The effect of Social Media in the Business World: The Dieselgate and United Airlines Cases

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Resumo

A presente dissertação tem como objetivo explorar qual é o papel das redes sociais no mundo dos negócios. Este tema surge, tendo em consideração, as redes sociais são progressivamente relevantes na vida quotidiana das pessoas e, portanto, será pertinente aplicar e explorar esta ideia na vertente do mundo dos negócios. Assim, se a maioria das pessoas usa estas plataformas sociais então, as corporações devem também prestar atenção às mesmas.

Para executar este estudo, a revisão de literatura será, inicialmente, baseada em estudar qual é de facto, o propósito de uma corporação onde é revista a progressão de uma agenda vocacionada meramente para a criação de lucro onde satisfaz os interesses dos seus investidores e acionistas para um crescente cuidado, atenção e responsabilidade pelos interesses de variados participantes, diretamente ou indiretamente influenciados ou ligados à corporação. Seguidamente, responsabilidade social, como uma vertente lógica destas responsabilidades será explorada. Posteriormente, como esta responsabilidade social se traduz em imagem e reputação empresarial. Finalmente, as redes sociais serão devidamente examinadas enquanto, estabelecemos qual será a rede social considerada apropriada para este estudo, sendo esta o Twitter.

Dois casos de estudo foram selecionados para esta tese: o Dieselgate, referente ao escândalo de emissões da Volkswagen e, o incidente no voo da United Airlines, onde um passageiro foi violentamente removido do seu lugar. Os dados foram extraídos do Twitter desde o dia em que os escândalos corporativos foram tornados públicos e os sete dias conseguintes. Os seguintes hashtags foram elegidos: #Dieselgate; #Volkswagen; #UnitedAirlines; #Passenger. O programa Leximancer (ferramenta usada para analisar linguagem que, providencia ideias-chave contidas nos dados na forma de matrizes visuais) foi utilizado para ilustrar uma representação visual das ideias contidas nos tweets extraídos para então conseguirmos identificar o que foi discutido em relação a ambos os casos e as inerentes emoções do debate online.

Os resultados demonstraram que as reações foram essencialmente negativas. Como consequência de ambos os escândalos ambas estas corporações sofreram repercussões em relação a perda de valor de mercado e ações. No entanto, para ambos os casos, as vendas aumentaram substancialmente apos os eventos, contradizendo os resultados obtidos

Palavras-chave: Redes sociais, Responsabilidade Social Corporativa, Negócios, Escândalos corporativos

JEL Classification System:

M14 Corporate Culture, Social Responsibility

O35 Social Innovation

Abstract

This present dissertation aims to explore the role of social media in the business world. This theme arises from the notion that social media are becoming increasingly relevant in people's daily life and hence, surfaces as a pertinent subject to explore it as we apply it to the business world. This, in the sense that if fundamentally, every person is using these social networks, then corporations should be paying closer attention to them as well.

To fulfil this study, the literature will be based on a corporation's purpose, where it is reviewed the progress of a profit creation agenda, of satisfying only the shareholders needs to, a growing concern for other parties, every stakeholder, directly or indirectly linked with the corporation. Afterwards, corporate social responsibility, as a logical subject for this concerns or responsibilities related with stakeholders and, society as a whole given that, it will be important to explore what are indeed these responsibilities as members of society. Then we will determine how does this translate into corporate image and reputation. Furthermore, social media will be duly defined and onwards we will establish a more concrete platform which was found to be the most relevant for this project, Twitter.

Two case studies were selected for this thesis: The Dieselgate case, referring to Volkswagen's emission scandal and, the United Airlines flight 3411, where a passenger was forcefully removed from an aircraft. The data collection was extracted from Twitter from the day that these corporate cases were made public and the seven days that followed. The following hashtags were duly selected: #Dieselgate; #Volkswagen; #UnitedAirlines; #Passenger. Leximancer (software tool designed for analysing natural-language text data which identifies the high-level concepts delivering the key ideas and actionable insights with powerful interactive visualisations) was used to provide visual sentiment matrixes which allowed to determine what were Twitter users discussing and feeling for both cases.

Findings showed us that, the reactions were fundamentally negative for both case studies, which did not come as a surprise. As the aftermath of both cases, both companies suffered losses in regards to market value loss and shares price. However, for both companies, sales actually increased after the scandals, which contradicts the sentiment data retrieved.

Keywords: Social Media, Corporate Social Responsibility, Business, Corporate Scandals

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Acronyms

API - Application Programming Interface

CARB - California Air Resources Board

CDP - Carbon Disclosure Project

CEO – Chief Executive Officer

CI – Corporate Image

CO2 – Carbon Dioxide

CPSC - Consumer Product Safety Commission

CSR – Corporate Social Responsibility

EPA – Environmental Protection Agency

EEOC – Equal Employment Opportunity Commission

LGBT - Lesbian, Gay, Bisexual, Transgender

NOx – Nitrogen Oxide

PR – Public Relations

US – United States

USA – United States of America

USEPA - United States Environmental Protection Agency

VW – Volkswagen

WBCSD – World Business Council for Sustainable Development

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CHAPTER 1: Introduction

1.1 Introduction to the Topic

Traditionally, the internet was used in a consultancy fashion where people would visit websites to collect information on a relevant subject of their interest or, simply, to expend time browsing through different networks which enabled content to read, watch and to consume.

However, the possibility of becoming an active user, rather than a passive user, has increased with the emergence of social media. Social media enables content creation, sharing and discussion at a swift pace.

If the general audience has become present overtime on social media, companies have followed the trend and became active on these platforms as well. Therefore, if consumers are engaging in social media, so should firms, to obtain valuable information on its consumer's preferences by adapting, developing and increasing customers' relationship to, ultimately, build customer loyalty.

In addition, it is also relevant to address how companies have evolved on their role in society, diverging from a profit creation agenda to a concerned active member, mostly due to social pressures of society as it has become increasingly more demanding and concerned about companies' role. This, also because any misdoing or wrongdoing from any enterprise is easily accessible to a wide range of population due to the fast-spreading of information through social media. Not only are people given access to this information on Social media through these platforms or applications (when used over a smartphone), now they can, in a real-time manner, express their feelings about it and share them in a worldwide scale.

Therefore, the purpose of this thesis is to understand what is indeed the role and effect of social media in the business world by using two real cases where two corporations acted in an immoral stance.

Furthermore, we will analyse what were the reactions on social media during the time that these corporate scandals occurred and whether this translated in some sort of loss for each enterprise. In the sense that, it is intended to fathom whether in fact, based on the reactions retrieved from social media whether these are positive or negative, that these express respectively, positive or negative consequences for both corporations or, none at all.

Therefore, the overall research question which should be answered through this research is the following:

- How do corporate scandal echoe in social media and its effect on the business world?

1.2 Structure of the dissertation

This dissertation will be comprised of six chapters. A brief summary of each chapter will be presented below:

Chapter One: This chapter is intended to provide some background contextualization where it is set-forth the introduction and main objectives of the present thesis.

Chapter Two: This part will be dedicated to the literature review. Firstly, it will be reviewed the theory of the corporation's purpose where it is intended to portrait the evolution in regards to the corporation's mind-set from the sole role of profit creation where we analyse the shareholder theory. Continuing we will further review the stakeholder theory where the parties taken into consideration are, no longer solely the shareholders but, every other stakeholder directly or indirectly influenced by the corporation. In line with the stakeholder theory, corporate social responsibility as a derivative is also of the highest importance to be duly explored. Furthermore, after understanding what should be a corporation's role and purpose within society it will then be conveyed how does this translate into a corporation's image and reputation. Moving forward it will be probed how CSR influences the above-mentioned image and reputation of enterprises. Onwards, social media will be defined in a theoretical stance with a converging path to establishing a more concrete platform which is considered relevant for this research. The platform chosen was Twitter.

This literature review will then assist this present research to answer the main research question.

Chapter Three: This chapter is where It will be further clarified what will be the methodology applied for this study.

It comprises the research context of this present study, data collection, analysis and presentation of the pertinent cases studies. Therefore, the data was collected on the day that the scandals were made public and, englobing the week that followed. The data was extracted from Twitter, through the usage of specific hashtags which will be later introduced. The Leximancer program will then be used to provide us with a sentiment cluster for both the cases. Moreover, in this section, the case studies will be deepened described.

Chapter Four: This chapter is devoted to the presentation of the findings, in this case, the reaction matrixes provided by the Leximancer program from the tweets extractions. Here is where the outcome of the data collection and analysis is faced.

Chapter Five: This last part shall include the discussion of results taking into account the literature review, the results of the data collection and analysis.

Chapter Six: Finally, this is where it is ought to be included the major conclusions found and, where an introspection will take place to acknowledge the limitations found to this research paper together with recommendations for future research on the matter.

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CHAPTER 2: Literature Review

2.1 Corporation's purpose evolution

Understanding a corporation's purpose and role has been an economic, social and ethical matter which has been debated and expanded for decades by several scholars and managers. Depending on its perspective, many definitions can be found as, society in general, becomes increasingly more demanding and concerned about what should be a corporation's role as its member.

When referencing corporations, it is not intended for the purpose of this thesis, to specify a corporation definition. Moving forward, similar terms will be mentioned as equivalents, such as companies, firms or enterprises. Therefore, the aim will be solely on their role as members and players of the society and not on each definition.

There are two competing theories about the purpose of a business firm or corporation. The first, the shareholder theory, is essentially first linked to Milton Friedman in which he states that there are no moral obligations nor social responsibilities when it comes to business rather than for corporations to maximize their profits. Therefore, firms are created to generate wealth, not to oversee the social or moral developments of society (Friedman, 1970). Furthermore, a corporation is used to provide a return on investment for its shareholders. Shareholders or stockholders are those (person, company or institution) that owns shares of a company's stock, otherwise known as equity. Shareholders are, concisely, the owners of a company.

Consequently, these firms function as instruments for creating economic value for those who risk capital in the enterprise (Shah & Bhaskar, 2007). In this first view, managers are regarded as hired agents and fiduciaries of shareholders who represent the principals of an enterprise. They are responsible for spending corporate funds in authorized ways for shareholder profitability and benefit (Rausch, 2011). This theory presents it-self in a truly surgical way where it does not take into consideration any moral, ethical nor social aspects of what composes a corporation nor its role in society as a whole. In this view, the company is a subordinate of its shareholders wants and needs as their main principals. As long as the company's shareholders are taking their returns on their investments while becoming increasingly wealthier, the company is, fulfilling its purpose accordingly. Needless to say, this theory brought several criticisms as it does not take into account other society's constituents which can be affected by this purpose direction. Hence, it is relevant to now discuss a second theory which englobes several other constituents.

This second theory, the stakeholder theory, is more modern and richer in determining that corporations do, actually have several other responsibilities, rather than solely maximizing its profits. This theory explores the idea that a company should have an expanded role in regards to other stakeholders besides solely on its shareholders as firstly explored by Edward Freeman. According to the same author, we can define stakeholders as customers, employees, investors, suppliers, governments or the communities in general. Thus, stakeholders can be internal or external to the business in the sense that it can be directly connected to the business or whose interests can be affected by it.

Freeman (1984) defines stakeholders as any group or individual who can affect or is affected by the achievement of the organization's objectives. The corporation's profitability, in this theory, depends on the relationships with all stakeholder groups to the extent that the rights and interests are ensured and how much these groups participate in decisions that substantially affect their welfare. Thus, the fundamental difference of stakeholder theory compared to shareholder theory is that the stakeholder-oriented corporation and its decision-making managers are responsible for meeting the interests of multiple stakeholders and for creating value for all stakeholders even if it reduces the corporation's profitability (Smith and Phillips as cited in Rausch, 2011). Stakeholders are, therefore, the means to the ends but, ends themselves, as managers are trustees for their interests and goals, no longer single-serving shareholders exclusively.

In line with this perspective in which companies need to fulfil and respect several other obligations towards its stakeholders and not only its shareholders, Sternberg (as cited in Vinten, 2001) amends the definition of stakeholder, by englobing every person, whether related or not to the firm concluding that, the number taken into account is effectively, infinite.

Therefore, given the above discussion where some argue that the corporation's sole responsibility was to provide maximum financial return to its shareholders and others state that corporations need to take into consideration a larger number of participants, or even, society as a whole, it is important to discuss what are these responsibilities. In other words, what does it mean to be, in fact socially responsible for a corporation?

2.2 About Corporate Social Responsibility

The term corporate social responsibility, being a derivative of the stakeholder theory has become a significant business matter in management education and research.

