

THE PR JOURNEY TO BUILDING A DISRUPTOR BRAND

HOW PRS SUPPORT THE
RULE-BREAKERS FROM LAUNCH TO
WORLD-BEATER



Summary

Disruptors are some of the most exciting organisations that PRs can work with today. These businesses are growing as technology continues to influence the development of our services and products, and create innovative ventures that challenge existing conventions and infrastructures.

But, how have brands such as Netflix, Airbnb, Uber and Snapchat become household names? In this White Paper, PR teams behind the latest disruptors discuss how, whether working with a young and unique company or a brand that has become established but keeps a pioneering spirit, they have supported organisations that break the rules and tell the story in their own way.

Discussing current disruptors from Chargifi to Virgin, expert agencies and in-house teams give their take on how to deal with different stages in a disruptor's life and The Guardian's tech veteran Charles Arthur describes why and how the media covers these organisations and their need for 'surprising stories'.

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Introduction

The term 'disruptor' is continually mentioned in the media. And the launches of innovative businesses are announced everyday; businesses that have the potential to alter different facets of our lives.

Figures from Start Up Britain, a Government-backed national enterprise campaign, show that over 600,000 start-ups were launched in 2016, 30,362 this month and 2,622 on the date of this publication (January 2017).

But, disruptors aren't just any business. These organisations create a shift in their sectors that go beyond legal, financial and social infrastructures. Like Uber, Netflix and Airbnb they tell a significant PR story that many start-ups and challenger brands may not tell.

CNBC's 2016 Disruptor 50 companies list includes brands such as Blippar, Snapchat and Slack. Arjun Kharpal, tech reporter at CNBC, describes how these companies – which can have the same attributes as regular businesses, start-ups and challengers, but also make them 'rethink' existing business models – are defined:

"Start-ups are new firms; they could be a couple of days old or even a couple of years old. But when a start-up begins to scale it's naturally a challenger, particularly if it's going after the same revenue and profit segment that an incumbent already dominates in whatever industry. These start-ups are using technology to challenge existing business models.

"Take Netflix as an example. Despite being founded in 1997 and being a publicly listed company, some still consider it a start-up in some senses - it's still scaling and investing heavily in growth. At the same time it's a disruptor as it has made TV companies rethink their business models, and it's forced them to invest in their own streaming services. Now Netflix may not have led to the level of 'cord-cutting' as many thought, but it certainly has made incumbents have to take steps to protect themselves."

Kharpal cites Uber as another great example: "It's still a start-up that was a challenger by nature and quickly became a disruptive force. Look at the impact it's had on laws, on society (take the protests in London by black cab drivers or riots in France), and economy too (seen as a key player in the so-called 'gig economy')."

This White Paper explores the journey that PRs take with companies that change the very infrastructure of their sector, from their start-up phase to becoming established brands that set the rules.

Conception: how PR helps to create a disruptor's story

Following Kharpal's definition most disruptors begin their journey as a start-up. So we asked PRs working with these businesses how a PR team commonly works with a brand from conception and when they spot a disruptor? Paula Santos, director of Cherish PR's start-up arm Little Bear, and Clarity PR's CEO Sami McCabe discuss.

What do PR teams generally look like at the beginning of a start-up's life?

This can vary but we often see two types of start-ups.

Type A is the bootstrapped start-up where the founder / founding team are self-financing and running all areas of the business. Often they are doing the PR themselves, through their network and they may have had some PR success. However, the reality is that they don't have the time to keep PR going and they may also struggle to tell their story in the right way to attract influencer attention.

Type B is the funded start-up where the investor may be looking for a profile to drive growth, quickly. In going through the funding process, the messaging may be much clearer and the investment firm may well have announced the initial funding round through their own PR agency. Here the focus is much more on the delivery of awareness, opportunity amongst the audience and within a defined period. They are prepared to invest and will likely have a relatively inexperienced in-house marketer and will look to an agency for connections, exposure, and engagement.



