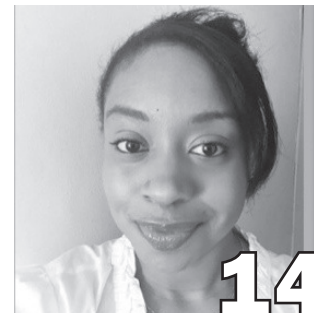


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CRISIS MANAGEMENT

Study Measures How Some Brands Increase Shareholder Value After a Crisis

As most of the country watched the **Kavanaugh** confirmation fallout, **Facebook** said its platform had been breached, compromising the data of 50 million+ users. Facebook's biggest breach occurred just three days before its Sept. 28 announcement. The decision to quickly alert the public may turn out to be a smart move that will maintain or even grow shareholder value, according to a new report, which refutes the oft-cited idea that prominent data breaches fail to influence share price. Hold that thought. We'll discuss it below.

FEW ARE PREPARED

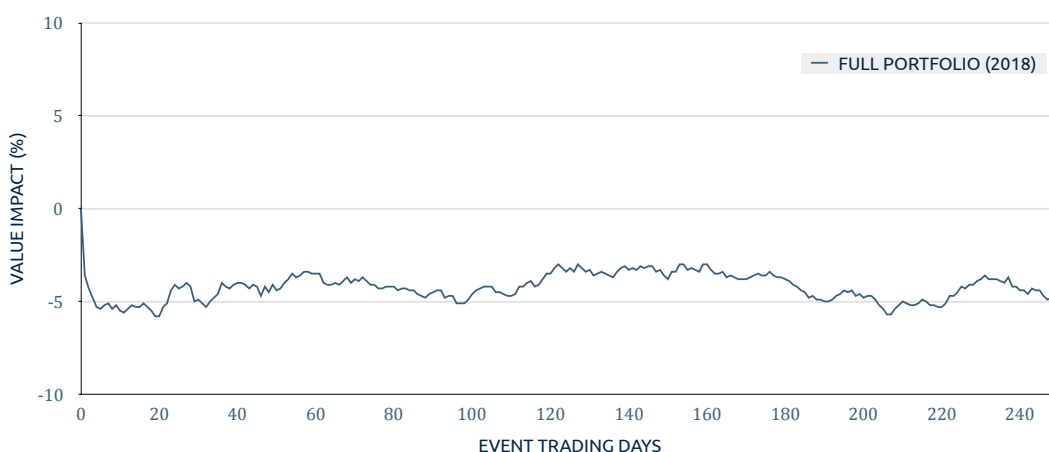
Only 50 percent of 348 communicators in a March 2016 **Nasdaq Public Relations Services/PR News** survey said their companies were adequately prepared to respond to a PR crisis. Another sobering figure: 60 percent of respondents said their organizations fail to hold meaningful crisis preparation exercises or were unsure if they do. Similarly, just 52 percent said their companies have a written crisis communications plan. "During a crisis is not when you want to

do crisis planning," says **Bell CCO** and chief of staff **Robert Hastings**. Still, many brands treat crisis as a remote possibility and avoid preparation.

A new study of 125 PR crises that occurred during the past 10 years might snap C-suite members from their slumber. It uses data to assign numerical values to assumptions about what crises mean to shareholder value (see chart 1).

In "Reputation Risk in the Cyber Age: The Impact on Shareholder Value," **Dr. Deborah Pretty** of **Pentland Analytics** provides more evidence in favor of crisis prepa-

CHART 1 - THE IMPACT OF REPUTATION CRISIS ON VALUE



Brands in the group of 125 crises that Pretty studied suffered a 5% loss in value during the first year of a crisis. In this chart the dates of crises are converted into event time and aligned so that event day 0 is the day each crisis broke, regardless of calendar date or stage in the market cycle. Daily share prices are modeled against relevant market indices to measure excess returns, and all returns are risk-adjusted using pre-crisis data.
Source: Pentland Analytics

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Continued from page 1

Social Doubles Share Value of Crisis

ration. The report argues for prompt response and says brands handling crises well add shareholder value in the year after a crisis. Perhaps just as important, its conclusions are expressed in business terms, which should help grab the C-suite's attention.

THE COST OF CRISIS

The study concludes that a crisis costs brands, on average, 5 percent of shareholder value during the first year after it occurs, as chart 1 shows.

The report also found the average company's equity beta, a measure relating to the price of capital, rose 9 percent during the crisis year versus the previous year. Equity beta is a measure of how expensive it is for companies to obtain capital.

A fascinating conclusion from the report is that it takes just five trading days after a crisis to predict what a brand's value position will be at the end of the post-crisis year. The value loss by day 5 is a strong predictor of the value position at the end of the post-event year. "If that doesn't convince companies to be ready to react promptly to a crisis, I don't know what will," says **Kevin Elliott**, U.S. crisis and risk lead at **Hill + Knowlton Strategies**.

VALUE IMPACT OF CRISIS DOUBLES

The 2018 study quantifies social media's influence on post-crisis value: it's doubled. Social

media can spread news of a crisis across the globe in seconds. Yet social media also can magnify a brand's prowess in responding to a crisis. As such, the 2018 study shows winners gaining 20 percent in shareholder value during the first year after a crisis (compared to a 10 percent gain in 2000, pre-social media); losers decline nearly 30 percent in value in the 2018 study (vs. 15 percent in 2000) as chart 2 shows.

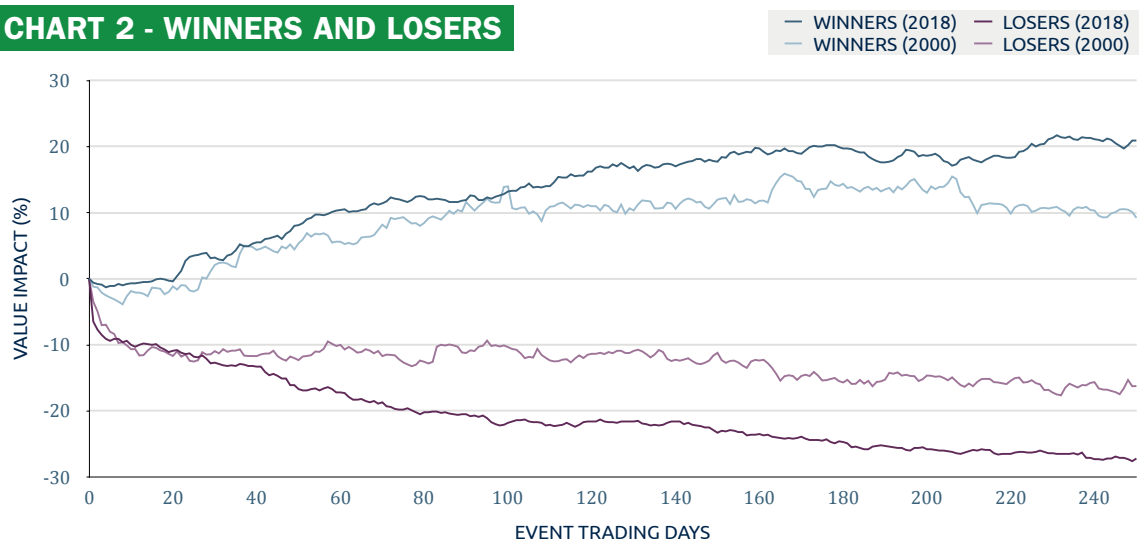
Another difference between the 2018 and 2000 studies is the 2018 report includes 23 cyber attacks, or 18 percent of the portfolio. There were no cyber attacks in the 2000 portfolio of brands that experienced crisis. "This is a sign of the times and a warning of what is to come," the report says.

