

PULSAR\*



## Silicon Valley Bank: brand reputation in the midst of crisis

Understanding the dynamics and  
audiences of a reputational tailspin

# Navigating the Storm: Understanding Brand Reputation During a Crisis

In an era where a single tweet can make or break a brand's reputation, understanding the impact of a brand crisis has never been more critical. As businesses operate within an increasingly interconnected and fast-paced digital environment, the consequences of reputational damage are swift and far-reaching. The global media landscape is fraught with misinformation, heightened emotions, and polarized opinions, making it essential for brands to remain vigilant and responsive.

A brand crisis doesn't occur in isolation. It is influenced by a multitude of factors – including shifting consumer expectations, economic uncertainties, and broader societal issues. Our analysis leverages Pulsar TRAC to delve into the vast online conversations that occurred during the Silicon Valley Bank (SVB) collapse.

By examining these discussions, we aim to illuminate the diverse perspectives and evolving narratives that shape public opinion during a brand crisis.

## Approach

### **Data Collection Period:**

Mar 1<sup>st</sup> – Apr 1<sup>st</sup> 2023

### **Channels:**

X, Blogs, Forums, Reddit

### **Markets/Languages:**

Global data collection

Analysis collects all mentions across languages

### **Sources:**

Pulsar TRAC

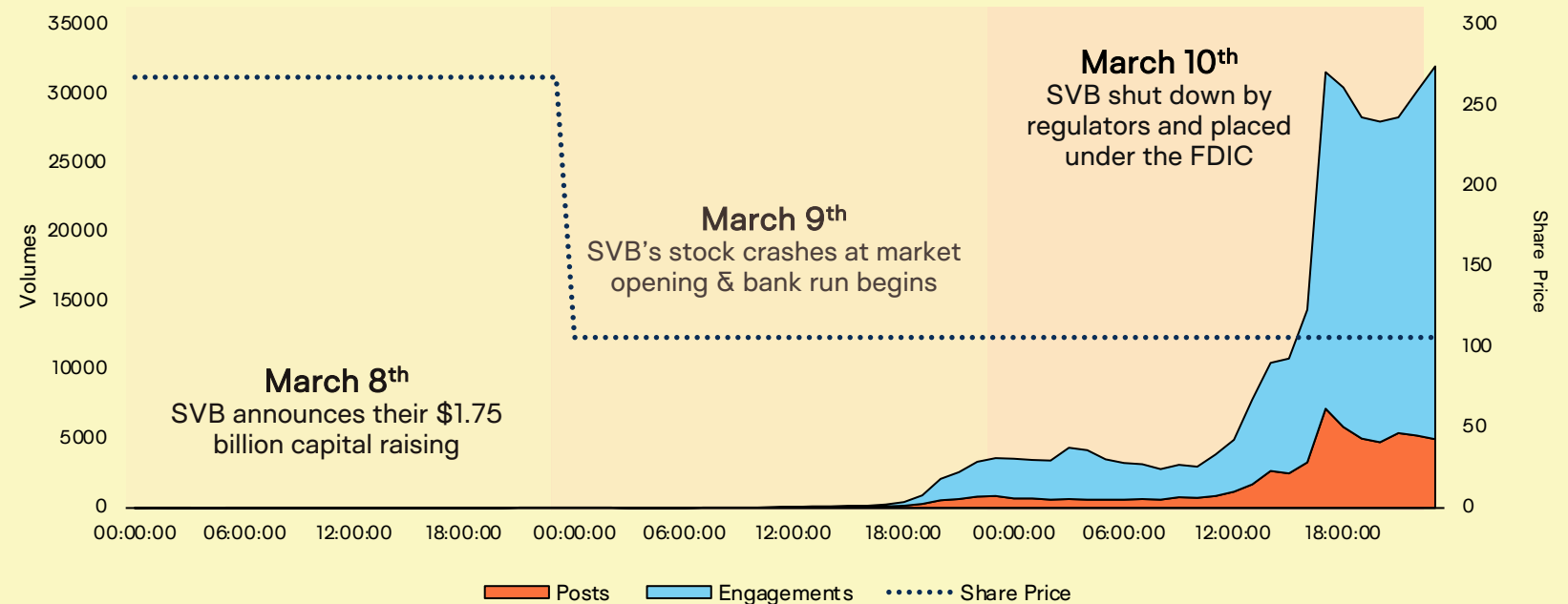
Audiense (Audience Intelligence data from X)

# Low social buzz offers limited warning before SVB gets shut down

Brand crises are never straightforward, and the SVB crisis is no exception. We analyze the complex interplay between online discussions and SVB's share price fluctuations from March 8th to March 10th 2023, the crucial days preceding the sudden closure of the bank.

