public relations as suggested by Parnell, Koseoglu & Spillan (2010); Yukl & Mahsud (2010) may not work well due to the complexity of each crisis. Hence, challenges or crises require new forms of crisis management behaviours including urgent responsiveness (Day, Junglas and Silva 2009), momentary sense making (Sellnow & Seeger, 2013), and dynamic improvisation (Giardella, 2013) which eventually affect brand reputation.

The way in which crises are handled might have significant consequences for firms (D’Aveni & MacMillan, 1990). These could be either positive or negative consequences, depending on the effectiveness of public relations, crisis responses and organisational capabilities. In particular, mishandling a crisis can cause irreversible detriment to firms’ reputations for dozens of years. On the other hand, approaching crises promptly and decisively might increase the trust and confidence of the public more than ever before (Mitroff, 2004). I articulate the significance of crisis management by contrasting two crisis examples to demonstrate how crisis management affects brand value.

Johnson&Johnson (J&J), a US-based multi-national manufacturer of pharmaceutical and medical products, experienced a significant crisis in 1982. A murderer added 65 milligram of cyanide to the firm’s Tylenol capsules and killed seven people, including three people from the same family. J&J immediately recalled all its 31 million capsules and destroyed them at a cost of around $100 million. The leader of J&J, James Burke, cancelled all TV commercials of the product and offered refunds to those who had bought Tylenol capsules, and then he established a toll-free telephone line in order to answer consumers’ questions. He appeared on the news and on TV advertisements informing consumers about the company’s actions. The new tamper-resistant box was quickly introduced and the sales of Tylenol almost went back to the pre-crisis level (Rudolph & Garcia, 1986). Today, J&J has been rated by popular press as one of the top companies in the world. This successful example points out that leaders’ actions and their way of handling crisis are highly important for a firm’s reputation as well as for sales.

On the other hand, British Petroleum recently faced the worst crisis in its history: the oil spill disaster in the Gulf of Mexico (Robertson & Krauss, 2010). In this crisis, almost 5 million barrels of crude oil flowed into the ocean for three months after an explosion occurred in deep water. This explosion and the resulting spread of oil caused the loss of 11, lives and the coastline and marine environments were severely contaminated with crude oil. It is claimed that it was the second worst oil spill in the petroleum industry’s history (Moss, 2010).

There is a growing crisis literature which focuses on leader performance during crises. This research mainly concentrates the characteristics of CEOs and especially they highlight what not to do during crises (Nili, 2015). In terms of handling crisis, the CEO of BP, Tony Hayward, was trying to shift responsibility to a sub-contractor and underestimated the impact of the incident in videos. BP executive Hayward was rebuked regarding his mishandling of the crisis by general public as well as environmentalists. When Hayward visited Venice, Louisiana, to observe the damage, Hayward eventually apologised. “The first...
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