It also notes that neither the size of the firm, nor the reputation premium it enjoyed before the crisis offers any protection against value loss.

In addition, while winners gain in shareholder value in the year after a crisis, neither winners nor losers escape a higher equity beta after a crisis. In the 2018 study, winners have a beta 6 percent higher than the previous year; losers' beta is up 12 percent on average.

Why do winners make gains in shareholder value after a crisis? During a crisis the market receives "substantially more information" about a company and its management" than during normal circumstances. Some management teams impress investors. As a result, investors

CHART 2 - WINNERS AND LOSERS



This chart shows the change in share value after a crisis. Most striking is that in a world with social media, the post-crisis value gain for winners (20%) and decline for losers (down 30%) is twice what it was in the pre-social media world. The top line of the chart shows winners from the 2018 study, the next line shows winners from the 2000 study.

*For subscribers only: You are entitled to 33% discounts on all PRN events and webinars. Contact: cbrault@accessintel.com

reassess their expectations about future cash flow upward, which is reflected in the share price.

What steps can management take to impress during a crisis? Pretty's earliest report (1993) noted shareholder value was influenced initially by the market's estimate of financial loss from a crisis. The longer-term factor, though, was management behavior.

The 2000 study said value creation factors are "strong, visible leadership" from the CEO; "swift, credible" action to rectify the crisis; "accurate and well-coordinated communications;" and a "sensitive" understanding of the importance of rebuilding trust and how difficult it will be.

Continued on page 6

Facebook's Quick Response to Its Data Breach

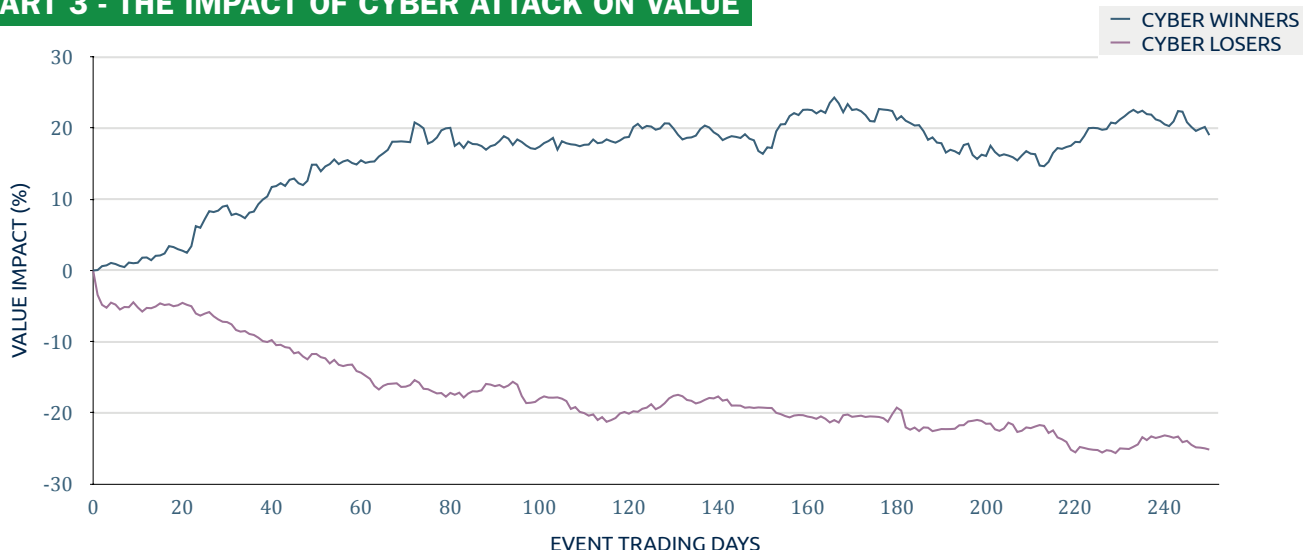
As we said at the outset, Facebook's prompt announcement of its Sept. 25 data breach should turn out to be a wise move. Certainly other companies have delayed announcing cyber crimes for a variety of reasons. Given the findings of the report, particularly that the market makes an assumption on average within five days about whether or not a brand is a winner or loser in a crisis, Pretty argues prompt response is the correct course.

With data breaches, another factor is in play. There's an assumption that brands can elude a long-term share price

impact from a prominent data breach. She believes this assumption is based on commentators looking at "isolated examples without modeling." Her conclusion is "the evidence [in this report] suggests otherwise" and that a prompt, transparent response is the correct course with any crisis, including a data breach.

The changes in shareholder value (see chart 3) are similar to those seen with the full portfolio of crises. This indicates the importance of considering cyber crimes when making crisis preparation plans, the report concludes.

CHART 3 - THE IMPACT OF CYBER ATTACK ON VALUE

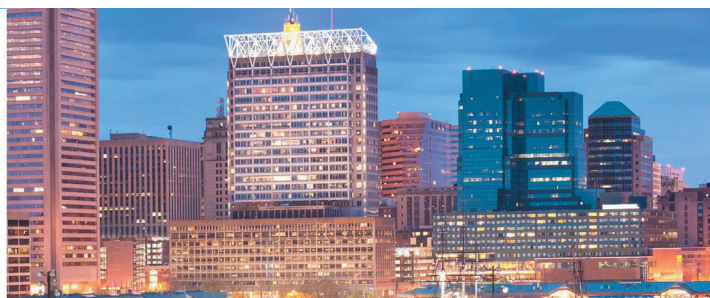


This graph shows cyber attacks included in the 2018 study and how they influence shareholder value. As we saw earlier, the brands are divided into winners and losers. The winners add on average about 20% of value during the post-crisis year; losers drop about 25% in value. These value changes are similar to those in the full portfolio of crises, indicating the need for considering cyber crime while making crisis preparation plans. "The impact of cyber attack on shareholder value can be substantial and sustained," the report concludes.



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Voice, Collaborative and eLearning Technologies to Bolster Your Productivity and Reduce Email

Editor's Note: Each month we ask communicators to unload their toolkits and tell us what falls out. In other words, what technologies and tools do you find most effective as you do your job?

There are few better to talk about this topic than **Tejas Totade**, head of emerging technologies at **Ruder Finn**, and **Andrew Cross**, VP, PR, at **WalkerSands**.

Their edited responses to our questions about technologies and tools they use at their business and how they'd improve them are below.

TEJAS TOTADE

The Technology: The next big technology play for corporate environments will be voice. We're doing a lot of work there, to get various capabilities for voice.

For the most part **Amazon's Alexa** has been a consumer play. Late last year, though, Amazon introduced **Alexa for Business**. I think we're going to see Alexa for Business take over more and more corporate environments.

You can have almost all your admin jobs managed through voice. So imagine you want to book a conference room. I just say, "Alexa, book me conference room 301," and it does it and sends me a confirmation. And that's just one of many things it can do.



Tejas Totade
Head, Emerging
Technologies,
Ruder Finn

At some point you are going to see a lot of integrations to all sorts of platforms, just like when you saw Microsoft integrating Microsoft Office everywhere, for example integrating with SharePoint and Office 365.

Eventually Alexa for Business will become ubiquitous, though it's mostly in the U.S. now. At that point you'll have other voice players, like **Siri** or **Cortana**, also move global because that's the next big play when it comes to technology in the workplace.

