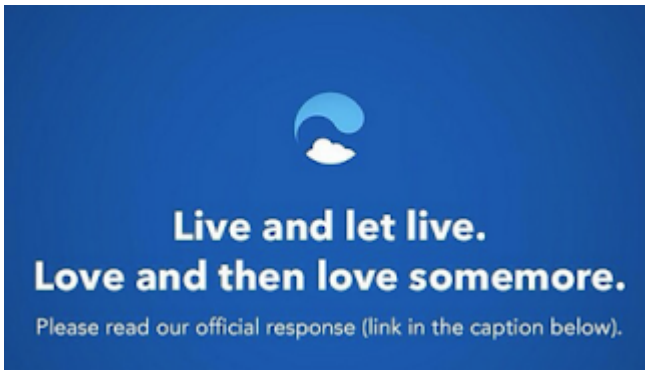
What Gushcloud and Its Influencers Did Wrong (and how Singtel did right)

Description



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Some of you may have read my piece on how Gushcloud spent a bomb on a poor response to Xiaxueâ??s expose on their business when Xiaxue wrote about her investigations into Gushcloudâ??s questionable business ethics last December.

If you havenâ??t already seen Part 2, you may read it here, where local telco SingTel gets implicated as well this time.

My analysis this time focuses on **what Gushcloud and its influencers did wrong**, as well as **what Singtel did right** in contrast. Due to their actions, we can safely assume that the damage done to SingTel will blow over in a matter of months (or even weeks, perhaps?) whereas Iâ??m not quite sure if Gushcloud and its implicated influencers will ever recover back the trust theyâ??ve lost.

Letâ??s take a look.

P.S. If youâ??re lazy, you can just read the bolded parts + the pictures to get the full story

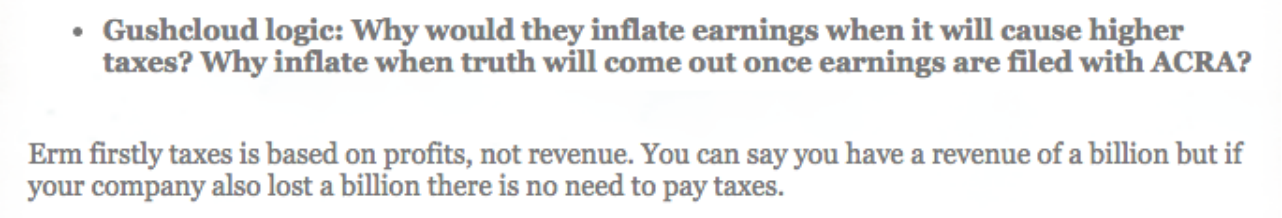
Lesson 1: If you want to defend an accusation, make sure you get your facts right first.

Iâ??ve already explained in a previous post why and how Gushcloud responded poorly to Xiaxueâ??s claims when the whole saga started. Once more, Xiaxue finds a loophole in Gushcloudâ??s so-called defence, and shatters it.

Vincent Ha said in an official statement:

There was never an intention to â??inflateâ?• our earnings or to deceive and mislead anyone. Think about it logically. There is no reason to attract needless attention to the financials of the company and to pay higher taxes on income the company never even earned. I am also aware that any plan to make ourselves seem bigger than we actually are would go out the window once our accounts are filed with ACRA.

Xiaxueâ??s excellent rebuttal:



- **Gushcloud logic: Why would they inflate earnings when it will cause higher taxes? Why inflate when truth will come out once earnings are filed with ACRA?**

Erm firstly taxes is based on profits, not revenue. You can say you have a revenue of a billion but if your company also lost a billion there is no need to pay taxes.

Source: Xiaxueâ??s blog.

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Lesson 2: Stop releasing conflicting messages (Why get caught eating your own words?)

We first saw this in December when Gushcloud founders denied the accusations by Xiaxue, and then ended up having to apologize for it once she produced the hard evidence to prove that they had not been telling the truth.

