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Jane B. Thomas  
*Winthrop University*, [Thomasj@winthrop.edu](mailto:Thomasj@winthrop.edu)

Cara O. Peters  
*Winthrop University*, [petersc@winthrop.edu](mailto:petersc@winthrop.edu)

Emelia G. Howell  
*Winthrop University*, [howelle2@winthrop.edu](mailto:howelle2@winthrop.edu)

Keith Robbins  
*Winthrop University*, [Robbinsk@winthrop.edu](mailto:Robbinsk@winthrop.edu)

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Social Media and Negative Word of Mouth: Strategies for Handling Unexpected Comments

*Contact Author

Emelia Howell, MBA Student, Winthrop University
howelle2@winthrop.edu

Cara Peters, Winthrop University
petersc@winthrop.edu

*Jane Thomas, Winthrop University
thomasj@winthrop.edu

Keith Robbins, Winthrop University
robbinsk@winthrop.edu

Abstract - Increased usage of social media by consumers impacts businesses that find it necessary to participate to connect with customers. Because social media is conversational in nature, marketers have little control over the message, unlike more traditional forms of marketing communication. The purpose of this paper is to flesh out the tensions that exist as marketers deal with consumer-generated negative social media messages and present possible responses for marketers dealing with this form of negative word of mouth (WOM). Its contribution lies in unpacking options for companies dealing with such negative social media. Case studies and a conceptual model identifying possible strategies for businesses dealing with negative social media attacks are presented. The five general strategies identified are: delay, respond, partner, legal action, and censorship. Understanding and use of these strategies can assist businesses in dealing with negative WOM and can potentially help them protect their brand image and profitability.

Key Words - Social media, negative word-of-mouth, two-way communication, consumer generated content, communal effects

Relevance to Marketing Educators/Researchers, and/or Practitioners - The purpose of this paper is to flesh out the tensions that exist as marketers deal with consumer-generated negative social media messages and present possible
responses for marketers dealing with this form of negative word of mouth (WOM). Its contribution lies in unpacking options for companies dealing with such negative social media.

**Introduction**

Simply put, communicating via social media has become a cultural phenomenon. Numerous consumers are gravitating toward social media, and it has become the new word of mouth (WOM). Of the various social networks, Facebook alone has 750 million users, Twitter has 250 million users, and LinkedIn and MySpace have 115 million and 50 million users respectively (Google Fans 2011). Social media usage extends beyond just a large number of visitors. In May 2011, 176,000,000 U.S. Internet users watched online video content. Every week, 1,000,000 people view customer service related tweets, with 80% of them being critical or negative in nature. In addition, 38,000,000 people in the U.S. have said that their purchasing decisions are influenced by social media (Banking.com Staff 2011).

According to authors Safko and Brake (2010), social media is defined as “activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and options using conversational media” (p. 5). Examples of social media include social networking (i.e., Facebook and LinkedIn); photo sharing (i.e., Flickr); video sharing (i.e., YouTube); microblogging (i.e., Twitter); and virtual worlds (i.e., Second Life). What all these various social media have in common is that they are about enabling conversation. Like WOM, businesses cannot control the conversation via social media. The most they can do is attempt to influence it via these forums (Safko and Brake 2010).

Increased usage of social media by consumers is impacting businesses who find it necessary to participate in order to connect with customers. According to eMarketer, 50% of U.S. CMOs at Fortune 1000 companies said they launched a corporate blog this past year, and $3.08 billion will be spent to advertise on social networking sites in 2011. Furthermore, according to a survey of 17,000 managers and business owners, 50 percent of businesses in the U.S. use social media, such as Twitter, to connect with existing customers, and 30 percent of U.S. companies dedicate up to 20 percent of their marketing budget to social networking activity (McHugh 2011).

There is an inherent tension that exists as businesses and consumers participate in social media. Because social media is conversational in nature and akin to WOM, marketers have little control over the message, unlike more traditional forms of marketing communication (i.e., television and radio). Because of the Web and growth in social media, marketing is no longer a one-way communication flow from the business to the consumer. Marketing communication has become a two-way communication flow between the business
and communities of consumers that increasingly wield more power over the message. Furthermore, there are issues with both authenticity and transparency that further complicate communication via social media. This puts marketers in a precarious situation and is especially problematic when the consumer generated social media message becomes negative. The purpose of this paper is to flesh out the tensions that exist as marketers deal with negative social media messages generated by consumers and present possible responses for marketers who must deal with this form of negative WOM. Toward that end, the review of literature is presented next, followed by a conceptual model with case studies and a discussion with implications.

