Title: Negative Publicity: How do customers process it and how should brands manage it?

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Abstract: The paper looks at the existing literature on how people interpret negative publicity and uses a wide-ranging review of the latest psychological and cognitive research to put these findings into the context of the human mind. The paper goes on to review the latest research from fields such as complexity science and network theory that helps explain how ideas such as negative publicity are spread, especially in our highly-connected age of the internet and social media. In addition, primary research was conducted to investigate a contemporary case study of how negative publicity plays out in the online environment for a real brand (in this case a new restaurant in Cape Town’s internationally renowned culinary scene). The researchers find that the patterns of online behaviour exhibited by people corresponds with what the literature predicts, providing firm support for the research reviewed and synthesised within this paper.
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Introduction
There is no such thing as bad publicity… or is there?

Contemporary customers are connected by an intricate and increasingly diverse web of social networks and digital platforms. Within these networks and across these digital platforms, information travels faster than most of us can even begin to comprehend. In the digital environment, a brand can rise from anonymity in seconds. On the flip side, however, it can also plummet in popularity and esteem just as quickly.

While it is convenient to think of publicity as something that is perceived similarly by all regardless of its nature, common sense suggests that it is not that simple.

What determines how customers respond to negative publicity in the digital age and, ultimately, the impact that it has within the marketplace? Much research has been conducted into this area, and this paper presents a broad summary to provide brand custodians with a useful playbook for predicting how their customers are likely to respond to negative word-of-mouth and publicity around a brand, and consequently inform their strategic actions.

Is negative publicity always negative?
Jonah Berger and co. [2010] point to research which shows that negative movie reviews hurt ticket sales and box office takings [Elberse & Eliashberg, 2003; Eliashberg & Shugan, 1997; Basu, Chatterjee & Ravid, 2003]. For example, when Russell Crowe threw a phone at a hotel concierge in 2005, his behaviour was blamed for negatively affecting his current film release [Duarte, 2005]. Similarly, Tom Cruise’s crazy couch-jumping antics and position within the cult of Scientology is purported to have lost Mission Impossible 3 over US$100 million in ticket sales [Burrough, 2006].

Based on the examples above, negative publicity really does seem to have a negative impact on brands (actors and countries, for example, can also be considered brands). However, Berger and co. also refer to some surprising examples where brands actually benefited from negative publicity. For example, while the shock comedy film, Borat, relentlessly lambasted the country of Kazakhstan, Hotels.com reported a 300% increase in information requests about the country after the film’s release [Yabroff, 2006].

Let us look at the factors that affect how customers interpret negative publicity…
Factors affecting the interpretation of negative information

Several factors affect how an individual interprets negative information about an entity such as a brand:

Factor 1: Brand size and awareness

Much research into the effect of negative publicity on brands has found that the impact is generally detrimental to the brand [Duarte, 2005; James, 2006; Ahluwalia, Burnkrant & Unnava, 2000; Chevalier & Mayzlin, 2004; Elberse & Eliashberg, 2003; Eliashberg & Shugan, 1997; Basuroy, Chatterjee & Ravid, 2003; Tybout, Calder & Sternthal, 1981; Huang & Chen, 2006]. A closer look at the studies in question shows that many of the brands mentioned already enjoyed a certain level of awareness within the market. Thus, much of the market already knew of the brands, which included, at the very least, related expectations of performance and behaviour, if not actual past experiences and relationships with the brands in question.

Perhaps somewhat counter-intuitively, however, if you are a small brand that suffers from poor awareness, then any publicity might really be good publicity. The value of merely getting your name out there by making people talk about your brand might be enough to counter the negative sentiment which may also result. The argument goes that raising brand awareness spurs individuals on to try the brand by putting it top of mind during the next purchase occasion (Kazakhstan appears to have benefited from increased awareness post the release of Borat). In addition, negative publicity can activate the ‘reminder effect’ [Berger, J, Sorensen, AT & Rasmussen, SJ, 2010], a process whereby publicity reminds customers of lapsed memories and brand experiences so that they are subsequently followed up on\(^1\).

Research into the impact that New York Times book reviews have on book sales helps clarify the question of whether negative publicity can be beneficial. A study looked at the reviews of 244 hardcover fiction titles to better understand the role played by brand size and awareness when it comes to negative publicity [Berger, Sorensen, Rasmussen, 2010]. Considering that hundreds of books are published every week, many books suffer from a lack of awareness. Under these circumstances, the hypothesis was that relatively unknown titles and authors would gain from review exposure, regardless of whether the tone of the review was negative or positive overall. Conversely, well-known authors and titles were expected to suffer in terms of sales from negative reviews.

\(^1\) This is also similar to the ‘recognition heuristic’ which says that if one of two objects is recognised, then give higher weight to the recognised object [Gigerenzer & Todd, 2000; Goldstein & Gigerenzer, 2002]
By looking at said reviews in relation to Nielsen BookScan sales data, the above hypotheses were confirmed. An econometric methodology was used to find that the effect of negative publicity depended on existing author awareness such that negative publicity hurt the sales of well-known authors (equating to a roughly 14.5% sales decrease) while a negative review of an unknown author’s work lead to a 45.1% sales increase!

**Factor 2: Existing relationship & expectations**

This factor comes down to human psychology. Humans are boundedly rational beings [Simon, 1957]. This means that there is a boundary, or limit, to our rationality. Surprisingly for some, we are not perfectly rational beings. This is due to the physical limitations of our brains and bodies. We are only capable of processing and remembering a certain amount of information, similar to the way in which one’s laptop or PC desktop computer has limits to its processing and memory capacities.

As a result, evolution has over time moulded certain mental shortcuts that allow us to make parsimonious and efficient decisions with a minimum amount of effort and resources (both mental and physical). When a lion is bearing down on you and your family, it pays to be able to make snap judgments on the spot. He who jumps out of the way of the lion last ends up as lunch.

Many of these mental shortcuts, or ‘heuristics’, play a role in how we interpret information about a brand, depending on whether we have an existing relationship or past experiences of the brand which inform our expectations of how the brand will behave and deliver. *We are more likely to maintain our existing worldview (as informed by these expectations) than challenge it with negative information.* Several phenomena inform this insight:

**Reconstructive memory.** When it comes to our memories, many people believe that we store every experience away in a mental library or vault. The widespread belief is that we can, given the right circumstances (such as hypnotherapy or regression therapy), perfectly recall every past event in our
lives. The truth is that memory is far more complicated than this. Our brain does not store perfect copies of every event. Instead, it stores the various components that make up a memory (e.g. smell, temperature, colour, shapes, etc.) in different parts of the brain. Recalling a memory consists of activating networks of inter-connected neurons which pull these disparate elements together to re-create the memory (see Figure 1). The complication arises in that the various neural clusters which make up a memory are constantly degrading over time and need to be regularly replaced. What this means is that we use the experiences and biases that are currently fresh in our mind to fill in the blanks during memory recall. Thus, every time we reconstitute, or reconstruct, a memory, we subtly alter its accuracy [Loftus & Loftus, 1980; Conway & Ross, 1984; Dye, 2001; University of Washington, 2001; Fine, 2005; Jansen, Louw & Withington, 2005; Gramzow, 2007]. This leads us on to…

Cognitive biases. As we have already discussed, we are not perfectly rational beings and there are limitations to our cognitive abilities. In order to maximise their processing power within these limitations, our brains have developed mental shortcuts that have proven to be rather accurate at informing us about how to react in specific situations. We call these mental shortcuts many things: ‘rules of thumb’, ‘heuristics’ or ‘cognitive biases’ [Kahneman & Tversky, 1972]. In the absence of perfect information, we make sweeping generalisations and decisions that more often than not work out in our favour (e.g. “that spotted shape moving over there must be a leopard”, or “based on this person’s body language, I shouldn’t trust him”), however, sometimes our interpretations can be terribly misleading (e.g. under-estimating an individual’s abilities and/or worth based on their race). The point is that we employ many mental shortcuts or cognitive biases in our everyday actions and decisions.

