When a Brand Crisis Happens, Consumers Expect a Rapid Response

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In a lot of ways, brands are just like us—especially when it comes to screwing up. But while we might be able to delete our tone-deaf tweets or cringeworthy emails without much backlash, the stakes are infinitely higher for brands trying to do damage control online.

The crisis-monitoring tech company Crisp put out a report on, appropriately, Oct. 31 detailing how consumers in the U.S. and U.K. expect brands to react online when something goes wrong.

The survey found that being ethical doesn't just affect brands' reputation, but revenue as well.

"In marketing circles, the buzz has been about creative brands with purpose, brands with value," said Emma Monks, vice president of crisis intelligence at Crisp. "They've definitely caught on that if they really want to resonate with younger generations, they need to do good for the wider society—not just investors and shareholders."

As Monks pointed out, even if brand snafus don't start on social media, that's where they end up spreading. This past summer, for example, the hashtag #DumpStarbucks trended across Twitter after a group of police officers was asked to leave an Arizona shop because a customer said they felt "unsafe."

In 2018, the coffee giant faced another viral mess after a Philadelphia store manager called police to escort out two

African-American customers who were waiting to meet a friend at the shop. That time, angry customers used the hashtag #BoycottStarbucks.

> *What is there to review? The 2 gentlemen whose civil rights were violated were released and not charged with any crime. Take action and fire everyone involved in this. #BoycottStarbucks*
>
> *— Dandra (@DandraShipster) April 14, 2018*

Of the 2,000 respondents Crisp interviewed, 40% said social media is where they'd discuss news of a crisis like this, while less than 30% said they'd talk to a friend or family member in person about it.

Once the bad news is out there, it spreads like wildfire. Research from the law firm Freshfields Bruckhaus Deringer found that more than a quarter of brand crises reach international audiences within the first hour after they happened, growing to nearly three-quarters within the first 24 hours.

"For a brand's most important asset—their customers—this environment is forcing the constant questioning of what's true and what's not," according to Crisp's report. "And when the truth is in question, brands lose trust first and revenue second."

How much revenue is on the line varies, but Crisp's research noted that 66% of consumers would be "unlikely" to continue shopping with a brand that has a substandard PR strategy.

The past year has offered no shortage of brands falling short in that regard. Since Boeing lost the public's goodwill after two fatal crashes of its new 737 Max 8 airplane, it's been steadily losing revenue, too. Per-share earnings have dipped more than 40% compared to 2018, with roughly $8 billion (and

counting) in lost revenue to boot.

But the fast-moving nature of social media is excellent for prompting. In the Starbucks example from 2018, CEO Kevin Johnson personally apologized mere days after the Philadelphia incident went viral, and locations nationwide shut down for an afternoon the following month to train employees on racial bias.

Here, Johnson got something very right: speed. According to the Crisp survey, one in three consumers (34%) expect a response to a crisis within half an hour. An hour after the crisis gets rolling, that number bumps up to 53%. And the younger consumers are, the quicker they are to turn to social media as the source of that response.

In the Crisp survey, 63% of Gen Z participants counted social media as their preferred channel for brand feedback, versus 55% of millennials and 45% of Gen X.

Digital natives are “more sensitive” to brand issues overall and “more cynical” to the way these brand respond, according to Monks—in part due to the fast-moving nature of these messages across social media. It means today’s buyers aren’t just looking to brands with the lowest prices or the newest products—but to those that have solid corporate ethics as well.

Or, as she put it, “They don’t just expect brands to be good, but they expect them to do good.”

https://www.adweek.com/brand-marketing/when-a-brand-crisis-happens-consumers-expect-a-rapid-response/