

COMPETITIVE ANALYSIS OF SOCIAL MEDIA AND INCIDENT MANAGEMENT

Joshi Sujata¹

Pushpendra Thenuan²

Yadavalli V S Subrahmanyam²

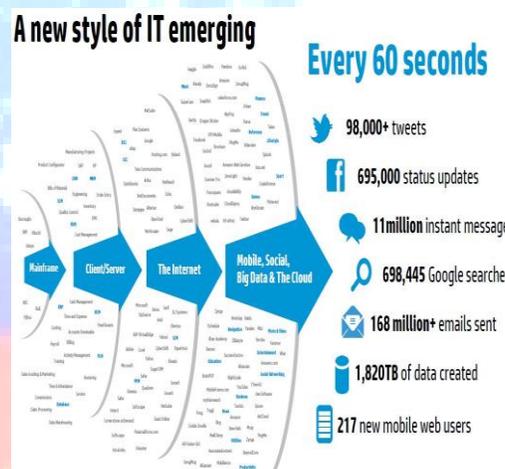
Abstract: Social media is the platform that had entirely changed the way we communicate. It enables one-to-one, one-to-many conversations between the individuals. Due to its reach to every individual present anywhere in this world, business organizations were using the social media to maximize their revenues by leveraging the end-user connectivity. It became an easy way for business in engaging with the customer 24x7. Several organizations are using this social media platform extensively for promoting their business apart from the traditional advertisement campaigns. Customers are also using this medium to share their experience about any product that they purchased. In this move, they are tagging the company that manufactured the product and the vendor from where they purchased the item. In addition to this, they are using these social media websites to check the reviews and comments of other users. Several events that happen in the business world today are getting highlighted on the social media in different forms such as photos, videos, user posts, comments etc whether it is a positive or negative event with regards to the organization. These events are showing potential impact on the business of that particular organization in terms of customer's loyalty, brand image etc. This paper uses a case study based approach wherein we analyze various events that are happening on the social media and the impact of these events on the customers and the business of an organization. Furthermore, we also analyzed the response of these companies to these events on the social media platforms.

¹ *PhD, Associate Prof at Symbiosis Institute of Telecom Management, Constituent of Symbiosis International University*

² *Student at Symbiosis Institute of Telecom Management, Constituent of Symbiosis International University*

1. INTRODUCTION:

The power of social networking is such that, the number of worldwide users is expected to reach around 2.5 billion by 2018. It is estimated that half a billion of these users will be approximately a quarter of a million from India. Facebook had crossed the figure of 1 billion active users and has, as of 2015, almost 1.5 billion MAU (monthly active users) worldwide. As soon as it came into the online space, relative newcomer Pinterest had got 10 million unique users every month which is the fastest achievement of any independent website in the social media world [1]. Irrespective of the age, all groups of people even above 65 years are also using the social networking sites actively [2]. There are 3.010 billion active Internet users around the globe out of which 2.078 billion are active on social media[3]. India accounts 118 million users active on the social media and Face book, Twitter are ranked top among the social media sites in India [4].



Fig(1): A new style of IT emerging[5]

Organizations are trying to capitalize this data, that is generated from the social media and earn revenue out of that. [6] emphasizes social media as a hybrid element of the promotion mix with respect to traditional and nontraditional sense i.e. B2C and C2C. Several incidents happen on the social media that were triggered by customers with respect to business. Sometimes, these events also have an indirect impact on a company affecting its customer loyalty, revenue, etc. Business organizations need to be aware of what is happening in the social media with regards to their company. To an extent, these events need to be continuously monitored and tackled well by the

companies to maintain the trust of the customers. Some of the events and their impact on the respective companies have been discussed in detail, in this paper.