History repeats itself (obviously, Gushcloud did not learn from its mistakes) and this time, Gushcloud releases a statement suggesting that the brief was not what it seemed, leading us to think that perhaps the leaked brief alone is insufficient to conclude whether or not they were indeed engaged in a smear campaign against SingTelâ??s rivals?

Iâ??ve highlighted this below.

The Straits Times
www.straitstimes.com
Published on Mar 17, 2015

Telcos want IDA to probe alleged smear campaign by bloggers

By Lim Yi Han

Telco M1 and StarHub are asking the Infocomm Development Authority of Singapore (IDA) to look into allegations that bloggers were asked to complain about their services.

M1's spokesman Chua Hian Hou said: "Such practices are unethical and we intend to seek clarification with the relevant operator on this matter. We will also request IDA to look into this... and will explore further action if necessary."

StarHub's chief marketing officer Jeannie Ong said that it was "deeply disturbed" by the tactics employed and the possible damage to its brand.

These allegations came to light on Saturday when blogger Xiaxue, whose real name is Wendy Cheng, put up "leaked" documents allegedly issued by social media marketing firm Gushcloud to the bloggers it represents. One directive in the alleged document asks bloggers to complain about the services of other telcos as part of a promotion strategy for Singtel's youth plan.

A Singtel spokesman said Gushcloud was one of the digital agencies it used in June last year for its campaigns but it did not issue the brief.

"It is Singtel's policy to focus on the strengths and differentiators when marketing our products and services. It is not our practice to run negative campaigns against any individual or organisation," she said.

Gushcloud co-founder Althea Lim, 30, told The Straits Times that it is currently investigating the matter and would not comment further. In a Facebook post on Saturday, Gushcloud wrote: "The publicly posted brief was an internal brief prepared by Gushcloud for its influencers. The brief is not meant to be read in isolation without the full context and verbal briefings given by Gushcloud."

When contacted, IDA said it is aware of the matter and that operators should abide by the Singapore Code of Advertising Practice, which states that all advertisements should be legal, decent, honest and truthful, and should not unfairly attack or discredit other products or organisations.

"In the spirit of fair competition, IDA has always encouraged our licensees to focus on promoting the availability, price and quality of their own services or equipment, and refrain from negative campaigns against their competitors. This will allow end-users to make informed choices," it said.

limyihan@sph.com.sg

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Perhaps they didnâ??t expect SingTel to publicly admit that they had done wrong on 17 March, as SingTelâ??s initial stance was that â??it did not issue the briefâ?•. Maybe they thought they could cover it up (just like how Xiaxue pointed out they covered up their inflated earnings along with other things?).

SINGAPORE: Singtel has apologised following a controversy surrounding marketing agency Gushcloud, which allegedly issued a brief to its social media influencers to write poor reviews about rival telcos.

In a statement issued to the media on Tuesday (Mar 17), Singtel's vice-president of Consumer Marketing Johan Buse, said investigations revealed that staff who worked with Gushcloud on the marketing campaign in June last year "did not adhere to Singtel's marketing standards."

He added that the campaign in question was a "niche" one, "targeted at a narrow customer segment".

"As an organisation, we maintain high marketing standards and do not condone negative campaigns or publicity against any individuals or organisations," Mr Buse said. "We apologise for this isolated incident."

He added that Singtel will emphasise its marketing standards to both staff members and agencies, as well as remind them of the importance of adhering to industry guidelines, including the Singapore Code of Advertising Practice.

Singtel had earlier said it did not issue the brief that asked Gushcloud's influencers to write negative posts about the other two telcos' services or network connections. The brief, written by a Gushcloud employee, was widely circulated after it was posted online by local blogger Xiaxue, amid a long-running feud with the company.

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Oops! SingTel apologized!

Now look what happens minutes after.

Yesterday, Mr Buse said: "We apologise for this isolated incident."

He also went on to say that Singtel will emphasise to its staff and agencies the importance of adhering to guidelines including the Singapore Code of Advertising Practice, which states that all advertisements should be legal, decent, honest and truthful.

