



Rumors and Issues on the Internet

**Using the Web to Manage Reputations
and Crises...Before it's Too Late**

An Intelliseek White Paper by Pete Blackshaw and Karthik Iyer

No one likes to be victimized by a rumor or sidetracked by bad information, but with growing frequency, certain products and companies are being flamed by falsehoods and scorched by potentially damaging issues and messages that spread quickly and widely on the Internet.

Millions of dollars can be lost from the impact of these rumors and issues, and this phenomenon—if handled poorly, incorrectly or too slowly—can have disastrous effects on corporate bottom lines, crisis management, brand reputations, public relations and well-planned budgets.

Pretend, for a moment, that you're a brand manager, product developer, marketing manager or public relations professional at Acme Products Co., a major consumer packaged goods company. Into your office one afternoon strolls a consumer affairs representative. She tells you she just received a letter

from a long-time consumer wondering if this is true: Does Acme's newest product, launched last month with multi-million-dollar fanfare, destroy an acre of protected rainforest every day? (Or cause cancer? Or does Acme really give away \$50 gift certificates to every person who tries the product before the end of the month? It could be any issue that's potentially damaging). Because that's what this consumer just heard from four separate people in four separate communications in the last two days.

From personal experience, you know how quickly those types of communications can spread. You promise quick action.

However, your immediate supervisor is on vacation and can't be reached by phone, cell phone or e-mail. Your department head is stuck in budget meetings and can't schedule time to talk until a week from Wednesday. You make a beeline to the highest executive you can find, only to be told by his administrative assistant that he just recently started using the Internet and still has all of his incoming emails printed out and placed on his desk for reading every morning. Can this wait?

Two days later, the consumer affairs folks have logged 452 customer inquiries about the same rumor, and within a week, a reporter for New Products Trade Publication is hounding you for official company verification or denial: "Is the e-mail they've been receiving from readers all over the country within the last week true? And if not, what's the company doing about it?"

Does that scenario give you shivers? Does it sound familiar? Does it worry you?

Here's the good news: Companies no longer have to be held hostage by information out of their control, and they don't have to be the last to know. In this Internet-enabled world, companies that proactively adopt the technology and expertise to monitor Internet information in all its forms gain a competitive advantage. Not only can they gauge the real-time pulse of consumer insight and opinion, they also have in place the necessary tools, monitors and alert systems to avoid

potentially damaging lawsuits, reputation-busters, recalls, safety issues, crises, rumor mills and the like.

But how many companies know how to take charge or manage these informational spills? How many have the technological tools they need to prevent, manage and react to what is bound to be a growing phenomenon of Internet rumors, e-mail information and issues circulation? How many know how to preempt the pulse of these issues before they explode? Would Ford Motor Company and Firestone, for example, have found themselves embroiled in lawsuits, product recalls, finger pointing and government intervention in 2000 had they paid attention to Internet-posted consumer complaints about tire blowouts that appeared, according to Intelliseek research, as early as 1994—long before the problems hit the nightly news, the front page and the class-action courtroom?

WHAT POWERS INTERNET INFORMATION?

The Internet has made communication instantaneous, global and unfiltered. The ability of every individual to hit the "send" key, without censors, filters or bulky equipment, makes the Internet a powerful force. But just as it can connect a globe, it can also be a global conduit for spreading potentially damaging rumors and information that's unfettered, unfiltered, uncorrected, often unsubstantiated and difficult to stop once it starts circulating. How can companies keep track of all the information that's being

THE INTERNET: A MEGAPHONE TO THE WORLD

Some facts about Internet access:

- ⇒ More than half a billion people worldwide have Internet access. Of the total global market with Internet access, the US represents 29% of the total, followed by Europe at 23%, Asia-Pacific at 13% and Latin America at 2%. More than 70% of all Americans have Internet access.
- ⇒ Consumers use the Internet for specialized information (reference, health, travel, auto, product reviews, finances, technology) more than they use TV, newspaper, radio or magazines.
- ⇒ E-mail, instant messaging, Web surfing/browsing, work and news represent the top uses of the Internet, and those who use email say it allows them to stay in touch with people they normally would not talk to as often.
- ⇒ 60% of Americans consider the Internet to be key source of information, and 56% say “most” of the information they find there is “reliable and accurate.”

Sources: Jupiter Media Metrix; Forrester Research; U.S. Dept. of Commerce; NUA Internet Survey; UCLA Internet Report 2003.