Paula Santos, director, Little Bear

Does the size of the start-up matter in this scenario, are there some with lots of funding and others with little?

The majority of start-ups stay quite lean until they have a significant fundraise under their belt. Most start-ups engaging a PR agency stick to working on short-term contracts or projects - it's only when they get bigger and have raised funds that it makes sense to look at retainers.

Working around the lean start-up principle, where you get your product to market as early as possible and iterate often, PR has to be part of a start-up's thinking from the very beginning in order to reach the right audience. That said, there can be a stage when we would say that it was too early for a start-up to be thinking about PR - generally when the product is still on the drawing board, or only a proof-of-concept.

Sami McCabe, CEO, Clarity PR



What is the process like between PRs and start-ups when first creating a story about the brand and creating a leading message?

The biggest challenge at the outset is getting the founders to understand their product or service in the context of their customers and the market. Most founders want to tell everything about their new business and to everyone. It's natural. But the reality is that most of the audience don't have the time or interest and so the best first steps are to focus on the messages and stories that mean the most to the audience and not necessarily the founders.

We do this by using a briefing session to discuss their business and communication goals. We then have a good look at the company and its product/service, their competitors and what kinds of stories are making the headlines. With all those insights, we then complete a messaging session and then build strategy, ideas, stories and tactics from the agreed messages.



Paula Santos, director, Little Bear

What are the considerations when first creating these stories?

The stories and messages have to be unique - they can't just be an echo of what competitors, or the companies that the founders admire, are saying. It's also important to consider that the messages that go out to the media and the messages that are used on social channels or in direct marketing campaigns need to be differentiated for the different audiences, but they should be broadly reflective of each other and stick close to the brand's central story.

Sami McCabe, CEO, Clarity PR



How does this storytelling affect the brand later when it becomes established?

Brands evolve and depending on their stage of life they have different stories to tell. So we must evolve our messaging and stories along the way. For instance, when we launched Indiegogo in the UK we were essentially introducing crowdfunding and explaining its benefits. Nowadays our storytelling is focused on explaining how Indiegogo can support entrepreneurs along their journey – from crowdfunding to market.



Paula Santos, director, Little Bear

Big agency outlook

While start-ups can be an exciting client for PR and comms teams, they can also prove challenging. Ketchum's Karl O'Doherty breaks down three difficulties agencies can face with start-ups:



Karl O'Doherty
Senior account manager
Ketchum PR

The competitive environment: many rivals, many voices

More established companies will likely be making lots of noise in the media and online about existing products and services. They will also be running comms around any new ones they may be launching. This is all in addition to (probable) multiple other start-ups in the sector competing for share of voice, it can be challenging to break through this competition.

That breakthrough becomes more straightforward if the product or service is truly a good one – different, ground-breaking, and genuinely innovative. Unfortunately, not everyone who is coming to market has this. All the communications plans in the world

won't make a difference if the core product or business doesn't stand up to examination. There may be early success if you're first to market in a new niche, but translating that initial burst of excitement to long term brand recognition and business value is going to take more than just PR and comms, it needs the business to play its part too and evolve.

The Market Context: Radical disruption vs slow and steady winning the race

Even if a start-up has a great offering, the business can often lack the right approach to the ecosystem in which they sit to make any real traction. "Disruption" is a buzzword with a lot to answer for – there's still a lot of currency for traditional entrepreneurialism, finding a niche in a market, exploiting it with a quality offering.

Sometimes there's a choice to be made between being a "disruptive" start-up (maybe targeting a swift and valuable exit or sale) and one aiming for long-term success. As a PR business, you can be faced with a company whose attitude and approach may mean there is a risk of trying to punch above your weight too soon, and then it's time for some sober (and sobering) counsel on what a PR and communications plan can actually be expected to deliver for the business.

Too talented by half?

