January 2025

CrowdStrike Outage: Communications Amid a Global Crisis

Introduction & Scope

On 19th July 2024, the <u>largest IT outage</u> in history generated shockwaves all over the world, with an estimated cost of $5.4 billion to Fortune 500 companies in the USA. This outage, caused by a faulty update to CrowdStrike's Falcon Sensor security software, led to widespread problems with a reported <u>8.5 million</u> Microsoft Windows computers, disrupting hundreds of companies in numerous industry sectors. With such significant impact, particularly for consumer-facing organisations, many companies found themselves needing to proactively communicate about the outage in the media, underscoring the importance of social listening for crisis communications, to better understand the direction of the conversation.

In this study, we look at digital conversation around the outage:
- **1** In the immediate aftermath (week one), in that all-important window of opportunity to manage reputation risk
- ••• Long tail (after week one), how does the story evolve and who are the winners / losers in the mid-term view?

Scope
- <u>Data basis</u>: posts in global social media about the July 2024 CrowdStrike outage
- <u>Study period</u>: Immediate aftermath (19th July 2024 – 25th July 2024), long tail (26th July 2024 – 18th November 2024)
- <u>Geographical scope</u>: Global
- <u>Search methodology</u>: Global searches based on relevant keywords in English
- <u>Industries/sectors tracked</u>: Air Travel, Automotive, Banking/Finance, Government, Hotels, Media, Medical/Health, Retailers, Technology (excluding CrowdStrike & Microsoft), Telecommunications
- <u>Companies tracked</u>: CrowdStrike, Microsoft and the ten most mentioned impacted companies (American Airlines, Sky News, London Stock Exchange, Delta Airlines, Amazon, Woolworths, Tesla, United Airlines, JPMorgan, Ryanair)
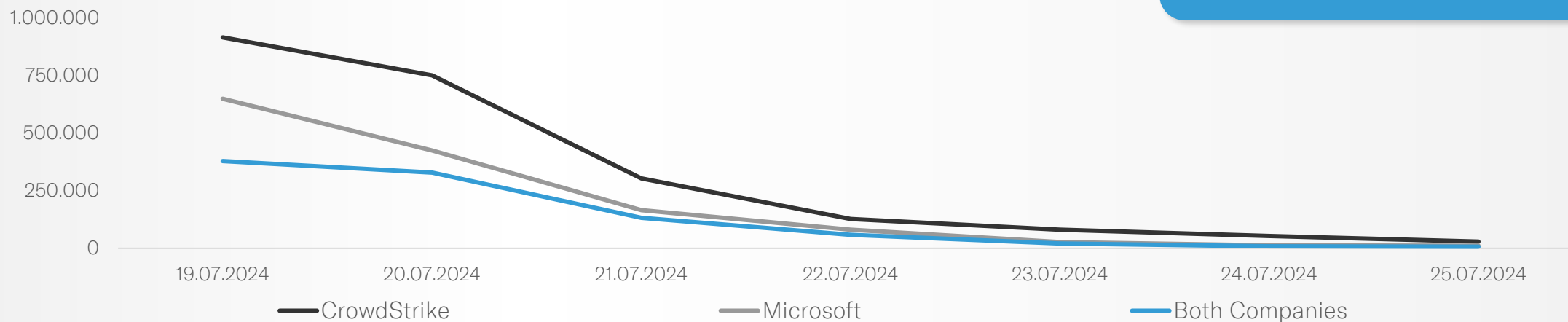
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Key Takeaways

- The vast majority of content mentioning the outage was published in the first couple of days following the incident, highlighting the importance of a swift, informed response from companies impacted.

- As social media conversation in response to a crisis can generate a high volume of content and often consists of a multitude of users, understanding the characteristics of the key groups of social media users engaging in conversation about the crisis can help target communications in response to a crisis.

- Out of the companies impacted by the outage, Delta faced the most ongoing criticism, and social media users drew particular attention to Delta blaming CrowdStrike for the outage. This suggests that affected companies should always focus on customer care first, before moving to condemn the company that caused the crisis.

- To avoid the backlash faced by CEOs from both Delta and CrowdStrike, corporate communications teams should be placed at the forefront of all crisis communication efforts. Digital insight should be leveraged to gauge the reaction of the public and to shape communications, ensuring that key spokespeople are briefed on how best to respond to minimise negative coverage.

