The Study of Apology in Public Relation Crisis Management: how to Achieve the Mitigated Outcomes by Deploying Effective Apologies

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Abstract. Public Relations and crisis management, asnewly risen and rapidly growing domains, now serves as vital knowledge used to build healthy and robust two-way communication between customers and brands/organizations. Many methods are examined and tested to regulate organizational reputation and hold together customers' trust and satisfaction as an unpredicted crisis that could damage positive brand image occurs. Recent studies reveal that to manage the crisis effectively, there are several strategies deemed effective; one example is the successful delivery of an apology. Two case studies: the 2022 Sesame PlaceRacialDiscrimination Case and the 2019 NetEase's Justice Online 4.28 event, will be integrated as support for the study. This study explores in what tone, contents and timing an apology would be seen as practical and generates a brief model of strategies leading to an effective apology that could be applied in the post-crisis period. Strategies like denial, avoidance, and giving excuses that have led to negative results will also be put into a detailed discussion. By analyzing two case studies, a model with three steps that might be generally applicable is drawn in three steps 1. Immediate apology for the harm caused with investigation promised 2. Form a specialized PR team to build one-on-one connections and 3. Establish or enhance private negotiation in reaching agreements.

Keywords: crisis management, Public Relations, apology, communication, social media.

1. Introduction

Apology, as a powerful tool to mitigate negative public response and repair an organizational reputation, has been deployed by public relations specialists to serve as a leading step for their crisis management strategies toward the issue to follow. It is worth noticing that with the fast pace of globalization, the scale of the influence, as well as the covered range of markets and customers of companies and organizations, has expanded ever since. The realm of Public Relations had followed the step of such expansion in becoming a worldwide industry.

However, with the growth of the industry, the relationship between the organizations and customers is harder to be defined and, therefore, to be managed, which leads to soaring difficulty in terms of crisis management when there is a conflict or turnover occurring between the brand and the customer. The PR strategists are facing an unprecedented situation in which an untimely or misleading judgment in executing issue management strategies could lead to an even more catastrophic brand crisis in the addendum to the acceleration of the Internet. Apology happens to be the strategy that is hardest to master,and the campaign results in ineffective apologies due to inappropriate use of attributes, tones, and timing, which might be undesirable or even problematic.

Unfortunately, due to the new uprising and cross-disciplinary nature of Public Relations, it seems that in what way to appropriately integrate apology as a tool into the process of crisis management hasn't been systematically examined, which resulted in such a method remains a mist to many companies and organizations as if it is inapplicable. In fact, even the discussion regarding crisis management in services management and marketing is barren[1]. Having no instructional idea of how to use apology appropriately and knowing the inappropriate use might lead to even more significant backlashes, PR specialists and company executioners carefully restrain their use of public apology, even altogether avoiding it[2]. Gradually, since the failed cases using apologies outrun the successful ones, the potential for effectiveness and importance of apologies in crisis management had been

undermined. It is critical for now to conduct an analytical study examining how to appropriately deploy an apology in achieving its highest efficacy in successful crisis management.

Therefore, this article aims to fill in the blank of the lack of detailed study toward successful apology in achieving positive PR results in terms of what timing, contents, tones, and attributes should be involved in maximizing the positive feedback. Two failed crisis management cases will be examined in terms of their PR response contents, apology usage, and customer responses. After a careful examination, with logical inference, the suggestions regarding what employment of apology should be deployed instead to hopefully reach more positive results will be generalized and delivered. The two cases will be reconstructed as models as the final conclusion, with the hypothesized proper usage of apology and PR strategies as the solution of two models, which will be contributed as part of the systematic study of apologies for future references.

2. Literature Review

The question regarding whether making public apologies should be considered a useful crisis managementstrategy is well discussed by preceding studies. A 2009 study conducted by Anna S. Mattila reveals that public apologies do result in softening the negative impact of a Public Relations crisis compared to the complete denial of the responsibility in repairing the trust from customers to the brand[3]. Anna's study also explored whether the difference in violation factors that generate the PR crisis is one of the determinants of redeeming customers' trust and satisfaction aftermath. It is worth noting that the crisis resulting from intentional harm is hard and nearly impossible to recover by PR strategies; not even a sincere and proper apology will not be sufficient in turning over the organization's wrongdoing. However, a proper apology with causal explanations could uplift the customers' trust rate in a crisis generated by an external cause.