A third issue that can arise from working with a start-up, is the complete reverse of the above. It can happen when the owner(s) of the start-up comes from the market in which they are trying to compete – think someone who worked for a high-end fashion brand starting their own label. It's worth pointing out here, as we start this topic, that the business and comms challenges of each role are very different – one can be brilliant working as part of a major brand, but it's very different running one's own show. Part of the role of PR here is honest counsel on big/small fish and small/big seas.

Case study: a start-up's PR journey



Name: @Impressiontalk

Launched: 2012

Claim to fame: A marketing agency that integrates SEO, web design and more

Impression was founded in 2012, but only became a full-time business in 2014. During this time the team only consisted of co-founders Tom Craig and Aaron Dicks who were 26 and 22 at the time. Now the agency consists of 25 people.

The organisation was built with a start-up mentality; lean, cloud-based and as efficient as possible in all areas. Rob Tomkinson (pictured), digital PR manager at Impression, joined to create a new comms team.

"I joined the business to set up the PR team, linking PR with Impression's SEO work to offer what was then quite a unique service for our clients. Many agencies have since followed suit as more customers demand more from their PR budgets.

"Since then the team has grown to 10; a mix of PR and SEO. The team's activity has changed over the past two years as PR and SEO are more closely connected. It's my view that they're both important parts of a business' wider marketing activity, and it's impossible to do one well without the other."

Tomkinson says the company's story has developed as it's grown. In the early days it was focused on the fact that the company as a start-up founded by two young entrepreneurs was bringing a new product into the market. Over time Tomkinson says Impression has "outgrown" the start-up label, and the PR team is more likely to push the work it's currently doing, the calibre of clients it's working with and recognition it receives such as awards.

The core principle of disruptors: solving a problem!

How do you spot a disruptor?

If it was consistently possible to do this then we'd all be billionaires! Some of the most important things are that they are providing a solution that addresses a genuine problem, and there is a large potential addressable market; they have a strong founding team and are prepared to work hard. We would also be concerned about any start-up that spends too much time thinking about their exit strategy before they've even got their concept to market - you can't run before you can walk.

Sami McCabe, CEO, Clarity PR



How to PR the 'buzz'

While start-ups are popping up every day, few achieve 'scale-up' – or accelerated growth. Barclay's 2016 report, *Scale-Up UK – High-Growth & Entrepreneurs*, says companies that achieve this acceleration account for only 2%-4% of UK small businesses.

Disruptors, however, gain momentum and growth quickly. So how do PRs deal with growing funds, growing teams and more eyes on the brand? In two case studies, comms pros working with accommodation network Airbnb and wireless charging business Chargifi discuss the rise in press interest in their respective sector.

Name: @Chargifi

Launched: 2013

Claim to fame: 'Empowering the Connected World'

Chargifi was launched in 2013 and has since raised \$3.4 (£2.74) million in funding. While there is a growth in the market for wireless power, estimated to be worth \$25.6bn by 2023 (Global Market Insights 2016) – there is still a considerable amount of market education to be done, according to co-founder and CEO at Chargifi Dan Bladen.

The marketing team at Chargifi is small and Bladen leads on comms. It has also begun working with a core team of four from Launch PR since the end of June. Bladen says: "We saw in Launch PR, a well-networked partner who'd think differently, drive great results and challenge our thinking as we grow."



Chargifi initially used a tech PR agency to help promote its presence at the Consumer Electronics Show in January and at the Mobile World Congress in February 2016. "However, we can see that if we are to educate the market on a brand new sector

and realise our own ambitious expansion plans, we need an agency to think with us as we grow.

"To date, Chargifi has raised \$3.4m from investors such as Intel Capital and following media exposure across the national and trade media, and I'm increasingly speaking at events on both sides of the pond. This means international reach is important – particularly stateside," Bladen adds.

He says strong credible messaging, creative bravery and good case studies have all been important building blocks for Chargifi as it builds brand equity.