The quiet before the bank's shutdown offered few hints about what was to come. After all, this was a brand crises with its roots in opaque finance, rather than social furore.

Yet, the shutdown news became a flashpoint in online conversations, shifting from speculation to widespread concern and a detailed economic examination.



# The evolving audience becomes increasingly political

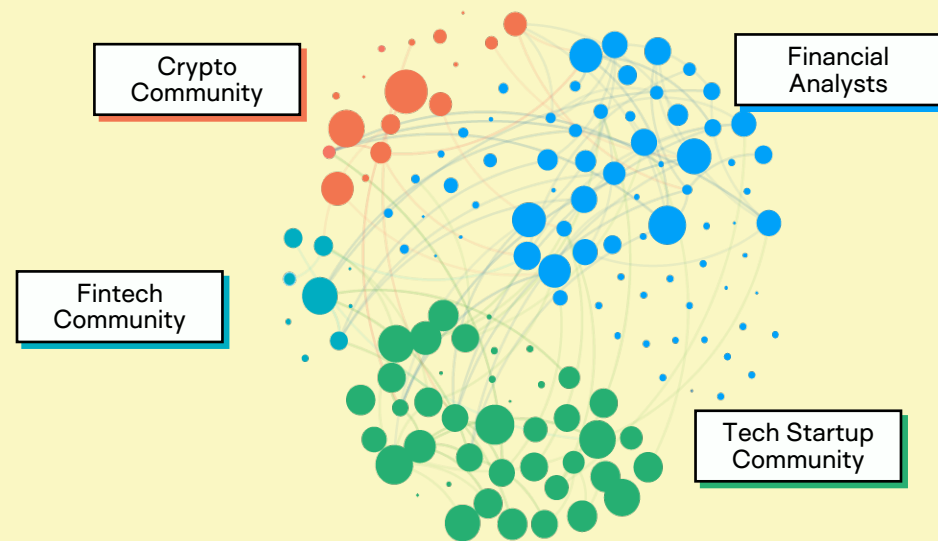
Analysing audience communities engaging with the SVB conversation before and during the bank collapses reveals the evolution of the dialogue and the major players driving its narrative.

Unsurprisingly, the pre-crisis dialogue exhibited a biased audience of the financial and technology startup communities, highlighting SVB's strong ties to these industries and their influential backers.

As the crisis hit, the discourse shifted to political discussions. Conservatives opposed bailouts, MSNBC pushed for regulatory reforms, and Current Affairs Followers debated the broader ramifications of the 16th largest US bank's collapse nationally and globally.

