

A Review of the Brand Crisis in the Context of Social Media

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ABSTRACT

Over the past 40 years, brand crises have affected marketing enormously. In order to gain insight into the past and present evolution process of brand crisis research, and reveal the possible future research directions and research opportunities of brand crisis, this paper using the Citation-based approach analyzes the related literature of brand crisis. The research shows that seven main issues of brand crisis have shown different trends over time. The focus of attention has shifted from the nature of the crisis to how to use the crisis to reshape the consumer-brand relationship. The research results help scholars and managers to realize the nature of brand crisis and the dynamics of response strategies, and have certain reference value.

Keywords: *Brand crisis, crisis management, co-citation analysis, social media*

1. INTRODUCTION

Although a great deal of research has demonstrated that some negative publicity are contribute to crises and how companies respond to it in order to minimize the negative effect on revenue and market share (e.g. [1, 2, 3]), whereas one total new type of crisis is appear and called "firestorms", during social media time. Firestorms is defined as that negative electronic word of mouth (eWOM) that receives substantial support from other customers in a short period of time taking place in brand community [4]. For example, "Dingding" app which is an excellent online education app was rated one star by elementary school students and triggered a delisting crisis. This incident originated when "Dingding" was designated as an official online education platform by the Ministry of Education in the context of COVID-19. Similar to the traditional brand crises, it damages the firm's reputation and causing it to lose thousands of customers (i.e. money or market share) [5].

However, we still have some doubts about the evolution of the brand crisis. What stage of evolution have they experienced in the past 40 years. In the context of social media, what new impact will the change of communication methods bring? How stakeholders in social media influence the effectiveness of brand crisis management, and how consumers will respond to the brand crisis in the new era. Can the brand crisis reshape the consumer-brand relationship? Therefore, it is necessary to do a quantitative analysis of the literature on brand crisis sub-domains.

2. LITERATURE REVIEW

In the earlier time, studies focus on what crises should prepare for, what is the rational of crises, the phase that crises move through and the role of a system. Obviously, we know little about crises so that many investigators desire to explore the origin nature of crises early 20 years. The main object is to understand what is crisis, how many types, what contribute to crises and what can we do in current time. Crises have various types: human-induced crisis, corporate crisis, economic crisis, product-harm crisis, valves-related crisis, online firestorms. There is a common that all crises have negative effect. Such as causing economic costs, damaging corporate reputation, diminishing the interest of stakeholders, destroying brand equity and weakening consumer-brand relationship.

Firstly in history, Pearson and Mitroff (1993) pointed out: human-induced crises have the potential to rival natural disasters in both scope and magnitude. They summarized five dimensions composing the definition of crisis, at the same time, which is asking immediate attention, outburst, high magnitude, taking action necessarily, and out of organization's control [1]. This kind of economic loss has aroused scholars' interest of corporate crisis. Although there were a variety of works to limit the scope of crisis, it is simply that summarize substantial observed examples came from large companies into several dimensions. simply labeling the crises event with summary words such as effect, causes, economic, social, human and technology and so on.

In fact, as early as 1980s, researchers have studied crisis in marketing. Such like negative marketing communications [6], product failure [7], product recall [8, 9], the harmful

impact of crisis[10,11,12], crisis management strategy [13, 14]. However, there was no clear definition of the brand crisis until 2009. Before Dawar (2009) conceptualizing brand crises, the researcher focus on the negative effect of product-harm crises on brand but not brand crises on brand[15]. The main reason for product-harm crisis being part of brand crisis is that has a huge harmful impact on brand equity including brand attitude, brand trust, brand association and so on[12,16,17,18].

Brand crises are defined as unexpected events that threaten a brand's perceived ability to deliver expected benefits thereby weakening brand equity[3]. According to this definition, Dutta&Pullig(2011)divided the brand crisis into two main types:(1)performance-related or (2)values-related. Performance-related crises usually involve defective products and primarily reduce the perception of the functional benefits of the brand(i.e.product-harm crisis).Values-related crisis do not directly concern products, but rather social or moral issues surrounding the values they support(i.e. Nike's alleged use of child labor).With the arouse of social media,new type of brand crisis occurs. (3)Online firestorm-related that negative electronic word of mouth against people ,firm or brand received substantial support from others in social media.In these messages, intense indignation is often expressed, without pointing to an actual specific criticism[19]. It distinguish from the tow other crisis types because online firestorm is a chain reaction of negative emotion like anger,sadness,unfair or hateful. It is difficult for us to find out what kind of functional or symbolic benefits damaged,As we mentioned at the beginning of the "Dingding app" incident,similar to prominent online firestorm examples --#MCDStories. We regard that Performance-related or values-related crisis causing negative E-WOM due to media attention belongs to evolution of communication modes and do not belong to the category of online firestorm crisis.Based on this type of brand crisis classification, we searched the literature for nearly 40 years for quantitative analysis.