Name: @Airbnb

Launched: 2008

Claim to fame: 'The world's largest community-driven hospitality company'

Amanda Kasper, founder and director at Alpha Kilo, first started working with Airbnb while at Camron, where she was contracted to handle PR for its office in San Francisco and abroad as well as design projects in Milan and Miami.

Alpha Kilo was then hired last year to handle all of the executive PR for co-founder Joe Gebbia, design strategy and PR for Samara, the internal design studio at Airbnb, as well as act as the brand guardian across design activations across the company.

Having worked with the company prior to and during its meteoric rise to the mainstream, Kasper describes its journey with the press and beyond:

“Due to its location in San Francisco, originally Airbnb was seen as more of a tech company than anything else. As graduates of Rhode School of Design, it was important to the founders (Joe Gebbia and Brian Chesky) that as they grew they were seen how they saw themselves – as a design-led business. This led to enhancing their participation in design industry events around the world from speaking engagements to installations at design weeks in Milan, Miami and London.

“I think the biggest shift for Airbnb came when the press started coming to them directly. This is where strategy came into play. A smaller company is happy to get almost any coverage and their pitches can often go unanswered. A larger company with rapid growth and brand awareness must map out the best media strategy globally – and can no longer rely on simply fielding incoming requests. This can lead to muddled messages, inconsistencies in responses and missed opportunities.

“As the company grew, so did its network of external agencies. In major markets, offices have an internal comms manager as well as a local agency to service the media and grow the brand on the ground.

“In the beginning as an external agency, there was a much more organic approach to media outreach. Now roles and agency briefs are much more specific.”



Editorial perspective



Charles Arthur, tech journalist and former tech editor at The Guardian, on when he spots a disruptor and how it's likely to be covered over the years.

“Editorially, one tends to notice that this is happening because the companies get a lot of noise from users and readers. Sometimes the companies try to get coverage, but if they're really doing well then they might not need to. (Google mostly disdained editorial coverage for its first few years, for example.)

These things take years to become absolutely evident. You can suspect that a company shows promise - Dropbox, Uber, Airbnb, Apple's iPhone and iPad, Samsung's Galaxy phone series, Chromebook, Google search, Instagram, Snapchat - but it also requires companies to execute well.

Noticing that some product or company has promise, and watching that promise get fulfilled, is what brings them to my attention. I like to have data that will either point to or back up the suggestion that a company/product is achieving something in a market. (That's because I trust data a lot more than I trust "some people say".)

Then you want to cover them because it's nice to be right about the importance of something. Everyone who said in its early years that Google would be important feels good about that. Everyone who looked past the original iPhone's limitations and price to see its potential feels good about that, though that was the media dynamic at the time anyway.

You need more surprises as they get bigger. Sometimes companies choose to become more personal; sometimes they choose to get less personal. (Example of the latter: Uber, Google. Example of the former: Snapchat.)”

The Virgin story: an established disruptor after 'nearly 50 years'

Name: @Virgin

Launched: 1970

Claim to fame: the 'original disruptor'

Virgin often refers to itself as the 'original disruptor'. In many ways the manner in which the business has grown fits precisely into Kharpal's earlier definition, but in particular it's an organisation that makes other companies 'rethink their business models'.

In an interview with Rod Kurtz, editor-at-large at American Express OPEN forum, Virgin founder Richard Branson highlighted an example of how the brand has done this: "In the mobile-phone business, we had to change the laws in England in order to enable us to piggyback on other networks, to create competition and introduce the prepaid idea. As a result, it's now gone global and we're setting it up in every South American country, also to the benefit of the public."

As a veteran disruptor, Virgin created a forum named 'Virgin Disruptors' to promote similar businesses in the future. Lisa Thomas, global head of brand and MD of Virgin Enterprises describes how the group has gone from rule-breaker to hosting events for the rule-breakers:

"The Virgin story has been focused on disrupting industries and challenging the status quo to create positive change for nearly 50 years."

