CRISIS COMMUNICATION A COMPARATIVE ANALYSIS OF BRAND RECOVERY STRATEGY BETWEEN MALAYSIA AIRLINES AND AIR ASIA AFTER THE CRASH OF MH370 AND QZ8501

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ABSTRACT

The Crash of MH370 and QZ8501 in 2014 and early 2015 experienced by the two airlines based in Malaysia: Malaysia Airlines and Air Asia raised public attention including academics and professional in communication policy sector. Both companies have a relatively different strategy to manage public communication and restore their brand reputation as international airlines service companies.


Referring to the concept of brand image restoration developed by Benoit, I discovered the fact that Air Asia’s ability to manage the issues of post-crash is better than Malaysia Airlines. Air Asia management not only use bad-weather as an external wrong factor, but acknowledges pilot error and declared fully responsible for the compensation of passengers. Direct responding to the disaster from top level of management caused the victim's family tranquility.

In other side, the direct involvement of Malaysian government in managing global communication following the crash of MH370 can relatively maintain trust image of Malaysian Airlines as a state-owned airline. Willingness to cooperate with related parties, including the press community from both companies in aircraft search process also shows that the two airlines have adopted openness principles of corporate management.

However, the recovery of both company’s brand reputation cannot be done automatically, because of external factors such as recent regulation of Indonesian government that later generated controversy related to Air Asia flight operation banning for a while. In the case of Malaysia Airlines, unsuccessful of victims search led to the continuity of brand crisis due to mistrust to professionalism of MH management among public.

Keywords: Crisis Communications, Brand, Malaysia Airlines, Air Asia

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1. Introduction

I started this paper with quotation from media coverage on business impact from crash tragedy of Air Asia and Malaysia Airlines. Kompas news site proclaim at the end of December 2014 that the loss of aircraft AirAsia QZ8501 Surabaya-Singapore directly hitting the company's share price on the stock exchange of Malaysia. With AirAsia Bhd coded name AIRA, this low-cost airline stocks fell to the lowest level in the last 3 years. Cited by Bloomberg page, Monday, December 29, 2014, AIRA’s shares recorded fall 13 percent to 2.56 ringgit, plummeted 8.2 percent. Hong Leong Investment Bank Bhd advised investors to sell shares AirAsia. Hong Leong also lowered its target price on the label of Air Asia 2.64 ringgit from 3.15 ringgit previously. Not only had the shares of Air Asia, AirAsia X Bhd Company also come under pressure. The parent company’s shares fell 6.6 percent in stock exchange (Machligar, 2015).

Crash incident of Air Asia made investors worried. Investment Manager of Samsung Asset Management Alan Richardson said the disappearance of Malaysia Airlines lead to negative sentiment received by market players. With the experience of the tragedy of the loss of the Malaysian airline, Richardson estimates that the company's stock of Air Asia will also be affected in the short-term. After over 10 years operating as an airline with a strong brand as a low cost carrier, Air Asia brand in early 2015 experiencing a crisis of reputation.

Meanwhile, Malaysia Airlines that hit with two extraordinary crises by 2014 in South China Sea and Ukraine have rocked the confidence of customers and left the company struggling to manage the damage. Analysts are questioning MH’s ability to survive in future. The disasters which befell the airline were extraordinary in the global transportation industry. The disappearance of flight MH370 in March with 239 people on board, then the shooting down of MH17 over Ukraine in July with 298 lives lost. Both were mysterious and tragic accidents, from a company with a previously unblemished safety record. Both incidents brought the airline a mass of criticism over the bad operational and financial impact.

After MH370 disappeared, the firm came under fierce pressure from the Chinese victims’ relatives and consequently the sales from China plummeted to 60%. There has also been a sustained decline in the company's share price, which lost 21% since August 2013. The airline was already experiencing financial problems with losses of MYR1.17 billion (£222m) in 2013, partly as a result of fierce competition from low-cost operators. But losses in 2014 will be much worse and the airline’s major shareholder, Khazanah Nasional (Malaysia’s sovereign wealth fund) has announced plans to address a buying up the remaining 31% of the shares to suspend trading, getting rid of 6,000 staff and appointing a new chief executive (Baines, 2014).

