

The 2013 Horsemeat Scandal

Comparative Analysis of Tesco Image Restoration Strategies and Customer Reactions

in the United Kingdom and the Czech Republic



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Table of Contents

[1. Introduction 3](#_Toc357763956)

[1.2 Problem formulation and research questions 4](#_Toc357763957)

[2. Methodology 6](#_Toc357763958)

[2.1 Philosophy of science (epistemology, ontology) 6](#_Toc357763959)

[2.2 Inductive-deductive tendencies 7](#_Toc357763960)

[2.3 Relevance of qualitative approach 7](#_Toc357763961)

[2.4 Research Design 8](#_Toc357763962)

[2.4.1Comparative case study 8](#_Toc357763963)

[2.4.2 Sampling 9](#_Toc357763964)

[2.4.3 Textual analysis as a method to data analysis 12](#_Toc357763965)

[2.5 Limitations 13](#_Toc357763966)

[3. Theoretical framework 14](#_Toc357763967)

[3.1 Stakeholder and organization terminology delimination 15](#_Toc357763968)

[3.2 Conceptualizing image 15](#_Toc357763969)

[3.2.1 Organizational image management theory (Massey) 16](#_Toc357763970)

[3.3 Conceptualizing crisis 17](#_Toc357763971)

[3.3.1 Image discourse theory (Benoit) 17](#_Toc357763972)

[3.3.2 Crisis communication 18](#_Toc357763973)

[3.3.3 What people think (on offensiveness and responsibility) 18](#_Toc357763974)

[ Offensiveness 19](#_Toc357763975)

[ Responsibility 19](#_Toc357763976)

[3.3.4 Image restoration strategies as crisis communication responses 20](#_Toc357763977)

[Summary 22](#_Toc357763978)

[4. Analysis 23](#_Toc357763979)

[4.1 Crisis conditions (on own 5-point scales-dimension attributes): 23](#_Toc357763980)

[4.1.1 Offensiveness of the act: 24](#_Toc357763981)

[4.1.2 Responsibility of the accused: 24](#_Toc357763982)

[4.2 CASE UK 25](#_Toc357763983)

[4.2.1 UK Timeline 25](#_Toc357763984)

[4.2.2 Analysis of company and consumer communication for each phase 27](#_Toc357763985)

[4.3 Case CR 32](#_Toc357763986)

[4.3.1 Timeline 32](#_Toc357763987)

[4.3.2 Analysis of company and consumer communication for each phase: 34](#_Toc357763988)

[4.3 Summary of UK and CZ 38](#_Toc357763989)

[4.4 How do the studied cases relate to or differ from each other? 39](#_Toc357763990)

[4.3.1. Degree of attention 40](#_Toc357763991)

[4.3.2. Expressive language of the speakers 40](#_Toc357763992)

[4.3.3. Perceived consumer power 41](#_Toc357763993)

[Discussion/further research 42](#_Toc357763994)

[5. Conclusion 43](#_Toc357763995)

[6. Bibliography 46](#_Toc357763996)

# 1. Introduction

In early 2013, a wave of consumer outrage has spanned the Western world in regards to company practices of adding horse meat to beef products in multiple countries throughout Europe in everything from frozen meals to lunch served in school canteens, without the awareness of the consumers. This issue of meat adulteration by most people known as the „Horse Meat Scandal“ (HMS) has had not only direct impact on the meat industry, but the concept of consumer trust in products offered by companies was put out of balance as a result of its secondary effects. Decline of consumer trust is thus closely related to multitude of ethical, legal, health and in some cases religious issues that HMS brought about.

The first case of meat adulteration occurred on January 15th 2013, when the testing of selected beef products offered by major retail companies in United Kingdom (UK) and Ireland revealed shocking news: although labeled as beef, it contained not only insufficient quantities of it, but was supplemented or fully substituted by horse meat. The concerned companies, among them retail giant Tesco, were informed about these findings (Food Safety Authority of Ireland, 2013). Responses consisted of store withdrawals of reported products in Ireland and UK and increased attention to the companies’ supply chains. Owing to globalization processes the access to products and services is no longer limited by the geographical location of its consumers and even the production of perishable goods such as meat products is viable to outsource from abroad. As a result, tracing upstream company’s supply chain becomes increasingly difficult for customers and in case of product problem more than one country tends to be affected, turning it into an international matter. The HMS that spread around Europe in January 2013 is a prime example of the possible negative effects of the tendency to globalize production and increasingly lose overview of the supply chain.

Another aspect of globalization, the fast pace with which information spread thanks to information communication technologies (ICT) led to the “medialization” of HMS. Public concern over the possible presence of "bute" – a powerful anti-inflammatory drug present in the horse meat, which is considered a potential threat to human health (Poulter and Rush, 2013), was alarming consumers even in unaffected countries. At this point, HMS transforms from the problem of mislabeled food by companies to the one with potential of putting consumer health at stake. On February 13th European Union ministers meet urgently to discuss the issue and push for new legislation on stricter meat control and labeling (Euractiv, 2013). Interestingly, despite not being affected, HMS triggers a strong reaction and a great deal of attention in the United States as well.

International companies were not immune to the scandal either. The world’s largest food producers, fast food chains and grocery store retailers, for instance Tesco, ALDI, Lidl, Nestlé and Burger King, but also IKEA, have all been associated with HMS apart from United Kingdom and Ireland in various locations - Czech Republic, Spain, Italy, Greece, Cyprus, Hungary, France, to mention few. Linkage of such crisis to any of the involved companies evokes negative connotation in stakeholder’s mind, may represent serious threat to the reputation - hard won perception, and in the worst case threaten the ultimate survival of the company.

## 1.2 Problem formulation and research questions

HMS incident caused significant change in trust relationship between the affected companies and their customers. Any event leading to customer trust decline should fall under the attention of the concerned company as it reflects in its reputation. Also, because corporate image is intangible and socially constructed through the discourse that surrounds it, study of the behavior of actors shaping it is expected to bring more clarity in how the reputation of the companies involved in HMS got affected. Adjustment in external communication is the primary behavioral reaction of organizations

that experience significant reputational threat.

The detected image restoration strategies employed by the company facing reputational crisis will be critically analyzed with the help of image theory discourse by Benoit and the theory itself will be expected to be enhanced by addition of another perspective on crisis, immediate salient audience response assessment. The expected input of this added perspective is believed to be in more realistic evaluation the effectiveness of detected crisis communication strategies in corporate image restoration in studied case. Special attention will be given to the interaction between the company and its customers as the efforts for dialogue in the online context. This approach is expected to shed more light on the topic of corporate image restoration and general insights into food safety discourse. By extending the research into two national markets, the thesis also investigates, to what extend the national culture (as reflected by national media) influences the consumer and company behavior in times of crisis via explanatory analysis of the discovered variations.

Among the companies that took part in HMS, Tesco was chosen for the study. Company’s involvement translated in the observable changes of perceived company image, which triggered crisis management strategies, and thus allow for their evaluation. The selected countries in comparative analysis are the United Kingdom and Czech Republic. Following set of research questions shall guide the research process:

1. How did Tesco react to the “horse meat scandal” in the two selected markets?
	* + Which crisis communication strategies were used?
		+ How was the issue communicated via two major country newspapers and the company’s Facebook platform?
2. How did customers in selected countries react to Tesco’s involvement in the HMS?
	* + How did they express attitudes in discussion under online articles of major country newspapers and on Tesco’s official Facebook platform?
3. What are the specific/most striking variations in company/customer reactions during the observed period of HMS in the cases?

# 2. Methodology

This part of the thesis is intended to answer the questions of the ‘how’ kind: How do I plan to go about answering my problem formulation? It will consist of the following components: philosophy of science, tendencies to theory, qualitative research approach, research design and limitations.

## 2.1 Philosophy of science (epistemology, ontology)

Although every research in human sciences contributes to knowledge, it also carries an imprint of its author’s perception of social world. Therefore, it is appropriate to state and introduce my pair of glasses – a unified view of ontological and epistemological concepts that guide my research. But before I ‚reveal my specs‘, I will briefly introduce the reader to ontology and epistemology, two central terms in the philosophy of science. Both terms can be thought of as questions which the social scientist asks him-or-herself in order to reveal what *lens* he or she uses when thinking and reasoning about social world.

Ontological questions relate to the nature of social entities, more specifically whether the reality of these social entities is and according to the scientist shall be considered as external to these social actors or whether it shall be treated as internal – a social constructs build up from its actors ‘perceptions and actions. (in Bryman,2004, p.16) Depending on the answer to the question on the nature of social reality, scientists are prone to join one of the two prevailing groups – objectivists or constructivists. Objectivists are advocates of the idea that reality of social world is separate from its actors and therefore external. For them, concepts such as organization and culture are *given*. On the other side of the spectrum can be found the constructivists, or as some prefer to call themselves, social constructivists. This group of social scientists challenges that belief of objectivists. For constructivists, categories and social phenomena are not given, but rather they are seen as *product* of respective society. My perception of social reality is inclined to perceive it as not given, but constructed, therefore I find myself in the second group in regards to ontology. Also, the fact that this thesis deals with consumer reaction, on how they felt about and responded to Tesco’s involvement in HMS in line with image restoration strategies Tesco applied, social constructivist approach seems to prove this stance.

Next, epistemological considerations deal with the criteria which are set for knowledge to be considered acceptable, in case of social sciences, whether the same rules of knowledge gathering used in natural sciences apply also for the research in human world. (in Bryman, 2004, p.11) Antipoles in this discussion are formed by positivists and interpretivists. Positivists are the advocates of applying scientific methods used in natural sciences to social world, while the interpretivists refuse such logic. Interpretivists call for different research logic – one that “reflects the distinctiveness of humans as against of natural order”. (in Bryman, 2004, p.13) Epistemologically speaking, in regards to ‘acceptable knowledge’ issue, my perception is that social world shall not be treated in same manner as the natural world, and therefore I am interpretivist. This position requires me to “grasp the subjective meaning of social action” and “to provide interpretation of others’ interpretation”. (in Bryman, 2004, p.540 and Bryman, 2004, p.14) In fact, I intend to interpret the texts produced by social actors (Tesco and customers) not only explicitly but also with efforts for their assumed meanings.

## 2.2 Inductive-deductive tendencies

It is useful to think of the relationship between theory and research in terms of deductive and inductive strategies. However, […] the issues are not as clear-cut […]. To a large extent, deductive and inductive strategies are possibly better thought of as tendencies rather than as hard-and-fast distinctions. (Bryman, 2004, p.11)

 General approach of the thesis is neither fully inductive nor deductive. In line with Bryman, the role of theory in this piece of research is not neglected and therefore it will be inappropriate to consider this thesis as fully inductive. The case observed is problem-driven and therefore not fully generalizable as there is obviously not a specific theory on the situation of Tesco during the HMS. However, in order to advocate for the scientific qualities of the thesis, the research is based on existent theories of organizational image, concept of crisis, and selected domains of communication theory. While investigating Tesco’s reactions, tendency is rather deductive as the theories employed serve as the ‘base’ for categorization. However, analysis of consumer reactions calls for rather inductive tendency as the observed problem requires first to create categories from collected qualitative textual data, and subsequently, although in modest manner, attempt for contribution to the theory.

