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COPENHAGEN
BUSINESS SCHOOL

Globalization, Media, and New Communication Technologies

*Associate Professor Dr Dennis Schoeneborn
(Copenhagen Business School, Denmark)*



Agenda

- 1 Major changes through the new globalized media landscape
- 2 Opportunities of new global media and ICTs for MNCs
- 3 Challenges of new global media and ICTs for MNCs
- 4 Wrap-up and outlook



Major change no. 1: New globalized mass media



During cold war era, media systems were primarily national in scope – since then, media systems became more global



Major change no. 2: The rise of the internet



Rise of new global media players (e.g., Google, Facebook)
but also democratization of media content production



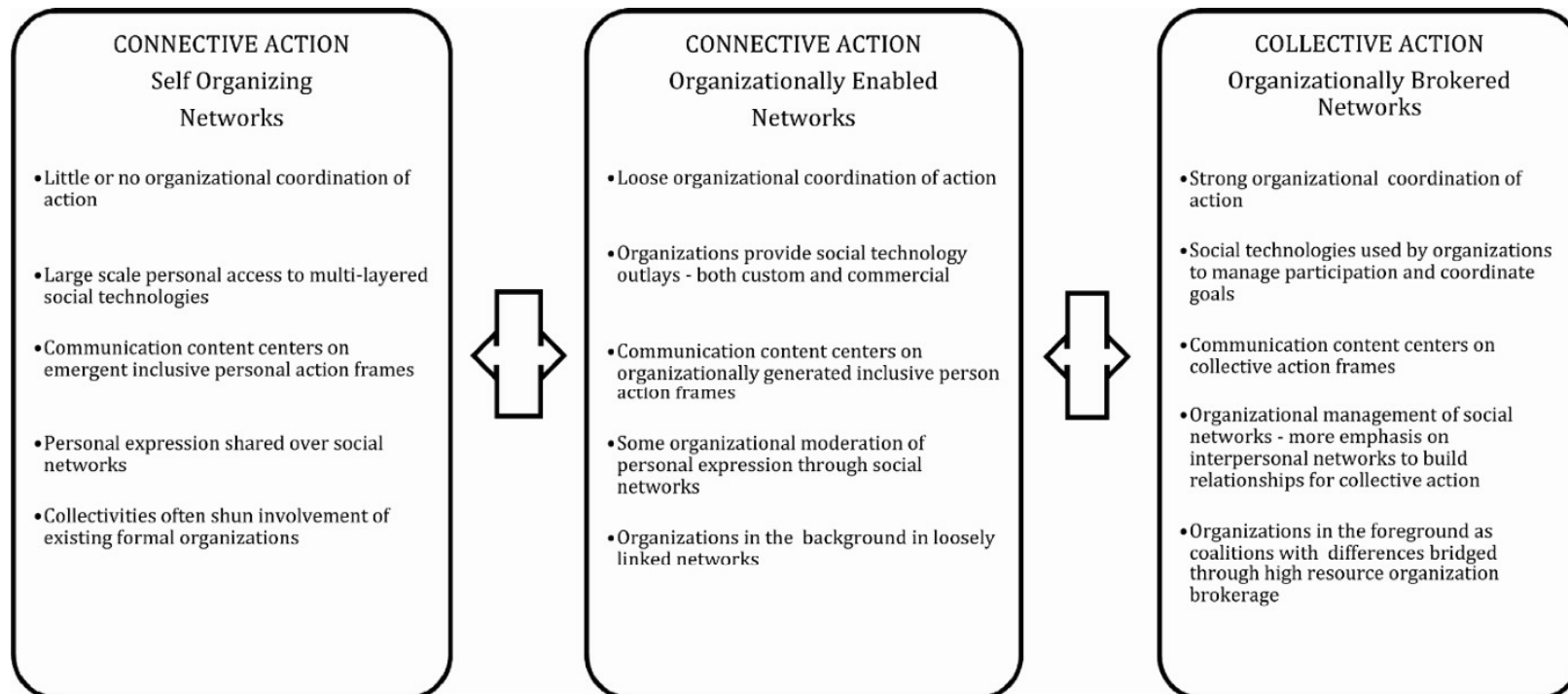
Major change no. 3: New global social movements



