

Frame or Get Framed:
The Critical Role of Issue Framing in Nonmarket Management

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April 2015

Paper submitted for the
15th Annual Strategy and the Business Environment Conference
at Harvard Business School

Abstract:

This paper extends existing issue-anchored frameworks (e.g. Baron 2003) for nonmarket analysis by introducing and integrating the critical role of issue framing. We argue that nonmarket issues do not exist independent of how they are framed and that complex public policy issues can engage multiple frames with each focusing attention on different dimensions. As issues can be framed and reframed, they are often not static over time. Moreover, as firms and other nonmarket actors are often involved in how issues are framed, issues should not be regarded as exogenous to firm behavior. Indeed, through active and strategic framing firms can shape the structure of the nonmarket environment surrounding an issue and, ultimately, whether or not the issue is resolved in their favor. We illustrate the different pathways through which this occurs through a series of mini cases covering a variety of industrial and geographic contexts. Furthermore, we build on these cases and the extant literature on framing in management, political science, sociology and cognitive linguistics to identify factors that increase the likelihood of framing success. We conclude that framing is an essential tool of nonmarket management that is most effective when used in conjunction with a firm's broader nonmarket strategy.

Across a broad range of sectors, the effective management of issues that arise in the firm's social, political, and regulatory environment has emerged as a critical determinant of competitiveness. However, existing frameworks for mapping the firm's 'nonmarket' environment suffer from a fundamental weakness: they view issues as both exogenous to firm behavior and largely stable over time. How can we better equip managers to cope with the dynamic nature of the nonmarket environment? We argue that managers' ability to fully grasp and proactively shape the nonmarket environment is greatly enhanced by an active appreciation of the critical role of issue framing. Framing involves deliberate communicative acts that shape how individuals perceive, understand, and attach meaning to a given issue. It is both a powerful process that causes issues to shift over time and an essential tool that managers can use to shape an issue to their advantage. Effective framing is therefore a key determinant of nonmarket success. We develop this insight here by highlighting five distinct pathways through which managers can transform their nonmarket environment via strategic framing and identify eight principles that allow managers to frame more effectively.

This investigation of the role of framing is particularly timely as political uncertainty, rapidly changing regulations, and growing public scrutiny fueled by social media and 24hr news coverage have made what David Baron has dubbed the nonmarket environment of business a critical part of the competitive playing field. In his seminal contributions, Baron urged managers to analyze their firms' nonmarket environment along four dimensions: issues, interests, institutions, and information (e.g. Baron 2003). Issues, which can be defined as points of controversy between two or more parties, are the core analytic unit of the nonmarket environment. Having identified a nonmarket issue that directly bears on its business, a firm should proceed to map its nonmarket environment by identifying the relevant interested parties, the institutional setting in which the issue unfolds, and the types of information that

can be deployed in support of one's preferred outcome. This process yields a snapshot of the nonmarket environment that serves as the point of departure for strategy formulation.

Bach and Allen (2010) proposed a slight modification of Baron's 4i-framework while maintaining the basic premise of his issue-anchored approach. Like Baron, their (ia)³-framework suggests that managers begin with *issues* and then proceed to identify the *actors* who have a stake in the issue, the actors' *interests*, the *arena* or arenas in which the issue unfolds, the *information* actors need to prevail, and other critical *assets* they can bring to bear. Both the 4i and (ia)³ frameworks have considerable strengths. They help managers identify salient dimensions of complex nonmarket environments and are general enough to be applied across a wide range of issues, contexts and industries. However, their principal shortcoming is that they assume that issues are exogenous to firm behavior and that they remain stable over time. However, we contend that issues can be transformed over time through framing, and that firms as well as other nonmarket actors can frame strategically in order to shape issues to their advantage.¹ For example, to broaden support in the US for renewable energy and overcome lingering skepticism about the causes of climate change, political and economic actors have consciously reframed the push for renewables as being primarily about achieving energy independence instead of combating climate change.

To enhance existing tools for nonmarket analysis, we draw on research in cognitive linguistics, political science, and social movements that illuminates the role of issue framing. The way in which an issue is framed plays a critical role in nonmarket management because it affects all attendant nonmarket factors, including which actors become involved in the issue, their interests, the arenas in which the issue plays out, and the mix of information and assets

¹ Stable does not mean static. Baron's issue life cycle model, for example, captures how an issue moves through various stages, from identification through interest group formation, legislation and administration all the way to enforcement. See Baron 2003, pp. 16-17. Crucially, however, the model assumes that all interest groups agree what the issue is, even if they have diverging preferences about the outcome.

that shape the outcome. Integrating issue framing into nonmarket analysis strengthens managers' ability to grasp and track an issue and, crucially, identifies pathways through which they can proactively seek to tilt the nonmarket environment in their favor. Given the potential power of framing to shape how an issue evolves, managers will do well to become adept at strategic framing or they risk confronting time and again frames that primarily serve the interests of their adversaries.

