



University of
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The role of media and communication technologies in the process of globalization

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Agenda

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



Learning targets

After today's session you should be able to assess the role of the media and new information- and communication technologies (ICTs) in the process of globalization.

In particular, you should be able to...

- ...name and explain four major changes in the global media landscape.
- ...name and discuss along practical examples the opportunities and challenges that new ICTs pose for corporations
- ...critically discuss corporate management approaches of new ICTs.



The guiding questions of this session

What is the importance and impact of traditional and new media in the process of globalization?

- How do new media change society, corporations, and economies?
- What opportunities and challenges do corporations face by new ICTs?



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)



Major change no. 3: We live in a global „networked society“



New information and communication technologies (ICTs) change societies and drive “glocalization”.



Major change no. 4: New global social movements



New ICTs not only used to exchange information – but they are also used for new forms of global social movements and organizational phenomena



Two outlooks on a globalized media landscape... The positive...

- ☺ It is through the media, both mass media and horizontal networks of communication, that non-state actors influence people's minds and foster social change. → **Civil society gains influence!**
- ☺ New ICTs, such as social media, serve as venues for the shared expression of dissent, dissemination of information, and collective action → **Power of state and corporations are put into question!**
- ☺ Media production becomes democratized through many-to-many-communication, low costs and accessibility → **Everyone can contribute!**





Two outlooks on a globalized media landscape... And the negative...



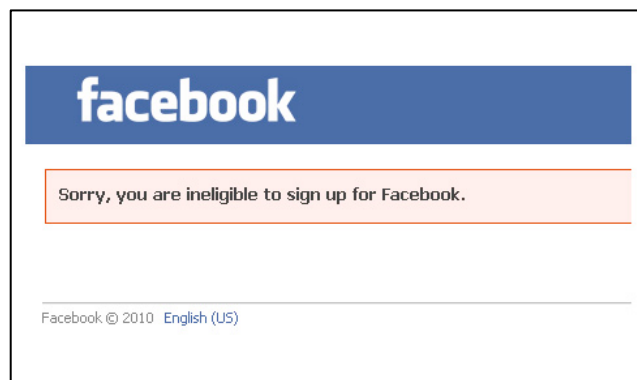
States use new ITCs to gather intelligence and spread pro-regime propaganda. → **Surveillance and control of internet activities increases!**



Goals of private platform owners and developers can conflict with the use of the platforms by civil society. → **Technological architecture of new ICTs can constrain collective action!**



New ICT platforms are controlled by a number of few global players. → **Corporate control of societal communication activities!**





Mumble break & group work

- Please discuss 2-3 minutes with your seat neighbors:
- What further consequences of a globalized media landscape can you think of?
- Which outlook (positive or negative) do you find more convincing? Why?



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



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New Information- and Communication Technologies (ICTs)...

...are Internet-based media that enable individuals and organizations to communicate directly and publicly with each other.

...possess characteristics of **participation, openness, conversation, community and connectedness.**

...include social networks (e.g. Facebook), micro-blogging services (e.g. Twitter), video sharing communities (e.g. YouTube) or weblogs.

(Sources: Hanna, Rohm, & Crittenden 2011; Veil, Buehner & Palenchar 2011)





Opportunities and challenges of new ICTs for corporations





Case no. 1: Samsung sign language

The south-corean corporation Samsung wants to introduce its new video call center for costumers with hearing impairments.



Samsung Sign Language Ad – video:

<https://www.youtube.com/watch?v=UrvaSqN76h4>



What do we learn from this video for corporate communication through new ICTs?



The participation of the neighborhood and Muharrem enhances the viewer's emotional involvement → **Emotions are important!**



Instead of relying on traditional media, Samsung issues a Youtube video:
Can directly profit from sharing function and positive word-of-mouth
→ **Worldwide spread of message!**






Storytelling is important in order to engage the audience!



What opportunities do new ICTs offer corporations?

New ICTs in particular create new opportunities for interactive stakeholder communication:

-  Corporations can communicate **effectively and strategically** with multiple audiences by placing appropriate messages in numerous channels.
-  Corporations can create **social capital, legitimacy and reputation** through new ICTs dialogic and deliberative qualities.
-  Corporations are able to positively **influence stakeholder perceptions**, in times of crisis and beyond.

