

Module 6: Image Rebuilding

CAS 844: Capstone/Practicum

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Group 2

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Introduction

A major setback and scandal involving product development has damaged the credibility and reputation of Blink Industrial. The Communications Team has outlined the strategies and steps below to address the crisis in the near term; equip the company to recognize risk and prevent future crises; and begin the long process of rebuilding the company's image and brand equity.

POST-CRISIS COMMUNICATIONS

In the immediate near term, Blink Industrial's communication team must move quickly to assess the damage and prepare leadership to overcome it. The plan involves communications that convey sincere humility, transparency and readiness to take all steps needed to prevent a recurrence of ethical crises. The company's posture will be to be public about its mistakes, and about its determination to learn from them.

The response plan starts with public apologies to key stakeholders in person, in print and in digital media, followed by the launch of a formal investigation to be led by a credible third party. The results of the investigation, to be submitted to the board of directors and the public, will shape long-term proactive measures. In the meantime, the communications team will formulate internal and external messaging for key stakeholder groups internally — employees and stockholders — and externally — customers and the media — to begin rebuilding trust.

To convey a high level of accountability, the company will rely on three principal spokespeople during the post-crisis period: Founder and CEO Pat Stone, who will serve as internal spokeswoman and champion of revitalization; the appointed leader of the independent investigation ("Lead Investigator"), who will present findings without censorship (except to protect classified military information); and an internal Blink corporate officer with high-level military credentials ("Chief Liaison"), who will serve as the liaison between the investigators and Blink's executive team and project professionalism and duty.

Outreach to employees

To the extent that CEO Stone remains unblemished by the scandal in product development, she will be our key spokesperson to address the crisis with internal stakeholders. After issuing a public apology on behalf of the company, she will call for an emergency meeting with all staff, and follow up with an official email that will be made public. Her message will focus on preserving the elite core of dedicated employees who may be feeling vulnerable about the unexpected whistleblower crisis. Following the example of General Motors in 2014, Stone will announce the appointment of an independent investigator from an outside firm to determine

which people, structures and processes were responsible for the crisis, and order all employees to cooperate with the investigation. And she will make the terms of the investigation clear: The investigators will not be limited in their scope, and they will report their findings and recommendations to the board of directors and the public within 30-45 days (pending a review for any sensitive information). Any violations of the law uncovered in the investigation will be referred to authorities for prosecution.

Employees should know this is an effort not to point fingers or isolate the blame to any one person or department, but to restore internal and external confidence in the company, prepare it for revitalization and secure it against future crises. Employees will be informed of the investigators' recommendations and Stone's intent to execute those recommendations promptly, with the oversight of the Chief Liaison.

Outreach to investors

To help shore up Blink financially and secure access to capital, Stone and the Chief Liaison will meet with members of the financial community and offer an apology, a pledge of transparency during the investigation and quick execution of investigators' recommendations once it is complete, so as to minimize long-term uncertainty. Stone will brief the investment community on the credentials of the Lead Investigator and outline the terms of the investigation.

Key talking points for Stone:

"We know your trust in Blink Industrial has suddenly come into question. We took immediate steps to react as best we could with the information as we received it. We moved quickly to launch a thorough investigation and rebuild relationships with our customers and other stakeholders."

Key talking points for Chief Liaison:

"The investigation will be thorough, unsparing and performed quickly. Recommendations will be executed expeditiously under my leadership. Despite the setback, Blink Industrial retains the fundamental strengths that made it a game-changer, the leading provider of VR training technology to the military, and it can re-establish itself."

"Blink continues to believe in empowering heroes to be their best, and we identify with the heroes we serve. Heroes may fall, or make mistakes. But they don't quit. With continued investor support, Blink will be back — smarter, better, stronger."

Outreach to Media and Customers

Stone and the Chief Liaison will make a public apology on behalf of Blink Industries to customers through owned, earned and paid media, such as open letters in military newspapers. A letter of apology from Stone will be distributed to customers by email.

Stone and the Chief Liaison will do a Facebook Live event to social media followers, as well as a video posted on Facebook and Instagram timelines. A press release will be issued to local media outlets detailing the terms of the investigation and pledging updates as the investigation and other mitigation steps proceed. A press conference will be conducted and led by the CEO and Chief Liaison to talk about future steps, with questions about the past deferred to the investigative team.