## 2.3 Relevance of qualitative approach

Qualitative research in social sciences is characteristic for the purposes of studying and representation of the views and perspectives of the people and covering contextual conditions within which these actors live by contributing with insights into concepts that may help to explain human social behavior, while striving to use multiple sources of evidence whenever possible to enhance credibility of the findings (in Yin, 2011, pp. 7-8). Own choice for conducting qualitative research is in line with its main features provided by Yin: an image as well as trust are both socially constructed hardly quantifiable terms, therefore their measurement requires interpreting the perceptions of actors that construct it: media informs the public and shape their opinion; company responds with strategic communication in relation to HMS; and consumers voice their concerns and opinions in regards to the issue.

## 2.4 Research Design

Research design, here viewed as “plan for collecting and analyzing the evidence” shall enable me to answer posed set of questions. (Ragin in Flick, 2007) Since the structure of research designs in qualitative research tend to vary from project to project, I will go more into detail in describing my design for the reader to better orientate him or her in it.

### 2.4.1Comparative case study

Choice to combine case study design with comparative design was guided by the set of proposed research questions. The first two questions (**company and consumer reactions in two countries**) called for the treatment of the problem as *case* and logically implied use of comparative design. In addition, the third research question in quest of **the most striking/specific variations** added cultural context to such comparison.

Case study lends itself for the “detailed and intensive analysis of a single case.” (Bryman, 2004, p.48) Also, cases can include research on a “single event [… or] the events surrounding the media reporting of a specific issue area.” (Bryman, 2004, p.49) This relates to the crisis situation for both – companies (image at stake) and consumers (health and trust in products at stake) in connection to the HMS. The incidence of HMS at international level created unique opportunity to investigate a global company (its response to image threat) and food risk discourse (consumer concerns) in more countries:

Comparisons can be related to cases as whole or to certain dimensions in the case – for example, to do a comparison of different cultures. In such a study, it seems necessary to include cases in the sample that are more or less comparable in many dimensions, so that differences can be linked to the different cultures. (Flick, 2007,p. 40)

In the selected cases (UK and Czech Republic), based on the depiction of HMS development by the national news media coverage, identifiable Tesco’s image restoration strategies and reactions of salient audience (media consumers as Tesco customers) in online context in given time period are considered as such comparable dimensions. Furthermore, as the third research question seeks the differences, news media coverage is expected to reflect the cultural perspective- it underlies what information regarding HMS will be covered and how will it be framed (editors - agenda setting, framing), thus is shaped by and shapes the culture. Also, news media in respective countries were carefully chosen for more representative cultural “comparison on the level of context (…,) differences among the cases or answers coming from one or the other cultural background.” (Flick, 2007, p.41) To support the argument, the third research question investigates the influence of culture on the reaction to crisis situation.

### 2.4.2 **Sampling**

This part will explain the considerations and factors that led to the choice of specific case and form of data to answer the problem.

#### 2.4.2.1 Case selection

The “horse meat scandal” (HMS) has had an effect on the consumer behavior and company image (legitimacy and reputation) of a great number of retail actors on the market across country of operation, company size and centrality of meat to their product. In this thesis, I have chosen to focus on a multinational company – grocery and general merchandise retailer Tesco. The choice of company lends itself to cross-cultural comparison due to its international presence and the need to turn to crisis communication strategies regarding its image reputation as a reaction to consumer backlash pursuant their involvement in the HMS. Tesco’s presence on multiple national markets and the internationalization of HMS implies not only an international response among the organization’s stakeholders but also a “global” need for Tesco’s image restoration.

In order to evaluate the effect of local (company branch)/national (culture) on the consumer and company reactions, case of Tesco will be analyzed in two countries – the United Kingdom (UK) and the Czech Republic. In both cases Tesco was directly involved in the scandal. These cases present an interesting variation, because the UK was the first country where Tesco took products off the shelves due to horse meat contamination, directly affecting its image, while in the Czech Republic the effect on company image of Tesco CZ took place before the actual discovery of mislabeled meat products (media coverage of distant crisis, but familiar company). In this way Czech Republic can be considered representative of many of the countries that became involved in HMS later on.

#### 2.4.2.2 ***Data*** selection

This research focuses on a response to an event from two perspectives - that of customers and the affected company. Contextualization of HMS for each country will be based the online national media coverage. For this purpose, two well-respected high-circulation national-reach newspapers were thought of as providing sufficient coverage the issue and the potential of bias was addressed in following manner: In the United Kingdom, the selection includes the liberal Guardian (<http://www.guardian.co.uk>) and the conservative Daily Telegraph (<http://www.telegraph.co.uk>); in Czech Republic, center-left newspaper Právo (<http://www.novinky.cz>) and center-right Mladá Fronta Dnes (<http://ekonomika.idnes.cz>).

Timeline, as the contextualization is named, consists of three phases to provide more clear insight on the dynamics that HMS brought. Building on these structures, analysis from both (company and customer) perspective will be enabled. Hence, two sets of empirical data will be used to cover the spectrum of reactions. First set will concern company’s response, as it was communicated within the selected newspaper titles and/or official Facebook site. The advantage of such choice is seen in greater variety of the data for better picture of the company’s image restoration efforts taking place in studied discourse. Main disadvantage lays in the fact that comparing two nations, data was not created with such purpose and so the amount for each nation varies same as the ratio between the newspaper and Facebook. Second set of data will have form of comments in related article/Facebook discussion to cover the customer reactions. I am basing this assumption on the rationale: when the reader’s opinion on given issue is formed and the need to express it is sufficiently strong, it shall result in commenting and participation in the discussions related to the issue. Such texts are seen as authentic expressions of attitudes and perceptions of their authors about the issue and company and so a source of relevant, rich primary data readily available for analysis. In this respect, the focus of analysis from customer perspective will be on public comments posted in discussion forums of the online version of newspaper articles covering the event, supplemented by related posts on Tesco’s official Facebook pages (whenever available). Through these channels, companies are able to exercise partial control over the messages intended for the salient audiences via framing of the situation and information selection. Also, focus on newspapers is meaningful because it provides an important source of information for stakeholders and carries the potential to shape public opinion, especially when the company is given space to express itself regarding the HMS. Like the majority of the affected companies, Tesco engages in interactive communication with its stakeholders and official Facebook platforms for each branch were thought of as useful sources for dialogue triggered by HMS. In analyzing the crisis communication strategies employed by the organization, attention will be paid to Tesco‘s public announcements reflected in the news press (same as above) and communication with stakeholders via Facebook social media platform. (Indirectly these messages are referred to in some of the news articles and Facebook posts.) By focusing on the each country’s specific newspapers and official Tesco Facebook pages, it is estimated that the target audience is primarily associated with the respective nations. Analysis of above discussed external communication outputs is expected to provide sufficient information on Tesco’s crisis management strategies because that is the information which consumer can ultimately see and react to. In this respect, organization’s internal decision making is sufficiently reflected in the outputs and will be interpreted via image restoration strategies by Benoit.

HMS in chosen countries was/is a longitunal event without clear cut end to it, and so the specific time period had to be addressed for the thesis to extract the most crucial periods with regards to study. Hence, in both cases, the leading national newspapers will be inspected to establish a country-specific time period for analysis. First, given the intensity of the crisis and rapid succession of information regarding to HMS in the UK, the analysis will be limited to four weeks (15th January-15th February 2013) after the first discovery of horse meat in Tesco products in the UK. This time limitation should allow for both sufficient factual information about the scandal to emerge as well as for a time frame in which the reaction of the consumers will be particularly strong before other issues competing for their attention will set in. Company reactions and strategy should likewise be evident within the first four weeks after the outbreak of the scandal as fast reaction to the events is crucial for crisis communication management. Next, since the focus in the Czech Republic is both on direct and indirect effect of the discovery of horsemeat in Tesco products in connection to company’s image, the time frame of analysis will be slightly longer and include also a period before horse meat discovery on the Czech market (16th January-22rd March 2013).

Each time period will be further divided into phases based on the current framing of the nature of the scandal in the two countries. Within each phase, analysis of the various texts identified above – analysis pool consisting of major newspapers, company official statements, Facebook public conversations on the companies’ pages, and online comment posts will be conducted along the research questions identified earlier. For the customer perspective, here expressed in online texts, each phase for each country accumulated up to 500 comments. In instances of Facebook use, half of the comments originated from under the article crucial for given phase and the rest were extracted from under Tesco’s Facebook posts addressing the issue. In case with insufficient use of Facebook to fulfill this criteria of 500 comments as it occurred for Czech Republic, comments in the discussions directly related to Tesco and HMS for given time period compensated for this imbalance by equivalent number of comments as data to be analyzed. Unless there was direct reference to the analyzed data source in the text, Appendices shall supplement for this inconsistency: Appendix 2 contains two Tesco UK speeches transcribed from the videos found in the articles analysis part. Appendix 3 provides all data used for customer perspective analysis for the UK market, as the Appendix 4 does for the Czech Republic. The format of this data allows the reader to click through the individual comments to locate them in their online environment.

### 2.4.3 Textual analysis as a method to data analysis

Texts are material traces that are left of the material of sense-making - the only empirical evidence we have of how other people make sense of the world. […] We can never know for certain how people interpreted a particular text but we can look at the clues, gather evidence about similar sense-making practices […] and make educated guesses.

 (McKee, 2003, p.15)

Interpretivist and social constructivist stances I hold do not allow me to achieve absolute objective knowledge but the acceptance of such limits and acknowledgement of the subjective nature of the knowledge guides me to treat online texts as interpretations of reality by these social actors. Analysis of texts connects with two general methods: content analysis (CA) and discourse analysis (DA). Although some scholars treat these methods as antithetical, others are more open to the use of methods combining CA and DA for the purposes of text interpretations. Exactly the case, Herrera and Braumoeller (2004) focused on the relation between CA and DA and my decision for the hybrid method borrowing from both was inspired and builds on their conclusions. Before I justify my choice of method, I will briefly introduce the two methods, their aims, assumptions and tendencies:

|  |  |
| --- | --- |
| **Discourse Analysis** | **Content Analysis** |
| Relation between the text and context | Text abstracted from its context |
| Development of meaning and its changes over time | Consistency of meaning that allows counting and coding |
| Interpretivist - *subjective* data | Positivist - *objective* data |
| Qualitative research | Quantitative research |

**Table.1 Generalizations of DA and CA** (Based on Herrera and Braumoeller, 2004,p.18)

I have previously stated in the part concerning my ontological and epistemological stances. Methods shall be seen as *tools* that researcher finds useful in his or her scientific endeavor. I therefore, too customize my method to fit my interpretivist and constructivist views, as well as its suitability for answering the problem I have formulated. In search for method of selected online texts analysis, CA with certain features of DA was chosen. Rather than pure automatic categorization of data (CA), *sensitivity* to the usage of words and the *context* in which they are used (DA) is expected to enhance the quality of results.