New ICTs not only used to exchange information – but they also play a formative role for new organizational phenomena



New global ICTs allow for the emergence of self-organizing networks ('logic of connective action')





Hence, MNCs operate in an environment with rudimentary and “partial” organizational forms

Five elements of complete organizations:

(1) Membership



(2) Hierarchy



(3) Rules



(4) Monitoring



(5) Sanctions



➔ Partial organizations “make use of less than all organizational elements” (p. 84)

➔ Partial organizations particularly frequent on the supranational/global level

**MNCs' counterparts oftentimes lack features
of a clearly identifiable and addressable actor**



To summarize: What are the main features of the globalized new media landscape

- New global media players
- Time-space compression
 - Global visibility of media content
 - Instantaneous/accelerated communication
- One-to-many → many-to-many communication
 - User-generated content (e.g., Blogosphere, Wikis)
 - Diminishing importance of professional journalism
- Emergence of new forms of (global) social movements
- But also: New forms of censorship (e.g., Great Firewall of China)



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Schultz et al. call for communication-centered view on CSR in the era of the ‘networked society’

Views on CSR	Instrumental view	Political-normative view	Communication view
Institutional characteristics			
Actors	Corporations and stakeholders as rational actors	Corporations as political–moral actors and norm-setters	Individuals in fluid networks
Social relations	Principal–agent, contractual, self-organized	Moral contract, deliberative processes, consensus, external	Symbolically mediated interaction, fluid, relations
Scope of CSR			
Moral communication	Control-oriented: Persuasive, rhetorical strategy to create reputation, conformity and improve financial performance	Consensus-oriented: ethical, dialogic, discursive (deliberative) to produce legitimacy building on consistency of words and actions	Conflictive, aspirational, and disintegrative, co-constructed, mediated responsibility
Role of new media	Tool for reputation building (social technology; deterministic)	Deliberative, tool for democratization of decision making (social technology)	Indeterminate platform for symbolic interaction
Legitimacy	Pragmatic legitimacy	Moral legitimacy	Communicative legitimacy
Foundations of CSR			
Key access	Organization-centered and organization-oriented	Organization-centered and society-oriented	Network-oriented
Epistemology and theories	Functionalism and managerialism, corporate social performance, strategic management	Normativism: ethics, political role of firms	Constructivism, CCO Communication Constitutes Organization, network theory



Social media in particular create new opportunities for interactive stakeholder communication

Firms need to engage in deliberative communication with their stakeholders to ensure their “societal license to operate” (Scherer & Palazzo, 2011)

According to Whelan et al. (2013), social media create important “new public arenas of citizenship” which can become highly relevant for corporations

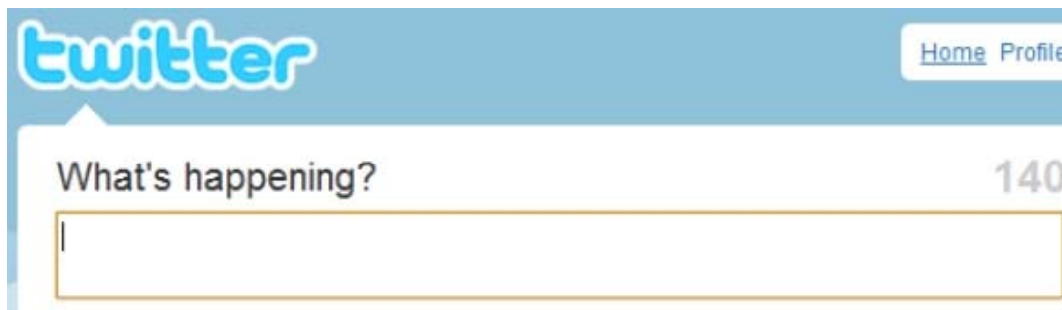
Generally, social media have widened firms’ possibilities for direct, low-cost, and quick interactions with their stakeholders (e.g., NGOs) (Capriotti, 2011)

However, to what extent do MNCs and NGOs actually make use of the interactive capabilities of social media?