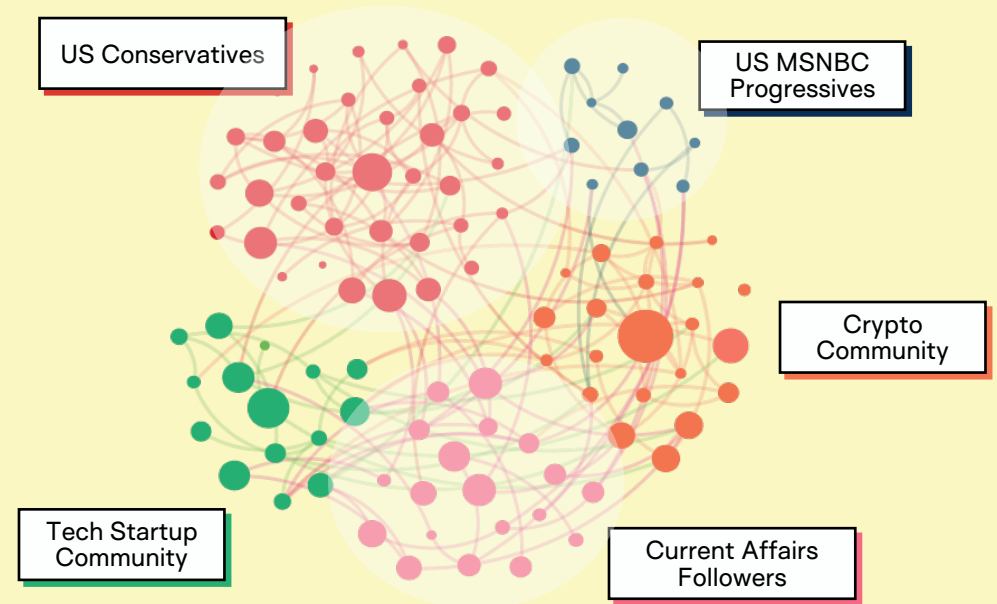
## Pre-Bank Collapse Crisis

March 1<sup>st</sup> – 9<sup>th</sup>, 2023



## During Bank Collapse Crisis

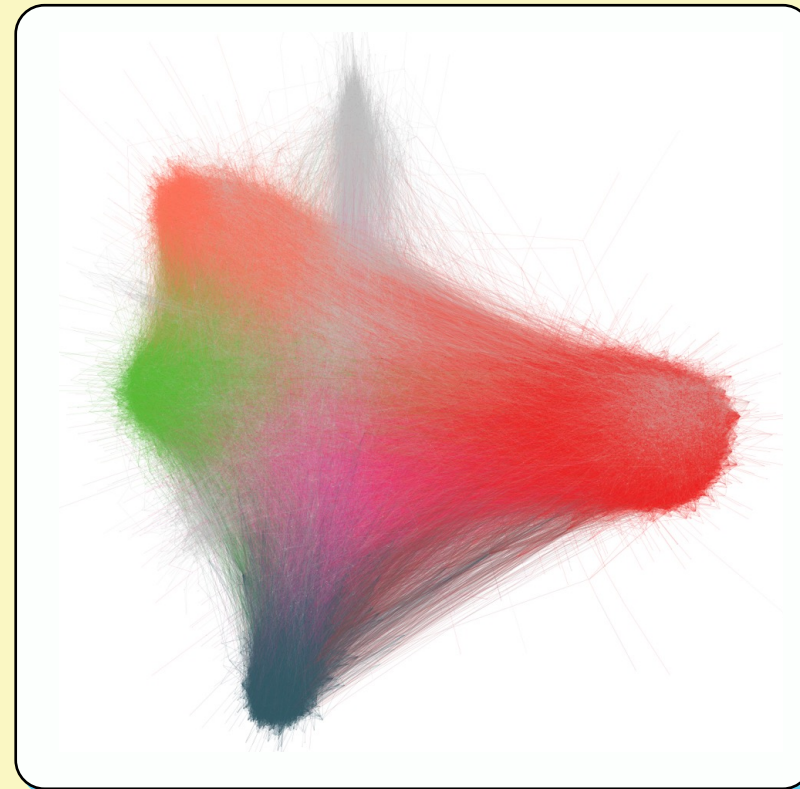
March 10<sup>th</sup> – April 1<sup>st</sup>, 2023



# The audience's fragmentation cultivated echo chambers

We can further visually explore the varying degrees of fragmentation in each audience and see how they expanded over time. This audience shape is mapped by edges that denote follower relationships. More tightly clustered lines in the area mean tighter connections between them.

It's an audience shape that reveals very diverse communities; this reduces the impact of fragmentation, but, at the same time, it enhances distinct echo chambers of engagement. More importantly, what has been represented in pink – Current Affairs Followers – are in fact connectors, linking what would have been otherwise isolated groups to enable the conversation to proceed over time.



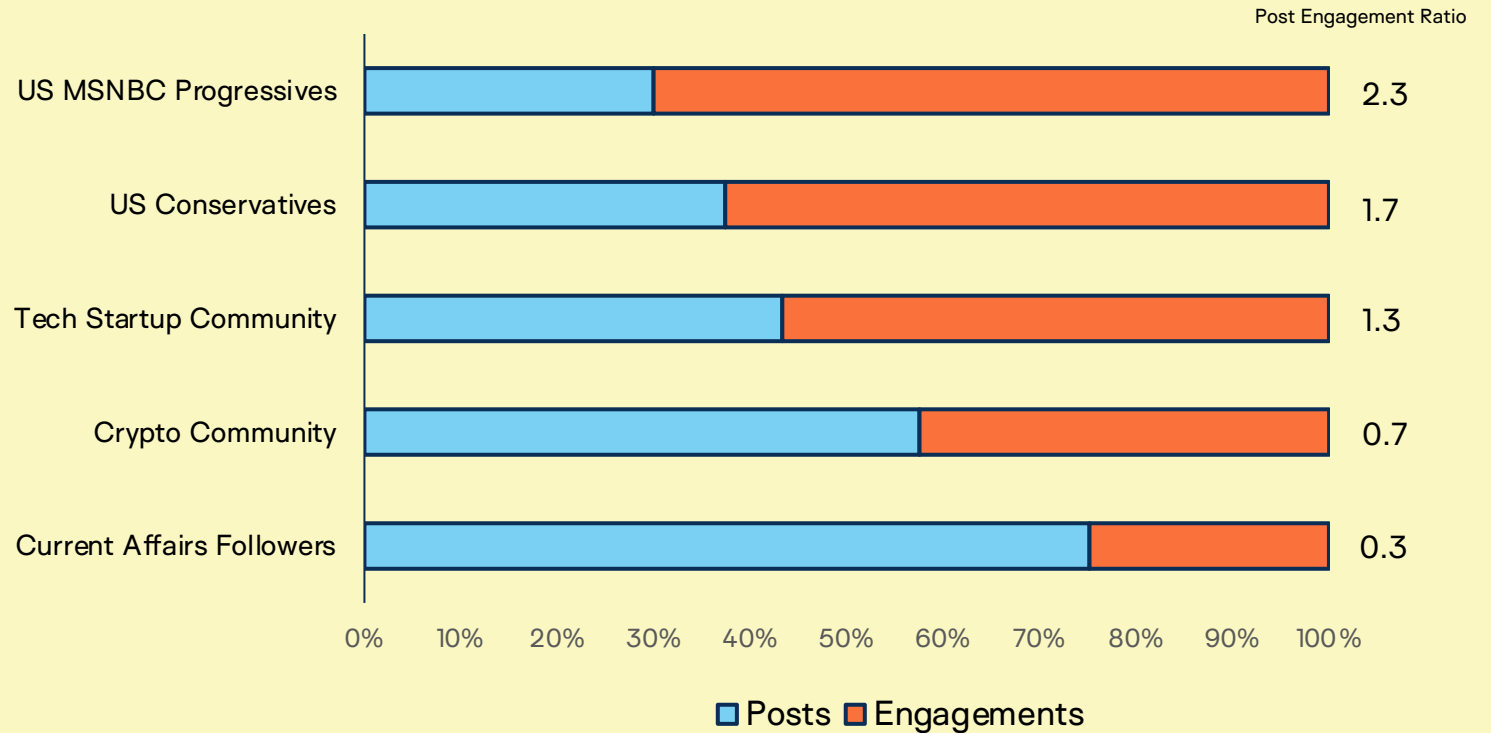
- US Conservatives
- US MSNBC Progressives
- Tech Startup Community
- Crypto Community
- Current Affairs Followers

