Taking a Stand on Societal Crises

Best Practices for Determining If, When and How to Respond to

Societal Crises in Today’s Politicized Environment

August 15, 2018
Your Panelists...

Linda Rutherford
Senior Vice President and
Chief Communications Officer,
Southwest Airlines

Steve Cody
Founder & CEO
Peppercomm
A New World Filled With New Types of Crises...
Before We Share Our Research Findings... Let’s Set the Stage

• **More than 80% of consumers** believe corporations should take action on important issues

• **47% of millennials** believe CEOs have a *responsibility* to speak up about important social issues

• **51%** are more likely to buy from a company led by an *activist CEO*

• **62% of employees** (all ages) expect their employer to take a stand on major issues of the day

• **Falsehoods are 70% more likely to be retweeted** than the truth

Source: KRC Research; Harris, Povado; and Glassdoor
The New Normal of Crisis Communications

Societal

Sponsorship Gaffes

Self-inflicted Wounds

#MeToo

False News
Massive Leadership Vacuum in the U.S.

- Government
- Religion
- Media
- Business
Rise of the Activist Employee/CEO and Corporate Purpose

Rose Marcario
CEO, Patagonia

"We won’t let President Trump tear down our heritage and sell it to the highest bidder."

Cathy Engelbert
CEO, Deloitte

“We often talk about fostering courageous conversations. “That is what our culture of courage is all about.”
Self-Inflicted Wounds

- Uses racial slur
- Accuses digital firm of extortion
- Sues own company
- Three agencies fire Papa John’s

Donald J. Trump (@realDonaldTrump)

Lebron James was just interviewed by the dumbest man on television, Don Lemon. He made Lebron look smart, which isn't easy to do. I like Mike!
"LeBron is one of the all-time greatest NBA players and one of the most accomplished athletes. He runs a very successful media company. He's sent hundreds of students to college and just opened a school in Akron where at-risk students will receive free tuition, meals and transportation. I greatly admire his intelligence and business acumen and have enormous respect and appreciation for what he does in his community."
Humor Can Be a Powerful Weapon in the Midst of Crises

guys I did something unforgiveable so do not defend me. It was 2 in the morning and I was ambien tweeting—it was memorial day too—I went 2 far & do not want it defended—it was egregious Indefensible. I made a mistake I wish I hadn’t but...don’t defend it please. ty

People of all races, religions and nationalities work at Sanofi every day to improve the lives of people around the world. While all pharmaceutical treatments have side effects, racism is not a known side effect of any Sanofi medication.
Taking a Stand: IPR Research

TAKING A STAND:
HOW CMOS AND CCOS ARE REDEFINING THEIR ROLES IN TODAY’S HIGHLY CHARGED SOCIAL, CULTURAL AND POLITICAL CLIMATE

This is the third study released by Peppercomm and the Institute for Public Relations (IPR). The 10th study in 2017 looked at how Chief Communications Officers (CCOs) and Chief Marketing Officers (CMOs) are operating in a climate of uncertainty, polarisation and false news which has seen the rise of populism in the USA. The 2017 study examined the role of social and digital content in public relations and the impact of the current political climate. What we found is that companies are more comfortable with content today. They also are spending more time addressing areas that may or may not be related to their core business, guided by their organisational principles and values. This is not a position paper advocating for any position, rather it is a paper focused on what the interviewees reported.
Key Findings

• Companies are spending more time addressing social topics

• Many feel pressure to respond rapidly

• More companies are reviewing crisis plans and checking the pulse of the social climate

• False news is challenging communications and executives

• 50 CCOs/CMOs interviewed said they have revisited their crisis approach in the past year
Are you ready to rumble?

Key Insight: 2/3 of respondents admitted they were not prepared
A Study in Corporate Purpose
A Study in Corporate Purpose
A Study in Corporate Purpose

To connect people to what’s important in their lives.
According To The Page Society...
CORPORATE CHARACTER

refers to the enterprise’s unique, differentiating identity

Mission
Purpose
Values
Culture
Business Model
Strategy
Brand
AUTHENTIC ADVOCACY

*Building shared belief* with decision-makers

*Spurring action* based on this belief – e.g. buy the products or stock, support policy objectives, etc.

*Instilling confidence* thereby cultivating ongoing behavior

*Enabling advocacy* by supporting the individual’s desire to experience personal agency
What Kind of CCO/CMO Are You?
What kind of CCO/CMO are you?

The Risk-Averse Executive
Avoids speaking out on any controversial social topic that might alienate even a small percentage of stakeholders
What kind of CCO/CMO are you?

THE CONSERVATIVE COMMUNICATOR

Shies away from controversial and/or political topics publicly

Considers speaking out on hot-button issues with employees
What kind of CCO/CMO are you?

**THE PRAGMATIC STUDENT**

Seeks guidance from their peers, and based on best practices, creates their own tailored approach.
What kind of CCO/CMO are you?

THE C-SUITE COLLABORATOR
Actively engages with the C-suite and key employee groups
Creates alignment, strategy and action plans
What kind of CCO/CMO are you?

THE MORALIST

Sees themselves as the keeper of the organization’s purpose, values and principles

Willing to take a stand on issues that strike at the heart of the business
What kind of CCO/CMO are you?

THE COURAGEOUS ADVOCATE
Actively and passionately speaks out on hot-button issues to reinforce the company’s purpose, even if it means alienating key stakeholders
What kind of CCO/CMO are you?

*It’s never been harder to manage the corporate reputation of a big company, but brands that stick to longstanding corporate values and avoid the day-to-day political fray should have a better chance at earning customer loyalty.*
Q&A

#IPRWebinar
Thank you for joining us!

#IPRWebinar