The Tool: When I began working there was a very large reliance on email as a form of communication. I think email is the worst form of communication. It's not very collaborative; and it tends to lack the prominence some of the other communications tools offer.

I realize, though, that email has become a norm. Everyone uses email, so people continue to use email. It's a situation where you receive an email and you send back an email. People don't really want to change.

There's a tool that combines technologies from email, Instant Messaging and texting. I'm talking about **Slack**. It is more than a refreshing change.

I find it to be very productive and I've seen my productivity go up very significantly because I don't have to check email. If someone who works with me wants to track me, they can. You can also ping people and call people through Slack and it's all very fluid.

Slack also is a great collaboration tool, giving you everything you need, such as file sharing.

TEJAS TOTADE'S CHOICES

Voice Technology

- ✓ Will be the next big business technology
- ✓ Can handle all administrative tasks
- ✓ Eventually will integrate with numerous platforms



↓ No brand is ubiquitous, Alexa for Business will be the first

Google Keep

- ✓ Extremely fast, consistent and simple
- ✓ Integrates across the Google suite
- ✓ Geo reminders tell you when you're near a task location

↓ Lacks the formatting options and comprehensiveness of Evernote

Asana

- ✓ Puts a slew of management options on a single platform
- ✓ Reduces the need to use email



↓ Lacks visual elements

✓ = Good Points

↓ = Bad Points

Source: PR News

The Downside: I realize some people find Slack disorganized and old-school practitioners can find it intimidating. I understand that. If Slack can partner with a company that can present things in a more of an old-school way, I think there would be users. Right now, the main users of Slack are the cool companies, such as the major tech companies. I feel there will be an option coming, though, that will make it more appealing to traditional users.

The Tool: Google Keep is a very fast, simple and powerful way to take notes and to multi-task while you're in a meeting. It's also a very good tool for organizing, which is why I always

have Google Keep on my mobile and laptop.

One of the good things is that it integrates across the whole suite of Google tools, such as Google Docs and Google Slides. It is extremely fast and also has some cool features. For example, it can raise your efficiency because you can program it to send you geo reminders about a task while you're near the spot where the task is located. It's better than receiving a timed reminder about a task when you're nowhere near the task location. I use this frequently in my work life.

The Downside: Evernote is one of the most popular note-taking applications. Fans of Evernote will argue Google Keep is not comprehensive enough and lacks the amount of formatting options of Evernote. I think therein is the beauty of Google Keep; it is so simple. But I think Google can improve by offering other formatting options. I can see that happening in the coming year or so.

Mini-Case Study: I attend a lot of meetings and brainstorming sessions. It's great to be able to be on the phone and work my audio into a note, or write in shorthand and have that go to Google Docs or other Google applications. It's very consistent and very fast, so there's no delay.

I know it doesn't sound sexy, but it's very functional. Believe me, sometimes you want the more functional apps as opposed to the sexy ones.

The Tool: I can't recommend **Asana** enough. It is a terrific project-management tool that really has helped me get my team and products in order.

It lets you create tasks, assign people to tasks and helps you manage the timeline through the tool, without using a single email. By now you should realize I really don't like email. So any application that lets me avoid email ranks high. Asana puts everything on a single platform and allows you to avoid email.

The Negatives: I think Asana is too text-based and wordy. I'd like there to be more visual elements. I've used other project management tools, such as **Base Camp** and **Jira** and I've found Asana to be super simple to manage teams and projects.

ANDREW CROSS

The Technology: I'd wish I could talk about quantum computing or AI in the context of how we're using these technologies

in our business, unfortunately as an agency and an industry we're not quite there yet. Maybe we'll be able to talk about some of those technologies next year.

The technology I use most in my job and as an agency is workplace collaboration software.



Andrew Cross
VP PR,
WalkerSands

The Tools: Collaboration is very important for us and for the way we work with clients. The collaboration tools we use most are **Google Sheets** and **Trello**.

Just five or six years ago we might send over a static PR plan to a client. Today we work with all our clients in real time and communication is very regular and we want them to have full visibility into our plans and our execution. This is why we've invested in workplace collaboration software.

Google Sheets is really Google's version of **Microsoft Excel**. We use it for everything from editorial calendars to PR plans to project management. Since it's so close to Excel, there's almost no learning curve. For collaboration, you can assign an owner to a specific task; you can change history and revise history for a document. Clients love the real-time nature of it.

A Mini-Case Study: We showed a client a PR plan that was housed in Google Sheets. Everything was in one document: the KPIs, the messages, the thought leaders, etc.

The CMO loved it because he could see how his PR agency was executing against the plan. Now he can see progress in near real time. He was unable to do that with a previous agency because he had no access.

The Negatives: Occasionally a user will have firewalls that will not allow access to Google's suite of software tools, such as Sheets. Microsoft is the commonly accepted business suite; Google is getting there, but it's not yet compatible with all enterprises.

The other issue, which I'm not sure is really a negative, but with collaboration software you create an expectation of constant communication and availability.

Of course agencies always want to be in contact with clients, but collaboration software raises the bar on pace of communication and rapid response.

Continued on page 6

PRNews WRITER'S GUIDEBOOK

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The Tool: Trello is a project management application we use to manage our editorial process, which includes more than one dozen content writers.

The biggest positive with Trello is its time-oriented visibility. The user can watch an item move through a process from left to right. You can see where an article is, for example, in draft form, in editing, or being reviewed by an executive.

It also provides a good macro view, so you can see if there's a bottleneck and where it is.

One Negative: It can be costly if you have a lot of users. It's a typical price-per-seat model.

The Technology: Constant learning is one of our core values. We've had a dedicated head of Learning & Development (L&D) for many years. As a result we've invested a lot in eLearning as well as other ways to learn.

The Tool: The tool we rely on for eLearning is **Litmos**. As a manager it gives me analytics so I can see the educational progress each member of my team is making.

For example, I can see how many courses someone has completed, which types of material they are engaging with and that helps me with the one-on-one coaching I'm giving.

You can also record a session and use it again on demand, which is a huge benefit. So, if we're doing a team training session we can record it on video and host it on our LMS for a similar session next year.

It also allows us to build out a customized learning path for each role in the agency. So, a media relations specialist will have access to different courses than an account manager, for example.

The Negative: Again, this isn't really a negative, but more of an observation. Everyone has her own style of learning. It's important to use eLearning as part of a broader L&D strategy, combining it with one-on-one coaching, for example.

The other negative is Litmos has a limited ability to brand the platform and make it feel as if it's your own, which is a small thing. ■

CONTACT: coles@ruderfinn.com alicia.saragosa@walkersands.com

ANDREW CROSS' CHOICES

Collaboration Technology

- ✓ Communicators can place an entire PR plan in one Google Sheets document
- ✓ Sheets is similar to Excel, so short learning curve
- ✓ Sheets and Trello allows users to easily track progress against goals in near real-time
- ✓ Trello allows users to track the stages of a document



- ↓ Some security protocols block Google apps
- ↓ Collaboration software raises expectations for constant communication
- ↓ Trello can be costly



eLearning

- ✓ The Litmos tool provides analytics so managers can track staff progress
- ✓ Allows recording of training sessions and on-demand playback
- ✓ Can build customized learning program for individual staffers

- ↓ Difficult to brand and make it feel as if it's your company's platform

✓ = Good Points

↓ = Bad Points

Source: PR News

The 2018 study says the power of social media, technology and culture are contributing factors in how brands can emerge as winners from crises.

