#NetworkedAge

THE NETWORKED AGE

The world we live in

MHP Group

PART 1

THIS IS THE NETWORKED AGE

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THE NEW RULES OF INFLUENCE AND OUR INFLUENCE MODEL

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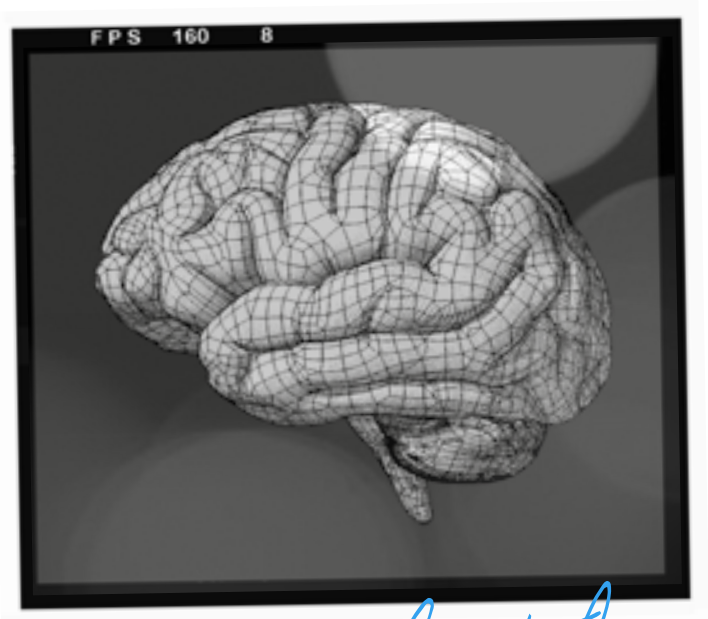
THIS IS THE NETWORKED AGE

IN THE LAST TWO DECADES, SIX DEGREES OF SEPARATION HAVE BECOME THREE AS THE WORLD HAS BECOME MORE CONNECTED, MORE GLOBAL AND INFORMATION-SATURATED. THE FIRST GENERATION NATIVE TO THE NETWORKED AGE (GEN Z) HAS ENTERED THE WORKFORCE.

"Facebook literally changes your relationship with society, with each other."

SEAN PARKER
FORMER FACEBOOK PRESIDENT

To promote truth,



understand the mind

DR TALI SHAROT

PROFESSOR OF COGNITIVE NEUROSCIENCE,
AFFECTIVE BRAIN LAB, UCL

Neuroscience shows that both consuming information and sharing information is treated by the brain as a reward – like food and water. It is not surprising then that people constantly search for and disseminate ideas, opinions and advice. The statistics are overwhelming – by the time you finish reading this sentence approximately 110,430 tweets will be posted, 934,861 new Google searches executed and 1,184,390 YouTube videos played around the globe.

But in this sea of communication, which message actually makes a difference?

It often seems that the people with the most important message, those that have the most useful advice, are not necessarily the ones that have the largest impact. Instead, baffling trends such as climate change denial and fake news have been on the rise.

How could it be that mountains of evidence indicate humans play a role in warming the globe, yet 50% of the population does not believe it, asked Barack Obama in a recent speech. Why do people spend money on Goop's 'Bio-Frequency healing stickers', despite no scientific basis for their 'powers', physicians wonder.

To many of us who study the human mind, these are not so much puzzles, but rather prototypical examples of how the mind forms beliefs. For example, people are open to messages of hope and stories that support their world view, even when those messages contradict sound data. The emergence of fake news and the fondness for healing crystals are, from this vantage point, predictable outcomes of the ancient rules by which our brains process information.

People exhibit a host of heuristics and biases in information processing, which are apparent in online communication and social media. These biases, however, are not new. They have evolved over millions of years and thus very difficult to alter.

We believe that understanding these rules can help people promote truth. To elicit change we need to go along with how our brain works, not against it. We need to appreciate and account for human bias.

The mission of the Affective Brain Lab is to understand how people seek out, and use, information to form beliefs and make decisions.

We partnered with MHP to transfer the knowledge we gathered through experimentation, to help communicators communicate. And in this process, our brains too experience a burst of pleasure.

About The Affective Brain Lab

The Affective Brain Lab (ABL) is a leading international research team based at University College London.

The ABL studies how motivation and emotion shape our expectations of the future, our everyday decisions, our memories and our ability to learn. By understanding these basic processes, they aim to identify ways to encourage behavioural change that enhances wellbeing.

The Principal Investigator is Dr Tali Sharot, Cognitive Neuroscientist, TED speaker and author of The Optimism Bias and The Influential Mind.

affectivebrain.com

WELCOME TO THE NETWORKED AGE

NICK BARRON
DEPUTY CEO, MHP

This guide began with a question: why does so much communication fail? It is a communicators' job to influence, but too often they don't.

The political events of 2016 should have sent our industry back to the drawing board. The Remain and Clinton campaigns followed the standard communications playbook and lost, despite having vastly more resources at their disposal than their opponents, and showed that Jeremy Corbyn's victory over establishment candidates a year earlier was no fluke.

When the pollsters got the results of these elections wrong, they took their models apart, challenged their assumptions and embraced new techniques, to do better next time. There was little such introspection from communicators.

Instead, leaders and commentators turned outwards – blaming the mendacity of their opponents, the skulduggery of shadowy forces or the credulousness of other people.

Thousands more media hours have been spent discussing the validity of the numbers on the side of the Brexit bus than examining why the public rejected the collective advice of the PM, the Chancellor, the Governor of the Bank of England, the President of the United States, the head of the IMF and dozens of FTSE CEOs. Researchers found that during the Republican primaries, the more the media criticised Trump, the more his approval ratings rose, but rarely do we ask why.

Politics is only the most dramatic example of what is happening. The collapse of the traditional communications model can be found everywhere, from soaring rates of measles infections across Europe as parents reject the pleas of medical professionals, to the consumer backlash against brands like Pepsi, Lush and Star Wars, which misread their own customers.

The world that we operate in has become more tribal, more sceptical of each other's motives and claims to authority, more activist and more polarised. Organisations' licence to operate have become more fragile than ever.

Blaming people for not listening, opponents for opposing or consumers for trolling leads nowhere.

Digital technology has created a networked world, where clusters of like-minded people share and debate stories and ideas amongst themselves. In The Networked Age, unless we understand people, we cannot understand communication.

So MHP began looking for real answers.

