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**DENYING AND MINIMIZING THE ALLEGATIONS:
THE MARTHA STEWART SCANDAL**

by

Rebecca A. Schmidt

A Thesis
Submitted to the
Faculty of The Graduate College
in partial fulfillment of the
requirements for the
Degree of Master of Arts
Department of Communication

Western Michigan University
Kalamazoo, Michigan
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Rebecca A. Schmidt

DENYING AND MINIMIZING THE ALLEGATIONS: THE MARTHA STEWART SCANDAL

Rebecca A. Schmidt, M.A.

Western Michigan University, 2004

This thesis studies the crisis management strategies employed by Martha Stewart as she responded to allegations surrounding her sale of ImClone stock in December 2001. Through rhetorical analysis, which utilizes the generic method of criticism, it examines Ms. Stewart's public responses to her crisis that were broadcast on television, printed in newspapers and magazines, and posted on Stewart's website, and found that she used primary strategies of denial and minimization. Finally, this thesis concludes that Ms. Stewart's responses are considered appropriate as they relate to the expectations of her audience as well as her attempt to repair her image and that of Martha Stewart Living OmniMeida.

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CHAPTER I

INTRODUCTION

Her story seemed to be a modern day Cinderella story that came true. It started “once upon a time” with a girl who was raised poor in a working-class town in New Jersey. That same girl grew up and worked hard to put herself through college after which she entered into the business world and became a successful woman who started her own company. That company turned her not just into a millionaire, but into a billionaire (Byron, 2002; Toobin, 2003; Walters, 2003).

From rags to riches appeared to be the story of Martha Stewart. However, the “happily ever after” end for this Cinderella story came to an end once events from December 27, 2001 began to unfold. Perhaps this is best summarized by this statement made by Barbara Walters in her interview with Stewart on November 7, 2003:

Overnight, the woman *Time* magazine once named one of America’s 25 most influential people became one of the country’s most famous criminal defendants, at a time dominated by corporate scandals that allegedly bilked the public out of billions of dollars.

(Walters, 2003, p. 15)

Walters’ (2003) phrase “corporate scandals that allegedly bilked the public out of billions of dollars” brings to mind companies such as Enron, WorldCom, and Arthur Anderson (p. 15). When asked if she ever dreamed one day she would be

compared to companies such as those Stewart said, "Absolutely not" (Walters, 2003, p. 15).

Unfortunately for her, this was a comparison Stewart was unable to avoid. On December 27, 2001 Stewart sold what was close to 4000 shares of ImClone stock. Her intentions were questioned soon after the event, and within six months Stewart found herself in the midst of investigations that included securities fraud and obstruction of justice. This not only became a nightmare for Stewart, which linked her name with Enron and WorldCom, but it also became a personal and professional crisis that dominated her life and the media for over two years. This crisis only got worse for Stewart in March 2004 when she was found guilty of four charges: obstruction of justice, conspiracy, and two counts of making false statements (Glater, 2004a; Glater 2004b). The penalties for each charge could have amounted to five years in prison and a fine up to \$250,000; instead, Stewart was sentenced to five months in prison and fined \$30,000 (Hays, 2004a; Martha Stewart Faces, 2004; Stewart Receives, 2004).

What Stewart encountered in the past two and a half years was more than a series of events which significantly changed her life. The accusations, trial, and conviction all exhibit characteristics of what is commonly referred to as a crisis. This crisis posed several threats to Stewart and her company, threats which Stewart realized she needed to address publicly through her chosen form of crisis management.

Crisis

Crisis is a term with which all people are familiar, and a possible reality for every person and organization. A crisis is unpredictable in nature, but it should not be unexpected. An organization can expect to encounter a crisis at some point in its lifetime; however it typically cannot perceive when and how it will occur (Coombs, 1999). A crisis poses a threat to a person or organization and therefore requires some type of response (Coombs, 1999; Seeger, Sellnow, & Ulmer, 1998). A crisis also creates a sense of urgency on behalf of those involved as they respond to and manage the situation. This urgency reminds them that while the situation may be delicate and requires caution and discretion, there also is a perceived timetable in which to create and make a response to a crisis (Coombs, 1999; Hermann, 1972; Seeger et al., 1998).

The way in which an individual or organization chooses to respond to a crisis represents its chosen strategy of crisis management. Crisis management seeks to address a crisis and attempts to minimize the amount of damage it causes (Combs, 1999; Seeger et al., 1998). It also addresses the threats or allegations against the individual or organization and seeks to repair its damaged image (Coombs, 1999; Seeger et al., 1998). Those affected by a crisis attempt to achieve these goals through implementation of one or more of the multiple strategies of crisis management, which often include forms of apologia. An apologia is a speech in which one attempts to defend him or herself through actions such as denial, reduction of offensiveness, minimization, and

differentiation among others (Benoit, 1995; Coombs, 1999; Hearit, 1994; 1995a; 1995b; 1996; 1999; Seeger et al, 1998).

In order to identify and understand Martha Stewart's chosen strategies of crisis management, one must first understand the crisis that surrounded her. That is the focus of this chapter as it uncovers and explains the story behind Martha Stewart's crisis and the trial that followed.

Martha Stewart Case History

The history of the Martha Stewart case that follows will serve as an example of a modern day crisis and how those involved in a crisis may choose to respond. This particular case focuses on a successful and well-known member of American society and her own company that were drawn into a crisis as events related to December 27, 2001 came to light. In order to understand the threat that this crisis posed to Stewart and her organization it is important to first understand the success Stewart achieved in her career.

Stewart achieved success in most any task or career she held. While she was in college she posed as a fashion model and after she graduated, Stewart spent five years on Wall Street as a stockbroker. After her career on Wall Street, Stewart decided to start her own catering business in 1973. This business was an immediate success and gave her the idea for what would be the first of many books Stewart authored, *Entertaining*, which was published in 1982 (Byron, 2002; Martha Stewart Living OmniMedia, 2004a). In 1987 K-mart approached her with a promise to turn her into a multi-millionaire if she would agree to be the company's spokesperson (Byron, 2002; Walters, 2003). It was through K-mart

that Stewart began to sell products such as shower curtains, towels, and sheets which sported her name, products of which she sold thousands. Within ten years Stewart wrote 46 books and numerous newspaper columns, started four magazines, a catalog, a website and an award-winning television show (Toobin, 2003; Walters, 2003). In 1997 Stewart named her successful company Martha Stewart Living OmniMedia (M.S.L.O.) (Byron, 2002; Walters, 2003).

M.S.L.O. is comprised of four main business segments: publishing, television, merchandising, and internet/direct commerce (Martha Stewart Living OmniMedia, 2004). The publishing segment includes Stewart's books, magazines, and newspaper columns. This is the largest segment of the company which accounts for 55% of the company's overall revenues for 2003 which is equal to \$135.9 million (Martha Stewart Living OmniMedia, 2004a). Television accounts for another 11%, or \$25.7 million, of the company's revenues. *Martha Stewart Living*, hosted by Stewart herself, is the largest broadcast and reaches about 50% of U.S. households (Martha Stewart Living OmniMedia, 2004a). Stewart's products account for 22%, or \$53.4 million, of company revenues in the merchandising segment (Martha Stewart Living OmniMedia, 2004a). Internet/direct commerce is the final segment of the company which includes an online catalog and websites such as marthastewart.com and marthasflowers.com. This segment accounts for 12% or \$30.8 million in revenues (Martha Stewart Living OmniMedia, 2004a). At the end of 2003, M.S.L.O. reported its financial position to stand at \$169 million in cash and investments (Martha Stewart Living OmniMedia, 2004b).

Stewart appointed herself as the Chief Executive Officer of her named company when she founded M.S.L.O. in 1997. When Stewart took M.S.L.O. public in 1999 the price of its stock nearly tripled and at the same time Stewart's net worth topped \$1 billion (Byron, 2002; Toobin, 2003). That success, and Stewart herself, would be put to the test only four years later.

On the morning of December 27, 2001 Stewart started off for a Mexican vacation after a busy holiday season (Toobin, 2003; Walters, 2003). As she stepped on to the plane that morning she had no idea her life would drastically change due to one short phone call early that afternoon. However, that is exactly what happened; life as she knew it would soon change dramatically.

The events which occurred on December 27, 2001 related to a stock sale for a company called ImClone, a biopharmaceutical company that specializes in the development of new medicines that will aide in the fight against cancer (ImClone, 2004). One of the company's newest potential cancer drugs, Erbitux, was at the center of events on this day. Earlier that year, ImClone submitted an application to the Food and Drug Administration to approve final testing for Erbitux, which was seen as crucial to the success of the company (Hays & McGeehan, 2002). On December 4, 2001 an ImClone official received a hint that there might be some problems with the drug and as a result the company's application with the Food and Drug Administration may be denied. This information was withheld from company employees and the public through the holidays and was planned to be released on December 28, 2001 (Hays & McGeehan, 2002).

Sam Waksal, the C.E.O. of ImClone who happened to be a personal friend of Stewart's, learned of the rejection of Erbitux on December 26, 2001 and almost immediately sprang into action. Waksal made plans to transfer almost 80,000 of his shares in the company and encouraged family members to sell their shares as well; these sales took place on December 27, 2001, the day before the news about Erbitux would be made public. Between Waksal and his family members, the total amount in ImClone stock they attempted to sell topped \$15 million (Hays & McGeehan, 2002).

When the phone calls from the Waksal family came through to Douglas Faneuil at Merrill Lynch & Company to sell their stock, he notified his boss, Peter Bacanovic of the situation. Once he learned the Waksals wanted to sell their shares of ImClone, Bacanovic, who at that time served as Stewart's stockbroker, immediately demanded to be put through to Stewart via telephone (Hays & McGeehan, 2002). Unable to reach her due to her plane trip, Bacanovic asked her assistant to leave Stewart a message which said that Bacanovic "thinks ImClone is going to start trading downward" (Hays & McGeehan, 2002, p. 1; Toobin, 2003). Bacanovic then told Faneuil to inform Stewart of the situation when she returned the call (Glater, 2004; Hays, 2004b).

As Stewart's plane landed in San Antonio that day to refuel she called her office. Once she received Bacanovic's message Stewart immediately contacted Faneuil at Merrill Lynch and asked him "What's going on with Sam" (Hays, 2004b, p. 1). Faneuil replied that Waksal requested to sell all the shares of ImClone he had placed in his Merrill Lynch account and upon her request

furnished the selling price of the stock (\$58.4325 a share). At that point Stewart told him she wanted to sell all her 3,928 shares of ImClone, which amounted to approximately \$228,000 (Glater, 2004; Hays, 2004b; Toobin, 2003).

At the end of trading on December 28, 2001 ImClone announced the FDA's rejection of the drug Erbitux. The first day of stock trading that followed the announcement was December 31, 2001 in which the price of ImClone's stock dropped down to \$46.46 per share which proved Stewart's sale on December 27th to have saved her around \$46,000 (Hays & McGeehan, 2002; Walters, 2003).

Within two weeks, investigations into Stewart and Waksal's sales began, investigations that also included Stewart's stockbroker Peter Bacanovic and his assistant Douglas Faneuil. On January 7, 2002 the Securities and Exchange Commission (S.E.C.) interviewed Bacanovic about the December 27th sale. He stated that he met with Stewart on December 20, 2001 to discuss her stocks and at some point in that discussion they came to an agreement about ImClone.

Since he was not comfortable with the stock he encouraged her to sell it, which she said she would agree to if the price dropped to \$60 per share (Hays & McGeehan, 2002). Therefore, when the price dropped below that \$60 mark on December 27th the sale went through. The \$60 agreement later was supported when Bacanovic presented a worksheet of Stewart's stocks to Merrill Lynch & Co. which showed a notation next to ImClone, "@60." Bacanovic and Stewart stated they created this worksheet at their December 20th meeting (Hays,

2003a). Bacanovic also later testified to this agreement under oath to the S.E.C. (Glater, 2004).

Stewart herself was interviewed by the F.B.I. and the S.E.C. on February 4, 2002. In her testimony she affirmed Bacanovic's story that there was a prior agreement to sell the stock if it fell to \$60 and denied any prior knowledge of the Waksals' sale of ImClone when she placed her own order to sell the stock (Hays, 2003). It also was in this interview that Stewart claimed she spoke with Bacanovic on December 27, 2001 and not his assistant, Faneuil, a statement which was later contradicted when Faneuil testified in the trial that it was he who spoke to Stewart and took her order (Hays, 2003a; 2004b).

Stewart's life did not get better after she was interviewed by the S.E.C. and the F.B.I. In June of 2002 the House Energy and Commerce Committee announced that it would investigate her stock sale as part of their investigation of the December 27th mass sales of ImClone. A couple weeks after that announcement Stewart issued her first public statement about the sale; she denied any wrongdoing in her actions on that fateful day and emphasized the sale took place due to a previous arrangement she had with Bacanovic (Gordon, 2002). However, Stewart's statement was not enough to convince everyone of the validity of her sales agreement. A few days later Merrill Lynch & Co. suspended both Bacanovic and Faneuil due to contradictory accounts about the arrangement (Gordon, 2002). Three months later, on September 10, 2002, the House Energy and Commerce Committee asked the Justice Department to begin

a criminal investigation into Stewart's statements to lawmakers about the sale (Gordon, 2002).

As the weeks passed, Stewart found herself under close scrutiny both by lawmakers and the public. Due to the investigation she found herself under, coupled with a guilty plea by Faneuil in which he admitted he lied about the ImClone sales, Stewart resigned from her position on the board of the New York Stock Exchange on October 4, 2002 (Rozhon, 2002). Reasons such as her fiduciary responsibility and a realization that the "walls [were] closing in" were cited as grounds for her resignation (Rozhon, 2002, p. C1).

The walls continued to close in around Stewart and in January 2003 she gave an interview to *The New Yorker*. In this interview she again denied any illegal activity, stated her sale was "entirely lawful," and insisted on the fact she had a prior agreement with Bacanovic (Hays, 2003b, p. C2). Finally on June 4, 2003, almost eighteen months after the ImClone sale, Stewart and her broker were indicted on nine federal counts: conspiracy and obstruction of justice, in which they were charged together; false statements and securities fraud charged against Stewart; perjury, false statements and false documents charged against Bacanovic (Hays, 2004c; Opening Argument, 2004).

Stewart was indicted on two different counts for making false statements, which brought the total number of indictments against her to five. The first charge of false statements related to the February 4, 2003 interview she had with the Department of Justice in which they believed she supplied incorrect dates and times in relation to the events that unfolded prior to and after December 27,

2001. Stewart termed these inaccuracies as mistakes, but the government viewed them as deliberate false statements (Opening Argument, 2004). In April 2003 the government asked Stewart if she received information about the Waksals' stock sales on December 27, 2001 to which she replied she did not "recall" (Opening Argument, 2004, p.9). Once again the government believed it was deceived and, therefore, added a second count to the charge of false statements (Opening Argument, 2004).

Stewart also was charged with securities fraud (Hays, 2004b). On several different occasions Stewart denied the allegation that she was tipped off by Sam Waksal prior to her own sale of ImClone. Once she denied this she also added the story that she had a prior arrangement with Bacanovic to sell the stock if it fell to \$60 (Opening Argument, 2004). The government believed this to be an example of securities fraud and so indicted her on one count of that charge. The story about the \$60 agreement also was used against Stewart and Bacanovic when they were charged with conspiracy for the concoction of this agreement (Opening Argument, 2004).

The final charge against Stewart was obstruction of justice which was filed in relation to the false statements Stewart made. The government argued that because she purposefully lied to it and held back this crucial information she actually hindered its investigation and made it more difficult for it to piece together the events from December 27, 2001 (Opening Argument, 2004).

In a statement posted on her website on the day she was indicted Stewart continued to proclaim her innocence to her supporters:

I want you to know that I am innocent – and that I will fight to clear my name. I simply returned a call from my stockbroker. Based in large part on prior discussions with my broker about price, I authorized a sale of my remaining shares in a biotech company called ImClone. I later denied any wrongdoing in public statements and in voluntary interviews with prosecutors. The government's attempt to criminalize these actions makes no sense to me. I am confident I will be exonerated of these baseless charges. (Stewart, 2003, p. 1)

While Stewart tried to maintain this confidence, she could not stop the inevitable; later that year a trial date was set for January 27, 2004. Throughout the months between her indictment and the trial, the frenzy for more information and requests for interviews with Stewart continued as did the questions which surrounded her actions and innocence.

Finally, five months after the June 4th indictment, Stewart gave her first official pre-trial interview with Barbara Walters on the November 7, 2003 edition of 20/20. In this interview Stewart spoke out with regard to her innocence of the charges against her: "I would like to say, out loud, that I have done nothing wrong, Barbara. I am innocent. And I think that the judicial system, the upcoming trial will prove that" (Walters, 2003, p. 14). When later asked how she felt about being placed in the same category as the executives of companies such as Enron and WorldCom Stewart continued to deny she committed any

crime and answered, "I certainly don't belong in that category" (Walters, 2003, p. 15).

Along with her denial that any crime was committed, Stewart emphasized the \$40,000 she saved by selling the stock on that day represented only about .006% of her net worth (Walters, 2003). Stewart attempted to make the point that such a small sum of money surely was not worth much of her attention, and likewise not worth the two years of publicity and strain she had incurred.

