

MPC MAJOR RESEARCH PAPER

Samsung's crisis communication response: Ineffective response strategies across traditional and social media platforms

The Major Research Paper is submitted in partial fulfillment of the requirements for the degree of Master of Professional Communication

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**Abstract**

When reports surfaced in 2016 of complications with Samsung's latest product release, the Galaxy Note 7, Samsung faced a significant threat to its corporate image. This MRP explores Samsung's traditional and social media crisis responses to the explosions of consumers' Note 7 devices. Through an in-depth analysis of Samsung's traditional media newspaper apology ads and press statements, coupled with audience comments about the brand on YouTube, this case study analyzes how the brand incorporated two prominent theories of crisis communication, Situational Crisis Communication Theory (SCCT) and Image Restoration Theory (IRT). Through a study of Samsung's traditional crisis response, a newspaper apology advertisement and three website press statements, this case study uncovers which strategies of SCCT and IRT were practiced. Specifically, this research study highlights image restoration strategies such as corrective action, mortification, and minimization. Similarly, the corporation wrongfully employed diminish strategies, opposed to rebuild strategies which coupled with the vague language and inconsistency of the information shared in its communications response to consumers fostered distrust. As videos of the Note 7 explosions spread across social media, a sentiment analysis of consumers' opinions on YouTube at the height and tail-end of the Note 7 crisis was explored. Initially in October 2016, high levels of negative response emerge public reactions, with consumers refusing to purchase their products in the future. However, due to its high level of reputational capital as a world class smartphone distributor, in just nine months' consumers recommitted their loyalty to organization had recuperated its once tarnished image.

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### **Introduction and Background**

On August 19, 2016, Samsung faced a significant threat to its corporate image after global reports emerged revealing complications with its latest smartphone product, the Samsung Galaxy Note 7. An image is “the perception of a person (or group, or organization) held by the audience by the words and actions of that person, as well as by the discourse and behavior of other relevant actors” (Benoit, 1997a, p. 251). Projected to be a revolutionary piece of technology in the cellular industry, the joy for both consumers and the institution was short-lived. Just two weeks following the release of the flagship device, 35 cases worldwide were reported of malfunctions within the Galaxy Note 7's lithium battery, causing the devices to explode unexpectedly and endanger the safety of consumers (Samsung NewsRoom, 2016). As Samsung was forced to issue a global recall, the turmoil of the Note 7 crisis brought attention to Samsung's business practices and called into question the quality of its products (Reilly, 2016).

Prior to the Samsung crisis, countless organizations have fallen victim to incidents of product harm, such as the infamous 2008 listeria case of Maple Leaf Foods and 1982 Tylenol Johnson & Johnson crisis (Greenberg & Elliot, 2009; Hurk, 2013). However, the Note 7 crisis remains a compelling case study as it seeks to expand academic insights into the delicacies of organizational crisis communication from traditional media to include the digital sphere. This Major Research Paper (MRP) seeks to examine crisis response strategies within the realm of organizational communication, specifically the case of the Samsung Galaxy Note 7. Since the introduction of the Internet, evolution in communication technologies has created new modes for corporations seeking to maintain a favourable public image. Today, social media is revered as the core communication channel for people to communicate with one another from across the globe, as it encompasses every aspect of our lives (Jin, Liu, & Austin, 2014). For corporate

crises, the integration of social media in corporations' communication response has offered them an opportunity to rapidly engage in a dialogue with endangered publics and thus preserve their reputation. However, while social media is capable of aiding organizations to offer greater clarity to concerned stakeholders, its precarious role in organizational crisis communication has left these entities more susceptible to impairment than ever before.

A core principle of effective crisis communication is quickness, accuracy, and consistency (Coombs, 2007b). During a crisis, an early response from the implicated organization is imperative because while they may not be able to communicate "new" information, an active response allows the effected organization to stay in control of the crisis (Coombs, 2007b). While the controversy ignited in August 2016, Samsung failed to be timely in its public acknowledgement. Only after five months had passed, Samsung came out of the shadows on November 7<sup>th</sup> and took full responsibility for the product recall through the publication of print apology ads in three major U.S. newspapers. The dissemination of these newspaper apology ads was intended to offer sympathetic remarks to affected consumers for the Note 7 debacle. However, as the initial case occurred in August, the extensive amount of time before Samsung's apologetic response caused a strong public backlash, and this demonstrates a lack of adherence to basic tenets of crisis communication.

With developments in digital communication technologies, citizens today have become immersed in a mediated world (Civelek, Çemberci, & Eralp, 2016). Social media has emerged as the most effective communication method to reach individuals worldwide, with the capability to keep masses updated and informed in a shorter time frame than can be done with traditional media (Civelek et al., 2016). From the beginning of the incident, social media became a central proponent for online engagement as, from August on, an abundance of videos circulated across

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YouTube with consumers capturing the fiery explosions of their Note 7 devices. YouTube proved to be a powerful platform to display these images, as the videos presented visual evidence of the devices' malfunctions, educating the public on the true severity of the incident. This provoked an elevation in online responses, as millions of users quickly turned to YouTube to view the footage, with clips quickly receiving up to millions of online views.

However, online user engagement extended beyond simple video views. Within this crisis, YouTube proved to not only be a communications channel, but also a powerful initiator of group unity and emotional support. The transparency of online social networks made it easy for active user engagement with a consistent stream of comments left under each posted video from disgruntled consumers. From the first published video on August 29<sup>th</sup>, comments hit the digital sphere immediately. These videos prompted active engagement from customers calling attention to the inaccuracies of Samsung's product design and their mishandled communication response, and offering a supportive online environment for aggravated consumers to band together, which further exacerbated the damage of the Note 7 crisis on Samsung's reputation. As users flooded the online platform with their thoughts on the matter, videos produced discussing the Note 7 received upwards of 4,000 user comments

Since in its establishment in Suwon, Korea, in 1969 Samsung Electronics, a multinational electronics company, has emerged into a global technological information leader with over 200 divisions across the globe (Samsung, 2017). The corporation offers its consumers a wide array of products: televisions, home appliances such as refrigerators and washing machines, but most significantly smartphones (Samsung, 2017). As one of the leading competitors in the cellular industry with products used by millions worldwide, Samsung is a remarkable organization to analyze (Samsung, 2017). Built on the central principle "Inspire the World, Create the Future,"



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Samsung Electronics has been renowned for its consistent development of cutting edge technological products and services that enhance the lives of its loyal consumers (Samsung, 2017). However, the corporation's success at delivering these innovative digital technologies finally fell short with the disastrous release of the Samsung Galaxy Note 7 (Samsung, 2017; Prigg, 2016). Making global headlines, the initial recall was supposed to be the end of the device's issues, as Samsung launched exchange programs in all affected countries and offered replacement devices to all consumers effected. However, as later models continued to catch fire, Note 7 owners were explicitly ordered to stop the use of these devices and return them, before ultimately leading to Samsung's permanent discontinuation of the Note 7 model worldwide.

The preservation of one's public image is a strong determinant of an institution's long-term success, and the spotlight of the Note 7 crisis has left the fate of Samsung's corporate identity in a precarious state. This MRP will offer an in-depth analysis of Samsung's traditional media crisis communication response to the Note 7 crisis to deduce whether the organization practiced the appropriate use of crisis response strategies. Furthermore, this MRP will explore audience discussion about Samsung on YouTube to ascertain the implications of the crisis on the brand's public perception both during the initial incident and post-crisis.

## Literature Review

### Crisis Communication Theory

#### *Image Restoration Theory*

Over decades, crisis communication has amassed an extensive body of scholarly literature, with various scholars examining how organizations communicate when their corporate identities are jeopardized. For corporations, maintaining a favourable public image is vital to their survival, and a crisis threatens one's image and places it under scrutiny. Benoit (1997b) has developed Image Restoration Theory (IRT), a foundational theory within crisis communication by, which he examines the functionality of crisis response strategies in corporate crisis situations. To understand the function of image repair strategies, it is essential to consider the nature of attacks that prompt such responses in corporate crises (Benoit, 1997b). An attack encompasses two central components: the accused is held responsible for an action, and the act is perceived to be offensive (Benoit, 1997b). Until a corporation is believed to be responsible for an offensive action, their image is not under threat. Responsibility can take various forms such as a corporation blamed for actions that it performed or permitted to occur (Benoit, 1997b). Perception is reality in corporate crisis; whether a corporation truly committed an offensive action is no longer the primary concern, but rather if the affected audience believes the corporation to be at fault (Benoit, 1997b). Therefore, once the public believes the organization is at fault, its image is comprised, and that prompts the need for image repair (Benoit, 1997a; Benoit, 1997b).

To navigate crisis situations, Benoit (1997b) emphasizes the use of message delivery options in corporate crises, proposing five image repair strategies to alleviate the damage to its reputation: denial, corrective action, reducing offensiveness, evasion of responsibility, and

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mortification. Corporations who find their practices under suspicion, and are forced to defend themselves, may turn to denial as an effective crisis response (Benoit, 2015). Denial encompasses two forms: denying the offensive act occurred or shifting the blame by proposing that an alternative institution is culpable for the offensive action (Benoit, 1997b, p. 179). A variant of denial, shifting the blame has the potential to be more effective than simple denial as it offers the audience a target to address any ill will, thus removing attention away from the accused (Benoit, 2015). However, this image repair tactic is not capable of redeeming all corporations. For instance, in 2000 Firestone employed the strategy of shifting the blame after breakdowns in its tires led to the recall of millions of ATX tires following the deaths of hundreds of people (Blaney, Benoit, & Brazeal, 2002). To shift the focus of the crisis, Firestone stated Ford was the true culprit, as the calamities were a result of insufficient tire inflation (Blaney et al., 2002). Unsuccessful in their image repair, Firestone's crisis reinforces the ideology that image repair strategies are not a one-size-fits-all method for organizations in crisis.

