

## » The United case: How reputation crises have changed in today's world

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### A GOOD EXAMPLE OF WHAT YOU SHOULD NEVER DO, AND HOW EVERY ACTION CAUSES A REACTION

We live in an ongoing state of flux. The reality is, we are all actors embroiled in events and occurrences taking place both in our local surroundings and globally. Crises come in different guises, but they all arrive unexpectedly. There are many situations in which a company might find itself involved in a crisis out of the blue. Communication during these scenarios is very complex, as it sparks negative attitudes in various stakeholders –and public opinion may be one of the most important. Airlines are not free from crises either; they are apt to face reputational risks stemming from adverse events affecting their customers. We recently witnessed how crises involving some of the main U.S. airlines have ended in total disaster.

Social networks play a very important role in today's world. We need not look farther than the example of United Airlines to understand the lightning-fast impact poor handling of a negative event can cause and see the speed at which a crisis can ramp up in real time.



The images of a passenger comfortably sitting in his seat on a United flight from Chicago to Louisville, Kentucky, then being violently removed from the airplane, have made their way all around the world. Airport security guards literally **dragged him down the aisle of the aircraft**<sup>1</sup> for the crime of refusing to get off the plane after the airline decided that –since the flight was overbooked and nobody wanted to accept compensation for not flying—he had to stay behind.

What happened is even more shocking since this was not a new situation for the airline. United had its reputation damaged years earlier in 2009, when it refused to pay for the damage caused when it broke country singer Dave Carroll's guitar during flight. After receiving no response to his demands, Carroll decided to record a **wonderful protest song**<sup>2</sup> to post on **YouTube**<sup>3</sup>. It went viral, causing United reputational damage to the tune of millions of dollars on the stock exchange. With what the company lost, it could have bought Carroll more than 51,000 guitars, though it is worth mentioning that this was a groundbreaking crisis in the 2.0 world.

Coming back to our unfortunate United passenger, made to vacate involuntarily, we see images of perplexed passengers recorded through their mobiles. These recordings enabled the incident to travel the world faster than the airplane (or United's reputation) ever could. Social networks acted as powder kegs, and the world woke up the following day with this story as the most important trending topic on Twitter in the United States, with 1.2 million mentions. Some examples of the criticisms United received included pithy comments like: "If there aren't enough seats, get ready for a beating," and "Congratulations @United, now you're more hated than the president. What a feat." The hashtag **#NewUnitedAirlinesMottos**<sup>4</sup> became a popular way for Twitter users to express their rage against the

<sup>1</sup> <https://www.youtube.com/watch?v=STJQnu72Nec>

<sup>2</sup> <https://vimeo.com/78920309>

<sup>3</sup> <https://www.youtube.com/watch?v=5YGc4zOqozo>

<sup>4</sup> <https://twitter.com/search?q=%23NewUnitedAirlinesMottos%20&src=typd>

company. Meanwhile, the video recording attracted a great deal of attention in China—a strategic market considered extremely important to United. The incident became the main trending topic on Twitter China, attracting over 100 million visits.

### WHAT WAS UNITED'S RESPONSE TO THE EVENT?

Their response? A mere apology for overbooking the flight. Social networks exploded even more following the [insensitive response](#)<sup>5</sup> of United's CEO, who wrote a letter to his employees saying he supported their actions. This mistaken response from United to an event such as this shows there are still some large companies that have not yet reacted to their change environment and still believe they can keep doing –and undoing– whatever they please, as they had for a long time in the past. Au contraire, today the power is in the hands of the people. United should have moved more quickly to limit the damage the viral video caused, and the company's and CEO's statements should certainly have been more sensitive.

The next case shows a similar situation, but with completely different results. Little more than three weeks after the United incident, American Airlines was also involved in a problematic customer service situation, when a [flight assistant hit](#)<sup>6</sup> a pregnant woman on the head with a baby carriage while wrestling it away from her before take-off and was confronted by another passenger. The video of the altercation, in which we can see the woman crying inconsolably and the other passenger get up to defend her, was quickly recorded and spread via social networks, with a wave of people defending the assaulted passenger, confronting the employee and asking for his name.

American Airlines immediately sympathized with the passenger and issued a press release in which it apologized, saying it was sorry for any pain that may have been caused to the passenger, her family and the other passengers affected by the incident. They stated that the episode does not reflect company values, then shared that the staff member involved in the altercation had been suspended until what had happened on board the aircraft could be investigated.

Perhaps American Airlines learned a lesson from what happened to United and the way they handled their incident. Certainly, American was much faster to respond with an official release and a fairer, friendlier and more conscious response, which minimized the impact of this incident.

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In the United case, the repercussions ended up being serious. The Tuesday after the incident, the airline's shares fell by 4 percent on the New York Stock Exchange; Their reputation went up in flames in a single afternoon. In China, it is likely that not a single Chinese person would want to step foot on a United plane. They were forced to reach an amicable agreement with the affected party to close the unfortunate incident. In these types of out-of-court settlements, an issue can often be closed with high financial compensation.

