The Internet as a crisis management tool: a critique of banking sites during Y2K

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Abstract

In 1999, the international banking industry built web sites to address Y2K as a potential crisis that could cause worldwide disruption of information exchanges. Banks, which rely on automated systems to process time-sensitive information, were concerned that their services would be compromised, if computer systems failed due to Y2K-related problems.

Although the Y2K crisis did not come to fruition, it is helpful to examine this unique occurrence to understand how organizations can use the Internet for crisis management. This study found that the banking community put more effort into providing Y2K information online than using web sites to interact with constituencies and learn about their concerns.

1. Introduction

Y2K was considered a potential crisis because extensive computer system failures could have resulted from widespread date-related glitches. Since disruptions to computer operations can significantly hinder banking services, the banking community was particularly concerned that Y2K could cause extensive problems throughout the global banking network, and this network weakness could lead to instability in financial systems worldwide.

During the 12-month period prior to 2000, the American banking community communicated compliance progress using various tools including the Internet throughout its organizational structure and to its constituencies. Considering the expense taken to ensure computers were compliant, it was critical that communications among members of the banking industry and...
to the public were successful in averting behavior which could contribute to Y2K-related problems.

Since September 11, 2001, more enterprises have begun to consider crisis management as a critical part of business operations. In a November 2001 study conducted by PR Week/Burson Masteller, 81% of CEO’s acknowledged that their businesses are unprepared for a wide variety of crises. Of those surveyed, 63% had begun to take action to protect their enterprises. Businesses are beginning to use Internet technology as a tool to collaborate and share information on crisis management.

The September 11 attacks also provided an interesting observation of how the public used the Internet to communicate during a crisis. According to a UCLA study, more than 100 million Americans—about 57% of e-mail users—sent or received e-mail expressing concern immediately after the attacks, with nearly 23% receiving e-mail from overseas. According to a Department of Commerce report on the use of the Internet, about 54% of the US population (143 million Americans) were online as of September 2001. Thus, it is critical that the Internet is used as a key method for communicating to the public as part of a crisis management communications plan.

Several important questions emerge about the objectives of employing Internet strategies. At what stage of a crisis management plan should organizations use web sites? How does the public relations practitioner use the Internet to maintain public trust, and to inform consumers of a crisis? What information should be provided to the public to prevent or to respond to a crisis once it occurs? How can organizations use web sites to communicate in ways not available via traditional communications methods? In a crisis situation, should organizations use the Internet to communicate directly to constituencies? If so, is the dialogue ongoing throughout the crisis management time frame? What is considered effective communication using the Internet? This study critiques how members of the banking community used the Internet in their crisis management plans, and how these efforts were implemented based on elements of basic web site development.

2. Y2K and crisis management communications

Y2K studies indicate three main reasons why this problem was considered a potential crisis: (1) lack of awareness by businesses regarding the nature of the problem, (2) the limited time to develop and test compliancy strategies, and (3) the multiple problems that might occur with extensive computer systems in an interdependent network. Another possibility involved the difficulty in communicating and coordinating with key constituencies regarding how to prevent and prepare for extensive computer failures.

For many enterprises, especially those in the banking sector, Y2K crisis management strategies needed to address both technological and organizational risks. John F. Preble describes a crisis as

An organizationally-based disaster, which causes extensive damage and social disruption, involves multiple stakeholders, and unfolds through complex technological, organizational, and social processes.
Y2K had the characteristics of a multi-organizational-based disaster because extensive computer disruptions and inaccurate data could have hindered the ability of companies to offer critical services such as banking, utilities, and medical care. The US banking community’s organizational and social processes that might be affected by Y2K include: (1) basic trust in the country’s financial system, (2) disruption to commercial transactions which support the US economy, (3) the livelihood of businesses which support banking services including third party vendors, and (4) customer’s usage of computerized banking services as an everyday part of their lives.

Identifying vulnerable areas in an organization’s management and technical operations is an important part of crafting a crisis management plan. According to Preble

Crisis management deals with attempts to identify and predict areas of potential crisis, the development of actions and measures designed to prevent crisis from occurring or from an incident evolving into a crisis, and minimizing the effects or disruption from a crisis that could not be prevented.5

Considering this potential widespread threat to infrastructure functioning and computer systems, members of the banking community needed to fix weaknesses in their individual systems and share information on compliancy measures with each other as solutions were implemented.

