



THE 2019 CRISIS IMPACT REPORT

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# HOW CUSTOMERS REACT TO A BRAND CRISIS

CRISP

# FOREWORD: BRANDS AND THE WEAPONIZATION OF SOCIAL MEDIA

In late 2018, Emerson T. Brooking and P.W. Singer wrote *LikeWar: the Weaponization of Social Media* (Houghton, Mifflin, Harcourt). From gangland shootings and retaliation to global conflicts where thousands are killed, the authors systematically outline where and how misinformation and “fake news” are being used to manipulate minds and actions.

Unfortunately, the weaponization of social media is in its infancy and already beginning to infect nearly every aspect of our lives – which includes brands, multinational corporations and leading institutions.

For years, we've had tools and services to monitor the Surface Web (also called the Visible Web or IndexedWeb) that is readily accessible to the general public and searchable with standard search engines. While most people are familiar with Facebook, Instagram, Twitter and LinkedIn, more than 3 billion people globally are projected to be using social media in 2021, up from 2.8 billion in 2019 ([Statista](#)) on hundreds of sites where social media can be weaponized and is not tracked by standard monitoring tools.

In mid-2019, the Indexed Web contained at least five billion web pages, according to [WorldWideWebSize.com](#). The invisible web (Deep and Dark Web) is projected to be many thousands of times larger than the Visible Web.

While all of us as professional marketers and communicators are used to dealing with brand issues and crises, the impact of this new world is just beginning to come into focus. According to [Deloitte](#), nearly 50% of organizations have experienced an online crisis at least once in the past two years and that number is projected to increase in both reach and frequency. As importantly, 69% of brand crises spread internationally within 24 hours, 28% within the first hour according to [Freshfields, Bruckhaus, Deringer](#).

Today, most marketers are rightly focused on capitalizing on social media to build their brands and engage their customers. Many of these same marketers (and corporate risk leaders) are increasingly recognizing that failing to quickly identify and manage these online issues can negatively impact brand reputation and market value – both short and long term.

The following study sheds new light on how consumers are reacting to harmful brand content on social media and where, when and how organizations can best respond to preserve brand integrity and value. We think you'll find the information insightful and useful.

Best regards,

**Paul M. Rand**

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[Crisp Advisory Board Member](#)

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# BRAND CRISES ARE HAPPENING AT AN ALARMING RATE

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In our "always on" digital world, information flows across channels like lava, burning hot then solidifying as fact. Social media has created a breeding ground for Bad Actors to spread misinformation and disinformation about brands, forcing **80% of brands to respond to a significant crisis at least once in the last 5 years**.<sup>1</sup> This newfound weaponization of social media has left brand and enterprise value more vulnerable than ever.

The turmoil causing this mistrust can lie far below the surface of the popular social channels regularly monitored today, namely Facebook, Twitter and Instagram. Known as the deep web, thousands of sites around the globe aren't indexed, making them invisible to search engines and impossible for brands to track - even those with the most powerful listening tools available today.

The expanding world of foreign troll farms, deepfakes and illicit activity on the dark web only acts as a catalyst for the spread of harmful content. The latest video manipulation technologies have given bad actors the power to generate videos and photos that appear 100% realistic, which are destined to mislead and misinform consumers, and erode trust in brands. We've seen prominent leaders — from **Mark Zuckerberg**<sup>2</sup> to **Nancy Pelosi**<sup>3</sup> — suffer lasting consequences, even after the truth comes out.

The reality is most brands are unprepared for the severe damage these unprecedented threats pose and the accelerated rate at which their subsequent crises disseminate: **69% of brand crises spread internationally within 24 hours**<sup>4</sup>; 28% within the first hour. For a brand's most important asset — their customers — this environment is forcing the constant questioning of what's true and what's not. And when the truth is in question, brands lose trust first, and revenue second.

