

Crisis Communication @ Nestlé

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Group Risk Management

Good Food

Good Life



Agenda

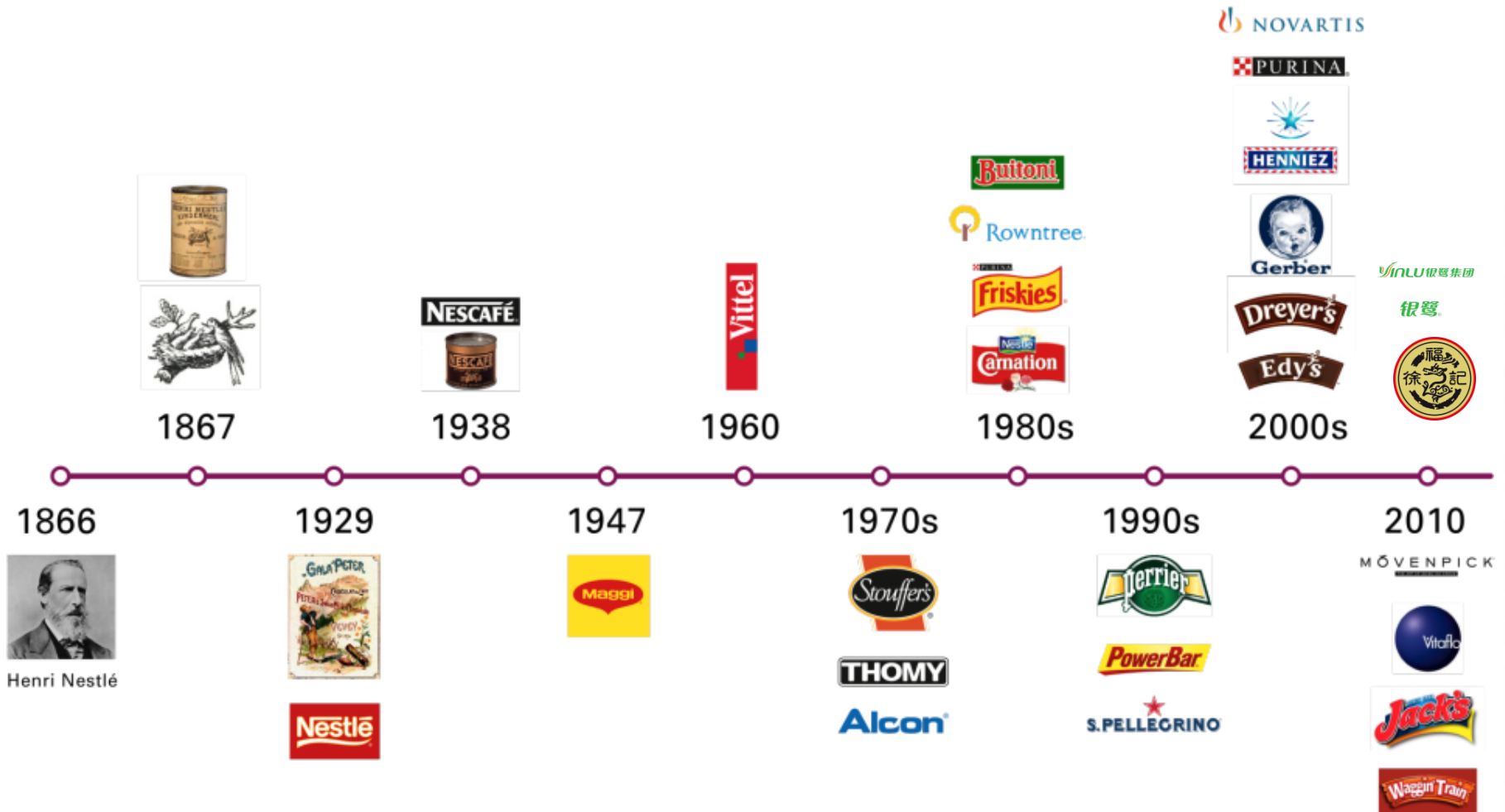
- Introduction
- Policy & Guidelines
- Application @ Nestlé

Nestlé's mission

Our objective is to be the recognised leader in Nutrition, Health & Wellness and the industry reference for financial performance



The Nestlé story



Nestlé at a glance

- CHF 83.6 billion in sales in 2011
- 328,000 employees
- 461 factories
- 10,000 brands
- 1 billion Nestlé products sold every day

Constant interaction with our consumers...!

