

**New York Daily News - <http://www.nydailynews.com>**

## Companies fight Web smears

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SPECIAL TO THE NEWS

Monday, September 15th, 2003

The Internet has a dark side. Companies as large as Microsoft, Tommy Hilfiger, Procter & Gamble and Starbucks have been victims of anonymous Internet whispering campaigns that are multiplying like spam.

"Cyber smears" include boycotts, scams, rumors and false reports, all passed along by mass E-mails, disparaging gossip on message boards and on Web sites, said Marc Weiner, CEO of Delahaye Media Link, which provides research on companies' reputations.

"The speed and reach of the Internet dramatically increases the velocity and reach of a rumor," he added.

Many of these rumors date back a generation or more but still will not die. Others are as fresh as this morning's fad.

Tommy Hilfiger has been dogged for five years by the false rumor that the designer appeared on the Oprah Winfrey TV show and made remarks regretting that minority consumers were buying his clothes.

In fact, Hilfiger has never been on Oprah Winfrey, and the company has contributed \$5 million to the Martin Luther King Jr. National Memorial Project.

"It's always the leading companies in the field who are the targets," said Thomas Quinn, producer of cable network TLC's "Mostly True Stories: Urban Legends Revealed," which debuts tomorrow night. "If you're the target of an urban legend, chances are that you're among the leaders in your field."

With the ease and speed that such rumors fly around the Internet, public relations people now routinely monitor what's being said in E-mails, chatrooms and notorious Web sites like [www.f-----dcompany.com](http://www.f-----dcompany.com).

To combat the whispering, Weiner said, "companies create truth sites where they tell the truth. Research shows that 81% of people use the Web to find out about companies, and 75% go to the company's site first."

One such truth site is Tommy Hilfiger's. It includes statements from Hilfiger, Winfrey (who says she's never even met Tommy), the Anti-Defamation League, ("We have concluded that these rumors are completely false") and customers, saddened by the nonsense.

Since April, mass E-mailers have been sending demands that customers boycott Starbucks because it "closed all stores in Israel." In fact, Starbucks simply ended a business arrangement that wasn't working out.

Like McDonald's, Starbucks has also been bedeviled by fake coupons circulating on the Internet. Consumers who thought they were getting a free 12 ounce Creme Frappuccino learned otherwise.

"As soon as Starbucks became aware of the counterfeit coupon, we immediately notified our (employees) not to accept or redeem the coupon," a spokesman said. "We apologize to those customers who were misled or inconvenienced by this unauthorized activity."

While some companies have used the threat of litigation to take down critical Web sites, suing people who pass on anonymous Internet rumors is like trying to nail a gnat with a sledgehammer.

In fact, many companies on Fortune's Top Ten Most Admired list have prospered despite assaults on their reputation.

Besides Starbucks (No. 9 on the list), Microsoft (No. 7) has contended with many E-mail hoaxes and anti-Microsoft Web sites, and Procter & Gamble (No. 10) for 23 years has battled reports linking it to Satanism.

"Companies that don't treat reputations as valuable assets run a great risk," said Weiner.

Procter & Gamble refused to comment for this story, but the company has a Web page about the familiar

"Moon and Stars" trademark that says "The rumors falsely allege that the trademark is a symbol of Satanism ... it was designed to show a man-in-the-moon looking over a field of 13 stars commemorating the original American colonies."

Microsoft, which has plenty of Internet headaches with worms, viruses and other Internet security breaches, says it doesn't comment on E-mail hoaxes.

Or as TLC's Quinn put it, "The Internet can be a bathroom wall. Anybody can write anything, and anyone can read it."