That means time is of the essence, and the speed at which brands identify content that's harmful to their enterprise value can have profound short-and long-term implications for the brand. Unless leaders have adequate plans in place to quickly identify and respond, they are vulnerable to irreversible brand damage — ranging from plunging brand value and sales, to decreased market capitalization and high employee turnover.

But there is some good news: It's not too late for brands to protect their value. While the depth of social media presents significant vulnerability for brands, it can also be armor for brands who use it correctly by enabling them to quickly identify a crisis or harmful content, and leverage it to effectively respond.

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1 Deloitte - Stronger, fitter, better: Crisis management for the resilient enterprise

2 CNN Business - Zuckerberg Deepfake

3 CBS News - Doctored Nancy Pelosi video highlights threat of "deepfake" tech

4 Freshfields - Containing a crisis: Dealing with corporate disasters in the digital age

# KEY FINDINGS

In our survey of 2,000 consumers from the U.S. and U.K., the 2019 Crisp Crisis Impact Report tuned into the minds of consumers to identify how brands can maintain their wallet share in an era where social media is increasingly weaponized and harmful content spreads in seconds. The data validates that being the first to know, and thereby the first to act, is the most critical step in maintaining a strong reputation in the eyes of consumers.



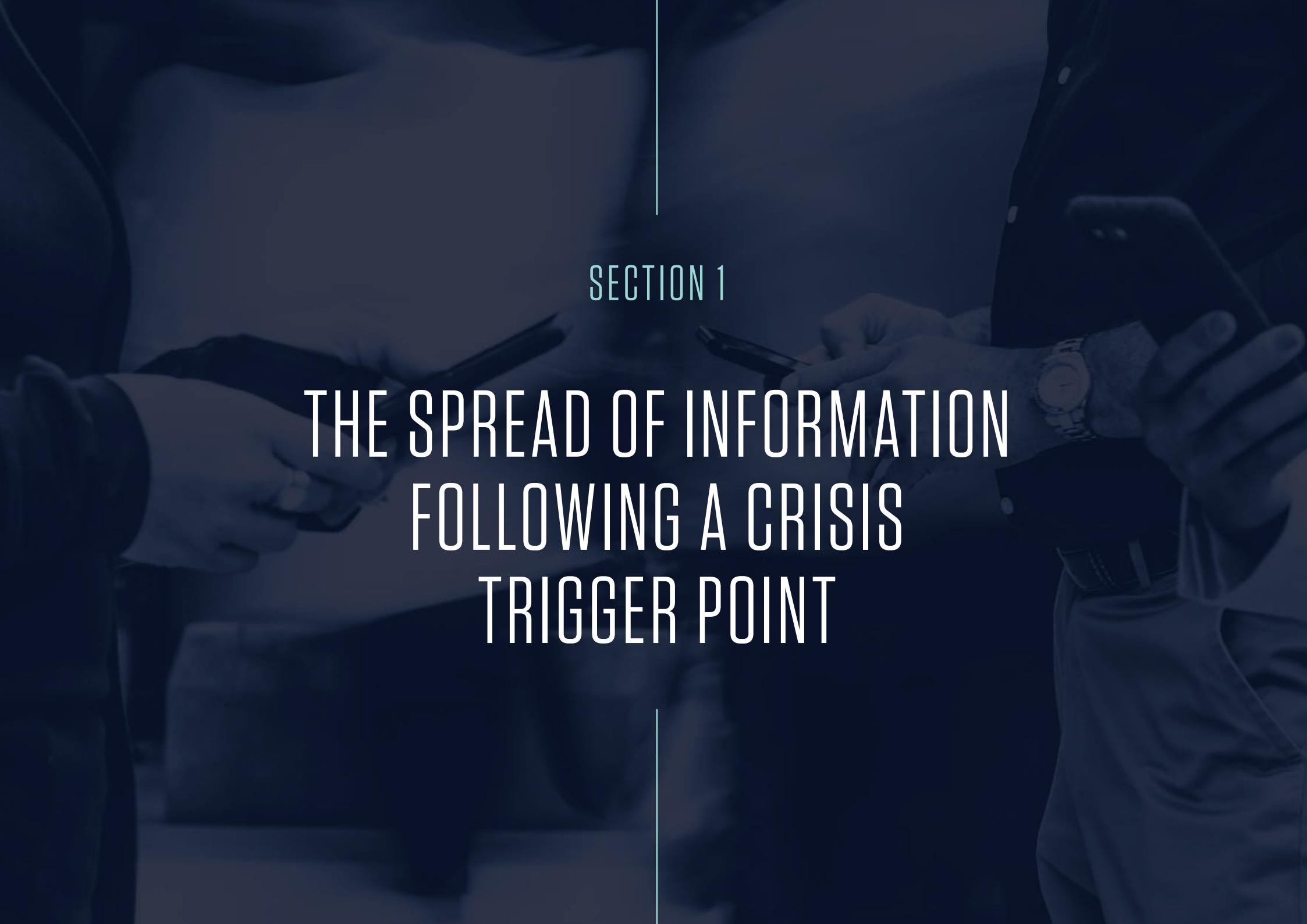
**53%**  
of consumers expect brands to respond to a crisis within an hour



