



The effectiveness of airline crisis management on brand protection: A case study of British Airways

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A B S T R A C T

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This paper considers extant studies on crisis communications, crisis management and brand management and examines how British Airways react in order to protect the airline's brand when confronted with a crisis. Theory dictates that different strategies should be employed for different crisis situations. British Airways' response to four crises is critically evaluated. The effectiveness of British Airways' crisis management on brand protection is evaluated using a quantitative brand metric that measures consumers' perception on a daily basis. The paper thus analyses how the airline company and the airline's brand responded to the original crises and the exposure that followed which results in the identification of clear conclusions from each of the four crises.

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1. Introduction

Brand management has an important relationship with air transport. Historically, aviation branding has been important because airlines had to try and differentiate themselves despite having nearly homogenous products (Doganis, 2006). As restrictions were eased and the regulatory environment liberalised, there became less commonality in the product being offered. The diversity of service has increased dramatically following deregulation with airlines allowed to experiment with different levels of service, varying from “no-frills” transport to all first class service (Collison and Boberg, 1987). As a result, brand management has retained its importance in the industry.

A crisis has the potential to destroy a brand extremely quickly. This is most likely when an organisation acts in a way that is inconsistent with the brand values that it has portrayed. Airline crises are not unusual (Mason, 2001; Ray, 1999) and they tend to suffer great exposure around the world. The role of crisis management within the wider context of brand management has rarely been identified.

Literature on the topics of brand management, crisis communications and crisis management tend to focus on only one discipline at a time. Few studies follow the actions of one particular company through a series of organisational crises over time. This paper aims to address some of these gaps in the research of these topics.

2. Literature review

2.1. Brand management

Keller (2008) states that any brand is vulnerable and susceptible to poor brand management whilst De Chernatony (2001) notes that the values upon which a brand is built help create the desired image of the brand. Hemus (2010) cites research that shows “when a crisis strikes at the heart of brand values, it has the ability to do most damage.” As a result, firms must “understand what lies at the heart of your brand and be especially vigilant for any activity that runs counter to it.” These values must also be incorporated into the crisis management response. “A brand with a positive brand image is more likely to successfully weather a brand crisis or downturn in the brand's fortunes” (Keller, 1998).

Businesses are faced with a variety of issues every day, many of which could tarnish the brand. However, very few become crises (Riezebos et al., 2003). Meyers (1986), cited in Ray (1999) identified nine types of business crises: crises in public perception, sudden market shifts, product failure, top-management succession, finances, industrial relations, hostile takeovers, adverse international events, and regulation and deregulation. Newsom et al. (1996) place crises into two categories; violent and nonviolent. Violent crises would be those which involve a loss of life or property, are immediate and usually catastrophic. Nonviolent crises would include product tampering for instance where nobody is immediately impaired by the incident. The two categories can then be subdivided into further categories; acts of nature, intentional, and unintentional (Ray, 1999).

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2.2. Crisis management and communication

2.2.1. Crisis response

Perl (2010) states that “if your crisis response is off to a rapid start, your chances for reputation damage decrease.” Leadership is also particularly important during a crisis. “In times of crisis, leadership becomes an integral cog of a successful organisational crisis outcome. Crisis leaders need to be flexible, adaptive and prepared for tough decision-making challenges whatever the cause or situational context” (Muffet-Willett and Kruse, 2009).

When considering an appropriate crisis response, organisations must assess the type and scale of crisis they are facing. One way of doing this is to consider the level of perceived responsibility that the organisation will face (Jeong, 2009). Weiner et al. (1988) claim the audience will attempt to attribute responsibility for the event in order to achieve greater understanding. Stakeholders will consider what caused the crisis and potentially implicate the company. Coombs (1995) added two further components – crisis history and a negative prior reputation – that can intensify the perceived responsibility and produce greater internal attribution.

The initial response should be accurate and consistent and if necessary, incorporate instructing information (Coombs, 2007; Sturges, 1994). Instructing information informs the audience of what they must do to protect themselves, imperative in cases of public safety. Furthermore, the initial response should express concern or sympathy for victims of the crisis. Coombs and Holladay (1996) found that reputational damage was diminished when organisations incorporated expressions of concern into their response. However, expressions of concern can sometimes be used by lawyers as an admission of guilt.

