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Crisis communication literature review with key takeaways

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Preface

As a crisis prevention and response mechanism, the European Stability Mechanism (ESM) is the euro area firefighter. Effective communication is key to the success of a crisis response.

When colleagues at the ESM reached out to us at the European University Institute's (EUI) Florence School of Transnational Governance, they had a clear objective in mind. They wanted to better communicate who they are, what they do, and what their mission is to their constituencies, notably euro area citizens, governments, parliamentarians, financial markets, journalists, and civil society organisations.

To achieve that objective, we developed together a crisis communication project to ensure that the right crisis communication strategies are in place at the ESM, and that relevant ESM staff are well-equipped to action those strategies.

However, this project is not intended exclusively for the ESM's use. On the contrary, it has a much broader aim. By reviewing the latest theory and practice of crisis communication relevant to public organisations, it aims to provide guidelines for practitioners working in public institutions on how to best communicate before, during, and after a crisis hits.

This paper is the starting point of this project and the backbone of the practical handbook on crisis communication that followed. It is a comprehensive review of academic theories, empirical studies, and institutional guidelines on crisis communication.

We are grateful to ESM colleagues for their intuition, trust, excellent cooperation, and enthusiasm. We sincerely hope that our work will be a useful compass for them and other public organisations to navigate through the crises we will face in the future.

Abstract

All crises involve communication under high levels of pressure and uncertainty. Decisions on how and what to communicate in those moments can be as important and consequential as the decisions or policies that are pursued.

This is particularly true for public institutions, which are key actors when crises hit societies. The ESM is an international financial institution established by the euro area member states to help euro area countries in severe financial distress. As a permanent crisis prevention and resolution mechanism for the euro area, it is key for the ESM to make sure it is ready to deal with any future crises. One key element of such crisis readiness is to ensure that the right communication strategies are in place and effectively put into action when needed.

There is a wealth of academic theories, empirical studies, and institutional guidelines available on communicating during crises that focuses on many different strategies and draws from previous responses to various types of crises. These studies and guidelines not only look at the approach of organisations to communication during crises but also look at the perception of various communication approaches.

This paper is a review of the available literature on crisis communication that is of relevance to the ESM and to public institutions at large. The paper is structured around literature that focuses on (i) pre-crisis communication, (ii) crisis communication, and (iii) post-crisis communication.

Each chapter, and sub-chapter section corresponding to a crisis communication phase, ends with a summary of the literature reviewed with key takeaways for the ESM and public institutions more broadly.

CHAPTER 1

An introduction to crisis communication

On 28 October 1906, an electric train fell off a bridge in Atlantic City, New Jersey, resulting in the death of 53 people. Rather than suppressing all information about the accident – which would have been the typical crisis response at that time – Ivy Lee, the newly appointed advisor of the Pennsylvania Railroad Company, convinced the company to present a statement to the journalists at the accident scene (Frandsen & Johansen, 2020a). The communication strategy turned out to be the right one. The company statement was published in full by the New York Times, it became "the very first press release in the history of public relations" and, according to some scholars, the start of modern crisis communication (Ibid., p. 17).

Although crisis communication started as a practice within private organisations, it is now widely common among public organisations. "Public organizations are key actors when crises and disasters strike societies", hence their ability to communicate in crises is of fundamental importance (Olsson & Eriksson, 2020, p. 419).

But what do we mean by crisis and crisis communication? What are the challenges of crisis communication for public organisations?

This introductory chapter will shed light on these questions and more, namely on:

- 1. the definitions of "crisis" and "crisis communication", as elaborated in the literature and used throughout this paper (section 1.1);
- the importance and challenges of crisis communication for public institutions today (section 1.2);
- 3. the scope of this paper (section 1.3); and
- 4. its structure (section 1.4).

1.1. Defining crisis and crisis communication

According to the Merriam-Webster Dictionary, the word crisis originates from the Greek term krísis, a decision, a turning point, or sudden change, and from the verb krínein, to choose, decide. Each crisis is both a moment of change and an opportunity for important and far-reaching decisions. As rendered memorable by John F. Kennedy in his 1959 speech at Indiana's United Negro College Fund, "[w]hen written in Chinese, the word 'crisis' is composed of two characters – one represents danger, and the other represents opportunity." (Kennedy, 1959).

Among crisis communication scholars, 't Hart (2022) defines crises as:

"a combination of high threat (i.e. problems that must be tackled in order to stave off chaos and loss), high uncertainty (i.e. 'fog of war' creating a problematic information environment) and high urgency (i.e. no time to play with in deciding upon a course of action and in deploying resources accordingly)" (p. 74).

Bringing in dramatic imagination, Weick (1993) describes a crisis as a:

"cosmology episode [that] occurs when people suddenly and deeply feel that the universe is no longer a rational, orderly system. What makes such an episode so shattering is that both the sense of what is occurring and the means to rebuild that sense collapse together." (p. 633).

From these examples of definitions it is clear that crises can be very different in nature, causes, and consequences, but they share some key attributes (Sellnow & Seeger, 2013). Coleman (2020) believes that all crises have five common attributes:

- a crisis is "a time of intense difficulty or at the worst extreme danger";
- 2. "a crisis requires action to be taken";
- 3. "for the situation to be considered a crisis it must be a negative position, potential negative position, or a negative change in the prevailing position" of the organisation;
- 4. "most crises develop abruptly"; and
- 5. "the situation or issue must have an impact on people in some way" (pp. 28-29).

Similarly, Argenti (2023) argues that crises share four common characteristics:

- 1. "the element of surprise";
- 2. "having to do a lot of explaining" despite "insufficient information";
- 3. "the quick pace of events", which escalate very quickly; and
- 4. "intense scrutiny" by the media (p. 211).

Crisis communication is part of the crisis response action. When a crisis occurs, the need to communicate increases. More precisely, crisis communication has been defined as:

"the dialogue between the organization and its stakeholders before, during, and after the crisis in which the organization works to prevent or minimize the damage to stakeholders and the organization." (Lee, 2020, p. 81),

or, more poetically:

"the lifeblood that fills the knowledge demands created by a crisis – allowing people to make sense of the crisis." (Coombs, 2010, p. 115).

The crisis communication literature usually categorises crises into two main groups: operational and reputational crises (Coleman, 2020). Operational crises are based on a tangible event, like a natural disaster, a health epidemic, a breakdown in the production line, or a financial crisis. Reputational crises, on the other hand, are rooted in perceptions and feelings about an organisation. While the approach to crisis communication is similar for the two types of crises, "[b]eing able to analyse [each] crisis, understand the events that led up to it, and see what differentiates it from other situations is critical to the formulation of the communication response and to developing a plan that will safely move into the recovery phase." (Ibid., p. 30). For reputational crises, it is critical to have insights into what people think of the organisation for being able to identify these crises emerging (Ibid.). This will be discussed in more detail in section 2.1 of this paper.

1.2. Importance and challenges of crisis communication

Communication is a crucial part of effective crisis management. When poorly done, it can cause or worsen a crisis. When done correctly, it can lead to winning acceptance for the crisis response and to improving the organisation's reputation.

Crisis communication is more complex for public organisations than for private corporations. Public organisations must balance different and sometimes conflicting interests and ensure that their communication is not only effective but also legitimate (Olsson & Eriksson, 2020).

Furthermore, public institutions face a growing decline in trust among the general population. Governments, for instance, are seen as far less competent and ethical than businesses, and they are broadly distrusted (Edelman, 2024).

In addition, communicating in today's digital age is increasingly complex. Media are marked by strong stakeholder activism (Coombs, 2018). The widespread use of social media has empowered more individuals to voice their opinions on public policies, fostering heightened expectations for transparency and accountability globally. A form of "citizen journalism" has emerged, where "the average citizen has become part of the media" (Argenti, 2023, p. 116). Following recent crises – the euro area crisis, the Covid-19 pandemic, the war in Ukraine, and the resulting energy shock – citizens' "crisis consciousness" (Argenti, 2023, p. 225) has increased. Consequently, policymakers are increasingly pressured to clarify their actions to a broader audience and demonstrate their worthiness of support. This entails a greater effort to ensure policymakers' messages are not only heard but also comprehended and trusted (Rice & Stankova, 2019). The variety of voices and communication channels amplify these challenges. The digital world has also accelerated the pace and duress at which highly consequential decisions are asked to be taken (Lee, 2020).

Consequently, it is fundamental for public institutions today to sharpen their tools to navigate such complexities and develop suitable crisis response communication strategies.

1.3. Scope of the paper

This paper was requested by the ESM, and hence, seeks to review the literature on crisis communication that is relevant to the ESM. Nonetheless, the literature reviewed in this paper is of relevance to all public institutions.

To understand the scope of this paper, it is useful to first explain what the ESM is, what it does, in which environment it operates, and what its communication needs are (section 1.3.1). This exercise then informed the selection of the literature reviewed in this paper (section 1.3.2).

1.3.1. The ESM and its communication needs

The ESM is an intergovernmental organisation established by member states of the euro area in 2012. Its mission is to enable the countries of the euro area to avoid and overcome financial crises and to safeguard financial stability.

The ESM can intervene in crises of different nature. In the past, it provided (together with its temporary predecessor, the European Financial Stability Facility) a total of €295 billion in loans to Cyprus, Greece, Ireland, Portugal, and Spain during the euro debt crisis (ESM, n.d.a), and it created a credit line during the Covid-19 pandemic available to ESM Members to support domestic financing of healthcare, cure, and prevention-related costs due to the pandemic (ESM, n.d.b, n.d.c). It also plays a role in preventing crises. To that effect, member countries with good policies in place can apply for so-called precautionary instruments. Eligibility for such insurance-type credit lines sends a positive signal about the quality of a country's policies and allows it to react quickly to external shocks. Recently, the ESM has reviewing its "toolkit" (Giammarioli & Sušec, 2024).

The loans given to Cyprus, Greece, Ireland, and Portugal were part of support programmes.

The conditionality of macroeconomic reforms attached to those loans has been a source of high concern and critique, leading at times to violent protests and political crises. The agreed macroeconomic reforms of some programmes were perceived as a failure by some and their negative social impact "left deep political scars in southern European countries. Even in countries which did not participate in financial programs, for example in Italy, political discussions about the ESM can be particularly toxic", still today (Camous & Claeys, 2020, p. 333).

In a recent interview, Klaus Regling, former managing director of the ESM, argues that the ESM suffers from a political stigma in some countries, "undeniably unfortunately, because some people focus on the negative aspects of adjustment programs and not on the positive results that follow" (IEP Bocconi, n.d.). Such political stigma could explain, at least in part, why the ratification of the amended ESM Treaty has not been finalised yet¹ (ESM, n.d.e) or why the ESM's Pandemic Crisis Support credit line was not drawn upon (ESM, n.d.c), despite its very limited conditionality (Camous & Claeys, 2020).

In addition, the ESM operates in a multi-stakeholder environment. Its main stakeholders are the ESM's shareholders, which are the 20 euro area countries, including their governments, national parliaments, and citizens, ESM's investors, financial markets, civil society organisations, journalists, etc.

Further, the ESM operates in a multi-institutional environment. It works closely with the European Commission, the Single Resolution Board, and the European Central Bank (ECB), but also with similar institutions in other continents, the so-called Regional Financing Arrangements, and the International Monetary Fund (IMF).

Given its background and mission, it can be deduced that the ESM has the following primary crisis communication needs:

1. as a permanent crisis prevention and resolution mechanism, to communicate successfully before, during, and after euro area crises;

¹ The ESM reform was initially endorsed by the Heads of State or Government of euro area countries as part of a package of measures to strengthen Economic and Monetary Union and to broaden the mandate of the ESM at the Euro Summit on 14 December 2018. The political agreement on completing the treaty reform process was reached by all finance ministers in the 30 November 2020 Eurogroup meeting. To enter into force, the amended treaty requires the ratification of all euro area member states. At this juncture, 19 out of 20 have completed the process.

- 2. to put in place communication strategies that will help it tackle its political stigma and better communicate on macroeconomic reforms beyond policy decision-making, successful communication can help fight existing or avoid future stigmas and achieve public acceptance of unpopular policy measures;
- 3. to communicate technical issues of financial or macroeconomic nature to different audiences, including non-experts, in multiple countries; and
- 4. to communicate with other institutions and closely coordinate communication lines to the outside world with those institutions.

1.3.2. Literature reviewed

Crisis communication literature is broad. It developed over time mostly based on case studies and theoretical frameworks (Sellnow & Seeger, 2013), and, more recently, in technical handbooks mostly aimed at crisis communication scholars or experts.

Considering the nature of the ESM, its functions, the environment in which it operates, and its communication needs (section 1.3.1), this paper summarises the following literature:

- the main academic theories on crisis communication frameworks and strategies relevant to the ESM;
- relevant empirical studies on public institutions' crisis communication, for instance during the global financial crisis, the Covid-19 pandemic, or in times of austerity measures; and
- relevant guidelines on communication strategies adopted by other major public institutions, such as the IMF, the ECB, and the United Nations' Office of Counter-Terrorism (UNOCT).

This paper also draws on some examples from corporate crises or natural disasters, whenever they were considered useful to illustrate communication theories and strategies applicable to the ESM, and public institutions at large. The literature on corporations is vast. Indeed, "the bulk of crisis communication literature has been written with private organisations in mind" (Olsson & Eriksson, 2020, p. 419). However, despite the differences between private and public organisations, some of the literature that was written for private organisations is relevant also to public organisations, such as theories that aim to restore an organisation's reputation or image after a crisis. This literature has been included in the scope of this paper (see section 3.1.1)

Conversely, the following topics are outside the scope of this paper:

- 1. crisis communication that is solely meant for private organisations and, hence, not relevant to the ESM nor other public organisations;
- 2. crisis management the focus of the paper is on communication, not on the substance of decision-making;
- 3. crises between an organisation and its employees this paper does not cover internal communication of an organisation in crisis; and
- 4. risk communication, which is a separate strand of research and is covered in this paper only to the extent that it falls under "pre-crisis" communication (see section 2.2).

1.4. Structure of the paper

This paper attempts to organise the relevant literature following a three-stage sequence of crises:

- 1. the pre-crisis phase (Chapter 2 of this paper);
- 2. the crisis phase (Chapter 3); and
- 3. the post-crisis phase (Chapter 4).

Coombs (2010, 2018, 2020) elaborated on this three-stage model in detail. During the pre-crisis phase, an organisation deploys efforts to detect signs of a crisis and prevent or prepare for the crisis. Once the crisis hits, the focus of the organisation is on addressing it. Finally, the post-crisis phase concerns the follow-up actions, including primarily learning from the crisis. Crisis communication theories and strategies have traditionally focused on how to communicate when a crisis happens and while it lasts (Lee, 2020); hence, the bulk of this paper will be focused on the crisis phase and, in particular, on what, how, when, and where to communicate about the crisis.

CHAPTER 2

Pre-crisis communication

Through pre-crisis communication, an organisation can prevent a potential crisis by identifying its warning signs and address them in due time. For instance, some reputational crises can be avoided through communication at an early stage, if well identified and addressed. This is the case of damaging misinformation, rumours, or wrong perceptions about an organisation, for instance. An organisation should, in these cases, correct the misinformation, rumour, or contested behaviour as soon as possible to avoid that a crisis materialises (Coombs, 2020).

When a crisis cannot be prevented, pre-crisis communication can be used to prepare the organisation and its stakeholders for the crisis, for instance by telling stakeholders what to do to protect them from the upcoming crisis and minimise its harm.

In line with this, according to Coombs (2010, 2018), the pre-crisis communication stage involves three sub-stages:

- 1. signal detection (section 2.1);
- 2. prevention (section 2.2); and
- 3. preparation (section 2.3).

2.1. Signal detection

According to Coombs (2010), at the outset, an organisation should detect early warning signs of a potential crisis and collect and process such information. A typical example of a warning sign in the corporate sector reported by Coombs is a pattern in customer complaints that, if addressed, could identify a product defect, and prevent a potential scandal of a product recall and battles with customers (Ibid.). Similarly, for the ESM and public organisations more broadly, a pattern of complaints, damaging misinformation, rumours, or wrong perceptions from shareholders, civil society organisations, and other stakeholders using the internet to voice their concerns would be a warning sign that a crisis might be approaching. Legitimate criticism circulating among stakeholders presents a serious risk to the organisation's reputation (Ibid.).

To detect such warning signs, the use of communication is key. In particular, an organisation should resort to the most comprehensive sources possible: it should communicate and engage with a variety of internal and external stakeholders, it should scan news media, public opinion polls, stakeholders' comments sent to the organisation and their messages posted on websites, blogs, social media (Lee, 2020), discussion groups, and broadly the Internet for signs of crisis (Coombs, 2010, 2018).

The Crisis Communications Toolkit of the United Nations Counter-Terrorism Centre (UNCCT) defines stakeholders as:

"body or group who can affect or is affected by an organisation, strategy, or project. They can be internal or external, they can indirectly or directly have an impact or be impacted. Identifying and building strong relationships with key stakeholders is important for any organisation. Without understanding your stakeholders and who you can activate quickly in a crisis, disinformation and misinformation can spread quickly." (UNOCT/UNCCT 2022, p. 6)

Stakeholders may of course vary according to the nature of the crisis at hand. Table 1 below is an example of a stakeholder mapping tool recommended by the UNOCT to help an organisation reach out to stakeholders:

Table 1: Stakeholder mapping tool

Who is the group or individual?	[Stakeholder's name]	[Stakeholder's name]
Current relationship What is our relationship like now?		
Hot buttons What are the main issues and opportunities?		
Think, feel, do What do we want them to think, feel, do?		
How to engage How can we reach them? What channels do they have?		
Who Who will own this relationship?		
When What must we do when?		
Progress How will we track and record progress?		

Source: UNOCT/UNCCT (2022, p. 6)

The IMF also emphasised the importance of stakeholder management as part of effective communication in the 2024 review of its communications strategy:

"Trust in the IMF is relatively high compared to other economic institutions. Underpinned by the Fund's efforts to support countries, preserving this trust afforded to the institution requires continued: (i) transparency in its programs and policies; (ii) engagement with (and consultation of) a broad set of stakeholders; and (iii) accessibility of Fund's work and policies in a way that fosters meaningful dialogue." (IMF 2024, p. 15)

Analytical tools are available to scan crisis risks online. After doing so, an organisation should consider the statistics that clearly signal a potential crisis (Lee, 2020). An example of effective signal detection in the private sector is the case of Pepsi's actions following the release of its 2017 advertising campaign featuring Kendall Jenner in a staged protest. Social media rapidly exploded with negative mentions and sentiments because of the perceived trivialisation of the highly controversial social issue of police brutality against the African-American community, of the choice of casting Jenner and not an African-American actor, among other reasons. By proactively using analytics for signal detection, Pepsi could promptly detect the crisis signs: the company noted that its social media mentions increased by over 7,300%, the vast majority of which were critical of the campaign. This allowed Pepsi to address the crisis from its early stages. (Ibid. – see section 2.2 below for action taken by Pepsi in this case). Such examples of regular and timely use of the latest available analytics for signal detection is instructive for all organisations, including the ESM.