The intention behind this method is simply instrumental - to analyze selected empirical data (online texts - both by Tesco and its salient audience) not only explicitly, but to certain extent implicitly. While explicit meaning in texts is not problematic to grasp, the challenge lays within meaning-making of implicit – what is assumed. (Fairclough, 2003,p.10) From the perspective of the company, with regards to the theory of organizational image restoration strategies, textual analysis shall guide me in interpretation of the intentions behind the company-produced texts regarding the involvement in crisis. From the perspective of the targeted audience, group of stakeholders (more precise Tesco customers and potential customers) who after being exposed to the texts provided by company (directly-via own corporate website and official Facebook page or indirectly - through press statements published online in representative newspapers) voiced their attitudes and concerns by commenting under these texts. The stakeholder perspective is interesting because it is thought of as a *rich* source of data. First, while companies tend to communicate in ‘uniform’ voice (consistency required by branding and other corporate image purposes), stakeholders are not conforming their expressions to such extend and variety exceeds uniformity. Second, analyzed texts will gain more dimensions (the dynamics of organizational image changes are ought to be better represented), thus making the analysis more holistic tool.

## 2.5 Limitations

As in every other scientific effort to participate with knowledge about the social world, number of limitations accompanies these attempts. I will address such theoretical limitations together with practical restrictions that are beyond the scope, scale or researcher’s control for the given thesis, followed by a note on ethical issues of the study.

First, since a case study is “not a sample of one”, concern in regards to *generalizability* of its findings beyond the specific research context in which it was carried out (external validity), is the major limitation of such design choice. (Bryman, 2004, p.51, p.539) In similar manner, customization of the method for data analysis implies limitations. If considering CA as a starting point, its main strengths lie in *replicability*. Thus method hybridization led to the replicability limitations, because of the sensibility and context elements borrowed from DA. Also, conducting qualitative approach in textual analysis disables quantification of data in full sense. In the analysis of consumer perspective, due to overwhelming amount of data, creation of “scales” shall be rather thought of as quasi-quantification (*measuring* *shades of gray* via categorization). In the beginning of analysis chapter, mentioned scales-based on the concepts of image restoration discourse theory will be introduced and shortly discussed.

Second, the topic I have chosen (HMS) is new and specific on its own and the amount of quantitative data (for instance company’s financial results or statistical data on retail or meat industry for the observed period) that could have supported and guide the research were not yet available for secondary data analysis or were not accessible as they represent sensitive information for the given corporation. Nevertheless, the focus of the thesis is on intangible assets (image, attitudes, trust, risk) that are problematic to quantify. I view knowledge as subjective and socially constructed, therefore I acknowledge the existence of subjective truth expressed by social actors, which affects the way I interpret them. Selection of publicly available qualitative data where both perspectives on the same problem are communicated, is believed to be sufficiently authentic and shall compensate for the researchers’ role as a ’distant observer’.

Third, even though politically balanced information to each country’s audience was secured, several difficulties regarding data had to be addressed by the researcher to enable comparison of both cases. First, only one news provider in Czech Republic, iDnes, empowers its readers to comment on articles and only comments from this site were used. Second, in newspapers offering the option to comment on articles, some articles directly involving company response were not open for discussion, thus comments from the articles referring to the company response/article were analyzed. Also, there was a significant disproportion of the amount of data available for each country (UK prevailing over CR), and *appropriate* reduction of total comments available took place (only first 250 comments were chosen as a rule).

Last, the decision of both parties (stakeholders and company) to share these data on the World Wide Web made them publicly available and therefore accessible for me to research. However, for the privacy reasons, I do not intend to violate the rights of the individual stakeholders and will secure their anonymity by leaving their names out in analysis.

# 3. Theoretical framework

This section combines important concepts and specific theories found at intersection of marketing, organizational and communication scientific fields. Interest in Tesco’s image restoration discourse effectiveness measured in expressed customer attitudes towards the company’s crisis communication strategies during HMS as crisis in this thesis is expected to gain from such mosaic. The chapter will first conceptualise actors central to the research - customer and corporation as viewed in stakeholder theory. Next, the term image will be conceptualised using organizational and marketing theories and its management via communication processes will be elaborated by Massey’s organizational image management theory. After conceptualising the concept of crisis, transition will be made to image discourse theory by Benoit. In the discourse, crisis communication and crisis situation will be delineated. The chapter will be concluded by the list of crisis communication strategies as Benoit classified them for give discourse.

## 3.1 Stakeholder and organization terminology delimination

According to stakeholder theory, to such groups as top managers, lower levels of management, the workforce, other businesses with which it had contractual arrangements, shareholders, and even its customers or the consumers of its products could all be regarded as stakeholders of the business in question. (Husbands, 2003) For the scope of the study, term stakeholder will be limited into the potential customers and/or consumers of firm’s products because the focus lies on the relationship dynamics of Tesco and its local customers. From the opposite end, the term organization as an actor in the stakeholder theory will in this instance limit to the corporation (or company) since the focus lies within single business entity. Thus, the terms stakeholder/customer/consumer and organization/corporation/ company are in this instance interchangeable.

## 3.2 Conceptualizing image

The word **image** triggers several associations in our minds. It can relate to an individual or any organization. Therefore, image is central to every company.

An organization’s image represents a collaborative social construction between organization’s top management and the multiple actors who comprise the organizational audiences. A particular interpretation of an organization’s image may be proposed by top management, but that interpretation must in turn be endorsed, or at the very least not rejected, by their various audiences if it is to persist.

Ginzel, Kramer and Sutton (1993, p.248)

Ginzel, Kramer and Sutton speak on behalf of organizational image as socially constructed product transcending the organization’s physical borders, while incentives for its upkeep are typically directed inside-out, driven by the efforts of internal management towards its intended audiences. In marketing terminology, image can be “anything and everything that influences how a corporation is received by any and all its various target publics or even by a single customer” (Gregory and Wiechmann, 1991, pp.61-62). All in all, it is clear that when speaking of image both the consumers and the company itself are involved.

Another term commonly used in image conceptis **reputation**. Terminologically speaking, distinction views reputation as long-lasting (past and future involved) and image as a ‘snapshot’ (Honey, 2009,p.2). If addressed differently throughout the work, image and reputation can be considered synonymous by the reader. First, the short-time-span this thesis covers allows it, and second, both can be thought of as either positive or negative.

### 3.2.1 Organizational image management theory (Massey)

Every company strives for positive reputation. Therefore it is important to manage such intangible asset as image systematically. Massey (2004,p.234) views image management as a dialogic process in which organizations and stakeholders communicate with one another to co-create the image of organization.



**Figure.1: The model of organizational image management, Massey,2004,p.235 (with crisis)**

Author provides a good overview of complex communication processes taking place in strategic image management and therefore his organizational image management model was chosen for this theoretical part. The model consists of three major stages: Image Creation, Image Maintenance and Image Restoration. First stage, image creation, is essential at times when organization is new or unknown to the stakeholders and communication activities concentrate on introducing the organization to various audiences with efforts to build awareness. Once organization has successfully established its image, concentration shifts to following stage - image maintance. As mentioned earlier, image management is highly dialogical process and organizations need to engage in constant monitoring and adjustment to the feedback by stakeholders to remain influential.

First two stages are common for basically every established organization. Yet some, often unexpectedly, might find themselves in the remaining third stage. In Honey’s words, where a disconnection between how an organization behaves and what it communicates to the outside world arises, scope for reputation damage amplifies. (2009, p.7) Equally, image restoration stage in the described model takes place when the company experiences some sort of a crisis. Failure to respond appropriately to such situation, when unsuccessful, may lead to need for restructuring and in the worst scenario, organizational failure. Organizational restructuring shifts efforts back at initial stage of image (re)creation which is often a costly and time consuming process. Any organization experiencing crisis shall therefore strive to create successful image restoration strategy in order to return the more ‘stable’ image maintenance stage. Focus of the thesis is on such efforts, that of Tesco’s scadalous involvement in HMS.

## 3.3 Conceptualizing crisis

Crises do not necessarily have to be associated with major environmental disasters or natural catastrophes. To adress the concept of crisis, broader perspective is required. Sellnow and Seegel (2013,p.5) subsume crises in general as events carrying notion of some dramatic, unanticipated threat with widespread and wholly negative impact. Coombs (2007), for instance thinks of crisis as function of perceptions that are based on a violation of some strongly held expectations. Sometimes, crises do not even have to exist in reality, but simply can evolve from rumours (Gregory and Wiechmann, 1991, pp.61-62). In relation to Tesco’s situation, Health’s and Millar’s (2004,p.8) crisis definition is concise:

[C]risis is a predictable, critical incident, the likelihood of which can be identified but the exact time of occurrence cannot and that it can have negative consequences for one or more organizations. It encourages others to look critically at the organization and therefore requires strategically developed statements that responsibly and ethically address stakeholder concerns, issues, and need for control.

Crises, even though predictable, uncover suddenly, raise prolonged intense look by stakeholders and thus imply risk of negative consequences on the organization’s reputation.

### 3.3.1 Image discourse theory (Benoit)

Image discourse theory, is an approach that is believed to be useful for understanding the crisis situation Tesco faced, and therefore helpful for the interpretation of the communication strategies the company engaged in. Key scholar in crisis communication theory William L. Benoit, advocates for image discourse theory as suitable method in critical evaluation of messages produced by corporations in crisis situation.

In Benoit’s view, a company faces crisis situation when two conditions are met: first, the act at question is considered as offensive and second, the accused (corporation) is believed to be responsible in the eyes of stakeholders. (1997,p.178) In line with previous crisis definitions, author stresses the importance of stakeholder attribution: “perceptions are more important than reality [and] … as long the [salient] audience thinks the firm at fault, its image is at risk.” (Benoit, 1997, p.178) When image is threatened, the restoration stage activates. Heath and Millar (2004, p.8) support the need for a company to act: “[t]he responsibility issue needs to be put to rest to demonstrate that the organization can regain control over its activities so that crisis no longer exists or no longer harms [or may be pervecied as harmful by] the stakeholders.”

### 3.3.2 Crisis communication

Once an *odd* event occurrs, people as curious beings naturally start looking for information to make sense of it. At this point, available sources of information play crucial role in forming stakeholders’opinion. Accordingly,“audience is believed to actively construct a symbolic reality about the crisis, the organization, and other public member’s evaluation that could change as the crisis outfolds.” (Lee, 2004, p.601)

Creation of appropriate crisis communication strategies, „what organization says [to stakeholders] and does“ after the crisis hit (Coombs, 2001, p. 37), is highly dependent on the audiences it seeks to address. The issue at hand also significantly affects the choices company makes about which groups of stakeholders to prioritize as key audience and how to frame the information it seeks to adress.(Benoit, 1997, p.178) For illustration, when a company faces risk of boycott by angered customers, this stakeholder group will be considered as key audience. To frame the information in the message appropriatelly, facts that consumers care little about or cannot comprehend shall be avoided. However, inconsistency of information for various audiences is not recommended, as it can hurt company’s credibility. (Benoit, 1997,p.183)

### 3.3.3 What people think (on offensiveness and responsibility)

It has been earlier stated what constitutes a crisis. Its two conditions, offensiveness and responsibility (according to Benoit) can be thought of as orientation points for crisis communication strategists. Therefore both will be briefly discussed and related to Tesco’s critical situation.