Few cases illustrate the power of issue framing and the limitations of current analytic frameworks better than DP World's failed acquisition of port operator P&O's US assets, which we analyze in the following section. Subsequently, we draw on insights from the literature on frames and framing to enhance our understanding of nonmarket dynamics. We show how strategic framing can be employed to shift individual dimensions of the nonmarket environment to the framer's advantage and illustrate each through a short case study drawn from a variety of industry and country contexts. Building on these short case studies and extant research on framing, we develop eight prescriptions for how managers can frame issues more effectively, before concluding with a discussion of how managers can frame responsibly as well as effectively.

How DP World got framed

In 2005, Dubai Ports (DP) World, one of the world's largest and most successful port operators and owned by the government of Dubai, was looking to expand its operations through the acquisition of P&O, a London-based company that operated ports in many countries including the UK, US and Australia. By the time P&O's shareholders voted to accept DP World's \$6.8 billion offer on February 13, 2006, DP World had already cleared any potential regulatory roadblocks to their acquisition of P&O's US assets by securing approval

from the Committee on Foreign Direct Investment in the United States (CFIUS). CFIUS is an interdepartmental committee including representatives from the US Treasury Department, the Department of Defense, and the Department of Homeland Security, among others, and is responsible for reviewing and investigating foreign investments in the US that have national security implications. CFIUS decided on January 17, 2006 that the planned acquisition raised no security concerns and reported this finding to President George W. Bush, who viewed Dubai and the UAE as close allies in the war on terror. After all, UAE ports, operated by DP World, hosted more US warships than any other ports outside the US.

Given CFIUS' approval and the close alliance between the UAE and the US, it appeared as though security concerns would be immaterial to DP World's acquisition of P&O. However, this changed dramatically when an entrepreneurial member of Congress, Senator Charles Schumer of New York, issued a statement blasting the proposed deal the day after P&O shareholders had signed off on it. "Foreign control of our ports, which are vital to homeland security, is a risky proposition," explained Schumer. "Riskier yet is that we are turning it over to a country that has been linked to terrorism previously." Schumer's remarks catapulted the issue into the media spotlight and set off a public firestorm. Within a matter of days, numerous other actors, including both Democratic and Republican members of Congress, state governors, media pundits, and labor union leaders spoke out against DP World operating US ports citing threats to national security. Even though Congress lacked formal jurisdiction to weigh in on specific transactions, a House panel voted near-unanimously to oppose the acquisition and the Senate drafted legislation to block it. Despite the fact that President Bush repeatedly spoke out in favor of the deal, denying the company posed a threat and warning against the 'chilling effects' on future investments from Middle Eastern allies, DP

World was forced to throw in the towel. On March 9, less than three weeks after Schumer's intervention, the company announced it would sell P&O's US port assets to a US entity.

What had gone wrong for DP World? The company had prepared for the issue as framed by applicable US law, i.e. whether its management of US ports would pose a security risk. Figure 1 applies Bach and Allen's (ia)³ framework to this framing of the *issue* and shows that DP World was well prepared for the key *actors* it expected to engage in the *arena* in which decisions regarding foreign direct investments of this kind typically play out in the US. Since the 1970s, CFIUS handles such issues in a largely depoliticized, technocratic fashion. While clearly more than a rubber stamp, the fact that only 1.6 percent of the more than 1,500 cases it reviewed between 1988 and 2005 triggered a comprehensive investigation suggests that the vast majority of firms knew how to manage the process.² DP World was no exception in this respect. The sole *interest* of government departments comprising CFIUS was to assess whether a proposed acquisition of US assets by a foreign entity posed a potential national security threat. To make this determination, the government relied primarily on the analysis of factual *information*, including data provided by the petitioning party. Indeed, in the case of DP World, the strict separation between the regulation of port security, which fell under the jurisdiction of the US Coast Guard, and private commercial port operation suggested that any risk was low since the new owners would have to comply with all pertinent rules and procedures. This is exactly what Danish, Singaporean, and Chinese firms that already managed operations in other US ports did.³ Moreover, the information considered by CFIUS revealed that DP World had an excellent security record and had in fact collaborated with US

² See the list of CFIUS filing maintained by wikipedia.org at http://en.wikipedia.org/wiki/Committee_on_Foreign_Investment_in_the_United_States (last accessed 15 February 2015).