Knowing how an ineffective or bad apology further damages customer satisfaction is essential when formulating a successful crisis management strategy in both pre and post-crisis stages. The degree of wellness of the delivery of an apology, to a great extent, determines the potential of service recovery satisfaction [4]. According to Justicetheory, three key attributes: empathy, intensity, and timing, foster post-crisis service recovery satisfaction of the customers[5]. The apology that is not significant in terms of the three dimensions mentioned above resulted in a degree of satisfactory recovery no higher than the absence of an apology. That to say, if an apology is delivered in thewrong way leads to no benefits in repairing the customer-brand relationship. Late apologies are discovered even to be a downgrade of satisfaction ratings that could destroy the relationship further. It could be concluded that the application of apology is so complex that its result would be impacted by the synergy of different attributes and,at this moment worth more systematic examination[4].

3. Systematic Analysis of apology with case studies

3.1 Casestudy: Sesame Placeaccused of racism against Black children

The first case that will be thoroughly analyzed is a public event regarding a racial discrimination case due to human factors that brought up enormous online discussion and backfired. On July 16th, 2022, an African American mother posted a video on her Instagram account asking for public attention and an apology from Sesame Place Philadelphia due to potential racism. She addressed that she took her two daughters to the theme park and decided to pause at the parade to see the characters. As the character Rosita approached, the performer of the character who is supposed to greet the guests along the way waved and hugged white children right next to her children but wholly ignored two of her daughters. Her family felt extremely offended and when to the other staff to talk about the situation but got no response. The team also rejected theirrequests to see the supervisor and refund the tickets. In the video, the Sesame character Rosita ardently gave high fives and waves to children and families along the street. However, when encountering the two black girls, the character made a detour and offered a hand gesture as if saying "No" to the two girls. The post soon gained enormous

public attention and brought intense backlash to Sesame Place on social media. The next day on July 17th, 2022, the event's influence drew Sesame Place to post a statement on their official Instagram account explaining the issue, claiming that the seemingly ignoring behavior of the performer was unintentional. They wrote in the statement, "Regarding the incident yesterday, the costumes our performers wear sometimes make it difficult to see at lower levels; the Rosita performer did not intentionally ignore the girls and is devastated about the misunderstanding[6]." The lack of apology and the attitude understood as avoidance of responsibility soon aroused even more negative reactions from the public, with various parents, celebrities, and activists outraged to condemn the irresponsibility of the company. Destiny's Child singer Kelly Rowland commented on the statement claiming that the team should be ashamed of themselves for the pathetic statement.As the situation went viral with people boycotting the theme park and signing petitions to ask for a reliable solution to make fundamental changes, Sesame Place then posted a follow-up statement apologizing for the harm they brought to the family and promised better diversity training in the future. However, the family decided not to accept the apology and filed a twenty-five million racial discrimination lawsuit against Sesame Place.

