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No time to think: *Reputational Risks and Social Media*

Monday June 6, 2016

*motion*2016
discussing what matters

Speakers

Jane Caskey



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Jane is global head of our risk advisory practice. She also practices intellectual property law, and is involved in advising clients on IP strategy and on commercializing and protecting IP rights

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John Crean is Managing Director at Teneo Strategy. John's expertise is in all aspects of communications and public affairs strategy, including issues and crisis management, media strategy, messaging and training, coalition building and advocacy.

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Of Counsel

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Michael is a member of the Norton Rose Fulbright Canada LLP Risk Advisory practice. He specializes in advising on international standards of human rights and risk management. Recent work includes international human rights assessments in West and North Africa, development of supplier codes of conduct on human rights issues and advising on the application of international sustainability standards for finance and reporting.

Agenda

- Importance of Social Media to Reputation
- Sources of Reputational Risk
 - Major Crisis
 - IP Related
 - Employment Related
- How to manage the Risks
- Take-away Points for Protecting Reputation

Question

Does your organization use any form of social media?

Importance of Social Media for Reputation

Importance of Social Media



- Estimated 2.3 bn people are social network users around the globe
- Used by people socially and for work
- Social media can be a tool for businesses:
 - Marketing
 - Recruitment
 - Encouraging employees to connect
 - Selling to customers
 - Getting feedback

Social Media – What's trending

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.

- 1.65 bn users

The Google+ logo, featuring the word "Google+" in white serif font on an orange rectangular background.

- 300 mn users

The YouTube logo, with "You" in black and "Tube" in white inside a red rounded rectangle.

- 1 bn users

The LinkedIn logo, with "Linked" in black and "in" in white inside a blue square.

- 300 mn users

The WhatsApp logo, featuring a green speech bubble with a white telephone handset inside, followed by the word "WhatsApp" in white.

- 900 mn users

The Flickr logo, with "flickr" in blue lowercase letters, where the "r" is pink.

- 112 mn users



| Instagram - 400 mn users

The Pinterest logo, featuring a red circular icon with a white "P" and the word "Pinterest" in red script.

- 100 mn users

The Twitter logo, with "twitter" in white lowercase letters and a white bird icon on a blue rectangular background.

- 320 mn users



Snapchat

- 100 mn users

Smith, Kit. "Marketing: 96 Amazing Social Media Statistics and Facts for 2016." Brandwatch Blog, n.p. 7 March 2016.
<https://www.brandwatch.com/2016/03/96-amazing-social-media-statistics-and-facts-for-2016/>



... 59% of companies do not perform a social media risk assessment and 84% of executives surveyed were concerned about the potential risks involved in the use of social media.²