**59%**  
of consumers want brand responses to a crisis to come from the CEO

A STRATEGIC RESPONSE IS THE DIFFERENCE BETWEEN CONSUMER LOYALTY AND LOSING REVENUE





SECTION 1

# THE SPREAD OF INFORMATION FOLLOWING A CRISIS TRIGGER POINT



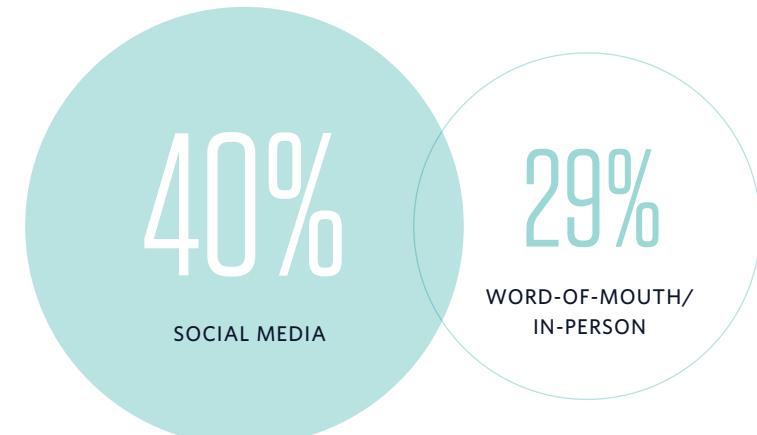
CONSUMERS ARE MORE LIKELY TO  
SHARE NEWS OF A CRISIS ON SOCIAL  
MEDIA CHANNELS THAN THEY ARE TO  
SHARE IT WITH A FRIEND OR FAMILY  
MEMBER FACE-TO-FACE

## BRAND CRISES DON'T ALWAYS START ON SOCIAL MEDIA

But following a crisis, social media plays a leading role in the spread of information.

Social media's influence is far wider than most brands realize, extending across the globe and deep into the untrackable depths of dark social. And today's consumers rely on these sites to gather and spread information - discussing and disseminating rumors, personal anecdotes and news stories about brands that are quite often misinformed. On Twitter alone, **users are 70% more likely<sup>5</sup>** to retweet false news over the truth.

