

# Reputation and Strategic Issue Management

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## This chapter covers

- » An overview of the relationship between reputation and issue management.
- » The importance and context of issue management as a tool of reputation management and strategic business planning.
- » The impact of social media in managing issues.
- » The value of issue analysis to decision making and business insights.
- » The structure and process of issue management.
- » The interconnection between issue management, risk, and crisis management.

## Introduction

What is the purpose of a business? According to Peter Drucker, “the purpose of a business is to create a customer.” Such a statement makes good sense, as without customers there can be no functional business. Essentially, if the purpose of any business is to fulfill some human need within society, then that business, whatever its nature, should take an active interest in its own reputation as a way of securing its future prospects. Central to building and defending a sound organizational reputation is the capability to be proactive and to recognize and evaluate potential and ongoing risks (issues). Legitimacy and transparency are at the heart of issue management, and whether the messages developed and delivered through corporate communications are credible to stakeholders. If reputation can be viewed as a form of assessment of a corporation’s behavior and performance, then understanding and identifying risks and issues—that may at a later stage damage this valuable asset—must be an active part of any reputation management structure and process.

Most organizations recognize the importance of reputation to their organizations, yet few have dedicated structures and people in place to oversee the critical function. In the author’s opinion, we are witnessing the era of a *reputation economy*, whereby economic sustainability is based less on what you *claim* (typically through a mixture of mass media and social media) and more on what you actually *do*, i.e. your accountability and consistent delivery of brand values. Concurrent with this is a shift in values and public attitudes towards corporations and an increasing ethical overlap between business and personal morality.

Consumers now expect organizations to act in a fair and reasonable manner, and not only to make a brand/organizational promise, but to deliver it. Faced with increasing market volatility and complexity, corporations are realizing the need to have structures and processes in place to ensure that risk issues do not evolve into nasty reputational surprises, damaging brand equity, which can quickly result in loss of shareholder confidence and, in the long term, profitability. The hasty demise in July 2011 of the British newspaper, the *News of the World*, is a good example of an issue that rapidly became a crisis, with devastating consequences.

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Risk and issue management are by their nature proactive so, in order to build, defend, and maintain a good reputation, corporations need a series of key interdependent competencies to manage reputation risks:

- ▶▶ Strategic risk and issue management.
- ▶▶ Effective brand/marketing communications and message development.
- ▶▶ Corporate identity and image development.
- ▶▶ Crisis management planning.
- ▶▶ Innovation and communication of change.
- ▶▶ Sustainability and corporate social responsibility.
- ▶▶ Ethics and regulatory/compliance.

### Is the Management of Issues Important?

Issues and their management are similar to the way in which we perceive our health. Most of us care about our health and fear long-term diseases such as cancer, yet many of us indulge in lifestyles that can increase the risk of exposure to serious illness. Interestingly, a simple search on the internet quickly reveals the importance of crisis management in the business lexicon. Type in “issue analysis” or “issue management” and there is significantly little presence on the web. Why? Because most people in business habitually use the terms “issue” and “issue management,” yet there is poor understanding of how issues can be properly managed.

Conversely, the term “crisis” is more popular in terms of awareness, training, and consequences. A crisis evokes fear and potentially threatens the very existence of a business. The simple explanation is that issues, like threats from illness, do not command our immediate attention. Our minds have not evolved for such long-term planning, as we tend to look for short-term reward and security. In essence, executives understand the importance of risks and issues but seem to have a cognitive bias against them, primed as we are for “fight or flight,” the classic crisis scenario. Even when risks and their management are advanced, such as enterprise risk management (ERM) systems within the financial sector, elements such as reputational risk are not adequately dealt with.

In his book, *Managing*, Mintzberg pointed out that businesses are often over-led and under-managed. Organizations place too much emphasis on preparing and training for crisis response, and far too little on establishing formal structures and training for complex issues and their management. Yet this seems somewhat strange given the rise of social networks and relational media, which have leveled the playing field, with bloggers and activists having the same access to the network as corporate giants. In the post-industrial world, dominance is being replaced by influence, central to which is an appreciation of what makes reputation.