We make Nestlé

Our 10 Business Principles - the Foundation of all we Do -

Learn
Knowing &
Understanding
the Principles

Apply
Putting the
Principles into
Practice

Share
Inspiring
through
Examples

Verify
Following up on
our Commitments

the Leader



Nutrition,
Health and
Wellness

1

Caring



Water

10

Trusted



Quality
assurance
and product
safety

2

Resourceful



Environmental
sustainability

9

Transparent



Consumer
communication

3

Inclusive



Agriculture
and rural
development

8

Exemplary



Human rights
and labour
practices

4

Recognized



Supplier and
customer
relations

7

Credible



Leadership
and personal
responsibility

5

Safe



Safety and
health at
work

6

Nestlé's Social Media Meltdown

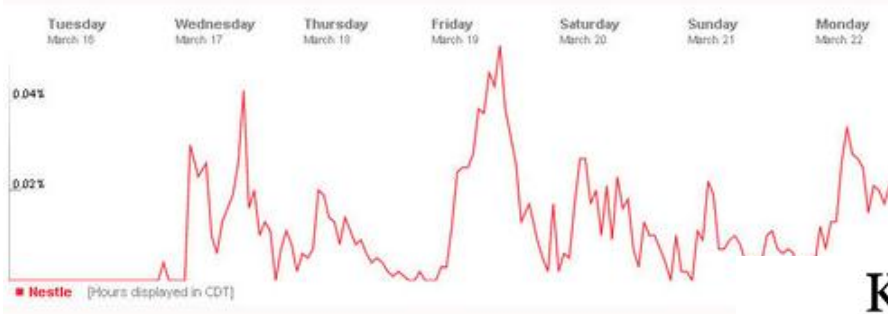
A Case Study



- Pressure from Greenpeace and like minded individuals over Nestlé's policy of buying palm oil
- Greenpeace accuses Nestlé of supporting deforestation and threatening the Orangutan monkeys with extinction.
- Greenpeace created a video which likened eating a Kit Kat bar to killing an Orang-Utan.
- Mistakes :
 1. Nestlé moved to have the video removed, which angered the Greenpeace members.
 2. Nestlé then moved to protect their Facebook page by removing critical comments
 3. Continuing to do something and expecting the results to change
 4. Lack of transparency and apparent unconcern
- Finally, Nestlé began a traditional slow speed counter movement making several environmental statements and announcing initiatives

Social media communication Evolution – Kit Kat 2010

Graph of last 7 days of twitter usage of "nestle"



Kit Kat Mentions – Jan to July 2010

Ac ch Fa ph an slo sta to far

Salvo Paster That is the second one in a short period of time... First you all may take a look at another story of bottled leader <http://www.youtube.com/watch?v=5u2129r5r0k> where Nestle has about how sustainable bottled water can be. And how differentiation for... (chocolate) I'm completely out of Nestle products to keep in track, and will say everyone to do the same. 2 hours ago · Report

Salvo Paster app, a huge deforestation 2 hours ago · Report

Georgia Maravich Can't wait for the kitkat somewhere I can only imagine would be 2 hours ago · Report

God bless Best the 2 hours ago · Report

Sarahlee Barro Hey Nestle, thanks for 2 hours ago · Report

Michael Cavalia BASTARD! 2 hours ago · Report

Georgia Maravich Yes this 2 hours ago · Report

Michael Cavalia <http://www.youtube.com> 2 hours ago · Report

Francisco Herbert hey, wooooooooooooo 4 hours ago · Report

Wendy Amberuster Bell and now I'm got BASTARDS! 4 hours ago · Report

Wendy Amberuster Bell while I'm sure I'll profit from it bad, you should all know the fact 2 hours ago · Report

Now it even went worse with all kinds of criticism, allegations and simple insults being posted (e.g. bottled water dispute in the US, "killing babies" ...)