### Offensiveness

The degree of offensiveness has a wide range. For instance, it spans from lifethreatenenig situations as deaths and serious injuries to more ‘moderate’ issues like discrimination at workplace, bad customer service or unappealing product. HMS offers different potential ‘levels’ of attributed offensiveness. Some customers may perceive the whole situation as an act of mislabelling of food products. They can express anger over how mistreated they felt and how their trust in the company was ruined. Others might consider the act not offensive at all and/or respond neutrally. But when the rumors about potential contamination of meat products get involved, the angle of looking at the situation changes. Crisis relating to health concern is viewed as food scare and same act’s offensiveness perception shifts. In assessing the offensiveness of the act company shall, as a rule, always look outside - what the public knows and (most probably) thinks.

### Responsibility

Responsibility scarcely ever exists in the form we associate with court verdicts - guilty or innocent. The extent to which stakehoders see company responsible varries and so do the factors influencing its perception.According to Sellnow and Seeger (2013, p.9), cause attribution follows a logic: “when a risk or threat can be anticipated, it can be avoided”. The terms victim, villain and vindicator are often used when assessing to which role shall company position itself in a given situation. Yet not always a company’s actual guilt on the act matches the public view. Even innocent companies (victims) accecpt the responsibility (villain) if it is seen an only way to save their reputation. Such is an example of the world’s worst industrial disaster, Bhopal/Union Carbide in India in 1984 (in Gregory and Wiechnamm, 1991,pp.177-178). In the mentioned case, American ‘mother’ company took full responsibility over the severe gas leakage poisoning thousands, taking place miles away, even on another continent. In reality, the act was a result of faulty work safety practices of the local branch fully independent from the headquarters, and thus the only ‘villain’ were employees in India. Still, the company did not take the ‘vindicate’ position. The responsibility was accepted globally, because in the eyes of the public, it was practically unanimous that they were held fully responsible. Although HMS is not as severe, Tesco needs to listen carefully to the signals from outside and evaluate with caution, which role to choose.

### 3.3.4 Image restoration strategies as crisis communication responses



**Figure.2 Image Restoration Strategies based on Benoit, 1997,p.179**

**Figure.2** lists the repertoire of image restoration strategies collected and organized by Benoit and will serve as a typology for future identification of the rhetorical styles Tesco employed during HMS. All responses are grouped in five general strategies, with fourteen options altogether. As the communication aspect of crisis situation is central to this piece of research, Benoit’s theory of image restoration strategies represents the core of my theoretical framework. Based on author’s original writings (Benoit,1997, pp.178-182 and Benoit,2004, pp.265-270), each crisis response strategy will be shortly introduced:

#### Denial

Rejection of the accusations is one of the possible strategies for a company in crisis. In the case of **simple denial**, the actor may plainly deny the existence of offensive act as a whole. Second strategy in this group was named **shifting the blame** (victimage). Here, accused actors make use of opportunity to ‘pass on’ the responsibility to another target.

#### Evasion of responsibility

This group of strategies aims for image restoration by evading and/or reducing the responsibility for the offensive act at question and involves four distinct strategies: Provocation, Defeasibility, Accident, Good intentions.

First, **provocation** strategy takes form of claims made by the accused that their own actions were bare responses to provocation imposed by other actor’s offensive act. Potential of provocation is perceived in opportunity to shift the responsibility for own act to a certain degree. (Scott and Lyman, as refered to in author)

Second strategy named **defeasibility,** builds on the justification of the accused actor for taking part in offensive act due to lack of information or control, thus escaping to be held fully responsible for the act at question. (Scott and Lyman, as refered to in author)

Third strategy employed by the accused is to claim that the offensive action happened by **accident** rather than being intentional.

Fourth, related strategy justifies wrongful act by having **good intentions**, often employed in relation to accident.

#### Reducing offensiveness of event

This family of strategies strives to reduce offensiveness of the act that is perceived negatively through bolstering, minimization, differentiation, transcendence, attacking one’s accuser and compensation.

First version, **bolstering** is a strategy where, by putting emphasis on positive actions of accused actor, the offensiveness of the negative act is expected to offset. (Ware and Linkuger, as refered to in author)

Next, the purpose of **minimization** is downplaying the negative emotions associated with the offensive act to restore reputation of the accused actor. In other words, making the particular issue less of an issue in one way or the other.

Third, **differentiation** is characterized by the attempts of accused actor to reduce the degree of offensiveness of own act and the associated negative emotions of the audience by pointing out a similar, yet more offensive act. (Ware and Linkuger, as refered to in author)

Fourth variation, **transcendence**, aims to place the offensive act in a more favorable context by shifting the frame of reference, and so reducing the apparent offensiveness. (Ware and Linkuger, as refered to in author)

Fifth strategy, **attacking one’s accusers**, aim to flaw the credibility of the source of allegations with intention to minimize damage of own image.

Last variance, **compensation**, involves an offer to reimburse victims’ ‘suffering’ in order to lessen the negative feelings their act has caused. (Schonbach, as refered to in author)

#### Corrective action

In corrective action strategy, accused actor makes a promise for correction of the arisen problem, for instance by offering to restore the situation, as it was before the offensive act took place. Through demonstrating the willingness to restore the problem, it is expected to assure the audience that such acts will be avoided, or at least the actor actively seeks the prevention of the problem in the future.

#### Mortification

Mortification follows the formula ‘confess and beg for forgiveness’. Depending on how sincere the audience perceives the message to be, the offensive act might be excused. Confessions and apologies vary depending on how explicitly they are communicated. (Burke, as refered to in author)

## Summary

Massey’s organizational image management theory provides theoretical grounding for detecting the degree of perceived crisis risk from the company perspective;whereas with regards to the interplay between company strategies and consumer responses Benoit provides the theory. Restoration of company image can, according to the theory, be addressed through a number of crisis communication strategies: denial, evasion of responsibility, reducing offensiveness of the event, corrective action and lastly, mortification; whereas consumer responses is measured from the degree of respectively the perceived responsibility and offensiveness of the act.

# 4. Analysis

Focus of this thesis is on the image perception, consumer trust and the dynamics underlying their evolution throughout chosen period of crisis/event (HMS) in two nations. Before the actual case analysis would be covered, a tool for assessment of the stakeholder perspective “crisis conditions scales” will be briefly introduced to the reader. Afterwards, two larger sections each covering single country and the third one as recapitulation of both making effort to answer the third research question will follow. For the chosen cases, the options that one can decide for in analyzing them are vast. Complexities of intertwined events relating to the researched cases necessitated simplification to certain extend. For this reason, the crisis period observed for each country was further divided into three phases. Each phase carries differentiable state of affairs (in accordance with the national news media coverage) that is further reflected in behavior of companies as well as the observed stakeholder group. The logic of both country sections is following: first the timeline with key events and phase delineation will set the scene and next phase by phase analysis of Tesco’s strategic and customer reactive manifestations will carry the reader through.

## 4.1 Crisis conditions (on own 5-point scales-dimension attributes):

Executing textual analysis combining elements of content and discourse analysis is not a trivial task, especially in cases when comments from online discussion forums serve as data. Because anytime the object of study concerns more than one dimension (in this case two stakeholder-perception dimensions: offensiveness and responsibility - as in Benoit) and provision of exact example for strictly single dimension without the other dimension present is rather impossible, a set of illustrative comment examples and researcher’s interpretations of the comments attributed to respective level/degree of each dimension will be provided in the context of two ‘scales’ - one for each dimension. These ‘scales’ each consist of five degrees of stakeholder perceptions and are developed after careful considerations on the theoretical basis of Benoit’s emphasis on audience perception of the issue in regards of corporate reputation (1997 and 2004). The point here is to approximate to the reader in what way were these dimensions attributed to comments by online article readers and Facebook users, and furthermore how the levels were distinguished from one another. Moreover these two scales serve the purpose of preventing the shifts in research focus that might otherwise occur due to the ‘information overload’ found in some instances. It can be argued that scales are inappropriate for qualitative research. They are, however, in this instance employed as a tool for assessment of the rich amount of data to stay in the focus and enable quasi-quantification that is required in order to determine the *degree* of attribution, expressed trust concerns, potential image threat, and in later stage to compare and contrast the reactions from differing nations. (For the more detailed methodological explication of the assessment, please see the Appendix 1)

### **4.1.1 Offensiveness of the act:**

To what extend does HMS trigger anger, annoyance, distaste, and perception of unethical /disrespectful treatment or certain health concerns?

|  |  |  |
| --- | --- | --- |
| **Level** **(high to low)** | **Comment examples** | **Comment characteristics** |
| **+2****Highest possible according to stakeholder** | “I am disgusted, this is gross.” | Consumer dissonance, loss of trust, serious reputation threat; |
| “How dare you!?” | Personal attack; |
| “I fed my family with this, what if it’s contaminated?!” | High risk perception, collective health concern, concern for close relatives; |
| “I am concerned about my health; I will not consume that product.” | Individual health concern, personal attack, product avoidance; |
| “I will not trust any shop; they are a bunch of liars.” | Loss of trust in whole industry, high collective reputation risk. |
| **+1** **Attack perceived, trust chips off** | “I feel fooled as a customer.” | Trust threat, reputation risk, negative image perception; |
| “I am reconsidering whether to shop there next time – Tesco wasn’t fair with me!” | Trust construct, affair affected the reputation somehow; |
| “I mind the health issue, but if I buy only what I trust, I will be hungry.” | Consumer heuristics, bonded rationality, risk perception. |
| **0** **Problem acknow-ledged** **but not considered offensive** | “So what? This happens, we never know”  | No change in perception, no attack perceived, no health concern, bounded rationality, risk perception. |
| **-1** **Seen as opportunity rather than threat**  | “I know that it is being eaten elsewhere (FR/SWI/BEL), so I am quite open to it.” | No personal attack, curiosity/openness; |
| “Looking at the bright side, it is better than eating dogs, cats/carrion etc.” | Positive note prevails over the negative aspects of an act. |
| **-2****Offense absent and act welcomed** | “Horse meat is yummy, thank you Tesco☺” | Joking, lightens up the issue |
| “Horsemeat is better, tastier/ I prefer it over beef actually.” | hedonic, on the positive note; |
| “I remember that our ancestors (I) ate it in the past, I missed it.” | Nostalgia. |

### **4.1.2 Responsibility of the accused**:

 Is Tesco to blame? Is Tesco believed to be responsible? To what extent are they responsible for this (HMS)?