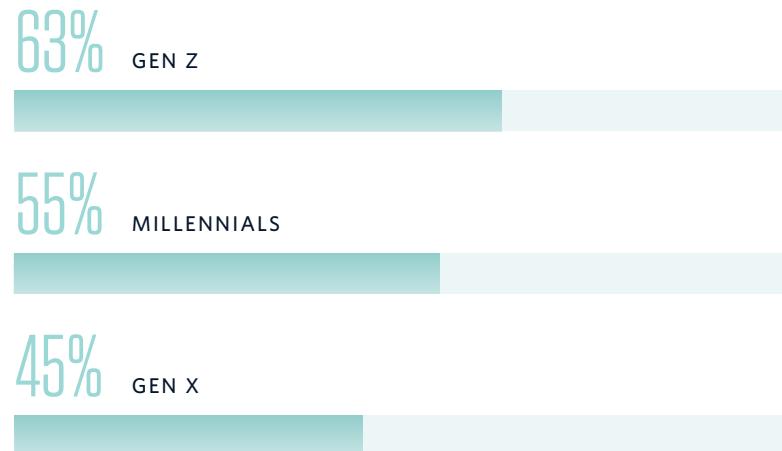
However, consumers want brands to join in on these conversations. And this expectation gives brands a critical opportunity to flip the narrative at the moment when it counts the most: immediately following the start of that crisis.



<sup>5</sup> [ScienceMag - The spread of true and false news online](#)

# SOCIAL MEDIA'S ROLE IN A BRAND CRISIS IS ONLY SET TO INCREASE AS YOUNGER GENERATIONS MATURE

Social media is the preferred channel for receiving a response from a brand and for sharing news about a crisis for 47% of consumers across all age groups, but that number jumps to 63% among Generation Z consumers and 55% among millennials.



## CUSTOMERS EXPECT BRANDS TO RESPOND TO A CRISIS QUICKLY

While the channel on which consumers receive messages is important, the speed at which they receive these messages could be the difference between crisis escalation and resolution - 53% of consumers expect a brand response within an hour of a crisis and one in three (34%) expect a response within 30 minutes. Here's where social media is on your side: The immediacy of the platforms helps you connect with consumers in real time.

Consumers' expectations for an immediate response means brands must receive alerts of a crisis situation as soon as it happens. The sooner you know about a crisis, the better opportunity you have to come up with an appropriate and effective response to push out within a few minutes (or even seconds) without scrambling and making damaging mistakes.



**34%**  
EXPECT A  
RESPONSE WITHIN  
30 MINUTES



**53%**  
EXPECT A  
RESPONSE WITHIN  
1 HOUR

# DEFINING A CRISIS

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"Crisis" means different things to different people. So, what do consumers actually consider a crisis? This insight can help brands tackle their crisis prevention strategy and proactively develop effective messaging for potential crisis situations.

## CONSUMERS CONSIDER THE FOLLOWING SCENARIOS AS A COMPANY CRISIS:

64% MISTREATMENT OF WORKERS



59% ETHICAL MISCONDUCT



59% CEO MISCONDUCT

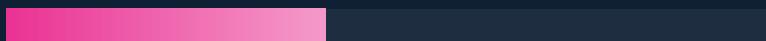


58% MISTREATMENT OF CUSTOMERS

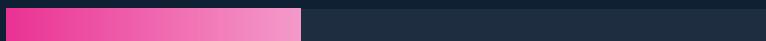


## CONSUMERS ARE LIKELY TO REMEMBER A CRISIS TRIGGERED BY THE FOLLOWING SCENARIOS:

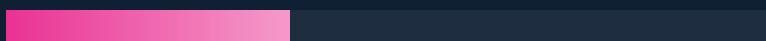
41% CEO MISCONDUCT



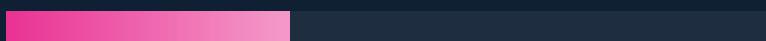
38% MISTREATMENT OF WORKERS



37% PRODUCTS OR SERVICE FAILURE



37% MISTREATMENT OF CUSTOMERS



## KEY TAKEAWAY

# SOCIAL IS A DOUBLE-EDGED SWORD

Social media is both a valuable asset and an incredible vulnerability. Harmful social content can spread instantly to millions of people and spiral into a crisis for brands. However, social media can also be used to flag and address these crisis situations quickly.

Use social media to your advantage by immediately acknowledging the situation and letting consumers know that you're addressing the crisis, halting the situation before false information spreads virally.



