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Evaluation of Crisis Handling of Carasun Cosmetic Company

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Abstract

Threats to a company's existence can arise from a reputation crisis induced by various factors. If not handled carefully, such a reputation crisis can lead to a loss of trust from customers, investors, and employees, which, in turn, can have a detrimental impact on the overall company's performance. For example, Carasun, a cosmetics company, faced a reputation crisis due to allegations of using "buzzers" to tarnish the reputation of its competitor, Skingame. The research on Carasun's crisis aims to identify the triggering factors of the reputation crisis, evaluate the negative impacts experienced by Carasun, and analyze the company's crisis management efforts. This research uses a qualitative research method with a case study approach, and the findings indicate that Carasun's reputation crisis was triggered by the improper use of "buzzers" and negative posts on social media. The impacts of this crisis included a decrease in consumer trust, disruptions in business partner relationships, and threats to the company's sustainability. To address this crisis, Carasun has implemented crisis management strategies, including adaptive strategies and utilizing social media as a crisis communication tool. Recommendations for cosmetics companies facing reputation crises involving "buzzers" include increasing awareness of early crisis signs, improving the ability to identify crisis signs through technology and data analysis, and strengthening internal coordination and communication by prioritizing ethical values and integrity.

Keywords: Reputation Crisis, Buzzer, Crisis Management, Crisis Communication, Social Media

Abstrak

Ancaman terhadap eksistensi perusahaan dapat muncul akibat krisis reputasi yang diinduksi oleh berbagai faktor. Jika tidak ditangani dengan cermat, krisis reputasi ini bisa menyebabkan kehilangan kepercayaan dari pelanggan, investor, dan karyawan, yang pada gilirannya akan berdampak buruk pada performa keseluruhan perusahaan. Sebagai contoh, Carasun, sebuah perusahaan kosmetik, menghadapi krisis reputasi akibat tuduhan penggunaan buzzer untuk merusak reputasi kompetitornya, Skingame. Penelitian krisis Carasun bertujuan untuk mengidentifikasi faktor-faktor pemicu krisis reputasi, mengevaluasi dampak negatif yang dialami oleh Carasun, dan menganalisis upaya manajemen krisis perusahaan tersebut. Penelitian ini menggunakan metode penelitian kualitatif dengan pendekatan studi kasus, dan temuan menunjukkan bahwa krisis reputasi Carasun dipicu oleh penggunaan buzzer yang melanggar prosedur serta adanya postingan negatif di media sosial. Dampak dari krisis tersebut mencakup penurunan kepercayaan konsumen, gangguan dalam hubungan mitra bisnis, dan ancaman terhadap kelangsungan perusahaan. Untuk mengatasi krisis ini, Carasun telah menerapkan strategi manajemen krisis, termasuk strategi adaptif dan memanfaatkan media sosial sebagai alat komunikasi krisis. Rekomendasi yang diberikan bagi perusahaan kosmetik yang menghadapi krisis reputasi yang melibatkan buzzer adalah meningkatkan kesadaran terhadap tanda-tanda awal krisis, meningkatkan kemampuan dalam

mengidentifikasi tanda-tanda krisis melalui teknologi dan analisis data, serta memperkuat koordinasi dan komunikasi internal dengan mengutamakan nilai-nilai etika dan integritas.

Kata kunci : Krisis Reputasi, Buzzer, Manajemen Krisis, Komunikasi Krisis, Media Sosial

INTRODUCTION

John Doorley and Helio Fred Garcia are two experts in the field of communication who are often cited in the context of crisis and reputation management. According to their perspective, a reputation crisis occurs when a company or organization suffers damage to its reputation due to unwanted events or situations, such as accidents, scandals, or management mistakes (Batu & Yuningsih, 2022). A reputation crisis can be a serious threat that disrupts a company's existence. This can be triggered by various factors, including unethical behavior, legal violations, low-quality products or services, or unfair business practices (Farid, 2017).

When a reputation crisis is not handled properly, its negative impact can be very detrimental to the company or brand. It can lead to the loss of trust from customers, investors, and employees, ultimately affecting the overall performance of the company (Barton, 2001). Therefore, it is important for companies to develop effective understanding in managing reputation crises and minimizing the resulting losses.

For example, Carasun, a leading cosmetics company, experienced a reputation crisis that is worth examining. One day, Carasun was accused of using "buzzer" tactics to tarnish the reputation of their competitor, Skingame. This situation arose after the Twitter account @ceramidey revealed screenshots of comments allegedly written by "buzzer" accounts on Skingame's Instagram posts. These comments claimed that Skingame was copying Carasun's products. This led to a reputation crisis for Carasun, as they were accused of using tactics that harmed Skingame through social media. It raised questions about business ethics and the negative impact that can result from such practices.