- London Stock Exchange, Sky News and Woolworths received the highest proportion of negative coverage, with a notable lack of a response to the outage mentioned in content. If affected by a crisis caused by another company, the impacted company could seek to position itself as an active resolver by proactively communicating the cause of the crisis and highlighting actions taken to respond, including efforts to minimise impact on customers.

- Tesla had the lowest proportion of negative coverage, and social media users underscored the company addressing and fixing impacted systems. As discussion of Tesla indicates, emphasising clear actions by an affected company to improve systems in response to a crisis may reduce negative discussion on social media.

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Immediate Aftermath:
Week One

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Initial discussion focused on CrowdStrike, with Microsoft less associated with the crisis.

Mentions of CrowdStrike and Microsoft peaked on the day of the incident, declining throughout the rest of the week.

CrowdStrike & Microsoft Mentions in Outage Conversation | Base: Global social media 19th – 25th July 2024

Legend: CrowdStrike — Microsoft — Both Companies

Y-axis: 0, 250.000, 500.000, 750.000, 1.000.000
X-axis: 19.07.2024, 20.07.2024, 21.07.2024, 22.07.2024, 23.07.2024, 24.07.2024, 25.07.2024

- In the week following the CrowdStrike outage which impacted Microsoft Windows, CrowdStrike was mentioned in 1.6x more posts than Microsoft, indicating that social media users associated the incident with CrowdStrike to a greater extent than with Microsoft.

- Mentions of CrowdStrike and Microsoft followed the same trajectory over the period, with mentions peaking on the day of the incident (19th July) and declining throughout the rest of the week.

- Over two thirds of posts mentioning Microsoft also mentioned CrowdStrike (68%), indicating most users did not solely associate the outage with Microsoft.

- Moreover, posts mentioning CrowdStrike received higher average engagement (5.6) compared to those mentioning Microsoft (4.9).

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Frustration in the immediate aftermath of the outage prompted political conspiracy theories.

CrowdStrike

- In the week following the outage, 235K posts labelled the incident the "CrowdStrike outage" while 178K posts referred to the outage as the "Microsoft outage" or "Windows outage", further indicating that blame was more focused on CrowdStrike.

- Discussion mentioning CrowdStrike in the immediate aftermath of the outage often joked about the situation, mocking CrowdStrike, the outage and CrowdStrike's reportedly mediocre apology offering to partners after the outage.

- There was also politically-focused conversation mentioning CrowdStrike, framing voting machine malfunctions as concerning for the security of elections. Furthermore, there were misleading statements spread about Blackrock, which has a significant holding in CrowdStrike. The firm pulled an ad a few days before the outage featuring the gunman who shot at Donald Trump and became embroiled in conspiracy theories associating CrowdStrike with attempts to prevent Donald Trump from being president.

- Otherwise, conversation detailed the companies and services interrupted by the IT outage.

Microsoft

- Microsoft was also mentioned in humorous conversation on the outage, often alongside memes and mentioned as a hashtag. This included joking about Teams and Outlook being operational.

- Separately, there was also neutral reporting announcing the outage and concern over how one company's update could cause such extensive disruptions across industries.

- Moreover, conspiracies surfaced alleging a connection between Microsoft and Israel.

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Air Travel and Finance dominated in the immediate aftermath, while Government outpaced Media and Technology on engagement.

Affected Industries Mentioned in Connection to the Outage | Base: Global social media 19th – 25th July 2024