A dark, atmospheric photograph of a man in a suit standing in a hallway, looking down at his smartphone. The hallway has ornate architectural details and a sign that reads '120'.

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## SECTION 2

# CRAFTING THE APPROPRIATE SOCIAL MEDIA CRISIS RESPONSE

# CRAFTING AN EFFECTIVE RESPONSE IS CRITICAL TO CRISIS PLANNING

But what qualifies as effective? Once you have the facts and you're ready to send out your first response consider the following:

- Be transparent about what happened
- Communicate empathy for those affected
- Make it clear what you plan to do to mediate the situation

Consumers want brands to accept responsibility and offer solutions – 28% say failure to accept responsibility is the biggest mistake a brand can make following a crisis. However, don't accept responsibility where it's not warranted.

## THE BIGGEST MISTAKES A BRAND CAN MAKE IN ADDRESSING A CRISIS



## A CRISIS DONE RIGHT

In 2018, a logistical error resulting in a chicken shortage forced KFC to close hundreds of U.K. locations. In response, the fast-food chain ran a bold advertisement: an empty chicken bucket with the classic logo reassembled as "FCK," followed by an apology for the shortage underneath.

After what some may consider as the biggest fried chicken crisis in history, the brand executed a strategy that took responsibility and responded quickly to win back the hearts of consumers.



## BRAND VALUE SECURED

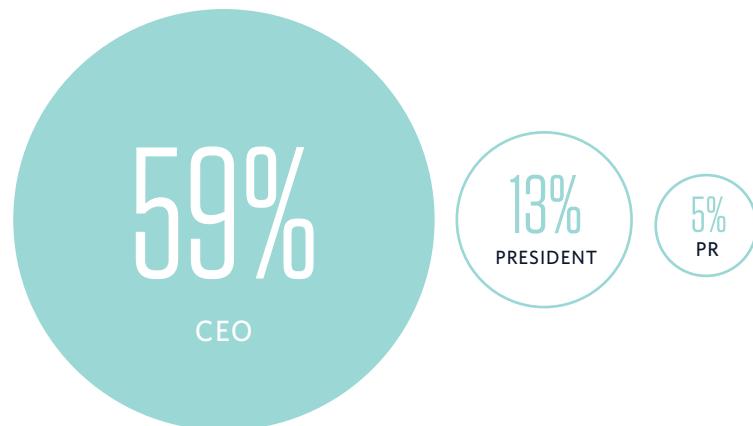


## SOCIAL MEDIA USERS WANT SOMEONE TO BLAME

So make sure you have all the facts surrounding culpability. If you are at fault, apologize. If not, don't. But be transparent about who or what has caused the situation, while being empathetic to those impacted. It's easy for consumers to use social media as a weapon and spread false information quickly — and if consumers run with the wrong information it can be detrimental to your brand long term.

It's also important to consider who delivers the brand response. With 59% of consumers wanting brand responses to come from the top, it's critical that the CEO understands how to represent the brand on social media, supported by training or third-party support. That being said, if the CEO is the cause or at the center of the crisis, it's a good idea for him or her to step aside and let someone else take the lead in responding.

CONSUMERS EXPECT A BRAND'S INITIAL PUBLIC  
ACKNOWLEDGEMENT TO COME FROM THE TOP:



## COMPANY SIZE AND PRODUCT PRICE DO NOT MATTER

Consumers expect a well-executed crisis response no matter how big the brand is or how expensive its products are. Whether you sell luxury handbags or corner-store goods is irrelevant to the impact on consumers. At the end of the day, it's about emotions and how the customer feels.

47%

of consumers expect all companies to respond quickly to a crisis no matter the cost of their product or services

52%

of consumers expect all companies to respond to a crisis regardless of their size

## KEY TAKEAWAY

### EFFECTIVE RESPONSES REQUIRE FACTS, FAST

Fast, reliable crisis monitoring is essential. You shouldn't publicly accept responsibility until you are completely sure of the facts.