Minutes after his statement, Gushcloud chief executive Vincent Ha released his firm's apology saying that "we have let our influencers and client down with the way the campaign turned out and we are sorry. It goes against the management's belief to use the Internet for spreading negative messages".

Hmmmmmm.

Lesson 3: Donâ??t engage in personal attacks

(Something Gushcloud seems to like doing! Cos you knowâ?¦tit for tat right?)

Along with his apology (after SingTelâ??s move left them with no choice, perhaps?), Gushcloud proceeds to criticize Xiaxue.

Mr Ha criticised Ms Cheng for her expose, saying "it has done far more harm than good to our industry".

But Ms Cheng, who in December alleged that Gushcloud inflated its "influence", hit back at him for trying to divert blame.

Now, note that it is a different thing for Xiaxue if she wants to make personal attacks on Gushcloud and its people, because she is an individual. She is ultimately accountable mainly, if not solely, to herself.

Gushcloud, on the other hand, is a professional business. Or at least, they try to be. And corporations do not engage in petty, personal attacks. Co-founder Althea Lim made this mistake in December when she released her rather childish statement against Xiaxue, and fast forward 3 months later, CEO Vincent Ha does the same exact thing.

This is poor practice! Note that none of the 3 telcos engaged in personal attacks against each other in this whole incident. Neither did SingTel (if you take Gushcloud as Singtel and Xiaxue as M1 + Starhub in this case) criticize their competitors after admitting their mistake.

Itâ??s almost akin to this:

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John: You are so stupid, your IQ must be terribly low.
Tom: What? Iâ??m going to prove to you that my IQ is higher than average.
proceeds to show proof
John: Ok, Iâ??m sorry.
John: But in the first place, youâ??re a terrible person anyway.

Does that even make sense to you?

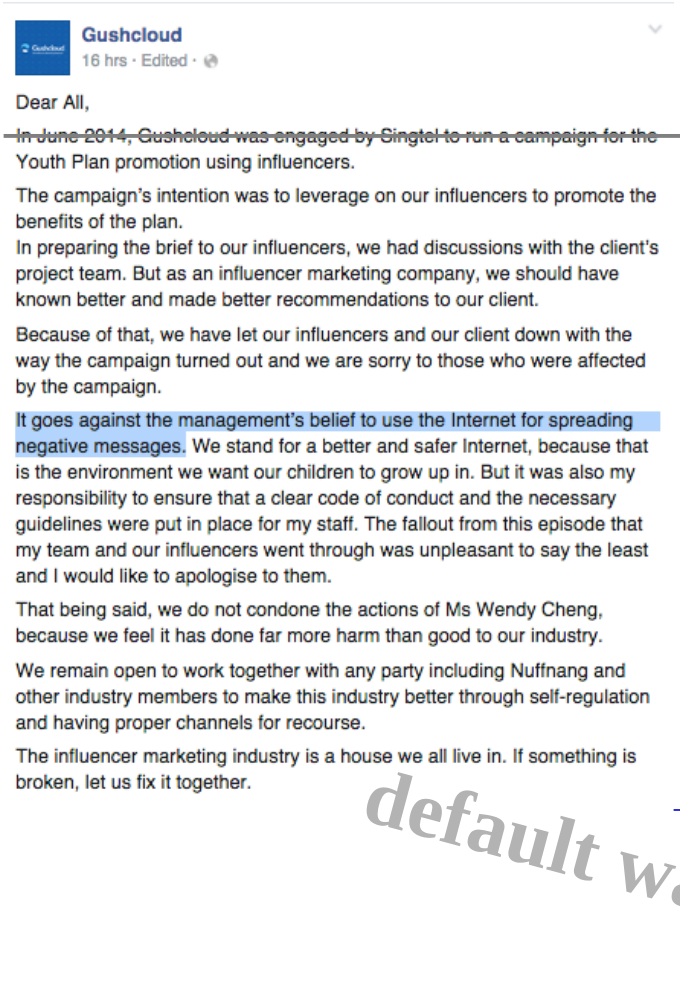
Lesson 4: Donâ??t try to shirk responsibility by talking about altruistic â??management beliefsâ?•

(especially after youâ??ve just been forced to admit you did something wrong)

Gushcloudâ??s CEO Vincent Ha said,

> *â??â?¦we had discussions with the clientâ?¦But as an influencer marketing company, we should have known better and made better recommendations to our client.â?•*

I donâ??t know about you, but it sounded to me like they are shirking the blame to SingTel instead. Cos you know, clients are king and we have to do what they say.



