

## IMAGE RESTORATION WITH NEW TECHNOLOGY

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### Summary:

The article examines the role played by the corporate website while a company – Arla – attempted to restore an image tarnished by unethical behaviour. The company's strategy focussed on *dialogue*: it introduced a large number of authentic employees in their natural role as cook, dairy farmer, etc., and made them available to readers as experts providing inspiration and advice, or as writers blogging about the world of company, or as responsible people answering readers' frank questions about their practices in an open forum.

It is argued that the electronic platform allowed the company to substitute their image as a faceless monopoly with a humanized, personalised version. However, it should also be questioned if, in the long run, it was the image campaign rather than the visible efforts of the company to behave with consideration that brought about the desired change.

### Keywords:

Image restoration, corporate communication, consumer dialogue

### 1. Introduction

A company with a tarnished image needs to take steps to restore its reputation and win back its customers. In that situation the management of customer relations is clearly more important than brand marketing.

Scholars are now beginning to discuss the contribution of the new technologies to such efforts, with the threats, opportunities and affordances of interactive web resources.

First and foremost the opportunity for instant feedback via e-mail has become standard in many companies, but the website publication of the company's e-mail correspondence, to be shared with other customers, is a controversial issue. While "equality" and "symmetrical dialogue" has become

something akin to a moral good in public relations, as witnessed by the influence of the “Excellence” school of thought (for overview, see Grunig 2001, Grunig *et al* 2002), the practice is mostly applicable to dialogue of the sort held between a company and non-profit organisations where some sort of compromise between opposite interests can be obtained, e.g. over the environment. Most companies would not risk the public washing of dirty linen that symmetrical customer relations involve.

Secondly, the appearance of website diaries has grown into a veritable challenge for some companies; thus the Dell corporation suddenly found itself in a storm after customers had shared bad service experiences on weblogs (Argenti 2006, Beucke - Lee 2005); with their rapid updating and high search engine score, such sites are becoming a guerrilla equivalent to more established websites of resistance movements against particular corporations. Correspondingly, the corporate blog is gaining popularity; presidents and high-visibility managers share their thoughts, often about relations with customers, media, knowledge management etc., thus establishing themselves as experts and frontrunners; they can test ideas and set an agenda without waiting for media to take up their angle (see, for example, Wackå at [www.corporateblogging.info](http://www.corporateblogging.info)). If they are entertaining or interesting enough, they get customers to “spend more time with the brand”.

But while this immediate access is an important window of opportunity for writers whose voice is that of the company, it is, by the same token, also a potential threat if writers other than the owner or president start blogging; Ihator sees the new technologies as “putting an end to homogenized corporate voice, and creating an opportunity for information sharing”, as it empowers employees to bypass the hierarchy and go directly to the audience (Ihator 2001: 201).

In continuation of this discussion, this chapter analyses the use that interactive resources were put to in the image restoration campaign of a major Danish company, and what happened to the “homogenized corporate voice”.

The chapter argues that an open channel for feedback is evidently a good idea, but that in this case, the innovative use of the web resources had to do with photographs, film clips and blogs that featured the company’s own employees. The breakthrough came because the public could interact with *real* people, which in this case meant a number of company representatives other than the CEO. The organisation managed to dissolve the image of a cynical, uncaring and faceless monopoly into a web of people. The direct channels gave a sense of hardly any mediation, and it made it possible to introduce the organisation to readers through portrayed, named and articulate individuals who looked like, and sounded like, any normal customer, and who held jobs they cared for. They could be trusted and related to.

This is a feat both of public relations in general and of customer relations management in particular, but it does raise a few questions about the efficacy of web resources that will also be addressed.

## **2. The case: the dairy company Arla Foods**

The Arla Foods Group is Europe's second largest dairy company, a co-operative owned by Danish and Swedish milk producers. Denmark has a long history of dairy production and export, and also a long history of co-operatives. Village dairies were established by farmers joining forces, and eventually the regional dairies merged to meet demands for quick transport, delivery etc. The dairy export flourished, and the largest of the dairy companies, then called "Danmark", was a source of national pride. Its marketing ambassador, the innocent red-and-white chequered cartoon cow "Karoline", was shown on recipe books and milk cartons and generated universal goodwill. Importantly, milk was a so-called "invisible brand"; while there was probably some local loyalty to local dairy produce, milk was just something that got delivered.