|  |  |  |
| --- | --- | --- |
| **Level** **(high to low)** | **Comment examples** | **Comment characteristics** |
| **+2****Tesco as villain** | “You shall run out of business for that.” | Legitimacy of a company, high reputation risk, possible organizational failure-image management theory, full responsibility/avoidable. |
| **+1****Not only Tesco’s fault, but guilt share greater than supplier’s** | “Yeah, Tesco is to blame, but not the poor pressured supplier.”  | Guilt is shared by Tesco, potential to shift the blame, reduce/share responsibility. |
| **0****No one/everyone is responsible** | “It is both fault, both have equal share of responsibility. “ | Low potential to shift the blame. |
| **-1****Not only Tesco’s fault, supplier guilty to greater extend** | “It is supplier´s fault, not Tesco’s - who can keep track of such complicated supply chain without errors?” | Bounded rationality, low perceived control of Tesco in issue, opportunity to both denial strategies. |
| **-2****Tesco as a victim** | “No one is guilty here, why shall be Tesco accused? Things like this happen and life goes on.”, “This is media-constructed bubble.” | No image threat, no trust risk. |

## 4.2 CASE UK

### 4.2.1 UK Timeline

#### Phase 1

* **15th/16th January**: Led by an earlier suspicion, Food Safety Authority (FSA) of Ireland reports positive findings of horsemeat in tests done on selected beef products, among them Tesco’s own label Everyday Value Beef Burgers containing 29 percent horsemeat. According to FSA, horsemeat in products does not impose any health risk, it is a matter of food authenticity; Tesco support this statement, and communicates the product withdrawals as part of precautionary measures. (Silverman, R. and Philipson, A. 2013; first 250 comments will be analyzed) Tesco’s prompt response further involved video reaction by its technical director Tim Smith (video transcription in Appendix 2); *We apologize* post regarding the discovery on **Facebook** social platform (first 250 comments will be analyzed); and full page apology replacing ads in all country´s print newspapers. The initial day has brought significant response: supermarkets are given ultimatum by the prime minister to explain the whole situation, members of the parliament include discussion of Tesco’s punishement in their agenda (Swinford, S. and Marsden, S. 2013) and from legislative perspective, retailers face significant sanctions. Testing of the beef products by FSA in all UK supermarkets has commenced. According to The Guardian, Tesco has lost one percent of its market value in shares just after the first day of involvement in scandal. (Fletcher, N. 2013)
* **17th/18th January**: Silvercrest Food Plant in Ireland, producer of detected contaminated products (Tesco´s beef burger supplier) temporarily suspends production. Along the way, the question of food safety is brought to attention; UK’s leading official food control laboratory states that the presence in human food chain of medicine residues used for sick animals is possible due to uncertainty over the origin of the horse meat. (Lawrence, F. and Meikle L. 2013a) The general public´s perceived food safety risk grows and so does the attention to Tesco´s further actions.

#### Phase 2

* **23rd January:** Global fast food chain Burger King, whose beef burgers from intial FSA testing carried traces of horsemeat, dismisses supplier ABP Food Group (mother to Silvercrest). (Telegraph 2013a) Increased attention over investigations of meat product manufacturers had led involved companies to reconsider their supplier relations; as a precautionary measure, more companies are tempted to join the groupthink in the industry.
* **24th January:** Investigation of UK-slaughtered horses presents positive findings of the carcinogen Phenylbutazone, also known as bute. (Lawrence, F. 2013) The health risk associated with horsemeat consumption becomes a primary concern in the country.
* **25th January:** Mystery shopping done by a BBC reporter reveals that not all of the products communicated as withdrawn from sales have been in fact removed from the Tesco stores. Tesco apologizes. (Meikle, J. and Jones, S. 2013)
* **27th January:**  FSA’s investigations on Silvercrest site in Ireland proceed; Polish third party supplier is detected as a source of discovered horsemeat. (Gardham, D. 2013) Tesco announces contract termination with Silvercrest reasoning that it did not comply with the rules of a contract by using meat not originating from a list of approved suppliers inside UK and Ireland. Also, Tesco vows own testing for horse DNA in products as a gesture of shared concern. (Lawrence, F. and Miekle, J. 2013b) Both decisions imply great deal of effort company puts into restoring own image and distancing from HMS to greatest possible extend.
* **30th January:** post *What we found and what we were doing* appears on Tesco’s official **Facebook** page(Appendix 3, UK p1 fb, row 5; first 250 comments will be analyzed).

#### Phase 3

* **6th February:** Comigel, French/Luxembourg third party meat supplier, gets caught up in the HMS. Its lasagna product for Findus, large European frozen meal company, contained alarming 100 percent horse meat, and all retailers respond by withdrawal of readymade meals produced by Comigel as a *precautionary measure*. (Telegraph Reporters 2013) Among other retailers, Comigel produces for Tesco too; its own label Everyday Value Spaghetti Bolognese Sauce appears under suspicion of contamination.
* **11th February:** Intuition has been proven to be the truth; the Bolognese sauce contained 60 (by some sources even 100) percent horsemeat. (Philipson, A. 2013) This means a turning point in HMS as it no longer only concerns frozen products, but also fresh beef ready meals. Hereby, for Tesco, another contaminated product worsens its attempts to regain positive image.
* **13th February:** EU agriculture ministers meet over the issues raised by HMS. Assembly comes to consensus to execute pan-European testing of meat products for horse DNA and *bute* sediments in case of positive DNA findings. (EurActiv 2013 Op.Cit.)
* **15th February:** Pushed by the dimensions that HMS has grown to, 11 major UK food suppliers (including Tesco) unite in efforts to return trust in meat industry by expressing their concerns and making promises for resolution of the whole situation in an open letter addressed to the public. The same day, Philip Clarke, chief executive of Tesco takes the floor in a video, making three major promises to all Tesco´s customers: to reestablish trust within its supply chain; to provide customers with an overview over the process from farm to fork via specialized website; and thirdly to compensate in cases of product withdrawals by adequate substitute products at no extra costs. (Telegraph 2013b, video transcription in Appendix 2) A post on company’s official **Facebook** sitecontained the video as well (first 250 comments will be analyzed).

### Analysis of company and consumer communication for each phase

#### 4.2.2.1 Tesco carries out prompt response (overcommunication and victimization)

Despite initial response in the context of crisis communication was multifold, video by company’s technical director Tim Smith (Silverman, R. and Philipson, A. 2013 ibid., video trannsctiption in Appendix 2) dominates the discourse and serves well for the illustration of image restoration strategies employed. Partial **mortification** (Benoit, 1997, p.181) in form of apology can be observed in the way the audience is addressed: “We’re very sorry this has happened, for the distress that might have been caused”. But when attributing the cause of the act itself, two explanations are offered: either “illegality by suppliers […] or gross negligence” from internal environment. However, by pointing out the specific requirements company has towards its suppliers, elegant transition is made to **denial** strategy via **shifting the blame** (Benoit, 1997, p.180): “In this case it seemed very clear that this supplier has not met … [our clear product] specification requirements.” Further, initiated **corrective action** promises to “cover in great detail exactly what happened, who was responsible for it and just exactly how long this has been going on” to address the questions stakeholders most probably have, not omitting to mention preventive character of such investigation for the future (Benoit,1997,p.181). Fourth, in relation to the offensiveness of the act, Tesco makes use of **bolstering.** (Benoit,1997,p.180) Pointing out close cooperation with the authorities and supplier; careful consideration of the situation with equally prompt decision to take the products off sale are used to present the company in better light in front of the audience. Fifth, even though over-communication dominates the discourse, a sign of **defeasibility** (under evading responsibility strategy by Benoit, 1997,p.180) is detected: offering an excuse for the lack of information the company disposes of in order to avoid the questioning that they might be unable to withstand at the moment, literally signals *buying* time. Similarly, on the Facebook (Appendix 3, UK p1 fb, row 5), HMS breakthrough related post with straightforward title *We apologise* supplements the information from the video by assuring the customers about Tesco’s goal to „work harder than ever“ in order to proceed in corrective action. Post’s roundup is a promise for an update as soon as the investigation shows any results, indicating that the transparency over the process and Tesco’s open reporting in relation to HMS bears this stakeholder group as central and equally important than state authorities or media. General impression from the wide variety of the image restoration strategies Tesco has chosen signals that the company frames the situation as of high significance and importance. By choosing the heroic approach of ‘getting to the bottom of whole thing’ and inviting the audience to follow the investigation, more sympathetic attitudes of audience in company’s involvement in HMS are expected to be formed. Also, by accusing the suppliers as responsible, attempt to retain the goodwill and secure the customers on Tesco’s side is noticeable.

From the other perspective, both article and Facebook discussion comments were used for illustration of how the customers perceived the situation and what view they held of Tesco in this phase of HMS. Discussions are carried out in a tone where outrage by the practices of both suppliers and retailers dominate: “Errr discusting!! What else aren't you telling us!!!” (Appendix 3, UK p1 fb, row 441) Tesco among other retailers is seen as either villain or accomplice together with the suppliers. Most frequent themes in the conversation were the health risks associated with unknown origin of the horse meat or its questionable quality; deception of customers either from the principle of the act itself ”Because you are not getting what you paid for, and that is fraud. Would you pay for a Porsche and accept a Lada?“[author compares cars of different quality and price range](Appendix 3, UK p1, row 466) or ethically in connection with the belief and right to respect certain criteria for food choices. Almost none of the participants advocated for Tesco as innocent, rather the company was viewed as part of systematic lock-in that dominates the food industry environment: scroogy customers looking for bargains without further considerations “Well if you want to pay 99p for a packet of 'beefburgers', what do you expect? Either hardly any meat, or dodgy meat.”(Appendix 3, UK p1, row 1499); food companies securing their profits through lowering down the prices; unreasonably low prices for which the retailers purchase from suppliers “no dowt use bully boy tactics as usual against the suppliers to get them cheaper and sell at 400% profit,,,:(“ (Appendix 3, UK p1 fb, row 474); and retailer selection based on price factor rather than quality. In conclusion, an old idiom Shutting the stable door after the horse has bolted is exact: Tesco is far from being considered innocent victim in HMS according to the audience and although the reactions in discussions might seem prevailignly as puns and jokes on company’s account, many of them imply the perception that the act is rather offensive and that Tesco caries responsibility for it to great extend. It appears as it is expected by many customers that Tesco shall admit the guilt rather than shift the blame on suppliers as in their perception: „Tesco are the ones who sold a product that is not as described, and ultimately answerable to their customers.“ (Appendix 3, UK p1, row 1922)

#### 4.2.2.2 The chain reaction of disclosures and food scare dominate the environment

As the investigations proceed, likely culprits of the HMS are being tracked in the mainland Europe, enabling Tesco to make use of this information for its own benefit: retailer decides to dismiss the supplier (Silvercrest) over a "breach of trust“. The fact well supports previously made accusations on the third party’s account as not acting in accordance with the agreed specifications. However, the **blame** is shared and Tesco admits minor share of responsibility (**mortification**) - fiasco in own supplier choices as presented in an article by Swinford (2013, first 250 comments will be analyzed). The style in which the decision is communicated is consistent with the Facebook post *What we found*:

Our frozen burger supplier used meat in our products that did not come from the list of approved suppliers we had given them. Nor was the meat from the UK or Ireland, despite our strict instruction that they only use beef from those two countries. This supplier will no longer supply any products to any of our stores. (Appendix 3, UK p2 fb, row 4)

 Dismissal of supplier provides an answer to the question who is the responsible for the adulteration, but pointing the finger at villain might not be sufficient. Apology tone from the earlier phase lacks compatibility with the current (ironic but suitable choice of words) high horse Tesco has seated itself on. The risk of making use of mortification (admitted guilt) to such minimal extend (wrong choice of supplier) is that it might arise doubts whether the earlier strategy was a pure coldblooded move to save own reputation instead of enactment of customers come first approach. Denial in form of blame shifting and minor mortification of admitting more responsibility for the act to happen dominate this stage of crisis, previous strategies are set to the background.