**Theoretical Foundation**

Traditional forms of marketing communication are built on a one-way, linear communication model. Original models include the sender, message, and receiver (Schram 1954). With traditional communication models, marketers create the message and communicate the message to a mass audience of consumers through traditional media such as television, radio, and direct mail (Katz and Lagarsfeld 1955). There is little to no bi-directionality to the communication, as the business creates and controls the message. With this model, potential consumer response is delayed and limited in scope. The basic options of response from the consumer are to accept or reject the message from an information processing perspective (Bettman 1979; Bettman 1998). Within traditional marketing communication models, the goal of marketers is to generate high volumes of acceptance from the receivers (i.e., consumers) of the message that would translate into brand equity and eventually purchase behavior (Keller 1993).

Beginning with the introduction of the Internet in the 1990’s, traditional models of marketing communication began to radically change. Internet access allowed consumers the capability to interact with businesses in different ways. This led to the evolution of two-way communication models. According to Hoffman and Novak (1996), whereas traditional marketing media follow a one-to-many communication model, the Internet enables many-to-many communication which is interactive. Hoffman and Novak (1997) further state that, with the new electronic medium, a new business paradigm is required. With the new environment, businesses must include the consumer in the marketing process. Businesses no longer have control of the message, and must relinquish some of the control of the message to the consumer. With the increased usage of electronic media, consumers not only have a choice in response, but have the ability to choose which message(s) they wish to receive (Hoffman and Novak 1996). The new environment requires cooperation, information sharing and identifying new and innovative ways to capture and respond to customer desires.
As predicted by Hoffman and Novak (1996; 1997), the Internet has seen unprecedented growth and development in its adoption and usage. Almost sixteen years later, Hoffman and Novak’s communication models have become ever more important as marketers grapple with the growth of social media. Social media requires a different type of marketing, where the consumer is in control (Achrol and Kotler 2012; Safko and Brake, 2010). Because businesses no longer completely control the marketing message, they must become skilled at influencing the message without losing the authenticity of the message (Atal and Wilson 2007; Kozinets, de Valck, Wojnicki, and Wilner 2010; Young 2009). Social media is different from past communication models because it is conversational in nature and occurs between and among the marketer and communities of consumers (Achrol and Kotler 2012). Furthermore, it is different from traditional WOM because company messages get broadcast to communities of consumers, who can then also, broadcast their individual response to the larger community and the marketer in real time. Simply put, like conversational WOM, individuals interact with the marketer but the difference is that social media amplifies the reply to the larger community (Achrol and Kotler 2012; Kozinets et al. 2010; Lester, Tudor, Loyd and Mitchell 2012). This broadcasting capability gives the consumer greater relative influence in the communication process.

Because of its communal effects, if marketers can leverage social medial to be positive, it can be a productive tool. However, the opposite can be said for negative social media marketing communication. Negative social media communication produced by consumers can be viral and spread quickly, damaging a company’s brand in a short amount of time (DuBois 2012). This is because the negative message is quickly broadcast to wider communities of consumers, leveraging the network and exponentially spreading the negative message.

Research to date that examines how businesses can deal with negative consumer generated social media campaigns is limited. There are virtually no published papers that examine strategies for handling such negative social media communications. Thus, the contribution of this paper lies in unpacking possible options for companies dealing with consumer generated negative social media. Toward that end, we will present case studies and a conceptual model identifying possible strategies for businesses dealing with this issue.

**Findings**

There are an increasing number of popular press articles with examples of negative social media campaigns and company responses. In gathering and analyzing examples of companies dealing with negative social media attacks and the reactions to these events, five general strategies were identified. The five general strategies include: delay, respond, partner, sue, and control. Each strategy is explored in detail, and the advantages and disadvantages of using
each strategy are identified. It is important to note that these strategies are not mutually exclusive; there can be overlap because of the interactive marketing communication model that operates in today’s business environment. For example, a company may start with a delay strategy, hoping to be able to ignore the negative feedback, but eventually may be forced into responding, partnering, or taking legal action.

Delay

A delay strategy is based on the idea that if a company delays the response, the negative social media campaign will die down on its own, allowing the company to not respond or ignore the customer complaint altogether. A delay strategy gives the company time to review the complaints and develop a thorough response to the issue. This strategy may, in fact, be viable, as the collective memory of American consumers is rather short (Vogt 2009). What outrages the public tends to rise and fall quickly as the next news article emerges in the popular press. Thus, in certain circumstances, companies can delay their response to the negative social media campaign, and it may putter out on its own.