2. LITERATURE REVIEW:

Social Media is network and technology which used to create hot news by Internet users, then communicate and disseminate information to each other[7]. Social media is a group of internet based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content [8]. [9] points out that social media is generally used for sharing and exchange of information between different people on the electronic media efficiently. [10] states that social media is the combination of technology with social interaction which enables to create or co-create value. According to [11]“social” media may be defined as websites or other internet based services where the content being communicated is created by the people who use the service. Social media dependency will have positive influences on both trust and perceived value of consumers on social media. Perceived value further influences purchase intention positively.[12]explains that purchase behaviour of consumers is widely impacted by the expressions, reviews or comments that are posted regarding a product on social media. As media dependency theory explained, the more a person relies on the media to satisfy his or her needs, the more important that media will be in a person’s life and there will be more effects on a person[13]. As per [14]Social media is being used by customers more and they are forming opinions regarding unfamiliar brands.Apparel products have been consistently ranked as one of the most frequently purchased items through the Internet[15]. The rise of usage of the web version 2.0 which is the social network platform technically known to be, has paved way to many ease of accessibility of information on one hand. Similarly on the other hand, high profile acts of misconduct also have been recorded by legal firms. [16]The presence of online supporters being passively experienced influences brand evaluations and purchase decisions among prospective customers[17]. [18] points out that any kind of negative information available in social media postings can have substantial impact on customers’ attitudes.

	Company	Event	Sentiment	Loyalty	Revenue	Customer involvement
1	Nestle	Maggi ban #maggiinasoup	Negative	Dip in loyalty with some hope of its return from the customers	Nestle incurred Net loss of Rs 64.40 Crore	So many customers on Facebook and twitter have blasted nestle on excess lead content in maggi
2	Nestle	Maggi returns #Welcome back maggi	Positive	Rebuilt the loyalty of customers	Revenue will remain around 20% below consensus between 2015 and 2017	14 Crore customers liked official Facebook page of maggi with #welcome back maggi
3	Snapdeal	Amir khan's negative statements triggered #appwapsi	Negative	Lost the loyalty of many customers	Several Cores of revenue lost due to uninstallation of application	7 lakhs of customers have uninstalled the snapdeal app from their mobile devices and around 91000 users have rated 1 star out of 5
4	Flipkart	Big billion day #flopkart #failkart	Negative	Lost the loyalty of many customers	Saw a business turnover of over \$300 million in gross merchandise volume (GMV)	Several customers made fun of the online store by tagging it as flopkart, failkart on twitter and facebook

3. RESEARCH METHODOLOGY:

We have done a case study based approach to evaluate different events that take place and their impact on business. We have also done qualitative analysis on responses or comments given by customers on social media. While there is an exploratory element to this research as it addresses

a new approach, it embarks upon the study of theories being applied to a new context which has a greater fit in the explanatory design. Neuman (2006) states that explanatory research is research in which the primary purpose is to explain why events occur and to build, elaborate, extend or test theory

4. ANALYSIS:

Table (1): List of Social Media Incident

4.1 Event:

Ban of Maggi noodles due to excess lead content triggered on social media by #maggiban, #maggiinasoup, #maggikeseffects etc.

4.1.1 Description:

It's a big blow to Nestle India as Indian state had ordered recall of Maggi noodles which are very popular among its customers. Why the prohibition on "a noodle brand" has started such monstrous online networking response and media scope? As one sustenance master said on a TV channel, Maggi "is somewhat more than noodles" for some Indians. It is immensely well known with school and college children, and Nestlé's "two-minute" promoting effort focusing on the simplicity of cooking the noodles have made them an easily recognized name in India [19]. But, Nestle had not responded to the comments of the users on social media sites like face book and twitter instead it had removed some of the negative comments posted by the users which further degraded its reputation. This kind of immature act by a company by deleting the comments on social networking sites created a perception that there was some fault on part of Eth Company in the entire matter.

4.1.2 Impact:

The event had created negative sentiment around the product of Nestle maggi since it is directly related to the health of the person due to excess MSG and lead content. Customers on Facebook and twitter have posted negative comments against Nestle on excess lead content in Maggi. In

addition to this, there are customers who had believed that Maggi will come back again and have not lost the trust over the brand. They had also posted #do not ban Maggi on the social media. Due to this event, nestle reported its first loss of Rs 64.4 Crore in 17 years [20]. Along with this, the share price of Nestle became more bearish than expected by making deep hole in the pockets of shareholders.