Similar messages taking ownership and apologizing to customers for the crisis will be key. Consistent messaging will align with core messages to stockholders: “We know your trust in Blink Industrial has suddenly come into question, and we apologize for this situation. We took immediate steps to respond as best we could with the information as we received it, but our steps have just begun. We will pursue the independent investigation with transparency and efficiency.”

The Chief Liaison will reiterate the same core message, underlining the steps being taken, the company’s record of serving the military community faithfully, and the Blink Industrial’s commitment to regaining their trust.

The Chief Liaison will serve as the principal spokesperson to the media during the 30- to 45-day investigative phase, working in conjunction with the Lead Investigator.

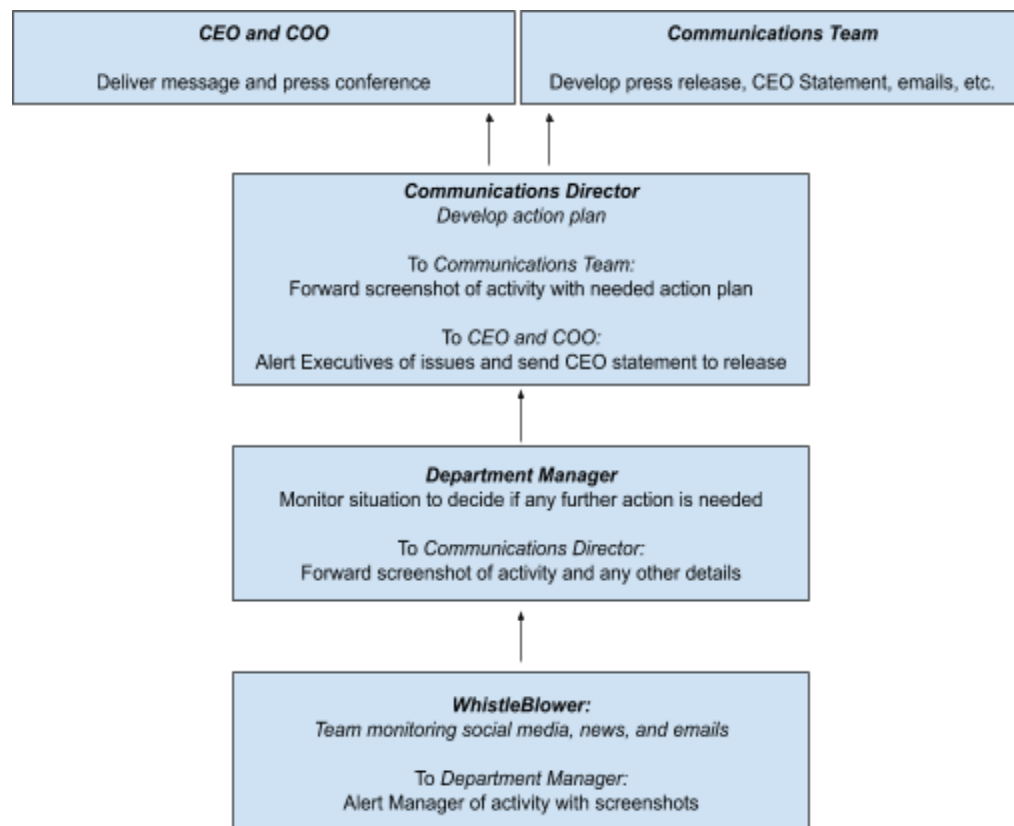
The Chief Liaison, CEO and Lead Investigator will jointly appear at a news conference to present the findings of the investigation.

RISK COMMUNICATIONS AND PREPAREDNESS

As the investigation gets under way, Blink’s post-crisis response plan must yield to a proactive strategy designed to position the company for image rebuilding and revitalization, prevent avoidable crises and prepare the company to deal with unavoidable ones. Those steps, outlined here, will be shared with the media and other stakeholders through the Chief Liaison in order to underscore the company’s commitment to learn from the crisis.