"Danmark" merged with its opposite number in Sweden, and the new creation, "Arla", grew to have close to 90% of the Danish dairy market, plus a very considerable presence in Britain and several other European countries, with world-wide exports of butter, cheese, etc. But at home, the press started picking up stories of unchecked monopoly behaviour.

First there was a sudden, dramatic price increase for large deliveries to hospitals and institutions – a *faux pas* that was blamed on an inexperienced manager – and then stories leaked about the contracts that stopped small organic dairy producers who wished to leave the co-operative; apparently, they were bound for 25 months, as against the normal 12 months. Not only did Arla make little effort to sell the surplus organic milk, they maintained the sharp price difference and encouraged a return to industrial production to get rid of over-production, and they also made it prohibitively expensive for the farmers to leave the dairy co-operative. Letters to newspapers and generally unfavourable press coverage presented Arla, the biggest producer of organic milk in the country, as an enemy of organic farming that should be stopped, and legal intervention was rumoured.

Lastly and most importantly, late in 2003 Arla was taken to court for abusing its market position by illegally paying a large wholesaler to remove the products from a small organic competitor from their shelves. The media made much of the underhand methods used by two sales employees to give the wholesaler, Metro, what was called a "marketing subsidy" to celebrate its

40<sup>th</sup> anniversary. The Metro purchasing manager was careless enough to brag about her exploits in an e-mail to a friend: it took her a mere 40 minutes to wring DKK 400.000 out of Arla, in return for which she would kill the new Hirtshals contract at once. Long before Arla was eventually found guilty and fined, the corporate image had suffered badly among consumers, who sided with the gallant underdog.

The media exposure does not figure as a worry in the annual report for 2003 (or indeed later). Milk prices in Europe and the possibility of erosion of agricultural subsidies were a far greater concern, so it was well into 2004 before Arla took steps to solve the problem, establishing a task force of “several hundred people”, according to the press release six months later, with the launch of a campaign to polish up the tarnished image. This study involves the public image restoration period in 2005.

During the spring of 2006 the company ran into a new domestic consumer crisis as a result of their efforts to safeguard their Middle East export in the face of the so-called Mohammed Cartoon Crisis, and consequently the data became too ambiguous to include. It is generally assumed that Arla had regained a great deal of legitimacy at the time, and in fact the second crisis turned out to be short-lived.

### **3. Image and attribution**

Milk is not a high-involvement product, but, critically, “image has a function as choice heuristic in low-involvement decision making” (Christensen – Askegaard 2001). There is also good evidence that consumers who bear a grudge will avoid the product for a long time to come (Aron *et al* 2006). If consumers have a choice and bear a grudge, they will simply pick a different carton off the shelf. Good reputations consist of two emotional responses: we have to like the product, and we have to approve of the company (Fombrun – van Riel 2003). The vast majority of grudges refer to bad experience with a product, but this was not applicable in this case, where little dissatisfaction was voiced about the product. Consumers reacted directly to the corporate image.

Rather than a properly organised activist movement, the resentment took the form of a sharply rising demand for “alternative” milk and cheese from the remaining 30-odd small dairies. It became unremarkable to see a journalist in a Sunday column refer to a text on an Arla carton in apologetic terms (“I’m sorry I can’t say I saw it at my hairdresser’s, it was actually on the breakfast table”), and in at least one car there was a rear window streamer reading “My

fridge is Arla free zone”. By the end of 2004, Arla had lost one in eight customers.

A customer drop-off of this magnitude constitutes a crisis, albeit not a textbook crisis, in the sense that there were no products to recall, no public to keep updated about developments that affected their safety or well-being, and no victims to placate (the on-going court case precluded any remediative action vis-à-vis Hirtshals). The crisis was about legitimacy.

As far as the public was concerned, Arla had caused damage; according to attribution theory (for overview, see Martinko 1995), blame will be commensurate with the amount of responsibility that can be ascribed to the actor, and in this case it seemed that (someone in) the company had acted on purpose. Similarly, blame follows stability of occurrence, and it was not the first time that the company behaved like a cynical monopoly.

