

SPLAT!



when media hits the fan

News stories show need for franchises to be ready to handle hostile social and professional media, says Pete Burdon

A number of New Zealand media stories over recent months show the need for franchise leaders to understand how to prevent negative press – and how to deal with it properly when it does rear its ugly head.

We saw what can happen in Australia a few years ago, when some big name franchises suffered major media criticism over a long period. Share prices tumbled and the bottom lines of innocent franchisees suffered massive damage. The reputation of franchising itself was harmed, leading to further government intervention and more compliance costs all round. Without commenting on individual examples, the way some leaders reacted to the news media multiplied the negative impacts.

While those examples were at the extreme end of bad press, what about less serious negative stories about franchisees? These also affect revenues and reputations, and not just of a franchisee at the centre of an issue. Here are some recent examples.

Starting on social

Three of the recent scenarios in New Zealand had a strong social media link, as so many do these days. Negative stories either begin in traditional media and move to social, or go the other way from social to traditional. That's what happened in the following cases, and that's why it's vital that a franchise has simple media and social media guidelines that are known to everyone.

1. When two heads aren't better than one

The first example was when a franchisee of a major international brand posted on social media that he was looking for an employee aged between 16 and 60, which is a clear breach of the Human Rights Act – as commenters on social media quickly pointed out. The 'outrage' was quickly reported by *The New Zealand Herald*, and gained far wider coverage as a result.

If franchisees have their own social media platforms, it's obviously difficult to police every move they make. However, there should be guidelines about what is acceptable and what must be avoided.

Worse than the social media backlash here was the lack of understanding around who can talk to professional reporters. A social media post that generates controversy will soon attract the attention of traditional media and they will want to talk to those at the centre of it. That's what happened here: the problem is that they managed to talk to a store manager as well as a qualified company spokesperson trained to deal with such interviews.

In these situations, there should be a clear policy about who can talk to reporters and who must not. Not only can the untrained spokesperson fall into major interview traps without knowing it, but having more than one person talking to media often leads to two separate versions of what happened. In this scenario, the store manager and the company spokesperson were conflicted about who decided to place the advertisement. This wouldn't have happened if the official spokesperson had been the sole media contact.

2. Think before you post

The second recent negative story followed a similar pattern to the first. An employee from a franchised supermarket chain decided to offer a Mother's Day special package that included laundry powder. Some social media users took exception to this, one person calling it misogynistic.

The employee then inflamed the situation by attacking the comments in his posted response, leading to interest from the media. Once again, the employee spoke to the reporter, further inflaming the issue, before a company spokesperson came in and apologised. Both the employee and the spokesperson were quoted by the *Herald*, again with different messages.

3. People make mistakes – so how do you respond?

Another recent issue involved a franchisee of a leading café brand being videoed unwrapping a cake from a local supermarket and placing it on a tray for sale at a massive mark-up. The video was published to Facebook, leading to a visit from a reporter. Once again, the franchisee spoke to the reporter, leading to a number of awkward quotes being written into the

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subsequent story. For example, when asked if the café was selling the cake, she said: 'I mean, legally we don't.'

In this case, when the reporter approached the franchisor, they gave a quick and clear message that acknowledged this was wrong, and said the franchisee had been breaking the rules and had been spoken to. In consequence, the franchise got a fair hearing in the article.

All of these stories show the importance of a clear media and social media policy. In two of these cases, it appears to be the response to criticism that led to the traditional media interest. Such responses should never happen and should be the focus of any Social Media 101 training – and franchisees need to be as aware of the implications as franchisors.

Why aren't you ready?

From talking to a number of New Zealand franchisors over the years, I'd suggest there are two main reasons why many franchises are not ready for negative media interest.

'Nothing could happen to us that would lead to negative attention.' My response is that the vast majority of negative stories stem from an honest mistake, while others are usually false allegations or things totally out of your control.

'There are so many important things to spend time and money on, and I'd rather focus on growing the business than preparing for something that may never happen.' But it's no different from insuring your car or business, and no-one thinks twice about that. They understand the financial consequences if the business burns down without insurance, but the reputation and revenue impact of negative media doesn't command the same attention – until it happens.

Why do you need to prepare in advance?

Imagine if reporters contacted a franchisee or staff member about an allegation of food poisoning. How would they respond to that? How would your official spokespeople respond to that and how quickly could you get a message out to your stakeholders and impatient media?

In the 21st century, your success in dealing with bad news will be dependent on two things. The first is the speed of your response. Media can swoop on a franchisee within minutes, fling a microphone in his or her face, and show the result (edited for maximum impact) on tonight's television news.

Do your franchisees know what to do in these situations, or when something goes off on social media? Do you have pre-prepared statements on possible issues ready to send to media and other stakeholders within minutes of a negative event erupting? If you don't, media stories will say that you 'refused to comment.' Those stories will then be spread through social media like wildfire, and people will assume that you are either guilty as charged, or totally unaware of the situation.

The second thing that needs to be clear is exactly who does what when something negative happens. Is there a dedicated company spokesperson who knows how to talk to media, get a message across and avoid all the traps that can derail an interview? Do your franchisees know what they can and can't do on social media, whether they can talk to reporters or whom to refer them to?

These things need to be clear to everyone, otherwise they can lead to unnecessary negative coverage on both social and traditional media. And the impact can last a long time. The old adage that today's news is tomorrow's fish and chips wrapper is no longer true – it stays on Google forever. That means it's easily found by potential customers, and people shopping around for the right franchise.