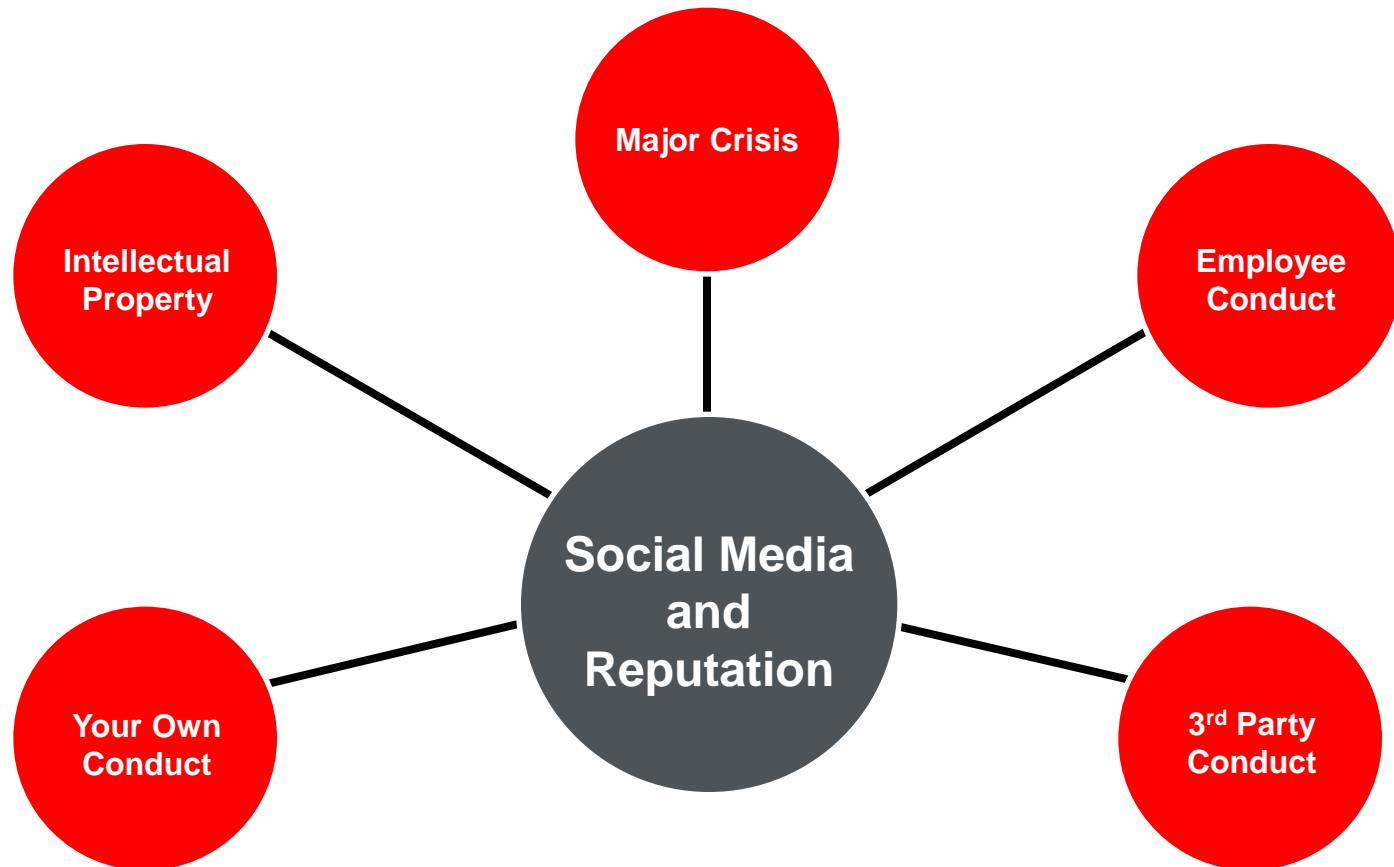
... a recent survey found over half of brands don't have a strategy in place to manage social media complaints.³



² Thompson, Thomas Jr., Jan Hertzberg, Mark Sullivan. "Social Media Risks and Rewards." Grant Thornton, n.p. September 2013.
<http://www.grantthornton.com/~media/content-page-files/advisory/pdfs/2013/ADV-social-media-survey.ashx>

³ Kelty, Ty Mays. "Most Brands Are Not Prepared to Manage Customer Complaints in Social Media." Social Media Impact, n.p. 20 February 2014.
http://socialmediaimpact.com/brands_social_media_complaints/#

Sources of risk



Major Crisis

What is a crisis?

Threat to an organization's reputation, bottom line

Incident or issue that causes severe disruption of normal business operations

Situation that causes a breach of faith with key stakeholders

Whatever a Company's stakeholders think is a crisis

Reputation risk

Question

Do you have a comprehensive crisis plan?

No more secrets...

“Very few things will be secret anymore, and those things which are kept secret won’t stay secret very long...the real goal in security is to retard the degradation of the half-life of secrets”

Joel Brenner, former NSA Counsel



Question

Does your crisis plan include social media?

“I didn’t see that coming...”

Most crises are foreseeable and preventable

Part of risk management function

Issues can become crises

Overlooked emerging issue

Poorly managed issue

Changing norms, values

Crisis examples



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Media is responding and driving change

The concept of news and who produces it continues to be redefined

News is a commodity and news organizations need to differentiate through exclusive content to attract attention

Expertise and objective analysis is begin replaced by investigations and exposés

Video is king

More and more news is mobile

Increasingly the audience drives the content

Analytics drive the agenda

Editors at The Journal, like those at other large newspapers, follow the Web traffic metrics closely. The paper's top editors begin their morning news meetings with a rundown of data points, including the most popular search terms on WSJ.com, which articles are generating the most traffic and what posts are generating buzz on Twitter.

