Chapter 20
Corporate Scandals Involving Social Media: Cases From Turkey

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ABSTRACT

The importance of public relations and crisis communication is undeniable for companies. In a corporate scandal or crisis situation, the right messages have to be conveyed to the relevant audiences including shareholders at the right time and in the right way. Today, social media is one of the most popular tools of crisis communication. Including Turkey, the number of social media users all over the world is quite high and continues to increase every day. In recent years, we observe that companies use social media as an effective communication tool during their crisis periods. The aim of this chapter is to make an in-depth review of the literature on crisis management and the use of social media and to reveal the position of social media in communication efforts carried out during the company crises through various cases that took place in Turkey.

INTRODUCTION

No matter how well a company do its plans, manage its communications carefully, problems can happen. Dealing with these problems, handling them in the right way, can turn the negative situation into an advantage for the company’s image. Prompt and well-planned communications can counter the disruptive and critical situation and replace it with a stable or even positive environment. Therefore, implementing a good crisis management program is crucial for the companies.

Social media is ruling today’s world. It would be unwise to acknowledge its power in business world. Companies are interacting with their customers, promoting their new products, gaining feedbacks, even engage customers in new product development through social media. We encounter with many examples, which some will be discussed throughout this paper, about how corporate scandals are being resolved
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using the power of new media tools. In a crisis situation, social media has to be used as a collaborative tool and be integrated into marketing communication plans of a company.

In this study, a comprehensive literature search on crisis management and role of social media in managing crisis has been done. Some good and bad examples have been examined and necessary conclusions have been drawn.

CRISIS MANAGEMENT

Meier (2011), states that a crisis is always a major turmoil for a business or for a social environment. It leads to national news media coverage and is a serious event in which the public needs information to make good decisions. It is a situation that stops business, alerts individuals and jeopardizes their reputation. A crisis would cause individuals to get panicked, take them out of their passive mood and push people to be in action.

Crisis management is defined as “the set of direct actions taken to prepare for, respond to and mitigate to a crisis event. These actions involve intervention points between various escalating stages of a crisis and use information superiority in an attempt to disrupt the cascading effect of a crisis” (Hetu, et al., 2018). Marcus and Goodman (1991) state that crisis differ on at least two important points: effect on possible victims and in what can be doubtlessly and apparently told about the causes. Authors consider a crisis to be either an accident or a scandal. Accidents are unfortunate occurrences which company can deny for responsibility. On the other hand, scandals are disreputable and inglorious incidents. Since the scandals are resulting from violations and faults, it is hard for companies to deny responsibility. In a scandal situation company wants to get rid of the negative effect and to do so offer an apology to the public backed up by management change to prevent the repetition of the unwanted and doubtful acts.

A company can encounter with various types of crises. They can be listed as; product issue – e.g. having physical or functional risk-, negative public perception of the company, financial problem such as cash problem, workplace violence, death of a senior officer and disasters resulting from nature such as an earthquake or intentional acts such as terrorist attacks. Each organization should carry out a risk analysis that identifies the most likely types of crises that it can face. This enables them to focus initially on the development of a plan to respond to the most likely crises. Yet, after this risk assessment step has been completed, many organizations have faced a crisis that has either not been identified as highly likely or one or more that has not even been identified on no account (Devlin, 2007).

There are three stages of a crises: Pre-crises stage, acute-crises stage and post-crises stage. The topic is elaborated as follows (Devlin, 2007);

The pre - crisis stage is the earliest stage of a crisis, the time when the organization realizes the situation first. The “developing situation” is small at this time and the outside world is unaware of the problem. This is a timely moment to take action which would eliminate the pre - crisis situation. At this point, management must ask what can be done to change the current negative situation. For this reason, organizations need an applicable and consistent crisis management plan that allows them to recognize warnings before the crisis occurs. Once managers are warned of an imminent crisis, they can take the suitable action. Even though there are many reasons why pre-crisis situations move to the acute-crisis stage, four of them come to the front: the underestimation of the problem by management; overestima-
tion of their managing ability; being unaware of the developing situation and ignoring the situation

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