

## How Twitter challenged McDonald's Japan's 40-year honeymoon with its customers

Paul Sinclair  
Faculty of Business  
University of Regina  
Regina, Canada

Mark Pluymaekers  
Research Centre for International Relationship Management  
Zuyd University of Applied Sciences

Svenja Widdershoven  
Research Centre for International Relationship Management  
Zuyd University of Applied Sciences

Haithem Zourrig  
College of Business Administration  
Kent State University

Please direct all correspondence to:

Paul Sinclair  
Faculty of Business, University of Regina  
3737 Wascana Parkway, Regina SK  
CANADA  
[paul.sinclair@uregina.ca](mailto:paul.sinclair@uregina.ca)

### Abstract

McDonald's Japan experienced a violent customer backlash when it abruptly removed its counter menus in 2012. This study examines CEO Eikoh Harada's explanation for what seemed like a routine adjustment in operations and investigates the negative social media response that followed. We draw on both academic theory about disenfranchised customers and literature about corporate apologies. The article focuses on Twitter, examining the large number of 'ugly', or harshly negative, Twitter comments directed at the CEO. Our study concludes future research on crisis communications must better take the voices of 'ugly customers' into account. The study also points to a new social media communication reality in Japan for which McDonald's and other corporations were entirely unprepared.

Keywords: Social media; corporate apology; consumer culture; fast food; Japan

### Executive Summary

The vitriol directed at McDonald's Japan CEO Harada Eikoh and his company's position on the menu removal over the first few days in November 2012 interests us for several reasons. First of all, the company's off-hand response suggests McDonald's, like other Japanese companies, did not seem yet to be taking Twitter seriously: while 63 percent of Japanese companies used social media to disseminate official information in 2012, only 5 percent used social media for customer relations management (Tribal Media House Inc., p. x). Second, research going back to the 1970s saw the Japanese as uniquely unlikely to speak

their minds about service failures (Huang, Huang, & Wu, 1996). Yet here the Japanese customers were bitterly complaining about what on the surface seemed to be a routine change in operations. Finally, from its establishment in 1971, McDonald's Japan managed to consistently maintain an exceptionally positive relationship with its stakeholders, a relationship supported by the company's first two popular, articulate CEOs. Both frequently appeared on television and were frequently feted by the popular business press.

At 19:35, on the day of Harada's reaction at a results briefing, the Mainavi News website published a 608-character article entitled 'McDonald's CEO comments on the disappearance of counter menus' (Mainavi News, 2012). While the appearance of the article only spawned 82 tweets on the Mainavi News website itself, it sparked a Twitter storm that lasted three days when it was simultaneously posted on Niconico, another popular social networking site. This study investigates almost 1200 Twitter responses to Harada's explanation. Our study carefully matches various features of the CEO's explanation for the company's decision to the Twitter responses posted on Niconico. Were these angry customers merely aberrant outliers, we ask, or 'interpretative agents' with something more meaningful to say to the company leader?

Our study begins with an overview of how scholarly research has approached unsuccessful CEO communications. Considerable research has investigated what CEOs say during crises (Hill & Boyd, 2013; Lucero, Kwang, & Pang, 2009). Another line of inquiry has carefully investigated specific features of utterances by high-ranking officials or official spokespersons (Freberg, 2012). In this line of inquiry, it was assumed that differently worded statements had the power to elicit dramatically different responses from disenfranchised stakeholders (Freberg, 2012). On the other hand, public relations specialists have paid little attention to what receivers of all these messages say in response. Most research on what upset consumers have to say comes from the field of (service) marketing. In the 1970s, marketers became interested in 'brand exit' as they watched disenfranchised consumers do one of three things: 1) complain to the provider; 2) spread negative word of mouth to friends and relatives; or 3) 'exit' the firm (Bechwati & Morrin, 2003). The current study is unique in that it strives to combine both viewpoints and capture the entire conversation.

Our study investigates three central research questions. First of all, we focus on the sender: **Was Harada's explanation a good explanation and, if not, why not?** In the article, we identified eight discreet comments made by Harada about the menu change which were subsequently quoted repeatedly in the Twitter posts. We then used Boyd's (2011) framework for apology articulation that proposes seven necessary components of apologies (See 7 R's below), which if absent, would fail to placate recipients of apologies. Our analysis combed through Harada's explanatory points looking for the presence or absence of the 7 R's. Next, we asked: **What portion of the responders to Harada's comments were 'ugly customers'?** Using Rose and Neidermeyer's typology of aggressive marketplace behaviors (Rose & Neidermeyer, 1999), we coded our tweets into the 'good', 'bad', and the 'ugly'. How many showed nastiness toward the company? Finally we asked: **Is there evidence that tweeters are actually 'interpretative agents' with thoughtful positions of their own, just as marketers long suspected?** We counted the number of discrete mentions of each of Harada's eight comments throughout the Twitter stream. To assess the extent to which tweeters offered their own resistant interpretations of McDonald's actions that countered and minimized McDonald's claims, we then counted the number of tweets which both mentioned a CEO comment and offered some kind of alternate interpretation to the CEO's words or rationalization for the removal of the menus. Our study concluded the CEO's explanation was indeed poor, and that the explanation put 20 percent of social media stakeholders in an

ugly, destructive mood. Most important, the CEO's words clearly mattered to stakeholders, because they were mentioned a total of 195 times.

The above results have a number of interesting implications. Research from the 1970s liked to pair up Japan and the US as the quintessential intercultural couple (Noma, 2009), seeing the Americans as likely, and the Japanese as uniquely unlikely, to speak their minds about service failures (Huang, Huang, & Wu, 1996). The Japanese tweeters nonetheless scathingly rebuked McDonald's for its mistakes, challenging traditional notions about Japanese consumer attitudes. Second, popular companies like McDonald's Japan have discovered embittered, angry customers may be the ones most invested in the company and the brand. Finally, resistant interpretations to corporate communications spread by disenfranchised customers may have wide-reaching implications for companies like McDonald's. These 'interpretative agents' in the menu crisis were spreading something much more powerful than ill will; they were disseminating insidious ideas about company intentions and motivations. Researchers too can learn from the menu crisis. Before the advent of social media, communication scholarship had no choice but to focus on corporate explanations for service failures rather than the spirited discussions stakeholders were having about these explanations. Now that technology has given us access to some of these 'dinner-table conversations', the time has come for us to ask more meaningful questions about corporate communications.