Evaluation of the discussions under related articles and on Facebook have reflected the situation as following: Participants have attributed significant levels of offensiveness to HMS, especially in association with the health concerns that the politicians (in media) have raised concerning the bute. Teasing atmosphere characteristic for the first stage have been replaced by the one with more serious, often in relation to BSE/mad cow disease that the nation holds uncomfortable memories of. Responsibility has been still related to Tesco, however, compared to the previous stage themes from international politics and EU economy dominated the discussion and so stretched the responsibility to the environment consisting of other countries or the international organizations. Two comments were selected to reflect the language of participants: “another import from Poland that we don’t need”(Appendix 3, UK p2, row 83);“Tesco label your beef products “100 % organic british beef products free from horsemeat and bse”if you want your customers to come back, be open, honest and transparent” (Appendix 3, UK p2, row 167). Discussion on Facebook was carried in more favorable tone, often the participants expressed appreciation for the update (What we have found post), yet the concern over the sourcing of Tesco’s food was commonly expressed. In conclusion for both data sources, it was detectable that customers were not relieved by the current state of affairs and anticipated more action from the company side to regain the previous trust. Situation for Tesco’s reputation is stabilized but also signals that company’s image restoration stage is far from being through.

#### 4.2.2.3 Tesco does not walk its talk fast enough

It would have been ideal to regain trust of customers by mere dismissal of single supplier, but also highly improbable. Exactly the case, after relatively short period of silence, another manufacturer of the company’s products is detected to take part in HMS, undermining the strength of Tesco’s previous claims about the whole situation as resolved and stabilized. Again this time horse DNA has been found in a product (Spaghetti Bolognese) offered under own brand name. For the Telegraph (in Philipson, A. 2013 Op.Cit.), Smith stresses arguments that can **bolster** (Benoit, 1997, p.180) Tesco’s tarnished image: product withdrawal took place before the actual discovery ”We did this as a precaution because Findus products from the same factory were reportedly at risk of containing horsemeat“; and company’s own conduct of tests as a sign of cooperation within the HMS resolution "Our DNA testing programme is under way and will give us and our customers assurance that the product they buy is what it should be." Although blame is again attributed to the respective supplier, **mortification** strategy (as in Benoit, 1997, p.181) addresses the fact the amount of horsemeat detected in a product was sixty percent, clearly not a result of accidental mixing: "We are very sorry that we have let customers down. We set ourselves high standards for the food we sell and we have had two cases in recent weeks where we have not met those standards“. Such twist signals serious threat to corporate reputation and carries high potential of customer trust loss that may be inevitable. Escalated situation called for new solutions. Dedication to face situation this time was demonstrated from the highest grounds possible – by Tesco’s chief executive Phillip Clarke, to address the worried and/or distressed customer audience. (Telegraph 2013c Op.Cit., video transcription in Appendix 2) The word trust dominated Clark’s speech, same as in the rhetoric employed by Smith during the HMS outbreak. This time, however it is not used in association with the suppliers, but the customers. From the formulations Clarke chooses: “[n]othing is more important to us at Tesco than the trust of you, our customers” and “[w]e take the trust you place in us very seriously; [w]e work every day to make sure you can; [and] we’ll continue to work every day”, it is evident the how tarnished the image of Tesco is. The strategy of shifting the blame from early phases of crisis backfired. Due to such intensive public attention to Tesco’s involvement in HMS, the management acknowledges the fact and opts for full **mortification:** *confess and beg for forgiveness*(as in Benoit, 1997, p.181). Importance of such choice Tesco ascribes to be potential to win customers back at all costs. In support of the shift in strategy, promises made concern the **corrective action:** reestablishment of control over own supply chain; transparency via specialized website providing the customers with overview of the processes taking place within; and guarantee of unconditional **compensation** in case of similar situations in the future (Benoit, 1997, p.181). Such tactic is no doubt at place, but due to the previous accusations towards the suppliers, Tesco might end up similarly as the moral of the story about the boy who cried wolf goes; and what more, skepticism over whether such strong claims are viable to keep up to reality might undermine the credibility of company.

Analysis of the chosen discussions had proven earlier expressed concerns. The situation of reocurring adulterated product in offer of the company that claimed to hold up to the set of highest standard requirements blaming it on someone else have brought Tesco back in high levels of offensivenesss and responsibility: “Tesco are very good coming up with standards, they just cannot understand them. Instead of sitting on their backsides writing them they should learn a bit about food safety and get in real world and see what is going on.” (Appendix 3, UK p3, row 887). Apart from the reocurring themes from the earlier phases, the hopelesness over the possibility to control supply chain in globalised markets and the criminal practices (political, corporate) taking place within dominated and reflect in the negative reaction on Philip Clarke’s speech: „Promises 1 and 3 should read "I promise to do what I should always have been doing"! Promise 2, I will set up a digital website showing you that it's happening! Does that mean it will show the general public the supply chain. I don't think so. Lot of nonsense. It's obvious where the problem is. Right at the top!“ (Appendix 3, UK p3 fb, row 174). Although some participants advocated for Tesco and recognized its efforts to restore the situation, their comments implied concerns over viability of fulfilling the promises4.3 CASE CZ

## 4.3 Case CR

### 4.3.1 Timeline

#### Phase 1

* **16th January:** Importance of happenings regarding HMS is demonstrated by coverage in both Czech newspapers, yet rather from bystander perspective. iDNES article by Koubova, K. (2013) informs readers about the withdrawal of the known Tesco products under suspicion of contamination off the shelves also in domestic branch, indicating that such products might have been consumed by the Czech Tesco customers as well. In the article, corporate affairs manager Jan W. Novak addresses the customers via article about Tesco’s actions and invites those in question of purchased products to return them by guaranteeing money refund.
* **23rd January:** Meanwhile, Tesco CZ deals with withdrawal of waffle product sold under own label and produced in Poland due to suspicion of rodent poison contamination (Novinky, CNA 2013a).
* **27th January:** Attention of Czechs in relation to HMS is drawn back by informing the audience on Tesco’s decision to drop Irish supplier Silvercrest due to unapproved imports of meat from Poland as well as Tesco’s decision to initiate own product testing for horse DNA (Palata, L. 2013).
* **8th February:** National press coverage of HMS returns with the announcement of 100 percent of horsemeat content found in Lasagna Bolognese by Swedish frozen meal company Findus, whose products are also sold on the domestic market. (Nevyhosteny, J. and CNA 2013; Novinky and CNA 2013b).
* **13th February:** Blame assigned to Polish meat producers shifts back to Britain; Tesco’s representative Jan W. Novak makes use of the media attention and addresses customers with repeated offer for product returns. (Koubova, K. 2013b)

#### Phase 2

* **18th February:** Czech Republic is issued warning from Brussels about the local supplier Bidvest (linked to Comigel figuring in HMS) signaling that horsemeat contaminated lasagna products (brand Nowaco) are probably being offered in Czech supermarkets and advised concerned sellers to product shelf removal. (Trecek, C. and Horacek, F. 2013)
* **20th February**: Earlier initiated domestic frozen meat product testing conducted by Czech Agriculture Food Inspection Agency (CAFIA) reveals 60 percent horsemeat content in product (Nowaco lasagne) offered by Tesco supermarkets (Novinky 2013; Spackova, I. 2013a). This is the first case of positive findings in the country regarding HMS and Tesco CZ faces fine (up to three million CZK) for the act of buyer deception as the country follows the heuristics of shared guilt (both supplier and seller). Jan W. Dvorak (spokesperson for Tesco CZ) expresses regrets for such findings, highlights behavior in accordance with Brussels warnings and once again invites customers to return the product via media.

#### Phase 3

* **20th March**: Tesco CZ comes up with positive horse DNA findings of product sold under own label. Salami Herkules is the company produced in Czech Republic by Masna Studena (Krahulik group). Tesco responds by product withdrawal and the matter is in more detail communicated for iDnes by Jiri Marecek, new external affairs representative of Tesco CZ. (Hron, M. and CAN 2013) In addition, the positive product finding is addressed on the company’s **Facebook** *(After the affair with horsemeat…)* as the very first mention on the platform in relation to HMS, directing the audience to special website with the test results. (Appendix 4, CR p3 fb, all comments will be analyzed)
* **21st March**: In the meantime CAFIA initiates administrative proceedings against Tesco in relation to Nowaco lasagne product; company’s affair publicity sheds light on its *shaky* reputation.
* **22nd March:** The issue over Herkules salami is covered in two articles: first one deals with the special website Tesco launched for consumers to stay informed over product testing results (Spackova, I. 2013b); second article covers CAFIA’s contradictory results on the Herkules product accompanied by Tesco’s reaction (iDNES.cz, CNA 2013). In both, Jiri Marecek actively communicates about the matters with the media.

### 4.3.2 Analysis of company and consumer communication for each phase:

#### 4.3.2.1 Czechs pay attention to HMS (no direct threats perceived yet)

When the news about emerging scandal reach Czech Republic, local Tesco’s behavior resembles image maintenance rather than restoration stage (Massey, 2004, pp.234-5):

Although according to the specialists the products do not represent any health risks, we decided to withdraw them as precautionary measures and make an offer for money refund to those customers, who in any way lost confidence in the product. (Dvorak, J. in Koubova, K. 2013 Op.Cit., translated by author)

Despite the fact that the company’s conduct does not yet resemble crisis management in full sense, situation gradually crystalizes: response executed as ordinary product withdrawal implies the strategy of **reducing offensiveness**, in particular **compensation** – offering a *fair* treatment of customers at doubt by the company (Benoit,1997,p.181). Likewise, emphasis of the absence of harmful effects of consumption of such products act resembles **simple denial** strategy, where the act at question is communicated as not harmful to anyone concerned (Benoit, 1997, p.179). Such was the prevailing strategy: executed as ordinary product withdrawal, approach to whole situation rather neutral, lacking stronger emotional expression from the company side. On one hand, advancements in UK investigation leading to Polish suppliers carry potential to deepen nation’s prevailing negative perception of Polish foodstuffs as of low quality and questionable safety (Tesco waffles example). On the other, shifting the blame comes out of question since the Polish suppliers are soon deprived of villain label in HMS, and what more potential for reputation threat only increases, because it is not the first time the company had to withdraw its own branded product. Thus Tesco’s selection of suppliers might signal to the customers that the price factor dominates over the quality, undermining the attention retailer pays to what will end up on customer’s plates. The threat intensifies as more high percentage horsemeat content is being revealed elsewhere in Europe, because often the products in store’s offer come from identical supplier and customers become more sensitive to how company acts in such times and whether it signals any shared guilt on the current affairs. Tesco CZ carries out only minimal external communication towards customers via news and so avoids *complete* silence that could raise suspicion of negligence.