2.2. Prevention

After detecting warning signs of a potential crisis, the organisation should take measures to prevent the identified risk or issue from developing into a crisis. In particular, the organisation should focus on communicating its position on the issue or risk to relevant stakeholders to identify and manage stakeholders' views. Communication is a two-way street: the organisation can also choose to change the decision or practice questioned or found wrong by stakeholders (Coombs, 2018).

For instance, in the 'Pepsi/Kendall Jenner' example mentioned in section 2.1, after only one day from the release of the campaign and detection of risks of a crisis, Pepsi decided to issue an apology and to remove the campaign (Lee, 2020). After quickly identifying the concerns and complaints of its stakeholders, the organisation promptly responded to correct its action.

Three main lines of research have focused on prevention: (i) risk communication literature, (ii) ethical communication literature, and (iii) research focused on the organisation's reputation, including on the "reputation commons" problem linked to stigmatised sectors.

Risk communication

If a risk exists and is not well managed, it can become a crisis, hence the importance of identifying risks and address them, but also communicating about them. Heath and O'Hair (2010) explain that there are two dominant views about the recognition, analysis, management, and communication of risks. One relies heavily on scientific methodologies and assessments of probabilities of occurrence and magnitude of harm both for the analysis of risks and for communicating about them. The idea is that facts and probabilities should be communicated, not opinions. The other major approach emphasises the role of cultural perceptions of risks and cultural beliefs in risk analysis. The idea behind this approach is that public judgments about risk tend not to correspond with experts' views, which are rather based on their quantitative assessments of risk. Heath and O'Hair (Ibid.) argue that considering the decline in public trust in public authorities and institutions, the two approaches need to be integrated: scientific information needs to be integrated with public perceptions in risk communication to better reach the public audience. However, regardless of the content of the different approaches to risk communication,

Heath and O'Hair note that all authors are united in one central theme: "risks, and related crises, should be understood, managed, and communicated so that people can lead a more healthy and happy existence." (Ibid., p. 27).

Ethical communication

Some scholars emphasise the importance of communicating ethically about the identified risks and issues with stakeholders. Ethical communication incorporates values of openness, honesty, responsibility, accountability, and trustworthiness in the relations with stakeholders. When such strong ethical relations with stakeholders are built before a crisis, an organisation can depend upon a "reservoir of good will from its stakeholders that can help it overcome the negative effects of the crisis" once a crisis hits (Ulmer et al., 2010, p. 306). Conversely, organisations that are unethical in their relations with stakeholders before a crisis, are going to have to account for those actions in the wake of the crisis (Ibid.). Recent empirical research confirms this: Fuller et al. (2019) developed a scale for measuring the pre-crisis readiness of organisations to engage in renewal after a crisis hits and found that "[o]rganisations hamper their crisis responses if they fail to understand how pre-crisis communication practices impact their postcrisis responses" (Fuller et al., 2019, p. 291; Sellnow et al., 2022).

Also, according to Heath and O'Hair (2010), if an organisation shows care and concern towards its stakeholders in pre-crisis risk communication, it will enhance its credibility and trust. The authors argue that managers' knowledge and expertise play a role in improving an organisation's trust and credibility, but what matters the most is that they are perceived to be concerned and caring about the interests of those at risk:

"If people concerned about a risk don't think that either government or industry is caring and concerned, they are likely to trust citizens groups which are often seen as exhibiting more care and concern. Thus, in crisis and risk contexts, facts count, but the character of each source (its care and concern) is likely to give life to facts rather than the other way around" (Heath & O'Hair, 2010, p. 11).

The role of reputations

Another line of literature on crisis-prevention communication focuses on reputation management. The idea is that not only crises have a negative effect on reputations, but negative reputations prior to a crisis can themselves evolve into a crisis or can make a crisis more difficult to manage as they tend to increase stakeholders' perceptions that the organisation is responsible for the crisis (Coombs, 2018). Conversely, a positive reputation prior to a crisis can make crisis management (and crisis communication) easier or shield the organisation during a crisis event (Fediuk et al., 2022).

For these reasons, it is important for an organisation to build a track record of favourable stakeholder-organisation relationships before a crisis materialises (Coombs, 2018). As Alsop suggests, in pre-crisis times, organisations should "build up 'reputation capital' to tide them over in turbulent times. It's like opening a savings account for a rainy day. If a crisis strikes [...] reputation suffers less and rebounds more quickly" (Alsop, 2004, p. 17, as cited in Coombs, 2018).

Jin et al.'s (2018) study supports this recommendation. The authors explored how financial crisis history can affect corporate crisis communication practice by conducting 38 interviews with chief communications officers and their counsellors. One of the key lessons learned from the 2008 financial crisis reported by the chief communications officers interviewed was that it is important for organisations to learn how to put into place particular strategies to communicate with stakeholders about the crisis prior to the crisis itself.

This finding is of particular importance for the ESM: it is in normal (non-crisis) times that investments should be made to enhance the organisation's reputation and tackle its stigma by improving the relations with its key constituencies. It is key to understand the root cause of such stigma, which audiences stigmatise the organisation and communicate more (or in a different way) with those audiences to improve overall relations with them and to build trust. The fact that the ESM suffers from a "political" stigma, and not a "market" stigma, might indicate that it has communicated rather well with financial markets in the past, while it needs to step up communication efforts with the public and politicians, in those countries where it suffers the most from stigma.

Olsson and Eriksson (2020) urge organisations to strive to become attractive on social media in normal non-crisis times, i.e. to gain followers and to keep them actively engaged. "An organisation that lacks followers in their everyday work risks facing difficulties finding them in the middle of a crisis" (p. 430).

Coombs' (2020) pre-crisis communication work focuses also on damaging misinformation and rumours circulating about the organisation, or challenges to the organisation (e.g. claims that the organisation is engaging in irresponsible behaviour). According to Coombs (lbid.), those situations are not real "crises", but rather "paracrises", and belong to the precrisis stage because they only threaten an organisation's reputation rather than inflict severe damage on its reputation and could turn into a proper reputational crisis only if not appropriately addressed. Coombs (lbid.) argues that the proper communication response to those paracrises is to correct the challenge, misinformation, or contested behaviour, and to deny that a crisis exists if there really is no crisis.

In 2020, the IMF issued a special series of notes to help IMF members address the economic effects of Covid-19 (IMF, 2022). The note authored by Cortavarría Checkley and Piris (2020) covers basic principles for public policy communications in systemic financial crises. In this note, the authors observe that financial institutions should regularly monitor and promptly respond to challenges brought by affected parties on traditional and social media attacking the institution and its actions, blaming it for the crisis or creating false rumours around it. If unchallenged, such attacks could allow responsible organisations to evade accountability, potentially gain public support, and undermine the effectiveness of institutions' policy crisis responses.

Stigmatised sector and the "reputation commons" problem

While crisis communication scholars often treat negative reputation and stigma in the same fashion and use the terms as synonyms, Mishina and Devers (2012) rather emphasise their differences. According to these authors, one of the main differences is that the concept of negative reputation is attached to a specific organisation, whereas stigma is about "whether or not the organization belongs to a larger, stigmatized category" or sector (p. 206).

In this regard, stigma bears some similarities with Barnett and King's (2008, as cited in Mishina & Devers, 2012) "reputation commons" problem, that arises when organisations within the same sector share a common negative reputation, normally due to the actions of one organisation (Mishina & Devers, 2012). King, Lenox, and Barnett (King et al., 2002) recommend two sets of strategies to respond to the "reputation commons" problem, which are arguably applicable also to cases of stigmatised sectors. In their view, organisations may:

- 1. collectively improve the reputation of the entire sector by improving their collective performance and collectively managing the perceptions of stakeholders; or
- 2. unilaterally differentiating themselves from others within the sector to stand out from the crowd ("privatising" the reputation commons problem) (p. 399).

An example of collective action (point (i) above) is that of trade associations, which often coordinate public relations campaigns to improve the overall image of the industry. For instance, trade associations of tobacco companies can buy advertisement media time to tout the public service endeavours of those companies (Ibid.)

Examples of unilateral action of differentiation (point (ii) above) include providing information to stakeholders to differentiate themselves from the sector, allying with reputable stakeholders that would help boost credibility and image, announcing major changes or investments to show the organisation's superior quality, or forming or joining elite clubs of superior performers within the sector (lbid.).

For instance, the ESM could team up with credible and popular leaders, academics, or journalists, who could write op-eds or other forms of communication to shed positive light on what the ESM is doing or offering. The ESM could also advertise what makes it stand out compared to other financial institutions. Wider use of public affairs could also be explored to have a more direct involvement in the deliberations within a particular society or government.

2.3. Preparation

The preparation phase readies the organisation for the crisis that could materialise if and in case the identified risks or issues are not fully addressed in the prevention phase. The literature on this phase is mainly focused on private companies. However, some considerations can be relevant also for public institutions. These considerations are detailed in this section.

From a crisis communication perspective, preparation involves: (i) creating, if not existent, and training a crisis communication team, including spokespersons, and (ii) drafting, updating, and testing a crisis communication plan.

Table 2 by Coombs (2018) summarises the primary tasks of spokespersons, as well as the knowledge, skills, and traits necessary to perform those tasks.

Table 2: Spokespersons' tasks, knowledge, skills, and traits

Tasks	Knowledge	Skills	Traits
Appear pleasant on camera	Understand the value of proper delivery	1. Strong delivery	Low communication apprehension
Answer questions effectively	 Understand the danger of long pauses Understand the steps to effective listening Appreciate the danger of "no comment" statements Understand the danger of arguing with reporters 	 Ability to think quickly Ability to use the steps to effective listening Ability to use phrases other than "no comment" when an answer is not currently known Ability to stay calm under pressure 	1. High-stress tolerance 2. Low verbal aggressiveness
Present crisis information clearly	Appreciate the problems with jargon Understand the need to structure responses	 Ability to avoid the use of jargon Ability to organise responses 	
Handle difficult questions	Understand the characteristics of tough questions	 Ability to identify tough questions Ability to ask for questions to be reworded Ability to preface tough questions in a tactful manner Ability to challenge incorrect information in a question Ability to explain why a question cannot be answered Ability to evaluate the appropriateness of multiple-choice responses in a question Ability to respond to questions with multiple parts 	1. Low argumentativenes

Source: Coombs (2018, table 4.2)

The crisis communication plan (CCP) should contain the information needed on how and what to communicate during a crisis but should not be excessively long and detailed (Barton, 2001, as cited in Coombs, 2018). It should include background structured information on who will do what, the contact information of the crisis team and spokespersons, of key media, of related organisations and stakeholders, reminders, key messages, and sample briefings, press releases, and social media messages. Exercises should be run to test the CCP and train the crisis communication team. The rationale behind creating such a CCP is that it will help elaborate a crisis response that is timely, efficient, and organised (Coleman, 2020; Coombs, 2018).

The IMF note authored by Cortavarría Checkley and Piris (2020) covers basic principles for public policy communications in systemic financial crises, which are in line with the above recommendations by Coleman (2020) and Coombs (2018). One of Cortavarría Checkley and Piris' (2020) principles is that prior preparation, including in normal times through a crisis communication committee, is crucial for success. In normal circumstances, a crisis management committee, possibly a subset of a financial stability committee, should convene regularly to carry out preparatory activities. Specifically, in terms of communication, a dedicated team comprising senior technical staff responsible for key policy actions should be established. Important preparatory measures encompass:

- 1. creating protocols for promptly informing other government sectors about critical developments;
- 2. ensuring key officials are acquainted with their counterparts in various public agencies and the media, along with their roles during a crisis;
- 3. resolving any procedural constraint and improving decision-making through simulations;
- drafting standard communication materials in advance, such as templates for press releases, applicable across all media platforms, which can be swiftly customised or filled as needed;
- 5. predicting potential questions arising from policy actions and preparing replies to "frequently asked questions"; and
- 6. formulating procedures for monitoring and, if necessary, participating in social media interactions (Ibid.).

With respect to pre-prepared media statements, Cortavarría Checkley and Piris (2020) stress that they should adhere to the following guidelines:

- they must be promptly issued following a significant event or policy decision, outlining the action taken and presenting information positively to instil confidence in the public;
- 2. they shall emphasise that authoritative measures have been implemented to fortify the financial sector, with a commitment to safeguarding the interests of depositors and ensuring financial stability; and
- 3. they shall be concise, factually precise, and presented in straightforward language to prevent any potential confusion or uncertainty.

However, crisis scholars have also warned of the dangers of pre-planned responses. Olsson and Eriksson (2020) warn that today's society and crises call for more improvisation in communication rather than bureaucratic pre-planning, especially by public organisations. According to Finch and Welker (2004, as cited in Olsson & Eriksson, 2020), highly ambitious pre-crisis work decreases the ability to anticipate and respond to real and specific cases not

covered under the CCP. Olsson and Eriksson (Ibid.) also emphasise that CCPs should not be over-detailed: "The more detailed a crisis plan is constructed, the more difficult will it be to carry out in the wake of a chaotic crisis, requiring room for spontaneous actions" (p. 433).

Crisis simulation exercises are crucial, and they should (and increasingly do) include a communications component. They can be particularly useful also to test and practice coordination in communications across multiple organisations, which is relevant for the multi-institutional environment in which the ESM operates. Stankova (2019) reports that:

"in January 2019, the Nordic-Baltic Stability Group (NBSG) held its first exercise to gauge how various agencies – central banks, ministries of finance, and supervisory and resolution authorities – could collectively respond to a financial crisis, in view of the greater interdependence of financial institutions in the region (the IMF attended as an observer). The Group agreed to 'exchange information in case of market turbulence affecting cross-border financial stability in the region and, if deemed appropriate, help to coordinate public statements relating to such circumstances. This exercise enabled the participants to test their crisis communications and coordination procedures and prepared them to better 'think on their feet' and speak with one voice in a real crisis."

Cortavarría Checkley and Piris (2020) also stress the importance of paying attention to the relations with the media before a financial crisis. They also stress that, in the pre-crisis phase, it is crucial for financial institutions to create contact lists and establish contacts with key media groups and individuals. Engaging with reporters in normal times creates the trust that will then facilitate communication during the crisis (see also Argenti, 2023, confirming this for corporate crises). In addition, establishing a forum for interactions with the media on specific policy topics can help ensure well-informed and high-quality media coverage during the crisis and prevent the spread of inaccurate information. Being open to giving media statements and submitting op-eds to media outlets (sponsored or not) are some of the ways in which an organisation can build a relationship with the media before a crisis hits. It is also advisable that already in the pre-crisis phase, the crisis team makes decisions on how they will manage the relations with the media during the crisis:

"Should question and answer sessions be held after press statements? Should responses be provided to comments and questions from social media postings? Who will do this and how will content be cleared? Should the authorities seek engagement with well-known opinion formers? When? Specific answers to these questions will depend on country circumstances and cultural factors." (Cortavarría Checkley and Piris, 2020, p. 5).

Regarding the content of financial pre-crisis communication, Cortavarría Checkley and Piris (Ibid.) make a distinction between process and substantive policies. They believe financial institutions should communicate as much as possible on the process with the media (how and when it will develop), which helps build understanding and positive media relationships. Conversely, on substance, they suggest providing simple, clear, and "high level" statements, without too many details, since it is still unknown in the pre-crisis phase what actions will be needed as events unfold and contradictions or u-turns later should be avoided.

Key takeaways of Chapter 2

Pre-crisis communication

- It is in normal non/pre-crisis times that it is important for an organisation to build a track record of favourable relationships with its stakeholders. This will enhance the organisation's overall reputation, credibility, and trust and will have a tremendous impact on the success of its communication efforts during a crisis. This is even more important to fight stigma cases.
- An organisation should detect early warning signs of a potential crisis, collect, and process such information to prevent the identified risk or issue from developing into a crisis. In order to detect and collect warning signs, it should resort to the most comprehensive sources possible, including social media analytics.
- After detecting the warning signs of a potential crisis, an organisation should take
 measures to prevent the identified risk or issue from developing into a crisis. In
 particular, it should focus on communicating the organisation's position on the
 issue or risk to relevant stakeholders to identify and manage stakeholders' views.
- If the organisation identifies challenges (e.g. claims that the organisation is
 engaging in irresponsible behaviour), damaging misinformation, or rumours
 that circulate about the organisation, the organisation should correct the
 misinformation or contested behaviour as soon as possible and deny that a crisis
 exists if there really is no crisis.
- When a negative reputation is not attached to individual organisations but to an entire stigmatised sector, organisations in the sector could either try to collectively improve the reputation of the whole sector (for instance by coordinating their public relations campaigns) or differentiate themselves from the rest of the stigmatised sector (for instance by allying with reputable stakeholders that would help boost credibility and image, announcing major changes or investments to show the organisations' superior quality, forming or joining elite clubs of superior performers within the sector, or investing more in public affairs).
- Pre-crisis actions also include preparation for crises, which involves: (i) creating, if
 not existent, and training a crisis communication team, including spokespersons, and
 (ii) drafting or updating a crisis communication plan and testing it with simulations.
- A crisis communication plan should include background structured information on who will do what; the contact information of the crisis team and spokespersons, of key media, and of related organisations and stakeholders; and reminders, key messages, sample briefings, press releases, and social media messages.
- The crisis communication plan should not be overdetailed, and organisations should be able to anticipate and respond to real and specific situations not covered by them. Preparation is good but the organisation should remain agile to tailor its response to the specificities of each crisis.

- Crisis simulation exercises are crucial for crisis preparedness, and they should (and increasingly do) include a communications component. Where multiple organisations are involved in a crisis and need to coordinate, it is important to run multi-institutional communication coordination simulations.
- A good relationship with the media should be established in the pre-crisis phase.
 This can be done by, for example, holding press conferences, placing op-eds in
 the media, being open to giving media statements, and creating regular forums
 for interaction with the media. Engaging with reporters in normal times creates
 the trust that will then facilitate communication during the crisis.
- Organisations should communicate with the media, on policy processes (how and when the policy will develop), to help build understanding and positive media relationships. Regarding the substance of the policy, scholars suggest providing simple, clear, and "high level" statements to the media, without too many details, since it is still unknown in the pre-crisis phase what actions will be needed as events unfold and contradictions or u-turns should be avoided.