Alan Murray, Wall Street Journal

Fast is the new good

“We live in this era of compressed news cycles in which the first day of an event, the second day of a reaction, the third day of a follow-up news feature, the fourth day of analysis are all collapsed into one moment”

Kirk LaPointe, managing editor, The Vancouver Sun

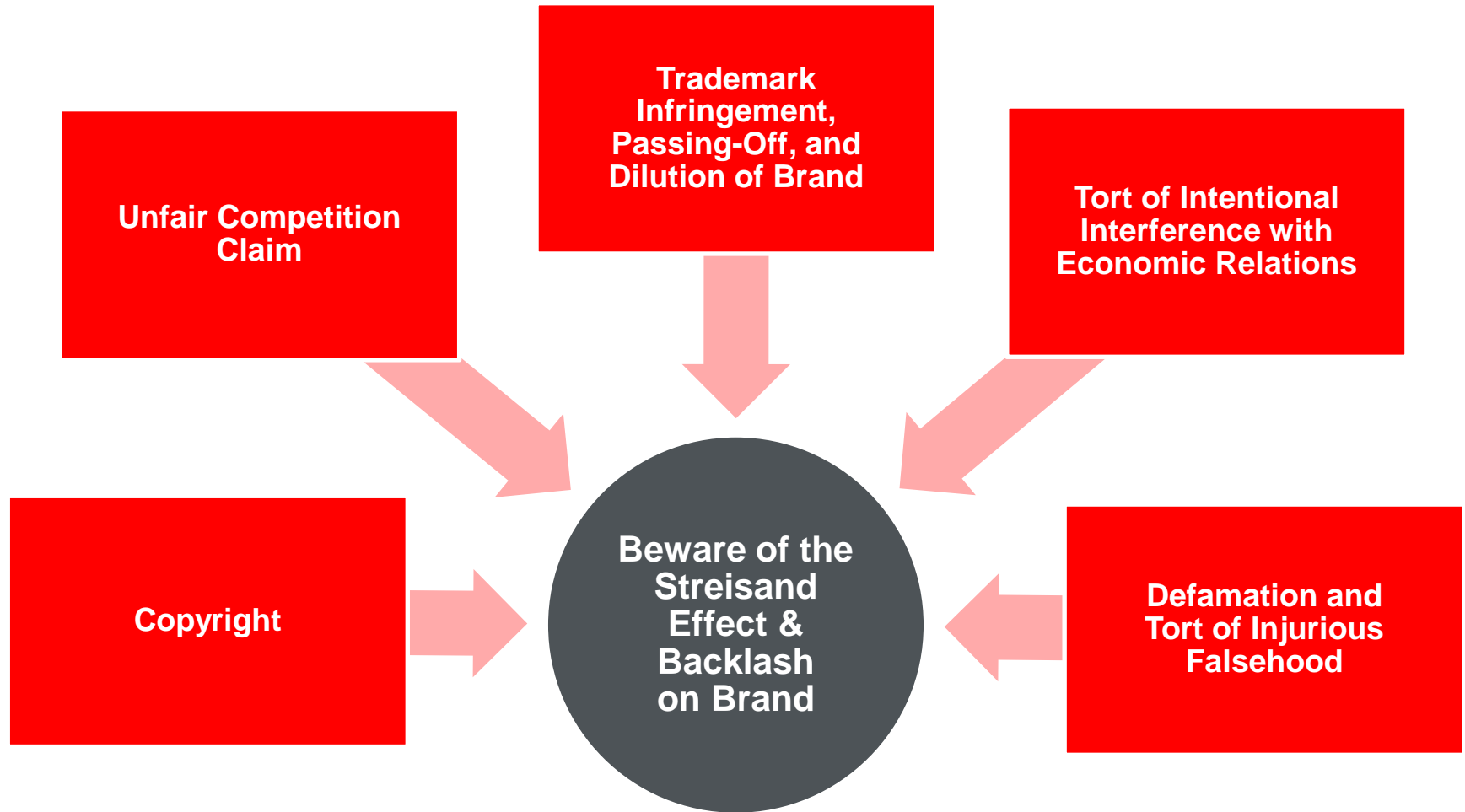
Prepare

Monitor

Respond

The Risks – IP and Branding

IP Legal Framework



How to manage IP/brand examples

Example 1 – Ignore



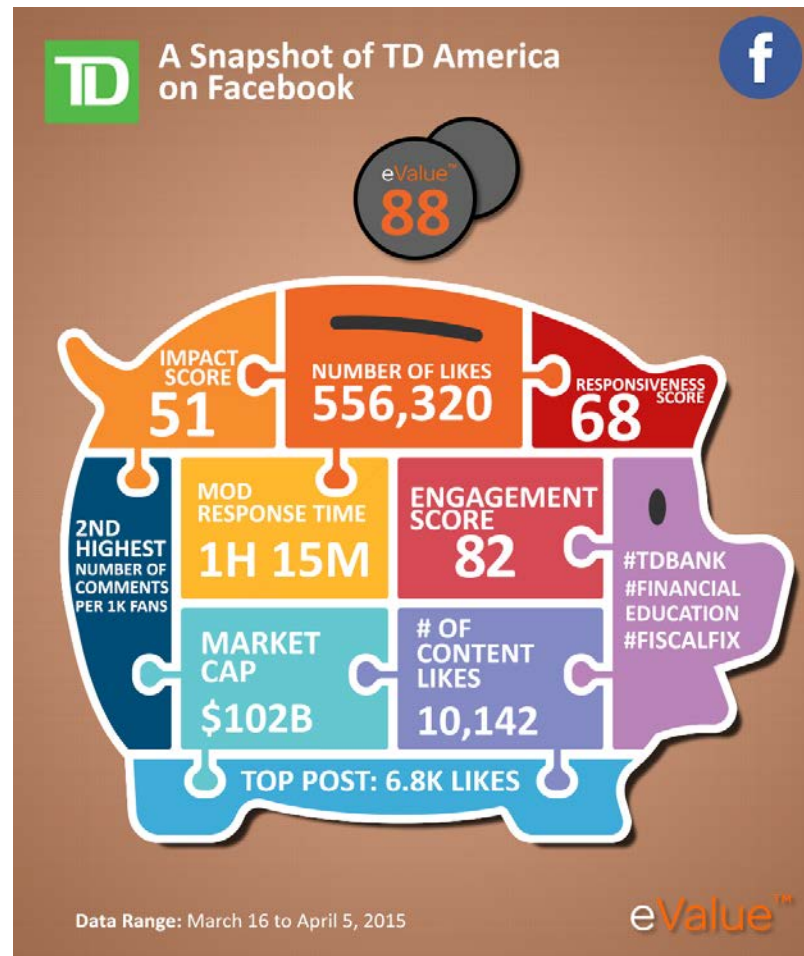
Example 2 – Legal Response



“ Our intentions were good, but the fallout certainly was not. Where did we go wrong...unfortunately we lapsed into ‘legalese’ with an approach commonly used to underscore the seriousness of the request...This made it appear that Labatt was asking the Gazette to censor itself for Labatt’s business purposes.¹ ”

Charlie Angelakos, Vice President of Corporate Affairs for Labatt Breweries

Example 3 – Engage effectively



Example 3 – Engage effectively cont'd

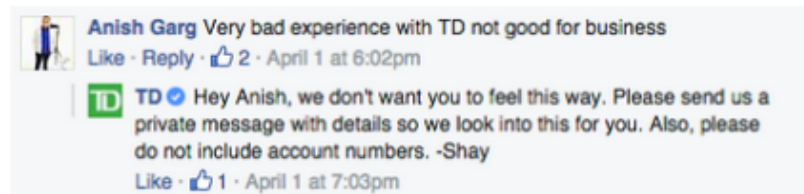
On Facebook, TD Bank is quick to respond to any customer message, ***whether it's a complimentary post:***



or a situation that requires a more in-depth response:



to defusing unpleasant comments,

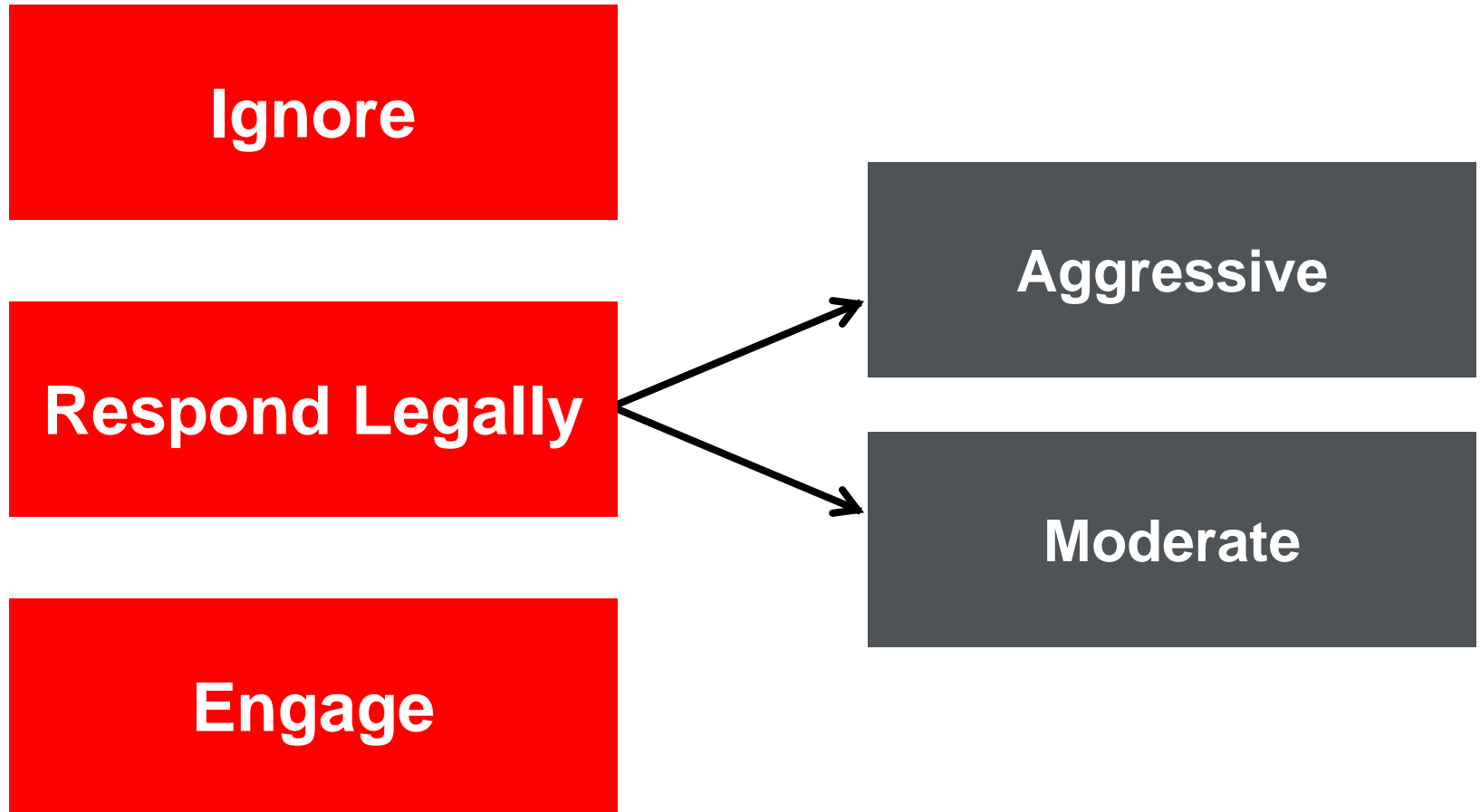


the mod team was ready for any situation.

Question

Does your organization monitor social media for any relevant “hits”?

Responding to social media to protect brand/reputation



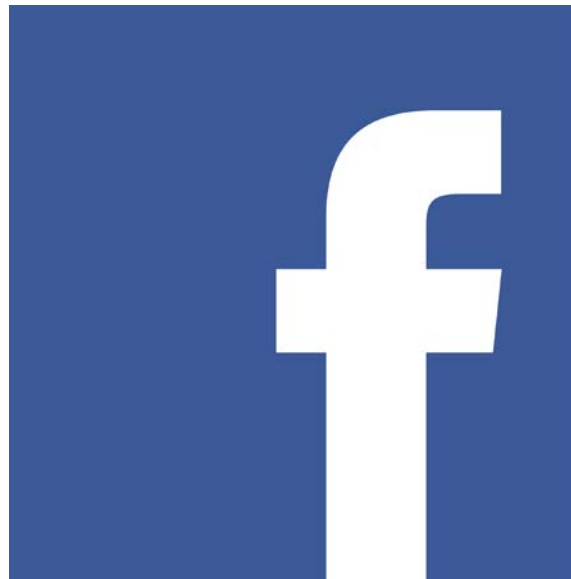
The Risks – Employment Related

Question

Has your organization put in place an employment policy factoring in social media and appropriate controls?