First, in a social media world, to "have any chance of recovering shareholder value and being a member of the winning portfolio, requires that crisis communications be not just swift, but instant and global." This, of course, isn't easy when complete information is unavailable instantly. Still, with

the market's quick evaluation of response, the report believes this is the best course.

Second, cultural norms have shifted. Most stakeholders assume that companies should atone "conspicuously" for their mistakes. "In some cases," the report says, "this can be done only through...active, social responsibility...directly associated with the crisis." ■

Nike and Columbia Gas Show Two Sides of Silence During a Crisis

Last month in these pages there was a discussion of how quickly brands and organizations should react to PR crises. An immediate reaction is rarely advisable, although in situations where public safety is involved, speed is critical. We'll look at such a case below.

In most situations, though, communicators are urged to spend time monitoring the social and traditional media conversations before responding. How much time they should take to do this is where art mixes with science.

A survey earlier in the year from **Bospar PR** and **Propeller Insights** asked 1,000+ American adults how long is too long for companies to respond during a crisis. 35 percent said companies should respond within 24 hours; 29 percent said a response within 48 hours was proper; 16 percent said 72 hours; 10 percent said companies should respond within one week.

On Sept. 28, **Facebook** released news of its data network breach, revealing that the information of 50+ million users was "directly affected." In contrast to other data breaches (remember **Equifax?**), this one was announced promptly; Facebook discovered the breach just three days prior to its announcement. It deserves credit for that.

THE QUIET BREACH

The news, of course, barely made a dent in the consciousness of most Americans, since the compelling events surrounding the **Kavanaugh** brouhaha sucked most of the oxygen from the news cycle.

Facebook dodged a bullet, at least for now. No doubt the story will get more coverage and attention soon. In fact, just one day after the announcement, on Sept. 29, media reports appeared about the first lawsuit being filed against Facebook for the breach. The complainants contend that in light of the **Cambridge Analytica** scandal, which came to the public's attention in March 2018, Facebook should have done more to protect user data.

This month we examine two examples of crisis communications in which timing made the difference between success and disaster. When **Nike** released its controversial ad featuring **Colin Kaepernick**, the athletic brand said nothing in the face of a tweetstorm of controversy; its silence may have contributed to the success of the campaign.

When houses of **Columbia Gas** customers in Massachusetts starting catching fire and exploding, Columbia was equally silent. Its silence exacerbated the crisis.

NIKE

One of the most publicized and debated brand moves in the last few years erupted in controversy when Nike announced that it would use former **49ers** quarterback Colin Kaepernick in an ad celebrating the 30th anniversary of the "Just Do It" campaign.

While Nike had Kaepernick under contract for several years, he hadn't appeared in any ads since he stopped playing football, which is a story in itself. While some at Nike wanted to cut their losses when it came time to renew the former player's contract, the head of communications convinced leadership to keep Kaepernick on its roster.

The announcement ignited the expected response from conservatives who objected to Kaepernick's kneeling during the National Anthem. Within minutes, social networks were full of pictures of people lighting Nike shoes on fire and cutting Nike logos out of socks and clothing.

NIKE EXPECTED RESISTANCE

This was part of Nike's strategy, however. The brand expected the anti-Kaepernick portion of the audience would come out swinging hard in the 24-48 hours after the ad campaign was released, according to an interview with a senior leader at Nike. The brand hoped the response would in turn activate free speech and social justice supporters and thus strengthen the Nike brand for its target audience.

It worked. One thing everyone agreed upon was that the release generated a ton of earned media and influencer support that significantly augmented the paid campaign.

In addition, skeptics were soon silenced when the company posted a 31 percent jump in sales volume and since then has sold a reported \$6 billion worth of merchandise. One investment analyst called it a "stroke of genius." In the weeks after the ad launched, Nike's stock price has consistently seen record highs.

KNOW YOUR TARGET AUDIENCE

Even more interesting was seeing how the ad performed with Nike's high-priority younger audiences. **ABX**, an advertising testing company, put the ad in front of its panel of thousands of general population consumers. The ABX Index is based on thousands of ads the company has tested over the years. Anything better than 100 is above average, less than 100 is below average.

When it tested the Nike ad on millennials and broke out results by race, the data showed strong likelihood to purchase and recommend, particularly among millennials as well as people who identify as African American and Hispanic. When asked whether or not they'd "recommend" the product, it scored an eye-popping 409 among millennials and 392 among African Americans. When asked about intent to purchase, Hispanics gave it a 261; millennial males of all ethnicities gave it a 242.

There are lessons to learn about how Nike navigated this crisis. The most obvious is that it saw the connection



Continued on page 8

between what its market research data was telling it and the social halo that would be provided by using Colin Kaepernick, a symbol of resistance to social injustice. It also shows the power of image and reputation in driving sales and stock price.

COLUMBIA GAS COMPANY

On Thursday, Sept. 13 at 4 p.m. overly pressurized gas started flowing through the aging gas mains in and under the houses in the towns of Lawrence, Andover and North Andover, Massachusetts.

By 4:20 p.m. houses in those communities began to spontaneously explode, causing 18 fires, the evacuation of thousands of people, and total destruction of dozens of homes. In addition, a teenage boy on his way to a party to celebrate getting his driver's license was killed when the chimney of a house fell on his car.

The gas line's operator was Columbia Gas, a subsidiary of

NiSource, one of the largest utility companies in the country. Shortly after the explosions, nearly 10,000 people were told to evacuate—in the middle of rush-hour traffic. Interstate highways were closed, and evacuees were told that their electricity and gas could be off for days or weeks.

Soon **National Guard** troops were delivering 7,000 hot plates and 24,000 space heaters to customers who would be without gas indefinitely.

Given the size and maturity of the company, and the fact that it had experienced similar crises, one might have expected a classic crisis communications response. There was, however, dead silence from Columbia officials for the first five hours (a year in **Twitter** time).

At the five-hour mark, it posted a brief notice of the incident on the company's website. Regular updates didn't start appearing on the website until the following morning. Company officials failed to appear at the incident command center for 24 hours. It took three days before the CEO of NiSource

Nike

Criteria	Grade	Comments	Advice
Extent of coverage	A	The two-stage announcement guaranteed a tremendous amount of earned media. The controversial nature of the ad was designed to evoke a backlash and counter backlash, which guaranteed to keep attention on the ad. As of this writing, 26 million people had watched the ad.	Don't shy away from controversy, use it to your advantage. Today's younger buyers, the core of Nike's audience, expect brands to take a stand on social issues. And if the crowd you are alienating will never buy your product anyway, your social stand may just inspire the people who will.
Effectiveness of spokespeople	B	During the crisis, Nike was remarkably silent, letting the controversy speak for itself. The brand has kept the campaign in the news with post-announcement stories that provided just enough controversy to grab plenty of attention.	Very seldom would I advocate for keeping your mouth shut in a crisis, but in this case it's the right move if what you want is attention, engagement and enthusiasm from an audience that isn't deterred by controversy.
Communication of key messages	A+	Everything from its choice of a spokesperson to the ad itself screamed what Nike wants its brand to stand for.	When your marketing becomes controversial, use it as an opportunity to communicate messages as loudly as you possibly can.
Management of negative messages	A	By factoring in the negative messages up front and figuring out how to use them to sell more product, Nike revealed a bold and innovative strategy that rivaled some of the most sophisticated political campaigns.	If you can think three steps ahead of your opposition and figure out how to leverage its antipathy, negative messages could be a positive.
Impact on employees and potential employees	A	Assuming that Nike wants to attract and retain millennial talent, it couldn't have done any better. Research shows millennials prefer to work for companies that stand for something and demonstrate values in their actions. Nike's support of Kaepernick pretty much says it all.	Talent acquisition and retention are keys to success for every company. One of the best ways to attract and retain talent is to make decisions that demonstrate what you believe in and that you will act to defend your stated values.
Impact on investors and customers	A	Given the jump in sales and stock price after the ad broke, it is clear Nike understood its core audience and could make the controversial strategy pay.	Define your target audience and build deep knowledge around its values and desires. Then tailor your messages to appeal to that audience and deliver them via bold actions.
Overall score	A	The strategy was brilliant; the execution on target; and the results were exceptional. The key will be to maintain those results over time, after the controversy fades.	By using detailed research to identify and understand the audience, and being brilliant and innovative in your strategy, you will deliver bottom-line results. But don't forget you need to maintain those results, so think beyond the initial success.

issued an apology and even longer to grant an interview to a local paper.