This concept was first introduced by Howard Bowen's Social Responsibilities of the Businessman book (1953) as the first comprehensive discussion of business ethics and social responsibility. Bowen (1953) considered that the corporations of the time bore great influence and that their actions had a great impact on society and, as such, there was a need for these entities to change their decision making to include considerations of their effect. Bearing this in mind, Bowen (1953) designed a set of principles for corporations to fulfil their social responsibilities. "For him, the businessman's decisions and actions affect their stakeholders, employees, and customers having a direct impact on the quality of life of society as a whole (Bowen 1953)" (Latapí Agudelo, Jóhannsdóttir, & Davídsdóttir, 2019). With this taken into consideration, Bowen defined the social responsibilities of business executives as "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Latapí Agudelo et al., 2019).

Sub sequentially, it is important to highlight Keith Davis (1966), who wrote extensively about this subject. This author set forth the idea that the corporation's social responsibilities need to be equivalent to their social power (Carroll, 1999). He additionally conveyed that if social responsibility and power were to be relatively correspondent, then the avoidance of social responsibility would lead to a decrease in the corporation's social power (Carroll, 1999).

Both these authors, which are considered by the academics, great contributors on the introduction and further discussion on corporate social responsibility take upon what we can call a philanthropic character for which they abide and pressure the corporations to conduct themselves following the social expectations of the time by considering their actions and their effect on the social system. (Latapí Agudelo et al., 2019)

In contrast with this idea, Milton Freedman argued that CSR was an immoral ideal which violated the rights of the business's owners where executives would be stealing corporate resources, therefore, stealing from shareholders by responding to social problems instead of creating wealth. He asserted that this should not be the business's purpose as should the shareholders want to spend money on social causes, they could do it privately.

CSR remains an essential part of business language and practice. However, Argandona and Hoivik (2009) outline that the undecided role of the corporation within society may be to blame for the confusion surrounding the CSR definition. The interactions between businesses and society and the organizational changes occurring are immensely rich and dynamic phenomena, but they have not been adequately explored yet (Lee, 2009).

As it was explored before, CSR can be used as a set of principles and rules, applied to the corporations. However, an agreed definition of the term becomes farfetched as it has different significance for different corporations. The approaches, now being further explored, focus on maximising the impact of CSR and chase a different understanding of this concept considering its pertinence to individual businesses and their association with society or stakeholders' (Okoye, 2009, pg.624). Arriving, at what is considered a capitalist century in which corporations are inserted in, denotes a higher difficulty for businesses to be socially responsible, without compromising the preservation of profit (Hack et. Al, 2012).

CSR can be view as a moral duty more than a business tactic (Zwetsloot, 2003 cited in Hack et. Al, 2012). Kim et al. (2014) believed that firms are recently and gradually including CSR in their strategies to satisfy their stakeholders and gain a positive image in the market. While there are always questionable motives behind CSR engagement, it seems that regardless of these motives, firms and their stakeholders increasingly realize that being socially responsible and the contributions that a firm must undertake and is expected to do by the community its inserted in (ElGammal et al. 2018). A singular CSR definition is yet to be agreed upon individuals. Nevertheless, it is safe to say that groups and corporations all have responsibilities whether these are social or not. Furthermore, in essence, most managerial decision making should also be screened for their social impact (Cochran, 2007) as well as building relationships and creating value for all its stakeholders.

In this line, Porter and Kramer (2011) viewed the relationships between corporations and society as an instrument of creating shared value. The basis of this view is to recognize that societal needs, not just conventional economic needs, define markets. Therefore, the central premise behind creating shared value is that the competitiveness of a company and the health of the communities around it are mutually dependent. Ultimately corporations, by assuming shared-value strategies, have the opportunity to turn capitalism into an environmentally, socially and financially sustainable economic system.

Moreover, the demand for an active role within society should not be solely entitled to be under the corporation's responsibility to include it under its strategy whether it is for shared valued creation or not but, to the country's governments who should develop government structures which allow corporations to take legislative responsibility of their actions (Aßländer & Curbach, 2017).

The corporate social responsibility debate has evolved as globalization develops as a response in which the spatial organization of affairs among social, political and economic actors is being rewired. Furthermore, social and economic activities further transcend the boundaries

of each specific nation-state. This becomes clearer when considering global problems such as climate change, global poverty, pandemics and the economic and financial crises. Hence, governments and international organizations increasingly establish a relationship with the private sector by cooperating in global governance networks to address these problems. Thus, given the rising complexity of societal problems, CSR is incrementally becoming entwined with governance and care for the common good (Tempels, Blok, & Verweij, 2017).

Consequently, from the above review, most of the evolution of a corporation's purpose discussion, from the shareholder theory and stakeholder theory to CSR was mostly explored academically on account of researcher's contributions but also to society's expectations from corporations. Furthermore, Agudelo et. Al. (2019) provided insightful examples of the above frequently mentioned societal expectations of the times which reflect the growing concern of governments and international entities in addressing several societal issues by promoting their debate and demanding the private's sector cooperation in implementing solutions for them.

These societal expectations were then exposed by the authors in a relevant chronological order. First introducing, in the '70s, the New Rationale for Corporate Social Policy and the Social Responsibilities of Business Corporations by the Committee for Economic Development of the USA which was followed by the creation of governmental institutions in a clear response to the social demands of corporate behaviour of the time.

The federal government of the USA founded the EPA (Environmental Protection Agency), the CPSC (Consumer Product Safety Commission) and the EEOC (Equal Employment Opportunity Commission) which it addressed and formalized to some extent, the social and environmental responsibilities of businesses in response to the social concerns of the time.

Throughout the '90s, the international community created and adopted several international agreements as a way to impose broader responsibilities to corporations to develop sustainably and responsibly.

In the early, 2000's, the adoption of the Millennium Development Goals by the United Nations, increased the debate around Corporate Social Responsibility. New roles and responsibilities were further placed on corporations by the international community by calling on the private sector to take part in addressing these goals.

Another measure, focusing on the European Sphere, begun with the publishing in 2001 of the Paper: Promoting a European framework for Corporate Social Responsibility which intended to reflect the broader context of international initiatives but, as a specific European Strategy.

These are then, some examples of contributions by the international entities as well as governments as a support for this view of shifting away from the enterprises own decision to be socially responsibly and duly apply this vision on its strategy. In this way, corporations are required to compel with governments directives and suggestions in creating shared value for society.

Lastly, it is evident that CSR has evolved from being a personal decision of the businessmen, to be understood as a decision-making process and, finally, to be perceived as a strategic necessity to be included in an entities' core. Notably, the purpose of existence of corporations has also evolved from being limited to the generation of economic profits to the belief that business exists to serve society and ultimately, to the belief that the purpose of corporations should be to generate shared value

Moreover, after discussing the above topics in this endeavour of understanding what should be a corporation's role and purpose within society, it is also relevant to explore how does this translate into a company's image and reputation.

2.3 Corporate Image and Reputation

Corporate image can be defined by the instant mental picture that audiences have of an organization (Gray & Balmer, 1998). This mental concept has, according to Kennedy (as cited in Nguyen et. Al, 2001, p.228) two principal components: the functional and the emotional. The functional component relates to tangible characteristics which are easily measured while the emotional derives from feelings and attitudes towards a given firm. These sentiments arise from individual experiences with an organization and from the processing of information on the attributes that constitute functional indicators of image. Adding on to this notion, Bernstein (as cited in Chun, 2005) noted that the image the customer perceives is inseparable from the reality of its customers' experience. According to the same author, corporate image is, therefore, focused on the customer so that image is not defined in the company's beliefs but, in what its customers retrieve and feel from the company by its observation and experiences.

Several other authors (Dowling, 1986, 1988; Gray, 1986; Kotler, 1982 as cited in Nguyen et. Al, 2001, p.228) denoted that a company possesses several images which differ according to specific groups such as customers, employees and shareholders related to their differentiated acquaintance and experience with the corporation and not solely on the customers' perspective.

Furthermore, corporate image is featured for its instantaneous denotation as being what comes to mind when one sees or hears references from a said corporation (for instance, the corporation's name or its logo). This image is said to be a result of a process arising from ideas, feelings, and previous contact with a corporation that is retrieved from one's memory and transformed into mental images (Yuille and Catchpole, 1977 as cited in Nguyen et. Al, 2001, p.228). People are then exposed to realities in which they interact with the firm and may consciously or unconsciously select features which are compatible with their arrangement of attitudes and beliefs. These are retained and thereafter retrieved from memory to reconstruct an image when the corporation is brought to mind even for a short period.

Corporate reputation, else ways, is further related to a value judgement on the firm's characteristics. These reputations, commonly evolve as a result of consistent performance through effective communication systems (Gray & Balmer, 1998). Yoon (as cited in Nguyen et. Al, 2001, p.228) noted that corporate reputation can be observed as a company's history mirror which serves to communicate to its target groups on the quality of its services or products in comparison to those of its competition. According to Gray et.al (1998), the principal stakeholders which largely concern big enterprises are customers, distributors and retailers, suppliers, joint venture partners, financial institutions, shareholders, governments, regulatory agencies, the general public, and employees englobing even those who have no previous experiences with the firm. The author then added, that this reputation is crucial to influence these group's willingness to either provide or withhold support.

Nguyen et al. (2001) set forth corporate reputation being associated with credibility in the sense that credibility is determined by the congruence between the message and the action taken by a firm or, the integrity of its stated intention. Furthermore, it reasons by what a firm conveys that it will do to what actually does. Thus, a reputation is built through credible actions as if it succeeds in fulfilling its promises, it should pertain a favourable reputation and its failure to do so, may create a negative one.

Besides, Rhee et. Al (as cited in Keh & Xie, 2009) through a study on a product recall on the United States noted that firms with higher reputational levels suffer more than those with an impoverished when committing wrongdoings which could be due to the effect from disconfirmation of high expectations from its stakeholders.

Thus, corporate image and reputation should be referred to "how others see us" or rather as the outline impressions or perceptions that are held externally by stakeholders of a certain organization (Bankins & Waterhouse, 2019). Both these terms are usually used interchangeably with corporate identity. Nonetheless, these concepts have different constructs as corporate

identity (CI) has a distinctly social dimension being fitter in terms of "how do we see ourselves" as to how intra-organizational stakeholders perceive their organization. Panigyrakis et. al. (2020) grant this notion by asserting that CI is an organization's enduring character expressed by the actions and beliefs of its constituents and how these represent themselves to audiences.

2.3 CSR's influence on Corporate Image and Reputation

CSR used to describe how businesses implement the broad societal responsibility of going beyond economic criteria as it comprises several corporate activities focusing on the welfare of several stakeholder groups and the environment, it should be then, about doing business responsibly in a dynamic market with several risks and opportunities. Also, "If corporate social responsibility, as it is understood and managed today, was about enhancing reputation, companies would have stopped doing it by now because it doesn't work" pointed out Griffin in his book Reputation Management (Griffin, A. 2008, p. 144 as cited in Vitezic, 2011) in the sense that, this strategy should not be implemented as a vehicle to create good reputation but as a truthful mechanism of an integrated member of society.

Given the above stated high society's demands, good CSR policies should, in fact, be linked to a good reputation. Building customers' and stakeholder groups' awareness of products, CSR value may affect the reputation of the organization positively (Husted & Allen, 2007). Other authors agree that CSR reporting enhances corporate reputation and financial performance (Bayoud & Kavanagh, 2012, Šontaitė-Petkevičienė, 2015). Thus, CSR activities should be successfully communicated through effective channels as according to Castaldo et. al, 2009 several surveys report that customers are influenced by the CSR activities of the organization. Alwi et. al. (as cited in Gambetti et. al., 2017) CSR efforts support corporate identity in manners that enhance the perceived ethical positioning of the firm toward consumers and stakeholders in general thus, contributing positively for the enterprises positioning identity. Additionally, corporations should be required to perform in a socially responsible manner as an intrinsic philosophy via environmental sustainability, fair competition, adequate employment practises and to abide by normative rules. This recommendation may have resulted from recent corporate scandals which have attracted attention to business practises (Tourky et. al., 2020).

Companies, should then, create a reliable reputation based on recurrent credibility in which they stand for the values that they promote, which really depend on which market they

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are integrated in. It is unrealistic to state that companies should not foremost care for profit creation as, without it, they will cease to exist. However, growing pressures from its stakeholder, or, society in general advocate for an adequate and active role of its business within society (Agudelo et. Al. ,2019). No longer serving the needs of its shareholders, corporations need to understand that its actions or lack of them, result in a massive impact on society whether it is directly or indirectly and that these actions will reflect on their reputation. Engaging in CSR policies enhances this reputation and image, but it should not be its sole purpose as it is not what is expected from society and it will eventually backlash on the corporation who should essentially serve its stakeholders interests and needs and, advocate for social care and role within its society and, impose these beliefs into its identity (Griffin, A. 2008).