Bubble size = Potential Reach
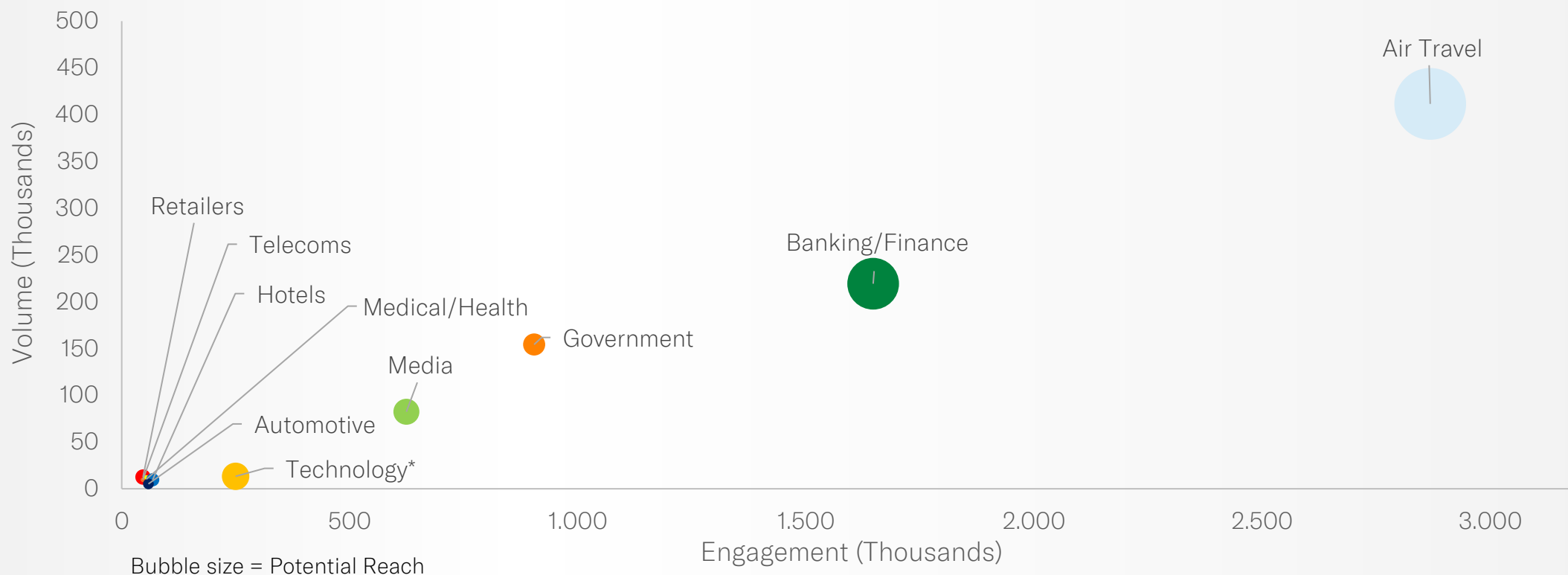
- In the week period following the CrowdStrike outage, posts mentioning Air Travel had the highest reach, 93% more than Banking/Finance. Air Travel and Banking/Finance were the most prominent industries, accounting for more than 65% of each metric (volume, engagement, and potential reach) of the top 10 industries.

- Despite having around 2M lower potential reach than Media and Technology, Government (904K) received more engagement than both Media (624K) and Technology (250K).

*CrowdStrike and Microsoft were not included in the Technology industry data due to their unique position in the outage

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Disruptions to Air Travel and Government were framed as indicators of the severe impact of the global outage.

Air Travel

- 68% of all outage conversation mentioning Air Travel from the week immediately following the incident was published on the day of the incident (19th July), and these posts accounted for over three-fourths of the engagements in the same period. Industry-wide conversation featured timelapse videos of USA airspace leading up to and then following the IT outage. This included direct blame of CrowdStrike for the outage.

- Disruptions to airlines were often mentioned alongside other impacted industries in posts announcing the outage.

- Noting disruptions to airlines and other services to stress the severity of the crisis, criticism targeted the CrowdStrike CEO for his statement following the outage.
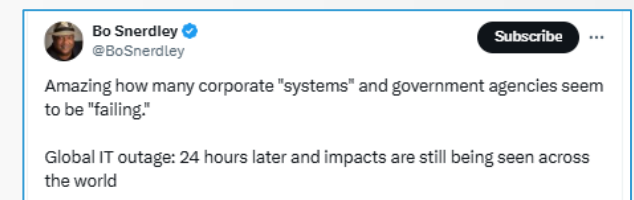
Banking/Finance

- Posts published on 19th July accounted for 78% of all posts in the outage conversation mentioning Banking/Finance, indicating that mentions of Banking/Finance dwindled following the day of the outage. Posts were primarily initial reports announcing that banks and the London Stock Exchange systems were down due to the outage. Posts typically mentioned the industry overall rather than mentioning specific affected banks.

Government

- There was a peak in conversation on 21st July, with mentions emphasising disruptions to governments to indicate severity of the global outage, and reporting that CrowdStrike had told the Australian government that a fix was not yet available.