# SVB conversation virality is propelled by political communities

Identifying the communities driving conversation virality speaks to where stakeholders and professionals should prioritize their efforts when looking to address the spread of specific narratives.

Ratios of posts-to-engagements across various audiences can provide insights into the potential virality potential of different communities.

Political groups, such as MSNBC and Conservatives, are top engagement-triggers, which means they play a huge role in driving the conversation. On the other hand, Current Affairs Followers' manifest their highest interest in the topic amongst the audiences, posting the most frequently, but they engage less with each other.

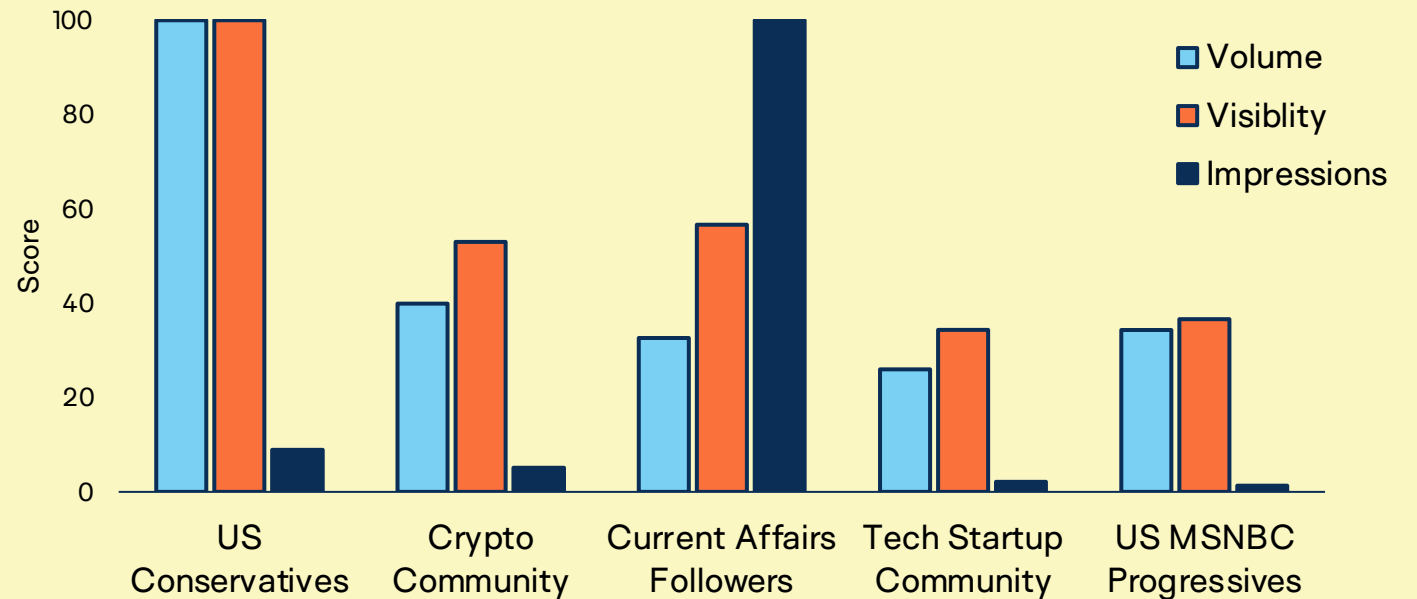


## ...while Current Affairs content resonates widely

One alternative lens for gauging different audiences' content impact is to compare its visibility (how easily people can find it and its potential for virality) against the impression its content generates (how many people see the content shared by the community).

