

An aerial, black and white photograph of a large crowd of people in a public square. Thin, dark lines are drawn over the image, connecting various groups and individuals, creating a complex network that symbolizes communication and interconnectedness. The lines form a series of overlapping triangles and polygons across the entire scene.

# COMMUNICATIONS LEADERS RISK SURVEY

Risk Intelligence in a World of Accelerating Change

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## Introduction.

The Global Risks Report 2021 from the World Economic Forum (WEF) didn't mince words, declaring that "the immediate human and economic cost of COVID-19 is severe."<sup>1</sup> Among the profound and still unfolding consequences cited by the report was a growing digital dependency, rapidly accelerating automation, and information suppression and manipulation.

In recommending that organizations build better pathways for managing new, unknown risk and enhancing resilience, the WEF urged them to make it a priority to improve risk communications and combat misinformation.

That process is already underway at many organizations. In the wake of the pandemic and global social justice protests, corporate boards and leadership teams have embraced new forms of agile communication and revisited the role their company values play in critical business decisions.

Communications leaders have found themselves thrust into a vital role of identifying and mitigating risks, adopting new ways to share information internally and externally, and shepherding their organization's brand purpose safely through this new era of accelerated change.

Communications leaders have found themselves thrust into a vital role of identifying and mitigating risks.



A new survey of communications leaders, conducted by GLG on behalf of Crisp and Kroll, uncovers how today's communicators view the current risk landscape.

### The survey reveals:

- Their growing role as risk mitigators and resilience builders
- Which risks they believe will most likely occur this year
- What they need in order to be risk-ready for them

Notably, digital chatter was widely regarded as an organizational blind spot by those surveyed. Responses show that communications leaders are finding it increasingly difficult to anticipate or identify unknown risks because they're overwhelmed by the volume, variety and velocity of digital chatter. Savvy, agenda-driven groups and bad actors have exploited this weakness, dramatically accelerating risk and shortening the window of time for communicators to react or respond.

On the other hand, some communications leaders are using that same digital chatter as a vital source of risk intelligence and turning it into a strategic advantage. They're gaining an early-warning advantage over risks, as well as a better understanding of the audiences involved. This proactive approach has been noted by corporate boards and leadership teams and has elevated the profile of communicators as strategic advisors on key business decisions.



## Key findings.

In this report, we zero in on the current risk landscape as seen by the communications leaders who witness those unsettling moments when an unexpected incident becomes an issue. You can use the findings of this report to better understand how your organization can analyze digital chatter to gain an early-warning risk advantage in today's unpredictable marketplace.

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### Methodology

In March 2021, Crisp and Kroll partnered with GLG, an insight network with access to more than 900,000 executives, scientists, academics and former public-sector professionals, to survey 100 in-house communications leaders at companies in the U.S., Canada and Europe.

#1 Communications leaders see greater uncertainty, more unknown risks.

The risk landscape is constantly evolving, and communications leaders are increasingly responsible for staying one step ahead of it. Communications leaders have become critical to sharing timely and accurate messaging on all aspects of their business and are the “hub” of information flow.

Emerging risks, like other news and information, are increasingly found first in digital conversations or chatter. This often puts communications leaders in the position of “first to know” in the organization and key players in both identifying and mitigating emerging risks.

In other words, the communications function is, in many ways, now the first line of defense charged with identifying and addressing risks before they escalate into a full-blown crisis. As the first to uncover business-critical incidents and issues, communications leaders have become experts at identifying which risks pose the most significant threat to an organization.

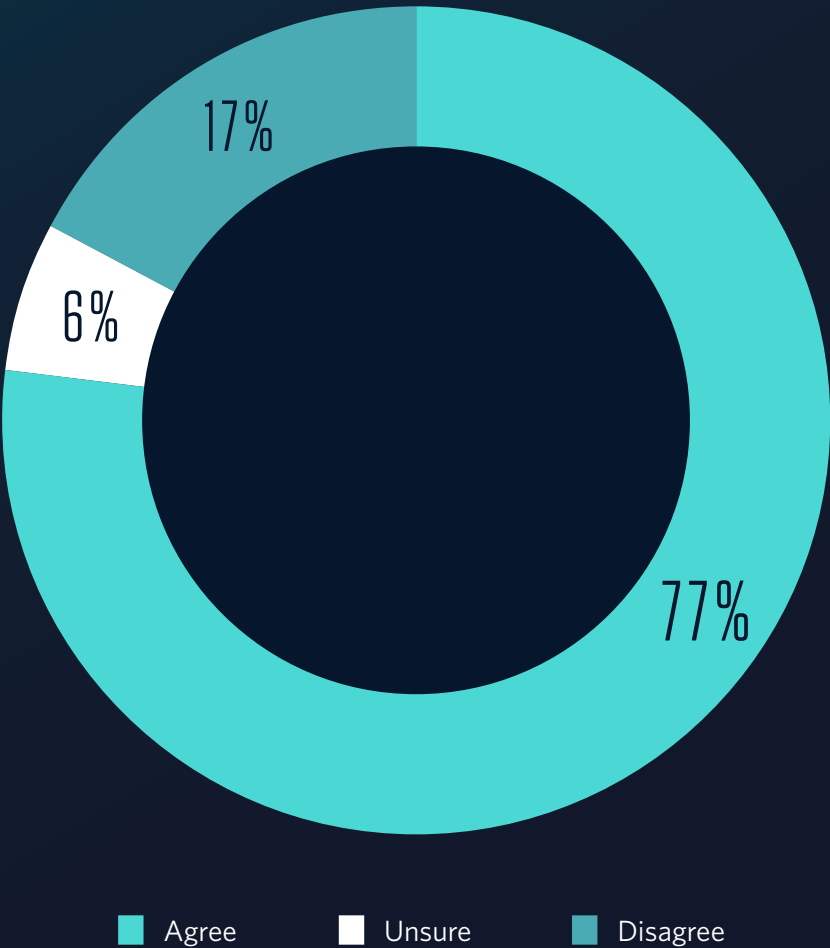
The variety of risks that communications leaders are now responsible for identifying explains why more than three-quarters (77%) of them expect to encounter greater uncertainty in the marketplace. This accelerated rate of change not only spells uncertainty for organizations, it also makes risks harder to predict.

While conceding that experiencing a crisis is not a matter of if, but when, respondents expect a higher number of crises this year. More than half of those surveyed (53%) expect to encounter more than three crises this year, and nearly one in five (19%) say they will face five or more.