Under a microscope, corporations are more susceptible to committing reprehensible acts, making a crisis inevitable, and prompting the need for organizational image repair (Blaney et al., 2002). Corrective action involves those accused of committing an offensive act taking responsibility for the incident and promising to resolve the issue (Benoit, 1997b, p. 181). Here organizations seek to restore their state of affairs to its condition prior to the offensive action, and promise to prevent the crisis's reoccurrence (Benoit, 1997b). Whilst inferring an apology, corporations in crisis may employ corrective action without offering an admission of guilt (Benoit, 2015). Here Tylenol did not admit guilt after customers were poisoned, but rather introduced tamper-resistant bottles (Benoit, 2015). For instance, in the 1980s, Johnson &

Johnson were plagued with an unfavourable image after the insertion of poisonous contents, which tampered their medicine bottles (Benoit, 2015; Moeller, 2013).

Reducing offensiveness expresses how corporations accused of misbehaviour may attempt to minimize the perception of the offensive act (Benoit, 1997b). This strategy includes six methods: minimizing the amount of negativity associated with offensive action, differentiation in which the actor aims to distinguish the action from similar less severe actions, and offering the victims of the crisis compensation (Benoit, 1997b; Benoit, 2015). Additional subsets of this image repair tactic are transcendence, in which an organization attempts to place the act in an alternative light, attacking one's accuser, and employing bolstering to emphasize the positive aspects of the organization to mitigate negative presumptions by the audience (Benoit, 1997b; Benoit, 2015). While not eradicating a corporation's responsibility, employing this strategy aims to decrease negative associations made by the public to the corporation's offensive act and repair its public image (Benoit, 2015).

With their reputation injured, companies offer rationales for their behavior to heal their battered image, with one practice being the evasion of responsibility (Benoit, 1997b). This is comprised of four subsets: good intentions, in which the individual or organization claim the incident was inadvertent, and defeasibility exercised by organizations claiming to lack sufficient information about the offensive action (Benoit, 2015); This image repair strategy also includes provocation, where organizations under scrutiny state the act was performed in response to another wrongful action, and accidents where organizations seek to convince the public the act occurred unintentionally (Benoit, 2015). Organizational image is a fragile entity and its damage gravely jeopardizes a corporation's reputation. Thus, image repair strategies of this nature

present corporations with an opportunity to restore their credibility in the public eye (Benoit, 1997b).

The final strategy Benoit (1997b) explores is the art of mortification, where corporations confess to committing an offense and seek the public's forgiveness often in the form of an apology (p. 180). When a corporation commits a transgression, being honest in one's apology can help to rebuild trust with the public and influence them to pardon the offensive action (Benoit, 1997a; Brinson & Benoit, 1996). However, image repair is not without its flaws because if organizations' apologies are perceived as disingenuous, their character can become unsalvageable. For instance, the Grunenthal Group came under scrutiny when it administered the drug Thalidomide to pregnant women, claiming to aid morning sickness (Benoit, 2015). Alas, it resulted in 10,000 children being born with birth defects and the corporation's image being damaged (Benoit, 2015). The institution used mortification in its public apology to the families affected; however, it remained evasive in acknowledging the true nature of their culpability, leaving the public enraged, and their image repair unsuccessful (Benoit, 2015). By gaining a clear understanding of a crisis's origin, those under attack are able to cultivate an appropriate strategy to defend their image (Benoit, 1997b). Therefore, examining the Samsung Galaxy Note 7 crisis through this theoretical lens will provide further insight as to whether these tactics are effective tools to alleviate damage to a corporation's image.

### *Situational Crisis Communication Theory*

A crisis is understood as "a sudden and unexpected event that threatens to disrupt an organization's operations and poses both a financial and a reputational threat" (Coombs, 2007a, p. 164). Extending the debate on crisis communication theory, Coombs (2007a) offers an

alternative framework to further our understanding of the dynamic between the uses of crisis communication to protect one's reputation, known as Situational Crisis Communication Theory (SCCT). Rooted in attribution theory, SCCT assists organizations in selecting the appropriate crisis response strategies to minimize the perceived threat to their image (Coombs, 2007a).

Reputation is the aggregate evaluation made by stakeholders about how well an organization is meeting stakeholder expectations (Coombs, 2007a). Fragile in its construction, a crisis disrupts the organizational order, thus threatening a corporation's reputation. A reputational threat refers to the amount of damage a crisis is capable of inflicting on an organization's reputation if action is not taken (Coombs, 2007a). The reputational threat experienced by a corporation is directly influenced by its crisis type and the institution's attribution of responsibility (Claeys, Cauberghe, & Vyncke, 2010). Claeys, Cauberghe, and Vyncke (2010) reaffirm the value of SCCT in organizational crisis response, as matching the crisis type to the appropriate crisis response strategies can offer the most beneficial results for institutions to receive a positive reputation perception amidst a crisis. Crisis types refer to three clusters: the victim cluster, where weak attributions of crisis responsibility are placed on the organization, the accidental cluster, which attributes a low level of responsibility, and the preventable crisis cluster, which refers to cases where the organization is perceived as culpable for the crisis event (Claeys et al., 2010). All organizations who experience a crisis fall within one of these proposed crisis types, with the higher the attribution of responsibility placed on them for the offensive act dictating the gravity of their reputational damage (Claeys et al., 2010).

Coombs (2007a) recognizes the harm that a crisis poses to institutions, as it creates an opportunity for the public to establish a negative perception of them. Cognizant of this, SCCT identifies three corporate crisis response strategies to repair one's damaged reputation, each

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varying in the organization's acceptance of responsibility: denial, diminish, and rebuild (Coombs, 2007a). Denial strategies aim to remove any existing connection between the organization and the crisis, while diminish strategies help to present the organizational crisis to the public as not as harmful as it's being perceived (Coombs, 2007a). If organizations are successful in minimizing, the organization's connection and ramifications of the crisis are reduced (Coombs, 2007a).

Diminish strategies encapsulate two core sub strategies: excuses and justification (Coombs, 2007a). Excuse strategies, which align with the accidental crisis cluster, suggest a lack of intent for the crisis (Coombs, 2007a). Alternatively, when seeking to diminish their association to a crisis, organizations may use justification to minimize the perceived damage caused by the crisis (Coombs, 2007a). Organizations that succeed in getting the public to view a crisis less negatively reduce the damage to their reputation (Coombs, 2007a). The last crisis approach, rebuilding, aims to enhance an organization's reputation by offering symbolic forms of aid to victims (Coombs, 2007a). Designed to aid organizations experiencing a severe reputational threat, rebuild strategies encompass two actions: a full apology or offering alternative forms of compensation, both of which seek to employ positive actions that offset the crisis (Coombs, 2007a). As the primary avenue for generating new reputational assets, rebuild strategies can resurrect a hurt corporate identity by reminding stakeholders of the organizations' past good works in the hopes of counteracting their unfavourable perception (Coombs, 2007a). At its core, SCCT highlights the power of communication in manipulating the public's perceptions in a crisis and shaping an organization's reputation (Coombs, 2007a). While Benoit and Coombs may offer differing approaches to crisis response, the scholars share a common understanding of the influential power that communication holds in crisis situations (Coombs, 2007a).

*Alternative crisis communication theories*

Since the groundbreaking works of Benoit (1997) and Coombs (2007a), competing theories have emerged to further the debate within crisis communication, including the works of Seeger (2006) and Ulmer, Sellnow, and Seeger (2013). Seeger (2006) contextualizes the role of organizations, reiterating the value of effective crisis communication by these entities in publicly managed crises. As a crisis is unavoidable, to better navigate these situations, Seeger (2006) poses ten best practices for organizations to successfully diffuse threats to their reputation. With practices such as forming partnerships with the media, pre-planning, and engaging in open and honest communication, Seeger (2006) seeks to offer organizations a means to reduce the prospect of organizational harm, which is the universal goal of crisis communication. Now, while a crisis certainly poses a challenge to corporations, it also breeds opportunity (Ulmer, Sellnow, & Seeger, 2013). Ulmer, Sellnow, and Seeger (2013), the most recognized crisis communication scholars to examine organizational crises, argue that by understanding the risk that a crisis poses and managing the uncertainty, institutions are able to construct more effective communication messages, which transform these potential calamities into future opportunities for growth. As a whole, crisis communication scholars illustrate that institutions continue to be challenged with communicating clear and effective messages in times of crisis, to restore their image (Benoit, 1997b; Coombs, 2007a; Ulmer et al., 2013). With that in mind, current academic literature reasserts the value of this research area, as it aims to enhance our understanding of existing crisis response strategies and discern whether they are suitable for all cases of organizational misconduct.



### **Product Harm**

Often underestimated by corporations, cases of product harm that are not managed correctly hold negative repercussions for a company's market share and stock prices (Laufer & Coombs, 2006). Product harm crises are understood as "discrete, well publicized occurrences wherein products are found to be defective or dangerous" (Laufer & Coombs, 2006, p. 379). From "contaminated Coca-Cola cans in Belgium to defective FireStone tires in the United States," instances of product harm have been a longstanding challenge for corporations, threatening their reputation (Laufer & Coombs, 2006, p. 379). Reputation is perceived to be a valuable, intangible asset pertinent to the financial success of organizations (Schultz, Utz, & Goritz, 2011). As the reputation is intended to protect an organization during a crisis, Coombs and Holladay (2006) argue that over time organizations accumulate reputational capital. This method of capital is accrued through the information provided by organizations to stakeholders, interactions between these entities and news outlets, and second-hand information (Coombs & Holladay, 2006). One of the greatest challenges that product harm crises pose for an institution is the influence these incidents have on consumer reactions (Coombs & Holladay, 2006).

While product harm crises are problematic, well established organizations are capable of effectively circumnavigating these types of crises, as a positive reputation shields them when a crisis hits (Vassilikopoulou, Siomkos, Chatzipanagiotou, & Pantouvakis, 2009). Positive brand associations aid corporations to suffer less financial repercussions, rebound quickly, and consumers are more inclined to continue purchasing a respected organization's products post-crisis (Coombs & Holladay, 2006). Serving as a buffer for organizations, a halo effect can arise for those with favourable reputations which reduces its level of reputational damage (Coombs & Holladay, 2006). Corporations who possess the halo effect are given the benefit of the doubt by

stakeholders, and assign lower levels of crisis responsibility (Coombs & Holladay, 2006). As a shield, the organizational halo influences stakeholders' willingness to ignore negative information disseminated about the implicated organization, as their focus remains exclusively on the positive aspects of the institution despite the crisis at hand (Coombs & Holladay, 2006). However, organizations that possess an unfavourable reputation face a more turbulent road in overcoming a crisis quickly and preserving their reputation post-crisis (Coombs & Holladay, 2006).