Two particularly salient biases in the context of negative publicity are risk aversion and confirmation bias (although there are many more).

Risk aversion describes a common human idiosyncrasy: we would rather hang on to what we already have than risk it on potential future gains, even if we potentially stand to gain greatly in the future. Similarly, we would rather accept a bargain with a definite pay-off over a likely, but not guaranteed, bargain with a greater potential pay-off. Standing to lose what we already have is more abhorrent than gaining what we do not currently own, even if the potential gains exceed the potential losses. The well-known saying, “A bird in the hand is worth two in the bush”, beautifully captures this human intuition.
What this means is that we upweight negative information as more salient than positive information since it is perceived to be more indicative of potential risk [Basuroy, Chatterjee & Ravid, 2003; Huang & Chen, 2006; Nasrallah, Carmel, & Lavie, 2010]. This is particularly pronounced in the absence of a prior relationship with or expectations of a brand. If we don’t have anything else to go on, we are more likely to weigh negative information about a brand as more diagnostic of the brand [Ahluwalia, Burnkrant, & Rao Unnava, 2000]. This is due to simple risk aversion – we would rather not lose what we already have (i.e. one’s hard-earned cash) than potentially gain from an uncertain brand experience, thus, we give extra weight to negative information which helps ‘diagnose’ the purchase decision.

*Confirmation bias* describes our tendency to recognise and remember information that confirms our existing beliefs and re-affirms our worldview [Nickerson, 1998]. If two people are confronted with the exact same information, depending on the nature of the information, it is quite plausible that they will come to totally different conclusions based on said information, depending on which elements of the information they choose to down-weight and up-weight based on how the elements fit with their existing expectations and beliefs. For example, assume one person is an African National Congress (ANC) supporter and the other a Democratic Alliance (DA) supporter. When faced with a particularly divisive piece of political news, our two party supporters are likely to come to different conclusions based on the same information. We are more likely to make excuses and massage the details in order to make them conform with our beliefs if it is our party that is being attacked, and we are more likely to use the same information (or different parts of the same message) to justify our dislike of the opposition. A recent example of this is ANC Youth League leader, Julius Malema’s opulent lifestyle. Supporters might hear about the car he drives and the clothes and jewellery he wears and think, “Here is someone who has succeeded in life – someone who has reached the position that I want to be in”. Conversely, opponents might see his lifestyle and consider it excessive and wasteful [IOL.co.za, 2010; PoliticsWeb, 2010]. Based on the same information, it is quite possible to come out at different conclusions depending on which pieces you selectively pick to confirm your existing beliefs and expectations. We all do this on a daily basis, whether we realise it or not [Darley & Gross, 1983; Fine, 2005]. This is particularly true in a business context as well. We tend to assign a greater weight to the evidence that is congruent with our existing beliefs and expectations.

Cognitive biases, and confirmation bias in particular, leads us onto the phenomenon of…
Cognitive dissonance. Perhaps one of humanity’s most basic drives is the almost pathological need to avoid uncertainty and ambiguity, and the need to maintain a consistent model of the world in the face of contradictory evidence\(^2\). ‘Cognitive dissonance’ arises when we are faced with information or a situation that contradicts our beliefs and expectations. This feeling of conflict produces uncertainty and ambiguity into the equation – a state repulsive to our minds. As Leon Festinger and his colleagues discovered in 1956 [Festinger, Riecken & Schachter, 1956], people will go to extreme lengths to maintain their worldview, even when presented with obviously contradictory evidence. Rather than quickly assimilate contradictory information in a manner that might shatter our model of the world, we are more likely to engage in a process of complex (and sometimes outlandish) post-rationalisation, post-justification and story-telling to ourselves and to others (and this process often informs our reconstructive memories, as mentioned already) [Bullock, 2006; Gitlin, 2008; Nyhan & Reifler, 2009; Joyce, 2010]. Maintaining a consistent and robust worldview is central to the human experience since we use this worldview as the basis for all our actions and decision making. It is not hyperbolic to say that we really are our worldview. Therefore, processes such as confirmation bias and reconstructive memory help us to maintain our model of the world and prevent cognitive dissonance. They help us to massage and sculpt our experiences so that contradictory information and stimuli do not rock the boat too violently. This extends to brand experiences. Once we have formed a relationship with a brand, we are more likely to selectively choose information that gels with our beliefs and expectations than contradictory evidence, thus minimising cognitive dissonance. Essentially, in order to avoid cognitive dissonance, we employ biases such as confirmation bias, which encourage our brains to take the path of least resistance, leading us towards the familiar and safe, and to the concept of…

Cognitive fluency. As mentioned, our brains choose the path of least resistance when it comes to information processing. In a world that constantly bombards us with thousands of stimuli from one moment to the next, familiar stimuli and concepts sync up best with our existing perceptions, making them more mentally available and easier to process. By following the path of least resistance, we are able to process the maximum amount of information without getting stuck on any one challenging detail. Again, this means that we are more likely to process information that aligns with our existing beliefs and expectations [Alter & Oppenheimer, 2006; Alter & Oppenheimer, 2006; Unkelbach, 2006; Schwarz, et. al., 2007; Bennet, 2010]. This has broad implications for brands since individuals are likely to process, internalise and remember information about the brands they care about, while discarding competitor information or using it to justify their existing

\(^2\) Risk aversion relates to the concept of cognitive dissonance in that our fear of losing what we have (i.e. what is known for certain) outweighs our desire for probable, but uncertain gains, thus risk aversion is also the aversion of uncertainty
brand beliefs. In addition, we are hardwired to consider information that is easy to think about and which seems familiar as more valid or “true” [Schwarz, et. al., 2007; Alink, et. al., 2010]. This leads us on to the role of relationships when it comes to branding, and specifically, the role of commitment…

**Commitment.** The dictionary defines commitment as follows:

> “The state of being bound emotionally or intellectually to a course of action or to another person or persons: a deep commitment to liberal policies; a profound commitment to the family.” [The American Heritage Dictionary of the English Language, 2004]

In a branded context, we define commitment as the strength of the relationship a brand has with its customers [Hofmeyr, 1990; Rice & Hofmeyr, 1990; Parkyn, 1992; Ahluwalia, Burnkrant, & Rao Unnava, 2000].