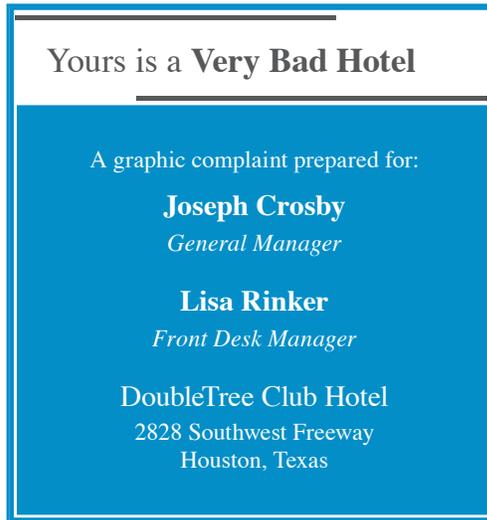
posted publicly on Internet discussion boards, Usenet groups and feedback Web sites? Where do Internet rumors get started? What characteristics does online information possess? What keeps this type of information circulating or gives it power?

A FEW EXAMPLES: INFORMATION OUT OF HAND

It doesn't take long to find examples of popular and common Internet rumors and informational pass-alongs:

- Even though it's at least six years old, an e-mail that (wrongly) links tampons with toxic chemicals/fibers continues to circulate among women.
- When a major consumer packaged goods company launched an odor-control product in early 2000, it also found itself fighting a vicious (and untrue) rumor that linked the formula with dying pets.
- Several restaurant chains have been the victims of untrue e-mails promising recipients gift certificates for sending a trackable e-mail to 15 or more friends. No such offers exist, and the names associated with the e-mails typically are not associated with the chains.
- Consumers continue to receive an e-mail blasting members of Congress about “Federal Bill 602P” to tax e-mails (no such bill exists).

- A December 2001 PowerPoint presentation by two Seattle businessmen about their poor customer service experience (true) at DoubleTree Club Hotel in Houston continues to circulate.



Powerpoint and E-mail combined to spread this complaint against DoubleTree Club Hotel in Late 2001.

More importantly, what can brand managers, marketing specialists, corporations, reputations monitors and public relations professionals do to monitor, intervene or nip such information in the bud before it turns costly? E-mail and online information possess these traits and characteristics:

Limitless. There are no state, national or international boundaries, no postal zones or zip codes, no age-related or socio-economic barriers, no filter-prone press flacks or censors.

Fast. Information now travels worldwide with split-second timing. (It can get quickly out of hand)

Interactive. “Reply” and “forward” buttons are elegant reminders that online information is two-way communication. Postings on discussion boards foster round-robin talk and backtalk.

Anonymous. Only the person who hits the “send” button is needed to start an Internet rumor or campaign. Aliases make hiding easy.

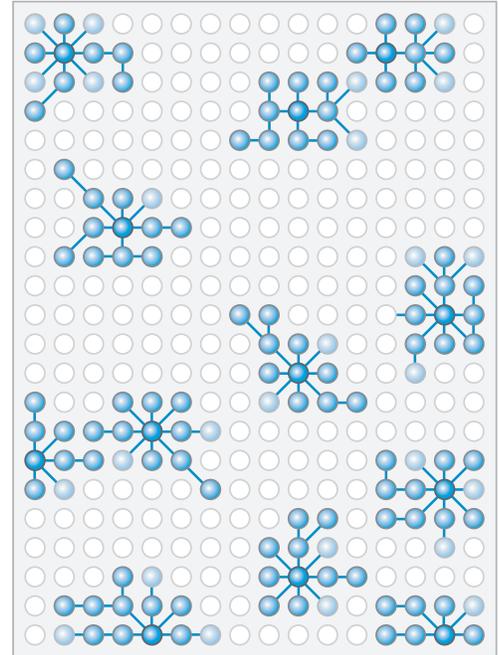
Expressive/Vocal. E-mail and Internet information spread rapidly, reaching a wider audience with each pass-along. The spread is exponential and viral, amplifying and growing with each new generation. It is also very public, and consumers with axes to grind frequently visit and post information on major Web sites, bulletin boards, newsgroups, USENET groups, online forums and the like. The site www.sucks500.com, for example, automatically links visitors to hundreds of public forums to vent about Fortune 500 companies, sports teams, politicians, colleges, celebrities or entertainment companies.

Influential. Some Internet users are more active users, according to previous Intelliseek data (Intelliseek Validation Study; 2001). Internet users who identify themselves as “experts” tend to send copies of their correspondences, findings and communiqués to a wider audience

than the general population. For example, the most active users of Intelliseek's PlanetFeedback.com consumer web site are likely to discuss their experiences with eight or more individuals—54% more than the general online population. Avid online users are also influenced, negatively and positively, by what they read on the Internet.