Studies examining product harm crises have deduced that how consumers respond to an institution's crisis can impact reputational capital (Laufer, Silvera, & Gillespie, 2009). Renowned theorist in the field of attribution theory, Bernard Weiner deduces that people need to assign responsibility for events, particularly unanticipated ones (Laufer et al., 2009; Laufer & Coombs, 2006). As product harm crises tightly align with principles of this theory, it is imperative for corporations to effectively assess how consumers attribute blame in these matters, be it favourable to the corporation or not (Laufer et al., 2009). If consumers believe the company to be at fault for the product harm, this can have negative ramifications on the brand, such as potentially avoiding purchasing the product in the future (Laufer et al., 2009; Laufer & Coombs, 2006; Coombs, 2007a). This is because as the attribution of blame placed on an institution for the defective product increases, it can foster negative sentiment with publics, prompting consumers to generate negative communication about the institution (Laufer et al., 2009). Scholars have explored how consumers assign blame, suggesting that a corporate crisis can fall within three categories: motivation, prior beliefs, and information (Laufer et al., 2009). Prior beliefs are preexisting suppositions and hypotheses that influence consumers' attributions, which include blame in product harm crises (Laufer et al., 2009). As previously mentioned in product harm

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section of the literature review, Johnson & Johnson, a beloved corporation with a sterling reputation, faced scrutiny during a product tampering incident in the 1980s, leading to the deaths of eight people (Heath, 2005). However, thanks to the institution's positive reputational capital, consumers attributed no direct responsibility to Johnson & Johnson for the tragic incident, and rather seen as an innocent victim themselves (Heath, 2005). In fact, the transparency in the organization's response prompted it to come back stronger than ever, with Tylenol today remaining a commonly purchased painkiller by consumers (Ulmer, Seeger, & Sellnow, 2011; Savitz & Weber, 2013)

Extending the literature on the influence of corporate product harm crises and crisis response, authors Choi and Chung (2013) examine the 2010 Toyota recall crisis. Here a crisis ensued after the automotive corporation recalled 2.3 million vehicles due to malfunctions with the gas pedals and applied the crisis strategy of apology to restore its reputation with the public (Choi & Chung, 2013). Seen as a preventable crisis, Toyota's successful crisis response contributes to our understanding of how corporations react in product harm crises and of the efficacy of these strategies on public perception (Choi & Chung, 2013). Response is a central component for corporations undergoing a product harm crisis, as they have the potential to discredit the institution long-term (Coombs, 2007a). Vassilikopoulou, Lepetsos, Siomkos, and Chatzipanagiotou (2009) present four key response types for institutions to employ during product harm crises: denial, involuntary recall, voluntary recall, and super effort. When undergoing a crisis, corporations may choose to deny responsibility for the defective product, or take part in an involuntary recall, in which action is only taken following an agency's intervention (Vassilikopoulou et al., 2009). Alternatively, voluntary recalls present the disclosure of information regarding the crisis and a full recall of the product prior to an agency's

involvement, while super effort responses prompt an immediate recall of a product, hoping to show the organization cares about corporate social responsibility (Vassilikopoulou et al., 2009).

In the world of corporate crisis, most corporations are focused on retaining their financial stability, no matter the repercussions it places on public trust (Greenberg & Elliott, 2009). In one of the most famous cases of food contamination in Canadian history, Greenberg and Elliott (2009) illustrate the power of corporate crisis communication by evaluating Maple Leaf Food's crisis response during its 2008 listeria outbreak. This case illustrates that when corporations commit serious harm that endangers consumers' safety, not only is their legitimacy compromised, but also the entire business's practices are called into question (Greenberg & Elliott, 2009). Greenberg and Elliott (2009) explore the actions of Maple Leaf Foods using *apologia* theory, and reaffirm the position that crisis communication theories significantly influence the capability of companies to preserve their reputation. As news broke of the first reported death, Maple Leaf Foods CEO Michael McCain veered away from traditional organizational practices by immediately making a public apology that was disseminated across major news outlets (Greenberg & Elliot, 2009). He took responsibility for the crisis and issued a voluntary recall of the contaminated beef supply (Greenberg & Elliott, 2009). By remaining honest and highly visible to the public, the corporation put the consumers' safety before financial gain, which succeeded in restoring trust with its consumers (Greenberg & Elliott, 2009). A common belief shared by crisis communication scholars is that product harm crises reflect distinct moments in a corporation's existence that have the potential to improve its image if responded to quickly, while remaining silent can spell disaster (Greenberg & Elliott, 2009). While Maple Leaf Foods succeeded in its crisis efforts, to date organizations continue to mishandle how to communicate with the public in times of crisis, and thus greater emphasis must

be placed on the necessity for effective organizational crisis response, as it is intrinsic to the stability of corporations. Therefore, this study seeks to evaluate how existing strategies of crisis responses have influenced product harm crises, and distinguish their usefulness in Samsung's image recuperation of their Note 7 product recall.

### **Social Media**

Social media is understood as “a group of Internet based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content” (Roshan, Warren, & Carr, 2016, p. 351). While extensive research has been produced on crisis communication, as evidenced by the work above, evolutions in communication technologies showcase social media's rising influence in all facets of our daily lives, including crisis communication. From liking or commenting on a photo, to tagging someone in a photo album, the interactive nature of social media has transformed the business world (Roshan et al., 2016). As the most cost-effective communication model, Roshan, Warren, and Carr (2016) assess how using these two-way communication platforms enable organizations to share information and express their ideas with the public and stakeholders in a timely manner, allowing them the opportunity to build and retain customer loyalty. Social media offers distinct benefits for institutions, allowing them to share and retrieve information with a widespread audience in real time, including feedback on their products and services (Roshan et al., 2016). The instant transmission and immediacy of information delivery that social media offers is one of the most enticing elements of its design (McCorkindale & DiSasto, 2013).

Social media is not, however, without its drawbacks. The increased visibility of institutions in these unregulated environments has diminished their control over the words and ideas

expressed about them (Roshan et al., 2016). As organizations continue to gravitate towards social media as an avenue to improve their corporate image, they lack a sufficient understanding of how to communicate most effectively using this medium, which leaves them more vulnerable to experiencing a crisis than ever before (Roshan et al., 2016). As it stands today, research on social media as a key element in organizational crisis communication remains underexplored.

Therefore, this study seeks to investigate how Samsung incorporated social media in its crisis strategy, and analyze how its implementation effected public response to the crisis and the company's reputation.

### **Social Media and Organizational Crisis Communication**

#### *Social media use by organizations*

Today publics recognize the increased influence of social media in not only an organization's branding, but also in their crisis communication strategies as well. With people spending one in every four and a half minutes online worldwide, during a crisis publics increase their social media usage as they perceive it as the most reliable news source for timely communication (Liu, Austin, & Jin, 2011). As a result, organizations no longer have a choice on whether to incorporate social media in their crisis communication strategy, but rather their only concern is how to do so (Jin, Liu, & Austin, 2014). Interactive in their design, social media platforms are attractive as they enable organizations to communicate with a widespread audience instantaneously, as well as offer organizational responses to stakeholder messages (Roshan, Warren, & Carr, 2016). However, despite its increased importance, social media remains a precarious crisis communication tool for organizations, as their failure to execute crisis response

strategies using this medium has often exacerbated the state of existing crises (Roshan et al., 2016; Schultz, Utz, & Goritz, 2011).

Schultz, Utz, and Göritz (2011) expand the debate on social media and crisis communication using SCCT to assess how institutions use new media platforms in their crisis communication, with both the public and stakeholders. As the first study to examine social media use in organizational crisis communication, the scholars present insight into the intrinsic dangers that increased visibility poses for institutions (Schultz et al., 2011). While social media has transformed social construction crises, it has also shaped how corporations deconstruct crisis situations (Schultz et al., 2011). Organizations see these new media platforms, such as Twitter and blogs, as being intrinsic to repairing their relationships with the public, and offer the potential to elevate their reputations (Schultz et al., 2011). However, as an open forum, the social media age has meant organizations are unable to control how they are discussed online, increasing their susceptibility to more frequent and severe crises (Roshan et al., 2016).

In our networked world, customers expect organizations to communicate in a timely manner through these socially mediated platforms (Roshan et al., 2016). If they are unsuccessful, stakeholders will circulate negative content, observe an organization's response to a crisis, and mobilize against an organization, all of which jeopardizes its reputation and the purchase intentions of stakeholders (Roshan et al., 2016). Therefore, to avoid harm to their reputations, it is crucial that organizations learn how to integrate social media in their crisis communication practices. Examining Samsung's crisis response on YouTube will strengthen our understanding of crisis communication's role in a digital age by identifying whether the corporation followed the best practices in crisis communication response and their influence on the brand's reputation.

*Impact of social media use on corporate reputation*

Before the digital age, people used traditional media to acquire updates on crisis situations; however, the adoption of new media has shifted how crisis communication is conducted (Muralidharan, Dillistone, & Shin, 2011). Emphasis is no longer simply placed on the crisis message that organizations wish to communicate, but also the medium they choose to disseminate their messages (Schultz, Utz, & Goritz, 2011). Today the speed in which an organization is able to disseminate information in crisis situations is the measurement of effective crisis communication, as those who fail to do so risk fostering distrust with the public (Muralidharan et al., 2011). Muralidharan, Dillistone, and Shin (2011) state that when corporations face a threat to their image they practice image restoration. In an investigation into the BP oil spill, the scholars apply Benoit's (1997b) image repair strategies to examine the case study, and they extend analysis of this theoretical framework to the world of social media (Muralidharan et al., 2011). In 2010, an explosion at BP's oil rig Deep Water Horizon caused millions of gallons of oil to spill across the sea of the Gulf of Mexico, calling the company's reputation into question (Muralidharan et al., 2011). What cases such as BP reinforce is that social media's role has increased tenfold in the design of corporate identity, as audience perception has become an integral force in shaping its image.