Inauen & Schoeneborn examined how MNCs and NGOs make use of these interactive capacities

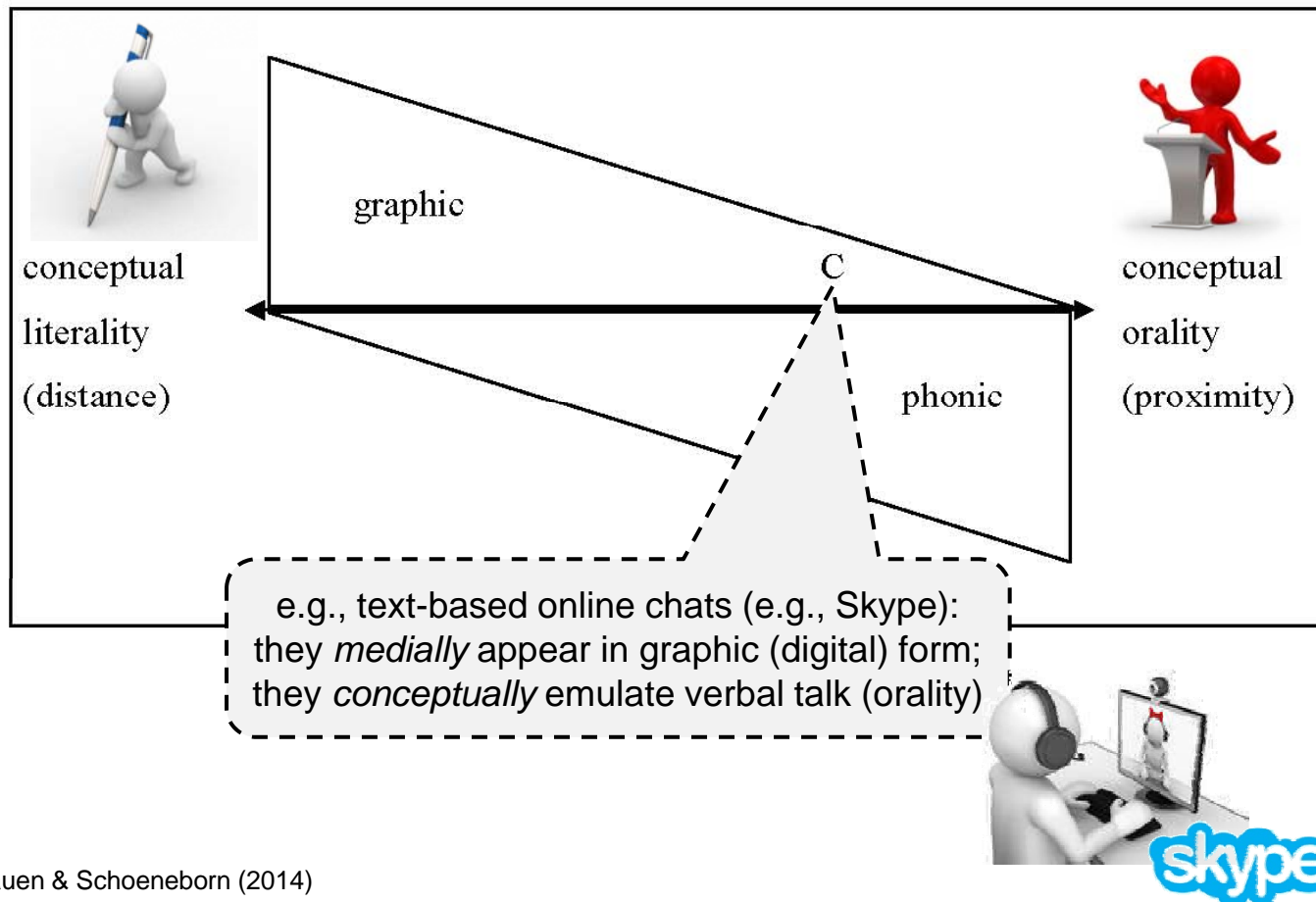
- Content analysis of Twitter messages (“Tweets”)



- Selection of 30 largest MNCs and 30 NGOs with German Twitter account
- Random sampling of 50 Tweets per corpus (3,000 Tweets overall)
- Focus on extent of interactive elements
- Operationalization of model by Koch & Oesterreicher (1994)



