

How to Manage a Crisis to Turn It Into Image Success on the Example of the KROSS Brand

Monika Borzdyńska

PGE Narodowy (PGE Narodowy Stadium)

monika.borzdyńska@2012plus.pl

ORCID: 0000-0003-3347-757X

ABSTRACT

The paper contains an analysis of the crisis situation that the KROSS brand struggled in social media in 2019. **Scientific objective:** To assess the effectiveness of communication strategies in a crisis. **Research method:** Analysis of materials obtained from social media and desk research from the analyzed company. **Results and conclusions:** The paper presents a diagram of communication activities undertaken by the described brand in a crisis situation. The study examines individual stages of the image crisis and the tools used to reduce it. One of the key elements is the analysis of the brand statement and how its elements contributed to ending the crisis and then turning it into image success. The proof that the brand attitude has been noticed and appreciated are the media publications appearing after the statement was issued. The analysis also indicates errors made by the brand in a crisis situation. **Cognitive value:** The paper contains an analysis of the stages of the crisis from its beginning, to its ending and assessment of the tools and methods used.

KEYWORDS

crisis communication, Kross, social media, image, 5P's model



The development of new technologies and the growing role of social media such as Twitter, Instagram, and Facebook have made them today one of the key communication channels, both for representatives of companies with target groups, as well as for the clients or users with the company, who often expect immediate reaction to their entries. Social media is a channel for exchanging thoughts, views, and opinions, where current information is posted first. What distinguishes social media from traditional ones, i.e. radio, television, and newspapers/magazines, is the fact that it functions around the clock, all year round, and entries about products, services or even people associated with a given brand can be made by anyone and they can have real impact on the image of a given company. Therefore, it is very important to carefully design a communication strategy, also in social media, and to choose the right message to protect the brand from the image crisis. Regular monitoring of traditional and social media, in turn, can detect most problems, such as criticism, complaint or grievance.

However, if we are dealing with an image crisis in social media, one should immediately implement a communication strategy and crisis manual, so as not to aggravate it and penetrate other traditional media. A well-developed communication strategy not only helps to control the crisis, but can also improve the company's image, which in turn will contribute to a larger influx of customers and increase business efficiency.

Market Position of the KROSS Brand

KROSS is the largest bicycle company in Poland, with approximately 20-25% share in the domestic market. The brand brings together a cycling community not only from Poland, but also from around the world, because it exports its products to 56 countries. What distinguishes it from others is the fact that it produces bikes only under its own brands, such as KROSS, LE Grand, and Multicycle. In 2017, KROSS decided to invest in new technologies and, thanks to a subsidy obtained from the European Union, created a carbon frame production line, which puts the brand among the few European manufacturers of this element.

The brand also has a professional cycling group KROSS Racing Team, which includes Maja Włoszczowska, two-time Olympic champion, gold medalist of the World Championships, multiple European and Polish champion, Ondřej Cink, Czech champion, Spanish runner-up Sergio Mantecón. This is one of the world's best mountain biking team.

When it comes to PR-marketing activities, the brand conducts communication activities using social media, such as Facebook or Instagram. It rarely uses traditional media such as radio or television. The described crisis situation took place on Instagram and Facebook, and the communication stages were analyzed. The basis for writing the paper were data obtained from the brand, including press materials about the crisis, as well as information from media monitoring. The stages of the crisis from January 25-30, 2019, were analyzed. The purpose of the paper is to assess the effectiveness of the communication activities undertaken to control the crisis. The research hypothesis was as follows: brand strategy, including crisis communication implemented by the KROSS brand during a crisis situation, positively affected the brand image, and also increased the number of media users interested in the brand.