Due to the transparency and access to information offered by social forums, such as YouTube and Twitter, organizations are held accountable for their actions more often, which is measured in the form of audience reactions (Muralidharan et al., 2011). Muralidharan et al. (2011) acknowledge that new media platforms have prompted a shift within crisis communication, as use of image repair strategies through this medium have proven to be successful for some organizations while having an adverse effect on others. For instance, during



AT&T's long-distance service interruption, the corporation used bolstering, mortification, and corrective action, which succeeded in restoring the company's image, while Texaco's image repair was not as effective (Muralidharan et al., 2011). In today's world, social media remains an imperfect formula for organizations, as they have yet to unleash its true potential during a crisis (White, 2012). These studies illustrate that while organizations understand the importance of obtaining a social media presence, actively monitoring this sphere is vital for these entities to address issues that affect their reputation (McCorkindale & DiSasto, 2013). This is in large part due, to limitations in existing academic literature on the study of social media use in organizational crises, which has only increased the lack of effective corporate crisis communication exercised (White, 2012). Hoping to bridge this gap, a sentiment analysis of user YouTube comments discussing the Samsung Galaxy Note 7 crisis across videos will be assessed in hopes of discerning how an organization's use of social media in crisis situations can impact how the public perceives them, for better or worse.

### *Social-mediated crisis communication model (SMCC)*

The proliferation of social media has enhanced the speed at which information is disseminated and received, prompting a need to redesign strategies of organizational crisis response (Wan, Koh, Ong, & Pang, 2015). Existing crisis communication theories have failed to incorporate social media as a strategic crisis communications tool into their frameworks. While social media in organizational crises remains under-researched, scholars Liu, Jin, and Austin (2014) have aimed to tackle this problem. Liu et al. (2014) help organizations devise crisis outcomes by first gaining an understanding of the ways that publics use social media, employing their social-mediated crisis communication model (SMCC). As the first communications model

to integrate social media in its organizational crisis analysis, SMCC examines how a crisis can both ignite and spread throughout social media platforms and offline social interactions (Liu, Austin, & Jin, 2011; Wan et al., 2015). When their reputation comes under attack, SMCC offers organizations the tools to minimize the severity of their crisis (Liu et al., 2011). These tools include the crisis information source and crisis information form, which aid organizations in determining the appropriate method and source of communication to disseminate their crisis message to the public (Liu et al., 2011). Crisis information form refers to how the information corporations communicate is transmitted to publics (i.e. social media, traditional media, offline communications), whereas crisis information source observes the interaction between the organization and three key publics: influential social media creators, social media followers, and inactive social media users who consume information indirectly from the influencers they follow (Liu et al., 2011).

Social media has also served as a sanctuary of emotional support for publics, as research shows they turn to new media sources in times of crisis (Liu et al., 2011). When publics feel an organization has failed to take accountability for an incident in their social media crisis response, such as a product recall, it results in a negative shift in public mindset, which can influence the future purchase intentions of a company's products or services. For instance, anger displays negative purchase intentions, and emotions such as fear lead to negative word of mouth communication for crises with internal causes (Liu et al., 2011; Jin, Liu, & Austin, 2014). SMCC furthers its exploration into organizational crisis communication by showing how organizations respond to crises through traditional media, social media, and offline interactions through word-of-mouth communication (Jin et al., 2014). To discern the influence of organizational crisis response within new media, this model refers to five elements: crisis origin, crisis type, message

content, message form, and infrastructure (Jin et al., 2014). This study will explore four of these elements, the crisis origin referring to whether the crisis was triggered from an internal or external organizational issue, and the distinction of which affects the corporation's attribution of responsibility and thus available crisis response strategies (Jin et al., 2014). Organizations with an external crisis origin possess low organizational responsibility attribution, while internal cases offer a high level of organizational responsibility (Jin et al., 2014). Reminiscent of SCCT, the crisis type within SMCC affects how organizations should respond to crises, be it on or offline (Jin et al., 2014). To better navigate socially mediated crises, this model encourages organizations to cautiously deduce how the crisis type impacts the publics' acceptance of their crisis response efforts (Jin et al., 2014). Content refers to the information included in the crisis message, and the form is how the message is disseminated to provide impacted publics with emotional support (Jin et al., 2014). As scholars have begun to explore the value of the information form and source in corporate crisis response, organizations must understand how to communicate with emotionally charged users using these platforms, or face negative ramifications to their long-term reputation (Liu et al., 2011).

### **Research Questions**

After analyzing the relevant literature in crisis communication theory, product harm crisis communication, and the influence of social media in organizational crisis situations, there is a need for further exploration.

The research questions guiding this analysis are:

1. To what extent did Samsung apply existing strategies of crisis communication, during the Samsung Galaxy Note 7 crisis?
2. What has been the public sentiment about Samsung's crisis management on social media?

### Methodology

For feasibility in answering the proposed research questions, a mixed methods analysis was conducted: a qualitative and quantitative content analysis. A dual method of analysis was effective for this research study, as a qualitative content analysis worked best to answer RQ#1. This method of analysis was chosen to offer insight into Samsung's traditional media crisis response, a newspaper apology advertisement and three website press statements, and determine whether the recognized crisis communications strategies of SCCT and IRT were adhered to. For RQ#2 a quantitative content analysis was performed, in the form of sentiment analysis aided to measure audience feelings towards Samsung following their crisis response on the social media platform YouTube. The sentiment analysis assisted in determining Samsung's brand status, as well as providing insight into the influence of social media on the brand's reputational capital during the crisis, and most importantly, post-crisis.

To answer RQ#1, a deductive evaluation of qualitative content analysis helped to examine the type of crisis communication strategies used by Samsung within its traditional media crisis response texts. A directed content analysis outlines the application of existing theoretical research in support of the research, which intends to expand current understanding of the area of study (Brain, 2016). This method of analysis was performed to map Coombs' SCCT (deny, diminish, rebuild) and Benoit's IRT (denial, mortification, corrective action, evasion of responsibility, and reducing offensiveness) crisis response strategies against three press statements published on Samsung's company website and newspaper apology ads administered by Samsung across three major U.S. newspapers (Benoit, 1997b; Coombs, 2007a; Prigg, 2016). Mapping these texts against key crisis communication theories helped to ascertain which crisis

response strategies were existent in Samsung's response and whether Samsung adhered to the best practices of crisis communication.

More specifically, to answer RQ#1, a qualitative content analysis was suitable to help determine the openness and transparency of Samsung in its crisis response efforts. The data retrieved from the newspaper apology ads published by the corporation in *The Washington Post*, *The New York Times*, and *The Wall Street Journal* on November 7, 2016, and three press statements published on the *Samsung NewsRoom* over the course of two months (September 2<sup>nd</sup>, September 10<sup>th</sup>, and October 11<sup>th</sup>) was examined to determine their application of IRT and SCCT strategies (Samsung NewsRoom, 2016; Benoit, 1997b, Coombs, 2007a). A qualitative content analysis was valuable to this MRP as it offers insight into the transparency of the organization's crisis response efforts with the public, and its influence on the corporation's image recovery or eventual demise.

For this MRP, social media played a central role not only in the severity of the brand's crisis, but also in the emotions of the public. Thus, to answer RQ#2, a deductive quantitative analysis in the form of a sentiment analysis was conducted to analyze two YouTube videos and assess the emotional mindset of online users when discussing Samsung on this social media platform both during and post-crisis. A sentiment analysis is referred to as a means of establishing private states from text, such as emotion or sentiment (Coombs, 2015). The automated exploration of social media data is common practice within this type of analysis, conducted use a coding manual (Coombs, 2015). This study used YouTube Comment Scraper, a social media comment collector, to retrieve the allotted comments from both videos, and a manual sentiment analysis was implemented to contextualize the emotional state of consumers towards the content produced by Samsung, both during and post-crisis (Klostermann, 2015). A

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manual sentiment analysis was undertaken to filter out nuances within the emotional reactions of users such as the use of emoticons or satire (Canhoto & Padmanabhan, 2015).

To answer RQ#2, an in-depth examination of online YouTube user comments was conducted to gauge audience sentiment towards Samsung on this new media platform. Analysis of social media data will contribute to this study as it will help to assess the effectiveness of the corporation's online crisis strategy. YouTube Comment Scraper collected the online user comments from two YouTube videos dated October 11, 2016, and March 29, 2017 (Klostermann, 2015; BBC News, 2016; The Verge, 2017). The first video in which 424 user comments were retrieved and analyzed was published at the height of the crisis by BBC News, which reviewed the exploding Note 7 devices (BBC News, 2016). The second video, entitled "Samsung Galaxy S8 first look!", was produced by Samsung in its promotion of its new product release the Samsung Galaxy S8, where 4179 comments were collected (The Verge, 2017). To analyze these videos, a manual codebook was devised with audience comments coded to evaluate the frequency of audience reactions aligning within one of four emotional categories: positive, negative, neutral, and not applicable (**Refer to Appendix 2A & 2B**). These categories helped to determine the appropriate classification of each comment within the data sample, with the frequency of each code outlining the implications of the online public opinion towards Samsung's attempts to address the Note 7 crisis. By analyzing this data, greater insight was provided on the shift in Samsung's social capital prior to the crisis, the implications of incident on public mindset, and its long-term impact on the brand post-crisis.

To conduct this MRP, the initial dataset retrieved for the sentiment analysis from YouTube Comment Scraper was quite large, and thus a random sampling strategy was applied using the categories from the sentiment coding manual to refine the selection of YouTube

comments from both videos to a more suitable size of 185 comments for the first video and 1500 for the second (Bryman, 2012). YouTube Comment Scraper automatically retrieved the YouTube comments from both videos and they were exported into multiple Excel documents. Of the data collected, the comments provided the date the user's comment was posted, their online username, and replies to audience comments with a total of 1685 comments manually coded for this research study.