- In posts mentioning other industries, emergency services in the USA as well as Australia, New Zealand and some USA state governments were mentioned as affected entities. Posts mentioning the Australia government also noted that the government held an emergency meeting in response. Discussion of the disruptions to the National Health Service (NHS) in the UK featured in less than 1% of government-focused outage conversation.

Colin McCarthy @US_Stormwatch — Subscribe
12-hour timelapse of American Airlines, Delta, and United plane traffic after what was likely the biggest IT outage in history forced a nationwide ground stop of the three airlines.
0:03
12:59 PM · Jul 19, 2024 · 14.4M Views

unusual_whales @unusual_whales — Subscribe
BREAKING: Global cyber outage. Cybersecurity platform CrowdStrike, $CRWD, is "down" worldwide, causing global IT problems, Microsoft, $MSFT, crashes, 911 outages across several US states, and disruptions in international airlines, banks and media outlets.
8:26 AM · Jul 19, 2024 · 2M Views

Bo Snerdley @BoSnerdley — Subscribe
Amazing how many corporate "systems" and government agencies seem to be "failing."
Global IT outage: 24 hours later and impacts are still being seen across the world
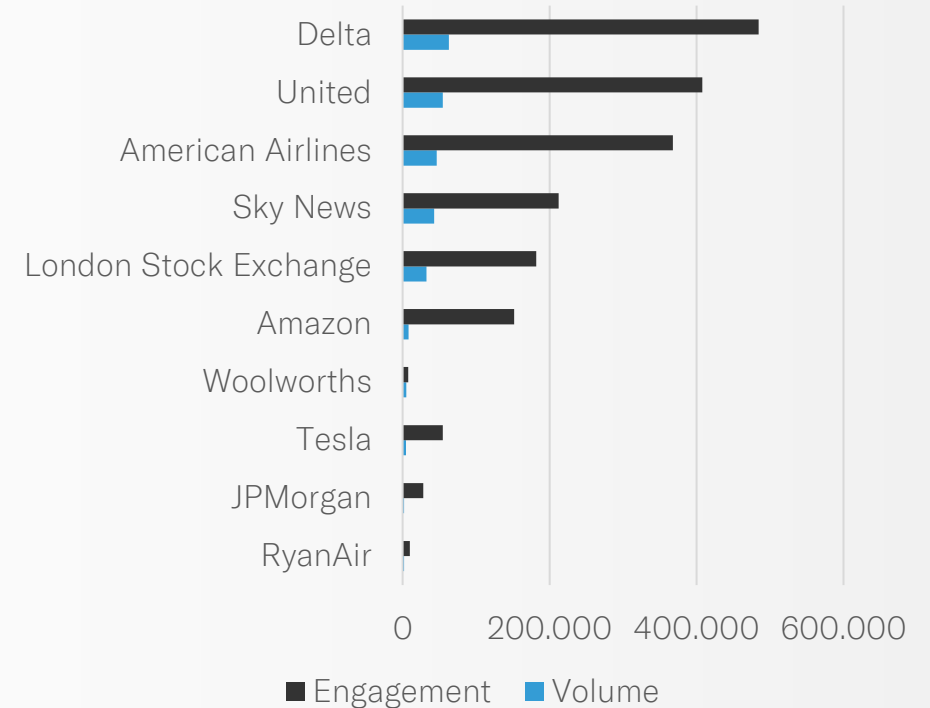
Delta was the most discussed company, with posts gaining traction post-outage, while Tesla gained positive attention for prompt response.

In the top ten most discussed companies affected by the outage, a variety of industries were represented. While four airlines surfaced in the top ten, companies in media, finance, technology and retail also featured.

- **Delta:** Delta received the highest volume and most engagement amongst airlines. Discussions extended beyond flight grounding posts on 19th July, with a spike on 23rd July following outlets announcing the Transportation Department's investigation. Users also criticised its lack of compensation and slow recovery compared to other airlines.

- **London Stock Exchange:** 96% of the posts were published on 19th July, mentioning London Stock Exchange being down. Spectator Index's posts drove engagement.

- **Sky News:** The volume of posts peaked on 19th and 20th July, with a significant drop after this. Various high-engagement posts mentioned Sky News being "off the air", with users mostly responding with humour.