Stewart also emphasized to Walters that on December 27th there were more than 7 million shares of ImClone that were traded. Of those 7 million shares she sold 3,928 and in an attempt to minimize the significance of her own sale in light of a larger picture Stewart stated, "It seemed like a tremendous amount of attention" focused on just her and her sale (Walters, 2003, p. 13).

Stewart's trial began on January 27, 2004. In his opening statement Stewart's lawyer, Robert Morvillo, addressed the charges against Stewart. He admitted that "she may have actually made some mistakes on the dates and times and events during the course of the meeting [with the S.E.C. and the F.B.I.]," but argued those mistakes were not "deliberate false statements" (Opening Argument, 2004, p.9). He then challenged the government to provide proof that she did in fact recall the exact dates, times, and events. Morvillo also supported Stewart's denial that her actions on December 27, 2001 were illegally committed; instead he claimed they were committed out of innocence (Opening Argument, 2004).

A month later Stewart and her legal team incurred what appeared to be a major victory in her trial. On February 27, 2004 the most serious charge against Stewart was thrown out, securities fraud (Glater, 2004). The rationale was that "a reasonable juror could not, without resorting to speculation and surmise, find beyond a reasonable doubt that Ms. Stewart was guilty of the charge" (Glater, 2004a, p. A1). Therefore, the Judge dismissed the securities fraud charge against Stewart and left the jury with four charges to consider against her in their deliberations: obstruction of justice, conspiracy, and two counts of false statements (Glater, 2004a; Glater 2004b).

This victory for Stewart and her team was short-lived; one week later, on March 5, 2004, the jury convicted Stewart on all four remaining counts (Glater 2004b). Ten days after her conviction, Stewart resigned from her position as an executive and board member of her named company, Martha Stewart Living OmniMedia (M.S.L.O) (Hays, 2004d). She did, however, agree to continue in the role of creative advisor, which was a move called "in the very best interests of M.S.L.O. and its shareholders" (Hays, 2004d, p. C1). Stewart herself called the move "the right thing to do" although admitted she was "heartsick about my personal legal situation . . . and deeply sorry for the pain and difficulties it has caused our employees" (Hays, 2004d, p. C1). However, she made no comment in regards to the decision of the jury or her continued claim of innocence. On July 16, 2004 Stewart, along with Bacanovic, was sentenced to five months in prison, five months of house arrest, and fined \$30,000 (Martha Receives, 2004).

Conclusion

As this case history shows, Martha Stewart's case is one example of how a person can respond in a time of crisis. In an attempt to convince the public and those in the legal system of her innocence Stewart continually denied any unlawful activity and emphasized her sale and profits were minimal in the larger scheme of events. Stewart also attempted to repair or hold on to the positive image she had left through her utilization of these responses.

It is not a difficult task to identify these responses and strategies which Stewart implemented; however, it requires a deeper analysis to understand how appropriate her choice and implementation of these strategies was. With this in mind, this case was selected to examine how appropriate Stewart was in her utilization of these responses through an examination of her public statements in which she repeatedly proclaimed her innocence. A case such as this one could be analyzed either as it pertains to Martha Stewart herself, or as it relates to her company M.S.L.O. One cannot completely separate the effects this crisis incurred on Stewart verses the effects it incurred on her company, however it is important to remember the focus of this thesis will be on Stewart herself, not on Martha Stewart Living OmniMedia.

In this chapter the topic of crisis has been briefly introduced. There is much more to define and understand about what a crisis is, as well as what the different crisis management strategies are. Therefore, since this thesis seeks to examine the crisis response strategies Stewart utilized (specifically her apologia strategies), Chapter II will address these concepts through an in-depth review of

the literature as it relates to crisis and the response strategies which are part of the field of crisis management.

Chapter III will follow with an examination of the role rhetorical criticism plays in the assessment of an organization's crisis management. This chapter will also examine different methods of rhetorical analysis, particularly the generic method of analysis which will be used as the method of choice to analyze Ms. Stewart's case.

In Chapter IV a rhetorical analysis will be performed to analyze Stewart's public statements in response to the allegations that surround her sale of ImClone. This analysis will serve to identify which of the response strategies identified in Chapter II Stewart implemented and how she used those strategies.

Chapter V will conclude this thesis with an evaluation of Stewart's crisis communication strategies identified through the analysis performed in Chapter IV. This chapter also will identify any limitations or suggestions for further research.

In order to proceed in this analysis of Ms. Stewart's crisis response strategies there must first exist a better understanding of the crisis management field since it was only briefly covered in this chapter. Therefore, this thesis now shifts to more thoroughly examine the literature which focuses on the arena of crisis and crisis management strategies.

CHAPTER II

LITERATURE REVIEW

Ronald Regan. American Airlines. Enron. Bill Clinton. Ford Motor Company. Chrysler Corporation. Richard Nixon. Intel Corporation. Toshiba Corporation. Michael Jackson. Volvo Corporation. These individuals and organizations have encountered great success and growth; they also have found themselves in the midst of a crisis. Along with the normal successes, growth, prosperity, and challenges a person or organization encounters, it also can expect to encounter crisis at some point in its life whether personally, professionally, or both.

Crisis is a word with which most people are familiar. Whether it be from dishonesty, intentional deception, failed or defective products, scandalous activity, illegal acts, or a simple bad decision, a crisis is an event that can emerge on an individual or corporate level at any time. A crisis emerges without any warning and can threaten the image, stability, or even possibly the future of those faced with a crisis. As a result an organization¹ involved often is forced to respond quickly in order to protect or rebuild its image and provide answers to all who are involved in a crisis. An organization can choose to respond to and manage a crisis in a variety of ways.

In order to understand the different types of responses to a crisis, one must first understand what a crisis is, as well as how to manage a crisis he or she will encounter. Such is the focus of this chapter: to define crisis and crisis

¹ Crisis management is typically studied in an organizational context, although researchers have studied an individual's crisis management strategies as well. For example, in this present case study one can study the crisis management of Martha Stewart or the crisis management of M.S.L.O. The main focus of this thesis is on Stewart individual crisis management, however, in this thesis for stylistic reasons, the topics of crisis and crisis management will be addressed from an organizational standpoint.

management as well as review and explain the various response strategies available to organizations which find themselves face-to-face with a crisis situation.

Crisis

Crisis is a term that has been defined in several different ways. This can make it a challenge for one to find a comprehensive and unified definition of crisis. However, each definition adds a useful component to the description of what a crisis is.

There are three main ideas to be found in definitions of crisis. The first idea is that a crisis is unpredictable (Coombs, 1999). Seeger, et al. (1998) state that a crisis is a nonroutine, or "uncertain and surprising event" (p. 247). Although a crisis cannot be predicted, this does not mean it is unexpected. An organization can plan for and expect that a crisis will occur at some time (or times) in its life; when that time is, however, it cannot predict.

Second, a crisis is a threat which means it has the "potential to create negative or undesirable outcomes" (Coombs, 1999, p. 3). A threat can be a financial loss, an injury or death, a damaged reputation, etc. While a crisis is not necessarily negative, it does have that potential. The negativity of a crisis is dependant on the severity of a crisis, how it is handled by an organization, and how responsible people hold it for a crisis (Coombs, 1995). As a result, a negative crisis could destroy the image and integrity of an organization. Nevertheless, it should be noted that a crisis also can be beneficial for an organization. Since a crisis is likely to occur at some point in time, it can help an

organization to grow and learn through “purging elements of the system that are outdated and inappropriate and creating new unexpected opportunities” (Seeger, et al., 1998, p. 233).

Third, a crisis is marked by a sense of urgency (Coombs, 1999; Hermann, 1972; Seeger, et al., 1998; Williams and Treadaway, 1992). When an organization finds itself immersed in a crisis, it generally does not have a long period of time in which to make a response. One reason for this is that a crisis is a public event that involves media who pressure an organization for an immediate response (Seeger, et al., 1999). Even though a final decision about how to ultimately resolve a crisis may not be made for a period of time, the initial response period to a crisis is short which creates that sense of urgency.

Taken together, I argue that a crisis is an unpredicted event or series of events which pose a possible negative threat to an organization. This event requires an immediate response on behalf of the organization involved to address any threat that may exist and minimize any negative outcomes of a crisis.

Crisis Management

A crisis often develops from problems that previously had been viewed as unimportant (Seeger, et al., 1998). These problems have warning signals that are justified, but that often go ignored. As a result these problems and issues grow until they metastasize into a crisis. Once the problem is viewed as a crisis by an organization, and especially by the public, the work begins to manage it (Coombs, 1999).

A crisis presents the possibility for a negative impact on an organization. Since an organization is likely to endure a crisis at some point in its lifetime, it needs to know how to properly manage one. The field of crisis management is designed to help reduce the negative threats of a crisis and to protect the image of an organization (Coombs, 1999).

Coombs (1999) defines crisis management as “[seeking] to prevent or lessen the negative outcomes of a crisis and thereby protect the organization, stakeholders, and/or industry from damage” (p. 4). Put another way, crisis management is the way an organization chooses to respond managerially and communicatively to a crisis at hand.

One essential component of an organization’s crisis management is its immediate response to a crisis. The main objective of crisis management is to provide the public accurate information as soon as possible (Seeger, et al., 1998). Since a crisis is marked by a sense of urgency, crisis management requires a quick, public, and candid response to a crisis. This quick response by an organization is sometimes referred to as a “proactive stance” in which an organization anticipates a need for communication and initiates it instead of being forced to respond to someone else’s remarks or allegations (Williams & Treadaway, 1992, p. 57). This type of response also enables an organization to identify its stance on the situation and where it expects the attention to be focused (Williams & Treadaway, 1992). A quick response is especially important since technology continues to improve and can spread information about a crisis to a large number of people in a short period of time (Coombs, 1999).

Oftentimes crisis spokespersons and decision makers are forced to respond with little information and in a short time (Seeger, et al., 1998). Not only is there a need for a quick response, but the information included in the response needs to be precise; just because there is a mark of urgency does not mean that a reply does not need to be accurate.

An organization's response to crisis also needs to be consistent (Coombs, 1999). This includes good preparation for those who act as spokespersons, so their comments are organized and correspond with one another in order to provide the public with accurate information. Discrepancies in information may cause the public to distrust an organization; therefore, in order to maintain or regain its image an organization needs to respond consistently to a crisis.

In addition, an organization needs to be open as it responds to a crisis (Coombs, 1999; Seeger, et al., 1998). Openness first includes being available to media. An organization needs to be prepared to answer questions and provide information to the public as information becomes available to it. Coombs (1999) states the "foundation for availability should have been developed as part of relationship building" (p. 118). Therefore, an organization should have a history which shows it is responsive and is available to provide information to its stakeholders. Second, part of being open is to be ready to provide the information (Coombs, 1999; Seeger, et al., 1998). This is not to say an organization needs to provide all information possible, but it needs to be prepared to cautiously disclose information to the public.

A final component to an organization's crisis management is honesty (Coombs, 1999; Seeger, et al., 1998). Perhaps it should be evident but, "honesty is the best policy." While an organization does not need to fully disclose in order to provide an honest response, Coombs (1999) argues that information should not be withheld if done for the purpose of "stonewalling" (p. 119). Lack of honesty also can have the opposite effect from what an organization desires; it can negatively impact its reputation and endanger its future whereas an honest communication in regards to a crisis can help to bolster the integrity and reputation of an organization (Coombs, 1999; Seeger et al., 1998). Honesty is especially important since a goal of crisis management is to restore the damaged image of an organization held by the public (Coombs, 1995; Coombs, 1999; Williams & Treadaway, 1992).

In order to maintain its image an organization needs to ease concerns and accusations held against it by a public that often hold concerns about the effects a crisis may have, especially toward it personally (Williams & Treadaway, 1992). The performance history of an organization plays into its ability to maintain its image throughout a crisis. The more positive an organization's performance history the more apt publics are to extend forgiveness to an organization for any wrongdoing. As a result a company's claims will be more acceptable to the public than if it had a history of problems (Coombs, 1995).

Types of Crisis

Crises, and their effects, are not all the same; just as there are several different components of crisis management there are several different types of

crises. The first type of crisis is an accident (Marcus & Goodman, 1991).

Accidents are “undesirable or unfortunate happenings that occur unexpectedly and without design” (Marcus & Goodman, 1991, p. 284). They are usually a one-time incident where the public does not need to fear a reoccurrence. An organization usually can deny it was responsible for an accident since it can often claim it had no control over the events which occurred. An example of an accident is the crisis at the Union Carbide plant in Bhopal when methyl isocyanate gas leaked from the plant (Ice, 1991). Although company employees attempted to stop the leak, it was beyond their control. As a result, this single incident incurred disastrous ramifications; over 2,000 people were killed and even more were injured from the poisonous gas (Ice, 1991).

A scandal is a second type of crisis and typically is a disgraceful event that harms an organization’s reputation and image (Marcus & Goodman, 1991). An organization cannot deny responsibility for a scandal because it typically occurs due to the fault of one or more people. Often dishonesty, greed, and corruption are a part of an organizational scandal (Marcus & Goodman, 1991). Such was the case with Enron. Previously one of the largest companies in the United States, Enron has been accused and investigated for artificially inflating its profits to its stockholders, improper accounting practices, and fraud. This scandal not only has harmed the reputation of the company, but has had other adverse effects also, which include plunging the company into chapter eleven bankruptcy (Enron, 2001).

The third type of crisis proposed by Marcus and Goodman (1991) is a product safety and health incident. This type of crisis is not a single event occurrence, as is typically the case with accidents. Instead these incidents often are repeated or revealed over the course of time. The problem with Firestone tires on the Ford Explorer would be an example of a product safety incident (Gilpin, 2001). The public was faced with numerous incidents where the tires on the Explorer, made by Bridgestone Firestone, exploded, which caused over 250 deaths and hundreds more accidents (Company News, 2002). These accidents were not isolated incidents and took some time to draw the attention of Ford Motor Company and Bridgestone Firestone to convince the companies this was indeed a crisis, not just a small problem.

Regardless of what type of crisis an organization finds itself in the middle of, there are different ways in which corporate officials can choose to respond. This especially is the case when there is perceived damage to an organization's image which can hurt its interactions with others (Benoit, 1995). When an organization believes its image is threatened officials often feel they need to offer "explanations, defenses, justifications, rationalizations, apologies, or excuses" for their behavior (Benoit, 1995, p. 2). Therefore, many organizations that find itself in a crisis, accused of some unethical act, will engage in what scholars have termed "apologia" (Hearit, 1996).

Crisis Communication Management

When an organization is faced with a crisis one way in which it usually manages the crisis is through its communication. There are various forms of

communication an organization can use in crisis management, one form of which is apologia. An apologia is a speech of “self-defense” (Kruse 1981; Ware & Linkugel, 1973). While one can defend the character or integrity of another person, one cannot offer an apologia on behalf of another. The very nature of an apologia is that a person defends his or her own character and credibility. Kruse (1981) emphasizes the importance of this point in order to differentiate between discourse that is apologetic and that which merely offers a defense. Therefore, not every speech of defense is an apologia.

An apologia also has a “recurring theme of accusation followed by apology” (Ware & Linkugel, 1973, pp. 273-274). The idea is that an organization identifies a behavior, action, or statement which appears to be evil. An organization then exposes that evil in the form of an accusation against the perceived offender (Ryan, 1982). Once the accusation has been made (and a crisis brought to light) a response is made by the offending party; that response is the apologia. The accusation, termed a *kategoria*, and the apologia are often viewed together as a speech set; first an organization is accused of some wrongdoing (which often involves ethical wrongs or character attacks), and then it responds with an apologia in its defense (Ryan, 1982; Ware & Linkugel, 1973).

It is important to note the apologia is not an apology. According to Hearit (1994) “an apologia is not an apology (although it *may* contain one), but a defense that seeks to present a compelling, counter description of organizational actions” (p. 115). Therefore, the main idea behind an apologia is not an apology but it is a persuasive speech to explain and justify an organization’s actions.

Through an examination of the charge against the organization one can gain insight as to the motivation behind the accusation (Ryan, 1982). This insight can include information such as why the accusation is of interest to the accuser, what proof he or she has against the accused, and what the accuser hopes will happen as a result of this allegation. Not only should the motivation of the accuser be identified and considered, but so should the motivation of the accused, who offers the apologia (Kruse, 1977; Ryan, 1982). Through this consideration of an organization's motives one can learn whether the issues covered by the accused in the apologia match the issues brought forth in the allegation. One also can understand what the accused hopes will happen as a result of the apologia and why he or she believes an apologia is required. If one can understand the motives of both parties he or she will better understand the accusation, crisis, and those involved.

Simply because an organization has been accused of some act and it chooses to respond to the charges does not mean it will respond with an apologia. An apologia requires the accusation to be directed against the character or integrity of the organization (Kruse, 1981; Ryan, 1982). An organization then needs to recognize and agree there is an issue at hand which poses a threat to it. Next, the accused also needs to agree this threat is one which needs to be addressed publicly in order to best rebuild its reputation and image (Hearit, 1995a). Once this decision is made, the organization can respond through utilization of a variety of well catalogued response techniques.