There appear to be several companies, including Domino's Pizza, United Airlines, and NetFlix, that have attempted this social media strategy with little success. For purposes of parsimony, the authors will present Domino's as the case study. In 2009, two Domino’s employees posted a video of unsanitary and repulsive food handling practices conducted in a store. Dominos chose to adopt a “wait and see” approach and did not immediately address the growing fervor over the negative social media campaign that developed around this video.

Within approximately twenty-four hours, there were more than a million views of the video on YouTube, with 5,000 comments on the video (mostly negative); negative discussions were also spreading on Twitter; and multiple references to the video began to emerge within Google search (Clifford 2009). The brand image of Domino’s Pizza was tarnished quickly as the company took time to develop a response. By the time company president Patrick Doyle responded with an apology some two days after the video was posted, the brand was damaged. According to Domino’s spokesman Tim McIntyre, tenured customers began second guessing their relationship with Domino’s, and customers were trying to figure out where the video was taped (Vogt 2009). Domino’s was faced with the fact that the behavior of two employees via social media had changed its brand image in short order. According to the YouGov BrandIndex, the perception of Domino’s brand quality went from positive to negative in approximately 48 hours. A national study by HCD Research found that 65% of respondents who would previously visit or order Domino’s Pizza were less likely to do so after viewing the video (Vogt 2009).
Although delay or ignore appears to be a less viable option in today’s socially-mediated world, there are reasons that companies may choose to adopt this strategy. For example, ignoring a negative attack prevents management from engaging in a tug-of-war with consumers insulting their brand image. Similarly, a poorly crafted response can be even more damaging than a lack of response. Dell experienced this when its response to a negative blog garnered more negative publicity than the original post (Jackson 2008). Factors such as industry type, size of company, private or public ownership, and compliance standards must be considered to determine if a delayed response poses less risk than responding for a particular company (Donston-Miller 2012).

In some instances, ignoring the negativity can reduce the run time of the negative publicity. Americans have short attention spans, and the digital world provides information overload (Vogt 2009). It is possible for larger news stories to divert attention from the negative social media campaign. Further, a “do nothing” strategy can work if the company’s customers are not heavy users of social media (Cocheo 2009; Donston-Miller 2012). However, with the growth of social media, having a customer base not impacted by social media is becoming less likely over time.

A disadvantage of the delay strategy is the ensuing belief that a business is being unresponsive and unwilling to listen to consumers. When businesses are unresponsive or slow to respond, they are perceived as uncaring, aloof, or guilty of the complaints for which they are being accused. This happened to Toyota when the company ignored Prius owners who began reporting problems with brakes through owner networks and messaging boards (Ramsay 2010). At times, delaying a response can even make the situation worse. United Airlines experienced this when the company tried to ignore the complaints of professional musician Dave Carroll. After repeated attempts to get compensation for his destroyed guitar with no response, Carroll posted his complaint on YouTube. These postings went viral which aired the complaint to a wider audience of consumers and forced United to respond (Gunelius 2012).

Because businesses have less control of the social media campaigns around their brand images, ignoring social media campaigns is becoming more difficult to do. The negative social media campaign can continue to grow exponentially without participation from the business and completely outside of the company’s control (Barone 2009; Cocheo 2009). According to the Chief Marketing Officer, Stephanie Ciccarelli, at Voices.com, “Being part of the conversation shows that a company is aware of the conversation, is validating the conversation through participation, and that it cares. It is actually riskier not having a presence than letting the conversation go on without you” (Donston-Miller 2012). Lisa Barone, Chief Branding Officer of Outspoken Media Incorporated, similarly states that ignoring negative social media makes a company vulnerable by foregoing the opportunity to have a voice (Barone 2009). In fact, negative comments are in some respects permanent (i.e., when published online, they can be read at any
time and are always available), cumulative (i.e., one disgruntled consumer finds another, which leads to unity), and are exposed to wider audiences as the negative complaints can be attached to Google searches of the company (Kiser 2011). Delaying or ignoring negative social media thus presents itself as a somewhat risky strategy.

**Respond**

The respond strategy involves listening to, acknowledging, and potentially addressing the negative feedback generated via social media. There are various levels of response that companies can take from replying to individual complaints to taking significant action because of pressure from large communities of consumers. For example, many large firms such as Bank of America are attempting to use social media to proactively reach out to customers and listen to their complaints. Overall, BofAHelp seems to provide a positive experience via Twitter to customers who feel they have been heard and their issues have been addressed (Rajan 2011).