In SVB discussions, new political voices and finance-tech communities are highly conspicuous and low in impressions, suggesting they amplify their content within their own circles.

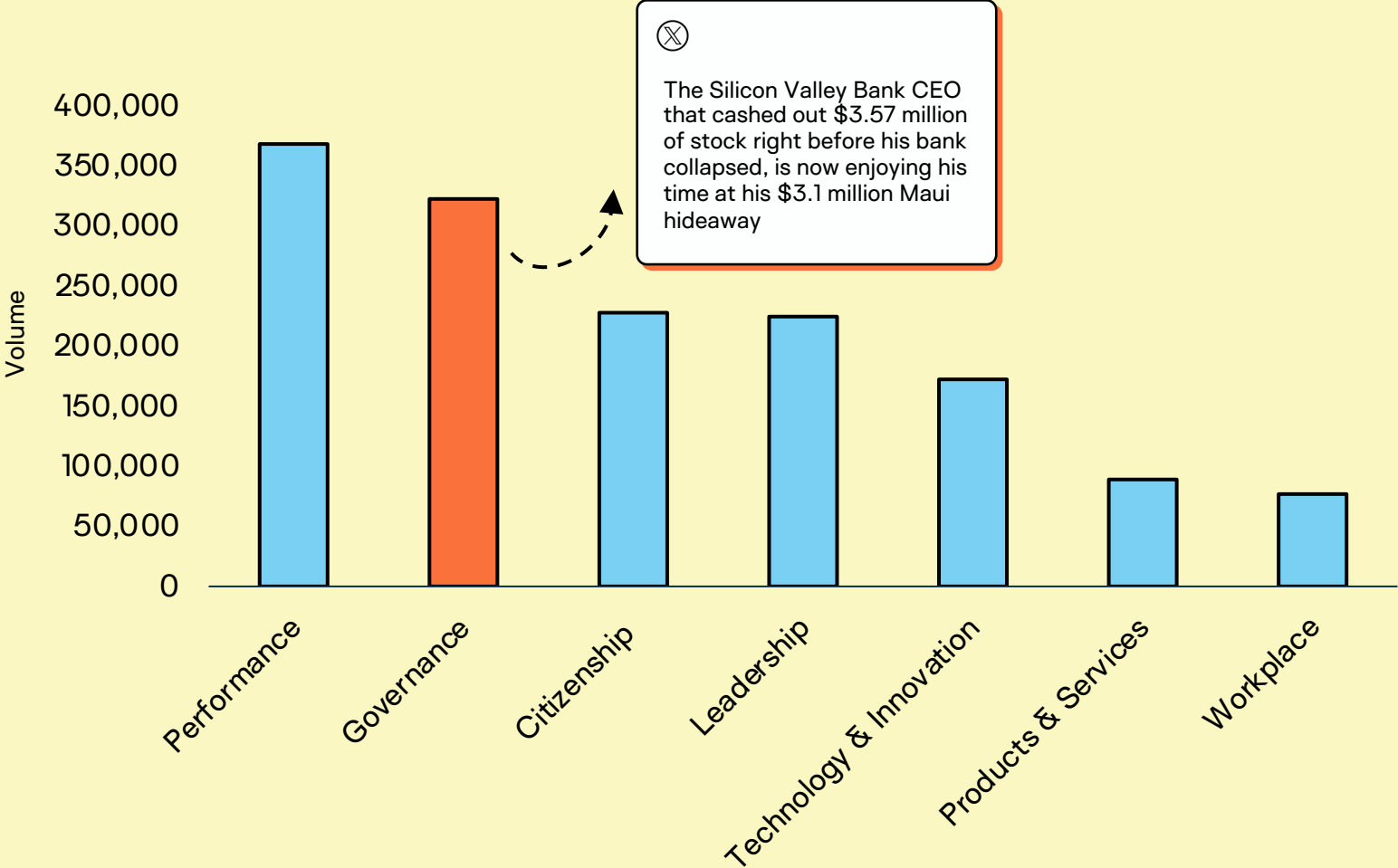
In contrast to this, Current Affairs Followers put up huge traction with less posting; wide impressions look at this as evidence of their broader resonance beyond their community.



