

PewDiePie Dust-Up Shows Risks Brands Take to Tap Into Social Media

By SAPNA MAHESHWARI FEB. 19, 2017



Social media has produced its own breed of stars, from the video bloggers of YouTube to the style mavens of Instagram, and major media companies and brands have increasingly turned to this group as a way to reach the ad blockers and cord cutters of the world.

But they also come with their own set of risks.

Those risks were cast into stark relief last week after The Wall Street Journal [reported](#) that YouTube's most popular personality, Felix Kjellberg, known to his 53 million subscribers as PewDiePie, had recently included crude anti-Semitic jokes and references to Hitler in his comedy videos to the apparent delight of neo-Nazi websites.

While Mr. Kjellberg disavowed the hate groups and [apologized](#) for what he saw as humor gone awry — including one stunt in which he paid two performers on a freelance site to hold up a sign that said “Death to all Jews” — the fallout was quick.

Disney Company's Maker Studios, a network of online video creators where PewDiePie was a marquee talent, and Google's YouTube cut business ties with him, while Nissan, which paid him for a promotional video [posted in](#) December, said it would not work with him again.

The episode has raised questions about the level of vetting and oversight that advertisers and media companies extend to social media stars in the zeal to reach their followers. It has also made some wonder about the type of content being financed through these deals.

Influencers, as they are known, are often cheaper than traditional celebrities and tap into elusive audiences by speaking directly to them. But at the same time, they are typically not “media savvy or advertising savvy,” said [Kristy Sammis](#), the chief innovation officer of Clever, an agency that connects brands with a network of vetted influencers.

“They're not coming to the table thinking about how a brand is going to react to their behavior,” she said. “They care more about being themselves than what a brand thinks of them.”

That has led advertisers and media companies closer to boundaries that they may have previously considered off limits, especially when it comes to influencers who have amassed fans at least partly through shock value.

As far back as [three years ago](#), Aéropostale, the mall chain, came under fire for working with a popular teenage Vine star who had been criticized for anti-gay and racist posts.

The Maker unit of Disney, which zealously protects its brand, did not defend Mr. Kjellberg's videos in a statement last week, but noted that he had built his following “by being provocative and irreverent.”

“Brands need to start looking at working with influencers the same way they've approached celebrity and athlete endorsements,” said Gabe Gordon, a managing partner at Reach, an agency that specializes in social videos. “Most brands, when they're investing a certain level of money in people, they're doing full background checks, they're working with P.R. agencies to understand potential risks, they're doing audits of every piece of content they've been in or associated with.”

He added, “Influencers are a bit of a challenge that way because they're creating hundreds or thousands of hours of content, and they take down videos, too, so you have to go beyond the existing content that's published, really know the person and know what they've stood for throughout their career.”

With political tensions running high in the past few months, advertisers [have repeatedly](#) found themselves online in places where they want no association, from conspiracy blogs to alt-right websites. Ms. Sammis said she viewed the media

exodus from Mr. Kjellberg as the human equivalent of recent moves by brands to [block their](#) ads from showing up on Breitbart News.

“There is really a microscope now on brands’ values and value messaging because of the political state of the world right now,” she said. “Brands can’t really be completely silent, and they’re being called out.”

Advertisers have more often landed in [hot water](#) for failing to disclose the paid nature of promotions on social media as they aim to make endorsements look organic. Ms. Sammis said she expected companies would now focus more on how “brand-safe” influencers were, which, she said, would be a hard line to draw and even tougher to communicate to the stars.

Although Disney declined on Friday to answer specific questions about the degree to which it vetted Maker content before or after the acquisition — if at all — the company said in a statement that Maker had almost no input in the content anyway. Like other so-called multichannel networks, Maker functions largely in a back-of-house role, handling functions like marketing, sales and analytics.

“Influencers who are part of the Maker network are independent creators, and Maker does not have editorial control over the vast majority of the content,” the statement said.

Still, Disney is moving to bring more focus to its Maker stable. Maker is expected to undergo another round of layoffs in coming days, which will include the whittling of its network to about 300 top creators, a reduction that had been planned before the PewDiePie brouhaha. Last summer, Maker laid off about 30 people.