As this crisis was widespread, only English user comments were examined and replies to user comments were not consulted to avoid redundancies in the dataset that would manipulate analysis of public sentiment. These specific videos addressing the crisis focus on a distinct six-month timeframe, and they were chosen because they signify the most pivotal moments of the crisis and offered the most insightful information to track the emotional shift of online public opinion towards Samsung, from negative to positive.



### Findings and Discussion

**RQ#1** – To what extent did Samsung apply existing strategies of crisis communication, during the Samsung Galaxy Note 7 crisis?

As previously stated, a mixed method form of analysis framed my analysis for this MRP. The preliminary form of my qualitative content analysis mapped the recognized crisis response strategies of Coombs and Benoit against the November 7<sup>th</sup>, apology ad and three crisis response statements (September 2, 10, and October 11, 2016) published on the *Samsung NewsRoom* website. By contextualizing which theories of crisis communication can be seen across these texts, one is able to evaluate whether Samsung's response to the Note 7 crisis adhered to the appropriate crisis strategies recommended by academic literature for its crisis type.

#### *Corrective Action*

In crisis matters, the primary concern of affected stakeholders is with discerning the *what, when, where, and how* information about the crisis because they feel reassured when they are aware of what happened. When implementing image repair strategies, a vital endeavour for organizations in crisis is to minimize the psychological stress facing stakeholders by communicating to the public that their safety is of the utmost importance, and this is done through corrective action. As Benoit (1997b) explains, corrective action signals a corporation's desire to apologize and communicate to those affected its intention to resolve the offensive act. Upon analyzing the sample texts, corrective action was a strategy used by Samsung to combat allegations of the Note 7 crisis, within both its apology advertisement and web press statements. Corrective action was exhibited in the institution's November 7<sup>th</sup> apology ad when CEO Gregory Lee notes, "we have stopped production and recalled our popular Galaxy Note 7" and "we are

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taking proactive steps to do better. An update of our actions follows” (Prigg, 2016). These response efforts showcase Samsung’s attempts to move towards a resolution for the crisis, the first and most important being the discontinuation of the product line to limit further harm to consumers.

As was previously stated, consumers are less concerned with who is to blame than with steps being taken to eliminate further damage (Benoit, 1997b). Hoping to reaffirm its commitment to consumers that the issue would not resurface, CEO Gregory Lee furthered its application of corrective action in the company’s November 7<sup>th</sup> apology ad by highlighting institutional changes being made to ease public concerns about future product mishaps. Evidence of this tactic appears at the beginning of the text as Lee wrote “As you have heard – or experienced personally – we have stopped production and recalled our popular Galaxy Note7 device,” a statement that remains consistent with the organization’s previous press statements in reiterating its decision to stop the future production of the device (Prigg, 2016). The company’s use of corrective action within the ad is extended in the conclusion, which states “Samsung will revisit every step of our engineering, manufacturing, and quality control processes so we can meet the highest standards for excellence moving forward.” What is distinctive about the statements by Lee at the beginning and then towards the conclusion of the advertisement is Samsung’s efforts not only to address the current case of explosive Note 7’s by communicating legitimate reactionary steps such as a recall, but also to make the decision to implement company-wide manufactural changes to dispel the notion that its products are unsafe. This paints Samsung as a corporation that does value its consumers’ safety.

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In its crisis communication response, Samsung exhibited a constant use of corrective action. This was an appropriate choice as product harm cases are key instances in which instructing information is beneficial, as these products may endanger the safety of their users, making public awareness of the danger crucial (Coombs, 2007a; Ulmer, Sellnow, & Seeger, 2013). Adjusting information involves organizations communicating why a crisis occurred, expressing sympathy, and taking steps to repair damage created by the crisis (Rasche, Morsing, & Moon, 2017). Now, while this corrective action was found within the organization's apology ad, this was not the first evidence of Samsung's desire to stop the ongoing production of these explosive devices. Prior to the apology ad, the corporation did use corrective action in all three website press statements on *Samsung NewsRoom*. In its initial statement addressing the product failure on September 2, 2016, the organization quickly explained the steps being taken to retrieve the tainted devices, stating, "Because our customers' safety is an absolute priority, we have stopped sales of the Galaxy Note7" (Samsung NewsRoom, 2016). Samsung proceeded additionally used corrective action in its September 10<sup>th</sup> statement, as this time the organization offered more clear communication to the public on the nature of the crisis, as evidenced in the text, "Samsung has identified the affected inventory and stopped sales and shipments of those devices. We are also collaborating with national regulatory bodies" (Samsung NewsRoom, 2016).

In its first two press statements, the company displayed its attempts to resolve the crisis through the removal of the defective product, which is a theme further exemplified in Samsung's final press statement on Oct 11<sup>th</sup> statement, where the company outlined definitive plans to discontinue the device and offer consumers active steps to take to temporarily resolve the issue (Samsung NewsRoom, 2016). The company's aims at corrective action in its October 11<sup>th</sup>

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statement are illustrated in the excerpts, “Samsung will ask all carrier and retail partners globally to stop sales and exchanges of the Galaxy Note7 while the investigation is taking place” and “Consumers with either an original Galaxy Note7 or replacement Galaxy Note7 device should power down and stop using the device” (Samsung NewsRoom, 2016). Throughout all three press statements Samsung aims at “restoring the state of affairs existing before the offensive action” by highlighting proactive measures that could be taken by affected consumers to alleviate their distress (Benoit, 1997a; Benoit, 1997b; Samsung NewsRoom, 2016). An example of this is seen in the corporation’s recommendation to consumers to participate in the recall and power down their devices (Samsung NewsRoom, 2016).

As the core issue for the device’s technological malfunctions had not be uncovered by the organization, the incident’s recurrence was plausible. With that in mind, while Samsung’s efforts at corrective action across its press statements are commendable, the effectiveness of its crisis efforts could have been strengthened if the institution had offered factual changes being implemented to prevent the repetition of future incidents (Benoit, 2015). Evidence of the corporation’s plans to implement systematic changes to its business practices and ease consumers concerns that future cases of the defective smartphone would not resurface were only found in its final crisis response effort: the Note 7 apology advertisement.

For organizations, keeping the public informed is the cornerstone of effective crisis response, as the first priority when crisis hits for stakeholders is discerning what happened and the implications of the crisis for them (Ulmer, Sellnow, & Seeger, 2013). However, while communicating a timely response to the public is important, it is also essential that the information offered does not present inaccuracies that can create panic in the public and increase risk of injuries (Coombs, 2007a; Coombs, 2007b). Within its crisis response, Samsung failed to

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demonstrate accuracy in its communication because it used vague language in its first statement on September 2<sup>nd</sup>, when the corporation offered to “voluntarily replace” the devices of current Note 7 owners (Samsung NewsRoom, 2016). However, just a week later in its September 10th statement, Samsung changed its position by vaguely addressing its intentions to conduct a mass global recall and presenting it as a “global replacement program,” before its final statement on October 11<sup>th</sup>, in which the corporation asked “all carrier and retail partners globally to stop sales and exchanges of the Galaxy Note7” (Samsung NewsRoom, 2016).

Effective corrective action can aid implicated organizations in regaining legitimacy, as it seeks to both resolve the present issues and ensure no future cases (Carroll, 2015). While Samsung responded quickly, the company's crisis response showed too many conflicting attempts in its press statements' use of corrective action, hindering the effectiveness of its image repair. A lack of consistency across all three press statements over the course of the crisis led to a great deal of confusion and distrust amongst stakeholders, as the true nature of the crisis remained uncertain, only furthering the damage to the Samsung's image recovery.

Inconsistencies in Samsung's crisis response were demonstrated first in its September 2<sup>nd</sup> statement (Wells & Kim, 2016; Samsung NewsRoom, 2016). While consumers were informed of the battery issues with the product, the corporation did not advise them on steps to protect themselves, such as turning off their phones (Wells & Kim, 2016). Only a week later in its September 10th press statement did Samsung communicate the significance of turning off affected Note 7 devices to its consumers, and announced the implementation of a phone exchange program in the upcoming weeks (Wells & Kim, 2016). By communicating mixed signals in its first two press statements, consumers were left more perplexed and concerned about the risks the defective products posed to their personal safety and the appropriate action to take

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(Lee & Lee, 2016; Lee & Mozur, 2016). Moreover, feelings of confusion were only further amplified during the crisis, because while Samsung communicated the availability of replacement devices in its September 2nd statement, the lack of coordination with phone carriers resulted in an insufficient supply of devices in stores worldwide with numerous affected consumers denied a new device or only receiving one after several months (Samsung NewsRoom, 2016; Wells & Kim, 2016; Lee & Lee, 2016). Therefore, to have been successful in its corrective action Samsung should have not only have been consistent in its public response, but would also have worked promptly to identify the cause of the first explosive devices and deliver detailed information on its findings to the public. By practicing transparency, Samsung would have been seen as putting the consumer before the brand and taking the necessary precautions to ensure the issue would not reoccur. As a result, this would have aided in rebuilding public trust at a faster pace, as well as strengthening Samsung's organizational legitimacy.

### *Compensation*

In corporate crises, attribution of responsibility for the incident directly influence an institution's reputational capital. In SCCT, Samsung's situation appears to align with the accidental crisis cluster, in which minimal attributions of responsibility are made by the public (Coombs, 2007a). Therefore, in response to the Note 7 crisis, Samsung rightfully implemented the use of rebuild crisis response strategies, specifically compensation (Coombs, 2007a). Upon analyzing this crisis, it is apparent that the Note 7 calamity is an accidental crisis, as Samsung could not have foreseen the technical malfunctions with their newly released smartphones (Coombs, 2007a). This is because, the issue was not fostered by the product's

design but the battery suppliers who rushed to production to get product on the market causing affected devices to implode (Fried, 2017). As an organization that has branded itself as delivering the best products due to their high standards in operational excellence, this incident still posed a serious threat to the organization's corporate identity, making compensation a key means to restore its image by offering symbolic forms of aid to those affected (Samsung, 2017; Coombs, 2007a).

