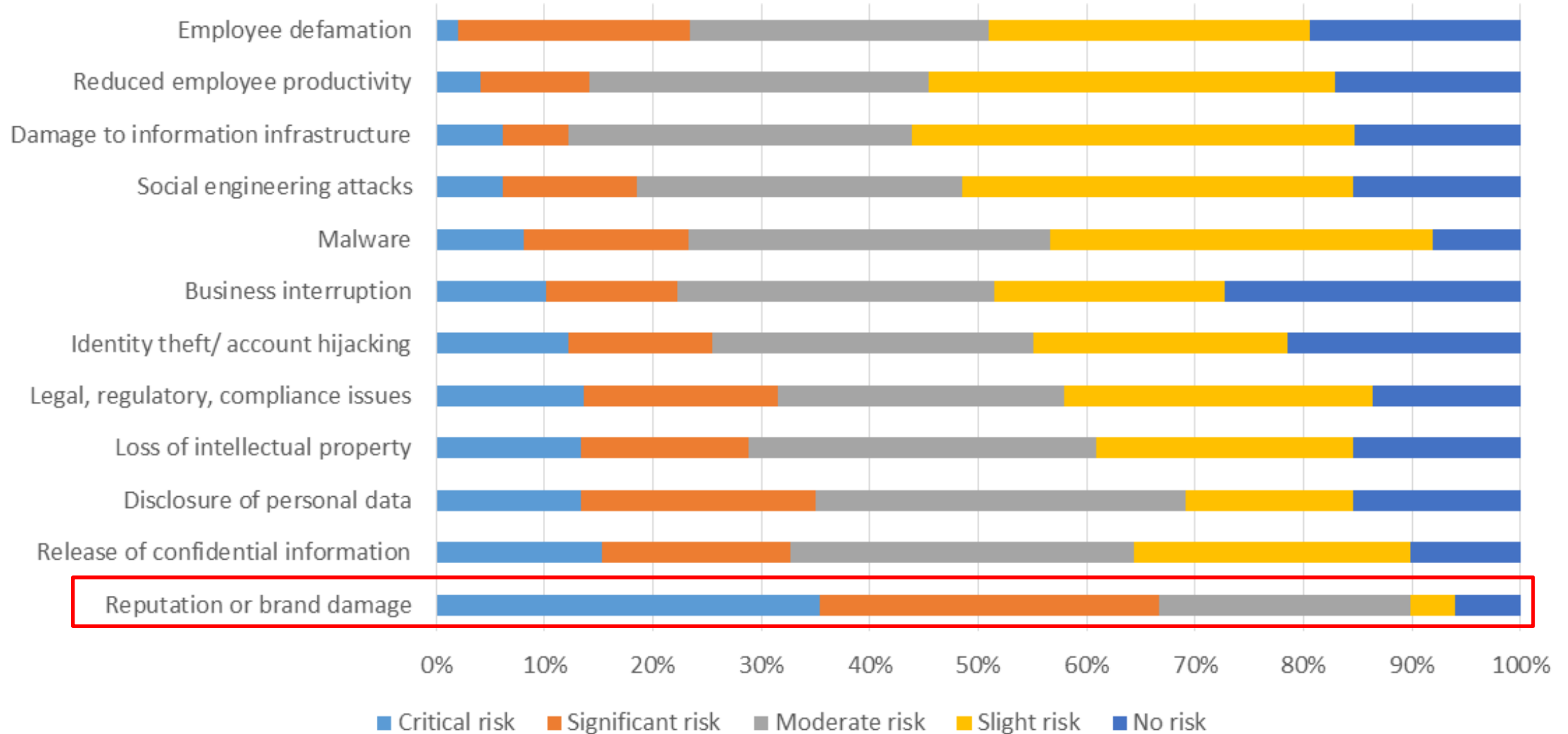




Reputational risk with social media

Social media risks



Reputation matters

- Creates company value above its tangible assets
- Drives client sales, retention and loyalty
- Attracts the best people
- Supports capital market access
- Facilitates political/ regulatory support
- Strengthens partnerships/ networks
- Supports expansion

Reputation deconstructed

- Reputation- reality gap
 - Brand promise v reality
 - Under-delivering
- Changing beliefs and expectations
 - Social norms
 - Corporate behaviour
 - Stakeholder expectation
- Internal co-ordination