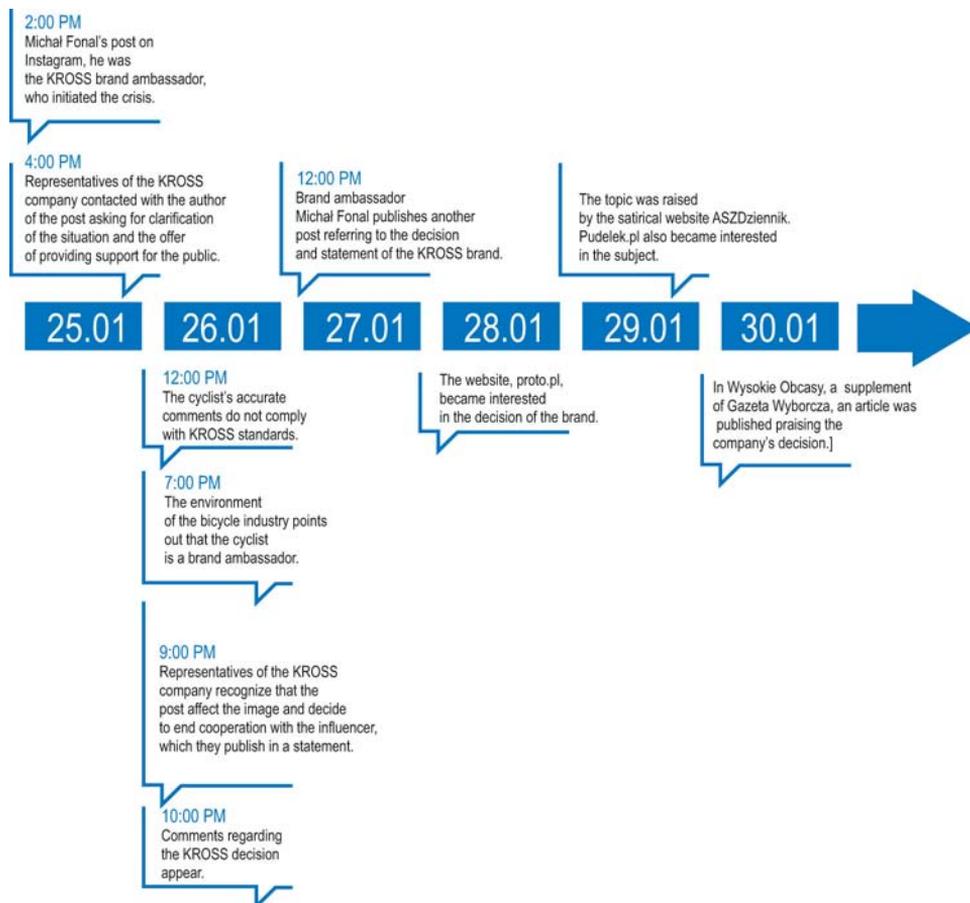


Fig. 1. The Stages of the Crisis

Source: own study

The Stages of a Crisis

Recognizing a crisis begins with identifying the sources of the crisis (internal and external), followed by the signs of the crisis characterized by exceeding the subjective level of risk (Gryz & Kitler, 2007).

Initiation of the Crisis

The described crisis was initiated on January 25, 2019, at around 2:00 PM. Michał Fonał (majkcycling), one of the KROSS brand ambassadors, published on his Instagram a controversial post in which he referred directly to women and their attitudes related to physical activity.

Under the post, not only women's comments began to appear, expressing a negative attitude towards it. Importantly, majkcycling posted a hashtag of the brand of which he was the ambassador. The cyclist's attitude must have surprised the brand itself, because at this stage it did not yet refer to the post of its ambassador, which meant that it did not affect his further conduct. Influencer with his post caused a crisis defined in the literature as a sudden and unexpected event

that threatens the activities of the economic entity, its financial situation, development or market position (Coombs, 2007). Crisis requires rapid response on the part of the board (Sandin, 2008). This is one of the basic management factors, even an obligatory point in every procedure, because the first signs of a crisis situation force response and specific actions (Tworzydło, 2017). Coombs (2007) even claims that the first message should be released one hour after the crisis occurs.