That's why the ability to identify a crisis situation within seconds is so important. The sooner you identify a crisis, the sooner you can pick up the pieces to develop the most appropriate response - don't waste time waiting for the truth to reveal itself.





SECTION 3

# CRISIS RESPONSE, CUSTOMER LOYALTY AND BRAND VALUE

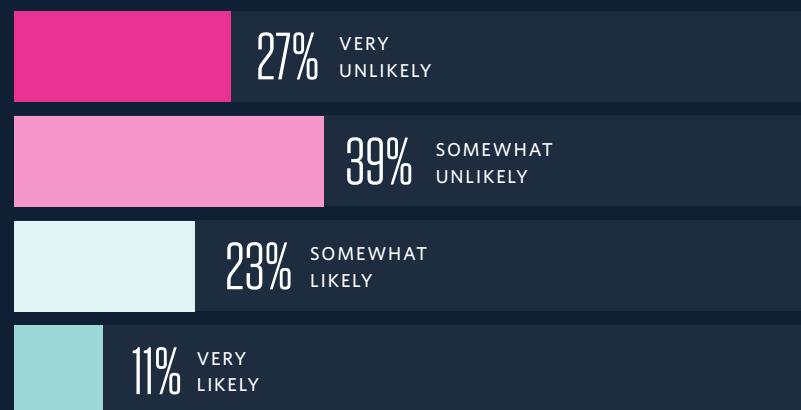
# A POOR CRISIS RESPONSE CAN BE DETRIMENTAL TO BRAND VALUE

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In fact, 66% of consumers are unlikely to continue shopping with a brand that responds poorly to a crisis. That means two-thirds of your revenue is on the line.

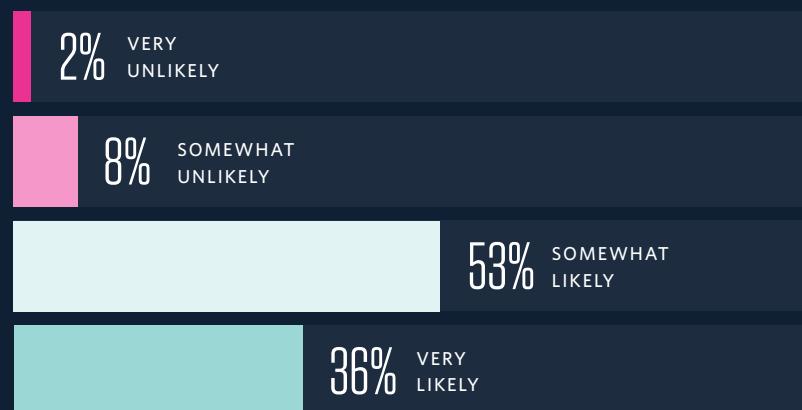
## CONSUMERS ARE UNLIKELY TO SHOP WITH BRANDS THAT RESPOND POORLY TO CRISES

How likely are you to shop with a company after it experiences a crisis and responds poorly to that crisis?



## CONSUMERS ARE LIKELY TO SHOP WITH BRANDS THAT HANDLE CRISES WELL

How likely are you to shop with a company that experiences a crisis and responds well to the crisis?



# WORD SPREADS FAST FOLLOWING A POOR CRISIS RESPONSE

But opinions aren't isolated to one consumer. On social media, negative opinions spread like wildfire: 37% of consumers are likely to unfollow a brand on social media after it handles a crisis poorly and 25% are likely to post something critical of the brand. And one negative post about your brand can spiral out of control – beyond that customer's friends and family and into the hands of thousands of followers who each have a following of their own. Your brand value takes a hit each and every time a new set of eyes views the post.

The gap between where your brand lands if you respond poorly to a situation, and where it can end up if you respond effectively, is huge – brands that respond to a crisis properly have the power to recover almost completely. Nearly all consumers (90%) say they are likely to shop with a brand again after it experiences a crisis, but responds well.

