Product-Harm Crises within the Digital Marketing Context: The Case of a Frog Found in a Ready-to-eat Salad

Aikaterini Vassilikopoulou[1], Peter J. Stavroulakis[2]

[1] *University of West Attica, Greece*
[2] *University of Piraeus, Greece*
Corresponding Author: Aikaterini Vassilikopoulou

ABSTRACT: *Product-harm crises come in many types and forms. They can be relatively harmless and very easy to respond to, all the way to extremely complex, with grave repercussions to a product range, a firm's future, and even to human life. Over the years, corporations have exhibited a wide range of response tactics to these crises, giving way to a distinct body of research with the aim to assess, document, and optimize these strategies. The modern era, as projected in the proliferation of social networking wherein a growing portion of personal and commercial matters materialize, reflects crises, as well. This work ventures to employ qualitative research techniques to delve into the consumers' responses and attitudes with respect to a particular product-harm crisis; a live frog found within a sealed ready-to-eat salad on the fresh produce section of a large super market chain. This incident produced a flurry of social media activity and led to a comment (upon the original social media post of the photo with the frog) and a post on Facebook as the mitigation strategy of the firm. This response was structurally assessed by the sample of the study through a qualitative methodology that produced a response framework for product-harm crises within the digital marketing context. This work can aid the materialization of effective tactics of firms in crises disseminated through social media and can be used as a benchmark for future research.*

KEY WORD: *product-harm crisis; social media; digital marketing; Facebook; consumer response; strategic framework; crisis management; qualitative research.*

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I. INTRODUCTION

In the beginning of October 2018, a photo with a live frog trapped in a ready-to-eat salad sold by a globally present super market group appeared within a Facebook post. The photo was shared and commented by thousands of users and within a couple of hours the frog was a major discussion issue in many groups and individual profiles. Some consumers worried about potential health-related and quality control issues, while others were reluctant to buy any ready-to-eat salad from the supermarket involved in the incident. Another group of commenters dismissed the critique to the chain as unimportant, whilst there was a wide percentage of comments with a humoristic tone (e.g. the salad is so fresh that the frog is still alive, a kiss from a frog trapped in a ready-to-eat salad will make it turn into the king of health, and so on).

The super market chain posted a comment as an answer to the picture a couple of days later, explaining that "the incident actually occurred in one of our stores and has already been flagged for the Red Bag process (i.e. product quality control). Our supplier has been informed of the incident and has taken all necessary action required to guarantee that any such incident will not occur again in the future. We are monitoring the issue closely to ensure every day the uncontested quality of our products." Some days later the picture was deleted, and the firm posted a comment on its Facebook page as "the issue of the salad, in which a living froggy was found, is factual and was a source of distinct surprise, mainly due to the certified production process and the strict quality controls that are being followed. Once informed, we were in constant contact with our supplier, who is investigating the issue and has already taken the necessary precautions to ensure that this will not happen again." A product harm crisis with an entire life-cycle anchored in the domain of a social media platform.

Crises are events that have an impact on corporate reputation (Choi and Lin, 2009) and bear potentially negative outcomes on the long-term goals of profitability, growth, and survival (Lerbinger, 1997). They are situations which present considerable risk to the company and could have severe consequences if the firm does not handle them properly (Gruber et al., 2015; Shaluf, 2003). Product-harm crises are incidents where a product is found to be unsafe for consumers, defective, or dangerous (Dawar and Pillutla, 2000) and may have serious impact to the entire product portfolio of a company (Mackalski and Belisle, 2015). These types of crises interlay with many corporate aspects, such as purchase intention (Lin et al. 2011), marketing effectiveness (Van Heerde et al., 2007), CSR (Klein and Dawar, 2004), consumer choice (Zhao et al., 2011), financial value (Chen et al.,

2009), and brand equity (Dawar and Pillutla, 2000). At the same time, the response of the firm to such a crisis may be a determinant of its future performance and sustainability (Cleeren et al. 2013; Cleeren et al. 2008; Laufer and Coombs, 2006; Siomkos and Shrivastava 1993)