2.4 What is Social Media's role

Social media is a term for broad definitions taken into consideration that, in essence, it depends on the perspective in which it will be analysed. Hence, definitions may vary based on one's theoretical stance and analytical concerns. However, in practice, most academics would recall social media as employing mobile and web-based technologies towards the creation of highly interactive platforms in which individuals and communities share, co-create, discuss, and modify user-generated content (Kaplan & Haenlein, 2010). Some definitions are relatively straightforward, Russo, Watkins, Kelly and Chan (2008) defined social media as "those that facilitate online communication, networking, and/or collaboration". Lewis (2010) noted that social media serve as a label for digital technologies that allow people to connect, interact, produce and share content. Kent (2010) defined social media as "any interactive communication channel that allows for two-way interaction and feedback," further specifying modern social media are characterized by their "potential for real-time interaction, reduced anonymity, a sense of propinquity, short response times, and the ability to 'time shift,' or engage the social network whenever suits each particular member".

Regarding corporate monitoring and designing possible actions in response to social media activities, Kietzmann et. al. (2011) proposed the honeycomb frameworks of seven social media building blocks (identity, conversations, sharing, presence, relationships, reputation, and groups) and the impact or implications of these seven functionalities on business capabilities (Table 2.1).

Seven Functional building blocks		Impact of the Functionality on Capabilities
Identity	The extent to which users reveal themselves	The company's ability to control data privacy and offer tools for personal branding and self-promotion
Conversations	The extent to which users use the tool to communicate with each other	The company's ability to monitor conversations and to identify adequate moments for starting conversations
Sharing	The extent to which users exchange, distribute, and receive content	The company's ability to manage content and identify the objects having viral potential
Presence	The extent to which users are aware of the presence of one another	The company's ability to create and manage the context by analysing user availability and location
Relationship	The extent to which users relate to one another	The company's ability to manage network relations by identifying the strength of relations and interaction patterns
Reputation	The extent to which users are aware of the social standing of other users	The company's ability to identify metrics that monitor the strength of sentiment of others and the reach
Groups	The extent to which users form communities	The challenge is to identify membership rules and protocols for being part of the group

Table 2.1 - Seven functional building blocks (functionalities) of Social Media and their business impacts as defined in the Honeycomb framework (Adapted from Kietzmann et. al. 2011)

Essentially, social media facilitates the sharing of ideas, thoughts and information through virtual networks by giving quick and free electronic content communication. Content includes personal information, documents, videos, and photos.

The technical infrastructure underlying social media is changing, both in how we access systems and how those systems operate. First, the Internet is progressively accessed by means other than the World Wide Web. The rapid diffusion of smartphones and mobile devices is facilitating access to social media through applications (i.e., apps) and direct interfaces, often without going through a web browser (Carr & Hayes, 2015).

One can then conclude that social media, originated as a way for users to interact and share information from all parts of the world and with multiple people simultaneously. Social media

are the fastest growing form of information creation and sharing which bounds people from every part of the globe. These platforms are free and accessible to anyone who owns a computer/laptop or a smartphone and, these platforms have indeed evolved to appealing applications. Therefore, no longer do people need to sit in front of a computer or laptop to access any social platform as, applications offer all its users, the opportunity to write and contribute through posting content, and could be accessed through multiple devices (Treem et. al., 2016). Today, at the distance of a few touches, one can instantaneously access a diverse range of information through these applications which are perhaps the best enablers, of content sharing, in an efficient and real-time manner.

These online platforms or applications then, facilitate online social behaviour which has modified the nature of human activities and interactions. Real-world social relationships have migrated to the virtual world, resulting in online communities that bring cultures together from across the globe. This movement into the digital dimension allows individuals to share knowledge, entertain one another, and promote dialogues among different nations (Tiago & Veríssimo, 2014).

Social media applications, which were originally designed for personal communication, have increasingly gained popularity among organizations. Thus, corporations as organizations which progressively prioritize and invest on marketing strategies via social media to connect with their target audience in order to boost the organization's name and awareness by attracting new customers through engagement to build close relationships and eventually increase customer loyalty.

According to Kim et. al. (2017), corporations use social media to communicate information and provoke reactions from customers. By doing so, they can influence perceptions about company value, affecting trading decisions and consequently, their performance. Through their social media engagement, organizations directly influence social media sentiment, which, in turn, will affect how investors and traders make their decisions (Piñeiro-Chousa et al., 2017).

More than ever, social media platforms are a place in which customer's debate over a certain product/ service offering constant feedback regarding their preferences, their dislikes and their recommendations. Frequently, customers use social media to engage in discussions about companies' products and services. This since, given a recent study by Sprout Social suggests that consumers tend to follow social media accounts of brands they love because of several motivations, including to obtain product information (McCarthy, 2017). As an outcome, customers' preferences, opinions, and emotions are rooted in their activities on social media. More customers are using social networks to express their preferences online, and their

purchasing decisions are progressively influenced by their friends' referrals. Considering this, many enterprises have started to use social media information to improve their marketing and advertising decisions (Cui et. al., 2018).

Social Media platforms are useful and interesting in this sense, real-life people who provide constant and valuable information to corporation's managers on how to adapt to its consumer's needs and wants. Social networks have manifested their efficiency in developing swifter and immediate communications with customers' needs and in drawing out their opinions regarding a certain product or service. Hence, whenever customers discover hazardous aspects with products or services, it is critical for the firm to be aware of it and duly communicate with their customers on solutions (Zavala & Ramirez-Marquez, 2019).

Furthermore, if most users and hence, consumers are engaging with social media, firms should engage as well to develop digital relationships with its consumers and build and increase customer loyalty. Frempong et. al. (2020) further sustains this idea by stating that internet-based platforms have become sources of rich knowledge and skills from consumers, and for that reason firms are tapping into these resources to create value for the market.

Twitter falls under the scope of social media as a free website and application which has 650 million registered users worldwide (Antonakaki et. al., 2021). It has 330 million monthly active users, 152 million daily active users and it accommodates around 500 million tweets per day (LiveStats, 2018; Omnicore, 2018). These numbers clearly demonstrate that this online social platform harbours a massive dimension and importance respecting user interaction and information dissemination (Antonakaki et. al., 2021).

Twitter is a 'microblogging' system that allows its users to send and receive short posts called tweets. Tweets can be up to 280 characters long which used to be up to 140 until November 2018 (Rosen& Ihara, 2018) and can include images, URLs and videos.

All accounts are, by default, public, meaning that any user can read the tweets of this public account. A user can select to 'follow' any other public user. The 'timeline' of a user contains the temporal updates of the tweets from the users that he or she follows. Therefore, any user has a set of 'followers' (users receiving the tweets that this user sends) and 'followings' (users whose tweets appear on this user's timeline) (Antonakaki et. al., 2021). These interactions of "followers" and "followings" are usually conditioned by one's likings, interests or personal relations which will then set a timeline replenished with specific and personalized user content.

In Twitter, it is also possible to retweet which basically means that you can re-post an already written tweet by someone else. A lot of activity on Twitter involves the use of hashtags. A hashtag is a word that is presented with a hash (#) character. These words are

indexed separately and users can explore the platform to find tweets with specific hashtags. These are handles used to aggregate tweets about the same subject. For example, if a lot of people were attending a conference and wanted people to know what the speakers were saying they would tweet to an agreed hashtag by using the # symbol followed by the agreed name. "Hashtags have evolved to a social phenomenon and their use has been adopted by several online and non-online media as a simple method to signify, idealize and conceptualize a single word (or phrase) in a short message" (Antonakaki et. al., 2021). Huang et. al. (2010) defined the phenomena of assigning hashtags to events, places or people as 'social tagging'.

Like any social media, Twitter bounds cultures from across the world as it makes unlimited information available to all of its users as its spreading is almost instantaneous. Its chief marketing officer, Leslie Berland (2017) has defined the app as an enabler of what is occurring in the world. By other words, what is happening and what are people talking about. With this, it is safe to express that Twitter, through its hashtags and re-retweeting capability provides an accessible platform where its users can discover what are the hot topics in regards to its interests and what is in general most talked about or, what is tweeted and re-tweeted.

Tweets may vary on its content, as this is a user creational application. Some content can be for pure vanity or attention but other content can provide added value as users can provide a stream of quick updates from friends, family, scholars, news journalists, and experts. It empowers people to become amateur journalists of life, describing and sharing something that they found interesting about their day or comment on relevant societal issues which affect their wellbeing in addition to his or her community.

Twitter, is also valuable for companies, as it has a limited number of characters for each tweet, it incentives for a short and compelling advertisement from the get-go. Corporations and organizations have responded to the change in consumer behaviour by making digital and social media an essential and integral component of their business marketing plans (Stephen, 2016). In this application, it is possible to promote products and services as it is an enabler of effectively attracting audiences with useful content and growing brand awareness. It also gives the possibility for marketing managers to engage and connect with their audience to enhance customer contentment and loyalty.

After reviewing what should be in theory a company's purpose, corporate social responsibility, corporate image and reputation and, finally, social media, converging to one, in particular, Twitter, this thesis aims to then answer to the following research questions: How do corporate scandal echoe in social media and its effect on the business world?

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CHAPTER 3: Methodology

This chapter is devoted to the research design and sampling methodology employed to the effect of social media in the business world. Therefore, the chapter includes the research context, the data collection, data analysis and, the presentation of the case studies.

The methodology for this thesis will proceed as follows:

3.1 Research Context:

Considering that this research project aims to further study the role of social media in the business world, it will be relevant to present and describe real corporate cases.

Initially, in the literature review, the theory in regards to what is the corporate purpose has been duly reviewed concerning its image and reputation. Corporate social responsibility was too examined as a logical successor of the stakeholder theory and how it can influence enterprises image and reputation. Furthermore, the social media concept was also examined. Given that the goal is to analyse indeed what role does social media pertain in the business world, it will be relevant to present and describe two real corporate cases, more specifically, two cases in which two major companies were found to be misbehaving.

The first case concerns Volkswagen, a major German car manufacturer enterprise, entangled by what would be remembered as one of the biggest corporate scandals in history, the Dieselgate scandal which will further be described. In summary, in 2015, Volkswagen was caught on tainting its emission tests results by installing a cheating software diesel-engine cars issued between 2009 and 2015 to meet federal emission levels of the United States of America. The second case covers United Airlines, a major American airline, which in 2017 became worldwide known for forcibly removing a passenger from an overbooked flight. This event led to a quick public reaction, as the moment was shared on social media and, its users, threatened to boycott the airline.

3.2 Data Collection

Taking into consideration the literature review and the presentation of two real corporate scandals (to be later described), the investigation method will consist on analysing data from the day these corporate scandals were made public and the seven days that followed

accordingly. Respectively, in regards to the Dieselgate case, from the 20th of September of 2015 to 27th of September of 2015 and for the United Airlines case, from the 9th of April 2017 to 16th of April 2017.

This data has been collected through Twitter within both these timelines. Furthermore, this data has been captured over the tweets shared by these platform users in regards to both these scandals. To then evaluate the communication during both these crisis, this paper focused on Twitter as a social communication network, because the number of participating users and tweets is considerately high. Twitter communication, in response to emerging issues, is fast and spontaneous. It provides an application programming interface (API) which enables data gathering at scale on specific issues and, this platform, is characterised by a high topicality of content (Stieglitz et. al., 2018). Twitter, as above mentioned, is a useful social media platform where its users usually debate over a variety of topics and tweet (up to 140 characters when these cases occurred) about them. In this way, for the purpose of this research, this platform was the most logical to employ and to, subsequently, extract data from.

The sample size was determined and fetch by the usage of relevant hashtags. "Designated by a 'hash' symbol (#), a hashtag is a keyword assigned to information that describes a tweet and aides in searching". Hashtags organize a discussion around specific topics or events being central to organizing information on Twitter (Small, 2011).

Therefore, these symbols have been selected following the events in question, in this case referring to Dieselgate and United Airlines. For the purpose of this study, only English written tweets were extracted. No further selection was performed based on age, gender or idiom, solely tweets pertaining the following hashtags: #Dieselgate; #Volkswagen; #UnitedAirlines; #Passenger. The total of Tweets collected amounted to 99,973 tweets containing these four hashtags. Respectively, 32,660 tweets were extracted containing the hashtags: #Volksagen; #Dieselgate in-between the period of 20th of September of 2015 to 27th of September of 2015 and, 67,313 tweets were drawn out comprising the hashtags: #UnitedAirlines; #Passenger from the 9th of April 2017 to 16th of April 2017.