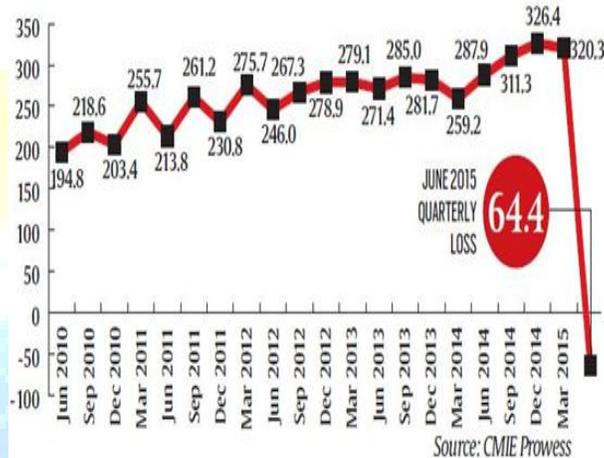


Fig (2): Quarterly Record of Nestle India’s profit In Crore since June 2010[20]

4.2 Event:

Relaunch of Maggi on a big scale with so many happy customers welcoming the return of their favorite brand of noodles on social sites with #welcome back Maggi.

4.2.1 Description:

After the ban of Maggi and suffering a major loss, Nestle India returned into the market almost after almost 6 months with a bang. It relaunched its noodles as soon as it got the clearance from the lab tests. It made a wide campaign on various channels especially on social media sites. It did not use the word Maggi anywhere for advertising instead it used tags like “#we miss you too” to gain the confidence of the customers.

4.2.2 Impact:

This event made a strong impact to build the loyalty among the consumers with a positive sentiment that their favorite 2 minute noodles is back which is healthier to eat and enjoy. Around 14 Crore of customers have liked the official Face-book page of Maggi with #welcome back

Maggi[21]. It also conducted various competitions like #HealthyEnjoyableselfie contest on its facebook page and rewarded its customers. The company's effort in retaining its customers succeeded with its social media advertisements. Unlike deleting the customer's negative comments, it promptly replied to all its users on facebook and other social sites. It also promoted the brand by reaching to its customers telling how safe it is to eat Maggi. The revenue of the company is still below 20% than estimates, but Nestle is very confident on reaching to its profitable position in the near future [22]. It also tied up with Snap deal, one of the largest online market place in the country to sell its Maggi welcome packets in the online space. This doubled its social media marketing by Snap deal's involvement in the business. Snapdeal also promoted Maggi welcome kits on its official facebook page with #SnapdealWelcomesMAGGI. This resulted in a surprise sale of 60000 Maggi welcome kits on the e-commerce platform within a span of 5 minutes [5].

4.3 Event:

#AppWapsi, the most floated tag on the social media sites last year which spreads to customers to uninstall Snap deal app from their mobile devices though there is no mistake from the company's perspective.

4.3.1 Description:

Popular Indian film star Amir Khan made some negative statements on India. This irked so many citizens of the nation and a huge controversy had begun against him which also got widespread on the social media. As a celebrity and a brand endorser to popular brands across the nation, his statement had also affected those companies for which he is the brand ambassador. Especially Snap deal, one of the country's largest online market place got affected severely due to this event and lost potential chunk of customers.

4.3.2 Impact:

Amir Khan's statement against India had triggered negative sentiment in the social media. Several customers have started posting comments against Snap deal telling that they are not willing to purchase products from AmirKhan representing company. They have also started

tagging #appwapsi that led to 7 lakhs of customers uninstalling snapdeal's application from their respective mobile devices. They have also expressed their anger on the social media page of Snapdeal by cancelling their orders. #appwapsi not only made the customers uninstall the app but also resulted in approx...91000 users giving a one star rating to the application on the market store [23]. Company incurred a loss in revenue due to this social media event as many of the loyal customers of Snapdeal approx...91000 have uninstalled its application and cancellation of orders. There is also protest from the customers on its facebook page that they are not willing to order any item from Snap deal till it removes AamirKhan as its brand ambassador. This event also resulted positively in promoting theSnapdeal's mobile application with regards to the company as it had been ranked no 20 among the application and no 3 in shopping applications [24].



Fig(3): Snapdeal India rank on Google Play Store Nov 2015 [25]

4.4 Event:

Flipkart's big billion day got failed and customers have made negative comments on the company by tagging it as #flopkart, #failkart on the social networking sites.

4.4.1 Description:

Flipkart, India's largest e-commerce retailer came up with the big billion day sale yet again after its failure in 2014 which made the owners of the company apologize to the public. In 2015, it again got turned down due to more number of customer visits across the site that caused website

crash. Some of the users weren't able to see the product while some of them faced problems with the delivery of the ordered products. This made customers angry on the company and they posted negative comments with photographs of their failed transactions on the Facebook. Some of them directly accused flipkart on the social networking sites stating that it failed big on the big day. This event impacted the company with tags #failkart, #flopkart across Face book and Twitter [26].