Nowadays, social media has been an interactive consumer-centric area for crisis communication. Companies may use social media to manage crises, particularly in their early stages, by targeting large populations with relevant details on the crisis (Spence et al., 2015). On the other hand, companies have little control over information spread in social media as anyone can write an opinion, express emotions, or post inaccurate and/or misleading information. Thus, it is important for crisis managers to act fast to prevent the diffusion and impact of the crisis and provide updates that will appear in searches connected to the crisis incident (Spence et al., 2015). Research on managing crises through social media platforms are scarce. Spence et al. (2015) agree that it is not widely established how individuals communicate, consume, and handle information through social media during crises. Eriksson (2018), who performed a systematic review of past literature on crisis management through social media, argues that most of the past studies focus on societal rather than corporate crises. The author adds that relevant studies are more likely to deal with natural disasters than crises of distrust.

The current study aims at exploring consumers' perceptions and attitudes regarding a firm's response to a crisis; its contribution rests in the formulation of a conceptual framework for implementing effective crisis management strategies in social media.

II.   LITERATURE REVIEW

Technological advances have altered the way companies react and communicate with consumers during crises (Veil et al., 2011). According to Spence et al. (2015, p. 182), during a crisis, social media, e.g. Twitter "transitions from being a medium of information providing to an outlet for affective responses and expressions of fear." Social media gives companies the opportunity to monitor the emotions of the public, limit negative comments and rumours, and promote the company's credibility (Veil et al., 2011). Social media disseminate information fast and efficiently to a great number of consumers. Using social media during crises is important in spreading information and communicating with various stakeholders (Chung, 2016). In other words, companies gain the power of presence in internet discussions and influence consumers (Lambret and Barki, 2018). Moreover, Liu et al. (2011) have attained the thesis that all consumers who are social media users create crisis communication content.

In the offline domain, according to Siomkos and Kurzbard (1994), there are four response categories when dealing with a product-harm crisis: (a) Denial, (b) Involuntary recall, (c) Voluntary recall, and (d) "Super effort." In the online realm, accommodative crisis management strategies in social media are more effective than denial (Ott&Theunissen, 2015), while blaming others should be avoided. On the other hand, Chung & Lee (2016) believe that informational messages may be more efficient than apologizing when coping with a crisis, as these messages get more accepted compared to apologizing using an emotional writing style. Gerken et al. (2016) disagree with the above statements, arguing that emotional messages in Facebook could be more effective, particularly during emotional crises.

III.   METHODOLOGY

The study uses qualitative research to explore consumers' reactions to the product-harm crisis and perceived effectiveness of corporate crisis management response within the digital context. The researchers conducted interviews face-to-face and via Skype. For the Skype interviews, a call for volunteers was posted to four Facebook groups in which the frog photo had been shared. More than 60 volunteers sent a message that would be interested in taking part in the study, but some of them never responded to the researchers' follow up message or did not show up when the skype meeting was set up. Totally 37 interviews were conducted (12 face-to-face and 25 via skype). All participants were volunteers who agreed to take part in the research after having been informed about the scope of the study. An interview guide, which contained the basic questions to be asked, was designed. Two interviews were also conducted in the beginning of the process as pilot interviews to ensure that all questions written in the interview guide were sufficiently understood by respondents. Thematic analysis was performed to extract qualitative results.

IV.   RESULTS

Respondents believe that the super-market's comment on the incident is insufficient and does not reflect a full explanation as desired by consumers. First of all, the response of the company was posted late, according to participants. After the photo went viral, the e-buzz created left individuals with many questions and concerns. Some of them responded stating that the photo is an obvious fake, while others kept posing questions on the super market's official Facebook page; these remained unanswered. Some distinct and indicative extracts from the consumers' responses follow.

