


DO NOT

Facebook's Mark Zuckerberg often disintermediates the media. Is it because he doesn't like criticism?

In 30 years of writing about the world's top entrepreneurs and corporate bosses, only once has Chris Blackhurst been called out for commenting on an interviewee's shirt.

The former editor of the *Independent* and the *Evening Standard* City pages is one of the most respected business journalists of his generation; he's gone toe to toe with the biggest beasts in the commercial world, and has had years of run-ins with corporate communications professionals. But this particular incident took even the bullish Blackhurst aback.

The interview was with a senior executive of a large, UK-based technology business, and, in his article, Blackhurst mentioned the colour of the man's shirt. It was a detail included to humanise a long profile piece.

To Blackhurst's astonishment, a couple of days later, the company's PR representative phoned and said that he didn't really like the shirt reference and felt it was belittling.

This anecdote hints at a broader truth: despite their superlative technology, astounding user experiences, and their customer-responsiveness, the big global tech companies can be surprisingly tetchy when it comes to media relations.

"Dealing with them on a comms level as a journalist, one trait of the big digital companies is that they don't do humour and they're incredibly thin-skinned," says Blackhurst, now a senior executive with the communications advisory firm CTF Partners, run by the political strategist Sir Lynton Crosby. "They get genuinely hurt if you say anything negative, and they can't take criticism, which is a sign of weakness. They seem to think: 'We're big, we're hugely successful – why don't people love us?'"

In my time as a business-magazine editor, I attended a lecture by the then Microsoft CEO Bill Gates at a London business school. The press gathered beforehand and we were escorted to our seats, with a good view of him. When it came to the Q&As, we eagerly put our hands up, but were ignored. It gradually dawned on us that Gates was only taking questions from the lower tiers; he'd been tipped off that the awkward squad were all sat in the rows above.

There will always be people and organisations that are quick to take →



The big digital companies are astonishingly brilliant at technology, innovation and customer service. So why are they so touchy when it comes to the media?

WORDS MATTHEW ROCK

offence at media comments. Often, it becomes a game: the media sniffs the sensitivity and can't resist needling the target; he or she, in turn, plays up the affront to generate public sympathy.

Celebrity-media tiffs are one thing, but here we're talking about some of the world's biggest, most advanced organisations. Billions, perhaps trillions, of dollars today pass through digital platforms. Technology companies sit on vast cash piles. Companies such as Google and Facebook are pretty much social utilities in our lives, ubiquitous in our daily tasks and transactions.

Yet these organisations that we rely on so heavily are also profoundly opaque and, in some instances, extraordinarily sensitive to criticism. If they do turn out to be 'predators posing as house pets' (thank you, *Fight Club*), then we're in uncharted waters when it comes to public accountability. "When something becomes deeply ingrained in the fabric of our lives, we tend not to stop and consider any wider consequences such as trust," says Jane Wilson, managing director of MHP Communications.

END OF THE HONEYMOON

For many years, 'Big Digital' had a joyous love-in with the media. These were the darlings of the new economy. Their founders were charismatic, entrepreneurial, approachable; they'd take journalists' calls and they spawned endless copy. Their businesses ripped up market rule books; they liberated consumers with extraordinary, often free services. What's not to like? But the mood music has begun to change.

Behind the reputational knocks and public concern lies the vexed issue of data privacy. The recent furore around the data-sharing deal between the Royal Free London NHS Foundation Trust and Google, in which the Royal Free passed on the medical records of up to 1.6 million patients in order to develop a patient app, shows that privacy can stir up strong emotions. The *Daily Mail* headlined the story: "Google handed patients' files without permission". Even the more reserved *New Scientist* conveyed shock: "Google AI has access to huge haul of NHS patient data".

This may come to be seen as a watershed moment, says Geoff White,

technology correspondent for *Channel 4 News*, because it's alerted the public to the tech companies' real agenda – amassing data. "Imagine what will happen when people start valuing the rest of their personal data as highly as they do medical data," he comments.