Denial

Denial is one important strategy available for use in self-defense (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Hearit 1995a; Ware & Linkugel, 1973). There are three forms of denial that can be used. The first form consists of “simple disavowal by the speaker of any participation in, relationship to, or positive sentiment toward whatever it is that repels the audience” (Ware & Linkugel, 1973, p. 276). This response can be used to completely deny the allegation against the organization.

Another form of denial is to deny the act was committed with ill intentions (Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Seeger, et al., 1998; Ware & Linkugel, 1973). An organization may have committed the action but did not intentionally do so. It also could engage in this form of denial if the intent for the action is different than what is initially perceived by the audience. This form of denial often is considered a way to evade responsibility for the alleged action (Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Seeger, et al., 1998). Evasion of responsibility will be more fully addressed later.

A final form of denial is called “shifting the blame” (Benoit & Hanczor, 1994). In this type of denial a speaker transfers the blame for the wrongdoing to another party, in an attempt to absolve the company from fault. Unlike any other form of denial, shifting the blame provides an answer to the question “if you didn’t do it, who did?”

An organization needs to be careful how it uses a denial response, and how frequently this response is used. Gold (1978) warns that an organization

who frequently denies allegations may find its credibility put into question. In such cases, constant denial is discouraged and some apology or explanation is encouraged (Gold, 1978).

Reduce Offensiveness

There are several responses one can use to reduce offensiveness of the alleged action, a second response strategy. A speaker who chooses this strategy attempts to reduce or completely absolve him or herself from responsibility for the action (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). The first type of these responses is bolstering, commonly viewed as the opposite of denial (Ware & Linkugel, 1973). When an organization selects this response it attempts to "identify [itself] with something viewed favorably by the audience" (Ware & Linkugel, 1973, p. 277). As a result the apologist tries to improve how the audience views the organization and remove any poor opinions it may hold toward the action in question (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). The accused company also hopes to emphasize "a fact, sentiment, object, or relationship" that already exists, although he or she does not necessarily completely deny the allegations at hand (Ware & Linkugel, 1973, p. 277).

Another way to reduce offensiveness is differentiation. An organization that utilizes this response attempts to lessen any negative opinions held against itself through a comparison of the action in question to other actions that are similar but more offensive (Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Ware & Linkugel, 1973). Oftentimes the accused company will request for judgment against it to be withheld until its actions can be further examined and

viewed from a different perspective (Ware & Linkugel, 1973). Again, this does not require an organization to deny the allegations, but merely for it to try and convince the audience to see the act in a different light and remember “it could be worse.” An example of this could be an organization that is accused of fraudulent bookkeeping. The accused may plead guilty to the charges, but may choose to use this tragedy as a platform on which to encourage other companies not to alter their books so they can avoid a similar or worse situation.

Reduction of offensiveness can also be implemented through transcendence (Ware & Linkugel, 1973). Transcendence attempts to take the action at hand and represent it in a different light, a larger context, in which it does not appear quite so negative. For example, an organization may admit it committed the alleged action, but it may use it to represent a greater cause such as freedom of speech, women’s rights, or an increase in profits. This response attempts to move the audience from a specific viewpoint of the allegation to a more general perspective of the topic which surrounds the allegation. This is different from differentiation which compares the act in question to other similar yet specific acts (Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Schultz & Seeger, 1991; Ware & Linkugel, 1973).

A fourth way to reduce offensiveness often is termed “to attack the accuser.” When an organization utilizes this response it attacks those who brought forth the allegation and attempts to damage their credibility (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). If this attempt is successful, the accuser’s source of information is put into question, which can result in some

damage to his or her reliability (Benoit & Hanczor, 1994). Therefore, the damage an organization previously incurred to its credibility and image may be reduced since the validity of the information is put into question.

The accused can also choose to compensate the victims of the action in question (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). An organization may choose to compensate monetarily or through a provision of other goods and services. If this compensation is accepted by the victim the negative opinions toward the organization often are reduced, which therefore improves its image once again (Benoit & Hanczor, 1994).

Another response strategy proposed by Hearit (1995a) is explanation. Here the accused organization does not deny it committed the action but admits being responsible for it. An organization then offers an explanation and tries to show the rationale behind the actions that were taken (Hearit, 1995a).

Minimization, a final way to reduce offensiveness, is when an organization attempts to minimize, or downplay, any unpleasant feelings or opinions evoked by the action (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). There are two main ways an organization can minimize the allegations.

First, the organization can try to minimize the negativity of the event directly (Schlenker, 1980). An organization engages in minimization when it describes the charges as “less (or not at all) harmful, untoward, bad, costly, important, improper, meaningful, significant, offensive, or whatever than it might appear from a worst-case reading” (Schlenker, 1980, p. 144). Put another way, minimization “seeks to deny a problem exists by downgrading its seriousness or

consequences" (Hearit, 1999, p. 298). This was the strategy used by Intel when their Pentium chip was found to have a flaw that would produce inaccurate computations. Intel's response to this crisis minimized the severity of the flaw when it stated the chip would not create inaccurate computations very often and not every person who used the Pentium chip would even notice this flaw existed (Hearit, 1999).

A second way to minimize the allegations is to argue the victim in a crisis is insignificant (Schlenker, 1980). An organization may point out characteristics of the victim that make it acceptable to attack him or her. As a result it appears there is no real damage incurred by the victim. Inferiority, unworthiness, unimportance, or dangerousness are characteristics of the victim an organization may use to downplay, or minimize, the victim's significance. An example of this is found in the historic Brock and Buss shock experiments where students were asked to deliver electric shocks to another person based on mistakes the other person made (Schlenker, 1980). The students who delivered the shocks were found to minimize their reports of how painful the shocks were and therefore justify their actions because they underestimated how much they harmed the other person (Schlenker, 1980).

Evasion of Responsibility

A third response strategy is evasion of responsibility in which an organization chooses not to deny the allegation, but attempts to reduce or completely absolve itself from responsibility for the action (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). There are several different ways an organization

can use this strategy. The first is called provocation; here a company claims its actions were in response to actions of another party which wronged it first.

Provocation attempts to persuade the audience the actions of the accused were justified since they were a reaction, or were taken to defend oneself (Benoit & Brinson, 1994; Benoit & Hanczor, 1994).

Defeasibility is another form of evading responsibility. Here an organization claims it did not have enough information or control over important areas of the situation (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). Therefore, it claims it cannot be held completely liable for the actions that took place.

A similar way to evade responsibility is to term the allegation as an accident (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). In this response, reasons beyond a company's control are to blame for the occurred action; it could not prevent or stop what occurred. Therefore, it seemingly cannot be held accountable for the allegations at hand because the situation was out of its control.

Corrective Action

Corrective action is a fourth response strategy (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). Here a company promises to correct the problems which arose from its actions. This may involve a restoration of the situation to its pre-crisis state, or it may require someone involved in the situation to take preventative measures to ensure there is no recurrence of the action. To engage in corrective action does not necessarily require the company to make an

apology or an apologia; it merely attempts to right the wrong that has been committed (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994).

Apology

A final response strategy is mortification in which an organization accepts guilt, apologizes for its actions, and requests the forgiveness of others. The success of this strategy depends on how much the audience believes the organization and accepts its apology (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994).

The field of crisis management has many different strategies for a company to employ when faced with a crisis. It is important to note that while there are various strategies, a company must be cautious when it selects the one it wishes to utilize. Merely because denial or minimization was used in past does not necessarily mean it should be used in a present situation. However, neither should an organization discount a specific strategy because it used it previously. Each response strategy can be useful in certain situations; likewise, each response strategy can threaten or harm an organization if used inappropriately. Therefore, one needs to analyze the present situation to examine which strategy offers the best response.

Purpose and Research Questions

Many scholars have identified and defined the different apologia strategies and their different uses as part of the field of crisis management (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Hearit, 1994, 1995a, 1995b, 1996; Schlenker, 1980; Seeger et al., 1998; Ware & Linkugel, 1973). However in

order to better understand these strategies one must go beyond these identifications and definitions and examine how appropriately they are used as rhetorical discourse (i.e., whether it was the wise response). It is important to realize the apologia response an organization chooses to implement can affect its crisis management in different ways. For example, merely because an accused organization chooses to engage in minimization or denial does not mean that would be the best strategy. Neither does it guarantee the organization will absolve itself of the allegation at hand or that its reputation, character, or image will be restored.

It also is important to realize that while a “good” apologia may alleviate some of the negative publicity and may result in the restoration of a company’s image a crisis is not automatically solved merely because it denies, minimizes, or evades responsibility for the action in question. The degree to which the audience is able to identify with the claims of a company and the amount of restoration to its image that occurs is not necessarily dependant on the final outcome of a crisis.

Therefore, the degree of appropriateness of an organization’s apologia is increasingly important. For example if an organization is convicted of a crime, it still may be able to deliver a suitable apologia in which its image is repaired enough so the public is able to forgive it for the actions that were committed; the public may identify more with the image portrayed by an organization in its apologia than with the image set forth in the legal proceedings through which it was convicted. As a result, while a company may face legal repercussions for

its actions, its products or services still may be purchased and used by the public.

It is this idea of appropriateness in an apologia which is the focus of this paper; this thesis seeks to go beyond the identification of what apologia strategies Martha Stewart employed and determine how appropriate her selection and implementation of those strategies was. It already has been determined in a court of law that she is guilty of conspiracy, obstruction of justice and two counts of false statements; however, there is another aspect to her crisis than just the legal aspect. Stewart not only faced legal charges, but she also faced a public relations crisis as it related to her company (M.S.L.O.) and her Martha Stewart brand products. Therefore another question arises as to whether she was able to respond to her crisis in an appropriate way. As a result, the following questions are posed as her case is examined:

RQ₁: What are the response strategies Martha Stewart used in her public responses to the allegations surrounding her sale of ImClone stock?

RQ₂: How appropriate were the response strategies used in Martha Stewart's public addresses?

Appropriateness as it relates to this case of Martha Stewart is defined as a message strategy which first meets the audience's expectations as to how an individual in such a situation should respond. An appropriate response secondly will serve to repair a damaged image, in this case that of Ms. Stewart or Martha Stewart Living OmniMedia. While this thesis will focus on the statements of Ms.

Stewart on her own behalf it is difficult to completely disregard any effect these statements and Ms. Stewart's actions had on her company, M.S.L.O. Even though the allegations were directed at Stewart and not her company, due to the fact Stewart created it and was its C.E.O., M.S.L.O could not completely avoid any ramifications of this crisis. Therefore, any such consequences for Stewart's company can also be examined as the appropriateness of her public addresses is analyzed, although the majority of these consequences will pertain to Stewart herself.

Conclusion and Organization

This chapter has identified various definitions of crisis, examined the characteristics and type of crisis and defined crisis management. Through an in-depth review of the literature this chapter also has identified and explained the various crisis response strategies, particularly apologia. There are many different apologia strategies an organization can utilize when faced with a crisis. Each strategy is different and can be useful in the right situation. Likewise, each strategy can be harmful to an organization if used inappropriately.

Now that crisis, crisis management, and apologia have been defined and explained it is time to look at how Ms. Stewart's case will be analyzed.

Therefore, in Chapter III this thesis will identify possible methods in which to assess the apologia strategies discussed in this chapter through an evaluation of various rhetorical methods of analysis. This thesis will specifically focus on the generic method of analysis which will be used to analyze the public statements Stewart made in response to the crisis which surrounded her.

CHAPTER III

RHETORICAL METHODOLOGY

We are gathered here today in remembrance of Stephen Miller.

Stephen was a fun-loving, kind and caring person who touched the hearts and lives of many people. We will definitely miss him and cannot replace the man we have lost. However, Stephen would not want us to remain sad and grieve his passing.

Instead he would want us to live by his motto: Life goes on.

It is likely most people have heard a similar eulogy in a funeral or memorial service of a loved one, a friend, or an acquaintance. This type of speech is often given to commemorate a person and his or her life. It often also serves as a message of hope and healing to those who knew the deceased. With its identifiable style (the tone in which a eulogy is given), situation (the death of a person), and message (to remember the deceased but to move on) a eulogy is one example of a rhetorical genre, a main component in rhetorical analysis (Hart, 1990).

Eulogies are not the only example of a rhetorical genre that is marked by a specific style, situation, and message; crisis situations are another example. Individuals who find themselves in the midst of a crisis frequently issue apologetic responses that utilize the same characteristics of style, situation, and message. Therefore, rhetorical analysis can be used to examine specific characteristics of many different rhetorical genres, such as crisis and apology, the genre of interest for this thesis.

Rhetorical analysis and criticism provide a means through which a person can understand or analyze speeches or written addresses. Rhetorical criticism is also useful because it breaks down the complicated aspects of rhetoric in order to explain rhetoric in a “comprehensive and efficient manner” (Hart, 1990, p. 32). This type of analysis has roots that date back to the classical period of rhetorical address where names such as Aristotle, Socrates, and Plato became famous (Hart, 1990). While the roots of rhetorical analysis are old, it is a method which is still utilized today. It is through this means of analysis the case study of Martha Stewart will be analyzed.

Before such an analysis can occur one must first understand the method utilized. It is with this in mind the present chapter defines and explains the history of rhetoric, rhetorical criticism, and the different methods of rhetorical criticism that exist. This chapter will later focus on the method of choice for this study, the generic method of criticism, and how it will be used to examine the public statements of Martha Stewart.

Rhetoric

Rhetoric is a word that probably does not make it into most people’s daily vocabulary; however, it is something that is a part of many people’s lives each day. Through actions such as public speaking, written statements, and other forms of communication one engages in the use of rhetoric. However, not all communication is rhetorical.

Through the use of rhetoric a speaker seeks to influence, or persuade, his or her audience (Bitzer & Black, 1971; Cathcart, 1981; Foss, 1989). Rhetoric is

defined as “a communicator’s *intentional* use of language and other symbols to *influence* or persuade selected receivers to act, believe, or feel the way the communicator desires in problematic situations” (Cathcart, 1981, p. 2). A communicator may influence his or her audience unintentionally in other forms of communication, but a main premise in rhetorical communication is to influence the audience through the use of verbal (language) and nonverbal (other symbols) communication.

Hart (1990) supports this idea that influence is intentional in rhetorical communication. He describes rhetoric as “the art of using language to help people narrow their choices among specifiable, if not specified, policy options” (Hart, 1990, p. 4). In order to “help people narrow their choices” rhetoric attempts to influence those who see or hear it which, again, can be done verbally or nonverbally. Therefore, speeches, essays, interviews, threats, written messages, plays, novels, films, music and public demonstrations that aim at persuading the audience (and some that do not) all would be considered forms of rhetoric (Black, 1978; Cathcart, 1981; Foss, 1989; Hart, 1990).

These definitions of rhetoric are fairly broad and encompass a variety of message-types. They also propose that rhetoric can be both public (e.g., advertising, public speeches or interviews, class lectures, a CEO’s written message to employees, etc.) and interpersonal communication (e.g., a dinner conversation, a counseling session, etc.) (Black, 1978; Foss, 1989; Hart, 1990).

The history of rhetoric dates back to the time of the Greeks and Romans. This time period includes the teachings of Greek Sophists. One of the most

famous pieces of rhetorical writing is Aristotle's *The Rhetoric*, which also served as a foundation for rhetorical criticism (Bitzer & Black, 1971; Black, 1965; Cathcart, 1981). It was from Aristotle's writing that a key form of rhetorical analysis emerged, which will be addressed later in this paper (Black, 1965; Cathcart, 1981).

Not only does rhetoric have an extensive history, it also has many commonalities with other domains of study such as science, artistic creativity, philosophy, and social consideration. Rhetoricians and scientists both want others to take them seriously. They both also collect evidence to support their arguments and use that evidence to persuade others to join their point-of-view (Hart, 1990). Like those involved in the realm of artistic creativity, rhetoricians use their imaginations and desire to engage the imaginations of their audience, often through using symbols (Hart, 1990). A rhetor also attempts to be philosophically reasonable, "to insure that an argument makes the kind of patterned sense it must make to be understood by others" (Hart, 1990, p. 16). Therefore, rhetors and philosophers alike attempt to avoid self-interruption, incomplete mental images and harsh language (Hart, 1990). When one utilizes rhetoric he or she aims to change the lives or opinions of many people, not just one single person which also is a goal of social consideration (Hart, 1990).

Simply because rhetoric holds commonalities with each of these domains does not mean it shares all of their characteristics. However, the realm of rhetoric is a powerful one since it shares some of the characteristics of science, artistic creativity, philosophy, and social consideration. As a result, those who

choose to utilize and blend these characteristics in their own rhetorical discourse can become highly influential rhetors who engage in the art of rhetorical criticism (Hart, 1990).

Rhetorical Criticism

It is not overly difficult to engage in the creative realm of rhetorical discourse, or to recognize it when one sees or hears it. However, it is more of a challenge to understand why a rhetorical message was given or received or to understand the creativity behind the rhetorical message. This is the art of rhetorical criticism, which attempts to understand “how or why a message was effective [or ineffective]” (Cathcart, 1981, p. 4). Criticism also is viewed as the opposite, or “counterpart,” of creativity (Cathcart, 1981, p. 4). The creative mind will create and engage in the practice of rhetoric; the critical mind, however, will take apart the message and examine its meaning and use.