Bad conduct

- Controversial clients
- Misuse of customer data
- Unethical business
- Market misrepresentation
- Illegal/ fraudulent activity
- Workplace violence/ abuse



Poor judgement

- Poor response to corporate issue
- Senior executive behaviour
- Aggressive tax avoidance/ regulatory bending
- Executive compensation
- Business activities that contradict brand value

Operational failures

- Product/ service quality failure
- IT issues
- Poorly executed business strategy
- Bad customer relations
- Disaster/ accident caused by company
- Business disruption
- HR issues

External Issues

- Unfounded allegations
- Negative political remarks
- Protest group opposition
- Industry tainting

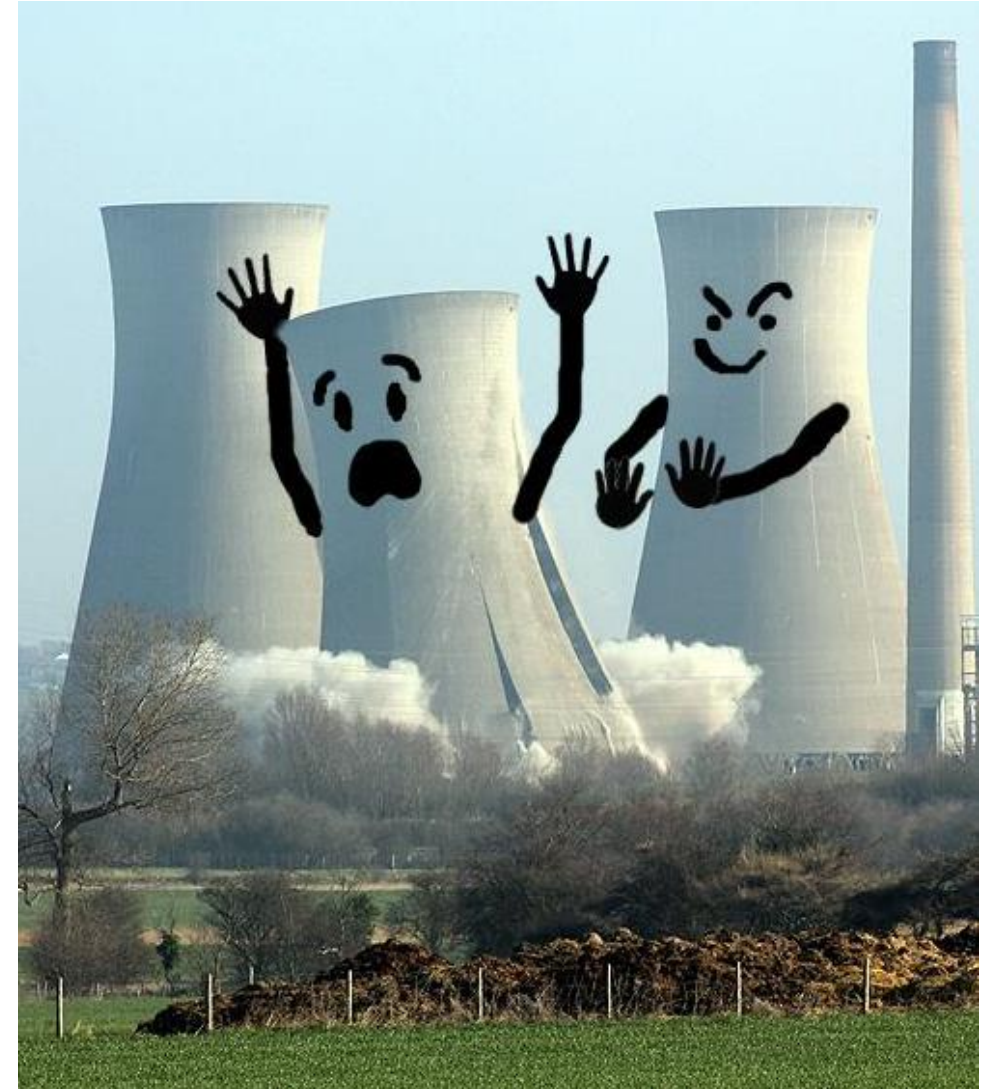
Social Media's impact

- Size/ reach of audience
- Viral nature
- Mob culture
- Permanent record
- Asymmetric influence
- Monitoring/ control



