

New York Times

June 2, 2003

Counteracting the Internet Rumor

by SHERRI DAY
New York

After receiving an e-mail message one evening in April, Clara Miller thought her love affair with [Starbucks](#) was over.

According to the e-mail message, titled '**Starbucks** vs. Israel,' the **Starbucks** Corporation was closing all its stores in Israel in May. The note did not include information about why the company had decided to pull out of Israel, but its tone suggested a nefarious intent. Some people assumed that **Starbucks** was joining an Arab boycott of American businesses in Israel, while others thought the company had decided to abandon its business in the country for fear of terrorist attacks.

The e-mail message also called for action, asking readers to stop patronizing **Starbucks**, to e-mail or phone the company to complain and to pass the note on to "everyone you can."

For Mrs. Miller, 39, a private investment manager who lives in Greenwich, Conn., the e-mail message meant the immediate end of almost daily runs to **Starbucks** for a tall decaf caramel macchiato or a Frappuccino.

"I was determined that I was not going back to **Starbucks**," said Mrs. Miller, who said she believed the e-mail message because it came from a person she considered to be a reputable source. That day she forwarded the message to about 30 of her cyberbuddies.

But Mrs. Miller's boycott lasted only one day because the implication of the e-mail message was not true. **Starbucks** had said it was pulling out of Israel because it was dissolving its ties with a partner in the country and because of an economic downturn in the area.

Starbucks, a company that has fast become a battle-scarred veteran of Internet rumor wars, was facing an increasingly common problem: the Internet rumor that would not go away.

By mounting a campaign in which the company sought to discreetly disseminate the correct information to interested parties while taking care to avoid spreading the rumor to the masses, **Starbucks** was able to counteract an e-mail message that could have sparked widespread protests and hurt its business.

Members of **Starbucks'** customer relations team fielded calls and e-mail messages from concerned customers and supplied them with information about why the company had decided to leave Israel. Howard Schultz, the company's chairman, began making calls to Jewish leaders in the United States and Israel to explain the company's decision and its plans to return to the country at some point.

The rumor was particularly troubling for Mr. Schultz, a Jewish American who has long been supportive of Jewish organizations and causes in the United States and in Israel.

"At the time, we underestimated the reaction we would get" to the original announcement, said Mr. Schultz, who has steered **Starbucks** through several Internet rumors, including a summer 2002 Internet hoax in which counterfeit coupons for products were distributed. The company knew it would return to Israel, he said, "and we thought that was implicit in how we communicated it." Mr. Schultz admitted that the initial communication on its decision to leave Israel "was not as strong as it should have been."

Perhaps the most effective of the company's weapons used to combat the rumor, experts said, came from the Anti-Defamation League, which lent support. **Starbucks**, which is based in Seattle, did not place any messages refuting the rumor on its Web site. But the Anti-Defamation League contacted the company to investigate the matter and later circulated the company's message to interested parties on its Web site and in telephone calls. The organization said it was confident that the Starbucks move was "purely a business decision."

While the Internet campaign tarnished — if only momentarily — the company's reputation, officials at **Starbucks** said that the company had not seen a decline in sales since the e-mail message began circulating.

Other companies have not been as fortunate as **Starbucks**. The feminine hygiene industry played down an Internet rumor that claimed that tampon manufacturers had included chemicals in their products that caused women to need a greater supply of them. That rumor is still circulating. Kentucky Fried Chicken, which is owned by Yum Brands Inc., became the subject of an Internet rumor when it shortened its name to KFC. The rumor, which the company says is "ridiculous," claimed that the company changed its name because it was serving mutated birds without beaks or feet instead of healthy chickens. The [Procter & Gamble Company](#) is still fighting the rumor, which originated in the late 1970's but grew with the advent of the Internet, that linked the company to Satanism.

According to a 2001 study conducted at Wake Forest University, only 3 of 24 Fortune 500 companies that have recently been the subjects of Internet rumors or hoaxes handled the rumors in a responsible manner.

"If you think about what these people do conventionally to try to get along with the public and you think about what they do in the cyberworld, they do so much less," said

John T. Llewellyn, an associate professor of communication at Wake Forest University and an urban legends expert. "If they handled sales with the same care they handled Internet rumors, they wouldn't be companies very long."

Communication experts said that companies should handle Internet rumors by responding quickly to the accusations with information on their Web sites, select the wording of responses carefully and seek an objective party to verify that the rumors are not true. But often companies falter, out of fear or simple disregard for the effect that far-fetched rumors can have on their customers.

"If you remain silent and hope it blows over, people take silence as guilt," said Mary Frances Luce, who teaches marketing at the Wharton School of Business at the University of Pennsylvania. "If you're too aggressive about addressing this in a very public forum, what you can do is publicize the rumor and also you can strengthen the association in people's minds with the rumor."

Professor Luce added, "There's a fine line in being too loud about it or not loud enough."

Mrs. Miller has learned her lesson about spreading Internet rumors. After she sent out the message, she received several e-mail responses that the call to boycott **Starbucks** had been misguided. When she realized that she had distributed incorrect information, she sent out another mass e-mail message to her online circle that included the statement from the Anti-Defamation League. And she returned to **Starbucks**.

But that did not completely solve the trail of misinformation. Earlier this month, people were still getting e-mail messages calling for a boycott of **Starbucks**. Others are hearing about the rumor the old-fashioned way.

"There may have been other people that I made a comment to, but forgot about it," Mrs. Miller said. The ones that are on my e-mail are easy to track. But there's still the fact that when you get misinformation there is leakage into other areas that are hard to correct afterwards."