³ Judy Mathewson, "Negroponte Says U.S. Security Risk 'Low' in Port Deal," Bloomberg, 28 February 2006.

authorities in pilot programs to comprehensively screen shipping containers.⁴ Lastly, in terms of *assets*, Dubai was a key ally of the US in the war on terror and the White House had signaled its support for the deal, a key asset given that the heads of all departments comprising CFIUS served at the pleasure of the president. DP World, in summary, was well-positioned to clear the nonmarket hurdle of CFIUS approval: its interests were aligned with those of the critical political actors, the information most relevant in this particular arena was in its favor, and it counted among its additional assets top-level political support.

Figure 1:

The Nonmarket Environment for DP World before and after reframing

	before reframing	after reframing
Issue	“Does DPW’s management of US ports pose a security risk?”	“Should a country associated with terrorism control our ports?”
Actors with a stake in the issue	Bush administration, government departments represented in CFIUS	Congressional Democrats, Congressional Republicans, governors, unions leaders, media commentators
the relevant actors’ Interests	protect US national security, maintain strong ties with the UAE	Democrats want to win Congressional seats by brandishing their national security credentials; Congressional Republicans don’t want to be outflanked and have diminished loyalty to an unpopular, ‘lame duck’ president; governors hope that awareness of port security challenges will lead to new federal investments; union leaders want to protect port jobs and also hope for more investment; the media thrive on sensationalist reporting and the ‘story’ has broad appeal in a post-9/11 environment
Arenas in which the issue unfolds	CFIUS	Media, US Congress

⁴ Robert Wright, “Dubai defends record on maritime security,” Financial Times, 9 March 2006.

Information that moves the issue in these arenas	facts and data about DPW's security record, state of US port security	emotion, fear, stereotypes, reports of UAE citizens' ties to Al Qaeda
Assets needed to prevail	top-level government support, solid track security track record	credibility, media-savviness

Instead of easily clearing a bureaucratic hurdle, however, the company experienced a costly debacle because it realized too late that political actors had reframed the issue. Nothing material had changed in terms of threats to US national security, DP World's record, port operations, or legislation. There were no sudden revelations, or new data, that materially transformed the issue at hand. Rather, a small but powerful group of nonmarket actors - Members of Congress, key governors, union leaders, and media commentators - deliberately seized the issue and reframed it to advance their own interests. The result is captured in the right hand column of Figure 1. Schumer deliberately framed the issue in terms of terrorism, control, and the national origin of DP World. He did this because he led the Democratic Senatorial Campaign Committee that year and was hoping to brandish his party's national security credentials in a crucial election year just five years after 9/11. Republicans feared being outflanked on security and abandoned President Bush whose sagging poll numbers and 'lame duck' status increasingly made him a liability. Governors were hoping for new port security investments, unions looked to protect jobs, and media pundits sensed the story was a ratings winner. As a chorus of diverse actors alleged significant national security risks, the new frame took hold. Reframing the issue, in short, set off a chain reaction that led to (i) new actors joining the fray, (ii) a diversification of interests, (iii) the issue moving from one arena to another, (iv) different types of information gaining traction, and (v) the need for entirely

different assets to prevail. The result was a completely different nonmarket environment and one that DP World was poorly prepared for.

The critical role of issue framing

DP World's sudden change of fortunes suggests that existing tools for mapping the nonmarket environment that treat issues as static and exogenous are insufficient guides to nonmarket management because they ignore the transformative influence of issue framing. DP World's experience highlights three lessons that we develop in this paper to help enrich existing approaches.

First, while existing frameworks for nonmarket analysis have used the 'issue' as the core unit of analysis, it is important for scholars and managers to recognize that issues are not objective concepts. Instead, issues are intersubjective constructs that are shaped by their framing, i.e. how actors interpret, understand and attach meaning to them. An excellent illustration of this is the contrast between the reactions in Congress and the US media to the planned P&O takeover by DP World and the reaction in the UK, a close ally of the US and an active partner in the war on terror. The UK government chose not to frame DP World's takeover as a potential security threat. "We do not comment on the issue really - it's a private company taking over a private company," said a UK government spokesman, "It's a private market issue."⁵ The takeover remained framed as a business transaction and, as a result, there was no noteworthy opposition to the takeover in the UK.

A second lesson is that issues are dynamic and can evolve over time. Moreover, firms, governments and other nonmarket actors can shape this evolution through the process of framing. DP World's acquisition of P&O was initially not framed in terms of foreign operation

⁵ "UK govt shrugs off criticism of DP World takeover of P&O," finanznachrichten.de, 20 February 2006.

of ports and the company's national origins raising the threat of terrorism. Indeed the acquisition was all set to proceed as a regular business transaction involving a company with an established track record on security that had been vetted by the relevant authorities until members of Congress and the media deliberately reframed the issue.