- **Tesla:** Despite being ranked 10th by volume, discussion mentioning Tesla achieved the third highest average engagement (11.6 engagements per post) This was due to high-engagement posts about Elon Musk deleting CrowdStrike from all systems, following the global Windows outage.

Mentions and Engagement Other Companies

Base: Global social media 19th to 25th July 2024

Companies (top to bottom): Delta, United, American Airlines, Sky News, London Stock Exchange, Amazon, Woolworths, Tesla, JPMorgan, RyanAir

X-axis: 0, 200.000, 400.000, 600.000

■ Engagement ■ Volume

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Woolworths attracted the highest proportion of negative coverage, with unhappy users posting about systems being down.

Sentiment of top industries (proportion)

Base: Global social media 19th – 25th July 2024
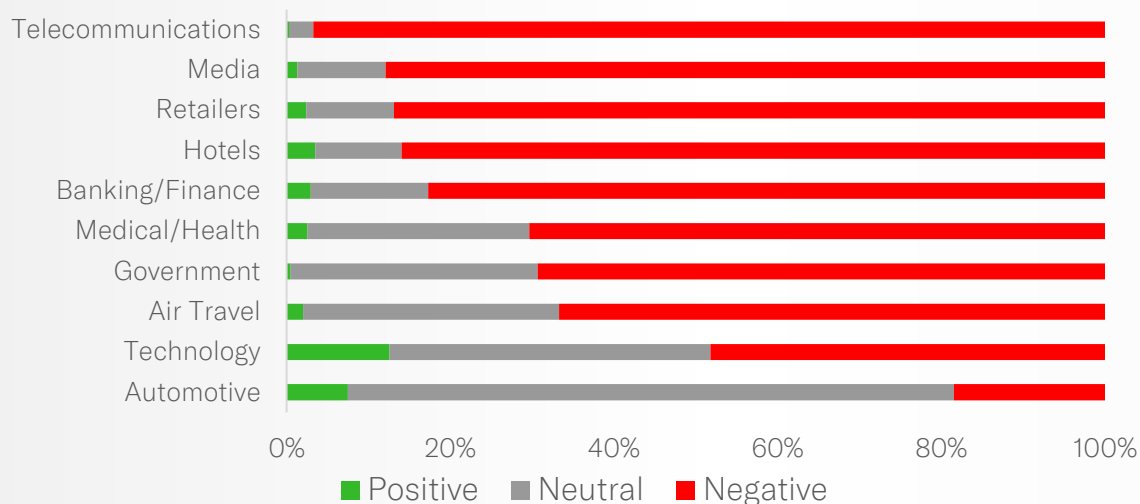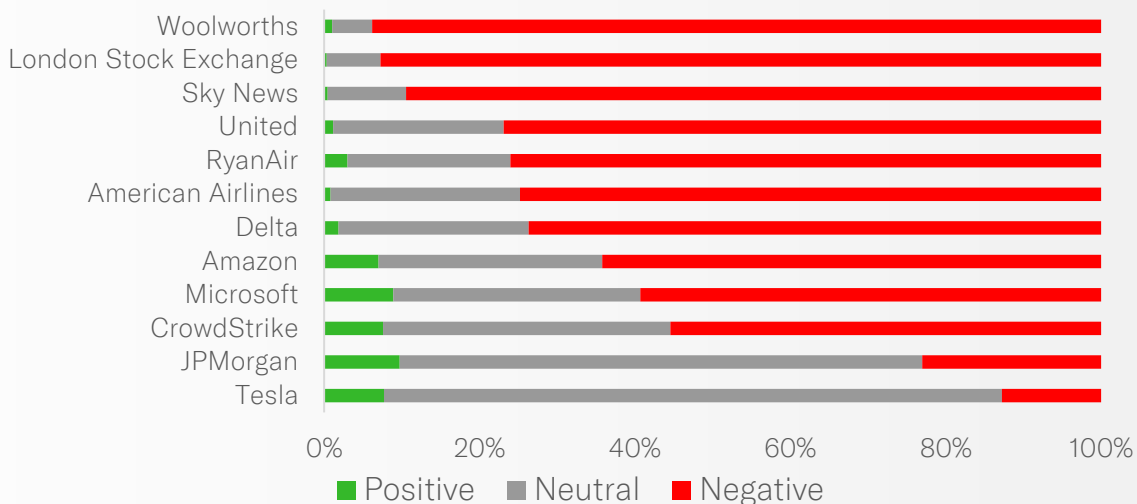

