

## Feedback nightmare: Organisational communication reactions to digital critic exposure. A view on some Portuguese cases (2011-2012)

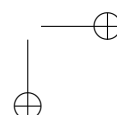
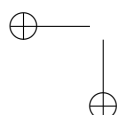
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**Abstract:** The national and the European economic crisis has plunged Portugal in a difficult situation aggravated by consecutive down ratings of the country's economy and IMF's demanding objectives, resulting in more austerity measures, cost of living raise, salary cuts and a growing unemployment rate. Such conditions put an extra pressure to the everyday life that seems to have found in the digital world a platform for active criticism, a quick and right to the point response often based on what seems to be a patriotic sentiment against the intrusiveness of hard economic measures. Powerless to fight back in equal terms, consumer-citizens are empowered by easy access technology and appear to be eager to express their discontent in the digital world.

This paper will focus on three Portuguese organizations: President Cavaco Silva, after a comment on how his pension was hardly enough to pay his costs; FNAC, after airing an exchange books campaign that appealed to the abandon of allegedly boring Portuguese classic authors for more updated international literature; Pingo Doce, the main retail corporation in Portugal, after the announcement of the transfer abroad of the majority of its capital. We will analyse each case from the starting point that motivated reactions, the speed and type of reactions it caused and how organizations reacted to them. The choice of these cases intends to understand if there is a common trait in different profile institutions behaviour and to observe how are organizations dealing with unwanted, unforeseen and extremely exposed critic reactions to their communication in the digital platforms, namely in social media.

**Keywords:** strategic communication, feedback, participation, consumer-citizen, social media, empowerment.

*Organisational and Strategic Communication Research: European Perspectives, 95-110*



**P**ORTUGAL is a country immersed in a deep crisis. Economical, financial, political and social difficulties have always been part of the Portuguese everyday and as Portuguese are known for their inventive capacities under challenging environments<sup>1</sup>, surviving harshness has become part of the country's culture. Although some might judge living in crisis as a structural condition – one of the most respected, sharp and snappy comic commentators described this as “The country, we all know it, is going through hardships and is not good. But as the crisis has been lasting only for the last 800 years, everyone expects it to be a mild disease.” (Pereira, 2007:137)<sup>2</sup> — the situation seems to be aggravated in the last few years, especially after the economic and financial crisis became official in 2010 (BBC, 2012).

In the Spring of 2011, Portugal became the third Eurozone country to seek European Union financial assistance and a bailout package was approved to cope with high public debt levels (Steinhauser, 2011). Together with it, Portuguese received even more austerity measures, several downgrades of the country's debt by rating agencies (Jolly, 2011; Smith, 2011), salary cuts and heavy tax raises. Economic, political and social crisis aggravated as unemployment growing rate became the third in Europe, only preceded by Spain and Greece, putting an extra pressure in the everyday life and resulting in a wave of rallies, demonstrations and general strikes.

In this context, the digital sphere proved to be a popular set for feedback from the population, as well as the streets. Providing a fit tool for quick to the point response the digital complies as platform for active criticism. Powerless to fight back institutions in equal terms, consumer-citizens are empowered by easy access technology and appear to be eager to express their discontent in the digital world.

We will discuss how this criticism seems to be supported by a patriotic sentiment against the intrusiveness of hard economic measures, imposed by foreign institutions, and how Portuguese consumer-citizens took over the reins of the digital communication, regarding sensitive matters and institutions. The aim of this paper is to observe and analyse this phenomenon by asking the

<sup>1</sup>“Desenrascar” is a typical Portuguese attitude that can be translated as “muddling through”.

<sup>2</sup>Approximate translation by the authors. Original quote: “O país, sabemo-lo todos, passa por dificuldades e não anda bom. Mas como a crise só dura há 800 anos, toda a gente espera que a maleita seja passageira.” (Pereira, 2007:137)



main question: **how do organisations deal with extremely exposed critic reactions in social media?**

The corpus of our study being this broad context, we will be focusing our analysis on three main cases, featuring diverse natures, motivations and organisations:

- **The President's Income:** featuring the reactions to a comment of Portugal's President, Aníbal Cavaco Silva, on how his pension was hardly enough to pay his bills.
- **FNAC Book Exchange:** featuring the reactions after airing an exchange books campaign that appealed to the abandon of allegedly boring Portuguese classic authors for more updated international literature.
- **Pingo Doce flees abroad:** featuring the reactions on the announcement of Pingo Doce's – main distribution corporation in Portugal –, majority capital transfer to Holland to avoid high taxes.