The analysis follows Koch & Oesterreicher (1994): distinction between conceptual literacy & orality



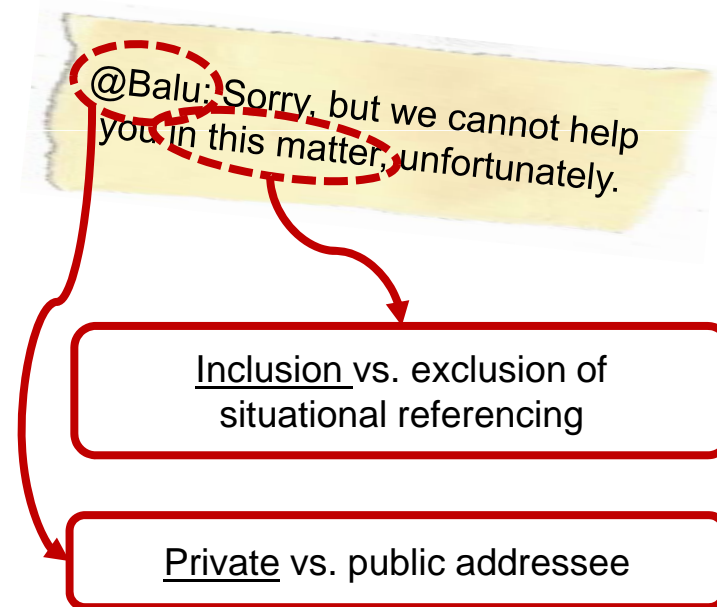


For our data analysis, we adapted the model by Koch & Oesterreicher (1994) for analyzing Tweets

Coding scheme

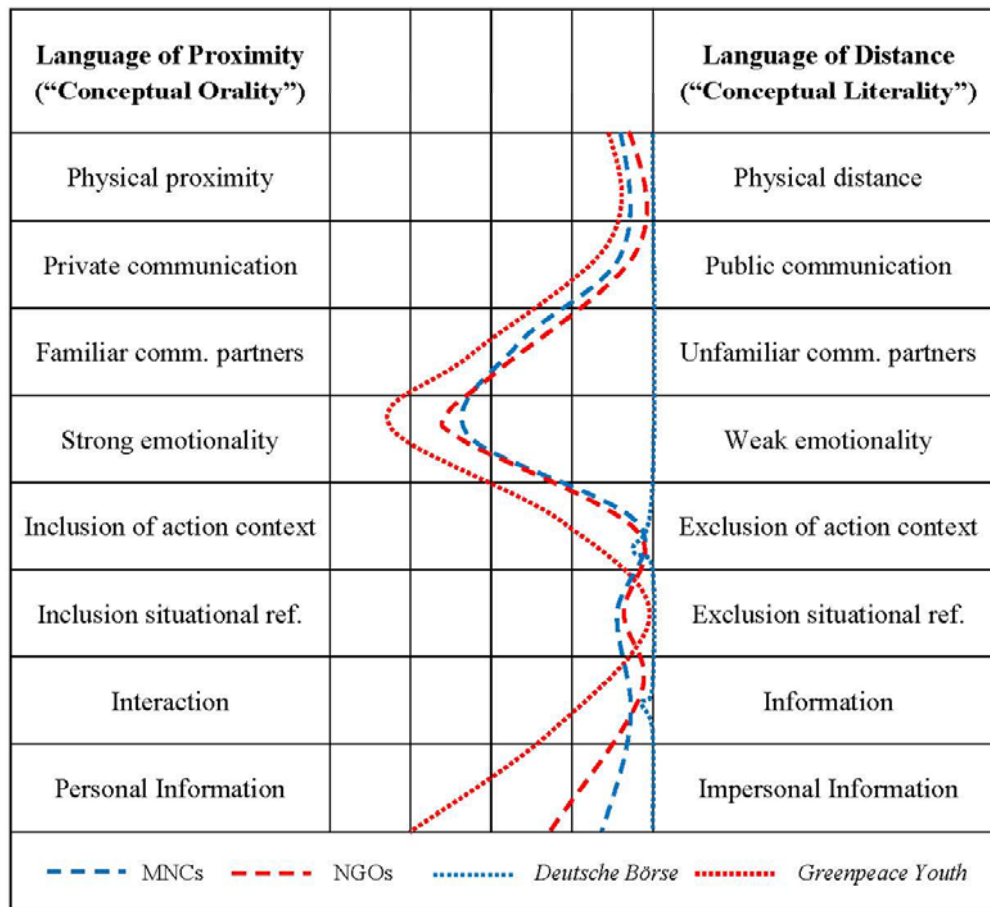
No.	Inclusion in Analysis	Communication Strategy (Proximity vs. Distance)	Indicators
(a)	✓	Physical proximity vs. distance	Twitter generally: distance pole
(b)	✓	Private vs. public communication	„@“ symbol, names
(c)	✓	Familiarity vs. unfamiliarity	Direct addressing („Sie“/„Du“), welcoming, acknowledgement, goodbye
(d)	✓	Strong vs. weak emotionality	<ul style="list-style-type: none"> Mimics/gesturing: emoticons, asterisks, onomatopoeia Acoustic sounds: capital letters, duplication of letters, inter-punc-tions Style of speech: expunctions, colloquial expressions Pictures/videos
(e)	✓	Inclusion vs. exclusion of action contexts	Deixis temporal: <i>Just now, today, to-morrow</i>
(f)	✓	Inclusion vs. exclusion of situational referencing	Deixis local: <i>Here, there</i>
(g)	✓	Dialog vs. monolog	Interaction vs. information
	✗	Large vs. small cooperation capacities (by the receiver)	
	✗	Spontaneous vs. planned expressions	
	✗	Open vs. fixed topic	