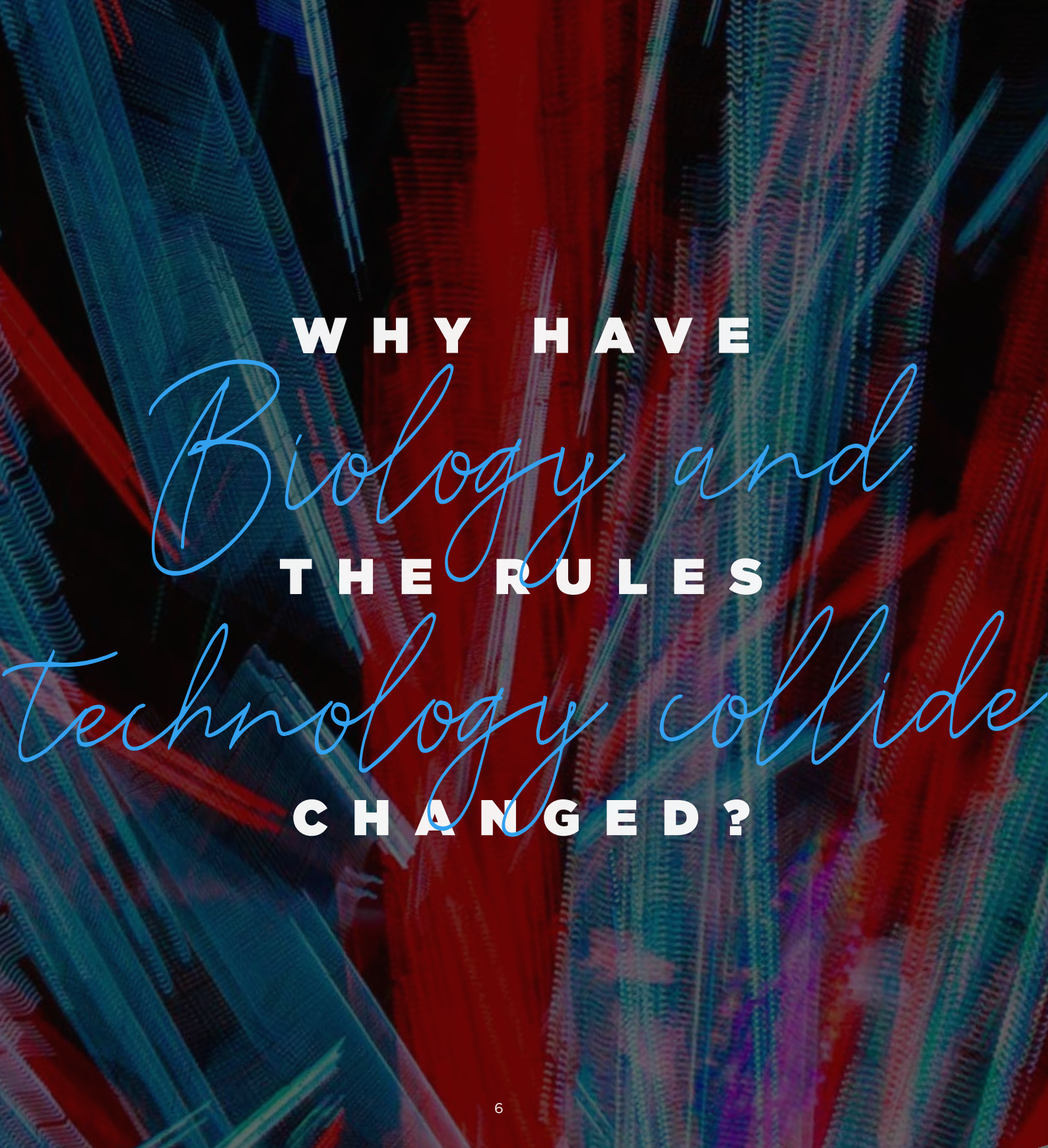
Our search led us to behavioural psychology and the work of Dr Tali Sharot and her team at the Affective Brain Lab, who study how emotion and reason interact.

The human mind has evolved with powerful biases that shape the way people respond to the stories they hear. Digital technology has created vast pools of social feedback which amplify many of these biases and change the rules of engagement for communicators.

For the last year, we have worked with the Affective Brain Lab to understand the group dynamics of The Networked Age and, more importantly, how communications must change in response.

This guide explains the biases that communicators need to understand and the universal principles that should underpin any communications strategy if it is to influence better outcomes.

The Networked Age is the challenge that confronts us all and the reason why so much communication fails. The New Rules of Influence are MHP and the Affective Brain Lab's solution.


WHY HAVE
Biology and
THE RULES
technology collide
CHANGED?

HUMANS ARE SOCIAL ANIMALS. IN THE NETWORKED AGE WE HAVE IMMEDIATE ACCESS TO A LARGE POOL OF SOCIAL FEEDBACK, WHICH AMPLIFIES INNATE HUMAN BIASES AND THE EFFECTS OF GROUP PSYCHOLOGY.

"Confirmation bias has turned out to be the currency of the internet."

BOBBY DUFFY
MD OF IPSOS MORI SOCIAL RESEARCH INSTITUTE

Biology

WHAT ARE THE KEY PSYCHOLOGICAL PRINCIPLES COMMUNICATORS NEED TO UNDERSTAND?

1 WE ARE INFLUENCED BY INDIVIDUALS LIKE OURSELVES[3]

Ideas, behaviours and emotions are transmitted through networks, but they don't gain traction unless the right influencers are behind them at first. Individuals matter more than the brands they work for and we tend to listen to experts who share our own values. Top influencers are exponentially more influential than those below.

2 WE ARE BIASED TOWARDS THE SOCIAL NORM[4]

We have a powerful social norm bias, which makes us more likely to copy the behaviours and ideas of those around us.

3 WE ARE ALL PR PEOPLE NOW[5]

Provoking a reaction by sharing our opinions gives us a burst of pleasure. We all want to influence others and shape our own reputations. We share things we think make us look 'good' and the qualities we want to project are 'competence' and 'warmth'. Emotive content is shared more often, increasing the pay-off for projecting virtue.

4 INTUITIONS COME FIRST[6]

Within one second of seeing the messenger, we have begun to decide how we feel about the message. Get the non-verbal communication wrong and you lose the audience before you've begun.

5 WE SUFFER FROM CONFIRMATION BIAS AND EMPLOY MOTIVATED REASONING

We strongly prefer news we agree with. When we want to believe something, we search for supporting evidence that gives us permission to believe it. We tend to overlook evidence that contradicts what we already think is true. Search makes it easy to 'prove' what we believe (especially for informed publics) and social algorithms reinforce our biases.

6 IDEAS CHANGE EASILY, WORLDVIEWS DON'T[7]

Tiny differences in our genetic makeup make it difficult for us to understand each other. Liberals and conservatives have different moral mixes, based on six core values: Care, Fairness, Liberty, Loyalty, Authority and Sanctity. Liberals index highly on the first two, Conservatives on the latter three.

7 WE ARE TRIBAL – MORALITY BINDS AND BLINDS US TO OTHERS[8]

It has become easier to create social echo-chambers which reject outsiders. When passionate tribes talk, people become more extreme, more vocal and more confident in their views. Echo chambers create activists and polarise debates.

8 WE TEND TO BE PERSONALLY OPTIMISTIC[9]

Optimism about one's own future remains remarkably resilient, even when people are socially pessimistic. To engage people about the future, talk to them about their own lives, where they are inherently more positive and open to suggestion.

