

Risk & Compliance Journal.

Crisis of the Week: Is Whisper's Defense Being Heard?

By BEN DIPIETRO

This week the crisis response experts look at statements made by anonymous message app maker Whisper, which responded to a report by the Guardian newspaper alleging it was secretly tracking its users. The company denied the accusations.

Immediately after the Guardian story ran, Neetzan Zimmerman, Whisper's editor-in-chief, fired back on Twitter, saying the story was "lousy with falsehoods." He followed up later with a stream of tweets. Chief Executive Michael Heyward then talked extensively about what happened, saying a change in Whisper's privacy policy that was unveiled after the Guardian's inquiry was in the works for months before the event. In an extensive blog post, he posted links to emails with the company's lawyers demonstrating that the policy was approved in August. The experts will evaluate Whisper and how effective it was in responding to the story.

Richard Levick, principal at Levick: "Whisper is confronting a crisis all too common in the age of convenience versus privacy. At the same time, the app finds itself in a unique and unenviable position. When you build your brand on anonymity, you have to protect privacy the same way Domino's ensures speed, Apple prizes innovation and Baskin-Robbins guards its 31 flavors. If you say you stand for anonymity, you cannot follow your customers for your own interests. It's like walking into the local Starbucks and being told 'Sorry, we are out of coffee.'

"That's likely why CEO Michael Heyward responded so aggressively to allegations that Whisper is tracking users' information. This isn't about an error in judgment; it's about the brand. No brand, no trust. The challenge is compounded because the average service member (with his or her need for location confidentiality), college student or other Whisper user has absolutely no way to verify if Heyward's denials are true. He can tell the marketplace that his app puts users' privacy first; but how can he show that Whisper's deeds match his words?

"Guarantees of anonymity, backed by a customer bill of rights, would be a good place to start. So would the backing of an unimpeachable third party who can attest to Whisper's industry-leading privacy standards. Short of that, it will be difficult for users to trust Whisper moving forward—and that's a significant issue for any company in the anonymity business."

Shannon Wilkinson, chief executive, Reputation Communications: "Whisper's first mistake was to instate policies that violate their implicit contract with their users. Their second mistake was not developing a coherent crisis management plan before responding to the Guardian's allegations. That combination amounts to a reputational disaster.



Michael Heyward, chief executive and co-founder of Whisper, speaks at the WSJLive 2014 conference in Laguna Beach, Calif., on Oct. 28.

Risk & Compliance Journal.

“Whispers’s responses have seemed scattershot and poorly considered, from the editor in chief’s initial tweets that the Guardian’s article was inaccurate to its late-in-the-day terms of service revisions and suspensions of employees. Each of those steps has attracted more controversy. Together they leave the impression that the company is attempting to cover its tracks without in any way effectively addressing the core issue—their breach of their users’ trust. Their responses may have done as much damage to their reputation as the breach. No company wants a bad reputation. Management should have started with a simple statement that they are reviewing their terms of service, avoiding additional controversy.”

Jonathan Bernstein, U.S.-based consultant and crisis manager: “I think the company’s damage control was a bit too much ‘shoot from the hip’ at first, but settled down when Michael Heyward took the lead. Mr. Heyward, particularly in-person, comes across as compassionate, confident and competent—three ‘musts’ of a crisis communicator.

“Assuming that what he’s saying is true, I believe most Whisper users will be satisfied. But if there is any smoking gun evidence that Mr. Heyward is lying, his tactics will backfire badly on him. In the latter case, he would be better off acknowledging the flaws up front and saying what is being done to correct them.”