4.4.2 Impact:

The social media event of Flipkart's big billion day resulted in loss of loyalty of its customers. Due to several photos of failed transactions circulating on the social media, many users started thinking before placing an order from Flipkart. Though the company generated enough sales and good amount of revenue on the big billion day, it had lost the faith of the customers. Prior to big billion day launch, Flipkart took advantage of social media by advertising its sale in a big way. It had posted various offers on Facebook along with products that it planned to sell at a discounted price on the big day. This promotion on the social media (#BigBillionDaySale) helped the online retailer to make a business turnover of \$300 million on the big billion day [27]. On the flip side, its failure to handle the sale on the mega day had resulted in loss of loyalty among its several customers. Several negative comments had got widespread on the big billion sale on social media with #flopkart and #failkart tags.

5. ORGANIZATIONAL BEHAVIOR AND RESPONSE TO EVENT:

Based on our analysis and proposed model, organizations should be proactive rather than reactive on the social media as per [28]. We also recommend the approaches to be followed by organizations on social media. Social Media comes in numerous structures, including web journals, social networking, business systems, photograph sharing stages, social gaming, micro blogs, chatting Apps, and to wrap things up informal communities. There are 1.73bn user on social networking site and 1.55bn Facebook user in 2015 and it is expected rise in social media user to approximately 2.5 billion by2018 which is around 33% of Earth's whole populace [1].

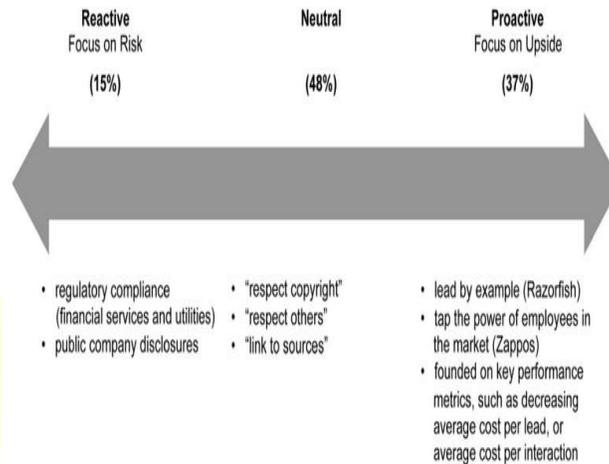
Organization need to create Social media policies with an understanding of the process they intended to impact. Each and every organization has their unique strategy, culture, process and target customer based on market positioning

5.1. Organization's approach towards Social Media: Proactive, Reactive

Organization need to set it priorities and plan according to it. Planning ahead and being proactive is highly recommended than holding up until an issue emerges before taking care of your brand equity. In the above events, if Nestle had published its points regarding Maggi before the customer's comments, impact would have been less. Proactive administration can be as basic as utilizing social media monitoring tools which work on keyword and hash tag, general media and official statements, and even monitoring your own particular organization's blog.

There are numerous reasons you ought to be proactive about your online reputation/brand equity rather than reactive. It is much simpler to alter or reduce the impacts negative sentiment on social media if you have already fabricated positive sentiment toward brand and create customer loyalty using social media. Tending to your online reputation additionally sets up your vicinity which can prompt an expansion in deals.

Being proactive rather than reactive about your organization's online reputation implies making your online presence and controlling it as rather than to letting an online user to initiate and control the discussion. Word of mouth and consumer reviews drive such a large portion of sales in today's scenario where an organization cannot afford to not to be online by steering the conversations and monitoring the discussions. Even a little delay in responding to customers might heavily impact the business.



Fig(5): Approach on Social Media[28]

5.2. Aspects to Responding:

An organization can behave in multiple way to event or an incident based on the policy and positioning they opted. Their action should be spontaneous as reaction time for the incident was very low.

There are multiple aspects in responding to an incident:

1. Controlling
2. Responding negative feedback
3. Inappropriate comments by staff, and
4. Monitoring.

5.2.1. Controlling

Controlling is the procedure of expelling unseemly substance from your official social networking webpage which is not to say that controlling is a type of restriction or censorship. Organizations have to note that constructive criticism and valuable feedback should not be blocked or removed from social media. It is vital for clients to feel certain that their useful input will be shown and taken into consideration. If you are using social media to engage with citizens, you should listen to those citizens – whether what they need to say is great, or terrible. Apart from anything else, consumers do not respond well to censorship, and you could be creating an

even bigger problem. Controlling is nothing but being proactive on social media as Nestle did in relaunching their product back into market to assure customer's loyalty.