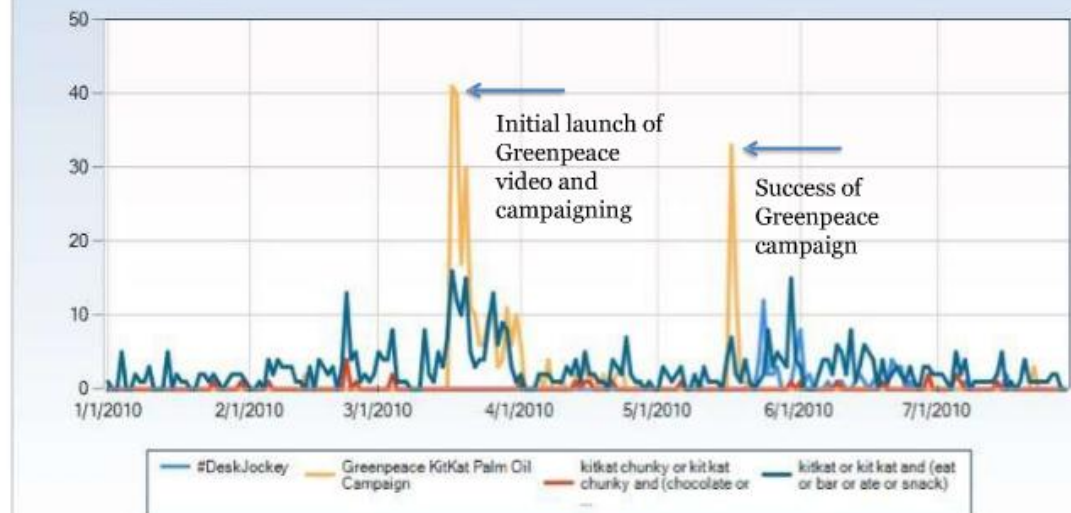
to repeat: we your, but please

Nestle Facebook Page - Comments 17:00 2010 - 23:00 2010

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Social media lessons from Nestle's reputation crisis

Number of Search Results by Day



Crisis management

- Do not compromise on COMPLIANCE :
 - Internal controls, food safety, management principles and procedures
- Be prepared :
 - Timely preparation of measures and contingency plans
- Be open :
 - Transparent & proactive communication
- Be decisive and flexible to cope with unforeseen events

Keep in mind, the way we managed crisis does reinforce employees, customers, suppliers and other stakeholders confidence in Nestlé...!

Policy

- Social platforms as both catalyst and amplifier
- Manage issues, incidents and crises online and in social media is key
- Maintain consumer trust and protect company's reputation

Guidelines

- Protect Nestlé and its brands
- Isolated consumer complaint can gather momentum and spread internationally within hours.
- Even when communicating in tense crisis situations, stay true to brand personality :
 - Caring and responsible
 - Open and empathetic
 - Transparent and honest

Guidance in the following areas

- Laying groundwork before a crisis
- Social and digital media crisis prevention, readiness and radar
- Understanding a social media issue/crisis
- Responding to a crisis
- Reviewing a social media issue/crisis

What is a crisis ?

- Ongoing debate (often spread by media/social media) :
 - “Spiking” issues can become a crisis
- Threatens health and safety of consumers and employees
- Threatens image and value of brands and company
- Left unmanaged, an incident can turn into a crisis
- Never underestimate crisis potential of an issue or incident

How do we act ?

- Building positive digital sentiment through best practice engagement
- Knowing conversational landscape relevant to our brands / markets
- Investing in our brand's social media presence
- Being strategic about how we approach social media
- Showing consumers that we care and are listening to them

Which issues should we look out for ?

- Social media crisis situation threatens company in different areas
- Crucial to immediately assess and escalate threat to appropriate internal contacts
- Specific Nestlé “hot topics” :
 - Crises not confined to fixed list of topics
 - Widespread consumer concern
 - Organised attacks.

How to manage consumer complaints ?

- Sensitive consumer complaints can indicate a serious issue
- Reaction can undermine Nestlé's reputation and trigger a crisis :
 - Urgency ?
 - Threat ?
 - Surprise ?
 - Consumers' health at stake ?
- Monitoring and listening (The Listening Company)
- ***Learn what consumers really feel – before we get told by someone else !***

Monitoring – DO / DON'T ?