Another five days passed before Columbia announced a \$10 million donation to the relief fund local authorities set up to help the victims. As another gesture of goodwill, Columbia also announced that it would replace the entire pipeline network, which may take years.

LOCAL FRUSTRATION

Clearly residents and local officials were frustrated with Columbia's tepid response. The mayor of Lawrence called Columbia "the least informed and the last to act" and accused it of "hiding from the problem."

When 24 hours had passed with little progress, Massachusetts governor **Charlie Baker** invoked emergency powers and put rival utility **Eversource** in charge of the incident. Federal investigators were on the scene the morning after the incident.

While gas leaks and explosions are rare, they are an accepted reality within every gas utility company, and most pipeline operators have established crisis communications plans and procedures. Even the CEO admitted the company's lethargic communications was a mistake, telling a reporter that the entire company was focused on "mobilizing our [operational] responses" to the emergency; communications was put on the back burner. "We could have done better to communicate," he admitted. "We did everything we could to muster our operational resources. On a scale this large, with the impact we saw, there were opportunities certainly to provide better communication in the early hours. We regret the lack of communication early on."

In an era of instant communications and Twitter and Facebook as primary news sources, without a commitment to prompt communications, trust erodes quickly, and traditional communications strategies are worthless.

It is clear that Columbia needs to do more than just upgrade

Continued on page 10

Columbia Gas

Criteria	Grade	Comments	Advice
Extent of coverage	C	The only reason this didn't make national news was that Hurricane Florence was en route, so while the initial incident generated stories, it faded quickly from the headlines.	Don't count on being able to bury your bad news under a natural disaster. Assume that you will be the national news story and prepare accordingly.
Effectiveness of spokespeople	F	What spokespeople? The lack of availability of Columbia leadership and the focus on operations and not communications exacerbated this crisis and contributed to an enormous loss of trust that will take years (and lots of money) to regain.	Being absent is worse than being silent. Put leadership front and center as soon as possible after a crisis begins, even if most of what they can say is "I don't know yet."
Communication of key messages	F	Since leadership was missing, and no spokespeople were available to the media, everyone else, from victims to local mayors to U.S. senators, filled in the gap with their own talking points.	If you want to have a prayer of getting out your message in a situation where public safety is involved, make sure you put a spokesperson in front of local officials and the media ASAP; never allow a whole hour (never mind a day) go by without a statement.
Management of negative messages	F	The best way to ensure that all the messages you want to bury end up in the media the next day is to let reporters dangle without providing a senior spokesperson to answer their questions.	There is no such thing as a deadline anymore; media can and will update readers constantly, so no matter what time of day or night it is, make sure someone is delivering your message.
Impact on employees and potential employees	F	Local employees will endure the wrath and mistrust of customers for years. Sure there may be good, high-paying jobs in the near future as repairs are being made, but employees soon get tired of having to defend their employer every time they tell anyone where they work.	No employee wants to be on the wrong side of customer wrath, and in a tight job market (unemployment in the area is 3.6%) talented staff always has an alternative position to accept.
Impact on investors and customers	F	The stock price has already taken a hit. Legal costs are rising. Columbia had to abandon a rate increase. Those are just a few of the results of losing the trust of its customers. In a regulated utility, customers may not have an alternative to your brand, but they will protest every move you try to make.	While investor retreat may only be temporary given the nature of the stock market, customers have far longer memories and will be hesitant to forgive a breach of trust that endangered their safety.
Overall score	F	Columbia has done what may be irreparable harm to its trust level and reputation due to its poor local communications.	While saving lives should always be the first priority in a crisis, preserving trust in your organization through rapid, honest communications should not be far behind.

its network: it must modernize its culture and how it thinks about communications. Whatever that might cost is a drop in the bucket compared to the ultimate hit to Columbia's bottom line.

THE COST OF SILENCE

Columbia's legal and other costs are rising already. Despite the company's commitment to aid in rebuilding the community, the first lawsuits claiming negligence were filed a week after the incident. Many more have come since. Senators **Elizabeth Warren** and **Edward Markey** and House members **Joseph Kennedy** and **Nicki Tsongas** have called for Senate

Commerce Committee hearings.

Resistance to Columbia's planned pipeline expansion heated up and generated an active protest group, the Columbia Gas Resistance Campaign, and the project has become a target of another group, **Climate Action NOW**.

In addition, Columbia was forced to withdraw a rate increase application and shares of parent company NiSource plunged in the days following the explosion, closing 12 percent lower, one day after reaching a 52-week high. ■

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ROUNDTABLE

Titles, Org Charts Change to Meet Demands of Integrated Efforts and Strategic Communications

Editor's Note: Have you noticed a rash of new titles in communications and marketing? **Pret a Manger** has hired a chief customer officer, **Coca-Cola** a chief growth officer and **Mars** employs chief demand officers.

As social media influences consumers to see interactions with brands as integrated adventures, more companies are minting chief experience officers, many of whom oversee communications, marketing and parts of ecommerce.

And speaking of social media, at many companies it's no longer subsumed under marketing, communications or sales, but resides on its own in the org chart.

With communicators playing larger roles in strategy, chief communications officers are becoming ubiquitous as are chief strategy officers.

As communicators at brands and agencies are being asked to handle the many elements of integrated campaigns, org chart and title changes seem inevitable. Take **Ketchum**, which last month created a chief integration officer.

Into this environment **PR News** and the **Institute for PR** (IPR) will be surveying senior executives later this year about how communications departments are changing. We'll report the results in a subsequent edition of **PR News**.

To introduce the topic, this month's roundtable asks PR pros to discuss changes in titles and org charts. We also ask about other structural trends in communications departments. Their edited responses appear below.



Robert Hastings
CCO/Chief of Staff
Bell

PRN: *How have titles changed within your team?*

Robert Hastings: This is a really interesting question. I've

been a driver for changing labels in this communications world we're in. PR as a title is much too narrow for the work we do. PR also has a lot of baggage attached to it around people who spin and those who get publicity. In the communications arena, certainly in business communications, what we do is much more tied to achieving measureable business goals than people think. And communications isn't really a good title, at least for what we're doing at Bell.

We've spent the last five years building what we call a strategic communications function. Strategic communications is the name of the department. At the entry level we call people communications associates. As soon as they are promoted we use the title communications strategist, up until they become managers.

SENDING A STRATEGIC SIGNAL

I've done that deliberately to send a signal to two audiences. First is the employees themselves, so they understand I expect them to be strategic thinkers. And I expect them to approach their work from a strategic perspective. The second audience is our external and internal customers, so they know the person they're dealing with is not just a communications associate, but a communications strategist.