A contributing factor to this higher number of anticipated crises is the growing number of new, unknown risks organizations now contend with. Communications teams already have their work cut out for them by way of proactively planning and preparing for known risks. However, the fact that more than two-thirds of respondents (68%) expect their organization to encounter new and unknown risks is what remains perhaps even more daunting.

The majority of communications leaders expect to encounter greater uncertainty this year:



When asked to think about the risks their organizations will face this year, more than three-quarters agreed that they expect to encounter greater uncertainty in the marketplace.

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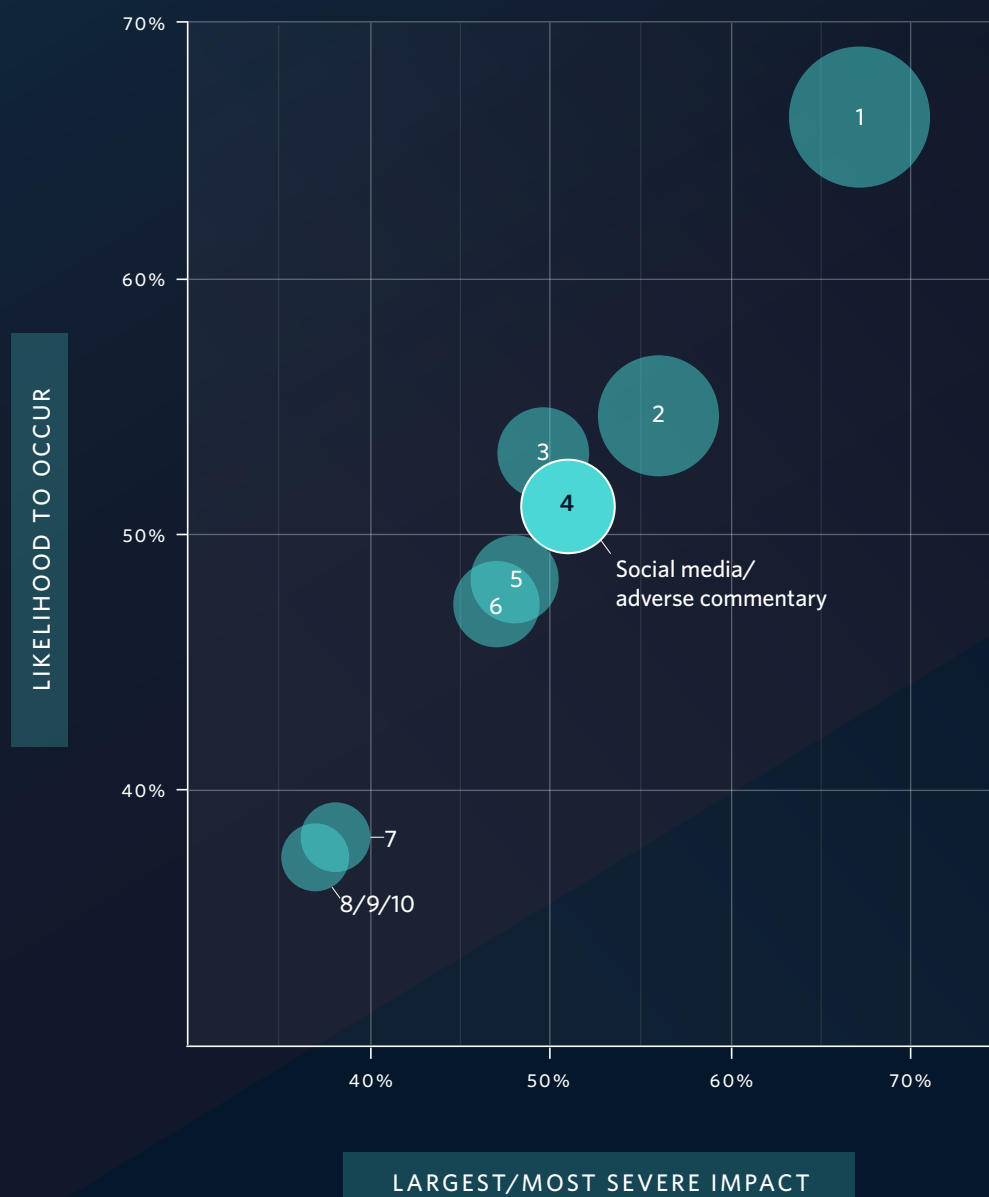
When we asked which risks have the greatest likelihood of occurring this year and which will have the most severe impact, the responses reflected the variety and complexity of issues that have become “business as usual” in today’s marketplace.

While it’s no surprise that public safety/infectious diseases topped the list following the arrival of an all-consuming pandemic, a number of respondents said that social media/adverse commentary poses a significant risk of impacting organizations.

In fact, social media/adverse commentary exceeds cyber security/cyber threats, environmental/extreme weather and industrial resources/supply chain risks in terms of its likelihood to occur and the severity of its impact. With social media commentary showing no signs of slowing down, it’s no wonder this risk regularly appears in the 10K filings of most publicly held companies as a board-level concern.

Social media cited as a top risk among communications leaders in terms of its likelihood to occur and the severity of its impact.

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Respondents cited the following variety of risks as having the greatest likelihood of occurring and having the most severe impact:

1. Public health/infectious disease
2. Economy/financial markets
3. Governance/regulatory/compliance
4. Social media/adverse commentary
5. Technology/privacy/customer experience
6. Cyber security/cyber threats
7. Societal/social injustice
8. Environmental/extreme weather
9. Industrial resources/supply chain
10. Employee welfare/workplace/wages

## #2 Risks are testing company values and brand purpose.

With environmental, social and governance (ESG) issues in the spotlight, brand purpose has emerged as a key driver of corporate reputation, increasingly tied directly to business performance.

Expectations for brands have changed, and the traditionally capitalist definition of corporations has been challenged. In the U.S., the Business Roundtable, an association of chief executive officers of America's leading companies, recently declared a commitment to fostering "diversity, inclusion, dignity and respect" while supporting employees, communities and generating long-term value for shareholders.<sup>2</sup>

Leading with brand purpose is not only the "right thing to do," there's compelling evidence that it's good for the bottom line. Consumers, employees, investors and a myriad of external stakeholders demand that companies take a stand on politics, voting, elections and social justice.

