Analysis on the Enterprise Crisis Management in the Internet Era

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Abstract. In 2016, the Internet still maintained a high-developed momentum, it not only gestated more opportunities but also brought more challenges for enterprises. The large number of internet users, the strong timely effectiveness, the rapid spread speed and the multi-style spread ways, which led various information of the enterprise to spread among the mass in these certain conditions. However, it’s difficult to estimate the baleful influence and loss once the published adverse information of the enterprise widely spread on the Interne; therefore, it has become a compulsory course for each enterprise to improve its management and response capabilities of the enterprise crisis brought by the development of the Internet.

Introduction

According to the “China Internet Development Statistics Report” which released by the China Internet Network Information Center (CNNIC), as of December 2016, China’s netizens reached 731 million, 42.99 million the full-year new users, the growth rate was 6.2%, the Internet’s impact on the whole society expanded further in breadth and depth. Nowadays, no matter to read a news or complete a transaction, both can be done through the Internet; in addition, the emergence and the development of the major social networks and the instant messaging applications turned the Internet into a super public opinion magnetic field; also, the Internet occupied a great weight in enterprise’s management and decision-making, this situation affected the enterprise’s image and competitiveness. Throughout the enterprise crisis of the Chinese internet market in 2016, there were the Taobao scalping phenomenon and Baidu “Wei Zexi” incident, both of them have shown an obvious characteristic: from the emergence to the spread of the crisis, the Internet was largely performed as a behind-the-scenes driving force, many netizens were intentionally or inadvertently become the “corporate destroyers”. The functions of the Internet have been transformed from the primary entertainment, communications and so on to an advanced stage, such as focusing on the people’s will and express public opinion etc. Therefore, in today’s Internet age, the enterprise crisis management should pay more attention to the network crisis brought by the internet under the premise in dealing with the traditional crisis.

1. Enterprise Crisis and Crisis Management

With the different definitions of the crisis given by Chinese and foreign scholars from different perspectives, we can summarize four characteristics of it: unexpected, uncertain, negative and unscheduled. However, the “danger” in a crisis can be converted into “opportunity” through correctly understanding and handling [1].

Crisis Management (CM) theories have been developed for more than 30 years. Until now, CM has become a management science to avoid the occurrence of crisis or mitigate damage caused by them through some management and technical means, in order to achieve the enterprises or organizations’ purpose in normal operation, and even to convert “crisis” into “opportunity” [2].
2. Characteristics of the Internet Crisis

The enterprise Internet crisis refers to an event that was emerged, disseminated, spreaded, escalated or threatened to the enterprise by the Internet, it is a totally new field of crisis and an inevitable result brought by the Internet development [2]. For enterprises, it is necessary to first familiarize themselves with the crisis characteristics for avoiding the Internet crisis.

2.1 High probability of the Internet crisis

The continuous growth in the number of Internet users and continuous development of Internet technology, significantly increased the frequency on the Internet using, which provides subjective conditions for occurrences of Internet crisis. According to 2016 third quarter financial results released by Sina Weibo, monthly active users for microblog grew by 34% year-on-year to 297 million on September 30, 2016. Through mobile phones, computers, tablets and other end instruments, every netizen can easily act as a publisher and a user of the information; and nowadays, in respect of the Internet technology, the social emergencies and hot issues can be live broadcast on microblog, this directly increases the enterprise’s exposure and transparency. Therefore, coupling with stronger social responses and greater shocks caused by enterprises’ actions, as a result of extreme increase in the probability of occurrences of enterprise Internet crisis.

2.2 High-speed and short-time transmission of the Internet crisis

The wide range of China’s websites and Internet users, which facilitates information’s rapid spread, and the interactivity of forums, communities, blogs, and other space for internet public opinion tend to turn them into main sources of enterprise’s crises. So long as people log in to the Internet, they could deliver the information to any other websites or users within several seconds by forwarding, copying, or sharing, almost with no costs. For example, the clicks and forwards of an unexpected hot issue would amount to more than 10 thousand within one hour, and more than 100 thousands, even 1 million within several hours. This kind of geometric exponential expansion is incomparable to the traditional media such as newspapers, televisions, etc. Under this condition, any information against the enterprises would lead to unimaginable consequence upon its disclosure on the Internet.

