

» The 5 steps Facebook should have taken during the crisis

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THE REASONS BEHIND THE CRISIS

Facebook is not the first social network to collect our personal information, and as users, we cannot honestly claim that we did not realize the real product being exchanged was our data. We all knew that if we did not pay to use Facebook, Google or Twitter, it was because someone was utilizing our personal information, which has become a valuable resource. Covert data mining is a lucrative business for companies that position segmented content on our Facebook feed. We all accepted the rules of the game, as long as we could follow the developments in our friends' lives - and share our own.

As Enrique Dans says in his [recent post](#), this has been taking place through "tests of this nature or games such as FarmVille, MafiaWars or PetSociety

[...] for many years." And the problem is not that it is possible, but that it is at the core of Facebook's business model: making its API available to hundreds of developers around the world so that they may implement segmented marketing campaigns. We were all aware of the situation when we signed the terms and conditions - without reading them - and were targeted by blatantly segmented advertising that revealed aspects about ourselves that we may not even have been entirely aware of. I remember an [article](#) I wrote a few years back in Developing Ideas, along with my colleague Beatriz Moreno, about how the big internet "players" were going to have a determining role in shaping political and information agendas. Already then I talked about Facebook's Instant Articles. But now, years later, the Cambridge Analytica scandal draws an even more unsettling picture since we now know how the votes of 50 million people were manipulated during the recent U.S. presidential election and Brexit referendum. Christopher Wylie, the self-proclaimed "brains" behind the British firm Cambridge Analytica and [principal source of The Guardian](#) and The New York Times, explained how he was able to generate the intelligence that influenced both of these elections.

And then we have the [troubling revelations](#) of Facebook's Vice President, Andrew Bozworth, which have done nothing but add fuel to the fire. In a 2016 memo entitled "The Ugly," he asserted, "The ugly truth is that we believe in connecting people so deeply that anything that allows us to connect more people more often is 'de facto' good." Bozworth's internal memo reveals that they were aware of the physical and social risks Facebook could generate: "Maybe someone dies in a terrorist attack coordinated on our tools," he continues. "We connect people. Period. That's why all the work we do in growth is justified."



HOW FACEBOOK REACTED TO THE CAMBRIDGE ANALYTICA REVELATIONS

Amid all the turmoil, Mark Zuckerberg's attitude has been consistently off base. He took longer than he should have to offer his first noncommittal – and clearly insufficient – explanation on his Facebook wall. In his first statement, he made implied and vague apologies as he outlined some of the solutions Facebook would implement to protect user data.



Mark Zuckerberg

March 21 at 12:36pm · Menlo Park, CA, United States

I want to share an update on the Cambridge Analytica situation -- including the steps we've already taken and our next steps to address this important issue.

We have a responsibility to protect your data, and if we can't then we don't deserve to serve you. I've been working to understand exactly what happened and how to make sure this doesn't happen again. The good news is that the most important actions to prevent this from happening again today we have already taken years ago. But we also made mistakes, there's more to do, and we need to step up and do it.

Here's a timeline of the events:

In 2007, we launched the Facebook Platform with the vision that more apps should be social. Your calendar should be able to show your friends' birthdays, your maps should show where your friends live, and your address book should show their pictures. To do this, we enabled people to log into apps and share who their friends were and some information about them.

In 2013, a Cambridge University researcher named Aleksandr Kogan created a personality quiz app. It was installed by around 300,000 people who shared their data as well as some of their friends' data. Given the way our platform worked at the time this meant Kogan was able to access tens of millions of their friends' data.

By the time he made the statement, U.S. and British authorities were already asking him to testify before Congress and a parliamentary committee. The CEO of Facebook only agreed to the former, and a few days later published a second Facebook post and a video announcing a single interview with CNN. Half the globe was waiting for Zuckerberg to accept responsibility and his response was meek and guarded.



Mark Zuckerberg

March 28 at 10:41am

A lot of you are asking how to control what information you share on Facebook, who has access to it, and how to remove it. We recently put all your privacy and security settings in one place called Privacy Shortcuts to make it easier to use. We're going to put this in front of everyone over the next few weeks. We're also going to put a tool with all the platform apps you've signed into in at the top of your News Feed so you can easily remove any apps you no longer use.

In addition to Zuckerberg's response, Facebook announced it was taking steps to better protect users' personal information. In its official blog the company states: "We've heard loud and clear that privacy settings and other important tools are too hard to find and that we must do more to keep people informed." The company is announcing a "New Privacy Shortcuts menu" where users can control their data "in just a few taps, with clearer explanations of how our controls work. The experience is now clearer, more visual, and easy-to-find."

Facebook also has launched, "tools to find, download, and delete your Facebook data" and postponed the launch of its smart speaker, according to Bloomberg.