3.2 Case study: NetEase's game Justice Online failed to apologize for the server failure

Another case regarding significant failure in deploying apology was initially caused by system failure and server errors. However, the aftermath of PR involvement, not mitigating the backfire, further amplified tension between customers and the brand and finally led to the most significant customer churn in the brand's history. On April 27th, 2019, the massively multiplayer online role-playing game Justice Online developed by Chinese Internet company NetEase hosted the second cross-server six versus six-player competition. Mou Liu, the former e-sports athlete of League of Legends, who used to led the internationally well-known team NGG and EHOME and won the 2013 SWL(Standoff 2 Winner League) championship, is now an influential live broadcast host on various platforms with approximately six million followers in total, participated in this cross-server competition with his friends using his Justice Online account of fifty-twothousand Chinese Yuan investments. The basic logic of cross-server competition was held by the game studio to build a temporary server specified for this purpose and then send an invitation and grant access for the participants to transfer their account data to this special server to compete. However, when Liu and his team attempted to enter the special server, a critical system failure happened, denying their access.The technical staff failed to recognize and fix the glitch on time, which resulted in Liu and his team missing out on the time of their round. Right after the competition, the studio, attempting to cover up their server failure, announced that due to Liu's passive attitude toward the competition of not participating on time, their team automatically resigned from the competition and failed. Ironically, Liu reported the error to the customer service specialist the moment the glitch happened, and his team were actively communicating with the service center during and after the competition. According to the uploaded chat history between Liu and the customer service, the game studio avoided completely discussing responsibility during their conversation with the players, not mentioning giving solutions and apologies and accepting their request for a rematch. Trying so hard to communicate for two days with no turnaround of the avoidance attitude from the brand side, Liu and his team were so disappointed and irritated that they held a live broadcast to delete their accounts publicly and claim to quit the game and not use any of the service and product produced by NetEase's game studio forever on April 30th, 2019. The maximum number of visitors to the broadcast reached thirty-four thousand, further leading to the backfire against the studio on multiple social media platforms. The studio, finally aware of itswrongdoing, published an emergency announcement on its official account,giving an apology and claiming that it would fire the faculty members involved in the event. However, the studio refused to give any explanation and potential solution to the system error even till now. This crisis resulted in nearly thirty thousand players quitting the game, bringing incalculable loss to the NetEasegamestudio.

3.3 Case analysis: the absence of apology and causations of PR failures

When reviewing the two failing cases mentioned in previous sections, many might be confused and surprised to see the events develop from a seemingly controllable stage, in a short period of time, to become an unmanageable PR disaster. Some may argue that the fermentation of the online backfire was so rapid that there was little time for the companies to respond, and the result of a more significant crisis was inevitable that the brands were playing an entirely passive role: the only choice left for them was denying responsibility to reduce further reputation loss and legal problems. However, according to various studies researching emergency crisis management strategies, such an idea is unlikely to be true. No matter whether the development of the crisis is accelerated by the Internet, there are many effective strategies that could be designed, combined, and then applied right after the happening of the problem, and those strategies could be concluded with certain patterns. To better generalize the patterns and models of strategy, the initial step to take is to compare and contrast the representative cases to discover their similarities and differences and then examine the correlation between these factors and PR consequences.

There are several points of similarities exist between the two cases. The most conspicuous one is the absence of an immediate apology and the initial attitude of denial and avoidance. Though rejection is considered a potential strategy for dealing with crises both in business and political realms that the organization might gain the benefit from the public as they might doubt and hold back more intense negative responses, it is clearly not a wise technique to use in the cases discussed above as the evidence of the organizations' involvements already went public[7]. At the moment the video of the Sesame character ignoring the two girls and the screenshots of Liu's team being denied access to the server are uploaded to social media platforms, the possibility that the companies could escape from the responsibility of their wrong-doing by denial has vanished. The reality and the truth accepted by a human rely heavily on empiricism. As the public took the video and screenshots as their version of the truth regarding the two events, their attention shifted from trying to figure out 'what' had happened to how the accused side will tend to respond to the harm and whether such a response was rightful and satisfying. According to previous studies, public satisfaction toward a reply could be determined by various vital elements such as empathy, intensity, and timing. Empathy is the most determining factor among the three[4]. Apologizing is considered to be one of the most empathetic responses that the accused side could deliver in representing that they are aware of the harm and trouble caused entirely or partially due to their mistakes and is willing to accept blames and censures. It also points to the potential to prevent similar problems from happening in the future[7]. Both companies failed to give out empathetic apologies in comforting the harm they brought to the customers and soothe the anger of the public. What is worse, they even intensified the tension and provided secondary damage to the victims of the events by giving out cold denial and showing avoidance as NetEase game studio charging the team with a loss and resigning the team from future games and the Sesame Place giving the excuse that the performer didn't see the girls due to the inconvenience of the costume.