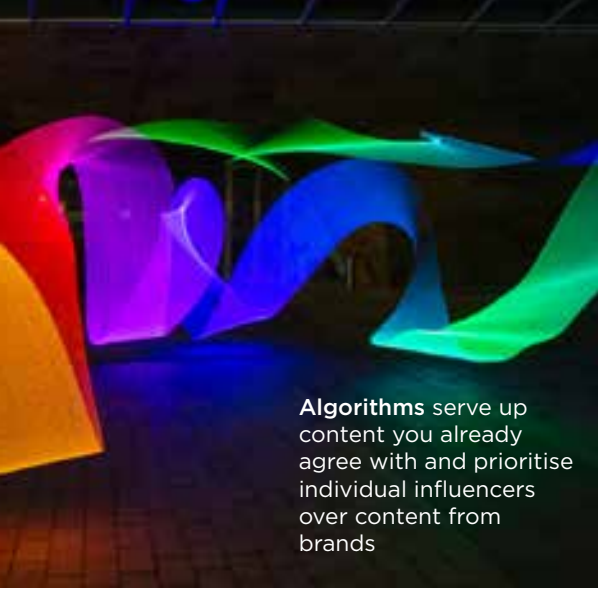
Technology

THESE FACTORS ARE CHANGING THE NATURE OF POLITICAL DEBATE, ATTITUDES TOWARD BUSINESS, RELATIONSHIPS IN THE WORKPLACE, NEWS CONSUMPTION AND THE BEHAVIOURS WE EXPECT FROM BRANDS:

Search makes it easier to 'prove' the things we already believe and ignore contradictory evidence

Gen Z have been more protected growing up and have more trouble dealing with views that contradict their own[2]. They display many of the traits that characterise The Networked Age

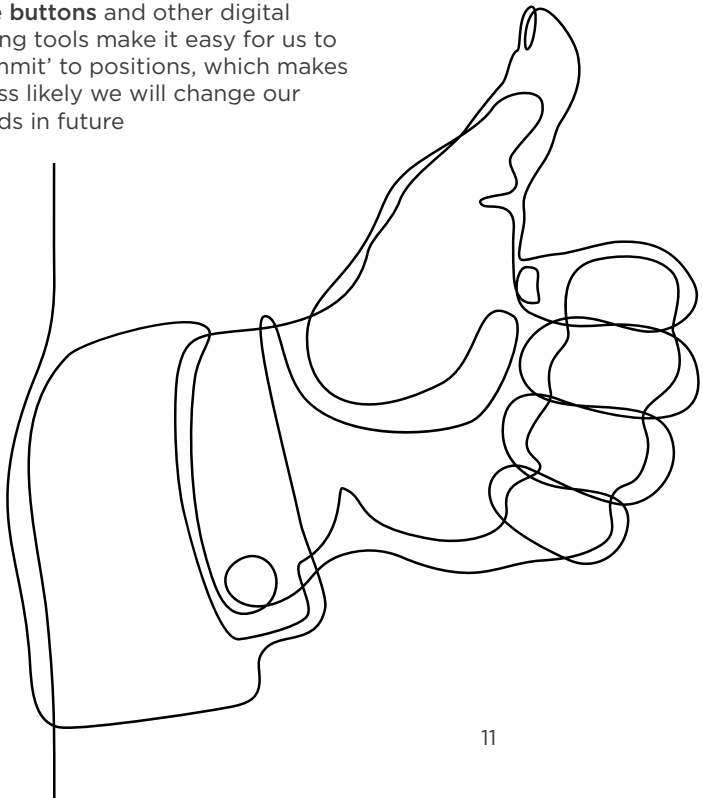
Social channels and forums feed our 'fundamental motivation' to belong and gain approval from others. We broadcast our lives, leading to constant social comparisons and evaluations, virtue signalling and conformity to group norms[1]



Algorithms serve up content you already agree with and prioritise individual influencers over content from brands

Digital media models make opinion more valuable than news and reward the journalists with the strongest views

Like buttons and other digital voting tools make it easy for us to 'commit' to positions, which makes it less likely we will change our minds in future



The knowledge economy means people are more mobile – and they are moving into self-segregating communities

What are the New Rules of Influence?

Rule 1

REPUTATION AND BRAND STRATEGY

WHO YOU ARE IS AS IMPORTANT AS WHAT YOU DO

To build reputation and influence people, doing the right thing is merely table stakes. Audiences are tribal and united around shared narratives and values. To engage people, organisations must show they (and the people who run them) share the same values. Levers to do this include:

PURPOSE
Demonstrate what drives your company, help target audiences be part of the mission

THOUGHT LEADERSHIP
Signal your values by speaking out and leading debate

EMPLOYER BRAND
Celebrate the culture of the organisation

CULTURAL PARTNERSHIPS
Access a wider conversation and show brand relevance

PERSONAL STORYTELLING
Leaders need to show who they are as people and explain what drives them

DIGITAL FOOTPRINT
Develop a clear brand personality for your channels and audit third party reference sites. Equip teams to produce content quickly – spontaneous voices are more 'authentic'

Rule 2

REACH AND ENGAGEMENT

INFLUENCERS AND PASSIONS SPREAD IDEAS

People follow people like themselves and they respond to passionate voices. Networks are not egalitarian, they follow Pareto's Power Law – any conversation is dominated by a few voices. To engage at scale, finding the right people to work with is critical. The principles of influencer engagement are:

CREATE CONTENT THAT PEOPLE WANT TO SHARE

Because it makes them look smart, successful or virtuous

FIND INFLUENCERS PASSIONATE ABOUT THEIR SUBJECT

Enthusiasm is infectious

WORK WITH THE MOST PROMINENT VOICES IN ANY GIVEN CONVERSATION

Segment influencers into those who drive awareness and those who influence action

WORK WITH 'EXPERTS LIKE ME'

Find experts whose values or lifestyles resonate with your audience

WORK WITH INFLUENCERS TO PUBLICISE SOCIAL NORMS

Show them 'doing' things not just 'saying' things

TURN EMPLOYEES INTO ADVOCATES

They are your most trusted spokespeople, help them to tell your stories

Rule 3

EFFECTIVE COMMUNICATION

ARGUMENTS ARE NEVER WON, OUTCOMES ARE

People seek out information that confirms what they already believe. This means that people will reject challenging arguments, even if they are supported by facts. To persuade people, you can't tell them they're wrong, you must deploy different strategies. The most productive approach to critics is:

LISTEN AND FIND COMMON GROUND

Facts come later

ANTICIPATE PROBLEMS, ENGAGE EARLY AND ASK AUDIENCES TO COMMIT

Once someone has 'committed' to a position, even just by 'liking' an article, it becomes much harder to change their mind

PUT PEOPLE AT EASE AND OFFER THEM AN ARGUMENT BASED ON HOPE, NOT FEAR

Talk to them about the possibilities in their own lives. Use words that evoke positive associations

GIVE PEOPLE A SENSE OF CHOICE AND CONTROL

They want to make a choice for intrinsic reasons

DON'T IGNORE SMALL GROUPS OF PASSIONATE ACTIVISTS

Respond quickly to an intense conversation spike before it spreads

HELP PEOPLE DISCOVER FACTS FOR THEMSELVES

Create online assets that help people to source information

Our Influence Model

The purpose of effective communications is ultimately to inform a desired change in behaviour. It therefore seems sensible that communications agencies should make use of the insights coming out of latest research in the behavioural sciences.

Our partnership with the Affective Brain Lab included a review of published literature to ensure the New Rules of Influence were fully evidence-based.

The literature review analysed over 200 papers from health psychology, behavioural economics and social psychology and identified six communications-relevant factors that have been shown to have robust effects on people's choices and behaviour. These domains are critical in guiding how we build effective communications campaigns, cognisant of how people like to receive and respond to information presented and, ultimately, to produce effective change.

The MHP Influence Model is the output of this research; six domains, built from published evidence, which help our clients apply the Rules of Influence to their key audiences.

The research findings challenged the way we, as communicators, usually operate: Encouraging us to consider networks vs hierarchies in terms of spokespeople, adopting an 'ask not tell' approach to our messaging, which puts decision-making in the hands of the audience and emphasising the power of the positive.

As the need for communications to show increased business value intensifies, demonstrating the effectiveness, and not the reach, of our efforts is critical. Understanding real influence is the first step on this journey and we look forward to sharing more of this work soon.