3. THE EVOLUTION OF CRISIS MANAGEMENT

3.1. Methods

Citation-based approach is an important link in scientific research. It provides very valuable knowledge but also allows countless scientific researchers to communicate and collide through journals and papers. In recent years, citation research has begun to attract attention in management and marketing research.Lu Pingjun(2015) using citation-based approach to explore "The past and the future of a deeper understanding of the marketing channel".Lu(2015) demonstrate that the following advantages :(1)data is objective, unbiased, and can track the latest development of research topics;(2)to find relationships and associations between articles;(3) to

analyze and track future research trends[20].This article adopts the Citation-based approach, and conduct a comprehensive scan of the five most authoritative international management and marketing journals (Journal of Marketing,Journal of Consumer Research,Journal of Marketing Research,Marketing Science and Journal of Business Research) .There are 188 papers related to "brand crisis", covering a time span of up to 40 years.

3.2. Results

Through sample iteration,seven main issues were identified.(1) 'Crisis online communication' including online brand community,media attention, social media influencer;(2) 'governance(marketing) strategy',including leadership characteristic, resource management,advertising etc.(3) 'consumer reaction' including consumer forgiveness,consumer revenge,complaints etc.(4)'crisis management' including response strategy ,crisis framework etc.(5)'crisis negative effect' including affecting brand equity or corporate reputation etc.(6) ' crisis prevention' including Antecedent studying, the role of CSR etc.(7)'crisis spillover effect' including celebrity endorser,brand alliance crisis(see Figure 1).The top 3 research issues are crisis management(58 papers),crisis prevention(29 papers) and consumer reactions(27 papers). According to the issues,we find that Scholars have studied a series of questions .such as what prevention work before the crisis can reduce the frequency and harm of the crisis? What are the direct and indirect effects of the crisis when crisis happened? How to deal with the crisis in time ? How did consumers react? What strategies are there to repair the crisis after the crisis? And the impact of social media on the crisis framework and response measures. It also indicate that the number of papers has continued to grow from 1981 to 2020(see Figure 2).

Crisis prevention,consumer reactions,crisis online communication three issues have grown rapidly in the fourth decade, and are research topics with great potential in the future. In particular, online has become a hot research topic.Crisis negative and crisis management issues have a fading trend.Crisis spillover and governance (marketing)strategy have a steady increase (see Figure 3).

3.2.1. Era1: Crisis gains attention and triggers a ripple effect in consumers 1981-1990

In the first decade, crisis negative effect and consumer reactions were studied. Scholars have begun to pay attention to the crisis, desiring to explore the nature of the crisis and the reactions of consumers.We presented some representative papers following Table 1.

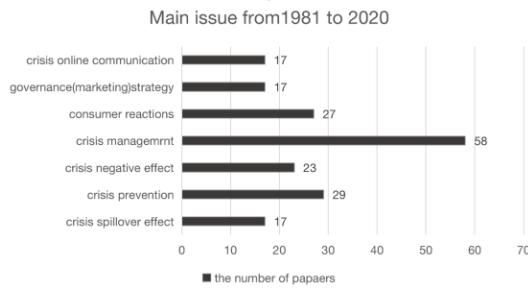


Figure 1 Main issue from 1981 to 2020

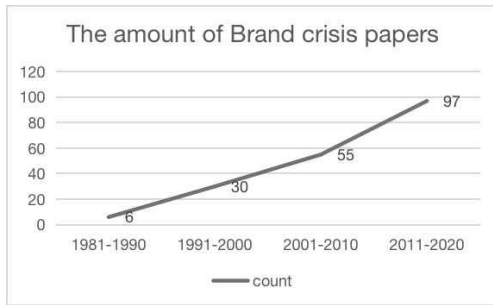


Figure 2 The amount of brand crisis papers

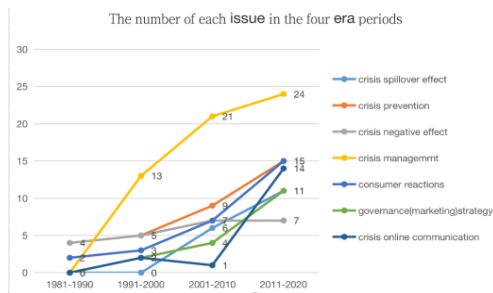


Figure 3 The number of each crisis papers

3.2.2. Era2: comprehensive exploration of the nature of the crisis and response strategies 1991-2000

In the second decade, 7 issues were studied. Scholars have begun to pay attention to the solution of crisis, and examining which factors can minimize the negative effect. The spillover effects of the brand crisis have also begun to be studied, and the impact of consumer negative emotions fermented on social media on the crisis has also begun to be paid attention to. We presented some representative papers following Table 2.

