



Tiger Woods

BRANDS BEHAVING BADLY

Words Eugene Yiga

Your strategic alliances matter when it comes to looking after your reputation, as three top experts explain.

“Associate with men of good quality if you esteem your own reputation,” George Washington once said. “For it is better to be alone than in bad company.” These words resonate with Regine le Roux, Managing Director of Reputation Matters (www.reputationmatters.co.za), a firm believer that the reputations of those who are associated with your organisation have a direct impact on your own.

“Reputations matter,” she says. “There’s no getting around it. And your reputation is at risk if those you align yourself with have different values, standards, and morals to yours. That’s why you should partner at your peril, especially if you don’t have the right governance processes to check that your core values are aligned.”

Le Roux explains that we like to do business with organisations and people we resonate with because, on a basic level, we can trust that they have our best interests at heart. This is particularly true when it comes to sponsorship of sports stars.

“People like backing and associating with a champion at the top of their game because it makes them look good too,” she says. “That’s why companies invest substantial resources in individuals who excel on the sports field.”

SET WELL-DEFINED PARAMETERS

Many brands use celebrity endorsements as reinforcement or “proof” of their positioning and delivery of the brand promise. And because a brand is defined not by what it says but by what it does, a brand “goes bad” when there is difference between its promise (what it says) and its performance (what it does).

“The significance and impact of this disparity can be and is greatly amplified through social media, specifically if the brand – or the brand affiliates, like endorsing celebrities – fails to behave in a brand-appropriate manner,” says Doug de Villiers, CEO of Intergroup (www.intergroupconsulting.com). “That said, brand celebrity (or ambassador) endorsement is a powerful way of espousing and proving the brand’s values, thereby creating a strong consumer affiliation.”

Still, there are countless examples of endorsements gone wrong, from Lance Armstrong to Tiger Woods. That’s why Janine Hills, CEO of Vuma Reputation Management (www.vumareputation.com), believes that the best way to protect your brand is by setting well-defined parameters for ambassadors.

“The value of reputation is difficult to quantify, but reputational harm can be the kiss of death,” she says. “The goodwill that

names carry is among the most valuable assets of a brand. And the idea that there's no such thing as bad publicity is laughable; those days are long gone. That's why organisations must apply caution when choosing brand ambassadors."

Hills believes that there are nine dimensions to building and maintaining an organisation's brand reputation: employer attractiveness, business performance, ethics and business practices, transparency, social responsibility, management quality, marketing and sales effectiveness, innovativeness, and quality of products and services. These should be taken into account whenever any communication takes place.

"In selecting an ambassador, it is advisable to determine upfront which of the nine dimensions of brand management that person adds value to," she says. "Whichever dimension the brand ambassador complements, they must be provided with a strict set of guidelines when it comes to behaviours and expectations. If these checks and balances are not in place, the manner in which that ambassador represents the brand cannot be managed."

OPEN LINES OF COMMUNICATION

But how should a brand respond when an ambassador does something foolish? People are fallible after all. And individual endorsements, especially if they are the main brand premise, can hold significant risk.

"Brand owners need to consider their brand communications and affiliation mix to mitigate against the dangers of having all their reputational eggs in one basket, and should ensure a balanced brand communications and endorsement portfolio," De Villiers says. "When a brand ambassador behaves in a manner inconsistent with the brand's values – and remember that employees are also brand ambassadors – the reaction of the brand owner is probably more powerful than the off-brand action of the ambassador."

While there's nothing worse than an ill-considered reaction, De Villiers explains that the brand must take action and, most important, communicate this action as quickly as possible. This generally takes the form of a) acknowledgment of the issue, b) acknowledgement and apology for the impact on the customer, c) clear communication on actions to be taken, and d) assurance of impact on the customer.



“PEOPLE ARE FALLIBLE AFTER ALL”

"Get all the facts first," Le Roux says. "Dropping someone on an assumption of a questionable action could do more damage to your reputation. Once you have all the information, determine whether the relationship can be continued. And whether or not it does continue, it's important to let your supporters know what your decision is and why. Why are you no longer supporting the person? Or, if you are supporting them, what are you basing your decision on? Open lines of communication are crucial to build trust and enhance your reputation with all your other associates."

BE ACCOUNTABLE FOR YOUR ACTIONS

What about the other side of the coin? How should a brand respond when it behaves in a way that's inconsistent with its values, like VW vociferously promising greener cars but effectively delivering something different? And how should a brand ambassador respond when he or she behaves in a way that is damaging to the brand?

"Brand endorsers are generally well-recognised and established brands in their own right; it's a key part of being celebrity," De Villiers says. "Of course most brand ambassadors provide this service to brand owners for compensation; sometimes significant amounts of money. Brand ambassadors should therefore ensure that they do have behavioural affinity with brands they endorse. Otherwise it comes across as disingenuous. And no one wants to be that."

De Villiers also believes that if the ambassador's personality and resultant behaviour is out of whack with the brand's values, he or she is probably looking for trouble in the first place, and reputational (and economic) ruin will most likely follow. But if a brand ambassador does something silly, the process is the same as that for the brand owner: own up, apologise to both the audience and the brand, communicate what you will do to address the situation, and do something that proves your intent.

"Be accountable for your actions, acknowledge that you've messed up, communicate what you plan on doing to fix the situation, and then do what you say you're going to do," Le Roux says. "Your reputation will never be rescued if you give lip service with no action."

Ultimately, it's no longer about simply attaching a celebrity or sportsperson to a brand and getting on with it. Instead, it's about paying careful attention to the guidelines and parameters set for the ambassador and the brand in the first place.

"The one thing an organisation cannot control is perception, especially in a world driven by social media," Hills says. "What people say about your organisation online has become the single most important reflection of its quality, reliability and skills. The reality is that no organisation will get it right every time. That's why reputation management is more important than ever before." ●