"Everybody was talking about the frog. I wasn't sure if (the photo) was photoshopped … meanwhile, however, I did not buy any salads from any super market, as I waited for the company's reply. I google searched several times during that week but found no reliable information. The official reply came out late." [respondent #3]

"I often get a bad impression about companies that leave negative comments in social media unanswered" [respondent #8]

Many individuals emphasize the fact that they did not actually understand how the frog could have been sealed into a ready-to-eat salad.

"The comment (posted by the company) does not contain any explanation. A frog cannot just get into a salad in a normal situation, right? What happened? Of course, sometimes nobody knows but I would love to read about a plausible reason." [respondent #34]

"I would be less strict and perhaps forget the incident, if for example this was an employee's mistake … on the other hand, I would be frustrated if the incident was due to the super market's mistake. In any case I would expect a detailed explanation". [respondent #24]

"If the supermarket does not describe what happened of course I will believe that there is no excuse." [respondent #2]

Some participants of the study were still worried after the company's comment. Fear for future (and past) similar incidents was also expressed. "My biggest concern is the lack of quality control. When I think that the frog could have been parcelled out and traces or full parts of a dead frog would be in my mouth, I get really disgusted … luckily the frog was alive but this does not modify my health concerns regarding the limited … or maybe the lack of … quality control" [respondent #17]

"I have no idea what the Red Bag process is … does this mean that before the incident there was no control at all? This makes me think that maybe other faulty products have been distributed in the past and to be honest, I have decided not to visit [name of the super market] again." [respondent #37] The lack of an apology was mentioned by several respondents, as well. Most of them would like to see the phrase "we are sorry" or "we apologize for the incident."

"An apology is the minimum the super market and the supplier could do through social media." [respondent #22]

"I would expect to see words such as 'we are terribly sorry,' 'we apologize,' etc." [respondent #12]

"Sure, [name of the super market] should feel sorry for the incident. They caused harm and should clearly demonstrate that they truly care about their customers." [respondent #19]

Social media users would also like follow-up comments on the quality control process and to be informed about the detailed measures that the supplier and the super market will take to eliminate the occurrence of similar incidents in the future. An expert on the field (e.g. a food scientist), would be an asset in this crisis management venture. Moreover, two consumers stated that would like to know more about the fate of the frog.

"It would be more appropriate if a scientist could talk about the situation. I read a user's comment in a closed Facebook group saying that there are no health concerns even if the salad is eaten, but you never know if that's the truth. I would like to see a validated expert's opinion posted in the supermarket's official page" [respondent #9]

"I read no follow up on the topic no matter how intensively I searched the Internet. Until I get a reasonable explanation, I will refuse to buy any ready to eat salads." [respondent #5]

"…. and I would like to know what happened to the frog. Did it survive?" [respondent #4]

Respondents were asked about the ideal response they would like to see on Facebook and in general. Their responses are categorized below.

(1) Need for a quick response

All 37 responses of the sample agreed that a corporate response to the above situation is more than necessary and expected. Some individuals emphasized that a non-response shows ignorance and/or guilt. The company should also reply swiftly, before the e-buzz creates doubts, fear, and severe concerns.

(2) Personalization / answer to individual comments (or questions).

Facebook users would like to see a personalized approach; the company should reply to most of the questions written in the corporate page. For example, there are some users who submitted questions in the super market's Facebook page, such as "how did the frog remain alive in a sealed bag?", "did you not use any quality control standards?" or "Since the frog remained alive, does this mean that the salad does not contain powerful pesticides?" etc. The company did not reply to any of the 900+ comments, a fact that was not much appreciated by the participants of the study. As a participant stated "(I would love to see) … a cordial/hearty response to most of the comments that shows a considerable time investment from the company side to care about my concerns…" [respondent #13]. Some of the comments written by users contain a sense of humour (for example someone wrote "if a kiss this frog will I become a princess?") or tirades. Users do not expect the company to give a personalized answer to these comments.