## **Introduction**

On October 1, 2012, McDonald's Japan removed the familiar menus from beside cash registers, a move which created a social media backlash so intense the conservative business media started reporting on it (Touyou Keizai Shimbun, 2012; Nikkei Shimbun, 2012). Exactly one month later, Harada Eikoh, CEO of McDonald's Japan, was standing in front of the media at a third-quarter results briefing when he was asked to comment on the negative reactions evoked by this decision. In his response, Harada offered a glib assurance that removal of the menus was an innocuous efficiency-seeking corporate decision, thereby reigniting a Twitter storm which had already raged for a month.

The media would quickly forget the menu crisis and Harada would step down as CEO of McDonald's Japan less than one year later. Yet some four years on the incident points to a more profound problem for McDonald's Japan: The company seemed to have suddenly lost its "golden touch" with McDonald's traditionally loyal customer base. Harada's words put tweeters in an ugly, destructive mood: Some vowed brand exit, while others cynically speculated about the profit-seeking motivation behind the company's decision. More importantly, Harada's response symbolized McDonald's Japan's lack of familiarity with the new, and sometimes hostile, communication environment in which it found itself.

This study investigates the robust Twitter response to CEO Harada's explanation of the menu service failure, pursuing two broad avenues of inquiry. First we focus on the sender of the message, drawing on Boyd's (2011) framework of apology articulation, to find out why the CEO's explanation for the menu change failed to convince the receiving audience. Then we examine the reactions of these receivers, exploring in particular the harshly negative tweets generated during the subsequent Twitter discussion. Finally, drawing on academic theory about disenfranchised customers we address the following question: Were these angry customers merely aberrant outliers or 'interpretative agents' with something more meaningful to say to the company leader?

This study contributes to existing research in several ways. First, despite intense interest in the new 'two-way' dynamic created by social media phenomena in corporate

communication strategies (e.g., Muralidharan, Dillistone, & Chin, 2011; Chewning, 2015), ‘receiver-oriented studies’ have tended to heavily rely on university-student convenience samples, simulated data, hypothetical scenarios, questionnaire formats, and self-reporting participants (Hargie, Stapleton, & Tourish, 2010); academic studies have only begun documenting the rich conversations between corporate leaders and their disenfranchised stakeholders (e.g., Ott & Theunissen, 2015; Sanderson, Barnes, Williamson, & Kian, 2016). Moreover, apology research tends to reflect the superficial interests of the English language business media, fixating on sensationalized cases involving scandal and celebrity. Instead, this study focuses on a real-life Twitter storm triggered by a service failure which arose from routine operations, but still had far-reaching implications. Meanwhile, the apparent negativity of the tweets documented in this study at least indirectly challenges traditional theories of Japan’s national culture founded on concepts such as ‘collectivism’, ‘context’, and ‘indirectness’ (Hall, 1976; Hofstede, 1984).

### **Background: The Makings of the McDonald’s Menu Crisis**

Since its establishment in 1971, McDonald’s Japan has maintained a predominantly positive relationship with its stakeholders, a relationship supported by the company’s first two CEOs’ effective customer engagement. In 1971, Fujita Den, founder of McDonald’s Japan, opened a McDonald’s in the Ginza area that attracted young people, rather than opening a McDonald’s in suburbia which had become the American model. Meanwhile, he accepted the fact that his young customers differed from their American counterparts in that they viewed hamburgers more as a snack than a meal. Treated to Fujita’s modified version of Americana, the Japanese people had no reason to feel their food culture under threat (Ohnuki-Tierney, 2006).

Fujita also managed to convince the public he had indigenized McDonald’s and liked to tell the story of the school boy who was surprised to find McDonald’s in the US (Ohnuki-Tierney, 2006, p. 181). Fujita used impressive growth sales to negotiate a 50% stake in McDonald’s Japan which gave him the power to guide the organization in a direction he saw as fitting the unique Japanese situation. Directly managed outlets were run by a management clique sometimes called the ‘Fujita Family.’ As part of Fujita’s paternalistic approach, Fujita created spheres of influence where employees of directly-run restaurants were allowed to buy franchises, for which franchise fees had been negotiated downwards by Fujita (Nikkei Shimbun, 2010). Fujita Den’s influence spread far beyond industry as he became a regular feature on television and the author of many popular books on management.

In 2002, US parent company McDonald’s Corp. eventually fired Fujita as the Japan unit’s chairman, while simultaneously terminating its contract with Fujita & Co., the trading company that imported McDonald’s supplies and allowed Fujita to control McDonald’s Japan’s entire supply chain. Brought over from Apple Japan, another remarkable CEO, Harada Eikoh, took Fujita’s place in 2004 after a protracted search.

As McDonald’s Japan’s new leader, Harada introduced a number of reforms which initially dismayed some customers, measures which included shuttering some stores which were actually making profits. But pretax profits shot upward once his reforms started to take effect. He implemented popular region-specific pricing, introduced salads, shrimp, and pita offerings, and opened 24-hour stores (Harada, 2012). Before long, Harada was promoting himself on television, contributing to Japan’s foremost business newspaper, the Nikkei Shimbun, and writing books for the popular business press about how he had reformed McDonald’s.

However, by 2011, store sales were again dropping, customer numbers were declining, and sales per customer were shrinking. It was in this uncertain business climate

that Harada's team decided to make operations of McDonald's Japan outlets 'more efficient' by abolishing counter menus and making customers look up at a wall menu, just as customers did in the US and other places around the world.

After the menus disappeared on October 1, 2012, a customer revolt began on a variety of social media. But the real storm occurred on Twitter: One sardonic Twitter hashtag appeared proposing 'Let's think about what McDonald's is going to do next to make things worse.' Some responses included 'use Chinese cabbage instead of lettuce', 'use Japanese yams for the fries', 'get rid of all the chairs in restaurants', and 'put smiles on all the 100-yen burgers' (Livedoor Blog, 2012). McDonald's Japan officially ignored the controversy until November 1, 2012, when CEO Harada was forced to answer questions about the new menu system. Harada dismissed the problem, stating the new menu system was something that was going to 'take time' to get 100 percent buy-in from customers. Based on his comments, the Mainavi News website published an article entitled 'McDonald's CEO comments on the disappearance of counter menus' (See Appendix 1) at 19:35 on the same day (Mainavi News, 2012). The appearance of the article only spawned 82 tweets on the Mainavi News website itself, but sparked a serious Twitter storm when it was simultaneously posted on Niconico, another popular social networking site.