Being committed to something (such as your partner, religion or football team) involves a substantial mental investment as our emotions, self-image and worldview become inextricably entangled with the relationships we have with concepts and objects. We have vested interests in maintaining these relationships and our perceptions of them. As we have already discussed, factors such as cognitive biases and cognitive dissonance avoidance play a role in the maintenance of these perceptions. To varying extents, this applies to the relationships we have with brands too. Just as one’s emotions are invariably tied to one’s partner’s, and one’s entire model of the world might be informed by the words of a religious text such as the Christian Bible or Islamic Qur’an, so too can one’s self-image hinge on the brand of clothes one wears or the car one drives. On a more subtle level, one may choose to drink a certain brand of beer or listen to a certain type of music because it syncs up with the self-image you want to broadcast to the world. Research by Butch Rice and Rick Bennett demonstrates our selective confirmation of information that is familiar and congruent with our existing beliefs. They found that:

> “The stronger the relationship, the more likely it is that the brand’s advertising will be noticed. Also, the stronger the relationship, the more likely that the advertising will be viewed in a positive light.” [Rice & Bennett, 1998]

Rice and Bennett’s research shows that the way in which people respond to information about a brand is circular and forms a positive reinforcing feedback loop – your experiences, relationships – a major element of cognitive dissonance.
and expectations affect which brands you see information for and how you interpret it, which in turn affect your perceptions and expectations of the brand. As they put it,

“The relationship that the consumer has with the brand impacts on the propensity to receive the advertising and the probability that the advertising will be “liked”, and also impacts on the perception of the advertising message.” [Rice & Bennet, 1998]

As part of their research (Figure 2), they looked across 25 different product categories and found significant differences between both users and non-users of a brand. The differences depended on the nature of the relationship with or expectations of the brand that the person had.

![Figure 2](image_url)

**Figure 2:** In almost every instance, unavailable non-users were least likely to be aware of the advertising across 25 advertising evaluation studies, and, if they were aware of it, were least likely to like it. In addition, the way in which the message was received by users committed to competitive brands was significantly different to the way in which the message was received by committed users of the brand being advertised. [Rice & Bennet, 1998]

Committed users were significantly more likely than uncommitted users to remember the branded information and perceive it in a positive light. Similarly amongst non-users, people that were open to trying the brand were significantly more likely to notice information and process it in a positive light than unavailable non-users.

Knowing whether someone is committed to a brand provides us with a good indication of how they are likely to interpret negative publicity as Figure 3 describes…
Figure 3: The strength of the relationship with and expectations of a brand gives us an indication of how people are likely to process negative information relating to the brand

**Factor 3: Direct vs. indirect publicity**

Negative information is more likely to have a negative effect on an entity (such as a brand) if the information relates directly to the entity. To illustrate this point, Jonah Berger and co. [2010] conducted an experiment in which subjects were exposed to a selection of newspaper articles, some containing negative publicity for a specific film star. In an unrelated exercise, subjects were then asked to choose from a list of films, some starring the actor from the previous experiment. Their hypothesis was that negative publicity about a film star would influence the choice of films starring that actor for people aware of the link between actor and film. Specifically, some subjects were exposed to articles about Russell Crowe’s 2005 arrest for throwing a telephone at a hotel employee. The articles did not mention any of Crowe’s films. The following results were found:

“…among participants who knew Crowe had participated in the two target movies, being exposed to negative publicity about Crowe led to higher preferences for the target movies ($F(1, 108) = 13.05, p < .001$). In contrast, negative publicity about Crowe did not influence the movie preferences of participants who were unaware of Crowe’s presence in the target movies ($F(1, 108) = 1.39, p > .20$).” [Berger, J, Sorensen, AT & Rasmussen, SJ. 2010]

Cognitive science can help us understand the neural basis of these results…

**Situated cognition** is a term within cognitive psychology which says that we cannot separate the mind from the environment. The input of the environment defines what sensations and memories are triggered in one’s brain. Thus, mind and environment are inextricably linked – you cannot have
one without the other [Brown, Collins & Duguid, 1989]. From this perspective, cognitive biases are the tools we use to interpret our environment. Our biases help our brains and bodies to funnel each of the multitude of stimuli coming at us at any one moment (that is not outright rejected or ignored) into a predefined ‘bucket’ of understanding, based on our past experiences and beliefs. Which biases are activated is dependent on the nature of the stimuli before us. In this way, our environment helps inform our mental processes, and to some extent, define our unique realities, which is why two people can look at the same facts and come to vastly different conclusions, and why a committed customer can look at a brand and see only the positive while a disaffected customer can look at the same brand and see only the negative.

The mind and environment are inextricably entangled in other ways too. As discussed in the section on reconstructive memory, our memories are made up of disparate neural clusters which fire in synchrony. A side effect of this synchronous firing is that related concepts are often brought up in memory based on a single stimulus (see Figure 1). For example, the smell of freshly baked muffins might remind you of the smell of your mother’s perfume and memories of your childhood might rush to the fore. This rush of memories and stored sensations is an example of a single stimulus causing a snowball effect as it cascades through your neural networks, activating related clusters. The same thing can happen for brands and this is the reason why Starbucks and KFC make sure that you can smell their coffee or fried chicken from down the street – such stimuli elicit powerful mental and physiological reactions.

In the context of indirect publicity, mentally processing a negative article about a CEO or an actor can activate related concepts such as the brand that the CEO works for, or the film that the actor stars in, thus indirectly priming individuals with raised awareness next time they encounter the brand or film, even if they did not consciously make the link between the initial negative publicity and the subsequent brand or film interaction. A poster for the latest Russell Crowe film might remind us of other films by the same director which then benefit from the ‘reminder effect’ without being tarred by the same negative brush [Collins & Loftus 1975; Higgins, Rholes & Jones 1977; Berger & Fitzsimmons 2008; Nedungadi 1990; Wosinka, 2005].

**Factor 4: Firm’s response**

So far we have discussed several factors which affect the way in which negative publicity is processed. A firm’s response is the final element that rounds out a negative publicity debacle. How a firm goes about responding to negative publicity can also play a major role in how people end up processing and storing the incident in memory. Tybout and Roehm [2009] suggest a simple four step process to dealing with negative publicity:
When it comes to formulating a strategic response, Dawar and Madan Pillutla [2000] put firm responses into three categories:

1. **Unambiguous support**, which sees the brand take full responsibility for problems, including apologising to affected parties, unconditional recalls of faulty products, reparation for damages caused (such as replacements) and clear communication about the facts and the brand’s role in the process. Examples are the recent recall of Toyota Priuses over brake issues (2009-2010) and Pick ‘n Pay’s response to the poisoning of random pilchard cans⁴ [IOL, 2003].

2. **Unambiguous stone-walling**, in which case the brand institutes a media blackout, denies responsibility and does not embark on any corrective action. This might be a valid strategy when it really is not the brand’s fault and engaging in the issue is likely to fuel the controversy. An example of this approach is the scientific community’s refusal to engage religious extremists in debates around issues such as the age of the earth, and in the process giving credence to their naïve arguments.

3. **Ambiguous response.** According to Dawar and Pillutla, most responses fall somewhere in between these two extremes (see Figure 5). They give the example of a crisis faced by Perrier bottled water, which was accused of being contaminated with benzene. As the crisis unfolded, Perrier’s New York and Paris offices released inconsistent statements about the contamination and the remedial steps being taken, which led customers to believe the brand was ambivalent and confused [Kurzbard & Siomoks, 1992].