Internal proactive measures

- Begin HR training for management and all levels to ensure that people are trained in ethical business practices
- Create an internal whistleblower structure (tip line) for ethical issues and train employees how to use it
- Establish a team responsible for social media monitoring and listening (see below)
- Practice risk communication techniques
 - Encourage conversation among stakeholders and organizations
 - Be aware of known risks
 - Create a set of potential crisis scenarios as the basis for planning and simulations. Use simulations to refine risk communication and processes
- Create an extensive crisis communications plan to be used if another crisis arises
- Organizational flow chart
 - Create a management reporting structure that connects communications and sales with product development so that promises and hype don't get ahead of the product.
 - Rethink our understanding of the personnel and time needed to get a job done



- Create an emergency crisis management/incident command structure that identifies the roles and responsibilities for Blink employees and defines the chain of command in crisis periods. The plan will specify:
 - Who deals with what
 - How to structure meetings and information-gathering to listen externally and internally
 - Social media monitoring/listening (see below)
 - How to keep stakeholders informed
 - Everyone Communications need to keep in touch with
 - At what point does Communications get involved
 - Create avenues for internal communication that avoid crisis
 - Internal employees know whom to contact to report
 - Keep CEO no more than two steps from point of discovery
 - When to go around the chain of command and involve law enforcement, compliance officers, legal counsel or other authorities

External proactive measures

- Rebuild relationships with suppliers and subcontractors so that they feel comfortable flagging unethical behavior
- Regenerate positive associations with the company's technology and expertise
- New social media capability (see below)

NEW SOCIAL MEDIA CAPABILITY

Understanding that social media plays an important role in monitoring risk, identifying potential crises and managing crises, the Communications Department will assemble a new Social Media staff with the capability to move quickly and decisively to protect the company's online reputation and prepare it for crisis management. Blink's crisis exposed weaknesses in relationships with stakeholders. The social media plan is designed to optimize relationships with a wide range of stakeholders in preparation for a crisis. The plan is outlined here:

Monitoring known issues

- Internal leaks of information related to:
 - Product creation standards
 - Corporate culture
- Controversial social media posts, Twitter being of primary concern, that disapprove of our VR technology being used by a particular client
 - Issues in the news cycle related to military practices, controversial issues in the sports industry, concerns around practices of particular medical organization
- Product performance issues related to accuracy rate after client uses VR products
- Production issues that prevent us from meeting market demand
- Hacking incidents that compromise client's information

Monitoring Blink's share of conversation against other VR companies and VR-related conversations

Setting up a social listening tool, we will stay on top of conversation about our brand in the VR space, proactively vetting any future crisis born from social media.

- Trial SproutSocial and Meltwater, determining which product to enter a year-long contract with by end of Q3
- Set up individual known-issues dashboards, monitor keyword strings

- Daily monitoring of dashboards and weekly meetings with designated stakeholders to discuss any new trends or conversation strings.

Establish relationships with both pro and con influencers in the VR space

- After three months of social conversation listening, determine Blink's pro and con influencers
 - Invite "VIP" level influencers with the largest following and influence to meet in-office, allowing them first-time access to all outgoing communication and pilots/demonstrations of new products
 - Provide "exclusive level" access to influencers with custom content they can share with their followers, and allow a "first look" at new products and product enhancements
 - "Pitch list" influencers will be the first to receive press releases and company news, but no additional custom content or first looks.
 - "Listening-only" influencers who lead in negative conversation around the brand will be closely monitored to determine any rising issues

Determining positive and negative words tied to the brand

- Pilot test BuzzSumo and Moz over 3-month period with decision by end of Q3 to determine the best tool for Blink to monitor keywords used in discussion about our brand, products, and the general VR space
- Create a clear understanding of what the VR community is talking about and searching for
- Insert these keywords appropriately into the content pieces created to combat future crises

Content Plan and Schedule

- Create go-to pieces of content that combat crises that may arise from known issues
 - Blog posts, press releases, and accompanying social media posts to be created by end of Q3
 - Topics Include:
 - Day in the Life of a Product Manager at Blink
 - How Blink Creates a New VR product
 - How We Protect your Data
 - Past Client Success Stories
 - Infographic on Success/Accuracy/Other figures related to Blink products

- Highlight best times for posting by reviewing six months of owned social media channel data

BRAND REVITALIZATION PLAN

This brand revitalization plan draws on elements of Blink's original branding plan and follows the same structure. It acknowledges the challenges faced by the company as it began the abortive launch of AlphaScan, and now takes into account the crisis, which substantially alters the situation analysis and problem statement.

Situation Analysis

Blink Industrial is recovering from a scandal that has cast doubt on the strength of its engineering skill, its ethical culture, its relationships with clients and other key stakeholders, and its future as a going concern. The crisis compounds existing challenges such as poor brand health and ineffective communications. At the same time, examples such as General Motors and Volkswagen suggest that companies embroiled in ethical scandals can recover their reputations or contain the damage if they are straightforward, honest, creative and consistent in their communications.