Social media and recruiting

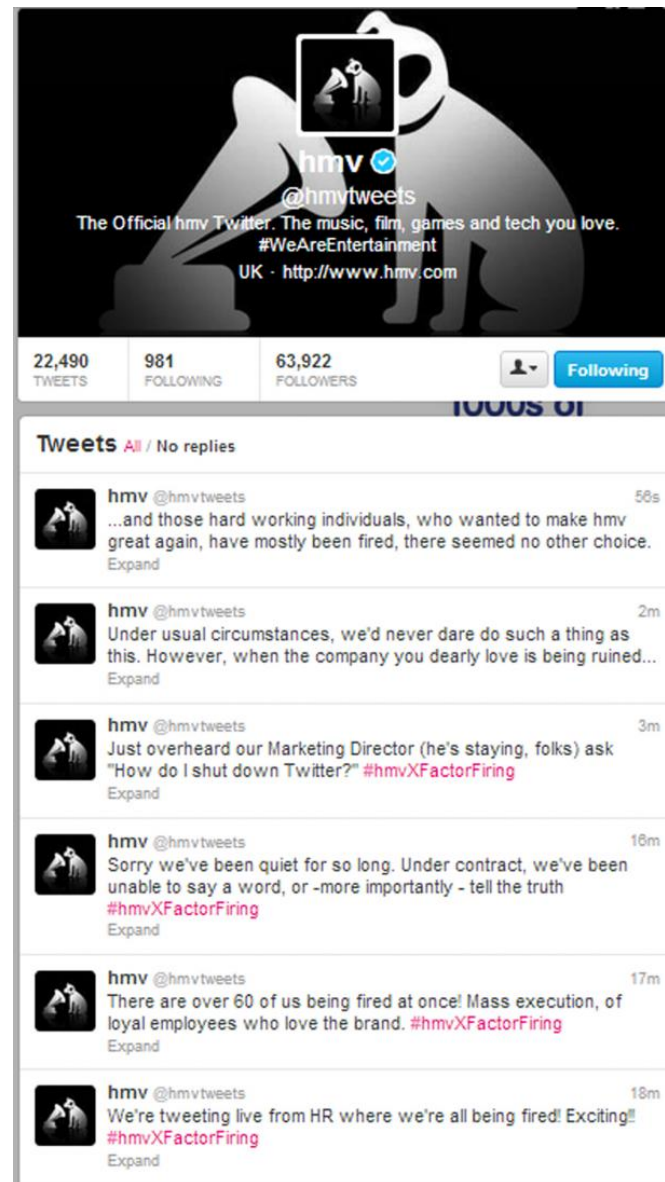
- Source of information on new candidates
- Human rights protections



What's happening in your company?

- Use of company equipment/social media accounts
- Privacy rights
 - Of employees
 - Of other stakeholders
- Bullying in the workplace (or outside of it)

What's happening in your company?



What's happening outside of the company?



What's happening outside of the company?

- Off-duty conduct and reputational harm
 - When you can discipline or terminate
- Rights of free speech?
 - Whistleblower protections

Proactive strategies

- Social media policies
- Consider social media in other policies and training
 - Recruitment
 - Discipline and termination
 - Use of company equipment
- Crisis management strategies
 - HSE response plans

Take-away points

How to protect reputation

Prepare

- Register domains and user accounts before launching products, marketing initiatives etc.
- Have robust internal social media policy and crisis management response plan

Monitor, monitor, monitor!

- In house, external, employees
- Consider setting up watch services or even engaging in google alerts etc.

Assess

- A site dedicated to brand bashing?
 - A rant, immature joke et.?
 - Factually erroneous?
 - A result of a stakeholder's negative experience?
 - High traffic?
 - Involve counterfeit goods or services?

Respond

- Ignore
- Respond (Aggressively/Moderately)
- Engage

Join the conversation



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linkedin.com/company/nortonrosefulbright



If you have any questions regarding today's presentation or would like to discuss any of the topics that have been presented, please feel free to stay behind or leave your business card behind and we will be sure to follow-up with you.

Thank you.

Contact

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Resource material

Social Media Law

Are you #riskready?

*motion*2016
discussing what matters

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