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⁴ Pick ‘n Pay actually emerged as one of the most trusted brands in South Africa due to their response [AskAfrika, 2004]
Based on these strategies for brand response, Dawar and Pillutla [2000] found the following phenomena:

When people have weak existing expectations or relationships with a brand that experiences negative publicity, ambiguous (often the result of a poorly planned and co-ordinated response) and stonewalling responses can have severely negative impacts on brand equity as people attend to the evidence at hand. However, unambiguous responses led to no such decline.

In situations where people have strong existing positive expectations and relationships, an unambiguous response can actually have the synergistic effect of pushing brand equity up to a higher level than before the negative publicity hit. Research house DDB Needham conducted a study amongst 2,465 respondents which found that a company’s handling of a crisis was ranked as 3rd most important purchase influence [Marketing News, 1995]. This finding echoes conventional marketing wisdom which knows that every product or brand problem is an opportunity to build a stronger relationship.

An ambiguous response has the most pronounced impact on confirmation bias. Ambiguous and contradictory statements leave the door open for people to interpret them based on their own existing beliefs and biases, thus ambiguous responses are unlikely to win over critics. Unambiguous responses make it more difficult for critics to discount the evidence in favour of the brand. However, as we have discussed, cognitive dissonance avoidance means that critics will tend to discount the facts in favour of maintaining their own world model.
Dawar and Pullutla sum it up like this:

“…existing customers need reassurance about the firm’s responsiveness, whereas potential future consumers of the crisis brand need to be reassured about the absence of risk in consuming the product…”

And…

“Consumers’ existing positive expectations may provide firms with a form of insurance against the potentially devastating impact of crises [i.e. negative publicity]. For these firms, brand equity appears to be remarkably resilient to different types of firm response and less fragile than initially expected. Conversely, firms with weak consumer expectations may have to undertake aggressive support for their brands simply to preserve brand equity. Indeed, any ambivalence in their response is likely to be devastating.”

From the above research, it seems clear that anything less than an unambiguous response is likely to be detrimental to a brand. However, how does a brand go about winning over even its critics, who we know are less likely to remember and believe the facts? Alice Tybout and co. have done research into ways in which one can tailor one’s communications so that they influence the associations that are made in people’s minds.

In the 1980s, McDonald’s was battling a vicious rumour which said that McDonald’s burger patties were made of red worm meat. Tybout and co. [1981] used this situation to conduct research which showed that the traditional and intuitive strategy of directly refuting a rumour is ineffective. As already discussed, people hear and remember the information that syncs up with their own beliefs and perceptions. If an individual is upset or angry with a brand for some reason, repeating the charges against the brand, even if to refute them, only serves to justify existing negative perceptions. Reconstructive memory will ensure that a few days or weeks down the line (if not sooner); said refutations will have morphed into statements of complicity within the minds of brand critics [Paulos, 2007; Schwarz, et. al., 2007; Nyhan & Reifler, 2009].

Tybout and co. [1981] conducted research into what they referred to as the “refutation strategy”. What they found was that repeating the charges against you and refuting them had no positive effect on people’s perceptions of a brand. Subjects still felt the same about the brand as if they had only heard the negative publicity (in this case a rumour) by itself.
Figure 6: Skurnik, Yoon & Schwarz [2007] found the effectiveness of this Centers for Disease Control flyer to be reduced. By stating the myth before debunking it with facts, readers actually had an increased likelihood of misclassifying myths as facts only 30 minutes after reading the flyer.

Adding further credence to the ineffectiveness of refutation strategies, Skurnik, Yoon & Schwarz [2007] provide evidence that trying to counter-act myths with facts does not work. As we have seen, people will believe what they want to believe and repeating the charges against your brand will only reinforce their beliefs. To prove this point, researchers asked respondents to read a flyer released by the American Centers for Disease Control which repeated the myths around the flu vaccine followed by the facts (Figure 6 on previous page).
While most respondents were able to accurately recall the myths and facts immediately after reading them, when they were tested again only 30 minutes later, they misclassified 15% of the myths as facts but only 2% of the facts as myths!

Returning to the McDonald’s example, realising that a refutation strategy is ineffective, Tybout and co. looked at alternative strategies for dealing with negative information about a brand. They suggest two approaches to responding to negative publicity derived Information Processing Theory, described as a “retrieval strategy” and a “storage strategy”:

“A storage strategy requires introducing a second object at the time rumor information is stored. The presence of the second object is intended to foster the association of the rumor attribute with that object rather than with the object (McDonald’s) initially specified in the rumor. Moreover, if the second object is positively evaluated by rumor recipients, some of this affect is likely to become associated with the rumor attribute (worms), making it less negative. Hence, even if the rumor attribute is still associated with the initial object (McDonald’s), it will not have as adverse an effect on that object's evaluation as would be the case in the absence of the storage strategy.

A retrieval strategy requires affecting information retrieval. The strategy is based on the notion that judicious choice of a stimulus will direct retrieval of thoughts in memory away from rumor-stimulated associations. Even if the new stimulus does not completely inhibit the retrieval of object-rumor attribute associations, it is likely to dilute these associations with other thoughts in active memory.”

The researchers tested the strategies by variably exposing cells of subjects to the McDonald’s rumour (a plant in the group recounted the rumour). Those exposed to the rumour were then treated with one of the three strategies – refutation, storage or retrieval.

Figure 7 summarises how the strategies were implemented and Figure 8 summarises their results…
Subjects in this treatment heard the experimenter respond to the confederate’s rumor statement by saying:

“That’s just not true. If nothing else, worms are too expensive— $8 a pound! Besides the FDA did a study and they found that McDonald’s uses 100% pure beef. Now, no more talking.”

Subjects in this treatment heard the experimenter respond to the confederate’s rumor statement by saying:

“That may sound funny to you, but last week my mother-in-law was in town and we took her to Chez Paul and had a really good sauce that was made out of worms. Now, no more talking.”

After subjects in the retrieval cue condition had completed their evaluation of the program, but before they evaluated eating at McDonald’s, they were administered questions asking them to indicate the location of the McDonald’s they frequent most often, how often they visit it per year, and whether or not it had indoor seating. This induction was intended to stimulate retrieval of thoughts about McDonald’s other than ones related to the worm rumor.

**Figure 7:** Summary of the three strategies used by Tybout, Calder & Sternthal [1981]

**Figure 8:** Tybout and co.’s results from various cells’ responses to McDonald’s red worm meat rumour [Tybout, Calder & Sternthal, 1981]
Factors summary

Figure 9: The interplay of thought content (e.g. cognitive biases) and metacognitive experiences (e.g. cognitive fluency) [Shwarz, et., al., 2007].

Norbert Schwarz and co. [2007] provide us with a flow diagram (Figure 9) that distinguishes between two elements of mental processing:

1. “Thought content”, which refers to the accessible declarative\(^4\) information that enters our minds as influenced by our cognitive biases, the gatekeepers to the facts we process.

2. “Metacognitive experiences”, which refer to the fluency with which one is able to process the information and recall supporting or contradictory information (cognitive fluency, etc.), and the emotional reaction that the new information creates. The experience of processing the information actually influences how we process it.