CHAPTER 3

Crisis communication

There is a vast amount of crisis communication literature, the bulk of which focuses on communication strategies to respond to a crisis that has materialised. This chapter categorises this literature into:

- 1. content, "what" to communicate (section 3.1);
- 2. form, "how" to communicate (section 3.2);
- 3. timing, "when" to communicate (section 3.3); and
- 4. channels, "where" to communicate (section 3.4).

3.1. Content: what to communicate

Communication researchers have developed various theories and strategies on the "posture" to adopt in response to crises, i.e. the guiding lines of what to communicate. In this section, these theoretical frameworks are divided into three groups based on their focus and objective:

- 1. theories focused on protecting or repairing the reputation or image of the organisation affected by the crisis (section 3.1.1);
- 2. theories focused on protecting the interests of the organisation's stakeholders, of crises' victims, and addressing their concerns (section 3.1.2); and
- 3. theories focused on crisis communication by public organisations (section 3.1.3).

3.1.1. Theories focused on repairing the organisation's reputation or image

Crisis communication literature has been traditionally dominated by research focusing on strategies aiming at protecting and repairing the image or reputation of the organisation affected by the crisis, in particular of private companies (Heath & O'Hair, 2010; Olsson & Eriksson, 2020). Nonetheless, this literature is also relevant for public organisations that need to deal with self-inflicted crises, or in general with any crisis that has an impact on their reputation or image.

For the ESM in particular, this literature is useful for elaborating crisis communication strategies to fight against its lingering public stigma (as discussed in section 1.3.1). Public stigma is strongly linked to a negative reputation or image. The IMF defined its political stigma as the "persistently negative image that the IMF has among opinion leaders, NGOs and the general public in many parts of the world" and which is a "distinct, and increasingly important, reason for some policymakers' reluctance to approach the Fund" (IMF, 2017, p. 16).

Reputation and image are built through the organisation-stakeholder relationship: positive reputations are created through positive interactions with stakeholders, while negative reputations are built through negative interactions. Crisis communication researchers agree that an organisation's reputation is a valuable, intangible asset that yields such significant outcomes, including "generating more positive media coverage, and garnering positive

comments from financial analysts" (Coombs, 2010, p. 107). Stigmatised organisations will have to invest in relationships with their stakeholders (with those stigmatising them) even more than non-stigmatised organisations. When formulating their communications during crises, stigmatised organisations have to take their stigmatisation into account, knowing that the audiences that stigmatise them will hardly listen to or trust them. Therefore, stigmatised organisations need to be much more accommodative in their communication than non-stigmatised organisations.

This section examines the three dominant theories that stress the importance of repairing an organisation's reputation or image following a crisis: corporate apologia, image repair theory, and situational crisis communication theory. These are the most widely cited theories, and the last two in particular are considered to belong to the "canon" of crisis communication readings (Frandsen, 2020; Ulmer et al., 2010). The findings of a few empirical studies on those image repair strategies are also examined in this section. These theories and studies provide valuable insights for combating lasting public stigmas.

Corporate apologia

Corporate apologia was one of the original lines of research of crisis communication (Coombs, 2018). Corporate apologia should not be equated with apology (i.e. accepting guilt and seeking forgiveness). Although it may make use of such a strategy, it is rather a speech of self-defence, from the Greek word "apologia", in response to an accusation (Hearit, 2022; Ulmer et al., 2010; Ware & Linkugel, 1973). Ware and Linkugel (1973) originally developed four strategies for apologists:

- 1. denial (there is no wrongdoing, or the person is uninvolved in the wrongdoing);
- 2. bolstering (connects the person with something the audience would view favourably);
- 3. differentiation (attempts to take the action out of its current, negative context); and
- 4. transcendence (tries to place the crisis in a new, broader context to make it look more favourable) (Coombs, 2010; Ulmer et al., 2010).

Keith Hearit (2022) also explored the technique of dissociation, which involves splitting a single idea into two parts. Three dissociations are pertinent to reputation management:

- 1. the opinion/knowledge dissociation, i.e. someone would argue that the claims that a crisis exists are just an opinion, while the facts say otherwise;
- 2. the individual/group dissociation, i.e. someone would argue that a few individuals have to be blamed for the crisis, not the organisation as a whole; and
- 3. the act/essence dissociation: they would argue that the crisis is an anomalous act, and it is not the true reflection of an organisation (Ibid.).

On the use of an apology as a communication strategy, Hearit and Roberson (2010) caution organisations against apologising, or at least apologising too quickly, for instance when the facts of the case or the extent of the harm are not yet fully known or when there is a group of victims who would likely lead to a class action lawsuit.

Image repair theory

Building on the work on corporate apologia, William L. Benoit developed the image repair theory in 1995, which, since then, has been widely used and proven helpful in a variety of

contexts, from investigations and studies of image repair in the corporate sector, politics, sports, entertainment, religion, healthcare, and education (Benoit, 2020, pp. 112-113). The theory identifies 14 strategies to respond to attacks or threats to an organisation's image. The strategies are set out in detail in Table 3 below.

Table 3: Image repair strategies

	Strategy	Definition	Example	
Denial	Simple denial	Did not perform act	Tylenol did not poison capsule	
	Shift blame	Another performed the act	Tylenol: a "madman" poisoned capsule	
Evade Provocation Responded to a of another		Responded to act of another	Firm left the state because taxes increased	
	Defeasibility	Lack of information or ability	I missed the meeting because I was not informed of changed time	
	Accident	Mishap	Tree fell after storm, damaging car	
	Good intentions	Meant well	Sears wanted to provide good auto service	
Reduce		Stress accused's good qualities	Exxon claimed a swift and competent clean-up of oil spill	
	Minimisation	Act not serious	Exxon: few animals killed by oil spill	
	Differentiation	Act less offensive than similar acts	I did not steal your laptop, I borrowed it without permission	
	Transcendence	More important values	I stole food for a hungry child	
	Attack accuser	Source of accusation not credible or deserved what happened	Accusations are just fake news	

Admit wrong- doing	Compensation	Reimburse victim	Free dessert if food not properly prepared
	Corrective action	Plans to solve problem or prevent recurrence	AT&T will spend billions to improve service
	Mortification	Apologise	AT&T apologized for service interruption

Source: From Benoit (2020, p. 107)

By adopting denial strategies, the organisation claims that there is no crisis or that it is not responsible for the crisis. Strategies for evading responsibility eliminate or reduce the organisation's responsibility for the crisis. Strategies for reducing offensiveness make the crisis seem less harmful. Finally, the organisation can admit wrong-doing but promise to take corrective action to fix the problem and to prevent a repeat of the crisis, and ask for forgiveness, i.e. mortification (Benoit, 2020).

Benoit's (Ibid.) primary recommendation is that using multiple strategies is not necessarily a good thing. For example, if the organisation persuasively denies involvement in the crisis, nothing is gained by adding additional strategies, such as transcendence: saying "we are not responsible for the crisis" and then adding "which, by the way, was caused by action justified by higher values" is unlikely to be more persuasive than just "we are not responsible for the crisis", which is unnecessary and could create the impression that the accused is hedging (Ibid., p. 108). In addition, some strategies may not necessarily work well together. For instance, mortification and corrective action can work well together, while denial does not work well with the minimisation of the effects of the crisis because "if the accused is innocent, there is no reason to minimise" (Ibid., p. 108).

Situational crisis communication theory

W. Timothy Coombs developed his situational crisis communication theory (SCCT) based on theories of attributions of responsibility of crises: the underlying idea of these theories is that the stronger the attributions of responsibility for the crisis to an organisation, the greater the threat to the organisation's reputation posed by the crisis (Coombs, 2010).

Following the prior work of Sturges (1994), SCCT argues that the initial crisis response for all types of crises should be the "ethical-base response", which is a mix of instructing information (i.e. telling stakeholders how to protect themselves from harm) and adjusting information (i.e. explaining to stakeholders what happened and what actions are being taken to avoid a repetition of the crisis, and expressing sympathy for victims).

Only after this ethical-base response, the organisation should employ reputation-repair crisis response communication strategies (Coombs, 2018, 2020, 2022). SCCT research and clustering focused on investigating reputation repair strategies. Coombs groups these reputation-repair strategies into four clusters: three primary clusters of strategies – (i) denial, (ii) diminish, and (iii) rebuilding – and a secondary one – (iv) bolstering –,

which functions as being supportive of the first three in line with research showing that employing bolstering alone would be largely ineffective (Coombs, 2010, 2018, 2020, 2022). While denial and diminishing strategies seek to remove or reduce attributions of responsibility, respectively, rebuilding and bolstering strategies try to improve the image of the organisation.

SCCT argues that an organisation should follow a two-step process to select the most appropriate crisis communication response strategy. First, it should consider the specific type of crisis at hand and, in particular, the level of responsibility that stakeholders are likely to attribute to the organisation for the crisis. Coombs (2010, 2018, 2020, 2022) identifies three main types of crises according to the level of attribution of crisis responsibility:

- victim crises (such as natural disasters), which usually entail very low attributions
 of crisis responsibility because the organisation can also be a "victim" of these
 crises along with its stakeholders;
- accidental crises (such as technical-error accidents or management misconducts), which usually produce mild attributions of crisis responsibility, they are unfortunate events that sometimes happen and no one seems to control them; and
- preventable crises (such as human-error accidents, management misconduct, or scandals), which tend to involve high levels of attributions of crisis responsibility because if the organisation acted differently, they could have been avoided.

Second, the organisation should consider other factors, which Coombs (2020, 2022) calls "contextual modifiers", that increase or decrease the attributions of responsibility associated with a crisis type. For instance, if the organisation has had a similar crisis in the past (the "crisis history"), or if the prior reputation of the organisation before the crisis occurred was negative (because of unfavourable relationships with stakeholders), stakeholders are going to be more likely to perceive the organisation as responsible for the crisis (Coombs, 2010, 2018, 2020, 2022). Frandsen and Johansen (2020c) also introduce the concept of a "rhetorical arena" composed of the various voices speaking about the crisis (more details in section 3.4.2 below). The voices in the arena are also a potential contextual modifier since they can shape stakeholders' perceptions of attributions of crisis responsibility (Coombs, 2022). For instance, if a highly influential person gives a media interview saying that the crisis was caused by management misconduct, stakeholders will more likely perceive the crisis as preventable and not accidental.

Table 4 below defines the four SCCT crisis response clusters and related strategies, the type of crises in which they should be used, and other Coombs' recommendations for their use. The main guidelines for selecting the optimal crisis response strategy can be summarised as follows:

- 1. an organisation should always start with the ethical base response;
- 2. it should avoid denial strategies;
- 3. the higher the level of crisis responsibility stakeholders are likely to attribute to the organisation (or the higher the reputational damage a crisis is likely to inflict), the more accommodative (focused on victim concerns and accepting crisis responsibility) the crisis response strategy should be.

Table 4: SCCT strategies and recommendations for use according to crisis type and contextual modifiers

Crisis response strategy		Most appropriate crisis situation and recommendations for use	
Ethical base response	Instructive information: Telling stakeholders what to do (warnings, directions) to protect themselves from harm	 Starting response strategy to be used in all crises types The only response required for victim crises and accidental crises with no 	
	Adjusting information: Telling stakeholders what happened and what corrective actions the organisation is taking and expressing sympathy for victims	prior crisis history nor unfavourable prior reputation. The data supports the belief that the ethical base response is an optimal crisis response strategy when attributions of crisis responsibility are low (Ma & Zhan, 2016, as cited in Coombs 2020)	
Denial cluster: defensive, seek to avoid crisis responsibility and ignore victims	Denial: Stating that no crisis exists. The response may include explaining why there is no crisis	- They should be avoided and, in particular, they should never be used when the organisation actually has a form of connection with or responsibility for a crisis	
ignore victims	Attacking the accuser: Confronting the person or group that claims that a crisis exists. The response may include a threat to use force (e.g. a lawsuit) against the accuser		
	Scapegoating: Blaming some other person or group outside of the organisation for the crisis		

Diminish cluster:
accept responsibility
for the crisis, but
seek to minimise
perceptions of crisis
responsibility and
responsibility and
demonstrate little

Excusing:

Minimising the organisation's responsibility for the crisis. The response can include denying any intention to do harm or claiming that the organisation had no control of the events that led to the crisis

- Could be added to ethical-base response in victim crises when there is a prior crisis history or unfavourable prior reputation
- Diminish and rebuilding strategies can be used in combination with one another

Justification:

Minimise the perceived damage associated with the crisis. The response can include stating that there were no serious damages or injuries or claiming that the victims deserved what they received (which would however anger victims)

Rebuilding (or deal) cluster: the most accommodative strategies because they accept crisis responsibility and focus on victims

Compensation:

Providing money or other gifts to the victims (it indicates the organisation is taking responsibility for the crisis)

Apology:

Publicly stating that the organisation takes full responsibility for the crisis and asking forgiveness

- Recommended to be added to ethical base response in accidental crises when there is a prior crisis history or unfavourable prior reputation
- Recommended to be added to ethical base response in preventable crisis, but not in management misconduct crises
- Recommended when the reputational or financial damage inflicted by the crisis is likely to be high (Claeys & Coombs, 2020)
- Compensation could be used in victim crises
- Apology should be used in any crisis where there is evidence that the organisation is the primary responsible actor for the crisis
- The data supports the belief that rebuilding strategies are optimal when attributions of crisis responsibility are high (Ma & Zhan, 2016, as cited in Coombs 2020)

Bolstering cluster: secondary strategies with	Reminding: Telling stakeholders about the organisation's past good work	 Can be used only as supplements to any other response strategy to reinforce them Reminding should be used when an organisation has a favourable
little concern for victims or recognition of	Ingratiation: Praising stakeholders	prior reputation - Ingratiation should be used in any crisis that involves help from outside actors
responsibility	Victimage: Explaining how the organisation too a victim of the crisis is (it builds sympathy for the organisation)	 The victimage response strategy should be used only in victim crises Victims and non-victims may see these strategies as an attempt to distract from the crisis

Source: Adapted from Coombs (2010, 2018, 2020, 2022)

Empirical studies on image repair strategies

Chua and Pang (2012) analysed the United States (US) government's communication strategies to repair its image after the 2008 financial crisis. In 2008, the reputation of the US as the global superpower suffered a severe blow when it was blamed for instigating the global financial crisis, for inadequately managing and regulating its economy, as well as for failing to mitigate the crisis's impact on a global scale. The authors compared the image repair communication strategies of the Geroge W. Bush and the Barack Obama administrations by analysing official speeches and news reports. They found that both presidents (and respective governments) used strategies of bolstering and transcendence, together with corrective action.

For example, on 23 September 2008, President Bush provided assurance to UN leaders, stating that the US was implementing decisive measures to manage the crisis. Similarly, President Obama, at his inaugural address on 20 January 2009, assured the US' commitment to solving the global financial crisis and, in the G20 summit in November 2010, he reassured "world leaders that he was focused every single day on how we can grow our economy" and solve the global financial crisis (p. 151). However, President Bush also used strategies of attacking the accuser and differentiation to respond to accusations that the global financial crisis was attributable solely to the US. For instance, he argued that "the US' free market system worked and asserted that some European countries that boasted of tighter regulations had worse problems than the US" (p. 151). Conversely, President Obama used mortification strategies: in a G20 meeting in April 2009, he "projected contrition about America's role in starting the meltdown", which was welcomed by other leaders, such as Angela Merkel (Landler & Sanger, 2009, as cited in Chua & Pang, 2012, p. 151). In addition, President Obama pursued symbolic diplomatic initiatives aimed at enhancing the perception of the US internationally by undertaking visits to China in February 2009 and Indonesia in 2010, demonstrating that, for public authorities, public communication efforts must be preceded or accompanied by concrete diplomatic actions. The strategies used by President Obama restored the US image as a world leader over time. Several polls showed that the

global perception of the US in 2009 significantly improved compared to 2008. The authors signal that this may be due to President Obama's better choice of communication strategies and diplomatic efforts, but it could also be attributed to the restored confidence in the new US leadership after President Obama took office (the "Obama effect") which could not be verified in the study.

Jin et al.'s (2018) interviews with chief communications officers and their counsellors on how financial crisis history can inform corporate crisis communication practice highlighted two important lessons with respect to image repair communication strategies. The first lesson is the importance of using an apology when necessary, during a crisis, but also of "moving beyond apology into corrective action"; in other words: "say you are sorry, then act!" (p. 580). The second important lesson is to tailor financial communication strategies according to whether the organisation was perceived as a victim or perpetrator of the financial crisis:

"[w]hen a corporation or an industry is viewed as a financial crisis victim, it might be most effective and ethical, as well as realistic, to consider focused on its need for self-care and care for others in its response strategy, both in rhetoric and action. If a corporation or industry is perceived as a perpetrator of the crisis, it might be most effective and ethical to incorporate both ethical response strategies: on one hand, take responsibility and act upon bringing justice to internal and external stakeholders, embodying the ethic of justice in concrete changes; on the other hand, demonstrate genuine care and empathy for victims and other affected stakeholders as an act of ethic of care." (p. 582).

Claeys and Coombs (2020) find that organisations often include the recommendations of the SCCT in their crisis communication plans, but that ultimately, when a crisis hits, in the heat of the moment, they fail to select the optimal crisis response communication strategy. One example reported by Claeys and Coombs (Ibid.) is the 2015 diesel scandal of the Volkswagen Group. After tests, the company's diesel engines revealed much higher carbon emission levels than those reported by the company, which exceeded the US' standards on carbon emissions. As Table 4 shows, in such a scenario of high risk of organisational attributions of crisis responsibility and of reputational damage, crisis communication guidelines suggest informing stakeholders about what happened, about actions taken to correct the mistakes, express sympathy for those affected (ethical-base scenario), and use highly accommodative strategies (e.g. apology and/or compensation). Volkswagen's management, however, initially acted surprised that the emission-cheating software was installed on cars (Clemente & Gabbioneta, 2017), used a form of scapegoating by denying responsibility and blaming the emission-cheating software on a few engineers (Claeys & Coombs, 2020), and only to eventually admit they were aware of the manipulation. A study by Clemente and Gabbioneta (Ibid.) confirms that Volkswagen management's bad crisis communication choices resulted in prolonged negative publicity for the company and a protracted suppression of its stock price. This example is illustrative also for public organisations, including the ESM: denial, scapegoating, blame-shifting should be avoided, particularly when the organisation actually has a form of connection with or responsibility for the crisis and organisations should resist the temptation of using them in the heat of the crisis.