In itself, Harada's response was understandable and predictable. During his time as CEO, he had not experienced any run-ins with the popular business media, which could in fact be counted on to faithfully repeat his pontifications, as it would do for other CEOs who had achieved success at Japan's prestigious firms. Furthermore, he had expressed his doubts about the value of customer feedback before: 'If you ask customers in survey form 'What kinds of products would you like', you will always get answers such as 'low-calorie', 'organic', and 'healthy'... However, when we launch products such as the 'MegaMac', which contains four patties, and the 'Quarter Pounder', young women happily eat them. In other words, what customers say and what they actually do are completely different' (Harada, 2012).

Meanwhile, it is well possible that Harada did not entirely appreciate the power behind angry, complaining consumers on Twitter. In 2009, Twitter had virtually no Japanese users (Tribal Media House Inc., Cross Marketing Inc., 2012, p. vi). In a 2012 survey of how Japanese companies used social media, 63 percent of companies used social media to disseminate official information; only 5 percent used social media for customer relations management (p. x). Moreover, 'social risk' as it had been coined in Japan's technology sphere, the potential of networks of disenfranchised customers to severely damage a brand, only became a topic in Japan around 2012 (Kobayashi, 2012).

In the section that follows, we first discuss a number of relevant theoretical frameworks which could help us understand Harada's response and the negative reactions it evoked on Twitter. On the basis of this theoretical background, we identify three research questions which together shed more light on this case and its implications for public relations in a dynamic communication environment.

## **Literature Review**

Scholarly thinking about corporate communication problems has typically been most fascinated with the Haradas of the world. Considerable research has investigated what CEOs say during crises (Hill & Boyd, 2013; Lucero, Kwang, & Pang, 2009). Another line of inquiry has carefully investigated the utterances of high-ranking officials or official spokespersons (Freberg, 2012). Moreover, the dominant paradigm for crisis communication going back to the 1990s, image repair theory, typically investigated the immediate aftermath of a crisis, and speculated about the efficacy of denial, blame-shifting, mortification,

corrective action, minimization, and other communication strategies (Ulmer, Seeger, & Sellnow, 2007). In this line of inquiry, it was assumed subtle differences in official company statements in combination with the prestige of the spokesperson 'made all the difference', and that carefully worded statements had the power to elicit dramatically different responses from disenfranchised stakeholders, even when these stakeholders had the opportunity to present their own take on the crisis, e.g. via the internet (Freberg, 2012).

Of course research has not completely ignored what recipients of corporate communications were saying. Indeed, in past decades research focus has gradually shifted from a 'sender-orientation' to a 'receiver-orientation' (Coombs & Holladay, 2014). For example, media framing theory demonstrated the limited influence of corporate communication, reminding researchers that the media actively selected what they wanted to include and exclude from a story, and by doing so, indirectly shaped people's interpretation of the event (An, Gower, & Cho, 2011). Situational Crisis Communication Theory, for example, assumed that the news media was going to be the 'final arbitrator' of crisis frames (Coombs, 2007). Research in the domain of social media provided additional insights into the attitudes of disenfranchised stakeholders toward corporate communication. For example, Liu (2010) found that bloggers were more likely to write about crisis situations than online newspapers, and when doing so, were more likely to write in a negative tone and blame government representatives for the crisis. Other researchers (e.g., Muralidharan et al, 2011; DiStaso, Vafeiadis, & Amaral, 2015) did acknowledge the possibility that stakeholder reactions on social media could influence public perceptions of a crisis, but in their research still focused on the effects of the crisis response strategies employed by the organization. As such, they did not challenge the passive image of the message recipient and the implicit assumption that if the corporation got its message right, their stakeholders would be happy.

On the other hand, a rich body of research from marketing/service literature examines upset consumers in an entirely different light. Bechwati and Morrin (2003) document a fascinating journey in thinking about customer complaining in academic literature. In the 1970s, marketers first became interested in 'brand exit'. The early researchers watched disenfranchised consumers do one of three things: 1) complain to the provider; 2) spread negative word of mouth to friends and relatives; or 3) 'exit' the firm (Bechwati & Morrin, 2003). Emotion also interested researchers. Back in the 1990s researchers began to document customer emotions which varied from 'tolerance' to 'sadness' to 'regret' to 'outrage'. Researchers began to be particularly intrigued by negative emotions such as 'frustration', 'anger', 'hostility', and 'irritation'. Apart from their significant potential to affect how the firm functioned, these emotions varied considerably in intensity. Researchers also became interested in the strength and nature of the relationship customers had with companies, and how this relationship affected the way customers responded to firms in case of a service failure or crisis (Boulding, Staelin, Ehret, & Johnston, 2005; Ringberg, Odekerken-Schröder, & Christensen, 2007).

The focus on the agency of consumers has naturally evolved into an investigation of the irrational, angry, misbehaving, deviant customers, sometimes referred to as 'jaycustomers'. Tuzovic (2009) chronicled interest in customer aggression going back to 1999 with Rose and Neidermeyer's typology of aggressive marketplace behaviors (Rose & Neidermeyer, 1999). Over the subsequent decade, researchers addressed topics which included 'consumer aggression', 'customer anger', 'dysfunctional customer behavior' and 'deviant customer behavior' (Tuzovic, 2009). Researchers turned their attention to customer behaviour on social media, watching hundreds of millions of photos, videos, podcasts, ratings, reviews, and blog posts getting uploaded each day to an interconnected system lacking traditional control mechanisms.

Proceeding in parallel to an interest in customer emotions was a fundamental rethinking of what the customer actually was. While traditional marketing research was engrossed in microeconomic theory, cognitive psychology, experimental design, and quantitative analytical methods (Arnould & Thompson, 2005) which emphasized the uniformity of consumers, Consumer Culture Theory saw consumers as ‘interpretative agents’ capable of creating ‘resistant interpretations’ and adopting positions which aligned more with their individual identities than with the prerogatives of marketers (Kozinets & Handelman, 2004). In their seminal 2006 study of consumer complaining, Ward and Ostrum found that the rhetoric of consumer complaining often mimicked the discourse of the civic protest, and was similarly rich in strategy (Ward & Ostrum, 2006). With more information at their disposal as a result of the advent of social media, customers proactively inform each other about illegal situations, publicize the activities of customer protection agencies, and expose cynical marketing ploys.

The three perspectives on crisis communication discussed earlier (image repair strategies, customer emotions and consumers as interpretative agents) are mirrored in the three research questions the current study aims to answer. Taken together, they investigate what happens when newly-empowered Japanese social media stakeholders confront and rebuke a high-profile CEO who is accustomed to controlling the conversation with the business media. The research questions are:

*RQ1: Was Harada’s explanation a good explanation and, if not, why not?*

Communication research has assumed customers will only react badly if company leadership communications ‘get it wrong’. If we assume that the Twitter storm about the McDonald’s menu removal was more than random, capricious consumer behaviour, crisis communication literature should be able to identify some problems with the CEO’s explanation for the removal.