Gushcloud
16 hrs · Edited ·

Dear All,

In June 2014, Gushcloud was engaged by Singtel to run a campaign for the Youth Plan promotion using influencers.

The campaign's intention was to leverage on our influencers to promote the benefits of the plan.
In preparing the brief to our influencers, we had discussions with the client's project team. But as an influencer marketing company, we should have known better and made better recommendations to our client.

Because of that, we have let our influencers and our client down with the way the campaign turned out and we are sorry to those who were affected by the campaign.

It goes against the management's belief to use the Internet for spreading negative messages. We stand for a better and safer Internet, because that is the environment we want our children to grow up in. But it was also my responsibility to ensure that a clear code of conduct and the necessary guidelines were put in place for my staff. The fallout from this episode that my team and our influencers went through was unpleasant to say the least and I would like to apologise to them.

That being said, we do not condone the actions of Ms Wendy Cheng, because we feel it has done far more harm than good to our industry.

We remain open to work together with any party including Nuffnang and other industry members to make this industry better through self-regulation and having proper channels for recourse.

The influencer marketing industry is a house we all live in. If something is broken, let us fix it together.

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Then he goes on to talk about their positive, altruistic managementâ??s beliefs.

Do you see the problem here? Itâ??s just like:

A murderer claims his belief is that all mankind are equal.
After apologizing for killing a life.

I exaggerate, but you get my point.

Lesson 5: Whatâ??s the best immediate response then?

Criticsâ?? voices: Ok Budget Babe! After talking so much, why donâ??t you solve the issue then?

Now, I donâ??t like to dish out PR advice and specific actions online for free, considering how my clients actually *pay* me for advice on what to do. And in this case, Gushcloud is not my client which was why I refrained from posting any ideas on what they should have done last December, choosing to focus on an analysis of what they did wrong instead.

But Iâ??ll make an exception this time and will share just a tiny bit, since I pity how poor Gushcloud really doesnâ??t seem to know their PR skills at all. Maybe this will help them (or maybe not, since the damage has already been done).

For this March saga, I would have recommended for Gushcloud to say to the media:

â?? Gushcloud â??cannot confirm if the brief was indeed issued by a Gushcloud employeeâ?•
â?? but is â??currently investigating internallyâ?•
â?? and â??will rectify the situation if they find that their staff is indeed guiltyâ?•

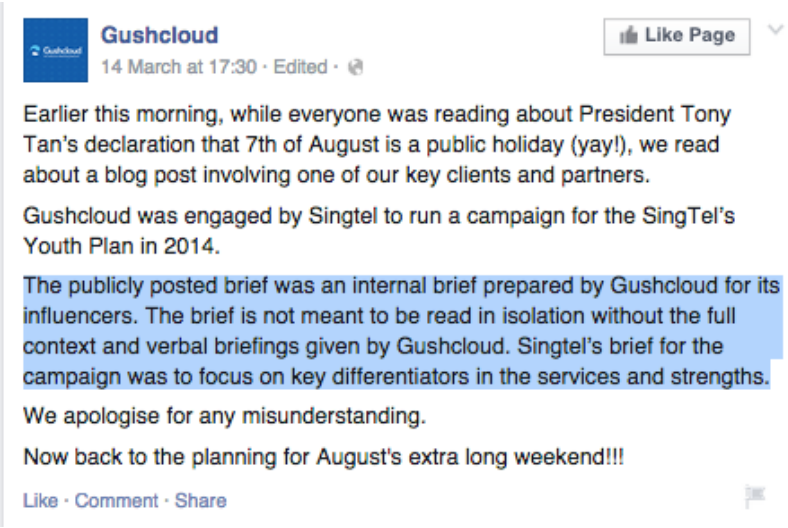
Why would this have been better? Not denying it straightaway suggests a company that is responsible enough to investigate if it has done wrong. And if it is, being willing to correct the situation will convince people that it is willing to change. After all, we all know human beings are not perfect. People make mistakes. Whatâ??s more important to consumers is whether you admit and understand the mistake made, and take corrective steps to ensure that this will not happen again.