Judgements are assumed to always be a “joint function of thought content… and accompanying metacognitive experiences” [Schwarz, et. al., 2007].
The diagram specifically describes the pathway that new information (such as negative publicity) travels when being processed so that it either discounts or augments existing beliefs based on thought content and metacognitive experiences. The thought content needs to either support or contradict an existing bias, which, together with metacognitive experiences, either adds to or subtracts from the overall perceived value of the information. Based on this perceived value, the information is considered either informative or uninformative (a very subjective judgement). Two things worth noting here are that:

1. The judgements that people arrive at are likely to be more extreme in the case of informative information rather than uninformative information as informative information augments existing beliefs and expectations to a greater level.
2. When it requires mental effort to think of other examples (either supporting or contradictory), judgements end up being opposite to the implications of the other examples. For example, if I receive negative publicity stating that McDonald’s burgers taste bad, and I have to think relatively hard to come up with other examples of this, I am more likely to believe the opposite.

In summary, in order to truly understand how someone will react to new information such as negative publicity, we need to understand the interplay between:

- What declarative information is processed (cognitive biases are the gate-keepers here)
- Metacognitive experiences such as the ease with which information is processed and the ease with which supporting or contradictory examples come to mind (cognitive fluency)

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4 “Declarative information” refers to any information that you can speak about and repeat. For example, the name of Chile’s capital city, Santiago, is declarative information.
How ideas spread in the digital age

Managing negative publicity and word-of-mouth is of vital importance in the digital age. Customers are better connected than ever before in the history of humanity, which means that the ease with which they can spread information and be influenced by their peer group and social network has no precedent. It is vital for brands (and anyone with a public voice) to understand how what they say and what is being said about them can propagate in the digital world…

Who spreads negative publicity (and all other information)?

One of the most popular theories for how information (such as negative publicity) spreads in social networks is that espoused by New Yorker journalist and author, Malcolm Gladwell. Gladwell popularised the idea of the ‘maven’ – a particularly connected and influential person capable of spreading vast amounts of information and kick-starting trends due to the credibility they enjoy within their social group. According to the model made popular by Gladwell, mavens act as vectors of influence and information spreading. Therefore, if you want to get your message out or nip a pernicious rumour in the bud, the most highly connected individuals in a network should be your first port of call [Gladwell, 2000].

Contradicting this mode of thought, father of modern network theory, Duncan Watts, points out that everyone is as likely to start a trend [Watts, Salganik & Dodds, 2006; Watts, Peretti & Frumin, 2007; Watts & Dodds, 2007; Watts, 2007; Watts, 2007; Thompson, 2008]. Research by Watts and others points out that highly connected individuals are no more likely to start a trend than anyone else. While their research does point to connected individuals’ ability to influence a marginally greater number of people in one go, they are no better at getting an idea or trend to take on a life of its own by being passed from person to person on a massive scale. Highly connected individuals create larger ripples in the social pond, but these ripples are no more likely to cause a tsunami than anyone else’s.

Like any other complex system, no-one can predict which ideas will cause an information cascade by being passed from person to person like a collapsing trail of dominoes. The spread of ideas and information (such as negative publicity) is inherently unpredictable. Watts uses the analogy of the forest fire. If the forest is dry, any spark will start a forest fire and no-one then post-fact gives the spark undue importance for starting the blaze since it would likely have started anyway – its first cause was inconsequential. Similarly, while we like to attribute amazing skill and genius to individuals that start a trend, it is unlikely that the trend would have started if their social network was not ready, or primed, to “burn”.

SAMRA 2010
In systems theory, the concept of a dry forest waiting to burn is referred to as “self-organised criticality”. The most well-known and studied example of self-organised criticality is an everyday pile of sand. If one were to pour more sand onto an existing pile, this would cause many tiny avalanches, until the pile comes to rest at a stable point. However, although seemingly ‘stable’, throwing just a few more grains of sand onto the pile will likely cause more avalanches. This is because complex systems organise themselves right on the edge of chaos, right on the precipice of the cliff, where something as small as a single additional grain has the ability to push the system over the edge. It is this behaviour that Watts’ forest fire analogy captures. Social networks, like any other complex system self-organise to the point of criticality i.e. right at the edge of the cliff. On the edge of a cliff, anyone can nudge the system and cause an avalanche [Bak & Paczuski, 1995; Clar, Drossel & Schwabl, 1996; Clar, Schenk & Schwabl, 1997; Malarz, Kaczanowska, & Kulakowski, 2002]. Our faulty understanding of causality then causes us to give undue importance to the nudger, whoever they may be.

Despite being inherently unpredictable, humanity requires the perception of control over its environment (as discussed in the section on cognitive dissonance and uncertainty). Thus, much time and effort has been poured into understanding how best to influence a system such as a social network. If highly connected individuals (or nodes) are not sufficient to start a trend, then what is?

Recent research [Carmi, et. al., 2007; Kitsak, et. al., 2010] shows that two criteria are necessary for a node to exert real influence on a network (although this still does not guarantee that a trend will kick-off):

1. A node’s “degree” refers to the number of connections that the node has to other nodes in the network, and this is who Gladwell refers to as “mavens”. However, this is not enough since highly connected nodes can be situated on the outskirts of a network, isolating them from the main bulk of activity, therefore, we also need…

2. Position within the network relative to the information being spread. Some nodes might have few connections but act as a gateway between distinct clusters within the network

Maksim Kitsak and co. use a technique called “k-shell decomposition” to decompose a network into three constituent parts: the core, peer-connected nodes and periphery. 80% of traffic (i.e. information) comes through the core, which makes up the inner shell. Surrounding this shell is an intermediate layer of nodes that are connected to each other so that, if the core were to be removed, they could still communicate (peer-connected), and finally, enveloping this shell is the outer
periphery layer, full of isolated nodes that are likely to be cut off if you remove the core. Identifying real influencers requires knowing their position within a k-shell decomposed network relative to the information being spread (see Appendix 2 for visual examples of a network and its k-shell decomposition). As Kitsak puts it,

“…a less connected person who is strategically placed in the core of the network will have a significant effect that leads to dissemination through a large fraction of the population.”

[Kitsak, et. al., 2010]

Understanding influence is about understanding a person’s position and importance within the network as a gatekeeper and potential vector of influence relative to where the information enters the network. Knowing who to target helps one understand how to propagate favourable information and nip unfavourable information in the bud by educating these vectors about the true information (bearing in mind that most people are not stupid and can quickly pick up on disingenuous and misleading statements, so these need to be avoided at all costs unless a brand wants to precipitate an even greater backlash – only the truth will do).

**Which ideas get spread?**

As we have already discussed, it is nigh impossible to predict the exact idea that will “go viral” – a firm’s worst nightmare if the idea happens to be a piece of negative publicity about their brand. We know that in order for word to spread, the network has to be ready to receive the message, whether it knows it or not (recall Watts’ forest fire analogy and the self-organised system right on the precipice of criticality). Because we cannot make exact predictions, we hedge our bets by targeting the nodes that will give us the best chance of success and we use k-shell decomposition to identify these nodes. The question still remains though, what type of message is most likely to be spread?

Research by Jen-Hung Huang and Yi-Fen Chen [2006] confirms a few things about how customers process information online:

1. Online recommendations from other people are perceived as significantly more trustworthy than expert recommendations, therefore…
2. Online recommendations from other people influence customer choices significantly more than expert recommendations

Unsurprisingly, word-of-mouth is the most trustworthy source of information online. Researchers at the Max Planck Institute for Evolutionary Biology, Ralf Sommerfeld and co. go even further than
this to show how gossip is more powerful than the truth. Even when presented with the facts from an expert source, people are more likely to believe their peers (unsurprisingly, cognitive biases and cognitive dissonance come into play here) [Sommerfeld, et. al., 2007; Davydov, 2007].