Sentiment of top companies (proportion)

Base: Global social media 19th – 25th July 2024

- Woolworths had the highest proportion of negative coverage, with frustrated users posting about POS systems not working, as well as further struggles in store after the outage.
- Along with London Stock Exchange and Sky News, Woolworths saw most mentions on 19th-20th July, with limited coverage on actions taken, potentially influencing their higher proportions of negative coverage.
- In comparison, Tesla had the lowest proportion of negative coverage, with users noting the company addressing and fixing its outage-affected systems. This also placed Automotive as the industry with the lowest share of negative coverage. This indicates that companies focusing on actionable steps take to fix the issue benefitted more reputationally in social media conversation.

* November 2024 data up to 24 November only

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Audience Analysis Introduction & Methodology

This type of analysis can help to drive understanding of who is engaging in conversation on a particular topic and to unveil pertinent information about social media users discussing the topic, enabling more comprehensive communication strategies during and following crises.

Here, we analysed users mentioning the <u>CrowdStrike outage in connection with the most discussed industry (Air Travel)</u> to uncover insights that impacted airlines could have used to drive crisis communications and strategic message targeting in the immediate aftermath of the outage.

We configured our social listening tool to capture posts on X mentioning <u>the outage + Air Travel</u> published within the week immediately following the outage <u>(19th – 25th July).</u>

Our audience profiling tool analysed data relating to demographics, interests, online behaviour and purchase influences for the identified X profiles.

The audience profiling tool used data from X and IBM Watson to segment the audience and identify characteristics and affinities based on their connections, bios and posts.

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Audience Analysis: X Users Discussing Air Travel and the CrowdStrike Outage 19th July – 25th July 2024

Segments of X users in Air Travel and outage Conversation

Base: Global X 19th – 25th July 2024
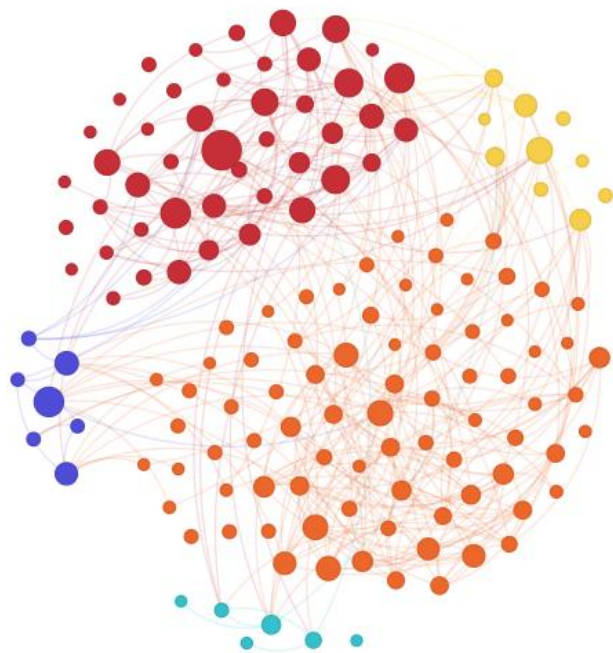
■ Current Events Enthusiasts   ■ Conservative Politics Supporters