2.3 The wide range and great influence of Internet crisis transmission

Compared with the traditional media, such as broadcasts, televisions, newspapers and others, mostly within a region or a country, which suffer the regional restrictions, the Internet could break such restrictions to integrate the whole world [3]. When crises occur to the enterprise, the relevant information can be spread widely, raising concern from the whole country and even the whole world. In addition, the aforesaid information can be reserved for a long-term, and possibly even forever, the Internet provides the users to seek the historical records whenever, this type of repeating browsing and transmission also can increase the influence caused by the crises.

2.4 Large amount and various forms of the information related to the Internet crisis

The Internet digitization allows the information disseminated no longer with dependence on the entities and changes the situation of the amount and forms of information being restricted by the media. Compared with the traditional media, the Internet provides more detailed and specific information, and provides various forms to descript events at the same time, such as words, images, videos. It promises the amount of the information, increases comprehensibility, and also increase the exposure of enterprise’s crisis, resulting in the enterprise being exposed to the public view in an almost transparent status.

2.5 Great difficulties on handling the Internet crisis

Upon the Internet crisis occurrence, the social concern will increase dramatically, along with increases in the uncertainty of various situations. The intensified emotion of netizens and their desire to speak up could be easily directed by group psychology. Meanwhile, with their own rational thinking fading, the users would copy other’s views or intimate others’ behaviors, resulting
in a social group effect and unwanted trouble of controlling and handling the crises. The worse situation is in case of the emotion and desire of users are utilized by others which having ulterior motives, such as malicious revenge, peer rejection, network violence tendency and so on, they might be break the Internet restrictions and emerge some offline behaviors like containments, parades and gathering which cause undesirable social events.

2.6 The information related to the Internet crisis can be handled by technical means

Despite the overwhelming occurrences of the Internet crisis, they are not unmanageable, while information on the Internet media could be dealt with through technical means. The relevant information, for instance, would be deleted by communication with the website or software management, or be prevented from or reduced to being published on the Internet by shielding the keywords and other methods, or be sunk to decrease the likelihood of being clicked or browsed. And all these require the enterprise’s immediate communication with the management, and its immediate remediation in the early stages of the crises, since, once the information is spread across in a large number, the costs and difficulties in handling will increase significantly, along with an unsatisfactory effect.

3. Difficulties on the Internet Crisis Management

3.1 The right to speak, to comment and to judge is shifted towards netizens

The national popularity, openness and interactivity of the Internet media lead to extreme difficulties in controlling and filtering the sources of information. Every person is involving in the Internet era, the information propagation and the public opinion’s right to comment is in the transition to individuals from organizations. The enterprise should manage well the source of the crisis, and increase the grassroots personal media rather than the superior mainstream media only [3]. Due to the online public opinion presenting rapidly and collectively, these personal media’s views can easily hold a central position among the public opinions; and currently, the public opinions even begin to influence the governments’ decisions. In this case, any enterprise is unable to single-handedly control the scope and the direction on the public opinions.

3.2 The low threshold for releasing information on the Internet and loose regulation, false information spread on the Internet

Community websites, all the major forums, microblog, and other network media have no such rigorous review on information as the traditional media do, as a result, some unconfirmed news and messages appear on the Internet very often, and with the network environment of high freedom, the users even could anonymously post comments on the Internet, the feature of which sometimes would be utilized by some who have ulterior motives and would employ network writers to make up false information, start malicious rumors, exaggerate events or speeches against the enterprise and release them on the Internet. And for those ordinary users who access to that information, it is extremely difficult to distinguish the false from the truth, which would results in the enterprise being put inexplicably in the spotlight. Even the real news would properly “go bad” in the transmission, and with users’ views and opinions continuously given in the comments, small events on the original would be amplified dramatically, which will cause a snowball effect on the number of users and the substance of messages.

3.3 The Internet users being younger aged with different views, which cause a lot of difficulties for the enterprise in satisfying everyone

The Statistical Survey Report on the Internet Development in China released by CNNIC shows that up to June 2016, Internet users in China are still dominated by 10-39 groups, 74.7% of the total, among which users aged 20-30 years old account for 30.4% of the total, with the highest proportion compared with other age groups. Such young people are highly-educated and involved in a wide range of industries, whose hatred to the evil has been fully reflected on the Internet. In the propagation of events, they would participate actively, keep their eyes on the progress, but generate
various opinions from their different perspectives, which bring about great difficulties for enterprise in handling the crises. Because enterprises cannot meet all demands, there is still some unsatisfied regardless of adopting any solution, and as a result, the enterprise can’t please any of them. Network events that occurred in recent years, whether they involved individuals, businesses or Governments, could receive extremely strong reactions from the Internet users, even could gather multitudes responses in some certain events. Faced with all criticism in various forms from netizens, the enterprises’ voice is hard to be noticed, even if it has been noticed, it is also difficult to be accepted and understood in the emotional stage, which causes the enterprises’ voice being drowned.