PEOPLE ARE INFLUENCED BY WHAT OTHERS DO AROUND THEM

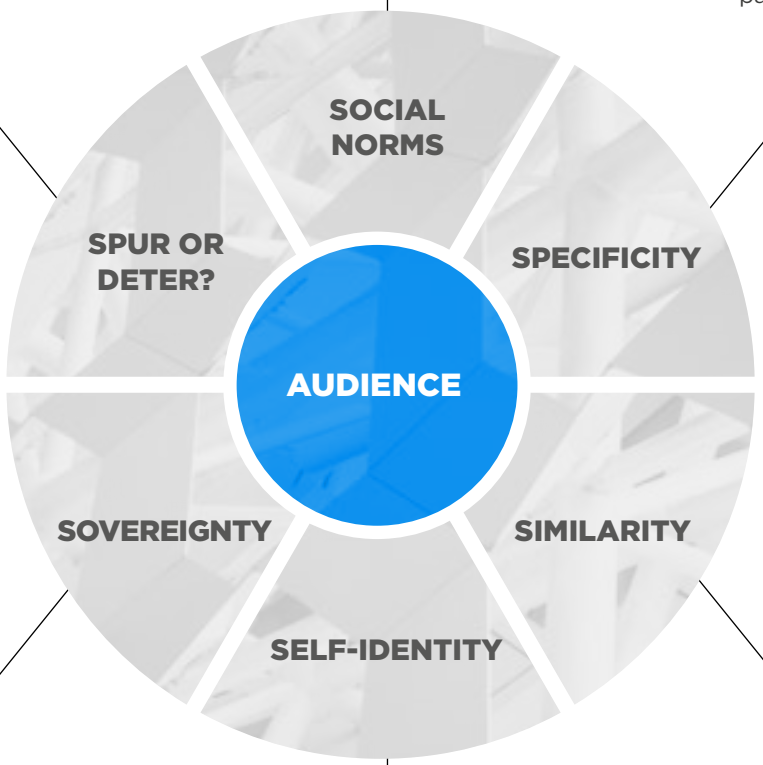
People use social information as an informational cue when making decisions

REWARD TO SPUR, FEAR TO DETER

Action can be motivated by positive associations or reward; fear is more likely to induce avoidance of action

PERSONALISATION OF LANGUAGE. TAILOR AND KEEP POSITIVE

People generally respond to positive framing and messages tailored to their passions and pursuits



ASK, DON'T TELL

People value items they selected themselves more than the same exact item selected for them

PEOPLE ARE ALTRUISTIC, BUT THEY ALSO CARE WHAT OTHERS THINK ABOUT THEM

We are motivated by actions which boost self-esteem and status

SIMILARITY OF MESSENGER ENHANCES CREDIBILITY

Our key messengers should be similar, likable and expert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LEADERS: FROM AUTHORITY TO INFLUENCE

NICK BARRON
DEPUTY CEO, MHP

In The Networked Age, the average lifespan of a CEO has shortened and leadership has become harder.

The degree of authority conferred by being the boss has declined as audiences have become less deferential and more sceptical. Activists, from consumers to investors, have become more adept at claiming scalps.

However, the new Rules of Influence mean that it is more important than ever for leaders to stand up and engage in the public sphere.

Who you are is as important as what you do

While regular employees may be more trusted spokespeople for commercial messages, audiences understand that a company's culture is shaped by its leaders.

Customers want to support brands that share their values. The public wants to understand more about the people who run the companies that shape our lives. Hiding behind key messages no-longer works.

Above all, leaders must stand for something – speaking out may alienate a few who vehemently disagree, but how can you identify with a company that says nothing?

Arguments are never won, outcomes are

The threat of obsolescence is ever-present. As the World Economic Forum's Klaus Schwab observed:

"The acceleration of innovation and the velocity of disruption are hard to comprehend or anticipate they are a source of constant surprise, even for the best connected and most well informed."

In this context, leadership is the best form of defence. Instead of fighting battles with competitors, forcing analysts and commentators to pick sides, leadership allows a company to set the terms of trade.

In 1965, Intel's co-founder Charles Moore predicted that the number of transistors humans could squeeze onto a square inch of circuit board would continue to double each year for at least a decade. It was an idea that changed the world, attracting investors and partners to accelerate the growth of his company – and shaped the growth of the industry for decades afterwards.

This power of leaders to set the agenda and build Masterbrand halos can be seen everywhere from Paul Polman at Unilever to Jeff Bezos at Amazon. Leadership can be perilous, but the leadership dividend can last for decades.

Applying the new rules

- Understand your audience. If everyone around you assures you that something is the right thing to do or say, be careful. There's a chance that you're in a bubble and your words and deeds will be interpreted very differently by those beyond it. Find critical friends with differing viewpoints and values and test your thinking with research.
- Be 'like me'. Similarity is more persuasive than expertise. To engage, leaders must speak naturally, tell personal stories and act with conviction.
- Identify your point of differentiation and be true to it. Beware of bland. Find an ex-journalist to write your story, not a copywriter.

THE CHANGING FACE OF THE KEY OPINION LEADER

KATE POGSON
HEAD OF HEALTH, MHP

The primary challenge for Health communicators is simple and stark: being heard.

In The Networked Age, people are less willing to listen to 'experts' or engage in real debate – especially around health.

This change in the landscape is a long-term shift. Healthcare communicators cannot sit back and wait for a more receptive, calmer environment in which to seed our messages. We must develop a real understanding of our audiences and the people who really influence them to ensure that evidence-based, accurate messaging around conditions and treatments prevail.

The work we have done with The Affective Brain Lab gives us crucial insight into the drivers of influence and the principles of effective communication in The Networked Age. To apply the New Rules, we need to find ways to be more agile.

Unless the healthcare industry can rise to this challenge, misinformation will proliferate, and expert advice will be ignored.

So, what can healthcare communicators do to protect against inaccurate information and engage with key audiences in an appropriate and evidence-based manner?

Knowing the new influencer

Our industry has long-relied on healthcare professionals and scientists to advocate for the value of the medicines and solutions we represent – the typical 'top down' playbook.

In The Networked Age, do we need to think again? Work ongoing at The Affective Brain Lab has experimented on the differing influence of 'accuracy' vs 'similarity' when people seek to learn from others. The results conclude that people are consistently more likely to take advice from people who are 'like me', rather than those who have the proven skillsets to teach but are not similar. When selecting the right influencer to work with, we need to consider whether they offer the desired degree of similarity to our target audience.

Going the extra mile... to avoid bad news

As Glen Tullman, CEO of Livongo Health wrote in Forbes, the failure of Google Health and other engagement-dependent wellness programmes highlights that people want to be less engaged with their disease, not more.

This theory was proven in 2016 by the Claremont Graduate University, who showed that subjects would rather pay money than be tested for herpes simplex virus, suggesting that more aversive outcomes lead to more information avoidance.

As healthcare communicators, we need to identify the influential drivers to support better personal health management and develop the tools and campaigns that effectively and positively influence behaviour. Doing so will allow industry to show health systems the pivotal role it plays.

The ultimate lesson of The Networked Age is that we must see people as people, not patients. This means building campaigns on passions and pursuits, rather than bombarding people with problems they must overcome.