Foss (1989) defines rhetorical criticism as “the investigation and evaluation of rhetorical acts and artifacts for the purpose of understanding rhetorical processes” (p. 5). According to this definition there are two components that are examined in rhetorical criticism: rhetorical acts and rhetorical artifacts. Rhetorical acts are the actions the rhetor executes in the presence of his or her audience which could be a live speech or a play (Foss, 1989). Rhetorical acts then become artifacts once they are printed, transcribed, recorded, etc. Rhetorical artifacts therefore are defined as “the trace or tangible evidence of a rhetorical act” (Foss, 1989, p. 5).

The rhetorical acts or artifacts often are not simple actions, texts, or recordings to examine. Instead they are more complicated and require a lot of extensive work to understand their purpose or meaning. Based on this belief, Hart (1990) provides another definition for rhetorical criticism: "Rhetorical criticism is the business of identifying the complications of rhetoric and explaining them in a comprehensive and efficient manner" (p. 32). Not only does Hart's definition identify that rhetoric is a complex topic, but it also implies the study of rhetorical texts can be done in an orderly, yet simple, way (Hart, 1990).

Hart's definition suggests one purpose of rhetorical criticism is to understand the message and symbols that have been sent and received (Cathcart, 1981; Foss, 1989; Hart, 1990). This is important because all public discourse has a purpose. That purpose is often to "affect people's thoughts and actions" which is frequently cited as justification for rhetorical criticism (Cathcart, 1981, p. 9).

A second purpose of criticism is to document social trends (Hart, 1990). Through careful study of the rhetorical acts and artifacts, critics can identify characteristics that have certain or special importance that could easily be overlooked by the average person. If a critic chooses to study these characteristics over a period of time, or examine several different yet similar artifacts, he or she can also discover trends that occur in a certain type of rhetorical discourse, or by a certain rhetor (Hart, 1990).

Criticism also helps a person to understand and appreciate people whose experiences are different than his or her own (Hart, 1990). All people engage in

rhetorical discourse in different settings and in different ways. Through the study or criticism of these experiences a person can see how other people experience situations and can, in effect, pull others closer to him or herself (Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Hart, 1990; Ware & Linkugel, 1973).

Another purpose of rhetorical criticism is that, as with other arts, criticism is a way to learn more about the art itself (Cathcart, 1981). Those who engage in criticism are usually not involved in the situation; they criticize it from an objective point-of-view. This allows the critic to focus on the process of rhetoric, the rhetor, and the audience in a way that can gain useful information on rhetorical theory. For example, one can learn more about what rhetoric is and how it is used (Cathcart, 1981).

Criticism also allows the critic to establish what the value and significance of the discourse is (Cathcart, 1981). To do this, critics study the motives of the speaker and examine the discourse through an application of standards that are in line with the highest values of that society (Cathcart, 1981; Ryan 1982).

One final purpose for rhetorical criticism is that it helps the critic discover the limits of his or her own knowledge (Cathcart, 1981). As societies and times change, the usefulness of some theories can also change. Therefore, when critics discover the principles and methods in use no longer apply, they simultaneously discover a gap in their knowledge area. This often requires them to go in search of new theories and methods to explain what they study (Cathcart, 1981).

There are several different methods which can be used in a critical analysis of rhetorical discourse. While each method plays a significant role in the history and art of rhetorical criticism, of particular interest for this paper is the generic method. Therefore, this paper will only briefly touch on some of the other methods for rhetorical analysis and will then focus on what the generic method is and how it will be used in this study of the Martha Stewart case.

Rhetorical Methods

The first method of rhetorical analysis was the Neo-Aristotelian Method, which has roots that date back to the time of Aristotle. The focus of this method is on “discovering the effects of an artifact on an audience and whether the rhetor selected the best strategies for achieving the intended effects” (Foss, 1989, p. 71). This method only focuses on the speeches of single speakers, and is not used to study any form of written discourse, or speeches where there are more than one speaker (Campbell & Jamieson, 1975; Cathcart, 1981; Foss, 1989). The Neo-Aristotelian method was unchallenged as the method to use until the 1960’s when criticisms began to arise. Some of these criticisms included the change in culture, values, orientation and knowledge since the formation of the method, the lack of creativity required to be utilized in this method, and the method’s rational basis (Foss, 1989).

The next method of analysis is fantasy theme criticism which is designed to “provide insights into the shared world view of groups of rhetors” (Foss, 1989, p. 289). This method is based on the theory of symbolic convergence which has the idea that communication creates reality and that individuals’ meanings for

symbols can be shared and united to create a shared reality for those individuals (Foss, 1989; Hart, 1990). As with narrative criticism this method also tells a story that involves characters, actions, and settings, only in fantasy theme criticism the story also accounts for the group's experience (Cathcart, 1981; Foss, 1989).

A third method, narrative criticism, also has roots that date back to the time of the Greeks and Romans (Foss, 1989). Narrative is defined as "the representation of at least two events or situations in a time sequence" (Foss, 1989, p. 229). This method describes a situation by telling a story that involves characters, actions, and settings that change over a period of time (Foss, 1989; Hart, 1990). The critic then examines the story and how closely it represents the reality it attempts to portray. Finally, the critic chooses to accept or reject the claims made in the story (Foss, 1989; Hart, 1990).

Generic Criticism

There are many other methods of rhetorical analysis; however, to examine each of these methods in depth is not the focus of this thesis. Therefore, this paper will now turn to the generic method of criticism, which is the method that will be applied in this thesis.

As with other critical methods, the roots of Generic Criticism can be traced back to the time of Aristotle (Foss, 1989). Classical rhetoric often was based on an assumption that situations could be categorized by their overriding goals, which is where the categorization of genres emerged. The term "generic criticism" was first coined by Edwin Black in 1965 as he criticized the Neo-Aristotelian method of criticism (Black, 1965; Campbell & Jamieson, 1975; Foss,

1989). As an alternative to the traditional method of criticism, Black proposed a critical method that included the following characteristics:

(1) there is a limited number of situations which a rhetor can find himself, (2) there is a limited number of ways in which a rhetor can and will respond rhetorically to any given situational type, and (3) the recurrence of a given situational type through history will provide the critic with information on the rhetorical responses available in that situation. (Black, 1965, p. 133)

The idea behind Black's method was that a person could only respond to a certain situation in a limited number of ways; however, some situations may occur repeatedly, such as eulogies. Therefore, one could examine and study previous responses to the same situation in order to identify how he or she could respond. For example, one can study eulogies through a comparison of one eulogy to others.

Bitzer also contributed to this idea of recurring situations, which became a very significant component of generic criticism. His notion was that these similar situations which required similar responses created rhetorical forms composed of a certain style and utilized a specific vocabulary (Bitzer, 1968; Bitzer & Black, 1971). While Bitzer's ideas were not totally accepted, they were used as part of the foundation for generic criticism.

Generic criticism is different from the other means of rhetorical analysis. This form of criticism is based on an assumption that certain types of situations exist between different audiences that create needs and expectations which are

similar. It is these similarities which therefore require certain kinds of rhetoric to be utilized in these situations (Cathcart, 1981; Foss, 1989; Hart, 1990). Generic criticism enables people to see a big picture as it pertains to rhetoric. Instead of an examination of a single speech, story, or situation, generic criticism looks at recurring situations and seeks to find common patterns that exist among them (Cathcart, 1981; Foss, 1989; Hart, 1990). Once those similarities are discovered, rhetorical artifacts that share those similarities are grouped together to form a distinctive group, class, category, etc. termed a *genre* (Foss, 1989).

Campbell and Jamieson (1975) define a genre as “a group of acts unified by a constellation of forms that recurs in each of its members” (p. 20). Forms are the ways in which a person can convey experience and feeling to others. It is the repetition of similar forms together that creates the genre, not just a series of actions. The combination of these forms is significant because it shows how the tensions between the different forms and actions come together to show how different people can, and do, respond in similar ways to similar situations (e.g., a death of a family member, an accusation of an illegal act, etc.) (Campbell & Jamieson, 1975). Since it is the combination of these forms that create a genre the individual forms can appear in other types of discourse as well as other combinations of forms in different genres (Campbell & Jamieson, 1975).

This idea of genre is seen through many scholars' research and study in the arena of crisis and apologia. Crisis situations often share commonalities such as their unpredictable nature, potential threats to an organization, and a short time in which an organization has to respond (Coombs, 1995, 1999;

Hermann, 1972; Seeger et al., 1998; Williams & Treadaway, 1978). It is by the combination of these forms and characteristics that crisis emerges as a genre that fits the descriptions offered by Foss (1989) and Campbell and Jamieson (1975).

Researchers also have identified a group of similar response techniques in which individuals or organizations choose to respond to these crisis situations, such as denial, bolstering, reduction of offensiveness, minimization, evasion of responsibility, and explanation (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Hearit, 1995a; Seeger et al., 1998; Ware & Linkugel, 1973). While there are many different crisis management and response strategies they are similar in the fact that all responses are utilized in order to minimize the damage to an organization's image (Coombs, 1995, 1999; Williams & Treadaway, 1992). Therefore, these apologetic strategies have emerged as a species of responses that are a part of the crisis genre.

Genres such as crisis serve a number of functions, three of which are addressed by Hart (1990). The first function is that genres are preservative; they help to keep established social patterns alive and useable. Another function is that genres point out verbal possibilities to use in one's own use of rhetoric. By reviewing similar situations and responses categorized into genres it makes it easier for the rhetor to select a starting place for his or her response. The third function Hart (1990) mentions is that genres facilitate listening. Burke (1968) addressed this function in his study of generic criticism with an argument that genres create a desire in audience members when rhetorical expectations

created by the genre are met. If the audience misunderstands and therefore misapplies the genre, problems can arise.

A rhetorical genre is composed of three different components. The first component is *situational* requirements (Campbell & Jamieson, 1975; Foss, 1989). This is a perception that certain conditions exist in the given situation that will merit specific types of rhetorical responses. The speaker views these situations as similar to one another which allows him or her to respond in a similar way to each individual situation (Campbell & Jamieson, 1975). It is this situational component that often creates the requirement for a speaker to respond, such as in a crisis (Coombs, 1999; Seeger et al., 1998; Williams & Treadaway, 1992).

The second component is *substantive* characteristics (Campbell & Jamieson, 1975; Foss, 1989). These are features of rhetoric the rhetor selects in his or her response to the perceived situational requirements. The substantive characteristics make up the content of the rhetoric, or the message that is conveyed by the speaker, such as an apologia (Benoit, 1995; Benoit & Hanczor, 1994; Campbell & Jamieson, 1975; Coombs, 1995, 1999; Foss, 1989; Hearit, 1994, 1996; Ware & Linkugel, 1973).

The final component is the stylistic characteristics. These characteristics make up the form of the rhetoric a speaker utilizes (Foss, 1989). The form of the response is the way in which the speaker conveys experience and feeling to others. This is done through a utilization of strategies such as repetition, refutation, emphasis, remorsefulness, etc. (Campbell & Jamieson, 1975).

Generic Options

These components of a genre are visible as one critically analyzes rhetorical discourse using the generic method. The process of generic criticism includes three options for the critic to select from or combine in his or her rhetorical analysis: generic description, generic participation, and generic application (Foss, 1989). Each of these options has unique contributions and focal points to the art of rhetorical criticism.

Generic Description

Generic description is an inductive process in which the critic examines several different rhetorical artifacts in order to determine if a genre exists. This process starts with an examination of specific features of the artifacts. It then takes a step back and looks at the artifacts as a bigger picture in order to create a generalized name for the genre (Foss, 1989).

There are four steps in this process of generic description. First the critic observes similarities in rhetorical responses to similar, yet different, situations (Foss, 1989). In this first step the critic “speculates that a genre of rhetoric may exist” (Foss, 1989, p. 114). The second step is to collect rhetorical artifacts from different points in time that occur in those similar situations and which may represent the speculated genre (Foss, 1989). An analysis of the artifacts takes place in the third step of this process (Foss, 1989). Here the critic closely studies the artifacts to see if indeed there exist substantive or stylistic features amongst the situation to form a genre. The final step is to “formulate the organizing principle that captures the essence of the strategies common to the sample

collected" (Foss, 1989, p. 116). In order for this step to take place, in step three the critic must have noted enough similarities to continue in his or her search for a genre (Foss, 1989). If the critic is able to develop his or her speculated genre the results from the generic description process can be used in the process of generic participation.

Generic Participation

Whereas generic description is an inductive process that starts specific and then moves to a more general analysis, generic participation is a deductive process. The critic starts from a general analysis and then moves to a specific examination of a particular rhetorical artifact (Foss, 1989). Once a genre is identified a particular rhetorical artifact is examined to see if it is a part of that genre.

Generic participation involves three steps. First there must be a description of the "perceived situational requirements, substantive and stylistic strategies, and organizing principle of a genre" (Foss, 1989, p. 117). Once this description is made the rhetorical artifact is described. This second description uses the perceived situational requirements and substantive and stylistic strategies (Foss, 1989). Finally, the two descriptions are compared to determine if the artifact belongs in the genre (Foss, 1989).

Generic Application

The final option available for critics to use when they study rhetorical criticism is generic application. Generic application also is a deductive process which applies a generic model, such as Benoit's (1999) to specific rhetorical

artifacts to further assess those that already have been found to exist in a particular genre (Foss, 1989). Through the use of generic application a critic is able to determine if the artifact is a good or poor example of the genre being studied (Foss, 1989).

This method of analysis involves four steps. The first step is again to describe the situational requirements, substantive and stylistic features and the organizing principle of the genre (Foss, 1989). In the second step, the critic identifies of the perceived situational requirements, substantive and stylistic strategies and organizing principle of the rhetorical artifact found to exist in that genre (Foss, 1989). The third step compares the characteristics of the artifact with those in the genre. The final step in generic participation is to evaluate the rhetorical artifact in lieu of how successful it fulfills the characteristics required by the genre (Foss, 1989). It is this final step in which the critic is able to draw some critical insights in regards to *how* the rhetorical artifact fits in with the demands of the genre. Therefore, this allows the critic to engage in criticism on a level generic description or participation does not reach.

Generic Analysis of Martha Stewart

This thesis will utilize the generic method to analyze the case study of Martha Stewart. This method of criticism will focus on the statements made by Stewart prior to and during her trial and will examine the apologia strategies she used in those responses. In order to begin this analysis the situation which surrounded Stewart will be identified through an examination of the allegations made against her. Next, there will be a collection of a variety of statements

Stewart made. These statements will include public interviews she granted on *20/20* and in *The New Yorker* which were largely publicized and often quoted or mentioned in later articles that covered Stewart's case. Stewart's interview with Barbara Walters on *20/20* also was the first major public interview Stewart granted to the media after she was indicted.

Other statements which will be utilized in this analysis include those which were published in *The New York Times*, a very credible and reliable news source, and statements published on her website *Marthataalks.com*, a website Stewart created specifically to post her opinion of and updates for this crisis. All of Stewart's statements were made between January of 2002 and July of 2004, which is the main time period in which Stewart commented and responded to the allegations made against her.

Once these statements are collected a textual analysis of these statements will be completed using the generic approach to criticism. This analysis will examine the Martha Stewart case from a deductive perspective and will therefore utilize schema set forth by Benoit, Coombs, and Hearit as described in Chapter Two. Since a deductive perspective was selected for this analysis, this thesis assumes a genre already exists, which for this paper is the genre of crisis (Benoit, 1995; Benoit & Hanczor, 1994; Campbell & Jamieson, 1975; Coombs, 1995; 1999; Foss, 1989; Hearit, 1994; 1996; Ware & Linkugel, 1973). Through a utilization of the generic method this thesis will use each generic description, participation, and application to analyze the substantive

characteristics of Stewart's statements (Campbell & Jamieson, 1975; Foss, 1989; Hart, 1980).

Once the substantive characteristics of Stewart's statements are identified the stylistic characteristics of her statements will also be analyzed. This portion of the analysis will be completed through a utilization of schema set forth by Ware and Linkugel (1973), also described in Chapter Two.

It is through this process of analysis, particularly through the examination of the substantive characteristics of Stewart's statements, in which the crisis response strategies Stewart employed will be identified, and will thereby address the first research question set forth in Chapter Two. The results of this analysis will be discussed in Chapter Five, which will answer the second research question that addresses the appropriateness of Stewart's statements.

Conclusion

In the following chapter, this paper will focus on the case of Martha Stewart with a critical analysis of the public statements she made. This analysis will examine the characteristics of her statements, spoken and written, and the commonalities they hold with each other as well as the commonalities they hold with the topic of apologia. Through an analysis of these statements this paper will provide a modern day example of responses to a very public crisis. It will also address the degree of success those responses had in achieving a retention of a positive public image for Martha Stewart. Through this modern day example it also is hoped this paper will help one continue or grow in his or her understanding of the process of crisis and apologia responses.

CHAPTER IV

RHETORICAL ANALYSIS

Martha Stewart's life changed forever once her actions from December 27, 2001 came to light. Not long after Stewart sold close to 4,000 shares of ImClone stock governmental authorities questioned her sale. As a result, she found herself plunged into the midst of a crisis which affected her life both personally and professionally. During the two and one-half years that followed her sale of ImClone Stewart faced several difficult decisions. One of the most critical decisions was how she would respond to her situation: The charges, the trial, the conviction, and the sentence.