WHICH OF THE FOLLOWING ACTIONS ARE YOU MOST LIKELY TO TAKE WHEN A COMPANY YOU'VE SHOPPED WITH BEFORE HANDLES A CRISIS POORLY?

55%

WARN FAMILY AND FRIENDS ABOUT THE COMPANY

37%

UNFOLLOW THE COMPANY ON SOCIAL MEDIA

25%

POST SOMETHING MYSELF CRITICIZING/ TAGGING THE BRAND ON SOCIAL MEDIA

# BRAND VALUE IS PROTECTED WHEN YOU PROPERLY HANDLE A CRISIS

Additionally, when brands handle crises well, 39% of consumers are likely to refer the brand to friends and family and 1 in 4 consumers will follow the brand on social media and post something positive.

WHICH OF THE FOLLOWING ACTIONS ARE YOU MOST LIKELY TO TAKE WHEN A COMPANY YOU'VE SHOPPED WITH BEFORE HANDLES A CRISIS WELL?

39%

REFER A COMPANY TO FRIENDS AND FAMILY

33%

I WOULDN'T TAKE ANY ACTION

26%

POST SOMETHING MYSELF PRAISING/ TAGGING THE BRAND

25%

FOLLOW THE COMPANY ON SOCIAL MEDIA

## KEY TAKEAWAY BE PROACTIVE

Planning responses ahead of time can make all the difference

Have messaging ready and in place for when a crisis happens - even a templated response is a good starting point.



# PUTTING A PLAN IN PLACE

Fast, effective crisis response requires planning. Without a proactive response strategy, brands chance taking too long to respond to a crisis and missing their window of opportunity.

Here's how to put together an effective plan:

## BRAINSTORM SCENARIOS

Take time to sit down and brainstorm the possible threats. What issues have you had before? What crisis scenarios can you easily foresee? Who is most likely to spread false information about your brand? How can you get in front of these possible situations before they impact you? Consider all possible angles so you're never caught off guard, especially since time is of the essence.

## PLAN FOR THE WORST

For each scenario that you've brainstormed, now consider the worst case scenario. Then, brainstorm how this particular situation could impact the brand: losing investors, losing customers or becoming the poster child for something negative. Once you have the impact nailed down, map out who would be impacted at every stage of the crisis (i.e., customers or employees).

## DRAFT MESSAGING

Finally, draft messaging for every group that the potential crisis could impact. This can be done specifically for individual situations or with templates. With a brand message prepared to some degree, a meaningful response is quick and easy to deliver should a crisis occur.