So how do you prepare?

Preparing for negative media attention isn't as difficult or time-consuming as you might think. Your success will be determined by how well prepared you are and how effective your *Crisis Communication Plan* is. This doesn't have to be detailed; in fact, the best ones have little detail, but everything you need to know.

A Crisis Communication Plan is a document that prepares an entire franchise to deal with crises or negative situations. First, it explains



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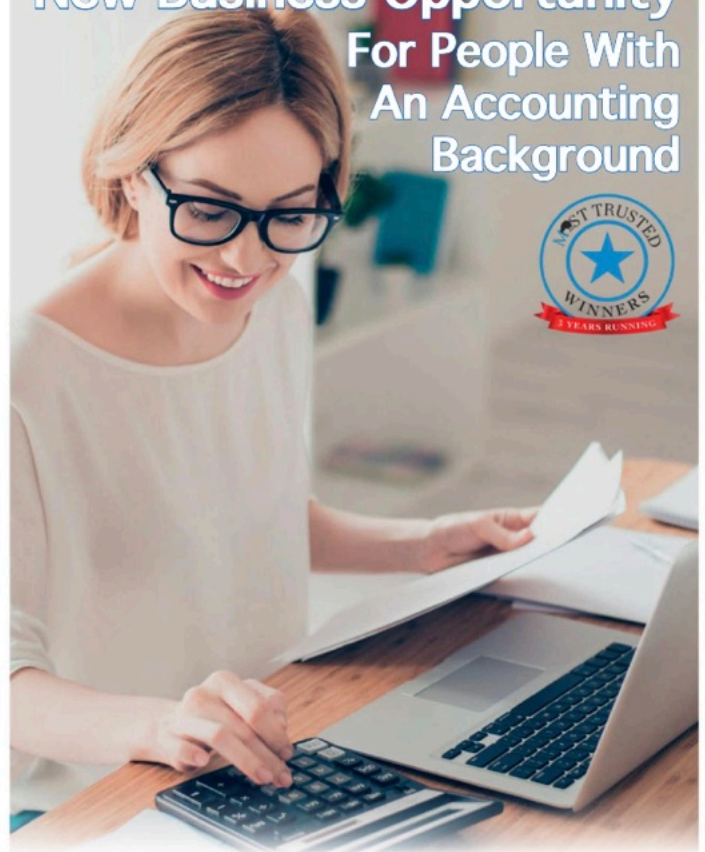
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exactly what everyone needs to do in negative situations, and includes what they can't do. It sets out the roles that need to be filled at head office, the most important one being the Crisis Communication Leader. This person would run any response and should be the first port of call for any franchisee with an issue that may lead to negative attention.

Because the speed of your response is one of the primary determinants of your success, you need to identify possible issues and pre-prepare holding statements on each. These say very little, but they do say enough to get a positive comment from you into that first story that appears on the news website and through social media. This is vital, because it's in the initial stages that people usually decide if you are a victim or a villain.

Other parts of your Crisis Communication Plan will include contact information and established channels to communicate with multiple stakeholders, as well as assign specific areas that may be needed if difficult scenarios do occur. For example, if media turn up at head office or a franchisee location, what will you do with them? Without a plan like this, it's extremely difficult to mitigate any damage and avoid negative news stories.

Trained media spokespeople

The ability of your media spokespeople to handle media interviews when the stakes are high is absolutely crucial. When crises do hit franchises and other businesses, leaders often shy away from talking to media. This is usually because they're scared, not knowing how to control the interviews and keep out of trouble, or because lawyers are advising them to make no comment. The problem with this approach is that the resulting stories are one-sided against the franchise because no-one agreed to front.

Lots of people think that because they are good presenters, they will be good media spokespeople. The problem is that a media interview is like no other conversation you will ever have. That's because only snippets of what you say will ever make it into the story the reporter or producer puts together.

For example, let's say a minor food contamination occurs at one of your stores. The reporter asks you, 'Can you guarantee this won't happen again?' Of course you can't guarantee that, but you can't say so. If you do, the headline could read, 'Franchisor admits another contamination possible.' That could be the entire focus of the story and the positive comments you made during the rest of the interview could be totally overlooked. This happens and can be easily dealt with if you know how.

The key with these interviews is having your own message to get across and finding exciting ways of making it. But by understanding the invisible traps and knowing how to consistently refer back to your message, you have far more control of the subsequent story than you may think. Such skills can only be learnt from proper effective media training and role-playing in preparation for when the worst happens.

Summing up

The news stories outlined above are not the only ones we've seen in New Zealand recently. There have been stories about worker exploitation in liquor businesses, which are still making headlines years after the franchisees responsible were exposed and terminated. Another story asked, 'Why are so many xyz stores closing?' A third reported on the apparently systematic underserving of portions. How would your business respond to any of these issues?

It all highlights the need for franchises to be ready for such attention with a Crisis Communication Plan and trained media spokespeople. The plan doesn't need to take much time to put together, while media training workshops can prepare media spokespeople for any issue or crisis. Annual refresher courses will also keep them sharp for when the unexpected happens.

Remember, it's too late once something happens and your brand is in the news for all the wrong reasons. 

Media Training Seminar

Pete Burdon is founder and head trainer of Franchise Media Training. A former journalist and government press secretary, he has a thorough understanding of both sides of any media interaction.

Pete is presenting a half-day seminar in Auckland on Thursday October 12 on *How to prepare and protect your franchise from negative media threats*. For details, go to FranchiseMediaTraining.com.



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