On the other hand, Liputan6.com news site mentioned that the accident of flight number QZ8501 end of 2014 actually carve a deep injury to the victim's family and the entire crew of Air Asia. Air Asia fell into the middle of the Java Sea on December 28, 2014, claimed the lives of 162 passengers and the entire crew. If Air Asia management able to move out from this disaster, it mainly come from the seriously efforts from CEO of Air Asia Tony Fernandes to manage communication strategy as well as a great empathy to the victim’s family and the entire crew. Clearly, it can be stated that the brands of Air Asia and Malaysian Airlines were in crisis. How do the two companies over a public communications strategy after the crisis?
2. Crisis Communication

Crisis violates company brand. Coombs in his book The Handbook of Crisis Communication (2010) offered new perspective to define crisis in communications. He observed that at any one time, only a portion of the total crisis story is likely to reach the public, as people can only see a fraction of an iceberg. He stated: A crisis can be viewed as the perception of an event that threatens important expectancies of stakeholders and can impact the organization’s performance. Generally, crises are largely perceptual. If stakeholders believe there is a crisis, the organization is in a crisis. Coombs as well as L. Heat argued that crisis communication is composed of two related communication processes: crisis knowledge management and stakeholder reaction management (Heat, 2009).

Crisis situations over company usually involve some type of legal issue, public relations misstep or damage/disaster brought on by a company. A crisis communications situation can also bring some negative, unusual false accusations or public attention centering on an issue that feel is vital to business sectors. In communication perspective, if an issue turns negative, and the media has the story on it, it means that the company have a crisis communication problem needed to solve. According to Coombs, the crisis communication strategy needed to solve the crisis can be separated in two aspects as described below:

Table 1 Crisis Management Strategies

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<tr>
<th>Crisis Management</th>
<th>Form</th>
<th>Content</th>
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<td>Be Quick</td>
<td>Apologia</td>
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<tr>
<td>Be Consistent</td>
<td>Impression Management</td>
<td></td>
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<tr>
<td>Be Open</td>
<td>Image Restoration</td>
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Timothy W. Coombs (2010)

The above table also shows the steps that must be taken in the event of a crisis of the company brand reputation. The first major step is the company must perform a variety of quick actions in order to establish the good perception and control the situation. A quick response is active reaction as an attempt to cover up gaps in information. If company is late to respond, then the empty spaces will be filled by speculation and/or misinformation, whether intentional or not. Quick response will make the stakeholders know about what happened. For example, crisis communication action was made by the Mayor of New York Rudolph Giuliani after the Twin Towers collapsed, known as 9/11. Giuliani provides a statement below: “Often, he had little or no new information other than reports of how many bodies had been recovered and how the recovery effort was proceeding. He would report on how many people were working on recovery or how operations were proceeding to remove debris” (911 research, 2001).

In a crisis situation, it is imperative to appoint a spokesman. In presenting the facts or give testimony, a spokesman for the company had to maintain the consistency of data and time in communication or speak with one single statement. The crisis team must ensure that the different spokesman, both in terms of position, location convey the same message. In Indonesia, this case is implemented by Pertamina and state electricity company who employed many company spokesmen (not limited to crisis situations, but also in normal everyday situations).
Furthermore, prior to any crisis communications issue, the company should establish a small team for who will make critical decisions in handling the situation. In the large company, the small team would include the business owner, an office manager and perhaps some members of technical support staff. For larger companies the team is usually include the CEO, VP’s, Senior Management, the head of the Public Relations Department or agency and any experts in the area that can add technical expertise. Optional participants would include in-house lawyers, company spokespersons, safety and security officers, and outside consultants in a technical field or communications specialty (Humphries, 2009).

The job of this team is to develop a plan of action to follow in the event of any media or situational issue that could be considered a crisis. Technically, after a crisis happened and is identified, the company should immediately set up the team and begin making decisions. According to ………there are steps to follow by team: 1) bring the situation ‘under control’ and protect people and property interest; 2) decide if the situation is truly newsworthy. Some situations may seem like a crisis, but would have little or no interest to the media. In this case the company should certainly not create a media crisis by ‘jumping the gun’. 3) Assess severity, length of issue and media life (Humphries, 2009).