Coding example





MNCs & NGOs show similar patterns on Twitter: They largely stick to a “language of distance“





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Case no. 1: KitKat – new challenges for CSR communication in the age of social media

- In 2010, Greenpeace campaigned against Nestlé's for sourcing unsustainable palm oil, thus endangering the orang-utan's natural habitat
- Campaign involved various social media (viral videos, twitter walls, etc.)
- Nestlé reacted with „classical“ PR (press releases) and even censorship

YouTube



“Nestlé fails at social media” (TechEye.net)

twitter



facebook

“Nestlé loses face on Facebook” (FreshBusinessThinking.com)

In this case, Nestlé (initially) failed to embrace the interactive opportunities offered by social media



Nestlé's later reaction: Engaging in multifold stakeholder activities for reaching new solutions

Action plan by Nestlé

- Later in the process, Nestlé responded with a concrete action plan on responsibility
- E.g., initiation of various stakeholder dialogue platforms
- Engagement in "Roundtable on Sustainable Palm Oil"



Reaction by NGOs

- Acknowledgement even by critical NGOs
- E.g., Greenpeace launched an appreciative campaign which highlighted the constructive way of collaborating with Nestlé





Meanwhile, Nestlé has created a social media “situation room” to accelerate issue responses

- See video: https://www.youtube.com/watch?v=HD_W3EMuC1U



How do you assess Nestlé's social media strategy?



Case no. 2: Domino's Pizza YouTube crisis

- Domino's is a large US-American franchise pizza delivery service
- 2nd largest pizza chain in the US (after Pizza Hut)
- >10,000 stores worldwide (in >70 countries)
- In 2009, two (alleged) employees published a video clip on YouTube in which they made “funny stuff” with pizzas before delivery (sneezing on the pizza, etc.)
- Video went viral on YouTube (>1 million views)
- Even though it was soon clarified to be a “hoax”, significant damage to Domino's reputation

How to best handle a social media crisis like this?





Domino's reacted swiftly on the same channel

- Response on same channel where crisis occurred (i.e. YouTube)
- Fast response (i.e. even before they could finally verify the source)
- Personalization/emotionalization through appearance of CEO
- Successful framing as a case of organizational learning