Throughout this crisis Stewart made several different responses to the allegations and events which surrounded her in an attempt to restore her damaged image. This chapter will analyze Stewart's statements through a utilization of the generic method of criticism and its three components: The situational, substantive, and stylistic dimensions. First, this chapter will study briefly the situational component of the crisis genre to which this case belongs. Then it will analyze Stewart's responses to her crisis, the substantive component, through an application of Benoit's (1995) communication response strategies (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). Third, it will assess the different styles Stewart implemented as she responded to her crisis. Finally, this chapter will conclude with a more in-depth examination of the crisis genre and apologetic sub-genre of Stewart's case.

Generic Analysis of Martha Stewart

To appropriately utilize the generic method of analysis in this case study there first needs to exist an understanding of the genre to which this case belongs. As introduced in Chapter Three, the genre identified for this case is that of crisis. As a result, this analysis will begin with an examination of the crisis genre's characteristics.

Crisis Genre

The main characteristic of the crisis genre is the occurrence of an unpredicted event (Coombs, 1999; Seeger, et al., 1998; Williams & Treadaway, 1992). This event or situation typically threatens the individual in some way so as to require him or her offer some response to the situation. Such a response typically serves to explain, justify, or apologize for the crisis situation.

A crisis also may include an accusation against an individual who is involved. Crisis situations, especially those accompanied by an accusation, oftentimes cause an individual to appear guilty of wrongdoing. However, just because a crisis arises or an accusation is brought against an individual does not mean he or she is guilty; it is a possibility, but not a stated fact. In these instances, when an accusation is made and the innocence of an individual is questioned it becomes increasingly important that the individual respond to the crisis and its allegations.

An apologia is introduced as a discourse of self-defense; it is a response to an *accusation* against an individual in a crisis situation (Kruse, 1981; Ryan 1982; Ware & Linkugel, 1973). Once an individual is accused of some

wrongdoing he or she will generally increase his or her efforts to explain or justify the act in question. Therefore, through an identification and examination of the characteristics for crisis and apologia, apologia here is identified as a component, or a sub-genre, of crisis. However, it is important to remember that apologia is dependant on the crisis genre; a person cannot offer a speech of self-defense if he or she has not been accused of any wrongdoing as part of a crisis situation, though a person may be involved in a crisis which he or she did not cause.

As to Martha Stewart's situation, the accusation against her emerged as the events which surrounded December 27, 2001 began to unfold. On that day Stewart sold 3,928 shares of ImClone stock when she received a tip from her stockbroker that the price of the stock would drop. Soon after, Stewart found herself in the midst of investigations for insider trading, securities fraud, obstruction of justice, conspiracy, and making false statements, a situation she did not predict or expect when she sold her stock (Hays, 2004b; Opening Argument, 2004). When the federal government formally charged Stewart for her actions in June 2003 it chose not to indict her on charges of insider trading; instead it left that charge as an option for the Securities and Exchange Commission to charge Stewart with if it so desired.

Although the government did not charge Stewart with insider trading, members of the Securities and Exchange Commission believed that was the nature of her crime. On the day Stewart was indicted the associate regional director of the S.E.C. stated, "From our perspective this case involved insider trading. She is a tippee. We allege that she knew or recklessly disregarded that,

and traded on that information” (Hays, 2004b, p. 2). The regional director of the S.E.C. also agreed that Stewart’s actions were “illegal insider trading” (Hays, 2004b, p. 1). In spite of this opinion, the S.E.C. chose not to charge Stewart with insider trading; in its place, it chose to file a civil suit against Stewart for the money she “stole” from other stockholders as a result of her sale.

Though not charged with insider trading Stewart still was charged with obstruction of justice, a charge many people believed should be accompanied with that of insider trading. However, as the U.S. attorney for the Southern District of New York pointed out, “This criminal case is about lying—lying to the F.B.I., lying to the S.E.C., lying to investors” (Hays, 2004b, p. 1). His argument was that in her statements to Federal investigators Stewart knowingly lied to them and in so doing violated Title 18, Part I, Chapter 47, Section 1001, subsection (a) of the United States Code (2003). The U.S. code defines a fraudulent and false statement as one an individual makes in which he or she “knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact” (United States Code, 2003, p. 1). Therefore, because Stewart lied to governmental officials, they were able to charge her with obstruction of justice without an additional charge of insider trading.

These allegations posed a threat to the image and credibility of Ms. Stewart as well as that of her company Martha Stewart Living OmniMedia. Faced with such a threat, Stewart chose to respond to the allegations on several occasions through statements she made to the public via television, newspapers, magazines, and the Internet. It is these statements which created the second

component of the rhetorical genre in this case, the substantive component (Campbell & Jamieson, 1975; Foss, 1989). Therefore, this chapter will now shift to analyze Stewart's public statements and the stylistic features which she exemplified in her responses.

Martha Stewart's Communication Response Strategies

As Stewart responded to the allegations and crisis around her, she utilized many different crisis response strategies. However, while she used multiple strategies throughout her statements to the public, such as bolstering, differentiation, and mortification, there were two major strategies which she used overall: Denial and minimization. Stewart's public statements were made in response to several media events. Specifically, the statements were reactions to six contexts that will be examined in this section: (a) her initial responses to the crisis, (b) her interview with Barbara Walters on November 7, 2003, (c) her responses to the conviction, (d) her initial responses to her sentencing, (e) her interview with Barbara Walters on July 16, 2004, and, (f) her interview with Larry King on July 19, 2004.

Initial Responses

As Stewart's crisis began to evolve and her sale of ImClone gained public and governmental attention she formed her initial responses to the situation. This initial response period lasted for approximately one and one-half year; it started with her first statements in 2002 and ended in the fall of 2003. Throughout this time period Stewart implemented three different response strategies: denial, minimization, and bolstering.

Denial

The apologia strategy Stewart employed most frequently was denial.

Denial is a response strategy often used by individuals who want to avoid the responsibility associated with the alleged actions, regardless of their guilt (Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Seeger, et al., 1998). As described in Chapter Two, there are three different forms of denial; simple denial, denial the act was committed with ill intentions, and shifting the blame (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994).

The form of denial Stewart used in her initial response period was simple denial; she denied she had committed any wrongdoing (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Hays, 2003a; 2003b; Hays & McGeehan, 2002; King, 2003; Sell, 2003; Stewart, 2003; Ware & Linkugel, 1973). In her interview on December 22, 2003 with Larry King on *Larry King Live*, Stewart stated that she had “done nothing wrong” (King, 2003, p. 3). Similarly she told *USA Today* reporters that she was “not guilty” (Sell, 2003, p. 1D). Stewart also proclaimed her innocence twice when she posted a statement on her website, *marthataalks.com*, on the day she was indicted. In this statement, she promptly said: “I am innocent,” and later proceeded to remind her audience that in the past she had “denied any wrongdoing” (Stewart, 2003, p. 1). Stewart’s continual denial of her wrongdoing was an attempt to repair her broken image; broken by the allegations made against her. In her attempt to do this Stewart could make one of two choices: (1) deny that she committed any

wrongdoing and go to trial, or (2) admit what she did was wrong and face the consequences. She chose the first option.

Stewart's lawyers issued a statement on her behalf when she was arraigned in June 2003; this statement supported Stewart's earlier responses to her situation. In this statement her lawyers denied she had committed any wrongdoing and contended that Stewart was "the subject of a criminal test case designed to further expand the already unrecognizable boundaries of the federal securities laws" (Hays, 2003a, p. 2). They also stated that she would be "fully exonerated" (Hays, 2003a, p. 2). Although these statements corroborated Stewart's prior claims of innocence, unfortunately, they added little credibility to her responses.

Stewart also denied that her sale was illegal; instead she declared it was "entirely lawful" (Hays, 2003a, p. 1; 2003b, p. 2; Hays & McGeehan, 2002, p. 1). In a similar way Stewart denied any prior knowledge of Sam Waksal's sale when she placed her own order (Hays, 2003a). Instead, she insisted her sale was a result from a prior arrangement with her stockbroker, Peter Bacanovic. She wrote in a statement posted on her website:

I simply returned a call from my stockbroker. Based in large part on prior discussions with my broker about price, I authorized a sale of my remaining shares in a biotech company called ImClone. (Stewart, 2003)

This defense offered little help. If Stewart and Bacanovic truly had agreed on this stop-loss order at \$60, there would be no question that her sale was legal.

However, when this “agreement” was created one important detail apparently was overlooked; Bacanovic still had to call Stewart to gain her permission to sell the stock. The nature of a stop-loss order is such that when the stock reaches the agreed-upon price, the stock broker immediately sells the stockholder’s shares. No additional contact is required to execute the sale. However, this was not the case for Ms. Stewart; the extra phone call still was made, which brought into question the validity of Stewart and Bacanovic’s agreement (Hays & McGeehan, 2002). Other brokers agreed with this analysis and stated that if this agreement had existed Bacanovic would have sold the stock once it reached \$60. Therefore, Stewart’s statements that she had no prior knowledge of Waksal’s sale are contradicted by normal business practice.

Unfortunately for Stewart, her denial was not enough to stop the investigation; she still was indicted on charges of securities fraud, obstruction of justice, conspiracy and false statements (Glater 2004a; Glater 2004b; Hays, 2004b; Opening Argument, 2004). Likewise, she was convicted of obstruction of justice, conspiracy, and two counts of false statements (Glater 2004a; Glater 2004b; Hays, 2004b; Opening Argument, 2004). Denial is simply not enough of a defense to exonerate a person of guilt; it is a reformatory, not transformative, strategy (Ware & Linkugel, 1973).

Minimization

The second major strategy which Stewart initially implemented was minimization. This strategy attempts to downgrade the importance of the actions allegedly committed by the accused individual (Benoit, 1995; Coombs, 1999;

Hearit, 1999). Stewart first utilized this strategy when she minimized the severity of the allegations (Schlenker, 1980; Toobin, 2003; Walters, 2003).

Minimization is present in a number of Stewart's initial statements. During the investigation, she stated: "I think this will all be resolved in the very near future and I will be exonerated of any ridiculousness" (Hays & Eaton, 2004, p. 2, Toobin, 2003, p. 44). Similarly, in a statement she posted on her website Stewart termed the allegations against her as "baseless charges" (Stewart, 2003, p. 1). By defining the charges as "ridiculous" and "baseless," she minimized the seriousness of her situation. Stewart's minimization also suggested a certain hostility toward the government for bringing the charges against her. The government believed her actions merited investigation and formal charges; hence, the two and one-half year crisis for Stewart and her company. For Stewart to take these serious charges and ridicule them was a direct challenge to the prosecutor who brought the charges.

Bolstering

While denial and minimization were the primary apologia strategies Stewart employed, she also utilized additional strategies, one of which was bolstering. A person who uses this strategy attempts to strengthen the audience's "positive affect toward [him or her]" with the intention of "counteracting negative feelings" (Benoit & Brinson, 1994, p. 76).

The first time Stewart employed this strategy she attempted to emphasize a positive attribute, her integrity, when she told *USA Today* reporters that: "For a creative person to be maligned like this is the worst thing that could happen"

(Sell, 2003, p. 1D). This statement appeared to be an emotional appeal on Stewart's part. If she could convince the public that she was a creative person who had helped to make people's lives better, the belief that she did not deserve what she had encountered would follow. While Stewart is inarguably a creative person, her creativity had nothing to do with the charges of which she was convicted. However, such is the nature of this strategy; it is an attempt to have the public focus on her as a good, successful, helpful, and creative person, as opposed to a criminal. Although this strategy did not bring about a result which dropped the charges against Stewart, it was a good choice of strategy in order for her to restore part of that damaged image.

Silence

One final note to make on the response strategies Stewart initially employed is when she chose to make no response and stay silent. Unlike the remainder of Stewart's chosen response strategies, silence is not included in Benoit's (1995) list of crisis response techniques. However, because of the attention that has been paid to the idea of silence as a communication response, and because of the ways in which Stewart utilized this response, it is included in this analysis.

Prior to her interview with *The New Yorker* in January 2003, Stewart chose not to publicly comment on her crisis for a seven month period of time (Hays, 2003b; Toobin, 2003). It was only after this time, when Stewart's advisors were frustrated with the negative publicity which she had received, that she granted the interview (Toobin, 2003). This suggests that Stewart's image was

shaped in a negative way by those opposed to her. She tried to escape situations when she believed her image, or her case, could be damaged. Therefore, she avoided the press and public and adamantly refused to respond to the allegations. Obviously this approach did not work since she later found it necessary to try to undo the harm her image had incurred due to her silence.

After Stewart was arraigned in June 2003 she issued one statement on her website marthataalks.com, but then chose not to respond again to her situation. For Stewart not to comment after the arraignment leads to one of two conclusions: 1) she did not care what others thought about her and she just wanted to let them form their own opinions, or 2) that she simply did not want to say anything that could be used against her at trial. Stewart previously had taken much care to repair her damaged image when she granted the interview to *The New Yorker*. Therefore, a lack of concern was not likely the reason for her silence; caution appeared to be her rationale. Although cautiousness helped Stewart to keep from making a statement which could later be used against her in the trial, her silence continued to leave an impression that she was guilty which unfortunately left Stewart in a no-win situation.

Interview with Barbara Walters, November 7, 2003

On November 7, 2003 Stewart transitioned into her second context of public responses when she was interviewed by Barbara Walters on *20/20*. This was the most publicized interview which Stewart granted throughout her entire crisis. This interview again was marked by a number of different response

strategies; however, Stewart's primary strategies continued to be denial and minimization.

Denial

In her interview with Barbara Walters Stewart utilized simple denial. First, Stewart continued to deny any wrongdoing when she plainly stated: "What I did was not against the rules" (Walters, 2003, p. 7). However, what Stewart did when she sold her stock due to an inside tip from her broker appears to match the definition of insider trading, which is against the law and therefore a contradiction of her own statement. Although it appeared to be in direct opposition to the law, prosecutors chose not to charge her with insider trading. They believed at the time of her sale Stewart knew the FDA had rejected ImClone's application for the drug Erbitux and knew as a result the price of the stock would plummet; unfortunately, they were unable to prove this belief (Berenson, 2003; Hamblett, 2003). While Stewart's attempt to use the fact that she was not charged with insider trading in her statement of denial did not appear to convince the public of her innocence it did match her claim that she could not be convicted for lying if she did not commit insider trading (Press Statement, 2003).

Stewart continued to use simple denial later in the interview when she was questioned whether she had envisioned that she would be compared to the executives of WorldCom and Enron. Stewart denied that she fit that group of people and stated, "absolutely not and I certainly don't belong in that category" (Walters, 2003, p. 15). Although there are some comparisons between their

crimes and hers, they do not belong in the same category. The greed of WorldCom and Enron executives resulted in crimes of money-laundering and fraudulent bookkeeping which violated federal laws. Their actions also stole money from their shareholders. These crimes were so extreme that they also forced both companies to declare chapter eleven bankruptcy (Enron, 2001).

In Stewart's situation she did not make extra money, she lost money when the price of ImClone dropped. However, she was able to save money because she sold her stock early due a tip. Other shareholders who were not privy to this information did not know the price of ImClone would drop and that they would save money if they chose to sell their stock on December 27, 2001. Therefore, in Stewart's sale she, in effect, took money from other ImClone shareholders, for which some are currently pending civil lawsuits against her. However, Stewart's actions did not threaten the existence of ImClone or the existence of her own company. Likewise, while WorldCom and Enron officials grossed millions of dollars through their actions, Stewart's sale saved her \$40,000. Therefore, although there are some likenesses between these crimes, the severity of WorldCom and Enron's actions separates them into two different categories.

Near the end of the interview Stewart again implemented this strategy of simple denial when she refuted that she was to blame for the way people thought about her. She believed those thoughts and feelings instead were due to the often-held perception that she was perfect (Walters, 2003). Similarly, Stewart claimed her ambition was used against her in this crisis because she was a woman. She claimed if she were a man such a trait typically would be viewed as

commendable. However, since she was a woman, she was seen as less than admirable and therefore viewed in a negative context, which hurt her image (Walters, 2003). Stewart's argument was a good one, and one that has been well-supported. When women in leadership positions exhibit the same characteristics as men, the woman often *is* viewed in a negative context (Northouse, 2004).

Minimization

Minimization was the second major strategy Stewart used in her interview with Walters on 20/20. First, she minimized the amount of money she saved when she sold her stock on December 27, 2001:

Walters: How much money did you actually save by selling your ImClone stock the day before that announcement?

Stewart: I think it amounted to approximately \$40,000. About .006% of my net worth.

Walters: So this was not a big amount of money.

Stewart: Not at all. . . . It seemed like a tremendous amount of attention focused on one particular person. When, indeed, on December 27th, more than 7 million shares of ImClone were traded, I sold 3,900 shares. (Walters, 2003, p. 13)

When Stewart's \$40,000 savings is compared to her one time net worth of over \$1 billion it does indeed seem to be a small amount of money. However, Stewart's income is not \$1 billion; that was the net worth of her stock market shares, an amount that took years of work to achieve. Stewart admitted this

herself on her second interview with Walters the day she was sentenced in which she stated: "I didn't become rich overnight" (Walters, 2004, p. 12). Yet, though the \$40,000 she saved in this sale may appear to be small in comparison to her net worth, it is nonetheless a substantial sum of money. For many middle class Americans \$40,000 represents their yearly income, and for some it represents an unattainable amount. Therefore, for Stewart to minimize this amount is a strategy which does not resonate well with most Americans.

