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# How to Handle a PR Crisis in the Age of Call-Out Culture

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When controversy strikes on social media, brands must react swiftly to protect their reputations and avoid making the same mistakes again. BoF outlines some best practices to surviving a public relations fiasco.



**NEW YORK, United States** — A few days after Donald Trump was elected president, when the extent of the country's polarised state was laid bare, New Balance's vice president of public affairs gave an interview that triggered <u>a wild PR crisis</u>. He told The Wall Street Journal that the brand, which produces its athletic shoes domestically, was optimistic about Trump's administration because he shared New Balance's opposition to the Trans-Pacific Partnership trade agreement.

The comment was twisted on social media into a Trump endorsement, with people vowing to boycott the brand. A few days later, the neo-Nazi website Daily Stormer declared the brand "the official shoes of white people." New Balance responded quickly with a statement that the brand is "a values-driven organisation and culture that believes in humanity, integrity, community and mutual respect for people around the world." The backlash quickly evaporated with little lasting damage to the shoe brand. But the incident became a lesson in how quickly crises can erupt in today's politicised, social media-driven environment.

Today's consumers want to shop from companies that appear to share their values. And it's easier than ever to spot and publicly denounce bad behaviour — or read about it on influential accounts like Diet Prada. The rise of "call-out" culture online means fashion and beauty brands are more likely to face public relations crises, which can transform from a few tweets into global news in hours. These crises can be self-inflicted, as when Dolce & Gabbana offended Chinese consumers with an ad campaign and racist rants in November, or come from external sources, as Adidas discovered when collaborator Kanye West made a string of controversial statements last year.

Just last week, <u>Louis Vuitton distanced itself from Michael Jackson</u>, the inspiration for its autumn men's collection, after allegations he molested children resurfaced in an explosive documentary. The brand said it will not produce any items from the collection that directly reference Jackson.

In recent months, <u>Prada</u> and <u>Gucci</u> released products that resembled blackface, and <u>Burberry</u> sent a model down the runway in February with a noose-like accessory around her neck. All three made public apologies and formed diversity councils.

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"We will continue to do mistakes, there's no doubt," said <u>Gucci</u> chief executive <u>Marco Bizzarri</u> in February, during a conversation at Parsons where <u>he expressed remorse</u> for the offending black balaclava sweater with red lips, describing the incident as a "wake-up call."

Going forward, brands need to preempt crises by examining how they function as organisations, as well as the methods used to create products and images. But they also need to be ready to respond quickly and effectively when mistakes happen.

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Read on for a playbook to address brand-threatening crises effectively.

**Monitor what's being said about your brand closely.** Software services like Signal and Trendkite help brands keep track of the online conversation about them — and catch feedback before it escalates into a problem.

"This is something that you should be monitoring on a day-to-day basis; it's part of your overall branding process," said Ted Max, a partner at Sheppard Mullin specialising in intellectual property and trademarks, among other areas, at a <u>Council of Fashion Designers of America</u> session on managing PR crises held at its New York headquarters earlier this month.

Identify the messenger of the outrage, and whether they are representative of the brand's customer. Either way, a brand may still need to take steps to protect its reputation, but the nature of that response may be different.

"We live in a world that — just because the group speaking up isn't in your customer base, doesn't mean you should do nothing," said Jesse Derris, founder of the public relations, branding and content agency Derris.

It's also important to stop the spread of inaccurate news before it circulates widely, and when it is still fairly clear where it originated.

"Teams on the ground [in different regions] need to be alerting head office quickly if they spot anything happening," said Jonathan Hemus, founder of crisis management firm Insignia Communications. "Once it's gained traction, it's so much harder."

**Empower the right spokespeople and internal leaders** – **fast.** Ideally, brands should already know who inside the organisation will direct the response strategy, and who is authorised to speak to the press and public, before a crisis hits.

Leaders from management, public relations, information technology, legal, human resources and even finance, depending on the nature of the incident, should work together to direct a quick and effective response strategy.

"For a smaller designer or label you may have one or two or three people wearing multiple hats," said Max.

Spokespeople need to be authoritative and informed. Points of contact need to have the "empathy and emotional intelligence to come across well under pressure," said Hemus. "The last thing you want is an inarticulate, confrontational or defensive spokesperson."

If the crisis turns into a wake-up call for the brand and a moment for it to take a stand — for example, in favour of sustainability practices or against workplace harassment — senior leadership should address that publicly.

