



BE TRANSPARENT OR BE EXPOSED



Digital natives are changing the world, using internet technologies to unite the aggrieved to bring down governments, companies and even each other. Successful institutions in the networked age will be those with an effective social media strategy that strive for transparency

BY RACHELLE SPERO IN NEW YORK
AND ANDY RIVETT-CARNAC IN LONDON

In January 2011, a plane from Dubai landed at Cairo Airport carrying Google executive Wael Ghonim. The 30-year-old would have looked like any other global business traveller as he made his way into the Egyptian capital.

But rather than heading to a business engagement, Ghonim had returned to his homeland to join the growing anti-government demonstrations. Just two weeks later, Hosni Mubarak, the Egyptian President of three decades, resigned. Ghonim, who was almost anonymous until then, had become the face of the revolution that had overthrown a regime and reverberated across the Middle East.

REVOLUTION 2.0

It all began in June 2010 when Ghonim, head of marketing for Google's North African and Middle East business, launched a Facebook page called "We Are All Khaled Said," in memory of an Egyptian businessman who had been a victim of police brutality in Alexandria.

The Khaled Said group mobilized young Egyptians by providing a forum through which a network of influential people – bloggers, community leaders, and the like – could come together with the disaffected masses. The Khaled

Said network quietly expanded its digital footprint across websites, blogs, Twitter, YouTube, and Flickr over the course of six months. Then, on January 14 2011, a similar network successfully drove protesters to the streets in Tunisia and dissolved the Tunisian government. By January 25, online protesters in Egypt hit the streets for the first mass action against the government, coinciding with Egypt's National Police Day. Protesters coordinated their activities through Twitter using "#Jan25" as an organizing term, and communicated to the wider world via YouTube. As one protestor tweeted, "We use Facebook to schedule the protests, Twitter to coordinate, and YouTube to tell the world." This online effort led to a fundamental change in Egyptian society.

Ghonim himself played little part in the physical events – the demonstrations and riots. Once identified as the man behind the Facebook group, he was arrested and detained on January 27, although for many days the Egyptian authorities denied that he was in custody. After 12 days of growing clamor for information about his safety, he was released unharmed. That evening, Ghonim was interviewed on a popular TV news show. Ghonim's raw and impassioned demeanor – he wept when shown photos of those who had

How new media technologies have fueled protest and exposed political leaders

The internet is not the first communication technology to fuel political unrest – each generation of new media has had a similar impact. Ironically, protesters often use these platforms to call for more transparency but do so anonymously.



Pamphlets

In 1776, Thomas Paine anonymously put the case for freedom from British rule in a pamphlet entitled *Common Sense*. Paine presented a sound argument for American independence when the future status of the British colonies was still undecided. Relative to the population of the time, it is still the most widely circulated publication in American history.



Telegraph

In February 1848, news about the revolution in France spread across Europe via a new device called the telegraph. By March a full blown revolution broke out in Germany followed by Denmark, Hungary, Poland, Switzerland and Ireland.



Radio

At the turn of the 20th century in the US, radio inspired thousands of anonymous amateurs to express themselves over the airways. However, they faced radio silence in April 1917 when the government shut down all amateur stations as the nation entered the First World War.



Television

Throughout the 1950s and 1960s, television introduced the latest form of exposure – who can forget the sweaty lip in TV's first presidential debates?



Newspapers

In the early 1970s, American journalists made the anonymous source famous with the release of the Pentagon Papers, followed by Watergate's "Deep Throat."



Fax machine

In the spring of 1989, the fax machine was China's Twitter, connecting Chinese democracy activists with each other and the outside world. Just as important, the world was able to let the demonstrators know that it was watching. The government had blocked international TV and radio to isolate the demonstrators but overlooked fax – a relatively new technology.



Internet

2011 began with a string of protests, fueled by anonymous profiles on Facebook, Twitter and YouTube, erupting across the Middle East.

lost their lives – coupled with his vulnerability and intellect, re-ignited and re-energized a movement that had appeared to be faltering.

Commenting later on the end of Mubarak's regime and the "virtual and leaderless" internet-led revolt that had overthrown the former leader, Ghonim remarked: "This was Revolution 2.0. No one was a hero because everyone was a hero. Everyone was doing something."

The events in Egypt and across the Middle East vividly illustrate the fundamental shift in the way the world communicates – whether about human rights, politics, business, or consumer affairs.