THE CONSEQUENCES OF THEIR DECISIONS

And now come the consequences for generating a business model that exposes our personal information to blatant manipulation and misuse. At this juncture, whether or not Facebook was aware of what was going on, or whether the company was straightforward or innocent regarding what developers were doing, is mostly beside the point. The truth is probably that this crisis has only just begun for Facebook and the other seven internet giants, which – according to information published by [Cinco Días](#) – have already lost a quarter of a billion euros following the Cambridge Analytica revelations. [Tech companies](#) are certainly taking a hit on the stock market, although surprisingly, Twitter was leading the losses during the second half of March with 21 %, while Facebook fell 18 % (it's certain that Facebook has started to come back since Zuckerberg testified at the U.S. Congress) and Google's Alphabet lost 11 %. It is obvious that investors are frightened and fleeing in droves at the prospect of tighter regulation. Nothing cowers like money does.

For a moment, let us imagine this had happened under Europe's new General Data Protection Regulation, which takes effect in May 2018 and stipulates very significant fines – up to 4 % of the company's global annual turnover of the previous financial year.

But there will probably be more consequences. The Cambridge Analytica scandal opens the doors to a frenzy of regulation (certainly in the European Union) and rewriting the rules for large players that make a

living from harvesting our personal data. In addition, it has opened a significant trust gap, as [José Antonio Llorente](#), Chairman and Founding Partner of LLORENTE & CUENCA, pointed out in a recent [post](#) on LinkedIn.

WHAT FACEBOOK SHOULD HAVE DONE

Step 1. Ongoing monitoring and analysis

After the first alarm went off, following the publication of The New York Times' and The Guardian's breaking stories, Facebook should have performed preliminary damage control based on internal evaluation factors stipulated in its crisis management plan (Did said controls even exist? We don't know). A thorough evaluation should result in a comprehensive plan of action to curtail one of the most important risks affecting a company like Facebook: user data exposure. During a crisis, you must always try to maintain a position of communication leadership, exerting control over the information being published. The important thing is to communicate quickly and effectively to define and direct the conversation. Because if you don't, the information vacuum will be filled with all sorts of speculation. Every minute that goes by in which you do not communicate your position, you are damaging your reputation and that of your business.

Step 2. Establish your story

Your story should be based on your values, or if your values are the crux of the problem, perhaps it is time to rethink them. Your values should be apparent in the corporate narrative you build to overcome the crisis, in any related claims, and in all the content and materials you produce to reach out to your stakeholders. But what if the problem resides at the core of your business model (such as connecting users to harvest their personal information and release it to third parties)? Obviously, if this is the source of the crisis, you are in trouble because you need to rebuild your entire narrative. It is apparent Facebook is already trying to do this – their messages clearly follow this trend – but the problem is, they took too long. By the time the company positioned itself, it had already lost a great deal of credibility and trust. It was late. Way too late.

Step 3. Communicate

Do not stay silent. Communicate. Do so quickly, but also knowledgeably. You will probably only get one chance to get it right. Remember that everything means something, especially silence. Deciding to keep quiet is probably the worst possible choice. I've said so before and I'll say it again: silence is the fertilizer

“Do not stay silent.
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of rumors and distrust. In fact, it is frequently interpreted as an acknowledgement of guilt. You need to talk. Especially if you are Facebook and social media users are out for your blood. And if you are Mark Zuckerberg, who is so closely identified with his company, you are in trouble. I would tell most clients not to play the Queen in their first chess move. Reserve the CEO for the toughest of times. But in Facebook's case, the situation was extremely bad from the get-go, and nobody – not the users, the media, or the government – was going to settle for anyone other

than Zuckerberg himself. Because Mark Zuckerberg is Facebook and Facebook is Mark Zuckerberg. In light of this fact, he decided to publish a couple of things on his Facebook wall, post a video, and grant one interview to CNN days later. When it's too late to do anything else, the spokesperson – in this case, the only possible spokesperson – must seriously consider fully addressing the situation: offer an explanation, apologize, outline how the situation will be fixed, and despite possible reservations, take questions from more than one journalist. And, of course, testify before the U.S. Congress as he has since done.

Step 4. Mobilize your legal and PR teams

This step is not in chronological order; it must be addressed right from the start. Lawsuits can soon make their way to your doorstep, as can economic fines and regulatory changes. These regulatory changes surpass your public image. In fact, Zuckerberg came to realize that appropriate regulations were necessary. Therefore, aligning your organization with a cohesive legal strategy is always a good idea. But beware! Taking legal precautions should never keep you from defending your reputation or continuing to run your business. Remember that the indictment of your reputation and judgment from the media and the public will take place well before anyone is actually put on trial.

Step 5. Continue to monitor, reevaluate and redefine your strategy

Now that Pandora's box has been opened, Facebook has a long and challenging battle ahead. The present crisis cannot be quickly contained. There is too much at risk from a political and financial standpoint. Facebook will have to remain vigilant and react to any changes by continuously adjusting its strategy and tactics. The crisis will only be contained when they are sure the damage to their business and reputation is no longer growing. However, they must keep an extremely close eye on how things evolve because there are a lot of moving parts that can escape their control...and reignite the fire.



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