Therefore new ICTs are understood to be useful for successful CSR communication!

(Sources: Capriotti, 2011; Coombs & Holladay, 2002, 2012)



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Case No. 2: Domino's Pizza: How to deal with Hoaxes

- Two Domino's Pizza employees posted a video on Youtube in which they engage in food contamination.
- Immediately the video reaches thousands of views.





Case No. 2: Domino's Pizza: How to deal with Hoaxes

- Domino's gets informed by bloggers that this video exists and identifies the store location thanks to the help of bloggers.
- Domino's issues a statement on their website:

“The opportunities and freedom of the internet is wonderful, but it also comes with the risk of anyone with a camera and an internet link to cause a lot of damage, as in this case, where a couple of individuals suddenly overshadow the hard work performed by the 125,000 men and women working for Domino's across the nation and in 60 countries around the world” .

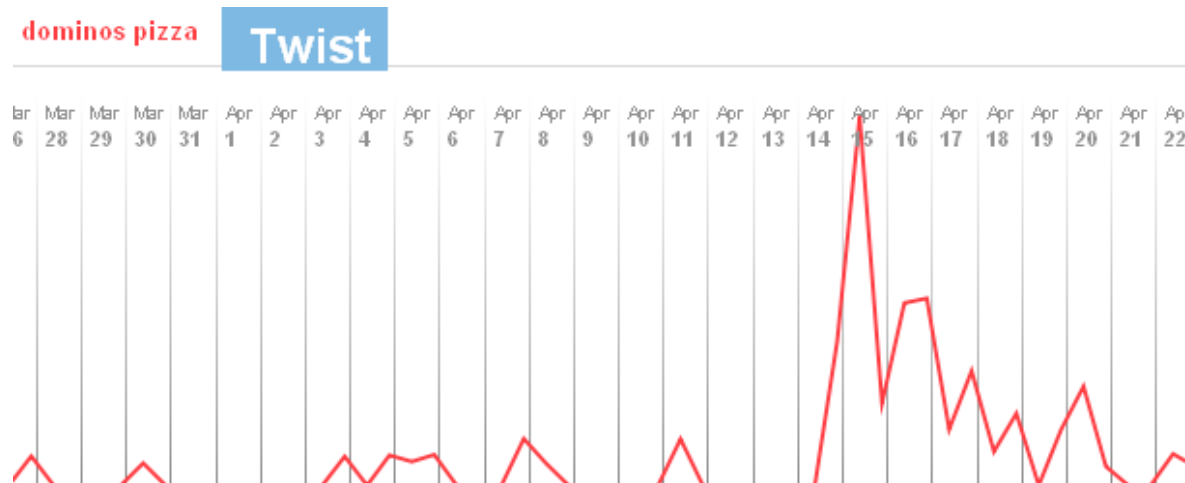


Source: Veil et al. 2011



Case No. 2: Domino's Pizza: How to deal with Hoaxes

- The video goes viral, Twitter traffic increases dramatically.
- Domino's takes actions: Fires employees, involve health department and police.



Source: Veil et al. 2011



Case No. 2: Domino's Pizza: How to deal with Hoaxes

- The video reaches 1 Million views on Youtube, then gets removed.
- Patrick Doyle, president of Domino's USA issues an apology via Youtube video.
- Domino's creates a special Twitter account dedicated to the crisis.



Source: Veil et al. 2011



What do we learn from this case?

- ! Online crisis: It doesn't matter if an issue is true or it's a hoax!
- ! The spread and share of information happens in real time: **Counter-reactions must happen immediately.**
- ! Hoaxes ask for **paradoxical response**: corporation must substantially react to a unsubstantiated claim.
- ! Domino's reaction within the same channel (Youtube) was positively received.