In their study, Claeys and Coombs (2020) use behavioural economics to try to explain why organisations fail to select the optimal crisis communication response strategy in the heat of the moment. They argue that they do so because contextual factors typical of crises,

such as time pressure, information overload, or media attention, pressure managers towards intuitive, rather than analytical, decision-making. Intuitive decision-making can be good or bad. It can be good if it is rooted in the professionals' previous experience and bad when it is based on heuristic biases, such as myopic loss aversion (i.e. a preference for avoiding immediate losses) and hyperbolic discounting (i.e. a preference for immediate gains). Claeys and Coombs (Ibid.) find that, because of these biases, managers tend to prefer sub-optimal strategies (like denial, silence, minimising responsibility, or scapegoating in the example above) because they avoid short-term losses in reputation or other assets over the optimal strategies (like apology or compensation), which instead may seem counterproductive at the beginning but offer long-term gains.

With respect to the strategy of apology, Claeys and Opgenhaffen (2021) found that apologies tend to be drafted in a way to avoid risks of legal responsibility, which, however, result in "pseudo-apologies" that lack admissions of responsibility, authenticity, and therefore, are less likely to minimise reputational damage according to SCCT. Although proactive and accommodating strategies may entail certain legal and financial risks, research shows that "the negative consequences might be surprisingly minimal and that these strategies might even turn out to be beneficial in court" (Patel & Reinsch, 2003, as cited in Claeys & Opgenhaffen, 2021, p. 7). Many of the crisis communication officers interviewed by Jin et al. (2018) on takeaways from the management of the 2008 financial crisis emphasised the importance of communication officers having a seat at the table of management meetings, along with lawyers, "to talk to the business about what the communications implications, positive or negative, were of any given way forward." (Jin et al., 2018, p. 579).

3.1.2. Theories focused on addressing stakeholders' concerns

This section presents theories that depart from the traditional research focused on the organisation's image and reputation and instead focus on addressing stakeholders' concerns: Sturges' (1994) instructing and adjusting information and Coombs' (2018) ethical-base response as part of SCCT, and the discourse of renewal theory. This section briefly examines each of these theoretical frameworks, as well as guidelines and a survey focused on addressing stakeholders' concerns.

Sturges' instructing and adjusting information and Coombs' ethical-base response

Sturges (1994) organised crisis communication strategies into three categories:

- instructing information strategies, which aim to tell stakeholders what to do to protect themselves from harm (e.g. financial harm, but primarily physical harm) deriving from the crisis;
- adjusting information strategies, which seek to help stakeholders cope psychologically with the crisis by explaining to them what happened, what corrective actions the organisation is taking to address the crisis to reduce their harm and to protect them from similar crises in the future, expressing sympathy and concern for their needs and interests; and
- 3. reputation repair strategies (Coombs, 2022; Sturges, 1994).

As mentioned above, both Sturges (1994) and Coombs (2018, 2020, 2022) argue that organisations must start any crisis management effort by addressing the concerns of stakeholders who are victims or potential victims of the crisis by providing instructing and adjusting information (a combination that Coombs' SCCT refers to as the "ethical-base response") and only afterwards they can focus on addressing the reputational concerns of the organisation.

Discourse of renewal theory

The origins of the discourse of renewal can be found in Robert Ulmer's dissertation, supervised by Matthew Seeger, in 1998 (Ulmer & Sellnow, 2020). Over the course of the next five years, Ulmer, Seeger, Sellnow, and colleagues wrote numerous publications emphasising the opportunities associated with crises and defined the details of the theory (Ibid.). Although the discourse of renewal theory is, in principle, applicable to all crisis types, its architects thought that it would be most suitable for natural disasters and crises that are massively destructive as they create the most favourable opportunities for renewal and rebuilding (Ulmer et al., 2007).

The theory is a significant departure from the traditional crisis communication research on corporate apologia, image restoration theory, or SCCT (section 3.1.1). Ulmer, Sellnow, and Seeger (Ulmer et al., 2010; Ulmer & Sellnow, 2020) move on from issues of protecting or repairing the image of the organisation following a crisis and advocate that organisations must embrace the opportunity for learning, growth, transformation, and positive change that crises provide. For instance, communities that have experienced natural disasters build new waterways to divert floods, or product recalls create new quality assurance structures for enhanced consumer safety (Sellnow et al., 2022). This theory criticises the strategies of shifting blame and responsibility suggested by the traditional theories illustrated in section 3.1.1. It is instead focused on ethical engagement and mobilisation of stakeholders by presenting them with "an optimistic, future-oriented vision of moving beyond the crisis rather than determining [...] responsibility for the crisis" (Ulmer et al., 2010, p. 308). Ulmer, Sellnow, and Seeger believe that theories focusing on threats to an organisation's image often lack these characteristics and may prolong the crisis lifecycle (Ulmer et al., 2010; Ulmer & Sellnow, 2020).

The discourse of renewal theory has four components that are essential regardless of the crisis type: (i) learning from failure, (ii) ethical crisis communication, (iii) prospective rather than retrospective vision, and (iv) effective rhetoric (Sellnow et al., 2022; Ulmer et al., 2010; Ulmer & Sellnow, 2020).

First, the positive change advocated by the discourse of renewal starts from the organisational learning from the failures that led to the crisis. Since this component belongs more to the post-crisis phase, it will be explained more in detail in the next part of this paper on post-crisis communication (see Chapter 4).

Second, ethical crisis communication is central to any renewing response to a crisis. According to Ulmer, Sellnow, Seeger, and colleagues (Sellnow et al., 2022; Ulmer et al., 2010, Ulmer & Sellnow, 2020), it means:

- 1. engaging in positive and mutually beneficial stakeholder relationships,
- 2. adopting "provisional communication", and
- 3. creating "significant choice" under crisis induced uncertainty.

Building positive relationships with stakeholders involves collaborating effectively with both internal and external partners, handling conflicts efficiently, promoting fairness to the greatest extent possible, navigating the highs and lows of relationships, and practicing active listening. By provisional communication, the authors mean that an organisation, and particularly its leader, should let people know what it knows, what it does not know, and what it will do to find out the information it does not currently have. This allows the receiver of the information to form a rational choice, which the discourse of renewal calls "significant choice" (Nilsen, 1974, as cited in Ulmer & Sellnow, 2020).

Third, while theories that focus on image repair often examine blame in a retrospective effort to separate the organisation from the crisis responsibility, the discourse of renewal offers a prospective and optimistic vision of forward-looking change that is based on experiences learned during the crisis (Sellnow et al., 2022; Ulmer & Sellnow, 2020). This vision prioritises the future well-being of the stakeholders and avoids divisive debates about blame and responsibility (Sellnow et al., 2022).

Fourth, the discourse of renewal requires visionary leaders who can construct a compelling vision for the future and help stakeholders make sense of the chaos generated by the crisis (Sellnow et al., 2022; Ulmer & Sellnow, 2020). Leaders are those figures that other people are likely to follow because they can communicate a compelling story that inspires the audience to move beyond the crisis. They may talk about the lessons learned from the crisis, the values that will guide the organisation moving forward, and the overall change in direction that will happen after the crisis. In their speeches, they find points of attraction for stakeholders (Ulmer & Sellnow, 2020). For instance, they might identify and refer to shared values, such as common culture, family, faith, and place (Sellnow et al., 2022).

Different studies of crisis communication by political leaders during the Covid-19 pandemic showed that anchoring public communication to common values is a useful tool that leaders can use to persuade the public to accept their policies, including unpopular measures like the restrictions adopted during the pandemic. For instance, Chancellor Angela Merkel referred to social values, such as trust, credibility, and especially solidarity in her public speeches (Kneuer and Wallaschek, 2023; Mintrom et al., 2021; Wodak, 2021) and she anchored her narrative to important political values within the German culture: the importance of protecting the hard-won democracy and liberal freedoms against authoritarian leadership. In her speeches, she regularly mentioned the need for transparency, for scientific data to underpin decisions, the need to listen to criticism and she acknowledged what she did not know rather than use authoritarian leadership tactics, which as a whole "countered potential allegations of authoritarianism and showcased the characteristics of democratic governance" (Mintrom et al. 2021, p. 1229). Mintrom (Ibid.) finds that "Chancellor Merkel's ability to provide a narrative consistent with a pre-existing one already broadly endorsed among the German public enabled her to offer a persuasive public justification for the measures she implemented in response to Covid-19, which contributed to positive policy outcomes" (p. 1231).

However, leaders must be careful in selecting narratives that are widely endorsed among their target audience (like Chancellor Angela Merkel did), rather than sectarian or controversial narratives, "otherwise, they end up persuading only a section of the population, thus causing social divisions that can undermine both normative and empirical legitimacy and be especially dangerous for policy outcomes in times of crisis" (lbid., p. 1232). For instance, Prime Minister Boris Johnson emphasised the idea that citizens, rather than the

state, are the responsible parties in public life, which is an idea that is deeply rooted in the British conservative party narrative about society, but it is not widely accepted by the British society at large. On the contrary, it is deeply controversial in the United Kingdom. Mintrom et al. (2021) speculate that this policy narrative choice by Johnson "limited the degree to which members of the British public accepted and followed the social distancing rules implemented" by the government, hence "contribut[ing] to worse policy outcomes" (Mintrom et al. 2021, p. 1229).

Guidelines and survey focused on addressing stakeholders' concerns

Cortavarría Checkley and Piris's (2020) key principles for public policy communications in systemic financial crises include guidelines on what to communicate. These authors argue that financial institutions should primarily inform about who is affected by the crisis and what is being done linked to the primary concerns of market participants, such as: "Is my money safe"? Can I conduct normal banking business? Will I have access to funds?" (p. 1).

Blinder et al.'s (2022) survey on central bank communication to the general public points to evidence suggesting that central banks should mainly communicate about their objectives rather than the specific instruments employed to achieve those objectives (see for instance D'Acunto et al., 2020, as cited in Blinder et al., 2022), and about current policies, rather than future policies (see for instance Kryvtsov & Petersen, 2021, as cited in Blinder et al., 2022) since communication on specific policy instruments and on future policies was found to be too challenging for the general public to digest.

Providing appropriate expression of concern and sympathy for the crisis's victims is also one of the twelve principles of crisis communication according to the UNOCT/UNCCT's (2022) crisis communication toolkit.

3.1.3. Theories focused on public organisations

Although some crisis communication theories are relevant for private and public organisations alike (as illustrated in section 3.1.1), some scholars have emphasised the distinctive features of public organisations' crisis communication compared to that of private organisations (Frandsen & Johansen, 2020b; Olsson & Eriksson, 2020).

According to Olsson and Eriksson (2020), public organisations' crisis communication is not only focused on restoring their image but also on reducing uncertainty among citizens and facilitating the management of acute societal crises. This is because public organisations do not deal only with self-inflicted crises damaging their reputation (like the ones typically faced by private organisations), but also with external crises at the societal level, such as floods, earthquakes, or large-scale accidents, which pose another set of communication priorities, such as spreading information and designing effective information systems.

Furthermore, while the mission of private organisations is to promote their own organisational and shareholders' interests, public organisations serve the public good, not their own, and should take into consideration a multitude of stakeholders' interests and community values. These considerations are reflected in public organisations' crisis communication, which should aim at enhancing the democratic legitimacy of the organisation by strengthening stakeholders' engagement (lbid., pp. 419–421).

This section will explore the existing literature on: (i) models of public organisations' communication with citizens; (ii) public policy communication of unpopular measures; and (iii) the Crisis and Emergency Risk Communication model.

Models of public organisations' communication with citizens

Deverell, Olsson, Wagnsson, Hellman, and Johnson (2014, as cited in Olsson & Eriksson, 2020) elaborated a framework for analysing communication of public organisations. This framework draws on three communication models:

- 1. the Old Public Administration model, which sees citizens as subjects;
- 2. the New Public Management model, which sees citizens as clients; and
- 3. the New Public Service model, which sees citizens as active participants in democratic processes.

Table 5 outlines more details of these three models, including their drawbacks as flagged by some scholars.

Table 5: The three models of public organisations' communication according to Deverell et al. (Ibid.)

	Old Public Administration	New Public Management	New Public Service
Purpose	Inform and educate citizens to fulfill the organisation's duty	Promote agency and maintain reputation to gain legitimacy and resources	Facilitate deliberation by engaging citizens to become a better organisation that contributes to a better society
Principles	Transmission of objective, accurate, relevant information from the organisation to citizens (one-way communication, hierarchical relationship)	Mutual exchange of information through persuasion and relation-building (market-driven communication focused on visibility and branding)	Dialogue and deliberation (digitalisation plays a big role in this model)
What is communicated to citizens	Information needed to perform citizenship	What may attract citizens/ clients	Information to encourage citizens to take an active part in democracy, engaging in networking and information-sharing

Role of the organisation towards citizens	Expert and teacher	Service provider and company	Friend and facilitator
Drawbacks	It undermines democratic processes with its focus on hierarchies, rule-following and neutrality going against true democratic ideals such as democratic participation (Vigoda, 2002, as cited in Olsson & Eriksson, 2020)	The extensive use of market-driven communication may undermine citizens' trust in public organisations, and ultimately in democracy (Nielsen & Salomonsen, 2012, and Byrkjeflot, 2010, as cited in Olsson & Eriksson, 2020). As a result of this market-driven trend, public organisations are becoming increasingly mediatised, which means that their processes and priorities are influenced by media logic (Fredriksson and Pallas 2012, as cited in Olsson & Eriksson, 2020)	

Source: Adapted from Olsson and Eriksson (2020, pp. 422–425)

From these models and their respective drawbacks, it can be inferred that public organisations' communication with citizens should be a two-way street, and not a one-way hierarchical form of communication, it should encourage democratic participation and information-sharing by citizens (and other stakeholders), and it should not extensively and predominantly focus on market-driven ideals, such as branding or visibility.

Public policy communication of unpopular measures

In the field of public policy communication, König (2016) elaborated a valuable framework for improving communication of unpopular policies, like austerity policies. This framework can be useful also for other types of policies and programmes, such as the adjustment programmes followed and implemented by the ESM. The rationale behind König's framework is that communication can influence and increase a policy's popularity and public acceptance. To do this, public policy communication should: (i) refer to specific policy characteristics that affect its popularity, (ii) ascribe responsibility for that policy, and (iii) communicate a positive image of the policy actors. These three factors – policy, responsibility, and policy actors – are the three main components of König's (Ibid.) framework. Table 6 lists these components of public policy communication and adds more details. How much of each component set out in Table 6 will be present in a specific communication will depend on contextual factors.

Table 6: Components of public policy communication to increase public acceptance of policies

Categories		Components
1.	Characteristics of the policy	 1a) Highlighting rational benefits: Benefits of the new policy Costs of the status quo Necessity of the new policy 1b) Relying on cultural norms, values, and identity that can legitimise the new policy: Norms, values, normative rightness of the new policy Fairness/justice of the new policy Identity and collective interest, unity around the new policy
		- Consensus/consent regarding the policy
2.	Ascription of responsibility	 Blame others Pass the buck (delegation) Shared responsibility Accepting responsibility Denial, negating responsibility, and ignorance
3.	Policy actor attributes	- Competence - Responsiveness (the agent knows and takes into consideration the public's preferences) - Credibility (determined, consistent, reliable) to dispel the apprehension of opportunistic behaviour

Source: From König (2016, p. 541)

In his empirical study, König (Ibid.) compared the public policy communication of unpopular austerity policies that meant cuts in the welfare after the start of the 2008 global financial crisis by four heads of government: Mario Monti (Italy), Mariano Rajoy (Spain), Enda Kenny (Ireland), and David Cameron (United Kingdom). For instance, the study showed that reduced political competition, like in the case of Monti's technocratic government backed by a broad coalition in the Italian parliament, led to a more robust political consensus in reform communication and less unilateral responsibility shifting. In addition, the study showed that liberal welfare cultures like those predominant in the United Kingdom and, to a lesser degree, also in Ireland allow for a policy communication that is more ideological (e.g. individual responsibility and the negative idea of welfare dependency). These sorts of value-based justifications were instead almost absent in the communications of the two Southern European heads of government.

Crisis and emergency risk communication

One of the most important theoretical frameworks of public crisis communication is the Crisis and Emergency Risk Communication (CERC) model. It was developed by Barbara Reynolds and a team of researchers from the United States Centers for Disease Control and

Prevention (CDC) in the aftermath of the 9/11 terrorist attacks and the anthrax letters crisis (Frandsen & Johansen, 2020b; Seeger et al., 2020).

The model provides a five-stage evidence-based framework for "anyone who communicates [with the public] on behalf of an organization responding to a public health emergency" such as pandemics, cyber crises, hurricanes, bombs, or earthquakes (CDC, 2018, p. 2). The main objective of the model is to make sure communicators offer the information the public needs during an emergency. Stages 1 and 5 of the model belong to the pre-crisis (see Chapter 2) and post-crisis (see Chapter 4) phases, but are exposed here to give a complete overview of the framework. Stages 2 to 4 stress what are the guidelines and best practices of communication during an emergency crisis. Table 7 shows the details of the stages and communication processes of the model.

Table 7: CERC model stages and communication processes

Stage	Communication process
(1) Pre-crisis Risk messages, warnings, preparations	 Be prepared Foster alliances Develop consensus recommendations Test messages
(2) Initial event Uncertainty reduction, self-efficacy, reassurance	 Acknowledge the event with empathy Explain and inform the public, in simplest form, about the risk Establish agency and spokesperson credibility Provide emergency courses of action, including how and where to get more information Commit to continuous communication to stakeholders and the public
(3) Maintenance Ongoing uncertainty reduction, self-efficacy, reassurance	 Help the public more accurately understand its own risks Provide background and encompassing information to those who need it Gain understanding and support for response and recovery plans Listen to stakeholders and audience feedback and correct misinformation Explain emergency recommendations Empower risk/benefit decision-making
(4) Resolution Updates regarding resolution, discussions about cause and new risks/new understanding of risk	 Improve appropriate public response in future similar emergencies through education Honestly examine problems and mishaps, and then reinforce what worked in the recovery and response efforts Persuade the public to support public policy and resource allocation to the problem Promote the activities and capabilities of the agency, including reinforcing, the corporate identity, both internally and externally

(5)	Evaluation
	Discussions of adequacy
	of response, consensus
	about lessons and new
	understanding of risks

- Evaluate communication plan performance
- Document lessons learned
- Determine specific actions to improve crisis systems or the crisis plan

Source: From Reynolds & Seeger (2005, as cited in Frandsen & Johansen, 2020b, p. 235)

Key takeaways of section 3.1 Content: what to communicate?