Moreover, upon retrieving the data filtered by the specified hashtags, the extraction was manually reviewed with the assistance of Leximancer (which will be further described under the Data Analysis section) for tweets which were not related to this cases and were potentially generated by bots. Social bots are a computer algorithm that automatically produces content and interacts with humans on social media, trying to emulate and possibly alter their behaviour (Ferrara et. al.,2016). These bots were identified for the lack of tweet content or for it to be deviant to the research (ie. Publicity, other offerings) and were removed. This lead to a

reduction of utilized tweets to 74,974. Respectively, 24,495 tweets incorporating the hashtags #Volkswagen and #Dieselgate and, 50,484 encompassing the hashtags #UnitedAirlines and #Passenger.

3.3 Data Analysis

In the eminence of a large amount of data collected, Leximancer was further utilized to duly treat the extracted data.

Leximancer is a software tool designed for analysing natural-language text data (e.g., scholarly journal articles) that uses statistics-based algorithms to extract semantic (or "meaning") and relational information. In the words of the software maker: "Leximancer automatically analyses your text documents to identify the high-level concepts in your text documents, delivering the key ideas and actionable insights you need with powerful interactive visualisations and data exports" (Biroscak, Scott, Lindenberger, & Bryant, 2017).

In this way, this software will be useful to make valid inferences about the ideas contained within the data extracted from the tweets as it displays, visually, employing a conceptual map, the main concepts contained within the text as well as information about how they are related. More precisely, this software produces 'a concept co-occurrence matrix' based on frequency data and the co-occurrence of concepts through a visual representation.

Thus, by using this program, this study seeks to ascertain the perceptions of Twitter's users regarding these corporate scandals and identify the main dimensions written on this social platform.

3.4 The Case Studies

Dieselgate

On September 18, 2015, the USEPA (United States Environmental Protection Agency) alleged that Volkswagen manipulated US emission tests by installing cheating software known as "defeat devices" in diesel-engine cars issued between 2009 and 2015.

When the cars were operating under controlled laboratory conditions the devices appear to have put the vehicle into a sort of safety mode in which the engine ran below normal power and

performance and, therefore, the cars were fully compliant with all federal emissions levels. Once on the road, the engines switched out of this test mode and emitted 10 to 40 times the amount of nitrogen-oxide emissions (NOx) allowed by the USEPA, thus seriously violating the country's Clean Air Act.

In 2013, researchers from ICCT and West Virginia University had already found some VW models showing immense gaps between the NOx in lab tests and on the road. The results were brought to the attention of the USEPA and California Air Resources Board (CARB). Volkswagen was informed of the matter and agreed to conduct its own investigation. It later issued a voluntary recall of 500,000 cars in the USA in December 2014, claiming that this was due to technical problems. By following up on this, CARB conducted several tests in 2015 and the cars, failed again. Volkswagen was unable to properly justify the results as they did not add up with CARB's test outcome. When CARB and the EPA threatened not to certify VW's 2016 diesel line up, the Group admitted to rigging emissions tests with the cheating software. This was when USEPA finally decided to come public with this issue in 2015.

Two days after the public release regarding Volkswagen cheating software (20th of September, 2015), the group's CEO made its first public apology stating his deep regret on breaking the trust of customers and the public and general and reassured that the group was working together with the authorities and conduct an internal probe. There were also blame casting to some of the group members as a way of re-directing the guilt to some engineers instead of the group, as a whole.

Afterwards, the stock of Volkswagen plunged 20%, losing several billion euros of its market capitalization. Later, VW announced 11 million diesel cars worldwide had the same defeat device installed.

As the scandal further erupted, Martin Winterkorn, the group's CEO resigned and was led by Matthias Mueller (25th September 2015). On the 27th, Volkswagen launched an official website with an apology statement and providing its consumers with information about the models affected. This move did not reassure VW's customers and they remained sceptical about the environmental impact caused as well as any impact of any possible car repairs and on the value and performance of their cars. As September came to an end with the scandal fully publicly known, Volkswagen's stock plummeted by 40%.

As a way to remedy the crisis, Volkswagen set guidelines as a plan of action by finding out how this rigging was possible and hold the responsible parties accountable. Additionally, it compromised to fix all the affected vehicles, review its compliance standards and finally adopting regular and open communication systems with customers, employees and the public.

As measures took place to remedy the outrage caused by the scandal with the hopes that this public feeling would recede, Volkswagen was confronted with a notice of further models being manipulated. At this stage, it was then discovered that the group had not only tempered with NOx emissions but also with CO_2 emissions. It is estimated that the resolution of the NOx and CO_2 emission interference has cost around €6.7 billion to the group.

On December 2015, VW held a press conference to provide an update on its internal investigation. The group admitted for the first time that the scandal was caused by a "chain of errors" within the company, rather than merely by the actions of some engineers. Following the press conference, VW shares rose 2% but remained down over 20% since the scandal broke in September.

This scandal is estimated to have cost the company more than 30 billion in fines, penalties, restitution, vehicle recalls, settlement of lawsuits since September 2015 in addition to the loss of market value and decline of share's price.

This scandal pertained economic implications, environmental and social impact and the total exposure of the wrongdoings of what was a respectable group worldwide. This situation alerted for emerging issues such as the environment where, governments worldwide, increased their awareness on the need to regulate and control vehicle emissions and most importantly, the entities which produce these vehicles. It spread consciousness that no entity is spare of being exposed and sternly convicted for its immoral behaviour. VW paid a large price economically, as described above, as well as reputational which, in the aftermath, is the hardest asset to regain back as the word "Dieselgate" will pertain in the world's memory.

United Airlines flight 3411

On the 9th of April, 2017 at Chicago O'Hare International airport, David Dao, a Vietnamese-American passenger was injured while being forcibly removed from a fully booked flight. The United Airline's United Express flight number 3411 was booked to the capacity but, would need to make room to transport four crew members. The passengers were offered travel vouchers to vacate their seats to make room for the airline employees who needed to travel to the destination. However, none of the passengers accepted. The airline then selected four passengers for involuntary dispensation from the flight. Three other passengers agreed to leave the flight except, for David Dao, who was selected to be the fourth. Upon his denial to vacate his seat, Chicago Department of Aviation Security Officers, were called to remove David from

the plane. In the process, his face was struck against an armrest and then he was pulled, apparently unconscious, by his arms along the aircraft aisle. This moment was recorded by passengers as multiples video footages were made which, were shared on social media and went viral, escalating the incident to a worldwide extent as the public quickly reacted to this situation demonstrating exasperation and incredulousness. Besides, several northern American Politian's recalled for an official investigation and, even the United States' president, Donal Trump, criticized the airline uttering David's treatment as horrible.

Hours later, the airline's CEO, Oscar Munoz responded to the incident where he described the aggressive removal as an effort to re-accommodate passengers, in addition to outlining the passenger as disruptive and belligerent. This statement caused a bigger wave of criticism, even after the event itself, as in no time, the share prices plunged (stock dropped by $1.4 billion in a day). Therefore, the concern was not just focused on the controversial removal of the passenger but also on the company's attitude on shirking responsibility and justifying any wrongdoing. With this, a public relations crisis was unfolding as potential customers, objecting to United's first statements, threatened a boycott to the airline.

Intending to amend this scandal in which the airline faced several economic and social repercussions, Oscar Munoz issued an additional statement where he noted that the airline took full responsibility for the unfortunate episode. He did so by apologising for what he considered to be a horrific event and, promised to conduct a thorough review of the company's policies to strive for greater customer service. He also announced that a full refund would be offered to every passenger on flight 3341.

Since this incident, the airline set several guidelines to become a more customer-centric and caring enterprise in order to be viewed as the opposite of what appeared to be the case in April 2017. Furthermore, no law enforcement officers would ever be allowed to remove customers out of an aircraft unless it would be a matter of safety and security. The enterprise also set that it would not require customers, already seated on a plane, to give up their seat involuntarily unless safety or security was at risk. It would, however, grant customers who voluntarily optioned to give up their seat, with customer compensation topping out at $10,000. Its ticket booking service was also adjusted to prevent overbooking situations. In addition, a new application unveiled which would allow flight attendants and gate agents to compensate customers proactively and, on the spot, when a disservice occurred.

The above-described event will forever be a part of the airline's history which led to a reformulation of the company's policies, customer service and PR management so that its reputation could commence its healing.
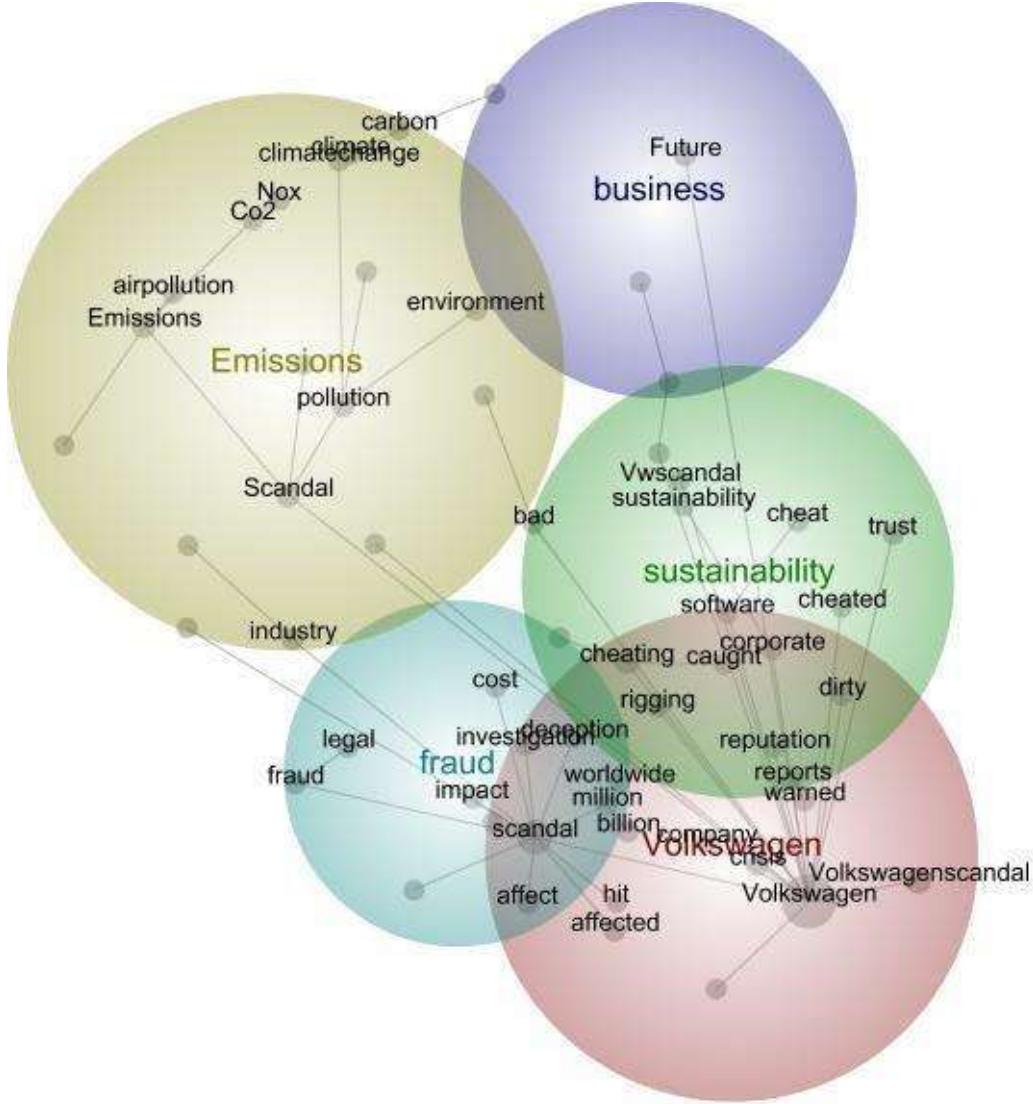
CHAPTER 4: Results

4.1 Dieselgate Case

Figure 4.1 – Dieselgate Leximancer Matrix

In regards to the Dieselgate case's Leximancer output matrix, it is observable the incidence of five major concepts, being these: "Emissions"; "Volkswagen"; "Fraud"; "sustainability" and "business".

In this way, we can positively infer that these terms were the top five keywords in terms of high frequency of occurrence amongst the data collected related to the Dieselgate case. Upon identifying the prominent terms, we will take a look at each cluster in particular for a more in deepening analysis.