Crisis communication is one of the forms of public relations that is becoming increasingly important, and its proper implementation not only leads the brand out of the crisis, but it also can turn it into image success. It is important for the brand to have a long-term communication strategy developed, including for a crisis situation. This is particularly important in the context of social media, where the response time to the crisis must be short, and the action itself resolute and professional. Incomplete conduct of crisis communication, corrective actions taken too late can deepen the company's crisis, negatively affect its image and reputation and, as a consequence, translate into financial consequences and even contribute to its collapse. It is worth remembering that, as Kaczmarek-Śliwińska (2015) claims:

“(…) each crisis situation is different, therefore each should be treated individually. There are no ready-made procedure, but by analyzing crisis situations, simulations, and experience resulting from past crises, one can acquire skills to effectively identify crisis signs and take effective management actions during a crisis.” (p. 16)

The reaction of the KROSS brand in the first hours from the appearance of the post would certainly protect it from further escalation of dissatisfaction of social media users, but also from further actions taken by its ambassador. The brand only after two hours contacted the ambassador with a request to apologize and offer PR support.

The Crisis Escalation

Unfortunately, the response was not enough, because the ambassador carried out further, negatively marked communication. He posted the following answer under one of the comments.

The whole situation caused another avalanche of comments and criticism directed at the cyclist. Users' reactions have appeared not only on Instagram, but also on Facebook. The next day, January 26, around 2:00 PM, the cyclist deleted the post, but a large number of users copied it and started creating new posts related to it, because nothing is lost on the Internet. Some comments also directly related to the KROSS brand, and users asked if the brand supported the views expressed by its ambassador.



Fig. 2. Cyclist's Post

Source: <https://www.instagram.com/majkcycling/>



Fig. 3. Cyclist's Comment Under the Post

Source: <https://www.instagram.com/majkcycling/>

Implementation of the Crisis Manual and Issue of the Statement

The increased activity of social media users met this time with a quick and firm response from the brand, which decided that the situation caused by its ambassador had a negative impact on the company's image, which is why it started implementing the crisis manual. On January 26, after 10:00 PM, the company issued a statement in which it referred in a clear and transparent manner to the post of Michał Fonał and indicated the principles it followed.

The statement, which was published on Facebook and Instagram, written in plain language, is comprehensive and leaves no doubt. The company modeled the important elements contained in 5P's model by Adam Łaszyn, which states that in a crisis situation one should apologize and then prepare, counteract, improve, and make up for the losses (Tworzydło, 2017). First of all, the