A POWERFUL FORCE OF CHANGE

Don Tapscott, a business consultant and co-author of bestseller *Macrowikinomics*, calls the events in Egypt a "WikiRevolution," and sees it as a taste of things to come. "People can now self-organize," he says, "and at their fingertips they have the most powerful tool ever for finding out what's going on, for informing others and for organizing collective responses."

And this shift in power toward previously informal or isolated groups of like-minded people has an impact far beyond the Middle East and the fortunes of political regimes. In the UK, the pressure group UK Uncut relies heavily on social media in its campaign against the companies it accuses of not contributing enough corporation tax. Meanwhile, in the Netherlands, when news broke in March 2011 that senior executives at ING Group were to receive bonuses, a consumer campaign led by social media created enough public pressure to persuade the financial institution to waive the payments. Information that was once locked up in investor relations reports or within the business pages of traditional media is now making its way to the masses.

The issues that bring these groups of protesters together are not new, Tapscott adds, but "they were waiting for a technology revolution, the rise of a ubiquitous computational platform that was rich in media. They were waiting for a demographic revolution – the first generation of digital natives. And there's no more powerful force to change every institution than the first generation to come

of age in the digital era. There's a potential for a generational explosion that will make the 1960s look like kids' stuff."

A NEW AGE OF WHISTLEBLOWERS

The technology revolution has also equipped those who believe that institutional secrets should be exposed, even if the whistleblowers don't have any specific grievances with the organization being targeted. This idea was brought into focus when WikiLeaks released multiple waves of confidential government documents and diplomatic cables, and began threatening the release of compromising e-mails from companies.

Comprised of a loose network of often anonymous contributors, WikiLeaks says that its mission is to increase transparency across the globe. This universal commitment to the full exposure of information is based on a belief that "better scrutiny leads to reduced corruption and stronger democracies in all society's institutions, including government, corporations and other organizations." However, critics have questioned the legitimacy of WikiLeaks as a news outlet. Some think of it as merely a content aggregator whose data has to be interpreted and reported on by traditional news outlets. Advocates of WikiLeaks have cited the US Supreme Court ruling that protected *The New York Times* and *Washington Post* when they published the Pentagon Papers, on the government's Vietnam War policies in 1971.

The challenge that WikiLeaks presents is ever-changing, as new versions of the "leaks" concept continue to emerge. Expected to launch in full this year, OpenLeaks was created by a former WikiLeaks employee. It will not publish or verify material, but instead serve as an anonymous online portal where leakers can submit information for fact-checking, redaction or publication by organizations of their choosing, such as NGOs and unions, as well as the traditional media. Uninhibited by corporate funding and political control, people running

these groups know how to organize a few key agitators who will connect and stir the passion of the disgruntled masses. And what are the traditional media doing about this? They are starting to get in on the act by creating their own mechanisms for whistleblowers. In May 2011 *The Wall Street Journal* launched SafeHouse, a stand-alone site for passing tips, documents and data direct to editors in the newsroom. In the UK, *The Guardian* and *The Times* are both developing their own versions.

The impact on companies at this point has not yet been felt on the bottom line, but this new age of whistleblowers has taken various institutions by surprise and has the potential to affect reputation dramatically.

THE IMPORTANCE OF TRANSPARENCY

There are several lessons that companies must learn from this growing trend of mass collaboration and influence:

- First, citizens across the globe are demanding greater and greater transparency from their governments and businesses.
- Second, to maintain and enhance their credibility, companies

have to support greater transparency with better communication.

- Third, when corporations fail to provide the right information at the right time, a vacuum is created that is often filled by rumor and misinformation. Stakeholders want to hear about both good and bad news and they want it right away.

Skype, an internet telecoms provider, benefited from this approach during a one-day network failure in the run-up to Christmas 2010 that left many of its 124m worldwide users unable to make calls to family and friends.

Peter Parkes, who is in charge of social media in Skype's global communicationsteam, explains: "We kept our customers informed with regular updates every two hours. This included blog posts as well as videos featuring our CEO, Tony Bates. 

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TRADING ON TWITTER BUZZ

There is a solid case being made that global social media sentiment is becoming a powerful influence on the way that companies are valued. At the vanguard of those seeking a financial angle from the social media buzz is London-based Derwent Capital Markets, the first hedge fund to launch with an investment model based heavily on Twitter sentiment.