3. The Internet as a crisis management tool

In times of crisis, organizations must identify a reliable system for distributing information, and responding to inquiries. The Internet can be an ideal tool to communicate crisis management efforts because it enables organizations to reach a large audience, with indepth information, in a consistently responsive fashion. By using the Internet for two-way communications, organizations and their constituencies in a sense can both become information providers, and share knowledge of the crisis solutions in order to mutually understand, implement, and further develop solutions together.

The Internet also has the potential to aggravate efforts in communicating crisis management plans, or even in some cases, escalate the threat of a crisis. Antidote Magazine’s article, “Surfing Around Crisis Management” states:

Anyone who has worked in public relations will know, often to their cost, that newspaper archives provide journalists with the ability to re-surface old problems. It can take years for a particular story to wither. But at least it tended to be country specific and restricted to those newspapers that kept archives. Now there is no such restriction and the Internet makes everything international—a journalist or activist anywhere in the world can tap into corporate backgrounds, and look for skeletons in the cupboard, within seconds.6

Public relations practitioners need to build Internet usage into a comprehensive strategic plan to provide the public with access to information, according to Candace White and Nirijan Raman.7 They point out in The World Wide Web as a Public Relations Medium: The Use, Research and Evaluation of Web Site Development, that with the web becoming an important medium to reach stakeholders, it would seem apparent that web site creation would follow
White and Raman found that in “respondents’ haste to take advantage of the Web, and to establish an Internet presence, the basic tenets of public relations research, planning, and evaluation were ignored. Web site planning was done by trial and error, based on intuition, with little or no formal research” (p. 416).

4. Methods of web site assessment

Six case studies of Y2K use of the Internet were completed to critique a cross-section of the banking community: government, corporate, international, and domestic associations: American Bankers Association,8 Maryland Bankers Association,9 European Commission of Y2K and the Euro,10 Federal Reserve Bank,11 FDIC,12 and Citibank.13 Each case study web site was examined on a monthly basis during a 13-month “web site observation period” from January 1999 to January 2000.

A qualitative method of analysis was employed in this study using two models: Preble’s Normative Crisis Management Process Model, and an Internet Information Management Model. The models were used to provide a framework to answer the following questions: How was the Internet used as part of a Y2K crisis management strategy? Did the subjects build Y2K web sites using elements of basic web site development?

The role of the Internet in each case study’s crisis management plan was assessed using the Preble Model. First, the web site’s mission was determined by analyzing site content and language. Then the mission of each case study’s web site was applied to the Preble Model comprised of six crisis management components, which according to Preble, act as a multiple step process in managing a crisis scenario.14

An “Internet Information Management Model” was also used to provide a qualitative assessment of the case study web sites. This model identifies four key elements of basic web site development that are distributed within two separate categories: site implementation ((1) content, (2) ease of use and navigation) and site maintenance, ((3) interactive methods of communications, and (4) timeliness of information).

The case study web sites were analyzed for changes in the following: content, site features, layout, design and architecture. On a monthly basis, each case study web site was examined based on above elements in the context of crisis communications message and the current status of the Y2K issue. The case study subject was then given a rating ranging from 0 to 20 points respectively for site implementation and site maintenance.

At the end of the 13-month period, the ratings were added and an average was calculated for both model components of each case study. An overall case study web site rating was then calculated by averaging the final site implementation and site maintenance ratings. Each case study web site was then ranked as poor (0–5 points), moderate (6–10 points), good (11–15 points), and excellent (16–20 points) based on the final overall ratings.

This study showed that in all cases except the Maryland Bankers Association, the Internet was used as Step Three of Preble’s Normative Crisis Management Model, in other words as an “alternative strategy to prevent the threat from escalating into a crisis.” The MBA did not
make information about its crisis management efforts available online. The six organizations critiqued are listed below according to their rank in our evaluation.

5. Federal Reserve Bank (excellent—16)

Federal Reserve Bank’s (Fed) role in the banking community was to help coordinate Y2K compliancy efforts of the banking industry, and provide aid/oversight to the industry overall. The Fed provided guidelines and assistance to chief executive officers of state member banks, bank holding companies, edge and agreement corporations, information systems service providers and software vendors, and US branches and agencies of foreign banks.

