Teaching Note

The #DeleteUber Social Media Storm: Corporate Reputation in an Era of "Alternative Facts"

Overview

In January 2017, President Trump issued an executive order that banned refugees and immigrants from coming to the United States from Chad, Iran, Libya, North Korea, Somalia, Syria and Yemen. In response, the taxi union in New York City organized a one-hour protest by refusing to transport passengers from John F. Kennedy International Airport in support of those being denied entry into the U.S. Shortly after the strike, Uber tweeted, "Surge pricing has been turned off at #JFK Airport. This may result in longer wait times. Please be patient" (Feldman, 2017, para. 2).

Despite the fact that the tweet was sent *after the strike was over*, a Twitter user noticed Uber's tweet and believed the company was trying to capitalize and gain business during a political protest and break a strike. This tweet used #DeleteUber to ask users to boycott the company by deleting its app. The tweet quickly went viral and within a week, at least 200,000 people deleted their Uber accounts (Carson, 2017).

The #DeleteUber crisis exemplifies how corporate reputation, values, and social activism can affect a company's bottom line and customer loyalty, as well as boost a competing company's customer base and profits. Additionally, corporate reputation fueled the general public's social media response and perpetuated "alternative facts," which meant what the public *believed to be fact* was not factually accurate.

Purpose of Case Study

Social media and the current political climate has forced companies and brands to take a position on social issues. Some companies are proactive and release campaigns and communications strategies that showcase the brand as a company that stands for or against something, especially when it relates to politics. In the #DeleteUber crisis, both companies failed to proactively position its brands for or against the travel ban, despite the fact that both CEOs released statements on their personal social media accounts.

During the #DeleteUber events in response to President Trump's travel ban, social media users turned on Uber, despite the fact that the claims and accusations made *were not actually* accurate. This case study exhibits how a heavily divided and heated political issue that is debated among social activists, specifically on social media, can impact a company's bottom line simply because of its

corporate reputation and whether or not social activists feel the brand is positioned on the "right" side of the issue.

Key Issues
Corporate Reputation, Social Activism, Reputation Management, Social Media, Crisis Communications

Application of Page Principles

1) Tell the truth.
By Uber cultivating a corporate reputation that revolved around a party culture and tolerated activities such as sexual harassment, sexual assault, and abuse of power from its leadership, it was impossible for Uber to overcome preconceived notions about its corporate culture. Ultimately, the public did not believe Uber's statement that it did not try to break a strike. In turn, Lyft capitalized on the vulnerability of its biggest competitor and made an official statement before Uber, announcing its ACLU donation.

2) Prove it with action.
Lyft clearly took advantage of the situation by denouncing the travel ban and committing to donate $1 million to the ACLU. There is no evidence that Lyft was associated with the ACLU prior to #DeleteUber, and this charitable act fueled by social activism solidified its corporate character. Uber also backed up CEO Travis Kalanick's initial statements by committing to donate $3 million to its drivers affected by the travel ban. Kalanick also then stepped down from President Trump's Strategic Policy Council. Ultimately, the public did not give Uber any benefit of the doubt based upon its questionable corporate reputation.

3) Listen to stakeholders.
Each company ultimately listened to stakeholders, *just not quickly enough*. Several hours went by before Uber clarified its initial tweet that sparked #DeleteUber. Uber customers and stakeholders were furious that Uber appeared to be strikebreaking and made it known by deleting their Uber accounts. If Uber reacted quicker, it could have avoided such intense backlash. However, Lyft listened to its stakeholders, including Uber customers, and used the #DeleteUber situation as a way to position itself favorably.

4) Manage for tomorrow.
Uber seemingly had no preparation for this sort of backlash. It is hard to say if Lyft would have been any more prepared if they were the targets of a #DeleteLyft campaign. Additionally, Uber did not generate goodwill. Uber's corporate culture made it almost impossible to pull out of the crisis. Lyft used the crisis as a way to generate goodwill and position itself as a company that is socially responsible.

5) Conduct public relations as if the whole enterprise depends on it.
Uber seemed especially inept at recognizing how impactful public relations and communications can be on its bottom line and corporate reputation. Lyft recognized this was the perfect opportunity to devise a plan to position itself as the more favorable company by creating the statement denouncing the travel ban, outlining its values, and donating to the ACLU. Lyft developed a public relations strategy that increased its business and allowed it to gain a greater portion of market share in the United States.

6) Realize an enterprise's true character is expressed by its people.
The public's opinion of both Uber and Lyft heavily depends on the public's image of its leadership. As more news articles were released about Uber's company culture, the public began to doubt the credibility of the company as a whole. On the other hand, after the #DeleteUber social media storm began, Lyft's co-founders penned a blog post denouncing the travel ban and promising a $1 million partnership with the ACLU. This move made Lyft's leadership not only credible with the public, but also pegged them as activist leaders in the industry.

7) Remain calm, patient, and good-humored.
In the face of harsh, public backlash against Uber, both Uber and Lyft remained calm and addressed the criticism in carefully-tailored ways. Both companies attempted to publicly address their stances on the travel ban after the initial #DeleteUber backlash, and both companies announced large public donations to help improve their corporate image.

Discussion Questions
- What should Uber have done immediately after #DeleteUber started trending on social media?
- In what ways did corporate reputation help Lyft and hurt Uber in this particular crisis?
- Do you think Uber's new CEO will be able to change the company culture and alter the course of the company's corporate reputation? Why or why not?
- In this type of crisis situation, what roles do the CEOs of each company have in representing the values of their individual companies?
- What strategic communications do you think both Uber and Lyft could have done differently to better handle #DeleteUber?

Class Activity
Split the class into two groups, forming an Uber communications team and a Lyft communications team. Utilizing the timeline, have the students discuss the communications response starting from the first #DeleteUber tweet as if it were in real time. Guide the discussion by listening to each team's response and then add another element to the crisis - this can be different than actual #DeleteUber events. Students must react and navigate a crisis through corporate communications while keeping corporate reputation in mind. For example, explain that #DeleteUber is trending on social media; how does Uber respond? How does Lyft respond to increased attention? Let the student decisions guide how the in-class crisis unfolds, even if different from actual events. This can lead to a discussion of what actually happened in the case and what each company could have done differently.