Third, issue framing should not be viewed as a passive or accidental process but rather as an intentional, strategic act. The reframing of DP World's acquisition of P&O in the US was carefully calculated. It is important to recall that CFIUS found no security concerns in DP World's presence in the US. However, Senator Schumer and other Congressional leaders chose to largely ignore this in order to focus public attention on certain aspects of the company and its national origins in a way that would raise concerns about the takeover and its security implications. This reframing of the issue was a purposeful and strategic move by members of Congress to strengthen their national security credentials in the lead up to elections later that year.

Thus, while framing is a largely understudied aspect of nonmarket management, the case of DP World suggests that framing can be critical because it shapes issues - the core unit of analysis around which nonmarket management is often based. In the following section, we draw on research in cognitive linguistics, political science, and social movements theory to sharpen our understanding of frames and framing in relation to nonmarket management. Subsequently, we explicate how firms and other nonmarket actors can use strategic issue framing to shift aspects of the nonmarket environment in their favor.

What are frames and what is framing?

As Joe Brewer of Cognitive Policy Works explains, "Photographers are well aware of the use of frames. The boundaries placed around a scene cause our minds to recognize

central features and disregard whatever lies outside the border. (...) Conceptual frames shape our thinking in a similar way” (Brewer 2008). More scientifically, Goffman, defines frames as “‘schemata of interpretation’ that enable individuals ‘to locate, perceive, identify, and label’ occurrences within their life space and the world at large” (Goffman 1974 as quoted in Benford and Snow 2000, p. 614). “Frames help to render events or occurrences meaningful and...[they] also perform this interpretive function by simplifying and condensing aspects of the ‘world out there’” (Benford and Snow 2000, p. 614; see also Tuchman 1978, Gamson and Modigliani 1987). This simplification often involves focusing attention on a particular aspect or element of an issue or event (Entman 1993, Nelson, Clawson, and Oxley, 1997).

Framing consists of deliberate, largely communicative actions intended to foster the development and maintenance of widely held frames. According to Entman (1993, p. 152), “Framing essentially involves selection and salience. The frame is to select some aspects of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation for the item prescribed.” Entman’s definition alludes to two important aspects of framing. First, it involves communicative acts in which actors select and attribute greater weight to certain understandings or dimensions of an issue. Second, framing is deliberate and often involves strategic behavior (see also Dobusch and Quack 2013). This is explicitly acknowledged in the literature on collective action and social movements in which “frames are the products of strategic efforts by groups of people to fashion shared understandings of the world that legitimate and motivate collective action. Thus, frames involve agency” (Dowell, Swaminathan, and Wade 2002, p. 102).

While framing can shape how individuals view and understanding particular issues, it is important to note that framing is not the same as persuasion (Nelson and Oxley 1999).

Persuasion is about changing beliefs based on argumentation. Framing is based on the premise that “an issue can be viewed from a variety of perspectives and be construed as having implications for multiple values or considerations” (Chong and Druckman 2007). Framing is thus about shaping or changing the weight assigned to different beliefs one may hold already by emphasizing some values or considerations regarding an issue over others (Chong and Druckman 2007).

Frames and framing have been relevant to a number of research streams in management, sociology, and political science. Extant research has examined: the role of shared frames as a conduit for collective action to achieve organizational change (Stevenson and Greenberg 1998) and social change through social movements (Snow and Benford 1992, Polletta and Ho 2006); the importance of shared frames and frame convergence in conflict resolution (Drake and Donohue 1996); the impact of framing on public opinion and the understanding of complex public policy issues (Aaroe 2011, Chong and Druckman 2007, Jacoby 2000); and the role framing can play in lobbying policymakers (Baumgartner 2007) and the courts (Wedeking 2010).

However, framing has received less attention in the context of nonmarket management and nonmarket strategy. This is surprising because nonmarket issues are often complex, multidimensional and engage multiple values and principles that individuals may hold. Framing is therefore likely to be critical in the construction and evolution of nonmarket issues. Moreover, there are numerous examples, such as DP World, that reveal how firms, nongovernmental organizations, and policymakers often intentionally seek to frame or reframe issues. From a strategic perspective, it is imperative that managers recognize that issues are, at least partly, endogenous to firm behavior and firms’ communicative acts and that framing is a key tool that firms can use to shape how key actors, the media, and the public at large

interpret and understand issues. Moreover, as the next section shows, strategic issue framing has the power to affect the structure of the nonmarket environment in terms of the relevant actors, interests, arenas, information, and assets.

Issue framing and the nonmarket environment

In this section, we explicate five distinct pathways (previewed in Figure 2) through which strategic issue framing can shape dimensions of the nonmarket environment. Each is illustrated with an extended example, or short case. Importantly, while some examples feature firms in the driver’s seat, others show that activists and NGOs are equally capable of framing issues in their favor as they take on big business and in these instances the impact on business can be considerable. What each example, or each mini case, has in common is a contrast between a “before” and an “after”, or an “option one” and “option two” when it comes to framing. This brings into sharp relief the dynamic nature of issue framing, the absence of static or predetermined frames, and the way strategic framing can transform key aspects of the nonmarket environment.