■ Investors   ■ Liberal Activists   ■ Conspiracists

Users discussing Air Travel and the CrowdStrike outage in week one were primarily geolocated in USA (43%), India (8%), UK (8%), Canada (4%) and Australia (2%). Five distinct segments of X users drove this discussion: Current Events Enthusiasts (52%), Conservative Politics Supporters (30%), Investors (7%), Liberal Activists (5%) and Conspiracists (4%).
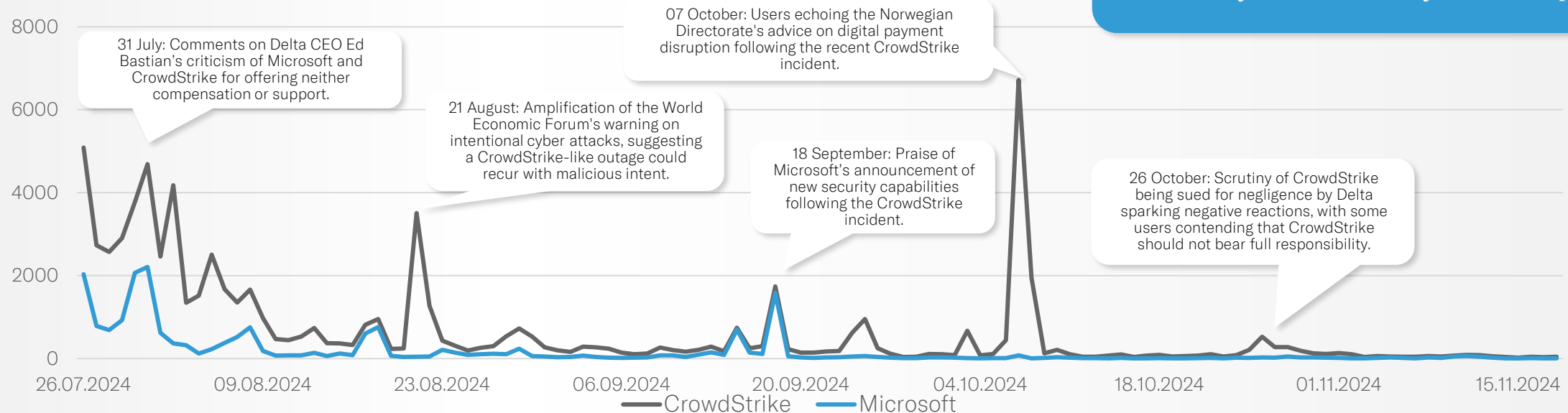
- The Current Events Enthusiasts segment consisted of more users who were male, between the ages of 25 and 34, and geolocated in India compared to users in the full audience. This segment often followed politicians and world news outlets. Discussion focused on disruptions to flights in the USA and India, impacts to air travel alongside other affected industries, and claims Delta saw more disruption than other airlines. The propensity for this segment to focus on statistics and breaking news on the outage demonstrates the weight of mainstream media reporting in social media conversation during a global crisis.

- Users in the Conservative Politics Supporters segment were primarily located in the USA and consisted of more female users compared to the full audience. This segment tended to follow conservative politicians in the USA and Elon Musk. While users in the segment primarily emphasised the extent of the disruptions, some high engagement posts argued the outage proved that less technological advancement is better or alleged the incident was a cover-up operation.

- The Investors segment skewed more male than the overall audience. Conversation tended to criticise the technology involved in the outage, mock CrowdStrike's response to the incident, and discuss the impact to CrowdStrike's stock. This showcases that it is important companies focus on addressing investors as well as consumers after a global crisis.

- 53% of users in the Liberal Activists segment were women, and the segment tended to follow Democrat politicians in the USA. Key themes in conversation included highlighting efforts for the airlines and infrastructure to recover from the outage, criticism of Delta's response and personal travel stories during the outage.

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Long Tail:
After Week One

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Continued focus on CrowdStrike in long tail discussion of the outage's fallout.

Mentions of Microsoft and CrowdStrike | Base: Global social media 26th July – 18th November 2024

CrowdStrike's mentions spiked from Delta's criticism and lawsuit, while Microsoft's were boosted by its new security measures plans.

31 July: Comments on Delta CEO Ed Bastian's criticism of Microsoft and CrowdStrike for offering neither compensation or support.

21 August: Amplification of the World Economic Forum's warning on intentional cyber attacks, suggesting a CrowdStrike-like outage could recur with malicious intent.

07 October: Users echoing the Norwegian Directorate's advice on digital payment disruption following the recent CrowdStrike incident.

18 September: Praise of Microsoft's announcement of new security capabilities following the CrowdStrike incident.

26 October: Scrutiny of CrowdStrike being sued for negligence by Delta sparking negative reactions, with some users contending that CrowdStrike should not bear full responsibility.

CrowdStrike — Microsoft

- In the longtail discussion (26th July – 18th November), CrowdStrike was mentioned in 3.8x more posts than Microsoft, indicating that social media users associated the incident with CrowdStrike (compared to Microsoft) to an even greater extent than in the week immediately following the outage (1.6x mentions).

- Mentions of CrowdStrike and Microsoft largely followed similar trajectory over the period, though CrowdStrike witnessed more significant peaks in mentions throughout the period.