Not only did Stewart minimize the size and savings of her sale, but she also minimized her action in the sale of her stock. She stated that she behaved as a "diligent business person and called [her] office" (Walters, 2003, p. 13). Again, one could argue that if she was truly a diligent business person then she would have placed a stop-loss order on her shares of ImClone, and therefore eliminated the need for the call to her office on that day. Perhaps the initial call to her office for her messages was an act of a "diligent business person" (Walters, 2003, p. 13). However, it was not that initial phone call which sold the stock and started the two year crisis; it was the second phone call to Merrill Lynch. At face value, the fact she immediately called Merrill Lynch may not seem like an important event. Yet, when the first words out of her mouth when she made that second phone call were "what's going on with Sam?," which suggests prior knowledge, the perception of Stewart as a diligent business person is lessened and her motives and integrity are called into question (Hays, 2004b, p.C1).

Conviction Responses

Once Stewart was convicted on March 5, 2004 she transitioned into her third public response; in this context she issued one major statement. At the time Stewart issued this statement her situation had changed drastically; she was now a convicted felon.

Denial

The first response strategy Stewart used after her conviction was her ongoing strategy of denial. The day the jury convicted Stewart, she released a written statement in which she used a simple denial strategy; she retracted it almost immediately after it was made. In the statement, Stewart said: "I am obviously distressed by the jury's verdict but I take comfort in knowing that I have done nothing wrong and that I have the enduring support of my family and friends" (Martha Stewart Found, 2004, p. 1-2). Within a few minutes she amended the statement to read: "I am obviously distressed by the jury's verdict but I continue to take comfort in knowing that I have the confidence and enduring support of my family and friends" (Martha Stewart Found, 2004, p. 2).

Perhaps Stewart realized that the continual denial of her guilt could not help her at this point; she had been convicted. While this denial strategy may have increased her support from those who believed she was innocent, to persist in such a strategy after a guilty verdict would likely result in a more severe prison sentence. It also was probable that continual denial would further damage her image, not help restore it.

Silence

After Stewart was convicted in March 2004 her lawyers issued a number of statements on her behalf; again she largely refrained from issuing a public statement herself (Press Statement, 2004a; 2004b; 2004c; 2004d; 2004e; 2004f; 2004g). However, Stewart made sure not let her situation affect her socially. In the months prior to her sentencing, she was seen to enjoy herself at high profile restaurants and other public places with friends and family (Walters, 2004). So even though she did not make any additional public statements after her conviction, Stewart let her actions speak louder than words; she was going to move on with her life with the hope these normal activities would increase the perception of her as a well-respected person with a positive image, not a convicted felon with a damaged image.

Initial Sentencing Responses

The fourth context to which Stewart's statements responded was her sentencing on July 16, 2004. Stewart's responses to the sentencing actually began a day prior, when she wrote a letter to the judge that pleaded for leniency. Also included in this context are the press conference she held immediately after her sentencing as well as a statement she posted on her website, marthataalks.com, that afternoon. Stewart used a wide variety of response strategies in this context: denial, minimization, bolstering, and mortification.

Denial

In statements that followed her conviction, Stewart did not again plainly state her innocence or deny the allegations. However, she did continue to use

denial as one of her main response strategies. In a statement that she posted on her website the day she was sentenced, Stewart emphasized that “[her] attorneys will pursue a vigorous appeal” (Stewart, 2004a, p. 1). While this statement did not include the words, “I did nothing wrong,” the implication was there nonetheless, since she stated there would be an appeal to her conviction. This subtle statement of denial reminded her supporters that she was a fighter who would not give up or back down easily, an admirable trait for a business woman.

Minimization

Along with denial, Stewart continued to utilize minimization as a major crisis response strategy. In a statement she made outside the courthouse immediately following her sentence hearing, Stewart continued her ongoing attempt to redefine what had happened:

What was a small personal matter came over the — became over the last two years an almost fatal circus event of unprecedented proportions I’m just very, very sorry that it’s come to this, that a small personal matter has been able to be blown out of all proportion, and with such venom and such gore, I mean it’s just terrible. (Stewart, 2004b, p. 1)

Stewart continued this minimization in a statement posted on her website marthataalks.com, and in her interview with Barbara Walters on *20/20*, where she again called the circle of events “a small personal matter” (Stewart, 2004a, p. 1; Walters, 2004, p. 6). She insisted her sale of ImClone was not of public

importance nor warranted public scrutiny and tried to continually convey this message through her statements.

Stewart had to view her actions as unimportant; if she admitted the significance of what she had done, she would hurt her chances at an appeal. However, while Stewart viewed her crisis a “small personal matter,” it had become just the opposite. Her own stock broker, Peter Bacanovic, was tried, convicted, and sentenced along with her; his assistant, Douglas Faneuil, pleaded guilty to similar charges. Similarly, Sam Waksal himself was convicted and sentenced to prison because he committed similar actions (Stewart, 2004b, p. 1). However, none of them termed their actions as “small personal matters” (Stewart, 2004b, p. 1). Furthermore, in addition to criminal proceedings, Stewart also currently faces civil lawsuits for her actions (Glater, 2004c). Although it may have made sense for Stewart to view her actions as a “small personal matter,” the facts appeared to contradict her minimization.

Bolstering

The main strategy Stewart utilized prior to and after she was sentenced was bolstering. The day before she was sentenced Stewart wrote a letter to the judge which emphasized the success she had achieved and the positive impact she had on many:

I am a 62 year old woman, a graduate of the excellent Nutley, New Jersey public school system and Barnard College. I have had an amazing professional life and several exciting careers, and I am grateful for that

For more than a decade I have been building a wonderful company around a core of essential beliefs that are centered on home, family values and traditions, holidays, celebrations, weddings, children, gardening, collecting, home-making, teaching and learning. I have spent most of my professional life creating, writing, researching and thinking on the highest possible level about quality of life, about giving, about providing, so that millions of people from all economic strata, can enjoy beauty, good quality, well made products, and impeccably researched information about many hundreds of subjects which can lead to a better life and more rewarding family lifestyle

I ask in judging me you consider all the good that I have done, all the contributions I have made and the intense suffering that has accompanied every single moment of the past two and a half years. I seek the opportunity to continue serving my community in a positive manner, to attempt to repair the damage that has been done and to get on with what I have always considered was a good, worthwhile and exemplary life.

(Stewart, 2004c, p. 1-4)

What Stewart did in her attempt to bolster her image to the judge is something that many convicted felons do when they are sentenced. Stewart utilized her many good qualities and deeds as a rationale for a lenient sentence, or as a means to avoid the consequences of her actions altogether.

Stewart began her statement with a reminder of her prestigious background educationally and professionally. In her statement Stewart did not merely name the school and college she attended, she emphasized that she was “a graduate of the *excellent* Nutley, New Jersey public school system and Barnard College” (Stewart, 2004c, p. 1). She likewise labels her post-graduate life as an “*amazing* professional life” which included “several exciting careers” (Stewart, 2004c, p. 1). This choice of words adds emphasis to Stewart’s point that she had an impressive background, a point that also was useful in the restoration of her image.

As she continued in her letter, Stewart reminded the Judge of the many contributions she made to American society through activities such as “creating, writing, and researching,” all of which focused on the “quality of life . . . giving . . . providing” (Stewart, 2004c, p. 3). Stewart also tried to emphasize that it was not for selfish reasons which she engaged in these activities; instead it was so that others could “lead a better life and more rewarding family lifestyle” (Stewart, 2004c, p. 3). With this focus on others, Stewart appears less like a criminal and more like an unselfish, caring, and people-oriented individual, all of which helped her image.

Through this strategy of bolstering Ms. Stewart wanted the judge to see that in the pros and cons of her life the pros far outweighed the cons. Therefore, she also asked the judge to “consider all the good [she has] done, all the contributions [she has] made” (Stewart, 2004c, p. 4). Stewart’s attempt to bolster her image in this way appeared to work in her favor as shown by the sentence

the judge gave her; she only was sentenced to serve five months in prison. This was a significant decrease from prior speculations which believed she would serve ten to sixteen months in prison (Martha Stewart Faces, 2004).

Stewart's efforts to bolster her image did not end once she was sentenced. In one of her statements after the hearing Stewart reminded the public that she was a "mother and friend . . . a business leader . . . an educator;" again, these positive attributes which she hoped would improve the public's perception about her (Open Letter, 2004, p.1). Through this reminder of the many roles Stewart played she endeavored to increase the public's sympathy for her and use that sympathy to further restore her image.

Mortification

The last response strategy which Stewart implemented was mortification. When an individual utilizes this strategy he or she seeks forgiveness for the act in question (Benoit & Hanczor, 1994). The apologist also usually includes a confession or apology in his or her mortification response. However, instead of an apology, Stewart offered a conciliatory statement as she sought forgiveness. The day she was sentenced, Stewart read a statement to the judge before her sentencing: "I seek the opportunity to repair the damage wrought by the situation" (Crawford, 2004, p. 3). Although Stewart did not lay out how she desired to repair this damage, nor did she take responsibility for the damage, through this statement she appears ready to make restitution for what had been done. As such her statement fits the general description of mortification although her example was more restitutionary than apologetic. Altogether, this was a

smart move on Stewart's part and another vehicle by which to restore part of her image.

It is not uncommon for a person who is convicted of a crime to issue a statement similar to Stewart's. This type of statement can be used as a means to convince the judge to hand down a more lenient sentence. Therefore, the sincerity of the person who makes this claim is somewhat questionable; only that person knows if he or she truly meant what was said or if the individual just said what he or she believes the judge wanted to hear. So, although it was smart of Stewart to make this statement from a legal standpoint, because of the timing of the statement, her sincerity is still open to question.

Interview with Barbara Walters, July 16, 2004

After her initial responses to the sentencing, Stewart sat down with Barbara Walters later that day. This was Stewart's first official interview after her conviction and also was the fifth context to which she publicly responded. Stewart continued to utilize many of the same response strategies that she had used previously: denial, minimization, and differentiation.

Denial

One of the first strategies Stewart used in this interview was her main strategy of denial. Particularly, Stewart used simple denial when she claimed that she did not cheat any investors out of money: "This wasn't about 401(k) plans. It wasn't about losing investors' money. Nobody lost any money because of this. I didn't cheat anybody out of anything" (Walters, 2004, p. 7). As much as Stewart wanted to believe this, her statement was not entirely true. Stewart did

not directly steal money from other shareholders; she sold a stock that had dropped in value due to inside information about the stock. However, other shareholders were not aware the price of ImClone would continue to fall; they did not know to sell their stock when Stewart sold hers. As a result, Stewart did indirectly profit at the expense of other shareholders. Walters (2004) herself pointed out later in the interview that several shareholders have filed civil lawsuits for losses they suffered due to Stewart's actions. If Stewart truly did not take anyone's money, there would be no basis for any civil lawsuits.

Minimization

In her interview with Barbara Walters, Stewart continued to utilize her primary strategy of minimization. One example of minimization was a statement she made in regards to her own importance: "I didn't go and cheat the little people. I just didn't do that. We're all little people" (Walters, 2004, p. 7). At first this statement appears as though Stewart humbly presents herself as a person who is not that different from the American public. However, for Stewart to label herself as a little person and compare herself to the rest of the American public was a minimization of what she had accomplished. Stewart spent years building herself up as an American icon, as was evidenced by her attempts to bolster her image and remind the public of many good things she had done. If Stewart's bolstering attempts worked as she planned, some of which did, then one could not look at Stewart as an average or "little person" (Walters, 2004, p.7).

Stewart's earlier minimization of the amount of money she saved in her sale as well as her belief this was a "small personal matter" also support the idea

her statement was a minimization of her own importance (Transcript, 2004, p. 1). The proverbial “little people” would most likely not call \$40,000 a small sum of money or consider a two and one-half year crisis a small matter. Had Stewart not made these previous statements it is possible calling herself a “little person” could be considered an act of humility; since this statement follows the same pattern as her previous statements the idea of humility is unlikely.

Differentiation

Another strategy Stewart used in her interview with Walters was differentiation. Differentiation is when an individual compares his or her action with similar actions that make what he or she did appear less reprehensible (Benoit & Brinson; Benoit & Hanczor, 1994; Ware & Linkugel, 1973). In her interview Stewart talked about other convicted felons who had gone to prison and named Nelson Mandela as an example (Walters, 2004). Mandela was unjustly convicted of treason and served 27 years in prison (King, 2004b). After his release from prison Mandela was awarded the Nobel Peace Prize for his unwarranted conviction and prison term.

In Stewart’s comparison of herself to Mandela she tried to convey one main point. Although there is a huge difference between trumped up charges of treason and obstruction of justice, false statements, and conspiracy the end result for Stewart was the same as that of Mandela; she too was unjustly convicted. Likewise, she wanted her public to remember that she, as Mandela, had been perceived as a good person; he as a recipient of the Nobel Peace Prize and she through her shows, books, products, and company. If she could

convince her supporters that she was like Mandela in these ways their perceptions of her would likely improve, which would therefore help repair her image which was damaged by the “unjust” charges and conviction.

Silence

The final response Stewart utilized in her interview with Walters was silence. Here Walters questioned Stewart about the validity of Douglas Faneuil’s (Peter Bacanovic’s assistant) testimony as well as the truthfulness of Stewart’s own comments to Federal investigators. Stewart answered that she could not and would not answer legal questions due to her impending appeal. Her choice to not respond to these questions is understandable, even though it did give an appearance she was guilty. Any response Stewart made here could affect her chance at an appeal, her last chance to be exonerated. Therefore, Stewart naturally wanted to avoid any comments which possibly could negatively impact her appeal.

Larry King Interview, July 19, 2004

A few days after her interview with Barbara Walters on 20/20 Stewart sat down for another interview, this time with Larry King on *Larry King Live*. This forum was the final event to which she responded publicly. In this interview Stewart utilized two different strategies: minimization and bolstering.

Minimization

Ms. Stewart continued to utilize her ongoing strategy of minimization in her interview with Larry King. She attributed much of her success to luck, said that she considered herself fortunate, and stated that she was just “having an unlucky

period right now” (King, 2004, p. 13). For most people unlucky may involve losing some money, but not the \$400 to \$700 million (almost half of her net worth) that Stewart admitted she had already lost in November 2003 (Walters, 2003). Likewise, unlucky does not typically include a two and one-half year crisis, especially one that includes four felony convictions. This drastic attempt to minimize her situation may help her sleep at night, but it is far from a complete explanation for her circumstances. More importantly, this minimization does not restore Stewart’s image, which is the overall goal of her responses.

Bolstering

When Stewart talked to Larry King she utilized a bolstering strategy where she made a plea for her company and her products. She told King the following:

Our company makes wonderful products. Our company continues to make wonderful, trusted, terrific products, best quality. And . . . one of my jobs is to tell people to buy our products, encourage people to buy products, hope that people buy our products because they’re good. (King, 2004, p. 3)

Later in her interview Stewart returned to the topic of her products and emphasized that “the products have not changed The products are still beautiful and useful, and high quality” (King, 2004, p. 9). While it is likely that Stewart wanted to remind her supporters to buy her products, these statements mainly were a means through which she could restore the image of her company, an image that had been damaged through its association with Stewart. This was a reminder that while the focus of events for the previous two and one-

half years was on Martha Stewart herself, her company, Martha Stewart Living OmniMedia, was also affected by the crisis. Stewart's image was already tarnished at this time so she wanted to do whatever she could to maintain the positive perception of her company, and rightfully so. With this reminder of the quality and success of her company's products Stewart was able to remind her public that M.S.L.O. had an overall positive image and a good reputation.

As the company's creative advisor, Stewart also had a monetary incentive to make sure that her products succeeded. Regardless how wonderful or terrific her products were, after her huge financial loss Stewart, understandingly, wanted to ensure the company did not plummet into bankruptcy. Therefore, she pleaded with the public to continue to support her company and its "good . . . beautiful . . . useful . . . high quality" products (King, 2004, p. 3-9).

Stewart also tried to bolster her image through the above statements with a reminder that she was still associated with this very successful and well-renown company, hence the use of the pronoun "our." Once she was able to repair the damaged image of M.S.L.O., a reminder that she was part of this successful, well-renown, and quality corporation would also serve as a means to repair her individual image.

During the interview, Stewart tried to bolster her image when she compared herself to the judge who delivered her sentence. She stated that Judge Cedarbaum "went to Barnard College where I went, my daughter went, several people in our family went" (King, 2004, p. 4). This statement appeared to be an attempt by Stewart to show the public that she shared an important event

in her past with a person who exemplified integrity, justice, and character.

However, merely because Stewart happened to go to the same college as the woman who sentenced her to five months in prison does not restore her image, although this comparison does serve as a good ingratiation strategy. If Stewart could have supplied examples of commonalities she shared with the judge that were character-related, she may have had better success in this attempt to bolster her image.

Mortification

The final strategy Stewart utilized in her interview on *Larry King Live* was mortification, in which she called her situation “shameful for my family, for my friends, for my company” (King, 2004, p. 7). Though the use of the word shameful to describe her crisis sounds apologetic, Stewart identifies this situation as shameful and uses this statement as a means by which to gain the forgiveness of the public; however, Stewart again fails to take responsibility for her actions. As such, Stewart’s statement once again fits the general description of a mortification response, but does not have as much of an effect on the restoration of her image as it might if she apologized for her actions.