In such a situation an actor is called upon to *account*, i.e. to furnish an explanation or justify actions (Antaki 1994, Buttny 1993). Accounting is also a major part of what has become known as impression management theory, where also the proactive steps are included, such as “bolstering”, i.e. referring to one’s own good qualities to lessen culpability (Rosenfeld *et al* 2002).

Starting from these theories, Coombs and Holladay (2002) isolate three clusters of crises that should receive different responses: those where the crisis-stricken company figures as co-victim, those where the crisis is due to an accident (no intent involved), and those that are “preventable”, where the actor knowingly violates laws and regulations. Thus performance history together with perceived intent made this a crisis where blame was to be expected.

The substantial work done by both Coombs and Benoit and their colleagues outlines a number of possible responses, suitable for different perceptions of responsibility (Benoit 1995, 1997, 2004; Brinson – Benoit 1999; Coombs 1999, 2002; Coombs – Holladay 2002, 2004). In this case, however, speakers on behalf of the company seem to have used all available categories over a period of time. Following Coomb’s nomenclature, such responses include:

1. *Non-existence*: “We did not do it” (denial, clarification, counter-attack)  
Arla maintains that they have merely given the wholesaler Metro a marketing subsidy in connection with their anniversary campaign, which is legal and normal.
2. *Distance*: “We did not know” (excuses, justifications)  
Arla maintains (and the court upholds the claim) that no managerial decision or intent could be documented, and thus the two salespersons who linked the subsidy with the exclusion of the competitor must have acted alone. As for producers of organic milk, policy is simply following market logic.

3. *Ingratiation*: “We are not like that” (bolstering, praise for Other)

Arla starts a drive to become useful to consumers by helping out with problems and being seen to be responsible in social matters. Arla prepares the quality manifesto “The Arla Farm”.

4. *Mortification*. “We are sorry” (win forgiveness, remediation)

Arla takes steps to be seen to work with small dairies, e.g. in advertising organic milk regardless of provenance, and prepares a large ethical manifesto, “Our responsibility”, covering, among other things, contract relations with co-operative members and animal welfare.

5. *Suffering*: “We too are a victim” (win sympathy)

Arla stresses their difficult position in the European market and claim that their declining market share is (also) due to supermarket import of cheaper German milk. This, in fact, becomes an anchor in the sought-for new image: Danish dairies, together, facing up to the challenge of the big neighbour.

In sum, Arla faces the following challenges: they have a backward-looking need to *account*, i.e. to justify their actions, a forward-looking need to *divert* attention from the misdeeds, and a present need to *substitute* a new image. The web is an indispensable tool for changing the public’s view of the past, and shaping their interpretations of future actions (Tucker – Melewar 2005).

#### 4. The response

Arla’s task force and the heftily enlarged new communications department selected the keyword “dialogue”. Thus the press officer is quoted in an interview after the Hirtshals verdict as saying that the company had been remiss in “not having a dialogue with consumers”, and that the company was now having a “massive dialogue” with consumers on its Danish website (*Dairy Reporter* 2006). The means was to be an open discussion forum – a form that had worked well in Sweden for on-going customer advice and feedback.

Arla’s website is divided: there is a corporate website for the dairy group, Arla Foods, with a green logo embellished with a flower. This is where normal corporate information is found, including news and press releases, the quality programme and the ethical manifesto, visions and missions, reports, job openings, etc. at [www.arlafoods.dk](http://www.arlafoods.dk). There is also a Danish website for the immediate concerns of the Danish co-operative and their customers; here the logo bears the national colours, red-and-white with a milk-drop, at [www.arla.dk](http://www.arla.dk). After the media storm, Arla Forum was launched in the early months of 2005 specifically to draw people to the Arla site.

Full-page advertisements were run in the newspapers featuring a large, pleasant image of the then CEO, Åke Modig, in a windbreaker with upturned collar, a wayward curl in his forehead and his arm round a very photogenic cow. Under a humorous headline about “making head or tail” of Arla, it had the form of a personal, signed letter and ran (in an approximate translation):

Dear reader

The newspapers have written much about us, and you may have been in doubt about what to believe.

We have not been good enough at telling our story and listening, and that has cost us the confidence of many consumers.