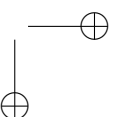
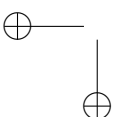
By choosing these cases we intend to observe if there is a common trait in different profile institutions behaviour. Furthermore we will try to understand how are organizations dealing with unwanted, unforeseen and extremely exposed critic reactions to their communication in the digital platforms, namely in social media.

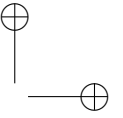
Each case will be analysed from the starting point that motivated reactions, the speed and type of reactions it caused and how organizations reacted to them.

## On the relevance of feedback

Feedback has a recognised and important role on communication, both operationally and symbolically.

In the functional approach, feedback works as a warranty of the technical quality of communication. Being assessed as a performance element of the communication process, feedback serves as a tool to calibrate the communication channel. By sending back to the sender a returning signal it confirms the communication efficiency.





Yet, feedback definition does not confine only to the technical universe of communications. More organic and vivid, the neurological approach of feedback, for instance, enhances its importance in setting standards and communication procedures in order to obtain more efficient and selective responses, thus generating predictable reactions and better communication.

To interact with the environment efficiently, the nervous system must generate expectations about redundant sensory signals and detect unexpected ones. Neural circuits can, for example, compare a prediction of the sensory signal that was generated by the nervous system with the incoming sensory input, to generate a response selective to novel stimuli. (Marsat & Maler, 2012)

On the symbolic, political and social level, feedback has always been valued as “the voice of the people”, with all the representational and participatory connections it implies in the Western democratic cultures. Feedback has a legitimacy role in democracies, a value-added attribute in the media system, a priceless value in strategic communication. In all of these sectors feedback is a warranty of value, a proof of quality and even stands to some extent as a legitimacy stamp.

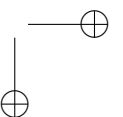
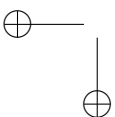
In the last few years, due to the communication paradigm shift, particularly in strategic and organizational communication, from one-to-many to one-to-one and from a top-down to a multilevel and networked communication, feedback has regained its protagonist role.

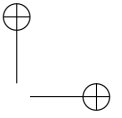
Due to its recognized importance we will analyse the reactions of the consumer-citizen feedback to the following cases.

## Case 1 – The President’s Income

### Event

20.1.2012 – In a public opening, the president of Portugal, Aníbal Cavaco Silva, vents that his income (retirement pension) is not enough to pay his expenses. (Luz, 2012)





## Impact

Besides immediate intensive media coverage, this declaration, spoken almost in the tone of a confiding speech, led to a thorough scrutiny of the president's income sources, based on the obligation of all public office holders to deliver an annual declaration of their income and assets to the Constitutional Court. This scrutiny exposed a more than average full income, composed of various sources, and generated a blast of disapproval by comparison to the people who have to live with significantly lower wages, namely the minimum wage.

The cloud of protests became so thick that eventual and potential positive facts of the President's financial life were utterly ignored. The fact that Prof. Cavaco Silva gave up receiving monthly a lifetime grant, that he was entitled to for being Prime Minister between 1985 and 1995, was not given special attention (Costa, 2012).

## Feedback

Intensive and extensive social media 'buzz' was generated: the Facebook president's page was literally flooded with negative comments and several political blogs became platforms to disseminate criticism to the president's attitude.

Ironic and creative critics overwhelmed the digital sphere: a Facebook page for funding the president in order to help him with his expenses<sup>3</sup>; the organization of a solidarity walk, where participants were invited to bring one euro to the presidential palace; a "Help Cavaco to pay his expenses" merchandising collection and even an online game where the president has to catch bills but no coins were some of the highlights.

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<sup>3</sup>[www.facebook.com](http://www.facebook.com).

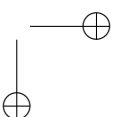
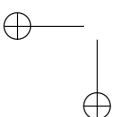




Image 1 “Could you be so kind to help Mister President” Funding Campaign (Canal Q, 2012)



Image 2 – “Bring a coin to Cavaco” march (S/N, 2012b)



Image 3 – “Help Cavaco to pay his expenses” merchandising (Cão Azul, 2012)



Image 4 – online game “Missão Cavaco Silva” (Nogueira, 2012)

Crowning this movement, a petition demanding the president’s resignation hit the online world on the 21<sup>st</sup> January 2012, reaching 4000 signatures in 48 hours, and entering the Assembleia da República, the national assembly, with more than 40 000 signatures in March, in an unprecedented participated event. The relevance of the numbers stand out as one blogger’s comment puts it.

It is not a "like" on FB, you must leave BI, full name, mail. Is not a simple impulse. But you never saw anything like this, this hourly growing number of Portuguese who sign a petition.<sup>4</sup> (Cardoso, 24.1.2012)

<sup>4</sup>Our translation.