Reputation crises like this can also trigger debates about business ethics and competitive practices among customers and social media users. It can also damage business integrity, which is an essential quality in running a company. In the case of Carasun, the "buzzer" attack led to a negative perception that Carasun prioritized offensive actions over focusing on their own product innovation.

Social media serves as a crucial platform in the digital era that enables interaction, content sharing, and online communication. In this study, the focus will be on analyzing the crisis management efforts carried out by Carasun through the Instagram social media platform. Through this research, we will understand how Carasun handled their reputation crisis on Instagram and what strategies they used to restore their image and build positive relationships with their audience.

Based on previous academic research, the use of "buzzers" as a form of marketing communication is not new for companies. However, it is important to understand that the use of "buzzers" must be wise and ethical to avoid negative impacts on the company's reputation. In the context of reputation crisis management, companies need to have a deep understanding of the causes of the crisis and the efforts required to address it. With that, companies can develop effective strategies to face these challenges.

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METHOD

This research applies a qualitative research method with a descriptive case study approach. Qualitative research is a type of research that does not rely on statistical procedures or numerical calculations, as explained by Anslem Strauss. A descriptive case study is a form of case research that aims to provide an in-depth understanding of a phenomenon or situation. In this approach, data is collected from various sources such as interviews, observations, and archives. Subsequently, the data is analyzed to identify patterns or themes, and the results are interpreted while considering the relevant context and the perspectives of the informants involved.

During the analysis phase, the researcher must ensure the validity and reliability of the data used and maintain research ethics and informant confidentiality. This descriptive case study method, as outlined by Robert K. Yin, provides comprehensive insights into the phenomenon or situation being studied through in-depth analysis and interpretation. Therefore, this method helps in understanding the phenomenon more deeply.

The data collection methods in this research include interviews, which involve face-to-face interactions between the researcher and participants. Interviews can take place in person or through mediums such as telephone or video calls. This method is used to understand the views, opinions, and experiences of the participants regarding the research topic, especially in the context of Carasun company crisis management. Observation is also used as a data collection technique by analyzing relevant content on social media and online platforms such as Instagram and Twitter. This helps the researcher understand the crisis management strategies implemented by Carasun and their impact on public opinion. This method integrates systematic observation with content analysis to obtain a more comprehensive picture.

To ensure data credibility, this research uses several techniques. First, a triangulation approach is used to verify the accuracy of findings by combining various data sources. Second, persistence in observation is crucial in gathering in-depth and accurate data through observation. Both of these techniques help ensure the validity and reliability of the findings.

The data analysis process involves several steps. First, data reduction is carried out to select relevant data and focus on research aspects. Next, data presentation is used to organize the results of the analysis into a format that is easily understandable. Finally, the verification and conclusion-drawing phase is conducted to ensure that the analysis results are consistent and relevant to the research objectives.

RESULTS AND DISCUSSION

- a. Causes and Impact of the Carasun Reputation Crisis. A reputation crisis is a situation where the image of a company can be disrupted. For Carasun cosmetics, reputation is crucial in maintaining consumer trust and loyalty. The impact of a reputation crisis can involve a decrease in consumer trust, damage to the brand's image and reputation, and an influence on relationships with business partners. Some of the factors causing the Carasun reputation crisis include the improper use of influencers and social media posts. Furthermore, this crisis has led to problems such as consumer and business partner distrust, a decline in Carasun's image, disruptions in business relationships, and even threats to Carasun's sustainability.
- b. Crisis Management of Carasun at Each Crisis Stage

In dealing with a crisis, Carasun adopts an adaptive approach that involves proactive actions and policy changes. During the prodromal stage, where early signs of the crisis emerge, Carasun has implemented campaign and marketing program screening procedures to prevent the escalation of issues. In the acute stage, when the crisis worsens, Carasun identifies the sources of the problem and contacts relevant parties, such as Skingame, to isolate and resolve the issue. The chronic stage represents a phase of recovery and analysis, where Carasun restores its social media image through transparency and introspection steps. Finally, the resolution stage is the time when Carasun strives for full recovery, reputation improvement, and social image recovery.