While it was not the dominant strategy, Samsung did selectively practice compensation (a sub-strategy of rebuild strategies) within its crisis response efforts to the Note 7 crisis as a means of reducing harm to its reputation. Compensation is first used by Samsung in its September 2nd web press statement, in an effort to redeem itself in the eyes of their consumers. Use of this crisis response approach was communicated in the text as Samsung announced replacements for those with affected devices: For all customers who already have Galaxy Note7 devices, we will voluntarily replace their current device with a new one over the coming weeks" (Samsung NewsRoom, 2016). Based on a qualitative analysis, the use of compensation is seen by Samsung in their website press statement on September 10<sup>th</sup> stating, "Customers who have Galaxy Note7 devices can replace their current device with a new device based on local availability" (Samsung NewsRoom, 2016) By offering to replace the damaged devices, Samsung not only appears to be being accountable but also aims to develop goodwill with its consumers by communicating that replacements will be provided at the corporation's own expense. For accidental crises, compensating the affected group can help to fix an institution's reputation, and in Samsung's case its decision to voluntarily replace all consumers infected devices conveyed an image of an organization that prioritizes the safety and wellbeing of its consumers, regardless of the financial implications to the brand.

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When an organization accused of a specific offensive act offers consumers compensation, and this is openly accepted, this can enhance an organization's brand image. However, while seeking forgiveness for one crisis through a personalized apology, it does not behoove an organization to address a secondary crisis and offer compensation. For instance, in Samsung's final display of compensation in its November 7<sup>th</sup> apology ad, the company uses it as an opportunity to also speak out in response to their recent breakdown of their top-load washing machines (Prigg, 2016). In the ad, the organization was quick to use compensation by offering its consumers immediate resolutions "From free in-home repair to rebate, Samsung is moving quickly to offer our customers unprecedented remedy options that minimize disruption to their lives" (Prigg, 2016). Here Samsung not only acknowledged the crisis and its intentions to aid those affected by the unanticipated crisis, it further strengthened its use of compensation by communicating the immediacy with which maintenance would be conducted on the affected appliances which helps to restore its degraded image: "Our services are visiting homes this week to help resolve concerns" which helps to restore its already degraded image (Prigg, 2016).

When undergoing an accidental crisis, implementing a compensation strategy can be a beneficial tactic for the afflicted organization. However, as the primary aim of the advertisement was to admit responsibility and provide compensation and solace to its loyal customers, highlighting the faulty washing machines likely only intensified public concern around the quality their devices. When conducted appropriately, compensation can help organizations shift their public perception in a positive light; however, Samsung's decision to magnify their level of crisis acknowledgement may have had an adverse reaction and hampered the goodwill that the apology ad sought to achieve.



### *Mortification and Apology*

Corporations who commit an offensive act should indeed apologize to the public affected as a direct result of their actions (Choi & Chung, 2013). After a corporation commits a transgression, being honest in its apology can help to rebuild trust with the public (Benoit, 1997a). Both Benoit's (1997b) and Coombs' (2007a) crisis responses strategies incorporate the notion of apology known as mortification, in which those accused of wrong doing apologizes for the offensive action. Apology is a rebuild strategy of SCCT, where corporations seek forgiveness for an offensive act to minimize the threat to their reputation (Coombs, 2007a). Mortification and apology were prevalent within Samsung's crisis response efforts. Samsung exhibited the use of apology in its crisis response throughout the apology advertisement when offering words of genuine concern for its loyal consumers who were impacted by the crisis stating right at the beginning, "For this we are truly sorry."

It's important to rebuild trust with consumers. Samsung worked on rebuilding trust by taking full responsibility for the product mishaps and acknowledging its failure to meet consumer standards: "We know you expect more from Samsung, and that your loyalty is earned, not given." The final depiction of apology within the paid newspaper advertisement was the corporation's attempt to thank consumers for their continued support and eliciting a final plea for forgiveness at the end of the text, stating that "On behalf of our 17,000 employees across the country, we are grateful for your ongoing support and again, we are truly sorry" (Prigg, 2016). For organizations, apologizing is imperative to counterbalance the negative ramifications caused by the crisis in the eyes of the public. However, while apologizing is an appropriate crisis response for corporations in the accidental cluster, the timing of one's response is important as it influences the effectiveness one's apology (Coombs & Holladay, 2012). As was previously

discussed in the literature review, timeliness in one's crisis response can aid an organization in regaining the public's trust, and alternatively taking too long to respond can further compromise one's institution (Coombs, 2007a; Coombs, 2007b; Benoit, 1997b; Ulmer, Seeger, & Sellnow, 2013). With the apology ad not issued until November 2016, it marked the first instance that Samsung had issued an official public apology. However, its lack of timeliness fueled public outrage. By allowing four months to lapse before taking responsibility for both product failures, it called into question the authenticity of the institution's response with the public. Some may have seen this communication as self-serving and simply an initiative to combat market share losses due to the crisis.

During a crisis, appointing the correct spokesperson can positively influence the effectiveness of an organization's communication efforts, as the person is often knowledgeable about the crisis at hand (Carroll, 2016). With the apology ad, written and signed directly by Samsung North America CEO Gregory Lee, it could have elevated the company's reputation as it was being administered by a reputable member of the organization who has strong knowledge on the company's products and the crisis. However, while having the CEO administer the apology was a logical choice, the corporation failed to put a human face on the crisis with its lack of public addresses through televised press conferences or interviews, coupled with the slow dissemination of its public apology ad. This resulted in not only continued financial loss, but a loss of confidence in the brand from consumers at this point in the crisis.

### *Minimization*

When organizations experience a crisis, one strategy that is often used to reduce the offensiveness of the event is that of minimization (Benoit, 1997b). Benoit (1997b) notes that this image repair strategy aims to help organizations soften the severity of the crisis and reduce

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negative public sentiments. While not widely practiced in Samsung's crisis response efforts, the strategy of minimization was existent in the corporation's September 10<sup>th</sup> website press statement and apology ad. When reports were first publicized of the Note 7 device combusting, the institution in its September 10<sup>th</sup> statement claimed that "although there have been only a small number of reported incidents, Samsung is taking great care to provide customers with necessary support" (Samsung NewsRoom, 2016).

Once again, Samsung rather than announce the action to remove the Note 7 as a product recall, it referred to it as an "exchange program" and "global replacement program," which softened the significance of the globalized recall by making it appear routine to consumers (Samsung NewsRoom, 2016). Due to the unanticipated nature of the crisis, it was understandable that the institution sought to downplay the severity of the crisis by saying only a small number of devices were defective, putting the public's mind at ease by suggesting it was an isolated incident. However, once the second recall occurred, the organization became aware about the gravity of the matter and thus stopped from employing this strategy. Now, use of this terminology would have been acceptable had the crisis ended there; however, as malfunctions continued with the refurbished devices, there was a second recall in October. The second recall diminished the organization's attempt to downsize the crisis and highlighted the true severity of the faulty products as well as compromised the trust of its customers, ultimately leading to an 8% drop in the organization's market share, the most significant decline since October 2008 (Lee, Kim, & Kim, 2016).

Once a battery issue was identified, the organization rightly shifted its efforts to more suitable crisis response strategies when addressing the Note 7, such as apology. However, evidence of minimization was not restricted to Samsung's press statements, as the corporation

employed this strategy in its apology ad when addressing issues with their recently recalled top-loading washing machines, declaring it a “rare issue” (Prigg, 2016). The characterization of the washing machine situation as an anomaly, similar to the Note 7 recall, was intended to defuse public concern over the brand and its products. A corporation’s crisis history directly impacts public perception, as companies with a turbulent past may experience a Velcro effect and incur further reputational damage during a crisis as a result of their unfavourable reputation (Coombs, 2007a; Coombs & Holladay, 2006). For those organizations who possess no previous crisis history, they are able to bounce back swiftly (Coombs, 2007a; Coombs & Holladay, 2006). Between its initial release on August 19, 2016, and its complete discontinuation following its second recall in October, the Galaxy Note 7 crisis illustrates a cognizant history of product harm crises due to the reoccurrence of the problem, elevating Samsung’s level of crisis responsibility and the threat to its reputation. While Samsung’s decision to address its defective washing machines was an admirable attempt at diminishing the damage to its reputation, it would have been more effective if it had been done outside the frame of the Note 7 apology ad. By offering a second admission of guilt for a different product failure, the corporation simply highlighted a pattern of poor product quality control, which veered away from its mantra as a “trusted provider of key electronic components,” likely leaving consumers more concerned about purchasing more products than ever before (Samsung, 2017).

### *Ingratiation*

While corrective action and apology were the more common strategies used by Samsung, evidence of secondary SCCT response strategies were noted in its September 10<sup>th</sup> press statement, specifically ingratiation. In corporate crises, ingratiation can aid an institution’s reputation, by communicating praise and admiration to its stakeholders in an effort to diminish

negative perceptions (Coombs, 2007a). Samsung used the tactic of ingratiation within its September 10th press statement. Samsung Electronics President DJ Koh expressed appreciation towards Samsung customers, stating “We sincerely thank our customers for their understanding and patience” (Samsung NewsRoom, 2016). As the crisis persisted, the corporation exercised ingratiation in its November apology ad: “We are grateful for your going support,” once again commending its users for unwavering loyalty amidst a turbulent moment in Samsung’s history (Prigg, 2016). By taking ample opportunity to recognize the value of its consumers and offer words of admiration, the prestigious technological corporation sought to generate goodwill from the public in hopes of retaining its existing customer base.