# Where is SVB's reputation most deeply anchored?

When it comes to the factors influencing brand reputation, we can identify major conversational pillars – any change in which can exert enormous influence on brand perception. Top amongst these are Performance and Governance (characterized by business practices), Citizenship (reflecting the company's societal responsibility), and workplace environment.

Unsurprisingly, SVB's performance and governance are under close scrutiny, with discussions heavily focused on the CEO's decision to liquidate \$3.57 million in stock just before a major downturn.



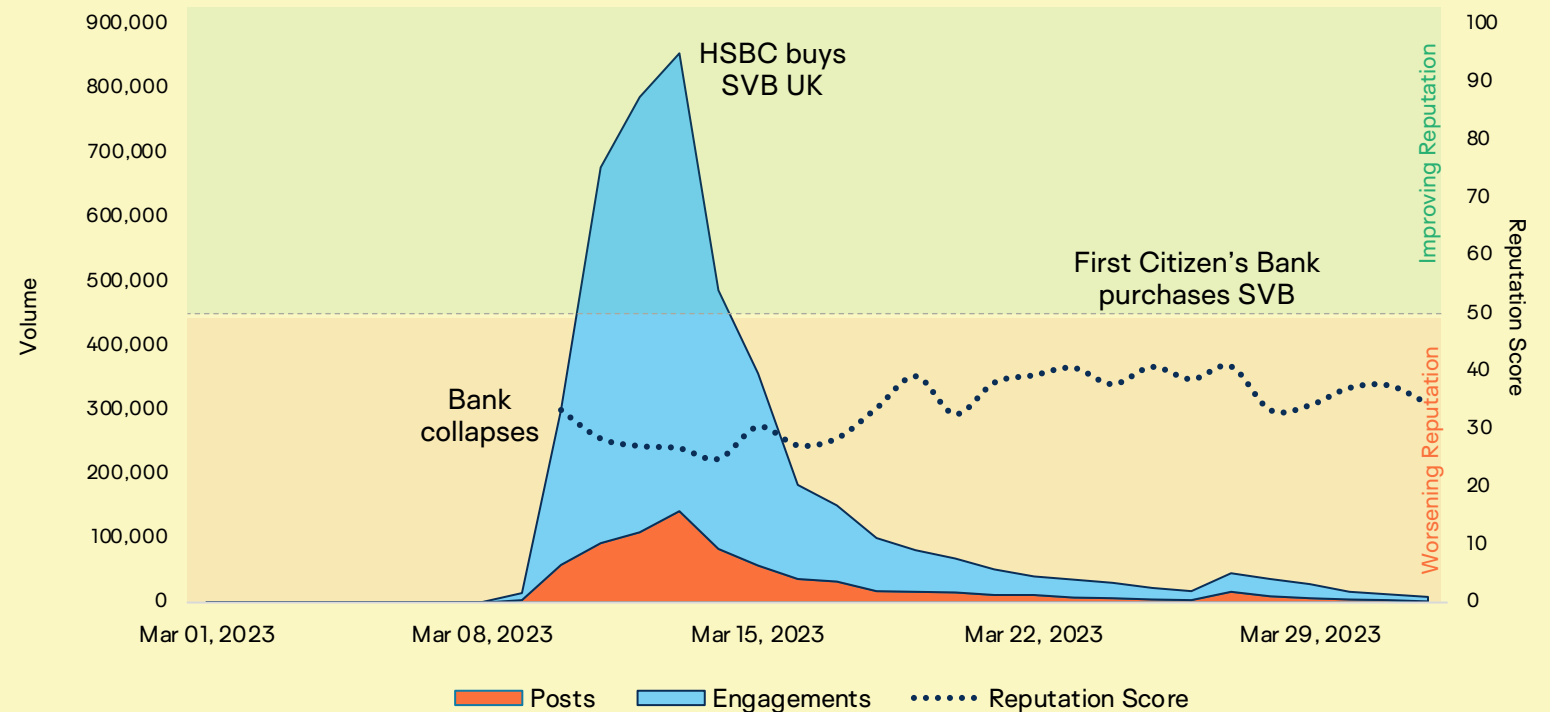
The top-mentioned reputation pillars in the Silicon Valley Bank conversation across X, Reddit, Blogs and Forums between Mar 1 – Apr 1, 2023. Source: Pulsar TRAC



# SVB's Reputation dips with online buzz, shows signs of recovery

Right after the bank's collapse, online buzz immediately surged, which had a predictable influence on reputation score. With SVB so prominent in the tech-startup ecosystem, its collapse sparked panic, criticism and schadenfreude amongst online audiences. Visualizing these critical perception metrics in a representation of reputation-relevant conversation, by way of sentiment, intensity, and visibility, a Pulsar reputation score helps us to visualize toward the brand's reputation evolution.