Looking at the word "Emissions" with 2164 hits we can observe it contains several linked denominations. These terms denote a negative connotation regarding emissions. It is of general knowledge that car emissions are not beneficial for the environment as EPA (US Environmental Protection Agency) defines emissions as: "the term used to describe the gases and particles which are put into the air or emitted by various sources". The terms "air pollution"; "scandal"; "pollution"; "environment" and "CO2" symbolize a bleak critic to how Volkswagen was questionable in terms of its emission's transparency and how this occurrence surfaced as scandalous for the public opinion. This word surfaces with a high amount of related expressions which expose how significantly Twitter's users shared their concerns in regards to the toxic emissions and how these affected the environment and climate change. One user pointed out: *"Is @Volkswagen just the tip of the iceberg in a #global #Emissions #Scandal? If other car manufacturers too involved, then #WhatNext?"* thus demonstrating apprehension for other car manufacturer's behaviour. In the sense that, if this worldwide known enterprise was caught immorally conducting itself with shallow concerns for the environment if others are no different, then the environment is seriously threatened.

Therefore, we perceive how the general public condemns this serious misconduct of Volkswagen being caught on cheating on its tests and being a harmful contributor to the environment's integrity.

About the term "Volkswagen" with 18736 hits it is relatively obvious that the firm's name became associated with fraud and was facing a reputational crisis due to its immoral behaviour. Again, all in correlation with the scandal which highly affected the car manufacturer to a downwards stance. A user drew attention for this reputational muddle by stating: *"#Volkswagen rigging of #Emissions is a lesson for big brands. Decades of brand value and #GermanEngineering reputation is strangulated."* Surfacing as pertinent for this research as corporations need to cease the idea that unethical doings can take place and not generate severe consequences in the short term as well as for the long run by damaging the corporation's reputation. Again it is addressed the fact that the car manufacturer's name is now associated with cheating and has been affected at a worldwide scale by taking a hit of billions in damages and, inherently tarnishing its reputation.

Moving forward to the "Sustainability" term with 849 hits we can infer a connection with cheat and caught as the company was indeed forging this idea by rigging its emissions tests by pretending to comply with environmentally sustainable legal obligations. The designation "trust" which is englobed in this cluster can also demonstrate the apparent corporate sustainability which turned out to be false and misled the corporation's stakeholders that, after the scandal, lost whichever trust they had. This belief was specified on Twitter: *"VWs #emissions test rigging a blatant violation of consumer trust"*.

Concentrating in the term "Fraud" with 425 hits is moreover a focal cluster linked with "legal", "scandal" and "deception" which adorn, once more, the general notion surrounding this emissions event. One user calls out for these actions in an aggressive manner*: "Look at you, lookin' all innocent. Now we know you & your brethren be liars #Bad #fraud #Cheater"* demonstrating the resentful sentiment concerning this fraudulent act.

As we focus on the last cluster: "Business" with 333 hits we can discern the low hits of immediate interconnections. It is directly coupled with future. One can induce uncertainty regarding the company's future posterior to this corporate scandal. A user provides somewhat of a recommendation on how Volkswagen can commence its path of recovery with: *"If we wanna build a better world we must be accountable for our actions. #Volkswagen #business #Ethics"* calling out for the car manufacturer to own up and address its misconduct.

Overall, it is apparent how Twitter's users were displeased with the actions taken by Volkswagen. There is an obvious loss of trust in the car manufacturer brand and reputation due to the test emissions rigging and how these actions can affect the environment's integrity. It denotes a clear agitation on the crisis brought up amongst the company's client's and society overall as this big corporation had been responsible for the environment's harm for several years and was yet to be made accountable.

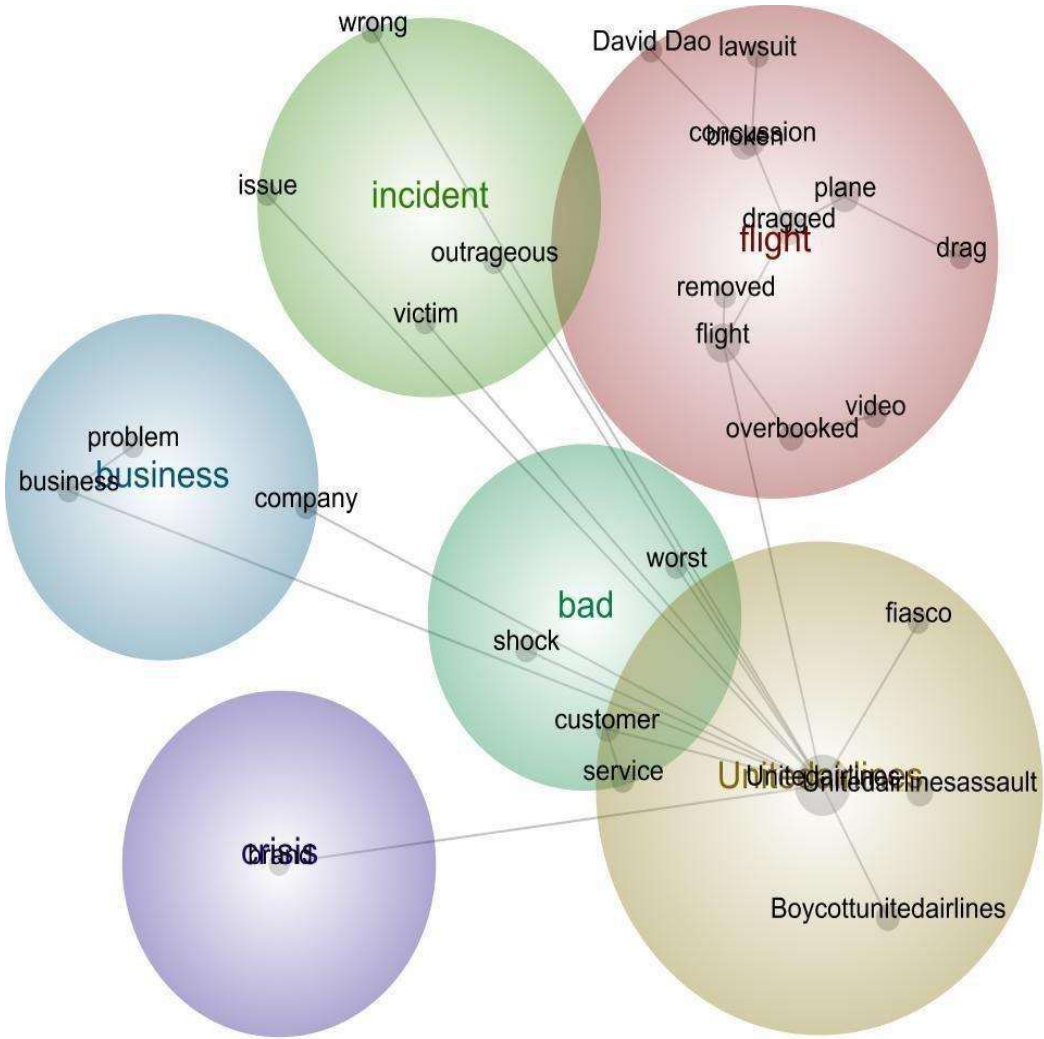## 4.2 United Airlines flight 3411

Figure 4.2– United Airlines flight 3411 Leximancer Matrix

Focusing on the Leximancer's output from the United Airlines flight 3411 for which it is observable several relevant clusters which immediately reflect a negative image of the event.

In this matrix, we will further analyse the following clusters being them: "crisis", "bad", "business", "incident", "flight" and "Unitedairlines".

We will firstly focus on both the clusters "business" with 664 hits and "crisis" with 206 hits since these are the clusters which contain the fewest elements directly linked. "business" appears intertwined with "company" and "problem" as it is apparent that indeed after this

episode, this company should have negative ("problems") consequences in its business. A user tweeted the following on this matter: *"Dear Americans, why not just stop travelling with the abusive #UnitedAirlines and put them out of business? End of problem, no?"*. This user demonstrates what could be the company's problems moving forward from this event. Onwards to "crisis" entangled with "brand" which surfaces right behind leading to the "brand's" image being now tainted for future customers who intend on using the airline's services as a means to fly. Another user expressed his or her opinion stating: *"#UnitedAirlines is having the week from hell. Their brand has taken such a hit; this is another bad look"*. Given this, United Airlines faces major disturbances in their reputation as their brand is now negatively viewed.

Forthwith the cluster "flight" with 6048 hits in which de subsequent terms portray what indeed occurred on this specific flight as we discern the tags: "concussion", "drag", "removed", "overbooked" and "DavidDao". It is explicit how Twitter users described what actually occurred on this event and do not mention a certain person but refer exactly to David Dao, the concerned victim of this occurrence. These were, in fact, the circumstances of this particular occasion where the passenger ended up being forcefully "removed". On this cluster, at plain sight, we then perceive a clear picture of what took place in this overbooking situation in addition to having a video proof. A user posted: *"Wth! David Dao has concussion, broken nose and lost 2 of his front teeth!"* and *"Things turn from bad to worse for #unitedAIRLINES as new passenger footage is leaked on social media."*

Then, we can observe the cluster "bad" with 566 hits, linked with "shock" and "worst" and "customer service". Firstly, "shock" in the sense that a situation like this could literally occur where the passenger was highly injured. These users do not agree to how the airline company decided to act given the fact that this airline is supposed to serve its customers and provided instead the "worst" "customer service". Pertaining to this cluster, we found relevant to highlight the following tweet: *"The #unitedairlines awards for worst customer service 2017...coming soon..."*

When facing the overbooking situation, it is clear how Twitter users were disappointed with the poor or even lack of customer service presented. Another user posted the following tweet: *"I'm now scared to fly #UnitedAirlines what if they want my seat?? Prayers to the victim DAVID Dao."* Portraying the fact that people are not only discontent with the measures taken by the airline but are seriously scared of facing an overbooking situation.

The extent of this negative reaction is moreover shown as we reach the "incident" cluster with 995 hits thus associated with "outrageous", "victim" and "wrong". These terms provide a sense of disbelief in the measure taken by the enterprise to move forward with the overbooking

occurrence in the sense that a situation like this could indeed occur where the passenger was highly injured. *"what is wrong with this company??? #united #travel #unitedAIRLINES"* were the words used by a user.

Finally, focusing on the clusters "unitedairlines" with 28282 hits couped with "Boycottunitedairlines" and "unitedairlinesassault", these overlap as we observe an association with an assault directly linked with the airline as well as the intention of boycotting the enterprise perhaps as a form of protest. One user tweeted the subsequent post: "#BoycottUnitedAirlines I just saw the video of that poor man being forcibly removed from the seat he paid for. No #UnitedAirlines for me." Where it is clear that this person is completely dissatisfied with the enterprise and will not use its services in the future coming. Another user posted "If public opinion can take down #unitedAIRLINES then we should do this more often to corporations #UnitedAirlinesAssault" being, as matter of fact, tremendously relevant for the purpose of this thesis as it illustrates the effect that masses and society, in general, can have on social media by not conforming and imposing change on corporations.

CHAPTER 5: Discussion of Results

The present research paper aims to then analyse what is the role of social media in the business world by using two real corporate scandals. Therefore, by assessing how do corporate scandals echoe in social media and its effect on the business world.

To conduct a logical discussion, the two cases will firstly be discussed separately and, afterwards, a general discussion will take place.

Volkswagen has been known for its excellence in performance, sustainability and, before the Dieselgate scandal, was considered to be one of the most responsible businesses in the sustainable world and was reputed and valued for its quality and reliability (Rahuman, 2017). This corporation, held top positions in sustainability rankings and indices such as Dow Jones Sustainability Indices, CDP (Carbon Disclosure Project), Sustainalytics, or Oekom research (Volkswagen Annual Report, 2015). It then ranked very highly in the most important international rankings and corresponding indices, obtaining a leading position in its sector (Volkswagen Annual Report, 2014).

Besides being recognized externally for these virtues, VW self-advocated for this status of most sustainable business giving the example of the following statement by Prof. Dr Martin Winterkorn, then Chairman of the Board of Management: "Our pursuit of innovation and perfection and our responsible approach will help to make us the world's leading automaker by 2018 – both economically and ecologically." (Volkswagen, 2014). This statement of this chairperson was followed up with Sustainable Value Enhancement section included in VW's annual report with more than 30 pages which began with the following assertion: "We run our business responsibly and with a long-term perspective along the entire value chain. Everyone should benefit from this – our customers, our employees, the environment, and society." (Rahuman, 2017).