- In cases of self-inflicted crises or any crisis that has an impact on the reputation
 or image of an organisation, it is important for the organisation to elaborate
 communication strategies that aim to repair its reputation or image by investing
 in improving relations with its stakeholders. Stigmatised organisations will have
 to do so even more than non-stigmatised organisations, in particular with those
 stakeholders that stigmatise them.
- According to the situational crisis communication theory (SCCT) organisations should respond to crises starting with an ethically-based response, i.e. telling stakeholders how to protect themselves from harm, explaining what happened, what actions are being taken to avoid a repeat of the crisis and express sympathy for victims. Image repair strategies should follow only after the ethically-based response.
- The two main image repair strategies recommended by SCCT are: (i) to avoid denial strategies (except in cases of misinformation or fake rumours, which should be corrected before they materialise into real crises), and (ii) to consider that the higher the level of crisis responsibility stakeholders are likely to attribute to the organisation (or the higher the reputational damage a crisis is likely to inflict), the more accommodative (focused on victim concerns and accepting crisis responsibility) the crisis response strategy should be.
- The discourse of renewal theory emphasises the potential positive outcomes of crises, such as learning from crises, engaging in positive relationships with stakeholders, effective listening, providing a vision of the post-crisis future.
- Organisations should make public expressions of concern and empathy for the crisis victims (see also key takeaway on this of section 3.1).
- Anchoring public communication to common values and narratives is a useful
 tool that policymakers can use to persuade the public to accept public policies.
 However, policymakers must be careful in selecting values and narratives that
 are widely endorsed among their target audience, rather than sectarian or
 controversial ones. Otherwise, they end up persuading only a section of the
 population, thus causing social divisions and undermining the legitimacy and
 effectiveness of policy outcomes in times of crisis.
- Public organisations' communication with citizens should be a two-way street, and not a one-way hierarchical form of communication. It should encourage democratic participation and information-sharing by citizens (and other stakeholders), and it should not extensively and predominantly focus on marketdriven ideals, such as branding or visibility.

Communication of unpopular policies as solutions to crises is difficult.
 Public policy institutions should in those situations: (i) refer to specific policy characteristics that may increase its popularity (e.g. the need and benefits), (ii) ascribe responsibility for that policy (shared, accepted, negated, delegated, or switched to another actor), and (iii) communicate a positive image of the policy actors (competence, responsiveness, credibility).

3.2. Form: how to communicate

Crisis communication literature has also focused on the form of communication, i.e. on how to make sure that the message reaches the audience and is well understood. According to the literature reviewed, the key tenets of sound and effective communication are:

- 1. be open and transparent (section 3.2.1);
- 2. use clear and simple language (section 3.2.2);
- 3. be consistent (section 3.2.3);
- 4. be honest (section 3.2.4);
- 5. use reassuring language and empathy (section 3.2.5); and
- 6. control the crisis narrative (section 3.2.6).

Each of these principles will be explored in turn in the sections below. Central bank communication literature on these principles is vast, so the sections below contain ample references to empirical studies and surveys on central banks, in particular on the ECB. That literature is particularly relevant for the ESM as a public institution operating in the financial sector and facing challenges and needs that are similar to those faced by central banks, such as the need to maintain and enhance public trust and legitimacy, the need to respond to demands of public accountability, or the challenge of communicating complex and technical information to a variety of audiences, including non-expert ones.

3.2.1. Open and transparent communication

According to Coombs (2010, 2018), it is crucial that crisis communicators are open and transparent with the organisation's stakeholders, available to the media, willing to disclose information, and avoid "no comment" answers or silence. Unsal and Garbers (2021) claim that transparency is "the first and foremost premise underlying communication" during crises (p. 2). It allows the public to understand the associated policy actions (Unsal et al., 2022) and safeguards the credibility of financial institutions (Unsal & Garbers, 2021).

As Stankova (2018) points out in her IMF blog page, "[n]eglecting communications can reduce the traction of policies and even lead to adverse reactions if the public misinterprets the authorities' actions." On the contrary, building in communications capacity from the outset "can help policy makers to obtain stronger buy-in, not just by market participants and experts, but also by the press and a broader audience – and thus will help to underpin more successful policy implementation" (Ibid.).

Enhancing policy effectiveness

The old style of central bank communication was one of silence, few words, or at best cryptic communication. However, over the past few decades, central bank communication has changed dramatically, and together with it, the idea that it should be more transparent. At first, financial institutions like central banks realised that communication could be a powerful instrument for managing monetary policy expectations and, hence, they became much more transparent with financial experts (Blinder et al., 2008). Communication has also intensified since the financial crisis (Blinder et al., 2022). There is, by now, ample evidence of the effects of "central bank talk" on interest rates, expectations, and other variables related

to monetary policy. However, traditionally, almost all communication efforts of central banks was aimed at the financial markets and other expert groups and the main driving force of that communication effort was the aim of enhancing the effectiveness of monetary policy (Blinder et al., 2022).

Democratic accountability and public trust

In recent years, a new area of central bank communication has started to emerge: direct communication with the general public driven by stronger needs for democratic accountability more than policy effectiveness. These new efforts, surveyed by Blinder et al. (2022) and de Haan (2023), are still in their early stages. Survey evidence suggests that the public has little knowledge about central banks and that the situation has not improved despite central banks' recent efforts (de Haan, 2023). Hence, financial institutions need to be more open and transparent towards the public. As de Haan notes, "[c]entral bank accountability simply requires that central banks talk (and listen) to the general public" (de Haan, 2023, p. 211).

Although financial institutions like central banks are accountable to the democratically elected representatives, either parliaments or governments, it is the public that is their ultimate sovereign. As Mario Draghi put it in 2014, "A transparent central bank serves the general public, by improving understanding of its actions and accountability for its decisions." (Draghi, 2014). "The ECB's current president, Christine Lagarde, even views the general public as the 'new frontier' for central bank communication, arguing that: 'Central banks have to be understood by the people whom they ultimately serve. This is a key to rebuilding trust.'" (Blinder et al., 2022, p. 28).

Gaining popular support is strategic for public organisations. Authors have argued that if central banks hold popular support, they can use it as a shield to protect their independence against political influence (Berger & de Haan, 1999, and Ehrmann & Fratzscher, 2011, as cited in Blinder et al., 2022). In line with this, Ehrmann and Fratzscher (2011, as cited in Blinder et al., 2022) have shown that when there is low trust from the public in the ECB, "there is a higher chance that domestic politicians will comment on the ECB's policy from a national perspective rather than from a euro area perspective – a situation that poses several risks. Not only is it important to ensure that the ECB's policy is assessed in the context of the economic performance of the euro area as a whole, but there is also ample evidence that political commentaries influence policy rate expectations" (Blinder et al., 2022, p. 29).

Blinder et al. (2022) also report that substantial evidence suggests that the more knowledge citizens have about the central bank, the more trust they have in it (Hayo & Neuenkirch, 2014, Hayo & Neumeier, 2021, Haldane & McMahon, 2018, Mellina & Schmidt, 2018, and van der Cruijsen & Samarina, 2021, as cited in Blinder et al., 2022). Therefore, informing the public about monetary policy and the work of the central bank is a good approach to increase trust in the central bank, if communication with the public does increase their knowledge. There are several central banks that have invested in educating the public. However, their efforts so far did not focus so much on monetary policy, but rather primarily on personal financial management. Such matters are seen as more directly relatable and useful for citizens, but they do not contribute as much to the understanding of monetary policy. This finding is insightful also for the ESM and its policies.

In an empirical study on the ECB's monetary dialogue with the European Parliament during the euro crisis, Collignon and Diessner (2016) showed that such dialogue did not have an impact on financial markets but did help the ECB make progress during the crisis with respect to its democratic legitimacy and democratic accountability. Those findings support the view that informing and involving members of the parliament, and their constituencies is vital for the democratic legitimacy and accountability of euro area's supranational institutions (Collignon & Diessner, 2016).

While recognising that restoring trust is challenging, Stankova (2019) identifies four ways for public institutions to do so through communications:

- greater transparency and disclosure: making information publicly available and easily accessible so that the public can "hold policymakers accountable, which in turn can contribute to restoring trust" (p. 39);
- 2. more direct public participation with the help of new communication technologies;
- 3. public opinion polling when it is used to lead policy "to better reflect public opinion" (p. 40) and it is not used incessantly, which may instead encourage short-termism among policymakers (Grattan, 2018, as cited in Stankova, 2019) and a "permanent campaign" mode that "distracts governments from governing and from devoting enough time to considering policy decisions" (Ornstein & Mann, 2000, as cited in Stankova, 2019, p. 40); and
- 4. "better informed press coverage [...], including by providing journalists with proper information and context (helping them to better understand the issues and report more accurately) and organizational support of communications, along with sufficient resources" (Liu, Horsley, & Yang, 2012, as cited in Stankova, 2019, p. 40).

An example of a more participatory approach to policymaking is the case of the local government of Boston, Massachusetts, which has developed a mobile application where citizens can report infrastructure needing repair and then receive pictures of the repair once done (lbid.).

What is the optimum degree of transparency?

Authors agree on the need for organisations in crisis, and financial institutions in particular, to communicate with stakeholders, the media, politicians and the public to enhance their accountability, trust, and policy effectiveness. However, a question arises on what the optimum level of transparency is.

For example, Bernoth and Dany-Knedlik (2020) argue that maximum transparency is overall not the most ideal approach for the ECB and that the optimum degree of transparency depends on which aspects of monetary policy are to be communicated. According to the authors, "the reasons for a certain lack of transparency in central bank communication include legal constraints, uncertainties about the reliability of economic data and modelling results, and the fact that this information could pose a threat to financial stability" (p. 6). Regarding the ECB's transparency, the authors point out that the ECB should improve the transparency of its annual report. Also, they find that the ECB is reluctant to provide the reasons why inflation targets had not been met despite increased policy efforts. Greater transparency in this regard is crucial for preserving the ECB's credibility. In addition, regarding the new functions taken up by the ECB (like its financial supervisory functions), transparency is even more important to increase its accountability and build up a positive reputation in the new field (lbid.).

Interestingly, an example of information that should not be communicated, according to Cortavarría Checkley and Piris (2020), is problems that do not yet have solutions, as this will increase uncertainty. For instance, if the institutions have not yet agreed on a policy response to bank insolvencies or deposit withdrawals, it is preferable to avoid communicating it rather than suggesting, either directly or indirectly, that the policy response is still unfinished. Of course, arriving at credible policies within a brief time remains essential, or it might lead to panic. This reinforces the value of early planning, particularly in the pre-crisis phase, which reduces the risks of having to remain silent at critical moments while policy responses are formulated (lbid.).

3.2.2. Clear and simple language

While openness and transparency are the starting point of any communication effort, crisis managers must ensure that their message is also understood by the intended recipients. Clear and simple messages are traditionally considered best practice in crisis communication. According to the IMF note authored by Cortavarría Checkley and Piris (2020), clarity is one of the main principles of communication with the public in case of a systemic financial crisis.

Why clarity and simplicity matter

Clarity of communication helps avoid misinterpretation and unwanted reactions, whether economic or political (Blinder et al., 2022); it helps transmit or restore confidence to prevent or end creditor runs on financial institutions and markets (Cortavarría Checkley & Piris, 2020). As de Haan (2023) posits, clear and easy-to-understand communication with the public is necessary for the legitimacy of financial institutions (in particular the ECB). Blinder et al. (2022) argue that clear communication with the public can enhance the effectiveness, transparency, and accountability of central banks:

"perhaps the largest benefits from central bank communication with the general public accrue when the central bank explains its role clearly and clarifies its objectives. [...] [T]his is where central banks should focus first – and might have some success" (p. 3).

The need for clear and effective communication becomes even more acute if the chosen crisis response measures are completely new. For example, the unprecedented nature and seriousness of the Covid-19 crisis compelled central banks to move beyond traditional monetary policy, adopting additional or new strategies like quantitative easing, foreign exchange intervention, and, in some cases, debt monetisation. Clear communication of these crisis measures is essential to help the public comprehend and accept them, shape market expectations, and enhance their effectiveness (Unsal & Garbers, 2021).

Need for plain and relatable communication for the general public

"While initially central banks have focused their communication on financial markets, recently they have started paying more attention to communication with the public (Blinder et al., 2022; de Haan, 2023). However, central banks' use of complex language is an obstacle to information acquisition by the wider public (Blinder et al., 2022).

Communication with the public by financial institutions (central banks in particular) should use plain and simple language that is relatable to citizens and better targeted to a non-specialist audience (Blinder et al., 2022; Cortavarría Checkley & Piris, 2020; de Haan, 2023). Real-life examples speak to people. 't Hart (1993) for instance argued that a helpful communication practice is to subsume complex issues into relatable "symbols" or framings: for example, highly technical macroeconomic and fiscal debates are often reframed as debates between "free-market liberals" and "welfare-state interventionists". Bholat et al. (2019, as cited in Blinder et al., 2022) demonstrated that "public comprehension is effectively improved by relating monetary policy messages to people's lives. For example, tying the cost of holidays abroad to the pound's value helped explain why the pound depreciated after the Brexit vote in 2016" (lbid., p. 20). An IMF blog post by Rice and Stankova (2019) also emphasises the importance of relatable communication:

"Messages that connect with and are relatable to the intended audiences' needs and interests and are tiered by channels and content can also help to build understanding. For example, the Bank of Jamaica has begun an innovative communications campaign to explain the benefits of price stability, including through social media, as well as TV and radio advertising using Jamaica's popular reggae music."

Moreover, the concept of signal-to-noise ratio was also introduced as an important consideration in central bank communication (Blinder et al., 2022): the focus in communication should be on our real message, while minimising any associated noise. Hence, more communication is not necessarily better, especially if it adds more noise around our message. This principle applies both for communicating with the financial markets (Blinder et al., 2008), as well as to communicating with the public (Blinder et al., 2022).

Finally, financial institutions need to find a balance between simplicity and accuracy. Blinder et al. (Ibid.) warn that if messages are too simplistic the public may perceive them as inconsistent with the underlying reality. As a result, trust in the central bank may be undermined (Haldane et al., 2020, as cited in Blinder et al., 2022).

Concrete efforts for clearer and simpler communication

In its 2014 review of its communication strategy, the IMF emphasised the need for clearer communication practices (IMF, 2014). Among the examples of efforts taken, the IMF listed:

- 1. starting documents with clearer and more concise executive summaries;
- 2. increasing the use of shorter documents to accompany the publication of major reports (such as country program and policy documents);
- 3. including online summaries; and
- 4. communicating critical information in a clear and understandable language (Ibid.).

The 2024 review of the IMF communication strategy described positive results from this shift towards clearer communication practices:

The Fund made its messages more accessible, so audiences hear from the Fund in the language, format and on issues most relevant to them. (IMF, 2024, p. 10)

Another example is the Bank of England, which has since 2017 developed a layered communication strategy on its website and its inflation report. This approach includes some materials aimed at experts and others designed for non-experts, allowing the public to access explanations of monetary policy in straightforward language while reserving the more intricate content for specialists. This strategy has garnered greater interest from the public and enhanced their understanding (Blinder et al., 2022).

In their study on the soundness of monetary policy frameworks of 50 advanced economies, emerging markets, and low-income developing countries from 2007 to 2018, Unsal et al. (2022) found that all countries made forceful progress in their monetary policy communication efforts since 2007, but that some aspects of communication could be further improved. With respect to advanced economies, they found that those countries could further improve in particular their stakeholder inclusion, i.e. making their communication more inclusive with simpler and less technical language.

Finally, financial institutions also recognise that their communication could be improved. The ECB, for example, has announced that it will try to reduce the length and complexity of its communications (Blinder et al., 2022, Coenen et al. 2017). In a survey of literature on central bank communication with the public, Blinder et al. (Ibid.) showed that some reduction in complexity and length in ECB statements is already occurring to address this problem.

The authors report that there is promising evidence that the current efforts by many central banks to enhance the clarity and simplicity of their communication with the public are paying off. Haldane and McMahon (2018, as cited in Blinder et al., 2020) also find that the new layers of content of the Bank of England's Inflation Report explicitly aimed at general audiences since November 2017 has triggered a substantial increase in the bank's website activity, mainly related to the new content.

Different views in favour of ambiguous and complex communication

In contrast with the traditional strand of literature summarised above, Johansson and Nord (2017) posit that simplicity and clarity are not always valid communication principles for all crisis situations and crisis actors. Conversely, complexity and strategic ambiguity may be desirable and effective in certain crisis situations, including during financial crises.

The concept of strategic ambiguity means that an organisation or an individual may strategically decide to use words and messages with multiple possible interpretations. In a crisis, the future is uncertain, and policy measures might change as the situation unfolds. Hence, the information or messages might change over time. Ambiguous messages allow for avoiding saying things that may become inaccurate, changing the message as the context changes and more information becomes available, and reaching different audiences in their communication (Seeger, 2006, as cited in Johansson & Nord, 2017; see also the Perrier benzene crisis example referred in section 3.3.1). Complexity theory states that crises are complex and unpredictable phenomena, and communicators should embrace rather than attempt to simplify such uncertainty. In practice, the prolonged state of ambiguity of the crisis should be called on, and characteristics of the complex financial system should be highlighted, "such as explicitly commenting on densely interconnected relationships where simple cause-and-effect relationships do no longer apply" (Gilpin & Murphy, 2006, as cited in Johansson & Nord, 2017, p. 222).

Johansson and Nord (2017) applied complexity theory and the theory of strategic ambiguity to their research of press releases of three financial authorities in Sweden – Riksbanken, the Swedish Central Bank, Finansinspektionen, the Swedish Financial Supervisory Authority, and Riksgälden, the Swedish National Debt Office – during the 2008 financial crisis. Their findings show that the three public authorities embraced complexity and strategic ambiguity differently in their communication: two of the authorities – the financial supervisory authority and the national debt office – consistently employed simplicity and clarity, while communication by the third authority – the central bank – was characterised by complexity and strategic ambiguity. The authors argue that both strategies of clarity-simplicity and ambiguity-complexity entail some risks.

On the one hand, simple and clear messages are risky in an environment characterised by great uncertainty where the situation may quickly evolve and change, making the communicated message incorrect or even harmful, potentially jeopardising the credibility of the communicator (Seeger, 2006, as cited in Johansson & Nord, 2017). Financial systems' stability and normality depend on the credibility of their actors, and strategic ambiguity might be the right way to maintain credibility in uncertain situations. James (2024) agrees that "[a]mbiguity is often a critical tool of policy, especially for central banks", referring to the example of the vagueness of Draghi's "whatever it takes" speech, which made it difficult for those opposed – especially German skeptics – to attack" (p. 162).