Moreover, there are cases where a negative social media campaign went viral and had the potential to negatively damage a company’s brand to the point that the firm felt the best course of action was to retract or change the business decision that spurred the complaints. Such was the case for Bank of America and Verizon Wireless when they announced a fee change for various services. These cases involved not just listening and acknowledging the consumer, but went one step further, involving a reversal in a course of action on behalf of the company.

In late 2011, Bank of America announced that it would charge a $5 monthly fee for debit card usage beginning in 2012. Only customers with BofA mortgages or high end accounts of $20,000 on deposit would be exempted. The charge was an attempt to recoup the swipe fees taken away by recent federal regulations (O’Daniel 2011). Bank of America quickly faced negative reactions from consumers via social media, and smaller competitors saw the situation as an opportunity to aggressively market to customers with promises of no debit card fees. Similarly, Verizon Wireless announced a $2 fee for customers making one time payments via the website or over the phone. In a matter of days, Verizon faced an online petition of more than 100,000 signatures to drop the fee (Bensinger 2011). Both companies retracted the previously announced fees due to the almost instant backlash from consumers that occurred via social media. Large communities of consumers expressed their negative feedback online, and that became viral, forcing these companies to respond in order to salvage their brand equity.

Each of these cases illustrates the potential harm that negative social media can pose. In each case, the company feared a significant loss of revenue if the negative social media continued to spread. In the case of proposed debit card
fees by Bank of America, the overwhelming response was so negative that competitive banks, Wells Fargo and JP Morgan Chase, suspended their proposed debit card charges as well (O’Daniel 2011).

Toyota also used the response option to salvage its brand identity. In 2010, Toyota recalled 2.3 million vehicles because of faulty accelerator pads (Wasserman 2011). Such a recall was particularly devastating to a company whose reputation was built on quality. The social media team at Toyota decided to address the issue via Digg.com. Consumers were allowed to address questions to Jim Lentz, president of Toyota’s North American sales operations (Wasserman 2011). This response format provided transparency and authenticity, which is important in social media (Safko and Brake 2010). Although Toyota’s brand equity is not back to its level before the negative publicity, the company’s social media response was viewed in a positive light and YouGov’s BrandIndex indicates a continued increase in positive consumer perceptions of the brand (Wasserman 2011).

The most significant advantage of the respond strategy is the opportunity to actively participate in and influence the conversation via social media. A company can use the respond option to quickly react to a consumer’s, or community of consumers, grievances. According to the Retail Consumer Report, retailers can use social media to turn dissatisfied customers into brand advocates. The report states that, “68% of consumers who posted a complaint or negative review on a social networking or ratings/reviews site after a negative holiday shopping experience got a response from the retailer. Of those, 18% turned into loyal customers and bought more” (RightNow 2011, p. 4). Thus, the respond strategy has potential to take unhappy customers and convert them into more loyal consumers with a stronger relationship to the company and its brands.

A company also can use the respond option to address trivial matters that gain traction via social media. Actively participating in the conversation provides the company with the opportunity to soothe the hype, influence the conversation, and quell commercial rumors (Barone 2009). Simply put, because of the real time communication available with consumers who are on social media, another advantage to the respond strategy is the opportunity to correct inaccurate information. According to Lisa Barone at Outspoken Media Incorporated (2009), companies receiving negative publicity over misstated facts can use the respond strategy to quickly and politely correct the information.

An additional advantage of the respond strategy is that it provides opportunities for companies to be transparent and authentic. Transparency and authenticity are important constructs to social media marketing (Safko and Brake 2010). In 2011, American Airlines removed Alec Baldwin from a flight for failing to turn off an electronic device. American Airlines was the first to respond and let people know about the incident on Facebook. This is an example of being transparent about why company rules must be enforced (Cohen 2012).
Within social media, consumers want to know that company communications and actions are real, authentic, honest and meaningful. An ignore or delay strategy can cause consumers to believe the company is not being honest and authentic. However, the respond strategy presents the company with the opportunity to tell its side of the story in an authentic and transparent fashion, which can significantly influence consumer perceptions about the company and its brands.