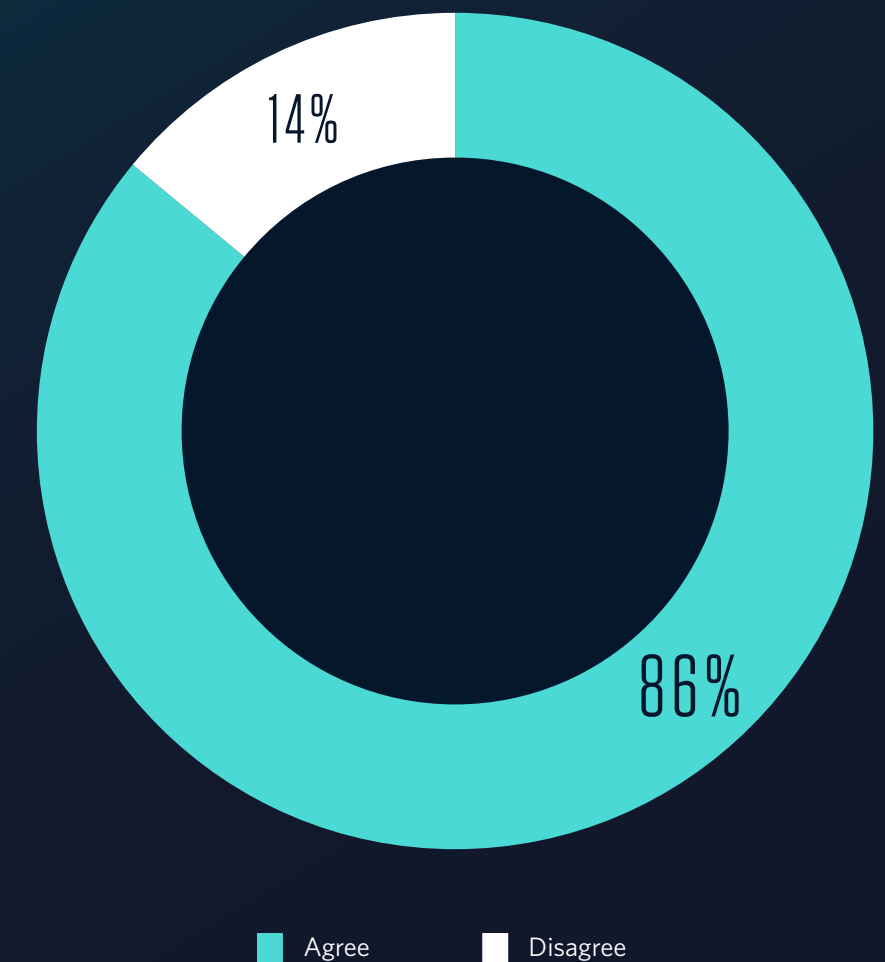
As noted by *The Economist*, corporations have long held their tongues on political matters and put their faith in paid lobbyists to influence "matters of direct concern to their bottom lines, such as taxes, regulations or immigration policies that might affect their employees."<sup>3</sup>

Now, companies are pushed to take a position on issues ranging from gun violence and voting rights to income gaps and racial injustice. It often falls to communications leaders to decide what, if anything, a company will say about what they represent or where they stand on a particular issue. In fact, a staggering 86% of respondents expect more of these risks to be associated with societal issues, such as social injustice.

In recent years, CEO activism has grown, "gingerly at first and more conspicuously in the past five years or so," according to *The Economist*. Corporate leadership began weighing in on subjects from the #MeToo and Black Lives Matter movements to religious freedom laws and LGBTQ+ rights.

Recently, after Coca-Cola, Delta Air Lines, Home Depot and JPMorgan Chase came out in opposition to discriminatory legislation that would restrict ballot access, dozens of companies, including Amazon, Google, Target, Bank of America, Apple, Cisco, Berkshire Partners, American Express and Wells Fargo signed a statement opposing voting law restrictions. It's the latest and largest mobilization by corporate America in tackling societal concerns.

Communications leaders expect more risks to be associated with societal issues, such as social injustice:



When asked about the risks currently facing their brands amid rising expectations of consumers, employees and senior stakeholders the majority expect societal issues to rise and have a greater impact on risks to their organizations.

### #3 Communicators are embracing their expanding role as risk mitigators and resilience builders.

As difficult as these challenges may be, successfully navigating them offers the risk-savvy communications leader an opportunity to own a seat at the executive table. To ensure successful risk mitigation and appropriate brand positioning and messaging, it is the communications executives who are now understandably on their CEO's speed-dial to consult on risks. This aligns with the 88% of respondents who say they are taking on greater responsibility in identifying and mitigating risks.

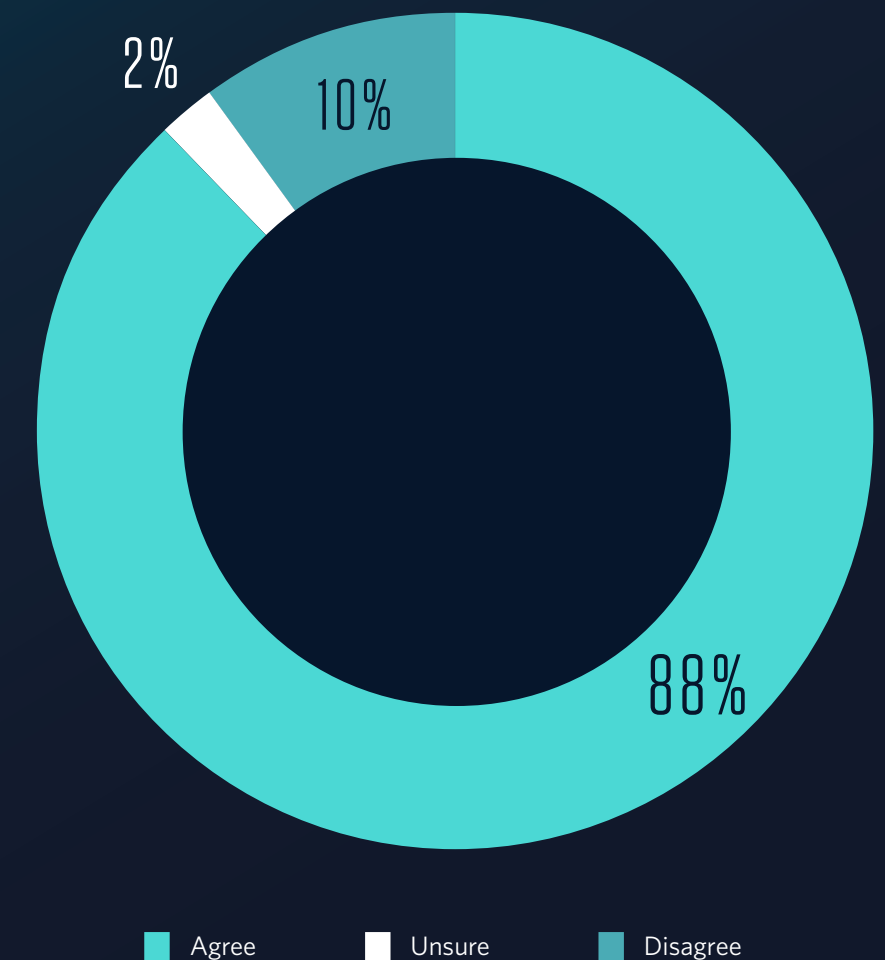
Communications leaders are uniquely prepared to go all in on brand purpose and values, seeing it as a chance to elevate their brands and build resilience. This demands a communications skill set that enables sharing cross-functional information with great sensitivity and consistency, and a deep understanding of audience needs.