### Impact of Social Networks: Online Issues and Reputation Management

Social networks have transformed corporate communications and the ways in which risks and issues are handled. The speed and nature of online response are now critical as organizations struggle to stay on top of news-flow and circulating rumors, amplified through social media networks. User-generated content (UGC) has altered the power balance between brand owners and their consumers but often errors that lead to reputational issues are found deep within the organizational structures and operations.

### Important Social Technologies in Managing Reputation

- ▶▶ Blogs, e.g. Technorati
- ▶▶ Microblogging, e.g. Twitter
- ▶▶ Social networks, e.g. Facebook, Bebo, LinkedIn, Google Plus
- ▶▶ Video/photo sharing, e.g. YouTube, Flickr
- ▶▶ Social bookmarking, e.g. Delicious, StumbleUpon
- ▶▶ Product reviews, e.g. Amazon
- ▶▶ Discussion groups, e.g. Google Groups
- ▶▶ Social news, e.g. Digg

Although the protection of online reputation is very important given the ubiquitous nature of social media, in the author's opinion too much emphasis is placed on search engine optimization (SEO) and the removal of online negative comment. Of course bad press and damaging comments must be swiftly and strategically dealt with and of course SEO and visibility are vital to any business and its reputation but it is equally important to address the reasons for such comment rather than simply to remove the symptoms. One cannot simply admire the "fruits" of the corporate tree while ignoring the roots of the business and, more importantly, the soil that it grows in. This reinforces the case for issue management being at the heart of a proper reputation management system as an effective means of providing analysis and valuable insights.

Issues are important to organizations not just because they are unsettled or contestable, thereby uncomfortable, but because they may have serious consequences and will impact on the organization's resources and brand equity in the long term.

Failure within organizations is usually attributable to someone or some group failing to notice or act—attention slips and responsibilities blur. Errors may not immediately cause a discernable problem, but problems may appear say six months later when another variable comes into play. This is why issue management is such a vital element of pre-crisis planning.

As tools for engagement, social media and networks are both friend and foe and must be carefully assimilated into any issue management strategy and tactics. Activists and NGOs such as Greenpeace have become skilled at exploiting issues against corporations, using new media as the forum for debate. For example, Nestlé has been subject to attacks from Greenpeace and other activists over the inclusion of palm oil in some products.

In March 2010, Greenpeace released an advertisement on YouTube that showed an office worker opening a Kit Kat biscuit. One of the chocolate fingers turns out to be a "finger" of an orangutan, which, when bitten, draws blood. Nestlé argued that this shocking pastiche infringed its intellectual property rights, which only resulted in more negative publicity for Nestlé. Like Kraft and Unilever, Nestlé was forced to reconsider its purchase of palm oil from the Indonesian company Sinar Mas, who Greenpeace accuse of significant deforestation that threatens the very existence of orangutans. Nestlé have now developed more robust sustainability strategies, which appear to recognize their global impact, especially from an environmental perspective.

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### What Is Reputation?

In a word, trust. However, given its amorphous nature, it is hardly surprising that no universally accepted definition exists. Charles Fombrun, CEO of the Reputation Institute, defines reputation as a “collective assessment of an organization’s past actions and results that describes the organization’s ability to deliver valued outcomes to multiple stakeholders.”<sup>1</sup>

In its various perspectives and interpretations, reputation centers on the following common elements:

- ▶▶ A collective representation based on stakeholders’ opinions.
- ▶▶ An aggregate evaluation that stakeholders make about how well an organization meets its customers’ needs based on current and past actions.
- ▶▶ A holistic impression of a person or company based over time; it can be negative, neutral, or positive.
- ▶▶ A form of assessment, whereby an organization’s performance is judged in the context of its past and current behavior.