Weâ??re forgiving people arenâ??t we? Just like how I forgave M1 even though they had no service on 4 February last year and still signed up my line with them anyway when my Singtel line was up for recontracting (even though I miss my 12GB Singtel data plan. M1 only gives me 2GB each month now and thatâ??s not enough. Iâ??m exceeding this every single month without fail).



Gushcloud ought to learn from M1 how to handle crises when youâ??re in the wrong.

Instead, Gushcloudâ??s immediate response was to issue a statement suggesting that they were innocent and did no such thing (instruct its influencers to conduct a smear campaign).



Then they apologized and ate back their own words (review Lesson 2 again).

What did SingTel do right?

SingTel, too, was guilty of initial denial and ended up eating its own words a few days later. When the saga first broke out, a spokesperson responded by saying SingTel â??did not issue the briefâ?•. Fair enough.

But then they realized one of their staff had indeed made this mistake, and so their marketing VP came in to clarify and apologize.

Both Gushcloud and SingTel
(i) denied, and then admitted guilty
(ii) resorted to using senior management to make the corrections

But these are the 2 different impressions we get:
(i) SingTel: Responsible, willing to learn and correct its mistakes. Iâ??ll give them a chance.
(ii) Gushcloud: Dishonest? Insincere? I wouldnâ??t trust them again, not in a long time.

Also, note that Singtel is a much bigger company with a lot more staff than Gushcloud. Thus, if you were to look into the time needed to investigate internally, logically speaking Gushcloud should have found out their mistake first before SingTel. Instead, the fact that Gushcloud apologized (I emphasize) minutes later suggests that they could have already known they were guilty but refused to admit it until otherwise forced to.

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What does that tell you about the brand?

Responses from the Gushcloud influencers who were implicated by Xiaxue

Hereâ??s a summary of the influencers who were implicated in Xiaxueâ??s expose:
1. Xavier Ong
2. Symone Oei
3. Marxmae
4. Saffron Sharpe
5. Lydia Izzati
6. Goh Yilin
7. Eunice Annabel (who received the most severe beating of all)

I found it interesting that among these 7, **only Xavier Ong has apologized.**



Lego House - The new beginning

By Ong Xavier | 12:04 AM 16 comments

Tweet 4 g+1 0 Like 9

I, Xavier Ong APOLOGIZE to anyone affected for posting negative comments towards M1 (while on a SingTel campaign) and not explicitly stating or revealing that I was on a campaign with SingTel. However, I would also like to add that during that period and even before, I was indeed unhappy and unsatisfied with the network and service M1 provided me with therefore I DID NOT lie. I understand that I should have stated clearly that I was on a campaign or at least inform that certain postings are advertorial/ sponsored posts and I am sorry for that. (18 March 2015 2:16am)

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Itâ??s only gracious to apologize when youâ??ve been caught with your pants down. And when you apologize without / before others demand you to, this move reflects even better on you and the type of person you are.

It took Xavier Ong a few days after the saga before he apologized, but at least he did. So fair enough, letâ??s be gracious too and forgive him, shall we?

I canâ??t say the same for the other influencers though.

Eunice Annabel released a blog post in response, but it did not contain an apology. Instead, it was more of a defense, a justification for the wrongs she had been singled out for by Xiaxue.

I read through the whole thing and didnâ??t see a single apology. To be sure, I did a search and you can see in the screenshot below that there were zero results. I also tried other words like â??apologiseâ?• / â??apologizeâ?• / â??apologyâ?• / â??wrongâ?• but there were none. Feel free to try it out yourself.