Strengths	Weaknesses
A history of innovation in virtual reality technology Existing products with favorable reputation Strong association with VR in military training applications Limited competition for military contracts Core technology that is still cutting-edge and exciting Head start on brain wave technology?	Damaged reputation for engineering, ethics, treatment of employees Frayed relationships with subcontractors, grant makers, investors Decline in stock prices limits access to capital No director of product development Absolutely no room for error

Opportunities	Threats
<ul style="list-style-type: none"> Capitalize on innovations from joint-venture and acquisition partners Capture brand equity from acquisition partners Emergence from investigation as a new, revitalized company. Establish narrative around “comeback” Use staff departures to establish a new ethical culture based on communication Draw on elements of abortive strategic plan to articulate message and establish narrative Shed brand elements that were a drag on brand equity Draw on insights from new social media capability Use enhanced internal communications structure to foster innovation and quality 	<ul style="list-style-type: none"> Higher cost of sales due to damaged brand equity “Shunning” in the marketplace Development talent staying away Displacement by competitors Sanctions by DoD and other clients No room for error Vulnerability to capital shortages

Internal Analysis: Strengths and Weaknesses

Blink Industrial started out with several key strengths, including a lead in the marketplace, the credibility of its leadership and workforce, the strength of its core development talent, highly placed connections in other industries, and the enduring appeal of its underlying technology, virtual reality. Those strengths are still in place, but they are diluted by the scent of scandal surrounding the company. The company may have limited ability to assert its strengths credibly.

The Blink scandal has left it with the loss of grant funding and a declining stock price that will limit its access to capital, its ability to hire top-flight talent and its readiness to scale up to support new products. The scandal led to the resignation of the product-development director, creating a vacuum in a key department. The scandal also damaged Blink’s relationships with its vendors and clients and hurt its reputation with the media and financial community.

External Analysis: Threats and Opportunities

Blink’s leadership in the marketplace once afforded it favorable treatment by customers. That situation is now reversed, and Blink runs the risk of being shunned by customers and talent, or having to work harder on sales and marketing to prove its fitness. The black mark on Blink gives less-established competitors a chance to displace Blink on customers’ consideration lists and establish a competitive advantage. Blink could face short- or long-term sanctions from customers, including the need to renegotiate existing contracts. As it navigates its way out of the

shadow of the scandal, Blink has no room for error in marketing, messaging, partnerships or product development.

Blink's lead in the marketplace may, however, afford it some leeway to reassure partners while it rebuilds its reputation and image. An effective crisis response plan and risk communications plan (see above), combined with robust new social media capability, can help broaden awareness of the rebranded Blink, rebuild favorable associations and imagery and help establish a new narrative. Elements of the branding and strategic messaging plans that have already been developed, including the digital campaign, can be refined and deployed to revitalize the brand. The crisis frees Blink to take more risks with its brand name, such as changing it completely to put the past behind. One opportunity is to migrate its identity to one of its merger/acquisition partners and build on its brand equity.

Problem Statement

Blink Industrial was already struggling with poor brand awareness and a communications strategy that lacked a clear narrative. Now the company faces the added burden of recovering from a scandal involving its product development and ethical culture and persuading the marketplace that it has emerged from the scandal as a better, smarter, stronger company.

Organizational Goals

Blink faces a critical turnaround period following a product-development scandal that led to the withdrawal of a breakthrough product on the eve of its launch. Organizational goals reflect the fundamental challenges facing the company at a time of stress.

- Regain consumer trust
- Establish, enforce and communicate a strict ethical culture
- Rebuild support in the investment community
- Recapture lost brand equity
- Position the company to succeed in future product launches
- Avoid mistakes

Communication Goals

The rebranding effort outlined in the earlier branding strategy is now more urgent. But its focus must shift from enabling the launch of a product to relaunching the company itself, reinforcing its ethical foundations and preparing it to endure stricter scrutiny from investors, customers, job candidates, vendors and other business partners.

- Create a new forward-looking corporate identity
- Acknowledge and reframe past challenges
- Articulate a clear, inspiring brand promise to customers and other stakeholders
- Make rebranded Blink attractive for potential investors and job applicants
- Establish a company narrative that is honest about the past, focused on the future
- Re-establish strong and favorable associations around core product
- Regenerate positive associations with the company's technology and expertise

Target Audiences

Blink's communication priority is no longer about reaching out to new markets but to rebuild brand equity and trust among its existing stakeholders.