So what we have is a scenario where people are highly interconnected and they are more likely to listen to each other than an ‘expert’ source (or that of a major corporate brand, for example). How then does a brand counteract negative sentiment?

We have already discussed the type of person that needs to be educated as to the true facts, but we have also discussed people’s irrationality when it comes to processing information – there is no guarantee that they will internalise your message or remember it the way you intend them to. So, how do you communicate ideas that stick and which people are likely to spread as antidote to the negative publicity?

Seth Godin provides some tips for spreading ideas (see Appendix 3 for a more detailed list):

“For an idea to spread, it needs to be sent and received.

No one "sends" an idea unless:
  a. they understand it
  b. they want it to spread
  c. they believe that spreading it will enhance their power (reputation, income, friendships) or their peace of mind
  d. the effort necessary to send the idea is less than the benefits

No one "gets" an idea unless:
  a. the first impression demands further investigation
  b. they already understand the foundation ideas necessary to get the new idea
  c. they trust or respect the sender enough to invest the time

... Notice that ideas never spread because they are important to the originator.

Notice too that a key dynamic in the spread of the idea is the capsule that contains it. If it's easy to swallow, tempting and complete, it's a lot more likely to get a good start.” [Godin, 2005]
Bringing this back to what we have discussed thus far, ideas that sync with people’s existing level of understanding and belief spread more easily (thanks to cognitive fluency). Unfortunately, this leaves the door open to fear, a major reason why negative publicity gets circulated in the first place.

Two recent examples of false ideas that have taken on a life of their own come from the scientific literature. The first could be used as an example of how fear makes some ideas more attractive and likely to spread, while the second example is a potent mix of fear and political agenda… [Harmon, 2010]

Major debates currently rage around the link between childhood flu vaccines and autism. A paper was published which described a potential indirect link between the vaccine and autism. Even though the paper was subsequently publicly retracted (with several of the co-authors distancing themselves from the controversial interpretation), and despite a large body of contrary evidence, a survey still found that about a quarter of parents thought the vaccines could cause autism and 12% had refused to have their children vaccinated [Harmon, 2010].

Similarly, in the never-ending war on drugs, anti-drug proponents raised their hands in glee and were all too happy to accept the results of a government-funded study which purported to show a link between MDMA (ecstasy) use and brain damage. When it was revealed that the lab’s suppliers had erroneously mislabelled methamphetamines (a.k.a. speed or tik – a far more dangerous drug) as MDMA, and no such link existed, the paper was retracted. Despite this retraction, however, many still believe that MDMA causes brain damage. As lead Liz Wager, chairperson of the Committee on Publication Ethics (COPE) in the UK says, "People latched onto it," and it "fit into their political agendas" [Harmon, 2010].

So why do people spread ideas and how do brands get them to spread positive information that can counteract negative sentiment? People spread ideas that:

- They can understand and which they can process within their existing beliefs
- They can gain some form of personal reward from such as increased peace of mind, culturally valuable knowledge (such as what Brad Pitt and Angelina Jolie did most recently) or greater understanding
- They gain some form of social reward for spreading it such as a perceived increase in reputation (credibility, expertise, etc.)
- The gains of spreading are greater than the cost of spreading, which speaks to the need to make an idea as easy to pass on as possible by neatly packaging it for smooth transfer
Case study: negative publicity in action

To gain insight into the impact of negative publicity and its relationship to the research reviewed, primary research focusing on an incident in the Cape Town restaurant industry was conducted.

Background and methodology

In October 2009 a newly-opened Cape Town restaurant received a large amount of publicity due to a negative customer experience that sparked heated discussions online via e-mail and several forums (see Appendix 4 for the full e-mail exchange).

A customer e-mailed to book a table for an early client dinner at 5pm. He phoned to cancel this table one hour before the time. In response to this cancellation, the owner sent the following e-mail:

“Hi AF,

On behalf of all of our staff who came in early to make and serve your food (we normally open at 6.30). I would like to thank you for messing their day up and more seriously disrupting my afternoon nap.

Please do us all a favour and don’t ever book a table at my restaurant again.

Regards, C”

The client responded and a heated e-mail exchange followed. The client stated that he did not realise that the owner had gone to any special measures for his reservation, that the owner's response was "out of line" and that one of his guests who was supposed to have attended the meeting (a prominent CEO) would be contacting the owner regarding the e-mail. The owner finally ended the exchange strongly reiterating that the client should never book a table at his restaurant again:

“Dear AF,

I am a little bit puzzled by your remarks “I will not be going to your restaurant, and will be actively discouraging others from visiting your restaurant as well” I would have thought that my email was quite clear when I asked you not to book a table at my restaurant, obviously not so I will try again. Please do not book a table at my restaurant again.
I will try and contain my excitement and await the contribution from “the CEO of XYZ Fund Managers, Mr. JS” upon receipt I will pin it up in the bathrooms for customers purusal while they relieve themselves.

Regards, C’

This exchange was posted on the 2OceansVibe website (a website with 50 000 unique readers per month) and referred to on a number of food and leisure websites. To gain insight into the effect of the negative publicity, we analysed comments related to the restaurant in question on four of the most popular food and leisure websites in South Africa:

1. Eatout (www.eatout.co.za)
2. Relax with Dax (www.relax-with-dax.co.za)
3. 2OceansVibe (www.2oceansvibe.com)
4. Food24 (www.food24.co.za)

In total there were 248 comments. Of these, a significant 193 were related to this specific negative publicity event. We took these 193 comments, divided them according to each individual’s existing relationship with the restaurant and then analysed them accordingly.

**Findings**

Of the 193 responses analysed:

- 54% had no existing relationship (they had never visited the restaurant)
- 27% had an existing relationship (20% positive, 7% negative)
- 18% gave a comment that did not indicate if they had any prior experience with the restaurant

The responses themselves were divided into 3 categories: negative, positive and neutral.

<table>
<thead>
<tr>
<th>Prior relationship</th>
<th>Response to event</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Negative</td>
<td>Positive</td>
</tr>
<tr>
<td>None</td>
<td>67%</td>
<td>30%</td>
</tr>
<tr>
<td>Negative</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Positive</td>
<td>5%</td>
<td>95%</td>
</tr>
<tr>
<td>Unknown</td>
<td>29%</td>
<td>54%</td>
</tr>
<tr>
<td>Total</td>
<td>50%</td>
<td>45%</td>
</tr>
</tbody>
</table>

*Table 1: Total responses analysed. Highlighted cells show where findings match up with expectations based on the theory discussed*
The results were as follows:

![Bar chart showing the impact of existing relationships on responses to negative publicity.]

**Figure 10: The impact of existing relationships on responses to negative publicity**

Everyone who had been to the restaurant previously and had a negative experience had a negative response to the event. However, 95% of those who had been to the restaurant and had a positive experience reacted positively despite the negative publicity - either defending the owner or remaining positive regardless of the event. Only 5% had a negative response to the event.

This is a clear example of cognitive bias. Each individual viewed the exchange through a lens of their current perception - selectively ignoring the elements of the e-mail that did not support their current view of the restaurant. All those who had a negative view of the restaurant maintained this view and used the incident to support their current brand opinion. A mere 5% of the previously positive individuals allowed the negative exchange to alter their existing positive brand opinion, while the remaining 95% were steadfast in their commitment towards the brand, despite the negative publicity.