As a critical intangible, reputation is rather like modern medicine—it is increasingly evidence-based, with a focus on prevention and understanding of root causes, and changing vital behaviors. In this regard, the importance of issue management can be highlighted. Issue identification and management are the equivalent of preventative medicine, the analysis of the patient’s lifestyle to evaluate risks and issues (such as raised blood pressure and poor diet), and the prescribing of drugs that will help mitigate the risk of the medical condition (an ongoing risk or issue) becoming a crisis (such as a heart attack). Just as with modern medicine, people recognize the importance of analysis of symptoms and that early intervention can be critical in the successful management of a condition, but all too often people ignore warning signs and think only of today.

### What Are Risks and Issues?

There are a myriad of perspectives and definitions of risk, but from a technical viewpoint, risk can be defined as:

Risk = Probability of occurrence × Impact

The Institute of Risk Management defines risk as “the combination of the probability of an event and its consequences.”<sup>2</sup> Consequences can range from positive to negative.

At its simplest, a risk is a future event that may have an impact on an organization. Generally, risk refers to a downside or negative state. An issue is a present problem or concern that has the potential to influence a brand or organization. As an issue can arise from a risk, it is critical that when involved with an issue management process, individuals should understand the risks faced by the organization, and the risks that current issues pose to the organization. Issues are not immediate problems, and therefore are often overlooked. As a concept, issue management is ancient, but in a business context it emerges properly in the late 1970s, along with stakeholder management.

## Reputation and Strategic Issue Management

Howard Chase is usually considered the father of issue management, and is credited with coining the term issue management; together with Barrie Jones, he defined an issue as “an unsettled matter which is ready for a decision.” Most people, when referring to issue management, do so in the context of downside risk and negative outcomes. Issues can on occasion also have unintended upsides or positive consequences, for example as a result of changes in government policy or regulation that drives more business to one particular manufacturing or service firm while derailing linked businesses.

However, it is important to remember that the essence of issue management is to anticipate problems and opportunities and, by managing them correctly, create positive outcomes such as enhanced reputation and market share. The American clothing giant, Gap, suffered years of global protests based on charges from activists of labor rights abuses, environmental damage, and supply chain issues. Gap engaged in a complex but largely successful stakeholder engagement campaign that resulted in an improved image in the eyes of many activists. Many organizations try to gain “ownership” of an issue, which can often be achieved by working in collaboration with an NGO in an attempt to reduce an issue’s impact. By owning and highlighting an issue, companies can tackle problems head-on and ask for the support and cooperation of detractors in an attempt to resolve the issue.

An issue can be categorized in many ways. Some issues are single or narrow-based, such as the impact a factory may be having on the health of local people, while others are broad-based, such as the impact of nanotechnology in the consumer goods sector. Some issues are local, some global. The type of issues faced by a business, and their complexity, is normally a function of the type of business, its impact, and visibility. A business as global and massive as BP will usually adopt a portfolio approach to issue handling, i.e., the ways in which a previous issue was approached and the lessons learned from it are very likely to influence how a new, yet related issue is handled.

Examples of issues faced by organizations:

- » Child labor in the supply chain.
- » The use of meat from cloned animals.
- » Privacy and the use of data from social networking sites.
- » Responsible marketing to children.
- » The need to reduce an organization’s carbon footprint.
- » The benefits of environmental and social reporting by companies.
- » Biodiversity and threats to key habitats, such as marine or rainforest ecosystems.
- » Ethical sourcing of products and labor.
- » IT security and data loss.
- » Immigration and loss of jobs.
- » Traceability of food and consumer goods.
- » Promotion of responsible drinking.

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## What Is Issue Management?

Issue management is a strategic business-planning tool that helps organizations and NGOs gain legitimacy and credibility in their arguments on contentious, unsettled matters. It is a formal process that seeks to harmonize organizations' and stakeholders' interests, thereby reducing the gap between performance and expectation, and which aims to reduce negative outcomes for organizations.