3.2.3. Era3: Crisis prevention, handing and post-crisis management system construction 2001-2010

The research of response strategy began to focus on matching with the type of crisis, and also paid more attention to the feasibility of actual operation. Post-crisis restoration work has received more and more attention, such as advertising, other marketing strategies and managers' human resource strategic management. Some researches focus on reshaping the consumer-brand relationship. We presented some representative papers following Table 3.

3.2.4. Era4: new exploration of crisis in the era of social media 2011-2020

The brand crisis on social media began to blow out in the fourth decade. There are a lot of researches on media communication channels, the influence of social media influencers, the potential threat of negative consumer reputation to online brand communities. Because of the support of social media, more scholars in the spillover effect have studied the negative effects of celebrity endorsements. We presented some representative papers following Table 4.

4. GENERAL DISCUSSION

We think performance-related crisis and values-related crisis are traditional crises comparing to online firestorm. Traditional crises pay more attention to solve the negative effect of crisis while detecting crisis signal is more important in social media time because of social media has changed the way consumer talk to brand. So the first recommendation is brand personality shapes according to the vision that the founder wants to convey to the world. Increasing interactions with consumers through online brand community.

Another significant feature of social media is fragmentation. Fragmented data, fragmented time, and fragmented complaints are aggregated into big data through social media platforms, forming inestimable energy. This fragmentation nature leads to the most effective solution is to establish monitoring means to detect the dynamics of public opinion. This is second recommendation for manager.

The third suggestion is for researchers to apply interdisciplinary approaches. We are now not only in the era of fragmentation, but also in the era of data explosion, interdisciplinary cooperation can bring win-win. In the face of massive data, traditional marketing tools are beginning to become valid. However, through cross-disciplinary collaborations such as computer science and neuroscience, using text analysis can provide more convincing evidence.

Table 1 Evolution of the main issues of the brand crisis 1981-1990

Main Issue	Literature	Journal	Contribution
Crisis negative effect	Weinberger et.al(1981)	JA	1.market share declines sharply.
	Gregg et.al(1985)	JPE	2.the direct costs did not internalize and suboptimal deterrence is no problem.
	Wallence(1986)	SMJ	3.voluntary recalls receive more benefit.
	Stephen et.al(1986)	JFR	4.firm equity decline has nothing to do with direct costs;improve the importance of indirect costs (reputation damage).
Consumer reactions	Folkes et.al (1984)	JCR	1. desiring a refund ,exchanging products or wanting to hurt the brand.
	Nedungadi et.al(1990)	JCR	2.Provided evidence for the memory impact on brand-choice influence .

Due to the word limit,it shows representative literature.More details of literature contact corresponding author.

Table 2 Evolution of the main issues of the brand crisis 1991-2000

Main Issue	Literature	Journal	Contribution
Crisis negative effect	Dawar(1988)	ISMO	1.Product-Harm Crises influence the signaling ability of brand.
	Dawar(2000)	JMR	2.product-harm crisis impact on brand equity.
Consumer reactions	Duke et.al(1994)	MS	1.New product features or promotion affect the likelihood of brand choice.
	Ahluwalia(2000)	JMR	2.how consumers process negative information about the brands they like and use.
Crisis management	Coombs(1996)	JPRR	1.concentrated on the match between crisis type and crisis
	William(1997)	PPR	2. crisis communication impact on image repair.
	Coombs(1998)	JPRR	3. building a crisis analysis situation.
Crisis online communication	William et.al(1996)	RA	1. The influence of emotionalism can be conveyed in a way that is largely independent of the facts, and tone helps to create an overall impression.
Governance(marketing) strategy	Rajnandini et.al(1996)	JASP	1.crisis foster the emergence of charismatic leaders .
	Smith et.al(1997)	JM	2. the ethical concern and controversy that can arise over targeting strategy.
Crisis spillover	Till et.al (1998)	JA	1.studying how negative information about a celebrity endorsers can affect the brand .
Crisis prevention	Griffen (1992)	A in CR	1.warning labels ,promotional policies and regulations influence on consumers' attributional processes.
	Brown et.al(1997)	JM	2.Examining CA and CSR on products responses.

Due to the word limit,it shows representative literature.More details of literature contact corresponding author.

