

GIBBS & SOELL

# Insight

FOR MARKETING AND COMMUNICATIONS PROFESSIONALS

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## Embattled Brands Fight Back: *The Road to Redemption*

As British Petroleum (BP) feverishly works to contain the environmental damage from the massive oil leak in the Gulf of Mexico, company executives are addressing another messy clean-up: the company's brand image and reputation. BP has spent years and many millions of dollars cultivating an image as an oil company that is committed to energy and environmental initiatives "Beyond Petroleum." Will this crack under the scrutiny of how it handles this latest environmental crisis?

The public relations challenge, much like the oil slick itself, is widening as time goes on. When BP's CEO Tony Hayward appeared on American TV and declared, "We accept full responsibility," many critics called the statement representative of BP's response to the oil leak: too little and too late. Blame game tactics during Congressional hearings in May didn't add to the positive steps to clean up the company's reputation.

Crisis happens. True reputation management involves how a crisis is handled. By reacting quickly and boldly, corporations can gain respect and trust and more quickly find themselves on the road to the redemption. People may never forget what the company did wrong to begin with, but the subsequent handling of the issue is often more important in shaping long-term perceptions.

Think about the now-infamous 1989 Exxon Valdez debacle and the negative sentiments that remain years later. Contrast that to a smaller but impressive example of how Australian wine maker Yellow Tail responded to a public backlash from the U.S. agricultural community earlier this year. After it became public that the company made a \$100,000 donation to a controversial and politically

driven fundraising organization with a history of opposing modern production agriculture, attacks and boycott threats spread like wildfire through social media channels. Yellow Tail's response was quick, decisive and personable. The company proclaimed support for U.S. agriculture and a pledge to direct future donations to non-political causes. This satisfied the critics, many of whom have become public supporters of a company that made things right.

### Silence is Not Golden

While the crisis management playbook has changed, the fundamentals haven't. Getting out front of the public debate quickly with clear and concise messages, speaking with one voice, being proactive and projecting sincerity from the start are all critical. If you fail in these steps, others will shape and define the debate for you. Think about how long it took for Tiger Woods to finally address the public about his indiscretions in an overly choreographed and scripted press conference. It wasn't timely and it didn't seem sincere.

In today's world of instant access to information, consumers demand more – from companies and celebrities alike. They want to be connected and involved, and social media allow companies to respond and engage in a friendly way. Communicators possess new tools for responding to a crisis and participating in the public conversation.

Despite the criticism of how it's handling many aspects of the disaster, a bright spot for BP is its employment of social media tools ahead of traditional media to pub-



lish updates on the oil clean-up. A Facebook page and BP America's Twitter site have tens of thousands of followers who can access photos, videos and maps of the clean-up efforts.

BP executives say that through digital media, they are able to direct messages to consumers without traditional media filters. "We want to ensure that we can get out information about the response to this incident and spill as rapidly and widely as possible," David Nicholas, a BP spokesman, wrote in an email that has been widely reported on news sites.

## Rallying Supporters

Toyota provides another lesson in starting your own conversation and – more importantly – shaping the conversation in forums where customers are already talking. Early on, critics hammered Toyota for being slow to own up to the quality and recall issues and for not addressing critics with a straightforward message. One of those was Toshirou Yoshinaga, analyst at Aizawa Securities in Tokyo, who told DetNews, "The top management should have gone public sooner to address the American public."

Yet, many observers note that Toyota has excelled at online engagement of supporters and detractors, steering the company's reputation in the right direction even in the face of ongoing government probes and investigations. Earlier this year Toyota developed a social media team to monitor and respond to the brand crisis buzz on four Facebook pages, Twitter chat with Toyota USA President Jim Lentz and other digital platforms. The tactics attracted and engaged millions of viewers in the first weeks.


According to *Advertising Age*, Toyota's tactics of engaging and rally-

ing existing brand loyalists have boosted its online image. Since the recall was announced, its efforts have actually helped increase fans on its Facebook page by 10,000. Thousands of online brand supporters have reposted countless positive Tweets, blog posts and YouTube Videos. Another surprising twist was the uptick in the first two months of the year of the company's Social Influence Marketing (SIM) Scores, which gauge brand health on social media by measuring volume and tone. One theory for the increase is that in addition to the expected negative chatter, more people were talking about Toyota with positive and neutral message tones.

## Rolled-Up Sleeves

The textbook case of the 1982 Tylenol recall shows that transparency, proactivity and bold initiatives from top management to solve the problem win the trust of consumers. Consumers want to see company executives as regular people with rolled-up sleeves, working together to find a solution at all costs. These were the images portrayed by Tylenol maker Johnson & Johnson (J&J) as it took decisive action in the face of a crisis that was not of its making. Five months later, Tylenol had regained 70 percent of the market share it had lost, and in the long term J&J won the confidence of consumers.

The reputations of the BP and Toyota brands have undoubtedly taken a beating, and the jury is still out on how both will fare. The crises demonstrate the importance of managing your corporate brand using a mix of well-executed, proven PR tactics and new technology that directly engages your customers. Poor advance crisis planning and weak execution of a basic crisis management strategy can lead to a public perception of corporate indifference and arrogance, and a badly battered brand.

The actions that a company takes after a crisis can determine the length and bumpiness of the recovery. Warren Buffet sums it up succinctly: "It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently." 

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