

### Evaluating the effectiveness of contemporary crisis response

- What was the issue that caused the crisis?
  - In April 2018, two Black men were arrested at a Starbucks in Philadelphia. They were waiting for a business associate and didn't buy anything. When one of them asked to use the restroom, a manager informed him that restrooms were for paying customers only. The manager then asked them to leave, which they declined. The manager then called the police, leading to their arrest for alleged trespassing.
- How did stakeholders respond?
  - Starbucks CEO issued a public apology, calling the arrests "reprehensible" and stating that the company is strongly against discrimination or racial profiling. He also announced plans for staff training to prevent future discrimination. Philadelphia Police Commissioner initially defended the officers' actions but later apologized, stating that they "failed miserably" in addressing the incident and recognizing the role of race in the situation.
- What role did social media play in the crisis?
  - Social media played a major role in how the crisis worsened. Because the arrest and interaction were all recorded, there was a clear depiction of what happened and who was at fault. Because of the video and the fact that social media makes content able to be shared and spread rapidly, millions of people had seen the video before Starbucks even had a chance to respond to the controversy. In contrast, social media played a role in Starbucks' response as they were able to put their statement out on the social media profiles and switch their messaging online to let consumers know they were shifting their communications.
- What was the company's response?
  - The CEO of Starbucks personally apologized to the men and met with them to ensure conflicts like this wouldn't happen again. Starbucks then changed policies to foster a more inclusive and safe environment. They also led a racial-bias training for all Starbucks employees one afternoon while storefronts halted operations. Later on, Starbucks reached a settlement with the arrested men and offered them free college education as further compensation.
- How was the response received?
  - It seems like there was a general level of dissatisfaction with the video response. Jim Kenney, the mayor of Philadelphia, recognized that Starbucks issued an apology but did not think it was enough. The mayor asked the Philadelphia Commission on Human Relations to examine the company's policies and procedures. The video of the arrest went viral on Twitter and it caused

#BoycottStarbucks to start trending on social media and has since been viewed 10 million times. This hashtag allowed people to express their dissatisfaction with the CEO's apology and the company.

- What did the company do well in its crisis response?
  - Starbucks did a few things well in its crisis response. First, they recognized the severity of the situation and responded quickly. The CEO, Mike Johnson, took accountability for the situation and avoided deflection or excuses. He even traveled to Philadelphia to meet with the two men and give a face-to-face apology. The company also closed over 8,000 of its stores in the U.S. to conduct racial bias training for 175,000 employees.
- What could the company have done differently?
  - Starbucks could have created a new code of conduct for racial discrimination and released it to the public for review. This would have shown that they are working towards a more inclusive workplace and implementing guidelines to actively train their employees.
  - Starbucks also could have partnered with activist groups to spread awareness about racial discrimination and provide lessons on how to prevent conflicts like this in the future. More resources would be provided to all Starbucks employees and customers and would further demonstrate their desire for reform.