It is not surprising that 75% of communications leaders surveyed say they are looked at by their organizations as a strategic advisor. This same 75%, however, narrowly define that role as specifically focused on how risks emerge and accelerate online via digital chatter.

As instinctive risk mitigators, communications leaders know the importance of identifying negative digital chatter on owned and paid social media channels. But harmful chatter is also hidden in online groups on the deep web, concealed from communications teams that don't have adequate access or bandwidth. In today's extreme climate where organizations are faced with a daily barrage of unforeseen challenges, it's difficult to keep pace.

It is the communications executives who are now understandably on their CEO's speed-dial to consult on risks.

Communications leaders say they are taking on greater responsibility in identifying and mitigating risks:



When asked to think about the risks their organizations will face this year, an overwhelming majority said that personally they are taking on greater responsibility for identifying and mitigating risks than they have in the past.

# #4 The window of time has shortened for organizations to respond or react to risks.

When an issue emerges publicly, the first questions a communications team faces are: Where did it come from? Who is behind it? How bad is it?

Unfortunately, the speed at which words ricochet around the globe online makes these questions difficult to answer. The speed of social media commentary has dramatically reduced the time available to assess an issue—let alone determine if the commentary warrants immediate action. In fact, 94% of survey respondents said digital chatter has meant there is a shorter window of time to react or respond to risks.

When minutes matter, having actionable intelligence at the ready is critical. When asked what the ramifications are for identifying and responding to a risk too late, an overwhelming majority of respondents (93%) said the most significant consequence is damage to corporate or brand reputation, followed by negative publicity (92%), employee morale/wellbeing/recruitment (73%), customer experience (59%) and financial performance (46%).

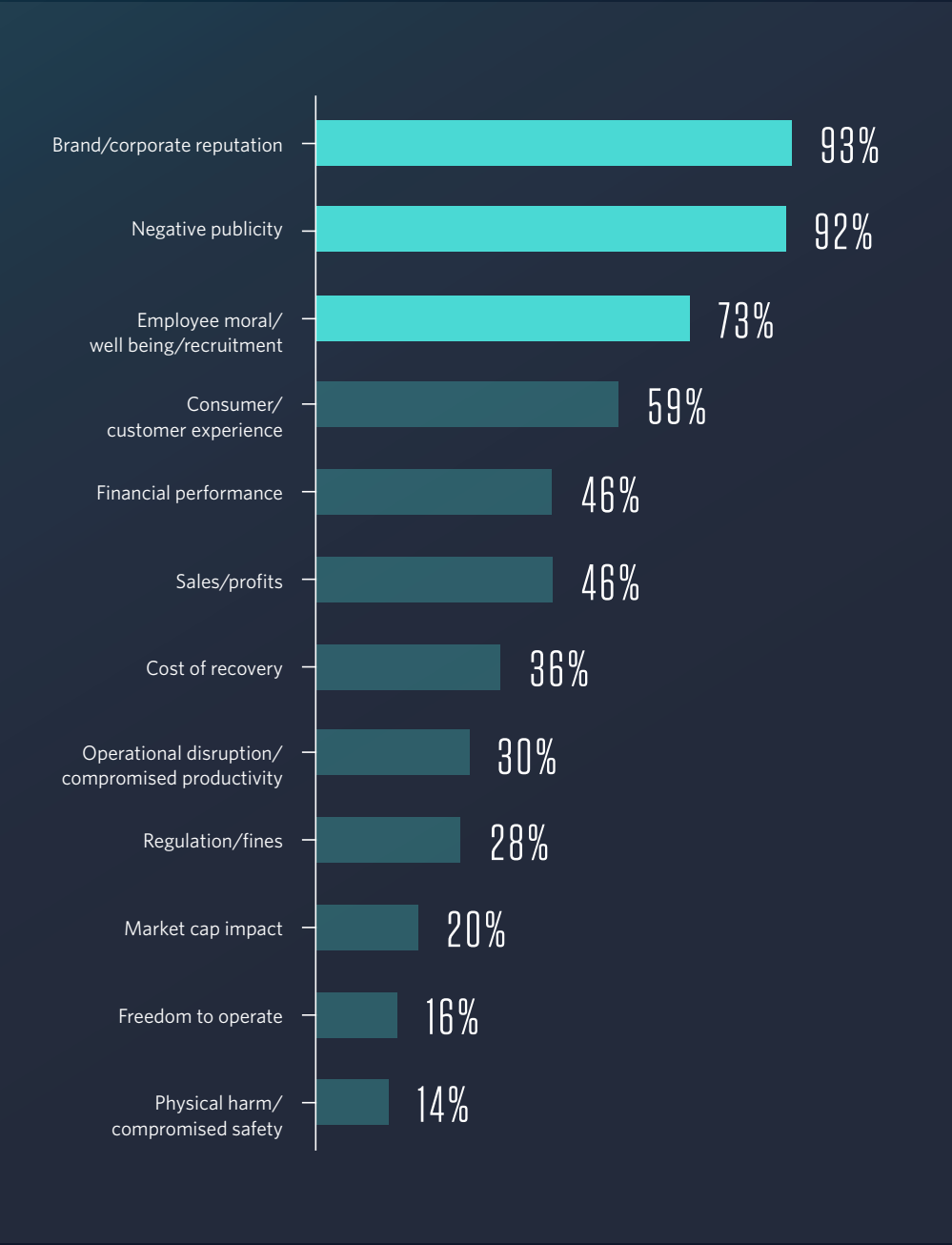
At a time when reputation is increasingly defined as “what others say when you’re not in the room,” digital chatter among consumers, employees, the media and the investment community happens every minute in the absence of brands—and that discourse can have serious consequences.