There have been other trust-related run-ins with the authorities – notably about whether internet service providers, browsers and social media platforms do enough to stem the proliferation of pornography and, in the case of Apple, whether the company should help the government gain access to a device used by a terrorist. Amazon's labour practices have long been in the spotlight. Google's famous "Don't be evil" line provokes snorts in the wake of revelations about its Byzantine tax affairs.

In 2014, the big four of Google, Apple, Facebook and Amazon were dubbed 'GAFA'. The acronym hasn't really stuck, but the fact that it was coined indicates a coalescence of still-forming public concern around these companies.



Success seems to lie in keeping organisations as inhuman as possible

THE INHUMAN TOUCH

What's so fascinating about this debate on trust is that it reverses the rules of traditional media management.

Normally, when a company or an industry starts taking reputational hits, the strategy will be to humanise the situation: "Let's show that we're real human beings, that we care on an emotional level and that we're taking steps to address the situation. Call in the media trainers and go get that VP who's really good on TV."

Dido Harding won plaudits for her very personal approach when TalkTalk suffered a big data breach in November 2015; the reputation of Tony Hayward, former CEO of BP, went in the other direction when he cruised around on a yacht while Deepwater Horizon was gushing oil into the Gulf of Mexico.



In the case of Big Digital, success seems to lie in keeping the organisations as inhuman as possible. This moves us into new communications territory.

Channel 4's Geoff Wilson says: "We trust these services because they have cast themselves as 'merely' platforms through which people can operate: they appear to be transparent, neutral, useful tools to help us through modern life. For many users, Google is simply a tool for searching the web, and Amazon is only a list of hunted-for products. The idea seldom occurs that these services are



Left: Amazon denies its working conditions are as brutal as the media suggests. Far left: best not mention Uber to traditional taxi drivers if you want a quiet ride

in fact products themselves, and there is an edifice of algorithmic processing, targeting, guiding and decision-making going on in the background.”

By cloaking itself in anonymity, Big Digital can come across as issue-blind. Surely a bot can't be interested in abusing my personal information or influencing political campaigns, can it?

The problems come when the public starts to think that human judgment (and thus bias) does play a part in the decision-making of tech companies.

In the early noughties, one of the brightest stars in the UK tech firmament was a company called SpinVox, run by charismatic CEO Christina Domecq, she of the sherry dynasty. The company had oodles of institutional money behind it, including \$100m from Goldman Sachs.

SpinVox planned to crack one of the tech world's great technical challenges – converting voice messages, with all their funny accents and intonations, into text. This problem had long taxed the tech sector: gazillions of dollars had been poured into solving it. The team at SpinVox, with its impressively

technical-sounding Voice Message Conversion System, appeared to be on the brink of a pioneering breakthrough. The UK tech sector was in a state of high excitement at the prospect.

Except that all wasn't as it seemed.

The lofty hopes of SpinVox came to a rather juddering halt in 2009 after it was discovered that many customers' voice messages, rather than being automatically converted via the voice conversion system, were actually passing through a far more mundane system – call-centre workers in South Africa and the Philippines.

The reason for retelling this story – apart from it being an absolute corker, which got even better in the ensuing investigation into Domecq's expenses – is to explain how much of the financial and reputational value of technology companies lies in our perception of them as simply clever engines. The narrative goes something like this: we are self-sustaining, infinitely scalable systems, unhindered by human frailty and hubris. Which explains why Blackhurst's shirt description went down so badly.

What's changing is how the tech giants have become utterly pervasive in our lives – in how we communicate, interact, shop, share and even fall in love. A recent report from the Center for Global Enterprise calculated that Silicon Valley houses 44 'platforms' with a combined value of \$2.2 trillion. Having reached such an extraordinary scale, we're understandably starting to wonder who these companies are and, critically, what they stand for. And this scale, of course, makes them vulnerable to communications missteps.

