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# CRISIS COMMUNICATION:

# AN INSIGHT ON A GROWING GLOBAL PHENOMENON. CASES AND APPLICATIONS.

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*A mia madre e a Floriana,*

*le donne che mi hanno reso l'uomo che sono.*

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## "CRISIS COMMUNICATION: AN INSIGHT ON A GROWING GLOBAL PHENOMENON. CASES AND APPLICATIONS."

## INTRODUCTION

The world in which we live in is currently facing several different threats. Natural disasters appear to be more frequent, i.e. events like the Hurricane Katrina, the 2004 Indian Ocean Tsunami or the mexican gulf crisis for oil, and from organizational crises, political failures and economic crunches, as well as events of corruption, waste of public money or terroristic attack, including the 9/11 American tragedy. Regardless of what you do in your life, there is always the possibility of a crisis that can affect your existence: no one in the world is immune to crisis.

The present work has the ambitious goal of describing and analysing the emerging phenomenon of crisis communication.

Of course, before we get into the structure of this research work, it is important to define the basic terms needed to understand the overall structure of the work, and to orientate the development of the next chapters and to orientate the reader in the various case studies presented along this thesis.

The semantic area we are trying to explore and explain is the one of Crisis Management. When we are talking about these specific concepts we mean a *"set of factors designed to combat crises and to lessen the actual damage inflicted"*[1]. Thus it is the overall strategy that organizations, parties and public figures use in order to tackle a crisis and to try to transform the possibility of a potential damage into an unexpected opportunity to change its natural course, to develop a riper self structure and to take advantage of the empathy towards the affected people. As Henry John Kaiser, the father of modern shipbuilding, said: "I always view problems as opportunities in work clothes."

Defining a crisis is not an easy task. We will discuss the different types of crises and we will underline the common characteristics of various crunches. In this short introduction it might be also useful to give an universally accepted

[1] W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 5.

definition of what will be the main object of this dissertation. A crisis is "*an anomalous event that may negatively affect an organization and requires efficient organizational communication to reduce the damage related to the event.*"[2]. What is important to state here is that there are thousand of different crises, each with its own characteristics and uniqueness, and that every crisis needs a different strategy, a different answer and a different training for those in charge to solve the matter. For these reasons I have defined the goal of this thesis very ambitious, because it is not easy to carry out a research encompassing the enormous case history in the world of crisis management.

The main aspect of our analysis will regard the crisis communication, declined in its different perspectives. Crisis communication's aim is to identify internal and external risks for the organization and its stakeholders, to produce recovery messages for the audiences and to be ready to receive their feedback.

If you don't communicate during a crisis, you are completely lost. The first axiom of communication, developed by Paul Watzlawick and other scholars of the Mental Research Institute in Palo Alto[3], regards the impossibility of not communicating: any behaviour, verbal or not, that relates to the interaction between two or more persons is *ipso facto* a form of communication. So, during a crisis, even the choice of "no interaction" with the media and the public is an unaware form of communication, which can lead to unimaginable damage.

The structure of this thesis is studied in order to explain every factor of crisis communication, here briefly described.

The first chapter, "The origins of crisis communication and its fields of application", is a sort of rapid journey trough the various schools of thought in crisis management and communication area, from the Classical Theory,

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[2] A. Jay Zaremba, Crisis Communication. Theory and Practice. M.E. Sharpe, New York, 2010, pag. 21.

[3] P. Watzlawick, J. H. Beavin, D. D. Jackson, *"Pragmatica della comunicazione umana"*, casa editrice Astrolabio, 1967, Roma.

developed by Frederick Taylor[4] in the early part of twentieth century, to the latest theories including social networks and globalization in communication. The absence of new media and the effects of globalization would make this work an "empty" thesis, both from the conceptual point of view and, most of all, from a strictly practical point of view. We will also try to address, in the best way as possible, the basic terminology needed for the understanding of this study. All of the most common terms will be analysed and categorized, helped by the studies of the most influent authors and trying to reach a simple, but comprehensive, definition of those phenomena that will be studied in detail in subsequent chapters.

The second chapter, "Outline for an ongoing approach to crisis communication", can be considered as the most essential one, inasmuch as it consists of a complete study of crisis communication in all of its aspects. Starting from the distinction between different types of crisis, we will analyse crisis management during its three common phases, studied and described by three Italian communicators, Giampietro Vecchiato and Luca Poma, with the collaboration of Enrico Finucci[5].

Their model II, called "the 3R model", consists of three main phases, each of which describes a phase of crisis management:

*1. Research* in the pre-crisis period. Every organization should always be within this stage, being prepared for a possible crisis and trying to prevent it in every possible way. During this phase it is necessary to observe and monitor the organization's weaknesses, preparing the staff and creating a crisis unit, including a crisis communication plan and crisis training activities.

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[4] Frederick Winslow Taylor (March 20, 1856 – March 21, 1915) was an American mechanical engineer who sought to improveindustrial efficiency.

[5] L. Poma, G. Vecchiato, ¨*Crisis Management, come comunicare la crisi*¨, Le guide de Il Sole 24 Ore, 2013.

2. *Response* in the crisis phase. It is the warmest and most delicate phase of the process of crisis management and communication. It begins exactly in the moment in which the crisis erupts and does not end until the situation will not return into normal parameters.

3. *Recovery* in the post-crisis time, with final considerations about mistakes that have been done and with the creation of a memorandum. In this last phase the organization prepares a strategy for an immediate renewal, trying to take advantage of unexpected opportunities created by the crisis and trying to improve the settings of the first phase, the *research* one, in order to avoid the same mistakes in the future.

Having understood the characteristics of a crisis and having defined all the strategies we can adopt in order to regain our reputation, we can move forward in the study of the crises in two different, but deeply related, fields.

The third chapter is dedicate to political crises and "how to manage" a political message. We will discuss well known political crises, from Watergate to Clinton's Sex-Gate, and we will take on the challenge to analyse an Italian example: the Oscar Giannino case, concerning false statements of academic careers and academic titles, that took place shortly before the Italian political election of February 2013. We will also have the possibility to read an interesting interview to Aldo Torchiaro, Oscar Giannino's crisis communicator, which answered our questions and told us the story of this fascinating case of crisis communication.

The fourth chapter is focused on economic crises. What happens when a multinational organization is hit by a crisis? We will see what happened in the Toyota case and in the British Petrolum case, focusing also on an Italian case, the Concordia accident. The Concordia ship case is very useful in order to describe every single phase of a crisis management and communication process. Furthermore, the case of the sinking of the Costa Concordia is one of the most recent examples of how an effective strategy for the management and communication of the crisis is a powerful weapon to limit the damage of a negative event and, when it is possible, to benefit from the changes that, inevitably, a crisis brings with it.

At the end of this journey, after we will have dealt with all aspects of crisis management and crisis communication, both theoretically and practically, I will try to put together all the elements and salient features of crisis communication. Thus, I will describe what has been done, how it has been structured and what could be the future lines of development for a field certainly important and, surely , in constant growth in the coming years . The number of crises, more or less serious, is in constant and rapid growth and inclusiveness of communication in the times we are living in will make crisis management a necessity for every organization. To date, nearly 40% of U.S. major organizations do not have a crisis plan or a crisis unit[6], and among those that have a crisis management strategy, one third of them have no idea of how to put the plan into practice[7]: a similar scenario is not only alarming, but it is also unimaginable in the near future.

We will be forced to communicate, even and especially during a crisis. At the end of this thesis will try to figure out how to do it in the best way possible.

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[6] M. Serrano, "*What's your crisis management plan?",* published on http://www.proactivecommunications.com/index.php/2013/11/whats-your-crisis-management-plan/

[7] Levik Strategy Communication, "*2011 Crisis Preparedness Survey Results*", June 23, 2011, p. 3. Survey available at http://www.pillsburylaw.com/siteFiles/Publications/2011CrisisResultsfinal.pdf

# I CHAPTER. THE ORIGINS OF CRISIS COMMUNICATION AND ITS FIELDS OF APPLICATION.

## *1.1. What is crisis communication within the crisis management framework.*

"When planning for a crisis, it is instructive to recall that Noah started building the Ark **before** it started to rain".

This sentence, pronounced by Norman Augustine, opens many books on crisis communication, including one of the most famous, "Crisis Management. Planning for the inevitable" written by Steven Fink in 2000. When you are the CEO of an important organization, or if you are the crisis communicator of a political leader or a party, the question you have to ask is not "if the crisis strikes" but, rather, "when will the crisis strike", because no organization is immune to crisis. Every person dealing with this subject, must avoid the "It can't happens to us" mentality.

In his book, "You'd better have a Hose if you want to put out the fire", Rene Henry writes that "*any CEO who believes he or she is immune from a crisis is most vulnerable. Even the church and Mickey Mouse have been under attack*"[8]. So, crisis management is involved in two different aspects of critical events: it tries to avoid the crisis from taking place in the first place (1) and tries to mitigate the damage of the crisis when it has already occurred (2)[9].

It is easy to understand how vital it is, for every public subject in every field, to prepare an effective strategy to tackle a crisis and to be ready to detect the main problem, applying what has been already decided as a strategy.

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[8] Rene A. Henry, You'd better have a Hose if you want to put out the fire. Windsor, CA: Gollywobbler Production, 2000, pag. 2.

[9] W. R. Crandall, J. A. Parnell, J. E. Spillan, "*Crisis Management. Leading in the new strategy landscape".* Sage Publications Inc., 2014, p. 2.

Developing a substantial plan for crisis response, is inevitable starting from the definition of what is a crisis. As I already stated in the introduction, this is not an easy task as it can appear *prima facie.*

### *1.1.1. Defining the issue: What is a crisis?*

There are a lot of different types of crises in the most different fields of application, so we have to find a complete definition among the myriads of studies about it.

The most interesting definitions of crisis that I identified are the following ones:

- A major, unpredictable event that has potentially negative results. The event and its aftermath may significantly damage an organization and its employees, products, services, financial condition and reputation.[10]
- An event that runs the risk of escalating in intensity could fall under close media or government scrutiny, interferes with normal business operations, jeopardizes the current image of an organization, and damages the financial health of an organization.[11]
- An unpredictable event which threatens important organizational values and which creates pressure for a timely response requiring effective communication.[12]
- A major occurrence with a potentially negative outcome affecting an organization as well as its publics, services, products, and or good name.[13]

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[10] Laurence Barton, *Crisis in Organizations: Managing and Communicating in the Heat of Chaos.* Cincinnati, Ohio: South-Western, 1993, pag. 2.

[11] Steven Fink, *Crisis Management: Planning the Inevitable.* Cincinnati, Ohio: Authors Guild, 2000, pp. 15-16.

[12] Donald Fishman, *Crisis Communication Theory Blended and Extended. Communication Quarterly 47:* p. 345

- The perceptions of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact an organization's performance and generate negative outcomes.[14]

From these different definitions, however, we can trace a line of common characteristics shared by all of these approaches. So, when we are dealing with a crisis, so, we can consider it as "atypical events that might be predictable, but are not expected when they occur"(1)[15]. For example, United States of America are often shaken by terrific hurricanes and they perfectly know that once or twice per year they have to defend themselves from an weather emergency. However, as it always is when talking about a crisis, they do not know exactly when.

Crises "can be damaging to an organization or individuals within the organization"(2)[16]. Obviously, there can be external or internal damages. An example of external damage is easy to find. When Apple was hit by the unexpected death of its CEO, Steve Jobs, it suffered on the stock market: on the Frankfurt Stock exchange (which opened at +0.70% that morning) shares of Apple were down by 3.3%.[17] But a crisis can also be internal, But a crisis can also be internal, triggered by an employee or by a stakeholder connected to the company: this kind of crisis can damages the internal relations of work and collaboration and may be due to excessive stress or tension.

Finally, "a crisis compels organizations to communicate with various audiences in order to limit the damages that may be caused by crisis. The

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[13] Kathleen Fearns-Bank, *Crisis Communications: A review of Some Best Practices",* in *Handbook of Public Relations,* ed. R.L. Heath, Thousand Oaks, CA: Sage, 2001, pp. 479-485.

[14] W. Timothy Coombs, Sherry J. Holladay, *The Handbook of Crisis Communication,* Wiley-Blackwell, 2012, p. 19.

[15] A. Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 20.

[16] Ibidem.

[17] News extracted from "*Jobs: In calo azioni Apple a Francoforte",* October 6, 2011, available at http://it.finance.yahoo.com/notizie/Jobs-In-Calo-Azioni-Apple-agixml-1113448822.html

quality of these communications can ameliorate or exacerbate the situation"(3)[18]. If television media discover and share news about the global surveillance disclosures (commonly known as Datagate Scandal[19]), the United States of America and the United Kingdom must identify the most sensible audiences, attempting to minimize the damage effect, through the actuation of a communication plan which have to spread positive messages to every affected people. If they don't prepare and diffuse these messages, their world reputation can be seriously damaged.

### 1.1.2. *Crises' differentiation and classification*

*Intentional v. Unintentional.*

The most common types of crises are divided in two categories, intentional and unintentional ones.

Intentional crises are characterized by intentional actions which damage organization:

- Terrorism;
- Sabotage;
- Workplace violence;
- Poor employee relationships;
- Poor Risk Management;
- Hostile Takeovers;
- Unethical Leadership;
- Management/Employee Misconduct;

[18] A. Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 21.

[19] The Datagate scandal refers to mass surveillance of US citizens and foreign nationals operated by the US National Security Agency (NSA) and its international allied, especially United Kingdom.

- Product Tampering;
- Rumor;
- Technical Breakdown/Not Entirely Accidental;
- Human Error;

Unintentional crises are unavoidable and unpredictable situations, independent from an individual's voluntary act of harming an organizations:

- Natural Disasters;
- Disease Outbreaks;
- Unforeseeable Technical Interactions;
- Product failure;
- Downturns in the Economy;
- Technical Breakdown/Accident.

*Creeping, Slow-burn and Sudden crises.*

John L. Bernstein distinguished crisis according to the way in which it began, outlining[20]:

- *Creeping crises*, in which the beginning is almost imperceptible and comes from some background noise, employee complaints or negative comments. Then the initial noise becomes more and more intense until the situation explodes.

Usually this type of crisis can be tackled with less stress, since the period of time that it has available to reflect is greater. Unfortunately, often, the first signs are ignored and the later you choose to intervene, the greater the effort to repair the situation will be.

- *Sudden crises* that erupt in a clear and precise instant, without giving any notice. This kind of crisis reaches the pinnacle very soon, surprising the

[20] J. L. Bernstein, "Creeping, Slow-Burn and Sudden Crises", published on http://www.bernsteincrisismanagement.com/articles/creeping-slow-burn-and-sudden-crises.html

organization. The media and the public automatically focus all their attention on the company affected. These are the most traumatic crisis for organizations, mainly because of the confusion that is created in the first minutes after the precipitating event, which always causes a lot of questions from the audience, when the company is not able to respond.

Between these two kind of crisis there is another one, which Bernstein called "*Slow Burn crisis*", that is a mix of the previous two,. Slow-burn crisis is characterized by a series ignored warning signs, as in the creeping crisis, but it erupts more quickly and have a greater destructive power.  Ignoring warning signs, in this kind of crisis, can be more dangerous than what happens in creeping crises: for this reason slow-burn crises need for attention and an effective preventive planning.

*Little, low and high responsibility crises.*

Another important distinction between different types of crises was developed by the Institute of Public Relations, which focuses on the liability chargeable to the organization affected. It happens very often that the organization does not admit its responsibility, and the duty to determine how things really are gone is up to tribunals or the public opinion.

According to this classification we distinguish:

- Crisis with little or no responsibility, in which the organization is the first victim of the triggering event. Typical examples are natural disasters and libellous actions by external agents.

- Crisis with low liability, where the damage is procured accidentally by human error, without causing significant human and economic losses.

- Crisis with high responsibility, which are predictable events, caused by the wrongful acts and behaviour of the organization.

*Sections involved.*

The last distinction proposed in this section concerns the actors involved in the crisis. There are crises that involve only the organization, its employees and its stakeholders, and crisis involving, in addition to the actors already mentioned, the entire community in which the company operates, including the environment.

Now we know something more about crises and we saw that every crisis is a threat to organization's reputation, which is how people perceive its work and behaviour. In order to fight negative outcomes, we need first to examine the definition of crisis communication and its position inside the framework of crisis management.

### 1.1.3. *Crisis management: how to handle the problem*

Starting from the outbreak of the emergency, every action performed by the organization will fall within the framework of crisis management.

Until the late '80s, the crisis management was not considered among the most important subjects of study. It was not part of the study plan of any school of management and did not ever enjoy a free and independent scientific discussion. From the early '90s onwards, however, the increase in accidents and the growing exposure of the organizations made several alarm bells start to play. As a consequence, the scientific community has realized how important it was to study the strategies to follow and to create real guide for all companies, political parties and public figures before the crisis happens.

*Crisis management* "seeks to prevent or lessen the negative outcomes of a crisis and thereby protect the organization, stakeholders, and/or industries from damage"[21]. Crisis management is the collective name utilized to describe a series of actions and strategies created in order to deal with an internal or external problem. It includes pre-crisis operations, effective answers in the

[21] W. Timothy Coombs, Sherry J. Holladay, *The Handbook of Crisis Communication,* Wiley-Blackwell, 2012, p. 20

middle of the crisis and post-crisis evaluation measurements. We will deepen these three phases in the next chapter. What I want to underline in this part is that crisis management is a name that refers to a very large spectrum of actions that cover all the life cycle of a crisis in all its aspects. It is not a one-time response to a unexpected potential damage, but rather a strategic process that is in place far before the crisis and which plans also the day after of a negative event: it is a "holistic process"[22]

### 1.1.4. *Crisis communication: responses to threats*

*Crisis communication* can be defined as "the collection, processing, and dissemination of information required to address a crisis situation"[23]. This definition can be applied to the three phases of a crisis process. In the first one, the pre-crisis situation, a good crisis communicator has to collect information about warning signals, take important decisions about how to tackle with a potential crisis and train the people who will form the crisis management team of the organization or the party involved.

In the central part of the crisis response, the crisis management team has to create an effective strategy, analysing all the information they have found, facilitating the process of decision making and spreading chosen messages to audiences, electors and stakeholders.

Last, but absolutely not the least, in the post-crisis phase the delicate task involving crisis communication regards evaluating the crisis management team's actions, the communication of what has been done to members of the political party or the organizations and the follow-up crisis messages necessary to leave the crisis behind.

### 1.1.5. *Related concepts*

[22] W. R. Crandall, J. A. Parnell, J. E. Spillan, "*Crisis Management. Leading in the new strategy landscape".* Sage Publications Inc., 2014, p. 2.

[23] ibidem.

Closely related to the concepts discussed so far are those of risk management and risk communication, with which we will conclude the analysis of this paragraph. A risk represent "the potential to inflict harm or, more generally, the potential exposure to loss"[24] and, obviously, a risk can develop into a crisis. Risk management is a set of actions, directed mostly to the customers, through which an organization makes public the action it has taken in terms of prevention and safety. From the point of view of risk communication, instead, the focus is on the need to find the best methods to make customers aware of the risks they face and how they can avoid them. Risk communication is "a community infrastructure, transactional communication process among individuals and organizations regarding the character, cause, degree, significance, uncertainty, control, and overall perception of risk"[25]. It is, in short, a two step process: not only the company must be transparent in terms of prevention, but must also be able to direct their customers to the most appropriate behaviour to be followed to prevent accidents and injury. It is a dialogue between organizations that can suffer from a crisis and stakeholders that can be affected.

Now that the discussion about the semantics of crisis and risk is complete, we can move forward, illustrating the theoretical foundations of crisis communication and crisis management.

### 1.2. *Methodological differences between the various schools of thought.*

Theory, in crisis communication, as well in other fields, has always been seen as something in opposition to practice. Many times we have heard someone arguing that something was good "in theory", but meaningless "in practice".

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[24] W. Timothy Coombs, Sherry J. Holladay, *The Handbook of Crisis Communication,* Wiley-Blackwell, 2012, p. 56.

[25] M. J. Palenchar, "*Risk communication". In R. L. Heath (Ed.), "Encyclopedia of public relations",* Thousand Oaks, CA: Sage, 2005, p. 752.

Sometimes theories fail to adapt to social innovations and developments, while some other theories are too complicate to be useful in practice.

The truth, in my own opinion, is that theories can be useful for practitioners and scholars, helping them to give a solid background to their study and to better understand phenomena.

In the last thirty years, applied communication research has gained a lot of space: before this turning point, many scholars believed that solving crises with theory application was "morally degenerate"[26]. Some of them were fully convinced that almost every theory would be ruined if their foundations were put in a real context or in the real world[27]. These assumptions are now passed. A purely practical approach, without a solid backbone of theory, reduces the possibility that communicators can recognize warning signals and can adapt their messages to every different specific situation.

The *iter* of a correct theoretical analysis requires that practice studies test hypothesis and decide if case studies are supported by accepted theories. Three definitions of theory can help us to understand what it is and how we can usefully take advantage from it during a crisis management and communication process.

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| "A theory is a description of concepts and specification of the relationship between or among those concepts" (Baldwin, Perry and Moffitt, 2004). |
| "A theory is a set of interrelated constructs (concepts), definitions, and propositions that present a systematic view of phenomena by specifying relations among the variables, with the purpose of explaining and (or) predicting the phenomena. (Kerlinger, 1986). |

[26] J. T. Woods, *"Applied communication research: unbounded and for good reason".* Journal of Applied Communication Reserarch 28(2), p. 188-191.

[27] Timothy L. Sellnow, Matthew W. Seeger, *"Theorizing Crisis Communication",* Wiley-Blackwell, Oxford, 2013, p. 242.

"Theory is a tentative explanation invented to assist in understanding some small or large part of the "reality" around us. Ideally, theoretical concepts are measurable and propositions testable and therefore subject to refutation" (Donohew and Palmgreen, 2003).

Now we are going to explain the most interesting and utilized theories, including for each of them a short description of the theory itself, how it is related to crisis communication and its key principles.

*Systems Theory.* The basic assumption of this theory is that every organization or political party is "comprised of interdependent units that should work interdependently not independently"[28]. Every unit should work in symbiosis with the other that composes the interdependent system, otherwise the organization cannot work to its full potential. Acting independently in a given system can create an internal crisis and can, furthermore, limit the effectiveness of a crisis communication plan when the organization has to deal with a crisis. For example, if there is no communication between different offices of the same organization, decision-making departments can be deprived of some pieces of the story that may be essential.

The most important key principle of the systems theory regards hierarchical order: systems and subsystems are disposed in a hierarchy and each subsystem is linked horizontally and vertically with other subsystems. The department you decide to analyse is called *focal system*. Without linkage between systems and without a clear idea about what is your focal system, the approach to crisis can be a complete disaster.

The other important key principle is *permeability.* Every organization must have permeable boundaries, otherwise a lot of necessary information might

[28] A. Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 50.

never reach the individuals who need them in order to organize a collective action, a coordinated event or to fight a looming crisis. This disadvantageous eventuality leads to what is called "*silo effect*"[29], in which every subsystem works in complete autonomy without watching at the others, ignoring what the other side of its organization is doing, thinking or knowing.

The last characteristic is the so-called "*requisite variety*". Permeability is a necessary but not sufficient condition for having an efficient working organization. Communication may fail if the system is not well equipped to find out and fully understand information that come and go in the system. Requisite variety means that "each subsystem has to be complex and sophisticated as the relevant external environment"[30].

*Cultural Theory.* This theory is based on the assumption that a tendency called "organizational culture" exists and may influence the choices of a given company. Every organization, following this theory, has its own distinctive culture, which affects the process of internal communication and the way through which the organization acts during a crisis. Edgar Schein argued that "there is now abundant evidences that corporate culture affects corporate performance"[31]. There can be times in which a good an effective crisis communication plan may eventually fail because it is in contrast with the corporation's culture: if a plan is full of strategies that go against organizational values and beliefs, it may fail even with a well studied plan. A good crisis communication plan would fail if "it is not the way we do things here"[32].

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[29] Silos, on farm, are long tall structures that are used as repositories for grain. They are used in this metaphor because, in a field, they stand adjacent to one another but are not connected.

[30] A. Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 54.

[31] Edgar Schein, *The Corporate Culture Survival Guide: sense and nonsense about cultural change.* San Francisco: Joey-Bass, 1999, p. xiv.

[32] Francis Marra, *Crisis Communication Plans: Poor predictors of excellent crisis public relations",* Public Relations Review 24, no. 4, Winter 1998, p. 46.

Cultural theorists can be divided into two categories: functionalists and interpretivists.

Functionalists assume that corporation's culture is determined by communications from the top, influenced only by what is decided by administrators, CEO and so on.

Interpretivists, on the contrary, believe that the culture of an organization is not produced by managers and decision makers, but is the result of all communications that circulate in the offices and within organization's buildings. Obviously, every time a new employee becomes part of the organization, he begins to feel a sense of identification with the organization and its values and customs became also part of him, through a process of individual socialization called "metamorphosis stage".

*Classical Theory.* Developed since the dawn of twentieth century, this group of similar theories, are based on a single and shared conviction: every organization's behaviour can be better explained if we consider it as a machine, with employees considered as a vital part in the process that should led to the maximization of profits and success.

The leader of this stream of though is the already mentioned Frederick Taylor, who believed in what he called "scientific management", meaning the task to study organization's work in the same way that scientists study a natural phenomenon, in order to find the "one best way"[33] to achieve organization's objectives. This best way then will become the golden rule of the job's routine and decision makers have only the burden of communicating it to managers and employees, which work primarily for compensation and then for pleasure[34].

Regarding crisis management, there are two principles that link classical theory to crisis communication. First, considering that there is "one best way" to do a job, employees need to know what is. In a nutshell, they need to know the

[33] A. Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 59.

[34] Ibidem.

organizational procedures. The consequent result of a uninformed team of workers can absolutely be a crisis.

Second, the application of these scientific rules should led to the indication of who is responsible for what. In all the three phases of crisis communication, "is it essential to know who does what and who should know that"[35].

As already mentioned, the key principle of classical theory is that workers are lazy: Taylor described this unhappy situation as natural and systematic soldiering.

Natural soldiering refers to the individual's propensity to work slowly, while systematic soldiering arises when new employees are enticed to work slowly by older clerks, which fear the phenomenon of "rate busters".

Crisis communication in classical theory follows the so-called "scalar chain", going from the highest authority to the lower levels in a model of downward communication. When something goes wrong in this scalar chain, "information at lower lever that could eliminate crises remains at these lower levels"[36].

*Human Resources Theory.* The crucial point of this interesting theory starts from the very opposite assumption of Classical Theory. HR theorists firmly believe that employees are not lazy but, on the contrary, they are happy to work if they feel their voice is respected and the right responsibilities are given to them. The key is to make employees parts of decision-making process, make them believe that they are precious resources in the organization's everyday life. So organizations need to "create upward channels for communication and develop respect for informal network"[37], which is a natural, resilient and very accurate type of communication. Being followers of HR theory, parties and

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[35] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 60

[36] ivi pag. 61

[37] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 64

organizations can be helped by their internal resources to increase their performance and to avoid crises.

*Chaos Theory.* This theory derives from an intuition of Edward Lorenz, professor at the Massachussets Institute of Technology, which believes that every event, that seems to be unrelated to others phenomena, is part of a collective drawing of reality. Shortly, chaos theory states that "appearance of random chaos is illusory"[38], something very similar to what is know all over the world as "butterfly effect": every activity has the potential to influence and affect the rest of activities.

Chaos theory suggests that a crisis can be a cyclical state in a sort of internal and external renewal, instead of the old conception of a crisis as a terrible event.[39]

*Critical Theory.* Critical theorists argue that communication can be a double-edged sword: a misuse in internal communication can led to unhappy workers and unsatisfactory performances.

The key phrase "*manufactured consent*" express the case in which decision makers subjugate workers with their ideological communications, make them take wrong decisions.

This process can create problems in detecting problems and can make crisis communicator's work very hard.

Stanley Deetz, analysing Critical Theory, developed a sub-theory called "*multiple stakeholder theory*"[40] *:* every organization should consider its employees as stakeholders, in order to create a workplace democracy in which every single part of the organizational machine is an active mechanism of the

[38] ivi, p. 65

[39] Sellnow and Seeger, "*Exloring the Boundaries of Crisis Communication*".

[40] Stanley Deetz, *"Democracy in an age of corporal colonization: Developments in communication and the politics of everyday life" (*Albany: State University of New York Press, 1992) and "*Transforming communication, transforming business" (*Cresskill: Hampton Press, 1995).

"*concertive control*"[41], working together as a team for the best of the organization itself.

*Communication Theory.* As it was for crisis and its difficult definition, also communication can be misunderstood. Communication is not synonymous of understanding and is not the same thing as new technology.

Communication can be defined in two different ways: a transmission perspective and a constitutive definition.

Transmission communication is the classical act of transporting a given message from the sender A to the receiver B. The constitutive prospective does not intend communication as a mere transport of information, but considers communication as the base for behaviours that makes organization an evolving concept.

These premises led us to the linking point between communication theory and crisis communication. First, from a transmission perspective, every information must reach stakeholders and they must have the possibility to respond[42]. Communication is *receiver centered* and a *non-linear process*, because without the possibility for B to respond communication would be unclear and useless. Second, from a constitutive perspective, streams of communication may affect and alter the nature of organization itself, considering also that communication is an irreversible phenomenon, because a received message, also inadvertently, cannot be eradicated, and that also non-verbal communication is a vital part of the process.

Remember that you do not have to confuse these theories with another type of theories, such as "Image Restoration Theory", "Apologia theory" or

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[41] Philip Tompkins and George Cheney, "*Communication and unobtrusive Control in Contemporary Organizations". Organizational communication: Traditional themes and new directions,* ec. R.D. McPhee and P. Tompkins (Newbury Park, CA: Sage, 1986), pp. 170-210.

[42] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 70

"Situational Crisis Communication Theory", which are practical ways to respond to an erupting crisis. This set of theories will be analysed in the next chapter.

### *1.3 The crisis communication today, including new media and global world.*

Globalization and the overwhelming rise of social media communication are changing the world of communication. What will be the future of crisis communication in time of deep structural change?

The world in which we live in has completely changed over the past decades, in almost every aspect of life. For what is inherent to communication, it is quite obvious that the options available for an effective plan of sending and receiving messages have found new lines of expansion through media. I do not mean that every old technology will be completely replaced, but it seems unavoidable that these new additional media cannot be ignored anymore. Communicators always need a "plan B", because technology can fail and there are crisis situation in which, for example, electricity could stop functioning for a prolonged time and being unready to face a crisis with traditional media may open the field to your opponents . But a "plan A" without an online strategy is completely foolish.