Table 3 Evolution of the main issues of the brand crisis 2001-2010

Main Issue	Literature	Journal	Contribution
Crisis negative effect	Chen et.al (2009)	JM	1.having negative impact on firm value.
	Berger et.al(2010)	MS	2.the positive effect of negative information.
Consumer reactions	Aaker (2004)	JCR	1.examining the evolution of consumer-brand relationships when good brands do bad.
	Michelle (2007)	JCR	2.mitigating negative customer reactions to high -equity brand failures.

Main Issue	Literature	Journal	Contribution
Crisis management	Arpan et.al (2005)	PRR	1.investigated a self-disclosure strategy called stealing thunder.
	Coombs et.al (2008)	PRR	2.apology is not “the” best strategy.
Crisis online communication	Yuksel et.al (2009)	JBR	3.if the techniques that companies use to mitigate the adverse effects of negative publicity work in boycotting situations.
	Grégoire (2009)	JM	1.explores the effects of time and relationship strength on the evolution of customer revenge and avoidance in negative e-wom.
Governance(marketing) strategy	Van Heerde (2007)	MS	1.marketing-mix activities help regain the brands' pre-crisis performance levels.
Crisis spillover effect	Dahlen et.al(2006)	JAR	1.The relationship between crisis types and similarity to the brand in crisis.
	Roehm et.al (2006)	JMR	2. affect attitudes and beliefs the other brand in the same product categories and competing brands.
	Lei, Jing(2008)	JM	3.investigates the structure of correlations in brand portfolios to understand the nature of spillovers.
Crisis prevention	Yoon et.al(2006)	JCP	1.the mediating role of perceived sincerity of motives in determining the effectiveness of CSR activities.
	Wagner et.al (2009)	JM	2.Mitigate the impact of these inconsistencies on consumer perceptions of corporate hypocrisy and beliefs about corporate social responsibility and corporate attitudes.

Due to the word limit,it shows representative literature.More details of literature contact corresponding author.

Table 4 Evolution of the main issues of the brand crisis 2011-2020

Main Issue	Literature	Journal	Contribution
Crisis negative effect	Johnson et.al(2011)	JCR	1.the self-relevant degree of consumer-brand relationship determine the possibility of anti-brand retaliatory behaviors.
	Kartik et.al(2013)	JM	2.affecting recall frequency and product reliability.
Consumer reactions	Liu et.al(2017)	JM	3.affecting long-term return.
	Zhao, Yi et.al(2011)	JMR	1.creates consumer uncertainty about product quality.
	Tsarenko et.al(2015)	JM	2.examining the relation between apology and consumer forgiveness.
Crisis management	Dutta et.al (2011)	JBR	1.Compatibility of crisis types and response strategies
Crisis online communication	Debra et.al(2012)	AMJ	1.the effectiveness of managing media coverage after crisis.
	Natalie et.al(2013)	PRR	2.studying ways for fans to respond to organizational crises through the social media entity Twitter.
Governance(marketing) strategy	Rubel et.al (2011)	MS	1.Consider the important role of leaders in crisis
	Angela et.al(2016)	JM	2.examining leaders characteristics that influence firms' likelihood of experiencing crisis.
Crisis spillover effect	Gao et.al(2013)	JBR	1.stability of domestic crisis causes influence the transference of blame to overseas brands.
	Jaywant(2020)	JBR	2.the corporate image of guilty Allies, innocent partners, and alliances affected by interaction.
Crisis prevention	Eisingerich et.al(2011)	JSR	1.CSR can protect an enterprise from negative information about its CSR practices, but not information related to its core service products.
	Jing Lei and Dawar(2012)	JMR	2.Base-rate information influences consumer attributions.

Due to the word limit,it shows representative literature.More details of literature contact corresponding author.

5. CONCLUSION

Brand crisis researchers have done a lot of research but few have conducted quantitative literature analysis on it. This is also the contribution of this article, our analysis find that scholars have done a lot of research on the nature, scope of influence, antecedents, response strategies, and crisis management. However, in the era of social media, the response strategy of firestorm-type crises, the dynamic influence of multi-stakeholders and how online brand communities can mitigate the impact of aircraft outbreaks are still worthy of our thinking and exploration. This is still a relatively new field, and scholars are still exploring the essence of new crises as in the first decade. In the future, we hope that more work will study on the mechanism of brand crisis online and offline.

ACKNOWLEDGMENT

This work was supported by YNPOPSS, Social Science Major Project of “Research on Construction of Evaluation System of Emergency Management Ability of Grass-roots Communities under Major Public Health Emergency” (Project manager: Lu pingjun, YB2020056).

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