Special situations

- Hacking & Cyber Crime
- Denial of digital assets
- Crises with social/ digital knock-on
- Social and digital activism
- Online reputation clean-up

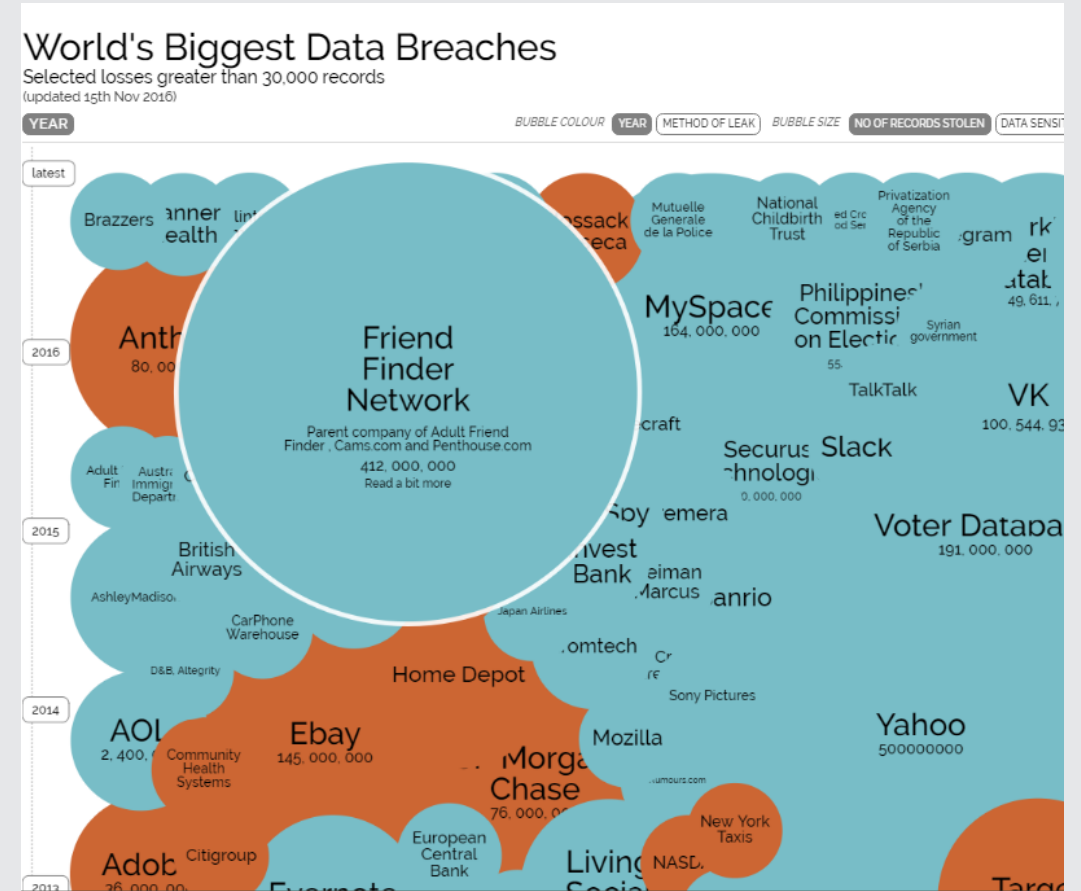


Cybercrime

- State sponsored, hacktivist, criminal
- Mainly Russia/ Ukraine/ China
- Attacks “bragged” on SM

Solutions:

- Planning and risk/ impact assessment
- Early detection including Social Media
- Multiple stakeholders mgmt.
- Reassurance of customers paramount
- Investigations (internal/ 3rd party)
- Create positive learnings



Company A

Reputation issue

- State sponsored hacking
- Stole embarrassing emails
- Lead to product cancellation and CEO resignation
- Cost \$1.25 billion in lost business/ compensation
- Blocked media interviews/ silent on social media

Learning from issue

- Link between issues team and social media
- Planning, preparation and scenario practice
- Policy of media/ social engagement in crisis
- Need to demonstrated leadership



Denial of Digital Assets

- DDoS attack
- Technical difficulties
- Social account hijacking
(Employee or external)



Solutions:

- Alternate external communications
 - Dark websites
 - Mainstream/ social channels
- Internal communications tools
 - Intranet/ SMS/ Cascade
- Planning and preparation
 - Bolster HR Policies
 - Scenario planning
 - Know passwords!!!
 - Recovery contacts/ processes for SM

Company B

Reputation issue

- Hackers attacked high street bank on payday
- DDoS, customers locked out of internet banking
- Story broke on SM, spread to main media

Learning from issue

- Effective SM engagement and rules
- Business continuity needed alternate site
- Didn't turn issue into a positive (e.g. set up anti DDOS taskforce)



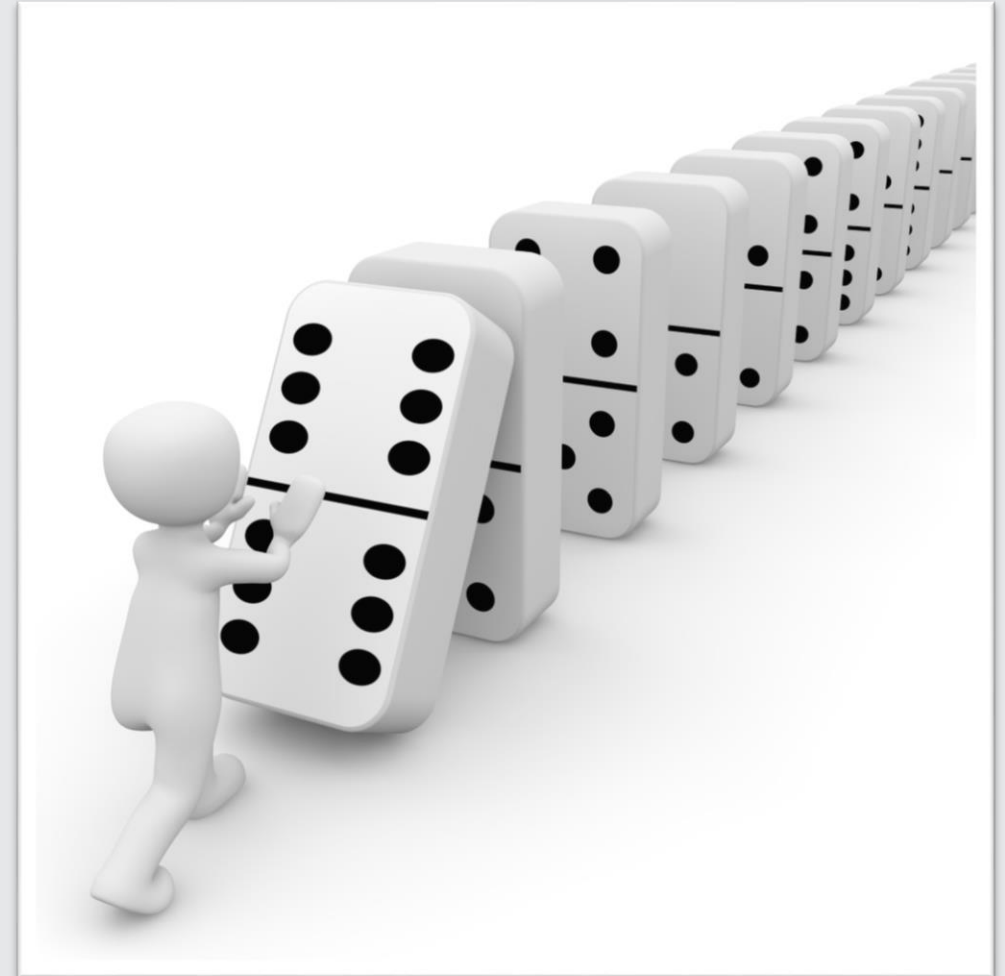
Social Knock-On

Crises spill over to online/ social:

- Social media fever
- Commentary boards/ Citizen journalism
- Social/ online impacts years later

Solutions:

- Include SM in crisis response process
- Develop online rules of engagement
- Integrated stakeholder strategy
- Active social management/ engagement
- Online reputation clean up



Company C

The Issue

- Massive environmental/ reputation disaster
- Company spent over \$11bn on response
- Created websites, FB, Twitter, Flickr and YouTube, but turned off comment function
- Spawned large anti corporate FB pages

Learning from issue

- Robust crisis communications plan
- Proper Risk analysis and scenario planning
- Practice plans and media train leads and alternates
- Actively manage social interactions