Gradually, other banks buying SVB - like HSBC - restore customers through alternative banking avenues, and the plummeting reputation score begins to stabilize. The bank's reputation score remains below neutral, suggesting conversation still has a negative impact on overall brand reception, but the conversation moved beyond its nadir

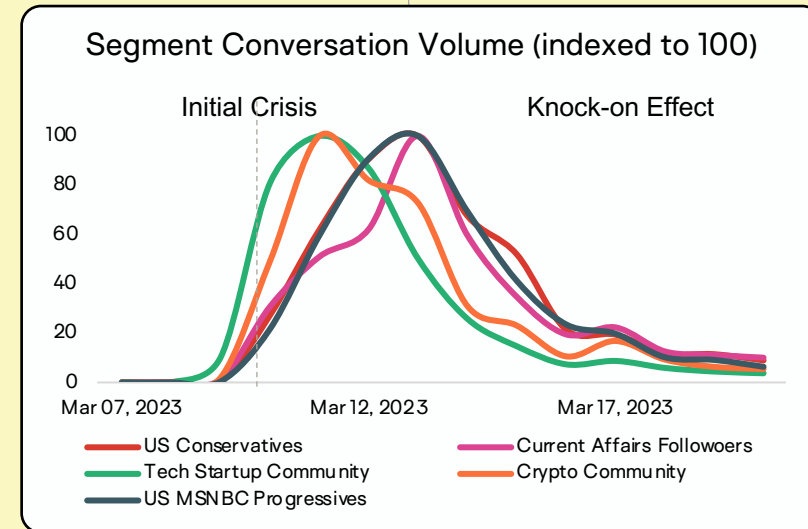
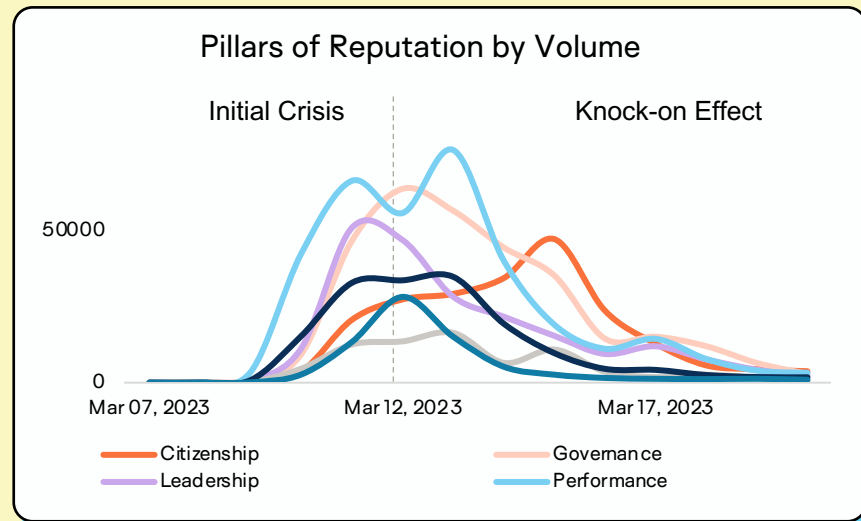


# Brand reputation evolves in different ways as the crisis unfolds

As we zoom in on the SVB crisis moment over time, it largely manifests in two distinct peaks, which we can view through the lenses of reputation and audience impact. That is to say, reputation-wise, performance hits a double peak with the

first peak being at the spread of news regarding the bank closure – before experiencing a much-delayed resurgence driven principally by political communities in Citizenship. As the situation stabilizes, political communities gain momentum,

reshaping the narrative around broader issues of financial regulation and ethics. This dual progression underscores the evolving landscape of crisis communication.



“ Jim Cramer said Silicon Valley Bank was a buy last month at \$320 Today it is being closed by California regulators

“ The Silicon Valley Bank CEO that cashed out \$3.57 million of stock right before his bank collapsed, is now enjoying his time at his \$3.1 million Maui hideaway.

“ Silicon Valley Bank has been operating for 40 years. 3 years ago they hired their first "Chief Diversity, Inclusion and Equity" officer. Now they're defunct. Get woke, go broke!