Those that did not have a previous brand relationship tended towards a negative response to the incident. (67% negative vs. 30% positive) This result is in line with the theory of risk aversion, which suggests that individuals are more likely to upweight negative than positive information.

In addition to analysing the nature of the responses, we also analysed the life cycle of the responses to the event to gain insight into the speed that negative publicity spreads and its longevity.

**Figure 11** below shows the rate at which responses to the incident were posted online.
Figure 11: The life cycle of the negative publicity in terms of comments posted around the event

In the first week 75% of the total comments were posted (145 responses). In the second week a further 30 comments were made (16%), after which the hype surrounding the event quickly dissipated.

The nature of the responses given showed an interesting pattern.

Figure 12: This graph shows the relative interplay between negative and positive comments
In Figure 12, each point represents a single response, and the nature of the response is shown by the direction of the point, either up or down (positive +1, negative -1, neutral 0). This pattern is directly related to the prior relationships of the individuals that commented online:

<table>
<thead>
<tr>
<th>Prior relationship</th>
<th>Negative</th>
<th>Positive</th>
<th>None</th>
<th>Unknown</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Week 1</strong></td>
<td>7%</td>
<td>15%</td>
<td>59%</td>
<td>19%</td>
<td>145</td>
</tr>
<tr>
<td><strong>Week 2</strong></td>
<td>6%</td>
<td>32%</td>
<td>45%</td>
<td>16%</td>
<td>31</td>
</tr>
<tr>
<td><strong>Week 3</strong></td>
<td>12%</td>
<td>41%</td>
<td>35%</td>
<td>12%</td>
<td>17</td>
</tr>
</tbody>
</table>

Table 2: Summary of when people commented based on their prior relationship with the restaurant

In the first week, there was a strong skew towards responses from individuals with no prior relationship (59%). In week 2 and 3, however, the proportion of those with a positive prior relationship increased (32% and 41% respectively).

Conclusions

A few key points come out of this case study for brands faced with negative publicity:

1. **Strong customer relationships are the key to withstanding negative publicity**
   a. Brands with positive customer relationships will be more resistant to negative publicity, whereas brands with poor customer relationships are likely to suffer due to cognitive biases and fluency issues which influence how people interpret the negative information.

2. **Negative publicity is a double-edged sword for new brands entering the market**
   a. The tendency of individuals without prior brand relationships to adopt a risk aversive strategy and upweight negative information suggests that new brands will be more vulnerable to negative publicity - although the positive impact of increased awareness could outweigh this concern. In such situations, any publicity really may be good publicity (based on an interview with the owner of the restaurant, he believes that his establishment benefited from the exposure in the long run).

3. **The speed at which publicity travels online can be both a pro and a con for businesses**
   a. While negative publicity has the potential to spread very rapidly in an online environment due to network effects, it also likely to dissipate quickly due to the constant
turnover of online information. The period of time during which a brand must withstand negative publicity, is likely to actually be quite short-lived\(^5\). This is confirmed by research by Berger and Le Mens which shows that the rise in popularity of an idea is roughly proportional to its decline. In other words, what goes up, must come down [Berger & Le Mens, 2009].

The case study clearly confirmed some of the insights discussed earlier in this paper. For one, people are quite predictable in their drive to maintain their existing beliefs and world views. This is exemplified by the fact that most people who had previously had a negative experience with the restaurant made negative comments, while the overwhelming majority of the people who had previously had positive experiences had only positive comments to make in defense of the restaurant. In addition, those who had no previous experience of the restaurant were more likely to take the negative publicity to heart.

These insights highlight the often counter-intuitive nature of dealing with negative publicity in the context of the human mind. Hopefully this paper goes some way to illustrating the processes at work, and in the process, helps brands to make more informed decisions.

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\(^5\) The only caveat to this insight is for circumstances where services such as Google index negative publicity articles so that they persist at the top of search results for extended periods of time.
References


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Duarte, H.. 2005. “Crowe’s Antics may Hinder Cinderella Man’s Success”. All Headline News, June 16


Watts, DJ, Peretti, J & Frumin, M. 2007. "Viral Marketing for the Real World"


Yabroff, J. 2006. “Coming of Age”. Newsweek, December 18, 8
Appendix 1: Negative publicity examples

In planning for this paper, we listed many examples of negative publicity that have arisen in the past. We thought we would include a list of these examples as a reference for posterity’s sake:

- Bausch & Lomb – fungal growth in eye contacts caused damage to dozens of customers’ eyes, forcing a recall
- Woolworths, South Africa experienced negative publicity around its yoghurt and chicken products
- Hill’s pet food, which was contaminated by melamine as part of production in China
- Tylenol – terrorist capsule poisoning in 1980s (Murray and Shohen, 1992)
- From Tybout, et al 1981 paper:
  - McDonald’s red worm meat
  - Gillette hairdryers contain asbestos
  - Pop Rocks + soft drinks make you explode
- From Have You Heard marketing agency:
  - Huggies vs. Pampers (“Huggies is poor quality” – based on a bad batch they had out of India)
  - Genecol (“collagen only used in cosmetic surgery“)
  - Candarel (“causes cancer“)
  - Hunters Gold was thought to give you diarrhoea (a township belief)
- Paper: Impact of Product-harm Crises on Brand Equity:
  - Contaminated Coke cans in Belgium and France (Economist, 1999) – ineffective response may have damaged brand equity in Europe
Appendix 2: Regular network and k-shell decomposition

Figure 13: A visualisation of the internet from the Opte Project (http://www.opte.org/maps/). This graph has over 5 million connections making it unwieldy to analyse. Fortunately, k-shell decomposition makes it easier for us to separate the network out into three distinct areas of analysis (see Figure 14). Different parts of the world are represented in different colours: Asia Pacific = Red; Europe/Middle East/Central Asia/Africa = Green; North America – Blue; Latin American and Caribbean – Yellow; RFC1918 IP Addresses – Cyan; Unknown - White
Figure 14: An example of k-shell decomposition, which reorganises a network in terms of three layers: the core, peer-connected shell and periphery layer. NOTE: These images do not depict the same network as in Figure 13. It is just used for illustration purposes [Source: Technology Review, 2007]

“The shape of the online universe. This image shows the hierarchical structure of the Internet, based on the connections between individual nodes...

Three distinct regions are apparent: an inner core of highly connected nodes, an outer periphery of isolated networks, and a mantle-like mass of peer-connected nodes. The bigger the node, the more connections it has. Those nodes that are closest to the center are connected to more well-connected nodes than are those on the periphery.”
[Technology Review, 2007]

“The core: At the center of the Internet are about 80 core nodes through which most traffic flows…”
[Technology Review, 2007]

“The periphery: At the very edge of the Internet are 5,000 or so isolated nodes that are the most dependent upon the core and become cut off if the core is removed or shut down. Yet those nodes within this periphery are able to stay connected because of their peer-to-peer connections.”
[Technology Review, 2007]
Appendix 3: Seth Godin’s tips for spreading an idea

In his book, *Unleashing the Ideavirus*, Seth Godin [2001] provides us with ten intuitive ways of ensuring that an idea will be spread. He focuses on a product, but most of his points can be generalised to brands and ideas:

1. *Make sure your idea is remarkable.* Boring ideas don't get spread. Me-too products don't get talked about. We're now living in a world of fads and gimmicks and instant success. If your product isn't remarkable, don't even start.