Secondly, both companies failed to explain reasonably to the public after the fermentation of the events. As discussed in the previous paragraph, the companies' responses, which were deemed unempathetic and deviated from the truth, pushed the crisis to a vertex. It was tested that a sincere explanation regarding the understandable causation of the PR crisis followed by empathetic apologies altogether boosted significantly rebound satisfaction ratings after the crisis[3]. How reasonable and detailed a causal explanation of an event successfully reflects the thoroughness of how the accused side had done the investigation and introspection. In other words, to give out an acceptable causal explanation to the public, the organizations must confront their internal or external flaws.The public sees this step of introspection as the foundation of the future prevention of similar problems: only by knowing why the problem happened could one know how to avoid it from the root cause. The companies mentioned in the two case studies, which seemingly give out causal explanations of the events in time, were instead accused even more for giving excuses. It is necessary to address the differences between what people consider excuses and explanations. The essential difference between

the two is whether the one feels to be taking responsibility [8]. The semantics are clarified that people identify behaviors or sayings that tend to deflect blame as giving excuses. Such behaviors always tend to shift from the initial cause of the problem to elements that are not controllable by human factors[9]. Explanations, as the opposite, are seen as insightful and responsible efforts that seek two-way understanding. To further make an explanation understandable and acceptable, one should always consider their tone of being empathetic, responsible, and reasonable and ensure reassurance is offered. However, what was seen in the two discussed case studies included none of the elements of acceptable explanation when releasing announcements that NetEase game studio tended to cover the systematic failure by deflecting the blame to its customer and Sesame Place transferring the responsibility of the performers and of their unsophisticated training system to the costume, which brought a more severe ill-effects on post-crisis trust.

It is also worth noting that several differences exist between the two cases contributing to the different scale of backfires and influence levels. Firstly, the problem types of the crises differed from the Sesame Place case involvingsusceptible social problems, while NetEase's issue was only contributed by the server and service failures. Social problems are defined as conditions that cause negative consequences and effects on a large population and usually share low to no tolerance[10]. Due to its nature of large impact scale, crises caused by social problems are always harder to be managed. Racial discrimination had long been perceived as one of the most stubborn social problems embedded in society that brought physical and psychological harm to countless people and families. Organizations associated with racial discrimination accuses always thought to be nonethical and face social rejection on a full scale which means the related crisis is hard to be mitigated and forgivable by the public, that costly compensation, legal responsibilities, and permanent loss of reputation are nearly unavoidable in the end. Secondly, the cases are different from one another in terms of the intentionality of the problem. Sesame Place's case was caused by the intentional act of ignoring done by a faculty member. In contrast, NetEase's case was produced by an unintentional non-human involvement server error (before the participation of customer service). Research has shown that trust from the public and the brand's reputation is hard to repair if harmful acts that cause the crisis are portrayed as intentional. Under this circumstance, even a perfect apology will no longer be helpful and is deemed discounted[3].

4. Suggestions and Discussion

After analyzing the two cases, a general strategic model of crisis management could be sketched out. Several commonly applicable rules will provide general benefit, though the benefit amount might vary with factors such as the cause of the problem to post-crisis management. The first strategy to be highlighted is the delivery of an on-time apology with an empathetic tone. Some of the key benefits of apologizing, including the repair of trust and the rebound in satisfactory ratings, have already been mentioned. More importantly, a public apology could boost positive evaluations and attitudes in addition to the potential reduction of negative reviews from the victim group, which might serve as an effective method for retrieving lostcustomers[11]. There are also various other benefits worth mentioning that could be produced by the successful delivery of apologies, including the decreased level of anger and aggression across societythat might cause further attacks against the brand, and the establishment of an ethical image of the brand itself[12-13]. One of the main reasons keeping corporations from giving a public apology is afraid of the potential increase in perceived responsibility[14]. The worry is necessary to consideras blindly saying sorry might lead to the overburden of unnecessary compensations and legal liability. It is suggested that before the company plan for an apology as an integrated part of following PR strategies[2]. In most cases, organizations are forced to give out responses in a short period, which requires a wise choice of design regard to the content of the apology. After the analysis of the two cases, it is recommended that before the company got time to dive into investigations of the event, they could, instead of apologizing for their errors or mistakes, apologize for the harm caused by the event. This, at the same time, help the

companies avoid taking unnecessary responsibility before the causation and process of the event are reviewed and fulfils the emotional needs of victims. The apology is recommended using a conversational human voice with empathetic tones, which to the highest degree, is thought to be boosting customer commitment and downgrade negative responses[14]. Along with the apology, the company could also promise a thorough investigation to strengthen the brand image of being responsible.

