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SPOTLIGHT ON SOCIAL MEDIA AND THE NEW RULES OF BRANDING

Odds are that a small-scale antagonist will target your business and pose a serious threat. Here's how to fight back.

Reputation Warfare

by Leslie Gaines-Ross

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Reputation Warfare

Idea in Brief

Companies trying to protect their good names are increasingly coming under assault from small-scale antagonists: dissatisfied customers, disgruntled employees—virtually anyone with a personal computer and an ax to grind. Just as the military learned new strategies to deal with information-based attacks, managers of other organizations can fight back against new-media snipers by applying these important lessons:

Avoid disproportionate shows of force.

Don't let bureaucracy get in the way. Respond at high speed.

Empower your team to help tell your organization's side of the story.

Go rogue: New media can be your friend.

Find sympathetic third parties to serve as "force multipliers."

Stockpile credentials now for use in battles ahead.

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Corporations now operate in a landscape rife with new threats to their reputations. Equipped to do battle with large competitors, they may be caught unawares by small-scale adversaries in command of a surprisingly potent new-media and social network arsenal: blogs, tweets, text messages, online petitions, Face-book protest sites, and digital videos. Some companies have already experienced the damage that can be done by a single highly motivated critic lashing out from a personal computer. No one has failed to hear the stories.

After the explosion of BP's Deepwater Horizon drilling platform, for example, Leroy Stick (an alias) began publishing the tweets of a totally made-up representative of a similarly bogus BP global public relations division. While crude oil spilled into the Gulf of Mexico, devastating the regional ecology and economy, the satirical Twitterer (@BPGlobalPR) tweeted about the division's lunch menu and other inane matters. Tens of thousands followed his updates—far more than the number who followed the real BP Twitter account.

Through this low-cost effort, Stick helped keep Americans' rage boiling as BP scrambled to plug the well and restore faith in its brand.

As this incident demonstrates, the rules of engagement have changed. Critics no longer need the resources of an institution. The internet has leveled the playing field between large corporations and individual activists. Although some antagonists are truthful, not all of them are. Often their diatribes are only partly true; sometimes they are entirely, demonstrably false. Attackers are probably not levelheaded. Those who take on large companies singlehandedly are almost always highly emotional, if not irrational. And business leaders have no advance notice or time to reflect. When traditional battles are brewing, companies have at least a flicker of warning and a modicum of control over how events will unfold. When a new-style sniper attacks, they don't.

To learn how to respond effectively to these assaults, corporate leaders might borrow a page from an institution that has dealt with analogous threats: the military. After the 2006 Israel-

Hezbollah War, the U.S. Army War College's Center for Strategic Leadership and Canada's SecDev Group conducted a review of what they recognized as a new form of conflict: "informational warfare." They found that although Israel and Hezbollah were wildly mismatched in terms of their resources and training—in military parlance, the two sides were "asymmetric"—the outcome had not hinged on those factors. The determinative weapons were not those that hit physical targets. Hezbollah, the weaker side in conventional military terms, had used new media to win hearts and minds around the world, discrediting Israel's position and sapping its political will.

As two SecDev scholars, Deirdre Collings and Rafal Rohozinski, later wrote in a special report titled *Bullets and Blogs*, "Today anyone armed with a hundred dollar digital camera and a connection to the Internet is a potential Spielberg or Riefenstahl." The report laid out several principles of effective counter attack—principles that also apply to corporate reputation warfare.

It's not that the established ways of safe-guarding your company's reputation are irrelevant. People will still be influenced by traditional media; they will still read and listen to the news; most important, they will still talk to others about products they've bought. But the established playbooks are not enough. To protect your company from the new reputation snipers, you'll need to master and deploy the following strategies as well.

Avoid any show of force that could be perceived as grossly disproportionate.

The battle over reputation does not always favor the parties with the deepest resources. On the contrary, it tends to saddle them with greater obligations. The world's Goliaths are generally viewed as being in a better position than its Davids to behave reasonably, justly, and humanely, even when acting in self-defense.