THE LIFE CYCLE OF INTERNET-ENABLED INFORMATION AND RUMORS

Once information becomes available on the Internet, in public discussion groups, Usenet groups and the like, it develops a life of its own, and that life span is determined by many of the factors discussed above. Most information starts out slowly, among just a handful of users, builds gradually and eventually reaches a “tipping” or “inflection” point, at which it becomes widely distributed. At this point, the path of the information's flow travels steeply up an S-curve where it



Some Internet users are highly active, prone to spread their influence and opinions to a broad network of others.

tends to reach a saturation point and die out as quickly as it peaked, sloping on the downward side of the bell curve. But what determines whether a rumor will grow rapidly and remain active—or wither

THE INTERNET'S MOST ACTIVE USERS: “E-FLUENTIALS”

Burson-Marsteller recently identified highly active, talkative online consumers as “e-fluentials.” They:

- ⇒ Wield a disproportionate amount of influence on the Internet
- ⇒ Use e-mail, news groups, bulletin boards, listserves and online vehicles more than the general population for gathering/sharing information
- ⇒ Use the Internet more than the general population for consumer decisions
- ⇒ Tend to populate Web sites such as amazon.com, epinions.com and Planetfeedback.com

Source: Burson-Marsteller: e-Fluentials, the 21st Century's Most Valued Customer; December 2001

and die? Three factors seem to be at work on the Internet:

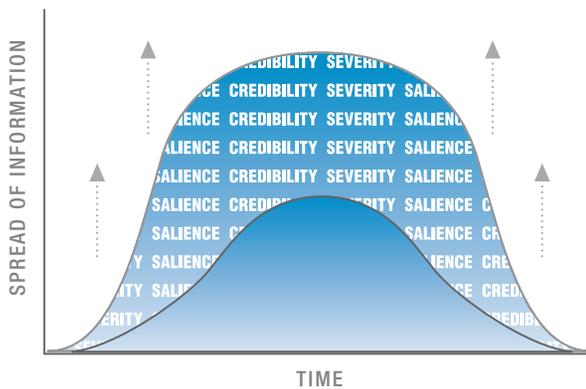
Credibility. Some of the information spread on the Internet is true, based in truth or, even if not true, grounded in enough truth that it seems credible enough to pass along. The tampon rumor has been difficult to squash because it feels entirely plausible. It has a scientific air about it. One of the names originally attached to it was a doctor (who actually passed it to others in order to refute it, but whose name became the mark of officialdom nonetheless). Whether the information was substantiated or not, many people probably passed along the e-mail “just to be safe.”

Severity. Does the recipient perceive the information as true? Information considered to be more severe is likely to be passed along more quickly and

to a wider circle of others, whereas information considered less severe might be casually dismissed, allowed to lie fallow for a time or be sent to a smaller circle of influence because it just doesn't seem as critical or important.

Salience. People tend to pass along information—true or not—if they sense it has the potential to affect a lot of people. Perhaps one of the reasons that the tampon rumors and e-mail continue to exist, in spite of readily available information that refutes it, is that it was perceived as having the potential to affect a lot of women. Information that is credible, potentially threatening or severe has the ability to impact a wide audience. It has all the potential of suddenly blossoming into a widely circulated piece of information, traveling quickly up the slope of the S-curve and staying there, remaining in circulation with continuous pass-around. It reaches a plateau and stays until someone intervenes to refute it, or it maintains a life of its own. The informational pulse about a particular product or a brand, company or executive has the power to kill and cause severe damage in a very short amount of time. It can be short-circuited only if it is caught before it reaches the tipping point, or if the intervention to contain it is as widespread, swift and continuous as the original information.

WHAT DRIVES RUMOR GROWTH



Credibility, Severity and Salience are three factors that can influence how Internet information speeds up and travels quickly to a wider-than-normal audience.

THE CORPORATE RESPONSE: TACTICS, TIPS AND TIMING

The Do-Nothing Approach

If this kind of information is left unmonitored and unchecked, companies lose. They lose the ability to identify and track information early in the cycle. If they wait or ignore the phenomenon, they lose the ability to sandbag the effects of the information early in the spreading cycle, when sandbagging is most effective. They face the potential destruction of a brand, a reputation, a marketing campaign or an image. They may face costly recalls, lawsuits and public relations battles to deal with the mop-up involved in back-tracking. They may spend thousands and millions of dollars mopping up the damage. Unless companies are adept at monitoring and tracking, they are never sure just where in the cycle the information and rumors exist. A heavyweight rumor with low circulation can mean several things. If it is identified as low-circulation, does that mean it's being detected and intercepted early in the cycle? Or has it already reached the tipping point and is waiting for momentary explosive growth? Does low salience and high circulation have the same impact as high severity and low circulation? And how will a company or enterprise know the difference?