Internal communication is also key. The response needs to be distributed to store managers and customer service representatives who will be speaking directly to shoppers.

A brand must also be prepared to respond to smaller crises as they arise, like a customer service horror story or a badly worded marketing message. "Some crises are a little blip that should not go up the ladder," said Max.

**Nail the apology.** There is no playbook for when a brand should publicly apologise, but an apology is most likely needed when a brand is accused of derogatory behaviour or is seen as being culturally insensitive.

Apologies need to be authentic. They shouldn't sound defensive or seem to be delivered under duress, but rather should reflect the tone of the company's marketing. If a brand positions itself as a customer's best friend, a cold and corporate-sounding response won't work.

"The optics, the tone, the tenor, the content of what you say and how you say it is incredibly important," said Chris Giglio, president of HL Strategic Solutions at communications firm HL Group, who also spoke at the CFDA session.

For example, the video apology released by Dolce & Gabbana designers Stefano Gabbana and Domenico Dolce about the problematic China campaign was described as stilted by commenters online.

Apologies also need to be published quickly and be brief and clear. Brands need to take responsibility for the incident, apologise, explain why it was wrong and state that it won't happen again.

After it sent a model down its Autumn 2019 runway with a necklace-cum-noose around her neck, Burberry released a clear and simple apology that put an end to the press coverage of the bizarre accessory that many, including one of the brand's own models, found deeply upsetting. "I will make sure that this does not happen again," said creative director <u>Riccardo Tisci</u> in a statement.

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Now, it's critical that Burberry delivers on that promise. Brands should not promise change they can't deliver.

"Stakeholders will usually forgive you for an isolated incident or issue, so long as you respond to it emphatically, professionally and avoid becoming a repeat offender," said Hemus. "Organisations which continue to make mistakes and find themselves in the spotlight for the wrong reasons are less likely to be forgiven and more likely to suffer long-term harm."

Brands can apologise directly on social media or through news outlets that will give full context, as long as offended consumers can find the apology easily.

Don't overreact. Not every crisis requires a public statement or response.

Sometimes, the outrage is coming from voices online that don't have credibility with a brand's audience or are just trying to stoke outrage for the sake of it. Monitor the activity and if it doesn't escalate, it can be ignored. Or if the negative feedback is coming from a single individual, the problem can often be effectively managed by reaching out privately to apologise and make amends. That's an effective strategy for rogue brand ambassadors, too.

Giglio said complainers often just feel disrespected. "Sometimes you are able to get by with outreach, by changing messaging, [through] your own brand's diplomatic relations," he said.

Another case when it is important to not overreact is when a brand takes a controversial stance on purpose. When Nike signed activist ex-NFL quarterback Colin Kaepernick to an endorsement contract, the brand was met with criticism by conservatives who disagreed with Kaepernick's protests against police violence. But the brand decided that, in an era where customers want brands to have clear values, the risks outweigh the rewards.

"You have to sometimes make a decision. Are we going to take the flack and is the flack actually going to be helpful because it's going to draw attention to the good thing we are doing?" said Molly Morse, managing director at strategic communications firm Kekst CNC, also speaking at the CFDA. "Advertising is often on the edge and will remain that way."

**Vet potentially problematic material.** Brands today need many different stakeholders, from inside and outside the business, vetting its creative output. That means hiring more diverse leaders and bringing more perspectives to the table.

Hemus suggested designating a team of "creative pessimists" to look at marketing campaigns and product images before they are released to critically evaluate potential problems.

Is the inspiration for your season problematic? If so, either that team stops problematic material before it goes public, or at least helps the company be aware of potential crises and keeps an eye on the response.

**Identify where you are vulnerable.** Look closely at the business and have some tough internal conversations. What could be misconstrued? What do people already assume about your brand's reputation, especially negatively? What are the unpleasant realities about the business? And what crises would be uniquely bad for the company?

If a brand boasts about its focus on sustainability, a scandal in that realm would be more damaging. "Unless you're prepared to contemplate really bad things happening, you will be really blindsided," said Hemus.

**Rehearse.** Prepare reactions based on situations your competitors have faced. Make sure the brand's key decision makers have easy access to everything they would need in the first hours of a crisis, including something as basic as the contact information for all the retailers and store networks.

"Having a plan in place not only helps as a practical manner, it helps from a legal standpoint and from an insurance standpoint," said Max.

But no two crises are alike, and a plan can't be set in stone. "Don't get lost in the planning once you are dealing with the crisis," said Giglio.

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