Notwithstanding the practical results of such a petition may be little less than symbolic<sup>5</sup>. There were no consequences beyond image and reputational damage as the assembly has no power to dismiss the President. Nevertheless, on the 24<sup>th</sup> of January police was forced to prevent demonstrators, mostly retired pensioners, to leave charity offers of food and spare dimes in the presidential palace in an ironic public effort to show solidarity with the President (Ames, 2012) and in May there was still one Vigil organised in front of the presidential palace spreading the event in time.

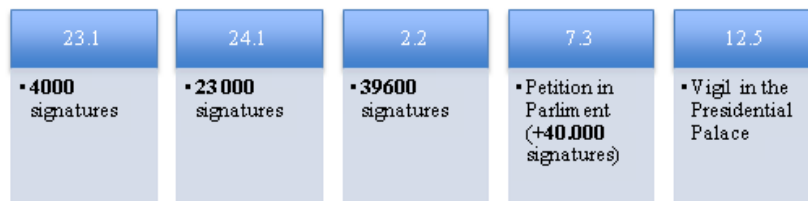


Figure 1 – Online Petition 21.1.2012 timeline (2012)

## Case 2 – FNAC Book Exchange Campaign

### Event

26.1.2012 – “Culture renews itself” was the general title of a book exchange campaign launched by FNAC<sup>6</sup>. The action intended to promote a campaign for exchanging old books, CDs and DVDs for new ones focused on a win-win mechanics: for each old book delivered costumers received a five euros voucher to buy a new one. The campaign insight had a social responsibility framework: the used pieces collected would be donated to AMI – Associação Médica Internacional, one of the most recognized Portuguese non governmental organizations.

<sup>5</sup>The actual impact of this petition went no further than the registration in the national assembly, but its symbolic value was recognised by the media.

<sup>6</sup>International entertainment and culture retail chain founded in the fifties as a discount offering for managers, under the name Fédération Nationale d’Achats des Cadres. <http://www.fnac.com>.





The creative insight was based on the dichotomy “classic *vs* light” literature, assuming the first was heavy, out of date, boring and the latter new, fashionable, enjoyable. The campaign attention catchers bet on phonetic games to connect with the public.

The example “Exchange ‘Os Maias’ for Meyer.” was paradigmatic. Similar sounds and spelling reinforced the counteracting of a 19th century Portuguese literature classic by Eça de Queirós, considered a social and political critic work of art, filled with irony and, with Stephanie Meyer’s contemporary teenage success series, the vampire novel “Twilight”. The alleged benefits of the exchange were made obvious to the public. But the reaction was not the expected one.

### **Feedback**

Instead of directing crowds to the shops to exchange old books for new ones the campaign generated a wave of patriotic indignation spread throughout social media: FNAC’s Facebook page was literally invaded with negative comments and a wave of brand subvertising pieces generated as a reaction.

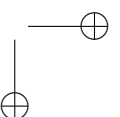
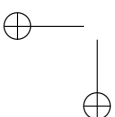




Image 5 – Subvertising example  
“Swap FNAC for a good old traditional bookshop”

### Organization reaction

Four days after the campaign’s launch, FNAC issued an apology note on Facebook, explaining the campaign concept and referring that it was never meant as an attack to Portuguese culture and literature. The next day, on the 31.1.2012, that specific line of the creative insight was banned and the campaign was carried on as planned until 15.2.2012.

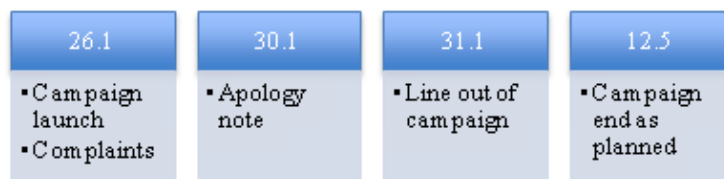


Figure 2 – FNAC exchange campaign timeline (2012)



### **Case 3 – Pingo Doce’s capital transfer (2011-2012)**

#### **Event**

2.1.2012 – The biggest supermarket chain in Portugal (370 shops) announces the transfer of the majority (56,1%) of its capital to its subsidiary in the Netherlands. This fact became public because of the mandatory declaration to the regulatory body (Comissão de Mercado de Valores Mobiliários – CMVM) on the last days of 2011 (Lusa/Público, 2012).

#### **Impact**

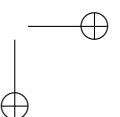
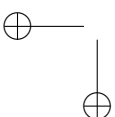
Intensive media coverage in primetime, buzz in the traditional media and notorious activation in the social media were visible in this case.