DO

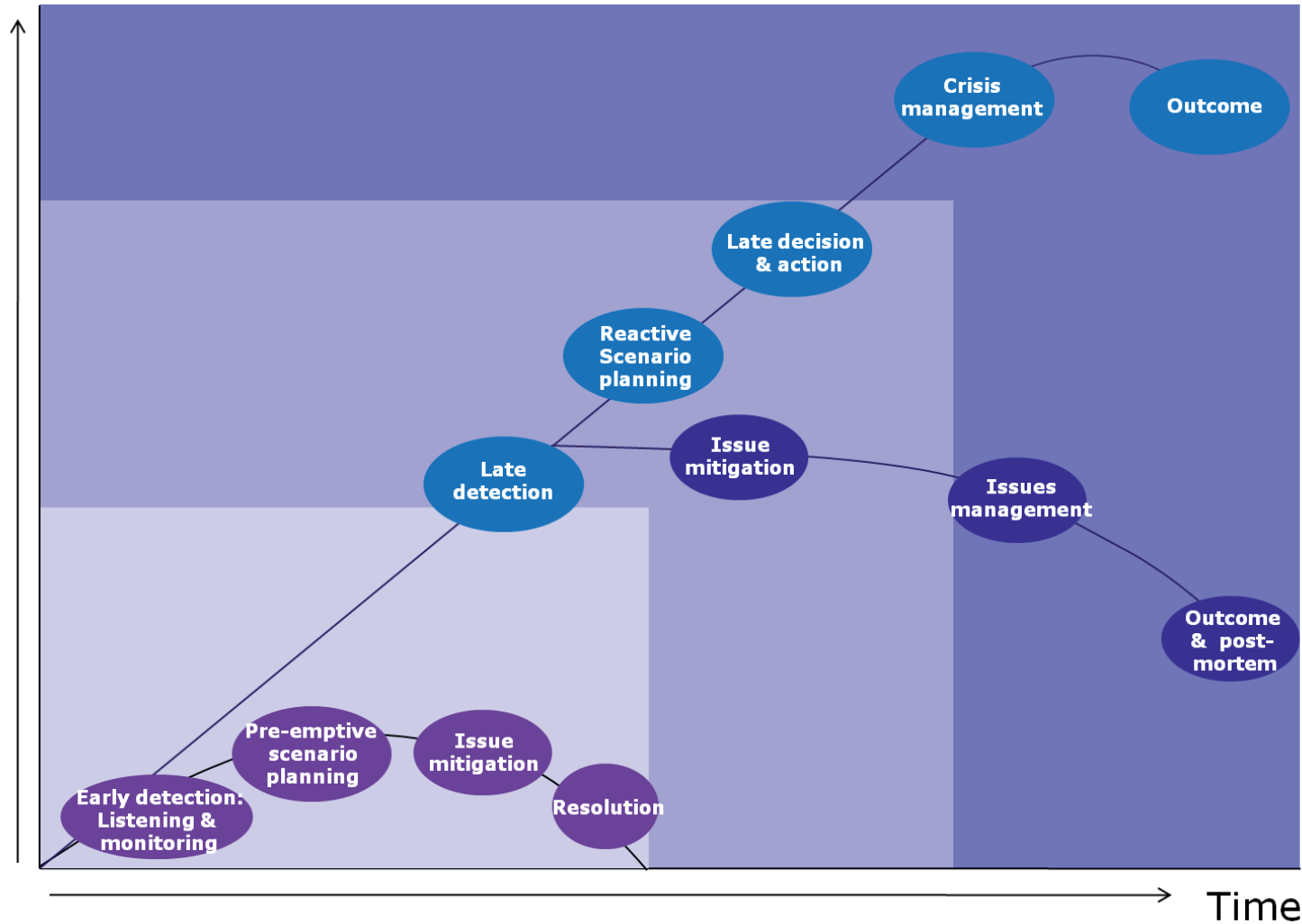
- Monitoring with keywords
- Monitor daily (or more)
- Perform manual searches (e.g. Google Blogs, Twitter, YouTube)
- Search Facebook (e.g. fan pages, group walls)
- Set up Alerts as back-up
- Analyse samples if data volume becomes overwhelming
- Engage partners (internal & external)
- Establish automated workflow to notify crisis committee

DON'T

- Forget to adjust keyword
- Use volumes as key metric (influence and context also important)
- Ignore competitors and retailers
- Report only charts and verbatims (insights are crucial !)
- Assign monitoring to someone too junior or with little knowledge of business

Impact of crisis communication

Risk level



Key Learning

- ***Anticipate*** as much as possible
- ***Timely reaction*** is essential
- ***Be flexible to cope with unforeseen events***

Let's have a break, let's have a...