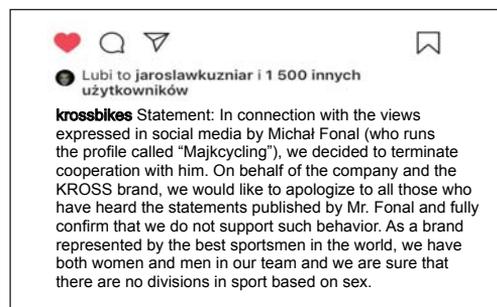


Fig. 4. Kross brand statement

Source: <https://www.instagram.com/krossbikes/>



Fig. 5. Users' Comments

Source: <https://www.facebook.com/KrossBikes/posts/2499147630113857?>

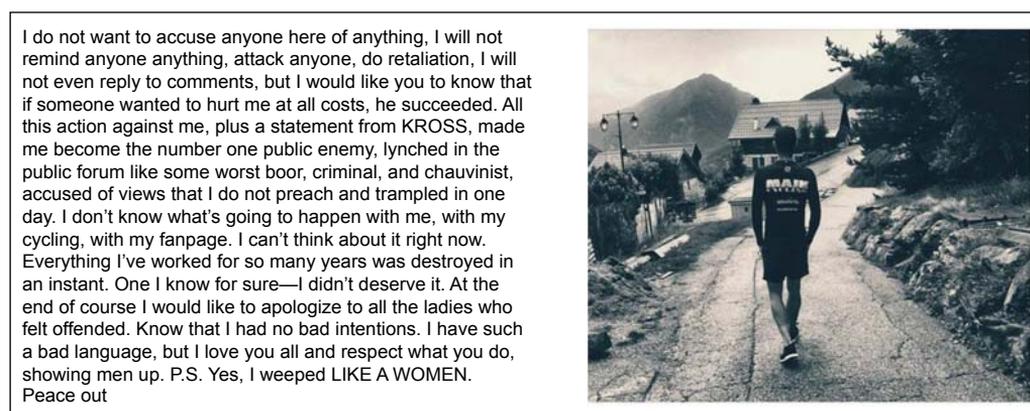


Fig. 6. Rider entry

Source: <https://www.facebook.com/majkcycling/>

brand overwhelmed its ambassador for the attitude, but most importantly—it announced the end of cooperation with him. Such a reaction of the brand did not allow for a serious image crisis, but also unambiguously indicated how key consumer feelings and values it is guided by. It should also be noted that the brand constantly monitored user entries and conducted fast communication, without avoiding responding to comments. A large proportion of users expressed approval for the brand's decision, but there were also voices of criticism.

A completely different attitude was presented by the cyclist who deepened his image crisis. On his Facebook profile he referred to the brand statement, which caused another avalanche of criticism. Majkcycling in an emotional post presented the path of his cycling career and tried to convince all viewers that his post was supposed to be funny. In conclusion, however, he apologized to women, who may have felt offended. This was the last paragraph of the post, which was also deleted later.

Deleting posts by the cyclist undoubtedly proved his lack of professionalism and that his actions were ill-considered and not agreed with the ambassador.

Impact of the Crisis on Brand Image

From the data obtained from the analyzed brand, including information from media monitoring, it appears that the post with an apology had a huge reach, and the brand gained the interest of new users, which can be clearly seen in the chart.

	26 sty 2019 10:04	https://www.instagram.com/p/BtHSZyUhuHQ/				
	Statement: In connection with the views expressed in social media by Michał Fonał (who runs the profile called "Majkcycling"), we decided to terminate cooperation with him.....					
	Likes	Comments	Saves	Reach	Impressions	Activity Index
	1501	236	21	17487	29536	3389
	30 sty 2019 03:02	https://www.instagram.com/p/BtQ1PDGgOu6/				
	Keep pace with your dog!... #krossbikes #kross #krossonepassion #twowheelsonepassion #bike #instabike #bikepower #cycling #cycle #cyclist #bicicleta #bikelife #bikeporn #bikelover...					
	Likes	Comments	Saves	Reach	Impressions	Activity Index
	720	2	3	8898	12744	736

Fig. 7. Comparison of the Popularity of Brand Posts, Including the Statement

Source: data obtained from the KROSS brand

	Analyzed Period Jan 26, 2019—Feb 1, 2019	Analyzed Period Jan 19, 2019—Jan 25, 2019
Reach		
Reach	19529	14124
Average Reach per Day	8264	5930
Impressions	192272	146255
Followers	27860	27544
Follower Growth Rate	316	284
Engagement		
Likes	4530	2244
Comments	249	10
Saves	0	0
Engagement	4779	2254
Engagement Rate	682,71	0
Activity Index	6562	2348
Profile Visits	4162	2241

Fig. 8. List of Reach and Engagement of the KROSS Brand Profile on Instagram

Source: data obtained from the KROSS brand

The brand did not analyze the market effects, because they would be irrational, because the bicycle industry, unlike FMCG, is very seasonal, and the crisis itself went beyond it.

The KROSS Brand Decision Noticed by Traditional Media

The brand's decision to end cooperation with the ambassador was noticed and even praised by traditional media. The topic was first raised by specialized, information, and even lifestyle media. The first to react was a website dedicated to the public relations industry, which on January 28 published a text about the end of the cooperation between the cyclist and the brand ("KROSS Ended Cooperation with the Cyclist After His Controversial Post on Social Media," n.d.). One reads in the article:

"On January 26, 2019, the KROSS brand issued a statement in which it announced the termination of the cooperation with a cyclist known in social media as MajkCycling. The reason for this decision was an entry posted by him on social media. He suggested in it that women usually look for excuses not to train, and to one of the comments under the post he replied >>fairer sex = fairer character 😊<<."