Not only did the car manufacturer indulge in its known reputation with public statements but, presented in its sustainable value enhancement report, detailed action plans in the areas of environment, society and governance (Rahuman, 2017) again, recognizing itself as the most sustainable automotive company in the world as depicted in Figure 5.1.
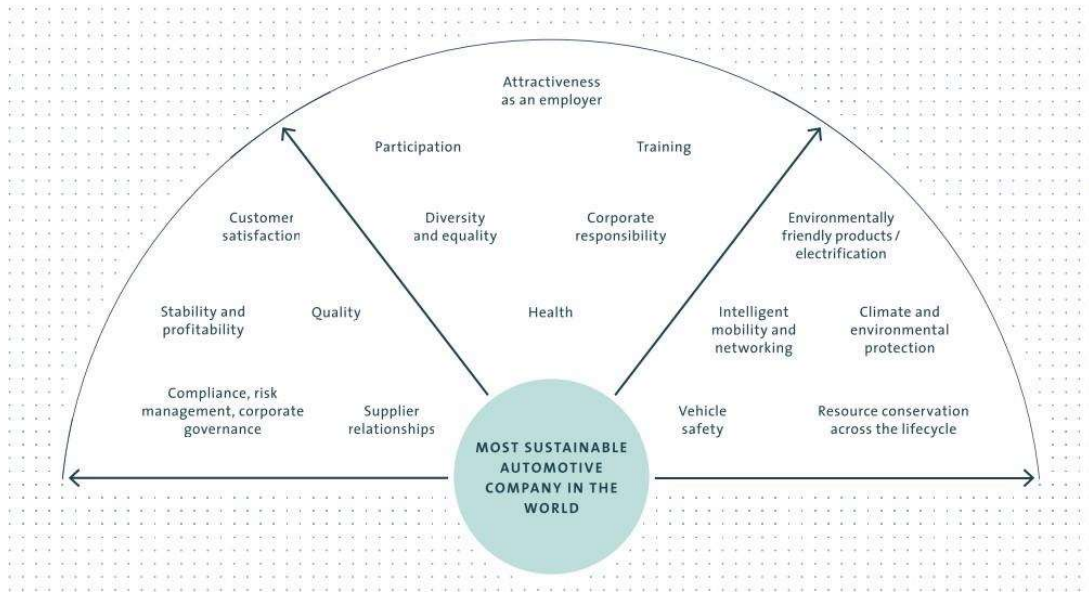
Figure 5.1 – Volkswagen Group's Key Action Areas (Volkswagen Annual Report, 2014)

Also, the enterprise set out an environmental strategy to become the ecological leader in the automotive industry by 2018 as shown in figure 5.2 as well as the commitment to cut the average CO_2 emissions by the VW group as it is occurring since 2012 (Figure 5.3). However, it appears that the group only proceeded with the emissions reduction goal as "Since 2012, the CO_2 emissions for vehicle manufacturers' new European passenger car fleets have been regulated by law" (Volkswagen, 2014).
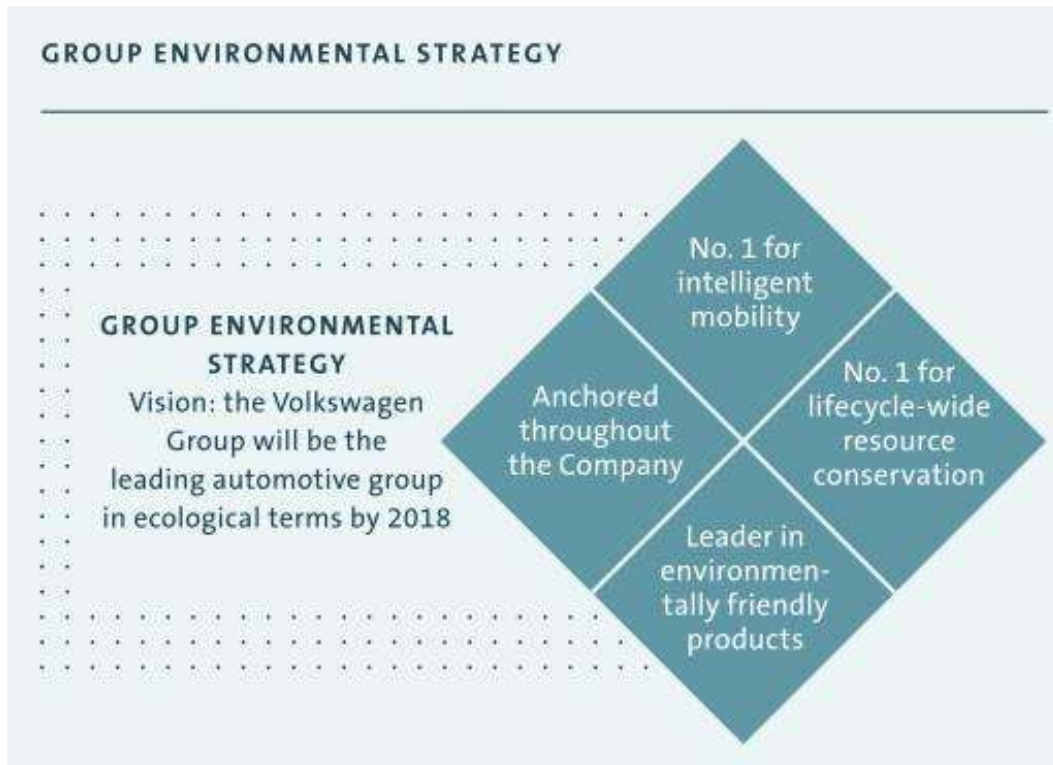
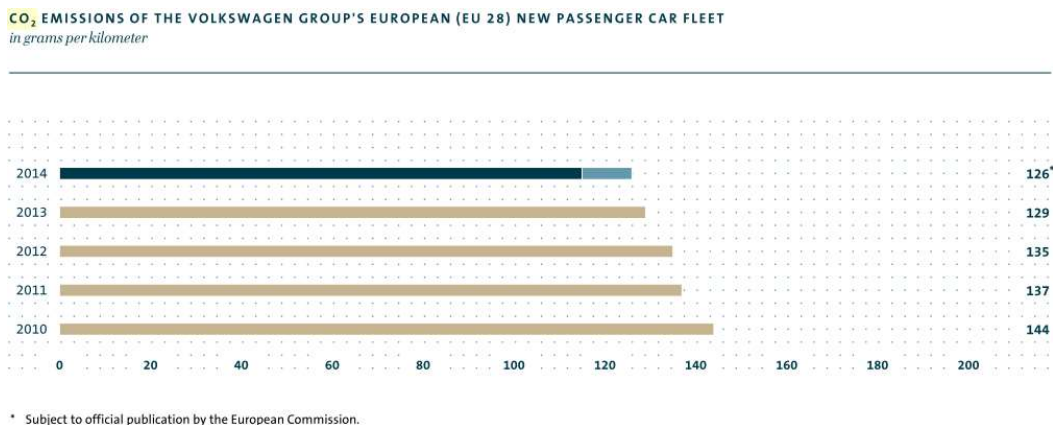Figure 5.2 – Group Environmental Strategy (Volkswagen Annual Report, 2014)

Figure 5.3 – CO2 Emissions of the VW Group (Volkswagen Annual Report, 2014)

To further deepen the insight within VW's worldwide recognition as one the of world's most respectable enterprises as well as its commitment to have a continuous and positive impact in society and performance, it is important to rewind and explore CSR measures applied by the group. The book Corporate Ethics and Corporate Governance (2007), and more specifically the

section: "Corporate Social Responsibility at Volkswagen Group" will assist in retrieving some of the directives conducted or aimed to be fulfilled by Volkswagen.

We will summarize what is carefully detailed through several pages in regards to the group's CSR policies. It firstly coins that VW's CSR philosophy revolves around the fact that sustainable corporate success can only be safeguarded by social responsibility and, given this, the VW Group implements at each of its sites developmental processes whose objectives are to attain sustainable ecological and social benefits for the company and society at large. This view goes hand in hand with Porter and Kramer's (2011) CSR perspective of shared value creation as well as it nurtures the knowledge that corporation, in this case, Volkswagen have responsibilities and that their actions should be screened for their social impact (Cochran,2007). Continuing, the following principles come as fundamental pillars of the group's corporate culture and its CSR activities.

In the first place, "Work Holder Value", in which the group bestows equal opportunities regardless of sex, age, origins or religion as a basic right for all employees, flexible working time, adjusted labour agreement models and designed tasks adapted for each worker's particular needs. Secondly, "Globalization", as a motor for sustainable business activities, given that the group pertains the idea that the "international division of labour, coupled with free access to markets in industrialized, newly industrializing and developing countries, will encourage growth and wealth", Thus, it is VW's duty to take the lead in ensuring environmental protection and social awareness, and to contribute to creating responsible globalization. The following pillar comes as a natural approach of this globalization goal as local roots where Volkswagen wants to play a major role not only as an employer but also for infrastructure and regional development with great social responsibility by providing above-average working conditions and, payment contributions to local structural development and, the transfer of modern technologies. Next comes "Partnerships for Sustainability", VW as a founding member of the World Business Council for Sustainable Development (WBCSD), seeks to engage in a dialogue and foment debate with all partners who can help to contribute to creating sustainable mobility. Lastly, "Transparency and Fairness" where the car manufacturer complies with the national environmental and social laws at all of its sites, by transferring technology and processes. Considering it often goes far beyond the legally required standards. At the time, its CEO (Dr Bernd Pischetsrieder) declared he intended on VW to become "a transparent company both inside and out". (Kopp & Richter, 2007)

As it was briefly introduced, it is apparent that Volkswagen created a shared value approach on its CSR conduct where it mainly focused on collected concerns involving the environment, social problems, economic development and business sustainability. Thus, advocating for environment protection by producing environmentally friendly products and focusing on electrifying its vehicles as well as committing to reducing its emission levels early, conserve natural resources across the supply chain, foment economic growth in the several markets it is present, not only by providing infrastructure and regional development but, also by contributing with above-average payments and working conditions and, not succumbing to establish it-self in under-development countries and, profit from local precariousness by underpaying its workers.

This agenda, deprecated a global and credible image and reputation, coining Bankins et. al. (2019) of how others perceived the car manufacturer by being included in many international indices and holding top positions. Also, portrayed a solid corporate identity where it is clear the ethical and sustainable position of VW towards its consumers and society (Gambetti. Et. Al., 2017). It became noticeable, given the scandal that, VW conducted instead in accordance with Friedman's (1970) shareholder's theory where its sole purpose was to create wealth regardless of its actions by rigging its cars to reduce their emissions by not compromising their performance as to maintain its competitiveness.

Business environments all differ in regards to the legal and regulatory environment where firms operate. In developed countries, there are stricter regulatory environments and control and hence, greater pressure for enterprises to be more environmentally compliant. Such is the case for the automobile industry, where Volkswagen is inserted in, in respect of safety features, carbon emissions and fuel economy standards, forcing car manufactures to find a balance between road performance, fuel consumption and carbon emissions (Li et. al., 2018). This notion of working under severe regulations aligned with Aßländer et. al. (2017) view of the demand for an active role and corporate responsibility within society being assigned to country's government's authority might have been the reason why VW felt obliged to conduct this miscellaneous corporate identity and reputation and carry it through the years as a sustainable, socially and environmentally concerned corporation when, in fact, was advocating for a status that was not accurate. Fundamentally, VW was not performing as it promoted and managed to do so even in highly regulated environments. The scandal brought this up by exposing the lengths that the car manufacturer went to in conceiving this false idea by, creating a system which rigged the NOx emissions where, in fact, the vehicles were emitting 10 to 40 times the amount allowed by the USEPA. This agency was created, as an example given by

Agudelo et. Al. (2019) of the societal expectations which targeted Environment protection as the name exhibits.

Before confronting this knowledge with the Leximancer's results it will be first demonstrated the financial impact that the scandal had on sales, stock value and loss of profit.

Succeeding to the EPA's announcement that Volkswagen had cheated on emissions tests, on the 18th September 2015 VW's stock price instantly fell 19% (from €162.4 to €132.20 per share) over one night. On September 21st after VW confirmed the allegations, that 11 million diesel cars worldwide had "defeat device" incorporated, the stock price decreased again by 20% (from €132.20 to €106 per share) on the day after. The stock price plunged yet again to € 92.36 per share in October 2nd. In total, VW's emission scandal cost more than 75% of corporate's stock value and hit its lowest records since 2011.