In respond to media coverage, the team should quickly gather all the facts and don’t speculate, decide on primary positioning or main message that addresses the situation. The team is also trying to anticipate critical questions that will receive, craft answers to each directly as well as remind everyone that no statements are “off the record”. Internally, share some information with employees, in order to ensure that employees feel like insiders. If not, they will act like outsiders. That could cause company to lose control of the information flow.

Good examples for immediate public speeches in a crisis are: “We’ve just learned of the situation and we are gathering all the facts now. We will have a press conference in a few hours”. “We are working hard to bring the situation under control now, so we can’t speculate on that. We will have more information later today.”

Following any great accident, rumors, true or not, spread faster than a wild fire on the Internet and social media platforms. A dissatisfied customer or client armed with a computer and a chat room plant a lie or propagate a rumor about the company in crisis. To control Internet rumors and maintain company’s public image is very important. It’s hard to shut down the personal emotions when someone on the Net is overtly doing wrong, but the company team needs to think logically and emotions will not help to do that. Try to think like a consumer or client seeing or hearing this information (Humphries, 2009).

In summary, internet crisis situations can happen and grow at lightning speed. While much of the management techniques are the same, handling an Internet crisis requires a few unique angles and cyber-savvy to contain. Finally, in the midst of a crisis of communication, the best policy is to tell it all, tell it fast and tell the truth. I agree with analysts that to be effective the company must be willing to balance legal and public relations issues.
3. Image Restoration and Recovery

Brand image and reputation is not a substantially new topic neither in practice of social, business, politics and public administration nor research field. Previously, in 1987 Rein, Kotler and Stoller stated that politics is a sector in which “image building and transformation truly dominate”. Politics can be described as “image-intensive sector” for in the election most people vote for political candidates or parties without even studying and reading any programs or manifests. Resignations caused by reputational crisis and growing demand for institutional transparency and social responsibly in politics as well as in business sectors induce necessity for reassessing concepts of image and image creating and emphasizing search for sustainable image and reputation. This particularly is important both in politics and public institutions that still lack comprehensive machinery for creating image. Dynamic environment and growing power of communication encourages giving-up short-term image prior to long-term sustainable image and strong positive reputation (Orzekauskas, 2007). In case of image crisis, restoration is necessary for public institution that depends on consumer perception.

Introduced by William Benoit, image restoration theory outlines strategies that can be employed to mitigate damage to image in an event where reputation has been damaged. Image restoration theory can be applied as an approach for understanding personal or organizational crisis situations. Benoit outlines this theory in Accounts, Excuses, and Apologies: A Theory of Image Restoration Strategies. The theory of image restoration builds upon theories of apologia and accounts. Apologia is a formal defense or justification of an individual's opinion, position, or actions, and an account is a statement made by an individual or organization to explain unanticipated events. Benoit claims that these treatments focus on identifying options rather than prescribing solutions. There are five strategies as described below:

<table>
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<th>Strategy</th>
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<tr>
<td>Denial</td>
<td>The accused may deny that the act occurred, or deny their role in committing it.</td>
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<td>Evading responsibility</td>
<td>When unable to deny performing the act in question, the accused may attempt to evade responsibility. This strategy has four components. <strong>Scapegoating</strong>: the actor may claim that the act was committed in response to another wrongful act. <strong>Defeasibility</strong>: the actor pleads a lack of knowledge or control about important factors related to the offensive act. <strong>Make an excuse based on accidents</strong>: the actor may make an excuse for factors beyond their control. <strong>Suggest the action was justified based on motives or intentions</strong>: the actor asks not to be held fully responsible based on their good, rather than evil motives in committing the act.</td>
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<tr>
<td>Reducing offensiveness</td>
<td>The accused may attempt to reduce the degree of negative feeling experienced by the audience. This strategy has six components. <strong>Bolstering</strong>: used to mitigate the negative effects by strengthening the audience’s positive idea of the accused. They may remind the audience of previous good acts or good reputation. <strong>Minimization</strong>: attempts to convince the audience that the act in question is less serious as it appears.</td>
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Differentiation: the act is distinguished from other more offensive acts to lessen the audience’s negative feelings by comparison.

Transcendence: the act is placed in a broad context to place it in a different, less offensive frame of reference.