94%

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of respondents say digital chatter has meant there is a shorter window of time to react or respond to risks.

The consequences of identifying or responding to a risk too late results in a negative impact on or damage to:



When asked to think about identifying or responding to risks too late, respondents selected the consequences above.

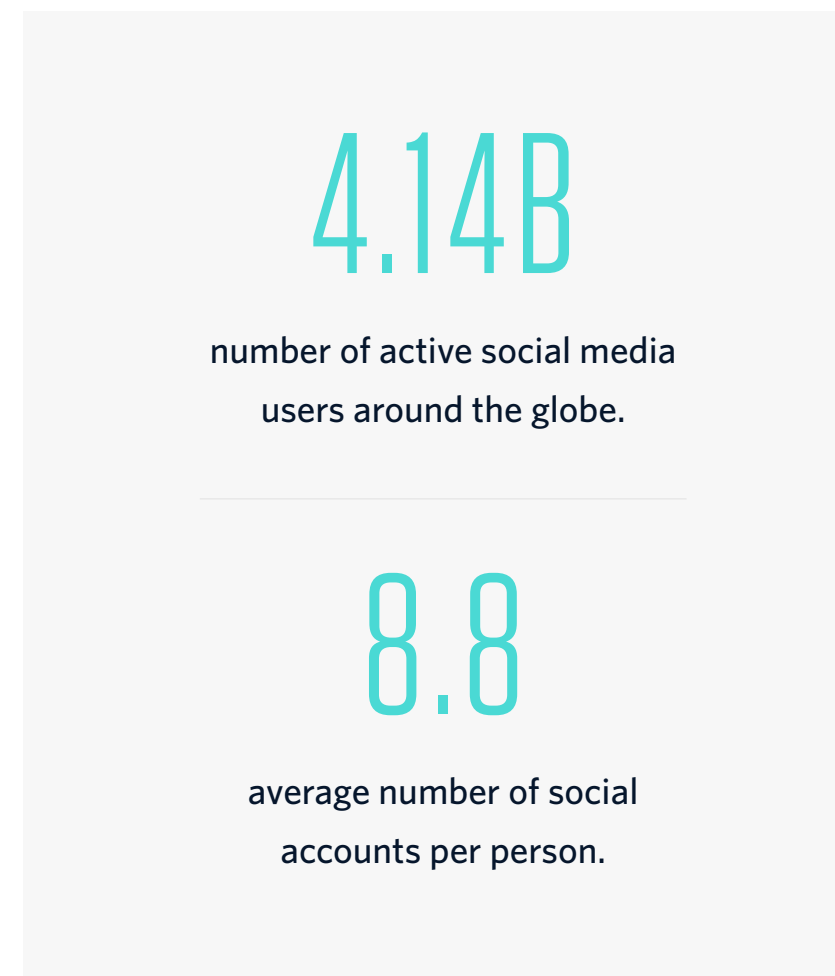


## #5 Organizations are monitoring the surface web for risks, but few look beneath it.

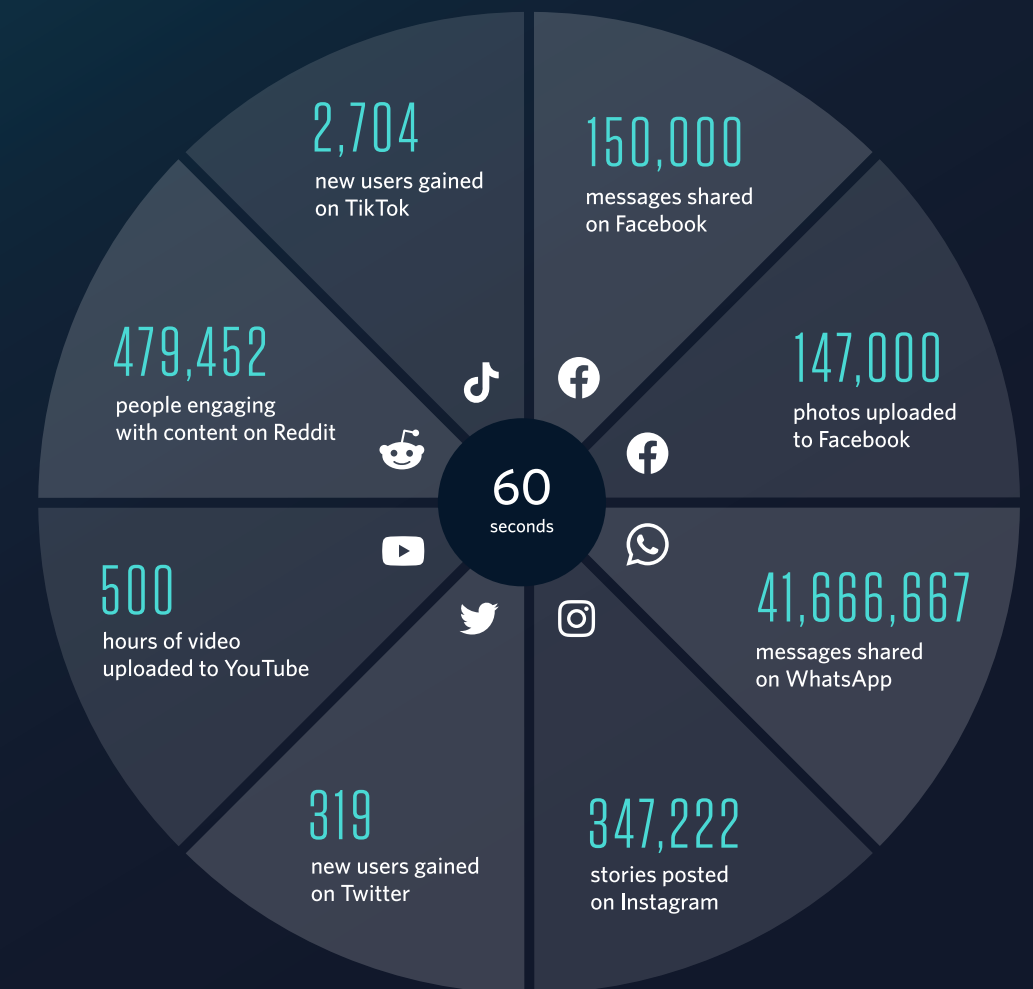
The volume, velocity and variety of digital chatter is compounding by the minute. As of October 2020, according to Statista, the number of people using social media is more than 4.14 billion, or more than half the world's population.<sup>4</sup>

Every minute of every day, Facebook users share 150,000 messages and upload 147,000 photos, according to Domo's 2020 Data Never Sleeps 8.0 report.<sup>5</sup> WhatsApp users share 41,666,667 messages; Instagram users post 347,222 stories; Twitter gains 319 new users; YouTube users upload 500 hours of video; Reddit sees 479,452 people engage with content; and TikTok is installed by 2,704 new users.