MONDAY, MARCH 16, 2015

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5. 3 months later, I was engaged for the Singtel Easy Mobile Plan campaign. **By then, my contact with M1 had ceased and I could finally switch to Singtel.** Since I was onboard this new campaign, I signed up for the Easy Mobile Plan instead of the Youth Plan. Some time during this period, the iPhone 6 and iPhone 6+ became a sensation. Almost everyone wanted one. While signing up online for the Easy Mobile Plan, I'd purchased an iPhone 6+ because I could get it at a lower cost with my new plan.

6. **I bought the iPhone 6+ with the intention of giving it to my father.** However, he preferred the LG G3 that I was using since he's been a fan of LG products since... oh man... like forever!! hahaha. So I gave him my LG phone and was left with the iPhone.

Though I'm happy to see my dad using a new phone since he's been using the same old one for the longest time, **I do miss the LG up till today.** And I'm certain that my friends can vouch for that because I'm constantly whining about how much more the LG could offer compared to my current iPhone. I didn't want to address this issue particularly because of this point. I didn't want to bring my family into the matter but I don't have a choice now, do I?

7. Switching to an android was really one of the best things I've ever done for myself. I already have plans on getting a new android once this iPhone dies. **I didn't switch back to using an iPhone by choice.**

So now you know that my LG didn't "dropped into toilet bowl" and I didn't intentionally get the iPhone to replace my LG either. That's all I want and need to say.

Have a great week ahead :)
"Everyone you meet is fighting a battle you know nothing about. Be kind."

SHARE ON FACEBOOK PIN ON PINTEREST SHARE ON TWITTER

POSTED BY EUNICE ANNABEL AT 3:50 AM 53 COMMENTS:

Tweet to @EuniceAnna

VOGUE AVENUE



She als

Unfortunately, it just sounds like a really lousy excuse to me.
Why? Because everyone has a choice. If she claims she â??didnâ??t switch back to using an iPhone by choiceâ?•, there were plenty of other options she could have done. For instance, if she really did love her LG / Android so much, then why not sell off her iPhone 6 and buy the LG?

Prices for selling used iPhone 6: $700 â?? $880
Price to buy a brand new LG G3: $620
(I did my price check here.)

Eunice Annabel could have even gotten a $80 â?? $260 profit in doing so!

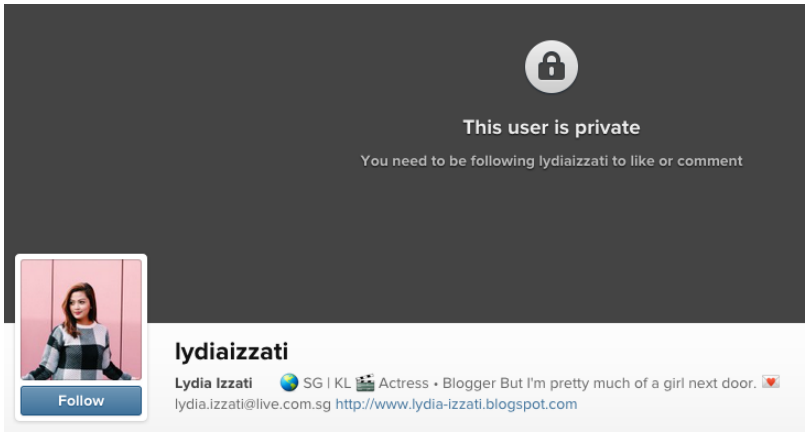
Iâ??m not sure about you, but once again, Iâ??m not buying into this response based on facts.

And what about the other influencers? Most of them just continued with their lives, posting updates about how amazingggg their life currently is (with no mention of the Gushcloud issue or that theyâ??ve been caught by Xiaxue in an incriminating smear campaign).