SHARING OUR PERSONAL DATA

The next big argument health innovators

RACHEL ROWSON
HEAD OF HEALTH INNOVATION, MHP

Today's children and teenagers are digital natives. Their world allows instant access to any piece of information on the internet, provides news from all corners of the globe and enables access to an infinite number of 'friends' and influencers via social media.

must 'win'

The downside to this technical revolution is that the ability to filter which information is evidence, and which is opinion, is not an automatic skill. Especially in health, the views of activist groups can stand shoulder to shoulder with those of established experts and sway belief and behaviour in approaches to the prevention and treatment of disease.

But there is a significant upside: mobile technology holds the power to improve a population's health, by supporting the earlier diagnosis of disease and even in disease prevention. Biomarker tracking via smartphones and devices, coupled with developments in genomic sequencing could identify cardiovascular and other metabolic risk factors much earlier – conditions which today cost the UK's NHS over £1.5m per hour.

The challenge, is to convince people that sharing their health data to support more timely intervention is a good thing and won't be used by profit-making insurance agencies purely for commercial gain. The convergence of personal tracking and genomic data could revolutionise care, but only if health systems allow populations to see the personal and societal gain associated with its use.

Our research with the Affective Brain Lab suggests that communications principles of sovereignty, positive association and allowing self-identity would help health bodies and industries gain the trust of the public and use this power for good. The fact that we readily allow our data to be used by consumer industries to better predict and advise on future purchases could be a way of introducing an aspect of social normalisation to the comms task at hand.

Whichever way the health systems go, getting this balance of human and technological input right, is truly how we will take a giant leap forward in healthcare.

The good and the bad of Health

Good

ANGELINA JOLIE AND BREAST CANCER TESTING

Jolie's work to raise awareness of the importance of testing for the breast cancer mutation BRCA provided the best example of the role that influencers can play in spreading ideas in the health space.

In 2013, Jolie announced via a New York Times editorial that she had undergone a preventative double mastectomy.[10] The article is 'one of the most viewed health-related articles in the social media age."[11] Its impact spread widely on social media networks and was dubbed the 'Angelina effect'.

Subsequent analysis of information seeking behaviour, but also BRCA gene testing rates in the USA, identified a large and immediate increase in testing following the editorial and showed the power of an influencer, with a passionate message, to drive change in people's behaviour through online channels.

What made the announcement even more potent was the personal story that Jolie told, combined with the public's respect for her values as a humanitarian and mother. To deliver the outcomes, of increased BRCA awareness, who you are really is as important as what you do.

Bad in The Networked Age

THE ANTI-VAXXER'S

Since the days of Edward Jenner, a minority have disagreed with, and actively moved against, vaccination for a range of reasons, united by a lack of foundation in fact. However, they were a minority without a megaphone. The arrival of The Networked Age has given 'anti-vaxxers', a medium in which to amplify their voice. The anti-vaxxer fire was stoked in 1998 in the build up to the publication of a research paper in The Lancet identifying a new syndrome which could cause autism.

At a press conference in advance of the study's publication, one of the lead authors Dr Andrew Wakefield called for the measles, mumps and rubella (MMR) vaccines to be withdrawn while more research was carried out, in spite of the fact that the research had found no causal link between the MMR vaccine and autism. The research was subsequently discredited, but the damage had been done.

Despite irrefutable clinical evidence, the argument is not yet won, because these passionate activists are unlikely to have their minds changed. They no-longer have newspaper editors willing to support them, but their network continues to operate.

Today, anti vaxxers will not be moved from their position by evidence-based argument in favour of vaccine technology, but there is evidence that if the conversation can be shifted to focus on the harm that measles, mumps and rubella do, anti-vaxxers' parental instincts kick-in and vaccination rates can be improved.

INFLUENCING CAPITAL MARKETS HAS BECOME A MULTIDIMENSIONAL CHALLENGE

OLIVER HUGHES
HEAD OF CAPITAL MARKETS, MHP

The 2008 financial crisis led to mistrust, not just of the banks, but of business. The capital markets are no longer seen as a force for good. The media want to be seen to be holding corporates to account, whilst politicians and regulators are terrified of being caught on the wrong side of the argument after being asleep at the wheel in the financial crisis.

The greater scrutiny on business extends to business leaders themselves, many of whom, like Philip Green and James Dyson, have become household names. The tenure of the average FTSE CEO has almost halved in the last decade as the stakes rise. (last eight years – from 8.3 years to 4.8 years – PwC analysis).

The increased spotlight on business comes at a time when companies are navigating multidimensional issues.

The boardroom agenda today grapples with everything from cybersecurity and artificial intelligence to Brexit and boardroom diversity.

Meanwhile investors' focus is no longer purely on the financial value of a business. Today, even passive investors take an active interest in a company's social purpose. BlackRock CEO Larry Fink's letter to CEOs ahead of this year's Davos was an inflexion point. He asserted,

'Without a sense of purpose, no company, either public or private, can achieve its full potential'.

LARRY FINK
BLACKROCK CEO

How a company is seen and valued in society can dramatically impact its valuation.

The media landscape has also seen a seismic shift. Digital and social media platforms have democratised business news, cut down barriers between audiences and provided a relentless news cycle in which every minute there are 448,000 tweets 317,000 status updates on Facebook and 66,000 Instagram posts. It has simultaneously never been easier to reach audiences or harder to be heard.

Technology has also been embraced by the established influencers of the City and is informing investment decisions. Leading investment banks are incorporating social media into their investment tools, with UBS recently highlighting a significant correlation between luxury retailers' social media 'heat' and organic sales growth. Meanwhile Standard Life Aberdeen has announced plans to use AI to run a new investment fund which will not have any human input or override function for its decisions.

The Bank of England predicts that AI and the automation of cognitive skills will have a greater impact on the economy than the first industrial revolution.

Companies must rethink the way in which they communicate in today's hyperconnected world as they compete for capital and talent.

To cut through the noise, they must communicate with clarity and impact. To engage with financial audiences, their story must articulate a social as well as financial purpose. To participate in the big conversations, the story must be well told using both owned and earned channels, with content that is visual, personal, sharable and responsive. Critically, it must be backed up by behaviours which support the company's purpose and lend it authenticity. Finally, we must not forget that the bedrock of effective communications – networks and trusted relationships – remains paramount.

The Networked Age

AN OPPORTUNITY AND A CHALLENGE FOR FINANCIAL SERVICES

MIKE ROBB
HEAD OF FINANCIAL SERVICES, MHP

The way consumers and clients view the financial services industry has fundamentally changed over the last decade. The 2008 crisis undermined trust in the sector for a generation and destroyed the belief that the industry creates value for individuals and society as a whole. The benefit of the doubt once afforded to some of our most trusted institutions has evaporated.

The Networked Age has enabled consumers to challenge the status quo and spread opinion more quickly than ever before; it has changed the way established businesses work and, indeed, brought new and innovative providers to the market. Would the likes of RateSetter, Revolut, Starling or Monzo exist without The Networked Age? There is a compelling argument that they would not.

But despite the goalposts having moved, many established financial brands are playing on the old pitch. For the continued and long-term recovery of the industry's reputation, this has to change.

Challenging the status quo

People seek information that confirms what they already believe. This poses a fundamental challenge to financial services, with two-in-five consumers still holding a negative view of the industry post-crisis (source: MHP, Financial Services Reputation Index, February 2018). So the challenge now is how to convince people of the industry's virtues when they are predominately looking for facts that reaffirm what they already think.