Consider the corporate response to an incident that occurred on July 11, 1994. Three Greenpeace activists climbed partway up the Time-Life building in Manhattan to protest the company's use of chlorine in its paper. Perched on the skyscraper, they unfurled a huge mockup of a *Time* cover bearing the headline "Chlorine Kills." Photographers snapped one shot after another. Eventually, the police broke

a 15th-story office window and hauled the activists in. The office happened to be mine. For weeks afterward I found shards of glass in my folders and desk drawers.

Although the police arrested the three for criminal trespassing, Time Inc. did not allow litigation to dominate its response. It did not issue any statements condemning the activists or, say, dismissing them as misguided. But it did not simply brush off the protest, either. On the day of the incident, a company spokesperson told the media that it had already assembled a task force to study the environmental and health risks of chlorine—in effect, signaling that it was listening. Because it refrained from a heavy-handed response, it denied Greenpeace much of the sympathy that would normally have gone to the underdog.

The actions of Horizon Group Management, a Chicago apartment leasing and management company, stand in sharp contrast. In July 2009 it sued Amanda Bonnen, a former tenant, for \$50,000 because of the following rather modest tweet to her 20 or so followers: "Who said sleeping in a moldy apartment was bad for you? Horizon realty thinks it's okay." As the Chicago Tribune reported, the tweet came to light only after Bonnen's lawyers filed a class action suit against the firm for allegedly violating Chicago housing ordinances. Horizon, no doubt believing that turnabout was fair play, claimed that Bonnen had "maliciously and wrongfully published the false and defamatory tweet, thereby allowing the tweet to be spread throughout the world." To most minds, a \$50,000 suit over a message read by two dozen people was an overwhelmingly disproportionate response. It instantly made headlines and soared to the top of news aggregator sites such as Google News, Digg, and Techmeme. The judge threw out Horizon's claim; the only thing the company had accomplished was to create a public relations disaster.

Respond at high speed with instincts honed by advance training.

Most companies are slow moving and consensus driven. While they look for a convenient time to get together and come up with a defense that everyone agrees on, damage from the attack continues to spread. I know of one *Fortune* 200 company whose executives spent nearly a week crafting a response to a tweeted attack that would fit within Twitter's famous

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character limit. By the time its 140 carefully chosen keystrokes were published, the window for an effective response had long since closed.

The U.S. Census Bureau recently proved much more nimble: Last February, when it came under fire for an ad it had scheduled to run during Super Bowl XLIV, it shot back without delay. The ad was meant to remind people to send in their census forms. Because Super Bowl airtime is highly expensive, some questioned the choice. One of the first was Senator John McCain, who tweeted this to his more than 1.7 million followers: "While the census is very important to AZ, we shouldn't be wasting \$2.5 million taxpayer dollars to compete with ads for Doritos!" The conservative blogger Michelle Malkin fanned the flame by referring to the ad's "pimping." The nonpartisan watchdog group MyTwoCensus quickly reposted Malkin's comments; the criticism had gone viral.

Fortunately for the bureau, it had a mediamonitoring system already in place. It also had an established census director's blog, a Twitter account, and a Facebook page. All of these tools, originally designed to encourage people to return their census forms, were quickly repurposed for reputation defense.

The bureau's first response appeared the day after McCain's tweet, as a post on MyTwoCensus.com. In it Steven Jost, the associate director of communications, described how the ad would actually save taxpayer money. Each 1% increase in mailed-in returns, he explained, would save taxpayers \$80 million to \$90 million. The day after that, the census director, Robert Groves, posted on his blog, underscoring Jost's point. The day after that was Super Bowl Sunday—and even as the ad was airing, the bureau was tweeting about its value and reiterating on its Facebook page that the "ad saves millions that would otherwise be spent visiting households." Through its quick, coordinated use of multiple channels, the Census Bureau neutralized criticism of the ad. A few weeks later, when MyTwoCensus again blogged about the bureau, it was simply to urge people to mail in their forms.