Internet, with social networks and blogs, represent both a threat and an opportunity for organizations and crisis communicators. Paul has found that people, when dealing with a crisis, prefer interactive sources to static sources[43]. New media are an opportunity because they offer an immediate way to communicate and to receive people's feedbacks: an effective use of social media is the most powerful way to control public perception on your company. Moreover, you can also engage an advantageous face-to-face dialogue with your enemy. New media offer the chance to build communication channels without being involved in traditional media's authority. But social-media can also be a terrible threat because now it is impossible to control all the news that surf the web every minute. Organizations have to deal with new realities, such as

[43] M. J. Paul, "*Interactive disaster communication on the Internet: a content analysis of sixty-four disaster relief home pages*". Journalism and Mass Communication Quarterfly, 78: p. 793-753.

hackers, who can shut down websites and publish in the name of someone else. Reporters Robert Faturechi and Andrew Blankstein, working in turbulent situations, stated that "twitter and other social media have made it much easier to mobilize large crowds quickly. Some police departments are beginning to assign officers to monitor Facebook, Twitter and other sites […] to understand how social media work"[44]. In recent time we have witnessed the so called "Arab Spring", which proved that "there is nothing powerful as an idea whose time has come to be poster or tweeted"[45].

In 2010, the most utilized tool by crisis communicators in the new world of online news were YouTube, Twitter and Facebook[46]

The most important innovation created by the Internet has been the facilitation of bi-directional communication. Organizations, nonetheless, are doing a very poor job in learning to use these new media. Many people describe the phenomenon of interaction between common people and institutions as "new journalism", but it is an incorrect definition. When a political leader is under attack by a newspaper, crisis communicators can be sure that what was written follows certain rules that they know how to fight. On the contrary, web attacks and cyber-crises are similar to unchecked rumors and once they get to the web it is impossible to control them. Obviously, if these news are false or defamatory, you can have legal recourse. But this solution may not avoid an huge damage for your company or leader. As Ramon DeLeon, social-media expert and marketer, stated: "The only way to put out a social-media fire is with social-media water". You have to react, using your skills to fix the situation, monitoring what happens on the key media outlets 24/7, carefully recognizing warning signals of an attack, spending almost all the time online to follow

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[44] Robert Faturechi and Andrew Blankstein, *"The Game's Tweet leaves Police asking how to call foul",* Los Angeles Times, August 16, 2011.

[45] Steven Fink, *"Crisis Communication. The definitive guide to managing the message".* McGraw-Hill Education, 2013, p. 76.

[46] Kathleen Fearn-Banks, *"Crisis Communications". A casebook approach.* Routledge, New York, 2011, p. 55.

everything possibly related[47]. The basic difference between traditional media and social media is the speed with which communication (and misinformation) spreads among the audience. For this reason it is important to keep in mind a very useful "to do" list, schematized by Kathleen Fearn-Banks in her book "Crisis Communications. A Casebook Approach":

- Know your subject well.
- Know your public(s)
- What is the best method of communication? Which social media should be used?
- Don't forget ancient tools.
- Monitor social media to see what is being said about your subjects and who is communicating.
- When you begin to write, have the reader in mind.
- Think before you write.
- Adopt a style.
- Make sure everything is accurate.
- Make sure everything is clearly understood.
- Be brief.
- Watch noun/pronoun agreement.
- Do not use redundancies.
- Do not use emoticons in business communications.
- Do use legitimate abbreviations.
- Do not rely on your spell-checker.
- Edit and proofread.

[47] There are many agencies which provides this kind of service for oganizations and parties. Two of the most important subjects in reputational monitoring services are BrandProtect and Risdall.com

Online communications follow new ground rules. Information must be open, available and instant[48]: there is no space for "wait and see" strategy. Another important point is transparency: the web doesn't forget every single word you should have said in your communication history, so the need for sincerity is essential.

Today the public uses the Internet to break the wall of your defensive lines by also exploiting private lives and errors, and with so many web users it is possible that when you are informed of a serious threat, the damage is already done. A common mistake in this situation is to believe that, in the middle of a crisis, bloggers are the last thing to be worried about: if you decide to put them in a corner, to deal with them when the emergency will be over, they will make the crisis even sharper. Bloggers are the new investigative reporters[49] but, as I said before, they are more dangerous than journalists because they don't follow the same rules as official journalists.

As innovation led by social networks, also globalization in communication processes is changing our ways to deal with a crisis.

Globalization has increased our perception of crisis, enlarging it until embracing all the world: today a financial crisis in the United States of America is perceived as a crisis with enormous dangerous effects on our domestic system. Another example was a crisis erupted in the food industry in 2008: an huge quantity of milk tainted with artificially inflated levels of protein supplement melanine was imported in Europe and in the United States and had disruptive effect for children all over the world.[50] For these reason it is vital that every government, every organization and every political party is always ready

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[48] Peter F. Anthonissen, "*Crisis Communication. Practical PR strategies for reputation management and company survival."*Kogan Page, 2012, p. 174.

[49] Peter F. Anthonissen, "*Crisis Communication. Practical PR strategies for reputation management and company survival."*Kogan Page, 2012, p. 171.

[50] R. R. Ulmer, T. L. Sellnow, M. W. Seeger, *"Effective crisis communication. Moving from crisis to opportunity",* Sage Publications Inc, 2013, p. 13.

to deal with a crisis and to communicate with a large spectrum of different audiences.

Briefly analysing globalization, we have to underline that its evolution is influencing communication in two ways. Firstly, because crisis news are inevitably going to move faster year after year[51]. Secondly, because in this interconnected world, full of migratory movements and with an increasing mobility, every single crisis has to be resolved in a multicultural context[52]

Understanding social change is an essential step in communicating today. One of the new keywords on the ground must be "efficiency"[53]: communication can not longer be a rational process based on abstract theory, but it has to understand interactions between multicultural agents and try to identify what are the most important things for people and organization at any given time.

Given this slot of information, also writing a crisis communication plan becomes a way to introduce organizations in a constructive dialogue with multicultural and different groups.

This paragraph could go on and on, because of the infinite iceberg made up by social networking. If you are a crisis communicator you have to "make your voice and your story heard"[54]: your "likers" must be considered as possible assets to your arsenal in every crisis war. Remember also that perception is vital: in circumstances in which you think you are right, if the audience thinks that you are wrong, then you are totally wrong. In the next chapter we will see how to practically manage a crisis through monitoring and responding via social network.

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[51] Jesper Falkheimer & Mats Heide, *"Crisis Communication in a New World. Reaching Multicultural Publics through old and new media".* Nordicom Review 30 (2009) 1, pp. 55-65.

[52] ibidem

[53] L. Guazina, K. M. Belisàrio, *"Rethinking communication planning in times of globalization and social changes",* Colloque mondialisation des èchanges, communication de crise et relations publiques. Luxembourg, 6/10/2011.

[54] Steven Fink, *"Crisis Communication. The definitive guide to managing the message".* McGraw-Hill Education, 2013, p. 94.

# II CHAPTER. OUTLINE FOR AN ONGOING APPROACH TO CRISIS COMMUNICATION

### *2.1Different contexts, different approaches?*

New researchers and communicators see crises as complex phenomena, which requires the full comprehension of the context in which they develop and explode. No crisis is the same as previous ones, each is unique, so there is not a standard solution for communication challenges. Each crisis is the result of an incalculable series of variables, of combinations of events and results.

Among the key variables that make each crisis *unique*, the most important is the context of application: a political crisis is different from an economic crisis, as well as an environmental crisis is different from an internal staff crisis.

In the next chapters we will deal with two different types of crises: political and economic. In this section we will analyse the main differences between strategies of crisis management and communication in these two fields of application. To highlight the differences between economic crises and political ones, it is necessary to focus attention on the variables that make the processes of crisis management different.

I chose to emphasize four variables:

a) Audiences

b) Timing and media coverage

c) Liability and risk implications

d) Trust and sympathy toward Organizations.

*Audiences.* The common goal of every crisis communication process is public welfare and not the promotion of its own business. The public, moreover, is the key indicator of the success or failure of a communication campaign: public perception must be the central priority in every communication strategy, in order to protect organization’s interests and reputation.

A crisis communication strategy is effective when it is audience-based, that is when communicators have an in-depth understanding of the public, considering their needs, their wishes and their perception of the crisis. Being aware of those audiences with particular needs (migrants, foreign workers, disabled), linked to the trust in the organization's institutions, are other important advantageous points.[55] When a crisis occurs, audiences increase their attention and listeners are more receptive and continually searching for information.

In the case of companies, the target of the crisis communication strategies are all customers, both existing ones than potential, within the market sector in which the affected company operates. The goal is to avoid to lose the trust of customers, convincing them to believe in the company's reputation and to continue to purchase products and services.

The extent of the target depends on the type of company analysed. For example, a make-up and cosmetic company should address its communication towards a female public, between 16 and 60 years old. A company that, however, produces football shoes has to worry about men aged 12 to 50 years.

A party or a political leader facing a crisis, has to convince voters that in the future other errors will not be committed, and that, by voting for their side, the benefits would still be superior to all other alternatives. In this case the target is broader, covering all men and women aged 18 years or more.

The difficulty in resolving a political crisis starts exactly from here: being able to include very different people, convincing the retired housewife and the young powerful manager with the same strategy of crisis management.

*Timing and media coverage.* These two related concepts are important variables in a crisis communication planning. Timing is "the skill or action of judging the right moment in a situation or activity at which to do something" or

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[55] Perry, D.C., Taylor, M. & Doerfel, M. (2003) Internet based communication in crisis management. *Management Communication Quarterly*, 17, 206–233. Recovered in Z. Reich, M. Bentman, O. Jackman – "*A Crisis communication guide for public organizations",* Developing the crisis communication scorecard. Crisis Communication Scorecard, on http://www.crisiscommunication.fi/criscomscore/.

"the time at which something happens or is planned to happen, or to the length of time that something takes"[56]. For any organization, the duty to communicate in the immediate aftermath of a negative event is more than fundamental, is almost vital, in order to maintain and develop a positive relationship with publics.

In particular, the first hour after a crisis hits is called "the golden hour", during which communicators have to organize remedial actions, putting into practice what is stated by organization's crisis plan (if there is one, obviously). After this hour, if nothing has been communicated, media will ignore official positions, trying to capture some information from other sources, damaging the organization's image, transparency and credibility: this scenario would be a sort of an intentional suicide. Concerning media coverage, it is important to identify the most powerful channels through which establish a contact with your audiences. In order to satisfy this need, organizations must analyse media consumption in good times and elaborate different messages according to the characteristics of different channels of communication. When a company is facing an economic crisis, the amount of time available depends on the severity of the damage, the presence of victims or the possibility of an environmental emergency. If, for example, there is the need to withdraw a product from the market (due to manufacturing defects or health risks for customers), the company must act in a time frame that can be more than a week.

In the case of politics, however, the time can by very tight. Consider the case of the "Monte dei Paschi di Siena scandal"[57] in Italy, which involved the Democratic Party. The scandal, the first signs of which began on January 17th 2013, officially broke out a few days later, on January 22nd 2013. The ex leader

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[56] Definitions extracted by the Collins American Dictionary on http://www.collinsdictionary.com/

[57] The scandali is well described by Naomi Rovnick in her article "*The world's oldest bank admits dodgy derivatives trades, fleeing depositors and a mysterious death caused "reputational damage"*, published online on March 31, 2013 on http://qz.com/69214/the-worlds-oldest-bank-admits-dodgy-derivatives-trades-fleeing-depositors-and-a-mysterious-death-caused-reputational-damage/

of the Democratic Party, Pier Luigi Bersani, had to put the issue in his electoral speeches, in particular denying any responsibility at Albano Laziale (RM), where he stood on January 23rd for a speech ahead of the elections of the following month. This example shows us how much it is necessary, in politics more than in economics, to be rapid in the execution of any crisis management strategy and communication.

On the other hand, regarding media and the different channels of information, the difference between different contexts of application is thinner and less important, but still deserves to be discussed. Political crises, contrary to economic ones, have a very wide media coverage, involving television, newspapers (both printed and online) and, above all, social networks, where the tam-tam among users can unleash lethal effects. The economic crises, unless they have caused victims, usually do not appear on the first pages, even in the day following the incident. This allows economic crisis communicators to be able to handle the emergency without any spotlight pointed on their case. Definitely an advantage that political communicators, unfortunately, do not enjoy.

*Liability and risk implications.* Every time a crisis erupts, people immediately want to know who was in charge of avoiding the damage and who has responsibilities for what happened. As already said, there is a distinction, made by Institute of Public Relations, between little, low and high responsibility crises.

There are crises, such as natural disasters, in which no one can be considered responsible for damages or victims. Other times, on the contrary, organizations are fully liable of economic, human or reputational losses.

There are crises with low risks, for example the Oscar Giannino's case, in which no life are in danger and no economic crack is expected and, on the other hand, crises with high risks, like the Costa Concordia's case, in which human losses cause pain and angry among affected people and their relatives.

In this case, the difference between economics and politics is less marked: people can suffer serious damage from both types of crisis. Generally, however, we can say that economic crisis are those who, more often, that cause direct loss to people, while those in politics affect people only indirectly and in a wider span of time. This implies that coping with an economic crisis, in addition to any assumption of responsibility, involves a broader range of action: compensations, adjustment of prices, dismissal of employees and direct attacks from affected people and stakeholders. A political crisis, however, can be resolved through press conferences, press releases and, in more serious cases, the removal of those responsible for the harmful actions.

*Trust and sympathy toward Organizations.* Last thing that remains to analyse is the relationship between organizations and people who are connected to them.

There is, of course, a big difference between a company's customers, whether it is a small size company or a multinational corporation, and the voters of a party, which live the relationship with it in a totally different way.

A company's customer is attracted by several factors, such as market competitiveness and the attention to its own needs. In today's market, we can find different types of customers, from the most loyal to the most occasional, which is attracted only by the convenience of the price and offers.

The delicate issue of customer's loyalty is important because "is the primary source of company's revenues, but customer's loyalty is the result of a prolonged action in time, made by the company. The customer relationship evolves over time and if not revitalized, will tend to degenerate until you get to the abandonment of the company"[58]. New flows of information and rapid changes in society have actually created "a different type of consumer that did not exist before, which is much more sophisticated, knowledgeable, autonomously moves on the internet to gather all the details of all the products

[58] A. Farchione, *"PMI – Il mensile della piccola e media impresa"*, IPSOA Editore, n. 4, Aprile 2012.

and services they need."[59] Obviously, the possibility of customer loyalty depends also from the type of company, because not every kind of commercial activity can ensure the same degree of contact with clients: contacts "company-customer" most frequently occur in the telecommunications sector (68.9%), public services (62%) and financial services/insurance (54.3% ), whereas poor are the contacts between customers and Fast-Moving Consumer Goods companies (15.2%)[60].

What happens to the relationship between customer and company when it faces a crisis?

Customers are scared by negative facts and possibly, if there are stakeholders, they might lose their money and cannot be able to afford new payments or purchases. The relationship, in the aftermath of a crisis, can suffer from a definitely rupture, leaving the company struggling with a crisis and with an huge loss of customers.

Politics is different. There is maybe less rationality in approaching political parties, especially close to an election. The approach to an electoral party can be individual and rational, in the case in which "citizens act rationally in politics [...] and he or she will vote for the party that will provide a greater share of benefits compared to others"[61].

Or, conversely, a voter can act in a collective manner, when "he feels part of a collective entity capable of determining the future, and work to ensure that this community is stable and lasting"[62], and irrationally, when he put the loyalty to a party before its own self-interest. In this case we speak of "loyal voters" which consists of the "testimony of belonging, [...] the assertion of a subjective identification with a political force that he believed to have an organic

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59 R. Fontana, *"Con la multicanalità tra azienda e consumatore si crea un rapporto bidirezionale"*, published on www.adnkronos.it on January 21, 2013.

60 Report by Customer Management Multimedia Competence, department of Customer Relation Management, available at www.club-cmmc.it/aziende/rapporto%20CIRM.doc

61 A. Downs, "*An Economic Theory of Democracy*", 1957, New York: Harper & Row. p. 45.

62 A. Pizzorno, "*Le radici della politica assoluta e altri saggi*", Feltrinelli editore, 1994, p. 174.

relationship of identification with their social group, rather than a simple institutional representation"[63]. To sum up, rational voters are moved by reason, loyal voters, on the opposite, are moved by emotional feelings.

How can these differences influence crisis communication strategy?

When we talk about the relationship between customer and company, the communication strategy for resolving a crisis must pay attention to every detail, and communicators must be able to avoid any damage to the thread that links the two parties involved. It is likely that the company will suffers, however, from a loss of market share, but a good strategy of crisis management and communication can, without any doubt, minimize the damage.

Regarding the relationship between voters and a party, we must distinguish between the two cases explained above. Rational/individual voters are highly affected by the mistakes and crises concerning their party: in this kind of situation you must make use of all the necessary energies to prevent any losses in terms of endorsement.

On the contrary, loyal voters are absolutely reluctant to weaken their relations with the party or its leader because of a crisis, and the crisis strategy against them may be very mild, being conscious of the fact that for no reason at all, their support for the party will be lower or lost.

### *2.2Planning for crises: how to prepare for an inevitable crises and how to find warning signals.*

*"Prevention, then, versus reaction, is the ultimate key to successful crisis communication"*

*Chris Skinner and Gary Mersham*

This sentence, pronounced by two experts on crisis communication, highlights the importance of always being prepared for the possibility of a

[63] A. Parisi, G. Pasquino, "*Continuità e mutamento elettorale in Italia,* Bologna, Il Mulino, 1977, p. 224

negative event that could damage the reputation of an organization. Be prepared for the possibility of a negative event is crucial to survival. For this reason, every organization has to train all of its employees or affiliates facing a crisis in the best way, studying the most suitable strategy and avoid repeating the same mistakes of the past. In fact, it is now clear that people look at the crisis through the lens of their own past experiences[64].

The process of crisis prevention, known also as mitigation, is made up by three main components, precisely (1) scanning[65] (2) changing and (3) monitoring[66].

First of all, each organization must scan all sources of information related to it for changes, trends, events and emerging social and political issues. All this information will then be used to direct the decision-making and crisis management processes[67]. Once you have gathered the information, start the process of content analysis, interviews, surveys, focus groups and informal contacts[68] to always be aware of what is happening inside and outside the organization.

The second step in the process of prevention is the elimination, within the organization, all of those risk factors that can lead to the explosion of a crisis, and the resolution of outbreaks, the so-called warning signs, before they worsen. After the changing phase, the third concerns "monitoring", without which the crisis managers might not know if the changes made in the changing stage have brought the desired results. It is a common mistake to think that all

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[64] M. W. Seeger, T. L. Sellnow, R.R Ulmer, *"Communication and organizational crisis",* Westport, CT: Pragere, p. 18.

[65] W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 29.

[66] W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 50.

[67] C. U. Lauzen, "*Toward a model of environmental scanning".* Published on the Journal of Public Relations Research, 7(3), pp. 187-204.

[68] W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 37.

the changes will lead to better conditions than before: there are changes that are revealed ineffective, while others may even undermine the stability of the organization and lead to disastrous results. So, it is the review process that determines the effectiveness of the changes and, eventually, the need for subsequent changes[69].

Obviously, crisis communication is a vital part of these processes. It is due to intra-organizational communication processes that crisis managers can understand what must be changed, by involving those people connected to organization's life and activities.

During the communication process the general public incorporates and internalizes new information, adapting themselves to change.

Thanks to the communicative processes, during the monitoring phase, there may be a link between the various sectors of the organization, while receiving feedback, positive or negative, from the external society.

Every organization suffers from specific "vulnerabilities"[70], different from subject to subject. These vulnerabilities are inherent in the very nature of the organization and, for this reason, can not be eliminated in the process of changing and monitoring. The greater the vulnerability, the higher the risk of a crisis. The two variables that influence the risk assessment are likelihood of occurrence, which is the possibility that the negative event to happen, and severity of damage, that is the amount of damage that any crisis can bring with it[71].

One of the possible applications of these concepts is a sort of rating proposed by Steven Fink: likelihood and severity of damage are assigned a score on a scale from 1 to 10, and the result is defined "crisis vulnerability score"[72]. "The

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[69] T. C. Pauchant, I. I. Mitroff, *"Transforming the crisis-prone organization: Preventing individual, organizational, and environmental tragedies"*, San Francisco: Joey-Bass, 1992.

[70] S. Fink, "*Crisis management: Planning for the inevitable",* New York, Amacom, 1986.

[71] W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 64.

[72] S. Fink, "*Crisis management: Planning for the inevitable",* New York, Amacom, 1986.

higher the score, the greater the potential damage"[73].

Once identified the type of crisis and its level of danger, it is necessary to endow the organization of a Crisis Management and Communication Plan.

This plan aims to (1) reduce the possibility of a crisis, (2) make communication faster and more effectively if a crisis hits the organization, (3) to limit the damage caused by crisis condition to the organization[74].

*What a good crisis plan provides?*

- communicating the right message;
- at the right time;
- to the right people.

*What should be the elements of the plan?*

- the right message;
- to whom that message should be told;
- who should tell it;
- the right time to tell it[75].

It is important to emphasize that the adoption of a crisis plan is not enough to feel on the safe side: the plan must be revised and updated weekly and should be "tested" through periodic simulations and exercises.

Furthermore, on a communicate level it is important that all employees of an organization are always kept informed about what is happening in the crisis management strategies of their organization, the development of crisis management plans and the "state of health" of organization’s activities. Internal communication is fundamental in crisis management and communication

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[73] L. Barton, *“Crisis in organization II (2nd ed.),* Cincinnati, OH: College Divisions South-Western, 2001.

[74] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 60

[75] Nick Leighton, Tony Shelton, *“Proactive crisis communication planning”,* in “*Crisis Communication. Practical PR strategies for reputation management and company survival”* edited by Peter F. Anthonissen, Kogan Page, London, p. 32.

processes. For this type of communication, purely intra-organizational, it is necessary to have a connection to the intranet, which is like the Internet, but restricted to the members of a group. Only these members can have access to online services on the intranet, which become one of the fundamental features to deal with crises.

Another very useful method of communication in times of crisis is the so called “upward network”[76]: horizontal communication in a upward way allows managers to receive important feedback on the actions and messages previously sent to employees. Sharing of information among colleagues is essential to connect the different areas of the same organization and make people work in the same direction.

Unfortunately, most of the organizations do not use this kind of network, preferring old methods of bottom down communication, which ignores thoughts and impressions from the basis.

*Inoculation Theory.* One of the most important theory on prevention within the organization was developed by William McGuire in the 1962, the so-called “Inoculation Theory”. McGuire assumed that "one can prevent attitude changes by subjecting receivers to a counter-attitudinal and rebutting that argument proactively"[77]. The idea of inoculation takes its roots from the medical and health care sector. In some cases of epidemic diseases, the patients are vaccinated through inoculation, precisely, of small quantities of viruses of the same disease, so as to develop slowly, antibodies that will serve in case of later infection. Similarly, in the field of crisis communication, all the people who may be subject to different types of crisis, are "bombed" by a series of negative messages, so as to prepare for a possible real damage. These messages are called "refutational-same pre-treatments" and contain "the very specific

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[76] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 82.

[77] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 88.

counterarguments refuted in the messages that can be anticipated later in real attacks"[78].

To better explain the process of inoculation, it will be useful to describe its application in politics. In the U.S. presidential election of 1988 between Republican George Herbert Walker Bush and Democrat Michael Dukais was tested for effectiveness of preventive messages to combat the negative images that each candidate tried to spread about his opponent and his political positions. During the last week before the election, 314 proactive voters were contacted and subjected to pre-attacks against their candidate.

The results showed that the inoculation led to better results than the simple post-crisis reaction, especially in the voters with a high identification with the party. This study, along with an earlier one of 1986, has provided evidence that the inoculation theory provides "a viable approach for Candidates to deflect the persuasiveness of political attack messages”[79].

In sum, the inoculation theory aims to strengthen the defences of a party or of a company through the construction of attitudes and behaviours in the eventuality of crisis. In order for the inoculation theory to be effective it needs a fake threat to be imposed from the outside, so as to make all the people vigilant and prepared. Moreover, despite the validity of the theory has been demonstrated by several numbers of studies, including that of Pfau cited as an example, it is necessary to continue to develop new approaches and case studies to ensure to the inoculation theory a conclusive scientific value.

*How to build a crisis communication team?* The last part of this section attempts to describe the more delicate process within the strategy of crisis prevention. The task of building a crisis management and communication team and to select and train all the people involved, spokesman included, can

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78 Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 89.

79 John M. Pfau, Henry C. Kensky, “*Attack politics: Strategy and defense”*. New York, Praeger, 1990, p. 160.

determine the success or failure of every strategy. The double purpose of a CMT is to plan for potential responses to the crisis and face, possibly with success, those who will come. In order to successfully complete their mission, the CMT must carry out five specific tasks:

1. Identify the crisis threats the organization is facing.
2. Develop the crisis management plan.
3. Lead training in the area of crisis management.
4. Manage a crisis when one occurs.
5. Lead the post-crisis evaluation so that learning can occur[80].

The Crisis Management Team is considered as the "nerve centre of the crisis management process"[81]. It is useful to explain what features should have its components, so that the work of crisis management and communication to be effective[82].

*Ability to work in a Team Environment.* CMT members must be good at working in a group that shares the same goals, leaving aside any individuality. Individually, in fact, we are not able to comprehensively understand in advance what can go wrong.

*Ability to Think under pressure.* CMT members should have a positive relationship with stress. Some people suffer from pressure in stressful moments of their work, while others do their best when they are motivated by an important responsibility.

*Ambiguity tolerance.* In times of crisis, decision makers do not always have enough information to take decisions of great importance. CMT members must be prepared to develop effective strategies even when not all the gaps are filled.

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[80] W. R. Crandall, J. A. Parnell, J. E. Spillan, "*Crisis Management. Leading in the new strategy landscape". Sage Publications Inc., 2014, p. 109.

[81] D. Gilpin, P. Murphy, *"Crisis management in a complex world",* New York, Oxford University Press, 2008, p. 134.

[82] The following list of features is taken from W. R. Crandall, J. A. Parnell, J. E. Spillan, "*Crisis Management. Leading in the new strategy landscape".* Sage Publications Inc., 2014, p. 111.

*Good listening skills.* CMT members should be able to listen to the instructions of their superiors and the stories of the victims of the crisis, trying to understand their needs and transforming them into practical actions.

*Verbal skills.* CMT members must possess the ability to speak well within the group and in front of the public. Understanding their colleagues during the preparation of crisis management strategies and communication is vital to the success of a plan, as it is important to know how to communicate their work to the media and general public.

*Critical thinking skills.* Last but not least, it is important that the CMT members have the capacity to analyse problems and evaluate all the alternatives, examining the pros and cons of each of the options on the field.

*Problems*. Despite the skills of Crisis Management Team's members, each group may run into moments of tension that must be recognized and avoided. Alan Jay Zaremba divides these moments in two different types: primary and secondary conflicts[83].

Primary conflict refers to problems that arise *before* the group starts to working together, because of personal rivalries, negative past experiences, excessive personal ambitions and so on.

The secondary conflict, however, are divided into four areas: procedural, equity, affective and substantive tensions.

Procedural conflicts relate to different positions within the group, specifically regarding operational modalities to reach an objective.

Equity conflicts relate to the perception of inequality among the members of the group, that is, when some people have too much power or, conversely, someone else suffers from lack of consideration.

Affective conflict, instead, refers to dislikes and difficulties in cooperation between members of the group, while the substantive conflict is a clash on the choices to take on the most delicate issues.

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83 Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 167

Just in relation to conflicts, Gary Kreps showed how these could be both negative and positive. Due to conflicts, it is possible to (1) pull off more creativity, facilitating problem-solving process, (2) share different positions, increasing the amount of information possessed by the group in order to arrive, eventually, to a shared positions and (3) through clashes and the interventions of the "devil's advocate" to test the actual strength and resistance to criticism of the strategy adopted at the end of the process[84].

Another problem that can arise is the so-called "Asch Effect," from the name of its theoretician Solomon Asch. According to this theory, people who work in a group can be brought to accept positions that do not really share, for the mere desire to be accepted by others and to conform within the group itself.

*Solutions.* To overcome the problems listed above, and in order to reach effective decisions to be communicated both inside and outside, you can put into practice one of the following solutions.

The first is called "buzz groups". The working group is divided into many sub-groups that, at first, work separately. At the end of the first phase of discussions, the various sub-groups are combined in the previous macro-group and all the different conclusions are heard and put to scrutiny. This increases the participation and dramatically decreases inequality, coming to achieve a perfect balance of equity.

The second method of resolving conflict is the now famous "brainstorming." A brainstorming session is "an idea-generating intervention that involves the identification and recording of any and all ideas germane to the topic being discussed"[85]. Thanks to this process it is possible to increase participation, involving even the most shy group member, and prevent the stronger personalities from imposing their own ideas. To conclude the list of solution, just as it is necessary that the Crisis Plan is constantly updated, so it is

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84 Gary Kreps, "*Organizational Communication",* 2d. ed., New York, Longman, 1990, pp. 191-192.

85 Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 178

important that the members of the crisis management team are subjected to exercises and training courses. A 2006 survey[86] shows that 80% of managers and crisis communicators have learned the techniques of crisis resolution directly on the field. This means that only 20% studied and has been prepared before facing a real emergency. The ideal solution consist in an update task that goes from a simple revisions of the Crisis Plan to real exercises assigned to various team members, which can help in the understanding of risk and in the ability to put into practice efficient anti-crisis moves.

*Select and training the spokesperson.* The spokesperson is the person responsible for speaking on behalf of the organization before, during and after a crisis. His role, as it easy to guess, it is very delicate, because an unprepared spokesperson with few ability to interact with the media may aggravate the situation, itself already in danger, of his company or his party.

The main task of a spokesman is to receive the message produced by the crisis managers and spread it through the media or during press conferences. It is advisable to have more than one person assigned to communication: in this case organizations should rely on multiple spokespersons. The simultaneous presence of more than one spokesperson must not be seen as a problem of coherence in the transmission of the message but, on the contrary, as a great advantage. Primarily because with one spokesperson it is impossible to have a 24/7 coverage, and secondly because working as a team, the different spokesperson can develop communication strategies more complex and effective, taking advantage of the diverse skills of everyone.

The skills that a spokesperson must have are several and all equally important. First of all you must remember that the spokesman is part of the crisis management team: everything has already been said for them also applies to the spokesman who, in addition to the above mentioned skills, must be good

[86] PR News, 2006, 20 March, Retrieved April 20, 2006, from http://web.lexis-nexis.com/universe.

at handling stressful situations and keep relationships with media, listening to their needs and responding in a timely manner.

In spreading the message about the crisis situation he/she must be as accurate as possible[87], trying to think quickly to avoid appearing doubtful or uncertain[88].