To address this, financial brands must take a different approach and move into spaces in which they can demonstrate ownership of issues that are already positive in the minds of their core audiences: solving the housing crisis, supporting the financially vulnerable, and creating the ground that can lead to a prosperous retirement, to name but a few.

L&G Investment Management created waves when it announced it was going to create 'the 21st century solution to the UK's housing needs'. Housing – or the lack thereof – is an issue many financial services brands have sought to own in recent years, but few have done anything so bold as launching a business division and investing in the production process that will churn out 3,000 modular homes per year. While not every financial services business would be so bold, this is the extreme example of walking the walk in moving a brand squarely onto turf that is universally positive with consumers.

A new and transparent approach

Brands must start owning their actions, call-out wrongdoing when they see it, and demonstrate what they are doing to ensure it never happens again. Proactively addressing issues before they escalate has been demonstrated to drive significantly improved outcomes by some emerging businesses in the sector. Customers expect and understand problems on occasion, but the inability to explain or flag these problems is what drives long-term resentment and negativity. The old approach does not work in The Networked Age.

Just ask Monzo CEO Tom Blomfield, who has instigated this very approach by informing customers proactively and quickly if something isn't working, and will even flag in advance if they are expecting problems through the likes of push notifications recommending that customers "take another card with them today". Headlines in January that 'Monzo shows JPMorgan how to handle outage news' demonstrate the waves the neobank is making.

An industry with a unique opportunity to build trust

The role of financial services is incredibly powerful. We currently face some of the biggest societal challenges for a generation – the housing crisis, the funding of retirement, healthcare and infrastructure, a move towards a gig economy, and many more – and this industry is the only one that can credibly claim to have a vital role to play in addressing them.

But this role is undermined by a failure to connect with ordinary people and demonstrate relevance. Financial services brands need to think and act like the consumers they serve, placing more emphasis on purpose, innovation and lifestyle relevance to cut through. They need to work with 'experts like me', and change the language associated with the industry. The injection of more personality will project integrity and deliver the relevance the industry badly needs.

Only then can financial services secure its place as a vital part of society and banish the demons of yesteryear.

POLITICAL INFLUENCE IN THE NETWORKED AGE

MICHAEL DOWSETT
POLITICAL ANALYST, MHP

The past decade has seen a significant change in the UK political environment, with declining public trust in many established institutions (accelerated by the 2008 financial crisis and 2009 MP expenses scandal), the emergence of new forms of activism facilitated by digital technology and the partial replacement of traditional left-right divides with, arguably more emotive, values-based divisions within the electorate.

What is the challenge?

Firstly, there has been declining trust in many institutions which traditionally held a central role in shaping public opinion on key policy issues. For example, the British Social Attitudes Survey recorded only 17% of respondents in 2015 saying they trust government most of the time, down from 38% in 1986. Alongside this decline in trust, new digital platforms have grown in reach and are increasingly being used as sources of politcal news, allowing anyone to emerge as a commentator on an issue without relying on established media outlets for a platform.

Second, increasing public use of online and social media platforms as sources of news has created echo chambers where those with common values group together and reinforce each other's existing views. Instead of the internet leading to increasing awareness of opposing viewpoints, the way in

which conversations play out online has in fact made it harder to change people's minds once they take a view on an issue.

Finally, new digital platforms are leading to a wider variety of influencers emerging, alongside the traditional opinion formers in established media titles and in senior positions in politics, and often with greater reach and ability to shape public opinion on a particular organisation or issue.

How communicators need to adapt

The changes in the communications environment in The Networked Age mean that organisations need to adopt a greater use of public-facing techniques more often found in election campaigns – such as focus groups and detailed opinion polling on public attitudes – to develop and refine campaign messaging.

With the barriers to participating in, and influencing debate on, an issue lower than ever, organisations must focus more broadly on how they communicate with the public as a whole rather than relying on established 'gatekeepers' of public opinion.

In addition, the tribal nature of many online groupings can make them powerful advocates and for an organisation's campaigns if messaging shows alignment with the group's values system.

However, the risk of activating equally-motivated groupings in opposition to a campaign should also be considered. Accordingly, clear, values-based messaging should go alongside an inclusive and forward-looking 'tone of voice' to increase the likelihood of policy makers engaging with key campaign asks, rather than treating your issue as a proxy for existing, and more contentious, values divides within the public.

Finally, an organisation's values are also communicated through the influencers enlisted as key advocates for their campaign. With digital platforms allowing new influencers to emerge away from established voices of authority, the importance of using public opinion research and social listening to identify the most effective campaign advocates is increasing and should take place alongside message development in the planning stage.

These trends show no sign of abating – and the rapid advance of technology means that organisations must, more than ever before, be willing to adapt their approach to communications if they are to influence political outcomes.

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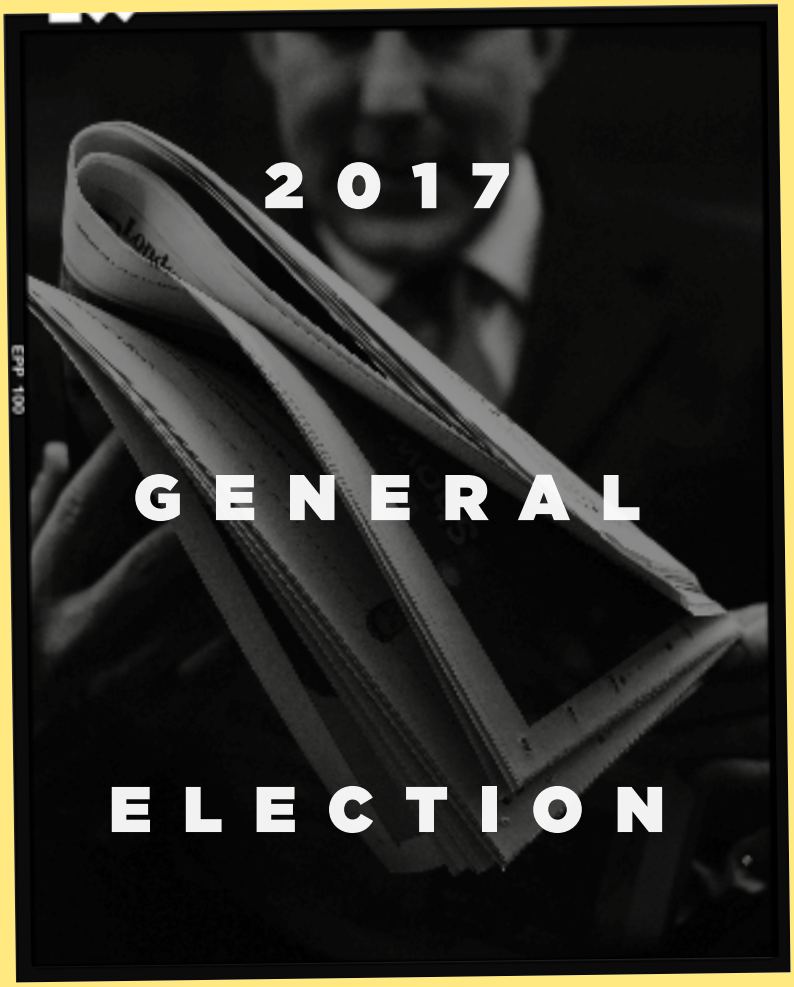

CAMPAIGN

2017 arguably stakes the strongest claim to being the first British election of The Networked Age.