That is not good enough, and we want to do better!

That is why we now introduce Arla Forum, which is the place where you can easily get into contact with us about our products and our company.

In Arla Forum you can discuss anything with us – from concerns about foodstuff quality to nutrition policy.

*I hope we shall meet in Arla Forum, at arla.dk*

*You can also telephone us at 70 15 05 00 (weekdays 8.00-16.00)*

Yours sincerely,

Åke Modig, CEO

The advertisement also contained a screen image from the new forum page and the new slogan: “Arla – time for consideration” (a slogan that was quickly spotted as a mistake, since it alluded to an inconsiderate past, and supplanted with the present “Natural consideration”).

This is the first of the many attempts to present the company through an *authentic person who cares*. The company wants to listen and make it easy to get into contact. It is also obvious that the company wants to rectify what they see as a biased picture through “telling”, which can mean anything from narratives about themselves in order to increase information to telling their side of the stories that the media frame in an unfavourable way. It is noticeable that the company invites contact about foodstuff and nutrition value and other subjects where it can offer advice, whereas ethical problems are not mentioned directly.

Later in the year, Arla also produced a number of television commercials as a combination of product and corporate advertising. The Forum presentation set out the themes as Naturalness, Health and Quality, and the series featured their own employees in the process of making a particular cheese in a particular dairy etc. Where the public might have suspected a certain theatricality in posing the CEO in what might have been his first close encounter with a cow, there was no reason to question the situations selected for the new series. However, the television campaign was also reflected in

comments on the Forum, precisely because it was seen as a conscious attempt to substitute a new, improved image.

#### *4.1: Telling: the service functions*

One effect of the concerted effort to make the Danish website a major instrument is its depth. Immediately behind the homepage, where recipes predominate, it teems with faces. The main functions are:

Recipes

New products

Advice on health and well-being

Visits to farms and dairies

Arrangements, e.g. organic fairs, sponsored children's sports

Arla Forum for questions and answers

There is a resident cook with a staff in an experimental kitchen, and guest cooks of the month – always introduced with portraits, names, and biographical background. There are pictures of new products, normally photographed in use, with children, garden breakfast tables etc.

Occasionally the producers are introduced; thus the new “regional milk” launch included a presentation of one of the families that delivered milk from the Southern Jutland marshlands, the Mattesens, of their fields in the newly reclaimed Margrethe Polder and the salty plants that feed the cows there. There are photographs of the family under the wide, open marsh skies, and there is a film clip: the television spot that was made for the product is accessible from the site. It follows the young female product manager who serves as the guiding figure in all the Arla spots on a short walk with Mrs Mattesen, asking questions about the milk. The Arla representative speaks directly to the camera, with a faint Jutland accent; the milk producer, Mrs Mattesen, answers questions with quiet enthusiasm, in a strong regional accent and with a touch of dialect – enough to figure as a genuine Jutland farmer, but still perfectly comprehensible to townspeople.

As for arranged visits to farms and dairies, the people who act as guides are photographed as a happy group of professionals. Arrangements include a popular annual event, special to organic farmers whose cows are kept outside, and arranged in collaboration with other dairy farmers outside the Arla coop: the day the cows are released from the stable into the fields. The site includes pictures from children visiting farms, and comments collected, like the following:

- Child: Why do you want to sell all the cows?

- Farmer: What do you mean? Of course we won't sell them!
- Child: Then why do they have price tags in their ears?

The predominant effect of the many faces and voices is that of authenticity. All these people seem genuine, and engaged in producing and selling a product they like, in a way they can answer for. So far, then, the many voices are *not* different from the corporate voice, but they seem a great deal more trustworthy.

#### *4.2. Telling: the blogs*

Arla was the first major Danish company to introduce corporate blogs. The company has thought it worthwhile to increase the level to the present five parallel blogs, plus the archive of one that has been replaced. They have different subject areas, but all are written by Arla's own employees, and in one case, milk producers. This last one features in the chairman's report as an example of Arla's success in establishing bonds with the public: "Livet på Bækgården", or Life on Brook Farm.