- Moreover, posts mentioning CrowdStrike continued to receive higher average engagement (10.1) compared to those mentioning Microsoft (8.7), with both companies witnessing higher average engagement in longtail conversation compared to the week following the outage (5.6 and 4.9 respectively).

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In longtail conversation, Delta was the most mentioned affected company, with Amazon generating some discussion in September.

Mentions of Impacted Companies | Base: Global social media 26th July – 18th November 2024
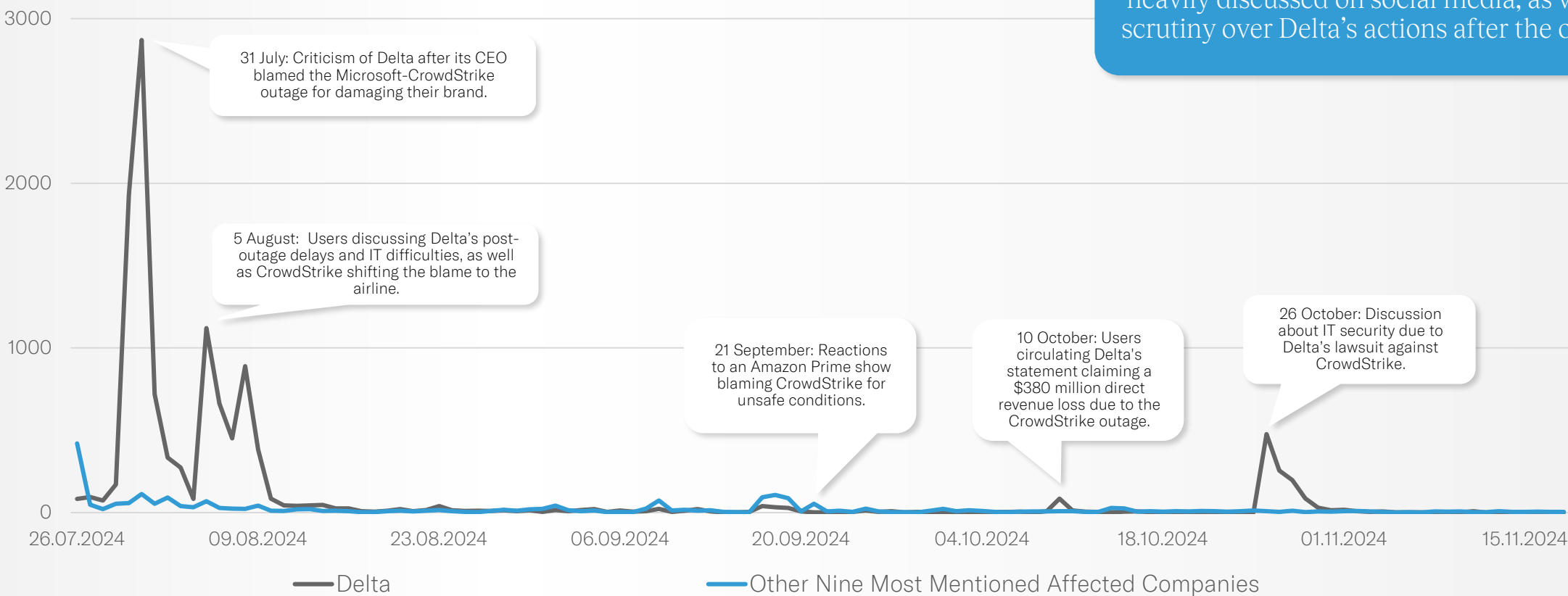
The Delta and CrowdStrike dispute was heavily discussed on social media, as well as scrutiny over Delta's actions after the outage.

31 July: Criticism of Delta after its CEO blamed the Microsoft-CrowdStrike outage for damaging their brand.

5 August: Users discussing Delta's post-outage delays and IT difficulties, as well as CrowdStrike shifting the blame to the airline.

21 September: Reactions to an Amazon Prime show blaming CrowdStrike for unsafe conditions.

10 October: Users circulating Delta's statement claiming a $380 million direct revenue loss due to the CrowdStrike outage.

26 October: Discussion about IT security due to Delta's lawsuit against CrowdStrike.

— Delta   — Other Nine Most Mentioned Affected Companies

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Let's talk

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