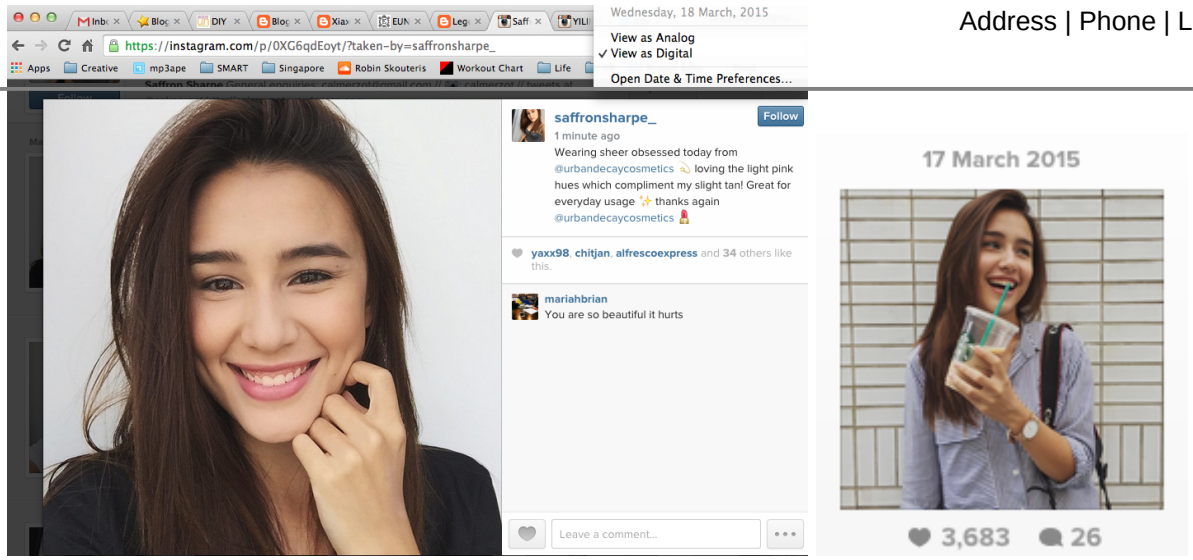
Some simply took the cowardly way out and switched their social media accounts to private to block off haters.

Lydia Izzati:



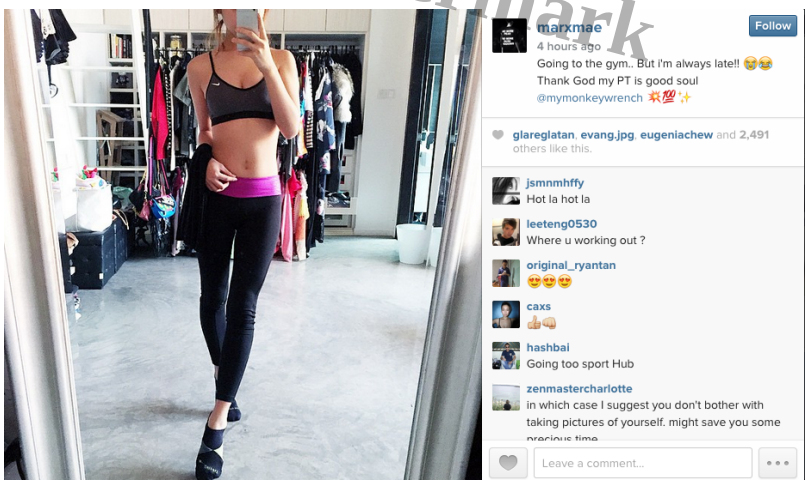


Saffron Sharpe (who the heck is she anyway? Iâ??ve never even heard of her):