Image restoration theory has become one of the main focuses of research into the application of crisis communication. Benoit (1995) has created a typology of strategies that can be used to communicate during a crisis. The effectiveness of each strategy depends on the characteristics of the crisis being faced. There are five major image restoration strategies:

1. Denial – the event did not occur or the company was not responsible.
2. Evade Responsibility – the event occurred with minimal company responsibility.
3. Reduce Offensiveness – neither admit nor deny but reduce incident impact. Six approaches are available.¹
4. Corrective Action – outline changes to prevent recurrence.
5. Mortification – admit event took place, accept responsibility, apologise and ask for forgiveness.

In the majority of crisis situations, a number of these strategies may be employed, particularly as crises often develop in unexpected ways. Depending on the nature of the crisis, the spokesperson should be media trained and often a member of the senior management team. Some crises will be “unnecessarily amplified and extended” by using the chief executive officer (CEO) as spokesperson (Rose, 2008). However, in many cases, the CEO’s visibility during a crisis leads to the perception that senior management is in charge of the crisis and showing it due respect. Hemus (2010) refutes that the chief executive must be the main spokesperson but does warn that “no chief executive can be absent from the public eye when the business is in the middle of a crisis.”

¹ *Bolstering* (improve company image so that damage is reduced), *minimisation* (frame event in more positive light), *differentiation* (compare with less favourable incidents), *transcendence* (broaden the context of the incident), *attacking the accuser* (weaken their position) and *compensation*.

Part of the challenge for crisis communicators is ensuring that the communication reaches its intended audience. As a result, the selection of an appropriate communications channel is important. The number of communications channels available to crisis communicators has increased significantly in recent years with the company website now one of the most prominent. Social media allows the company to have a more direct conversation with its customers which can be important during a crisis. The challenge for companies using social media is to effectively divide the channels to meet key stakeholders’ needs. Video communication from the chief executive of the company has been shown to be very effective at restoring organisation’s reputations after a crisis (Elsasser, 2007). During the crisis response phase, paid media marketing activities should be kept to a minimum where they could be seen as insensitive or help associate the brand with the crisis.

2.2.2. Post-crisis phase

“Uncertainty, surprise, stress, threat and limited response time” characterise the post-crisis phase. Media will begin to examine who is to blame and the factors that allowed the situation to occur. The post-crisis phase allows the company to “offer justifications and explanations for the violation of normative routines” (Ray, 1999).

Coombs (2007) recommends that in the post-crisis phase, information that has been promised to stakeholders should be delivered as soon as it is known. Stakeholders should also be kept updated on the progression of any recovery efforts and in particular any corrective measures being taken. The importance of analysing the crisis management effort and integrating any lessons learnt into the system is also underlined. Riezebos et al. (2003) also note that “organisations that have been faced with brand damage usually provide little or no information to third parties about learning experiences, results of the brand damage and so forth”.

3. Methodology

This research adopts the case study approach to test the current state of crisis management in the airline industry. British Airways was selected as the overall case study because it is a strong, well-established, global brand that has been identified as the 4th strongest in the UK (Rothwell, 2010). Its core brand values have been identified as network, convenience, facilities, quality of service and experience (Kalligiannis, 2009). The airline has faced a number of different organisational or reputational crises over recent years, providing a rich source of evidence with which to assess its crisis management. Furthermore, it is well covered by the news media enabling a substantial amount of press materials to be obtained.

YouGov’s “BrandIndex” measures consumers’ perception of many global brands (including British Airways) on a daily basis. This allows detailed analysis of how the airline company’s brand has responded to the original crisis and the exposure that followed. YouGov creates the “BrandIndex” by interviewing 2000 UK adults every weekday.² The responses cover the perceived quality, value, satisfaction, corporate reputation, recommendation and general impression of the brand. Together, the responses (positive, negative or neutral) in each of these areas reveal the overall brand health or “BrandIndex” which can be used to ascertain the strength and movement of the brand (YouGov, 2010). Furthermore, a “Buzz”

² For any individual brand, the daily sample size for the “BrandIndex score” is 750 because it examines the responses of 125 people each across 6 different measures.

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