The real lesson in this story is the importance of preparation. Companies need to be trained in their new-media tool kits so that they can use them quickly and without friction. As my colleagues and I try to help our clients gain that facility, we urge them to engage

in lifelike simulations, much as other emergency response teams do. (Our approach, called Firebell, replicates the experience of being attacked by a reputation sniper who is posting to Facebook, blogs, Twitter, and You-Tube in real time.) A new-media drill might put a company through its paces in a variety of mock crises, including a class action lawsuit, a case of executive misconduct, the release of a damaging video, a product recall, a safety lapse, and a leaked document. While engaging in these exercises, companies often discover internal communication gaps—places where better bridges between colleagues are needed.

Empower frontline teams to meet message with counter message.

An oft-quoted political axiom is that voters prefer the candidate with whom they personally feel most comfortable—or, to use the vernacular, the one they'd most like to have a beer with. Similarly, the public is more likely to relate to workers on the front lines than to those in the highest ranks.

For this reason the U.S. Army created a social media program (ArmyStrongStories.com) that lets soldiers blog about their experiences, subject to minimal review (security-sensitive information, for example, would be deleted). The Army Strong Stories community provides access to hundreds of videos gathered from soldiers, veterans, and others and to more than 1,400 unfiltered blog posts. Army Strong comes with a story-sharing capability, video integration, and links to other social media, such as GoArmy.com, Facebook, instant messaging, and iPhone apps. Any rank-and-file soldier may post a blog. As Lieutenant General Benjamin Freakley, the head of the U.S. Army Accessions Command, said in a podcast, "We trust these men and women to put a gun in their hands, have them deploy overseas, and ask them to make life-and-death decisions for their teammates, the population, and the enemy they face. Why can't we trust them to do the right thing with social media?" Bruce Jasurda, the Accessions Command's chief marketing officer, explained, "Our intent is to make this as realistic as possible and let people ask those questions directly to soldiers, people who have been through that same experience, people who have had perhaps that same angst or uncertainty, and hear it through a soldier's words, as opposed to a corporate voice."

On the Attack: "Leroy Stick"

As the events of the BP Deepwater Horizon oil spill unfolded, a Twitter account holder posing as an employee in the oil giant's PR group parodied BP's corporate response, creating a darkly comic image of venality and incompetence. More people chose to follow the spurious tweeter—since identified as an aspiring comedian named Josh Simpson—than the actual BP Twitter account, and media coverage of the spoof further amplified his impact.

@BPGlobalPR Attn Scientists: If your gulf water samples explode, it's only fair to deem your research inconclusive.

On the Attack: Nadine Bloch, Kathy O'Keefe, and John Mallett

Intrepid climbers and committed environmental activists, these Greenpeace members scaled *Time* magazine's Rockefeller Plaza head-quarters. Protesting that "our health and the health of our planet can't wait," they urged the publication to stop using the chemical chlorine. To drive the point home, they unfurled a 30-foot-by-50-foot mockup of a *Time* cover reading "Chlorine Kills. Take the Poison out of Paper."

On the Attack: Michelle Malkin

The blogger Michelle Malkin asked readers, "Who's foolish enough to pay for Super Bowl gold-plated airtime?" Then she told them: "The U.S. Census Bureau will squander \$2.5 million on a half-minute Super Bowl ad starring D-list celebrity Ed Begley, Jr., plus two pre-game blurbs and 12-second 'vignettes' featuring Super Bowl anchor James Brown." In a period of heightened sensitivity to federal government spending, her complaint fell on many sympathetic ears and had to be countered.

On the Attack: Kristy Hammonds and Michael Setzer

"In about five minutes these will be sent out and somebody will be eating these—yes, eating these—and little do they know that the cheese was in his nose."

Thus went the voice-over to a truly amateurish video posted on YouTube by two Domino's employees. Although they surely did not set out to turn America against their employer (and lose their jobs in the process), the damage was done. The mini film festival garnered more than a million views, and a drop in the chain's revenues followed.

Employees who share their company's vision and values are its natural allies and most believable voices. When Frank Eliason was Comcast's director of digital care, he started a Twitter account named @ComcastCares—putting, in one deft swoop, a human face on a company that had been disparaged for poor customer service. American Airlines credibly countered a customer's tweeted complaint about a \$50 fee for an oversized bag when a flight attendant, Tim Schwartz, explained on Facebook that the airline had no choice because of the limited space on the aircraft.