Attacking accuser: the actor attacks their accusers, to question the credibility of the source of the accusations.

Compensation: the actor offers to redress the victims of their action to offset negative feelings towards them.

Corrective action

The accused claims that they will correct the problem. This can involve restoring the situation to its prior state, or promising to make changes to prevent its reoccurrence.

Mortification

The accused admits responsibility and asks for forgiveness.


Some communication observers argued that responses given by Air Asia management is a good example of public communication occurs when a business crisis done. Tony Fernandes showed great attention since the accident occurred, among others, such as to replace the red color logo by temporary gray logo in online portal. Fatal accidents usually bring destruction of any business, especially in aviation sector experience. Professionalism and transparency for public in the accident is crucial for the recovery of reputation. CNN aviation analyst, Michael Pearson, said the two events were experienced by Air Asia and Malaysia Airlines are very different. He argues at least three things that differentiate the two incidents (Pearson, 2014).

3.1 There is no intrigue

When MH370 disappeared, transponder which serves to identify the presence of air looks like accidentally turned off. Both pilots stopped doing radio transmissions and the airline was making a round of the mysterious and deviated from the planning route while in the case of Air Asia, it does not exist. Competent authorities can conduct normal communications with the pilot before the plane disappeared from Radar. The weather looks so bad, the pilot then asked for permission to raise the air travel height to get out of the crisis.

3.2 Learn from occurrences MH370

According to Vivanews of Jakarta based news website, several hours after Malaysia Airlines disappeared in March 2014, all the parties are confused. In fact, there was a growing confusion when the authorities submitted a statement. They convey information to the public contradictory each others. Families of passengers and crew were also complained about the way the Airlines explained of the case, while in the case of Air Asia, both government and airline officials look to use a more synergistic approach (Vivanews, 2014).

Air Asia passenger’s families are continuously to be given support in order to get through this ‘nightmare’. CEO of Air Asia, Tony Fernandes regularly speech in his Twitter account, which is confirm the passengers and crew as his priority for. He also promised to do whatever it takes to find the plane. Fernandes way to overcome this crisis was really convincing.
Moreover, authors agree with Ripley that in this case, airline authorities both in case of Air Asia and Malaysia Airlines coordinate each other very well. They also put the families of passengers as a priority in this bad situation. For instance, Minister of Transport of Malaysia, Hishamuddin Hussein wrote his support: "I will be there with you". Beginning of any search, observers wrote, Indonesian authorities quickly directly maps a search plan, deploy ships owned by the Navy, also received support from the Government of Malaysia, Australia and Singapore.

3.3 The search does not last long

Most of media predicts that Air Asia aircraft will find in the next 12 hours, the lost contact area was more accurately identified than that experienced by Malaysia Airlines. In addition, the search area is narrower region and shallow, thus allowing the search process easier. While, although has taken over one year, MH370 remains has yet been found (Pearson, 2014).

After looking at more than 30 news items in the newspaper, online and television in Indonesia, author found important facts related to the similarities and differences of how communications are conducted in of Air Asia and Malaysia Airlines as follows:

Quickly respond to publish a crisis. In crisis situations, the speed of response is very important. Delayed response would create a credibility gap. The initial response of Malaysia Airlines crash on March 8, 2014 appears in the form of a statement at 07:30 or about five hours after losing contact with the plane. MH370 departing from Kuala Lumpur airport at 00:41 local time. But only about two hours, exactly at 02:40, Subang Air Traffic Control reported the plane had lost contact which was supposed to Beijing International Airport at 06.30 Beijing time. Then, still on March 8, 2014 at 09:00, CEO MH Jauhari Yahya immediately held a press conference and issued a statement regarding the loss of the aircraft.

This is different from what happened in the case of 8501 Air Asia that departed from Surabaya at 5:30 pm. At 10.00 the mass media in Indonesia received confirmation from the Director of Air Transport Ministry of Transport that the plane disappeared from Radar, or just 4.5 hours after the plane departed. Whereas if observed from the news media in Indonesia, the airline issued an official statement related Air Asia lost its contact plane at 12.00 pm.