*RQ2: What portion of the responders to Harada’s comments were ‘ugly customers’?*

A casual glance over the Twitter thread shows many customers were in foul humour. How many tweeters showed nastiness, and what lessons can we learn from the presence of ‘ugly’ customers in the conversation?

*RQ3: Were tweeters ‘interpretative agents’ as described in Consumer Culture Theory?*

Communication research has focused its energies on the ‘effectiveness’ of corporate apologies and explanations of service failures. RQ3 instead explores the agency of consumers and questions how much control communicators really have over them.

## **Methodology**

RQ 1 will be answered by analysing Harada’s response to questions about the menu removal, as it was covered by the Mainavi news article that was published on November 1, 2012 at 19:35 (see Appendix 1). In the article, we identified eight discreet comments made by Harada about the menu change which were subsequently quoted repeatedly in the Twitter posts. These are included in (Table 1) below.

Table 1. Harada’s November 1 comments

| <b>Quoted CEO Phrases</b> | <b>Literal English Translation</b> | <b>Comment in Context</b>  |
|---------------------------|------------------------------------|--|
| フラストレーションを感じる             | ‘feel frustration’                 | ‘[When there is a counter menu] the customer in front stands staring at the menu. The customer standing behind feels frustration I think.’ |
| ラミネート加工した                 | ‘laminated B4 size                 | Waiting customers were handed a laminated B4 size menu   |

|                      |   |  |
|----------------------|---|--|
| B4 サイズのメニュー          | menu'                                       | to use. Customers who did not receive the laminated menu were presented with one at the counter.   |
| スピード・オブ・サービス         | 'speed of service'                          | 'How the removal of the menus was going to affect customer satisfaction and influence <b>speed of service</b> is something we have been <b>considering for more than a year.</b> ' |
| 1年以上慎重に検討した結果        | 'result of a year's careful consideration'  |  |
| 客単価                  | 'price of individual items'                 | 'In some of the stores, [preparation] was perhaps insufficient.... However, it is absolutely not true that we removed the menus in order to raise price of individual items.'      |
| 世界ではどの国でもやっていない      | 'no other countries are doing this'         | 'Regardless of the country, the world does not use counter menus.'   |
| 41年間続いてきた            | 'persisted in Japan for 41 years'           | '[Counter menus have] persisted in Japan for 41 years.'  |
| 100点をもらうにはある程度時間がかかる | 'getting 100 percent buy-in will take time' | 'For us to get 100 percent buy-in is going to take some time.'   |

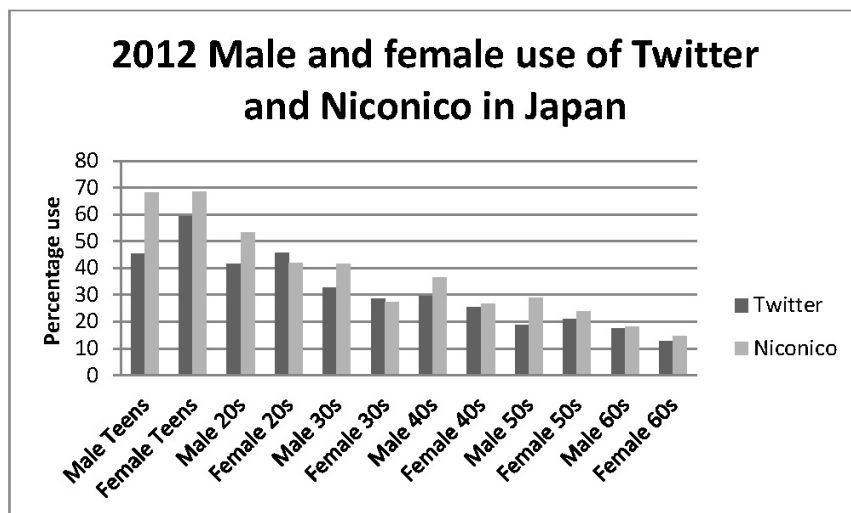
In order to answer RQ2 and RQ3, this study evaluates 1186 tweets which were generated in response to the Mainavi news article once it had found its new home on the Niconico platform.

Twitter will be familiar to most readers, but Niconico merits further comment. The fifth most popular website in Japan in 2012, Niconico was created by Hiroyuki Nishimura in 1999 as a 'free-for-all' message board called '2-channel' where users could post comments without having to deal with censors, age verifications, or thread-boosting voting systems. Nishimura's open '2-channel' morphed into Niconico, a video sharing site where users can overlay their comments in real time on Flash-based video content. Video content can range from user-generated content to news stories to anime to American sitcoms; comments can vary from the inane to the obscene to the insightful (Katayama, 2008). The Niconico site has adapted this real-time, 'free-for-all' mentality to its aggregate news site, news.nicovideo.jp where the current data set was found.

We know that the full Twitter storm triggered by Harada's comments was very complex, spilling across platforms, participant genders, and times of day. We also know that the menu crisis cannot be entirely understood without a discussion of how news homepages deploy features of social media (Lim, 2014). Nonetheless, some secondary data about Niconico and Twitter usage was available for our study. We can point to a 2012 survey by Japan's Tribal Media House (2012) that found both Twitter and Niconico platforms were extremely popular in Japan, though there were slightly more Niconico users, particularly amongst females. See (Figure 1).



Figure 1. Twitter and Niconico use in Japan

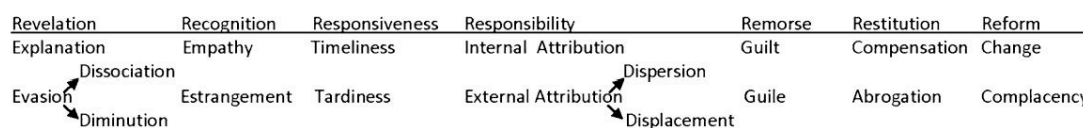


Note. Tribal Media House Inc., Cross Marketing Inc. (2012)

Authors of the Twitter thread can be thought to be roughly comprised of two overlapping groups of social media users: (1) Twitter account holders, and (2) Niconico video users.

RQ1 asked whether Harada’s explanation was a good one. Boyd’s (2011) framework for apology articulation proposes seven necessary components of apologies (See 7 R’s below), which if absent, would fail to placate recipients of apologies. Our analysis combed through Harada’s explanation looking for the presence or absence of the 7 R’s.