One example was the ability of online and social media networks to raise the importance of certain issues without attention being paid to them by the print and broadcast media fundamentally changed the dynamics of the campaign.

Whilst established media organisations focused on the Conservatives' u-turn on the 'dementia tax', issues such as fox hunting and ivory sales went viral on social media, boosted by pro-Corbyn news sites. Polling during the election found that fox hunting was one of the few Conservative manifesto promises voters could remember, whilst research for Buzzfeed by YouGov following the election found that about one in seven voters recalled reading stories about the ivory trade during the campaign, with higher numbers of young people reporting seeing the story on social media.

Though the Conservatives limped over the line on polling day, despite a surge in Labour support fuelled by younger voters, the Government shortly afterwards dropped their support for a free-vote on a government bill to repeal the ban on fox hunting and also announced a ban on ivory sales.

"Our traditional institutions have been radically weakened in the past 20 years: public trust in parliament, government, traditional media and the financial order is in the gutter. The immune system of our old-fashioned political structures is well and truly shot."

MATTHEW D'ANCONA
THE OBSERVER

THERE IS NO SUCH THING AS A B2B BRAND

ANDY BLOXHAM
HEAD OF CORPORATE REPUTATION, MHP

"The world has woken up to the scourge of plastics. A truckload is entering our oceans every minute, causing untold damage to our marine environment and ultimately humanity – since we all depend on the oceans for our survival."

These words were not spoken by David Attenborough, or an activist, nor a politician, but by the managing director of the supermarket chain Iceland.

The relationships that businesses have with the world at large have never been under more scrutiny.

Activist investors can disrupt the corporate trajectory of a business and unseat CEOs.

Consumers can find and influence other people like them to mobilise opposition with a string of tweets.

Time-pressed and content-poor journalists can create ready-to-go stories from those tweets, placing critics on the same level as experts.

Research shows that a buyer of, for example, a new set of company laptops is more than half-way to making their decision before they get in touch with someone who sells laptops.

Instead, in a world in which we check our phones every 12 seconds, they're Googling, they're looking on LinkedIn, Glassdoor and Wikipedia and they're reading what others are saying about you, including your employees.

So if you want to be the firm that takes that eventual laptop sales call, your external reputation needs to be selling for you and telling your story from the moment people start looking.

Any gap between what a company claims to do and what it actually does is a thorn on which it is increasingly easy to get snagged.

There is now no such thing as a B2B reputation: all businesses are exposed to disruption by shifts in public attention.

The divide between professional and personal is blurred for most of us.

Progressive organisations talk about 'bringing your whole self to work' which, for communicators, opens the door to reach people through their passions, not just their jobs – but only if you understand why they care.

A corporation is expected to have a role in the world and to participate in it in a way it perhaps never has before and its leader's job has never been harder.

But this is the opportunity.

If you're not talking about the good that you're actually doing, it's credit lost.

Companies that take a stand to earn authority are rewarded.

Offer leadership of thought and action to show 'who' you are as a business, have your leaders and experts tell your story in the right place and the right time, and people – including those B2B buyers – will respond.

But beware: The greenest supermarket in the UK was recently named... Sainsbury's.

VALUES AND RELEVANCE IN TRIBAL TIMES

GEMMA IRVINE
HEAD OF BRAND, MHP

We've become hard to please in The Networked Age. Cynical, suspicious, rebellious and quick to punish brands that slip up, but also ready and willing to give more of our identity over to them.

More than ever, we want a relationship with a brand, rather than a transaction. A relationship built on lifestyle relevance and shared values. And a relationship that we want to tell others about.

For brands, earning relevance means demonstrating that they're there in people's moment of need – that you were created to make their lives better. All too often, brands are still trying to force the argument, be expert-led and fact-first. Instead, they should be asking themselves whether they need to:

- **Earn relevance** – Do something dramatic to force reappraisal and attract attention, winning the right to be heard
- **Keep relevance** – join new conversations and take your brand out of its traditional comfort zone
- **Make rival brands irrelevant** – dominate the conversation by demonstrating brand know-how. Own a space or conversation, or create a tribe or movement that validates consumers' choices and rewards their loyalty.

From cars to clothes to travel, consumers have always expected brands to validate them and signal that they are smart, successful or virtuous. But as we grow richer and more connected, the values we want to project have subtly evolved. FutureLab's 2017 report on luxury brands noted:

"The new markers of luxury will move from the physical to the experiential realm to include health, philanthropy and even legacies. Meanwhile, products, rather than being viewed as inherently superficial, will be imbued with more meaning than before."

Similar things are happening at every price point. From the Unilever stable to Tobias & the Bear's gender-neutral children's clothes, brands are finding ways to help consumers signal and promote their values through the purchases they make.

Nike's campaign with Colin Kaepernick went a stage further and waded into a raw political fight, calculating that it was better to lose some customers, if they could align themselves strongly with others.

However, it's important not to fall into the trap of assuming values are universal. Different tribes look at the world very differently – get the values wrong and you can repel, instead of attract, as the Lush campaign #SpyCops proved.

Relevance and values converge at people's passion points. People generally respond to positive framing and messages tailored to their passions – from travel to home, culture to family. This is where brands need to engage their audiences.

In the end, brand strategy is only good as the translation and execution that follows. In The Networked Age, when consumers are quick to punish, the execution must be flawless at every touchpoint and you must live and breathe your values. Get it right, and cynical consumers will become brand believers and advocates.

THE NETWORKED AGE WILL FUEL YOUR NEXT CRISIS

BARNABY FRY
HEAD OF CRISIS AND RISK, MHP

We all know that anyone and everyone on social media is a potential threat – activist, journalist and editor rolled into one. The public can turn on your brand at any moment and can act as a lightning rod, attracting other activists, journalists and special interest groups.

But it gets worse.

Groups of like-minded people create hyperpolarisation of views. When people with similar views debate a topic, they become more hard-line, vocal and belligerent. In The Networked Age, such groups form easily, across borders, and on a massive scale.

Understanding this dynamic has become a crucial aspect of effective crisis management. So here are three more 'rules' for Networked Age crisis communicators.

Move faster

Once someone believes bad news or malign intent, they are very difficult for communicators to engage. Businesses need to get their point across early in the conversation and address misinformation quickly. This means investing more time to prepare for crises and building more agile crisis response mechanisms.

Create shareable content

Once an issue has become a hotly debated crisis on social media, organisations need to provide shareable content that shifts the debate, rather than fights it. Facts alone won't move the needle – the science tells us people seek information that confirms what they already believe.

The most effective content will be simple, visual assets that allow the sharer to signal their concern for the issue and demonstrate how well-informed they are. In the absence of this kind of compassionate, empathetic content, the easiest way for people to be part of the conversation is by signalling outrage.

In the immediate aftermath of terrorist attacks, the official content that permeates the horror and outrage tends to be advice for people affected or appeals for witnesses, which channel public concern constructively. The principle of working with the crowd, rather than against it, is one that crisis communicators need to learn from.

Think like an activist

In their recent book 'New Power – how power works in the hyperconnected world', authors Jeremy Haimans and Henry Timms argue that businesses must think like networks to anticipate and mitigate threats:

"What if there were an Occupy-style movement directed at you? Imagine a large group of aggrieved people, camped in the heart of your organization, able to observe everything that you do. What would they think of the distribution of power in your organisation and its legitimacy? What would they resent and try to subvert? Figure it out, and then Occupy yourself."