- c. Carasun Crisis Management Strategy
 - Carasun implements an adaptive strategy to address crises seriously. They make policy changes related to campaign and marketing programs, and restore their social media image through clarifying and repairing their reputation content. Carasun is committed to learning from mistakes and using them as valuable lessons for the future. In this case, the adaptive strategy adopted by Carasun reflects their responsibility and dedication in facing the issues at hand.
- d. Crisis Communication in Carasun Crisis Management Efforts Crisis communication is a crucial element in handling challenging situations. Carasun recognizes the importance of swift and accurate communication, especially through social media, which has wide reach and rapid responses. In crisis communication, Carasun follows appropriate messaging guidelines, informs about crisis management steps, and explains the internal processes to build trust in social media. They also acknowledge that social media is a suitable platform to respond to crisis situations and manage the narrative effectively.
- e. In managing a crisis, Carasun chooses social media as its primary communication tool. The speed and wide reach of social media make it the right choice for responding to crises. Carasun can quickly convey information to stakeholders, monitor public conversations, and maintain transparency in their communication. By using social media, Carasun successfully restores its reputation and builds trust with customers and other stakeholders.

The reputation crisis experienced by Carasun is caused by several factors, one of which is the improper use of buzzers. A buzzer is a person or entity paid or instructed by the company to spread positive information or opinions about their products or brand. However, if the use of buzzers is not carried out correctly, the information conveyed can be inaccurate and misleading to potential consumers. Additionally, the presence of negative posts on social media is also a contributing factor to Carasun's reputation crisis. In the digital era we are in today, information can spread very quickly on social media. When this negative information spreads, Carasun's image and reputation can be disrupted, resulting in a decline in consumer interest in their products.

A significant impact of the reputation crisis experienced by Carasun is a decrease in consumer trust in the brand. Unethical use of buzzers leads to doubt regarding the company's claims and makes consumers reluctant to use Carasun products. Furthermore, the reputation crisis also damages the overall image and reputation of the company, affecting the public's perception of Carasun as a trustworthy and professional cosmetic company. This crisis also disrupts relationships with business partners such as distributors and suppliers, who are concerned about the negative impact on Carasun product sales and their financial losses. In addition to the internal and business partner impacts, this reputation crisis can threaten the sustainability of Carasun's business by causing a decline in revenue, profits, and a sustainable

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market share, and potentially leading to the company's closure if decisive reputation recovery measures are not taken.

In addressing a reputation crisis stemming from the use of "buzzer" marketing, Carasun has implemented various crisis management strategies. They have adopted an adaptive approach by changing policies and modifying operations to enhance transparency and accountability in corporate communication. Carasun has also focused on improving communication with consumers by making efforts to provide product information more genuinely and honestly. They have demonstrated excellent crisis management capabilities from the outset, taking swift and appropriate steps to contact relevant parties to clarify the situation and address any potential misunderstandings in the public.

CONCLUSION

Carasun has successfully restored its image effectively. They have utilized the Instagram platform to upload content that supports their brand's positive image. This content not only introduces their "cloudlike" brand but also serves as a tool to rectify any misconceptions. These efforts are expected to counter misunderstandings and restructure negative perceptions that arose due to the crisis. Overall, the tactical steps taken by Carasun, from clarification to reputation restoration through smart content on Instagram, demonstrate their expertise in crisis management and their commitment to reintroducing their brand and restoring a disrupted reputation.

In the digital age, Carasun also actively uses social media as a means to convey information quickly and effectively. Their rapid response to issues that arise on social media related to their brand enables Carasun to rebuild consumer trust and create a positive image amid reputation crisis challenges.

Facing a reputation crisis involving "buzzer" marketing, cosmetic companies need to increase awareness of the potential crisis at the prodromal stage. This stage represents the early period before a crisis occurs, marked by signs or minor events that indicate a potential larger issue. By being more attuned to these early signs, companies can take preventative actions before problems escalate into a more severe crisis. Companies also need to enhance their ability to identify early crisis signs. This approach can be strengthened through the use of technology and data analysis to monitor public discussions about their brand on social media and other online platforms. By recognizing potential issues earlier, companies can respond quickly and address the root causes before they harm their reputation more broadly.

Furthermore, it is crucial for companies to improve internal coordination and communication to avoid errors that can trigger a crisis. This involves all relevant departments, such as marketing, sales, customer service, and top management. Through effective communication among these departments, companies can prevent communication errors and uncoordinated actions, which can ultimately contribute to a reputation crisis.

Additionally, using social media as a means to convey information quickly and effectively is a suitable strategy in reputation crisis management. When facing a crisis involving social media, companies must be proactive in responding and providing clarifications if inaccurate or controversial information spreads on those platforms. Through quick and transparent responses, companies can minimize the negative impact of the crisis and regain consumer trust.

In dealing with a reputation crisis related to "buzzer" marketing, integrity and ethical values must

remain a priority. Companies should always communicate honestly with consumers and the general public. If mistakes occur, companies should be prepared to acknowledge them and rectify them with appropriate steps. Through the right approach and transparent and sincere communication, companies can effectively manage a reputation crisis and improve their image and reputation.

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