The variety of options for sharing content online keeps growing, with the global average at 8.8 social media accounts per person, according to a recent DataReportal study.<sup>6</sup> Astoundingly, any surface web activity (also called the visible web or indexed web) on these channels represents just 4% of internet engagement. The deep web, which is closed to search engines and traditional monitoring tools, is 500 times larger than the surface web, as estimated by worldwidewebsite.com.<sup>7</sup>



What occurs on social media every minute of every day:



According to Domo's 2020 Data Never Sleeps 8.0 Report. This represents the minute-by-minute activity by 4.14 billion people using social media.

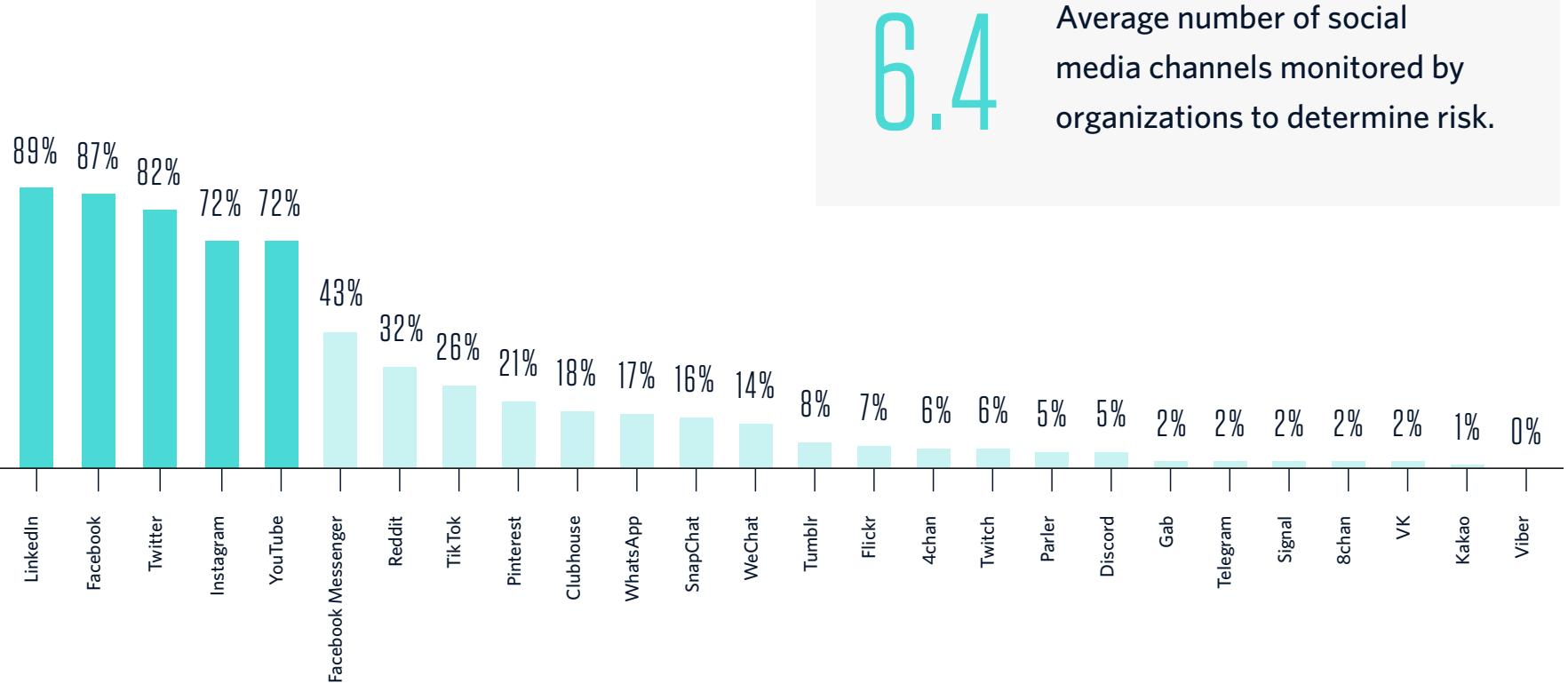
#5

The disconnect becomes apparent in the survey, with respondents saying their organizations monitor, on average, only 6.4 social media channels, including Facebook, Instagram, YouTube, Twitter and LinkedIn. Very few respondents said they monitored closed social media channels or forums, messenger apps or alt tech platforms.

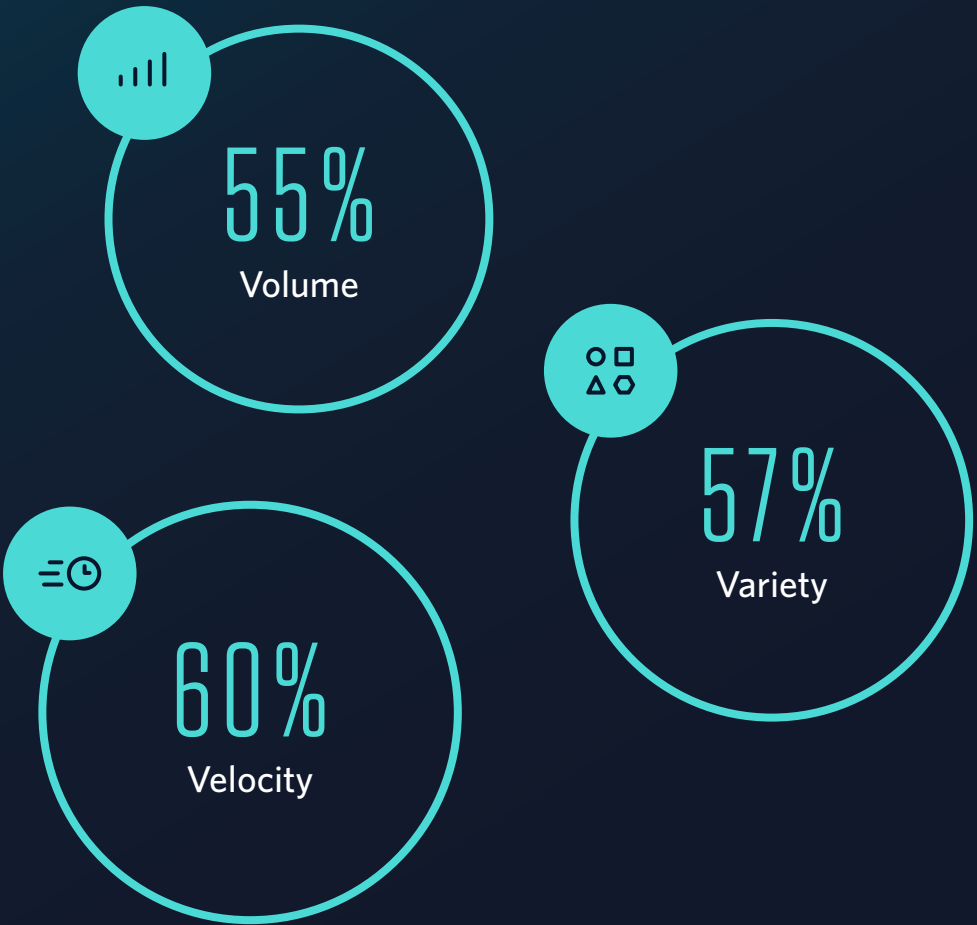
Yet, this is where the earliest signals of an impending risk often originate. Unfortunately, for every organization that isn't monitoring these channels, there is an agenda-driven group or bad actor eager to exploit this blind spot.