4. The Coping Strategies of the Enterprise Internet Crisis

The source of the enterprise network crisis is the Internet, thus it should also be solved through the internet. Strong interaction and high efficiency of the network had brought more opportunities for the solution to the crisis, the network crisis response strategy cannot jump out of the enterprise crisis management framework, therefore, it should be increase the importance of network media and network technology based on the characteristics of the network itself.

4.1 Pay attention to the establishment of the enterprise’s network image

The enterprise network operation department is responsible for daily network affairs with making the official website of enjoyable, distinctive and authoritative content, opening up an interactive forum for discussion with the public, actively listening to the public voice, patiently answering the public questions and concerns patiently, timely disclosing the significant impacts related to the enterprise or the public concerned or the social events , it is the best policy to prevent the crises before they emerge.

4.2 The establishment of the Internet crisis prevention mechanism

It’s difficult for enterprise to predict the network crisis, because this kind of crisis is more abrupt than the traditional crisis. It needs to establish a real-time, three-dimensional monitoring system for nipping the crisis in the bud, and conduct a comprehensive and effective detection to network information through the combination of technical means and manual monitoring. The detection range from the print media, portal website extends to the forum and blog for detecting the critical information which may cause the crisis; Timely warning the relevant departments and personnel. They are the core points to deal with the network crisis.

4.3 Rapid response, and deal with the crisis with a fastest speed

When the crisis broke out, the enterprises should promptly start the crisis emergency plan and set up a crisis response team. According to statistics, the information dissemination would be spread rapidly like a virus in a way of fission in the 12-24 hours after the crisis occurred, even more they mutated as the virus, all kinds of false information emerged endlessly, full of rumors and speculations. At this point, the enterprises need to take some actions such as stating the announcements continuously through the official website, government departments and the user-operated media with credibility for gaining the public’s understanding and supporting, thus could compress the crisis impact to the minimum.

4.4 Full communication, sincere attitude

After the explosion of the crisis, the public was eager to know the truth and treatments, it’s better for enterprises to track the public’s attitudes and remarks on the matter from the major and influential online media, and grasp the public’s mind, try to meet the public’s demands. On the Media side, the enterprises should strengthen the communication and speak with only one voice, and reach an agreement with the network management and the technical personals, and delete the false information, give the truth back to the public, eliminate the public’s doubts and the feeling of unease. The enterprise shouldn’t shirk responsibility, create a confrontational situation in the crisis, or take a tough stance attitude. Because if the public has a strong favoritism to the weak side, they
will unite to strive against the enterprise; in addition, the enterprise shouldn’t ask for the help form the government departments to pressure the public forcibly, this kind of action has a quick effect in short-term, but it will cause the irreparable damage for the enterprise image in the long-term.

4.5 With the help from a third party to restore credibility

After the outbreak of crisis, the public will have a kind of distrust psychology to the enterprises, and the enterprises are very difficult to obtain the recognition by their own voice. At this point, they should actively communicate with the authoritative third-party or cooperate with the authoritative department, and issuing a specific document or report for restoring the trust of the public, they can also invite the relevant experts, senior journalists and other authority figures to write articles or blog and publishing them in order to guiding the public opinion; in addition, they can strengthen the communication with the major network media, cooperating effectively with the network public relations and online advertising, mobilizing the initiatives of the Internet users such as the forum moderators and blogger, etc., so that the public attitudes and the direction of the events would develop to the interests of the enterprise themselves.

Summary

In the Internet era, each enterprise should consider how to use the Internet properly. For responding to the enterprise internet crisis, it should be systematized as the traditional enterprise crisis management, it is a systematic governance model including the crisis prevention, dealing with and post-processing the crisis, it cannot be vague, beat about the bush to the public and public opinion. Only combining with the characteristics of the Internet age from their own reality and with the symptomatic treatment are the appropriate ways to protect the corporate brand image and they can also help to improve the enterprises ability of preventing and dealing with the Internet crisis.

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References