The use of social media. Both airlines implement a media communication strategy surrounding with analog and social media platform. To disseminate information, Malaysia Airlines utilize social media. In an era of hyper-connected communication, Malaysia Airlines utilizes digital assets, including web pages and social networking sites such as Facebook and Twitter. Here’s an example of the use of social media by the team of Malaysia Airlines:
To manage the crisis, Malaysia Airlines Public Relations team is regularly to share information with those who are interested and concerned about the search and rescue of aircraft. In addition to face-to-face communication, the management uses a website to provide constantly updated information on flight-related incidents MH 370. Malaysia Airlines as well as Air Asia crew use social media like Facebook and Twitter to reinforce messages on the website. Announcements about the missing contacts can be air, for example, in addition published it on the website, while also released on Malaysia Airlines magazine.

Responding the tragedy, all digital media display turns into darker. Starting from the website, Facebook, to Twitter, all of them filled with gray. Colors are slightly darker in social media also considered a powerful way to reinforce the messages in the content disseminated. Meanwhile, Air Asia management requested to the families and relatives to call Emergency call numbers of Air Asia at +622129270811. In addition, Air Asia also promised to continue to provide further information of the current situation (Edhy, 2015).

4. Sympathy and Commitment

According to Aruman, a communication expert, for practitioners of crisis management, statement of empathy and commitment are important. In addition to expressing empathy, communication messages in a crisis should show empathy. To avoid deeper issues, in the context of aircraft disaster, the most important stakeholder is the family. Meanwhile, empathy is the ability to react to negative or positive emotions of others as if emotion was vicariously. Empathy and concern for family members and others who are affected by the loss of the aircraft has been communicated intensively through posts and tweets, as we can see below the example of statements among both aircrafts (Edhy, 2015).
In an effort to find the missing plane, Malaysia Airline established a team of volunteers ‘Go Team’ and sent them to Beijing and in Kuala Lumpur to provide support and information to families. In addition, the CEO Jauhari Yahya, Minister of Defense and Transportation Hishamuddin Hussein, and Malaysian Prime Minister Najib Tun Abdul Razak to meet families of victims at Kuala Lumpur International Airport as published in the media.

Meanwhile, since Air Asia officially reported missing on December 28, Tony Fernandes flew to Surabaya to meet at the same time communicate directly with the families of passengers and the crew families of QZ8501 Air Asia plane. Indonesia Air Asia management along with the East Java provincial governor, BASARNAS team, and Angkasa Pura I, even Joko Widodo President has also met family members of passengers at the end of 2014 in Surabaya (Edhy, 2015).

Finally, from media coverage analysis, I discovered the fact that Air Asia’s ability to manage the issues of post-crash is better than Malaysia Airlines. Air Asia management not only use bad-weather as an external wrong factor, but acknowledges pilot error and declared fully responsible for the compensation of passengers. Direct responding to the disaster from top level of management caused the victim’s family tranquility. For example, in respond to Jakarta Post question of the future of Air Asia’s operation in Indonesia, Fernandes said: We are committed to Indonesia. No one is going to stop us. We owe it to our staff who have been amazing, we owe it to the people of Indonesia to continue to promote Indonesia as the one of the greatest countries in the world. That’s our job. We’re not going to give up (Jakarta Post, 2015).

5. Recommendations

Judging from reputation recovery theories developed by William Benoit, I can describe of what the two airlines management done as follows:

Neither Air Asia nor Malaysia Airlines apply two strategies, namely mortification and evading responsibility. Both expressed recognition of the events that happened, because it is hard to not to be recognized, claimed responsibility on the victim and then make a serious effort by with all
related parties to carry out a search plane and victims. These positive actions were appreciated by public and not to raise controversy and citizen lawsuits.

Importantly, the two companies do not recognize a fault condition of the aircraft body as the main factor causing the crash, but stated of another external factor. This is consistent with the use of Scapegoating theory: the actor may claim that the act was committed in response to another wrongful act. In the case of Air Asia, in my opinion public can understand the above reason, but it is not the same as the case of Malaysia Airlines, where the public increasingly convinced that there is a deliberate action by the pilot to perform poorly.

To conclude, learning from this case, in the future, both Malaysia Airlines and Air Asia management must have a better crisis management system. Honestly, recovering the airline brand will require a significant communications budge and global communications agencies.

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