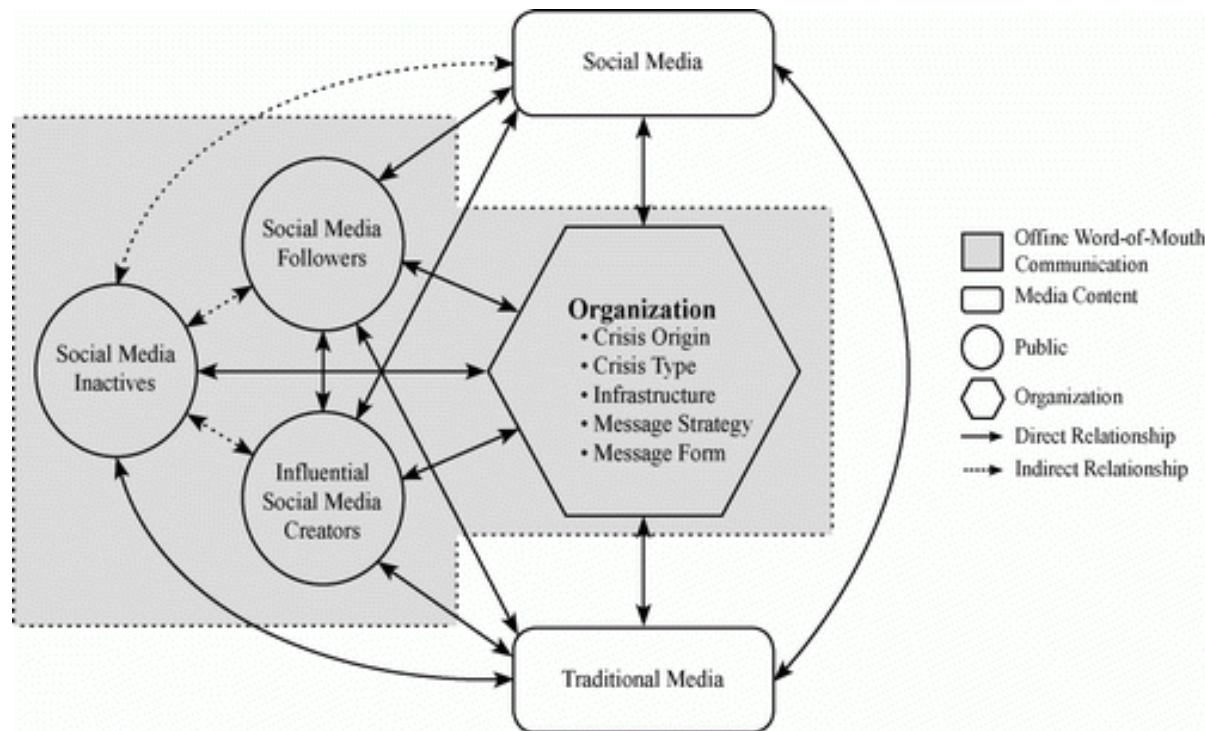
What are the challenges of new ICTs for organizations?

- Corporations **lose control** about information spread and origin.
- The spread and share of information happens in **real time**, counter-reactions must happen immediately.
- Corporate behavior receives **greater public exposure**.
- An increasing **interconnectedness** of all stakeholders exists.
- Any information is **permanently stored, forever retrievable and reusable**.
- Relative **anonymity** enhances the chance that users feel free to “attack” corporations with emotional, radical or irrational claims.

→ **Communicating in a direct and interactive manner is difficult: CSR communication can be risky business!**



Corporations need to consider interplay between social media and traditional media



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



Case no. 3: KitKat – new challenges for CSR communication in the age of new ICTs

- 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?



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

Learnings for opportunities of stakeholder communication via new ICTs:

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

Learnings for how to handle crisis challenges in new ICTs:

- (1) When a crisis occurs, address it swiftly
- (2) Respond to the crisis in the same forum where it occurred – and try to mobilize other available media outlets
- (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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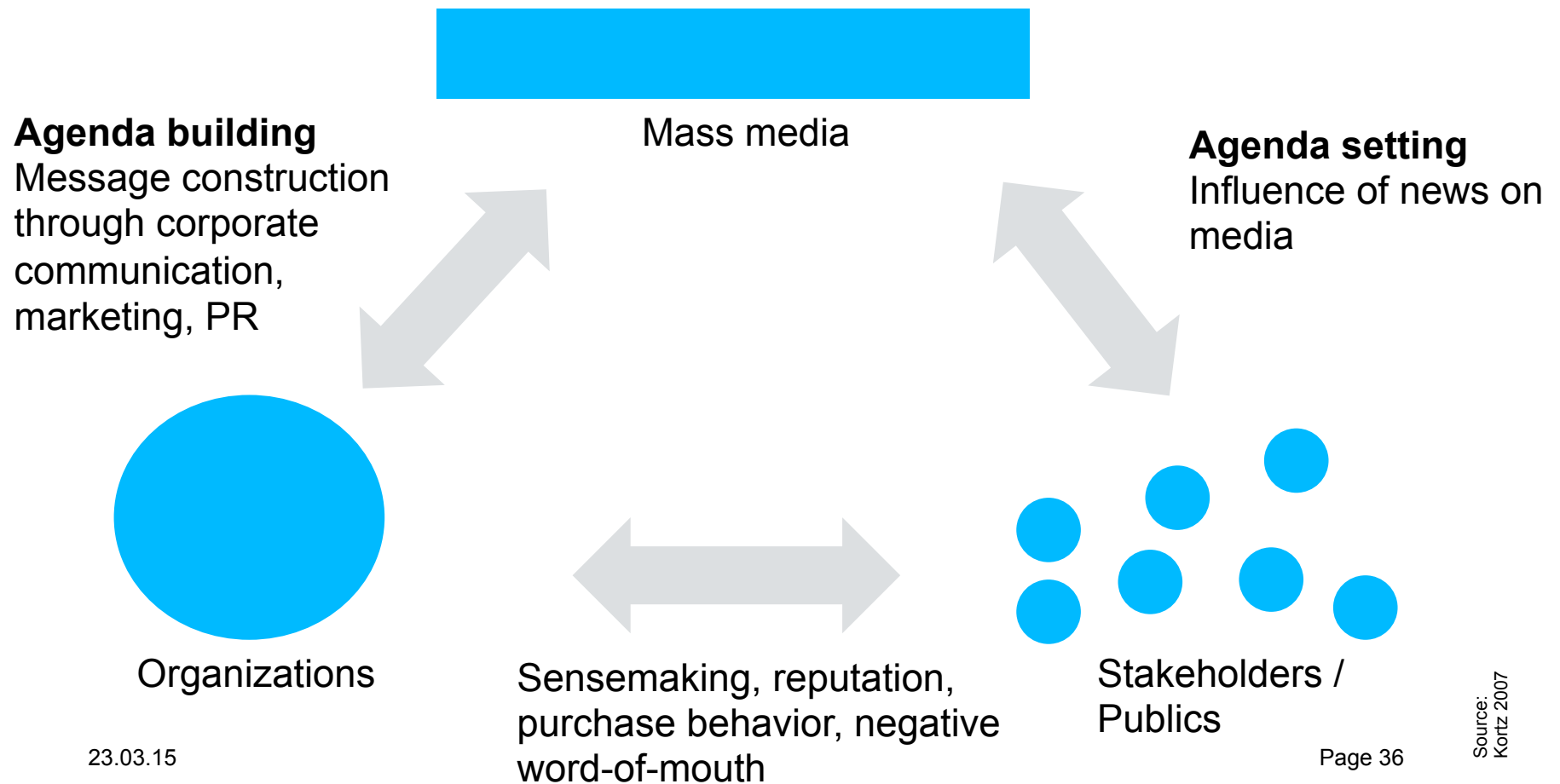
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Appendix



The relationship between organizations, mass media & stakeholders...





...has changed through the introduction of new ICTs...

New ICTs

Age
Mes
thro
com
mar

- New communication technologies and more complex communication environments influence the social and communicative character of actors.
- New media play a crucial role for the (de-)construction of reputation and legitimacy.

setting
of news on

New ICTs

Organizations

Sensemaking, reputation,
purchase behavior, negative
word-of-mouth

Stakeholders /
Publics

23.03.15 **New ICTs**