“ Hi, I'm Lindsey. A bit about me: – Ohio mother of 4 – I employ a team of 15 as a start-up founder & CEO of Strongsuit – drive a used Honda Odessey – husband works in manufacturing – The financial future of my company, team and family are at risk w/ the collapse of SVB (1/23)

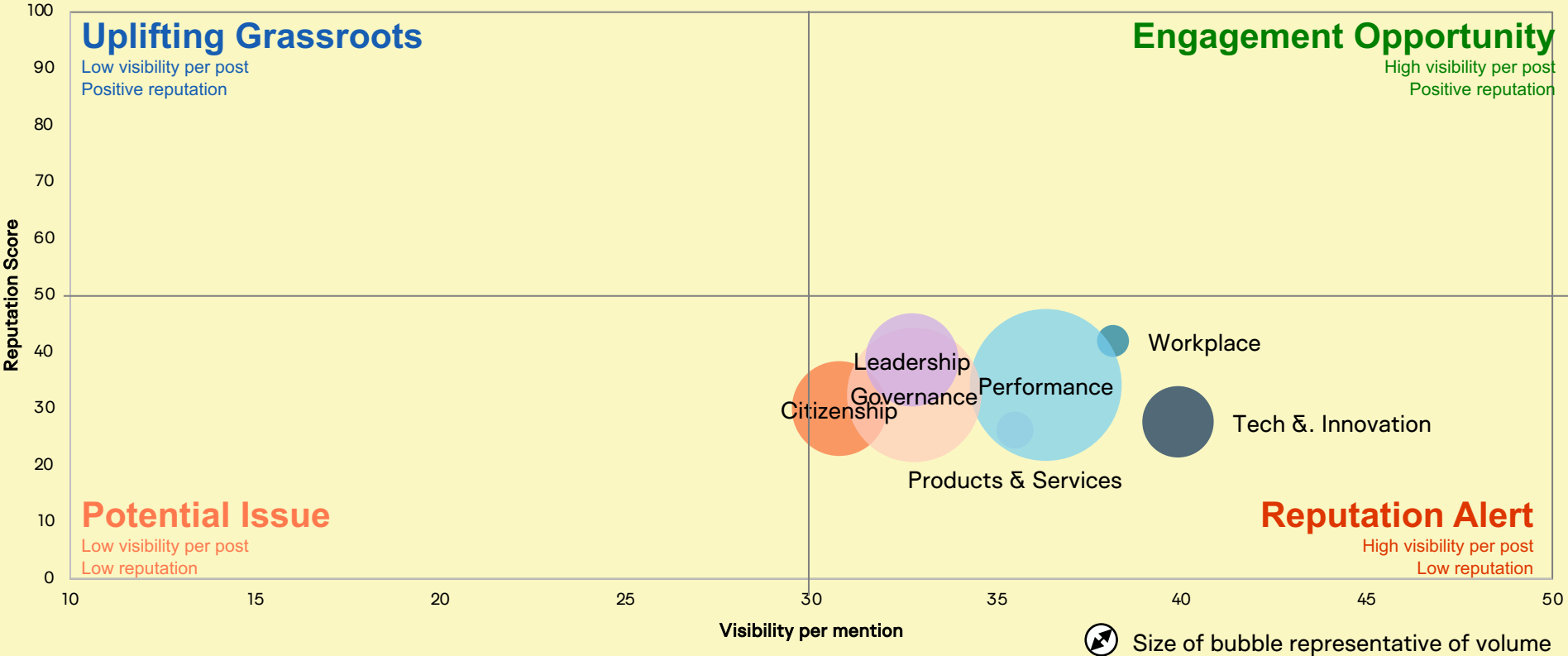
“ America is suffering from a crisis of incompetence. We're seeing it now with the failure of SVB. We cannot continue to put diversity above competence ESPECIALLY when it comes to people's livelihoods.

# All aspects of SVB's reputation are damaged by the bank collapse

Plotting the reputation score against the visibility per mention allows us to establish the extent of damage to the brand's reputation. It also identifies opportunities for improvement that First Citizens or HSBC might focus on, by presenting a granular view of the brand perception across various fronts.

Specifically, in SVB's context, reputation metrics frequently indicate low scores alongside heightened visibility per mention. This dynamic suggests widespread dissemination of negative sentiments, extending beyond crisis-specific contexts.

Such findings underscore the complex interplay of crisis narratives within cultural economics, providing strategic insights for navigating brand management challenges effectively.



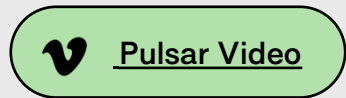
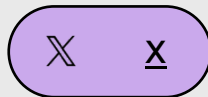
Reputation Score and Visibility per Mention per Reputation Dimension between Mar 1 – Apr 1, 2023. Source: Pulsar TRAC

## About Pulsar

Pulsar is the world's leading audience intelligence platform – harnessing rich data sets, AI and human minds – so our clients can access nuanced and actionable insights that get straight to what matters most to their customers, their businesses and to society.

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## Authors



### Deanna Tserkezie

Research Director

deanna.tserkezie@pulsarplatform.com

[LinkedIn](#)



### Edward Bee

Solutions Consultant

edward.bee@pulsarplatform.com

[LinkedIn](#)

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