On the other hand, ambiguity may be harmful if all constituents should receive the same message and act on it. Moreover, in some situations, this strategy can be seen as cowardly, incompetent, or even a sign of weakness. In their study, Johansson and Nord (2017) found that it may be beneficial to use strategic ambiguity in a press release during a financial crisis to communicate to different audiences at the same time and to allow for different interpretations in a rapidly changing environment. Their findings suggest that ambiguity worked well for the Swedish central bank during the financial crisis (lbid.). However, they warn that it may not be wise to always use ambiguous communication in a crisis. Each type of crisis is unique, and each situation will determine if there is an advantage in choosing between ambiguity and complexity or clarity and simplicity.

The authors (lbid.) finally argue that some factors are useful for choosing the most appropriate communication strategy: (i) the type of crisis, (ii) the phase of the crisis, and (iii) the role of the actors in the crisis. Disasters and accidents require substantial instructive communications that need to be clear-cut and simple. For example, during a school fire, a clear and simple message, "When the fire alarm goes off, all gather at the flagpole", should effectively and easily reach students and staff at the school (lbid, p. 233). In more complex crises, like financial crises, ambiguity strategies may be more effective as they can be adapted for various audiences and evolving interpretations over time. Similarly, straightforward messages tend to be more successful during the peak phases of any crisis. Lastly, they suggest that, as evidenced by the study on Swedish financial authorities, the distinct roles and responsibilities of key players during a crisis can also impact the choice of messaging strategies.

3.2.3. Consistent communication

Another key principle of crisis communication is consistency, also known as "speak with one voice" (Coombs, 2010, 2018; UNOCT/UNCCT, 2022). This principle is particularly important

when multiple organisations are involved in a crisis, like the multi-institutional crisis environment in which the ESM typically operates.

The principle applies also to financial crisis communication. In the IMF note on guiding principles of public communication during a financial crisis, Cortavarría Checkley and Piris (2020) stress the importance for financial sector authorities to communicate without contradictions or inconsistent messages among different public agencies. This requires strong coordination among governments and financial institutions, along with the flexibility and ability to respond rapidly and collaboratively to new developments. In another IMF note, central bank communication through Covid-19, Unsal and Garbers (2021) also emphasise that consistency of communication of the crisis measures needs to be continuously ensured across all communication vehicles for as long as the crisis measures are in place.

Inconsistent communication by financial institutions creates unnecessary market volatility and uncertainty and undermines the institutions' credibility and trust (Bernoth & Dany-Knedlik, 2020). Referring to the ECB, Bernoth and Dany-Knedlik (2020) urge the information content of speeches by individual Governing Council members to be, as far as possible, aligned with the ECB's official position.

There are divergent views on how much central banks should communicate and on the benefits of having a diversity of speakers. While some authors emphasise the importance of giving less speeches (by less people) to limit the number of messages and ensure consistency (Tutino, 2016, and Hwang et al., 2021, as cited in Blinder et al., 2022), other authors show how different communicators can reach different segments of the population better (D'Acunto et al., 2021, as cited in Blinder et al., 2022). For instance, they show that women are substantially more likely to listen to new central bank-related information if they hear speeches from female speakers. That said, ensuring consistency becomes even more necessary if there are multiple statements from individual policymakers which differ in tone or content (Blinder et al., 2022).

3.2.4. Honest communication

The discourse of renewal theory, which was introduced in section 3.1.2, postulates that crisis managers should communicate authentically and realistically, i.e. representing an accurate picture of the crisis and its inherent uncertainty (Sellnow et al., 2022; Ulmer et al., 2010; Ulmer & Sellnow, 2020). This honest form of communication is often contrasted with strategic communication, which may provide misleading information and is often viewed as inauthentic or manipulative. If stakeholders perceive any indications that the organisation's messages are motivated by self-interest or a defensive stance, it will greatly undermine the organisation's credibility, trust, and reputation (Lee, 2020).

As a concrete application of this principle in the context of financial crises, Cortavarría Checkley and Piris (2020) stress the need to not over-promise: for example,

"saying that no more banks will fail while conditions remain turbulent may lead to a loss of credibility if even a small, non-systemic failure were then to occur. [...] If depositors or other creditors must lose money or bear losses in some form, the communication should say so clearly and explain concisely the reasons why such losses are necessary. It is counter-productive to be ambiguous or obscure

unpleasant facts, as those facts are likely to become known and be exaggerated as speculation fills the vacuum in official information" (p. 3).

According to Stankova (2019), honesty in communications is fundamental for maintaining or restoring trust. Widespread communication habits such as "empty phraseology, avoiding the issues, appealing to emotion, framing, and not accepting responsibility" have contributed to a public perception of manipulation, hence eroding trust (p. 40).

3.2.5. Reassuring language and empathy

Jin and Pang (2010) contend that crisis communicators must effectively reach out to the impacted audiences by alleviating negative emotions – such as anger, fear, and anxiety – that often arise during a crisis's shocks and uncertainties. This approach facilitates more rational responses to the situation. In line with this, Rauh (2022) suggests that crisis managers should focus on providing reassuring and comforting communication cues. Similarly, Heath and O'Hair (2010) argue that organisations that show concern and care about the interests of those at risk in their communication will enhance their trust and credibility. In the context of a financial crisis, Cortavarría Checkley and Piris (2020) posit that bad news, like if depositors or other creditors must bear losses, should be communicated clearly, but not using alarming language.

In the context of a broader discussion on the role that images, symbols, and rituals play in the dynamics of crises, 't Hart (1993) argues that politicians use symbols and dramatic acts to convey strong and reassuring messages to show that they are maintaining the political order and stability. For instance, major policy initiatives are labelled in a symbolic and evocative way, like the "War on Drugs". Other reassuring rituals include State of the Union messages, question-time debates, or weekly meet-the-press encounters. Agreeing on the importance of optics, Stankova (2019) refers to the example of the Norwegian financial crisis, "when the government and the Norges Bank held a joint press conference to reassure the public that they were working together. This was a powerful signal and helped to restore confidence, and an illustration of the old adage that a picture can say more than a thousand words." (p. 33).

In an empirical study, Rauh (2022) analysed emergency emphasis and alarmist language in the speeches of top executives of the ECB, the European Commission, and of Heads of States of EU Member States during the high period of the euro crisis (2009-2015). Kreuder-Sonnen and White (2021, as cited in Rauh, 2022) argue that supranational actors do use somewhat alarmist language beyond objective crisis pressures when their competencies are contested. They tend to exploit crises to silence controversial debates and circumvent procedural rules constraining them in normal times. Rauh's (2022) empirical research shows instead that this practice is not ubiquitous. He found that during the euro crisis, the ECB used markedly alarmist language, whereas the European Commission's tones were comparatively less alarmist than those of the ECB and the average Member State: "Yet, while the ECB continues to use markedly alarmist language, the European Commission scaled down its public emergency emphasis after 2009 and before the onset of Covid-19. During the Eurocrisis, the Commission sent less alarmist signals than many national executives." (p. 967)

Arguably, a strong, reassuring statement was the famous "whatever it takes" speech by Mario Draghi in July 2012, when he was President of the ECB. Before this speech, financial markets had begun factoring in the possibility of several countries leaving the euro area. However, Draghi dispelled those concerns with his resolute proclamation: "Within our mandate, the ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough." (ECB, 2012; see also Blinder et al., 2022; James, 2024; Stankova, 2019). This assurance led to a decline in interest rates across Europe, immediately convincing markets that the tide had turned. Draghi's memorable statement resonated widely: Ehrmann and Wabitsch (2022, as cited in Blinder et al., 2022) show that it generated elevated traffic on X (formerly Twitter) among non-experts for a prolonged period. James (2024) notes, however, that the reassuring tone of Draghi's speech was not the only reason why markets and citizens listened: "[e]arlier speeches by Angela Merkel, Nicolas Sarkozy, José Manuel Barroso, and many others had also emphasised that everything possible was being done and promised that Europe would stand or fall with the euro. But those political speeches had not fundamentally impressed the market" (p. 162). Draghi, instead, as president of the ECB, "was powerful enough to at least temporarily stabilize the situation" and, at that time, euro area "[g]overnments seemed to be behind the ECB measures in a way that they had not been" (p. 162). So, reassurances alone cannot always do the trick.

Büchel (2013) examined the effects of public statements by members of the ECB Governing Council, EU officials, and EU Member States' representatives on the sovereign credit default swap and bond yield spreads of the so-called PIIGS (Portugal, Ireland, Italy, Greece, and Spain) during the European debt crisis. In particular, the study compared dovish statements that show commitment to rescue indebted countries and hawkish statements that indicate less willingness to support them. His findings indicate that hawkish remarks led to an increase in spreads, while statements demonstrating a strong commitment to protect peripheral euro area countries had the opposite effect.

Communicating with empathy

Crisis communication scholars, best practices, and cases point to the importance of using empathy in crisis communication.

Expressing empathy is one of the key tenets of the CDC's CERC model (section 3.1.3). "Crises create harm, and the suffering should be acknowledged in words. Addressing what people are feeling, and the challenges they face, builds trust and rapport" (CDC, 2018). Empathy helps to connect with people's emotions. Real-life examples speak to people. Conversely, purely technocratic, unemotional, and dismissive messages do not speak to people.

As discussed previously in this paper, a number of scholars examined the crisis communication of political leaders during the Covid-19 pandemic. Some of them focused specifically on the role that public displays of empathy played in the success of their responses. Kneuer and Wallaschek (2023) found that during the pandemic Chancellor Angela Merkel changed her traditional leadership communication style, which has often been portrayed as too analytic, technical and unemotional, and instead repeatedly used empathy in her public communication, trying to connect emotionally with the audience. According to Wodak (2021), Chancellor Merkel communicated "as a caring mother attempting to explain the complexity and dilemmas of the crisis step by step" (p. 341).

Also former Prime Minister of New Zealand Jacinda Ardern's communication during the Covid-19 crisis has been depicted as empathic and approachable, in particular during her live broadcasts on Facebook, which she would open in an informal way ("Kia ora, everyone"), and where she would take moments to remember the persons lost to Covid-19 and directly answer questions from the public (McGuire et al., 2020).

Ardern's and Merkel's empathic and approachable communication styles managed to ensure trust in the government and its policies during the pandemic and helped to inspire acceptance for unpopular measures (such as the restrictive measures imposed during the pandemic) (Kneuer & Wallaschek, 2023; McGuire et al., 2020). These findings are particularly relevant for the ESM and its communication around macroeconomic adjustment programmes.

3.2.6. Controlling the crisis narrative

During a crisis, multiple groups and organisations will advocate different and often conflicting interpretations of the crisis, of its nature and severity, causes, impact, and further development, and advocate alternative strategies (Boin et al., 2009; 't Hart, 1993). Crises are socially constructed through "framing contests" among competing interests, where contestants manipulate, strategise, and compete so that their own prevails as the dominant narrative (Boin et al., 2009). Therefore, it is important for crisis managers to control the crisis narrative, i.e. "to influence collective definitions of the situation in such a way as to highlight preferred courses of action and to selectively obscure alternative interpretations" ('t Hart, 1993, p. 36).

Crisis communication scholars have stressed the importance of controlling the crisis narrative to reduce reputational damage (Beldad et al., 2017, as cited in Lee, 2020) and to exploit opportunities for new policy directions, such as terminating, reconstituting, or creating public organisations, policies, or laws ('t Hart, 1993). However, controlling the narrative after a crisis hits is a challenging task, particularly in today's digital age, given the multiple narratives that emerge in various media (Lee, 2020). As 't Hart (2022) puts it:

"Achieving and sustaining narrative dominance has become both a pivotal and a nearly impossible imperative for crisis managers, particularly in a protracted and all-pervasive crises" (p. 77).

More than ever before, crises now unfold as framing contests. In the case of the pandemic, after a "honeymoon period of 'experts-led' crisis response heroism had worn off, [...] government truths were being challenged more and more, as the language of 'we' gave way to 'us and them' (e.g. 'the unvaccinated')" (Ibid., p. 77; see also Lee, 2020).

Consequently, a key question is how to control the crisis narrative, including in the digital realm. Lee's (2020) answer to this question is two-fold.

First, an organisation affected by the crisis should quickly steal the crisis's thunder (see section 3.3.1 on stealing thunder), which means that it should be the first to disclose information about the crisis, detailing the events, reasons, and actions taken to address the crisis. If an organisation does so, media outlets will be less likely to create and circulate different narratives with their own story of the crisis. One example that Lee (lbid.) reports to illustrate this is Jeff Bezos' disclosure of his extramarital affair. In February 2019, Amazon chairman Jeff Bezos faced a blackmail attempt by a media outlet concerning an

extramarital affair. Bezos proactively disclosed the incident through his social media blog, effectively taking control of the situation before any media outlet could reveal it. By preemptively addressing the issue, Bezos managed to shift the narrative in his favour. Media coverage consistently referred to his blog, using phrases like "according to Jeff Bezos." The potentially scandalous nature of the story became less significant, with the focus shifting to the unethical extortion by the media outlet. Bezos transformed what could have been a damaging tale about a public figure into a privacy issue by strategically timing the revelation. Had the media outlet broken the story, stakeholders might have formed opinions based on that narrative, making it more challenging for Bezos to shape the narrative positively. Bezos' example is relevant because the communication tactic he used can be effectively applied by all organisations in crisis, when they relate to scandals affecting prominent figures of an organisation that can have repercussions for the whole organisation.

Second, according to Lee (Ibid.), crisis managers must provide a complete version of the crisis story to control the narrative. When an organisation provides incomplete crisis information, news media and stakeholders will often try to fill in the blanks themselves, leading to the creation of alternative narratives that could negatively impact the organisation's reputation, and create lasting public stigma issues.

Boin et al. (2009) analysed 15 cases of political framing contests and found that crisis managers who are defenders of the status quo ("incumbents") are more likely to survive the political crisis framing contest successfully if:

- (a) "they have a good stock of pre-crisis political capital with key media actors;
- (b) they cogently and proactively communicate their crisis frames (agreeing with Lee, 2020);
- (c) they have not been in office very long;
- (d) there is a predominant view that the crisis had exogenous causes; and
- (e) they manage to have an 'expert' commission as the main locus of official inquiry into the crisis" (Boin et al., 2009, p. 100).

In contrast, oppositional forces are more likely to gain the upper hand when:

- (a) "the crisis is widely perceived to have endogenous causes;
- (b) incumbents have spent a long time in office;
- (c) incumbents have recently been getting a good deal of 'bad press'; and
- (d) they manage to instigate or capitalize upon a 'political' (non-expert) inquiry." (lbid., p. 100).

Key takeaways of section 3.2

Form: how to communicate

- Transparency and openness are key in crisis communication, which include being available to the media, honesty and willingness to disclose information, avoiding "no comment" answers or silence.
- Central banks have changed their communication style towards more transparency, recognising the power that communication has on policy outcomes.
- Four ways for restoring trust in public institutions through communication are:

 (i) making information publicly available and easily accessible so the public can hold policymakers accountable, which can restore trust, (ii) more direct public participation, (iii) public opinion polling, if not used incessantly, and (iv) better informed press coverages.
- Maximum transparency is not always ideal. The optimum degree of transparency depends on which aspects of policy are to be communicated. For example, organisations should refrain from communicating (i) problems without offering any solutions, (ii) information that can cause pose a threat to financial stability, or (iii) uncertain information.
- Clarity and simplicity, crucial in reducing misinterpretation and unwanted reactions, enhance the effectiveness of communication and accountability of the organisation. They can be improved by communicating through symbols and framings that are relatable for the audience, and by communicating the real impact on the people's lives.
- The focus of communication should be on the key messages, and the noise around the key messages should be reduced as much as possible.
- The IMF also emphasised the importance of clarity in both the 2014 and 2024 reviews of its communication strategy, as a way of reaching out to audiences in the language they understand.
- Strategic ambiguity may be desirable and effective in certain crisis situations, including during financial crises. In a crisis, the future is uncertain and policy measures might quickly change as the situation unfolds. Ambiguous messages allow: (i) avoiding saying things which may later become inaccurate, (ii) changing the message as the context changes and more information becomes available, and (iii) reaching different audiences in their communication.

- However, ambiguity can also be a risky strategy as it can be seen as a sign of
 weakness or inconsistency if only applied to certain audiences. Each crisis
 is unique, and the specific situation will determine if there is an advantage in
 choosing ambiguity and complexity or rather clarity and simplicity. It is important
 to be aware of the risks associated with both.
- Another principle of crisis communication is consistency, particularly important
 when multiple organisations are involved in a crisis. Consistent communication
 requires effective coordination across governments, financial agencies, and other
 institutions, as well as flexibility and capacity to respond quickly in a coordinated
 fashion to new developments.
- Organisations in crisis should communicate authentically and realistically, representing an accurate picture of the crisis and its inherent uncertainty.
 Honesty in communications is fundamental for maintaining or restoring trust.
- Financial institutions should communicate bad news (e.g. if depositors or other creditors must bear losses) clearly but not using alarming language.
- It is important to communicate with empathy during crises. Empathy helps to connect with people's emotions. Conversely, purely technocratic, unemotional, and dismissive messages do not speak to people. Empathic and approachable communication styles can help build trust in public institutions and their policies and inspire acceptance.
- Organisations should be prepared to engage in a battle of narratives, as
 multiple narratives, sometimes with more or less hostility, will start emerging.
 Controlling the crisis narrative is critical to tell the crisis's story that favours the
 organisation's preferred course of action and to minimise reputational damage.
 To control the crisis narrative, an organisation should quickly steal the crisis
 thunder and provide a complete version of the crisis story to control the narrative.

3.3. Timing: when to communicate

Once a crisis has materialised, an organisation affected by the crisis also needs to select appropriate communication timing strategies. More specifically, the following sections will address (i) how quickly (section 3.3.1) and (ii) how frequently (section 3.3.2) the organisation should communicate about the crisis.

3.3.1. How quickly?

Stealing thunder versus responding to thunder

Organisations that become aware of a crisis face a choice between remaining silent and waiting for the crisis to eventually be disclosed by another source or quickly self-disclosing the crisis. The former scenario is usually labelled "responding to thunder", while the latter is known as "stealing the thunder". Arpan introduced the concept of stealing thunder in crisis communication two decades ago, drawing from a practice popular in the context of lawsuits (Arpan & Pompper, 2003; Arpan & Roskos-Ewoldsen, 2005). Stealing the thunder occurs when an organisation facing a crisis is the first to announce the crisis and to release information about it before any other source, such as the news media (Arpan & Pompper, 2003; Arpan & Roskos-Ewoldsen, 2005).

Research shows that when an organisation uses the stealing the thunder strategy, it attracts less media attention. By self-disclosing a crisis and communicating all the known information about it at that time, an organisation shows that it has nothing to hide. Consequently, the press and the public might be satisfied with the information, be less likely to be excessively critical or seek out further information (Claeys, 2022). Research comparing media coverage of crises involving either public figures (Wigley, 2011, as cited in Claeys, 2022) or organisations (Zhou & Shin, 2017, as cited in Claeys, 2022) indicates that the strategy of "stealing thunder" is linked to reduced media attention and a higher proportion of favorable stories and headlines (Claeys, 2022) – such as the case of Jeff Bezos presented in section 3.2.6.

