

ABSTRACT

RESEARCH PAPER: An Application of Situational Crisis Communication Theory: Case Study of TJX- Leak of Customers' Information

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COLLEGE: Public Relations in Journalism

Date: July, 2010

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TJX, one of the leading retail companies, faced a crisis when customers' personal information was accessed by hackers who had intruded its computer systems in 2005. The paper presents a case study which was analyzed based on the situational crisis communication theory (SCCT), which is premised on matching the crisis response to the level of crisis responsibility attributed to a crisis. 75 news articles from various sources, which were published in relation to the crisis, were content analyzed to reveal the case history and the types of response strategies that the company engaged in at the time. This case study found that TJX used a combination of diminishing and rebuilding strategies such as corrective action, minimization, mortification, shifting the blame and compensation to respond the public and media. By implementing these strategies suggested by SCCT, and using newsletter posts on the organization's website, TJX managed to salvage its reputation. Research reveals that the company's revenues were not negatively affected by this information breach crisis. The case study proves the effectiveness of right responses based on a crisis situation and validates SCCT as an important theory that organizations can use to protect reputational assets and deal with crises efficiently.