“Sentiment has always been important but until now there had never been a way to analyze it. That was until social media gave us access to huge amounts of real-time data,” says Derwent’s co-founder Paul Hawtin.

His new venture was born in November 2010 after the 29-year-old spotted a research paper online that had been co-authored by Johan Bollen of Indiana University. Bollen, a psychologist, had analyzed millions of tweets for their emotional context. His findings showed that, when correlating this sentiment against the Dow Jones Industrial Average, he could predict the markets three days in advance and with an 87 per cent accuracy rate.

Hawtin, who has exclusively licensed Bollen and his team’s work, says that the model is being refined to delve deeper into industry sectors and the bigger players within those sectors. As Twitter adoption becomes ever more widespread, potentially all companies will be covered.

“We’re only a few months away from trialing our models on individual stocks and I’m confident that when we look back in a couple of years things are going to be very different indeed. Social media sentiment will be accepted as a powerful influence on valuation. This is a wake-up call for companies because all of a sudden they are going to be forced to take very seriously what is being said about them. And it all falls back on transparency – hiding things is a real risk these days; it just takes a whisper for something to go viral.”

And by the time it goes viral, hedge funds such as Derwent will have already made their move.

He recorded two on December 23 alone.” The updates continued until Skype returned to normal and were followed by a much-lauded blog post from the CIO offering a frank explanation of the reasons for the outage.

With the number of online users rising globally, choosing whether or not to engage with stakeholders through social media has consequences that can affect a company’s bottom line – as Nestlé found in 2010 when Greenpeace campaigned against its sourcing of palm oil from deforested areas in Indonesia. The campaign, inflamed by responses Nestlé made to comments on its Facebook page, hit the share price and forced a change in policy.

THE IMPORTANCE OF STRATEGY

While social media has created opportunities for companies to understand more about their audiences, it has also presented challenges. Brian Snyder, Senior Manager, Social and Emerging Media at Whirlpool Corporation, says: “The expectations of customers in terms of engagement and transparency mean companies must collaborate across the regional and functional boundaries of their business. A successful social media strategy requires integrated communication channels – including Facebook, Twitter, YouTube and so on – along with coordinated activities across corporate communications, brand marketing, sales, customer service, human resources, investor relations and involving legal issues.

“Companies need to prioritize policies and align their corporate communications to achieve their business and reputational goals. Once these measures are taken, companies can then develop a robust training curriculum and a tool kit so they can effectively engage across the social media network.”

EXPOSE YOURSELF

In the internet age, a local issue can become international almost instantly. It’s highly likely that from now on every global event of significance will have someone nearby who is blogging about what is going on, even if at the time they are unaware of the gravity of what they are witnessing, as was the case with the death of Osama Bin Laden.



Computer programmer Sohaib Athar would not have dreamed that the helicopter engines he was complaining about on his @reallyvirtual Twitter feed were the approaching US Navy SEALs. But within hours, a global audience would read the 33-year-old's real-time Twitter stream on the events in Abbottabad that led to the death of the world's most wanted terrorist.

In a time of instant global communication, activists in one corner of the world can attack companies operating in another. In such situations, an established online network is critical in order to influence the debate quickly. There is usually a small window between receiving information and forming an opinion, after which it is difficult to change. Understanding who the agitators are and establishing a process for quick response can help organizations mitigate risk to their reputation. This is precisely what a well thought out social media strategy can achieve.

Even though technology is evolving, sincerity and transparency will always remain at the center of social media engagement. An honest and meaningful engagement gives organizations and their executives an opportunity to present themselves as real people in front of their stakeholders. This is the kind of trust

that is required if and when a company is forced to face down its critics in the public arena. To achieve this, organizations must be willing to discuss their limitations as well as their successes.

There is a scene in the movie *8 Mile*, when the rapper – played by real-life rapper Eminem – realizes that the only way to win a rap competition that features “trash-talk” is by trashing himself. On stage he raps about being poor, white, and the son of an alcoholic single mom. He exposes potential embarrassment before his opponent has the chance. He wins because he had a platform, a voice, and the courage to expose himself on his own terms before being exposed.

There is no one-size-fits-all social media rule for businesses, but there is one constant that emerges in this new era of radical activism: be transparent or be exposed. ☺

Rachelle Spero is a Partner in Brunswick's New York office and **Andy Rivett-Carnac** is a Director in London. Both specialize in digital and social media communications.

Anukriti Vatsa, an Executive in Brunswick's New York office, also contributed to this article.