The blog is introduced as follows:

We are [Inge og Mikael Nørby Lassen](#), and we have a farm near Ribe with 200 brindled cows. Mikael has been in the co-operative since 1997. In our blog you can read about life on the farm and my comments on stories in the press about Arla

To vouch for the family touch, the blog bears both Inge's and Mikael's pictures, but it is only Mikael who writes. The blog is clearly intended to correct some mistaken views, and to provide insights that city dwellers lack. In the early blogs, Mikael is scathing about the way that the agricultural industry is seen in the news. Thus, shortly after the introduction in October 2005, there is a blog about what the press called "looser cows" – cows with diseases or other weaknesses that occasion early deaths and hence bad investment – where the writer heard in the news that these cows constituted one third of animal herds, and how he checked and found that the correct figure was 3.5%, so that the inescapable conclusion is that journalists know nothing and do not do their homework when they report. Later blogs have concentrated less on Arla in the news and more on life on the farm, educating the public about milking by robot and the cutting of hooves, and on economic realities. Thus Mikael is clear about the unreality of the idyllic image that Arla's own commercials encourage: cows on green grass are pretty, but most cows live on concrete floors in order to optimise the yield.

Blogs are interactive, but these draw few responses. In the case of the anti-idyll blog, however, farming colleagues produced in all five comments of consent. In other cases, like the blog about losing a calf, readers ask questions and are told about the sad but normal losses in animal husbandry. This is the only site on Arla's extensive web presence with regular pictures taken *inside* stables.

The longest-running blog, "Consideration" from August 2005, is a true corporate blog, in the sense that it comes from the heart of the corporation. The writer, Maja Møller, is the director of the section in charge of Arla Forum and the blogs; her area is internal matters, e.g. about creating employee satisfaction. She is thus in a position to comment on the experience of the other genuine people working for Arla (who do not enjoy public scepticism about their place of work).

Almost contemporary is the blog by Louis Honoré, the chief press officer, called "Between the lines". His field is Arla in the media, and from the very first posting he combats inaccurate or unbalanced press reports. Thus when Arla is criticised for providing chocolate milk for schools, thus disregarding the unhealthy sugar and fat content, the blog calls it unfair that the media did not mention that Arla has actually lowered the sugar content considerably in chocolate milk, precisely in order to take a responsible stance on this question.

In Honoré's case, the maximum number of interactive comments came when he discussed the EU verdict that forbade the general use of the term "feta", a very large export article for Arla. The comments refer to the verdict and the mildly comical naming dilemma (The cheese formerly known as feta? White rectangular salad blocks?) rather than to Arla.

The third original blog was about health and nutrition (now inactive). It contains the largest number of links to books and articles about issues such as pregnancy or allergy. Here the largest number of comments was drawn when a well-known public figure's views on kindergarten milk were discussed. Of all the blogs, this one alone gives a sense of equality, i.e. interested parties discussing on the basis of at least some shared knowledge.

The remaining two blogs are both from 2006: the kitchen blog, reporting from the Arla kitchen, where recipes are tried out, and the new environment blog. The latter has drawn no comments at all, whereas the former had a substantial response when its writer, the resident cook, asked customers for feedback for a "canon" of national dishes.

The choice of the four original bloggers is interesting. It seems that the communications department decided to venture into new ground and use its potential explicitly to restore the tarnished image: with the leader of the new Arla Forum and the press officer on board to tell Arla's side, and a dairy

farmer with a healthy scepticism about the press, three out of four bloggers are defensive, and one, the nutrition consultant, merely informative.

This constitutes a contrast with other corporate blogs, e.g. the insouciant president of Sun Microsystems, Jonathan Schwartz, whose blog has a far more private, off-the-cuff quality. Clearly, the Arla bloggers are not there to chat about themselves, but to supply extra insight and justification on behalf of their employer – even if they allow themselves both humour and the odd personal emotion. The voices are more personal than in advertising material, and they have some of the typical blog advantages, like the ability to set an agenda for the readers without waiting for the media, but they are definitely not private in the sense that they bypass any hierarchy.

#### *4.3. Listening: Arla Forum*

Arla Forum is a success. In the Annual report 2004-2005 the Executive Board notes that “approximately 100 consumers per day submit opinions or raise questions relating to Arla Foods by e-mail, phone or letter”. In addition, around 22,000 consumers per day in Denmark and Sweden “click on the Group’s website to search for recipes and other cooking ideas”. The forum was well established in Sweden, and it quickly picked up in Denmark, where the number of questions/comments in the archive reached almost 1100 in 2005.