The three business days succeeding the scandal, VW's stocks were traded unexpectedly, more than 4 times the usual and, this activity continued throughout the following month due to new information being retrieved in regards to the enterprise's misconduct. This trading volatility was also a contributor to the stock's price extensive drop (Mačaitytė et. al., 2018). Due to the scandal, VW lost its power in competition with other car brands. Its brand lost quite of its importance, exhibited on its market share lost. In 2014 VW took 12.41% market share, dropping in 2015 to 12.04% and in, 2016, VW's market share decreased to 11.35% (Demandt, 2017). These numbers reveal how the loss of customer's trust could influence the size of the market share.

On the other hand, in terms of worldwide sales, the VW group actually achieved record group sales in the year after the scandal (2016) of 10.3 million vehicles sold (Reuters, 2017). This represented a 2.8% increase in relation to the previous year where roughly 9,93 million vehicles were sold. In 2017 the number of vehicles sold soared once more reaching 10.7 million, a 4.3% increase (Jung & Sharon, 2019). This comes as a surprise where in terms of the stock market and financial performance the impacts were clearly shown but, whereas to sales, VW not only managed to continue selling its product but, in fact, excelled its figures when compared to previous years. It appears that investors and shareholders were the one's seriously concerned with the scandals findings whereas consumers did not hold back when choosing VW for their next car. A survey of 6,300 car drivers in Ireland revealed that more than 75% of VW consumers would purchase from the company once more, and that "54% of non-VW owners said the scandal would not put them off buying a VW or one of its remaining brands in the future" (McAleer, 2016). Furthermore, a survey of 800 US consumers, polled a few months after the scandal became public, showed that only 7.5% had a negative impression of VW. When

identifying first associations, fewer than 3% of them associated the company with the scandal (Hennessy, 2015).

Overall and, following the above analysis, it is estimated that the scandal has cost Volkswagen around $30 billion covering consumer compensation, dealer compensation, environmental settlements, governmental fines, support for research to lower diesel emissions, civil penalties and additional funds for the buyback and repair of vehicles (Jung & Sharon, 2019).

Confronting the above facts in terms of corporate image and reputation with CSR in addition to the financial impact that the scandal had on sales, stock value and loss of profit with the results of the sentiment cluster provided by Leximancer it can be discerned that indeed concerns ran high regarding the emission impacts and how these are a threat to the environment and, fundamentally, to individuals. This can be linked to the foregoing discussed reputation that VW maintained over the years ("how other see us") of striving for environmental and social care and foremost as one of the most sustainable company's in the world which, after the scandal emerged as a dishonest stance. Furthermore, according to Rhee et. Al (2009) given that VW was largely known for its sustainable efforts and possessed a high reputational image and reputation it would be foreseen that it would endure severe consequences due to the effect from disconfirmation of high expectations from its stakeholders. In respect to these matters, governments and environmental entities were the dominant figures in holding VW accountable for its illegal and deceitful actions as maximum representatives of people's interests and concerns (Aßländer & Curbach, 2017).

Furthermore, by the analysis of the results, there's a blunt unease related to the trust that Twitter's users nurtured in regards to this corporation, thus gone after being made aware of VW's immoral behaviour. This loss of trust was reflected in VW market shares which were reduced remarkably after the scandal displaying this trust forfeiture. The stock market ended up being the most volatile variable where investors whilst following the development of the scandal became increasingly wary and concerned for their investments. Twitter, for its fast information enabling feature, might have been a critical tool in assisting with the scandal observance and its immanent reactions. Therefore, in this platform became visible the engagement in discussions about VW's products and services and most specifically how this corporation failed to meet what it advertised.

The data does not allow this research to distinguish what sort of Twitter users are directly affected by this scandal in the sense that it cannot pertain if these are consumers, stakeholders, shareholders or investor. They are, fundamentally, society as a whole when confronted with a

fraudulent behaviour of an entity inserted within the worldwide community. However, the data exposes quite evenly the concerns and succeeding repercussions arising from this event about Volkswagen's name being tainted and associated with fraud as well as uncertainty about the company's future and how it would come out of this.

It comes as no surprise that the output matrix would be similar to the results retrieved as societies become increasingly informed, aware and concerned about the multiple players around them and how these should and will be held accountable for their actions. The single factor which came to light as a revelation in regards to this corporate scandal was the fact that VW managed to outstretch its group sales, consequently contradicting the expected behaviour consumers should carry out after becoming acquainted with the findings of this scandal. However, to support these findings arrive the above-mentioned surveys both in Ireland and in the US (where the scandal first broke). Henessy (2015) noted that consumers perceived the harm caused to individuals in the VW case as not that problematic where he emphasizes the fact that even though they were quite upset about having been tricked into buying what they thought was an environmentally friendly car, for most buyers the inclusion of eco-friendly features had only a small impact on their decision to purchase a VW or any of the other group's brands (as cited in Jung & Sharon, 2019). Additionally, according to several authors (Jung & Sharon, 2019), research on crisis management proposes that the public and the media have a short attention span as the interest in corporate scandals tends to burst in the first few weeks, and then disappear once attention is diverted to other events and does not stay long within people's memory.

Moving forward to United Airlines, the third largest airline in the world, which remains a viable and large enterprise even whilst it has had several PR scandals. This airline, conversely to VW, is not particularly known for its CSR activities or pillars and has, in the past years, been ruffled by several conducts misbehaving but those will be addressed further.

However, such as the majority of firms, United indeed has included CSR in their conduct whether to gain a positive image in the market (Kim et al. 2014) or given the fact that it should undertake this social responsibility stance given that is expected to do so by its community (ElGammal et al. 2018).

Therefore, this enterprise releases, yearly corporate responsibility reports which are substituted by the most recent ones. Therefore, reports from previous years are not available. Given that, for the purpose of this research paper, it is intended to gather information regarding United's CSR policies which were preceding to the scandal (2017), records from a report from 2013 were encountered. The reports are meant to portray the company's work to operate a

socially, environmentally and financially responsible business in a manner that benefits its customers, employees, investors and the environment shared amongst them (United Airlines, 2013). Its previous CEO and chairman Jeff Smisek stated the following: "Throughout our hubs and the cities where we operate, we are committed to supporting diverse programs and organizations that benefit our people and our communities" and "We are proud of United's commitment to running an environmentally and socially responsible airline."

Highlights from United's CSR goals (United Airlines, 2013) include the reduction of CO_2 emissions, usage of alternative fuels (United has been a pioneer in the advancement and use of these fuels) as well as efficient aircrafts, the launch of Eco-Skies community which grants donations to support environmental volunteerism in its hub communities and finally, United has participated in the Carbon Disclosure Project (CDP) since 2006 and was the first U.S. carrier to fully do so. The airline publicly discloses information on its carbon footprint through the CDP and proactively works to convey this information to its stakeholders to address their specific information requests and reporting needs. In correlation to the environmental care and protection, United Airlines has been in fact, recognized and awarded for its efforts in minimizing its emissions print by operating in an environmentally conscious manner (United Airlines, 2016). It has been recognized by CDP as a leader in carbon emissions reduction and climate change addressing, it has received several sustainability and green recognition awards mainly for its bio-fuel developments and usage (United Airlines, 2016). Therefore, not only is United Airlines advocating for environmentally friendly practises, thus positioning it-self with a sustainable corporate identity (Gambetti et. Al.,2017), but is being recognized as successful by several environmental entities and independent regulators in preserving environmental health through innovative sustainable practises.

Moreover, United promotes voluntarism through its co-workers which dedicate yearly several thousand hours in supporting diverse programs and organizations thus enabling the benefit of communities through cash and meals donations as well as providing and funding studying opportunities for highschool students from different backgrounds in fulfilling their educational paths successfully. Finally, the airline strives for diversity throughout its supply chain by ensuring and valuing varied business partners, in the sense that it strives for differentiation by offering equal opportunity to women, minority, veteran, service-disabled veterans, persons with disabilities and LGBT business enterprises (United Airlines 2017).

It can be asserted that, until today, no evidence contradicts these CSR efforts from United which, in fact, have provided a quite respectable reputation, especially, within the environmental community in addition to adopting a philanthropic position by donations and

encourage voluntarism within its corporation. Consequently, it is noticeable that United Airlines denoted on his core guidelines, more specifically, in its managerial decisions and corporate identity to safe keep its social impact and to build relationships and create value for all of its stakeholders (Cochran,2007).

Nevertheless, United has been in the "hot seat" for several misconducts surrounding its customers which has been degenerating its customer service renown. This, pertains a critic flaw, as no company withstands without its customers and also poses a blunt defect on its CSR attempts in reaching all its stakeholders which as per Sternberg's view (as cited in Vinten, 2001) englobes every person, whether related or not to the firm concluding that the number taken into account is effectively, infinite.

This thesis focused on one particular scandal which was considered the most abominable and had the most awareness. Yet, as above mentioned, United has engaged in several malpractices including the death of a dog and a rabbit in United's flights, the first in a heated aircraft compartment and the second one in the cargo section. Besides, it has placed a customer in a flight with a different destination from the one intended, drew a child from his own seat, it has too expelled a couple from one of its flights and finally the forcible removal of David Dao which was thoroughly reported within this paper. These endless parades of seemingly jaw-dropping events have contributed to the airline's reputation diminish and harsh criticism from the public especially through social media.

These episodes have contributed, in a negative manner, for United's image (instantaneous denotation as being what comes to mind when one sees or hears references from a said corporation) and, evidently, due to these PR scandals, to a defiled reputation which evolves over time as a (Gray & Balmer, 1998). Social media has contributed highly for the creation of this tainted image and corporation as most of these events were exposed through several social media platforms, including Twitter and raised awareness for the service that has been provided by the airline.

As conducted in respect of Dieselgate's financial impact, the same analysis will be conducted regarding United Airlines to understand the aftermath repercussions that took place after the rough incident of flight 3411.

To recap chronologically, the incident took place on the 9th of April, 2017 which was a Sunday. As stated before, the removal was recorded by the remaining passengers who then posted it on social media. By Monday (10th April), the video became viral worldwide attracting millions of views. On this day, share's prices were actually quite high but the video's

amplification failed to decline and shares dropped as much as 4,3% or $3.10 per share as seen in figure 5.4.

Figure 5.4 – United Airlines shares fluctuation (Yahoo Finance, 2017)

It is clear the impact that the scandal brought on the stock market which led to a 1 billion loss of market value for United and it is clear the uncertainty that rose by shares volatility as investors became hesitant as further details were explored by the media and as the debate incremented through social media.

Morning Consult Brand Intelligence showed the percentage of people who said they'd purchase from United dropped from 33% the day of the incident to a low of 19% over two months, but the airline's numbers started to level out in June (Piacenza, 2017).

Subsequently, as noted, United was not particularly known for its CSR agenda, at least to the public's knowledge. Perhaps by its inefficacy to duly communicate its corporate social responsibility strategies (Alwi et. al. 2017) to its consumers. Its quest for environmental protection and sustainability focus, however, did not go unseen by environment institutions and regulators which have appreciated and awarded United for its efforts.

Despite this, as established before, good corporate social responsibility englobes several stakeholders and should, foremost start with taking good care of its customer needs and wants. As previously introduced, United has faced several public relations crisis on account of mistreating its customers. The flight 3411 incident was, by far, the most controversial one not only due to heinous circumstances it entailed, where David Dao, the affected passenger, suffered concussions, broken teeth and nose but foremost to the fact that it was recorded and

made available online. Our Leximancer output clusters clearly illustrate the hassle reaction brought upon this event.

As previously analysed, Twitter's users evoked the brand crisis aspect which was tainted due to the several antecedent episodes and after this last event, United's name is now linked to David Dao's episode. In April 2017, 67% of respondents said they had heard about United in the news recently, but in December, a poll constituent of 2,039 U.S. adults, 33% could accurately name United as the airline connected to the Dao controversy (Piacenza, 2017). The clusters dictate, as well, the fact that there was video proof as we can discern that the users detail in a disturbed manner, the violence that took place on flight 3411.

Reaching the most important factor which regards customer service, in line with what has been introduced, Twitter's users link United to the worst possible customer service as we note remarks being given such as shock, outrageous, fiasco. As explored before, social media are means for customers to duly debate a company's products and services regarding their preferences and dislikes (Zavala & Ramirez-Marquez, 2019 and in this case, the service of transportation by air. Furthermore, as exploited in the results' analysis, the users manifest fear in terms of being subject to a similar situation where their wellbeing could be threatened. These reactions do not surface as a surprise as an Airline provides not only a means of transportation but should ensure that its customers are carefully served and, the possibility that an event similar to the one which took place on flight 3411 could even occur or repeat it-self leaves a great deal of hesitation for future customers. Morning Consult Brand Intelligence estimated the airline's favourability at 57% before the incident. One week later, it was at 35%. Forty-seven per cent of Americans regarded the company unfavourably (Piacenza, 2017).