Although freedom of expression needs to be encouraged if this sort of strategy is to succeed, there must, of course, be limits. The Department of Defense has issued social media guidelines that army personnel must adhere to; similarly, companies need to make clear rules—ones that forbid, for example, the dissemination of client information and discussions of products under development.

Go rogue in your own tactics.

As *Bullets and Blogs* noted, new media are "often treated as a threat, rather than an asset." But they can just as easily serve on your side, provided you use them in an ethical way.

You might recall a story from 2009, when a Domino's Pizza employee named Kristy made some short movies of a colleague doing unappetizing things to food he was preparing for delivery, and posted the movies on YouTube. The videos spread like wildfire, with significant consequences. Domino's said that the incident cut into its nationwide profits. And it shuttered the North Carolina store in which the events occurred.

But things could have been even worse had Domino's not been quick on its feet. As soon as the chain became aware of the videos, it responded with the same tactics its rogue employees had used. Its U.S. president, Patrick Doyle, chose YouTube rather than a formal press release to issue his apology for the workers' stomach-turning behavior, posting his video within two days of Kristy's. The logic of his approach is clear; YouTube had the best chance of reaching the audience that had seen the original videos. And it had another benefit: The unorthodox use of YouTube by a corporate executive became a story in its own right, and the incident's focus shifted from what the employees had done wrong to what the company had done right.

In another incident from 2009, the oil giant Chevron took action that would be considered rogue by almost any standard. Aware that 60 Minutes was working on a segment about a \$27 billion lawsuit brought against the company in Ecuador—at issue was whether Chevron had contaminated large swaths of rain forest-executives decided to get their side of the story out first. They hired a former CNN correspondent, Gene Randall, to make a documentary casting Chevron in a better light, and posted his film on the company website and on You-Tube three weeks before the 60 Minutes story aired. The documentary had all the appearance of a conventional broadcast and included no mention that Chevron had footed the bill. Although it was criticized as deceptive, the film nonetheless took Chevron's critics by surprise and made the public aware of Chevron's viewpoint.

Recruit and deploy "force multipliers" who will echo your message.

In the military anything that amplifies soldiers' strength—whether it's a sophisticated technology like a GPS-enabled drone or a social advantage like a sympathetic local population—is referred to as a "force multiplier." At a time when reputation losses can snowball rapidly, even the best-resourced companies need force multipliers. Ideally, these should include a network of independent third parties willing to take your side.

Royal Caribbean International, the global cruise vacation company, discovered the value of force multipliers when it was stung by scathing press coverage in January 2010. Just after the Haitian earthquake, the company's ship *In*dependence of the Seas dropped anchor in Labadee, Haiti. The Guardian of London fired an early salvo, reporting that "sixty miles from Haiti's devastated earthquake zone, luxury liners dock at private beaches where passengers enjoy jetski rides, parasailing and rum cocktails delivered to their hammocks." A blogger wrote on CNN.com, "Royal Caribbean is performing a sickening act to me by taking tourists to Haiti." The New York Post, displaying all the subtlety its headline writers are known for, titled its story "Ship of Ghouls." It seemed that everyone was blasting Royal Caribbean's management and customers alike.

Unmentioned in any of these accounts were Royal Caribbean's long-standing investments in Haiti, its use of its cruise liners to deliver nearly \$1 million in humanitarian aid to the country, and the stellar reputation of Adam Goldstein, its CEO. For these reasons, among others, a number of independent advocates came to the company's defense.

Goldstein's blog, which he had established months before the earthquake, quickly became a rostrum for these advocates. In addition to blogging his own explanation that the continuing cruises had been requested by Haitian officials and were helping to boost the local economy and hasten the delivery of relief supplies, Goldstein posted letters from figures such as the founding director of the Burn Advocates Network, who applauded the cruise company's efforts to help the earthquake victims. Third-party support appeared in other forums as well. Senior representatives of Sustainable Travel International, the United Nations World Tourism Organization, and Duke University's Kenan Institute for Ethics, to name just a few, were quoted in the media about ways in which tourism could accelerate the reconstruction process.