(3) Explanation

Alost all participants in the study agree that giving an explanation in social media is crucial during product-harm crises. Even if the company has not investigated the issue yet, users would like a follow up response explaining what happened or at least a possible explanation as perceived by experts or corporate executives. The lack of a reasonable explanation leads to the emergence of additional questions and makes users seek Internet information and talk more about the incident, even in Facebook groups. The (possible) explanation could be ideally supported by an expert in the field. The expert's opinion is perceived as more reliable and could even restore consumer trust. "If a food expert writes that this could happen to any supplier despite several intense quality controls, I would trust the super market again shortly after the event." [respondent #24]

(4) Apologize

The great majority of participants want to see an apology in social media. Apologizing shows, according to Facebook users, a concern about consumers and regret about any possible physical or psychological harm the incident may have caused.

(5) Follow-up posts

Users want to read more comments about the process of the situation handling, such as the measures that were taken to eliminate similar future events, any updates on the investigation conducted, possible supplier change, etc. The follow-up posts should be submitted by the company within a short time after the initial corporate post. "Two weeks after the event and I still wonder what actually happened … it looks like [name of the supermarket] forgot about the issue or intentionally wants consumers to forget it" [respondent #22]

(6) Offer money back/Reimbursement

Facebook users argue that the super market should voluntarily recall certain salad lots and offer a reimbursement to those who have bought a salad. Through a Facebook comment, the company should inform consumers who own a ready-to-eat salad and feel insecure about the product, that they could get their money back. "The salad is cheap, but still, offering my money back would show good will and a socially responsible attitude" [respondent #5]

V. DISCUSSION

Word of mouth is significantly influential and consumers perceive it as more trustworthy than traditional media (Colley & Collier, 2009). Veil et al. (2011), who list best practices in crisis communication, emphasize the need to inform the public about risks. Moreover, companies should share information with the public accurately and shortly after the incident. As results showed, all social media users expected the company to act fast and give reliable information on the incident.

Responding fast is a vital principle in social media crisis management communication (Luoma-Aho et al. 2013). As the super market's reply was late, most users were try to get answers through other sources and get involved in discussions held in various Facebook groups. Veil et al. (2011) propose that organizations should carefully listen and try to understand users' concerns and in the same time monitor public opinion. The authors also suggest that honesty and openness are important elements in crisis communication and information should be shared openly to cover the individuals' need to get fully informed so as not to seek information thought other sources. When searching for information about a negative event, consumers are more likely to interact with other consumers through social media to find out more about the crisis rather than visit the company's official web site (Stephens & Malone, 2009).

Participants of the study believe that the company's answer was incomplete and did not contain a clear explanation about the event. According to Veil et al. (2011), if consumers feel that the company does not share information honestly, crisis management is ineffective. Facebook users participated in the current study would also like a reliable source to be provided which would explain what happened and the input of an expert (e.g. food scientist) would be appreciated. This input is also pointed out by Veil et al. (2011), who argue that providing credible sources and or/using experts could support the diffusion of valid information. Companies should use compassion and empathy by recognizing emotions whilst communicating with consumers in social media (Veil et al., 2011). According to Spence et al. (2017), companies should adopt strategies to reinforce dialogue aiming at restoring and improving corporate image. Yeung (2002) also suggests that consumers' perceived risk in risk related situations may be reduced through information from trusted sources, while providing detailed information is also important (Acebrón et al., 2000).

VI. LIMITATIONS AND DIRECTIONS FOR FURTHER RESEARCH

Based on a specific product-harm crisis, this study employed qualitative research methods to tap into the attitudes, perceptions, and beliefs of the consumers, with reference to the effectiveness of the response strategy of the firm. The limitations of this study pertain to its scope, as its results are based upon consumers' reactions to one incident, in addition to its depth, that could contain follow-up information to monitor any longitudinal changes in responses. At the same time, even with these limitations, a consumer-based framework

of effective response to product-harm crises has been formulated, with regard to social media platforms. The former has been categorized as per the important elements of crisis response, as extracted from the literature. This response framework can be proven effective in many types of crises and future research can investigate said effectiveness, by implementing it rudiments in different product-harm crisis responses.

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