This sentiment escalated to a trendy hashtag which is also included on our matrix of "boycotting United Airlines" coming of a call out to United as its behaviour was totally unacceptable and the airline should endure severe consequences for allowing such situation to take place.

It should be clear that this expression on social media, more specifically, on Twitter where its users provide constant and valuable feedback online (Zavala & Ramirez-Marquez, 2019) should be reflected on the United Airlines sales as it surely affected its market value and stock prices. Howbeit of these negative sentiments which largely spread amongst social media it is not straightforward that consumers will indeed pursuit this boycott and stop purchasing United's services.

In fact, nearly three months after the incident and, pursuant to the public anger, the airline ended up not being entirely jeopardized as it reported a profit of $818 million in the quarter ending in June with a 39% increase compared with the previous year. Moreover, sales rose too as more customers booked flights with the carrier as United presented in its reports a considerable increase of customers adding up to 71 million more passengers in the first half of the year 2017 equivalent to a 4.2% augmentation when compared to the previous year (Maidenberg, 2017).

When the scandal broke, Erich Joachimsthaler, CEO of the consultancy firm Vivaldi, claimed that the incident and boycott initiative would not effectively impact United's sales. According to Joachimsthaler, the airline has a monopoly over certain routes, so many travellers will have no choice but to fly through United. Certain destinations, for instance, in the US are only offered by United. This route monopoly is part of United's strategy and largely a product of its merger with Continental Airlines stated Erich. Given this consolidation, United can reduce competition while increasing fares (Garfield, 2017). Deb Gabor, CEO of brand consulting firm Sol Marketing, supports this notion by asserting that airlines possess certain routes and hubs, which difficult or at least makes it very expensive for people to fully boycott particular companies (Piacenza, 2017).

Additionally, regardless of ethical misconduct, the concerns for customers when flying are mainly focused on the price they are willing to pay, which is on most occasions, low. Aside from price, experts say that consumers care more about things like delayed flights and lost baggage than they do about scandals on social media. Those who buy flights through third-party discount sites will likely want to get the cheapest tickets possible, even if it's through an airline they dislike such as United (Garfield, 2017). Passengers then, look for the most convenient and cheapest fares, not which airlines claim to offer the best service. "What the airlines have learned is the customer cares about low prices more than anything else," said Michael J. Mazzeo, an associate professor at Northwestern University who has studied the industry (Maidenberg, 2017). Hence, scandals aside, consumers think more with their wallets than their hearts (Piacenza, 2017).

Furthermore, Joachimsthaler states that the strong reaction to the video was due, mostly because travellers could identify themselves with mister Dao even if they hadn't personally been dragged off a flight. The video taps into consumers' growing dissatisfaction with airlines' declining service standards, evident in their charging additional baggage fees or overbooking flights (Garfield, 2017). He additionally asserts that the issue does not relate to the overbooking

situation but to righteous bullying as he expresses how he believes that most people have been in a way or another bullied by airlines. In this case, the airline bullying not only went way out of control, it also happened with an airline that has a history of real customer-service problems. It is an issue that has come to the forefront of travellers' minds.

On the other hand, Seth Kaplan, a managing partner of airline industry disagrees with this view and emphasizes the fact that travellers care mostly about the price where he states: "People book on price and schedule and they don't necessarily believe what happened to Dao would happen to them" (Piacenza, 2017).

Finally, coining once more Jung et.al (2019) where the public and the media have a short attention span as the interest in corporate scandals tends to burst in the first few weeks, and then disappear once attention is diverted to other events and does not stay long within people's memory. A morning consult pole 3,292 Americans months later shows the United scandal flew out of people's minds.

As we attempt to answer our research question of how do corporate scandal echoe in social media and its effect on the business world? several conclusions can be taken we the two high profile cases used as they will be now jointly compared.

Firstly, both demonstrate us that social media is quite an enabler of information diffusion which allows people to connect, interact, produce and share content (Lewis, 2010). This quite since the rapid diffusion of smartphones and mobile devices facilitates the access to social media through applications (i.e., apps) and direct interfaces, often without going through a web browser (Carr et. Al., 2015). Therefore, individuals can share knowledge, entertain one another, and promote dialogues among different nations (Tiago & Veríssimo, 2014) and can do so, from different devices at any time, anywhere (Treem et. al., 2016). Thus, through social media, users and customer's debate over certain products/ services offering constant feedback regarding their preferences, their dislikes and their recommendations. Frequently, customers use social media to engage in discussions about companies' products and services (McCarthy, 2017). Therefore, giving the corporations' valuable information on how to adapt to their consumer's needs and wants (Zavala & Ramirez-Marquez, 2019). These interactions at a fast pace were exactly what occurred once know both the Dieselgate and United Airlines scandals, where through social media, or more specifically Twitter, a free website and application which englobes on of the biggest user network (Antonakaki et. al., 2021) harbouring a massive dimension and importance respecting user interaction and information dissemination where its users send and receive short posts called tweets (up to 140 characters by when both scandals occurred) and include photos, videos and URLs. A lot of activity on Twitter involves the use of

hashtags. A hashtag is a word that is presented with a hash (#) character. These words are indexed separately and users can explore the platform to find tweets with specific hashtags. These are handles used to aggregate tweets about the same subject (Antonakaki et. al., 2021). With this and, by retrieving information related to both these cases by selecting the hashtags: #Dieselgate; #Volkswagen; #UnitedAirlines; #Passenger and after removing bots (Social bots being a computer algorithm that automatically produces content and interacts with humans on social media, trying to emulate and possibly alter their behaviour (Ferrara et. al.,2016) it can be confirmed that the amount of information retrieved is indeed massive, where the tweets retrieved amounted to the thousands and portrayed a significant picture of what was being discussed and the emotions felt upon the scandal's discovery.

The negative extent to the feedback provided on both corporate cases has been duly analyzed but summarily for the Dieselgate case, there was a clear outrage where Twitter's users clear demonstrated disbelief for the lack of environmental care from a company which was recognized and gloated its sustainable leadership and CSR policies. Regarding United, a clear incredulity on the abusive handling of a passenger and how the airline should be boycotted for its ludicrous customer service.

Hence, the recollection of the sentiment data which is publicly accessible provided a clear visualization on how, in fact, people were reacting to these wrongdoings. The matrixes did not portray an unexpected revelation but truly confirmed how society condemns and expects corporations to be held accountable for their unethical actions. Here surfaces the societal pressures and expectations for enterprises to act accordingly as an active member of society. With this, both enterprises were substantially harmed by these scandals and we believe that the information shared on social media and more specifically, Twitter, took a great part in this damages as it was a great enabler for the debate and reaction around both these scandals. Exemplifying, the hashtag #Volkswagen was a part of around 1.3 million tweets (without the social bots removed and including re-tweets) the week that followed the discovery of the scandal and the hashtag #UnitedAirlines was mentioned around 1.5 million times (without the social bots removed and including re-tweets) solely on the day after the video of the passenger removed was made public.

Consequently, the proliferation of information and reactions relevant to both these cases which becomes accessible at a worldwide scandal and spreads instantaneously through social media communities as it did on Twitter creates a sceptical environment around these events. Social media more than ever, provide a means for public debates around certain subjects. For both these scandals, the reaction was indisputably negative. This adverse reaction was

noticeable on one case as well as the other as investors regarded with uncertainty as the scandal unfolded in a continuous and unfortunate course of action. Recapitulating, stock prices plunging and loss of market value. For VW a 20% plunge in stock price and 1,06% in market value and for United Airlines, a 4.3% drop and over 1 billion loss in market value. These impacts go hand in hand with the negative backlash suffered for both corporations on social media.

What arisen as astonishing and took place in both corporate cases, which does not follow the unfavourable feedback provided by the Twitter extraction and Leximancer matrixes, was the fact that consumers did not cease their purchases in regards to VW group's vehicles and flights through United Airlines. In reality, VW's group sales achieved record group sales in the year after the scandal and so did United Airlines, with a considerable increase in sales when compared to the previous year afore the scandal.

CHAPTER 6: Conclusions, Limitations and Future Research

This research papers intended on determining what is the role of social media on the business world through using two real corporate cases and their exposure on social media, more specifically on Twitter and, ascertain whether this translated in loss to some extent for both these companies.

The findings showed us that for both corporate cases, the reaction on social media was, fundamentally and without surprise, negative. For the Dieselgate case, the user's concern's varied from the environmental impact caused by the rigging software directly linked with climate change as VW was a great actor in injuring the environment's wholeness to the total loss of trust in the enterprise as its name became associated with fraudulent behaviour which was highly condemned by Twitter's users. Furthermore, with regards to the United Airline case, the Leximancer output portrayed a picture of disbelief by the occurrence of David Dao's removal where Twitter's users manifested incredulity by the measures taken by the American corporation and, demonstrated fear in using the airline's services. This sentiment escalated to the desire of boycotting this enterprise.

The exposure of the sentiment data provided, as discussed previously, clear visualization of how, in actual fact, people were reacting to both these corporation's misconducts. The Leximancer output did not exhibit unforeseen results but truly confirmed how society condemns and expects corporations to be held accountable for their unethical actions. Both enterprises were substantially harmed by these scandals and we believe that the information shared on social media and more specifically, Twitter, took a great part in this damages as it was a great enabler for the debate and reaction around both these scandals. It then created a sceptical environment where stakeholders were made constantly aware of both event's developments and what was the overall sentiment. Thus, both demonstrated that social media is indeed an enabler of information diffusion which allows people to connect, interact, produce and share content (Lewis, 2010). Therefore, individuals are able to share knowledge, entertain one another, and promote dialogues among different nations (Tiago & Veríssimo, 2014) and can do so, from different devices at any time, anywhere (Treem et. al., 2016). Thus, through social media, users and customer's debate over certain products/ services offering constant feedback regarding their preferences, their dislikes and their recommendations. Frequently, customers use social media to engage in discussions about companies' products and services (McCarthy, 2017).

The negative reactions to what we can call corporate scandals reflected accordingly on both enterprises stock price. Respectively, for VW a 40% plunge in stock price and 1,06% in market value and regarding United Airlines, a 4.3% drop and over 1 billion loss in market value. However, what did not follow the unfavourable feedback provided by the Twitter extraction and Leximancer matrixes, was the fact that consumers actually did not halt their purchases in regards to VW group's vehicles and flights through United Airlines. In reality, VW's group sales achieved record group sales in the year after the scandal and so did United Airlines, with a considerable increase in sales when compared to the previous year afore the scandal. Referent to the Dieselgate case, authors (Henessy, 2015; McAleer, 2016; Jung & Sharon, 2019) propose that for most car buyers, the inclusion of eco-features only took a small part in their decision making so the fact that VW was rigging their emissions systems, would not pose a constraint in determining to buy from this car-maker or not. Alongside, they have also proposed that the public has a short attention span which is easily diverted to other on-going topics and does not stay long within people's minds hence, the recollection of the scandal and its association with the brand easily faded away. As per the United Airlines case, we can as well assert that the scandal was easily forgotten (Jung et. Al., 2019). A pole made by morning consult ascertained that the events which took place in April 2017 swiftly flew out of people's memory. Furthermore, when it comes to flying, customers normally decide to select the airline which offers the best price and overall, consumers did not necessarily believe that the event that took place could happen to them (Piacenza, 2017).

Limitations to the study include the fact that from the sample collected we could not discern what type of users were debating both the presented corporate cases. In addition, the fact that only English tweets were selected provided a smaller sample than if several other languages could be analyzed and thus provide richer matrixes. This study only focused on two particular corporate cases, thus it does not allow us to generalize our conclusions for similar occasions or events.

Despite the above-mentioned limitation present in this study, the research made thus far can be used as a basis for future research on similar topics and contribute to obtaining superior and feasible results.

Firstly, the sample choice can be larger by analyzing several languages to collect richer results. The selection of the social media platform could also be altered or some others could be added to then get a clearer picture of what is being discussed by its users. The selection of cases could be made outside of the European and United States sphere to understand whether the range of public debate would be as relevant as the ones selected.

Overall, it is believed that Social media is becoming increasingly more relevant than ever as it plays a significant role in the majority of people's life. Therefore, if it is an accessible means to promote debate for an infinite number of topics it should be accounted for in the business world and this study has provided with substantial grounds to further explore this topic.

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