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Writing Assignment: Crisis Communication

On Jan 13, 2012 the Costa Concordia cruise ship hit a rocky outcrop off the coast of the Italian island Giglio with 3,206 passengers and 1,023 crew onboard (Costa, 2015). The rocks punctured a hole on the left-hand side of the ship causing the Costa to take on water which led to flooding in the engine rooms and power outages (Costa, 2015). The crew did not assess the situation properly and relayed information to the passengers and Italian authorities that downplayed the seriousness of the situation (Costa, 2015). More than an hour after the collision, the captain finally gave the order to abandon the ship; both the captain and second master abandoned the ship while around 300 passengers were still trapped on the sinking vessel (Costa, 2015). A total of 30 people died and two remain missing due to the shipwreck (Costa, 2015). Captain Francesco Schettino, who admitted to making a navigational error, was arrested and charged with multiple counts of manslaughter and of abandoning the ship before all of the passengers were brought to safety (Costa, 2015). The Costa Concordia was operated by the company Costa Crociere, which is a subsidiary of Carnival Corporation (Costa, 2015). Carnival Corporation was ineffective at managing the Costa Concordia crisis for the following reasons: first, offering a discount to the passengers for their next Costa Cruise as an initial compensation made it seem unsympathetic and out of touch with the plight of the victims; second, the CEO, Micky Arison, was not physically present at the forefront of the crisis, which displayed a lack of concern from chief company officials; and third, Carnival put a large amount of blame on a single person, the captain, thus not taking proper responsibility and detaching itself from its employees.

Carnival Corporation was ineffective at managing the Costa Concordia crisis because by offering a discount to the passengers for their next Costa Cruise as an initial compensation made it seem unsympathetic and out of touch with the plight of the victims. Rumors spread that Carnival first offered the surviving passengers 30% off their next Costa cruise, which appeared extremely insensitive after these passengers just went through a traumatic experience on that cruise line (Bhasin, 2012). Carnival is a multibillion dollar company, so the 30% discounts offered were meagre coupons in comparison to the huge tragedy that victims and their families faced due to the shipwreck. It was not until after Carnival received complaints from both passengers and the general public that Carnival announced the compensation package it planned to give the passengers: each passenger received \$14,500 in compensation plus the cost of travel and a refund for the cruise (Bhasin, 2012). In his article “Crisis Management and Communications,” Timothy Coombs states that crisis experts recommend that managers should express concern and sympathy for any victims of the crisis in their initial response (Coombs, 2007). Coombs states, “Expressions of concern help to lessen reputational damage and to reduce financial losses (Coombs, 2007, p. 5).” Even though Carnival may have expressed words of sympathy for the victims in initial statements, the 30% discount offered to them served as a symbol that made Carnival officials seem out of touch with the plight of the victims and insensitive to the trauma the passengers experienced in the Costa Concordia’s collision.

Carnival Corporation was ineffective at managing the Costa Concordia crisis because the CEO, Micky Arison, was not physically present at the forefront of the crisis, which displayed a lack of concern from chief company officials. Following the shipwreck, Arison only publically surfaced through a few messages on Twitter and a short statement, but did not appear in person to address the public in press releases or at press conferences (Bhasin, 2012). Arison did not

release a statement expressing his condolences to the families affected by the shipwreck until four days after the crash, and he did not fly to the scene of the disaster; instead he waited two weeks before sending an executive there (Booton, 2012). Many observers criticized Carnival for its absence in the aftermath of the accident, saying that officials should have been visible from the beginning of the crisis management (Booton, 2012). When a company is facing a crisis of this magnitude, the CEOs and executives need to be present and transparent to the public from the start. Jim Walker from Walker and O'Neill Maritime Lawyers stated, "Although the physical presence of corporate executives at the scene of a mass disaster may be largely symbolic, such visual images are important to demonstrate the corporation's attitude of concern and compassion (Walker, 2012)." An in-person, visual image of a leader addressing a crisis to the public reassures people that the company is committed to resolving the crisis and ensuring that something like it does not occur again. Coombs describes that when a crisis occurs, an information vacuum is created and the news media will fill this vacuum with information (Coombs, 2007). It is best when the top management and executives speak to the news media to ensure that other people do not start filling this information vacuum with inaccurate information that will further hurt the company's reputation. By hiding from the public, Micky Arison made himself appear detached and unconcerned with the crisis and the suffering of the victims.

Carnival Corporation was ineffective at managing the Costa Concordia crisis because the company put a large amount of blame on a single person, the captain, thus not taking proper responsibility and detaching itself from its employees. The Costa Concordia disaster was Carnival's worst-ever wreck, so it was irresponsible of the company to blame the disaster on a single individual, even if that individual admitted to making mistakes. Concordia Captain Francesco Schettino claimed that his "human error," as the company called it, in sailing close to

the shoreline was actually condoned by the company for promotional reasons (Booton, 2012). In “Reputation Warfare,” Leslie Gaines-Ross states, “Employees who share their company’s vision and values are its natural allies and most believable voices (Gaines-Ross, 2010, p. 74).” Coombs also emphasizes that the crisis team needs to share information so that different people throughout an organization can still convey a consistent message (Coombs, 2007). In a time of crisis, companies should not be detached from or at odds with any of their employees; the company should be unified throughout the entire line of command. Having the captain of the ship at odds with the corporation and the corporation’s message led people to speculate what the truth was and lose trust in the company. Carnival should have taken more responsibility for the tragedy instead of placing the majority of the blame on the captain, putting the company at odds with its employees.

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