“The news stories that fire up the public are the ones that strike at the heart of the tech companies' image as neutral tools,” says Geoff White. “For example, the recent allegations [firmly denied by Facebook] that its human moderators influenced the news feed on the US presidential-nomination race, and, further back in time, the revelation that Facebook users' content had been manipulated for a psychological experiment. Such stories shake people's faith in the neatly packaged picture of the world that they see online.”

Max Tatton-Brown, founder of PR firm Augur, captures the delicacy of where Big Digital finds itself: “There's a lot of irrationality in the conversation and even the language used – for example, 'Google reads your email' versus 'A dumb algorithm matches ads against keywords'. The public are realising their vulnerability in the relationship with these companies – but they don't entirely understand it. And it's easy to fear what you don't understand.”

BIG OIL, BIG TOBACCO... BIG DIGITAL?

Despite occasional public misgivings, Big Digital still seems to glide over reputational setbacks, says White. “It's almost as though there are two separate sections to a web user's brain: the bit that disapproves of companies that are straining every sinew to avoid tax (albeit legally), and the other bit that thinks 'I really want the cheapest deal on a *Game of Thrones* box set'.”

While the tech giants aren't immune to the wider erosion of public trust in corporations, this hasn't translated into boycotts and brickbats, as it has with the likes of Starbucks, Barclays and Nike. “We might tut at and share stories (via →



Facebook) about online-shopping-site data breaches, sharing of personal information or user-focused experiments, but our risk/reward bias keeps us coming back for more,” says MHP Communications’ Jane Wilson.

Tatton-Brown notes: “These products and services are among the most valuable in our business and personal lives. How many people would throw away their bed if they found something to disagree with at the manufacturer? How many would stop eating meat altogether if it was discovered animals had feelings? Or give up chocolate?”

In many ways, the new tech giants are disrupting reputation management itself. They circumvent the formal media by releasing announcements direct on their own platforms – Mark Zuckerberg’s blog is as influential as any mainstream publication. They cocoon their leaders from media distractions because nothing must detract from their focus on serving the customer and innovation. If the odd journalist gets offended by a lack of access or strict controls, then so be it.

To try to be friendly to the consumer and unfriendly to the media is fatal

And, of course, we consumers create most of these products’ output ourselves, so we’re intrinsically disincentivised from criticising them. “They occupy a unique position in the reputation-management sphere because their products are often user-generated,” says Wilson. “Users will refer to ‘my’ Twitter, Facebook or Instagram feed. No other brands have this personal stickiness.”

But history’s highway is littered with the corpses of monopolies and companies that seemed to have found a new, impregnable paradigm. Microsoft was until recently synonymous with ubiquitous monopolistic threat; now it doesn’t even make it into the GAFA acronym.

In the famous words of former Intel boss Andy Grove: “Only the paranoid survive”. And Chris Blackhurst believes

that the big four “live in total fear of someone doing to them what they did. They’re all disrupters. They know what they did to break the mould, to break the market, and they think that negative press gives encouragement.” This insecurity, he says, feeds through into controlling corporate communications.

“But the media is only an extension of the consumer,” says Blackhurst. “To try to be friendly to the consumer and unfriendly to the media – which is what these companies are doing – is fatal.”

The modern tech giants all bear the imprint of their astoundingly visionary, competitive and restless founders. In the case of Google, Uber, Facebook, Amazon, Airbnb and Twitter, these founders still stalk the corridors of their creation, stoking fires and keeping a lookout for enemies. At Apple, CEO Tim Cook was schooled under the company’s combustible founder, Steve Jobs.

As long as that original DNA remains, so these companies will surely remain uncomfortable, hypersensitive and twitchy bedfellows with the media. In fact, maybe the truest test will come when they’re run by a subsequent generation of corporate bosses.

Matthew Rock is co-founder of Real Business, a magazine for entrepreneurs

Share your views on Big Digital comms. Tweet @CIPR_UK

BIG DIGITAL EXPERTS PANEL



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