5.2.2. Responding Negative Feedback:

Organization need to react or respond to customer remarks on Social media directly in a comparable way to which they would react to remarks in individual. It required best way to manage these remarks. If an agency does not have ability to deal with comments, this function should be disabled. Permitting remarks to accumulate unintended is not a decent approach[29].

With your organization blog and social media accounts, where you control the discussion, you can build up your organization's status and reputation. Utilize these channels to set up your organization as a specialist in the field, sharing profitable data and quality substance. Offer positive stories about group contribution, worker examples of overcoming adversity, anything positive. Presently when your reputation is proactively manufactured, and a negative issue arises, it will have a diminished effect because it is just one problem in a sea of positive as you have pushed much more positive comment rather than negative. Benefit from your site and social channels where you control the discussion by including content constantly. In the above event, Nestle India had not responded properly to the negative comments of the customer instead it had deleted them from its social pages which made an adverse impact on the company. It realized the importance and later when the product was back into market, they completely depended on the social media marketing and promptly responded to the customers across the network. In one of the above mentioned events, Nestle didn't respond to its customer's comments instead it had deleted negative comments posted by users from the Facebook page that resulted in adverse impact. Later they realized the importance of maintaining social media engagement with customers while they launched their product back into the market.

Type of negative feedback:

- Genuine Issues : It should be respond as soon as possible with required data with the help of concern authority
- Constructive criticism: These type of respond should be act as an feedback and organization should analysis and provide solution

- Trolling: These comments affect brand most as it can be viral through the network in no time and shared by multiple user just for fun. Organization should identify these comments and try to diminish it.

When responding to all criticism, even the negative type, is to stay positive. Negativity could allow an agency to be drawn into a fight with a citizen or user, and will only reflect poorly on the agency. Complaints or feedback must be treated the same as through any other medium. It should be incorporated into existing complaints mechanisms.

5.2.3. Inappropriate comments by staff

The risks negative comments pose are actually due to the fault of agencies handling responses poorly. Suitable guideline is required for staff to handle social media with and complaint procedures and authority for the staff should be assigned.

Suitable training is necessary to align social media with normal complaints procedures, and the authority for staff to assume official persona should be strictly controlled. The potential for negative comments should be a consideration during the risk assessment process. It is necessary to ensure that staff should understand consequences for inappropriate comments made on social media sites. Hence there is a need for the company to have a social media strategist to tackle these kinds of situations.

5.2.4. Monitoring Outside Sources

While it is not prescribed to distribute resources thinly and react to remarks from all sources, it is suggested that an organization monitor the sentiments .It conceivable that the organization will just react to remarks which happen on social networking started initiated by the agency – for instance, to just react to remarks on official pages, rather than related fan pages. Then again this could likewise be extended this to focused Communities of Practice or online journals or blog, to connect with those passionate about an event. In the above events where Flipkart failed miserably with respect to some customers would have monitored the customer's comments and external reviews there by justifying their technical faults in the webpage. Customers will be assured about their transactions in this case.

6. CONCLUSION:

The timely riser gets the result, and the sooner you start up Facebook and Twitter pages, the sooner you can begin accumulating a huge amount of fans and adherents. This isn't something you need to fall behind the opposition on the grounds or that it's much harder (and more costly). In today's scenario, your opposition is likely as of now advertising with Facebook, and possibly Twitter and LinkedIn, as well. Any kind of event that happens on social media irrespective of for or against the company will be penetrated into public at a very less time. Some of those events will help the organizations positively where as some will throw negative impact on the customers. The impact of customer's comments on social media may cause damage to an organization in terms of revenue, customer churn, and loyalty which is dependent on duration that a customer is associated with the company. Hence it is important for an organization to be proactive rather than reactive on social media. Social media should never be the back part or less focused by any organization.