The forum consists of questions/comments from readers and answers from various employees, listed chronologically, but also grouped under headings so that links will produce contributions on a particular subject. The large majority of questions and comments are on the safe subjects outlined by Åke Modig, but the complete list of topics can be grouped into three categories. Below they are listed with the number of items that the Arla Forum editor has assigned to each group; there is a substantial overlap, as many items reappear under two or three headings:

##### Group 1: immediate consumer concerns

*Products:* not possible to count, since only the last 900 items are kept in the archive, and these are all from 2006.

Example: Can I reheat sauce béarnaise? Do skimmed milk and normal milk contain the same amount of calcium?

*Recipes:* 215.

Example: Will there be a second volume of recipes for children soon?

*Packaging:* 130.

Consists largely of discussions on the (dis)advantages of cartons with screwtops.

*Quality*: 36. Complaints.

Example: Once again my milk is lumpy and sour after two days.

*History*: 14.

Example: Did skimmed milk exist during World War II?

#### Group 2: the Company

*The organisation*: 140.

Example: What do you use the agricultural subsidy for? What is Arla's concern language?

*Marketing*: 95.

Example: Are you trying to fool customers who avoid Arla by marketing your products under different brand names?

*Commercials*: 77.

Example: Why do people in your commercials always speak in a Jutland accent?

*Ethics*: 51.

Example: Is it so very hard to say SORRY, we did wrong?

*Ownership*: 19.

Example: Who owns Arla?

*Monopoly*: 9.

Example: Why do you steamroller the little people?

*The Co-operative*: 8.

Example: Why don't you tell the consumers what price the farmers get for their milk?

#### Group 3: Cows and other stakeholders

*Cows*: 66.

Example: How many times must you milk a cow to get one litre of milk?

*Ecology & organic farming*: 53.

Example: Why does organic milk have a shorter shelf life – you don't add anything to the other milk, do you?

*Health*: 51.

Example: Can I drink too much milk?

*Society*: 21.

Example: How about a forum with recipes for us singles?

*Animal welfare*: 13.

Example: I think we should do more for cows – play football with them or stimulate them

*The environment*: 11.

Example: Is it really true that the material used for milk cartons can self-ignite?

The chronological distribution shows that at the beginning the letters were mostly comments on the sensitive topics. As time went by and the image restoration worked, other subjects took over. The many questions about the organisation occasioned a new site under the corporate pages called “Scholargate”, where students writing projects about international companies could get their information about mission statements and export figures without interfering with consumers seeking information about yoghurt.

The forum is uniquely open: the Internet is well known to produce flaming of a sort that is rarely seen in letters to corporations, and in the two most sensitive groups, “ethics” and “monopoly”, contributions include disgust, sarcasm and accusations to an extent that must have made the company wonder if image restoration was indeed what they were getting for their pains. Nevertheless, there is no sense that the contributions have been screened, and they remain in the archive.

However, this is also the advantage of openness. The questions and comments are the occasion for reasoned answers. They become the *showcase for accounts*, the place where Arla’s employees can acknowledge, regret, and correct consumer views, while explaining and justifying their own. Had a customer written such a letter to a newspaper, there would have been no way of responding in detail. Here follows an example of a full-scale policy explanation from November, when the television campaign had started (in my translation):

Dear Arla

I wish you luck with the on-going charm campaign.

I hate to be a crabby old man, but I would like to point out that it may take perhaps 3-4 years before people have forgotten the Metro affair.

Even if it widely assumed that consumers only remember the last piece of news about a company or organisation, it is not true when a monopoly-holding organisation flexes its muscles, e.g. in order to keep down small dairies, and I think you are wrong to believe that anything other than time will cure this.

Fortunately, Danish consumers are the kind who will judge companies on what they do, also when they don’t expect to be called to account.

Jens Østergaard, København S

Dear Jens

You are so right – consumers judge companies on their actions. We know that. And we have listened to the verdict of the consumers, which was clearly that many found our actions wrong or inexplicable.