5.1. Site implementation

5.1.1. Content

The Fed provided the best communication of the issue by clearly defining Y2K, and outlining both its role in reaching compliance, as well as the efforts of government partners. The site was used to communicate how the organization was managing Y2K compliancy plans to minimize risks to computer systems and networks. The resources which were made available online included studies, speeches, surveys, press releases, and reports.

5.1.2. Ease of use and navigation

The Fed provided the most efficient method of using the Internet as an information dissemination system. The web site was built using a table format to present comprehensive content according to dates and categories in the table cells. This layout and architecture enabled the user to find information by simply scanning the categories on the page and corresponding entries. The Fed best demonstrated an understanding of how to utilize the technology for distribution and showcasing information.

5.2. Site maintenance

5.2.1. Timeliness

The Fed presented information in a timely manner using dated content in a simple web site layout. This approach provided an easy method for tracking compliancy efforts, in addition to identifying new information when made available on the site. The site content was organized in a regularly updated format which made it easy for visitors to understand the development of the Y2K issue, and the Fed’s progress during the months leading up to the year 2000.

5.3. Interactively

The Fed integrated limited interactivity into its web site. A feedback form was made available for site visitors to make comments and ask questions. However, it was not apparent how the information obtained from the feedback forms was being utilized. The Fed could have demonstrated more responsiveness to the community’s perception of and concern for Y2K by incor-
porating public feedback obtained online into the site. Visitors were encouraged to subscribe to a Y2K e-mail list to obtain alerts when additional information was made available online.

6. American Banking Association (good—14)

American Banking Association’s (ABA) role in the banking community was to encourage association members to work together and share both information and solutions regarding Y2K. ABA’s web site reflected its mission by communicating compliancy measures, plans, and public outreach initiatives via resources made available to members, and encouraging members to use the web to interact with each other and to share solutions.

6.1. Site implementation

6.1.1. Content

ABA explained the Y2K issue well, and clearly defined its role in reaching compliancy as part of the banking community. The web site content outlined the banking industry’s efforts to address Y2K regarding internal organizational structure and collaboration with outside organizations. The content included descriptions of member services and products including videotapes, Y2K compliancy conference calls, compliancy implementation packages, as well as reports and press releases.

ABA did not post success stories, progress reports, or testimonials from members who used their products or services. The ABA promoted the Y2K Telephone Briefings teleconference schedule on their web site, but failed to offer transcripts of these conversations in an archive. This information would have been helpful in promoting the value of the association’s services to its members, and in keeping them abreast of Y2K compliancy strategies being implemented by the association and its members.

6.1.2. Ease of use and navigation

The ABA homepage provided a list of online resource links. Although it was easy to scroll the homepage to review these resource links, the web site did not provide a context for usage of these solutions in an overall compliancy plan. The web site architecture could have been better implemented using the homepage as the focal point to highlight progress and products throughout the year, with a navigation bar linking to individual solution pages. The bulletin boards were easy to use and intuitive. However, the site did not provide a guide on how members could best use these online forums to collaborate or request assistance from each other, nor how to technically use the forums, for example navigating and posting messages.

6.2. Site maintenance

6.2.1. Timeliness

The ABA’s web site was current throughout the year, and new materials were made available online regularly. A timeline and checklist for using the resources and products to achieve compliancy goals would have enhanced the content of the web site.
6.2.2. Interactivity

The ABA initially incorporated a comprehensive selection of interactive features on its web site for members to discuss the Y2K issue. For example, The Year 2000 Community Forum invited members to ask questions of experts, and collaborate with colleagues on various Y2K-related topics using scheduled chat room discussions. However, this feature was eliminated from the suite of online resources within the first few weeks of the site launch without any explanation.

A bulletin board, called “Y2K Chat,” was provided for members to collaborate in 24-7 private online forums using a member log-in box. Three months into the “web site observation period,” these forums were made public for members and site visitors. This Y2K bulletin board feature was not moderated nor managed by the organization, which resulted in wide-ranging discussions on issues other than Y2K.

A better use of this technology would have been to provide bulletin boards with specific Y2K topics tied into the Y2K Conference Call initiative and other association compliance products. The Y2K bulletin boards could have been used to extend discussions among members and their constituencies on a regular basis, gather feedback with help of a moderator, direct discussions on the Y2K issue among members, and encourage sharing of information tied into changes in the Y2K landscape.