- Military sector, domestic and foreign
- Other VR-based training programs
- Business partners (candidates for M&A, joint ventures, contractors)
- Academic and government grant programs
- Investment community
- Recruiters and job applicants
- Investment, tech and military media

Tactics

This revitalization plan assumes that Blink's successor company will face stiff resistance following the public scandal. The tactics outlined here draw on the theories of persuasion — such as narrative theories, the power of direct and dramatic evidence, inductive reasoning and Packard's compelling needs — to inoculate against resistance.

- Save what can be saved, discard what needs to be discarded.
- Create a new company name, stock symbol, brand elements, owned channels and brand hierarchy. (Consider leveraging residual brand equity from Aquila or Mehta)
- Build a brand narrative around “strength and power,” overcoming obstacles, soldiering through adversity.
- Adapt “hero” messaging from original branding plan to reflect reframed company. Example: “Heroes may fall, but they never quit.”
- Use owned channels (Website, LinkedIn and YouTube) for thought leadership pieces to showcase long standing expertise in virtual reality and deepen customer relationships.

- Develop experiential activations at career fairs, military conferences to provide direct evidence and rebuild positive associations
- Capture insights from social media listening to adjust tactics or explore new opportunities as needed

KPIs and Goal Measurement

- Brand awareness (depth, breadth) after rebranding, as measured through surveys in target audiences
- Brand image (favorability, strength) as measured through qualitative surveys in target markets
- Investor interest as measured by stock price, trading volume, investor inquiries, partner inquiries, traffic to investor-relations portal
- Job applicant interest as measured by traffic to careers portal, individual job postings, job applications and caliber of candidates
- Engagement with thought-leadership content through newsletters, blogs, social media, as measured by shares, likes, comments, recommendations

REBUILDING BRAND EQUITY

In the customer-based brand equity model, the power of the brand resides in what the customer knows, thinks and feels about the brand. The scandal at Blink Industrial puts the company at a severe disadvantage in its core markets. At the same time, the core of a brand is the product itself, and while the company must explore new branding elements to escape the stain of scandal, it has a respected, market-leading core product to build a new brand around. That offers hope that the company can rebuild brand equity, block by block.

Salience

As it reverts to its core product and target audience of basic VR training systems for the military, Blink is back in its comfort zone, a market where it was a proven leader. The post-crisis communications plan will introduce a new brand name, but it also calls for more outreach to existing customers. Here, the target audience's deep familiarity with the product category and people associated with Blink provided a solid foundation at the base of the CBBE pyramid.

Imagery

Blink's earlier branding plan called for a strong association with heroes in various fields. Given the tarnish on the company's image, the imperative is even stronger now to shift the brand's imagery away from the company and its technology, and toward the heroic end users who put their trust in Blink. Just as a brand's support for veterans evokes a strong emotional response, Blink's successor company can capitalize on the enduring respect for its user profile.

Performance

Without the innovative AlphaScan product, and with a shortage of investment capital, Blink is more reliant on asserting the superiority and uniqueness of its core products. Time will tell whether the scandal in the product-development department affects perceptions of Blink's core product performance. But before AlphaScan, Blink did have a market-leading product. To underscore product performance, Blink may need to redouble its warranty, support and customer-care offerings to create superior points of difference, especially if competitors with better reputations close in.

Feelings

Scandal or no scandal, virtual reality's strong association with gaming and entertainment offers a chance to associate Blink Industrial's products with excitement. Seizing that opportunity is now more urgent, lest the more negative feelings about Blink's scandal fill the void. Especially with a new brand name to establish, Blink should absolutely exploit opportunities to create a sense of awe about virtual reality in the military context. As in the earlier plan, our team will consider directly introducing the new brand into entertainment content through strategic product placements, where the renamed Blink is cast as the hero's trusted partner, and the technology can be visually depicted, explained and demonstrated in use.

Judgment

Especially in the post-scandal era, eliciting strong, favorable judgments presents a challenge for Blink Industrial. Military customers can't provide testimonials. Blink's best opportunity here is to create communications around the new company that exude credibility and strength, using strong, captivating imagery, video demonstrations and other types of testimonials to its track record of serving the military honorably.

Resonance

Achieving resonance remains an elusive goal for Blink, especially after the scandal. As a communications team, we can look to the strength of the post-crisis communications plans as opportunities to demonstrate the human qualities that brands can embody: fallibility, sincerity, honesty, resilience, determination, courage. To the extent that these qualities extend to our end users, the heroes people admire, they provide a basis for achieving resonance in the marketplace.