7. REFERENCE:

- [1] Statista, "Statistics and facts about Social Networks," 2015.
- [2] Dave Chaffey, "Global social media research summary," Oct. 2015.
- [3] Prasant Naidu, "7 Stats That Every Digital Marketer Should Know About Indian Social, Digital And Mobile Market In 2015," Mar. 2015.
- [4] Yuvraj Gurung, "The latest numbers on web, mobile, and social media in India," 2015.
- [5] Borja Burguillos, "The waves of opportunity of digital and the impact on the Football ecosystem," Dec. 2015.
- [6] W. Glynn Mangold and David J. Faulds, "Social media: The new hybrid element of the promotion mix," *Bus. Horiz.* 200952 357—365, vol. Volume 52, Issue 4, Jul. 2009.
- [7] Maoyan and Zhujunxuan, "Consumer Purchase Intention Research Based on Social Media Marketing," *Int. J. Bus. Soc. Sci.*, no. Vol. 5, No. 10(1); Sep. 2014.
- [8] Andreas M. Kaplan, "Users of the world unite! The challenges and opportunities of Social Media," *Bus. Horiz.*, no. 53, p. 59—68, 2010.
- [9] Benparr, "It's Time We Defined Social Media. No More Arguing. Here's the," 2008.
- [10] John Jantsch, "The Definition of Social Media."

- [11] DWP UK Gov, "The Use of Social Media for Research and Analysis: A Feasibility Study," Department of work, UK, 2014.
- [12] Khalil Md Nor, "Procedia - Social and Behavioral Sciences," *ASIA Pac. Bus. Innov. Technol. Manag. Soc.*, vol. 40, pp. 326–333, 2012.
- [13] Liwei Chen, "The influence of social media on consumer behavior," *Dep. Bus. Adm. Aarhus*, Apr. 2014.
- [14] Carolyn Heller Baird and Gautam Parasnis, "From social media to social customer relationship management," *Strategy Leadersh.*, vol. Vol. 39 Iss: 5, pp. 30–37, 2011.
- [15] Milad Kamtari, "The Effect of Electronic Word Of Mouth, Trust and Perceived Value on Behavioral Intention from the Perspective of Consumers," *Int. J. Acad. Res. Econ. Manag. Sci.*, vol. Vol. 1, No. 4, Aug. 2012.
- [16] Kundhavai Santharam, "IS SOCIAL MEDIA AN EFFECTIVE STRATAGEM FOR INDIAN LAW FIRMS," *CTACT J. Manag. Stud.*, vol. 1, no. 2, May 2015.
- [17] Rebecca Walker Naylor and Cait Poynor Lamberton, "Beyond the 'Like' Button: The Impact of Mere Virtual Presence on Brand Evaluations and Purchase Intentions in Social Media Settings," *J. Mark.*, vol. Vol. 76, No. 6, pp. 105–120., Nov. 2012.
- [18] ANN E. SCHLOSSER, "Posting versus Lurking: Communicating in a Multiple Audience Context," *J. Consum. Res.*, vol. 32, Sep. 2005.
- [19] BBC, "Memes make light of India Maggi ban," 04-Jun-2015.
- [20] Express News Service, "Nestle posts first loss in 17 years after Maggi ban," 30-Jul-2015.
- [21] Maggi India, "Maggi India Facebook," 2016. .
- [22] Sounak Mitra, "Nestlé sells 45 mn Maggi packs within two weeks of relaunch," *Live Mint*, Nov. 2015.
- [23] Sreemoy Talukdar, "Differentiating between dissent: App-wapsi is every bit as legit as award-wapsi," *First Post*, Nov. 2015.
- [24] Bobins Abraham, "Guess Who Is Having The Last Laugh In #AppWapasi! Snapdeal's Ranking Goes Up Even After Down Voting," *India Times*, Nov. 2015.
- [25] Shoaib Daniyal, "#AppWapsi backfires as increased publicity spurs Snapdeal's app rankings to rise," *Scroll*, 28-Nov-2015.

- [26] tech2 News, “#Flopkart: Twitter mocks Flipkart’s Big Billion Day festive sale,” 06-Oct-2014.
- [27] PP Thimmaya, “Flipkart ‘Big Billion Days’ sale does \$300 million GMV in business,” *Financial Express*, 19-Oct-2015.
- [28] Nich Smith and Robert Wollan, *The Social Media Managment Handbook*. John wiley and Sons Inc., 2011.
- [29] Department of Finance, *Social Media Guidelines*. Government of Western Australia, 2012.