In addition, research has found that stealing the thunder increases an organisation's credibility and trust (Arpan & Pompper, 2003; Arpan & Roskos-Ewoldsen, 2005; Claeys, 2022; Claeys & Coombs, 2020). For instance, Fennis and Stroebe (2014, as cited in Claeys, 2022) have found that self-disclosure by a company results in more trust among consumers compared to disclosure from a third party. Fennis and Stroebe (Ibid.) also argue that communicating an incriminating event against its self-interest makes the organisation more credible.

Furthermore, researchers have compared the impact of responding to the thunder to that of stealing the thunder and consistently concluded that the self-disclosure that comes with stealing thunder enables an organisation to suffer less reputational damage (Claeys, 2022; Claeys & Coombs, 2020). This is also a consequence of the increased credibility and trust (Claeys & Cauberghe, 2012). At the same time, as SCCT posits (see section 3.1.1), if an organisation has a positive pre-crisis reputation, less crisis responsibility will be attributed to that company, and the result will be less reputational damage. Hence, there is less of a need to self-disclose for the sake of reputation repair.

Views diverge instead on the appropriateness of stealing thunder if the organisation's pre-crisis reputation is negative. While Claeys (2022) believes that stealing the thunder would result in a more positive post-crisis evaluation, Lee (2020) argues that it may be counterproductive or useless. According to Lee (2020), when an organisation has a history of crises, the use of the stealing thunder strategy may be viewed as a manipulative attempt to distract stakeholders. Rather than alleviating concerns, it could instead serve to reinforce stakeholders' pre-existing negative perceptions of the organisation. For instance, if British Petroleum discloses a new oil contamination crisis, it might simply remind stakeholders of the previous catastrophic event in the Gulf of Mexico. Second, an empirical study by Claeys and Cauberghe (2012) shows that if an organisation steals the crisis's thunder, it does not need to add reputation-repair crisis response strategies, such as an apology. Conversely, if the organisation does not steal the thunder, it should use a crisis response strategy that restores its reputation rather than just providing stakeholders with objective information about the crisis.

Claeys (2022) and Lee (2020) argue that another advantage of stealing the thunder is that it gives organisations an opportunity to frame the crisis in their own way. Spokespersons will be freer to express genuine emotions, and this will be perceived as more sincere compared with sadness expressed in reactive statements. Claeys (2022) reports that several studies have found that emotional crisis communication, through increased perceptions of sincerity, minimises reputational damage compared with rational crisis communication (Kim & Cameroon, 2011, and Van der Meer & Veerhoeven, 2014, as cited in Claeys, 2022). Therefore, the emotional spontaneity of stealing the thunder is another factor that contributes to minimising the reputational damage (Claeys, 2022).

An important caveat to keep in mind is that stealing the thunder is effective if an organisation communicates honestly all the information that it knows about a crisis and as soon as it becomes aware of the situation (Claeys, 2022). If such conditions are met, according to Claeys and Coombs (2020), stealing the thunder is the optimal crisis response strategy, while responding to the thunder is a sub-optimal strategy. Conversely, holding back parts of the information or minimising its responsibility will reduce the effect of stealing the thunder (Claeys, 2022). If the press or public realises that a public relations trick is being used and communications are not an honest account of the events, the stealing the thunder technique might even backfire (Ibid.). A study by Lee (2016) confirms this point, showing that when persuasive intent is clearly involved in self-disclosure by an organisation, the stealing the thunder effect decreases.

Equally, organisations would fail at properly stealing the thunder if they wait to disclose information while monitoring the news and social media to anticipate a potential revelation, and ultimately respond last-minute, just before the news comes to surface, or reply quickly enough to make it look like as if they stole the thunder, using pre-arranged statements rather than spontaneous self-disclosure (Cleays, 2022). While this strategy may still be more effective than just responding to the thunder, stealing the thunder becomes less effective the later it is initiated since it loses spontaneity, hence credibility (Arpan & Pompper, 2003).

Stealing the thunder can be used as a strategy both in the initial stages of a crisis, such as when a scandal hits an organisation or one of its leaders (see section 3.2.6 on the Jeff Bezos case), or during a crisis. For instance, during a financial crisis, if an organisation has discovered that a certain situation is going to change quickly and that this will likely be announced publicly by the media soon, the organisation could announce it first, not leaving it to the media.

The sense of urgency created by social media

The stealing thunder effect is attributed to timing and initiative, but also to the quantity and quality of information shared. Beyond research on the effects of stealing the thunder, an emerging stream of research is examining specifically the role of speed in crisis communication. This novel tendency is arguably prompted by the struggle that many organisations today face with the demands of urgency by social medial (Claeys, 2022).

In an empirical study, Huang and Di Staso (2020, as cited in Claeys, 2022) addressed the question of how quickly an organisation should offer its first response to a crisis on social media (irrespective of questions around stealing or responding to thunder) by comparing organisational responses made one hour, one day, and one week after a crisis on Facebook. They found that social media users prefer when an organisation communicates sooner rather than later, and, hence, that social media demands a quick response. Nevertheless, the exact timing of the response, whether it occurred within an hour or a day after the crisis, appeared to have no significant impact. Therefore, organisations may have some time to elaborate and draft a more complete and thought-out response. However, commenting on this study, Claeys (2022) warns that Huang and Di Staso's (2020, as cited in Claeys, 2022) findings may depend on the type of crisis and its level of urgency.

One of the key principles of the CERC model (section 3.1.3) in emergency crisis communication is "be first" (CDC, 2018). "Crises are time sensitive. Communicating information quickly is crucial. For members of the public, the first source of information often becomes the preferred source" (Ibid., p. 3).

According to UNOCT/UNCCT (2022), organisations should aim to communicate an initial response within the first hour after a crisis incident occurs. Their crisis communication guidance lists communication actions (p. 9) that should happen within the first hour, including:

- Alerting the relevant authority
- Getting the crisis management team together
- Choose the communication channels
- Reach out to high priority stakeholders directly
- Establish the facts and update accordingly
- Approve a holding statement
- Assess the reaction online: outrage, speculation, impact, etc.
- Consider the likely responses from stakeholders
- · Delegate responsibility where necessary
- Review who is best placed to reach out to which groups
- Establish the relationship between the crisis management team and the spokesperson

The need to balance speed with accuracy

According to Coombs (2010, 2018), it is key that crisis communication is quick and accurate at the same time (see also UNOCT/UNCCT, 2022, p. 6: "[b]e quick and try to have an initial response within the first hour", but also "[b]e accurate by carefully checking all facts"). However, the time pressure of a speedy response in today's digital age can cause errors and inappropriate crisis responses. The 1990 Perrier's benzene water contamination case is an example of hasty communication in the absence of full information (Argenti, 2023).

Two days after the benzene contamination crisis broke, but before identifying the source of contamination, Perrier confidently informed the media that the crisis was limited to its North American market, while only three days later, it was discovered that the impact was much larger and affecting Perrier's entire global market, which forced the company to correct its communication, losing credibility with its customers (lbid.). This case underscores a cautionary lesson for all crisis communication managers: while swift responses are crucial in the digital age, accurate judgement is equally important. Communicating too fast and without a precise situational assessment can complicate matters and potentially lead to a secondary crisis.

With respect to financial crises, Jin et al. (2018) ran an empirical study carrying out 38 interviews with chief communications officers and their counsellors to explore how financial crisis history can inform corporate crisis communication practices across industries and over time. One of the key lessons learned reported in the interviews was the need to strike a balance between speed and legal concerns:

"While the priority of financial journalists is to get crisis information out quickly, the aim of communicators is to put the corporation's story out, not only quickly, but accurately, with the added task of balancing: 1) legal concerns; 2) informational demands of stakeholders; and 3) news coverage by non-financial mainstream reporters, who might not portray the organization and the crisis with the same depth and thoroughness as a more technically astute financial reporter." (p. 582).

3.3.2. How frequently?

As Claeys (2022) points out, social media demands also raise the question of how active organisations should be on those media. This is another emerging stream of research. Fowler (2017, as cited in Claeys, 2022) used X (formerly Twitter) to examine real-time police communication about an ongoing shooting. The study found that providing continuous updates during a crisis ("filling the silence") can help establish credibility and keep other less reliable sources from becoming the primary information source. This is particularly important for protracted crises that may create significant information gaps.

In their IMF Covid-19 special series note, Unsal and Garbers (2021) argue that central banks, in times of crisis, after announcing the chosen crisis response, their justifications, and intended duration, should "continuously reiterate and instil the crisis response by incorporating all crisis measures announced into the regular, active communication cycle for as long as the crisis measures are in effect." (Unsal & Garbers, 2021, p. 2).

In his ESM blog article examining how social media magnifies the impact of digital banks, Solé (2024) argues that "[s]upervisory agencies should explore social media's role in propagating information and consider potential countermeasures. These could include more active social media messaging to reassure the public on the soundness of the system. Statements about the compliance of specific institutions could be considered too".

According to UNOCT/UNCCT (2022), organisations should be proactive in communicating during a crisis. On a daily, weekly, or monthly basis, depending on the nature of the crisis and the ongoing developments, organisations should proactively give updates, reaffirm commitments, showcase early positive examples, and give uplifting messages of togetherness (p. 9).

Key takeaways of section 3.3

Timing: when to communicate

- Research shows that when an organisation uses the stealing the thunder strategy, it attracts less media attention. By self-disclosing a crisis and communicating all the known information about it at that time, an organisation shows that it has nothing to hide.
- Research has found that stealing the thunder increases an organisation's credibility and trust. Another advantage of stealing the thunder is that it gives organisations an opportunity to frame the crisis in their own way (see also key takeaway on this of section 3.2).
- Views diverge on the appropriateness of stealing the thunder if the organisation's
 pre-crisis reputation is negative. Some authors believe that this approach would
 result in a more positive post-crisis evaluation, while others argue that it may
 be counterproductive or useless. If an organisation has a crisis history, stealing
 the thunder may be perceived as a manipulative tactic intended to divert the
 stakeholders' attention, and it may just remind and reinforce stakeholders'
 existing negative attitudes towards the organisation.
- However, the time pressure of a speedy response in today's digital age can cause errors and inappropriate crisis responses. So, organisations should find a balance between speed and accuracy.
- Organisations should also communicate continuously during a crisis, including
 on social media. Providing continuous updates during a crisis ("filling the
 silence") can help establish credibility and keep other less reliable sources from
 becoming the primary information source. This is particularly important for
 protracted crises that may create significant information gaps.

3.4. Channels: where to communicate

After assessing what to communicate, how to communicate, and when to communicate, crisis managers should also consider the "where" questions, addressing issues that derive from having a variety of communication channels. Two issues will be analysed in the following sections:

- 1. the choice of the appropriate communication channel(s), considering the research on the pros and cons of different channels (section 3.4.1), and
- 2. the importance of monitoring and responding to multiple voices on different channels, including an explanation of the rhetorical arena theory of crisis communication (section 3.4.2).

3.4.1. The choice of the appropriate communication channel(s)

During a crisis, the choice of the communication channel matters: social media differ from traditional media, and the organisation's own media (website, social media) differ from external channels (Blinder et al., 2022; Frandsen & Johansen, 2022). Research has demonstrated that a "channel effect" exists, i.e. that people react differently to an organisation's crisis communication strategy on different channels (Claeys, 2022; Coombs & Holladay, 2014). In addition, different audiences, with different levels of expertise (or lack there-of) in the subject-matter of the crisis, may prefer different channels.

Organisation's own media versus external media

Shultz et al. (2011, as cited in Claeys, 2022) examined this channel effect, focusing on an organisation's social media versus external traditional media, and found that organisations experienced fewer negative impacts during a crisis when they communicated through their own blog or X (formerly Twitter) account compared to when the message was conveyed through an online newspaper. Still, Claeys (2022) warns that similar results could be due to the stealing the thunder effect (see section 3.3.1) rather than a channel effect.

Olsson and Eriksson (2020) argue that, during a crisis, the public relies on and trusts the public organisation's web-based communication. Freberg, Palenchar and Veil (2013, as cited in Olsson & Eriksson, 2020) conducted a study comparing various information sources related to the dissemination of news about the H1N1 virus. Their findings revealed that the CDC's website was the most frequently utilised source.

Of course, an organisation has direct control over its own communication channels and can shape them as it wishes, but, for this reason, official websites can also be perceived as one-sided and less trustworthy (Frandsen & Johansen, 2020c). Conversely, news media often try to portray different sides of the news stories rather than sticking only to the official line of communication (Ibid.). However, news media may also have their own stance, and media biases are also well known (Blinder et al., 2022). Mullainathan and Shleifer (2005, as cited in Blinder et al., 2022) show that newspapers are likely to pitch stories in line with the views of their readers and, in the presence of heterogeneous views, may support extreme views. It has also been found that the media often overemphasise negative news (Fogarty, 2005, and Hamilton, 2004, as cited in Blinder et al., 2022). Nevertheless, Munday and Brookes (2021, as cited in Blinder et al., 2022) show that the way the central bank drafts its communications can influence the tone and content of media reporting (Blinder et al., 2022, p. 12).

Traditional media

Influencing traditional media, as well as increasing media exposure, is crucial for effectively reaching the broad public because the public still tends to receive information through intermediate channels, especially television and newspapers. This is particularly important for the ESM's need to communicate with the broader public. Despite the importance of social media and the explosion of online sources, Blinder et al.'s (2022) survey of literature on central bank communication with the public reveals that traditional media, particularly television and print journalism, remain the primary sources of information about the ECB for households in the euro area. Online news outlets come in third, while direct sources, such as the ECB's website and social media, are only used by a small portion of households for central bank-related information. In contrast, expert audiences are far more inclined to rely on direct sources from the organisation itself (Lamla & Maag, 2012, as cited in Blinder et al., 2022).

Scholars disagree, however, on whether traditional media or social media are perceived by the public as more trustworthy in times of crisis (Olsson & Eriksson, 2020). Research by Utz, Schultz, and Glocka (2013, as cited in Olsson & Eriksson, 2020) shows that a message delivered on social media is perceived as more credible compared to a message delivered by traditional media, whereas a study by Liu, Fraustino, and Jin (2015, as cited in Olsson & Eriksson, 2020) demonstrates the opposite, i.e. that the public perceives traditional media as more trustworthy in a crisis than social media. Given the ambiguity of research findings on the topic, organisations should combine traditional and social media to deliver their messages to the broadest possible audience.

Other studies also show that people who obtain their information from television and newspapers tend to have a more comprehensive grasp of monetary policy (Hayo & Neuenkirch, 2018, and van der Cruijsen et al., 2015, as cited in Blinder et al., 2022). Increasing central banks' communication in these two channels is therefore important for reaching the public. In doing so, however, it is essential to keep in mind the point made in section 3.2.2 above on the need to keep communication clear and straightforward, since highly technical and complex messages, even if they are heard by the public, might not be understood (Blinder et al., 2022). Appearing on television also gives institutions that are perceived as "opaque and remote [...] human faces to which people can relate, possibly generating more interest and understanding" (Blinder et al., 2022, p. 35, citing D'Acunto et al., 2021).

Social media

Crisis communication literature has recently paid particular attention to the role of social media in institutional communication. For example, central banks have started exploiting the substantial potential of social media to reach the public. Blinder et al.'s (2022) survey shows that nearly all 75 central banks in their sample have an official X (formerly Twitter) account. In some cases, such as the South African Reserve Bank, the ECB, and the Dutch Central Bank, the central bank governor also has her or his own official X account. More than 80% of the central banks in their sample have their own YouTube channel. Central banks also differ in the way they use their X pages. Blinder et al. (Ibid.) also find that while some central banks, such as the Bank of Japan, are more traditional, sharing mostly economic and financial news, others are more innovative and active, such as the ECB, which engages in Q&As with its audience with the hashtag #AskECB (Ibid.).

Research has also presented dos and don'ts and pros and cons of using social media during a crisis. For instance, Dier (2012, as cited in Coombs & Holladay, 2014) recommends using all the organisation's social media channels when responding to a crisis and keeping responses professional. Ehrmann and Wabitsch (2022, as cited in Blinder et al., 2022) show that ECB's tweets are more likely to get retweeted if they are less factual and more story-oriented. Sunstein (2007, as cited in Coombs & Holladay, 2014) points to the fact that social media contribute to the fragmentation of the media environment and audiences. Crisis communication on social media only reaches the subscribers of the specific media and, arguably, only those who are active on those media (Coombs & Holladay, 2014). Coombs and Holladay (Ibid.) highlight that social media are also a forum where crises can start or rapidly grow. Hence, it is important to monitor them continuously as such monitoring gives organisations insights on the public sentiment regarding the work it is doing to manage the crisis.

Chua and Pang (2012), who analysed the US government's communication strategies to repair its image after the 2008 financial crisis, found that the choice of communicating on both traditional and online media platforms helped to repair the US image over time. In addition, their findings show that "the access of speeches of the US presidents through direct governmental outlets like the White House was an effective way of discussing issues without interruption from commentator and the media" (Chua & Pang, 2012, p. 151).

Other communication channels

For central bank communications in times of crisis, Unsal and Garbers (2021) suggest:

- 1. using ad hoc press releases and dedicated website pages or documents for announcing the crisis response, its justifications, and intended duration;
- integrating the communication on updates regarding the crisis response into the regular communication (e.g. policy statements and monetary policy reports) for continuing the communication on the crisis response for as long as the crisis measures are in effect; and
- integrating the crisis response also into the general monetary policy strategy and
 operational framework documents on the central bank's website to clarify how the
 new crisis measures modify (or not) the key elements of the monetary policy.

Blinder et al.'s (2022) study informs that a few central banks have started organising events with civil society to solicit opinions and feedback from the public. The Bank of England hosts Future Forums, where individuals share ideas and concerns, while the Bank of Canada engages with the public during its routine reviews of the monetary policy framework. Similarly, the US Federal Reserve and the ECB, along with the national central banks in the euro area, hold listening sessions as part of their evaluations of monetary policy strategies. However, there is limited research on the effectiveness of these initiatives.

3.4.2. Monitoring and responding to multiple voices on different channels

During a crisis, there are multiple voices communicating about it, like in an arena, and such voices sometimes are grouped in different sub-arenas. It is crucial for an organisation to map its different audiences and stakeholders as an arena and sub-arenas to anticipate their positions and reactions, to monitor if they are effectively receiving its communications, what

are their reactions to its communications, what they are communicating in turn, and to plan and adapt its crisis communication strategies accordingly.