The spokesperson must explain to the media why it was chosen a strategy rather than another, listing all the options taken into consideration and explaining which of them were reasonable and which were inappropriate. In situations where, at the end of the speech, there is a scheduled debate, the spokesperson must be extremely prepared to answer questions effectively and without mincing words. Not all questions will be precise and clear. When the spokesperson will face extremely long questions, it will be helpful to ask the interviewer to "break up" the different issues presented in the question. This will make easier to communicate all the important parts of the message, making sure that the listeners understand everything and do not being distracted.

If the spokesperson does not know the answer, he should admit his ignorance without problems, but he must promise to respond in a comprehensive way as soon as he come into possession of the necessary information[89]. When it is possible, the spokesperson should study in advance its audience and use this knowledge to his advantage: knowing the tastes of the public, he may decide what style of communication use, reduce stress and anticipate possible inconvenient questions.

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87 T. H. Mitchell, *"Coping with a corporate crisis."* Canadian business review, 13, 1986, pp. 17-20.

88 J. V. Trahan, *"Media relations in the eye of the storm"*, Public relation quarterly, 38(2), 1993, pp. 31-33.

89 C. J. Stewart, W. B. Cash, *"Interviewing: Principles and practices",* 8th. Ed., Dubuque, IA: William C. Brown, 1997.

If the spokesperson does not speak the language of the country in which he have to tackle the crisis and therefore does not understand the questions, the company or the party may start the match with a big disadvantage[90].

The list of skills required to spokesman was compiled by several authors, including Katz[91], Lukaszewski[92] and Pines[93]. In the list of "to do" and "not to do" the most important points are:

- Be truthful;
- Never say "No Comment";
- Be concise, clear and cordial with reporters;
- Do not lose your temper;
- Correct misinformation in questions that are asked;
- Try to appear in control and concerned.

To appear in full control of the scene, the spokesperson should not underestimate body language. Communication style, in fact, may alter the original content of the message you want to convey[94].

The spokesperson should be attentive to eye contact with the audience or, in case of video interviews, always check the camera lens. Even the tone of voice and facial expressions can help you establish a good relationship with those who receive the message. For its part, the organization has a duty to prepare the spokesperson and address its main activities. Media training is one of the most sensitive aspects of the whole process: all the messages processed by the

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90 Steven Fink, *Crisis Management: Planning the Inevitable.* Cincinnati, Ohio: Authors Guild, 2000, p. 64.

91 A. R. Katz, *"10 steps to complete crisis planning",* Public Relations Journal, 43, 1987, pp. 46-47.

92 J. E. Lukaszewski, *"Anatomy of a crisis response".* Public Relations Journal, 43, 1987, pp. 45-47

93 W. L. Pines, *"How to handle a PR crisis: Five dos and five don'ts",* Public Relations Quarterly, 30(2), 1985, pp. 16-19.

94 W. T. Coombs, S. J. Holladay, Reasoned action in crsisis communication: An attribution Theory-based approach to crisis management. In D. P. Millar & R. L. Heath (Eds.), *"Responding to crisis: A rhetorical approach to crisis communication",* Mahwah, NJ: Lawrence Erlbaum, 2004, pp. 95-115.

crisis management team and communication must be "calibrated" differently depending on the means of information used and decision managers must establish who is the most ideal spokesperson for the different types of crises and target faced. In addition, it is important to translate complicated techno-jargon into laypersons' terms”[95].

*Opportunities to avoid crises.* In sum, organizations have several ways to avoid negative clashes and to be prepared, through learning, for every possible event in the future:

| | |
|---|---|
| **Opportunity 1** | Organizations should treat failure as an opportunity to recognize a potential crisis or to prevent a similar crisis in the future. |
| **Opportunity 2** | Organizations can avoid crises by learning from other organization’s failures and crises. |
| **Opportunity 3** | Organizational training and planning should emphasize the preservation of previous learning in order to make organizational memory a priority. |
| **Opportunity 4** | Organizations must be willing to unlearn outdated or ineffective procedures if they are to learn better crisis management strategies[96]. |

[95] Steven Fink, *Crisis Management: Planning the Inevitable.* Cincinnati, Ohio: Authors Guild, 2000, p. 67.

[96] R. R. Ulmer, T. L. Sellnow, M. W. Seeger, *“Effective crisis communication. Moving from crisis to opportunity”,* Sage Publications Inc, 2013, p. 182.

In the event that all the pre-crisis measures were not enough and the opportunity to avoid a crisis, some of which will be detailed in the section on post-crisis strategies, were not exploited, the crisis management team would be forced to face a real crisis in ways that now we are going to see.

### *2.3Responding to crises: what are the best ways to do this?*

After having composed and prepared the crisis management team, having written and perfected the crisis plan, and after having selected the spokesperson, it is time to analyse the reactions and strategies of crisis managers and communicators when a crisis hits. Once the organization has been hit, the crisis team should (a) avoid the spread of the state of emergency and (b) seek to limit the duration of negative events[97]. Strategies for crisis response, in this section, will be divided into "*form*" and "*content*" in order to facilitate understanding and increase the clarity of exposition within the text. *Form.* "Form" is how the crisis response messages are presented to the general public and the media, and "content" is what is being said.

The form, to be comprehensible and effective, must be "quick, consistent and open"[98]. Responding to the crisis quickly is crucial, especially in a globalized world where news travels at unimaginable speed. The more time passes since the crisis began to the first official responses, the greater the possibility that the damage is large and difficult to contain. But, at the same time, reacting quickly

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[97] I. I. Mitroff, "*Crisis management and environmentalism: A natural fit.*", California Management Review, 36(2), 1994, pp. 101-113.

[98] W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 128.

can cause errors and inaccuracies[99]. Communicators have to be quick and prepared to launch their own messages, but with lucidity and attention. The media, during a crisis, will try in every case to have some information to be shared with public: if the organization will adopt the strategy of silence and will not provide any official version, the media will take unverified news from other sources. Silence allows other person to be in control of the communication during crisis[100].

"Consistency" means to spread messages with strong contents, uniquely and coherently. No one should contradict anything said in public by the spokesperson, but that does not mean that there is only one person authorized to communicate with the outside world during the crisis. "Speaking with one voice"[101] means that all the people who spread messages regarding the crisis communication must do so as if they were one person, consistently and without contradiction.

"Openness" means (1) availability, (2) willingness to disclose and (3) honesty[102]. Availability means that the organization, through its spokesman, must always be ready to respond in a timely manner to requests from the media, the victims and stakeholders. Willingness to disclosure means that the organization must always give the impression of wanting to share their knowledges and information with general public, unless there are limits to public disclosure for legal reasons. Honesty means that communicators must be

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99 C.A.P. Smith, S.C. Hayne, *"Decision making under time pressure. An investigation of decision speed and decision quality of computer supported groups"*, Management Communication Quarterly, 11(1), 1997, pp. 97-126.

100 B. Brummet, "*Towards a theory of silence as a political strategy"*, Quarterly Journal of speech, 66, 1980, pp. 289-303.

101 W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 131.

102 W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 132.

as honest as possible, without ever lying, in a way to increase the confidence and credibility of the organization affected by the crisis.

*Content.* In the discussion on the content, I decided to rely on an interesting scheme proposed by W. Timothy Coombs in his book "*Ongoing Crisis Communication*". Before dealing with various practical strategies for resolving a crisis, Coombs cited three basic categories of actions, that include all the approaches to the resolution of a crisis. All strategies of crisis management and communication fall within these three main actions:

- Instructing info;
- Adjusting info;
- Reputation Management[103].

*Instructing info* relates to the information given to citizens and victim, in order to protect themselves physically from the crisis. Moreover, instructing info within an organization's plan for business continuity means managing the crisis in order to restore the ability of the business to continue activities after a crisis occurs[104].

*Adjusting info* helps people to deal psychologically with the crisis. Crisis communicators explain various kinds of corrective action, which stakeholders may decide to use in order to avoid any damage.

*Reputation Management* is based on several theories that effective communication can change the perception that general public has of an organization, facilitating the task of crisis communicators in the process of restoration of anti-crisis reputation.

*What media wants to know?* Before choosing a strategy to be adopted, among those listed by the major scholars which will be dealt with in the next

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103 W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 133.

104 W. R. Crandall, J. A. Parnell, J. E. Spillan, "*Crisis Management. Leading in the new strategy landscape".* Sage Publications Inc., 2014, p. 184.

paragraphs, every crisis communicators needs to know what are the questions that the media wants answers.

Kathleen Fearn-Banks, in her book "*Crisis Communication. A Casebook approach",* has analysed several cases of crisis and their solving processes, identifying questions always present in information campaigns promoted by various media, from television to blogs. The list that ensued, indicates the following questions:

- What happened?
- Were there any deaths or injuries?
- What is the extent of the damage?
- Is there a danger of future injures or damage?
- Why did it happen?
- Who or what is responsible?
- What is being done about it?
- When will it be over?
- Has it happened before?
- Were there any warning signs of the problem?[105]

If crisis communicators are immediately ready to respond to these questions, wasting time is the worst of strategies: immediate and precise answers diminish the thirst for news from the media and limit the damage.

If, however, not all of the necessary information is yet available, it is important to appear knowledgeable and helpful, assuring reporters that all questions will be answered as soon as possible. In a worst case scenario, crisis communicators may not be aware of the crisis when they are contacted by journalists. In this case, that should be avoided, crisis communicators can ask if they can call them back in a few minutes, admitting that it was not aware of what is going on and promising to call back when the situation will be clearer. To avoid such unpleasant situations, it is advisable to include communicators of

[105] Kathleen Fearn-Banks, *"Crisis Communications". A casebook approach.* Routledge, New York, 2011, p. 36.

crisis within the decision-making process, so that they are always aware of what is going on, any warning signs, and the outbreak of a crisis.

If communicators have immediate access to authority and, in the best of cases, they have a certain degree of authority, the process of resolution of the crisis should be greatly facilitate[106].

*Strategies.* Once having clarified the key points to include in a crisis communication strategy and once having understood the questions that must always be taken into account, it is now possible to list and describe the different possible approaches when dealing with a crisis situation.

The main objective of crisis communicators is to prevent damage to the organization, acting on the perception of its reputation among its public. The image restoration theory, first developed by William Benoit[107] and subsequently amended and supplemented by several scholars, is based precisely on the premise that a good communication strategy can bring advantages and benefits to the legitimacy of the organization affected.

Alan Jay Zaremba, in his book "*Crisis Communication. Theory and practice",* have found 14 different ways to cope with a crisis:

- Apology;
- Compensation;
- Corrective action;
- Compassion
- Mortification;
- Suffering;

Accommodation strategies

[106] Lawrence G. Foster, Johnson & Johnson's corporate vice president for Public Relations during the Tylenol crisis, Personal interview with Steven Fink, published on "*Crisis Management: Planning the Inevitable",* Cincinnati, Ohio: Authors Guild, 2000, p. 94.

[107] William Benoit is an american professor with a specialization in political campaign communication and image repair discourse. In 1995 he published *"Accounts, Excuses and Apologies: A theory of image Restoration Strategies"* (New York: State University of New York Press), which is one of the most important book on the issue.

- Bolstering;
- Defeasibility;
- Differentiation;
- Displacement;
- Ingratiation;

Avoidance strategies

- Attack
- Denial
- Intimidation;
- Minimization;
- Transcendence[109].

Avoidance strategies[108]

*Apology.* The organization shows remorse for what has happened and communicates its displeasure for the victims and those who have sustained damage. The disadvantage of this approach is that it leaves the organization unprotected and subject to speculation and financial media: a statement of apology, in fact, is basically an admission of guilt that can lead victims to seek compensation for damages and the media to focus information on the direct culpability of the organization or people related to it. The various authors who have spoken about apology as escape and resolution strategy agree that the *causal apology*, through which the organization apologizes and explains his reasons and causes of the crisis, it is always preferable to the *potential apology*, in which no explanation is given to the media and stakeholders.

*Compensation.* A certainly simple strategy, which needs to be integrated with other solutions is that of compensation. Reimbursing the victims is certainly an important way to demonstrate their sensitivity and their closeness to the

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108 W. T. Coombs, "*An analytic framework for Crisis Situations: Better Responses From a Better Understanding of the Situation*", Journal of Public Relations Research, 2009, p. 189

109 Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 105.

victims, but it can not be enough by itself to restore the legitimacy and reputation of an organization affected by a crisis. Acting only through the material restitution of money the company is likely to make it look rich but unpleasant, a bad organization convinced that it can solve every problem without assuming their responsibilities.

*Corrective action*. When a crisis hits, communication plays a vital role in the process of crisis resolution. A good strategy for crisis communication is to inform the victims of the crisis, along with assurances on the uniqueness of the crisis and on the certainty that there will not be anymore a similar event, also constant updates on the corrective actions that the organization has put in place to make its activities, present and future, more secure and credible. But are these actions really genuine? The public, during negative events, lose their confidence and can negate the positive effects of the organization's efforts.

*Compassion.* If crisis communicators choose to rely on this alternative, the organization will do anything to publicly express their sorrow for the victims and try to attract the sympathy of the public, with emphasis on its sincere sorrow for the victims and trying to restore its legitimacy even at the cost of addressing high costs, for example by purchasing advertising space, covering the repair costs for the victims, and so on. The choice of “compassion” is risky because leaves companies vulnerable, risking that the public and the media decide to be pitiless, putting the final nail in the organization’s coffin.

*Mortification.* This technique of image restoration theory is a mix between the search for compassion and apology theory at its maximum level. The organization apologized to the victims, humbly accepts its responsibility and it shows, in fact, mortified for the damage suffered by the people. In this way, the crisis communicators seek to instill in the public a sense of closeness to the organization that can lead to exoneration from their sins. However, it is possible that the organization seems to be too weak and that the media take advantage of it to spread even more harsh and harmful news about crisis.

*Suffering.* Similarly, suffering theory refers to the fact the company, along with victims, are suffering from the crisis and its consequences. Obviously, the risks are the same of mortification theory: it can exacerbate tension and can lead people to feel as they are laughed at by an organization that has inflicted the first damage and then tries to look like a victim.

*Bolstering.* The verb "to bolster" literally means to comfort, to encourage. When an organization is hit by a crisis, crisis communicators can try to ignore the problems, highlighting the positives of the company or party in question. Through Bolstering, there is an attempt to limit the damage of a crisis talking about how many good things have been done by the organization during its history. The risk of this operation is to be accused of turning around the problem without explanation nor care to the victims.

*Defeasibility.* Not always only admitting or denying responsibility can resolve a crisis. Sometimes, as in the cases covered by the defeasibility strategy, the organization may invoke, as partial justification, a lack of information that impeded to implement actions that could have prevented the worsening of the crisis. A middle way, in short: it is true that I have not done anything to prevent the damage, but I had not the chance to do so because of lack of information. Unfortunately, this strategy only works if the organization enjoys the highest level of reputation and credibility.

*Differentiation.* The differentiation strategy is a strategy complementary to those previously explained. It consists in accepting crisis' responsibilities, but explaining that what happened to the organization, however, is deeply different from what has happened in similar cases involving other organizations. To emphasize the differences crisis communicator can refer to unwillingness or to the fact that decision makers have made a mistake pursuing a fair and acceptable objective. It may be enough, however, to justify the involvement in a crisis that has damaged customers, employees or stakeholders?

*Displacement.* This theory seeks to give the blame and responsibility for the crisis to someone else. The best example, which will be deepen later during this research work, is the sinking of the Costa Concordia, in which the shipping company blamed everything on Captain Francesco Schettino, refusing any objective liability. The bases of the success of this strategy are, once again, the credibility of the company before the crisis hit its activity.

*Ingratiation.* "Ingratiation is intended to gain audience approval by conveying conformity to the normative institutional environment's rules"[110]. The organization, in this case, tries to identify people potentially affected by the crisis and the most important shared values, trying to prove that those values are essential also for the organization itself, so that crisis communicators can create a thread that binds victims to perpetrators. In this way, through this empathic link, the organization could limit the damage to its image and reputation. The risk is that this action may seem a mockery towards those who have already suffered an injury and that the hatred of the organization increases.

*Attack.* The strategy of attack is, in some ways, opposite to the apology one. In these cases, instead of admitting their responsibility, crisis communicators, through the spokesman, respond firmly to all those who accuse the organization by saying that the media has dealt with the crisis unfairly and inaccurately. This strategy while it strengthens the defences of the organization and makes it look stronger, on the other hand attracts the antipathy of the audience and opens the door to a war with media that can only bring more damage.

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[110] Myria Watkins Allen, Rachel H. Caillouet, *"Legitimation endeavours: Impression management strategies used by an organization in crisis", Communication Monographs*, v61 n1 p44-62 Mar 1994, p. 49.

*Denial.* This strategy consists in denying any liability and any culpable involvement in the crisis. In the event that the responsibility of the organization will be established later, crisis communicators turn on apology strategy or the implementation of corrective actions. It is clear, however, that in case of late admission of its responsibilities, the organization may faces a big loss of credibility.

*Intimidation.* Another complementary strategy, usually carried out together with attack strategy, is intimidation. Especially in cases of political or governmental crises (ie Watergate), the media can be "threatened" with heavy penalties if they continue to publish news potentially harmful to the image of the politician or organization affected. It is the most risky among the exit strategy, because failing might mean irreparably damaging the transparency and credibility of those who use it.

*Minimization.* This approach, as it is easy to guess from the name, has the objective to minimize the impact of the crisis before the media and the public. Crisis communicators have the difficult task of preventing the spread of negative news on the amount of damages, the number of victims or the loss of electoral support. The need to make clear to the public that nothing so important and irreparable has happened, is vital to limit the actual damage to the opinion that the public has of the organization. This choice, however, might not appeal to the media that could convey the message of a failure to take responsibility by the company or the party involved.

*Transcendence*. The last major theory of image restoration is the so called Transcendence theory, in which crisis communicators try to put the crisis in a broad context, with a favourable light. For example, a company that does experimentation on animals saying that human benefit from longer available research outweighs the harm done to animals[111].

*Situational Crisis Communication Theory.* Another approach, proposed by Wilfred Timothy Coombs, aims to develop strategies for crisis communication based on two variables, namely the level of responsibility for the organization and the reputational threat posed by negative events. Coombs, analysing also (1) crisis history and (2) prior reputation, has developed an empirical model for the development and implementation of crisis communication strategy.

| ***SITUATIONAL CRISIS COMMUNICATION THEORY:<br>CRISIS RESPONSE STRATEGIES*** |
|---|
| **Primary crisis response strategies** |
| **Deny crisis response strategies** |
| *Attack the accuser*: Crisis manager confronts the person or group claiming something is wrong with the organization. |
| *Denial*: Crisis manager asserts that there is no crisis |
| *Scapegoat*: Crisis manager blames some person or group outside of the organization for the crisis. |
| **Diminishing crisis response strategies** |
| *Excuse*: Crisis manager minimizes organizational responsibility by denying intent to do harm and/or claiming inability to control the events that triggered the crisis. |

[111] William L. Bonoit, "*Image repair discourse and crisi communication",* Public Relations Review, Summer 1997, vol. 23, n.2, p. 177, published on http://www.ou.edu/deptcomm/dodjcc/groups/98A1/Benoit.htm

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|---|
| *Justification*: Crisis manager minimizes the perceived damage caused by the crisis. |
| *Rebuild crisis response strategies* |
| *Compensation*: Crisis manager offers money or other gifts to victims |
| *Apology*: Crisis manager indicates the organization takes full responsibility for the crisis and asks stakeholders for forgiveness. |
| **Secondary crisis response strategies** |
| **Bolstering crisis response strategies** |
| *Reminder*: Tell stakeholders about the past good works of the organization. |
| *Ingratiation*: Crisis manager praises stakeholders and/or reminds them of past good works by the organization. |
| *Victimage*: Crisis managers remind stakeholders that the organization is a victim of the crisis too[112]. |

Regarding the study of reputation, it is important to dwell on the theory of the Velcro effect, drawn from the same W. T. Coombs. The companies or parties with a negative prior reputation will be charged with more responsibility when they are hit by a crisis[113]. Following this path of studies, W. T. Coombs and

112 W. T. Coombs, "*Protecting organization reputations during a crisis: The development and application of situational crisis communication theory*", *Corporate Reputation Review*, 10(3), 2007, pp. 163-176.

113 W. Timothy Coombs, Sherry J. Holladay, *The Handbook of Crisis Communication,* Wiley-Blackwell, 2012, p. 39.

Sherry J. Holladay[114] analysed a theory that starts from the assumption, developed in 1998 by J. A. Ledingham and S. D. Bruning[115], that a prior favourable reputation and a positive history crisis, would raise an organization from any responsibility during a crisis. This effect, called *"the Halo effect"*, found no matches in the empirical experiments conducted by Coombs and Holladay, who have classified this theory among the untested ones. Instead, as we have seen, it has been empirically proven that, on the contrary, a prior negative reputation and crisis performance history, can seriously harm organization in case of negative events: this correlation of events is called "*Velcro effect"* and is one of the main basis for Coomb's Situational Crisis Communication Theory. By considering the different approaches to crisis and their results in the study of reputation linked to crisis communication, W. T. Coombs has developed the following model for the resolution of the crisis, relying on crisis responsibility and organization's crisis performance history:

| **SITUATIONAL CRISIS COMMUNICATION THEORY: STRATEGY GUIDELINES** |
|---|
| 1. Informing and adjusting information alone can be enough when crises have minimal attributions of crisis responsibility (victim crises), no history of similar crises and a neutral or positive prior relationship reputation. |
| 2. Victimage can be used as part of the response for workplace violence, product tampering, natural disasters and rumors. |
| 3. Diminish crisis response strategies should be used for crises with minimal attributions of crisis responsibility (victim crises) coupled with a history of similar crises and/or negative prior relationship reputation. |

[114] W. T. Coombs, S. J. Holladay, *"An extendend examination of the crisis situation: a fusion of the relational management and symbolic approaches",* Journal of Public Relations Research, 13(4), 2001, pp. 321-340.

[115] J. A. Ledingham, S. D. Bruning, *"Relationship management in public relations: dimensions of an organization-public relationship",* Public Relations Review, 24(1), 1998, pp. 55-65.

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| 4. Diminish crisis response strategies should be used for crises with low attributions of crisis responsibility (accident crises), which have no history of similar crises, and a neutral or positive prior relationship reputation. |
| 5. Rebuild crisis response strategies should be used for crises with low attributions of crisis responsibility (accident crises), coupled with a history of similar crises and/or negative prior relationship reputation. |
| 6. Rebuild crisis response strategies should be used for crises with strong attributions of crisis responsibility (preventable crises) regardless of crisis history or prior relationship reputation. |
| 7. The deny posture crisis response strategies should be used for rumor and challenge crises, when possible. |
| 8. Maintain consistency in crisis response strategies. Mixing deny crisis response strategies with either the diminish or rebuild strategies will erode the effectiveness of the overall response[116]. |

*Why Crisis Communication can fail.* Although theory has made great strides in the study of crisis communication, and despite the many empirical evidences related to theoretical studies, it is possible to run into errors that can affect the success of any crisis communication strategy. Alan Jay Zaremba, without a shadow of doubt the scholar that has a better understanding of crisis communication strategies and the possible reasons of communicative failure, has identified four causes that can lead the chances of a successful crisis communication near to zero and intensified the damage caused by the crisis.

1. *The plans are inherently flawed.* Crisis plan is a very important part in order to apply successfully the process of crisis management. For this reason, it is necessary that the plan will be developed carefully in all

[116] W. T. Coombs, "*Protecting organization reputation during a crisis: The development and application of situational crisis communication theory",* Corporate Reputation Review, 10(3), 2007, pp. 163-176.

its parts, both with regards to its content and with regards to the targeted audience. A flawed plan applied perfectly may still not bring expected results.

2. *Poor implementation.* However, even a perfect plan can fail. As we have already seen, a crisis plan requires constant updates and a full understanding by all employees or the related person. The reaction time to contain a crisis can be very limited and the implementation of the crisis plan cannot be postponed for incompleteness or incapacity by crisis solvers.

3. *There is a non-credible denial of crisis or crisis culpability.* Organizations, in order to successfully face a crisis, need to be credible. Denying a crisis, the damage to the victims or direct responsibilities, in the event of a lack of credibility in the eyes of the public, can lead to the failure of any attempt to crisis recovery.

4. *An organization claims it lacks the time to deal with a crisis*[117]*.* This type of mistake, fortunately almost never enforced by the decision makers, can be considered the most foolish choice in a process of crisis management and resolution. Underestimating or even ignoring a crisis can have unimaginable consequences, which can lead to the destruction of all the organization's activities and extensive damage to the people who are connected to them.

### *2.4Post-crisis concerns: what kinds of communication strategies were successful and what mistakes should be avoided in the future.*

Despite the strides made in the study and application of crisis management and communication, one of the most common mistakes that companies and parties make is to consider the recovery process concluded at the end of the second step of the crisis management, the crisis response.

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[117] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 129.

Dealing with a crisis, however, is not a simple response to negative events.

Especially in crisis without warning signs and which you do not have a clear distinction between the beginning, the central phase and the end of the crisis, it is essential to monitor the results of crisis management even after the emergency is declared over. The post-crisis evaluation is essential to understand (a) if the Crisis Management Team has work well, effectively and timely, (b) if the Crisis Management Plan was well structured, implemented and applied, (c) if the structural features have helped or have hindered the resolution of the crisis and (d) how many and what were the damages caused by the crisis[118].

Therefore, when a crisis is over, there are at least two other things that crisis managers and communicators must put in place. First, regarding the past, it is necessary to evaluate how the organization dealt with the crisis: the recognition of the first signs of the crisis, the effectiveness and implementation of the crisis plan and the management of relationship with media and stakeholders. Second, looking forward, each organization must evaluate the impact of the crisis, continuing to invest in the analysis of post-crisis phenomena, in the evaluation of actions to be taken in the returns-to-business and in communication to stakeholders on how the business are coming back to the previous routine[119].

*Crisis management Performance Evaluation.* Every crisis, as has already been said, can be seen as an opportunity for improving awareness and crisis related skills. Simply dealing with a crisis is not enough to learn how to fight future events: you must want to learn from past stories and want to change your behaviour. Failing in identifying weaknesses could lead the organization to be affected not only by unpredictable surprises, but also by predictable surprises

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118 W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 160.

119 W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 151.

with clear evidence[120]. Bazerman and Watkins have identified four possible reasons for the failing to improve by implementing the strategy:

1. *Scanning Failure:* it is a failure to identify the warning signs due to carelessness or to the lack of resources devoted to the identification of internal and external problems.
2. *Integration Failure:* even when you are able to identify the warning signs, a possible failure is due to the inability to tie together the information you have in order to develop an exit strategy.
3. *Incentive Failure:* the people who work for the identification and resolution of problems need to be encouraged and rewarded for their results. If this does not happen, it is possible that their productivity is affected and that the crisis is not tackled properly.
4. *Learning Failure:* failure to preserve the information derived from previous negative situations and to collect important data to ensure business continuity[121].

Moreover, "too often employees and managers are unwilling to admit small failures for fear of reprisal from organizational leadership"[122]. To avoid falling into these traps, evaluation is a key factor. In the "improving by learning process", the first step is to collect and analyse data. Data relating to the crisis can come from stakeholders' feedback, traffic from the Internet, and especially from Incident Report Sheets. Thanks to the IRS, often compiled by independent authorities, it is possible to have objective assessments on the records of the crisis and the work of the Crisis Management Team. After collecting, data must be analysed. Ian Mitroff, an American organizational theorist and Professor Emeritus at the University of Southern California, proposed a four variables

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[120] M. H. Bazerman, M. D. Watkins, "*Predictable surprises: the disasters you should have seen coming and how to prevent them",* Boston: Harvard Business School Press.

[121] M. H. Bazerman, M. D. Watkins, "*Predictable surprises: the disasters you should have seen coming and how to prevent them",* Boston: Harvard Business School Press.

[122] S. B. Sitkin, *"Learning through failure: The strategy of small losses",* in M.D. Cohen and L. S. Sproull, "*Organizational learning",* Thousand Oaks, CA: Sage, pp. 541-578.

method in order to catalogue and study in a better way the results of the data analysis: crisis type, crisis phases, systems and stakeholders[123]. The division of the processes of crisis resolution between different crisis types allows crisis managers to do cross-comparisons and, consequently, to identify organization's errors or strengths common to all types of negative events[124]. The separate analysis of the three phases of crisis management (pre-crisis, crisis and post-crisis) is crucial to understand at what point of the resolution chain there can be vulnerability and, eventually, be prepared to correct them. Systems refer to all those tools, from material (ie technology) to immaterial (ie culture) ones, used by crisis managers in order to deal with a crisis. The connection between crisis management team and organization's infrastructure and with emotional and cultural belief should be considered a functioning part of the organization and, then, one of the possible reasons for the failure of the crisis resolution. "The examination of system-specific concerns helps to determine if the crisis management performance might have been a function of structural factors rather than the CMP or the CMT"[125]. Last, feedback stakeholders are the most useful tools for the evaluation of what has been done during crisis resolution and the perception that the organization has given on the outside.

*Impact evaluation.* The second part of the post-crisis analysis concerns the assessment of the damage that the crisis has caused to the organization and its stakeholders. During this stage, there are three parameters that must be analysed: (1) the pre- and post-crisis reputation scores, (2) media and Internet

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123 W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 153.

124 C. M. Pearsons and Ian Mitroff, "*From crisis prone to crisis prepared: A framework for crisis management*", The executive, 7(1), 1993, pp. 48-59.

125 Ian I. Mitroff, K. Harrington, E. Gai, "*Thinking about the unthinkable*", Across the board, 33(8), 1996, pp. 44-48.

coverage of the crisis and (3) (again) stakeholder feedback[126]. Every organization has to follow the progress of its reputation during its activities, including periods of crisis, through opinion surveys internally, among employees, and externally, among the stakeholders.

Even the news published by the media and on the Internet are a good test to quantify how much the organization has suffered from the passage of the crisis, through the comparison between the pre-crisis news publications and those published during and after the crisis.

The analysis of the media coverage is also important because it affects in a decisive how stakeholders perceive the organization's position and responsibilities of the crisis.

What is important to emphasize is that every crisis comes with its lesson. For this reason it is recommended that every organization produces its own database with the files relating to different features of the crisis experience and those methods that led it out of the abyss. The creation of an organizational memory[127], increasing their knowledge crisis, without becoming slaves of past case history[128], will make it easier to deal with the next negative events that will shake business organization from the basis.

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[126] W. Timothy Coombs, "*Ongoing Crisis Communication. Planning, Managing, and Responding*". Sage Publications, California, 2007, pag. 156.