Despite the advantages of utilizing the respond strategy, there are also significant disadvantages to using this strategy. A major disadvantage with the respond strategy is the potential disagreement that can occur with a consumer, especially if the negative attack is based on incorrect information or a wrong perception. In these instances, the marketer must be careful to advocate for the brand without angering an entire community of consumers who see the message and are now misinformed as well. Even if the business is correcting inaccurate information, consumers may not like the style of the company’s response (as in the case of Dell discussed above) and it can lead to even more negative publicity (i.e., a snowball effect).

Another disadvantage of the respond strategy is that it requires the company to know the appropriate time of response. Not all negative consumer feedback is created equal. Social media is based on individualized messages, similar to personal selling and word of mouth. Companies that utilize the respond strategy must become skilled at recognizing the negative social media campaigns that need to be addressed as they will potentially become viral, while not legitimizing the more minute complaints from unreasonable consumers who can never be satisfied, despite the response from the company (Sernovitz 2009; Sernovitz 2010).

This is a difficult balance to achieve from a corporate communication standpoint. Some consumer comments via social media are generated merely to get attention, while others may be more legitimate and worthy of addressing. In fact, engaging with consumers who are posting attention-getting comments can lead to an online war of the words in front of the larger community. For situations where a company has been unfairly and inaccurately attacked and then the company response is not well received among the larger community, utilizing the response function does not guarantee a complete resolution to the issue and can still leave the brand tarnished in the long run.

Partner

A partner strategy is one of relationship or association. With the partner strategy, the company opts to partner with consumers in the marketplace, treating them like pseudo-employees, creating a constructive and committed relationship. With this strategy, the company becomes united with an outside
spokesperson (i.e., the consumer who is a brand advocate) who assists in promoting, managing, and/or defending the brand message.

Coca Cola has effectively utilized the partner strategy. In today’s social media environment, more companies are creating company pages on Facebook. Coca Cola’s page is extremely popular, and the brand has become one of the most popular brands on Facebook (Graham 2011). Interestingly, the Facebook page was not created by the company but by two fans, Dusty Sorg and Michael Jedrzejewski, from Los Angeles (Graham 2011). Once the fan page base grew to over one million fans, Facebook asked Coca Cola to take over the page, stating that the page violated Facebook rules and should be run by the company, not fans (Graham 2011). Coca Cola’s marketing team decided a better approach was to assign a team of people to help the creators, Sorg and Jedrzejewski, maintain the site (Zarella 2009). At first, the two were invited to tour Coca-Cola facilities and given access to much of Coca-Cola’s brand information, and now the two work for Coca Cola on a freelance basis (Graham 2011).

With this strategy, Coca Cola has built an effective partnership with consumers, enabling the company to influence its online reputation, while at the same time, allowing the consumer to maintain control over the social media message. Coca Cola has created specific online principles in order to define and communicate the company’s core values related to online social media as well as define appropriate social media behavior for its associates and online spokespeople. For example, transparency is listed as a core value for the company and any “fan page” controlled by the company must acknowledge that fact and any blogger or social media influencer must disclose when the company is associating with them through product samples or participation in company events (Coca Cola Corporation 2009). The company’s social media principles further state that online spokespeople must follow the company’s Code of Business conduct and policies, disclose any affiliation with the company, and remember that they are representing the company (Coca Cola Corporation 2009). These principles are part of the partnering strategy used by the company. They allow the consumer to be independent and maintain control over the message, while simultaneously helping the company to influence the social media message in a constructive fashion. Furthermore, these principles have helped the company influence perceptions about the company’s actions among communities of consumers, as the company is now seen as being more authentic and transparent with respect to social media marketing (Coca Cola Corporation 2009; Graham 2011).

There are several advantages to using a partnership approach. This strategy allows the company to partner with fans who are strong proponents of the brand. This provides transparency and authenticity which are pillars of successful social media campaigns (Safko and Brake 2010). According to Michael Jedrzejewski, one of the creators of Coca Cola’s fan page, the partner strategy has paid off for Coke, as consumers are quick to recognize when a
Facebook page is “contrived” and “manufactured” by the marketer (Graham 2011). In addition to achieving authenticity and transparency, the partner strategy has enabled the company to benefit from its large following on social media sites. The Coca Cola Facebook fan page has received more than 35 million “likes” according to Wendy Clark, senior vice president of integrated marketing at Coca Cola (Graham 2011). In fact, according to Ms. Clark, “fans are twice as likely to consume and ten times more likely to purchase than non-fans” (Graham 2011).