Regarding the HMS and meat adulteration, authors participating in the discussions do not hold uniform view on the offensiveness of an issue. However, more seem to agree that the act is immoderate, thus offensive. Common opinion to the type of scandal (meat adulteration) is that it is not a type of the meat, (in the nation the horsemeat salami has been consumed quite regularly and some participants relate to this fact with nostalgia) but the question of quality and suitability of the unknown contents of the foodstuffs: “The fact that it is horsemeat is not bugging me. What really bothers me is the fact that obviously no one knows where the meat comes from, because if it inadvertently got mixed in, one must wonder how many carrions from rendering plants got in as well…” (Appendix 4, CR p1, row 101, translated by author) Ambiguity over one’s perceived food safety is readable from the texts. When attributing responsibility to Tesco, reactions are more distinct and prevailing tone of comments ascribes shared, as well as full guilt to the company. In some instances, authors express distinct negative attitude towards the company in general and participate in the discussion in order to discredit the company “What would you expect from label “Tesco Value”… ”(Appendix 4, CR p1, row 109, translated by author) or express distrust they hold in the way issues as HMS are dealt with: “In our land, they would not withdraw them… All would be re-packaged, overpriced, Tesco’s spokesperson would state categorically that he is astonished by such thing and the whole problem would be swept under the carpet.“ (Appendix 4, CR p1, row 105, translated by author). and “It occurs to me that the main reason (for scandal) is that it concerns Tesco – also in our land it is a leader in food adulteration in the long run.” (Appendix 4, CR p1, row 292, translated by author) Further, anticipated discussion over Polish produce had figured in the conversations, but got resolved throughout the discussion as multiple participants advocated for them as victims of medialization and political machinations making them ideal candidates for responsibility to be ascribed by Tesco, while defendants for Tesco were absent. Judging by the expressed opinions, HMS evoked significant amount of conversations, therefore it is not perceived as mere affair taking place somewhere abroad distant and indifferent to the nation. The fact that HMS topic is capable to evoke such significant associations and emotive responses that the local Czech population can take on the role of Britons and project the situation into own culture, signals that the company managers shall not dismiss HMS as mere passing sensation. However, approach Tesco had so far did not worsen the situation in significant way as the expressed substantial negatively charged opinions were of more permanent character towards Tesco in the minds of their beholders as well as the people expressed familiarity with the consumption of horsemeat and in some cases, even nostalgia.

#### 4.3.2.2 HMS enters the Czech market with warning (Tesco CZ caught without mercy)

Arrival of HMS to Czech grounds and subsequent revelation of positive findings of horsemeat in a product sampled from Tesco alert its management to shift the focus on the image restoration stage. Now, the issue is framed by the state authority (CAFIA, and communicated via newspapers) in a manner that the responsibility and offensiveness, two dimensions of crisis (according to Benoit, 1997, p. 178), are directly associated with Tesco brand: act is considered as a buyer deception and the seller in addition to supplier are sharing the guilt. The range of message options Tesco has to consider evolves: incapacitated to fully shift the blame to supplier; yet opportunity to do so partially remains as the concerned product carries different brand name. From the other options, complete mortification - confessing and asking customers for forgiveness carries potential of trust reestablishment, yet its inconvenience lays in invitation for lawsuits (Benoit, 1997,p.181). Tesco maneuvers on thin ice at the moment, because it faces significant fine and emphasis on product withdrawal as a response to warning might be considered a mitigating factor.

The strategy the company came up with at this state of reputational threat concerns the mention of complying with the warnings by prompt off-shelf product withdrawal (signaling **bolstering**), however, the main message that the public is addressed with is only slightly altered to the previous: any customers who purchased such product are welcomed to return it for the equivalent price, at any store as Dvorak highlights Tesco’s openness to comfort the customers and convenience of the offered solution. (in Spackova, I. 2013a Op.Cit., translated by author) Thus **simple denial** in regards to safety hazards of an issue and **compensation** in form of generic product return in cases of offended customers dominate the discourse of Tesco CZ “crisis” communication at this stage. It is interesting to observe that although the company is on the pillory by the state authority; its crisis communication strategy does not get affected in any significant way. Further, adherence to the earlier strategy might signal lack of Tesco CZ’s concern over own reputation, or little importance is attributed to communicate the matter with public. In both cases, the influence company has over shaping customer perception of is low.

Customer reactions observed from the online discussions are in line with the way state authority CAFIA framed it - prevailing number of participants support the claim that the act is offensive, express their feeling as victims of trickery, associating it with nation’s powerlessness in the whole food industry:

This is a model case - shops in Germany would rather withdraw products under slight suspicion - they mind their image. However Czech importer is, thanks to own ignorance, certain that he has ordered beef and does not accept any other possibilities … the story goes on. It is striking that before the affair it is served as horsemeat never existed and so how about the time before the revelation? Until the Czech consumer tolerates this type of treatment, there is no cure for us. (Appendix 4, CR p2, row 9, translated by author)

At this phase, the discussions serve as venues for ventilation of frustration not only over HMS itself, but in general the unfair treatment buyers recall from mundane affairs. It seemed reasonable that the company did not attract attention to own vindication as it would probably have resulted in backlash by the customers. Although Tesco has to withstand some remarks, count of these mentions is gradually decreasing in comparison with the earlier stage. Thus the strategies employed are evaluated as sufficiently effective for the given situation.

#### 4.3.2.3 Tesco’s own testing results questioned

The first case of product contaminated with horsemeat coming from within the country not only approximates the sensation of HMS to the local population, but also represents interesting twist: it is not the state authority (CAFIA), but Tesco itself who arrives with the finding; even more, it concerns product sold under company’s own label. Tesco’s self-initiated product testing (at the corporate headquarters) is dominant over those performed by the competition, at least to the extent to which the media and public is informed. Such strategy carries the traces of Benoit’s option for offensiveness reduction **bolstering** – Tesco’s attempts for positive differentiation from other retailers by placing own actions in more positive light in relation to management of HMS situation (1997, p.180). For instance, a post on official company Facebook site is a demonstration of such attempt - to inform the key stakeholders about the increased efforts Tesco puts in product quality management: „After the affair with horsemeat, we are rigourous in testing the products we sell“ (Appendix 4, CR p3 fb, row 1, translated by author), accompanied by link directing the audience onto the special corporate website designed to continously inform of the results of the whole testing process. Not only was this the first use of social media platform in relation to HMS, the interactive character of post aimed to evoke an impression in the customers as being served the information (regarding the detected product) from the first hand, thus hignliting the value of transparency that Tesco beholds as of high importance. Such action is clearly associated with **corrective action** strategy by Benoit, where the recurrence of horsemeat adulteration is addressed by company’s active participation in restoring the previous (or expected) state of affairs as well as the prevention of such issue in the future (1997, p.181). The plans to vindicate for own innocence in the affair (**shifting the blame**) was partially thwarted by the caveats associated with the refutation of the test results by CEFIA and escalating publicity of the lawsuit. Potential for consumer confusion over whom to trust is adding to precarious situation that Tesco finds itself in. At this point, company communication is increasingly proactive; openness, trust and transparency dominate the discourse. From the mere observing, it is significant how Tesco’s involvement in HMS escalated and how the company perceives increased threat to its reputation.

Analysis of the discussions following the articles related to HMS and Tesco in the country at this stage had proved that the participants had not lost interest in the affair yet. The fact that the undeclared horsemeat has been continuously sold within the nation regardless the international attention HMS received in past months and that it comes in form of products offered by Tesco under own label has sustained and in some cases even reinforced the perceived offensiveness of the act. Apart the contaminated salami Herkules, wider range of Tesco value products with intention to downgrade the retailer’s offer. What more, participants showed clearer causal attributions to Tesco, holding them primarily responsible. In connection, the character of the discussions concerning the horsemeat has evolved: no longer have the optimistic conclusions regarding its delicacy dominated – a worry over the actual condition of such meat is central. Empathy is felt rather with the suppliers who are ‘forced’ to act the way they do- import cheap material of questionable quality to meet retailer’s requirements. Such collective perception is deduced from the discussion and following quotation can serve as illustration: “It is them [Tesco] who pressure the suppliers, but now Tesco is trying to show off [with own testing] on one insignificant sample and the next 100 [products] will be equally adulterated.” (Appendix 4, CR p3, row 131, translated by author) In addition, analysis of comments under the Facebook post as an attempt of Tesco CZ to initiate discussion on the topic had not met with appropriate response rate (the discussion contained under 50 comments) proving that such platform was not necessary/appropriate. Possible explanation is that this form of online communication has been employed in crisis situation in the Czech Republic for the first time in relation to HMS and that is why the customers did not respond to it significantly enough. What more, thread has often shifted to related but different topics, making this medium an inefficient tool for image restoration under such circumstances and within given context. Overall, themes dominating the discussions reflect that ‘sudden’proactive strategy of Tesco CZ did not meet the anticipated goals. Either it might have invited the stakeholders to hold Tesco’s *good intentions* in suspicion as opportunity to dash from HMS as it hit them; or could be the result of the inconsistency of the executed external communication.

## 4.3 Summary of UK and CZ

Analysis was so far structured by the country specific cases combining the company and customer perspectives over time. For focused answering of the first two research questions (**company** reaction **and stakeholder reaction for selected markets**) this summary combines previous findings in more comprehensive way and is structured in accordance with five basic image restoration strategies as Benoit offered.

First, both countries started their discourses by stating the fact that the act was not harmful, a characteristic of denial strategy. In particular, shifting of the blame variation was a dominant in the UK discourse, whereas in Czech Republic same tactic was carefully employed because pointing fingers could ultimately result in heavy backlash. Indeed, as the consumer response revealed, Tesco CZ was put in a box marked *villain* throughout the whole period.

Second, evading responsibility happened only in the UK at the very beginning when the audience was informed of unknown facts along with what was known to the company, in order to buy time coming up with a better explanation of the situation.

Next, in the UK offensiveness was aimed to be reduced through bolstering of the attentive and active problem solving, while Czech equivalent carried moderate level (offering product refund) of compensation, even though this constituted the main part of their strategy.