From Starbucks and Star Wars to Stop Funding Hate, the global culture wars are responsible for a growing number of corporate crises. Companies must spend more time examining risks relating to their values, culture and leadership – alongside their traditional focus on products, operations and supply chains.

Warren Buffett famously observed that it takes 20 years to build a reputation and five minutes to ruin it. In The Networked Age, it's easier than ever to lose your reputation. As the Sage of Omaha observed: "If you think about that, you'll do things differently."

"It takes 20 years to build a reputation and five minutes to ruin it."

EXPLORING THE NETWORKED AGE

THIS IS ONLY THE DAWN OF THE NETWORKED AGE AND WE ARE JUST BEGINNING TO LEARN WHAT HAPPENS WHEN YOU WIRE TOGETHER THE WHOLE OF HUMANITY IN A SINGLE GLOBAL VILLAGE.

Over the coming months we will continue the conversation at **mhpc.com** with brand case studies, expert insight and news of future events.

If you'd like to talk to us about how to apply the New Rules of Influence to your communications challenge, please email **nick.barron@mhpc.com**

REFERENCES

[1] People have a "fundamental motivation" to belong to social groups and gain approval from others (Baumeister & Leary, 1995). People now make social comparisons with hundreds or even thousands of others instantly from their homes/phones (which can lead to "Facebook Depression") and can get instant feedback from equally large numbers about the self-image they present to the world (pictures and opinions they put on social media). Research in this area shows that (females in particular) experience a boost in happiness, perceived social capital and social connectedness if they post a lot on Facebook and receive likes and nice comments from their friends (e.g. Frison & Eggermont, 2015). However, passive use of social media (i.e. scrolling through the site looking at pictures etc. that other people are posting) increases upward social comparisons and envy and, consequently, decreases self-esteem and subjective well-being (Chen et al., 2016). Some people receive lots of positive feedback, making them happier and increasing their self-esteem, while others are suffering under the weight of the pressures of constant social evaluations.

[2] iGen is also very concerned with safety. They are safer drivers and are less likely to binge drink than teens just a few years ago, and are less likely to say they want to take risks. iGen is also concerned about what they call "emotional safety" – they want to be protected from offensive comments and emotional upset just as they want to be protected from physical harm. Expect to hear more young employees ask about how your company creates a safe environment, and take steps toward creating a more nurturing atmosphere while still educating iGen'ers about the realities of business.
[Jean M Twenge, 2018]

[3] There is a substantial amount of evidence suggesting that the 'messenger' and the message are somewhat related in perceiver's minds through the process of evaluative conditioning (e.g. Ito et al., 2006; Kamins & Gupta, 1994; Manis, et al., 1974; Skowronski et al. 1998; Walther, 2002). Evaluative condition is the mechanism underlying the famed "kill-the-messenger effect" – that a person is negatively evaluated due to their association with bad news (Manis et al., 1974). A study by the Affective Brain Lab found that similar others were not only rated as more trustworthy, but also more competent, even when participants had evidence showing they were not. This suggests that likable messengers may have a greater influence not just because people want to maintain close proximity to and good relations with them (as is acknowledged in the extant literature; e.g. Byrne, 1961), but also because they are perceived as more competent than they really are.

[4] Humans are influenced by what the people around them do (e.g. Goldstein, Cialdini & Griskevicius, 2008). Communications campaigns can leverage this tendency by publicising social norms – in essence, providing information about how others are behaving. Informing people about what others are doing influences behaviour because

1) people typically comply with group norms (Asch, 1955) – that is, people imitate others' choices and behaviour in order to fit in with the crowd, even if those choices do not align with their own preferences, and

2) people use social information to determine the best course of action under conditions of uncertainty. People learn most things – from what item is most valuable to how to peel an orange – from observing other people's behaviour. This is because other peoples' choices reveal information about how they value items and behaviours (Morgan et al., 2012).

[5] People are motivated to help others, gain approval from others and view themselves positively (Crockett et al., 2014; Griskevicius et al., 2010; Sharot et al., 2011; Taylor & Brown, 1988). In other words, people care about others, what others think about them, and how they see themselves. These motivations are thought to be related to other-oriented emotions (e.g. empathy and compassion), self-conscious emotions (e.g. pride and shame; Tracy et al. 2007) and a fundamental need to belong (Baumeister & Leary, 1995), respectively.

[6] These judgments are associative, automatic, relatively effortless, rapid, and rely on heuristic processing; they occur by processes that many researchers call "System 1" thinking (Bruner, 1960; Kahneman, 2011; Stanovich & West, 2000).

[7] "The social intuitionist model offers an explanation of why moral and political arguments are so frustrating: because moral reasons are the tail wagged by the intuitive dog. A dog's tail wags to communicate. You can't make a dog happy by forcibly wagging its tail. And you can't change people's minds by utterly refuting their arguments... "Moral matrices bind people together and blind them to the coherence, or even existence, of other matrices. This makes it very difficult for people to consider the possibility that there might really be more than one form of moral truth, or more than one valid framework for judging people or running a society." [Jonathan Haidt, The Righteous Mind]

A study by LSE also found that this moral framework predicted differences in the official Labour and Conservative Twitter feeds during the election: "The findings are in line with what Haidt anticipates. The Labour account tweeted marginally more about care (50% vs 48%) and a lot more fairness (49% vs 30%). Whereas the Conservative feed featured far more references to loyalty (54% vs 28%) plus authority (78% vs 19%). Note that both foundations were even alluded to in the party moto: "strong and stable leadership in the national interest". And although neither profile posted often about purity, this was also a more frequent topic on the Tory one (11% vs 8%)" [Smith & Baroni 2017]

[8] Deliberation tends to move groups, and the individuals who compose them, toward a more extreme point in the direction indicated by their own predeliberation judgments. For example, people who are opposed to the minimum wage are likely, after talking to each other, to be still more opposed; people who tend to support gun control are likely, after discussion, to support gun control with considerable enthusiasm; people who believe that global warming is a serious problem are likely, after discussion, to insist on severe measures to prevent global warming. This general phenomenon – group polarization – has many implications for economic, political, and legal institutions. It helps to explain extremism, "radicalization," cultural shifts, and the behaviour of political parties and religious organizations; it is closely connected to current concerns about the consequences of the Internet; it also helps account for feuds, ethnic antagonism, and tribalism. [Cass R Sunstein 1999]

[9] Standard theories of learning hold that people adjust their expectations when faced with disconfirming information. One puzzle of optimism is thus that people maintain overly positive expectations despite a lifetime of experience with reality. There are many empirical examples of this resistance to alter optimistic expectations. For instance, highlighting previously unknown risk factors for diseases is surprisingly ineffective at altering peoples' optimistic perception of their medical vulnerability. And although people are aware that divorce rates are nearing 50% in the Western World, couples who are about to get married estimate their own likelihood of divorce as negligible. Even experts show startlingly optimistic biases; divorce lawyers underestimate the negative consequences of divorce, financial analysts expect improbably high profits, and medical doctors overestimate the effectiveness of their treatment. [Dr Tali Sharot, 2011]

[10] https://www.nytimes.com/2013/05/14/opinion/my-medical-choice.html

[11] https://www.bmj.com/content/355/bmj.i6357

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MHP is a leading multi-disciplinary communications consultancy with 160 people providing deep expertise in corporate reputation, brand strategy and specialist audience engagement. We have offices in London, Hong Kong and Singapore and partners worldwide. We are part of the Engine Group.

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