[127] A. Li, T, YeZhuang, Q. Z. Ying, "*An empirical study on the impact of organizational memory on organizational performance in manifacturing companies",* Retrieved May 30, 2006, from IEEE Computer Society web site: http://csdl2.computer.org/persagen/DL Pubblication.jsp?pubtype=p&acronym=hics.

[128] K. E. Weick, "*The social psychology of organizing",* 2nd ed., Reading, MA: Addison-Wesley, 1979.

# III CHAPTER. CRISIS COMMUNICATION AND POLITICS: HOW TO MANAGE THE MESSAGE.

## *3.1. Timing and strategy for an effective political crisis communication: the role of parties and the relationship between crisis communicators, electoral staff and spin-doctors*

Politics and the public image of professional politician is deeply influenced by communication and by the perception that the public has about them in terms of honesty, credibility and transparency. Politicians, candidates and leaders share their own images throughout the constructions of interactions of news, conference and political campaign.

Political crisis communication is based not only on the containment of the electoral emergency, but also on other important and immediate emergencies.

What are the best words to handle a problematic political situation? In what way has to be considered, for example, the temporal aspect?

Politics is a field in which lies has very short life. The high media exposure enjoyed by politicians and events linked to them, involves the disadvantage of having to fight the crisis as quickly as possible. Consider, for example, the introduction of television news as SkyTG24: the constant diffusion, seamless, of all the news of the day means that, in the absence of denials or immediate application of a precise communication strategy, the information concerning the crisis continue to be spread at regular intervals of half an hour or little more. Linked to the issue of timing, relative to the high media exposure, is the problem of the type of strategy to be implemented. The defence moment is crucial in every kind of crisis, but in political ones every communicator must be attentive to every detail with extreme care. Deny responsibility, sticking who leaked the news or trying to change the subject very rarely lead to some concrete results. It is increasingly difficult to carry on thesis that can be easily refuted by the journalists or experts in the field. And, for a party already in crisis, being also accused of lies and falsehood can be lethal. The defence of a politician must be "open" to loyalty and transparency, without being full of emotional contents.

Another important aspect of political crisis communication is the possibility of finding a good endorsement. When a politician or a candidate is facing a crisis, is important to rely on some others important public figure who publicly defend the actions of the politician hit or try to justify its behaviour. Finding a good endorser can be a very important goal for the entire process of crisis communication. Building a political crisis communication strategy, especially when clock is ticking, means to be in total control of the media flows on news. When a crisis communicator can direct the content of news, he/she can reduce the weaknesses of its strategy and be less vulnerable, although a strategy of political crisis communication, being placed in a broader social context, it can still cater to the defects and lead to failure. For these reasons, the CMT of a party or a politician must take into account the timing and strategy in a very accurately way to hope to achieve the desired results.

Now there are clear reasons why each party must have a Crisis Management Team, in order to be sure that every crisis should be addressed in time and with the right tools. After having put together all communicative tools for an electoral campaign, the party should not interfere in their work, trusting in communication team's skills and competence. But, during an electoral campaign, there are many professionals that work for the party or for the rush of a candidate. How should they cooperate without clashes or overlapping?

*Crisis communicators and electoral staff*. The relationships between electoral staff and crisis management team are of paramount importance in the process of crisis resolution. The electoral staff has the task of looking after the content and communication during the election campaign. It must write the program of the party or the candidate and must take care of the advertising and communications through newspapers, talk shows and dissemination of videos on YouTube and on social networks.

When a crisis comes, the control of the operations is taken by crisis communicators. The electoral staff has not, and should not have, any task in the resolution of a crisis, unless crisis communicators give them some orders. The crisis management team should participate in the election campaign from the very beginning, maybe with just a few representatives, in order to be fully informed and be able to develop strategies for resolving the crisis in line with the electoral program and in harmony with what has already been developed and communicated to the media. In short, the collaboration between these two distinct units is critical to the success of an election campaign, but there should be no interference either by the CMT in the preparation and communication of the contents on the one hand, nor by the Electoral staff in an attempt to resolution of a crisis on the other.

*Crisis communicators and spin doctors.* A common mistake occurs when the figure of the crisis communicator and that of the spin doctor are considered as exactly superimposable figures: this misconception is not only an ancient and wrong mistake, but in the long run it can also become a counterproductive forcing. The work of communicators involved in spin doctoring is to take into account a negative news, trying to change its meaning, presenting to the public a new report with positive connotations under a new and more favourable point of view. "To spin an event" makes the event very different from what it was at the start, a completely new information full of attractive variables.

A completely different definition, as we have already seen, is the one that fits the communicators of crisis. And, to explain how much is wrong the comparison with the spin doctoring, just add that every crisis communicator is absolutely forbidden the application of the common techniques of spin in resolving a political crisis. The manipulation of news when a party or a candidate is experiencing a crisis, it can bring up the crisis management team as a dizzy entity trying to confuse the public rather than help them understand.

Alan Jay Zaremba identifies two main reasons why the spin is to be avoided in resolving a political crisis. The first is that spinning is unethical[129]: it is a clumsy attempt to confuse the audience, hoping that it is enough to solve a concrete and effective problem. It is the negation of honesty and transparency as the only way to give a positive image of themselves in a difficult and negative time. The second reason is that the spin of the news can make the job of communicators more difficult than it already is at the start. If, as often happens, the truth comes to the surface, sweeping away buildings that were trying to hide it, communicators lose their credibility and all their subsequent strategies will eventually fail. There is no doubt that many communicators of crisis, especially the less experienced, use spinning as a technique for resolving negative situations. But it is equally certain that spin makes you dizzy, as it is sure that spinning is not what should be done in a process of crisis resolution.

After having specified the key features for the success of crisis resolution strategy in politics, it is now time to analyse some specific cases. After seeing briefly the most important cases and examples of the current landscape, we will focus on two cases that deserve further consideration within the text. The first, known to history as Sexgate or Lewinsky scandal, has captured the world's attention in 1995 because it involved the most powerful man in the world, the then U.S. President Bill Clinton. The second, more recent and more limited in importance, involving the leader of the "Fare per fermare il declino" party, Oscar Giannino, during the Italian political election of February 2013.

### *3.2. A short history of political cases of crisis communication: the WeinerGate and the other important current cases.*

[129] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 28

The relationship between politics and crisis communication, although it has not very deep roots in time, has proposed several case studies over the past few years. In choosing the right examples to highlight this relationship, I preferred to focus on the latest topical issues, without resorting to the years of the Bush administration, the Ecclestone scandal in the UK in 1997 or the scandal that involved the German CDU in 1999.

I decided to focus on three brief cases, each unique in its own way .

*Weiner Gate.* The first involves Anthony Weiner, an American former congressman, engaged in two sex scandals in a few years. The first scandal, known properly as WeinerGate, involved sending erotic pictures to a young girl of 21 years and has forced Anthony Weiner to officially resign on June 16, 2011.

The second scandal involving Anthony Weiner two years later, exactly on July 23 2013, while he was trying to return to politics to compete in the election of the mayor of New York. A well-known pornographic website began publishing his photographs under the pseudonym of "Carlos Danger", forcing the American politician to admit the exchange of erotic material with three different women, all aged between 20 and 23 years, within a few months.

Why WeinerGate is a peculiar political scandal?

Following the outbreak of the scandal, Anthony Weiner refused all charges, assuming that a political opponent had taken possession of his Twitter account and had posted some edited photos, even if Weiner himself admitted that the man in the picture could also be him.

A few days later, however, the website Breitbart.com published more photos of Weiner obtained from another girl known by the American congressman. At this point, the politician called a press conference in New York in which he admitted his guilt and apologized, saying that "I Have not Been honest with myself, my family, my constituents, my friends and supporters, and the media and, to be clear, the picture was of me, and I sent it[130]. I engaged in several inappropriate conversations Conducted over Twitter, Facebook, email and occasionally on the phone and I had exchanged messages and photos of an explicit nature with about six women over the last three years.[131]" By the end of the press conference, however, he said he does not want to resign and wants to continue his political career. But, a few days later, because of new pictures and information, and in response to pressure from a growing number of both Democrats and Republicans congressmen, including the Italian-American Nancy Pelosi, Anthony Weiner announced he would resign his seat in congress during a news conference in Brooklyn on June 16.

In this first scandal, the crisis communication strategy was inadequate and deficient. The denying of responsibility when proof were evident, has undermined the credibility of the American deputy and forced him to the resignation. As mentioned previously in this thesis, the strategy of resolving political crises that pays the most is undoubtedly honesty and transparency from the first moments.

Two years later, in April 2013, the former congressman has returned to politics during the primaries of the Democratic Party for the office of mayor of New York, and managed to earn a growing number of likes. Unfortunately for him, however, on July 23 a U.S. website published new photographs that proved the existence of new relationship between the politician and some girls a little more than adolescents. This time, however, the communication strategy was more effective: immediately convened a press conference in New York, with his wife sitting beside him: "I Said that other texts and photos were likely to come out, and today they have"[132]. With this sentence Weiner appeared safe on its

[130] News extracted from "*Tanscript of Weiner's Statement confessing to Twtter photo, past relationships",* June 7, 2011, available at http://www.nbcnewyork.com/news/local/Weiner-Admits-Confesses-Photo-Twitter-Relationships-123268493.html

[131] Text extracted from *"Full transcript of Weiner's news conference",* June 7, 2011, available at http://nypost.com/2011/06/07/full-transcript-of-weiners-news-conference/.

[132] Text extracted from *"Anthony Weiner explicit messages 2013",* July 23, 2013, available at http://www.breakingnews.com/item/2013/07/23/anthony-weiner-statement-i-said-that-other-texts/

positions and for nothing surprised of the news about him, as if he had always been in full control of the situation. Unfortunately, the news continued to multiply, targeting porn stars and almost ten women in total. The newfound sincerity of Anthony Weiner led him, during this second scandal, to avoid withdrawal from the race for Mayor of New York, but has nonetheless affected his electoral competition, causing a loss of almost 20 percentage points in the consensus of the voters. However, his case is a good example of how crisis communication strategy based on sincerity and credibility can limit the damage and save the credibility of a politician, despite having being hit by the second sex scandal within a few years.

*Dominique Strauss-Kahn Sex Scandal.* The second case that I chose to analyse concerns one of the most influential members of the French Socialist Party, Dominique Gaston André Strauss-Kahn. He was professor of Economics at the prestigious University of Paris Sciences Po and French Minister of Economy and Finance from 1997 to 1999. At international level, he was Managing Director of the International Monetary Fund (IMF) from 2007 to 18 May 2011, the day when he resigned following the sex scandal that involved him in a New York hotel. On 14 May 2011, while he was at the Sofitel New York Hotel, Strauss-Kahn was accused of sexual harassment by her maid Nafissatou Diallo . After paying a hefty deposit, the exponent of the IMF has been sentenced to house arrest awaiting trial, which took place on June 6.

At the end of a long process, which lasted for the entire month of June, Strauss- Kahn has pleaded not guilty to the testimony of the prosecution was deemed unreliable and full of contradictions, while the same economist who admitted to a French TV " there was an inappropriate approach on his part, but that there was never an attempt to violence or aggression"[133].

Unfortunately for Strauss- Kahn, however, the media coverage was incredibly all-encompassing, so as to convince the people of the guilt of the French

[133] News extracted from *"Dominique Strauss-Kahn rues New York hotel maid liaison"*, September 18, 2011, available at http://www.bbc.co.uk/news/world-europe-14963176

politician and economist before they presented at the first hearing in June. In the first ten days after the events at the Sofitel Hotel, in fact, the news of the involvement of Strauss-Kahn had first attracted the attention of more than 150,000 pages of newspapers around the world[134]. This has obviously affected the defensive communication strategy of Strauss-Kahn and of the International Monetary Found.

At the economic level, as we have seen, the French economist has resigned on May 18 2011, in spite he denied "with the greatest possible firmness all of the allegations"[135]. His decision was immediately seen as a gesture of protection in respect of the IMF, which was already weak because of the economic crisis that scourged the States all over the world. Few weeks after, Christine Lagarde was appointed as his successor as head of the international monetary institution. The choice of Lagarde, whatever her ability and competence, was the best possible choice by the IMF: that was a real strategy of crisis communication, for a number of reasons. Firstly, there was no better time to appoint the first female director in the history of the IMF, as sign of the closeness to the female world and the complete rejection of the accusations of sexism. Secondly, it was not necessary to appoint a figure, even from the outside, with the same profile of Strauss- Kahn. The goal was not to revolutionize the organization, given that the crisis was due to the accusations made to a single exponent: the important thing was to give a positive signal, albeit small[136].

This strategic choice of the International Monetary Found, we can say a posteriori, brought the expected result: a renewed internal stability and a

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[134] News extracted from "*L'affaire DSK: le summum du bruit médiatique",* May 26, 2011, available at http://www.rfi.fr/france/20110526-affaire-dsk-le-bruit-mediatique-chiffres

[135] News extracted from *"IMF boss resigns: Denies allegations with greatest possible firmness",* May 19, 2011, available at http://www.standard.co.uk/news/imf-boss-resigns-denies-allegations-with-greatest-possible-firmness-6402878.html

[136] Shelley DuBois, "*Lesson from IMF: how to hire in a crisis", June 28, 2011, available at* http://management.fortune.cnn.com/2011/06/28/lessons-from-the-imf-how-to-hire-in-a-crisis/

growing credibility both "downwards", towards the citizens, and "upwards", towards the other important international institutions.

At the political level, however, the choice of the defensive line was all on the shoulders of Strauss-Kahn. Although there were been no official communications, Strauss- Kahn was by far the favourite among the Socialists for the 2012 Presidential election against Nicolas Sarkozy. History has handed victory in the hands of François Hollande which, after winning the primary elections, he defeated the incumbent president, becoming the first socialist reaching the Elysée after the victory of François Mitterrand in 1988. After the spread of the news of the scandal that involved him, Strauss-Kahn was immediately accused by almost everyone: from the members of the UMP, through its democratic allies, ending with the French people. The same primaries were challenged, thanks to the work of Michèle Sabban[137], and many politicians close to Strauss-Kahn asked for the suspension to allow him to be a regular candidate in case he was declared innocent at the end of the trial. In the end, the debate was closed by decision of Strauss-Kahn to withdraw his candidacy. Although he was innocent, Strauss-Kahn has preferred to distance himself from both the International Monetary Found and the French Socialist Party, a choice that led both institutions to gain strength and, in the case of the party, even to win elections after more than twenty years.

The wisdom of his crisis communication strategy has not been slow to bring benefits also to his personal figure. Some time after his full acquittal, a survey reported that 57% of French people believed his version and that he was victim of a conspiracy to prevent him from becoming the new president of France.

*Silvio Berlusconi and his crises communication strategies.* The last part of this section is atypical, compared with the previous two. In this case, in fact, there is

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[137] News extracted from *"Affaire DSK: Michèle Sabban demande la suspension de la primaire PS"*, July 1, 2011, available at http://www.lepoint.fr/politique/election-presidentielle-2012/primaire-PS/affaire-dsk-michele-sabban-demande-la-suspension-de-la-primaire-ps-01-07-2011-1348126_325.php

no reference to a specific case, but rather to the communication strategy in the face of crisis by the most influential Italian politician of the last 20 years, Silvio Berlusconi. The leader of "Forza Italia" has faced during his political career, almost 30 trials and various political and moral accusations by all the national and international media. One of the last trials, for underage prostitution charges, has seen the conviction of Berlusconi to seven years in prison and the ban from public office for life[138]. It is easy to understand how the communication of Silvio Berlusconi has necessarily had to devote much time and resources to the Crisis Communication Team and the study of the most suitable strategies to be implemented in each situation. Before we go into specifics of the most common strategies adopted over the years, it should be pointed out the second reason why this is different from the previous paragraph. Unlike Anthony Weiner and Dominique Strauss-Kahn, Silvio Berlusconi has created around his figure a party and a movement of which he is the undisputed charismatic leader. What happened in previous cases, therefore, it is absolutely inapplicable. The strategies most applied by Silvio Berlusconi's entourage are three: (1) denial, (2) counterattack and (3) bolstering.

(1) Denial strategy, as we have already seen in the previous chapter, consist in rejecting any accusation and every liability. For example, during his defence during the Rubygate trial, previously mentioned, and in front of the media during his long interviews, Silvio Berlusconi has always declared: "I can exclude with absolute certainty that there were never been scenes of a sexual nature in Arcore. I have never had intimate relations of any kind with Ruby and I was convinced she had 24 years. The expression bunga-bunga comes from a joke that I have repeated several times and that has also been reported in the press. I never put pressure on officials of the police headquarters in Milan. The evening in my private residence were just dinners in a large dining room, where I was in the middle of the table and I monopolized attention singing, talking about

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[138] News extracted from L. Davies, "*Berlusconi found guilty after case that cast spotlight on murky premiership",* June 25, 2013, http://www.theguardian.com/world/2013/jun/24/silvio-berlusconi-guilty-underage-prostitute

sports, politics and gossip"[139]. The total denial of all the allegations, without any assumption of responsibility, has not convinced the judges that, as already mentioned, have condemned him for exploitation of child prostitution. Just as in the above example, Silvio Berlusconi and his entourage of lawyers and crisis communicators have always returned to all the accuses that were addressed: from the corruption of senators to tax evasion, passing through the Unipol case.

(2) Counterattack is another classic strategy to escape the accusations, trying to shift responsibilities on the accusers themselves. Even during his defence during the RubyGate, Silvio Berlusconi has constantly attacked the judges, the prosecutors and lawyers for the accusation. Without even talk about his charges, the crisis communication strategy of the leader of Forza Italia has been focused on the alleged bad faith of the investigative forces and their membership in left wing political parties and, for this reason , determined to condemn Berlusconi also in the absence of evidence or crime. "We wonder how to talk to a court that, rightly or wrongly, we consider biased. During this process we had the impression of causing annoyance in court. There were reasons to make this trial spectacular rather than substantial proof, because this trial has really nothing to do with the charges. The statements of the lawyer Boccassini are based more on impressions than on objective data and is full of prejudice against Silvio Berlusconi"[140]. It is obvious, in this case as in many others, the attempt to discredit the opponents to shift the media attention from Berlusconi's responsibilities to the bad faith of lawyers and judges.

(3) Bolstering is the last important strategy used by Silvio Berlusconi during his personal crises. During the Mediaset trial for tax fraud, Silvio Berlusconi, after having attacked the judges as being "worthy of an uncivilized country,"

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[139] Statements extracted from A. Mincuzzi, *"Caso Ruby, Berlusconi si difende in tribunale: mai scene di natura sessuale alle mie feste"*, October 19, 2012, available at http://www.ilsole24ore.com/art/notizie/2012-10-18/ruby-domani-aula-severino-230034.shtml?uuid=AbPYtbuG

[140] News extracted from L. Fazzo, "*Processo Ruby, la parola passa alla difesa"*, June 3, 2013, available at http://www.ilgiornale.it/live/interni/processo-ruby-parola-passa-difesa-923476.html

tried to shift the focus on its own merits and on the good things done by their company. Through the voice of the daughter Marina, Berlusconi has avoided speaking of the charges against him, but chose to remind Italians that his companies pay the to the Italian State more than "€2million per day, for a total of €7.7billion in 15 years. Silvio Berlusconi, personally, pays 34thousand per day for contributions and employs a total of 60 thousand families, that are maintained thanks to Silvio Berlusconi's work and group"[141]. These three techniques of crisis communication, often implemented at the same time, have formed the backbone of Silvio Berlusconi's communication with the media. The fact that he never admitted responsibility has certainly attracted dislikes, but allowed the leader of Forza Italia not to lose the endorsement of all those voters who are convinced of his innocence, recognizing themselves in its political leadership charismatic and controversial. Only a counterfactual analysis, impossible to achieve, it could show us the results that Silvio Berlusconi would have obtained if he had admitted his guilt and had apologized to Italian citizens. It is certain, however, that in this peculiar situation, plead guilty would alienate a large proportion of voters who, on the contrary, continue to stay close to the leader, convinced of his innocence. It is therefore possible that the approach of the Crisis Communication Team has made the best choices in defence of Silvio Berlusconi's image and reputation.

### *3.3 Crisis communication applications at the international level: the "Lewinsky scandal" and the White House's strategy.*

Sex scandals, as we have seen in the description of Weiner Gate, is one of the most frequent categories within political scandals. They attract public attention and are vital for the media, ensuring sales and big economic returns. Among sex scandals, the most famous and the most interesting from the point of view of crisis communication is without a doubt the SexGate which involved the then

[141] News extracted from M. Foa, "*Silvio evasore? Versa 2,2 milioni al giorno",* available at http://www.ilgiornale.it/news/silvio-evasore-versa-22-milioni-giorno.html

U.S. President Bill Clinton and the young intern Monica Lewinsky. The President's extramarital affair began in 1995, and the young Monica Lewinsky told the whole story to her friend Linda Tripp. In 1998, when the "Paula Jones case" erupted, even phone calls between Bill Clinton and Monica Lewinsky became public and were entrusted with the investigation of Judge Kenneth Starr. The scandal had become global and there was a need to quickly develop a crisis communication strategy that would limit damages to President Clinton and that avoided his removal from office by impeachment.

The whole American nation was divided into two opposing camps. On one hand, the defenders of Clinton, according to which the sexual affair was a private matter that did not affect the good work done by the President until that time. They did not believe that the President was innocent: a survey of the Times Mirror discovered that more than half of the respondents believed that the relationship with Lewinsky had actually happened. Rather, it is a characteristic of the American people to forgive the private mistakes of the Presidents if they rightly respect their duty in front of the public interest and the trust of the voters[142]. On the other hand those who attacked President Clinton, accusing him of abuse of power and repeated immorality: Sex Gate, in fact, was not the first sexual scandal that hit the President, who had already been accused by Gennifer Flowers, Paula Jones and Kathleen Willey.

Despite this split in public opinion and in spite of the mistakes made by Bill Clinton, the approval rate of his work ever recorded good results and his figure was perceived as that of a politician able to pull himself out of trouble with much more ease than other politicians[143]. One reason for this appreciation lies in the ability of Bill Clinton and his entourage of communication of working on Presidential image management. Especially when David Gergen, Reagan communication advisor, was hired by Bill Clinton, the communication strategies of the President began to bring better results. The television interviews became

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[142] Robert E. Denton and Rachel L. Holloway, *"Images, Scandal, and Communication Strategies of the Clinton Presidency",* Praeger, 2003, Westport CT.

[143] Robert H. Ferrell, "*Second-term presidents*", Presidential Studies Quarterly, 27, 18-120.

more structured and complete, and also the topics began to be closer to the people. A crisis communication team also began to monitor all messages about the President to prevent a failure to reply to the media, which could lead to negative results[144].

Despite the good will of the communications team of the American President, in the face of repeated sex scandals is necessary to develop a coherent and harmonious in all its parts: the Lewinsky scandal was slowly eroding popular support. In the aftermath of the Lewinsky scandal, the White House CMT tried to bypass the media in the relationship between the President and the public through the use of video conferencing and emotional storytelling[145]. Any positive news, in fact, would be covered by news and interviews about the scandal.

In developing a good crisis communication strategy, the experts of the CMT decided to take advantage of the **Cognitive Dissonance Theory**. This theory states that when a person has two different ideas that contradict each other is led to change one of the two to produce cognitive harmony[146]. In the case that we are analysing, the White House CMT realized that after reading the news on SexGate public opinion was further dividing among those who began to negatively evaluate the figure of Bill Clinton and those who began to minimize what happened: this because, reading everyday negative news about the scandal, people were unconsciously bring to harmonize the figure of Bill Clinton with those information. The strategy was then to create a new stream of positive news, trying to act on foreign policy and the economy: if the Americans had begun to associate the figure of Bill Clinton to a strong national economy

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[144] Elizabeth Drew, *"On the edge"*, New York, Simon & Schuster, 2004.

[145] Richard Perloff, *"Political communication: Politics, press, and public in America", 1998,* Mahwah, NJ: Lawrence Erlbaum.

[146] J. Cooper & S. J. Scher, *"Actions and attitudes: the role of responsibility and aversive consequences in persuasion",* in T. Brock & Shavitt, *"The psychology of Persuasion",* San Francisco: W. Freeman, Inc., 1994, pp. 95-111.

recovery and to a growing American role in the international scene, they could judge positively the President without blaming any cognitive dissonance.

Another crisis management technique used had been to drastically reduce the importance of the person of the President, making him appear marginal in the face of all political and economic initiatives that were going well: in this way Clinton could appear at the same time an unfaithful husband and a great President of the United States[147]. As written by Denton and Woodward, the appreciation of the presidential figure does not depend on the sympathy and the credibility of the person, but on the relationship with the people and the way he addresses the problems of the nation[148].

Let us now analyse, in the details, the events of the Lewinsky scandal and crisis communication concerning the different phases of the Sex Gate. The first defence of Bill Clinton during the first interviews post-scandal was based on a severe denial of all charges:

***"Question.*** *Mr. President, at any time were you and Monica Lewinsky alone together in the Oval Office?*

***Answer.*** *I don't recall, but as I said, when she worked at the legislative affairs office, they always had somebody there on the weekends. Sometimes they'd bring me things on the weekends. She – it seems to me she brought things to me once or twice on the weekends. In that case, whatever time she would be in there, drop it off, exchange a few words and go, she was there.*

***Question.*** *So I understand, your testimony is that it was possible, then, that you were alone with her, but you have no specific recollection of that ever happening?*

***Answer.*** *Yes, that's correct.*

***Question.*** *Have you ever met with Monica Lewinsky in the White House between the hours of midnight and six a.m.?*

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[147] Molly W. Sonner and Clyde Wilcox, "*Forgiving and forgetting: Public support for Bill Clinton during the Lewinsky scandal",* PS, Political Science and Politics, 32, 1999, pp. 554-557.

[148] Robert E. Denton and Gary Woodward, "*Political communication in America",* 1998, Westport, CT: Preaeger.

***Answer.*** *I certainly don't think so.*

***Question.*** *Certainly if it happened, nothing remarkable would have occurred?*

***Answer.*** *No, nothing remarkable. I don't remember it.*

***Question.*** *Did you have an extramarital sexual affair with Monica Lewinsky?*

***Answer.*** *No.*

***Question.*** *If she told someone that she had a sexual affair with you beginning in November of 1995, would that be a lie?*

***Answer.*** *It's certainly not the truth. It would not be the truth"*[149].

The American President had often declared himself annoyed by the curiosity of the media, stating that he had more important things to think about for the good of the nation:

*"Now, I have to go back to work on my State of the Union speech. And I worked on it until pretty late last night. But I want to say one thing to the American people. I want you to listen to me. I'm going to say this again. I did not have sexual relations with that woman, Miss Lewinsky. I never told anybody to lie, not a single time – never. These allegations are false. And I need to go back to work for the American people"*[150].

The defenders of the positions of President Clinton felt immediately reassured by these statements, more and more convinced that the President had acted with honesty and loyalty to Monica Lewinsky and the American people.

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[149] Deposition made by Bill Clinton on January 17, 1998, during the Paula Jones sexual harassment civil lawsuit to the lawyer James A. Fisher, extracted from *"President Clinton's Deposition",* available at http://www.historyplace.com/unitedstates/impeachments/jones-deposition.htm

[150] President Bill Clinton's answer during a White House news conference on education, made on 26 January, 1998, extracted from "*What Clinton Said",* available at http://www.washingtonpost.com/wp-srv/politics/special/clinton/stories/whatclintonsaid.htm

As was widely expected, the firmness with which the President has denied all the accusations gave the opportunity to the media, the Republicans and the judge Kenneth Starr to carry on deep investigations. Fortunately, the public continued to speak in favor of Bill Clinton, coming to accuse the media, because of the excessive amount of time devoted to the scandal[151], and Republicans, because of the fury with which they were pressing to start impeachment proceedings[152]. Incredibly, the approval rating of the American president was on the rise, thanks to excellent economic policies, and its popularity was greater than it was before the scandal[153].

Despite this survey, however, the truth about the relationship between President Bill Clinton and intern Monica Lewinsky could not remain secret for long. The CMT of the White House decided to invert the course of the crisis communication strategy and to convene a press conference on 17 August, 1998 at 10.00 p.m. to tell the whole truth about what had happened. It was obviously a very risky move because it could precipitate the levels of credibility and honesty of the President, but the risk of being contradicted by the media was getting bigger and dangerous.

In the most difficult four minutes of his presidential career, Clinton began admitting all their responsibilities, both public and private, and apologized for having lied in all the previous statements about the scandal concerning him:

*"While my answers were legally accurate, I did not volunteer information. Indeed, I did have a relationship with Ms. Lewinsky that was not appropriate. In fact, it was wrong. It constituted a critical lapse in judgment and a personal failure on my part for which I am solely and completely responsible. […] I know that my public comments and my silence about this matter gave a false*

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[151] Robert E. Denton and Rachel L. Holloway, *"Images, Scandal, and Communication Strategies of the Clinton Presidency"*, Praeger, 2003, Westport CT.

[152] W. Flanigan and Nancy Zingale, *"Political Behavior of the American electorate", 1998,* Washington DC: Congressional Quarterly.

[153] Survey from Gallup Organization, *"President Clinton's job performance",* published on 9 October 1998 on http://ropecenter.uconn.edu/presapp/clintgal.htm.

*impression. I misled people, including even my wife. I deeply regret that. I can only tell you I was motivated by many factors. First, by a desire to protect myself from the embarrassment of my own conduct. I was also very concerned about protecting my family. Now, this matter is between me, the two people I love most - my wife and our daughter - and our God. I must put it right, and I am prepared to do whatever it takes to do so".*"[154].

While, as we have seen, the first part of his speech to the Nation was focused on the apologies and on their own responsibility, in the last minutes the former U.S. president lashed out at those who had exploited his grief, sparing no harsh words for those who sought to destroy him politically exploiting a personal mistake:

*"The independent counsel investigation moved on private business dealings 20 years ago and on to my staff and friends, then into my private life. And now the investigation itself is under investigation. This has gone on too long, cost too much and hurt too many innocent people. It is time to stop the pursuit of personal destruction and the prying into private lives and get on with our national life. Our country has been distracted by this matter for too long"*[155].

This sudden version change from Bill Clinton sparked various reactions: from those who felt disappointed for believing in a liar president who has done wasting time and money to his country, to those who condemned Clinton for lies but saw in his apology a starting point to rebuild his relationship with the people, passing through those who loved his courage but considered out of place his attacks on those who have investigated about his scandals[156]. In order

[154] Statement extracted from *"President Bill Clinton: I Misled People"*, available at http://www.historyplace.com/speeches/clinton.htm.

[155] Statement extracted from *"President Bill Clinton: I Misled People"*, available at http://www.historyplace.com/speeches/clinton.htm.