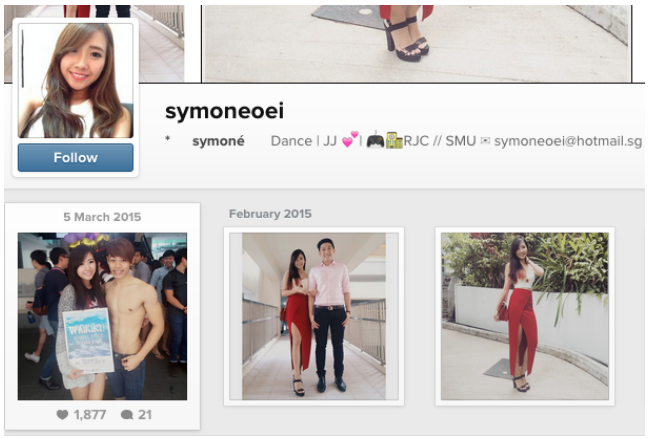


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Marxmae (again, another â??famousâ?• influencer whom Iâ??ve never heard of):

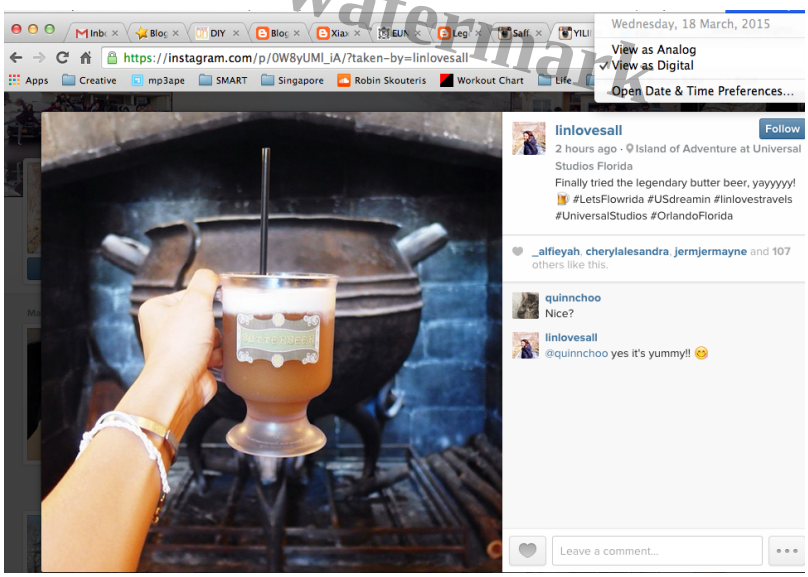


Symone Oei (same thing, never heard of this girl):



Last but not least, Yilin Goh. Sheâ??s currently on holiday though, so letâ??s give her the benefit of the doubt. Plus, she did apologize rather graciously in December when part 1 of this saga broke out, so I shall choose to maintain hope that this girl knows whatâ??s the right move to make.

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Final thoughts (a summary)

1. Gushcloud has very poor PR.

2. Damage done to Gushcloud is huge, but was further aggravated by their own actions in response to the saga. They have only themselves to blame.

3. My impression of Gushcloud now is that theyâ??re not only unethical (which was what Xiaxue set out to prove), but also dishonest (a conclusion drawn from their own responses).

4. Good job to SingTel in dealing with this whole incident. While I may not switch back anytime soon (unless they entice me with a better plan to solve my data woes), I would still do business with them in the future.

5. Canâ??t say the same for Gushcloud.

6. Who are all these influencers and where did they come from? How did they shoot to fame so quickly? Some of them are so young!

7. A huge boo to the influencers who didnâ??t apologize. It would have been gracious to admit you made a mistake (and no one would blame you for not knowing about Singaporeâ??s clause against competitive advertising anyway) and offer a simple apology, but most didnâ??t.

8. Except Xavier Ong. Iâ??ve never really liked him, but him apologizing makes me want to like him and

give him a chance to start anew.

9. Same for Yilin Goh, whom Iâ??ve not heard of until last December. She won me over with her unabashed apology after Xiaxue exposed her. Iâ??m hoping she apologizes this time too once sheâ??s back from her vacation instead of glossing over the whole incident like the other influencers.

10. This was one long analysis!

What do you guys think of this whole incident? (Comments on how Gushcloud/SingTel/the influencers handled it are particularly welcome!)

With love,
Budget Babe

Category

1. Savings

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