After this series of unfortunate events, it seems United is learning its lesson. Recently, the U.S. airline released an apology statement to a 71-year-old man who was pushed to the floor by a customer service worker after the [video of the assault](#)<sup>7</sup> was revealed. The sin committed by the traveler? Approaching the United Airlines employee because his ticket was unreadable. In this case, the airline's apology –in which it states the employee's behavior was totally unacceptable and does not reflect the fundamental values of the airline, nor its commitment to treat all customers with respect and dignity, and shares that the aggressor no longer works in the company– was much more sincere and authentic. That said, it came two years after the fact, as the incident occurred July 21, 2015.

### WHAT CHANGED? WHY DOES WHAT WE DID BEFORE NO LONGER WORK?

1. The empowerment of citizens, consumers and customers is now at the center of our decisions.
  - In this new world, we are all stakeholders and reporters. Social networks allow consumers and the public to participate in and control the conversation 24 hours a day, using multiple screens. Power is in the hands of the people, and the people decide what can and cannot be done. Today, the digital realm is where connections are made and brands and companies are built up or destroyed. The challenge is to participate in the conversation and create a suitable company narrative based on the shared proposition given by citizens, consumers and customers, who are at the heart of all our decisions. Companies must be authentic, diligent and transparent when they react to events and delicate situations, which could be exacerbated.

<sup>5</sup> <https://twitter.com/united/status/851471781827420160>

<sup>6</sup> <https://www.youtube.com/watch?v=cuwAKLAE6c4&feature=youtu.be>

<sup>7</sup> <https://mobile.nytimes.com/2017/06/14/travel/united-airlines-apologizes-after-2015-video-shows-worker-shoving-customer.html?smid=tw-nytimes&smtyp=cur&referrer=https://t.co/06LLAVYLZo>

2. CEOs are no longer an unknown; we know them; we can contact them; we can converse with them directly.

- The age of invisibility is over, as technology has made everyone transparent, including company CEOs. The ways to connect on social networks have multiplied, and people want to see engagement and empathy from company leaders. This represents an opportunity for CEOs to be part of the dialogue by interacting proactively and becoming influencers. They must be ready to participate on social networks, which will let them defend their companies and help control positive or negative conversations.
- These are some of the top CEOs in terms of social network presence—primarily LinkedIn and Twitter. They are truly generating impact and are admired for their capacities to interact with their followers.
  - » Richard Branson, Chairman & Founder of Virgin Group. An active blogger, he has become the most followed influencer on LinkedIn, creating thought leadership content.
  - » Bill Gates, Founder of Microsoft. He focuses on creating content on social entrepreneurship, science and philanthropy in Africa and in developing countries.
  - » Jeff Weiner, CEO of LinkedIn. He is very active on Twitter, posting and generating varied content on technology, social networks, recruiting and leadership.
  - » John Legere, CEO of T-Mobile U.S. He constantly engages his Twitter followers, sharing entertaining opinions with messages that highlight what differentiates the T-Mobile brand.
  - » Tim Cook, CEO of Apple. He not only generates content on new products and activities with employees and clients, but also frequently shows his human side, participating in campaigns against gender and racial discrimination.
  - » Mark Zuckerberg, Founder and CEO of Facebook. He interacts with followers on his own social network, sharing opinions on the future of technology and social networks.

**“We live in an era of constant updates, where we all want to be part of the conversation and make our way through life by working together, giving our opinions and communicating with each other”**

3. Internal communications no longer exist; the borders between internal and external have disappeared, and what we say in-house must be the same as what we say to the outside world.

- The days when messages went from one sender to many receivers no longer exist. In this new world, hyper connectivity has made it so there are no communicational barriers. Messages and communications go from “everyone to everyone,” so it is important to integrate different aspects of communication and internal and external actors into a single and common purpose: connecting with everybody and ensuring the message is uniform. In the United case, we saw how no company employee defended or stood up for the company.
4. The speed of information and its immediate propagation on social networks. There is no longer any such thing as a local crisis.
- The “always on” world of social networks does not wait. Roughly 69 percent of crises spread internationally within 24 hours. We must respond quickly and prepare for the worst, including unexpected crises. As mentioned, the United case is an example of how an incident travelled the world in a fraction of a second, becoming a trending topic in the United States only the day after it occurred.
5. Companies must be, not just seem. The age of aesthetics is over; Welcome to the age of ethics.
- In everything that comprises ethics, transparency plays a very important role; Indeed, it is one of the dominant forces in the world of today. We have more power thanks to the many ways to connect, but we are also more vulnerable. This means our greatest asset is our reputation. We must be coherent and do what we say we will. We must “walk the walk.”
6. Worlds 2.0 and 3.0: Are we ready to react? We have moved into an era of conversation and interaction.
- We live in an era of constant updates, where we all want to be part of the conversation and make our way through life by working together, giving our opinions and communicating with each other. Now, media is in the hands of the people, and there is no control over what they do or say. Whoever fails to jump on this speeding train will be left behind; For example, we saw how United

never even took part in the conversation. The company confined itself to taking its own stance on the incident, as it had always done in the past, without understanding that, in today's world, you must listen to and interact with people, responding and joining the online conversation.