Issue management also helps to shape public debate and public policy formation, the most common approach being advocacy, which involves campaigning and lobbying stakeholders in order to change attitudes and beliefs toward an issue.

Based broadly on the Howard Chase model, modern issue management as a process involves a number of sequential steps that attempt to anticipate, identify, analyze, and provide strategic options to tackle the issue in the best interests of the organization.

The key steps involved are:

- ▶▶ environmental scanning;
- ▶▶ issue identification;
- ▶▶ issue monitoring;
- ▶▶ issue analysis;
- ▶▶ strategic options and responses;
- ▶▶ implementation;
- ▶▶ evaluation.

The various stages above are highly interrelated and not mutually exclusive (Figure 1). Issue management is not without its critics but in the author's opinion it is a skill and capability that is vastly underused in corporations. It requires resources and dedicated teams, in the same way that most corporations have a crisis management team.

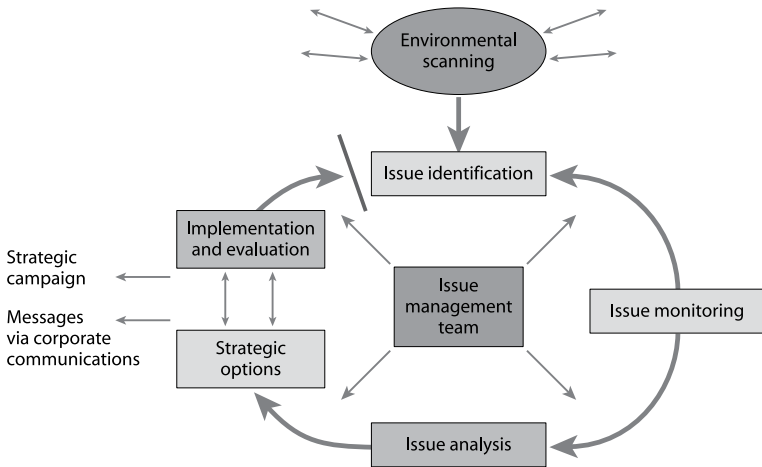


Figure 1. Issue management process

### Environmental Scanning

This stage involves scouting the terrain and looking out for any emerging issues, based on opinions, discourses, and debates taking place in the environment. It is a form of intelligence gathering that requires the organization to acquire data and information, and from this produce some knowledge that will inform and guide them. Information can be gathered from a wide range of sources including formal and informal searching of:

- ▶▶ newspapers and general periodicals;
- ▶▶ academic journals;
- ▶▶ open-source intelligence;
- ▶▶ business-to-business publications;
- ▶▶ trade journals;
- ▶▶ NGO-based publications;
- ▶▶ social media and networks, especially specific bloggers/activists;
- ▶▶ online communities;
- ▶▶ government releases and speeches;
- ▶▶ expert opinion;
- ▶▶ market research;
- ▶▶ professional bodies' publications;
- ▶▶ dissertations and research publications;
- ▶▶ independent commissions;
- ▶▶ business news and intelligence organizations.

Researchers should attempt to detect political, economic, social, technological, environmental, and legal (PESTEL) events that may be relevant to the organization. In addition to the PESTEL scanning, one should also look at industry and the task environment. As well as outside threats, scanning also looks at potential internal issues, such as capabilities, resources, and asset availability. Once both external and internal analyses are completed, the results can be fed into a SWOT analysis.

Corporations normally set selection criteria for an emerging issue such as relevance, frequency of mention, the source, and reason for its being highlighted. The primary aim of the scanning stage is to provide intelligence about emerging issues and trends for the next stage: issue identification.

### Issue Identification

This stage of issue management involves taking the intelligence gathered and working out whether the issue is going to become a problem for the organization, how the issue is being framed, and, indeed, if it has been given a name or slogan. It is important to realize that those who name the issue or debate often have a significant advantage over its outcome.