[156] Robert E. Denton and Rachel L. Holloway, *"Images, Scandal, and Communication Strategies of the Clinton Presidency"*, Praeger, 2003, Westport CT.

to assess the impact of the Bill Clinton's speech and the people's reaction, it is interesting to quote a survey by the Washington Post-ABC News Poll of August 21, 1998, also reported by Robert Denton and Rachel Holloway in their book "Images, Scandal, and Communication Strategies of the Clinton Presidency", already quoted in the references of this thesis. Among the 68% of respondents which saw the speech, 54% believed that Clinton had answered sincerely to all questions, 51% believed that his sorrow was enough to be forgiven, 52% still thought that there was nothing illegal in what he had done, 62% was fully convinced that he should not have been removed from his office and 54% thought that Bill Clinton would have to remain the U.S. President also is further negative information would coming out from the investigation of Kenneth Starr. In general, Bill Clinton aggregate approval increased from 61% to 66%[157].

After days of heated controversies, Republicans pushed to start impeachment proceedings against Bill Clinton. During the mid-term elections, which took place after Clinton's apology speech, the Republicans lost five seats and had to hasten the process of voting in the Senate to ensure that, with the reshuffle of the senators, impeachment of the president would have been even more difficult[158]. The impeachment process started on December, 19, 1998 and the official trial Begun on January 14, 1999. The White House CMT decided to entrust the delicate role of spokesperson to Senator Dale Bumpers, who had retired recently from the American political scene. So as expected, Bumpers spoke quietly about the relationship between Bill Clinton and Monica Lewinsky, judging it irresponsible but in no way detrimental to the country:

*"Nobody has suggested that Bill Clinton committed a political crime against the state. So, colleagues, if you honour the Constitution, you must look at the history of*

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[157] Survey from Washington Post- ABC News Poll of August 21, 1998 reported in Robert E. Denton and Rachel L. Holloway, *"Images, Scandal, and Communication Strategies of the Clinton Presidency",* Praeger, 2003, Westport CT.

[158] Robert E. Denton and Rachel L. Holloway, *"Images, Scandal, and Communication Strategies of the Clinton Presidency",* Praeger, 2003, Westport CT

*the Constitution and how we got to the impeachment clause. And if you do that and you do that honestly according to the oath you took, you cannot – you can censure Bill Clinton, you can hand him over to the prosecutor for him to be prosecuted, but you cannot convict him. And you cannot indulge yourselves the luxury or the right to ignore this history"*[159].

The decisive step in the Bumpers' defence speech, however, was the reference to the Constitution and the original will of the founding fathers regarding the impeachment proceedings:

*"These proceedings go right to the heart of our Constitution where it deals with impeachment, the part that provides the gravest punishment for just about anybody, the president, even though the framers said we're putting this in to protect the public, not to punish the president. [...]You're here today because the president suffered a terrible moral lapse, a marital infidelity. Not a breach of the public trust, not a crime against society, the two things Hamilton talked about in Federalist Paper No. 65, but it was a breach of his marriage vows. It was a breach of his family trust. It is a sex scandal. You pick your own adjective to describe the president's conduct. Here are some that I would use: indefensible, outrageous, unforgivable, shameless. I promise you the president would not contest any of those or any others"*[160].

The intervention of the Senator Dale Bumpers was decisive for the purposes of exoneration of Bill Clinton from charges of impeachment: on February 12, 1999, the perjury charge was not admitted by 55 senators against 45, while the

[159] Dale Bumpers' impeachment speech, January 21, 1999, extracted from *"The impeachment Trial. Former Senator Dale Bumpers",* January 21, 1999, available at http://www.pbs.org/newshour/impeachment/trial/bumpers_1-21.html

[160] Dale Bumpers' impeachment speech, January 21, 1999, extracted from *"The impeachment Trial. Former Senator Dale Bumpers",* January 21, 1999, available at http://www.pbs.org/newshour/impeachment/trial/bumpers_1-21.html

prosecution for obstruction of justice divided into two equal halves the U.S. Senate, without reaching the 67 votes needed for its admission.

*Conclusions.* The sex scandal involving President Bill Clinton has monopolized the attention of the national and international media, with more than 400 newspapers front pages and with the 46% of time dedicated by American televisions. We can now analyse the key moments of Clinton's crisis communication strategy to get out of the grip of the media and to regain the trust of the citizens. The task of Bill Clinton was certainly not easy: multiple audiences, morally sensitive issues and a scandal involving both the legal and the political sphere. But it is undeniable that Clinton and his CMT initially have made several errors. Deny all the charges in a so striking media event is a mistake that was to be avoided: it was clear that, sooner or later, the truth would emerge and that Bill Clinton would be considered a liar, as well as an unfaithful husband. The crucial moment in the defence of Bill Clinton was his speech to the nation on 17 August. Although it was essential to set up future strategies to defend him from the possibility of impeachment, the speech did not fully convinced the press: the New York Times, for example, saw Clinton reluctant to admit their responsibility and considered the entire speech as a compromise between his lawyers, which would rather continue to deny every charges, and his crisis communicators, fully convinced that only a sincere confession in front the nation would avoid worse trouble[161]. In general, the press was not kind with the President Bill Clinton:

- *"He essentially did not say he was sorry for what he had done; he was just sorry he got caught […] the language also had that Clinton smell. Seven months of lies and the famous finger wag somehow amounted only to an admission that he "gave a false impression". As for defending*

[161] John M. Broder, *"Testing a president: News analysis",* New York Times, August 18, 1998, p. A1 and C. James, "Testing a president: The speech", New York Times, August 18, 1998, p. A16.

*answers as "legally accurate", most people think something is accurate or it is not"*[162].

- *"The speech did non elicit sympathy because he was not tough on himself [...] his demeanour was not that of a strong man in a moment of contrition but that of a defensive man in a moment of aggression. There was no trust in his speech, no sense that he knew he could trust the compassion of the people he leads"*[163].
- *"So what if he was angry after four years of investigations and four hours of intimate questioning? He could have had the grace to at least sound a little more apologetic for his behaviour. He might have even thrown in a pinch of humility for good measure"*[164].

Fortunately, Clinton's Crisis Communication Team closely monitored all these negative news and impressed the subsequent speeches of the President of five new features: (1) certainty, (2) optimism, (3) activity, (4) realism, (5) commonality[165]. In this way, after Clinton's second confession of August 28, 1998 and the third on September 11, 1998, the press and the public believe in his words and once more began to judge positively his speeches and, more generally, his political work.

The second critical step in the White House crisis communication strategy was the speech of the Senator Dale Bumpers on January 21, 1999 that exonerated President Clinton from charges of impeachment. The crisis communication strategy of his speech was clear and effective: he spoke in a clear, honest and accurate manner. He criticized the President for his mistakes, not hesitating to use even stronger terms ("*indefensible, outrageous,*

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[162] N. Gibbs and M. Duffy, "*I misled people"*, Time, 152, August 31, 1998, p. 34.

[163] P. Noonan, "*Why the speech will live in infamy"*, Time, 152, August 31, 1998, p. 36.

[164] K. Hayden, *More apology, Mr. President, and less politics, please"*, CNN: All politics, August 18, 1998, on http://www.cnn.com/ALLPOLITICS/index.html.

[165] Robert E. Denton and Rachel L. Holloway, *"Images, Scandal, and Communication Strategies of the Clinton Presidency"*, Praeger, 2003, Westport CT.

*unforgivable, shameless"*) in order to not create a barrier between his defenders and those who accused him. And he was able to persuade his colleagues to vote against the forfeiture touching the right buttons, the American Constitution and the fundamental values of the American nation. He persuaded U.S. Senators to think about their duties and that the removal would be contrary not only to the will of the people, but also against the constitutional requirements designed to defend the good of the country. The words of Senator Bumpers revealing that the Lewinsky scandal was not an episode in the life of President Clinton, but an important historical shift in the constitutional life of the entire country: do not follow the directions of the voters and the founding fathers would have been a lack of democratic values and would create a dangerous precedent.

The results of the White House's crisis communication strategy were extraordinary: President Clinton was considered "the most publicly shamed president of modern time and one of the most popular"[166]. He ended his term of office in 2001 with a job approval rating of 58%, higher than he had when he started the presidency in 1993, a feat never succeeded to any other American president[167].

### *3.4 Crisis communication applications in Italy: the "Giannino Case" and the strategy implemented by Dr. Aldo Torchiaro.*

The second case study about the relationship between politics and crisis communication concerns the alleged misrepresentation of never achieved academic qualifications. The list of such cases is long and concerns politicians of each political party and of all nationalities. To be brief in dealing with the examples, we will list only the most recent Italian cases that have aroused more scandal:

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166 Molly W. Sonner and Clyde Wilcox, *"Forgiving and forgetting: Public support for Bill Clinton during the Lewinsky scandal"*, PS, Political Science and Politics, 32, 1999, pp. 554.

167 Richard Benedetto, *"Clinton: Survivor driven by polls"*, USA Today, August 14, 2000, available at http://www.usatoday.com/news/conv/203.htm.

- Renzo Bossi, charged and investigated in 2013 for a bachelor's degree achieved at the Kristal University of Tirana in 2010, without ever having attended a class, by the payment of EUR 77,000 owned by the Northern League party[168].
- Daniela Santanchè, accused in 2012 of having included in her curriculum a Master in Business Administration at the Bocconi University in Milan in 1993 but, according to the director of the school Mario Mazzoleni, never achieved by the Italian politician[169].
- Guido Crosetto, charged of having declared a fake degree in Economics and Business at the University of Turin, while he interrupted his studies and his exams in 1991[170].

The case of Oscar Giannino, however, presents unique characteristics compared to the three just mentioned and, overall, it was followed by an interesting crisis communication campaign, useful to study and to describe.

Oscar Giannino is an italian economist with a political past in the Italian Republican Party of Giorgio La Malfa. During 2012, he promoted the movement "Fare per fermare il declino" with Michele Boldrin and other professors, businessmen and Italian economists. The manifesto of the movement sought to collect signatures of all Italian citizens who found themselves in agreement on the points of the program, based primarily on reducing taxes and government spending. In December 2012, Oscar Giannino announces the transformation of

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[168] News published on *Laurea in Albania, Renzo Bossi indagato a Tirana. Non ha mai seguito una lezione",* December 2, 2013, available at http://www.ilfattoquotidiano.it/2013/12/02/laurea-in-albania-renzo-bossi-indagato-a-tirana-non-ha-mai-seguito-una-lezione/797959/.

[169] News published on *"Falso il master della Santanché. E lei s'infuria: campagna ridicola",* March 22, 2011, available at http://www.corriere.it/politica/11_marzo_22/santanche-bocconi-oggi_3ea66fe2-54a1-11e0-a5ef-46c31ce287ee.shtml.

[170] News published on N. Di Turi, *"E spunta una falsa laurea anche per Crosetto. Lui: mai scritto di averla conseguita",* March 2, 2013, available at http://www.corriere.it/politica/13_marzo_02/crosetto-falsa-laurea_4d5f940e-8321-11e2-839d-17a05d1096bb.shtml

the movement into a real party that, as announced on 2 January 2013[171], would participate in the elections for the Presidency of the Council, which would take place in February 2013. On February 18, 2013, one of the co-founders of "Fare per fermare il Declino," the economist Luigi Zingales, announced his desertion from the party because of the misrepresentation of Oscar Giannino on his academic qualifications[172]. The reference was a Master at the Booth School of Business of Chicago that Giannino had never achieved, contrary to what was shown by his curricula and to what he had declared several times. Following the outbreak of the scandal, subsequent investigations have demonstrated the falsity of the other qualifications of Oscar Giannino, a degree in Economics and one in Law. A few days later, on February 20, 2013, Oscar Giannino has announced his resignation as President of the party in favour of the young lawyer Silvia Enrico, while remaining the official candidate for election due to legal requirements.

The lies of Oscar Giannino quickly become viral and monopolize the attention of voters and the media. In this case, contradict or deny the allegations soon became impossible: the alleged academic titles of the politician were spread all over the web, from the less credible but incredibly widespread Wikipedia to the more trusted website of the Bruno Leoni Institute. Even multimedia platforms do not left escape to the leader of "Fare per fermare il Declino": three videos, loaded on Repubblica.it[173], on IlPost.it[174] and on Corriere.it[175], showed how

[171] News published on P. Salvatori, *"E Oscar Giannino annuncia la sua candidatura a premier",* January 2, 2013, available at http://www.huffingtonpost.it/2013/01/02/e-oscar-giannino-annuncia_n_2394551.html.

[172] News published on *"Il caso del master inventato di Oscar Giannino",* February 18, 2013, available at http://www.ilpost.it/2013/02/18/luigi-zingales-lascia-fermare-il-declino/.

[173] Video available at http://video.repubblica.it/dossier/elezioni-politiche-2013/giannino-soli-perche-monti-ha-ceduto-a-fini-e-casini/118437/116906

[174] Video available at http://www.ilpost.it/2013/02/18/luigi-zingales-lascia-fermare-il-declino/

[175] Video available at http://video.corriere.it/audio-che-incastra-giannino-master-fantasma/a332a790-7b3d-11e2-ba69-3fd719869bcf

often Giannino had told to have achieved both the Master in Chicago that the two degrees in Italy. The incriminated sentence is, more or less, always the same:

*"My friend Luigi, I'm talking about Luigi Zingales, who also writes for "L'espresso", also teaches at the University Chicago Booth, where I got a Masters in Corporate and Public Finance"[176].*

In addition, to complete the absurd own goal made up of lies and omissions, Oscar Giannino said to have participated, when he was a child, to the important singing competition "Lo Zecchino d'oro"[177] and to having attended, during his master in Chicago, the lectures of Nobel Laureate Kenneth Arrow, wrongly named Bob[178]. Both statements have been proven wrong[179], also because Arrow has taught in Chicago only in 1948-1949 and never in a Master degree.

After this brief description of the facts, it is important to understand how it was possible to set up an effective crisis communication strategy a few days before the vote, with so many proofs against Oscar Giannino and with the widespread recognition that the leaders of "Fare per fermare il decline" was fully aware of the lies he was telling to Italian citizens and voters. Before starting the analysis of the communication strategy, it is worth pointing out that

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[176] Sentence extracted from Domenico Ferrara, "*Giannino lo diceva sempre: Fatto il master a Chicago",* published on February 20, 2013, available at http://www.ilgiornale.it/news/interni/giannino-verso-dimissioni-887983.html

[177] News extracted from Maurizio Stefanini, "*Oscar Giannino ci spiega perché lo Zecchino d?Oro non può chiudere",* Il Foglio, November 12, 2009, available at http://www.ilfoglio.it/soloqui/3818

[178] News extracted from the video available at http://www.ilgiornale.it/video/interni/rapallo-giannino-e-master-887987.html

[179] The denial about the singing competition is available at http://www.huffingtonpost.it/2013/02/21/oscar-giannino-anche-lo-zecchino-doro_n_2733754.html, while the denial on the lessons of Kenneth Arrow is available at http://www.dagospia.com/rubrica-3/politica/1-giannino-nessuno-e-centomila-oscar-non-ha-un-master-non-ha-le-due-51207.htm.

not all the media and politicians have condemned Giannino for his lies. The journalist Massimo Gramellini, for example, wrote on "La Stampa" that Giannino had not caused harm to anyone and that he had simply embroidered his personal history[180]. Michele Boldrin, co-founder of the party, said that nothing serious was happened and that many Italian politicians had not even finished high school[181]. Finally Guido Crosetto, the same who was later accused to have made false statements on his academic titles, said that in a country with so many problems, political suspects and tax fraud, the funny lies of Oscar Giannino were the last of the issues to think about[182].

Despite these important endorsements from influential Italian personalities, develop and implement an effective crisis communication strategy has not been easy. As well as in the case previous analysed, Bill Clinton's SexGate, initially the Oscar Giannino's strategy was to deny that he had voluntarily reported having a master's degree in Chicago and two others degrees in Economics and Law.

*"I did not take a master's degree at Chicago Booth. [...] I would like to clarify that this is a misconception. I went to Chicago to study English. If asked, I would have answered"*[183]. And, about his wrong curricula widespread on the web, he declared: "*Even the wrong curriculum on the website of the Bruno Leoni Institute*

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[180] Massimo Gramellini, "*Fare per fermare il Giannino*", La Stampa, February 19, 2013, available at http://www.lastampa.it/2013/02/19/cultura/opinioni/buongiorno/fare-per-fermare-il-giannino-FGQbcioKFPwffGceS9HpiP/pagina.html

[181] Michele Boldrin's Facebook status, published on February 18, 2013, available at https://www.facebook.com/mboldrin/posts/10200332891020819?comment_id=5615443&offset=50&total_comments=83

[182] News extracted from the article "*Crosetto: Giannino è l'ultima persona che doveva ritirarsi*", published on Fratelli d'Italia's official web site on February 20, 2013, available at http://fratelli-italia.org/attualita/comunicati-stampa/670-crosetto-giannino-%C3%A8-l-ultima-persona-che-doveva-ritirarsi.html

[183] News extracted from the article "*Zingales lascia Fare: Giannino mente*", Ansa.it, February 18, 2013, available at http://ansa.it/web/notizie/rubriche/politica/2013/02/18/Zingales-lascia-Fare-Giannino-mente_8269732.html

*is due to a young intern who took and put in what he found on Wikipedia. My only mistake is that I did not see it"*[184].

Oscar Giannino denies having widespread any fake news about his academic titles and do no assume any responsibility for what happened, declaring that his false curriculum on websites is the result of an insufficient work made by some intern. And, as we got to learn from the study of theory and case studies, a denial in front of opposite evidences can make the situation worse, causing considerable damages. In conclusion of his first statement of clarification, published on the official website of the party just few hours after the complaint by Luigi Zingales, Giannino has ridden the wave of those people who considered his mistake a venial sin, stating that:

*"I am a journalist since ten years, I have never used the alleged academic qualifications – that I have not - for careers that do not compete to me. I work since I was young, and everybody knows it. I learnt everything I know studying on my own – and this is also valid for the others academic titles that are attributed to me on the net - I keep on studying every day, and that is what gave strength to what I have written and said under the eyes of everyone"*[185].

Aware of the risk that the party was running a few days before the vote, the Giannino's CMT has opted for a wise change of strategy, offering to media and voters the resignation of Oscar Giannino and his admission of responsibility, together with the reasons that led the leader to lie about his past academic year. without prejudice the conviction of the futility of the gesture:

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[184] News extracted from the article *"Oscar Giannino: Pronto al passo indietro, deciderà la direzione nazionale"*, Il Fatto Quotidiano.it, published on February 19, 2013, available at http://www.ilfattoquotidiano.it/2013/02/19/giannino-pronto-al-passo-indietro-decidera-direzione-nazionale/505281/

[185] Statement extracted from *"La risposta di Oscar"*, published on February 18, 2013, available at http://www.fermareildeclino.it/articolo/la-risposta-di-oscar

*"If it is true that people have to vote for us holding their noses, I am leaving tomorrow the national leadership of "Fare per fermare il decline" and I am available to any kind of solution. If my credibility obscure the transparency of "Fare per fermare il declino", my credibility will be separated from the credibility of "Fare per fermare il declino". I apologize to our voters: the line of clarity that we want to bring forward is clear and I have taken all the responsibility"*[186].

This new crisis communication strategy, which led to the humble resignation of Oscar Giannino and to his admission of guilty, have surely brought better results than the initial denial strategy. The message arrived to the voters was that of a party founded on credibility, honesty and transparency that, unlike many other political parties, applied its strict rules on the outside and especially on its inside. A political party with the courage to apologize to its voters, but also to all those citizens disappointed by the scandal.

The real final test for the Giannino's crisis communication strategy was the interview he gave to "Le invasioni barbariche", an Italian TV show broadcast on LA7 and conducted by journalist Daria Bignardi, on February 20, 2013.

*"**Question.** When you decided to resign from the presidency of "Fare per fermare il declino"?*

***Answer.** Immediately. My loss of credibility has made my resignation inevitable, in order to give strength to the party a few days before the vote. I resigned as president, but I can not withdraw my candidacy for Prime Minister. I would like, however, to anticipate what will be said by the media: my resignation are not a farce: if I were to be elected to the National I will entrust my seat to the National Assembly and I will not go into Parliament.*

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[186] Statement extracted from "*Pronto al passo indietro, deciderà la direzione nazionale",* published on February 19, 2013, available at http://www.ilfattoquotidiano.it/2013/02/19/giannino-pronto-al-passo-indietro-decidera-direzione-nazionale/505281/

***Question.*** *What will you do now, will retire from politics?*

***Answer.*** *I like politics. I do not know if I am done forever with my political activity, but for the moment it is fair and correct that I do not deal with it anymore. The reason is very simple: we want to apply the principles of cleanliness and transparency in public life and it is right that these principles apply also for us.*

***Question.*** *The next leader of "Fare per fermare il declino" may be Luigi Zingales?*

***Answer.*** *The complaint by Luigi Zingales was not a snub to me. He is naturally led to the transparency and honesty and he decided to apply them also in this case. But I am not going to argue with him, at least not in public. According to him private and public errors are the same thing, but I personally do not agree. I did not steal public money and I have not falsified public documents, but I repeat that it is right that the rules are applied to everyone.*

***Question.*** *Giannino, it is possible that some of our listener does not know what happened. Do you want to tell everybody what happened?*

***Answer.*** *Certainly. I was awarded a Master's in Chicago and I also, on several occasions, talked about it in public. Luigi Zingales, who teaches at the Chicago Booth University, discovered that I never achieved that degree and he decided to report everything to the media. I immediately knew how it would end up, because I love to talk and, because of this, I have been awarded two degrees in Law and Economics, although I have only took a few exams in Law.*

***Question.*** *Why did you lie about your academic career?*

***Answer.*** *On the issue of my academic qualifications I played a lot. The reason why it all began is that I come from a family with few economic resources. I started studying at night, because I worked every day, but I soon got tired and I started to study on my own. Lying on university degree is wrong, I admit. But if you use your fake qualifications to participate to open competition is more serious than what I have done, because my statement did not bring to me anything more than what I deserved. It was only a sort of revenge on poverty and a reason of fun.*

***Question.*** *Already in 2011 had appeared on Wikipedia a discussion regarding his alleged qualifications*[187]*. You have never heard of this debate?*

***Answer.*** *No, I do not use Wikipedia. If I had seen the debate before this scandal, I would definitely cleared things up. If I never denied the rumors about me is because I did not feel any weight on my shoulders, I did not feel the need to explain how things actually were. Moreover, I repeat, I was not using fake degrees to get some benefits, it was just a way to make fun of teachers, teaching lessons that otherwise, despite my knowledge, I could never teach.*

***Question.*** *I saw a video in which you tell an anecdote of your first lesson during the Master of Chicago, in which you quote the future Nobel Prize Kenneth Arrow, that you have mistakenly called Bob.*

***Answer.*** *This episode, however, is "almost true". It has not happened in Chicago, but when I went to see Franco Modigliani at Boston MIT. And the only reason why I often quote that episode is to remember how much limping was my English.*

***Question.*** *Can you past mistakes coexist with the dictates of "Fare per fermare il declino", which are those of honesty and transparency?*

***Answer.*** *What happened in my past is a closed chapter. After my lies I started working, and in thirty years nobody has ever put me in difficult with the data and with numbers. In 1994, I closed with politics and with the Republican Party because of disappointment due to the involvement of some of our politicians in "Tangentopoli" scandal. In that case, the scandal involved stolen money, there was nothing funny or innocent. But, just as the Republican Party was "the party of the honest" and punished those who committed unforgivable mistakes, so "Fare per fermare il declino", which is the party of transparency, it must eliminate those who told lies to citizens and to the voters.*

***Question****. What did you regret most in all this scandal?*

***Answer****. I regret the pain I have caused to my elderly mother and even to my brother, who is very disappointed but who has always been very close to me. Under the weight of this error, every good thing I have done in my recent years will*

[187] Discussion available at http://it.wikipedia.org/wiki/Discussione%3AOscar_Giannino

*disappear. My credibility is very hurt and I will fight to restore it, but I hope the Italians will appreciate my consistency, and will remember all the good things I have done in tens of years of work"[188].*

This interview was the turning point of the entire crisis communication strategy. For the first time, as also pointed out by journalist Daria Bignardi, Oscar Giannino gave the impression of wanting to free himself from the weight of his lies, answering truthfully to all the questions that have been asked. He admitted several times its responsibilities and has separate his fate from that of his party, in order to exonerate all those who had no responsibility in this bad story. He succeeded in not succumb in the trap of easy polemics against his accuser, Luigi Zingales, thus avoiding to tarnish the image of serenity and harmony that his party was sending to the voters.

While stressing several times venialities of his mistakes, he offered the sincerest apologies and his justifications have affected the sensitivity of many people: the poor conditions of its childhood, the commitment he has made in the studies during the night, the desire to work and emerge in a difficult context, its personal realization obtained with his own strength. Thanks to this interview Giannino, despite his figure has remained compromised , managed to regain some of the credibility it had lost and gave back hope to his party in view of forthcoming elections.

*Interview with Aldo Torchiaro.* Aldo Torchiaro, born in Rome on April 24, 1974, is a professional journalist and communications consultant. Founder and CEO of "Reputazione Pubblica"[189], is also a partner of "Politiche Pubbliche"[190], a company that deals with institutional communication.

[188] The full interview is available at http://www.youtube.com/watch?v=j7B251NCwsk

[189] Information available at http://www.reputazionepubblica.it/

[190] Information available at http://www.politichepubbliche.com/index.asp

He developed, with the latter society, the electoral campaign of "Fare per fermare il declino" and, consequently, has been one of the creator of the Oscar Giannino's crisis communication strategy.

***Question.*** *"You are one of the partners of the project PolitichePubbliche.com, which has been dealing for years of political communication. Why, and how did you start this kind of job? And, talking also about crisis communication, what is the role of communicators within political parties and political movements in Italy?*

***Answer.*** *I started to take care of political communication as an aspiring journalist, just after college, when I was twenty-five years old. I was an idealist, full of hope, with a grandiose vision of political life. I was very lucky to begin almost immediately to work, as a precarious journalist for two antithetical newspapers: one was left-side oriented, while the other was right-side oriented. I frequented political parties, starting to know political works from the inside, touching with my hands the "behind the scenes" of the characters. I was disappointed and fascinated at the same time, and I decided to fill the disillusionment for the paucity of politicians with the professionalism of the spin doctoring. I started suggesting jokes for party leaders, and at the end I was writing political speeches. And I fell in love with the cab of directing, after realizing that it is there, away from the cameras, that decisions are really true. This profession can be even ennobling to the policy, if you can offer the right solutions, ethically, in cases of crisis.*

***Question.*** *During parliamentary elections of February, 2013, the "Fare per fermare il declino" campaign was considered, in the opinion of many people, the best and most complete. What is the "behind the scenes" of a work appreciated by so many people, voters or not?*

***Answer.*** *There are no objective evidences to establish that an electoral political campaign is "better" than any other, even though we received three first prizes in* *six categories in the competition organized by the University of "Roma Tre" , based on the creativity and on digital engagement.*

*The work was very hard and uphill, because it was not just a question to communicate something, but rather to invent a party, select its executives, find it a registered office and give it an effective organization. Everything was to be made in a few days and without money. In fact, at the end, financial helps arrived only thanks to an online crowd funding network organized by PolitichePubbliche.it*

*Behind the scenes there can only be so much passion, so much effort, and also a great feeling between us and the leader, Oscar Giannino. The human element has made the difference: we have built a close-knit team, rallied hundreds of volunteers and hired new energy, vital and intelligent, and together we have committed fully in order to achieve a common result. There was an enthusiasm and a charge that I had never heard in any other election campaign.*

***Question.*** *A few days before the vote, the case of the fake Master in Chicago of the movement's leader, Oscar Giannino, took over the political debate. What were the first reactions of the communication team and, in particular, of crisis communicators?*

***Answer.*** *We should have taken Oscar Giannino and isolate him from the world, in these cases it is necessary. Instead, he was more dynamic and overexposed than ever, there was no way to protect him and engaging in a reflection. In these cases, it is necessary coolness and humility, both from crisis communicators than from the leader. What we have done, at first? We tried using all means to verify the truth of the facts with Oscar Giannino. Also with us, it was not immediately sincere and honest. For the first 24 hours he told me not to be worried about the news, because it was only a misunderstanding that would soon been clarified. I have learned a key lesson: never lie to your staff, never give to your doctor, your lawyer or your crisis communicator to a mitigate, rose-tinted view of reality, otherwise you will condemn yourself.*

***Question.*** *Following many surveys, carried out over the last few years all over the world, very often organizations, from businesses to political movements, do not have the basic elements to be able to deal with a crisis, whatever it is. I am referring to the Crisis Plan, the structuring of a Crisis Management Team and the training of communicators. In your case, how much attention to crisis communication has been dedicated by the movement "Fare per fermare il declino"?*

***Answer.*** *"Fare per fermare il declino" was born on December 8, 2012, and after ten days was officially in the election campaign for the House of Representatives, the Senate and three Italian regions. There was no time to make a national organization, having a crisis plan ready was unthinkable. But there was Oscar Giannino that often, from the beginning, told us to expect everything from one moment to another, and not to worry because in his life he had to start all over from scratch many times. It was prophetic, because in his head he imagined and presupposed all the possible options, even the irreparable. In most cases, politics still ignores the essential role of crisis manager and communicator and prefers to alternate, between his advisers, two extremes: public relations managers and media relations managers (that simply multiply invitations on TV), law offices and princes among lawyers to protect themselves in judgment. In between, our politicians do not see anything and it is now known to be part of their blindness.*

***Question.*** *Going into the details of the management of Giannino's crisis, what strategies have you implemented to reduce the damage and to contain the loss of electoral support? What do you think about the results you obtained?*

***Answer.*** *The crisis that involved Oscar Giannino was, first of all, a personal crisis and not a political one. He is a very brilliant man, an intellectual rebel who has created two, three, four lives in one, aspiring to live them all in a single existence. His crisis was not a case of political crisis management or communicative electoral impasse, because he lied for years not to the voters, but to his friends, to his family and his wife about private matters, never causing* *damage to public property. For two days, after the outbreak of the case, none of us really understood what was going on, because Giannino was taking for granted the immediate clarification of the misunderstanding. He even ask us to convene a press conference in order to ensure journalists about his sincerity about his curriculum. And the press conference was opened by the Director of Istituto Bruno Leoni, Carlo Stagnaro, who admitted to having mistakenly published a fake curriculum of Oscar Giannino, mistranslated by a young intern, because Oscar would never indicated any fake Master degree. In that climate, acting in this way, you do not sterilize the controversy but you make useless the work of your staff. You disrupt your own defenses. So if I can say something here, it is what I would have done, what I should have done in a parallel universe: I ideally should have isolate the candidate from the whole world, convince him to admit the truth and impose a press blackout for half a day, because the chaos worsens everything and everyone; I should have freeze the situation until its internal clarification. At the end of this process, we could have taken a decision: or a public apology and resignation, or postpone the moment of truth after the election day, in order to not to invalidate the political results.*

***Question.*** *Turning back from the Particular to the general, what are the future prospects for crisis communication and what role will communicators play in future electoral campaigns?*

***Answer.*** *We must hope that the political campaign in Italy will continue to evolve. We are a very peculiar country, with an atypical electorate, much more colorful of the European voters for better or worse. Our politicians reflect this adverse propensity to rational method. In Italy, for example, we invest very little in the focus groups, which instead are fundamental. We invest little in the polls, which are essential, and very little in the digital strategy. We have the lowest direct mail service in Europe, Real Time Bidding is almost unknown and the crowd funding is still ignored while pharaonic budget are spent on gargantuan electoral dinners. The crisis communication is the only subject that allows you to analyze the potential risk factors and prevent crises, then forestall them or resolve them* *when they occur. Crisis communication must develop hand in hand with the affirmation of a more mature culture of communication and strategy of consensus. It also depends on us, the insiders, and I would prefer a crisis management school bounded by stringent professional and ethical principles: who solves its crisis with impropriety or illegality, simply put the basis to act wrongly again and create new critical risks to himself and to others.*

*Conclusion.* The case of Oscar Giannino and his crisis communication strategy has been chosen as a case study for its speed of execution, for its effectiveness and for the special relationship between the crisis communicator and the politician hit by the scandal. Despite the very short time available and, as mentioned also by Aldo Torchiaro, the limited resources available, the improvised crisis management team was able to develop a strategy to regain credibility and reliability: the sincere "apology strategy", resignation and the new entry of a "clean face" like Silvia Enrico, have made sure that the party would not be completely eliminated from the electoral competition. According to data reported by Aldo Torchiaro on the website PolitichePubbliche.com the "3/4 of the electorate of "Fare per fermare il declino" have vanished in a very short span of time"[191]. The average of polls, published on www.sondaggipoliticoelettorali.it, gave to "Fare per fermare il declino" an average of 3.05% share of voters, from 2.2% of SWG (method of telephone surveys) to 4.2 of SpinCom (method Crawi with observations on the web)[192]. The more relevant and reliable sample survey, made by Termometro Politico, gave to the party a share of 2.7%[193]. The finale electoral result was a measly 1.12% in the House of Representatives and an even more pitiful 0.90% in the

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[191] Sentence extracted from *"Ultime elezioni politiche: Fare 2013,* available at http://www.politichepubbliche.com/casehistory_fare.asp

[192] Data survey found on http://www.sondaggipoliticoelettorali.it/GestioneSondaggio.aspx

[193]Data survey found on *"Sondaggio TP: Trend negativo del PD, in crescita Giannino e Grillo",* available at http://www.termometropolitico.it/29878_sondaggio-tpfanpage-trend-negativo-del-pd-in-crescita-giannino-e-grillo.html

Senate. Then, how is it possible to positively judge a crisis communication strategy if it leads to the loss of almost all the electoral consensus?