As a result of this outside advocacy, Royal Caribbean's decision not to halt cruises in the area soon began to be seen less as a callous action and more as a brave, well-considered attempt to help. Later in January a website called Cruise Critic conducted an online survey and found that 67% of respondents thought that Royal Caribbean should continue cruising and delivering relief supplies. One person posting on the site noted that he had personally seen fleet captains handing out supplies and commented, "It's a win-win situation for everyone involved."

Go into battle with credentials in place.

A powerful adjunct to the use of force multipliers is the stockpiling of credentials that speak to your company's good work. Positive recognition by third parties in the recent past can help a company gain the benefit of the doubt in a situation where the facts are in dispute.

Target, America's second-largest retailer, has long championed GLBT (Gay Lesbian Bisexual Transgender) rights, supporting gay pride and AIDS marches and offering generous domestic partner benefits. But last July it caused an uproar by contributing \$150,000 to the conservative political action group MN Forward, which was supporting the gubernatorial candidacy of the Minnesota state representative Tom Emmer—an outspoken opponent of same-sex marriage. Condemnation came in the form of boycotts, in-person protests, online petitions, and a YouTube video showing a woman shopping at the store for the last time and then returning the items, explaining, on the verge of tears, that her son was gay. The video garnered nearly 270,000 views and 5,000 comments in just a few weeks.

Target's response is highly instructive. Its CEO, Gregg Steinhafel, e-mailed employees to underscore the chain's commitment to diversity. "Let me be very clear, Target's support of the GLBT community is unwavering, and inclusiveness remains a core value of our company," he wrote. He later sent a message explaining that the contribution had been meant to "support economic growth and job creation" and acknowledging the unintended effect: The donation, he said, "affected many of you in a way I did not anticipate, and for that I am genuinely sorry."

Then Target pointed to its past credentials. It had been recognized for its inclusiveness 35 times in 2009 and 2010 alone: For example, DiversityInc had named it one of the "Top 50 Companies for Diversity," and Corporate Women Directors International had listed it among the "Top 10 Companies with the Highest Percentage of Women Directors." The Ethisphere Institute had named it one of the "World's Most Ethical Companies," and Human Rights Campaign had declared it a "Best Place to Work" for GLBT equality and given it a perfect score on its Corporate Equality Index. Steinhafel noted the HRC accolades prominently in his e-mail to employees. Although the story is ongoing and the reputational damage has yet to be fully quantified, Target would surely be in a far worse position without these credentials to draw on.

Companies are working harder with each passing year to attain those sorts of credentials. *Fortune*, Ethisphere, and *DiversityInc* have all seen surges in applications. And as the demand for credentials rises, so will the number of awards—increasing the weapons in a company's reputation-defending arsenal.

Managers accustomed to using tools that only well-funded corporate communications orga-

On the Attack: Joe Solmonese

When it came to light that the Minnesota-based retailer Target had made a contribution to a political organization endorsing an anti-gay-marriage candidate, the backlash was severe. Joe Solmonese, the president of Human Rights Campaign, demanded that Target correct its misstep by donating to gay rights organizations. When that didn't happen, he went public with his anger.

"If their initial contribution was a slap in the face, their refusal to make it right is a punch in the gut and that's not something that we will soon forget." nizations can afford may hesitate to engage with media that any middle-school student can access. But to disdain new media is to hobble yourself. If you fail to adapt to and make use of your adversaries' best tactics, you cede the field of battle. This appears to be a common mistake: Our research shows that in 2009 the "stumble rate"—the incidence of reputation loss—of the world's most admired companies was nearly 50%.

If you want to protect your company's image, you need to rethink your reputation management and acknowledge that you have considerably less control over your corporate

messages than you had just a few years ago. You may have to deal with unknowns that can turn your company's name to mud overnight. Perhaps no corporation will ever decisively "win" its reputation war; the battle is ongoing. But by changing your mind-set, adopting new tools, and taking the principles of reputation warfare to heart, you can protect your business from the worst of the snipers' attacks.

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