For example, when Wayfair fell victim to the spread of a conspiracy theory accusing the company of falsely shipping kidnapped children across the country in expensive cabinets, the #wayfairconspiracy garnered more than 10 million views.<sup>8</sup> However, the origin of that incident can be traced back to specific individuals associated with QAnon and specific moments weeks earlier when a subreddit served as the catalyst for amplifying this issue.

Online channels monitored:



What worries corporate boards and leadership teams most about digital chatter:



According to the survey, corporate boards and leadership teams cited the volume (55%), variety (57%) and velocity (60%) at which digital chatter spreads as a top concern, further highlighting the need for communications leaders to take on the increased responsibility as resilience builders and risk mitigators.

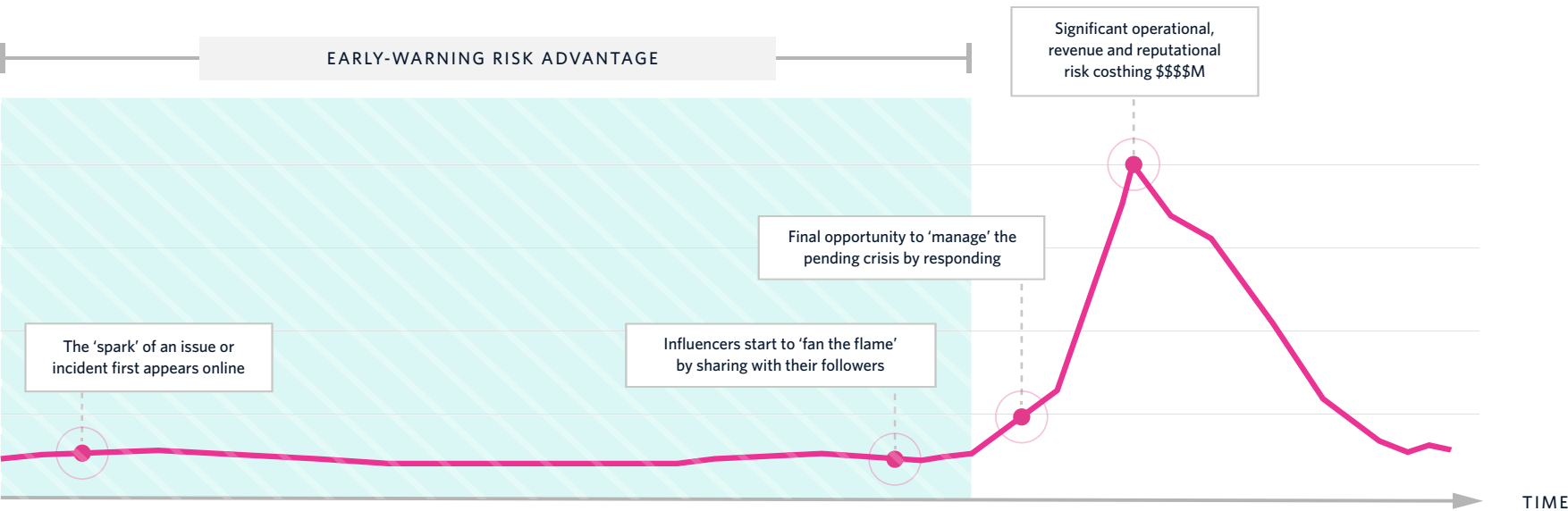
# #6 Digital chatter has emerged as a vital source of risk intelligence.

Despite the challenges digital chatter creates for organizations, a growing number of communications leaders are recognizing that it also offers a strategic advantage as a vital source of risk intelligence.