On the 4<sup>th</sup> January 2012 criticism took off the digital and media sphere to be discussed in the Assembleia da República, the Portuguese Parliament, with denouncing interventions from both left (PCP, Bloco de Esquerda) and right (CDS).

On the 13<sup>th</sup> January, the Prime Minister himself included the matter in the fortnightly debate in the Parliament referring the need to clarify Pingo Doce’s case and reassuring that the authorities were analyzing all fiscal aspect of the operation in order to obtain a more objective and comprehensive perspective of the facts (Lusa, 2012).

#### **Organization reaction**

4-8.1.2012 – The nominated CEO of Jerónimo Martins, Pingo Doce’s corporation group, issued a press release to clarify what he named “serious untruths”. This document was distributed to costumers as a leaflet in all Pingo Doce supermarkets and noted that the company was a source of employment and productivity in Portugal. Furthermore it stated that the social headquarters and fiscal address would be maintained in Portugal, that all obligations of Pingo Doce to the Portuguese state would be kept as usual and that the group would go on contributing socially and fiscally to the country’s development. (Meios & Publicidade, 2012). The document ended with a note declaring “anything that you ear or read opposite to what we hereby declare, should



be considered, beyond any reasonable doubt, fake and/or demagogic.” (Lusa, 2012)<sup>7</sup>

### Feedback

Social media impact generated, among others, one Facebook page exerting to boycott shopping in Pingo Doce and another page demanding a Dutch salary for all Pingo Doce’s workers and several examples of the Pingo Doce’s brand subvertising. Most criticism focused on fiscal evasion and expressed a patriotic sentiment toward what was felt as a betrayal to Portugal and its values.

Subvertising enhanced also identity and self-representation issues, both as consumer-citizens, *vis a vis* to brands, corporations and economic and political institutions and as a nation, *vis a vis* to Europe and its institutions.

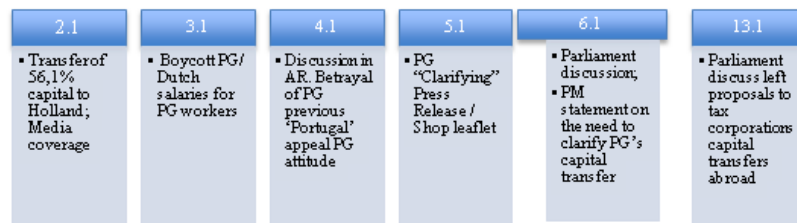


Figure 3 – Pingo Doce flee abroad timeline

<sup>7</sup>Our translation.



Image 6 –Pingo Doce subvertising example 1: "It tastes good to pay so less taxes"(2012) (Martins, 2012)



Image 7 – Pingo Doce subvertising example 2: Pingo Doce abandons the sinking ship of Portugal to find a safe harbour in Holland (2012) (S/N, 2012a)

## Final Notes

Albeit representing different types of organization, institutional communication and feedback reactions, all cases exposed revealed common traits as they all generated patriotic claims. Furthermore was possible to observe that publics seem to be more sensitive and prone to express themselves in a context of change and/or crisis and this seems to affect the impact of consumer-citizen participation, leading to more media and institutional impact.

In all cases feedback management proved to be critical to the crisis overcome and it can be positively capitalised to the organisation — after suspending the sensitive line, FNAC's Facebook page received several positive com-



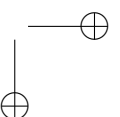
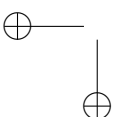
ments praising the organisation attitude — therefore confirming best practice recommendations: quick response; positive dealing with comments; never ignoring or trying to censor antagonism.

It was also possible to observe, as noted by other authors, that crisis can be triggered by minor events. The cases studied highlighted also that organisations are vulnerable to consumer-citizens instrumental empowerment to criticize *status quo*. These conclusions lead to recommendations that organizations should be particularly context conscious in crisis environment and prepare alternative agendas to deal with unforeseen consumer-citizen feedback.

As a final note and possible clues for further research we would like to highlight two issues. On one hand the cases analysed demonstrate that economic, political and social crisis expose imaginary, symbolic, intangible values of “Portugality” in distress. On the other hand all cases reveal that virtual criticism may not have real consequences but it is symbolically meaningful and might affect organizations image and reputation in unprecedented dynamics.

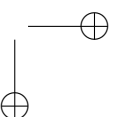
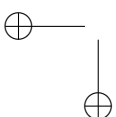
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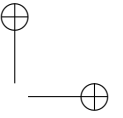
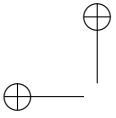
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