1. The party was too tied to the figure of Oscar Giannino and his way of presenting the ideas and the plan presented in the electoral competition. His resignation deprived the electorate of an irreplaceable point of reference and have led to the withdrawal of a large part of the electorate. Nevertheless, it was the only possible choice in that situation.

2. The rapidity of the decision to stand for election has prevented the creation of a structured Crisis Management Team and drafting a Crisis Plan. Without these basic ingredients it was impossible to achieve better results.

3. The explosion of the crisis occurred too close to the election day. The response and recovery time was just five days, from 18 to 23 February 2013. The credibility recovery process requires definitely more time action: for this reason it was impossible to avoid losses in the electoral consensus.

4. Oscar Giannino has not been honest with his crisis communicators, hiding the truth and telling that he have not lied on his academic past. In a situation like this, where Crisis Management Team is not aware of the information needed for the development of an effective strategy, it was impossible not to run into contradictions and public errors.

Therefore, it is correct to express a positive opinion on the crisis communication strategy set up by Aldo Torchiaro and its colleagues. The risk that “Fare per fermare il declino” was running, was not only to lose electoral consensus, but rather to completely disappear from the political scene. Being able to maintain the credibility of the party, which is quite different from that of the politician Oscar Giannino, it was an incredible result due to the excellent work done by Aldo Torchiaro and the crisis communication team.

# IV CHAPTER. ECONOMIC CRISES AND COMMUNICATION: MOVING FROM CRISES TO OPPORTUNITY AND THE ROLE OF THE CEO IN THE MANAGEMENT OF A RISKY SITUATION.

## *4.1 How to tackle with an economic crises and how to use communication to get out of trouble.*

After having analyzed the principal communicative reactions to political crises, in this last chapter we will analyze the communicative strategies in response to an economic crisis, the main cases of application of crisis communication case in economics and most important case studies, the Ford case and the sink of the Costa Concordia.

The economic crises in recent years have become global, increasing the risk for consumers and often triggering vortices from which it is difficult to get out without damage. Compared to the political crises, which require immediate answers through the media, the economic crises that do not involve risks to consumers can be managed in a longer time. Only when the risks are imminent or if the errors of the company have caused death or injury it will be necessary to give appropriate responses in a very short time. In the event that the crisis has caused economic damage or loss of life, avoid communicating can bring the customers to believe that the company has remained indifferent to the damage caused, thinking only to maximize its own profits. In any case, do not respond to the crisis and avoid communicating can lead to a loss of confidence in the company by customers and stakeholders. Moreover, in the economic field it is very difficult to be proactive, because crises often occur without being announced by warning signs. And also when these signs are clear there is a huge risk, especially in this period of economic difficulties, that crisis communications could spread a sense of panic in consumers before anything has already happened.

So, communicating is inevitable, but how to communicate in the best way possible?

Bradford and Garret in 1995 defined the corporate crisis communication as the necessity to "focuses on the potential effectiveness of corporate communicative responses to accusations of unethical organizational behavior"[194].

Every company must be ready to face a crisis and to fill every possible communication gap, especially those with high potential risk and those who in the past have made mistakes in crisis management and communication. An effective crisis communication strategy involves the application of a rapid response plan, a strong attention to the involved parties, from common individual consumers to the most important stakeholders, and a media campaign able to spread and make accessible the message elaborated by crisis communicators.

The basic element to tackle with an economic crisis, as it happens in political crises, is to follow the instruction of the crisis plan and implement all the necessary actions to make the machine of corporate communications fully effective. An economic crisis plan usually follows this progression:

"1. We have a problem.
2. We are aware of the problem and work on it.
3. We are good at troubleshooting.
4. We inform comprehensively and continuously.

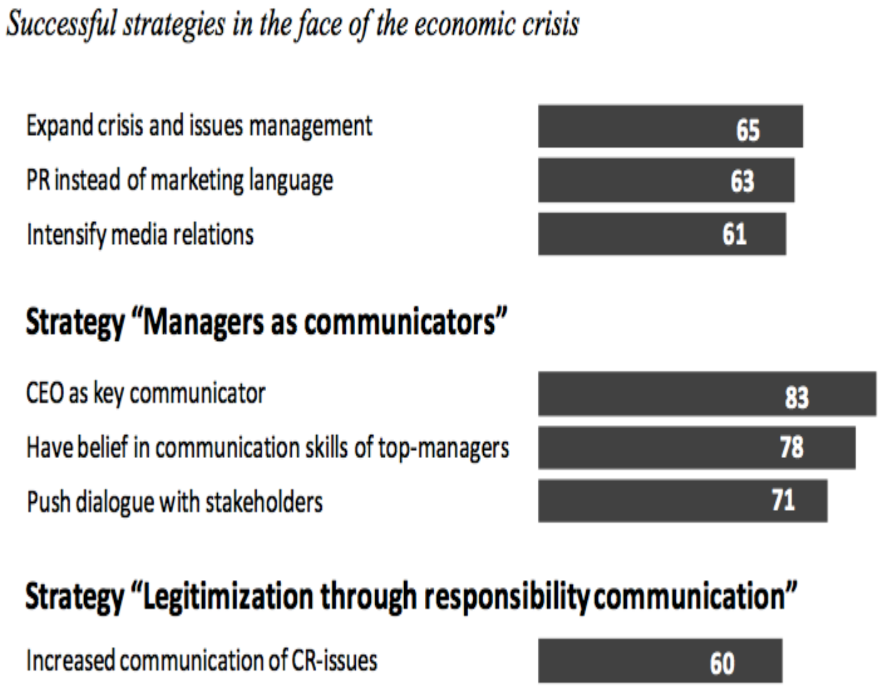
[194] J. L. Bradford and D. E. Garrett, *"The effectiveness of corporate communicative responses to accusations of unethical behavior",* Journal of Business Ethics, 14, 1995, p. 876.

5. And then, when times have cooled down and slackened has media coverage, addressed issues have to be offensively in order to offset reputation damage"[195].

The second step is to include all employees and the people involved in the activities of the company. The managers of a company during a crisis could suffer the stress of media attention to which they are not accustomed. The CEOs usually do not appear on the media and they can choose not to expose themselves even in the eventuality of a crisis: this unfortunate choice could leave employees without a clear guide to solving problems, worsening the impact of the crisis and accelerating the business decline.

In fact, unlike what happens in politics, where often the party's base remains in the dark about what is happening and where the most important decisions are taken by a few elements, in a company affected by a crisis it is necessary that even the smallest of gears are aware of the situation in order that they can work to the recovery and reconstruction of the daily routine and of credibility in the face of consumers. One of the keys for an effective work by the Crisis Management Team is the setting of a model of a two-way interactive communication that makes the company ready to carry out the instructions of crisis communicators.

[195] C. Mast, "*Speechlessness vs. Talkativeness. Communication Management in Times of crisis. Finding on the TOP-500 Survey",* University of Hohenheim (Stuttgart), Department of Communication Science and Journalism, 2009, p. 5.



[196]

This interesting chart shows the main economic crisis recovery strategies implemented by the most important companies in Germany in 2009. It is a paradigmatic example of what are the strategies considered most valuable to react to a crisis.

The three most important strategies, as it is easy to see, are bigger space dedicated to the CMT, the use of a relational language rather than a technical one and the intensification of the relations with the press, in order to promote the spread of news “steered” by crisis communicators and to emphasize the positive things made by the company rather than the communication of crisis damages. Moreover, 83% of German companies affected by a crisis has chosen

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[196] C. Mast, *“Speechlessness vs. Talkativeness. Communication Management in Times of crisis. Finding on the TOP-500 Survey”, Sample: Top 500 enterprises in Germany (n=160); accumulated percentage values (“Agree” and “Strongly agree”); question: “The worldwide economic crisis poses a big challenge for enterprises. Altogether: Which of the following strate- gies has stood the crisis test?” Source: Mast 2010b,* University of Hohenheim (Stuttgart), Department of Communication Science and Journalism, 2009, p. 12

their CEO as the official spokesperson to give more strength and credibility to the words spoken during press conferences and interviews. Confidence in the company, since there is no relationship of excessive loyalty or feelings of belonging as it happens in political parties, can always be rebuild in the aftermath of a crisis. A transparent communication, a sincere explanation of the facts and a demonstration of interest and care to affected customers are the foundation from which a crisis communicator must start in the implementation of its crisis recovery strategy. In the next paragraph we will analyze if these elements have been met in the cases of economic crisis management and communication.

### 4.2 *A short history of economic cases of political communication: from the Italian Giglio case to the recent Toyota Recall crisis.*

Before tackling some of the most famous cases of corporate crisis communication, it should be noted that the use of crisis communication is much more customary and habitual in economy than it is in politics: as we have seen, there are really few political parties with regular crisis plan or crisis management team, with the consequence that those who use crisis communication strategies almost automatically obtained positive results. Those political parties are considered innovators in an almost unknown field and their unexpected reaction to the crisis positively surprise citizens and voters, which often confirm their trust and loyalty to the political party in spite of the negative event.

The analysis concerning the companies is totally different. Crisis communication was "invented" by companies to cope with their economic damages: when a crisis hits an organization, the public already expects a strategy of crisis communication. The mere fact of its application, therefore, does not guarantee positive results. Within the economic crisis communication case histories, then, is normal to encounter many cases of crisis communication failures with respect to what happens in politics. The cases on which I have chosen to focus are three, as in the previous analysis on political crisis communication, and concern very different types of crises: they were due to different causes, led to different reactions and concerned different cultures. This brief analysis on the will allow us to have a very clear picture, at the end of the paragraph, on the corporate crisis communication.

*Tylenol case.* This case is one of the most famous and most studied examples of crisis management and communication. On September 30, 1982, a criminal, still unknown, bought several packs of Tylenol Extra-Strength capsules, replaced them with cyanide-laced capsules, and once reclosed the package, disseminated them in dozens of pharmacies and grocery stores in the Chicago area. The Tylenol company Tylenol, owned by McNeil Consumer Healthcare, a subsidiary of Johnson & Johnson, was accused of the death of 7 people due to the ingestion of those cyanide capsules. On October 5, after having analyzed 8 million tablets and having found 75 cyanide capsules, Johnson & Johnson decided to withdraw its products from the market, even though the FBI has tried to convince the CEO James Burke that the only way to stop the culprit was to induce him to sabotage again the products of Tylenol[197]. Despite the absence of a corporate crisis plan[198] to deal with this crisis without prodrome, the situation was resolved by the providential intervention of the Johnson & Johnson CEO, James Burke, who tried to get the situation under control:

- Appointed Dave Collins, a top ranking Tylenol member, to manage the crisis, asking him to abandon everything he was doing before the outbreak of the case.
- Designated a public relations professional, Lawrence G. Foster, to work together with Dave Collins 24/7.

[197] Steven Fink, *"Crisis Communication. The definitive guide to managing the message".* McGraw-Hill Education, 2013, p. 41.

[198] Alan Jay Zaremba, *Crisis Communication. Theory and Practice*. M.E. Sharpe, New York, 2010, pag. 12.

- Chose himself as the official Tylenol spokesperson during the crisis[199].

James Burke immediately released an interview to the "*Phil Donahue Show*", the most popular American talk show at that time, in order to explain what had happened and to give his version of events[200]. His speech was totally honest and truthful and he did not forgot any important element in the explanation of the facts. For what regard the “past”, James Burke assured the total lack of involvement of the company about what had happened, marking several times the absence of responsibility in the contamination of the Tylenol capsules with cyanide. In effect, the investigations conducted by the FBI confirmed the version of Burke asserting that the Tylenol capsules had been tampered directly from the shelves of a store.

Speaking of the "present", the Johnson and Johnson CEO described, in all its stages, the process of product warranty, explaining all those procedures that ensure that the product will be present on the market with all the quality features that are required. And, looking ahead to the “future”, Burke showed the plan that the company was adopting to prevent such tampering could occur in the future.

On November 11, 1982, the Tylenon company, through the words of the CEO James Burke, also launched a new line of products with a new design, tamper-proof and triple-sealed package[201] . On the same day, James Burke said that customers of Tylenol would be entitled to a $ 2.50 coupon good for the purchase of all products: the customer hotline received more than 210,000 calls, 136,000

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[199] S. Fink, “*Crisis management: Planning for the inevitable”,* New York, Amacom, 1986, p. 206.

[200] R. R. Ulmer, T. L. Sellnow, M. W. Seeger, *“Effective crisis communication. Moving from crisis to opportunity”,* Sage Publications Inc, 2013, p. 65.

[201] J. A. Benson, *“Crisis revisited: an analysis of strategies used by Tylenol in the second tampering episode”,* Central States Speech Journal, 39, 1988, pp. 49-66.

of which in the first 11 days[202]. Regarding the internal communication, the CEO decided to realize and distribute four videotapes to show to all employees, informing them of what was happening and to give them instructions on how to behave in front of the public and the media[203].

The intervention of James Burke saved the credibility of the company. Moreover, he decided to made a TV commercial of one minute announcing the imminent return of Tylenol products on the market: it is estimated that 85% of the American population has seen the commercial more than 2 times[204]. The honest and sincere words of James Burke, his credibility and reassurance offered to the public led Tylenol to regain 70% of its previous market share[205] and, thirty years later, constitutes one of the most positive examples of corporate crisis communication[206]. The presence on the field of the highest representative of the company has had several positive effects. The public have immediately had the impression that the crisis had been managed by the most influential and competent people within the company, a sign of how the Tylenol was taking care of its customers and wanted to solve the problem in the best way and in the shortest time possible. Leaders should be active in the management of the crisis, being visible and accessible to the public and the media[207].

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202 Steven Fink, *Crisis Management: Planning the Inevitable.* Cincinnati, Ohio: Authors Guild, 2000, pp. 216.

203 Steven Fink, *Crisis Management: Planning the Inevitable.* Cincinnati, Ohio: Authors Guild, 2000, pp. 216.

204 Steven Fink, *Crisis Management: Planning the Inevitable.* Cincinnati, Ohio: Authors Guild, 2000, pp. 216.

205 Peter F. Anthonissen, "*Crisis Communication. Practical PR strategies for reputation management and company survival."*Kogan Page, 2012, p. 12.

206 L. Snyder and L. G. Foster, *"An anniversary review and critique: The Tylenol crisis",* Public Relations Review, 9, 1983, pp. 24-34.

207 R. R. Ulmer, T. L. Sellnow, M. W. Seeger, *"Effective crisis communication. Moving from crisis to opportunity",* Sage Publications Inc, 2013, p. 65.

Too often, however, the most important people within the company remain hidden in the shadows, especially when there are clear responsibilities that could lead the public to blame administrators and chiefs: this common mistake leads the public not to trust the company and the person who speak instead of the CEO. In this way, a widespread sense of fear and loss start to grow, bringing the company increasingly distant from the resolution of the crisis. The only negative thing to underline with respect to Johnson and Johnson crisis management and communication regards the last step of the crisis management process, the post- crisis and learning process: after the 1982 tampering, there have been numerous other crises (a new case of tampering in 1986 and several accuse of overdose in the children and damages to liver) with the American company's products and communication and management strategies have become less effective.

According to Mitroff and Anagnos, this failure was due to the fact that the management of the first crisis was so perfect that communicators start to believe that no one would ever doubted about the goodness of the company[208]. This phenomenon has been called "failure of success ", because the failure of the post-crisis learning process is a direct consequence of the success of the crisis reaction process. Using Bazerman and Watkins' analysis on learning failures, however, we should deduce that the fact that the tampering did non depend directly by the company, led crisis communicators to consider future crises as "unpredictable surprises", so they always give the blame on the outside, without improving the defenses of their packaging and without increasing the number of periodic checks on products[209]. Analyzing only the crisis management and communication of the 1982 crisis, without considering the successive crises and

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[208] I. I. Mitroff, G. Anagnos, *"Managing a crisis before they happen: what every executive and manager needs to know about crisis management",* New York: AMACOM, 2001, pp. 19-20.

[209] R. R. Ulmer, T. L. Sellnow, M. W. Seeger, *"Effective crisis communication. Moving from crisis to opportunity",* Sage Publications Inc, 2013, p. 175, using a model developed by M. H. Bazerman and M. D. Watkins in *"Predictable surprises: the disasters you should have seen coming and how to prevent him",* Boston: Harvard Business School Press, 2004,

the lascivious behavior of the Johnson and Johnson, we can definitely say that the handling of the Tylenol case has transformed the risk of an incalculable damage in the opportunity, splendidly captured, of a media and commercial triumph.

*Toyota recalling case.* Another interesting case of corporate crisis communication is the product recalling case that involved Toyota in late 2009 and early 2010. On August 28, 2009 Mark Saylor, a veteran California Highway Patrol officer, had a car accident while traveling with his family on board a Lexus ES 350. His brother-in-law called 911 saying that their car was out of control due to a throttle problem, which was stuck flipping the car at breakneck speed (more than 120 mph) on the San Diego Freeway. Despite Mark Saylor's attempts to angle out the pedal, his car crashed into a vehicle that was traveling in the opposite direction causing his death and the death of all his family[210]. The accident had great media coverage, both because it involved a very experienced driver and because concerned a car model that had already been involved in problems a few years before. In 2007, in fact, 55,000 Toyota Lexus ES 350 were recalled for defective floor mats that threatened to shut down the throttle[211]: in that case were recorded four incidents, the most serious of which caused the death of a woman. In the case of Mark Saylor's accident, however, the police investigation seemed to exonerate Toyota from every responsibilities: the final report of October 25, 2009 revealed that the problem was the installation of a wrong larger mat belonging to another model of Toyota car that caused the malfunction of the accelerator and the death of the Saylor family. The responsibility, then, was not on Toyota's shoulders, but on those of the owner of the Lexus ES 350 that had installed a wrong mat before give his car to Mark

[210] T. Shin, "Stuck accelerator blamed for four deaths", August 29, 2009, NBC San Diego, available at http://www.nbcsandiego.com/news/local/Stuck-Accelerator-Blamed-for-Four-Deaths---.html

[211] News extracted from "Toyota to recall floor mats for crash risk", September 26, 2007, available at http://money.cnn.com/2007/09/26/autos/floormat_recall/

Saylor. Moreover, in 2007 Toyota had prepared and distributed to all of its customers an useful manual, which emphasized the importance of properly install car mats in order to avoid any hazards while driving[212]. The innocence of Toyota was later confirmed also by the National Highway Transportation Safety Administration which, on 8 February 2011 revealed the details of a 10-months study which confirmed that no malfunction was detected in Saylor's car[213]. Despite these official reports, public opinion continued to be wary of Toyota products and negative news continued to circulate on the Internet, damaging the public image of the Japanese company.

Three important factors contributed to exacerbate the relationship between Toyota and the general public. The first is the lack of communication between the distinct centers of Toyota spread across the various countries of the world. In early 2009, in fact, there had been problems with the accelerators in many cars in Europe and Toyota was forced to redesign the accelerator pedal and replace it in many car models. Despite the Saylor case was not due to a manufacturing defect, the media insisted that greater communication between European and American centers could lead to improvements in the Lexus that would have prevented the accident despite the wrong mat installed in the car. This event has no objective evidence, but many customers were convinced of this possibility. In general, the U.S. Toyota was accused of not being able to meet the demands of customers because of its lack of autonomy and of lack of cooperation and communication with Tokyo and European headquarters.

The second factor was an exchange of emails, which occurred January 16, 2010 and went public in error, between Irv Miller, then-group vice president for environment and public affairs, and Katsuhiko Koganei, executive coordinator for corporate communications at Toyota Motor Sales USA, where it is clear that Toyota was aware of the problems of its vehicles. Irv Miller, in fact, wrote: "We

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[212] Jeffrey K. Liker and Timothy N. Ogden, *"Toyota Under Fire: Lessons for turning crisis into opportunity"*, McGraw-Hill, 2011, p. 64.

[213] NHTSA-NASA Study of Unintended Acceleration in Toyota Vehicles, published on February 8, 2010, available at http://www.nhtsa.gov/UA.

are not protecting our customers by keeping this quiet. The time to hide on this one is over. We need to come clean"[214]. Despite this warning, Koganei decided it was better to wait and see how the situation would evolve, in order not to spread discontent among people and damage the public image of Toyota

The third factor was a chain of events and incidents that led the Japanese company to consider the possibility of defects on floor mats in different models, including the Tacoma Pickup Trucks, Prius and other hybrid vehicles[215]. Under the spotlights of the growing dissatisfaction of the public, Toyota quickly react applying its crisis communication strategy. Uppermost, it should be pointed out that Toyota is one of the few organizations in possession of a crisis plan: Toyota emergency plan was structured in eight point, well highlighted by Jeffrey Liker and Timothy Ogden in their book "*Toyota Under Fire: Lessons for turning crisis into opportunity".*

1. "Define the problem relative to the ideal.
2. Break down the problem into manageable pieces.
3. Identify the root cause.
4. Develop alternative solutions.
5. DO. Evaluate and select the best solutions based on what is known.
6. CHECK. Implement the solution (on a trial basis if possible).
7. ACT. Check the impact of the solution.

[214] Larry Margasak and Ken Thomas, "*Irving Miller: Toyota exec's email told colleagues "We need to come clean' about recall",* The Huffington Post, April 4, 2010, available at http://www.huffingtonpost.com/2010/04/08/irving-miller-toyota-exec_n_529825.html

[215] According to Toyota USA, from the website http://www.toyota-global.com/company/recall_information/, the floor mat recall was confined to the following models: Model Year 2005-2010 Toyota Avalon, MY 2007-2010 Toyota Camry, MY 2009-2010 Toyota Corolla, MY 2008-2010 Toyota Highlander, MY 2009-2010 Toyota Matrix, MY 2004-2009 Toyota Prius, MY 2005-2010 Toyota Tacoma, MY 2007-2010 Toyota Tundra, MY 2007-2010 Lexus ES 350, MY 2006-2010 Lexus IS 250/350, MY 2009-2010 Pontiac Vibe.

8. Adjust, standardize, and spread based on what has been learned"[216].

It is thanks to the application, step by step, of a well designed and structured crisis plan that the Japanese company has managed to overcome the crisis. Toyota crisis managers started their strategy, trying to figure out the problem, analysing the facts and the eventual errors that caused them. Once you find the cause, in fact, it is easier to consider the different possible solutions and, among these, choose your own path to overcome the crisis. The heart of the crisis management and communication strategy begins with step 5 and 6: selecting the best alternative and proceed with its practical implementation. The solution adopted by Toyota was based on four main requirements: (1) ensure no further damages, (2) accept responsibility, (3) do not blame customers, suppliers, dealers or anyone else (4) put customers first.

To prevent future damage (1), already during the first September days, when it had not yet been released the police report, the Toyota Crisis Management Team had identified the problem in the mats and had recommended to all owners of Toyota to remove them immediately. Letters were sent to all Toyota customers with instructions to follow and announcing an upcoming product recall: on February 9, 2001 the vehicles recalled by Toyota were 8.5 million.

The figure of the president Akio Toyoda was rather fundamental in direct relationship with the media and customers. His apology interview on the Washington Post (2), to the Saylor family and then to the general public, arrived on 9 February 2010 and were considered sincere and heartfelt:

*"We have not lived up to the high standards you have come to expect from us. I am deeply disappointed by that and apologize. As the president of Toyota, I take*

[216] Jeffrey K. Liker and Timothy N. Ogden, *"Toyota Under Fire: Lessons for turning crisis into opportunity"*, McGraw-Hill, 2011, p. 9.

*personal responsibility. That is why I am personally leading the effort to restore trust in our word and in our products"*[217].

And then in front of the House Committee on Oversight and Government Reform:

*""First, I want to discuss the philosophy of Toyota's quality control. I myself, as well as Toyota, am not perfect. At times, we do find defects. But in such situations, we always stop, strive to understand the problem, and make changes to improve further. In the name of the company, its long-standing tradition and pride, we never run away from our problems or pretend we don't notice them. By making continuous improvements, we aim to continue offering even better products for society. That is the core value we have kept closest to our hearts since the founding days of the company."*[218]

The last two stages of the process concerned the relationship with customers during crisis (3) and the desire to satisfy their expectations (4). The product recalling phase was treated in detail: it was set up a hotline that received up to 96,000 calls a day[219] and was assured a home delivery service to avoid that customers would guide until dealers services, risking accidents. Moreover, between June and July 2010, was created a special committee on quality

[217] Akio Toyoda, "*Toyota's plan to repair its public image",* February 9, 2010, available at http://www.washingtonpost.com/wp-dyn/content/article/2010/02/08/AR2010020803078.html.

[218] This sentence is extracted from "*Akio Toyoda: Testimony to House Committee on Oversight and Government reform,* February 24, 2010, available at on http://www.toyota.com/about/news/corporate/2010/02/24-1-testimony.html

[219] Mark Rechtin, *"100 Leading Women in the Norh American Auto Industry. Interview with Nancy Fein, Vice president and Customer Relations, Toyota Motor Sales U.S.A. Inc",* available at *http://www.autonews.com/article/20100913/LEADING_WOMEN/309139950#axzz2rbNvuKVx*

"Customer First" training centres and the service SMART (Swift Market analysis response team) to enhance the listening to the needs of the customers[220].

This incredible dedication of the employees on the problem has led Toyota to repair 85% of defective cars in less than 6 months.

Toyota's crisis communication strategy was characterized by three important output: communicators and managers spoke with one voice; they took advantages of positive past performance and made use of company's superior technology to show an extreme degree of self-confidence[221].

After having analysed the Toyota crisis plan and its crisis response strategy, what can we conclude from the Toyota recall crisis? What results have been achieved?

Following again the structure performed by Jeffrey K. Liker and Timothy N. Ogden, we can assert that the Toyota case gave us four important lessons:

1. "Your crisis response started yesterday.
2. A culture of responsibility will always beat a culture of finger pointing.
3. Even the best culture develops weaknesses.
4. Globalizing culture means a constant balancing act"[222].

We have already said too much about the first: the importance of prevention and continuous training of managers and employees is one of the fundamental keys to success. Toyota has always been known for its constant refresher

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[220] Jeffrey K. Liker and Timothy N. Ogden, *"Toyota Under Fire: Lessons for turning crisis into opportunity"*, McGraw-Hill, 2011, p. 175.

[221] Rachel Marie Knoespel, *"How Did Toyota Stay on Top? Revisiting Crisis Communication Discourse"*, Marquette University e-Publications@Marquette, Master's Theses (2009) – Dissertation Theses, and Professional Projects, Paper 72, p. 55, available at http://epublications.marquette.edu/theses_open/72

[222] Jeffrey K. Liker and Timothy N. Ogden, *"Toyota Under Fire: Lessons for turning crisis into opportunity"*, McGraw-Hill, 2011, pp. 201-235.

courses, for its attention in the detection of warning signs and for its propensity to teamworking. In addition, Toyota has also benefited from two common practices in Japan, but practically unknown in the rest of the world: the *Genchi Genbutsu*, that is the constant observation of phenomena to achieve their full understanding, and Kaizen Mind (from KAI, improvement and ZEN, better) that is the constant strive for improvement and the abandonment of any form of passivity[223].

The second lesson is the practical demonstration of what was said in the second chapter: accommodation strategies, in this case apologies and corrective action, are often better choices than the avoidance strategies, such as attack, denial or intimidation.

There are few things to say also about the third lesson: we already know that the question that every company should ask itself is not "will we be hit by a crisis?" but rather "when will we be hit a crisis?”. No culture is immune from the crisis and its awareness is the first weapon of defense and counterattack.

The fourth lesson seems obvious, but often it is not. Before the recall crisis, Toyota was hit by another crisis: in 2008 there was a heavy increase in fuel prices that put in serious difficulties Toyota SUV sales. The Japanese company was ready to "rebalance" the market, giving more space to city cars with lower fuel consumption in order to curb losses. Every company should always keep its eyes open in order to be constantly ready to act in the market to stem losses and revamp its products.