As an investigation of the event promised, the following strategies should include timely catchup of investigation updates. During this stage, the companies are encouraged to form close contact with the customers involved, especially to avoid the inefficient transfer of information that the redundancy of cross-department communication might cause. Thefurther service failure in NetEase's case was mainly caused by the ineffective communication between technical, customer service, and propagating departments. In the most desirable case, the companies should establish a specialized PR team consisting of one to two specialists assigned to form a one-on-one connection with the clients. The update of information and needs collected from the customers will be processed and delivered to related departments directly by the specialized team. To the most degree, the companies will avoid the risk that might be caused by the asymmetry of information between the internal and customer sides.

In the two cases presented, the amplification of crises was caused mainly by the disagreement toward officially announced explanations and solutions from the involved customers. Such disagreement could be eliminated by building up pre-announcement private negotiation with the victims. Private negotiation provides various benefits that, compared to a public auction, bring less undesiring scrutiny and adverse publicity, which are always time and money-consuming for both sides and might lead to potential damage to brand reputations[15]. Private negotiation allows a win-win situation to happen in that it provides a chance for both the customer and the brand to find what they mutually want and to form an agreement regarding the course of the event, the future compensation and the solution. Once both sides accept the result of the negotiation, the companies could then release official announcements according to earlier agreed contents and call an end to the event.

5. Conclusion

With the rapid development of global industries and businesses, as well as the thriving of E-commerce along with the adaption of social media used both in the hands of the customers and the organizations, the difficulty level of managing public relations and crisis entered a whole new level.The studies regarding PR strategies, phenomena, and interactions between customers and brands are more than needed to maintain a globally positive brand reputation. This research mainly focused on analyzing the correlation between the absence of an apology and the severe backlash experienced by two companies: The Sesame Place, and NetEase Game Studio. It was demonstrated that misleading strategies like a missing apology could lead to disastrous results followed by costly compensation, the corruption of customers' trust, and potential legal dispute.By carefully analyzing the two cases, several missing elements are shared and thus could be inferred as what might be contributed to the failures. One is the absence of an immediate apology after the event had gone public, which resulted in the continuous growth of negative reviews on various social media platforms. Another is the companies' initial attitude of denial and avoidance. The attitude was the main reason the victims and the public were irritated and held further backfire against the brand. The denial also shaped an irresponsible image of the brands and eventually causeda massive loss of customers. The difference between the causations and problem types of the events was also discussed. It was discovered that a crisis with social problems embedded instead of internal system or service failures is more brutal to be managed and thus will lead to broader influences. Meanwhile, if a crisis is due to intentional harm actions, it is also more challenging to be mitigated.

Generalized from the case studies, a brief model to help conquer a crisis was built and delivered. The model is constructed in three main steps: one is to give out an immediate apology with a conversational and empathetic voice to the victims of the crisis regard to their loss. A promise toward a deep investigation of the event should be made along with the apology. The second step is to set up a specialized PR team to build a direct connection with the victims in synchronizing the internal and external information to avoid ineffective transfer of information happening during cross-department communications. The third step is to hold a private negotiation, if possible, before giving out an official announcement. This will aid the company and the customer in reaching an agreement and further form a win-win situation. What could be generalized from the two cases is still very limited. As a result, it might not be representative enough to be applied to all PR crises. A customized design is always encouraged when facing each crisis as they essentially differ from one another. Hope that with the development of Public Relations as a global industry, more systematic research with more valid inferential statistics could be brought to light and bring benefits to both the businesses and the public.

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