Figure 2. Boyd’s apology articulation



Note. Boyd (2011)

RQ2 asked how many responders to Harada’s comments were ‘ugly customers’. This question was answered using a content analysis of all individual tweets in the Twitter thread. Two independent coders who were native speakers of Japanese and who were not familiar with the purpose of the study decided if a tweet could be considered negative, neutral or positive. Positive (P) tweets expressed that the company and/or the CEO and/or the decision (to remove the menu) was to the tweeter’s liking or pleasing. Neutral (M) showed no preference. Negative (N) tweets expressed that the company and/or the CEO and/or the decision (to remove the menu) was not to the tweeter’s liking or pleasing. Once the initial

coding was complete, we ran an inter-rater reliability analysis using Cohen's Kappa. Cohen's Kappa was 0.36, which is regarded as fair. The average pairwise percentage agreement was 69.5%. In cases where there was no agreement between the original coders, one of the researchers decided to which category a tweet should belong. Once all tweets were categorized, each negative tweet was coded again to determine if the tweet should be considered merely 'negative' or actually 'ugly' (Bies & Tripp, 1998), the meaning of which is explained in (Table 2) below. Cohen's Kappa was 0.30, in this case, and the percentage agreement was 69.6%. Ultimately, the number of positive, neutral, negative and ugly tweets in the thread was counted.

Table 2. 'Ugly' tweet typology

| 'Ugliness' Criteria   | Example 'Ugly' Tweets   | Translation   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Uses crass/ impolite language</li> <li>• Wishes harm on the company</li> <li>• Takes pleasure in the service failure</li> <li>• Vows or encourages brand exit</li> <li>• Claims the company is not being truthful with customers</li> <li>• Laughs at or enjoys problems of the company</li> </ul> | <p>@makitan00 客単価を上げるためではいというらマックポーク廃止すんks もう一生行かんからいいけど</p> <p><a href="#">@MakunoutiIsami</a> 儲けたい奴はしゃあしゃあとウソを言う</p> <p><a href="#">@mash18</a> この件で客足が減って混雑がなくなるからスムーズになるって事かな?</p> <p><a href="#">@yurie91563</a> 皆でモス食いに行こうぜ</p> <p>@kyougoku234 むしろ混雑余裕ですねw 早くなるどころか遅くなってますやん www 公式のコメントも1ヶ月後に出るし遅遅ですやん<br/>                     wwwwwwwww</p> | <ul style="list-style-type: none"> <li>• They say this is not about raising prices on individual items. So why did they get rid of McPork—shit. Doesn't matter because I am never going to McDonald's again.</li> <li>• These greedy bastards are glib liars.</li> <li>• After this incident, there will be fewer customers, less confusion. So everything will be efficient [like they want it].</li> <li>• Let's all go eat at MOS Burger.</li> <li>• This is making things even more confusing LOL. Not getting faster—getting even slower LOL, LOL. Waiting one month to make an official comment is late, late. LOL, LOL, LOL</li> </ul> |

RQ3 asked whether tweeters were 'interpretative agents' as described in Consumer Culture Theory. We counted the number of discrete mentions of each of Harada's eight comments (see Table 1) throughout the Twitter stream. To assess the extent to which tweeters offered their own resistant interpretations of McDonald's actions that countered and minimized McDonald's claims, we then counted the number of tweets which both mentioned a CEO comment and offered some kind of alternate interpretation to the CEO's words or to the removal of the menus.

## Results

Our first research question investigates the menu crisis from the 'sender' perspective: *Was Harada's explanation a good one, and, if not, why not?* Research has posited that when the public is confronted with an 'unobtrusive issue', in other words an issue that has not affected the public in the past, the public will be more receptive to a defensive message which employs justification (Cha, Suh, & Kim, 2015). Still, almost all of Harada's strategies to deflect attention from the menu crisis are mentioned by Boyd as deficiencies in corporate apologies. For example, by talking about the customers who 'feel frustration' with the old menu system, Harada dissociates himself from the concerns of customers who cannot understand the new system. Touting 'speed of service' means Harada sidesteps responsibility for the genuine inconvenience caused by McDonald's new measures. Harada's words are more than 'tardy' as they come more than a month after the crisis began. Harada attempts to disperse responsibility by claiming that it is Japan which is 41 years behind. There was plenty of guile in Harada's comments: He denies the fact that not all restaurants prepared extra menus for customers struggling with the new menu system; given the suddenness of the

change, the menu change being cast as the ‘result of a year’s careful consideration’ does not ring true with many tweeters. Harada also denies the menu change was designed to raise prices, which effectively abrogates the company of any kind of duty to compensate for the change with different pricing. ‘Getting 100 percent buy-in will take time’ can be considered a casual, complacent dismissal of customers who have demonstrated they actually care about what his company does.

Our second research question asked: *What portion of the responders to Harada’s comments were ‘ugly customers’?* Our examination found 232 ‘ugly’ (destructive) posts out of a total of 1186. While negative opinions are generally overrepresented in social media responses, the pronounced presence of ‘ugly’, unpleasant comments in the tweet set is nonetheless interesting. Research from the 1970s liked to pair up Japan and the US as the quintessential intercultural couple (Noma, 2009), seeing the Americans as likely, and the Japanese as uniquely unlikely, to speak their minds about service failures (Huang, Huang, & Wu, 1996). The Japanese tweeters nonetheless scathingly rebuked McDonald’s for its mistakes.

It is important to note that ‘ugly’ customers may well be highly involved stakeholders. Gregoire et al (2008), for example, discuss acts of betrayal where perpetrator companies lying to, taking advantage of, exploiting, violating the trust of, and breaking promises to customers can lead to ‘best friends becoming worst enemies’. Therefore, it is hard to imagine that the menu crisis was not somehow related to Japan’s close, 40-year relationship with McDonald’s.

Our final research question was: *Were tweeters ‘interpretative agents’ as described in Consumer Culture Theory?*

If tweeters were indeed acting as interpretative agents, we would first of all expect the phrases in Harada’s explanation to be directly quoted or mentioned in the Twitter thread. This indeed happened frequently: 195 times in total. ‘Feel frustration’ was mentioned 30 times; ‘laminated B4 menu’, 20 times; ‘speed of service’, 30 times; ‘price of individual items’, 24 times; ‘no other countries are doing this’, 49 times; ‘persisted in Japan for 41 years’, 16 times; ‘getting 100 percent buy-in will take time’, 16 times; and ‘result of a year’s careful consideration’ 10 times. The repeated quotations of CEO’s words demonstrate that despite the barrage of marketing and public relations materials pushed at McDonald’s Japan customers each day, the words of the CEO were also important to tweeters. Intriguingly, tweeters often showed annoyance at certain phrases in his speech while ignoring his meaning at the sentence level.