**“The company confined itself to taking its own stance on the incident [...] without understanding that [...] you must listen to and interact with people”**

a crisis into a small window of opportunity. In the United case, CEO Oscar Muñoz had a chance to make amends and did not take it. On the contrary, he worsened the situation when he criticized the removed passenger's attitude, which had repercussions for both the airline and his career. He will no longer be Chairman of the Board, and there has been an adjustment to his compensation package, which will now be dependent on improving the airline's customer service, care and experience.

7. Do our own employees believe in our corporate history? If the answer is yes, then we do have true brand ambassadors.
  - In today's world, where we must continuously adapt and evolve, we all have leading roles and are participants in the conversation. This means empowering our employees plays a very important role, because they represent the organization's mainstay. For this reason, it is essential to identify a shared, high-level goal that will help the organization inspire its employees to collaborate with it, converting them into true brand ambassadors. This will point the organization on the road toward transformational change, then drive it forward.
8. Organizations must be authentic, willing to show their true DNA.
  - To effectively communicate with different audiences, an organization needs to reach consumers where they are today while understanding cultural nuances and the preferences of demographic subgroups. For a message to have an impact, it must be authentic. This is what helps it stand out and win consumers' hearts and minds. United's DNA, as well as its past and current stories, show that many things must change. We recently saw how, only weeks after the airline suffered a global image crisis after forcibly throwing Doctor David Dao off the plane, it was obliged to change entry codes to its aircraft flight cabins, as the codes may have accidentally been published on the internet.
9. The value of making amends in a timely manner can provide a second chance.
  - What many companies do not take into account is that the chance to quickly apologize and correct mistakes must be employed to minimize the impact of a crisis borne from an inappropriate initial response, converting
10. The visual world, a world of engagement, where what you see is what you believe.
  - Before we all started going through life as photojournalists, armed with our pocket cameras, the United incident with this passenger would have been just an unfortunate blip, a short bad time for those who witnessed it and for the poor passenger. United would almost definitely not even have made a public announcement about it, and it would have been hard to believe if someone told you about it. However, in this new digital and technological world, stories like this can be made visual and palpable, creating permanent links to the circumstance, experience or event they depict. Images generate tremendous impact on people, making them react and take a stance on what they see.
  - In general, people seek and are constantly exposed to unified experiences in which the digital and physical worlds converge. This trend is exemplified by the United case and by incidents with other airlines, where the physical presence of the passengers who witnessed the incident played an important role. In mere seconds, they recorded the incident through video and photo and added it to the digital ecosystem.
  - Video is the future; 74 percent of all internet traffic is video content. This movement—revealing the amazing power of images in storytelling—will only continue to grow in upcoming years. Approximately 80 percent of website users watch videos, while only 20 percent read text content. Videos encourage users to mobilize, whether by sharing them on their social networks, making a purchase or filling out a form.

## THE SOLUTION TO A CRISIS? BEING PREPARED.

A crisis can explode anytime, but being prepared is the key to success. This requires intense planning, prioritizing preventive actions that place the company in the best position to manage a crisis if and when one occurs.

When faced with crisis, it is essential to have an expert crisis communications team that responds quickly and understands trust and credibility must be inspired to prevent the company image from worsening. It is fundamental to have an expert team with a methodology based on these parameters:

- Identify what could happen and what the consequences could be.
- Define an action strategy to respond to the crisis.
- Detail a procedure and develop the mechanisms and tools required to be successful during the crisis.
- Train the team in charge of this area to ensure their efficiency, if needed.
- Transition from a written culture to a digital and audiovisual culture, with digital actions and conversational channels in place and ready for a crisis

It is important to stress that employee empowerment, preparation and desire to defend their brand are essential for proper crisis management, as this is

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central to what is most important when it is time to act. Crises are inevitable, so what is important is to be prepared. This is what makes training so important; Training in communications and in the use of technologies and social networks, as well as possible situation simulations, allows employees to put into practice their ability to immediately respond to negative events.

This new environment requires companies to responsibly plan their crisis communications through

an effective and immediate communications strategy, as well as to implement comprehensive prevention programs and manage follow-through.

The crisis communications plan defines the actions needed to improve a company's position with media, authorities, emergency services, local communities, other stakeholders and other parties. Likewise, the criteria for developing a crisis guide –which details internal crisis communications procedures such as detection, alert activation, urgent actions, responsibility organization, rules for interacting with the media and definition of all audiences involved in a crisis ecosystem– must be very clear.

In this regard, airlines still have a long road ahead of them. It does not matter how many advertising campaigns United runs to try to recover its position and move past this negative event; The horrible image of a United passenger being dragged down the aisle remains burned into the retinas of people around the world.



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