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## Part I: Privacy, Puffery, Trust—and—Branding: What Happened to Facebook?

This post is broken into two parts. The first part briefly connects the concepts of trust, branding, and privacy while viewing these abstract concepts through the Facebook lens. The second part will look at how representations can impact branding, examining the fine line between what is an objective, substantiated representation (and what is not, i.e. puffery).

But for the purposes of this post, definitions are important because the concepts of trust and branding in the business context are dynamic. For instance, can we trust the websites we use for eCommerce? Can we trust the social media channels that advertise the products we purchase? The short answer is: it depends. Such trust is wrapped up, however, in the representations made to customers and the promise of benefits that flow from those representations. All these things go towards identifying a company's brand. *Cf.* Raggio, R. D., & Leone, R. P. (2007). The theoretical separation of brand equity and brand value: managerial implications for strategic planning. *Journal of Brand Management*, 14(5), 380e395 (a brand-represents a promise of benefits to a customer or consumer).

Facebook is an example of where a trust deficit now exists—and how breaches of trust have impacted its branding (and bottom line). Since Mark Zuckerberg's Congressional testimony in April, Facebook has lost trust among its customers. One survey—conducted by the Ponemon Institute—shows a 66% decline, specifically, respondents were asked whether they agreed that Facebook is committed to protecting the privacy of their personal information. In 2017, that number was 79%. It has now dropped to 28% post Zuckerberg's testimony. Its mission statement—"Give people the power to build community and bring the world closer together"—is now undercut by the practices it has engaged in. And yet, the downward survey numbers are not all. Shares are also down. Specifically, Facebook's trust deficit seemingly correlates with a downward spiral in Facebook's share price, where once it was \$166 in April; now \$137. Arguably, all

these numbers portray a company in a spot of bother. Not only has Facebook lost the trust of U.S. (FTC) and foreign governments, its users—and its shareholders—now query whether they can trust the technology they use (and the data that is generated from same). Building back such trust will be difficult, yet critical to Facebook’s broader mission.

### ***Takeaways***

The example above begs the question for all companies (large and small): how does one prevent the Facebook playbook before it occurs? What measures can a company take to preserve “the” brand? What culture best promotes trust—and how can this be reflected through websites and social media channels (ironically, inclusive of Facebook). Some of those answers will be outlined in the second part of this post . . . in the interim, here’s to Facebook making best efforts to make up its 2018 deficit.

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