Another advantage of strategic partnerships is the efficient use of company resources. By providing company resources and support, Coca Cola is able to capitalize and market to the huge audience created by the fan page. Without access to Coca Cola’s tremendous company resources, Sorg and Jedrzejewski would have garnered a following but would have limited resources to increase sales, promote campaigns, and answer questions about the company. Instead, Coca Cola was able to build on the connections already established by the fan-produced Facebook page (Green 2009).

There are disadvantages, however, to using a partnership strategy. While partnering with fans can increase a company’s authenticity and transparency, there is a fine line which a company cannot cross and overstep within a community. According to Wendy Clark, senior vice president of integrated marketing at Coca Cola, “The minute we overstep in that community and try to push our message and not celebrate the message of the community, our disconnects shoot up. You have to co-create, participate, and honor the community” (Boris 2011). Furthermore, with a partnership, the company is giving up control. Coca Cola has principles by which they would like for their online spokespeople to follow, but has limited recourse if these principles are not followed. If there is fallout between the company and their partner, the partner has insider knowledge about the company and is imbedded in the company’s message, which gives the partner a great deal of power to do damage if he/she is dissatisfied with the company. Further, if the partner does not clearly disclose its affiliation with the company, consumers could view marketing messaging as misleading.

Partnering with fans involves great risk when giving up control to consumers. For example, Coca Cola invited consumers to post one-word additions to the previous posters’ comment in order to create a happy story (Zappone 2012). Unfortunately, not all comments were positive. The responses totaled more than 700 a day and included obscenities and insults. In some cases, the insults were directed at other consumers (Zappone 2012). Coca Cola confirmed that it was forced to delete some of the messaging which was not in keeping with their posting policies (Zappone 2012). Because the company released much of the control to consumers, not all of the social media messages presented the brand in a positive light. In addition, the company had to
intervene (i.e., Coca-Cola deleted the negative comments), a reaction which can also garner further negative publicity among communities of consumers.

**Legal Action**

Legal action involves one party initiating judicial proceedings against another. In the case of social media, legal action can be initiated from the company or from a consumer. Because social media is a relatively new phenomenon, there is limited legal precedent regarding social media. To date, most social media lawsuits involve defamation. According to recent data, 15% of all Web 2.0 rulings in Canada and the United States involve defamation (University of Montreal 2011). Factors contributing to the increase in social media defamation include anonymity and the permanence of the information according to the Universite de Montreal Chair in e-security and e-business law, Vincent Gautrais (University of Montreal 2011). Other lawsuits involve harassment and threats, privacy breaches, ownership of social media content, and company valuation (Duran 2012; University of Montreal 2011).

One lawsuit involving social media and company valuation is the case of Phonedog.com versus former employee Noah Kravitz, filed in the U.S. District court in California (Duran 2012). Noah Kravitz worked for Phonedog.com, a company that reviews and sells phones, but also has a significant blog component to its website. During his time with the company, Noah developed a Twitter account using the name @phonedog_Noah which grew to 17,000 followers. Kravitz used this Twitter account to promote Phonedog’s services thus generating increased advertising for the company. When Kravitz quit his job in 2010, Phonedog agreed to allow him to keep his handle if he would periodically tweet about the company. Upon leaving, Kravitz changed his Twitter profile and kept his followers (Duran 2012).

In the lawsuit, Phonedog stated that the Twitter list was a customer list and part of the intellectual property of the company. Kravitz told the NY Times that the lawsuit is retaliation for his claim to advertising revenue as a vested partner (Duran 2012). The lawsuit raises serious issues about ownership of company material. With social media and the ongoing interaction and increased joint venture between consumers (or in this case, employees) and companies, there is no legal precedent (and thus no clear cut solution to the conflict).

In a social media libel lawsuit, property management company Horizon Realty sued Amanda Bonnen for $50,000 in response to a Tweet about one of their Chicago apartments (Cashmore 2009). Bonnen posted statements about a moldy apartment which Horizon claims is not true. According to Horizon’s Jeffrey Michael, “The statements are obviously false, and it’s our intention to prove that” (Cashmore 2009). Like Phonedog, Horizon felt that the best strategy for addressing the negative social media campaign was to take legal action.
Because these companies had no direct control over the message, they attempted to gain control via legal means.