Disgusting Dominos People - Domino's Responds



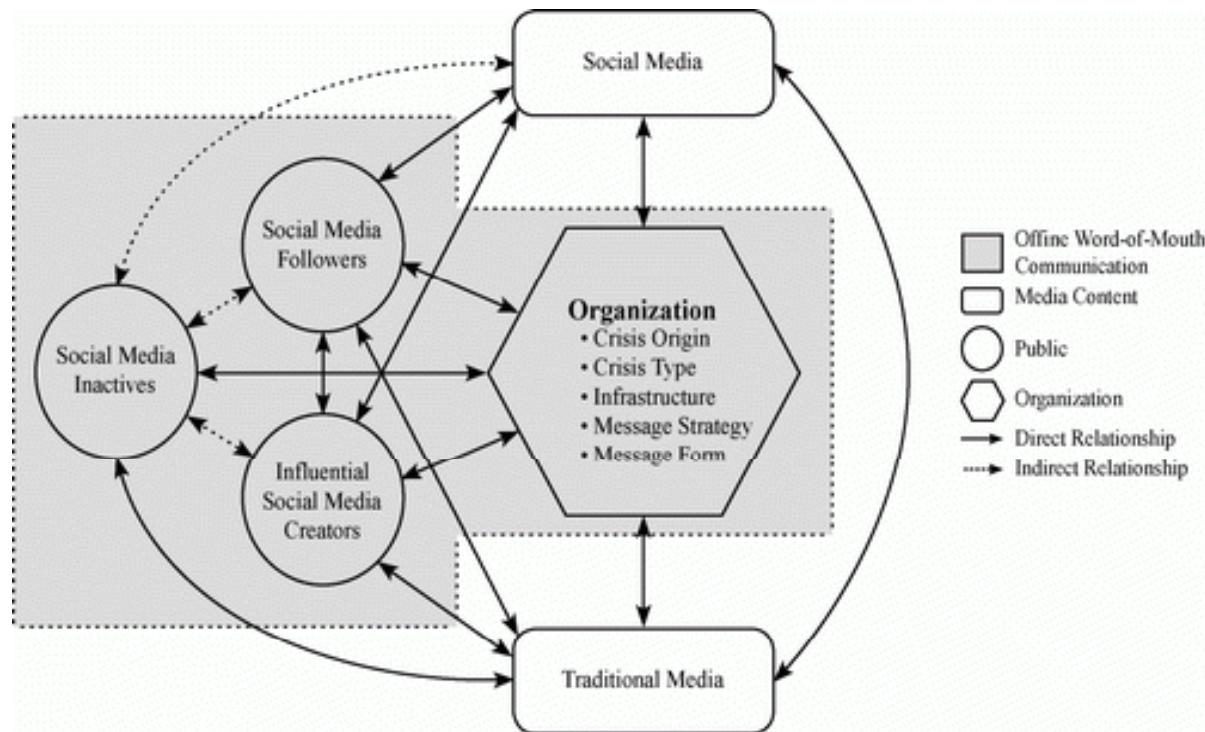
★★★★☆ 3,756 ratings

661,020 views

Courtesy of youtube.com



MNCs need to consider interplay between social media and traditional media



Coombs & Holladay (2012) recommend proactive issue management in social media to prevent an evolution from a “paracrisis” into a “real crisis”



To summarize, how can MNCs handle the new opportunities and challenges of social media?

Learnings for opportunities of stakeholder communication via social media:

- (1) Embrace the interactive capabilities of social media (two-way-comm.)
- (2) Crowdsource: Solve social/environmental issues jointly with stakeholders
- (3) Build in-house capabilities to proactively manage social media activities

Learnings for how to handle crisis challenges in social media:

- (1) When a social media crisis occurs, address it swiftly
- (2) Respond to the crisis in the same forum where it occurred – and try to mobilize other available social media
- (3) Be as transparent as possible about the mistake – and apologize for it
- (4) Use the crisis as a chance to humanize your brand (if possible, with humor)



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Wrap-up and outlook

Main takeaways

- We live in a dynamic era that is shaped by processes of globalization, new ICTs, as well as new global social movements
- On the one hand, the new media landscape has increased the possibility for MNCs to interact with their stakeholders
- On the other hand, the media landscape has created new challenges for MNCs through increased demands of transparency and accelerated communication
- Case examples allow for tentative learnings – but no “one-size-fits-all” solution

Outlook

- Not only MNCs operate in global governance voids but so do globally operating media and ICT firms (such as Google, Facebook, Apple, Microsoft), as well
- Important new field of research: Global governance of ICT and “big data”



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