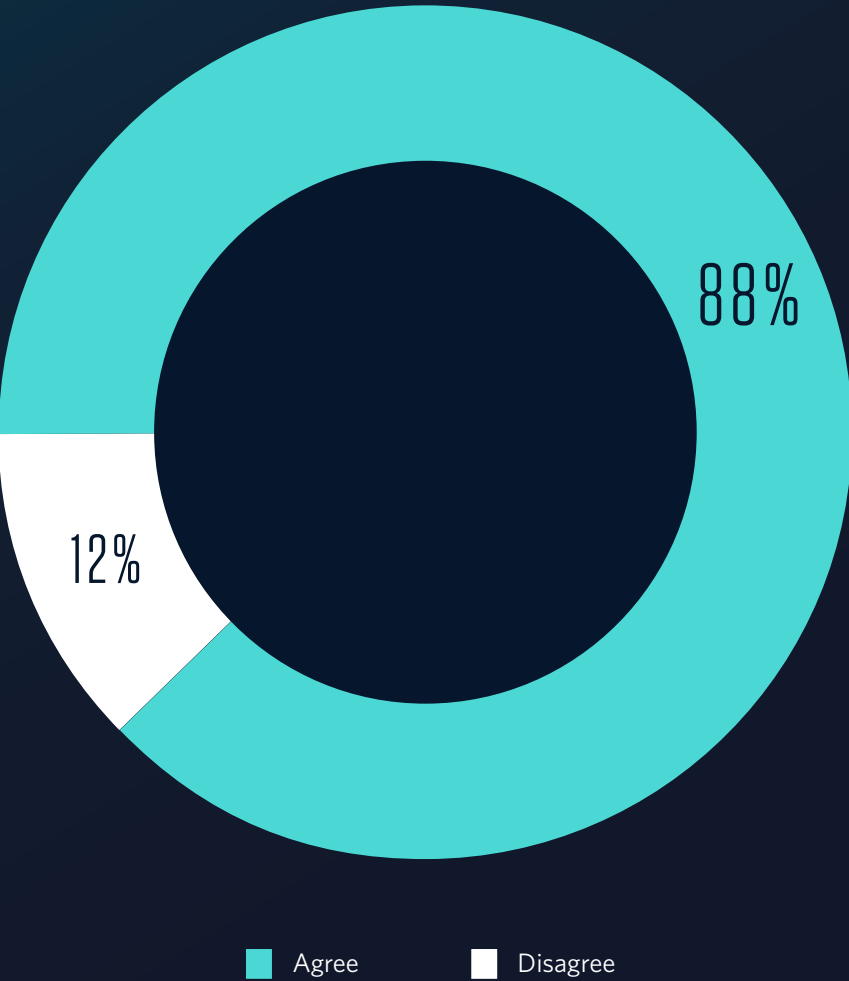
A risk intelligence capability gives communications leaders a way to assess the “sparks” of an incident when they first appear online—before audiences begin to “fan the flames” by sharing it more widely, and well before it becomes an impending crisis.

Much like assessing a tree falling in the forest and whether or not others will hear it, by identifying that spark early enough, communications teams have the extra time to evaluate each situation with actionable intelligence, giving them an early-warning risk advantage. Will others hear the tree falling? The early signals found in digital chatter can deliver additional days, if not weeks, to answer that question—valuable time to mitigate a risk or better prepare to minimize the damage when it becomes a reality.

## The strategic benefit of digital chatter:



Communications leaders say digital chatter is essential for identifying or mitigating issues:



Of the communications leaders surveyed, 88% agree that digital chatter is an essential source of risk intelligence for identifying or mitigating issues before they become a crisis.

#7 Risk readiness will require added investment in new intelligence capabilities.

If there is a silver lining in the uncertainty and unpredictability of today's risk landscape, it is organizations' renewed commitment to meet the heightened expectations of their audiences and lean into their brand purpose as a moral compass for decision making.

However, many communications leaders still rely on internal teams, or traditional social media monitoring or listening tools, to identify known issues when they surface instead of a formal risk intelligence capability that can identify and mitigate the known and unknown issues altogether.

This was evidenced by 73% of survey respondents, who acknowledged that not enough funding is currently being put toward new risk intelligence solutions for communications teams to stay ahead of risks surfacing online through digital chatter.

Confidence in existing social listening and monitoring tools is low, with 75% of respondents unsure their business is equipped to get ahead of risks surfacing online. More than two thirds (69%) say it is getting more difficult to anticipate or identify a risk surfacing through digital chatter.

Those opinions are justified by the fact that social media listening tools are simply not designed to keep up with the unpredictable nature of today's risk landscape or groups and the individuals behind them. These solutions are aimed at supporting marketing activities by scanning limited social media channels and collecting data on consumer insights, informing product innovation, identifying brand advocates and tracking campaign performance.

This past year exposed the risk readiness of organizations. This was further complicated by an extraordinary rise in the volume, variety and velocity of digital chatter. With this dramatic acceleration showing no signs of slowing down, the potential harm called out by the WEF report has made it a board-level issue and C-suite responsibility.

Communications leaders have stepped into the breach to identify and mitigate these risks before they do serious reputational and financial damage—while also building trust and value in a volatile global marketplace. To strengthen brand purpose, mitigate bad actors and limit the harmful impacts accelerated by digital chatter, communications teams need an early-warning risk advantage.

The leading reasons for why communications leaders say new risk intelligence capabilities are needed:



are unsure if existing social media listening and monitoring tools are equipped to allow their business to get ahead of risks surfacing online.



say not enough funding is being put toward new risk intelligence solutions for communications teams to stay ahead of risks surfacing online through digital chatter.



say it is getting more difficult to anticipate or identify a risk surfacing through digital chatter.



# How we can help.

Communications leaders are beginning to recognize the vital role digital chatter can play in delivering real-time risk intelligence and the importance of understanding the groups and individuals behind them. Crisp and Kroll are the most trusted experts in risk intelligence. Together they deliver an early-warning risk advantage and the investigatory expertise needed to act upon it.



## About Crisp Corporate Risk Intelligence

Crisp is the most trusted provider of early-warning risk intelligence for today’s leading brands, global enterprises and social media platforms.

Crisp is a fully managed service combining AI with human intelligence. This unique formula analyzes millions of digital conversations in real time, revealing hidden relationships between individuals and their groups to predict potential impacts as early as possible. Our AI technology has been trained for over 15 years, and is uniquely modeled around the risks posed to today’s global organizations. When coupled with the deep industry expertise of our analysts, Crisp provides early-warning risk intelligence on the agendas, tradecraft and interplay of individuals and groups that threaten brand reputation. We also deliver enterprise-grade protection against corporate or public safety incidents created by security threats to assets or to the safety and well-being of employees, brand VIPs and the public. Today we defend \$4.5 trillion in combined market capitalization for over 100 brands. With Crisp, you will always be first to know and first to act.



## About Kroll Business Intelligence and Investigations

Kroll is the world’s premier provider of services and digital products related to governance, risk and transparency.

Kroll offers trusted investigation and advisory services to help clients proactively manage alarming digital chatter by quickly assessing the legitimacy and accuracy of the issue. We can provide an independent assessment for regulators or stakeholders and advise on new procedures to prevent it from happening again. Where appropriate, we can investigate who is behind the digital chatter, and identify the first publishers and their full identities through the smart use of digital tools. We can provide evidenc packs to law enforcement or for litigation as well as an expert assessment of commercial damages. We have helped clients reveal disinformation campaigns by rivals and short sellers and assisted clients with correcting misguided commentary. Whatever the problem, weprovide clients with the professional investigative consulting expertise necessary to make confident decisions through fact-finding and critical analysis.

# References.

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2

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[Barrons - Conspiracy Theorists Targeted Wayfair. Who Will QAnon Hit Next?](#)

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