While there are benefits to taking legal action, there are also downsides to adopting this strategy. Via legal means, it is possible for a company to legally clear its name. There are also potential punitive damages a company could seek from consumers who may have acted inappropriately. However, taking legal action can also lead to additional public relations catastrophes, where communities of consumers advocate for the individual consumer, further impacting negative perceptions of the brand. In other words, when these lawsuits are promoted in the popular press, public opinion may fall on the side of the individual, as the company is seen as bullying the consumer. This was the case in the Phonedog.com versus Kravitz lawsuit and also in a case where a dentist threatened to sue her patient for a negative Yelp Review (Conley 2011; Duran 2012).

Legal action can also exponentially increase a company’s exposure to negative social media. In the case of Horizon’s suit against its tenant, consumers now associate Twitter and mold with the brand (Keane 2009). Using legal action to resolve negative social media can be “like using a canon to kill a fly” according to Gautrais. According to Gautrais, the judicial process can be arduous, expensive and lengthy (University of Montreal 2011). Furthermore, while this strategy may technically clear the company’s name, the brand may still be damaged at the end of litigation.

Censorship

Censorship involves removing or suppressing unwanted information via the social media forum. To consumers, censorship is associated with a lack of authenticity or transparency. To companies, censorship is associated with protection of the company brand image from a negative social media attack. It is this tension between consumers and businesses that makes this strategy a tricky one to implement.

Nestle is a company that attempted to use censorship to address a negative social media campaign. In early 2010, environmental activists used social media to attack Nestle over its purchases of palm oil for use in its Kit Kat bars. Protestors said Nestlé’s supplier of the palm oil was an Indonesian company known to have cleared rain forest to establish palm plantations (Steel 2010). The social media attack included negative videos on YouTube, derogatory postings on the Facebook fan page, and negative Twitter posts. The negative videos included a mock Kit Kat commercial on the Web showing an office worker opening a Kit Kat and snacking on a bloody orangutan finger (Steel 2010). Nestle replied that it had already stopped purchasing from the firm, that it was looking for more environmentally conscious suppliers, and that the amount supplied from the firm was only a small fraction of the palm oil used by Nestle.
As part of its strategy, Nestle asked Google’s YouTube video site to remove the mock commercial under copyright infringement rules. YouTube pulled the video, but it continued to spread on the Web (Steel 2010). Nestle also notified Facebook users it would delete any postings that included an altered version of the Kit Kat logo with the brand’s name changed to “Killer.” According to social media experts, these actions by Nestle incited consumers, and the fan base continued to grow with mostly protestors (Magee 2010). By attempting to censor, Nestle appeared hostile and sarcastic toward consumers and the brand image was badly damaged (Magee 2010).

Dell is another company that attempted to use censorship in order to manage its online reputation. As mentioned previously in the paper, by attempting to censor an article on a popular blog with a cease and desist letter in 2007, Dell’s response was worse than no response. “It was a good example of a company really flubbing interaction with a blog,” said Ben Popken, editor of The Consumerist. “Instead of allowing that article to be there, they tried to squash it, and that just doesn’t work online” (Jackson 2008). In dealing with negative social media campaigns, censorship can aggravate consumers and create further negative publicity via word of mouth that can quickly spread among networks of consumers. Attempts at censorship are often viewed by consumers as hostile and aggressive tactics by the company. Thus, at times this strategy can result in polarizing the company and communities of consumers.

Furthermore, the Internet is difficult to censor. By using censorship, companies attempt to control a free platform for which there is virtually no control (Magee 2010). (As discussed above, even though YouTube deleted the video, it was still available on other places within the Internet.) According to Cheryl Sylvestor, a Toronto based brand guru, “Companies have to accept they can’t control the discussion about their brand in social media but they can manage the perceptions about the brand” (Jackson 2008). Giving up control of the message is difficult for marketers who are used to operating under the one-way communication model of traditional forms of advertising like television and radio. Thus, censorship and legal action present options where the marketer can gain greater control over the message but, because of the nature of the Internet, the negative perception among consumers may continue to exist when utilizing these strategies. Simply put, gaining control over the message via these strategies does not necessarily repair the damage done to the brand in the process.

Discussion and Implications

Figure 1 presents a holistic view of the strategies available for addressing negative social media campaigns. Each of these individual strategies, as discussed in the findings above, is unique and has advantages and disadvantages in implementation. It should be noted that, as illustrated in the figure, the strategies for handling unexpected comments and dealing with
negative social media are not independent and mutually exclusive. Based on the reaction by a consumer or a community of consumers, one strategy can lead to the need for a subsequent strategy. Thus, the identified strategies have the potential to overlap over time, creating a hybrid version of multiple strategies a company may use to address a negative social media campaign created by consumers.