Social and Digital Activism

Impacts:

- Pressure groups can easily coordinate campaigns
- Originated on Facebook, Twitter, YouTube
- Spread to mainstream media
- Time consuming and persistent

Solutions:

- Assume the right tone
- Manage threat of mainstream contagion
- Know when and how to join debate; take things offline
- Rebut factually incorrect/ defamatory statements
- Ride out the storm



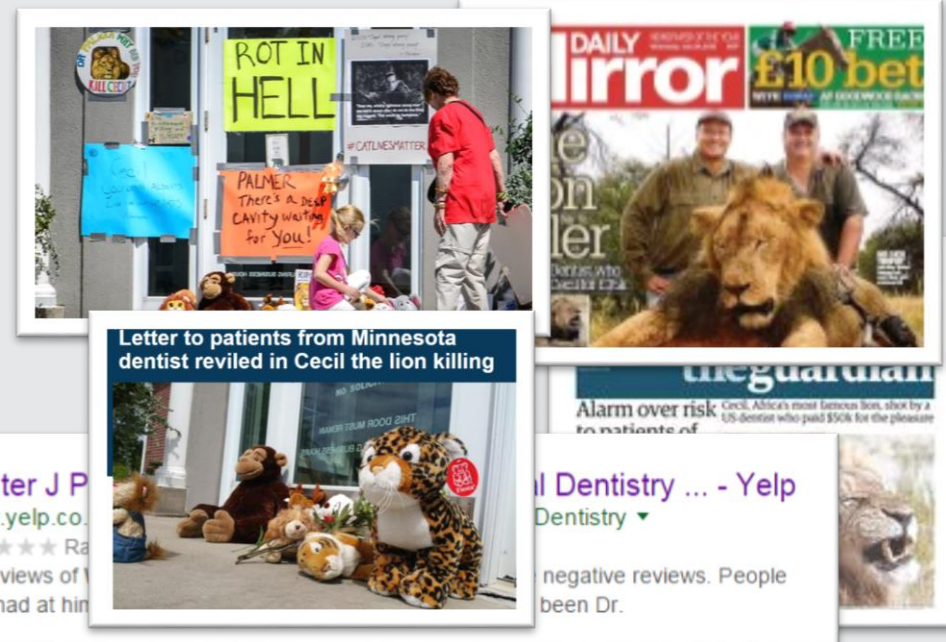
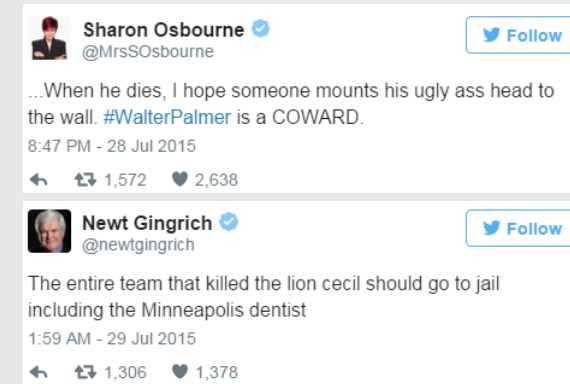
Cecil the Lion

The Crisis

- 250,000 tweets in a day
- Mainstream media magnified impact
- Offline too- dental practice was mobbed
- In Oct 2015 Palmer cleared of wrongdoing

Learning from issue

- Apologise early
- Ride out the storm
- Manage social channels
- Engage media early
- Win the resolution



Online Clean-up

Online reputation challenges:

- Google key part of customer acquisition cycle
- Unfavourable stories/ commentary easily found
- Review websites spread negative rumours/ allegations

Solutions:

- Use SEO to optimise positive stories; content/ link strategies
- Legal recourse: defamation, misrepresentation, IP breach, right to be forgotten
- Clean up SM and monitor information pages e.g. Wikipedia
- Game Glassdoor, Trustpilot and other influential review websites



Practical takeaways

1. General principles of reputation management apply
2. Map social risks, including company/ director accounts
3. Build social scenarios into crisis plans
4. Assign dedicated social/ online roles
5. Implement social/ online listening and alerts
6. Plan for 24 hours, global news cycle
7. Create safe repository for digital passwords
8. Continually clean online footprint
9. Ride out the storm
10. Create positives