The brand's decision also interested the satirical portal ASZdziennik, which published a text about the attitude of the cyclist. ("Cyclist's Shock. He Likes Sexist Texts, and the Sponsor Terminated Cooperation with Him for Sexist Texts," n.d.). One reads in the lead paragraph:

“The show of cyclist Michał Fonał is one of those scandals when the whole Internet can see perfectly well what is wrong—only the main character still understands nothing. And instead of thinking, he publishes clever entries, thinking what they all got on with him. But before we pat and comfort him, let’s see what went wrong.”

In turn, in *Wysokie Obcasy*, a supplement to *Gazeta Wyborcza*, on January 30, an article by Natalia Waloch was published entitled “And Why Are You So Tense?” —The Problem Is That It’s Usually Said to Women When They Are Being Offended,” in which the author referred to the subject. In the lead paragraph one reads:

“I became the number one public enemy, lynched in a public forum like some of the worst boor, criminal, and chauvinist, accused of views that I do not preach, and trampled in one day’—this is how cyclist Michał Fonał complained on Facebook when KROSS, sponsoring, among others Maja Włoszczowska, broke off cooperation with him.”

Further in the material one reads:

“*Chapeau bass* for the KROSS company, which reacted quickly and terminated cooperation with the cyclist, writing: ‘On behalf of the company and the KROSS brand, we would like to apologize to all those who have heard the statements published by Mr. Fonał and fully confirm that we do not support such behavior. As a brand represented by the best sportsmen in the world, we have both women and men in our team and we are sure that there are no divisions in sport based on sex’.”

The author concludes:

“What does this story show? The brightest point is the reaction of the company, which did not escape into round sentences or take the matter to wait, but made a decision and the end. It shows that new things are really coming and sexism is already so discrediting that it is not profitable for a serious brand to have an affair with it.” (Wysokieobcasy.pl, 2019, “And Why Are You So Tense?” —The Problem Is That It’s Usually Said to Women When They Are Being Offended”).

The topic was not omitted by the portal dedicated to stars and celebrities, Pudelek.pl, where on January 29, the text was posted. (“A Well-Known Cyclist Lost His Contract by Sexist Jokes. >>Fairer Sex = Fairer Character<<,” n.d.). In the article one reads:

“In the era of the new wave of feminism, which encourages women to unite and support each other not only with the help of the #girls power, but also with real actions, every manifestation of sexism on the web is immediately caught up.”

Ethics and Respect for Social Norms in Public Relations Activities

KROSS’s reaction to the behavior of the main character of the image crisis can be considered in a broader context and in reference to the recently published statement of the Public Relations Ethics Council (April 4, 2019), in which it presented a new definition of the term “public relations” developed by the Social Team of PR Experts. As the Council writes, public relations is “planned and long-term management of the organization’s communication with its environment, implemented in compliance with ethical and other social norms. PR serves to build and maintain mutually beneficial relations with this environment, taking into account not only the organization’s goals and opinions, the interests of various parts of this environment, but also the common good.” In its statement, the Council also referred to the issue of cooperation of PR specialists with influencers and bloggers and to blur the differences between PR and other fields of communication.

In the context of the quoted definition, it should be noted that the decision of KROSS to terminate cooperation with the influencer is proof that the brand in its communication strategy and PR activities is guided by respect for ethical and social norms and wants to uphold human dignity. It is worth pointing out that the brand's response to behavior detrimental to its image was noticed by the media, which assessed it as stigmatizing sexism and discrimination.

Summary and Conclusions

The crisis that affected the KROSS brand was a valuable experience for the company, because it pointed out that the brand strategy and management should refer not only to production, but also to the sphere of internal and external communication—with the brand's environment and its ambassador. Most crises are caused by people, and one ill-considered decision or post in social media can affect the image of the entire brand, which in turn can translate into business aspects. Rebuilding a tarnished image is a long-term and costly process.

An analysis of the stages of the crisis that the KROSS brand was struggling with clearly indicated that its ambassador's attitude was not thought-out, but only emotionally characterized. His subsequent posts were not consulted with the brand, which ultimately confirmed the statement already issued by the brand. The firm reaction of the company to a sexist opinion violating generally accepted norms and customs was very well received and proved to be the right strategy in crisis communication. It also showed that posts or opinions published by brand ambassadors evoking extreme emotions should be subjected to prior risk analysis of a given communication action.