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Figure 1 also illustrates that the strategies can be broadly categorized as offensive or defensive initiatives. Offensive strategies, such as partnering (and to a limited extent responding and ignoring/delaying), are more pro-active attempts to constructively engage the consumer in the marketing communication process. Partnering epitomizes an offensive strategy as it engages the consumer in the process and turns over control of the brand to the consumer. In contrast, legal action and censorship are more defensive strategies, in which the marketer is attempting to take control over the message and defend the brand. Defensive strategies such as legal action and censorship may appear as more antagonistic towards consumers. As shown in Figure 1, the ignoring or responding strategies have the potential to be perceived as either offensive or defensive in nature, depending on how the message is crafted by the company as well as how the message is received by communities of consumers in the marketplace. The two strategies of ignoring and responding illustrate the fact that marketing communication is now interactive, communal, and two-way and consumers’ reactions to the message must be considered in the marketing communication process.

One conclusion that can be drawn from this study is that having a social media strategy is important in today’s marketplace. With the exponential growth in the use of social media by consumers, companies must be prepared to deal with this type of negative word of mouth. In fact, Benjamin Franklin’s motto, “An ounce of prevention is worth a pound of cure” holds in today’s social media context. Being involved with social media and defining a social media strategy in advance of negative social media campaigns is the most effective stance a company can take. Attacks can still come from consumers via social media, but taking a more proactive approach will translate into quick implementation of the best strategy that adheres to the overall strategy of the company (and best protects the company’s brands). According to Lisa Barone, Chief Branding Officer of Outspoken Media Incorporated (2009), “Brand and public relation disasters are not caused by social media. Social media is what lets you survive them unscathed and better for the wear.” Barone (2009) further states that avoiding social media does not make a company invisible, but rather “mute”. Being proactive enables a company to become familiar with the usage and power of social media, identify the best personnel to represent the company in social media, and set forth guidelines for handling negative attacks before they happen.
Social media is not a short-lived trend, and companies should make it a priority to create an authentic face in social media. Having a plan for how to address negative social media before an attack allows the company to be prepared in times of crisis and quickly react in the best possible light. Actively participating in social media provides the opportunity for businesses to be authentic and transparent, which are attributes companies need to survive such negative attacks.

As for the individual strategies identified in the findings of this paper, when negative social media campaigns occur, the best strategy to be utilized depends on the size of the company, the resources available (including staff, budget, objectives, and target audience), the technology available, and the particular issue to be addressed. Because the strategies that can be used to deal with unexpected comments are not mutually exclusive, companies may find the best approach is to use a combination of strategies. First, the company must quickly assess the attack and the potential for damage. The company must then be ready to act quickly, following a pre-determined strategic plan. Finally, depending on the best strategy for the situation, the company must carefully craft the response in order to mitigate the attack and not unintentionally intensify the issue. No matter the strategy chosen, the company needs to capitalize on the opportunity not only to minimize the negativity but also to turn the negative attack into a positive outcome (and potentially gain consumer confidence in the end). Taking advantage of these opportunities is why understanding the advantages and disadvantages of each strategy, and when to use them, can actually improve a company’s brand image.

Another conclusion that can be drawn from the study is that with the growth of social media, marketers need to think less like traditional, one-directional advertisers (via television and radio) and more like interpersonal relationship managers and customer service advocates. Marketers need to be willing to listen and communicate (even to the point of potentially negotiating with consumers) because they no longer have complete control of the message. Social media outlets not only provide greater control to the consumer but also provide marketers a way to quickly understand customer wants and share this knowledge within the company. In addition, by participating, social media allows marketers to quickly identify and respond to a potential crisis. Marketers should thus be actively engaged with social media and create strategic plans necessary to be both proactive and reactive in dealing with this type of marketing communication.

In closing, this paper presents five general strategies for companies dealing with negative social media campaigns. These strategies are conceptual in nature, based on real companies and their reactions to negative social media campaigns in the marketplace. However, the model is conceptual in nature, and future research should confirm the existence of each strategy via survey data.
Surveying a large sample of companies to see which strategies they have utilized and why they selected that strategy would be a useful extension of this study. It would also be interesting to see what variables might impact the choice of a particular strategy, such as company size (i.e., small versus large), the particular industry (i.e., services versus manufacturing), or the corporate culture of the firm (i.e., open versus closed). Clearly, companies need to know more about how to deal with consumer-generated negative social media campaigns and future research needs to continue to shed light on this complicated subject matter.
References


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