During this stage it is important to:

- ▶▶ Define and explain the issue, and how it is being framed and presented.
- ▶▶ Outline its angles and positions, and identify those with a vested interest, e.g. stakeholders' reactions.

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- ▶▶ Identify potential sources of future information.
- ▶▶ Determine how complex and interdependent the issue is and whether it can be broken down.

### Monitoring

Monitoring involves forecasting how an issue will develop, its intensity, and potential to cause fear or outcry among key publics. The skill at this point is to evaluate how trends are developing, particularly through online monitoring. Various online resources are available to monitor comments and the lifecycle of issues. It is also important during this stage to realize which stakeholders are influencers, and which are detractors.

Examples of organizations and software that can assist with online and social media monitoring include:

- ▶▶ Alexa ([www.alexacom.com](http://www.alexacom.com));
- ▶▶ BlogPulse ([www.blogpulse.com](http://www.blogpulse.com));
- ▶▶ Google Alerts ([www.google.com/alerts](http://www.google.com/alerts));
- ▶▶ Google Analytics ([www.google.com/analytics](http://www.google.com/analytics));
- ▶▶ Google Trends ([www.google.com/trends](http://www.google.com/trends));
- ▶▶ Icerocket ([www.icerocket.com](http://www.icerocket.com));
- ▶▶ Radian6 ([www.radian6.com](http://www.radian6.com));
- ▶▶ Technorati ([www.technorati.com](http://www.technorati.com));
- ▶▶ TweetMeme ([www.tweetmeme.com](http://www.tweetmeme.com));
- ▶▶ Twitter Search ([search.twitter.com](http://search.twitter.com));
- ▶▶ Twitterfall ([www.twitterfall.com](http://www.twitterfall.com)).

Following and tracking online debates, discussions, and forums is integral to the monitoring process. Combined with the specific online monitoring techniques available, other techniques that can be employed to monitor the issue

- ▶▶ the Delphi forecasting technique;
- ▶▶ trend impact analysis;
- ▶▶ focus groups, on and offline;
- ▶▶ archival research;
- ▶▶ surveys;
- ▶▶ technology forecasting;
- ▶▶ scenario planning.

Some companies, e.g. PepsiCo, have developed social media command centers where they constantly monitor the opinions of consumers on Twitter and other social media about specific products.

Information can also be obtained from news and information sites such as Factiva, Taylor Nelson Sofres, and Brandwatch. Issues generally have a lifecycle development that can be represented graphically (Figure 2).

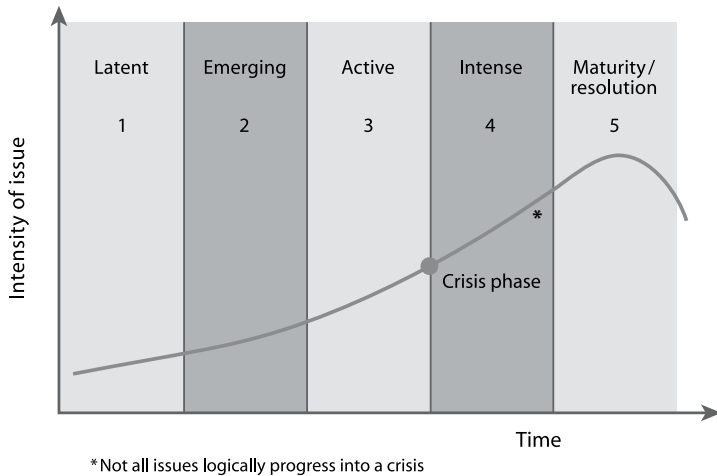


Figure 2. Issue lifecycle

### Issue Analysis

Analysis focuses on trying to establish the facts, position, premise, and possible outcome of the issue in question. This stage is the most critical as it requires the issue management team to dissect the arguments and link these with relevant stakeholders, taking into account their interests and power. Through the analysis, issues can be placed into clusters and priorities set. The questions to be addressed during issue analysis include:

- » What are the various arguments being put forward and by whom?
- » How will the public view and consider the issue?
- » Which activists are involved and why?
- » How can the issue influence public policy?
- » Are arguments shifting and how has the issue been framed?
- » Which stakeholders are implacably against, and which are not yet decided on their position?
- » Is there misrepresentation of the issue?
- » What are the facts and data to support the arguments?
- » Is there conflicting information?
- » Is there a broad spectrum of opinion?
- » What are the concerns of the stakeholders and how are they likely to react?
- » Which clusters of issues should be given priority?
- » What issues are mission critical to the organization both in terms of timing and impact?
- » How can the issue influence the current business model, its operations, and strategy?
- » How mature or advanced is the narrative, and what is the type of language being used?
- » At what stage is the issue within its own lifecycle—still emerging, active or intense, or is it reaching maturity and consolidation?

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- » What are the risks/benefits of responding to the issue?
- » Are there false dichotomies within the arguments or fallacious aspects inherent in the debate?

In addition to analysis of current stakeholder interests, it is crucial to try to predict which stakeholders will show an interest in the future and those who have yet to declare their interests. The threat posed by a risk must be considered (Figure 3) and a cost–benefit analysis of acting upon the issue conducted.

### Strategic Options and Responses

Having analyzed the issues, an organization has to consider how it will respond and the strategic options available to it based on the constraints and resources available.

Is the organization going to adopt

an advocacy response by campaigning and lobbying specific stakeholders to influence the debate in its favor? Is it going to adopt a buffering strategy by keeping silent and avoid ownership of an issue? Exxon Mobil was accused of such a strategy by NGOs over the issue of climate change. In 2008, Exxon was accused of providing cash to skeptic groups allegedly to provide misleading information.

Cigarettes have long been the subject of debates and complex issue management and public affairs campaigns. The tobacco industry has lived with warnings (and sometimes accompanying graphic images of diseased organs) on tobacco packaging for over a decade.

In Australia, the government is planning to introduce some of the toughest laws against tobacco advertising ever seen; in 2011, the UK government is considering a similar approach. Tobacco giants such as Philip Morris in Asia have argued that their intellectual property rights and their brands will be massively damaged by measures such as the plain-packaging of cigarettes. Globally, tobacco manufacturers are under threat from governments seeking to restrict retail displays and branding in an attempt to make smoking less attractive to young people.

Despite the powerful health warning and potential benefits of this regulatory activity, the tobacco companies argue that as well as the destruction of their brands and potential infringements of their intellectual property rights, the standardizing of cigarette packaging would encourage further growth in counterfeit cigarettes. Strategic options left open to cigarette manufacturers are shrinking and will need to become ever more subtle and sophisticated to circumvent existing and potential bans. Other strategic options include recognizing the futility of certain arguments and

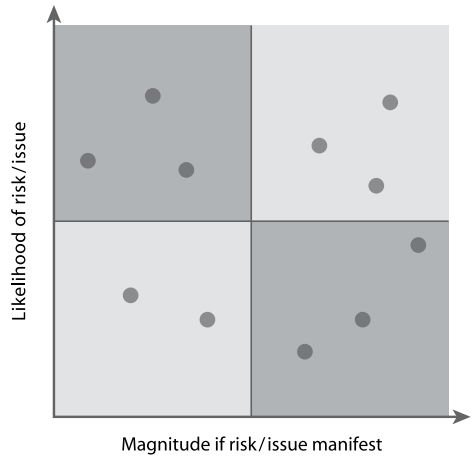


Figure 3. Risk threat assessment matrix

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embracing CSR programs to make sustainability or social rights an integral part of the business. This has been in part the strategy of successful companies such as P&G and Unilever.