Figure 2:

Five Pathways for Nonmarket Transformation through Framing

Nonmarket dimension	Pathway	Case example
Actors	Bringing in new actors	Greenpeace’s campaign against Shell over Brent Spar
Interests	Shaping existing actors’ interests	Australian mining industry’s campaign over proposed tax reform
Arenas	Switching to a more favorable arena	Reuters’ response to proposed rule for financial information services in China

Information	Sorting types of information into 'relevant' and 'not relevant'	The pharmaceutical industry and the controversy over affordable HIV drugs in developing countries
Assets	Influencing which assets matter	Cisco's campaign to keep Huawei and ZTE out of the US market for telecom equipment

Framing to bring in new actors

The way an issue is framed plays a critical role in determining which actors believe they have a stake the issue and how it is resolved. Frames that are broad, flexible and more inclusive are more likely to appeal to and mobilize a broader group of actors than narrower, rigid and more exclusive frames (Dowell, Swaminathan and Wade 2002). These broader frames are often referred to as “master frames” and can be used strategically to help establish linkages and common cause between diverse groups and populations over a variety of issues (see Dowell, Swaminathan and Wade 2002). For example, Greenpeace’s adoption of a powerful master frame was central to its efforts to build support against the disposal of an abandoned offshore oil storage tank named Brent Spar.

In 1995, when Shell sought permission from the UK government to dispose of the Brent Spar the issue before the authorities seemed straightforward: “what is the most environmentally sound disposal option?” Issues like this are ordinarily viewed through a risk analysis frame where the possible environmental impact of each disposal method is multiplied by a likelihood factor to allow comparisons across disposal options. Working in close collaboration with UK regulators, Shell concluded that offshore disposal was the preferred option since onshore disposal alternatives carried the risk of a possible breakup of the structure in shallow waters - a low probability but high environmental impact scenario (Vorfelder 1995, 25-40).

Neither Shell nor the UK government hid the plan to tow Brent Spar into the North Atlantic and sink it in 6,000ft of water. As a Shell executive explained later, “decisions were neither made suddenly nor in secret. Material was available to the public and the media but no one showed any interest; granting the license to sink the Spar was covered in the press but in only a few lines because the media decided the story was boring” (quoted in Jordan 1997, p. 717). This changed dramatically when Greenpeace, in one of its signature moves, occupied the platform, unveiled banners protesting the decision, and supplied the media across Europe with images and press releases blasting the plan to “dump a rusty toxic oil rig into the ocean.” Rather than approaching the issue from a risk management perspective, Greenpeace reframed it as a moral question of environmental stewardship. It used emotional language and sought to delegitimize the measured analytic approach taken by Shell, framing it instead in terms of moral absolutes (Jordan 1997, Dickson and McCullouch 1996).

Greenpeace’s reframing of the issue as “good” vs “evil” behavior towards the environment brought a slew of new actors onto the scene. While only the UK government had jurisdiction over the issue as originally framed, governments including those of the Netherlands, Denmark, Norway, and Germany claimed a right to weigh in on whether “offshore dumping” of oil rigs was a morally acceptable way to treat the environment (Vorfelder 1995, pp. 155-170). More importantly, framing the issue in moral terms appealed to consumers in these countries and they emerged as powerful new actors and threw their support behind Greenpeace by boycotting Shell gas stations. Repeated insistence by Shell and UK government officials that the science underpinning their decision was sound fell on deaf ears since the issue was no longer one of risk-weighted alternatives but rather one of categorical right or wrong. With the issue framed in this way, even the Catholic Church added its voice and blasted Shell (Vorfelder 1995).

Greenpeace ultimately prevailed over Shell because it framed the issue in broad terms that appealed to diverse actors' core values. Moreover, just as Greenpeace's framing of the issue brought new actors onto the stage, it sidelined or weakened others. An issue that has been successfully framed in moral terms, as a struggle between "good" vs "evil", leaves little room for the nuanced assessments of scientists, references by regulators to proper administrative procedure, and even the insistence of a government on its sovereign authority. Shell had science and the law on its side, yet Greenpeace's strategic reframing of the issue carried the day and after a six-week battle, with its reputation damaged and growing costs to its business, Shell reversed course and agreed to dismantle Brent Spar onshore.

Framing to shape interests

While framing can affect which actors do and do not become involved in an issue, it can also affect how actors perceive their interests as being affected by the issue at hand. Issues are often multidimensional, involving difficult and complex trade-offs between gains and losses in different areas, and framing can help focus attention on specific gains/losses to certain actors leading them to support or oppose a particular resolution of the issue. The impact of issue framing on actors' perceptions of their own interests was illustrated particularly vividly in Australia in 2010 when the coordinated efforts of the mining industry defeated a government proposal to reform the country's approach to mineral taxation.