The decision of the company's management board to terminate cooperation with the ambassador and an apology meant that the company not only avoided a serious image crisis, but came out of the whole situation unscathed. The brand's attitude has been noticed and even appreciated by traditional media, which ultimately positively affected the company's image. Certainly, if its president had signed the statement, the power of communication would have been even greater.

Bibliography

- ASZdziennik.pl. (2019). Szok kolarza. Lubi seksistowskie teksty, a sponsor zerwał z nim współpracę za seksistowskie teksty. Retrieved on May 13, 2019, from <https://aszdziennik.pl/125517,szok-michala-fonala-kross-skoczyl-z-nim-wspolprace-za-seksistowskie-posty>
- Coombs, W. T. (2007). Protecting organization reputations during a crisis: The development and application of situational crisis communication theory. *Corporate Reputation Review*, 163–176. Retrieved from <https://link.springer.com/article/10.1057/palgrave.crr.1550049>. doi: <https://doi.org/10.1057/palgrave.crr.1550049>
- Gryz, J., & Kitler, W. (2007). *System reagowania kryzysowego*. Toruń: Wydawnictwo Adam Marszałek.
- Kaczmarek-Śliwińska, M. (2015). *Public relations w zarządzaniu sytuacjami kryzysowymi organizacji. Sztuka komunikowania się*. Warsaw: Difin.
- Krossbikes. (2019, January). Oświadczenie. [Post on Instagram]. Retrieved from <https://www.instagram.com/krossbikes>
- Krossbikes. (2019, January). Oświadczenie. [Comments to the Post on Instagram]. Retrieved from <https://www.instagram.com/krossbikes>
- Majkcycling. (2019, January). Pobiegame w ten paskudny dzień. [Post on Instagram]. Retrieved from <https://www.instagram.com/majkcycling>
- MajkCycling. (2019, January). Pobiegame w ten paskudny dzień. [Comments to the Post on Instagram]. Retrieved from <https://www.instagram.com/majkcycling>

- MajkCycling. (2019, January). Cześć. Jestem Mike. [Post on Facebook]. Retrieved from <https://www.facebook.com/majkcycling>
- MajkCycling. (2019, styczeń). Cześć. Jestem Mike. [Comments to the Post on Facebook]. Retrieved from <https://www.facebook.com/majkcycling>
- PRoto.pl. (2019). KROSS zakończył współpracę z kolarzem po jego kontrowersyjnym poście w mediach społecznościowych (n.d.). Retrieved on May 13, 2019, from <http://www.proto.pl/aktualnosci/kross-zakonczy-l-wspolprace-z-kolarzem-po-jego-kontrowersyjnym-poscie-w-mediach>.
- Pudelek.pl. (2019). Znany kolarz stracił kontrakt przez seksistowskie żarty. „Słaba płęć = słaby charakter”. Retrieved on May 13, 2019, from https://www.pudelek.pl/artykul/141638/znany_kolarz_stracil_kontrakt_przez_seksistowskie_zarty_slaba_plec_slaby_charakter.
- Sandin, P. (2008). Approaches to ethics for corporate crisis management. *Journal of Business Ethics*, 87, 109–116. doi:<https://doi.org/10.1007/s10551-008-9873-2>
- Tworzydło, D. (2017). *Public relations praktycznie*. Rzeszów: Wydawnictwo Newsline.
- Wysokie obcasy.pl. (2019). A co ty jesteś taka spięta?. Sęk w tym, że najczęściej mówi się to do kobiet, kiedy się je obraża. Retrieved on May 13, 2019, from <http://www.wysokieobcasy.pl/wysokie-obcasy/7,100865,24414436,a-co-ty-jestes-taka-spieta-sek-w-tym-ze-najczesciej-mowi.html?disableRedirects=true#S.-K.P-P.-B.1-L.1.glowka>