Toyota has managed to face a severe crisis and coming out stronger, "turning crisis into opportunity". The company's sales, after the incident of Mark Saylor in August 2009, recorded an unexpected increase: +16% in January 2010 and 9% in February 2010. The Toyota experience is a demonstration of how a strong corporate culture open to change and improvement constitutes the most difficult terrain for the development of a crisis.

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[223] Jeffrey K. Liker and Timothy N. Ogden, *“Toyota Under Fire: Lessons for turning crisis into opportunity”*, McGraw-Hill, 2011, pp. 207-209.

*Botulism case in Italy.* The last case study of corporate crisis communication is a less known case with less media prominence than the previous two. The Giglio case, which broke out in 1996, however, is one of the few examples of economic application of crisis communication in Italy, a country where the responses to crises are almost always improvised and almost never planned and organized. Between August 13 and September 16, 1996 there was a suspected case of botulism involving all the national territory and that led to the hospitalization of 8 people and the death of an adolescent in Naples. The epidemic, after a series of investigations and analysis, turned out to be unleashed by the mascarpone cheese produced in a plant in the north of Italy, supplier of the Giglio company, connected to the most popular Parmalat, and the company Sol di Valle. The scandal, limited to the Italian territory and for a short period of time, had great media coverage because involved important companies and because these were the first cases of botulism caused by ingestion of fresh foods. The case required an immediate response of the company, in a period when the crisis communication was a totally unknown issue and a never systematically applied strategy. The Giglio company, unlike Toyota, did not have a crisis plan, but it was quick and efficient in prepare one based on six points:

1. Do not leave anything to improvisation and always try to stay calm.
2. Prepare a communication plan providing for different solutions and alternatives and create a Crisis Management Team to organize the internal and external communication.
3. Show cohesion externally (speak with one voice) and develop maximum co-operation internally.
4. Base company's reaction and communication on the principles of timeliness, transparency and consistency.
5. Do not minimize or deny the incident.

6. Take responsibility and be loyal to customers[224].

During the early days of the scandal, however, the company's reaction was not accurate. The bomb unleashed by the media after first hospitalizations come as a surprise for the company, leading to the collapse of the first and the second point of the crisis plan. A few days later, the Italian National Institute of Health reported that it had found traces of botox also in Parmalat products[225]: the delayed and unconvinced denial of the company immediately deleted steps 4, 5 and 6 of the crisis plan. Moreover, Parmalat declares itself completely alien to the scandal, discharging Giglio and bringing down the third point of the crisis plan, cohesion in external communication. The authorities seized more than 100 thousand packages of mascarpone cheese, while the assumptions on the contamination of the product were split into two opposite fields, ranging from the failure to observe hygienic rules to the external sabotage (as in Tylenol case) in order to damage to the public image of the company. Indeed, as reported on the media, "some managers within the company suspected that the poisoning of the mascarpone cheese happened into products that had the Giglio label, but in reality had been produced and put on the market by a third party"[226]. After this first stage of the reaction, inadequate and flawed, on September 16, Giglio sent communications for clients to be displayed in all stores. The effects were not positive as crisis communicators hoped, also because a few days after

[224] Maddalena Della Volpe, *"Come fronteggiare gli imprevisti: Giglio, un caso da manuale",* Il Denaro – Impresa e Multimedialità, available at *http://archivio.denaro.it/VisArticolo.aspx/VisArticolo.aspx?IdArt=440706&KeyW=unisco*

[225] Fulvio Bufi, "*Botulismo, ministero sotto tiro. Le analisi: mascarpone killer anche in agosto. La Bindi: responsabilità locali",* Il Corriere della Sera, September 13, 1996, available at http://archiviostorico.corriere.it/1996/settembre/13/Botulismo_ministero_sotto_tiro_co_8_9609133567.shtml

[226] M. C. Ausilio, "*È polemica sulla prevenzione. Mascarpone al botulino. Il ministero della Sanità accusa: "Gli assessori sapevano",* Il Mattino, September 13, 1996, reported by Salvatore Casillo, "*Il Falso è servito. Le falsificazioni del nostro cibo quotidiano",* Liguori Editore, Napoli, 2001, p. 177

investigators discovered a several flaws in the security systems and manufacturing process control.

The last thing to do for the Giglio was trying to impose its own voice, ensuring the high quality of their products and the strict controls to which the products were constantly subjected. After these last statements by Giglio communicators, the event lost its media impact and became simply a dispute between local authorities, ministries and companies involved. The public became less focused and attentive and the Giglio continued to sell its products until 2004, when it was incorporated in a new company called Newlat.

This crisis communication case is not important for the implemented strategy, disastrous in many occasions, nor for the results, which were practically null and void. It was an important case because it was the first case of corporate crisis communication in Italy and opened new spaces and new lines of development for a phenomenon undoubtedly important and still on the rise in our national companies.

### *4.3 An international case of economic crisis communication: the British Petroleum Gulf Oil Spill crisis (2010)*

The case of the oil spill in the Gulf of Mexico caused by British Petroleum was one of the most important and best analysed crisis communication case of the last decade. It was a very interesting case, as it involved both a big economic damage and a very serious (and not yet fully quantified) environmental damage.

On 20 April 2010, the Deepwater Horizon oil rig, owned by the Swiss company Transmission but formally affiliated to the British Petroleum, was completing its drilling operations in the Macondo Well, off the coast of Louisiana. Suddenly there was a loud explosion and a huge fire that claimed the lives of 11 people and wounding other 17[227]. Two days later the platform has

[227] CNN Wire Staff, *"11 victims of Deepwater Horizon explosion honored at memorial service",* June 10, 2010, available at http://edition.cnn.com/2010/US/05/25/deepwater.horizon.memorial/index.html

sunk up to the depth of 400 meters and, due to the strong pressure exerted by the water, has suffered breakage of the valves of containment, spilling on the seabed all its content of oil[228]. British Petroleum and the U.S. government were set off immediately to try to limit damage to the environment, using different methodologies, not always effective:

- Submarines were used to try to reach the valves of containment and try to repair them[229];
- Chemical dispersants were scattered into the sea in order to chemically react with the oil, dragging it on the seabed for an easier removal[230];
- The ineffective "Top Kill" operation was launched, which consisted in the drilling of the area adjacent to the Macondo well in order to be able to inject a big amount of cement, plugging the oilfield[231];
- Floating platforms and an insertion tube were installed to draw in the oil on the surface[232];

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[228] News extracted from the article "*Deepwater Horizon blowout preventer "faulty" – Congress",* BBC News, May 13, 2010, available at http://news.bbc.co.uk/2/hi/8679090.stm

[229] Lisa Leff and Ramit Plushnick-Masti, *"Gulf Oil Spill: Army Of Robot Subs Working To Contain Leak",* June 24, 2010, The Huffington Post, available at http://www.huffingtonpost.com/2010/06/24/gulf-oil-spill-robot-sub-army_n_625029.html

[230] National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, "*The use of surface and subsea dispersants during the BP Deepwater Horizon oil spill",* Staff Working Paper no. 4, June 18, 2010, available at http://media.mcclatchydc.com/smedia/2010/10/06/18/_Staff_Report_No._4.source.prod_affiliate.91.pdf

[231] News extracted from the article "*Top Kill BP operations to halt US oil leak fails",* May 10, 2010, available at http://www.bbc.co.uk/news/10191622

[232] Steven Mufson and *Joel Achenbach*, *"BP installs insertion tube, begins siphoning oil from leaking pipe",* The Washington Post, May 17, 2010, available at http://www.washingtonpost.com/wp-dyn/content/article/2010/05/16/AR2010051603481.html

- Containment booms was located above the damaged tube to contain oil spills[233].
- The ineffective building a protective barrier on the coasts of Louisiana[234].

Despite several attempts to stem the losses and the coordinated efforts of BP and the U.S. government, the oil spill lasted for 106 days and the amount of oil spilled into the sea is, according to the latest estimates, 4.9 million barrels equivalent to 210 million U.S. gallons or to 780,000 cubic meters[235]: an amount ten times bigger than the largest oil disaster happened until 2010, the Exxon Valdez oil spill of 1989[236]. Besides the immense environmental damage, the Gulf of Mexico oil spill has caused huge losses to the British company: in addition to the material loss of the Deepwater Horizon, estimated at $ 560 million, BP was fined $ 4.5 billion for environmental damage[237].

After this brief summary of the economic and environmental disaster and the main consequences of the oil spill, we can analyse what were the reactions of

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233 J. Steven Butler, "*BP Macondo Well Incident, U.S. Gulf of Mexico.* Pollution Containment and Remediation Efforts", 2011 Lillehammer Energy Claims, available at http://www.energyclaims.net/assets/Macondo-well-PC&R.pdf

234 David Biello, *"Slosh and Berm: building Sand barriers off Louisiana's Coast to hold back oil spill has low probability of success",* June 8, 2010, available at http://www.scientificamerican.com/article/oil-spill-may-change-shape-of-gulf-coast-louisiana/

235 Data extracted from the report "*On scene Coordinator Report Deepwater Horizon Oil Spill",* submitted to the National Response Team, September 2011, pag. 33, available at http://www.uscg.mil/foia/docs/dwh/fosc_dwh_report.pdf.

236 Data extracted from the article "*Gulf oil spil 10 times size of Exxon Valdez, Study Confirms",* Live Science, September 23, 2010, available at http://www.livescience.com/8674-gulf-oil-spill-10-times-size-exxon-valdez-study-confirms.html

237 Clifford Krauss and John Schwartz, "BP will plead guilty and pay over $4 billion", November 15, 2012, The New York Times, available at http://www.nytimes.com/2012/11/16/business/global/16iht-bp16.html?pagewanted=all&_r=0

British Petroleum in front of the imminent crisis, the attacks of the media and the growing anger of the population. Immediately after the accident, British Petroleum was rapid to express its condolences to the families of the victims and solidarity with injured. In addition, it was announced the intention to donate to Louisiana, Mississippi, Alabama, Florida and to the National Fish and Wildlife Foundation, all the revenues from sales of oil recovered through the containment capsules and floating platforms. On July 30, a few months after the spill, the British company announced the existence of a fund of $ 100 million to help workers who have lost their jobs after the incident and affected by the moratorium on deep water drilling imposed by the U.S. government[238].

By the end of August, moreover, almost all the people involved in the accident and their families had already received compensation through the Gulf Coast Claims Facility (GCCF) program, for a total BP expense of more than $ 400 million[239]. During the month of September, to conclude the timeline of the most significant events, under Gulf of Mexico Research Initiative BP donated $ 10 million to the National Institutes of Health to fund studies on the health effects that the oil spill could lead in the short and long term[240].

The job of the crisis managers and communicators, James Lee Witt from the Witt Associates and Anne Womack Kolton from the Brunswick Group, was also complicated by the turbulent past of the British oil company. The first crisis faced by BP, in fact, dates back to 1965 with the disaster of the Sea Gem and the

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[238] Sonay Yildirim, *"Crisis Communication and Consistency: an analysisi of BP's crisis communication material during the oil spill 2010"*, Master Thesis, Aarhus University. BSS. Department of Business Communication, 2012, p. 39.

[239] Sonay Yildirim, *"Crisis Communication and Consistency: an analysisi of BP's crisis communication material during the oil spill 2010"*, Master Thesis, Aarhus University. BSS. Department of Business Communication, 2012, p. 40.

[240] Sonay Yildirim, *"Crisis Communication and Consistency: an analysisi of BP's crisis communication material during the oil spill 2010"*, Master Thesis, Aarhus University. BSS. Department of Business Communication, 2012, p. 41.

death of 13 crew members[241]. In 2005, precisely on March 23, a BP refinery exploded, causing a huge fire in Texas city: the toll was 15 dead and 170 wounded[242]. In 2006, the British company was guilty of an oil spill in Alaska and was forced to pay a $ 25 million fine for environmental damage[243]. Among the elements that have made it difficult to deal with this crisis is certainly not overlooked the extraordinary media coverage generated by the incident: the victims, the environmental disaster, the government interests and a major corporation involved were the best ingredients to create an explosive situation. The British Petroleum found himself completely unprepared to deal with an event of this scale: symptom of two big mistakes, that are the failure of the process of "lesson learning" consequent to past crises and the lack of a crisis plan. As quite rightly pointed out of the Coast Guard Lieutenant Sue Kerver "the last thing you want to do is create a crisis plan during a crisis"[244]. The first media releases after the incident were a confused attempt to understand the reasons for the explosion and assign responsibilities. On April 21, the day after the disaster, BP organized a much-anticipated press conference to give their version of the facts. The press conference, after a brief explanation of the facts, was centered on the theme of responsibility: BP declared itself innocent, laying the blame on the contractor Transocean Ltd., the society that provided British Petroleum with mobile drilling units, including the Deepwater Horizon:

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[241] Daniel De Wolf and Mohamed Mejri, "*Crisis communication failures: the BP case study",* University of Littoral Côte d'Opale (ULCO)/ Management & Economics, Management Journal, vol.2, March-April 2013, p. 51.

[242] Eric Fiegel, "*Death toll in refinery blast rises to 15",* published on CNN.com, March 25, 2005, available at http://edition.cnn.com/2005/US/03/24/plant.blast/index.html?eref=sitesearch

[243] News extracted from the article *"BP to pay out $25m for 200,000-gallon Alaska oil spill in 2006",* The Guardian, May 4, 2011, available at http://www.theguardian.com/environment/2011/may/04/bp-25m-north-slope-oil-spill

[244] Whitney Williamson, *"Crisis Communication during the BP Oil Spill*", January 26, 2011, available at http://ninaflournoy.wordpress.com/2011/01/26/crisis-communication-during-the-bp-oil-spill/

*"This wasn't our accident. This was a drilling rig operated by another company. It was their people, their systems, their processes[245]" (Tony Hayward, BP former CEO).*

This strategy, known as blame-shifting strategy, is one of the riskiest among the strategies of crisis communication. It is especially risky when not correspond to the truth and is easily demonstrated by the investigation: in fact, on April 28, 2010, the U.S. Coast Guard named BP a "responsible party" for the violation of the Oil Pollution Act of 1990[246]. Instead of putting in place all the necessary corrective action and communicate them to the media, BP began its crisis response strategy denying its responsibility and accusing Transocean Ltd: in this way BP drew even more media attention and began to lose credibility in front of the public. During the next six press conferences, despite the statements of BP's communicators were more accurate and not deniable, the company suffered a collapse of its own credibility that made the early periods after the sinking of the Deepwater Horizon impossible to positively overcome. Moreover, the crisis communication strategy continued to be absolutely confused and poorly organized: after the first strategy of shifting blame, communicators moved to a strategy of compensation (then effectively implemented by the company) and a strategy of bolstering, pointing out several times how much money the British Petroleum was donating to affected American States and to several NGOs dedicated to the environment. The third and perhaps the most wrong strategy put in place by the crisis communicators was the minimization strategy. The former CEO Tony Hayward, whose impact on communication will

[245] Maria Louise Thybo and Peter Keith Ross, *"Crisis Management Challenges in a Socially Networked World: BP's Response to the Gulf of Mexico Oil Spill",* reported in *"International Marketing and Management Research. International Business Realism. Globalizing Locally Responsive and Internationally Connected Business Disciplines",* Series Editor: A. Arora, Savannah State University, Palgrave MacMillan, New York, 2013, p. 29

[246] News extracted from *"Crisis Communication. The BP Oil Spill. An analysis of British Petroleum's public relations strategy and its portrayal in the media",* available at http://crisiscommunicationsresponse.blogspot.it/p/research-paper.html

be discussed later, has repeatedly stated that the environmental damage caused by the oil spill would have been minimal:

- *"The Gulf of Mexico is a very big ocean. The amount of volume of oil and dispersant we are putting into it is tiny in relation to the total water volume"*[247]. (The Guardian)
- *''Almost nothing has escaped"*[248]*. (The Financial Times)*
- *"The oil is on the surface. There aren't any plumes"*[249]*. (Associated Press)*
- *"I think the environmental impact of this disaster is likely to be very, very modest"*[250]*. (Sky News).*

But the more inappropriate sentence uttered by the former BP's CEO was definitely this one, handed down on May 30 in an American reporter:

*""We're sorry for the massive disruption it's caused to their lives. There's no one who wants this thing over more than I do, I'd like my life back"*[251]

On this occasion, Tony Hayward received a piquet response by Robert Gibbs, Former White House Press Secretary, who said: "Tony Hayward does not need

[247] Tim Webb, "*BP boss admits job on the line over Gulf oil spill",* The Guardian, May 14, 2010, available at http://www.theguardian.com/business/2010/may/13/bp-boss-admits-mistakes-gulf-oil-spill

[248] Sheila McNulty, "*BP digs in for long haul",* The Financial Times, May 15, 2010, available at http://www.ft.com/cms/s/0/2f9ca9c4-5f99-11df-a670-00144feab49a.html#axzz2ruPdo9Z5

[249] Matthew Brown, *"Underwater Oil Plumes disputed by BP CEO Tony Hayward",* The Huffington Post, May 30, 2010, available at http://www.huffingtonpost.com/2010/05/30/underwater-oil-plumes-dis_n_595015.html

[250] Greg Milam, *"BP Chief: Oil Spill Impact 'very modest'",* May 18, 2010, Sky News, available at http://news.sky.com/story/780332/bp-chief-oil-spill-impact-very-modest

[251] Jessica Durando, *"BP's Tony Hayward 'I'd like my life back"*, June 1, 2010, available at http://content.usatoday.com/communities/greenhouse/post/2010/06/bp-tony-hayward-apology/1#.Uu-yQXd5Nec

to be telling people in the Gulf that he'd like his life back. There are 11 people that would all like to have their lives back that were killed the very first night of this incident. [This] will take years to fix"[252].

Tony Hayward carried out the same communication strategy also during one of the most important interviews on the scandal, the one released to CNN on May 18, 2010. But this time the strategy of minimization was carried out despite several reports on the environmental damage were in the public domain and in spite of the failures in stopping the oil spill. The change of direction, maybe when it was too late, took place on June 18, 2010 with the launch of the commercial "We will make this right" on YouTube[253]. The video focuses on the figure of Tony Hayward who, for the first time, apologizes for the damage caused by BP and speaks openly of serious environmental damage:

*"We have helped organize the largest environmental response in this country's history. More than 2 million feet of boom, 30 planes and over 1300 boats are working to protect the shoreline. Where oil reaches the shore thousands of people are ready to clean it up. [...] To those affected and your families, I'm deeply sorry. [...] We know it is our responsibility to keep you informed and do everything we can so that this never happens again. We will get this done. We will make this right"[254].*

This time the general audience positively received this corrective action strategy, appreciating the sincere (but belated) apology of the BP's CEO. To complete the analysis of BP's crisis response, we now have to focus on the work of crisis communicators on the main social networks. From the day in which the

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[252] Benjamin Snyder, *"Tony Hayward's greatest hits"*, CNN, June 10, 2010, available at http://money.cnn.com/2010/06/10/news/companies/tony_hayward_quotes.fortune/

[253] Full video available at http://www.youtube.com/watch?v=LklqCy_bpuY.

[254] Text extracted from B. Johnson's article *"In new Ad, BP's Tony Hayward thanks U.S. for 'strong support'"*, published on June 3, 2010, available at http://thinkprogress.org/climate/2010/06/03/174701/hayward-greenwashing-ad/

crisis started until September, from the @ Oil_Spill Twitter Account were sent 1,142 tweets, which contains more than 1,500 crisis response messages. Laura Richardson Walton, Skye C. Cooley and John H. Nicholson, a group of researchers at Mississippi State University have analysed this information flow and summarized the total amount of messages in a table. The pattern followed is the one proposed by Coombs within the SCCT, when divided reactions to the crisis in three macro-categories, the deny cluster, the diminish cluster and the deal cluster.

N = 1,142 tweets

| | | Message Strategies | Percentage (%) |
|---|---|---|---|
| Diminish Cluster | Justification | 209 | 13.10 |
| | Minimization | 273 | 17.11 |
| | Excuse | 82 | 5.14 |
| Deal Cluster | Ingratiation | 433 | 27.13 |
| | Concern | 331 | 20.74 |
| | Compassion | 129 | 8.08 |
| | Regret | 8 | .50 |
| | Apology | 4 | .25 |
| Deny Cluster | Scapegoat | 17 | 1.07 |
| | Attack | 36 | 2.26 |
| | Denial | 74 | 4.64 |

| | |
|---|---|
| Total | 1,596[255] |

As it is easy to see, the three most used reactions were ingratiation (27.13%), concern (20.74%) and minimization (17.11%). Apology and compassion, strangely, were two of the less used reactions: it is always advisable to start a campaign of crisis communication admitting responsibilities and expressing closeness to the victims of the tragedy, in order to reduce the gap between the company and those who have suffered damage. This choice showed how the BP's crisis communicators have decided to follow a very risky path that, in my own opinion, has not brought to positive results. Opinion, moreover, supported by BP's financial data: the British oil company's shares fell by 7% and its stock market valuation went from $ 182 billion on April 20 to $ 89 billion on July 2, 2010[256].

In general, the analysis of the BP's crisis response is quite easy because of the general consistency that crisis communicators has used: around the pivotal strategy, the corrective action, there was a huge utilization of shifting blame, compensation, bolstering, minimization and, during the Hayward's spot, mortification strategies[257]. Beyond this appreciated consistency, showed on any type of platform and throughout the entire period of the crisis, the bigger BP's fault was the excessive mix of different responses that have confused the people

[255] Laura Richardson Walton, Skye C. Cooley and John H. Nicholson, *"A Great Day for Oiled Pelicans:" BP, Twitter, and*

*the Deep Water Horizon Crisis Response",* Mississippi State University, Department of Communication, Public Relations Journal, Vol. 6, No. 4, 2012, p. 16, available at http://www.prsa.org/Intelligence/PRJournal/Documents/2012WaltonCooleyNicholson.pdf

[256] Daniel De Wolf and Mohamed Mejri, "*Crisis communication failures: the BP case study",* University of Littoral Côte d'Opale (ULCO)/ Management & Economics, Management Journal, vol.2, March-April 2013, p. 48.

[257] Sonay Yildirim, *"Crisis Communication and Consistency: an analysisi of BP's crisis communication material during the oil spill 2010*", Master Thesis, Aarhus University. BSS. Department of Business Communication, 2012, p. 60.

rather than comfort them. The partial failure of BP's crisis response is mainly due to the absence of a crisis communication plan. As admitted by Tony Hayward in an interview with "The Money Programme" on BBC2, BP "was not prepared for the Gulf oil disaster" and was "making it up day to day in the early stages"[258]. Tony Hayward, moreover, was one of the weaker points of BP's crisis response. The role of the spokesperson is critical in the process of maintaining the credibility of the company and the relationship of trust with the public. Tony Hayward would have to be prepared for every eventuality and every possible question, instead of collecting only gaffes and mistakes. In fact, on July 27, 2010, Robert Dudley replaced Tony Hayward as CEO of the British Petroleum.

The last serious mistake committed by crisis communicators concerns the relationship with the media and the image that the company has given of itself to the public. When a company is hit by a crisis, the relationship with the media became fundamental both to try to "direct" the communication flow, both to listen to the requests coming from the public. The British Petroleum, however, has tried in every way to prevent the disclosure of information concerning the Deep Water Horizon and censor what is written or reported by journalists: some of them have even publicly denounced the behaviour of BP, which would have threatened to arrest anyone who reported news on the Oil spill[259].

The will of the BP was to be the only official source regarding the news of the disaster, not allowing other media sources and the unauthorized diffusion of news. Apart from the foolish conviction to be able to completely silence the media, the communication of BP was mainly aimed at avoiding any form of responsibility, defending its economic interests against lawsuits and possible

[258] Douglas Stanglin, *"Tony Hayward says BP was 'not prepared' for Gulf oil crisis",* September 11, 2009, available at http://content.usatoday.com/communities/ondeadline/post/2010/11/tony-hayward-says-bp-iitially-was-making-it-up-day-by-day-during-gulf-oil-crisis/1#.Uu_Jind5Nec

[259] Daniel De Wolf and Mohamed Mejri, "*Crisis communication failures: the BP case study",* University of Littoral Côte d'Opale (ULCO)/ Management & Economics, Management Journal, vol.2, March-April 2013, p. 53.

fines charged as a form of compensation, without giving any importance to environmental damage and human caused.

The loss of trust in front of the public and the loss of the corporate credibility were natural consequences of this unfortunate choice. An illuminating example is enough to explain the failure of BP's crisis communication campaign: on July 19, 2010, the company released two photos of Highly Immersive Visualization Environment (HIVE) control room at the company's U.S. headquarters in Westlake Park to show to the whole world how hardly their experts were engaging in oil recovery operations. Unfortunately, a journalist, John Aravosis, discovered that the images were edited with Photoshop to hide the partial inactivity of the British Petroleum's experts[260]. British Petroleum had no choice but to admit the editing of the picture and ensure that in future no others errors would be committed[261]. From that point on, however, no communication by BP was considered reliable and credible: the lack of transparency in the reporting of news, Tony Hayward's arrogance and the lack of humility in all phases of the crisis have made this case a prime example of how NOT to deal with an human, economic and environmental crisis.

### *4.4. Economic crisis communication in Italy: the case of the "Costa Concordia" and its market implications.*

The final case study in this thesis concerns the tragedy that involved Costa Crociere, an Italian society owned by Carnival Corporation, on January 13, 2012, which led to the sinking of the Costa Concordia ship. The crisis of Costa Crociere was considered:

- a *sudden* crisis, burst at the exact moment when the ship hit the rocks.

[260] John Aravosis, *"BP photoshops fake photo of oil spill crisis command center to make it look busy*", originally published on July 20, 2010, available at http://americablog.com/2011/04/bp-photoshops-fake-photo-of-command.html

[261] News extracted from the article *"BP admits altering oil spill response centre image",* BBC, July 21, 2010, available at http://www.bbc.co.uk/news/world-us-canada-10718310

- an *accidental* crisis, with very low responsibility by the company.

- a *wide range* crisis, because it involved the company and its employees, passengers and habitual customers, the inhabitants of the Giglio island and local authorities[262].

The ship, which was launched in July 2006 was a seas' giant by 114,000 tons, with 150 cabins, 17 bridges, 6 restaurants, 4 artificial beaches and capable of carrying 3,780 passengers plus 1,100 crew members. On January 13, the Costa Concordia had left the seaport of Civitavecchia, along the route decided by the second officer Dimitri Ckristidis and approved by Captain Francesco Schettino. Around 22,00, however, the ship suddenly changed its route, approaching the Giglio island and remained aground on the rocks near the coast. The deviation, made to perform the dangerous manoeuvre of "bowing", was approved by the commander and took the ship within 100 meters from the most prominent point of the coast going to hit a reef located approximately 7 meters below sea level. More than an hour after the collision, the Costa Concordia began to lean to one side, washed up a few meters from the crash site with a gash in the hull of 54 meters. At 00:42 Francesco Schettino notify the harbour master in Livorno that he had abandoned the ship, despite on board there were still hundreds of passengers. At 4:46 the Italian finance guard announced the end of the evacuation, after the findings of the first three victims: the final toll will be 32 dead and 110 wounded.

The first news, spread by the Italian press agency Ansa.it at 23,00, activated the long media process in which all the protagonists of this story were (and still are) subjected: their management and communication of the crisis has been analysed thoroughly and has alternated extremely positive characteristics and avoidable mistakes.

For ease of handling and ease of reading, I have divided my analysis into two different blocks. On the one hand the official management and communication

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[262] Maria Elena Gaglianese, *"Costa Concordia. Un caso di crisis communication (Sulle orme della storia)"*, Amazon Media EU, Kindle Edition, May 30, 2013.

made by Costa Crociere, on the other the statements behaviour of the captain Francesco Schettino: the two souls of this crisis management and communication strategy differed greatly, creating a tear that will never be healed.

The first official communication from the Costa Crociere took place at 1:10 during the night of the sinking: the Italian company confirmed the news of the accident and thanked the local authorities for their help in the evacuation of all passengers, without giving any information on the causes the shipwreck. The next day, January 14, all the information on the names of the dead and missing were conveyed and a phone number was set up for all those people who wish to contact the company for more news on the tragedy. At the same time, the Genoa-based company started the paperwork for a 14,000 € reimbursement (compensation strategy) for every passenger[263] and was officially distanced itself from Francesco Schettino, declaring the strangeness of the company by the unfortunate choices of the captain of the Costa Concordia. On 15 January was published the first official press release. This document was confirmed the commitment of the Costa Crociere for the resolution of the crisis, the recovery of the missing and the containment of any possible environmental damage: to cope with all these responsibilities 1,100 dependents were employed. It was also published, in a clear and transparent way, the internal corporate career of Francesco Schettino, assuming every responsibility for its professional formation but not for the events of the night of the sinking. Finally, it was announced the line-up of the company's priorities:

- Priority to the missing;
- De-bunkering of the fuel;

[263] News extracted from *"Costa Concordia, 14 mila euro di risarcimento ai passeggeri con il danno esistenziale"*, Panorama, January 27, 2012, available at http://economia.panorama.it/Costa-Concordia-14-mila-euro-di-risarcimento-ai-passeggeri-con-il-danno-esistenziale

- Removal of the wreck[264].

This communication, moreover, were accompanied by the most significant parts of the safety certifications by which the Costa Concordia was equipped with. But then, the safety procedures adopted by Costa Crociere had never been questioned: in 2004 the shipping company had been certified by RINA for the themes of environmental responsibility, safety and quality, and all the vessels had been awarded the RINA Green Star for its reliability on board[265]. In 2009, moreover, the international study "Global Reputation Pulse" had placed the company in fourth place in Italy between the companies that were distinguished for esteem and positive reputation[266].

Later, from January 19, the company has stopped publishing official press releases to the media, communicating only through their own spokespersons or through their web channels and devoting itself solely to the practical resolution of the crisis, to the victim's family members and to the co-operation with the Italian judiciary for the investigation. Precisely with regard to the spokespersons, the choice fell on Pierluigi Foschi, former CEO of Costa Crociere, and Gianni Onorato, general manager of Costa Crociere (multiple spokespersons strategy). Pierluigi Foschi was one of the first to reach the scene of the tragedy, appearing very upset and saying:

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[264] News extracted from "*Costa Crociere, comunicato ufficiale: "Errori di giudizio del comandante",* published on Repubblica.it on January 15, 2012, available at http://www.repubblica.it/cronaca/2012/01/15/news/costa_concordia_comunicato_ufficiale-28191255/

[265] Maria Elena Gaglianese, *"Costa Concordia. Un caso di crisis communication (Sulle orme della storia)"*, Amazon Media EU, Kindle Edition, May 30, 2013.

[266] Maria Elena Gaglianese, *"Costa Concordia. Un caso di crisis communication (Sulle orme della storia)"*, Amazon Media EU, Kindle Edition, May 30, 2013.