Prior to 2010, the mining industry in Australia had paid taxes primarily based on the volume of minerals extracted. As a result, during the commodities boom in the 2000s mining companies experienced a boom in profits but the increase in tax revenues for the state was far more modest.⁶ In 2010, the newly elected Labor government sought to reform taxation in

⁶ "Australia's Future Tax System: Final Report," Released 2 May 2010 (http://taxreview.treasury.gov.au/content/Content.aspx?doc=html/pubs_reports.htm)

the minerals sector through a Resource Super Profits Tax (RSPT) that would be based on profits, not volume, and that would tax “super profits” exceeding the 10-year bond rate at 40 percent.⁷ The increased mining tax revenue, the government proposed, should offset plans for a lower company tax rate and greater contributions to private pension plans. The government deliberately framed the proposed changes around “fairness” and long run stewardship of the economy. In the words of Prime Minister Kevin Rudd, “Australians actually own these resources and deserve a fair share back from them”⁸ and the RSPT “builds a stronger economy by using super profits earned from the resources owned by all Australians.”⁹ Moreover, the lower corporate tax was seen as move to help other industries become more competitive in the face of an appreciating Australian dollar driven by mining exports.

The government expected the focus on fairness and redistribution to have broad appeal as everyone except a small number of mining companies would benefit from the tax reform. As one commentator pointed out, “Imposing a hefty new tax on multinational mining companies to increase the superannuation savings for mums and dads: you don't need a political science degree to see how a measure like that will play out in the electorate.”¹⁰ However, the mining industry moved swiftly and successfully to reframe the issue, transformed key actors’ perceptions of their interests, and fundamentally altered the political dynamics surrounding the issue.

Working through the Minerals Council of Australia (MCA), the mining industry launched a coordinated, nationwide, multi-million dollar media and advertising campaign in which it sought to focus stakeholders’ attention away from fairness and redistribution of the

⁷ “RSPT v MRRT – the differences,” *The Sydney Morning Herald, Business Day*, 2 July 2010.

⁸ Bonnie Malkin, “Miners stay on guard in row over Australian ‘super-tax’,” *The Telegraph*, 27 June 2010.

⁹ Madeleine Coorey, “Australia to tax ‘super profits’ of mining boom,” *The Sydney Morning Herald*, 2 May 2010.

¹⁰ “Opinions divided over Henry tax review,” *ABC: The 7:30 Report*, 3 May 2010.

gains from the mining boom and to the potential downsides of the RSPT. The slogan for the campaign was “Keep Mining Strong” and stressed that the RSPT would deter future mining investments in Australia and that the mining industry - accounting for 8 percent of GDP and 40 percent of exports in 2009 - was the bedrock of the country’s economy.¹¹ Moreover, the campaign deliberately raised the specter of ‘sovereign risk’: since the tax was going to apply to existing projects, mining industry spokespeople argued it would deter foreign investment across the board since investors would naturally fear ex post changes in other industries.¹² Rio Tinto CEO Tom Albanese told reporters that the proposed tax “is my number one sovereign risk issue on a global basis.”¹³ By using the term ‘sovereign risk’ - language that is commonly associated with irresponsible government rent seeking, expropriation, and even default in volatile developing countries - the mining industry implied adoption of the RSPT would make Australia just such a country.

The strategy of the mining industry’s campaign was clear. They sought to frame the RSPT as a damaging attack on an industry that was of critical importance to the Australian economy and harmful to Australia’s reputation as an investment destination, and thereby align the interests of the mining industry with the interests of citizens and the business community. Even though the tax reform had been designed to benefit non-mining businesses and the public at large, the reframing campaign succeeded in denting support for the RSPT among its expected beneficiaries. Business and consumer confidence fell¹⁴ and the president of the Business Council of Australia, an organization that represents the country’s largest

¹¹ See: <http://www.stwgroup.com.au/what-we-do/projects/minerals-council-of-of-australia-keep-mining-strong>

¹² M.L. Davis, “Punitive tax puts Australian investment at risk,” *Financial Times*, 2 June 2010.

¹³ James Regan, “Rio Tinto says tax makes Australia top sovereign concern,” Reuters, 24 May 2010.