Stewart issued a number of statements which conveyed a variety of different messages throughout her two and one-half year crisis, as were identified in this section. Her choice of denial, minimization, bolstering, defeasibility, mortification, differentiation, and silence as her response strategies provided her with a good basis on which to build her defense. Unfortunately, some of her responses did hurt her more than they helped her. Regardless

whether her responses helped to restore her image or hurt her image they all combined to create a certain style of response; it is that component of style which will now be examined.

Martha Stewart's Communication Style

As Stewart issued her public statements she did more than verbally address the allegations. Each of Stewart's substantive public responses worked together to form the style for this apologetic sub-genre. This stylistic component identifies some of Stewart's feelings about her crisis that were revealed as she issued her public statements. The feelings she displayed appeared to form one overall style.

The overall style Stewart implemented for her apologetic sub-genre is what Ware and Linkugel (1973) define as an absolute address in which the apologist tries to clear his or her own name. In the attempt to clear his or her name the apologist seeks an acquittal from the charges brought against him or her (Ware & Linkugel, 1973). In her implementation of this style, Stewart's absolute address was characterized by three underlying tones.

The first tone that characterized Stewart's style is one of defiance. Defiance is present in the multiple statements she issued in which she denied that she committed any wrongdoing, emphasized her sale was lawful, and declared her actions did not merit the attention they gained (Hays, 2003a; 2003b; Hays & McGeehan, 2002; King, 2003; Sell, 2003; Stewart, 2003; Walters, 2003). A defiant response is typical for many individuals who are accused of some wrongdoing; many will attempt to clear their name with a denial that he or she

committed any crime. This tactic can be very helpful; the accused frequently is expected to respond in this fashion. However, because this response often is expected it also sometimes serves as a check off the individual's proverbial "to-do list" but does not really aide his or her defense. In Stewart's case, this denial appears to fit both the expectation held toward her and her personality. The personality Martha Stewart had exhibited in the past would not passively let her world around her crumble; she would defend herself with a denial of guilt and an attitude of defiance.

Stewart's continual denial that she had committed any wrongdoing and her emphasis on the legality of her sale also exhibited consistency. Stewart did not only make a statement one time; she repeated several statements that were central to her defense in various interviews and statements to the public (Hays, 2003a; 2003b; Hays & McGeehan, 2002; King, 2003; Sell, 2003; Stewart, 2003; Walters, 2003). Although the validity of her claims was still questionable, Stewart did save her image from additional scrutiny due to inconsistent testimonies.

Stewart's absolute style of response was also characterized by a confident tone. Although she could not foresee the end results of her actions, Stewart attempted to remain confident and certain that she would be acquitted. This confidence was seen as she responded in her interviews with Barbara Walters and Larry King as well as in statements she posted on her website, marthataalks.com. In these responses Stewart said that she was confident she would be found not guilty and that she continued to maintain a positive outlook

for her company in lieu of all that had happened (King, 2004; Stewart, 2003; Walters, 2003; 2004).

Stewart also exhibited a confident tone in the overall expression of her emotions. As she responded to the allegations, Stewart attempted not to show much emotion in front of her supporters (Stewart, 2003). This is exhibited in descriptions of Stewart as “relaxed, smiling, [and] telling funny stories” as well as “buoyant and confident” (Sell, 2003, p. 1D; Toobin, 2003, p. 38). However, at certain points in her crisis Stewart could not hold back all of her emotions. One particular example is the day Stewart was sentenced. At one point she almost gave in to tears when she stated her fear that her life would be “completely destroyed” (Stewart Receives, 2004, p. 3). Yet, once the hearing was over, she appeared to have “an extraordinary change of demeanor” when she smiled, appeared comfortable in front of the camera, and spoke with confidence to the audience outside the courthouse (Stewart Receives, 2004, p. 3).

Such a change in style brings up the problem that her responses appear overly rehearsed. It also puts a question in one’s mind as to who the real Martha Stewart is: the fearful and upset Martha, or the overly confident and emotionless Martha? Most importantly, it also shows that Stewart knew how to make her responses in different situations so as to ensure they would have the greatest possible effect.

Stewart’s attempt to not exhibit much emotion worked in her favor; it provided a perception that she held herself together well and was not a person who would easily collapse under duress. Therefore, Stewart appeared more

confident and certain than she would have if she consistently appeared emotional. This was especially important for Stewart as a business woman; she needed to appear under control and confident in her situation in order to maintain a positive perception about her company and ensure it would remain solvent.

However, Stewart's overall lack of emotion also made her seem somewhat unreal. For any person to endure a two and one-half year crisis, lose as much as she did (monetarily as well as in the image and integrity she once held), and not show the emotions he or she felt does not seem realistic. Therefore, it seems as though Stewart's public appearances and statements were more rehearsed and staged than they were natural.

Stewart's response strategies and the forms in which they were made have been identified and thoroughly analyzed in this chapter. However, in order to have a more complete understanding of the substance and style of her communication strategies one must take a deeper look into the crisis genre and sub-genre of apologia in which Stewart's case has taken place.

Conclusion: Crisis Genre Revisited

There are three main characteristics which constitute a genre, as described earlier, situation, substance, and style (Campbell & Jamieson, 1975). As Stewart responded to the events, questions, and charges against her, these three components further defined the crisis genre and apologia sub-genre to which her case belongs.

Crisis and apologia are first illustrated through Stewart's situation. Crisis has already been defined as an unpredicted event or series of events which pose

a possible negative threat to an individual or organization which therefore requires an immediate response to address that threat (Coombs, 1999; Seeger, et al., 1998; Williams & Treadaway, 1992). With this definition in mind it is not difficult to see how this case of Martha Stewart fits into this crisis genre; few people would likely argue that Stewart's two and one-half year ordeal constituted a crisis. The situation for Stewart's crisis was further defined through the type of crisis Martha Stewart Living OmniMedia endured, a scandal which included Martha Stewart as the wrongdoer. One of the main characteristics of a scandal is that it harms the image of the individual involved in the crisis (Marcus & Goodman, 1991). Throughout her crisis Stewart constantly attempted to restore her personal image as well as maintain the image of Martha Stewart Living OmniMedia. Likewise, dishonesty and greed also are often components of a scandal, both of which were identified as characteristics of Stewart's crisis (Marcus & Goodman, 1991).

As the weeks and months went by Stewart responded to her crisis with substantive statements of denial, minimization, bolstering, differentiation and other strategies that are characteristics of apologetic responses. Denial and minimization emerged as Stewart's two main strategies. She continually denied that she committed any wrongdoing and emphasized how minimal her sale, her savings, and the charges against her were. As she utilized these strategies, Stewart did not hesitate to speak her mind. For example, Stewart did not merely imply that she had done nothing wrong; she plainly and repeatedly stated that she had not committed any wrongdoing. Such was the case with each apologia

strategy that she utilized; Stewart stated her defense as clearly as she was able to in as many different ways as possible (e.g., denial, minimization, bolstering, etc.).

Through the analysis of Stewart's public responses to this crisis one can see that her statements were made as self-defense statements in response to the many accusations posed against her; this was in order to defend and restore her image. Hence, Stewart's responses fit the crisis genre generally and the sub-genre of apologia specifically.

The final component of this genre is the style in which Stewart made her responses. As identified above Stewart's responses created a style of absolute response. This style was characterized by defiance, consistency, and confidence. She most frequently tried to clear her name through her repetitious utilization of denial strategies. As Stewart publicly responded to this crisis she also attempted to refrain from showing much emotion and attempted to maintain her confidence, all of which added emphasis to the substance of her statements.

Conclusion

In this chapter the public statements of Martha Stewart have been analyzed through an examination of the situation which surrounded Stewart and the substantive and stylistic characteristics of her message choices. This analysis identified denial and minimization as Stewart's two primary apologia response strategies. It likewise identified bolstering, defeasibility, differentiation, mortification and silence as secondary strategies all of which exhibited a style of

absolute response that aimed to repair the images of Martha Stewart and Martha Stewart Living OmniMedia.

This thesis now turns to discuss the final conclusions in this case study of Martha Stewart. Chapter V will evaluate the strategies of denial and minimization Ms. Stewart employed and will serve to answer the research questions posed in Chapter II of this thesis. Finally, Chapter V will identify any limitations of this study as well as offer or suggestions for further research on the topic of crisis management.

CHAPTER V

CONCLUSION

A crisis is the occurrence of an unpredicted event which poses a threat to an individual and therefore requires a response. Through an analysis of Martha Stewart's case study, her situation emerged as a crisis that was brought on by a sale of 4,000 shares of ImClone stock. On December 27, 2001 Stewart received an inside tip from her personal stockbroker that the price of her stock would drop. As a result of this tip, Stewart immediately sold all her shares of ImClone, a sale which later was shown to have saved her \$40,000.

Stewart's actions on that day received much attention, and later culminated with formal charges of securities fraud, obstruction of justice, conspiracy, and making false statements. These charges presented a need for Stewart to publicly respond and defend her actions. Stewart chose to respond to her situation with a series of apologetic responses, statements in defense of oneself that are a response to an accusation (Ryan, 1982; Ware & Linkugel, 1973). Through her apologiae Stewart attempted to repair her personal image as well as the image of her company, Martha Stewart Living OmniMedia. In her effort to do this, Stewart's responses were posted on her website, marthataalks.com, broadcast on television, and published in newspapers and magazines throughout the country.

In order to understand how Martha Stewart publicly responded throughout her crisis, this thesis has attempted to answer the following research questions:

RQ₁: What are the response strategies used in Martha Stewart's public addresses?

RQ₂: How appropriate were the response strategies used in Martha Stewart's public addresses?

At face value the effectiveness of Stewart's chosen response strategies appears to be questionable; after all, she was convicted of four felonies. However, this thesis does not address whether Stewart's responses were effective, but whether the strategies she employed were appropriate. Though Stewart was found guilty of obstruction of justice, conspiracy and two counts of making false statements, it does not mean she chose inappropriate strategies. Appropriateness is not based on whether an individual is acquitted, for as Kruse (1977) has shown, *apologiae* regularly serve a purpose beyond an immediate legal context. Therefore, this chapter will review Stewart's chosen response strategies and then will consider their appropriateness. Finally, this chapter will finish with a number of conclusions as to the nature of apologetic crisis management in a legal context.

Martha Stewart's Response Strategies

As Martha Stewart publicly responded to her crisis she used two primary response strategies: denial and minimization. Ms. Stewart continually denied that her actions were illegal and that she was privy to

inside information about the ImClone stock prior to her sale. This denial is exemplified in statements Stewart issued such as, "I am innocent" (Stewart, 2003, p.1), "I am not guilty" (Sell, 2003, p. 1D), "I have done nothing wrong" (King, 2003, p.3), and "What I did was not against the rules" (Walters, 2003, p. 7). Through her utilization of this strategy Stewart hoped that her consistent denial of guilt would convince key publics, and more importantly, those who brought the charges against her, that she was innocent of all wrongdoing. If Stewart therefore could convince such publics that she was innocent, they would have little choice but to absolve her of culpability; this also would serve as a means by which to repair her image (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994, Ware & Linkugel, 1973).

The second primary response strategy Stewart employed was minimization, a strategy by which she reduced the importance of her actions and the charges which the government brought against her. Stewart's minimization included statements such as, "I will be exonerated of any ridiculousness" (Toobin, 2003, p. 44), "I think [the money I saved] amounted to approximately \$40,000. About .006% of my net worth" (Walters, 2003, p. 13), and "I'm just very, very sorry that it's come to this, that a small personal matter has been able to be blown out of all proportion" (Hays & Eaton, 2004, p. 2; Stewart, 2004b, p. 1). Through her attempts at minimization, Stewart left an impression that the charges against her were "much ado about nothing." Therefore, to her \$40,000 was a small amount of money, the charges were

ridiculous, and the entire situation was merely a “small personal matter” (Stewart, 2004b, p. 1).

In Stewart’s effort to minimize her situation she hoped the audience would see that her crisis was not as bad as it first appeared (Benoit & Hanczor, 1994). As was the case with denial, an effective minimization strategy then would reduce the negative perceptions the public held toward Stewart. As a result, the damage to her image again would be reduced (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Schlenker, 1980).

These two strategies of denial and minimization were accompanied by several secondary response strategies: bolstering, mortification, differentiation, and silence. First, in her attempt to bolster her image Stewart tried to counter the audience’s negative attitude about her with reminders of the many positive characteristics she possessed (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Ware & Linkugel). She used this strategy the most just prior to and after she was sentenced. Before her sentencing Stewart utilized bolstering as an opportunity to try to convince the judge to hand down a more lenient sentence through a reminder of her many positive contributions to the public (Stewart, 2004c). After she was sentenced, Stewart used this strategy to remind the public of the positive attributes and products associated with her company, Martha Stewart Living OmniMedia (King, 2004); such a response served as a reminder that while

her crisis was a personal one, inflicted by her own actions, M.S.L.O. was still directly affected by this crisis.

Companies that are created by, or otherwise associated with, a particular individual cannot fully separate themselves from the actions of that individual; most anything that person says or does directly impacts the image of that company. This is not only seen through Stewart's statements intended to bolster the image of her company but also is noticed by the effect her situation had on her company's stock throughout her personal crisis. M.S.L.O.'s stock jumped nearly 20 percent prior to Stewart's conviction when investors believed and hoped she would be acquitted; after the jury convicted Stewart the stock value fell 23 percent (Martha Stewart Found, 2004). When Stewart was sentenced to only five months in prison instead of the expected ten to eighteen months M.S.L.O.'s stock jumped 35 percent (MSO Stock Soars, 2004). This rise and fall of M.S.L.O.'s stock indicates that when Stewart's personal situation improved, so did the company's stock; when her situation deteriorated, so did the price of the stock.

Bolstering was not the only additional strategy Stewart utilized as she responded to the allegations; she also used mortification and differentiation, though her usage of these strategies was minimal. One final strategy Stewart did frequently use was silence. As the investigations into her sale of ImClone intensified prior to her indictment, Stewart chose to remain silent and not issue any public statements for a seven-month period of time. Likewise, after her conviction Stewart largely refrained from issuing any response.

This idea of silence has not been thoroughly examined as a crisis response strategy. In Benoit's (1995) research on communication response strategies, he does not include silence in his list of possible tactics (Benoit & Brinson, 1994; Benoit & Hanczor, 1994). Likewise, Coombs (1999) only briefly mentions the idea of silence as a response to a crisis situation, a response which he terms "passive" (p. 115). This view is similar to that held by Hearit (1996) who equates silence with the perception that an individual wants to hide evidence which could be used against him or her. In the past this was a typical perception held by an audience; if an individual declined to comment on his or her situation, the audience typically assumed he or she was not being honest (Dyne, Ang, & Botero, 2003). Although this perception still exists today to a certain extent, it is not the only reason individuals choose to remain silent.

Another possible reason an individual may choose not to respond to a situation is because he or she believes a response would be pointless. This type of silence is termed "acquiescent silence" (Dyne, et al., 2003, p. 1366). Whether the individual says anything or keeps silent really does not seem to make a difference; he or she believes to speak will not influence the situation. Therefore, the accused chooses to be passive and largely inactive about the situation and remain silent (Dyne et al., 2003).

A third reason some people choose silence is to protect themselves. This protection, often termed as "defensive silence," is typically against a damaged image, a broken relationship, potential retaliation, or a wounded

ego (Premeaux & Bedeian, 2003; Dyne, et al., 2003, p. 1367). This type of silence is a proactive response which is carried out after the individual has considered his or her alternatives and consciously decided not to reveal information, opinions, or ideas in order to best keep from harm (Dyne, et al., 2003).

One final rationale an individual might have for a choice not to respond is that the silence may benefit those around him or her. Dyne, et al., (2003) call this "prosocial silence," which is "motivated by concern for others rather than by fear of negative personal consequences that might occur from speaking up" (p. 1368). Unlike defensive silence, prosocial silence puts the well-being of other individuals first in the decision not to respond.

An important point to make is that the choice to remain silent is as much a conscious decision as the choice to utilize any other response strategy (Premeaux & Bedeian, 2003; Dyne, et al., 2003). This choice is a process and a decision an individual in the mist of a crisis must go through. During a crisis an individual must weigh all possible alternatives and possible outcomes before he or she chooses to implement silence.

As an individual decides whether or not to use silence as a response strategy there is one additional factor he or she should take into consideration; how he or she normally responds in a similar situation. According to Notz (1997), the message an accused individual sends when he or she is silent is affected by what his or her typical response strategies are; whether the individual would normally remain silent or speak up under the

given circumstances. If an individual normally would speak up but chooses to remain silent, the silence is viewed as an inconsistency. This inconsistency often is equated with guilt and therefore harms the individual's image more than it repairs it (Notz, 1997).

Researchers thus far have offered some valid conclusions on this topic of silence as a response strategy. However, there appears to be more to this idea of silence than what has been researched and published thus far. One possibility that has not been addressed is whether a silent response is perceived as appropriate, specifically whether silence can be used to restore the image of an individual. In some situations, a silent approach can signify that an individual does not believe a situation merits a response; the accused will not dignify a situation by offering a response to it. If an individual chooses to respond it could further damage his or her image. However, under different circumstances a choice to remain silent instead may repair the damage his or her image incurred from the allegations. It is this idea of silence as an image repair strategy that is focused on in this case study.