During this stage, corporations must also prepare a detailed question and answer responses and have recommended positions on an issue. These then permit the development of consistent messages that convey the position of the organization to the stakeholders.

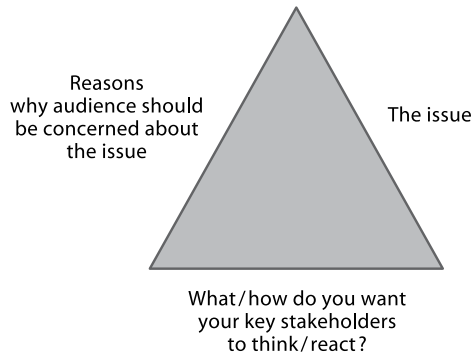


Figure 4. Message development/framing triangle

Message development is a vital part of any issue management process and feeds directly into corporate communications activities, such as website content, press and media releases, speeches from the CEO, interviews, spokespeople's comments, and engagement with social media (Figure 4).

Typically message development requires:

- ▶▶ Identification of three or four key messages.
- ▶▶ Frame for the messages: how do you wish the issue to be presented and can the message be reduced to an attractive sound bite?
- ▶▶ The message triangle: outlining the message, why it matters, and what you want your key target groups to do.

The media are fundamental to the message-framing process, especially the portrayal of villain, victim, and hero within any given narrative. Corporations can ill-afford to be portrayed as the villain and are rarely the victims, so it is often best for them to position themselves as heroes.

Stakeholders, especially activists and campaigning NGOs, will often frame an issue in a manner that infuses it with emotive language, worrying statistics, or fear or about the future if nothing is done. To understand how an issue has been framed, one must collect samples of media articles relating to the issue and review them as follows:

- 1 Analyze the different articles and identify the common arguments and opinions used. Are there common phrases, sources, or people quoted? Who is deemed responsible for the problem and/or who could provide a solution?
- 2 From the above, clarify the core position, apparent solution, if any is being advanced, and predicted outcomes or impacts.
- 3 Gauge the public response and determine if the issue could be affected by public policy?
- 4 Establish what frames are being used.

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Once a frame for an issue is understood, the corporation may be in a position to reframe the issue by changing the narrative and repositioning the problem, or by offering different, as yet unconsidered solutions.

Reframing requires complex messages to be simplified and misrepresentations or misleading data to be corrected, with alternative viewpoints advanced. It is always important for corporations to remember that arguments are complex and that there are no absolute truths, only relative positions and perspectives. NGOs often take the moral high ground in arguing concepts and present them in a simplified manner, which should always be challenged by engagement through dialectical methods.

### Implementation and Evaluation

The implementation of a campaign will require issue communications via corporate communications tools, including:

- ▶▶ corporate or advocacy advertising;
- ▶▶ CSR activities;
- ▶▶ social media platforms: Twitter, YouTube, Facebook, etc.;
- ▶▶ use or endorsement of a position by a celebrity;
- ▶▶ speeches or interviews by CEO;
- ▶▶ forums and online communities;
- ▶▶ educational initiatives;
- ▶▶ published environmental or social reports;
- ▶▶ targeted media, press briefing, reviews;
- ▶▶ sponsored events;
- ▶▶ cause-related/social marketing campaigns;
- ▶▶ features, articles, or blogging;
- ▶▶ corporate website content.

Irrespective of the medium being used and analyzed during an issue advocacy campaign, it is important to be clear about objectives and what is being considered, including the scope and critical outcomes. Central to this whole strategic process is the importance of brand engagement, which can be measured using a wide range of metrics including:

- ▶▶ number of RSS feed subscribers;
- ▶▶ number of responses to surveys;
- ▶▶ number of comments and followers;
- ▶▶ number of sign-ups;
- ▶▶ number of “retweets”;
- ▶▶ number of “likes”;
- ▶▶ number of reblogs.