The other thing we did is we took anyone in this department who has anything to do with experiences customers or employees have around the brand; we call that brand engagement.

So our people who work trade shows, visits, events, our creative design team and our photo and video people are in the brand engagement department. Again, this is a deliberate effort to create a title that sends a signal. The signal is the brand is central to how we communicate our experiences. So you know the people you're talking to are brand experts. The title helps us reinforce that idea in our communications every day.

PRN: Do you see this sort of title change happening a lot in the industry?

Hastings: It's beginning to get some inertia behind it. The PR title is largely gone, unless you have a PR person narrowly inside a corporate communications or marketing department. It's no longer appropriate for what we do. The corporate communications title is much more broadly embraced and I'm seeing more strategic communications titles.

I think this recognizes there's a skillset and a toolbox that we bring to business. Those can be leveraged better when the company believes you can help win business, shape the environment you're in, influence attitudes and behaviors and, most importantly, the actions of your stakeholders. That's not PR, that's strategic communications.

PRN: As a result of all this how has the org chart changed?

Hastings: We're in a structurally strong position because our department reports to the CEO. In addition to being CCO, I'm chief of staff. That's important because as chief of staff I'm in a position to understand everything that's going on around the company. That makes the communications department function better. We're not the fire fighters; we're involved in strategy from the beginning.

Second, having the department report into the CEO gives it a lot of credibility. If you're a young staffer in my department you get a lot of face time with the CEO, which is awesome. I don't have a retention problem, just the opposite. I can't hire today because no one wants to leave, which is a good problem to have.

COMMUNICATORS IN AIRCRAFT DESIGN?

Taking all that marketing communications work and billing it as brand engagement has allowed us to penetrate parts of the company we've never been involved in before.

For example, we have a creative person on the facilities team, so when they're re-doing building interiors, comms is doing the design work; we'll pick the colors of the walls and the floors. Every bit of that design element comes from us.

We also have a designer working on the aircraft design team. The engineers handle the mechanical things that make the aircraft fly, but our people design the lines, what the aircraft looks like and its interiors.

Communications handles all visitors so we can drive the experience people have when they come to visit Bell anywhere in the world. There's a Bell suite at the **Dallas Cowboys'** stadium where marketing entertains customers. The invitation in the envelope that customers receive inviting them to a game is designed by us to send a message. Everything associated with that invitation sends a message about Bell. It sounds simple, but everything is strategic.

Bell has an office in Washington, D.C. Communications built that office around an experience that you have when you walk through the front door.

We have people who report to communications but who attend meetings at facilities, design and just about every team in the company, including H.R. and labor relations. We

want to be in every conversation that happens. The goal is to never be surprised. We don't want someone [from another department] asking us for a video. We want to be the people saying, 'You need a video.'



Kelly Stone,
Director, Global Social Media
CompTIA

PRN: How have titles changed at your organization recently?

Kelly Stone: I've been here four years, beginning as the manager of social media; I'm now director of global social media. Those intermediary steps didn't exist before. I think the reason this role and title has expanded in the intervening years is that we're recognizing social media is a bigger part of marketing and business strategy.

Social media is no longer an extension of a newsletter or a repository for content that you don't have room for elsewhere. It's its own strategy with its own mechanism and has the ability to test business decisions before we invest a lot of money in them.

PRN: Can you give us an example?

Stone: We're using social media advertising to conduct focus groups online. We'll establish an audience of targets and show them any number of calls to action and measure in dollars and cents what it will take to get people to our web site with particular messages. It's a much more efficient way for us to decide which messages and images resonate with an audience before we put a lot of money into creating collateral.

There also is a trend toward creative titles, which speaks to the way people are collaborating. We're moving to an ideas economy, whereas the ideas you bring to the table are more important than the particular unit you may sit in.

PRN: What about changes in org charts?

Stone: Social media in some organizations and brands is its own department, as opposed to being under marketing, sales or communications. It is its own department here. Social media is a shared service here in the same way that H.R. or finance would be.

I've certainly seen an evolution during my career. The job I have today didn't exist two years ago. The entire industry I work in didn't exist 15 years ago.

Social media used to be a small part of my PR duties. In the beginning, web editors were often the social media people. When I came here, it was the first time social media was a standalone job for me. I reported to the CMO.

Now my department sits within the business research and intelligence department, because content is content and we want to make marketing measureable. There's still an art to marketing, but there's a lot of science behind it.

PRN: What title changes are you seeing?

Stone: I'm starting to see specializations within the specialization, which is natural as the profession grows. So while there are still many expectations for generalists in social media, I'm seeing paid social media, influencer managers and community managers.

PRN: Will we see a C-Suite seat for social media?

Stone: Social media may change, but it's not going away. These tactics will only increase in their ability to contribute to the bottom line of organizations. It's long been the case that the sooner you talk to your social media person about business objectives the more they can craft tactics to get there. So, I don't see why social media wouldn't be a bigger part of the executive-level thought leadership. The only thing holding us back is a generational element. We've grown up in a world where we're the **Facebook** girls or the social media kids. We have to overcome that.



Steve Cody
Co-Founder/CEO
Peppercomm

PRN: How have titles changed at Peppercomm?

Steve Cody: We have changed titles at Peppercomm within the past month. We've done so because, as *PR News* readers already know, the millennial cohort will represent the single largest employee base by the year 2020.

As a result, we are anticipating their wants and needs, which include meaningful, easily understood job titles, clearly defined responsibilities and a path to advancement. We also are allowing an element of customization to our titles for employees to highlight their areas of expertise.

Our agency is metamorphosing much in the way a larva does before taking flight as a butterfly. In the space of 18 months or fewer, we have evolved from a traditional PR firm to one that is integrated and provides a host of services ranging from virtual reality and paid digital advertising to comedy-based employee engagement programs. We also have a societal crisis warning and management service called StandSmart.

PR News: What about reorganization trends?

Cody: We're witnessing a sea of change in agency reorganization, particularly at the global holding company level, in which countless brands are being merged to overcome the inherent financial inefficiencies and red tape that have always encumbered the aircraft carriers of our industry.

Happily, fleet-footed, incumbent agencies can turn on a dime.

That said, standing pat is no longer an option. Anticipating where the market is headed and what suite of solutions is best suited to engage with stakeholder audiences is now table stakes.

PR News: What's ahead?

Cody: Tomorrow's winners will continually raise the stakes by digging ever deeper into the mindset of the customer by employing cutting-edge data and predictive data analytics to not only anticipate their needs but, critically, surprise and delight them.



Barbara Moreno
Executive Director, Communications & Outreach
San Diego Convention Center

PR News: How have titles changed in your shop?

Barbara Moreno: We now have a User Experience (UX) designer. Originally that position was a graphic designer. It changed when the graphic designer, through her professional development goals and attending some conferences, came in and pitched to, saying, "We need this on our team. And this is how I can help you achieve these goals." She handles web, digital and it's potentially starting to creep into signage in the building.

It's also a question of including compliance in that perhaps she'll be working on regulatory changes on our website. So those things were never part of our department three or four years ago.

My title has changed. Now it's not so much director of communications, but it's also director of communications and outreach. The way I look at the communications part is that we are creating messaging for the entire organization, whether it's coming from the C-Suite or somewhere else. The outreach piece is the relationship we want to build with the community. We can't just expect to talk to people. We need to have a conversation.