Ms. Stewart communicated a number of messages through her silent responses. First, her silence conveyed the message that she was guilty of the charges laid against her. At certain times Stewart's silence implied that she wanted to hide some incriminating information from the public. One example is the seven-month period of time in which Stewart chose not to publicly respond to her situation with the hope she could avoid some public scrutiny if she remained silent; instead she hoped to convey the image of a

not-guilty individual getting on with her life. However, her utilization of this strategy did not have the intended effect; silence damaged her image so severely that she found it necessary to issue a public statement in order to restore part of the damage her image incurred (Toobin, 2003).

A second message Stewart's silence expressed was that this was not a response strategy she typically used, nor was it a strategy that she liked. In her interview with Larry King (2004) after her sentencing, Stewart stated it was difficult for her not to have the freedom to publicly comment on her case. Ms. Stewart's silence was in contradiction to her normal form of response (Notz, 1997); she is the type who would typically attempt to issue some statement to defend her actions in order to clear her name and restore her image.

As Stewart responded to her crisis situation she employed a large variety of crisis response strategies, each of which contributed in some way to her defense. Now that these strategies have been identified it is time to examine them more in-depth in order to identify their level of appropriateness.

The Appropriateness of Stewart's Response Strategies

The second research question posed for this thesis related to the appropriateness of Stewart's chosen apologia strategies. For this thesis an appropriate response strategy is identified as one which meets the audience's expectations of how Stewart should respond in her situation. In meeting these expectations an appropriate response also will serve to restore Ms. Stewart's damaged personal image. It is important to note that

appropriateness does not necessarily require an end result that exonerates an individual; a person may utilize appropriate strategies and give appropriate responses but still be found guilty in a court of law. Rather, appropriateness serves to repair the damaged image of the individual.

A response also is considered appropriate if Stewart was able to repair the image of her company, Martha Stewart Living OmniMedia, and that of its products. The preservation of M.S.L.O.'s image appears to be directly correlated with the restoration of Stewart's own personal image. As previously mentioned, companies are unable to completely separate themselves from any individual inextricably linked to that organization. Therefore, it stands to reason that a company cannot afford to have a C.E.O. who has a poor image or who is a convicted felon; if the individual's image cannot be restored the image of the company is therefore tarnished as well. The reversal also is true; if Stewart's image was restored through her choice of response strategies, the image of M.S.L.O. also would be repaired.

The relationship between Martha Stewart and Martha Stewart Living OmniMedia created a tension for Stewart in this case; she was forced to choose whether she should sacrifice the image of her company in order to clear her name or if she should to sacrifice her own image in order to preserve (or repair) the image and reputation of M.S.L.O. In this case, she chose to sacrifice herself. This tension is most visible in her two overall strategies of denial and minimization. If Stewart responded to her crisis as she wanted to (King, 2004) with a complete explanation of her actions, the

results could have been disastrous. She could have jeopardized her defense, and therefore also jeopardized the stability of M.S.L.O.'s image. Likewise, if Stewart took responsibility for her actions and admitted guilt she would be perceived as a confessed criminal which, again, would hurt the image of M.S.L.O. Even with her conviction, Ms. Stewart's denial strategy places her in a position in which she can continue to deny that she is guilty but instead was the victim of prosecutorial abuse and an unjust conviction. This can be further seen in her decision to suspend her appeals and serve the time to "get it over with," in that it gives her company, and hence the markets, a certainty of outcome in which she will return.

Given Stewart's circumstances she appeared to have no option other than to deny that she was guilty of any wrongdoing and minimize the severity of her actions. Any other type of response would not have served the purpose to repair the image of her company. Other more conciliatory response strategies may have repaired Stewart's personal image, but as long as she was still viewed as guilty of any wrongdoing, M.S.L.O. would be guilty by association. Therefore in order to separate the negative perceptions of her actions from her company, absolve it from any culpability, and reduce the offense her actions created Stewart was, by all practical means, forced to use these strategies of denial and minimization (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Ware & Linkugel, 1973). As a result of Stewart's situation, and the tension it created between her and M.S.L.O.,

denial and minimization appear to be appropriate response strategies for her to employ.

Another strategy Stewart employed in order to repair her image was bolstering. First, Stewart utilized this strategy in order to bolster her personal image. As Stewart publicly responded to her crisis she frequently tried to list many of the good deeds she had done (Stewart, 2004b; Stewart, 2004c). This was her attempt to override the negative opinion many had of Stewart her due to the allegations against her in order that her image might be repaired (Benoit, 1995; Benoit & Brinson, 1994, Benoit & Hanczor, 1994; Ware & Linkugel, 1973).

Stewart also tried to bolster the image of her company with reminders of the quality and respected products that bore its name (King, 2004). At this point, Stewart proverbially becomes the brand Martha Stewart and ceases to be Martha Stewart the individual. She no longer offers a personal defense; instead, she bolsters her brand of products. Unfortunately, as a result, this strategy loses some of its effect as an ingratiation strategy whose overall goal is to repair an image, for it comes across as an effort to sell products. Even though this strategy did turn into a sales pitch it was still an appropriate strategy; by definition, bolstering aims to repair an image, which is the key component in an appropriate response (Benoit, 1995; Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Ware & Linkugel, 1973). Also, because of Stewart's situation, she had little choice but to shift the focus from the repair of her

image to that of her company, which again defines this as an appropriate strategy.

Another appropriate strategy which Stewart utilized to repair her image was differentiation. Differentiation takes place when an individual compares his or her situation with another more heinous situation in order to reduce part of the offensiveness and restore some of the individual's image (Benoit & Brinson, 1994; Benoit & Hanczor, 1994; Ware & Linkugel, 1973). Stewart's comparison of herself to Nelson Mandela did just that; it redefined her actions as less reprehensible and depicted Stewart as an individual who, like Mandela, was unjustly accused and convicted of a crime (Walters, 2004). Therefore, since Stewart's personal image was positively affected by this strategy it follows that the image of M.S.L.O. also would be positively impacted.

Stewart's mortification response also was a useful strategy through which to repair her image. Through her request for forgiveness and her desire to right the wrong that had occurred Stewart exhibited a somewhat softer image to the public; not the typical brash and self-sufficient Martha Stewart so many knew (Crawford, 2004). It was this softer image that Stewart needed to display in order to convey the portion of sorrowfulness she revealed for what had happened in this crisis. However, Stewart was careful in her mortification strategy not to issue an apology; she never took responsibility for her actions. Instead, Stewart offered a conciliatory statement in which she stated that she wanted to repair the damage her

situation had caused (Crawford, 2004). As such, mortification was an appropriate strategy to use in order to repair the image of M.S.L.O., although an apology would have greatly improved its image (Bradford & Garrett, 1995). However, once again because of her connection with M.S.L.O., Stewart was unable to offer an apology without incurring legal repercussions. As such, her utilization of the strategy failed to repair her personal image.

As previously mentioned, silence is a strategy that often is utilized in situations like Stewart's. It also is a strategy that can convey a number of different messages; it can serve to restore an individual's image or it can imply the individual is guilty of wrongdoing. In Stewart's use of this strategy her silence conveyed both of these messages. Through her utilization of silence Stewart wanted to refrain from issuing any statement that could later be used against her in court, which therefore reflected positively on Martha Stewart Living OmniMedia. However, in Stewart's case this strategy also further hurt her personal image; after a long period of silence she was forced to speak publicly through an interview in order to alleviate some of the bad publicity and poor image she had received (Toobin, 2003). Since Stewart was the proverbial scapegoat for her company this was a necessary strategy for her to utilize in order to repair and preserve its image (Brinson & Benoit, 1999). As such this too, was an appropriate strategy for her to use.

The analysis of Stewart's crisis also raised the question as to her appropriateness from an ethical standpoint. Although this is not an exhaustive ethical analysis of Stewart's actions, there are ethical implications

that arose from her sale that merit discussion as it relates to the appropriateness of her responses. As a prominent American figure who was the C.E.O. of the company she founded, Stewart had a large responsibility to act and respond ethically toward the public. Since she is a public figure, anything Stewart says or does can be communicated to the public and therefore, needs to be of highest repute (Botan, 1997).

With all this in mind, Stewart's actions on December 27, 2001 do not appear to meet traditional ethical standards. This is seen first in the conviction of Stewart for four felony charges; most ethical actions do not result in a conviction, much less four convictions. Likewise, a lack of ethics is seen in the goal of Stewart's sale: Her goal as she sold her stock was to save as much of her money as possible, a completely self-focused goal. Instead of looking out for the potential impact her actions could have on others, Stewart looked out only for herself and not other stockholders of ImClone or the people at M.S.L.O. who also would be affected by her actions. This is an unethical action and in violation of the long-held ethical principal of utilitarianism, which stands for "the greatest good for the greatest number" (Pratt, 1994; Velasquez, 1992, p. 62; Williams, 1997).

Overall, Stewart selected and implemented response strategies that were generally appropriate. Although her responses did not meet ethical standards, her responses were appropriate in the legal context, they met the audience's expectations, and were useful to repair her image and that of M.S.L.O. Some of her chosen strategies were useful to repair both Stewart's

personal image, and that of her company; other strategies were useful only to repair the image of her company. Even though not every approach repaired her personal image, since Stewart placed the importance of M.S.L.O. above her own personal importance, her response tactics are defined as appropriate.

Further Conclusions

Along with the answers from the proposed research questions, this analysis revealed a number of additional conclusions. First, is the idea that an apologia does not necessarily “fix” a crisis. An apologia instead seeks to repair the damage to an individual’s image through a defense of his or her actions (Kruse, 1981; Ryan, 1982; Ware & Linkugel, 1973). This point is seen in the very definition of an apologia: “[it] seeks to present a compelling, counter description of organizational actions” (Hearit, 1994, p. 115). Therefore, an apologia seeks to provide an alternative perception of the crisis at hand, but does not necessarily function as a solution to extricate a person from a negative situation. Stewart’s case is one example of this; she issued a number of apologiae, but was still convicted on four felony counts (Glater, 2004a; Glater, 2004b; Hays, 2004b; Opening Argument, 2004). Due to the fact Stewart was still convicted it appears as though hers was a response that failed. However, since an apologia does not aim to exonerate a person such a conclusion would be unfair; it was her utilization of bolstering as a response strategy that appeared reduce to Stewart’s prison term by half (Stewart, 2004c). Therefore, even though Stewart’s apologiae responses did not end

her crisis, they did serve to mitigate her crisis, conviction, sentence, and the public's perception of her.

A second conclusion this analysis drew relates to a question regarding Ms. Stewart's strategy of minimization: Why would a person who has a net worth over \$1 billion make so great an effort to sell her stock one day early and save \$40,000, a sum she considered to be a small amount of money (Walters, 2003)? Quite simply, money is important to Stewart. She was not born a billionaire; she had to work extra hard to attain the status and position she held, a point Stewart herself made to Barbara Walters (2004). Likewise, Stewart did not attain wealth overnight; it took many years to build up, a little at a time (Walters 2004). Therefore, even small amounts of money became important to her. Thus, even after Stewart attained the height of her success her personality would not allow her to lose sight of smaller sums of money.

Another factor which is tied in to the importance of this money is the fact that Stewart is a businesswoman, not a businessman. In her first interview with Barbara Walters (2003) Stewart proposed that she was held to certain expectations because she was a woman. She also emphasized these expectations were different for women than they were for men, which therefore limited the responses and actions a woman could make. Stewart's opinion on this matter has been supported by past research which shows that women often have a difficult time obtaining a leadership position (Catalyst, 2002). Once women achieve a leadership position they are often paid less and held to higher standards than men who are in equal positions (Northouse,

2004; Women's Bureau, 2001). Women also are typically viewed negatively if they exhibit many of the same characteristics as men who are leaders (Northouse, 2004). As a result it is a fair conclusion to reach that Stewart's gender was a factor in her prosecution and conviction.

Stewart's unbreakable ties to her company also have implications for models of crisis management. When an organization is accused of wrongdoing it usually will deny that it is guilty of the alleged actions and then follows the denial with a response that attempts to make accommodation for the wrong that had allegedly been committed (Hearit, 1994; Hearit 1999). These two responses typically serve to repair the image of the organization through a claim of innocence, as well as attempt to end the crisis as quickly as possible. In Stewart's case, she frequently denied the allegations against her, but never offered any response of accommodation. Since her personal actions impacted the image and success of M.S.L.O. a decision to offer accommodation to those impacted by Stewart's actions would likely help repair the damage her company's image had incurred. However, Stewart herself also faced legal implications; if she chose to utilize this strategy she would be perceived as guilty which would have hurt her defense. Therefore, as the eponymous head of an organization, Stewart was forced to deny that she was guilty, and was not able to provide any accommodation for her actions, thus her case is unique among crisis management case studies.

One final conclusion that was noted in the analysis of this case was that consistency in responses to a crisis is essential (Coombs, 1999). As

previously mentioned, an inappropriate response can hurt an individual or an organization's image. If an individual makes a statement one day and later releases a conflicting statement, it not only causes the audience to be unsure which statement is true, but it also can make them doubt the validity of other statements. The truthfulness of Stewart's statements was still questionable in light of her actions and the evidence brought forth by the government.

However, even though Stewart's responses were not enough to exonerate her of guilt there was a measure of consistency that helped her retain part of her image. Therefore, even though she was convicted of four felony charges, Stewart's defense was well-organized, well-thought out, and for the most part it made sense, all of which saved her image from further damage.

Strengths, Weaknesses & Limitations

The analysis of this case study of Martha Stewart revealed a number of conclusions on this topic of crisis response strategies, as discussed above. This thesis also identified a group of strengths and weaknesses that were a part of Ms. Stewart's case, which is where the focus of this chapter will now turn. A major strength in this thesis is that it helps to fill in the lack of research on silence as a response strategy. Benoit (1995), Benoit and Brinson (1994), and Benoit and Hanczor (1994) extensively cover the topic of apologia response strategies. However, these researchers do not address silence as a response strategy that is useful to restore the image of an individual. Other scholars who have studied silence as a response strategy offer very valid points as to the messages silence can relay (Dyne, et al., 2003; Notz, 1997;

Premeaux & Bedeian, 2003). Through the analysis of this case, I have demonstrated that silence is a part of the repertoire of strategies apologists draw from in the restoration of a person's image. Nonetheless, there is a need for additional research to be done on this idea of silence as a response strategy to investigate additional messages silence can imply as well as its appropriateness for the given situation.

Another strength of this case study was the extent to which it was publicized. Due to the fact that Stewart was a prominent American figure most newspapers or magazines carried her story at some point in her two and one-half year crisis. This also provided ease in the collection of her statements and case information. This enabled the thesis to be based on the assumption that her public statements, as reported by the media, were read by many within her key publics, and placed the author in a position to claim how they likely functioned to repair her damaged image.

The first limitation this analysis encountered is the recent occurrence of these events. It has not yet been three years since Stewart's initial sale of ImClone, the event which started her crisis. Due to the fact these were recent events it was necessary to stop the collection of Stewart's statements before she ended her responses to the crisis. The last statements of Stewart recorded in this thesis were from her interview with Larry King three days after she was sentenced. Although she made some significant decisions after this date which included some public statements, they were not able to be included in this thesis.

The duration and the complexity of the crisis also is a limitation to this study. Stewart's responses were separated into six different contexts: (a) initial responses, (b) her interview with Barbara Walters on November 3, 2003, (c) conviction responses, (d) initial responses to her sentencing, (e) her interview with Barbara Walters on July 16, 2004, and (f) her interview with Larry King on July 19, 2004. This segmentation suggests that there could be additional implications in this field of crisis response strategies when an individual's responses are studied in different contexts. All of Stewart's responses worked to repair her image and offer a defense of her actions. However, each category of responses also implied that different situations merit different responses; what was appropriate at one point in time may not be appropriate at another. It would be useful for further research on crisis communication responses to incorporate this idea in order to better understand how different responses are more appropriate at one time than they are at another.

Conclusion

Despite her attempts to deny and minimize the allegations which surrounded her, Martha Stewart was unable to avoid a two and one-half year crisis that ended with convictions of obstruction of justice, conspiracy, and making false statements. However, Stewart was still able to respond appropriately to her crisis in most situations.

Through a rhetorical analysis which utilized the generic method of criticism this thesis examined the apologia response strategies an individual

in the midst of crisis situation can implement. Specifically, Martha Stewart utilized two primary strategies of denial and minimization, and secondary strategies of bolstering, differentiation, mortification, and silence.

This case study has served as a reminder that personal decisions and actions have a huge effect on the people and businesses to which people are inextricably tied. Likewise, this case has examined the tension between appropriate responses to a situation and undesirable outcomes; some situations and results remain out of a person's hands regardless of their responses while some situations and results can be altered due to the same responses. Perhaps the case of Martha Stewart is best exemplified by the statement of Barbara Walters (2004) who said:

Martha Stewart is a very unusual combination, rarely found in the same person. That is a creative entrepreneur and a hard-nosed corporate executive. She says that she'll be back. And a lot of people are betting that she will be. (p. 18)

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