7. FDIC (good—13)

FDIC’s main role in the banking community was to identify business risk in the banking network. The FDIC conducted onsite examinations of all FDIC insured financial institutions to ensure Y2K readiness. FDIC was responsible for determining if banking institutions had put into place plans to achieve Y2K compliancy, and were following a timeline to achieve these goals.

7.1. Site implementation

7.1.1. Content

FDIC clearly defined the Y2K issue and its role in reaching compliancy. The web site content explained efforts by the organization to ascertain the ability of banks to reach compliancy, and included tips on how the public could protect themselves against Y2K risks. The web site content included reports, surveys, studies, quizzes, and an online videoclip with a greeting from the organization head.

7.1.2. Ease of use and navigation

The web site was created initially as a resource for both the public and the banking industry. Within a few months of the “web site observation period,” the site was redesigned with a newsletter layout reflecting a strictly public outreach mission. The content, targeted at the general public, provided information on compliancy progress and reassurance of the bank’s account stability. FDIC posted information on how its site was being developed with a more user-friendly approach, but such improvements were not apparent in the site. Poor design
minimized the web site’s usefulness regarding communication of progress or solutions. The
web site’s functionality and navigation were cumbersome and not intuitive. It was necessary to
first learn how to use the site by exploring tabs and features. The web site’s newsletter design
could have been better implemented by showcasing progress and solutions on a regular basis
in dated news column pages which focused on different aspects of the Y2K issue.

7.2. Site maintenance

7.2.1. Timeliness
The FDIC’s web site did not provide current information as its newsletter format would
suggest. It was difficult to determine where to find updated information on the site. Since the
content was not dated, it was not possible to track the development of the Y2K issue as well
as solutions put in place to avert problems associated with Y2K.

7.2.2. Interactivity
The FDIC incorporated search and feedback mechanisms during the last few months of
the compliancy period in order to help the public find information and express concerns.
These interactive features demonstrate the organization’s interest in exploring ways to use the
Internet to maximize presentation of content, site navigation, and communication. Evidence
and explanation of how this feedback was used was not apparent on the web site. Site visitors
were encouraged to subscribe to a Y2K e-mail list to receive alerts when additional information
was available.

8. European Commission on Year 2000 and the Euro (moderate—10)

The European Commission on Year 2000 and the Euro’s role in the banking community was
to provide guidance to its members on economic and technological issues, and the opportunity
for members to collaborate on policy.

8.1. Site implementation

8.1.1. Content
The European Commission, a consortium of international governments, used the web site
to explain the Y2K issue and its role in achieving compliance. The EC Y2K web site was a
semi-portal with numerous links to news and international organization web sites on Y2K/Euro
issues including the United Nations, the Argentina Ministry of Public Affairs, and the Canada
task force. The content included a wide selection of media and government reports, speech
transcripts, legislative information, and international working group papers.

8.1.2. Ease of use and navigation
The content was not well organized, and resources could only be accessed by scrolling a
long expanding list of links. By the end of the “web site observation period,” navigation of the
site grew very cumbersome, due to the large volume of content. The web site’s architecture was
not effectively used to organize content and information. The Y2K efforts and ratings of the association’s Member States were never fully demonstrated either. The European Commission could have organized content more effectively by creating an online area with information on individual Member States using an interactive map, and a separate area dedicated to information and reports on the association’s initiatives and progress.

8.2. Site maintenance

8.2.1. Timeliness

The EC’s web site timeliness was poor. The use of “new” or “Just Posted” graphics to indicate most current postings were inaccurate and deceiving. The web site was not maintained regularly. The content was frequently out of date, and in most cases, at least a month old.

8.2.2. Interactivity

The EC did not incorporate interactivity into its web site. An online area for collaboration and discussion would have been a helpful way to reach out to the international community. For example, the European Commission could have sponsored an online “Monthly Roundtable Meeting” using chats and/or bulletin boards for the European Commission’s director and staff to regularly communicate progress, and respond to constituency’s concerns.

9. Citibank (moderate—9)

Citibank’s role in the banking community was to ensure that its banking services were Y2K compliant, and that its obligations to consumers were met. Failing computer operations would damage Citibank’s ability to provide banking services. Expectation of service disruptions could decrease their business and customer base.