PR News: How has your department's organization changed?

Moreno: The organization has of our department has changed in that we report directly to the CEO, by default that means we're one level away from the board. There used to be a VP position between our department and the CEO and the board. That position is no longer in the corporation. Communications now has taken on a greater significance in the org chart.

And our role has changed in that we're so much more than our media contacts. There's now a level of counsel that comes with being part of this team and there's the political side and interaction with other stakeholders. It's not the communications team I joined five years ago; we're not just producing videos and doing social media.

Everything we do is more strategic now. We're part of strategic planning and involved in putting together the five-year strategic plan. The CEO calls on us directly, he sees us as a resource. That's part of the CEO's and my leadership style. We like to have that conversation directly. We find that very helpful.

PRN: What industry trends are you seeing?

Moreno: In terms of trends, I've seen some titles that are very interesting, such as chief experience officer at **LAX Airport**. It's putting it out there that your priority is the experience somebody is having with you. It's a relationship position. You

Note to Subscribers: Would you like an important question of yours put to a group of senior communicators in an upcoming *PR News* Roundtable? If so, please contact our editor (sarenstein@accessintel.com) with your submitted question(s). If we pick your submission, you will be acknowledged when it runs in a future edition of *PR News*.

used to be the communications officer but now you're the experience officer. I've seen that title elsewhere, too.

I've also seen a lot of diversity and inclusion titles being added to communications teams. In fact, we are being asked to advise on inclusivity and diversity, serving in sort of a consultant's role. We're being asked what it means to have diversity and inclusivity aspects of a team.



Melendy Britt
EVP
Klick Communications

PR News: *You have an interesting take on titles at your shop.*

Melendy Britt: Yes, we do. Our founder **Kim McKay**, came from the client side. She let us know much she hated being called an account manager.

So when she started Klick she took a streamlined approach to titles. She decided to call our people by their specialty; so if someone worked on communications they'd be called a communications specialist. She also refers to our clients as partners.

So our titles are designed to be transparent and show appreciation for the people behind them. We feel titles should

be simple and human, not a wordy introduction into a very complex hierarchy of an agency's internal structure. And I say this having been at large agencies, where there was a certain amount of positioning around titles.

PRN: *What about changes in organization at Klick?*

Britt: We've changed the way we're organized because we've grown and the offerings of the agency have expanded. We work in the integrated marketing space, so we've changed to make sure we're recruiting and retaining the best talent.

When Klick started we didn't necessarily have creatives and planners, now we do. We also now have people who specialize in event planning, strategic partnerships, social media, ad buying and more. So we've had to increase the type of titles we have as we've offered more services.

Work is something that we do, but not necessarily somewhere that we have to go. We're able to tap into global specialists. So I can be here in L.A. working on strategy for a partner in Australia, or somebody can be editing work here for the partners in Honolulu. So things are not necessarily arranged by geographic P&Ls. ■

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STEALABLE SLIDE

A Look at How Dell Inc. Organizes its Immediate Crisis Response

When and how brands and organizations should react to a crisis is a constant PR conundrum. Perhaps the definitive answer is that there isn't a definitive answer.

For example, in this edition's lead story the advice is instant global response since the market judges a brand on its crisis behavior within five business days. Yet **Katie Paine** provides the example of **Nike**, which held back when people were burning Nikes.

This graphic, from **Lauren Lee**, a member of **Dell Inc.**'s corporate public affairs team, offers a five-step method for managing a PR crisis during its first eight hours. The initial step urges fact gathering to determine whether or not the situation is truly a crisis.

She emphasizes having a pre-approved external holding statement at the ready. An example, "We're aware of the situation and are gathering the facts. We'll provide any updates as soon as possible." Lee says Dell's core crisis team is three people, but subject experts are added as needed. ■

Framework and timeline to manage crises

Source: Dell Inc.

Gather facts	Assemble Tiger Team / War Room	Issue statements & advisories	Identify next actions	Execute, monitor, report
<ol style="list-style-type: none"> 1. Gather Core Response Team and SMEs 2. Identify core stakeholders and additional SMEs 3. Determine next actions 	<ol style="list-style-type: none"> 1. Assemble team within one (1) hour of issue/incident 2. Identify immediate strategy, actions and guidance 3. Establish report-out structure and cadence 	<ol style="list-style-type: none"> 1. Distribute external holding statement 2. Distribute internal advisory to relevant spokespeople 3. Issue internal communication (as needed) 	<ol style="list-style-type: none"> 1. Define additional messaging (as needed) 2. Notify any additional relevant stakeholders 3. Determine any additional required deliverables 	<ol style="list-style-type: none"> 1. Respond to external and internal inquiries 2. Monitor all relevant channels and aggregate results 3. Deliver monitoring report to key stakeholders
30 min to 1 hr after	1 to 2 hrs after	4 hrs after	4 to 6 hrs after	6 to 8 hrs after

Action timeline

How to Launch Social in a Regulated Industry

Most brands have faced questions about when and how to engage on social. In the healthcare sector, many brands and organizations still are considering if they should engage. That's the setup of this case study.



Sophia Lewis
Senior Communications Consultant,
AETNA

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The Issue

The impression many of us have is that when it comes to social media marketing and communications, everyone is doing it, brands and nonprofit organizations included. Reality is different. In highly regulated industries, such as healthcare, many companies have yet to cross the social media threshold.

While every industry is held accountable to their typical regulatory requirements, healthcare companies, and specifically, pharma and biopharma companies, have even higher standards for using social media based on Food & Drug Administration (FDA) requirements. One of the most often-mentioned regulations deals with privacy constraints included in Health Insurance Portability and Accountability Act (HIPAA), the 1996 act designed to protect patients' medical data. To comply with HIPAA, clinical vignettes posted on social concerning patients must remove all personal identifying information, including insurance details.

This sounds straightforward, yet surveys of such posts show compliance with these regulations is incomplete. There also have been several well-known inadvertent breaches on social of HIPAA rules.

The onus is on healthcare companies to be HIPAA-compliant even when patients initiate contact with them on social. This issue is especially important for physicians, since patients attempt to friend them on social. Doctors may even cross HIPAA limits in instances where they gain potentially important information about patients on social, for example, that a patient is a serious runner or that she is blogging about attempting suicide.

In addition, there are concerns about the unintended promotion of products, per FDA regulation. One of the biggest concerns for healthcare companies is the requirement to track, collect and report in a timely fashion to the FDA potential adverse events when consumers post them on company social media channels.

Beyond all this, of course, when healthcare companies make the decision to try to reach customers where they live on social, the content they provide has to be compelling enough to engage users, an issue every brand faces.

Hurdles

Insurance provider **AETNA** entered this regulatory morass about one year ago. It hired former agency executive **Sophia Lewis** and others with the idea of engaging customers and influencers on **Twitter** and other platforms through thought leadership. AETNA's president **Karen Lynch** was just getting started on Twitter when Lewis joined the company. The CMO **David Edelman** and chief medical officer **Dr. Hal Paz** were online, but AETNA's social presence was not strategic.

AETNA hired communications people who could be "very strategic and not only work with top executives but also with their support teams, to really partner with them and gain their trust," Lewis says. Trust was a key. It was "a hard sell" to get some senior AETNA execs on social and once there, to focus on approved messaging, she says. Many are "professorial...and didn't feel Twitter was part of their brand." Still AETNA felt it could engage influencers on social. It was correct. "We now know 25%-40% of those following our people are major influencers, editors of publications or consultants. That's part of why we're doing it."