2. *Identify your hive.* A hive is a group of people who both share an interest AND talk with each other about it. If your remarkable product doesn't overwhelm a specific hive of people, then it's much harder to spread the idea. Napster was remarkable (free music!) and it was aimed at a specific hive: college students. Both elements were critical in the rapid growth of the idea.

3. *Make it easy to spread.* I call it smoothness. Check out vindigo.com if you haven't already. It's a program that runs on your Palm. The cool part is that if you like it, you'll tell a friend. And if they want it, you can beam the entire product to them, for free, in less than a minute. That's smooth. Compare this to a product with a long, complicated URL, or a company that puts new customers on hold... the harder it is to tell your friends, the less likely you'll do just that.

4. *Make it persistent.* Once someone becomes a fan, can you keep them as one? Most marketers forget that the best way to grow is to have the people who are already fans keep telling people, as opposed to always trying to find new fans.

5. *Understand sneezers.* Sneezers are the people who tell other people about what you're doing. Some sneezers do it because they like the power that comes from finding and spreading cool new ideas. Some sneezers, on the other hand, do it for money. Don't confuse the two types, and make sure you give each person what they need.

6. *Make a souvenir.* If your product is digital, it's awfully hard to charge a lot for it. But a souvenir; the t-shirt, the hardcopy book, the autograph, the live concert, the seminar, is priceless, and you can charge accordingly.

7. *You're not in charge.* Once you unleash an ideavirus, it's going to move through the hive at the velocity it chooses, in the direction it chooses. You can influence, but you cannot demand.
8. *Buy a lot of chips.* There are no guarantees. Plenty of ideavirus-worthy ideas never hit. No one knows why (yet). So be ready with innovative, noteworthy, remarkable products all the time.

9. *Fill the vacuum.* What was the second brand of metal scooter? Everyone remembers the Razor. Being second is boring and it rarely leads to success. You've got to be first, to fill the vacuum.

- 10. *Make good stuff.* I know I said this before in different words, but it's worth repeating. The viruses that spread the best are the ones that deliver real benefits (I didn't say morally redeeming, though... your product can be goofy but still be good).”
Appendix 4: Restaurant e-mail exchange

Below is the e-mail exchanged that formed the basis of this negative publicity incident. The exchange was passed around via e-mail (the author’s were first exposed to this incident when the e-mail arrived unsolicited in their Inbox). E-mails are listed in chronological order, top to bottom.

Source: https://www.2oceansvibe.com/2009/10/10/portofino-restaurant-attacks-customer/

From: AF
To: [address removed]
Sent: Monday, October 05, 2009 16:22
Subject: Website Contact

Good Day,

We’re looking to make a booking for four people, tomorrow at 17:00 for an early business dinner— would this be possible?

Thank you,

AF

From: [address removed]
Date: Monday, 5 Oct 2009 18:00
To: AF
Subject: Re: Website Contact

Hi AF,

That’s fine. See you tomorrow.

Regards
C

From: AF
To: [address removed]
Sent: Tuesday, October 06, 2009 08:49
Subject: Re: Website Contact

Hi C,

Apologies, the dinner is only for Wednesday evening— is this a problem? If not, please put us down for 17:00 on Wednesday.

Also, will the full menu be available at 5 PM?

Kind Regards,

AF
Hi AF,

On behalf of all of our staff who came in early to make and serve your food (we normally open at 6.30 I would like to thank you for messing their day up and more seriously disrupting my afternoon nap.

Please do us all a favour and don’t ever book a table at my restaurant again.

Regards
C

From: AF
To: [address removed]
Sent: Thursday, October 08, 2009 08:38
Subject: Re: Website Contact

Hi C,

Before I respond to this email properly, I wanted to make sure that you had been informed of my cancellation, that I had phoned in at 4 PM yesterday? We had a last-minute schedule change on behalf of the business associates travelling down from Johannesburg that I called in as soon as I knew about. The tone of your email, and it’s commentary, indicates that perhaps you had not been informed of this telephonic cancellation.

AF

From: [address removed]
Date: Thursday, 8 Oct 2009 10:16
To: AF
Subject: Re: Website Contact

Hi AF,

I had indeed been informed that you had canceled the table an hour before your booking time.

Tone remains the same.

Regards
C

From: AF
To: [address removed]
Sent: Thursday, October 08, 2009 10:57
Subject: Re: Website Contact

C,

In response to your email, I’d like to first state that in no way was I aware that any special measures had been taken by the restaurant on behalf of our party of four— this was never indicated to me in the reservation emails, nor are your opening hours indicated on your website. Had I known that the chef and staff were going to come in specifically for our party, and that the restaurant only opened at 6:30 PM, I would have confirmed the booking, as our plans were open to change (as they did), and changing plans would have disrupted the restaurant. It was never my intention to inconvenience anybody at the restaurant. We were, in fact, working with government representatives and looking to show them a great new restaurant, but unfortunately due to schedule changes from their side, had to cancel our booking. Unfortunately, this happens when working with out-of-town guests.
Your efforts to open the restaurant early on our behalf are certainly noted, and appreciated. However, your response to our unfortunate cancellation is very upsetting. Had we known the lengths the restaurant had gone to in order to accommodate us, your frustrations would have been more understandable. Instead, we were operating under the understanding that the restaurant was open for normal business for the time in which we made our booking, which is why I cancelled the reservation. When I saw your email come through, I had thought that it was no doubt an email to say, “Sorry you couldn’t make it, but we hope to see you soon,” or something along those lines. Instead, what I found was a personal attack on myself, and my integrity. This is out-of-line. I had looked forward to trying out your restaurant, as I enjoy supporting new establishments in Cape Town, and your menu looked particularly intriguing. In light of your email, however, I will not be going to your restaurant, and will be actively discouraging others from visiting your restaurant as well.

Moreover as one of the dinner guests for last night’s booking, the CEO of XYZ (altered) Fund Managers, Mr. JS (altered), has seen the correspondence between us, and will be following up in due course with his own thoughts on the matter.

Frustrations with restaurant patrons who are unreasonably demanding and inflexible are understandable; anger and hostility towards potential clientele over a reservation cancellation is simply unacceptable, as is your tone and sarcasm that have been used freely in your correspondence. Personal integrity is something that should always be maintained, both professionally and socially. Your correspondence to me lacks integrity altogether.

It’s a shame that you have taken a good restaurant concept and menu, and clouded it behind a wall of arrogant customer service where the restaurant patron is viewed as a nuisance, as an unwanted visitor.

Regards,
AF

From: [address removed]
Date: Thursday, 8 Oct 2009 11:22
To: AF
Subject: Re: Website Contact

Dear AF,

I am a little bit puzzled by your remarks “I will not be going to your restaurant, and will be actively discouraging others from visiting your restaurant as well” I would have thought that my email was quite clear when I asked you not to book a table at my restaurant, obviously not so I will try again, Please do not book a table at my restaurant again.

I will try and contain my excitement and await the contribution from “the CEO of XYZ Fund Managers, Mr. JS” upon receipt I will pin it up in the bathrooms for customers pursual while they relieve themselves.

Regards
C