### *Bolstering*

Within the frame of image repair, bolstering is used by compromised organizations who attempt to intensify positive public associations with the brand to offset negative perceptions as a result of the crisis (Benoit, 1997b). An immense criticism amid the beginning of the Note 7 crisis was about Samsung’s lack of knowledge on the core breakdown with the cellular devices. To combat this, CEO Lee exercised bolstering in the company’s apology ad: “we take our responsibility seriously to address concerns about safety and quality,” highlighting the organization’s longstanding dedication to producing high quality technology that is safe for consumer use (Prigg, 2016). A valuable image repair tactic, Samsung used ingratiation to shift public attention away from the crisis and reinforce the ideology that producing safe and reliable products for its consumers is of the utmost importance. The corporation continued to bolster throughout the apology ad when communicating its decision to utilize the support of credible agencies when testing the corrosive device: “In collaboration with government agencies and

industry partners, we are taking proactive steps to do better...the process will be thorough and include some of the best independent technical experts in the world to help inform and validate our work” (Prigg, 2016). By incorporating external consultants in its Note 7 investigation at its own financial expense, it not only strengthened the credibility of the test findings for concerned publics, but also it elevated the legitimacy of Samsung's business practices.

**RQ#2 - What has been the public sentiment about Samsung's crisis management on social media?**

In crisis situations, how publics interpret a corporation's response to these unexpected events can have a lasting impact on its brand reputation, particularly since the emergence of the digital age. Today these open source networks have been seamlessly integrated into the fabric of corporate life, elevating the importance for companies to exercise transparency in their crisis response efforts (Roshan, Warren, & Carr, 2016). With new media platforms providing consumers greater access to communicate directly with corporations, these entities are held more accountable for offensive actions that ensue both on and offline. As forum for open dialogue, consumers have begun to navigate towards these social networks as source of emotional support in crisis situations. This is because social media has enabled users the capability of communicating with users worldwide, allowing them to band together with likeminded users and freely communicate their thoughts and feelings towards the crisis at hand. Due to the intensive nature of the 2016 Note 7 crisis, social media was a heavily used tool with a vast number of consumers turning to a diverse set of social media platforms to communicate their opinions on the brand and the crisis itself – a particularly active one was YouTube. To discern the online public sentiment of consumers, two YouTube videos were coded and analyzed: one during the height of the crisis and one towards the end.

*Video 1 - Samsung permanently stops Galaxy Note 7 production (Oct 11, 2016, BBC News)*

The first video under analysis was published by BBC News on Oct 11, 2016, and of the 185 comments coded for this study, the dominant emotional category among users was negativity (**Refer to Appendix 2A**). As Jin, Liu, and Austin (2014) explained in their work, publics seek out social media as a forum of emotional support in crises. These platforms allow publics to respond directly to an organization's crisis response strategies, influencing how they vocalize their feelings (Jin, Liu, & Austin, 2014). This is problematic, as corporations that possess a high crisis responsibility are at risk of fostering negative emotions with the public online, which can harmfully shape future purchase intentions of consumers (Jin et al., 2014).

The manual quantitative sentiment analysis of online user responses from the first video occurred within the first two months (October and November) of its publication, with a majority 77 out of 185 comments analyzed as being negative. More specifically, the data indicates that in October 2016, users' main emotional reaction towards Samsung were feelings of anger and hostility toward its mishandling of the Note 7 crisis with statements such as "DO THEY NOT TEST PHONES BEFORE LAUNCH?????" and "Stick to kitchen appliances Samsung" (**Refer to Appendix 2A**). The negative public reaction that Samsung received on social media hurt the corporation online and resulted in the largest two-day price drop in market shares since 2008 (Farooqui, 2016).

As negative responses were at the heart of user commentary in the first video, the data also uncovered another compelling public response: the defection of users as a Samsung consumer. Due to speed of social media, if online consumers attribute a high level of blame on the organization for a crisis, this sentiment can negatively influence consumers' future purchase intentions, which Samsung experienced during this period (**Refer to Appendix 2A**). Comments

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eliciting this shift in purchasing behaviours were heavily present such as “Is this the end of Samsung company? Because I’ll think twice before I buy Samsung next smartphone” and “What I’ve never understood is why anyone would want a Samsung in the first place?”

**Table 1**

*Sentiment Analysis of YouTube on Oct 11, 2016*

<b>Type</b>	<b>Description</b>	<b>Frequency of Codes in YouTube comments</b>
Positive associations with the brand	Comments that display happy and supportive reflections of the brand in response to the Note 7 crisis	24/185 = 12.9%
Negative associations with the brand	Feelings of hostility and anger towards the brand during the Note 7 crisis	77/185 = 41.6%
Neutral associations with the brand	User statements that do not elicit feelings of loyalty to the brand or frustration when discussing the crisis	24/185 = 12.9%
Not applicable comments with the brand	Comments that did not refer to the crisis or the brand	60/185 = 32.4%

Although negativity was the primary emotional category, the data also shows that 12.9% of users continued to voice positive opinions and consumer support for Samsung, going as far as expressing devastation at their inability to purchase the discontinued Note 7, such as, “ugh, I was gonna get 1 for Christmas to...” and “Poor Sammy!” (**Table 1; Refer to Appendix 2A**).

Similarly, 12.9% of users are presumed to be apathetic to the entire situation and, rather than disparage the company, they focused on asking for answers about the malfunction as well as more clarity on the crisis’s developments with statements, such as, “Could it be the wireless charging?” and “Why was it discontinued?” Another fascinating grouping that emerged within the analysis was a vast 32.4% of users not aligned with any coded emotional category; they



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instead tried to steer the conversation to irrelevant topics not associated with the brand such as “Katniss?” and “IOS 10 was already jailbroken. Shame...” (BBC News, 2016) (**Table 1; Refer to Appendix 2A**). This significant representation of user comments not related to the crisis reinforces the precarious nature of social media as a crisis communication tool because, while it has the power to make change, it opens the door to irrelevant content that can hamper an institution's aims at rebuilding trust. Overall, this video highlights that at that this point in time Samsung's crisis response efforts were unsuccessful in rebuilding public trust, leaving its reputation severely compromised and the possibility of its recovery uncertain.

### *Video 2 - Samsung Galaxy S8 first look! (March, 2017, The Verge)*

With that in mind, to determine any change in public response towards Samsung on social media, a second video was analyzed from March 29, 2017, in which the release of the Samsung Galaxy S8 was announced. Conducting a manual analysis of this video was imperative to discern the evolution of consumers' emotional state at the conclusion of the crisis. Analyzing this video helped to determine if the public embraced the institution's latest cellular innovation, thus healing Samsung's image over time, or if, alternatively, the brand was beyond repair.

As the literature states, organizations that possess a favourable reputation prior to a crisis are more inclined to have a stronger post-crisis reputation as they have more reputational capital to spend (Coombs, 2007a). Prior to this incident, Samsung possessed a strong reputational capital, with consumers fawning over their products as they were perceived as producing game-changing technologies, challenging Apple's hold in the technology industry. As YouTube videos surfaced on March 29, 2017, announcing the Samsung Galaxy S8, with previous and future

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Samsung users directly affected by this news, it had the potential to further strengthen negative associations with the corporation (The Verge, 2017). However, after only eight months since the first initial incident, the data retrieved from the second video demonstrates an emotional shift in online user opinions. The high reputational capital that Samsung accrued prior to the crisis allowed them to rebound faster than most organizations, such as Firestone and BP, as evidenced by the resounding percentage of positive support for the organization in the second YouTube video. More specifically, 41.6% of user responses showed consumers communicating overwhelming thoughts of admiration for the organization, such as “Wow it looks amazing!” and “I WANT ONE OF THESE” (**Refer to Appendix 2B**). The extensive positive sentiment displayed by users online confirms that Samsung crisis response was ultimately successful in rehabilitating its corporate image, with the institution now being viewed by the public in a predominantly favourable light.

Organizations with a favourable pre-crisis reputation cannot only aid their image but also attract new customers (Coombs, 2007a). Upon analyzing the second dataset, a new fragment of commenters emerged, users who admired the new Samsung device but possessed other competing cellular devices, such as the iPhone. What is significant about this segment is that these users exhibited not only an appreciation for the brand, but also they communicated a possible shift in their future purchase intentions and consumer loyalty with comments, such as, “Damn I’m a die-hard Apple fan boy, but Apple definitely needs to step it up this year or Samsung will take all of the sales” and “I’m an Apple fan, but this is FINALLY a phone I would buy over an iPhone” (The Verge, 2017) (**Refer to Appendix 2B**). Therefore, the encouraging sentiment from online users signifies a revival in Samsung’s reputation capital through the potential expansion of its consumer market.

**Table 2**

*Sentiment Analysis of YouTube on March 29, 2017*

<b>Type</b>	<b>Description</b>	<b>Frequency of Code in YouTube Comments</b>
Positive associations with the brand	Comments that portray Samsung in an encouraging manner, and showcase support for the brand	625/1500 = 41.6%
Negative feelings towards the brand	Hostile statements that elicit an ongoing disdain for the corporation and continued harmful mentions of the Note 7 crisis	436/1500 = 29.1 %
Neutral associations with the brand	Statements that do not convey either anger or joyful feelings for the brand	332/1500 = 22.13%
Not applicable comments with the brand	Statements that do not offer any relevant information on the discussion of the brand or the previous crisis	107/1500 = 7.13%

However, while the dominant feature of this video was an excessive wave of support, there still loomed a slight weariness from users. Of those analyzed, 29% of the comments highlighted a continuous display of public distrust towards the brand, with comments from users demonstrating reservations about the organization’s latest product design: “Is it me or is the phone a little laggy?” (Table 2; The Verge, 2017). Also statements that highlighted the previous crisis emerged “Does it come with Samsung’s greatest new feature – an exploding battery?” showcasing a slight continuance in mistrust about the corporation’s product quality control (The Verge, 2017).

Overall, after carefully analyzing both videos, Samsung appears to be successful in rehabilitating its corporate image. The upsurge in sales since the release of the Samsung Galaxy S8 suggest that corporation has begun recuperating the losses experienced by the Note 7 crisis, along with rebuilding its trust with consumers as a producer of safe and innovative technological devices.

### Conclusion

Framed by the crisis communication theories SCCT and IRT, the 2016 Samsung Galaxy Note 7 crisis presented a grave threat to the organization's image as the public attributed a high level of responsibility to Samsung for the whole Note 7 catastrophe. When initial reports of the device combusting emerged, Samsung had a responsibility and opportunity to control the narrative by communicating actively with the public, uncovering the root cause for the defects, and updating the necessary stakeholders incorporating both traditional and new media platforms in their crisis response. Alas, Samsung's complete crisis response strategy did not comply with recognized best practices of crisis communication. During the crisis, the institution responded to the public quickly through its three website press statements and offered regular updates in the progression of their investigation.