The Proactive Approach: Four Steps For Taking Charge

Monitoring, stemming and reacting to e-mails and online information require a multi-faceted approach involving an-

icipation, prevention, management and education.

Step One: Anticipation

Rumors and Internet issues can be tracked and detected—before it's too late. But companies must be committed to the process, and they must be constantly vigilant. Rumors thought long dead have known to resurface on the Internet, months and years later. How can these rumors be tracked? Certainly, some technology firms espouse rumor-control benefits, but many of them do not have the capability to provide the full, 360-degree view of so-called "content" on the World Wide Web. Today's technology is as smart as the team developing it and the company implementing it. Good technology helps companies stay on top of the rumor-control game. Companies must:

- Adopt technology that scours the Internet and its various discussion databases to monitor consumer "buzz" or pulse and track spikes in varied and disparate online discussion boards. Monitor changes over time, aggregate results and stay updated on trends and issues.
- Implement keyword/keyphrase-analysis technology to stay on alert for particularly touchy, emotional, difficult or specific issues. Automatically triggered alerts serve as an early-warning system when information begins to circulate, giving companies a head start on

FOUR STEPS

FOR TAKING CHARGE:

The Proactive Approach
for Keeping Rumors
and Issues in Check

Step One:

Anticipation

Step Two:

Prevention

Step Three:

Management

Step Four:

Education

intervening, reacting and stemming the information quickly. Tracking abilities narrow the sources of rumors and potentially damaging issues. Today's "alerting" is a clear advantage for food manufacturers, auto companies, pharmaceutical companies, consumer packaged goods companies and the like. What better way to head off potentially serious product recalls, safety alerts, lawsuits and negative public relations than by intercepting problems before they become widespread?

- Be aware of the hot button issues in your industry. Some generate more "buzz" or pass-along among consumers. Billing issues are likely to generate high traffic among wireless communications consumers, for example, while safety issues are viral in the auto industry.
- Adopt top-notch customer relationship management tools and integrate the data with all key departments/personnel. Capture and analyze incoming feed back in real time to gain first-mover advantage when certain issues begin appearing or reappearing. One Intelliseek client, for example, integrated a keyword-alert system into feedback collection. Within 30 minutes of the arrival of a consumer's letter about a foreign object found in its product, key personnel were alerted, the consumer was contacted and a potentially damaging news story, product recall, safety issue and financial liability may have been averted.

Step Two: Prevention

As the adage says, an ounce of prevention is worth a pound of cure. The best way to prevent trip-ups caused by bad information is to develop and nurture strong relationships with customers and consumers. Firm believers in your company and product can help inoculate you from online naysayers.

- Develop strong consumer relationship marketing programs. Know who your most active and most talkative consumers are. Get to know them. Involve them in product testing, promotional outreach, coupon programs and loyal-buyer programs.
- Keep loyal customers in the loop on new products and brands. Involve them early so they can be a first line of online defense when they begin to notice information that just doesn't sound or feel right. Deploy them as goodwill ambassadors, rumor-squashers and debunkers.
- Diagnose your company's "hot spots." Find out what consumers care about and what they care about most passionately. Analyze incoming feedback from customers. Track wide pools of online information about you, your company and brands. Do internal priorities match those of your most vital consumers? Why? Why not?
- Link your marketing, research, /public relations and product development departments with consumer affairs.

WHERE TO CHECK ON INTERNET RUMORS?

Several Web sites track, identify, debunk and explain Internet rumors, information, virus hoaxes, consumer fraud and more. The most common sites include:

Urban Legends Zeitgeist Web Site:

www.urbanlegends.com/ulz

Truth Or Fiction:

www.truthorfiction.com

Snopes.Com:

www.snopes.com

About.Com:

[http://
urbanlegends.about.com/index.htm?terms=urban+legends](http://urbanlegends.about.com/index.htm?terms=urban+legends)

Federal Trade Commission:

[www.ftc.gov/bcp/menu-
internet.htm](http://www.ftc.gov/bcp/menu-internet.htm)

FTC Consumer Sentinel:

[www.consumer.gov/sentinel/
index.html](http://www.consumer.gov/sentinel/index.html)

Critical information must be shared and distributed widely. If consumers spread information freely about you within their circles of friends and acquaintances, your company also must do the same internally and in real time.