¹⁴ National Australia Bank, “Monthly Business Survey,” May 2010. Retrieved from: <http://www.nab.com.au/wps/wcm/connect/fe6a020042c5b7888302bf8d6b96b23b/MBSMay2010.pdf?MOD=AJPERES&CACHEID=fe6a020042c5b7888302bf8d6b96b23b>; Geoffrey Rogow, “Consumer confidence slumps on mine tax uncertainty, market turmoil: Westpac,” *The Australian*, 9 June 2010.

companies, called on the government to scrap its tax reform plans.¹⁵ Opinion polls, meanwhile, indicated a considerable drop in public support for the RSPT.¹⁶

So effective was the industry's campaign in transforming the political dynamics surrounding minerals taxation that within weeks it was contributing to weakening public support for the Prime Minister, which resulted in his own Labor Party removing him from leadership.¹⁷ One of his successor, Julia Gillard's, first acts as prime minister was to agree to a significantly watered down version of the proposed mining tax reform.¹⁸ Through swift reframing the mining industry had thus turned a surefire vote winning policy into an electoral liability that the government was happy to resolve in their favor.¹⁹ Unlike in the case of Brent Spar, the mining industry's reframing succeeded not by bringing new actors onto the stage but by changing the perceived interests of actors that were already engaged, namely citizens and non-mining businesses.

Framing to access the most favorable arena

Arenas matter because of their constitutive effects. Each policy arena comes with a set of explicit or implicit constitutive rules that determine who has standing, access, and authority; what are the rules and processes of engagement; what outcomes can be achieved; and what types of information and assets can be deployed and are likely to be effective. These constitutive effects mean that some arenas are often more likely than others to facilitate an effective and desired resolution of a given issue. As a consequence arena "shopping" whereby actors choose to participate in the most favorable arena (also referred to

¹⁵ Graham Bradley, "Scrap RSPT and start from ground up," *Australian Financial Review*, 21 June 2010.

¹⁶ "RSPT polling and low hanging fruit," *Crikey*, 2 June 2010.

¹⁷ Peter Smith, "Australian Prime Minister Kevin Rudd's popularity plummets in wake of mining tax," *The Washington Post*, 15 June 2010.

¹⁸ Elizabeth Fry, "Australia's PM waters down mining tax," *The Financial Times*, 2 July 2010.

¹⁹ "Polls say Coalition would defeat Labor in next election over super profits tax," *news.com.au*, 7 June 2010.

as forum or venue shopping) can be a highly effective nonmarket strategy (e.g. Bouwen and McCown 2007, Broscheid and Coen 2007, Drezner 2008). However, getting access to a particular arena is not always straightforward and it often depends on how an issue is framed (Baumgartner 2007). Moreover, once an issue is addressed in a particular arena, that arena can reinforce existing ways of framing the issue (Baumgartner 2007). These two facets of the relationship between framing and arenas can be mutually reinforcing, as the example of Reuters' response to a regulatory challenge in China illustrates.

Reuters may be best known for its news service, but the company has long earned most of its revenue through financial information services (FIS) - anything from up-to-the-second stock and bond quotes to commodity prices and corporate financial information. While Reuters' news service was tightly regulated in China, the company was able to operate with few restrictions in the country's rapidly expanding FIS market, serving Chinese banks, fund managers, and institutional investors as clear market leader. This is why a series of events in the fall of 2006 was particularly disconcerting to Reuters. First, Reuters managers learned that senior government officials were pushing Xinhua, the Chinese state-owned news agency, to gain a foothold in the global FIS market. Second, a leaked speech by Tian Congming, Xinhua's president, suggested that the Chinese agency had recently copied an entire week's worth of Reuters data to "continue our studies on Reuters in great details, its products, and its ways of producing them." The goal, Xinhua's president explained, was that "Step by step, through continuous enhancement, we shall be able to realize our ultimate target of making [Reuters products] replaceable."²⁰ Finally, the company learned that Xinhua had been designated as the country's de-facto FIS regulator, that it had swiftly "announced new rules banning competitors such as Reuters, Dow Jones and

²⁰ Tian Congming, "To enhance international competitiveness of Xinhua's economic information products," June 2006.

Bloomberg from directly soliciting subscribers to its financial information services on the mainland,” and that it “said it will censor any of its rivals’ content deemed harmful to national security.”²¹ For Reuters, as well as its Western competitors, the situation was clear: it was a land grab by Xinhua with the support of senior government officials, something an industry insider called “daylight robbery.”²²

Western condemnation of these events as restrictions on the freedom of expression was swift. In a blistering editorial, the Wall Street Journal wrote, “Freedom of information doesn’t jibe with an authoritarian state whose power relies on controlling news. In recent years, Beijing has alternatively creaked opened, then slammed shut, the television industry and lifestyle magazines. Now it’s trying to do the same thing with financial newswires.”²³ The International Herald Tribune similarly framed the issue around free speech and freedom of the press:

After a period of relative openness, officials now seem determined to make sure that average Chinese do not have easy access to information that could provoke popular discontent or weaken the Communist Party’s grip on power. President Hu Jintao has increased a crackdown on all kinds of news media in recent months, arresting and harassing journalists, tightening regulation of Websites and online forums, hiring tens of thousands of people to screen and block Internet content deemed offensive and firing editors of state-run publications who resist official control.²⁴

The same concerns were echoed by Western policymakers. A spokesperson for the European Commission explained that “the ‘important issue of freedom of expression’ had been discussed during a EU-China summit at the weekend and that the Commission wanted

²¹ Chua Chin Hon, “Xinhua’s curb on foreign media is bad news,” *Straits Times*, 16 September 2006.