A central feature of effective crisis communication is providing the public with clear and consistent information, which Samsung failed to do. Their press statements, while prompt, offered conflicting statements to the public with the initial response, confirming that the cause of the explosions was a battery cell issue. However, following a second product recall, the corporation administered a third press statement on October 11<sup>th</sup> continuing to use vague language, as they did not explain whether the reason for the second product failure was due to battery issues; instead they simply stated an investigation was to take place. The conflicting information disseminated to the public fueled public outrage, as they were left with more questions than answers through the corporation's traditional crisis response.

Both Coombs' Situational Crisis Communication Theory (2007a) and Benoit's (1997b) Image Restoration Theory acknowledge the significance of organizations who are at fault for committing an offensive action, immediately taking responsibility and apologizing to those

affected. Based on this crisis, while Samsung did aim to appropriately employ rebuild and image repair strategies by apologizing to its loyal consumers for the incident and offering replacement devices, these steps were ineffective. Despite falling into the accidental crisis cluster, Samsung attempted to minimize the global impact of the Note 7 crisis in its press statements, which had an adverse reaction on public trust after a second recall ensued.

Newspapers by design are perceived as reliable news sources (Schultz, Utz, & Goritz, 2011). Thus, organizations who offer an apology across this medium have a greater opportunity to enhance their reputation (Schultz et al., 2011). As a result, Samsung rightfully incorporated image repair/rebuild strategies by apologizing to consumers, which is the best course of action for brands whose image comes under scrutiny. However, this course of action proved unsuccessful as the institution remained silent at the helm of the crisis, only taking complete responsibility and apologizing for the offensive action four months later in the form of a newspaper apology ad. In this ad, Samsung did correctly practice mortification and announced steps towards corrective action for the crisis; however, at the same time the ad's failure to communicate the clear cause of the crisis delegitimized the authenticity of the organization's crisis response, making it appear self-interested and increasing public distrust.

In its entirety, Samsung handled the unpredictable nature of the Note 7 crisis moderately well by communicating actively throughout the crisis across its traditional crisis response. However, considering the public outcry, improvements in its crisis response strategies could have been implemented to alleviate scrutiny more swiftly. Timeliness is a central tenet of Coombs' (2007b) crisis communication theory, as a best practice in crisis communication, Samsung adhered to this principle by responding to the crisis quickly with the first press statement quickly administered on the company's website on September 2<sup>nd</sup> (Samsung

NewsRoom, 2016). By responding swiftly, Samsung may have hoped to control the backlash which was a rightful action. Alas the timing of the Samsung's response along with the lack of accuracy and the consistency in the information disseminated to the public, is where the corporation's efforts faltered. The corporation strayed away from these recognized crisis principles outlined by Coombs (2007a) in its initial two press statements, in which it presented the recall as an "exchange" and then referred to it as a "replacement program", the inconsistent portrayal of the crisis's severity only confusing consumers (Sullivan, 2016). As a result, Samsung's crisis response could have been improved to better present themselves as the best source for verified information during Note 7 crisis. The corporation should have immediately claimed ownership for the crisis along with provide regular updates on the progress being made to resolve the crisis to rebuild trust with consumers. Implementing these improvements would have allowed Samsung to exercise more consistency and accuracy in its communication response easing consumer concerns, and thus improved corporation's image rehabilitation at a faster rate.

At the height of the crisis in October, consumers demonstrated a visible disdain for the brand on YouTube; however, after nine months the YouTube data from the second video supports that consumers have predominantly forgiven Samsung with online users continuing to praise the institution. Loyalty towards the company's products has reemerged as consumers appear elated towards the latest product design, showcasing that its crisis efforts have succeeded in rebuilding Samsung's social capital. Possessing a strong reputational capital and history of offering high levels of customer satisfaction have helped it to rebound quickly, as consumers appeared more than willing to purchase Samsung devices such as the Samsung Galaxy S8 without reservation. However, while a majority of the audience forgave Samsung, results of the second YouTube highlight that the brand's crisis response strategies were not successful in

restoring the faith of all its consumers, as 29% of user comments still held negative feelings towards the corporation (The Verge, 2017). With negative sentiment towards the brand continuing to resonate online, it reaffirms the belief that Samsung's crisis response efforts could have been improved. Offering an apology as soon possible remains the best course of action for organizations at fault of wrongdoing (Benoit, 1997b). Had Samsung issued its apology to consumers in its first press statement coupled with verified information from experts on the crisis rather, than three months later this could have helped to foster more goodwill from consumers online when the first video came out in October, thus eliminating their frustrations and bringing the crisis to an end. Ultimately, with Samsung's corporate image as a reliable smartphone provider revived, this case study reaffirms the harmful and long-term influence of social media in organizational crisis response. Therefore, having a favourable pre-crisis reputation is invaluable to organizations in the success of their image recovery.

Upon completing this MRP, another facet of this research that could be explored is performing a sentiment analysis after the release of the Samsung Galaxy S8 to assess whether references to its predecessor, the Note 7, continue to be made and its influence on the corporation's reputation and sales. Moreover, one could study Samsung's crisis response efforts across alternative social media platforms, such as Twitter. By examining Samsung's new media crisis response one could discern which SCCT and IRT practices were present in the five tweets issue on its official account @SamsungMobileUS. As evidenced by this MRP, Samsung's traditional crisis response used vague language in its press statements informing consumers of retrieval process for the defective Note 7's. Exploring Samsung's new media response could highlight whether the corporation applied more suitable crisis response strategies and greater consistency in the crisis information disseminated to the public.

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Appendix

**Appendix 1**

*Used to determine the brand's crisis response strategy on its newspaper and website response*

<b>Crisis Response Strategy</b>	<b>Crisis Strategy Approach</b>	<b>Description</b>
Denial	Denial	Did Not Perform Act
	Shift the blame	Offensive action was performed by another
Reducing Offensiveness	Minimization	Act not serious
	Differentiation	Act less offensive
	Compensation	Reimbursement for those affected
	Attacking one's accuser	Reduce credibility of accuser
	Bolstering	Stress good traits
Evading Responsibility	Defeasibility	Lack of information
	Accident	Act was unintentional
	Good intentions	Meant well in Act
	Provocation	
Corrective Action	Apologize and correct issue	Plan to resolve or prevent problem
Mortification	Apology	Apologize for act
Deny	Denial	Simple denial
	Attacking the Accuser	Accused confronts the person claiming something is wrong with the organization
	Scapegoat	Organization blame someone or group outside the organization for the crisis
Diminish	Excuse	Organization minimizes the organizational responsibility by denying intent to do harm or claiming inability to control the events that triggered the crisis
	Justification	Organization minimize the perceived damage caused by the crisis
Rebuild	Compensation	Reimburse the victim
	Apology	Organization takes full responsibility for the crisis and asks for forgiveness

**Appendix 2A**

*Codebook used to determine Samsung’s reputational capital by measuring the positive, negative, neutral responses, and not applicable of users on YouTube in the Oct 11, 2016 video*

<b>Type</b>	<b>Description</b>	<b>Example</b>
Positive associations towards the brand	Happy and supportive statements by users that portray Samsung in a favourable light	“S7 Edge is still a better phone than iPhone 7” “Still better than iPhone.” “After all this, I’m probably going to get the s7 edge or wait for the next line Samsung phones next year.” “i still love Samsung. I waiting for s8.”
Negative associations towards the brand	Angry or hostile statements by users about the Note 7 crisis which discredited Samsung’s brand image	“Stick to kitchen appliances Samsung” “I heard about a new fancy firework called Samsung something like that” “Is this the end of Samsung company? Because I’ll thinks twice before I buy Samsung next smartphone”
Neutral associations towards the brand	Statements by users following the product release that do not convey feelings of support or demonize Samsung amidst the crisis	“Could it be the wireless charging?” “Im not a big fan of internal batteries. Bring back removable/replaceable batteries”
Not Applicable	Statements that do not offer any relevant information on the discussion of the brand or the previous crisis	“Shouldn’t have skipped the 6” “Katniss?” “LOOOOOOOL”



**Appendix 2B**

*Codebook used to determine Samsung’s reputational capital by measuring the positive, negative, neutral responses, and not applicable of users on YouTube in the March 29, 2017 video*

<b>Type</b>	<b>Description</b>	<b>Example</b>
Positive Associations with the brand	Happy and supportive statements by users that portray Samsung in a favourable light	<p>“when this was born, iphone got killed, its about time...”</p> <p>“just got one yesterday. Love it!”</p> <p>“RIP IPHONE”</p> <p>“Get this phone, best phone ive ever had”</p> <p>“I love this phone and I am a 9year iPhone user. The only thing that I don’t like about it is the location of the fingerprint sensor. I like the way Sony mounted it on the power button. I hope it got for</p> <p>“Amazing☺ I will buy it”</p> <p>“Just WOW! Totally out Appled Apple.</p>
Negative associations with the brand	Angry or hostile statements by users discussing the Samsung Galaxy S8 release, which discredit the organization’s brand	<p>“S8 even more explosive than the note 7, buy it today!!!”</p> <p>“If you break the screen then you’ll have to change the whole phone. Suck”</p> <p>“It still looks cheap! Sorry!”</p> <p>“Does it blow up?”</p> <p>“this phone just seems like its asking to break”</p>
Neutral associations with the brand	Statements by users following the product release that neither support or demonize Samsung following the crisis	<p>“But can you switch the back button to the other side?”</p> <p>“meh.”</p> <p>“Need to include a camera with same specs as the zoom to tempt me”</p>
Not applicable comments	Statements that do not offer any relevant information on the discussion of the brand or the previous crisis	<p>“Which country is Samsung?”</p> <p>“What’s the music in the background?”</p> <p>“I wish instead of Bixby they named it Begbie and Robert Carly’s voice”</p>