Whatever the form and mode of engagement, feedback must be evaluated, not just in terms of media noise and output, but also in terms of outcomes—have consumers or key stakeholders altered their beliefs or shifted in their opinions? Issues managed successfully, like most advocacy campaigns, are about changing peoples’ attitudes, beliefs, and behavior.

### Conclusion

The primary objective of any reputation management process is to build and protect the brand and secure its future equity. Issue management is one of the most effective tools available to any organization to gather intelligence, understand how the market and stakeholder networks are positioning themselves, and be in a position to defend and respond in a manner that maintain the organization's credibility and legitimacy. Issue management also provides a framework enabling corporations to make better judgments and decisions. Business is ultimately about making and implementing decisions, but so many of the decisions that are made in business are based on poor judgment and lack of reflective reasoning, the cost of which can be severe reputational damage.

### Case study

#### Too Much Too Young: The Issue of the Premature Sexualization of Children

The issue of the premature sexualization of children is broad and complex, filled with numerous sub-issues, moral outrage, and sensitivity. In February 2010, the UK Prime Minister, David Cameron, became directly involved, when he revealed he and his wife had to stop their daughter from listening to the pop music artist Lily Allen, because they believed the lyrics were inappropriate. Although not a new issue, the sexualization of children gained prominence in the United Kingdom during the previous Labour government as teen magazines pushed the envelope too far and brands such as Playboy became accused of grooming children to more readily accept the brand as adults. Playboy pencils and T-shirts for children became the subject of much news and general discussion as the issue was widened into how adults were negatively influencing the sensitive and important issue of what constitutes childhood and the ever-amorphous “well-being” of children.

As an industry-based problem, the issue had links with wider, complex, and emotive topics such as the United Kingdom's terrible record on teenage pregnancy and high levels of sexually transmitted diseases. Self-regulation also raised its head as individual companies had to consider their own responsibilities and response to growing public disquiet.

For too long, teenage magazines had pushed their luck in exposing children to sexual imagery, and behaved irresponsibly by seeming to tacitly encourage risky behavior and what many believed to be lapsed moral attitudes. Equally, pop videos had age-inappropriate imagery within the lyrics that shocked or offended, even sometimes on national TV.

In June 2011, the issue became intense after a six-month independent review into the commercialization and sexualization of childhood (the Bailey Report) was published. This produced a series of recommendations based on parents' concerns, such as restricting outdoor advertisements containing sexual imagery, putting age restrictions on music videos, and retailers offering age-appropriate clothing. Bodies such as the British Retail Consortium (BRC) also published family-friendly guidelines on how industry could respond positively and voluntarily to public feeling.

The Advertising Standards Authority (ASA) and regulator Ofcom became embroiled, welcoming the report and its recommendations. The regulator and other key stakeholders recognized that, if or when the report's recommendations become legislation, it could have a significant impact on specific companies and their brands. The retail groups were given 18 months to improve their act voluntarily or become subject to tough legislation. As the public discourse matured, so the issue seemed to come to an inevitable conclusion—either

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the retailers make sensible and credible changes or they would be forced to.

Some critics of the issue of commercialization and sexualization point to what they describe as creeping authoritarianism. What exactly was the responsibility of parents in the issue and is further censorship the answer? Others argued that parents cannot simply abdicate responsibility for their children's actions to the government.

Another aspect of the issue that went right to the heart of marketing practices aimed at children was the practice of paying children to promote products on social networking websites and at school. Toy and food brands were forced to rethink the practice of promoting to children using peer-to-peer recommendation.

The issue of premature sexualization of children is an interesting one as it evokes so many other interdependent issues and risks for brands. It challenges brand values and questions many of the techniques used by retailers to engage children. It is a classic example of an industry that simply went too far, and became subject to campaigning and a serious risk of being heavily regulated. Despite making much noise about CSR, many brands will have to seriously reconsider their approach as they become subject to the stigma of regulation and restriction.

### More Info

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### Notes

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