We would like to be thought of as a company characterized by Consideration. [...] we do not think we can advertise our way out of our damaged reputation. As you write, it takes action,

and that takes longer than a TV campaign. It will take time before a new image has established itself.

But in the last year a lot has happened. Here are some examples:

*[link to press release about new, easier contracts for organic farmers,*

*link to the ethical programme,*

*link to press release about responsible stand in the sugar debate,*

*link to press release with invitation to other dairies to cooperate in the production of a new raw-milk cheese]*

Over and above action, we believe we should be better at listening. Our consumer contact has been collected and strengthened, and we intend to learn much more about how to cooperate with consumers. One example is our weblogs – a sort of personal diaries with stories and thoughts from some of Arla’s employees and coop members

*[link]...*

It is a long journey Arla has undertaken, but I hope you will find that we are acting differently from the past in less than 3-4 years.

Best regards,

Arla Forum

Sanne Vinther, Head of Visit Organising Division

Before this response is read as an example of total mortification, it should be noted that the only real concession to “victims” at this stage is the easing of contracts, which was widely believed to have been introduced to forestall legislation. The rest is largely bolstering, an earnest wish to establish good relations with consumers. It is noticeable, however, that improving relations with other dairies is felt to be relevant for consumers – an insight that no amount of communication is going to persuade consumers unless there is some development to communicate about. The links to the ethical programme and the blogs are good examples of web affordances: rather than just text, the writer gives the reader the option of meeting the many other concerned people who have made statements, taken steps etc.

## **5. The lesson: dialogue and the web**

Arla’s legitimacy is not an issue any longer. It seems from this case that “massive dialogue with the consumers” breaks down into several distinct categories, all of which are dependent on website affordances.

1: An *interactive question-and-answer forum* allows the company to gauge audience concerns. In this case there was no question of finding out *what* bothered the missing consumers, but reactions to image restoration strategies, like the television commercials, could be followed closely.

2: If an interactive forum is to be trusted, it requires *great openness*; too much weeding and prettification, and the audience will certainly stop coming back. For this to work could be a question not only of corporate culture, but

also of values held in the social context. Scandinavian societies are egalitarian and not particularly awed by hierarchies, a fact which may have influenced not only the brutality in the questions but also the willingness in the company to take the flak. The risk is offset by the opportunity to answer in great detail, and here the communications department is dependent on the company for tangible evidence that the restoration process has produced some desired changes.

3: The offer of *expertise, advice and inspiration* is a useful way to divert interest from the original ethical concerns. Consumers had not voiced discontent about services before the crisis, but for the company to make itself useful with health and family concerns evidently served to enhance its image. However, the purpose could have been fulfilled, at least to a certain extent, without interaction: thousands of people access the recipes without making further contact.

4: The success of the strategy of providing *authentic faces* may also be culture-bound. It worked well in Denmark, where the chance of audience identification was high. It has become hard to think of the Danish division of the international dairy group as a faceless monopoly, and this is perhaps the greatest success of the campaign. As for the commercials featuring the employees, it followed the trend of selling a *story* rather than a product when it showed the background for a product that could be found down the road. The web made it possible to link directly to the atmospheric film clips.

5: The providing of authentic opinions via the *blogs* may have been more therapeutic for Arla than actually efficacious in changing the image. If the response is anything to go by, the blogs have had some interested readers, and clearly some of them have been internal stakeholders – farming members of the coop and other employees – and the value of auto-communication in a company with a tarnished image should not be underrated (Christensen – Askegaard 2001, Morsing 2006). On the other hand, it is a considerable investment of time and effort to keep up five parallel blogs that have not got the cachet of a Bill Gates or other highly visible corporate bloggers.

6: Lastly, the question remains if the image restoration would not have got underway with just the help of well-publicised good behaviour, like the growing collaboration with small competitors against the foreign market. After all, how many consumers check a website before buying a carton of milk?

It remains an open question if the role of the press has been underrated in the general enthusiasm for unmediated corporate agenda-setting. Most consumers get their impression of corporate misbehaving from media attention, and it is quite likely that at the end of the day, it was really the corresponding media attention to Arla's ethical restoration strategies that

produced the swing in public opinion. Meanwhile, it remains obvious that Arla's attempt to include new technology made a great deal of difference for those that did elect to visit the site.

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