One of the fascinating features of the menu crisis was that while McDonald’s Japan leadership made the removal of the counter menu appear like a simple adjustment in store operations, many tweeters offered their own resistant interpretations of McDonald’s actions. We investigated how many tweeters who went to the trouble to quote the CEO’s words also 1) challenged the veracity of the claim, 2) provided an alternative explanation for the change, or 3) provided commentary on the explanation which disputed McDonald’s position in some way. (Table 3) gives some examples of resistant interpretations offered by tweeters.

Table 3. Alternative interpretations of CEO explanation

| Harada's Explanation                                  | Example 'Resistant' Interpretation   | English Translation  | Number of 'Resistant' Interpretations |
|---|--|--|---------------------------------------|
| 'feel frustration'                                    | @ugyaaaaaaa_まさか客にフラストレーションとか責任転嫁してくるとは   | I can't believe they are putting the responsibility for frustration on customers.  | 24                                    |
| 'laminated B4 menu'                                   | @penguin_island「店舗ではレジに並んでいる客にラミネート加工した B4 サイズのメニュー表を渡す対応をとっているという」今からマック行って確かめてみるかな | 'Waiting customers were handed a laminated B4 size menu to use'—I am going right now to Mac to check for myself.                 | 9                                     |
| 'speed of service'                                    | @win_che サービスを提供するどころか店が客に'スピード・オブ・サービス'とやらを求めている現状だからモヤモヤするんだと思うの                   | Instead of providing speedy service, they are asking us to act speedy. No wonder something does not sit right with people.       | 23                                    |
| 'price of individual items'                           | @graywolf8192 もちろん「客単価を上げる」為じゃいよ、時間当たりの売り上げを上げる為だよ                                   | Of course they are not raising prices on individual items. They are trying to make more money per time spent [on each customer]. | 17                                    |
| '[this practice] has persisted in Japan for 41 years' | @blackpenguin4 なぜ 41 年間続いていたのかは考えないんですか？   | Why don't you consider why this practice has continued for 41 years?   | 11                                    |
| 'the world does not use counter menus'                | @kidaihisa また都合のいい部分だけ外国と比べる誤魔化しですね  | This is a ploy where they only compare [us] to foreign countries when it is convenient.  | 41                                    |
| 'getting 100 percent buy-in will take time'           | @kinyann 41 年続いてきた物を廃止して 100 点貰える訳がい   | There is no reason to expect you will get 100 percent support when you get rid of something that has been around 41 years.       | 9                                     |
| 'result of a year's careful consideration'            | @fujisan19880428 絶対 1 年も検討していい。ただの見切り発車だろ  | There is no way they thought about this for one year. Just a snap decision.  | 6                                     |

The total number of resistant interpretations (140) showed that most of the tweeters who bothered to note certain phrases from the CEO's explanation also had something interesting to say about that explanation.

Resistant interpretations to corporate communications spread by disenfranchised customers may have wide-reaching implications for companies like McDonald's. First of all, these 'interpretative agents' in the menu crisis are spreading something much more powerful than ill will; they are disseminating insidious ideas. According to the CEO, the menu removal was merely designed to improve 'speed of service' for customers. Yet when we stitch some of the resistant interpretations into a coherent narrative, we have the makings of an elaborate conspiracy theory: The menu removal was a deliberate ploy to remove the uniqueness of McDonalds Japan, and in the process, raise prices and increase store revenues; a duplicitous company leadership was now lying about the lack of preparation on the part of the company to implement the change. McDonald's Japan must worry not that these theories will convince the gullible but that they seed doubts in the cynical and sceptical.

## Conclusion

Before the advent of social media, communication scholarship had no choice but to focus on corporate explanations for service failures rather than the spirited discussions stakeholders were having about these explanations. Now that technology has given us access to some of these ‘dinner-table conversations’, we can ask more meaningful questions. In this study, we asked whether the CEO’s explanation for the service failure was a good one, given that Twitter responses pointed to just the opposite. Indeed, the answer was clear: When analysed from the perspective of Boyd’s (2011) framework for corporate apologies, Harada’s explanation contained many deficiencies. Secondly, we wondered how prevalent nasty, unpleasant responses were in our Twitter thread; we found 20 % of tweets that could be considered truly ugly. While the exact significance of this value is unclear, this number at least calls into question the popular image of the picky but placid Japanese consumer. Finally our investigation of alternate interpretations to the CEO explanation demonstrated angry, disenfranchised customers draw their own conclusions and lead the conversation to unexpected and, from the perspective of the corporation, dangerous places.

Our study had some deficiencies as well. The subtlety, sarcasm, and informal language in the tweets resulted in an inter-rater reliability that was only fair. Meanwhile, the Twitter storm was born out of two social media platforms with distinctly different functionalities (Tribal Media House Inc., Cross Marketing Inc., 2012, p. 17). Both Twitter and Niconico in 2012 was heavily skewed toward users in their teens and twenties, suggesting the tweets did not necessarily represent the opinions of an entire cross-section of McDonald’s Japan’s customers. Nonetheless, the findings in our study point to important managerial implications.

Glib corporate rationalizations for service failures will be noticed, broken down into individual points and harshly criticized. Negative responses to corporate messaging are now a permanent fixture in the social media environment even for companies which have enjoyed decades of goodwill with stakeholders. More importantly, corporate leaders dismiss the concerns of ugly customers at their peril. Research on peer influencing has shown that electronic word-of-mouth (eWOM) information provided by sources believed to be outside the control of the corporation, even if they are anonymous, is perceived as having more credibility than information provided by the company (Nowak & McGloin, 2014). On the evening of November 1, 2012 when Niconico users were pouring vitriol on the CEO of McDonald’s, the official twitter account of McDonald’s Japan @Love\_McD would post only two tweets, one asking readers if they had tried the Teriyaki Chicken Filet, the other telling them about the ‘Big Chicken Rich Cheese’. This shows that McDonald’s failed to engage in a two-way dialogue with its stakeholders (Chewning, 2015; Ott & Theunissen, 2015), thereby reinforcing its image of being a poor listener.

This study points to important implications for future research. Communication research must better take the voices of ‘misfits’ into account. Back in 1999, evangelists for online market networks warned companies in their online ‘Cluetrain Manifesto’ what to expect from the digitally networked age: ‘As markets, as workers, we wonder why you’re not listening. You seem to be speaking a different language....The inflated self-important jargon you sling around—in the press, at your conferences—what’s that got to do with us? ...Maybe you’re impressing your investors. Maybe you’re impressing Wall Street. You’re not impressing us’ (Levine, Locke, Searls, & Weinberger, 1999). As the current study shows, the ‘ugly’ customers now have a powerful voice in Japan, just as they do in markets around the world.