"The Virgin story has been focused on disrupting industries and challenging the status quo to create positive change for nearly 50 years. We don't go into business with the sole focus of making money, our brand lives beyond delivering a profit. We have a successful history as a disruptive brand – when we enter a new market we consistently deliver over and above the existing offering for customers, setting new levels of expectation.

"This is where the idea for Virgin Disruptors came from. Our mission, when we launched in 2013, was to build a community of fellow Disruptors. Since then we've held six different events looking at disruption across many areas including the future of education, technology and the music industry, workplace wellbeing and people creating change."

How an established brand keeps its cool

While Virgin is an established brand that's lasted for more than 40 years, it still aims maintain the image of a newly formed disruptor. Thomas explains how she manages this image among her marketing and comms teams.

"Amongst my teams and across the wider group you will hear provocative questions being asked of themselves and to their team members. How can we make this better? What do our customers really want to see? What's the norm in our marketplace and how can we smash through that barrier?"

Thomas notes the case of Virgin Hotels as a particular success in this case. The first Virgin Hotel opened in Chicago two years ago and was recently voted the best hotel in America and the sixth best in the world, she says.





“With a highly differentiated hotel proposition, the PR team needed a media strategy to match. The Virgin Hotels team knew that they needed to grab attention and make their mark. The launch saw us shut down the street outside the hotel and have Richard recreate a scene from the film Ferris Bueller’s Day Off.

“Each room can be linked to the Virgin Hotel’s app called ‘Lucy’ where you can check in, check out, order room service, control your heating from anywhere, book into the spa or get tips on the local attractions. Think of her as a personal comfort assistant and something you will struggle to find anywhere else.”

“With a brand like Virgin, ripping up the rule book is the rule and it’s always invigorating to work on briefs with provocative thinking and action at their heart.”

Agency perspective

James Myers, TVC group MD, has worked on various PR projects for Virgin for over 10 years. He explains the comms elements that keep a disruptive energy for the well-known brand.

“Paying close attention to what the brand does and how it presents itself, particularly Richard Branson’s continued disruption in the mainstream

business market, is the key. Our job is to reflect and enhance this disruptive streak through our comms and to ensure a consistency of vision in an inconsistent market.

“With a brand like Virgin, ripping up the rule book is the rule and it’s always invigorating to work on briefs with provocative thinking and action at their heart.

“Virgin Disruptors is the epitome of the brand in action. Designed to bring together action leaders who have disrupted industries, it has carved out a reputation for delivering outspoken speakers and igniting sometimes controversial debate around issues ranging from digital disruption to the way we work and the future of education.

“We delivered a full PR and digital programme around the sixth instalment of Virgin Disruptors in October this year. Tapping into the theme of people creating change, we built a campaign which celebrated positive change through disruption. The event was a sell out and inspired a whole new community of disruptors to go out and activate change in their own lives.”



A man with a beard, wearing a dark jacket, is leaning over a table and looking at a tablet. In the background, other people are seated at a long table in a meeting room with large windows. The scene is dimly lit, suggesting an evening or indoor lighting.

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Case study: a tech disruptor's story

Paula Santos, director at Little Bear, discusses how Indiegogo disrupted the finance industry and her team's involvement in the project.

Name: @indiegogo

Launched: 2008

Claim to fame: the first crowdfunding platform



2008 Founded

According to online business information platform Crunchbase, Indiegogo was founded in 2008. This was prior to popular competitors such as Kickstarter (launched 2009), Fundly (founded 2009) and Invested.in (founded 2009).

Paula Santos, director of Little Bear – Cherish PR's start-up arm – says: "Back in 2008 the founders of the company were tired of seeing brilliant ideas

going unborn every day, not because entrepreneurs weren't doing their jobs well or because there wasn't interest for their projects, but because a select few gatekeepers were deciding who did and didn't get access to financing. So they decided to create Indiegogo as a place where every idea gets a shot at success.