Once a few executives were chosen, the program got underway. "That doesn't mean it was all smooth sailing," she notes. Some executives took to Twitter easier than others; some barely had a presence. One of the keys was to show results. "Once we [showed results], people slowly started approaching us and asking whether they or someone on their team could get" involved.

Finding a balance between the voices of participating executives, deciding where AETNA should share curated content and what original content it should produce and why, were some of the issues.

While Lewis and her team had resources, they also faced a culture shift. For example, for years "90%" of what AETNA's video team produced was internal facing. "**LinkedIn** and every [social] partner was giving us feedback" that we needed to produce video. Producing social videos "took time...we didn't want to just put anything out there. We wanted to be strategic, so we worked to find where it made sense to put out videos."

And then there were the regulatory hurdles. Particularly for larger pieces of content, AETNA goes through a "very rigorous approval system that includes legal and compliance. Depending on the subject matter, it may even have to go through a 3rd or 4th legal review." A recent 3-part video series on an opioid alternative is an example.

Tactics	<p>Again, being strategic was emphasized. “Everything is structured with an eye toward the appropriate people sharing the right content,” she says. Everyone participating in the program can share content; Lewis and 14 others are curating content. AETNA uses LinkedIn’s Elevate, an employee advocacy tool that allows brands to provide pre-approved content that can be shared directly to a person’s LinkedIn profile.</p> <p>When the effort began, getting the executive leadership team on Twitter was the first step. The idea was you’d get more engagement when content came from people, as opposed to a faceless brand. After awhile communicators realized other company leaders should be involved in the effort of relaying AETNA’s narrative on social.</p> <p>Lewis had an advantage in that AETNA’s message is particularly authentic, which stems from chairman/CEO Mark Bertolini, who wants to transform healthcare by meeting patient needs, but also by being honest about identifying what he believes are problems at his company and with the country’s healthcare system overall. This authenticity tracked with a key element of the social effort. “We wanted to show our enhanced products and customer service on social.” Lewis says, “but being very authentic was something everyone had to agree to out of the gate.”</p> <p>Using the @AETNA News Channel, the effort tweets new material at least weekly and updates almost daily. “We share information around holistic health and wellbeing as well as initiatives...our local markets, such as campaigns and donations.” Recently the Channel tweeted Hurricane Florence-related resources. “You may see content we produced with USA Today, or a report from one of our folks at South by Southwest.” In addition, content includes thought leadership articles executives write for Forbes or Fortune. While AETNA hasn’t yet produced polls, there’s more than written content. “We recently put out a video series about opioids on our LinkedIn page that we’re excited about,” Lewis says, and promises “more video to come.” Lewis sees phone-shot videos coming. “The next frontier will be live video” that the communications staff shoots at conferences, she says. Lewis plans to shoot video at CES in January. “The executives haven’t taken [to live video] yet, but fingers crossed. A big part of the change in culture will be doing more live, casual video,” she says.</p>
Measurement	<p>Since AETNA is far ahead of many of its peers in social, it’s hard to compare itself with similar companies. Still, several AETNA executives have gained substantial numbers of followers and become prominent on social.</p> <p>Early on it decided “to focus on engagement,” Lewis says. It uses a monthly scorecard to track engagement, including what topics are garnering the most engagement. “If we know there’s an important topic in the field and we don’t have enough content, we don’t simply throw more out there.” Again, being strategic is key. “We look inside the organization and see who is an expert and can speak to the subject.” Then Lewis and her team pitch. “We’re constantly calling and selling within the organization.” She assures us it’s “tailored selling...we’re not cyber-stalking them.” She does her homework so the target will be motivated to contribute content. A carrot she uses is offering to help employees with their LinkedIn profiles in a one-on-one session.</p>
The Bottom Line	<p>Does the social effort have bottom line implications? LinkedIn, its biggest social partner, “shows us on a quarterly basis what it calls Earned Media Value, which measures engagement and likes.” Lewis says by this measure the effort is providing value to AETNA. In addition the program has reached out to marketers in AETNA’s local markets and shared their events on social. Some of the results have included pickup by local TV news outlets.</p> <p>And marketing and sales share some of the social thought-leadership the effort has produced in concert with AETNA reports and studies. An example is AETNA’s Health Trends Report. “Sales and marketing staff leveraged [social thought leadership] in a very targeted campaign...the unintended consequence is that we’ve become very close with sales and marketing.”</p>
Lessons Learned	<ul style="list-style-type: none"> • Flexibility is Important: Getting senior executives and their teams to work with you to create a social effort means having to handle various personalities. “A lot flexibility is needed.” As noted above, selling your program internally is critical. • Topics Can be a Challenge: “But we welcome the challenge,” Lewis says. “There are certain topics that we can have folks talking about,” and others that are verboten, owing to regulation. Innovation “is an area where we can do better and we’re working on it.” • Leverage: Make use of high-priority campaigns done internally to produce social thought leadership material. “We plan to do this going forward,” she says. • Provide Experiences: Lewis plans to offer landing pages geared to various health topics and geographic locations. This will help the brand not only push its narrative, but create an experience, she says.

TAKEAWAYS

Takeaways from Nike-Kaepernick Campaign, Crisis Analytics and New to the Resource Center

In each edition of *PR News* we highlight takeaways from select articles as well as important additions to the PR News Resources Center, available to paid subscribers at: <http://www.prnewsonline.com/subscriber-resources/>

You can also access the Center by clicking “Resource Center” at the top, middle of the [prnewsonline.com](http://www.prnewsonline.com) home page.

SELECT TAKEAWAYS

- ▶ **Shareholder** (pp 1-3): On average, the fifth business day of a crisis is an accurate predictor of the financial markets’ judgment about whether a brand’s share value will rise or fall, according to a new report from **Pentland Analytics**.
- ▶ Brands that excel during a crisis find their share value rises 20% on average during the year after the event; brands designated as losers in a crisis can expect value to decline 30%. Social media has amplified both the positive and negative value changes after a crisis. These findings argue in favor of crisis planning and preparation as well as prompt response.
- ▶ Factors that determine winners include prompt, decisive CEO action, a conspicuous apology and accurate, coordinated communications.
- ▶ There is a link between cyber crisis and value that is similar to the gains and losses brands experience after other PR crises.
- ▶ **Tools and Tech** (pp 4-6): Voice might be the next big wave in business-related technology.

- ▶ **Nike and Silence** (pp 7-10): Silence in the face of a PR crisis is advisable in rare instances, but when public safety is in question a prompt response communicated clearly to the public is nearly always dictated.
- ▶ Controversy sometimes can be a brand’s friend during a crisis. Knowing its target audience, **Nike** anticipated resistance from anti-Kaepernick groups would spur its followers. It was right.
- ▶ **Roundtable** (pp 10-12): Aviation company **Bell** has restructured its communications function and changed individual titles to emphasize strategy and the unit’s ability to contribute to measureable business goals.
- ▶ **Case Study** (pp 14-15): If a brand is strategic, it is possible to mount a successful social media program in a regulated environment.

NEW TO THE RESOURCE CENTER

As we get ready for the *PR News Healthcare Social Media Summit* in Baltimore on October 23, we highlight related resources, including **FDA** guidelines for healthcare company activities on social media.

There’s also a short report on 7 social media trends in the pharmaceutical industry and several new documents from brands in crisis.

Remember, one of your benefits as a paid subscriber to *PR News* is that you are entitled to a 33% discount on all *PR News* events. Please contact cbault@accessintel.com for more information. ■