More importantly, our study invites further exploration of Japan’s unique social media environment as it transforms the way Japanese companies do business. Our study carefully follows a corporate message from a media scrum at a quarterly results briefing to social networking site frequented by Japanese youngsters, to the Twitter apps on McDonald’s Japan stakeholders’ phones. In the process our analysis points to the chaotic and even exotic nature

of corporate communication pathways in our networked world. By doing so, this study raises as many questions as it answers.

### References

- An, S.-K., Gower, K. K., & Cho, S. H. (2011). Level of crisis responsibility and crisis response strategies of the media. *Journal of Communication Management, 15*(1), 70-83.
- Arnould, E. J., & Thompson, C. J. (2005). Consumer Culture Theory (CCT): Twenty Years of Research. *Journal of Consumer Research, 31*(4), 868-882.
- Bechwati, N. N., & Morrin, M. (2003). Outraged Consumers: Getting Even at the Expense of Getting a Good Deal. *Journal of Consumer Psychology, 13*(4), pp. 440-453.
- Bies, R. J., & Tripp, T. M. (1998). Revenge in organizations: The good, the bad, and the ugly. In R. W. Griffin, A. (. O'Leary-Kelly, & J. M. Collins, *Dysfunctional behavior in organizations: Violent and deviant behavior. Monographs in organizational behavior and industrial relations* (Vol. 23, pp. 49-67). US: Elsevier Science/JAI Press.
- Boulding, W., Staelin, R., Ehret, M., & Johnston, W. J. (2005). A customer relationship management roadmap: What is known, potential pitfalls, and where to go. *Journal of Marketing, 69*, 155-166.
- Boyd, D. P. (2011). Art and Artifice in Public Apologies. *Journal of Business Ethics, 104*(3), 299-309.
- Cha, H., Suh, J. W., & Kim, J. R. (2015). The effect of issue obtrusiveness, issue congruence, and response strategies on the acceptance of crisis communication messages. *Asian Journal of Communication, 25*(3), 307-326.
- Chewning, L. V. (2015). Multiple voices and multiple media: Co-constructing BP's crisis response. *Public Relations Review, 41*, 72-79.
- Coombs, T. W. (2007). Protecting Organization Reputations During a Crisis: The Development and Application of Situational Crisis Communication Theory. *Corporate Reputation Review, 10*(3), 163-176.
- Coombs, T. W., & Holladay, S. J. (2014). How publics react to crisis communication efforts: Comparing crisis response reactions across sub-arenas. *Journal of Communication Management, 18*(1), 40-57.
- DiStaso, M. W., Vafeiadis, M., & Amaral, C. (2015). Managing a health crisis on Facebook: How the response strategies of apology, sympathy, and information influence public relations. *Public Relations Review, 41*, 222-231.
- Erdem, T., & Swait, J. (2004). Brand Credibility, Brand Consideration, and Choice. *Journal of Consumer Research, 31*(1), 191-198.
- Freberg, K. (2012). Intention to comply with crisis messages communicated via social media. *Public Relations Review.*
- Gregoire, T., & Fisher, R. J. (2008). Customer betrayal and retaliation: when your best customers become your worst enemies. *Journal of the Academy of Marketing Sciences, 36*, 247-261.
- Hall, E. T. (1976). *Beyond Culture*. New York: Doubleday.
- Harada, E. (2012). Kachitsuzukeru keiei: Nihon makudonarudo harada eikou no keiei kaikakuron [Management that keep on winning: The reforms of McDonald's Eikoh Harada. Tokyo: Asahi Shimbun Shuppan.
- Hargie, O., Stapleton, K., & Tourish, D. (2010). Interpretations of CEO public apologies for the banking crisis: attributions of blame and avoidance of responsibility. *Organization, 17*(6), 721-742.
- Hill, K., & Boyd, D. (2013). The components of a successful CEO apology. *Journal of*

- Business Case Studies*, 9(2).
- Hofstede, G. (1984). *Culture's Consequences: International Differences in Work-Related Values*. Newbury Park, CA: Sage.
- Huang, J.-H., Huang, C.-T., & Wu, S. (1996). National character and response to unsatisfactory hotel service. *International Journal of Hospitality Management*, 15(3), 229-243.
- Katayama, L. (2008, May 19). *Meet Hiroyuki Nishimura, the Bad Boy of the Japanese Internet*. Retrieved January 26, 2013, from Wired.com:  
[http://www.wired.com/techbiz/people/magazine/16-06/mf\\_hiroyuki?currentPage=1](http://www.wired.com/techbiz/people/magazine/16-06/mf_hiroyuki?currentPage=1)
- Kobayashi, N. (2012). *So-sharu risuku--bijinesu de shippai shinai 31 ru-ru [Social Risk: 31 rules to prevent social media failures in business]*. Tokyo: Nikkei BP.
- Kozinets, R. V., & Handelman, J. M. (2004). Adversaries of consumption: consumer movements, activism, and ideology. *Journal of Consumer Research*, 31(3), pp. 691-704.
- Levine, R., Locke, C., Searls, D., & Weinberger, D. (1999). *The Cluetrain Manifesto*. Retrieved January 5, 2012, from <http://www.cluetrain.com/book/95-theses.html>
- Lim, J. (2014). A model of functional rules for social media in the networked news sphere. *Asian Journal of Communication*, 24(3), 279-294.
- Liu, B. F. (2010). Distinguishing how elite newspapers and A-list blogs cover crises: Insights from managing crises online. *Public Relations Review*, 36, 28-34.
- Livedoor Blog. (2012, October 5). Retrieved January 24, 2013, from 2 no matome R:  
<http://2r.ldblog.jp/archives/7491758.html>
- Lucero, M., Kwang, A. T., & Pang, A. (2009). Crisis leadership: when should the CEO step up? *Corporate Communications: An International Journal*, 14(3), 234-248.
- Mainavi News. (2012, November 1). Makudonarudo no kaunta- menyuu- haishi ni tsuite, shachou ga komento [CEO of McDonald's comments on removal of menus] Retrieved November 30, 2012, from Mainabi news raifu  
<http://news.mynavi.jp/news/2012/11/01/174/index.html>
- Muralidharan, S., Dillistone, K., & Shin, J.-H. (2011). The Gulf Coast oil spill: Extending the theory of image restoration to the realm of social media and beyond petroleum. *Public Relations Review*, 37, 226-232.
- Nikkei Shimbun. (2010, September 6). McDonald's CEO writes the book on succeeding a tycoon. *The Nikkei Weekly*, 48(24).
- Nikkei Shimbun. (2012, November 3). Makudonarudo, kaunta no menyuu ga kieta riyuu: nerai ha kokyaku manzoku koujou, hirogaru tomadoi koe [Reason for removal of counter menus at McDonald's: To improve customer satisfaction, but the backlash grows]. *Nikkei Shimbun*.
- Nikkei Shimbun. (2015, April 16). *Makudonarudo no kasanoba shachou, "raiki no kokujika wo mezasu" [McDonald's CEO Cassanova: A return to profit in next period]*. Retrieved April 18, 2015, from Nikkei Shimbun:  
<http://www.nikkei.com/markets/kigyoo/management.aspx?g=DGXMZO8576374016042015000000>
- Noma, H. (2009). How unique is Japanese culture? A critical review of the discourse in intercultural communication literature. *Journal of International Education in Business*, 2(2), 2-14.
- Nowak, K. L., & McGloin, R. (2014). The Influence of Peer Reviews on Source Credibility and Purchase Intention. *Societies*, 4, 689-705.
- Ohnuki-Tierney, E. (2006). McDonald's in Japan: Changing Manners and Etiquette. In J. L. Watson, *Golden Arches East: McDonald's in East Asia* (pp. 161-182). Stanford:

Stanford UP.

- Ott, L. & Theunissen, P. (2015). Reputations at risk: Engagement during social media crises. *Public Relations Review, 41*, 97-102.
- Ringberg, T., Odekerken-Schröder, G., & Christensen, G. L. (2007). A cultural models approach to service recovery. *Journal of Marketing, 71*, 194-214.
- Rose, R. L., & Neidermeyer, M. (1999). In E. Arnould, & L. Scott, *Advances in Consumer Research, Vol. 26*. Provo, UT: Association for Consumer Research.
- Sanderson, J., Barnes, K., Williamson, C., & Kian, E. T. (2016). 'How could anyone have predicted that #AskJameis would go horribly wrong?' public relations, social media, and hashtag hijacking. *Public Relations Review, 42*, 31-37.
- Touyou Keizai Shimbun. (2012, November 1). Menu tekkyo ni Makudonarudo Harada shacho ga hanron: setto shohin no yudo ha hitei [McDonald's CEO Harada lashes back: Menu removal was not about selling the set menu items]. *Touyou Keizai Shimbun*.
- Tribal Media House Inc., Cross Marketing Inc. (2012). *So-sharu medeia hakusho 2012 [Social Media Whitepaper 2012]*. Shoeisha.
- Tuzovic, S. (2009). Frequent (flier) frustration and the dark side of word-of-web: exploring online dysfunctional behavior in online feedback forums. *Journal of Services Marketing, 24*(6), 446-457.
- Ulmer, R. R., Seeger, M. W., & Sellnow, T. L. (2007). Post-crisis communication and renewal: Expanding the parameters of post-crisis discourse. *Public Relations Review, 33*, 131-134.
- Ward, J. C., & Ostrum, A. L. (2006). Complaining to the Masses: The Role of Protest Framing in Customer-Created Complaint Web Sites. *Journal of Consumer Research, 33*(2), 220-230.



Appendix 1. Mainavi news article quoting McDonald's CEO

| Original   | English Translation  |
|--|--|
| <p>マクドナルドのカウンターメニュー廃止について、社長がコメント<br/>                     マイナビニュース：記事一覧 2012年11月1日(木)19時35分配信</p>   | <p>'McDonald's CEO comments on the disappearance of counter menus'<br/>                     Retrieved from Mainavi News: November 1, 2012 19:35</p>  |
| <p>「マクドナルド」店舗で、レジカウンター上に置かれていたメニュー表が廃止された。<br/>                     公式に発表はなかったが、10月1日頃から全国の店舗でなくなったとされている。<br/>                     ネット上などでは一部で「商品を選びにくくなった」などという声があがっていた。<br/>                     この件について、11月1日に開催された「日本マクドナルド 今後の成長戦略に関する発表会」での記者からの質問に対し、同社代表取締役会長兼社長兼 CEO の原田泳幸氏が答えた。<br/>                     「カウンターのメニュー表を取り払ったらどのようにお客さまの満足、'スピード・オブ・サービス'につながるのかということについて、1年以上慎重に検討した結果。<br/>                     (レジカウンター上にメニュー表がある場合、)前のお客さまがじっとメニュー表を見ているのを、その後ろで待っているというのはフラストレーションを感じると思います」また原田氏によれば、レジカウンター上のメニュー表を撤廃した後は、店舗ではレジに並んでいる客にラミネート加工した B4 サイズのメニュー表を渡す対応をとっているという。<br/>                     受け取らなかった客に対してはカウンターで渡しているとのこと。<br/>                     「一部店舗によっては不十分であったかもしれない」とした上で、「客単価を上げるためにメニューをはずしたということは一切ない」と言い切った。<br/>                     「レジカウンター上のメニュー表は世界ではどの国でもやっていないが、日本では 41 年間続いてきた形態。<br/>                     (撤廃して)100 点をもらうにはある程度時間がかかるだろう」と話した。</p> | <p>The menus typically found on counters by the cash registers at McDonald's restaurants have been removed.<br/>                     There has been no formal announcement, but the menus disappeared from stores nationwide on October 1.<br/>                     There has been some criticism on the internet, with a typical comment being 'I found it hard to choose what to order'.<br/>                     When asked about the menu issue by a reporter, CEO of McDonald's Japan commented on this issue at a November 1 briefing entitled 'McDonald's Future Growth Strategy'.<br/>                     'How the removal of the menu was going to affect customer satisfaction and influence speed of service is something we have been considering for more than a year.<br/>                     '[When there is a counter menu] the customer in front stands staring at the menu. The customer standing behind feels frustration I think.' According to Harada, after the menus were removed, waiting customers were handed a laminated B4 size menu to use. Customers who did not receive the laminated menu were presented with one at the counter.<br/>                     'In some of the stores, [preparation] was perhaps insufficient' he observed. 'However, it is absolutely not true that we removed the menus in order to raise prices.<br/>                     'Regardless of the country, the world does not use counter menus. Yet this practice has persisted in Japan for 41 years.<br/>                     'For us to get 100 percent buy-in is going to take some time', he said.</p> |

Source: Mainavi News (2012)