*"Excuse me, but my voice is broken. After zeroing the company from the media we will have to work hard to regain credibility. But we will live up to all our commitments"[267].*

And, in an interview released to the Financial Times on 20 January, Foschi continued to hold separate the responsibilities of Costa Crociere and those of Francesco Schettino, accused of having delayed in launching the SOS, in having modified the shipping route and, in general, to have provided false information both to the legal authorities and to the leaders of the company[268]. On May 14, however, the communication strategy of the company was entrusted to the words of Gianni Onorato, host of the Italian talk show "Matrix – Diritto di replica". For the first time, therefore, the Costa Concordia's crisis communication strategy landed on television, in order to ensure a wide audience and to be able to reach as many people as possible. The General Manager of Costa Crociere appeared calm and always accurate, and communicated the official start of the corporate recovery phase, which will be deepened during the final analysis of the overall crisis management and communication strategy:

*"There has been a drop in bookings because the company has done other things, has made another kind of work, we have not communicated, each of us has made efforts exclusively to the management of this emergency, to the relationship with families and to the management of shipwrecked. We were very heartened by the attitude of our loyal customers, we were very close and* ***in the last month we have seen an increase of 25% compared to last year****. Then there is a big*

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[267] C. Pellegrini, *"Quella notte al Giglio. Il dramma della Concordia",* Edizioni Effigi, Grosseto, 2012, p. 85.

[268] Guy Dinmore and Sally Gainsbury, "*Concordia 'not first to deviate from routes'",* Financial Times, January 20, 2012, available at http://www.ft.com/intl/cms/s/0/27aff644-437c-11e1-8489-00144feab49a.html#axzz2swfN2XbR

*confidence in the company, there is a big confidence in the fact that the cruise is a safe type of holyday"*[269].

As announced by Gianni Onorato, from March 2012 Costa Crociere had started its crisis recovery phase, through the placing on the market of new offerings, new graphics and new cost-effective solutions for customers and travel agencies. So, in just over 4 months, Costa Crociere canceled the economic damage of the Concordia tragedy: the initial estimates were talking about a stock exchange damage quantifiable in 95 million dollars only for the commissioning of the ship[270], while the first quarter of the year closed with a deficit of 139 million dollars, of which 29 are directly attributable to the costs of Concordia accident[271]. Already in May 2012, however, the sale of cruise services registered a surprising increase of 25% compared to the same period of the previous year. A very strong signal of how Costa Crociere had been able to manage the crisis and how the care of the relationship with customers has minimized, if not canceled, the possible long-term economic damages.

Completely different is the version of the facts released by the captain Francesco Schettino, the main target of the public and the media: some amateur video shot by passengers show him often confused and not very conscious of what was happening on the ship; furthermore, investigators had found traces of cocaine in the hair of the captain, although the subsequent analyzes have determined that it was an external contamination and not of a personal use of

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[269] Costa Crociere, *"Gianni Onorato, Direttore Generale di Costa Crociere, ospite a Matrix il 14 Maggio 2012",* Official Costa Crociere Blog, May 15, 2012, available at http://blog.costacrociere.it/post/Gianni-Onorato-Direttore-Generale-di-Costa-Crociere-ospite-a-Matrix-il-14-Maggio-2012.aspx

[270] Daniel Tovrov, *"Cruise Ship Sinking: Carnival's Disaster Upsets the Whole Industry",* International Business Times, January 26, 2012, available at http://www.ibtimes.com/cruise-ship-sinking-carnivals-disaster-upsets-whole-industry-396124

[271] Christopher Palmeri, "*Carnival Posts net loss after Concordia Accident in Italy",* published on March 9, 2012, available at http://www.bloomberg.com/news/2012-03-09/carnival-posts-loss-on-costs-from-concordia-crash-in-italy.html

the offending drug. First, it is necessary to analyse the mistakes made by the captain during the excited moments that followed the crash. Despite the consequences of impact were immediately quantifiable, the first two messages to passengers downplayed the incident, announcing a simple black out. Even the Livorno port captain's office, worried about the strange stopping of the ship on the coast of the Giglio island, got in touch with captain Francesco Schettino asking precise information: after repeating the story of the simple power outage, the captain admitted the ship was taking on water, but he tried to convince the captain Gregorio De Falco that the situation was fully under its control. Despite these attempts, the Coast Guard decided *sua sponte* to send the first aids, at the same time when the crew stops to follow the orders of Captain Schettino and started the evacuation of the ship. For this reason, the crew of Concordia was awarded the maritime prize of the year at the Lloyd's List Global Awards 2012, for their bravery and heroism demonstrated on the occasion of the sinking[272]. The commitment of the crew has been rightly stressed by President Foschi, during a press conference on 16 January, when the CEO said: "All our crew members behaved like heroes, everyone!”[273].

Passengers are thus helped to leave the boat between 23.00 and 23.10, more than an hour after the crash on the rocks of Giglio.

Despite these evidences about the incident, Schettino has always claimed to have been the last to leave the ship and to be absolutely innocent for what regards the tragedy: the piece of rock that struck the Concordia, according to his reconstruction, was not reported in the charts in his possession. Francesco Schettino, during an interview for the Italian talk show “Quinta Colonna”, said

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272 Costa Crociere, *“L’equipaggio di Costa Concordia premiato come Miglior ‘Seafarer of the Year” ai Lloyd’s List Global Awards 2012”*, Official Blog Costa Crociere, September 27, 2012, available at http://blog.costacrociere.it/post/L%E2%80%99equipaggio-di-Costa-Concordia-premiato-come-Miglior-%E2%80%9CSeafarer-of-the-Year%E2%80%9D-ai-Lloyd%E2%80%99s-List-Global-Awards-2012-.aspx

273 Beppe Risso, “*Naufragio, le spiegazioni della Costa”,* Il Secolo XIX, January 16, 2012, available at http://www.ilsecoloxix.it/p/genova/2012/01/16/AP2WZ5gB-naufragio_della_spiegazioni.shtml

that Costa Crociere was aware of the practice of bowing and also the route around the coast of Giglio had been agreed with the leaders of the company:

*"The operation of Giglio had been planned at the start, because we should already done it the week before, but it was impossible because it was bad weather. They said: as we do tourist navigation, we advertise the company and greet the island"[274].*

This interview was strongly opposed by the Italian public, which launched on Facebook and Twitter hashtag #iononguardoschettino[275] in protest to the money compensation given to a character definitely negative to release an interview. Although the company had immediately distanced himself from the words and actions of the captain and despite having stopped any working relationship that bound Schettino to Costa Crociere[276], this inconsistency between the messages issued by employees of the same company (Foschi and Onorato on one side and Schettino on the other) have left severe consequences on the judgment of the Costa Crociere's crisis communication strategy.

The last part of our analysis, before moving on to the final considerations on the crisis communication strategy, concerns the management of communication on social networks.

On Facebook the official page of Costa Cruises has about 600 thousand likes, but the use of the most popular social network was often not completely

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[274] Carlo Bonini, Marco Mensurati and Adele Sarno, "*Concordia, la versione di Schettino",* Le inchieste di Repubblica, January 23, 2012, available at http://inchieste.repubblica.it/it/repubblica/rep-it/2012/01/23/news/concordia_la_versione_di_schettino-28610754/

[275] News extracted from "*#iononguardoschettino, la rete boicotta Quinta Colonna",* La Repubblica, July 10, 2012, available at http://www.repubblica.it/cronaca/2012/07/10/foto/_iononguardoschettino_la_rete_boicotta_quinta_colonna-38830584/1/

[276] News extracted from "*Schettino licenziato. E lui fa causa alla Costa",* La Repubblica, October 10, 2012, available at http://genova.repubblica.it/cronaca/2012/10/10/news/schettino_licenziato_e_lui_fa_causa_alla_costa-44214499/

efficient. Social media managers, in fact, decided to use the web platform as a mere sounding board for the official statements issued throughout other media. The first six publications are the exact copy of what is published on the official blog, characterized by the absence of emotional involvement[277].

The same argument can be made for the use of Twitter: about 13 thousand followers of the company have received the same information that could be found on television or on Facebook, without the possibility of establishing a real dialogue. All the people who wrote, in fact, have received the same automated response which was the simple communication of a phone number to call in order to receive all the information they wanted[278].

Also on YouTube communication was not optimal: it was not made a video "ad hoc" for apologize but, on the contrary, were merely publish videos of official press conferences and all the videos on the Costa Concordia before the accident were deleted. On the official blog, however, mistakes have been made coarser. On September 26, 2010 was published an article in which Costa Crociere praised Captain Schettino to have successfully performed the maneuver of bowing in the harbor of Corricella, near the island of Procida[279]. The post, immediately removed in the aftermath of the tragedy, was noticed by users and demonstrate that Costa Crociere was fully aware of the dangerous maneuver that led to sinking of the Concordia.

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277 Davide Licordari, *"Comunicazione di crisi: Costa Crociere e il naufragio della Concordia",* January 16, 2012, available at http://www.davidelicordari.com/comunicazione-di-crisi-costa-crociere/.

278 Stefano Besana, *"Social Media Crisis Management: il caso di Costa Concordia",* Social Learning Blog, January 20, 2012, available at http://sociallearning.it/2012/01/20/social-media-crisis-management-il-caso-di-cos/

279 News extracted from "Schettino, l'inchino a Procida e l'imbarazzo della Costa", published on Sky Tg 24, January 18, 2012, available at http://tg24.sky.it/tg24/cronaca/2012/01/18/costa_concordia_inchino_a_procida_censura_costa_crociere.html

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|---|---|---|---|---|
| **Updates from the disaster** | 8 | 15 | 11 | 9 |
| **Followers** | n/a | 12,900 | 2,514 | 627,477 |
| **Engagement** | **271 comments. Low:** The blog is used to send out press releases and updates about the situation. The comments shared concern more than anything else. | Even in this case, the interaction is **limited** to the dissemination of official news. No management of thousands of tweets later directed to the brand. | Extremely **limited**. The videos bring a few comments and the number of views is not very high. | **11.291 likes share in 2498 8252 comments.** The offiicial facebook page was definitely the key aggregation point of the company. |
| **Sentiment** | The sentiment is **positive**: there are many users who are defending the position of the brand name and the reputation it has built over the years. | The sentiment is **negative**: many criticisms without a direct answers. The brand has not communicating with users and used the channel broadcasting mode. | Tend to be **neutral**. The video received a few comments and a few feedback from the users of the platform. | The sentiment is very **diverse**: from messages of enthusiastic fans to complaints of lack of accountability and fairness in respect of passengers[280]. |

[280] Table extracted from http://sociallearning.it/2012/01/20/social-media-crisis-management-il-caso-di-cos/ and freely adapted by the author.

Before drawing judgements on Costa Crociere's strategy, it must be remembered that the difficulties of the explosive Concordia's crisis went hand in hand with those of the crisis on the Costa Allegra. On February 27, 2012, in fact, this ship of the Italian company was hit by a fire at the engine room while it was in the proximity of the Seychelles: the fire caused a blackout that put down the air conditioning, lights, phones and motors. The ship was anchored off for three days, during which passengers could not even use the toilet. Fortunately, on March 1 the ship was towed to Mahè by a French ship and all the passengers were eventually rescued[281].

In this case, the management of the crisis was excellent: the crisis unit was able to maintain communications via satellite phone, managing to coordinate relief efforts and put passengers in touch with their families; a team of doctors and delegations from the embassies around the world were ready to welcome and assist passengers once arrived on the mainland; and the collaboration with the local authorities allowed to provide the necessary accommodation for passengers and transport for the journey home. Regarding compensation, Costa Crociere assured to every passenger a week holiday in a luxury resort in the Seychelles, the reimbursement of all expenses incurred for the cruise and a gift cruise to be used in the next two years[282].

Now, after having analysed every aspects of this crisis communication strategy and the context in which it was carried on, it is now possible to sum up the crisis management done in the Concordia's crisis, dividing the analysis into three periods: (1) pre-crisis, (2) crisis and (3) post-crisis.

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281 Valeria Pini, *"Nave Costa Allegra alla deriva dopo incendio "Primi soccorsi arrivati da un peschereccio"*, La Repubblica, February 27, 2012, available at http://www.repubblica.it/esteri/2012/02/27/news/seychelles_nave_della_costa_crociere_alla_deriva_dopo_un_incendio-30590455/

282 Maria Elena Gaglianese*, "Costa Concordia. Un caso di crisis communication (Sulle orme della storia)"*, Amazon Media EU, Kindle Edition, May 30, 2013.

*Pre-crisis.* Despite the crisis of the Concordia ship has been a low probability accident, almost devoid of warning signs, Costa Crociere is not free from responsibilities.

*Not optimal preventive set-up:* first, it seemed to miss a real selection, training and monitoring process of the crew, as evidenced by the lack of preparation of Captain Schettino and other officers on board. The weaknesses of some of the crew members of the Costa Concordia and the inefficiencies of some safety measures has been highlighted by the prosecutor Beniamino Deidda:

*"Lifeboats that cannot be lowered into the sea, staff members that do not know what to do, lack of preparation to handle the emergency, clumsy orders as that of return in the cabins. The confusion reveals that there has been an incredible carelessness in the application of safety standards. Instead, this sector should be first organized with exercises and simulations, and then the emergency can be handled"*[283].

*Lack of listening to weak signals:* one of the few warning signs available to the Italian company was the news of the "near-shore salute" performed by the ships during the navigation in the proximity of coastal towns. If it is true, as stated by corporate managers and as established by the investigators, that Costa Crociere was not aware of this dangerous practice it should be a serious lack of attention towards their officers and the evidence of the little control on the routes followed by its navigation ships. The lack of control on the routes has been admitted by the CEO Pierluigi Foschi during the press conference of January 16:

[283] Statement extracted from "Nave Costa: Procura: L'armatore è garante della sicurezza", TG 1, January 24, 2012, available at http://www.tg1.rai.it/dl/tg1/2010/articoli/ContentItem-c55f1ce5-b0a2-4821-93b0-5bb744811913.html

*"We are not able to accurately assess nor times nor the route that the ship has taken the time previous to the impact of the rocks"*[284].

These responsibilities may appear meaningless, especially in front of the serious mistakes of Captain Schettino but, from a big company like Costa Crociere, customers and stakeholders expect greater attention to the processes described above.

*Crisis.* One of the first strategies implemented by Costa Crociere, as we have already seen, was the **exclusion of the company** from all liability. The vertices of the Italian navigation company declared themselves not guilty, but always willing to cooperate with the investigation: a total war to Captain Schettino, in fact, would have had the effect of a loss of credibility in front of the public. Luca Poma and Giampietro Vecchiato highlighted the negative aspect of this strategy: the figure of the captain of a ship is inseparable from that of the ship itself, because the captain is its highest expression and authority[285]. Try to separate the responsibilities of the company from the captain's ones was, in my own opinion, a correct choice from the practical point of view, but it has opened questions about the real control of employees by Costa Crociere.

From a purely communicative perspective, the Costa Crociere's strategy has seemed lacking in the management of the first 24 hours communication flow: refuging behind the existence of the investigation to be respected, the company has delayed in communicating the causes of the tragedy, fuelling the emergence of different versions of the facts. In this way, Costa Crociere has lost the

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[284] Beppe Risso, "*Naufragio, le spiegazioni della Costa",* Il Secolo XIX, January 16, 2012, available at http://www.ilsecoloxix.it/p/genova/2012/01/16/AP2WZ5gB-naufragio_della_spiegazioni.shtml

[285] Luca Poma e Giampietro Vecchiato, *"Isola del Giglio: 'Costa Crociere si assuma le proprie responsabilità",* Affari Italiani, January 17, 2012, available at http://www.affaritaliani.it/cronache/costa-crociere-crisis170112.html

opportunity to become the hub of news flow and the only accredited and reliable source in the immediate aftermath of the incident.

The communication plan, when it started, fell into the error of using different channels to communicate the same message, without decline it depending on the characteristics of the *medium*. The lack of emotional involvement in communication, soon tuned out to be a serious mistake: press releases were not enough to cover the noise of the image of the Costa Concordia, resting on its side and submerged by the waters. Moreover, the decision to avoid the diffusion of unofficial news, led the former CEO Foschi to commit a great error: he refused to grant an interview with Luisa Baldini, a BBC news correspondent, on the advice of lawyers of Costa Crociere[286]. This choice has transmitted the image of a company closed its positions and frightened by the presence of external sources that could compromise the work of internal experts and communicators.

From a practical perspective, the crisis unit properly constituted could not prevent the most serious damages, because of the sudden nature of the crisis. Later, however, the unit has played very well all its functions, providing support and assistance to passengers, their families and stakeholders. Even the most delicate phase of the crisis response, the removal of the wreck, was carried out very well up to this point: except for normal delays, given the exceptional nature of the operation to be performed, the operations were effective and also the communication recovery was excellent, thanks to the opening of a dedicated website where the news the news about the operations are continuously uploaded [287].

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[286] On her twitter account, Laura Baldini wrote: *"CEO of # Costa, Foschi, pulls out of interview I was supposed to do on Behalf of Inglese speaking broadcasters, on the advice of lawyers."*, as reported by Patrick Trancu on his blog “Sitting Duck. Crisis communication, crisis management”, available at http://patricktrancu.wordpress.com/2012/01/22/crisismanagement-costa-concordia-i-legali-prendono-il-comando-della-comunicazione/

[287] The website is run by the two companies responsible for the recovery of the Costa Concordia, the American Titan Salvage and the Italian Micoperi. The website address is http://www.theparbucklingproject.com/.

*Post-crisis.* The best results in the crisis communication process are certainly those recorded in the recovery phase and in the lesson-learning process.

On January 27, 2012 started the Cruise Industry Operational Safety Review[288], an initiative to review and improve all the safety procedures on board. In May 2012, when the company had completed searching the missing, Costa Crociere is dedicated to the transparency of its procedures and the introduction of the High Tech Safety Monitoring System[289], an innovative system that allows to monitor in real time the position of the ship and the route that the captain is going to follow. The routes, in particular, will be decided and shared among all the officers on board and will be more difficult to gain access to the count of command during the crossing.

Even the crew and passengers, according to the new guidelines, will be constantly undergoing training in the management of emergency situations. In particular, it has become mandatory for passengers to follow a safety training on board before the ship leaves port: "Every guest just boarded – as explained by the general director Gianni Onorato - is equipped with a card with a barcode, the Emergency Drill Card which, by scanning into specific readers, allows passengers to record for the safety training: in the case of non-participation, the system identifies the host absent and sends into his cabin a letter of invitation to the next meeting”[290].

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[288] News extracted from “*Cruise Industry announces Operational Safety Review”,* Cruise Line International Association, January 27, 2012, available at http://www.cruising.org/vacation/news/press_releases/2012/01/cruise-industry-announces-operational-safety-review

[289] News extracted from the article *“Le sette iniziative di Costa Crociere per il miglioramento continuo degli standard di sicurezza”,* Affari Italiani, May 5, 2012, available at http://www.affaritaliani.it/cronache/costa-sicurezza050512.html

[290] Ilaria Fusco, *“Sicurezza hi-tech. La Costa riparte da web e scanner”,* La Repubblica – Economia e Finanza, May 28, 2012, available at http://www.repubblica.it/economia/affari-e-finanza/2012/05/28/news/sicurezza_hi-tech_la_costa_riparte_da_web_e_scanner-36042952/

The great attention to the post-crisis phase (too often underestimated by crisis managers), the immediacy of the implementation of the practical crisis management plan and, despite some inaccuracies, the good communication strategy shall ensure that the assessment of the crisis communication strategy of the Costa Concordia is fully positive.

## FINAL CONCLUSIONS AND REMARKS.

At the end of this study on crisis communication is the time to sum up and try to draw some conclusions.

Given for granted the impossibility of not communicating, it is evident that especially in bad times is essential to treat the relationship with the public and with main stakeholders. In this context, the numerous studies on how to communicate in times of crisis have focused on the establishment of common rules to follow when developing a crisis communication strategy.

Without going backwards in this paper , it is sufficient to recall that one of the main rules is to develop a strategy based on three different levels:

- *Pre-crisis*, in which Crisis Commication Team has the duty to monitor the warning signs and constanly evaluate the reputation of the hitten subject on media and online;
- *Crisis*, in which communicators must choose which strategy apply from those described by Alan Jay Zaremba and reported in the second chapter of this thesis;
- *Post-crisis*, in which it is necessary to understand and identify weaknesses and mistakes, to eliminate them in so-called learning process.

This brief summary is useful to emphasize two fundamental aspects of crisis communication in practice. During crisis resolution is important not to fall into the "no comment" trap: I have already stressed the importance of this step in my analysis, but I think it should be pointed out again because it is one of the most common mistakes, at least in the early hours by outbreak of the crisis, which are committed. It is always better to admit the lack of knowledge of the facts and ensure concrete answers in a short time, not refusing to answer truthfully but rather admitting the difficulties of the moment.

Moreover, among these three phases, is evident from my analysis that the third one is almost systematically underestimated: whenever a crisis communicator is able to leave the negative event behind his shoulder, he considered his crisis management work practically concluded. There is nothing more wrong. During this analysis we have already seen how crises are recurring events in the life of a party or a company, and the only way to prevent their explosive impact is to change misconducts and minimize risks associated with routine activities: without an adequate post-crisis analysis it is impossible to identify criticities and eliminate the weaker links in the chain of activities.

Within the section "Different contexts, different approaches?" it presents the development of a model that I have developed to explain the methodological differences between a political crisis communication strategy and an economic crisis communication strategy. Briefly, the model was developed on four variables:

- *Audiences*. When crisis communicators have to solve an economic crisis, the target includes all potential customers of that particular sector, with the aim not to break the tie that binds them to the company. In the case of political crises, however, the targets are all those people older than 18. In this case can be very complicated elaborate communication strategies that can be effective, for example, both for young graduates and for older retired people.
- *Timing and media coverage*. The time available for the first answers in economic crises depends on the severity of the crisis itself, although it is generally wider than time available in political crises. In the latter, in fact, there is generally a wider media coverage and crisis communicators have less time to provide adequate answers.
- *Liability and risk implications*. Economic crises are those that generally do more harm to stakeholders and customers. Political crises, in fact, usually lead to long-term and indirect consequences. This means that to solve an economic crisis may require more management and communication efforts.
- *Trust and simpathy toward organizations*. The relationship between a voter to his party or reference politician is often influenced by a logic of "belonging" and loyalty, even if there are not infrequent cases of rational

voters who do not suffer from this bias. The relationship between customer and company, on the contrary, is mainly influenced by prices competitiveness, security and transparency of the company: a crisis, in this case, it is hardly forgivable if there is not a great crisis communication and management plan and strategy.

In these conclusions, after having analysed four important case studies, we can try to apply them this theoretical model to show that it can work as a general model about the differences between economic crises and political crises. To demonstrate the validity of this theoretical model, the case studies discussed during this thesis will be analyzed briefly according to the variables listed above.

*Political crises.*

Weinergate:

- *Audiences*: American electorate.
- *Timing and media coverage*: high media coverage and need for immediate answers. Weiner was ready to communicate his positions and to call a press conference a few days after the outbreak of the scandal.
- *Liability and risk implications*: no harm to stakeholders and to the general public.
- *Trust and sympathy toward organizations*: high loyalty to the party and to the politician, as evidenced by the possibility given to Weiner to compete, after the first scandal, in the primaries election for the office of mayor of New York.

Strauss-Kahn arrest:

- *Audiences*: mainly French electorate, but the role of Strauss-Kahn in the International Monetary Fund has expanded the boundaries of the scandal.
- *Timing and media coverage*: worldwide media coverage. Strauss-Kahn was forced to provide immediate answers and in just four days

announced his resignation and his replacement at the top of the IMF.

- *Liability and risk implications*: no damage nor to French citizens nor to the IMF's stakeholders.
- *Trust and sympathy toward organizations*: wide solidarity toward the French politician, later cleared of all judiciary charges.

Berlusconi's Rubygate:

- *Audiences:* mainly italian electorate, but the visibility of Silvio Berlusconi led his scandal on the major international newspapers.
- *Timing and media coverage:* the worldwide media coverage forced the italian politician to give immediate official denials.
- *Liability and risk implications:* no harm to citizens.
- *Trust and sympathy toward organizations:* strong sense of loyalty by the right side of the Italian electorate, even after the trial confirmed the guilt of Berlusconi. The high loyalty to his party has been confirmed by recent polls, which indicate that "Forza Italia" is, at the moment, the second political force in the Italian scene.

Clinton Sexgate:

- *Audiences:* American electorate, but worldwide interest since the scandal hit the most powerful man in the world.
- *Timing and media coverage:* global media coverage. President Clinton was forced to communicate with the media when a crisis plan had not yet been developed, but within five days he could not escape from organizing a press conference at the White House.
- *Liability and risks implications:* no harm to the general public nor to the stakeholders.
- *Trust and sympathy toward organizations:* despite the obvious responsibilities, Bill Clinton was supported by his electors and also managed to expand his consent: it was, in fact, the only American president in modern history to conclude his presidency with a consensus greater than that recorded at the beginning.

Giannino case:

- *Audiences:* italian electorate.
- *Timing and media coverage:* media coverage was extensive, but concerned only Italy. The answer to Oscar Giannino came a few hours after the scandal broke, demonstrating how important it was to limit the news flow and the possible damages that it would bring.
- *Liability and risks implications:* no harm to citizens and stakeholders*.*
- *Trust and sympathy toward organizations:* despite "Fare per fermare il declino" had lost a lot of supporters following the scandal, the figure of Oscar Giannino remains an important point of reference in the panorama Italian journalism: this confirms how the attachment and loyalty to the political character has helped crisis communicators to overcome the crisis without excessive damages.

*Economic crises.*

Tylenol case:

- *Audiences:* customers of Tylenol on American soil.
- *Timing and media coverage:* the scandal was widely covered by the media, especially in the local area of Chicago. For what concerns the timing, the company took five days to withdraw the product, but almost two weeks to start the communication strategy in the newspapers, with the first article appeared in the Washington Post.
- *Liability and risks implications:* low responsibility for the company, because it was an external contamination. High risks implications: the tampering caused 7 deaths.
- *Trust and sympathy toward organizations:* Low degree of solidarity to the company. Despite a great plan for crisis mangement and communication, the company recovered only 70% of the market share it had before the accident.

Toyota recall crisis:

- *Audiences:* American customers of Toyota.
- *Timing and media coverage:* little media coverage. The first apology from the CEO Akyo Toyoda arrived several weeks after the accident of the Saylor family, the event that triggered the scandal.
- *Liability and risks implications:* low liability of Toyota: there were no defects in the production of the incriminate Cars. The incorrect use of the mats, however, has caused several accidents and death of four people.
- *Trust and sympathy toward organizations:* the customer reaction was initially angry. Only the efficiency of the Toyota services, the imposing plan of replacing the defective floor mats and the high quality of Toyota products has enabled the Japanese company to avoid market damages in the short and in the long period.

Giglio contamination case:

- *Audiences:* Italian customers of Giglio, Parmalat and Sol di Valle.
- *Timing and media coverage:* great media coverage in the italian newspapaers, but little interest after the first few days after the outbreak of the scandal. The first communications to customers came exactly a month after the first news about the botulism: the timing of the company were ineffective and too late.
- *Liability and risks implications:* medium liability of the company, guilty of failing to effectively supervised on their production processes. Contamination of mascarpone caused the hospitalization of 8 people and the death of a teenager.
- *Trust and sympathy toward organizations:* following the scandal, the Giglio lost the relationship of trust with its customers. Moreover, the ineffective crisis communication plan led the company to gradually lose its market share, until it was incorporated by a larger company in 2004.

British Petroleum Gulf Oil Spill crisis:

- *Audiences:* especially American citizens, but the extent of environmental damage has attracted the world attention in the aftermath of the incident.

- *Timing and media coverage:* wide and prolonged media coverage. The exceptional gravity of the event forced the British company to convene a press conference the day after the disaster.
- *Liability and risks implications:* high responsibility of the company, which was not new to serious crisis. The accident caused the death of 11 people and injured 17 people. Oil spills, moreover, amounted to 4.9 million barrels, equivalent to 210 million U.S. gallons.
- *Trust and sympathy toward organizations:* the company had a negative reputation, having regard to his problematic past. The mismanagement of the crisis did the rest, causing huge market losses to the company.

Costa Concordia crisis:

- *Audiences:* Italian citizens and Costa Crociere's customers.
- *Timing and media coverage:* wide coverage in the Italian press and interest also by foreign media.
- *Liability and risks implications:* very low liability of the company, but high responsibility of the captain Francesco Schettino, an employee of the company. The sinking of the Costa Concordia caused 32 deaths and 110 wounded.
- *Trust and sympathy toward organizations*: the positive reputation of Costa Concordia, the great crisis communication strategy and the attention constantly devoted to its customers allowed the Italian company will not suffer major losses in the market.

At the end of this analysis, we can conclude that:

*1.* Political crises have as main target the voters of the country of reference, unless the scandal has a scope that would engage the citizens of other countries. The target of the economic crisis, however, depends on the size of the company involved and on the damage caused. Political crisis communicators, then, usually face the difficulty to relate with a limited but extremely varied public, while the economic crisis communicators risk to relate to a wide and upset audience.

*2.* The reaction time of a political crisis is almost always very small, because politicians often have to react in a few hours. In the economic crisis, however, is often enough to implement its communication strategy in a couple of days or even weeks (such as during Toyota recall crisis). The possibility of having more time to elaborate an effective strategy, of course, is a great advantage for the economic crisis communicators.

*3.* Economic crises are those that cause most damages, both in economic terms than in terms of human losses. Sins of the parties or politicians, on the contrary, usually concerns their private life or the electoral competition and usually does not directly damage the public. For an economic crisis communicator (consider the case of the BP's Oil Spill) the task is more difficult and challenging.

*4.* After a political crisis, voters often tend to forgive the mistakes in the name of ideologies or attachment to the party. This benefit does not apply to companies affected by crises, because customers do not harbor feelings of loyalty and tend to blame the companies in case of errors, especially when they cause deaths, injuries or environmental or economic damage.

The model I propose, therefore, seems to be a good starting point to delineate the differences between different types of crisis communication.

The future lines of development will also have to take into account the high level of globalization and technologizing of the world in which we live. There are no more circumscribed crisis or news that may not be disclosed: the growing disruptive force of negative events will force crisis communicators to carry out their work in an increasingly precise and meticulous way.

The advent and spread of social networks also will force a crisis communicators to redouble their efforts, both in monitoring party/corporate reputation than during the crisis response phase.

Spreading the culture of crisis communication, emphasize the importance of crisis communication plan and eliminate the most common errors in the application of strategies are only some of the aspects on which to focus in the future: the way for the crisis communication to become one of the cornerstones of public life of parties and companies and to become a customary activity is still long, but the great interest that this subject is starting to collect can be a great starting point for a brilliant future.

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