Step Three: Management

Perhaps the prototypical case of damage control was handled by McNeil Consumer Products/Johnson & Johnson in March, 1982, when certain Tylenol tablets were found to be contaminated with cyanide. Several people died. Rather than let the news media or rumormongers take control, the company quickly intervened. McNeil Consumer Products recalled all Tylenol products and issued public warnings, via the media, that told the public to not take Tylenol until it was deemed safe again. Five months later, when the product was re-introduced, the company adopted safety-control measures that have since become industry standards (tamper-proof packaging), reduced prices, issued coupons and faced the issue head-on and publicly, averting what could have been the death of a lucrative product and financial disaster.

The company kept the upper hand and survived intact. Would Johnson & Johnson have fared the same in an Internet age? With the right technology, the dedicated commitment and the appropriate corporate mindset, certainly. Aided by the power of the Internet, the same kinds of interventions could have been adopted,

adapted and circulated quickly to manage the problem successfully.

Today's companies need to:

- Have crisis communications/management plans in hand, available and agreed upon by all, from public relations departments to quality control to customer service to safety to the executive suite. What spurs the plan to action? Who acts as spokesperson? Who has authority?
- Become fully Internet-savvy, from bottom to top.

Step Four: Education

Being familiar with the Internet is a critical key to understanding how to use it to one's advantage and intervene when information gets out of control.

- Educate everyone in your company about Internet rumors, how they get started, how they travel and become adopted, how they can be headed off with proper planning. Educate your customers as well. Consider posting a rumor-busting link or page on your own Web site.
- Use existing resources to track down and verify or debunk existing myths, rumors and information. Companies familiar with what's circulating are in a better position to intervene and stem the flow of wrong, malicious or bad information.

What's the financial impact? No doubt millions of dollars are lost amidst the collective effect of rumors and bad/unchecked information. Wary consumers switch to other products, costing companies millions of dollars in revenue and customer loyalty. Unanswered rumors become accepted as truth. One customer's lifetime value is no longer limited to that single customer, particularly if that lone person has the ability and tendency to influence other consumers with strong opinions and information. One customer's lifetime value can be multiplied by factors of 2, or 10, or 100, depending on that individual's circle of influence. One loose cannon can turn into a booming squadron, which can in turn spur what amounts to all-out war.

Some companies promise solutions, but press clipping services and information-tracking services often fall short or deliver too little too late. Only a few companies capture the full, 360-degree pulse of real-time consumer activity and informational pulse.

Intelliseek specializes in tools and technologies for collecting, analyzing and leveraging consumer feedback from hundreds of disparate consumer sources. Examples include e-mails, CRM data, 1-800-consumer affairs groups, and online discussions groups, message boards and specialized chat rooms. This intelligence helps companies measure consumer "buzz" to boost marketing and brands, speed product development, aid competitive intelligence, manage reputation, improve customer service and cut costs. Intelliseek's flagship products are BrandPulse for Internet monitoring and data reporting (analytics, trends and alerts) and ExpressFeedback for feedback management. Intelliseek's BrandPulse tracks and identifies rumors online and notifies key managers in real time by e-mail, pager or a desktop dashboard when specific issues, keywords or threats spike on the Internet. Learn how F500 companies use this technology to turn invaluable consumer feedback into gold.

ABOUT THE AUTHORS

Pete Blackshaw is chief marketing and client satisfaction officer of Intelliseek. Prior to joining Intelliseek, he founded PlanetFeedback as a consumer web site and was cofounder of interactive marketing at Procter & Gamble, he led initiatives dealing with online issues-monitoring, rumor tracking, online sampling, viral marketing and word-of-mouth behavior. Blackshaw is a 1995 graduate of Harvard Business School.

Karthik Iyer is a senior vice president of the New Products Group of Intelliseek, responsible for business development and the successful integration of new technologies into the company's business products. He has a master's degree in business administration from the University of Cincinnati and a doctorate degree in chemical physics from Ohio State University.

ABOUT INTELLISEEK

<http://www.intelliseek.com>

Intelliseek provides business intelligence solutions that transform unstructured data into actionable insights for marketers, researchers and analysts. Its technology platform adds structure, relevance and meaning to unstructured data in multiple sources and formats, transforming it into easy-to-interpret desktop reports and alerts. Available as a marketing intelligence application suite (BrandPulse™) and enterprise software (Enterprise Discovery Suite™), Intelliseek's products help speed and deepen consumer understanding, product research, and competitive analysis. Intelliseek maintains headquarters in Cincinnati, with sales and support offices in New York, California, Chicago and Washington D.C. and an Applied Research Center in Pittsburgh.



1128 Main Street, 4th Floor, Cincinnati, OH 45202-7236
phone: 513-618-6700 toll free: 1-800-333-3222
www.Intelliseek.com solutions@intelliseek.com