For instance, in its review of its communication strategy, the IMF (2014) acknowledged that its enhanced efforts in monitoring media indicators, online platforms, and social media metrics, along with evaluating the influence of major outreach events and products (such as Annual Meetings and key conferences), have been valuable for assessing perceptions of the IMF. These efforts also provided important insights to guide future communication strategies (see section 4 on post-crisis communication).

The rhetorical arena theory, with its recent developments regarding sub-arenas, provides a useful visual framework for mapping the various crisis voices, including on multiple channels, to monitor, anticipate, influence, and respond to them effectively.

Rhetorical arena theory and sub-arenas

Rhetorical arena theory was introduced by Frandsen and Johansen in 2000 as an attempt to show the communicative complexity of crises (Frandsen & Johansen, 2022). Frandsen and Johansen (2020b) argue that crisis communication does not only include the voice of the organisation facing a crisis but "[a]lso the voices of the customers, the employees, the investors, the news media" (p. 195), other stakeholders, the public, etc. Moreover, due to social media, "instead of passively processing crisis information, stakeholders often become citizen journalists and negative events can spread to mass users in real-time with the click of a button" (Lee, 2020, p. 802).

The public can also become crisis communicators within the rhetorical arena, and they can support or contest the organisation's crisis response (Coombs & Holladay, 2014). Frandsen and Johansen (2020b) believe that these other voices must be included in the theoretical framework of analysis of crisis communication to have a comprehensive and realistic idea of what is going on in a crisis. A crisis creates a rhetorical arena where all these voices interact with one another in different conflicting and non-conflicting ways (Frandsen & Johansen, 2020c). According to the rhetorical arena theory, four parameters influence crisis communication in the arena:

- 1. the psychological and sociological context of each communicator in the arena;
- 2. the type of media used for communicating;
- 3. the genre of communication (e.g. interviews, press releases, press conferences); and
- 4. the text the content of the communication (Frandsen & Johansen, 2020c, 2022).

Coombs and Holladay (2014) argued that the rhetorical arena is composed of several subarenas and that different communication channels (e.g. the organisation's blog, Facebook pages, or online news pages) can form the boundaries of such sub-arenas. In a sub-arena, crisis publics communicate primarily among themselves and may hear and express different views about the crisis, sometimes forming an echo chamber. Some voices can be limited to one sub-arena, and other voices may spread to and influence messages in other sub-arenas and the larger rhetorical arena (Coombs & Holladay, 2014; Frandesen & Johansen, 2022).

In their study, Coombs and Holladay (2014) analysed the reactions to the announcement of Lance Armstrong's resignation as chairman of Livestrong Foundation, a charity that helps improve the lives of people affected by cancer, following his doping scandal.

The study compared two sub-arenas: the Livestrong Foundation's blog, taken as a location of the expected favourably predisposed public, and an online news outlet (The Huffington Post), where the composition of the public was unknown. Reactions to the news diverged: on the Livestrong blog, they were overwhelmingly supportive of both Lance Armstrong and the Livestrong Foundation, while, on the news outlet, they were hostile towards Lance Armstrong and only slightly supportive of Livestrong.

Studies like these that use the rhetorical arena theory show useful concrete implications. First, examining only a sub-arena created by the organisation, such as its blog or Facebook page, would bring biased results because organisations' blogs and other social media are read mainly by supportive public (Coombs & Holladay, 2014). Second, it is crucial for organisations to monitor different reactions within distinct sub-arenas during crises to understand whether there is support for their crisis communication efforts and discern whether they need to refine their messages within the different sub-arenas (Frandsen & Johansen, 2022). Third, if organisations analyse aggregated data of public online comments (such as those collected across various social media platforms), they risk overlooking crucial nuances in how distinct segments of the public are responding to their crisis communication strategies (Coombs & Holladay, 2014).

Key takeaways of section 3.4

Channels: where to communicate?

- Research has demonstrated that a "channel effect" exists: people react differently to an organisation's crisis communication strategy on different channels.
- While official websites are an important channel for sharing institutional views, they can also be perceived as one-sided and less trustworthy.
- Influencing traditional media, as well as increasing media exposure, is crucial
 for effectively reaching the broad public because the public still tends to receive
 information through intermediate channels, especially television and newspapers.
- Organisations should include its crisis communication in its regular communication formats, such as press releases, policy statements, and other policy documents.
- Given the ambiguity of research findings on the topic, organisations should combine traditional and social media to deliver their messages to the broadest possible audience.
- Social media are also forums where crisis can start or rapidly grow. Hence, it is important to monitor them continuously since such monitoring gives organisations insights on the public sentiment regarding the work they are doing to manage the crisis.
- Organisations should regularly monitor and promptly respond to challenges brought by affected parties on traditional and social media attacking the institution and its actions, blaming them for the crisis or creating false rumours around it. If unchallenged, such attacks could allow responsible organisations to evade accountability, potentially gain public support, and undermine the effectiveness of institutions' policy crisis responses.
- The rhetorical arena theory introduced the idea of multiple voices in crises, including those of the citizens, some of them existing within sub-arenas that may form echo chambers. An organisation should map its different audiences and stakeholders as an arena, and sub-arenas, to anticipate and monitor their positions and reactions.

CHAPTER 4

Post-crisis communication

When a crisis is resolved and deemed to be over, some concerns persist, primarily: making sure that the organisation can avoid or is better prepared for future crises and that stakeholders are left with a favourable impression of the organisation's handling of the crisis and will trust the organisation in the future (Coombs, 2018; Ulmer et al., 2010; Ulmer & Sellnow, 2020).

The main two post-crisis communication actions that address these concerns are:

- 1. learning from failures, including communication failures (section 4.1); and
- 2. continuing engaging in communication with stakeholders to address lingering concerns they may have and to provide them with an optimistic vision for the future (section 4.2).

4.1. Learning from crises

The organisational learning process consists primarily of evaluating the crisis communication efforts, i.e. assessing what worked and what needs improvement. Organisational learning is also the first and key component of the discourse of renewal theory (see section 3.1.2). The post-crisis, long-term organisational evolution and renewal process proposed by the discourse of renewal theory begins with learning from the actions or inactions that led to the crisis, i.e. the failures.

The learning process has an internal (section 4.1.1) and an external (section 4.1.2) component, according to Ulmer and Sellnow (2020).

4.1.1. Internal component: the analysis of failures and lessons learned

The internal learning process entails addressing ineffective practices that may have contributed to the crisis, which includes reshaping the organisation's attitudes, values, and beliefs to accommodate new approaches to operations (Sellnow et al., 2022; Ulmer et al., 2010; Ulmer & Sellnow, 2020).

The learning process is characterised by three distinct phases:

- 1. acquiring knowledge of what worked and what did not work;
- 2. disseminating this knowledge within the whole organisation; and
- 3. translating the lessons learnt into new operating practices (Elliott & Smith, 2007, as cited in Jin et al., 2018).

The starting point is discovering the failures. This exercise is known as a "post-mortem", and its main objective is to improve the crisis management process for the future. The "post-mortem" covers also the assessment of the crisis communication strategies. To evaluate crisis communication efforts, the crisis communication team should collect

information from different sources that provide indicators of the success or failure of the efforts, such as people involved in the crisis communication efforts, pre- and post-crisis reputation scores, media coverage of the crisis, and stakeholder feedback (Coombs, 2010, 2018). Employees may perceive a post-mortem exercise as a hunt for blame, which may lead them to withhold critical negative information. Generally, people are hesitant to reveal unfavourable news within an organisation, particularly if they reflect negatively upon them. Therefore, organisations should foster a climate where employees understand that the purpose of the post-mortem is to enhance the crisis response rather than assign blame to anyone (Coombs, 2010).

Also, the five-staged CERC model on emergency crisis communication (section 3.1.3) includes a final evaluation phase, which involves an assessment of the adequacy and effectiveness of the crisis communication response throughout all the phases of the crisis, including the pre-crisis stage. The model also recommends codifying lessons learned. Seeger et al. (2020) recommend that, "most importantly, these lessons learned, and other evaluative elements should be linked to pre-crisis activities. By linking the (new) insights and knowledge gained from a crisis experience to pre-crisis activities, resiliency can be increased, new understandings of risk and crisis can be incorporated into the new crisis cycle, any weaknesses identified during the evaluation can be addressed, and plans can be modified for the new crisis cycle in the future. Overall, this helps to determine specific actions that can be taken to improve crisis systems and plans" (p. 406).

Once this exercise is completed, the acquired knowledge of lessons learned from the crisis should be distributed within the organisation, the necessary (policy, institutional) changes should be implemented, and the acquired knowledge should be recorded and stored so as not to be lost and forgotten (Coombs, 2010). In other words, "organisational memory" should be created.

In line with the best practice of other international financial institutions, such as the IMF, the World Bank, and the European Investment Bank, the ESM conducts independent evaluations assessing its financial assistance programmes "to improve the effectiveness of programme activities and support the ESM in addressing future crises. [Evaluations are] also in line with a broader commitment to transparency that supports the accountability of the institution" (ESM, 2020a). Communication was covered by past ESM evaluations. For instance, the independent evaluation report of the Greek financial assistance programme recognised the importance of communication and policy advocacy for programme success. It found that "the ESM and its partners could have been more actively involved in explaining and advocating critical reforms", that "the lack of coordinated and comprehensive communication [by the ESM and other Institutions] on the long-term reform benefits contributed to overall weak programme ownership" and "weaker programme implementation" (ESM, 2020b, p. 121) in Greece. Following the Greek evaluation report, "the ESM Board of Governors acknowledged that the engagement and communication with stakeholders, and governance setting could be evaluated in the future, given their critical impact on ESM credibility and the quality of financial assistance provided to ESM members." (ESM, 2020a)

Elliott et al. (2000, as cited in Ulmer et al., 2010) outlined several barriers to organisational learning and change, including "rigidity of core beliefs, values and assumptions, ineffective communication and information difficulties, failure to recognise similar or identical situations that happen elsewhere, maladaptation, threat minimisation and environmental shifts, cognitive narrowing and event fixation, centrality of expertise, denial, and disregard

of outsiders, lack of corporate responsibility, and focus upon "single loop" or single cause (p. 305). Ulmer, Sellnow and Seeger (Ulmer et al., 2010) believe that organisations must overcome these barriers to emerge from a crisis successfully and capitalise on the growth opportunities of crisis. These authors argue that embracing failure and willingness to change should be preferred to justify previous structures and actions tenaciously. Often failures are embedded in long-standing ineffective practices. Publicly recognising failure and committing to meaningful change, they argue, strengthens rather than deteriorates the confidence stakeholders have in the organisation (Sellnow et al., 2022).

For some crises, lengthy governmental investigations will be carried out after a crisis under intense media scrutiny. 't Hart (2022) argues that post-mortem investigations for crises after 9/11 have become

"lengthier, multifaceted, politicised affairs, in which policy makers and agencies face with the twin challenges of managing messy adaptive processes of moving affected groups and communities on from shock, devastation and losses suffered, while simultaneous navigating the conflict-laden dynamics of investigation, accountability and learning that call into question what they did and did not do both prior to the crisis breaking and in the heat of the moment. Contemporary crises are at once cataclysmic and path-breaking. They open up windows of opportunity for terminating, reconstituting or creating public organizations, policies, laws and institutions" (p. 76).

Scholars have proposed various theoretical frameworks to elucidate organisational learning, with Argyris's (1999, as cited in Jin et al., 2018) model of single-loop and double-loop learning being prominent. Single-loop learning pertains to tactical changes, whereas double-loop learning involves altering the strategy by addressing the root causes of an issue (Warnement & Birkland, 2015, as cited in Jin et al., 2018).

Crisis sensemaking theory

A crisis communication theory focused on post-crisis learning is sensemaking theory. For Karl E. Weick, the originator of crisis sensemaking theory, crises are like cosmology episodes: by their very nature they arrive unexpectedly and disrupt a system so profoundly that, initially, responders are unsure of how to react (Frandsen, 2020; Sellnow & Seeger, 2013), as if "people suddenly and deeply [felt] that the universe is no longer a rational, orderly system" (Weick, 1993, p. 633).

Weick's (1979, 2000) sensemaking theory is a retrospective process: we make sense of our actions only once we observe the outcomes they generate. Understanding emerges through acting, analysing the resulting feedback, and learning from that response (Sellnow & Seeger, 2013). Weick (1979, 2000) establishes that the sensemaking process is characterised by a sequence of three stages:

- 1. enactment;
- 2. selection; and
- 3. retention.

Enactment means taking action, for instance to respond to a crisis, but also, in the precrisis phase, to prevent or prepare for a crisis. Then the goal of the selection process is to evaluate whether the actions implemented have led to positive or negative outcomes. If the results are positive, the organisation can proceed with the initial course of action. If not, the organisation must determine a new response strategy. "Falling into routine procedures and tenaciously justifying the status quo is, from the perspective of sensemaking, a precursor to serious failure" (Sellnow & Seeger, 2013, p. 85). During the selection phase, an organisation interprets feedback from its environment. Communication within and outside the organisation is central to interpreting this feedback and developing an appropriate response. The final stage and ultimate purpose of sensemaking is retention, which means learning and preserving the actions that received positive feedback as organisational memory. Of course, the information gathered during the retention process can and should be updated when future enactment and selection processes demonstrate that it is no longer relevant or accurate (Ibid.).

Weick's sensemaking theory clearly focuses on the organisational learning process at every stage of the crisis phase, particularly in the post-crisis phase: the knowledge acquired from the feedback of crisis responses taken or previous crises helps organisations adjust and improve their crisis response or their comprehension of future crises. Retention empowers organisations to avoid similar crises or to manage them and communicate more effectively in the future.

As an application of sensemaking theory in practice, Weick (1993) used it to analyse the communication failures within a team of firefighters in the Montana's Mann Gulch fire. Thirteen firefighters lost their lives in a fire initially thought to be minor and controllable. As wind conditions worsened and the fire intensified, they failed to recognise the growing danger and ignored their crew leader's call to escape using a novel fire strategy, which ultimately saved his life. Weick attributes this to a failure in sensemaking, noting that both overconfidence and excessive caution can hinder necessary traits like curiosity and adaptability. Although the team was trained on valuable past experiences, their guidelines weren't suited for the unique conditions of the Mann Gulch fire. Successful sensemaking, Weick argues, requires embracing doubt and adapting to new challenges.

Roux-Dufort and Vidaillet (2003, as cited in Sellnow & Seeger, 2013) used crisis sensemaking theory to analyse organisational improvisation during a fire crisis in a fertiliser warehouse on the outskirts of Nantes, France. The fire produced a large cloud of smoke in the warehouse, which was initially thought to be toxic and to cause a large-scale medical emergency, which is why the first action taken resulted in a large-scale evacuation of the area. Later tests, however, proved the cloud was harmless, and firefighters eventually controlled the "fire" with large doses of water. They found that as the crisis's perceived urgency rose, the different groups of responders' willingness to improvise decreased. They emphasise the necessity for organisations to improvise through sensemaking to account for the inadequacies of routine procedures revealed by crises and for different groups of responders to communicate better and coordinate for a process of collective sensemaking (Sellnow & Seeger, 2013).

4.1.2. External component: communicating the lessons learned to stakeholders

Once the internal learning and communication process is completed, organisations should communicate externally to stakeholders what they have learned from the crisis and what they will change (see also stage five of the CERC model in section 3.1.3). This communication allows different stakeholders to understand how the organisation has grown from the crisis (Ulmer et al., 2010; Ulmer & Sellnow, 2020).

4.2. Relations with stakeholders

Once a crisis is over, there might be lingering communication concerns in the relationship with stakeholders. Stakeholders such as citizens, customers, employees, and investors seek updates on the progress of the recovery. For example, investors are particularly interested in understanding how long the crisis might impact their returns (Coombs, 2010). Follow-up communication should provide details on recovery efforts, preventive measures to avoid a similar crisis in the future, and updates on any ongoing investigations related to the crisis. Investing in post-crisis communication with stakeholders is key for organisations recovering from a crisis. Stigmatised organisations will have to do so even more than non-stigmatised ones, paying particular attention to those stakeholders that stigmatise them.

According to Ulmer et al. (2010), organisations should communicate ethically with their stakeholders not only before or during a crisis but also after a crisis to generate organisational renewal. As described in section 3.1.2, ethical communication means communicating openly, honestly, and responsibly to enhance the organisation's accountability and trustworthiness. When such a strong ethical relationship with stakeholders is built before and during a crisis, an organisation can embrace the opportunity for renewal and growth also after a crisis has ended (lbid.).

Especially in the post-crisis phase, organisations (and primarily their leaders) should project an optimistic, forward-looking, and long-term vision of change and renewal of the organisation as it moves beyond a crisis (Ibid.). Such forward-looking communication should portray the new sense of direction and purpose that developed through the crisis. Crises entail opportunities for policymakers and other crisis actors (e.g. for new policy directions, for terminating or creating new policies, laws, and institutions). "The fact that certain aspects of the old order are de-legitimised opens opportunities for rallying people behind visions of a new order, or at least to solicit mass support for measures that can be depicted as 'lessons' for the 'improvement' of the old order" ('t Hart, 1993, p. 40). Post-crisis communication should be characterised by enthusiasm and hopefulness for those most impacted by the event (Ulmer & Sellnow, 2020).

Key takeaways of Chapter 4

Post-crisis communication

- After the crisis, organisations should evaluate their communication efforts, assessing what worked and what needs to change, and learn from failures.
- The learning process is characterised by distinct phases: (i) acquiring knowledge
 of what worked and what did not work, (ii) codifying lessons learned, (iii)
 disseminating this knowledge within the whole organisation, and (iv) translating
 the lessons learnt into new operating practices.
- To evaluate crisis communication efforts, the crisis communication team should collect information from different sources that provide indicators of the success or failure of the efforts, such as people involved in the crisis communication efforts, pre- and post-crisis reputation scores, media coverage of the crisis, and stakeholder feedback.
- The lessons learned should be linked to pre-crisis activities so that new understandings of risk and crisis can be incorporated into a new crisis cycle to improve crisis systems and plans.
- Learning and changing after a crisis can be a difficult process. Barriers to
 organisational learning and change include rigidity of core beliefs, values and
 assumptions, denial, or disregard of outsiders. Organisations must overcome
 these challenges to truly learn and change after a crisis.
- Organisations should communicate externally to stakeholders what they have learned from the crisis and what they will change. This communication allows stakeholders to understand how the organisation has grown from the crisis.
- Especially in the post-crisis phase, organisations (and primarily their leaders) should project an optimistic, forward-looking, and long-term vision of change and renewal of the organisation as it moves beyond a crisis.

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