# BAD ACTORS HAVE WEAPONIZED SOCIAL MEDIA. BRANDS HAVE THE POWER TO TAKE IT BACK

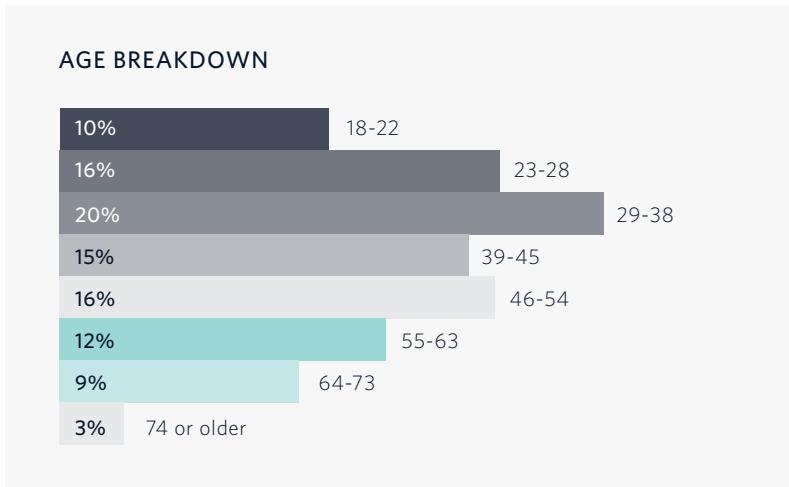
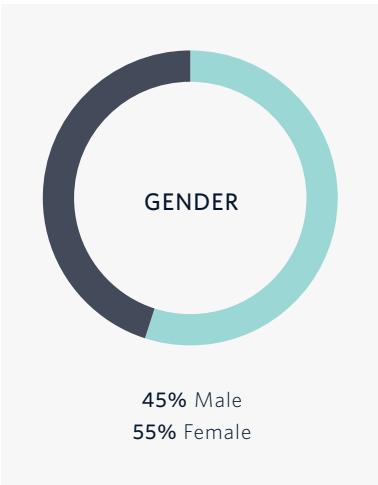
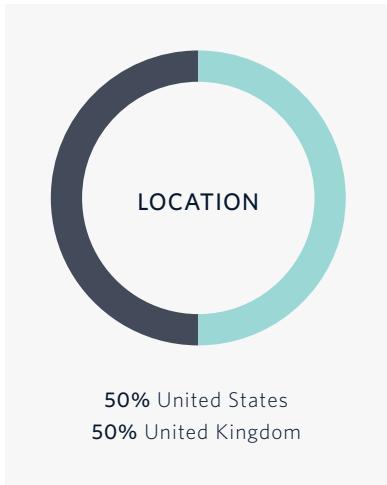
Crises are fueled by misinformation spread across social media at lightning-fast speeds. And based on information they read online, today's social media savvy consumers are quick to abandon their brand allegiances and convince their followers to do the same.

With brand value, revenue and public sentiment riding on what's said on social media, brands can't shy away from it - instead, they need to join the conversation as quickly as possible.

But brands can't handle a crisis if they don't know about it. Social Media Safety begins with proactive crisis monitoring — so you can uncover the facts and deploy the right message at the most opportune time. Crafting a forward-thinking crisis management strategy, detecting issues fast and responding quickly and effectively offers the real possibility of a smooth crisis recovery, with your brand emerging stronger than ever, value increased and reputation unscathed.

# METHODOLOGY

In May of 2019, Crisp surveyed 2,000 consumers from the U.S. and U.K. The location, gender and age breakdown of the respondents is as follows:



# IT'S 3AM, WHO IS KEEPING YOUR BRAND SAFE?

Global brands trust Crisp for Social Media Safety - protecting their enterprise and brand value from harmful social content by guaranteeing they are **always the first to know and first to act**. We protect more than \$3.6 trillion of our customers' market capitalization through intelligent monitoring, detecting, alerting and reporting.

## WHY CRISP?

By combining Artificial and Human Intelligence, Crisp's **Extended Intelligence** delivers brand-specific, continually tuned, 24/7 Social Media Safety with no false alarms, assuring C-level peace of mind.

- GUARANTEED SPEED AND ACCURACY
- GLOBAL DELIVERY IN OVER 50 LANGUAGES
- ESCALATION WITHIN MINUTES
- FULL BRAND SAFETY ASSESSMENT
- NO FALSE ALARMS
- INTEGRATION WITH EXISTING RESOURCES
- 24/7/365 MANAGED SERVICE

Get in touch with a representative today by contacting [info@crispthinking.com](mailto:info@crispthinking.com) or visiting [crispthinking.com](http://crispthinking.com) for more information.

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The Crisp logo is positioned in the bottom right corner. It consists of the word 'CRISP' in a bold, sans-serif font, with each letter 'C', 'R', 'I', 'S', and 'P' having a vertical line extending downwards from its baseline, creating a sense of depth and structure.

Crisp protects brand value by ensuring you are always the first to know and act on harmful social content. Global brands trust Crisp for their Social Media Safety – protecting their enterprise and brand value from harmful social content by guaranteeing they are always first to know and first to act.

[CRISPTHINKING.COM](http://CRISPTHINKING.COM)

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