Fourth, corrective action in the UK formed the backbone of the general strategy; at the beginning taking justice into own hands, but subsequent series of unfortunate events, turned it into making major promises in order to win back the lost consumer trust. Corrective action in Tesco CZ visibly appeared at very last stage, as a consequence of headquarter initiated investigation, yet its effectiveness was offset by incompatibility of test results with those by state authority.

Last, in the UK there was a clear use of mortification but because it was complemented by many other strategies and the ladder was set so high, it resulted in full confession to keep the company *safe* from being perceived as unreliable in customers view as they were failing to keep up with own promises. In contrast, Czech Tesco did not use this strategy in any significant way.

## How do the studied cases relate to or differ from each other?

Following part, concerning the third research question (**What are the specific/most striking variations in company/customer reactions during the observed period of HMS in** **studied cases?)** will be more abstract in order to avoid repetition. Also, analysis here will neglect previously delineated stages (more useful for addressing first and second research questions) and grasp the country case per se. From the outsider view, first thought that when the international event affecting the same company in different countries is studied, the way the event itself is thought of shall not differ significantly (When we speak of meat adulteration, we speak of the same thing whether it is in UK or Czech Republic). However HMS, as the thesis refers to the event, has turned out to carry fewer commonalities than individualities. Since the thesis has been using primarily the texts (by media, companies and customers) as expressions of language to be able to grasp the discourse surrounding HMS and these texts varied across the countries, it is thought of as place to refer to two discourses: two country-specific discoursed of HMS.

### 4.3.1. Degree of attention

In the UK, HMS had not only been commented on by the FSA representatives in the national media, but also it addressed by the high post politicians: prime minister David Cameron made emotionally charged remarks as: “It is a very important issue and it is an extremely serious issue” and urged for prompt resolution of such “unacceptable” scandal (Swinford, S. 2013 Op.Cit.), while the members of the parliament involved discussion over Tesco’s punishment in their agenda (Swinford, S. and Marsden, S. 2013 Op.Cit.). Such was the seriousness which the country took it with.

In comparison, for the Czech Republic it occurred that only CEFIA, designated state authority to deal with the cases of food adulteration, and none of the politicians have touched upon the HMS as the Czech national newspaper coverage revealed. The vocabulary with which HMS is addressed in Czech Republic, for example *act of customer deception*; *initiated administrative proceedings* (Novinky 2013 ibid.; Spackova, I. 2013a Ibid.) does raise impression as it is part of mundane practices often taking place in the country. Such conclusion can be supported by the higher frequency of similar cases, for instance the poisoned Tesco Waffle causa (Novinky, and CNA 2013a Op.Cit.), not receiving surpassing attention beyond the organs directly associated with the issue.

### 4.3.2. Expressive language of the speakers

External communication by Tesco UK representatives regarding the HMS throughout the studied period was carried out as a commitment demonstrating openness/transparency with readable efforts to maintan customer trust. Initially, it was the use of action words as *immediately; pretty quickly*, and phrases of concern *we are very keen; we’re very sorry; the distress that might have been caused* that opened the discourse. As the situation worsened for Tesco, the way of adressing the audience gradually altered via increase in frequency of direct pronoun used: *I want to tell you; the trust you place in us; so we can guarantee and you can believe* to imply even greater company commitment. (Appendix2)

Although name Tesco was directly associated with the HMS in general and this having influence on its corporate reputation, the way Tesco CZ reacted through external communication was minimal in comparison as it would have been expected taking Massey’s image restoration management theory in consideration (2004, p.234). According to the model, the organization should have attempted to restore its image, but the pro forma response strategy as communicated via company’s spokesperson Jan Dvorak (in Koubova, K. 2013 Op.Cit.) evoked impression of image maintanence stage. The communicative approach of saying as little as possible appeared as carrying the intention to push the affair to the background and await until the stakeholders dismiss it from their minds. As it was revealed in last stage of the Czech case, the gradation of HMS due to discovery of locally sourced Tesco labelled product containing horsemeat has triggered change in the character of company’s external communication. Words and phrases as *trust, You, test rigorously, with care* have replaced *no health risks, those customers, precautionary measures* in spokesperson’s vocabulary and thus the changed the discourse as well.

### 4.3.3. Perceived consumer power

In the UK, opinions relating to HMS have been voiced in a manner that often the forums where the discussions took place did not serve only as the venues for the expression of opinions, but also for recruiting the audience for further action: “Tesco: Bit late to shut the gate after the horse has blended. Boycott Tesco, they are nearly always the worst offenders in any scandal”. (Appendix 3, UK p1, row 168). Theme to boycott Tesco, in some instances other supermarkets figuring in HMS along it, has been reoccurring throughout the studied duration of HMS and thus suggests that the Britons (participating in this study) have tendency to express their confidence in making a difference when it comes to activism through consumer choices. Apart from boycott appeals, malice has been expressed in multifold jokes (reflecting well-known British humor) and puns, for instance “Watch the Tesco spokesman with his hoof in mouth.” (Appendix 3, UK p3, row 130)

Based on the analysis of the comments regarding the Czech HMS discourse and issues closely related to it, participating customers attributed significant levels of offensiveness and the responsibility, elements constituing concept of crisis in relation to corporate image as Benoit suggests (1997 and 2004), yet these were expressed rather indirecty, in a passive, more tolerant manner, with low animosity through the texts they produced. “Horsemeat? On account of what all the retailers provide us with and pass it off as healthy food, we could be only glad, that we know, that it was a horse at least.” (Appendix 4, CR p2, row 492, translated by the author) Thus, although the act itself offended the participants and the responsibility was attributed to the company, the expressed faith in resolution of the whole situation was low. Often it was the pessimism and low expectations over possible resolution of the problem and the company was not trusted to bring about any difference in the current state of affairs. Likewise, the attitudes expressed frequently denoted the frustration participants expressed and shared over the clearly innapropriate but commonly tolerated treatment they experience from the food companies, for instance the quotation from the page 36.

## Discussion/further research

Although primary focus of thesis was on the organizational image, in the context of HMS it concerned issue of meat adulteration, and so the food risk perception concept (here attributed to the dimension of offensiveness) along the customer trust concept had both weight in addressing the problem formulation. However, the concept of food risk did not receive equal share of attention, offering itself an interesting area for further research, perhaps in the direction how the population in nations with recent incidence of food scare responds to international meat adulteration scandal in comparison to those nations without such collective memories, to compensate for.

# 5. Conclusion

This thesis decided on a topic of recent horsemeat scandal (HMS), an event/issue framed as crisis in the context of organizational image management theory, since it offered circumstances favorable for conducting research of its communication aspect and the corporate image restoration discourse surrounding it. Desire to conduct such study was not only driven by the interest in the employed image restoration strategies (by Benoit) that relate to crisis communication studies. The international dimension this event captured had also enabled me to look at how the phenomenon was reflected in more national contexts (the UK and Czech Republic), and thus endued in part for the interpretation of cultures involved.

Reflection in national contexts were addressed by the first two research questions, each focusing on one perspective of HMS - company reaction and customer reaction. Forms of these reactions were further delimited into texts available in the online context, because cyberspace provides environment in which these communication forms intertwined and so allowed to draw lines between the company’s action and consumer reaction underlying the dynamics of HMS. The third research question exploited the fact that the HMS was studied in two countries with significantly differing cultural backgrounds, and inquired for the specific and most striking variations originating from these cultures. One of the main points these related case studies support, is that the result of image restoration discourse, broadly speaking success or failure, even for the same company in relation to identical problem (meat adulteration) differs, because the perception (by company as well as the customer audience) of the problem itself and its offered resolution are socially constructed.

Overall, based on the analysis it seems that for a company in Tesco’s situation it is indeed difficult to do anything ‘right’; meaning that a certain degree of consumer trust decrease was an inevitable consequence of the HMS. The effect of the strategies were bound to be marginal, and so success in image restoration depended on the company’s ability to compensate for this by achieving consumer acceptance of the discourse, and thereby still gain an effect from the relatively limited potential of the strategies employed. Despite that “we must recognize that the powers of persuasion are limited” as Benoit writes (1997, p. 185), they are after all the main tool of a company in crisis and therein lies the legitimacy of employing them and further the relevance of studying their function. Besides, regardless how marginal the effect is, not acting can send wrong signals as silence implies consent.

By focusing on both Tesco’s image restoration strategies and subsequent consumer responses phase by phase, as the situation evolved, collected data has been critically analyzed in order to deduce how effective these crisis communication strategies were. Tesco itself seemed to employ significantly different external communication in the UK and in the Czech Republic respectively, making it interesting to compare the two branches and the consumer reactions related to their respective strategies.

Tesco UK employed a wide variety of crisis communication strategies. As pointed out in the analysis of the first phase of UK crisis (pp. 27-29), a handful of the image restoration strategies described by Benoit were brought into use already at early state. In other words, an active external communication was initiated from the very beginning having Tim Smith, Tesco Group technical director, on the air already on 15 January. This put the Tesco UK crisis handling in opposition to the Czech national branch, which was a lot more withheld in its crisis communication than its UK equivalent. External communication was minimal and thus the branch avoided attracting too much negative attention and at the same time, it did not appear completely negligent.

However, there seemed to be a certain perception of company arrogance among the debating consumers.

The apologetic dimension of the Czech strategy was limited to a brief “we’re sorry about the whole situation” (Novinky 2013; Spackova, I. 2013a, translated by author), whereas much more pathos was employed in the UK. On the other hand, compensation and even precautionary measures were a part of the Czech strategy from the beginning. Despite this the sense of distrust seemed to prevail among the stakeholders and the debate surrounding HMS in Czech Republic seemed to not only provide an outlet for opinions on this particular issue, but also regarding a general perception of such companies as motivated by nothing but profit-increase, implying generally low expectations towards Czech retailers. When further strategies were employed involving self-initiated investigation, the launch of a process-information-website, and the branches first use of Facebook in the external communication, it had a rather lukewarm consumer reception. This does moreover invite the rather harsh conclusion that an additional reason for Tesco CZ’s initial reluctance was that there was less of an image to maintain. In other words, not many things could seriously backfire in this case. That being said consumer reactions did also have its variations when considering degree of perceived offensiveness and the placing of blame – variations both on national and international level.

Overall Tesco faced a difficult obstacle in communicating its image restoration as in cases such as this, consumer perceptions are more important than reality. In other words, if the consumer perceives Tesco as the responsible party (in having either performed, ordered, encouraged, facilitated or permitted the scandal to occur) and furthermore finds the act offensive, then it does not matter whether the company is the actual guilty party or not, because it will have an effect regardless of the truth. Companies have to accommodate themselves with the fact that their crisis communication will have only marginal effect on shaping salient audience’s perception and what more, turning a single or combination of image restoration strategies into success is challenging task because of its dialogical nature. Case of Tesco’s involvement in HMS is one such examples, yet critical analysis of its image restoration discourse was an academic attempt to bring more *insights* on the factors that determine its crisis management success.

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