"Crowdfunding has quickly become a permanent part of the

finance ecosystem. An increasing number of people are welcoming crowdfunding as an alternative or complement to traditional funding. Indiegogo in particular has removed bias from the funding equation. It's a completely open platform where crowd decides which ideas deserve to become a reality - if they like and believe in a project they will fund it, regardless of the gender, ethnicity or religion of the entrepreneur behind it."



2012 Indiegogo arrives in the UK

"We first started working with Indiegogo on a small project around Dublin Web Summit. The goal was to use this conference to raise the company's visibility in the UK. We've successfully secured coverage with BBC, CNN, CNBC and FT, which gave the company the desired visibility. It was one month, one event and one goal, get crowdfunding on the media agenda."

"Crowdfunding was still pretty unknown outside of London and the South East."

Paula Santos



2013 Indiegogo looks to expand globally

"At this moment in time, Indiegogo was building its international team and expanding into Europe, introducing multiple currencies. Not long after the initial project and because of the response from the UK media, Cherish was hired to really focus on sustained brand building activity in the UK

market, with a focus on supporting the new UK sales team to deliver UK crowdfunding campaigns.

"During this stage, our goal was to support their sales team by raising awareness for all the innovative projects launching on Indiegogo and consecutively

incentivising other entrepreneurs to do the same. The media response and campaign pipeline built quickly but we soon realised that 'crowdfunding' was still pretty unknown outside of London and the South East."



2014 'Go Crowdfund Britain' campaign launch

"In 2014 Cherish set out to change [a lack of knowledge of crowdfunding in the UK] with a substantial regional campaign to find new enterprises and new funding from Britain's enterprise hotspots. We launched a campaign called 'Go Crowdfund Britain', with the goal of raising awareness for crowdfunding as alternative finance, whilst positioning Indiegogo as the platform for British entrepreneurs.

"This regional initiative which involved a roadshow with workshops, masterclasses, one on one advice and lots of media coverage was a really successful integrated (sales and PR) initiative that focused on engaging the audience directly.

"As a result of our campaign, Indiegogo raised over one million pounds and delivered a host of new regional campaigns for the UK platform, making this initiative a real success from a business perspective.

"Our tech focus was working well but Indiegogo's expansion into film and creative arts meant that we had to adapt our team to support the introduction of crowdfunding into a brand new market and a group of influencers. We evolved our team with our client by adding a renowned film publicist. This allowed us to expand the level our services in order to reach both the entrepreneurs and filmmakers."



2016 "The largest global crowdfunding platform."

"By understanding our client needs we were able to grow and evolve with them, whilst they were expanding into different verticals but also to different European territories.

"At the end of 2014, we became a lead agency in Europe and we started to coordinate other European agencies working with Indiegogo on film or hardware projects.

"Indiegogo is now the world's largest crowdfunding platform and we have evolved with the company from its very early days in the UK. Having started with a short project around DWS, we quickly evolved into supporting their hardware and film campaigns in the UK and Europe. More recently our strategy was focused on the support provided to entrepreneurs throughout their

product lifecycle, but also to large organisations, through enterprise crowdfunding.

"This was only possible because we adopted the same start-up and fast-moving pace as our client, matching and advancing our services and our ideas in line with their needs."

Conclusion

The very nature of disruptors, as organisations that cause change and develop a new way of thinking, means that the key to great PR for these businesses is flexibility.

There needs to be flexibility when communications professionals are dealing with a young start-up that is just shaping its conversation and simultaneously when that business begins to grow both in the press, in size and in influence. Furthermore this suppleness and dynamic nature is needed just as much to keep an established brand thinking about creating new products that are just as much of a cause for change.

It is clear from case studies from Airbnb, Chargifi, Indiegogo, Impression and Virgin, that there needs to be a nimbleness at each stage of a disruptor's journey and storytelling process to really push its message, as all of these brands have evolved their stories as the businesses have changed through PR.

But, as agency, editorial and in-house teams have pointed out, the core to a disruptor is a great product delivered to the right audience.



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