9.1. Site implementation

9.1.1. Content

Citibank explained the Y2K issue well and used the web site to achieve customer, corporate, and employee relations goals. The Y2K web site was a component of the corporate site, and provided fairly basic information on the Y2K issue. The web site was used to explain the potential threat to its computer systems as well as to outline solutions implemented through management and planning. The content text appeared to be taken from existing public relations materials, which were converted into web pages.

9.1.2. Ease of use and navigation

Citibank was the only organization to use its web site to directly communicate with specific constituencies. The site navigation and architecture reflected strategic effort to organize content according to constituency groups which included customers, employees, and businesses. The information was presented in lengthy text pages, which could have been communicated in a more useful manner through quizzes, learning modules, and news story format features. The
web site colors reflected the corporate logo, white text on blue background, which looked visually appealing but was not functional, making it difficult to read on the screen or as downloaded materials.

9.2. Site maintenance

9.2.1. Timeliness

Content was updated only a few times during the year. The web site did not provide timely information on reaching Y2K goals or informing its customers about the issue on a regular basis. It was not possible for the visitor to determine when efforts were implemented and at what points during the crisis time frame success was achieved.

9.2.2. Interactivity

The site did not include any elements of interactivity. Customers were unable to interact with each other, request information, or contact a bank customer service representative. Citibank could have used the Internet to gather customer feedback on progress and perception of banking efforts, as well as respond to constituency’s concerns. Citibank could have provided an online tutorial on how to monitor and safeguard bank accounts. This feature would have been helpful for customers to better understand the Y2K issue and how Citibank was protecting their clients, thus encouraging customers to maintain their accounts and trust the Citibank system.

10. Maryland Banking Association (poor—0)

Maryland Banking Association (MBA) posted a paragraph briefly explaining that the organization’s Y2K compliance initiative was being successfully implemented. No other information was made available publicly online. MBA’s site lacked any application of an Internet information management model. The MBA Y2K area of its web site contained a sentence stating that Y2K was under control.

11. Discussion and conclusion

It is evident from this critique that the case web sites were used primarily for content distribution rather than interactivity. Results indicate for the most part the perception of the Internet as an information dissemination tool rather than a two-way communications medium for gathering information and responding to public concern. Although the cases examined did not implement direct one-on-one communication with constituencies online, they did demonstrate efforts to address the needs of specific audiences using the site content.

All six organizations failed to integrate all elements of basic web development (content, ease of use and navigation, interactive methods of communication, and timeliness of information). Most of the sites could have better integrated the mission, implementation and maintenance of the site into their crisis plans. The ABA’s mission as an association was effectively communicated in its web site, which provided comprehensive resources to its members and the
opportunity for them to collaborate. The EC provided a great deal of content online, but it was unclear how its web site was being used to communicate to constituencies regarding their challenges addressing Y2K and solutions.

The Fed implemented the best web site overall. The Fed’s content presentation was well executed in a basic table format which was diligently maintained according to time and public interest. The FDIC was most difficult to use. Although the FDIC’s web site provided a great deal of information, the format did not enable the user to easily locate timely information regarding compliancy strategies and progress.

The study found most organizations updated information regularly, but did not provide a timeline for progress or integrate interactivity into the web site to respond to constituencies. Citibank built its web site as a simple one-way information distribution tool, which did not require much updating. It could have used this new technology to demonstrate its leadership in customer service by establishing an online center to field and respond to customer concerns. ABA built its web site with promising interactive features including scheduled chat rooms and bulletin boards, but abandoned management of these efforts within the first quarter of the year.

Future research on the Internet as a crisis management tool can examine the site user’s experience accessing information to understand the crisis situation and learn about solutions being put in place. A study such as this can determine whether an organization’s web site was helpful to their constituencies in explaining the crisis and responding to their needs. Researchers can obtain qualitative data from site users about their experience according to elements of basic web site development outlined in the “Internet Information Management Model.” User feedback about information obtained via web site content and interactive features would be helpful in understanding how the Internet can be used to maximize communications in crisis management strategies. In addition, the frequency of site visits in terms of “hits” or “page views” could also be tabulated as quantitative data to enhance the qualitative information gathered from user feedback.

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