²² *Ibid.*

²³ “Old China News Agency,” *The Wall Street Journal Asia*, 12 September 2006.

²⁴ Joseph Kahn, “News curbs tightened in China,” *The International Herald Tribune*, 11 September 2006.

to raise the issue during a human rights dialogue next month in Beijing.”²⁵ Similarly, a US State Department official called China’s media policies “a breach of fundamental rights.”²⁶

In sharp contrast, Reuters refrained from attacking Xinhua and instead stressed dialogue: “We are studying these rules closely to see how they differ from the current guidelines and will be discussing the details of the new regulations with Xinhua,” a spokesperson said.²⁷ After a series of internal meetings and working closely with its competitors at Dow Jones and Bloomberg, Reuters designed a strategy that deliberately reframed the issue. Instead of framing the new regulations in terms of their impact on freedom of information or free speech, the company framed them as an economic issue that impacted trade and competitiveness. Reuters managers argued in meetings with Chinese government officials that the new rules would put FIS users on the mainland at a competitive disadvantage and that they threatened the development of modern financial markets in China. With respect to trade, Reuters built a case in Brussels and Washington that the new rules violated China’s WTO commitments regarding trade in services. Reuters’ executives felt that a freedom of information frame would only strengthen China’s resolve whereas a frame that focused on the economic benefits of continued access to Western FIS might win over economic modernizers. Moreover, framing the issue in terms of trade restrictions made it actionable under binding WTO dispute resolution procedures, provided that Reuters could convince the EU and US to bring a case against China since only governments have standing at the WTO. A free speech or freedom of information issue frame would not have given Reuters any opportunity to have

²⁵ Mure Dickie, “Brussels condemns Beijing over move to curb foreign news agencies,” *Financial Times*, September 12, 2006.

²⁶ Mure Dickie, “Bush joins Brussels protest over Beijing curbs on news,” *Financial Times*, 12 September 2006.

²⁷ Ibid.

the new regulations addressed by the WTO because freedom of expression is outside the WTO's purview.

Reuters' strategy created a self-reinforcing dynamic. Not framing the issue in free speech terms provided access to an arena, the WTO, where Reuters felt it had leverage. At the same time, by pursuing the issue through the WTO, Reuters and its allies sent a message to Beijing that this was an economic issue, not a national security or human rights concern. The strategy was successful as less than a year after the EU and US had brought a WTO suit against China, the parties settled the issue. China agreed to create an independent market regulator and lifted the restrictions on foreign FIS distribution on the mainland.²⁸ While Reuters worked for more than two years to reestablish the status quo ante, the key to success was at the very beginning when the company refused to embrace the emerging freedom of speech frame and instead deliberately reframed the issue to secure access to the most favorable arena for the issue to play out.

Framing to shape what information matters

For many broad and complex issues, different kinds of information can be brought to bear to shape the issue's evolution. However, which information is most powerful and relevant depends on how an issue is framed. Frames focus attention on particular aspects of an issue and thereby sort information into 'relevant' and 'not relevant'. Therefore, firms and other nonmarket actors have a strong incentive to frame issues in a manner that focuses on aspects of an issue where the relevant information is favorable to their cause and away from issue dimensions in which the relevant information harms their position. This is particularly evident in the debate between the global pharmaceutical industry and its critics since the late

²⁸ Greg Robb, "China ends controls over financial-news firms; Agreement reached after U.S., others take case to World Trade Organization," *MarketWatch*, 13 November 2008.

1990s in which both sides have advanced competing frames when it comes to patents and drug access in developing countries. Each cites information consistent with its preferred frame, while largely dismissing the other side's information as irrelevant.

The frame advanced by leading global pharmaceutical companies such as Pfizer, Merck and Novartis with respect to the issue of patent protection for pharmaceuticals in developing countries focuses on property rights and frames the unauthorized use of their discoveries as “theft”. With this frame, the relevant information involves technical aspects of patent law and licensing, the significant R&D investments and uncertain returns that characterize drug development, and the losses suffered by the industry due to reverse engineering, parallel imports, or any other “unauthorized use” of their property. Building on this information, one of the most common arguments developed within this frame is that protection of intellectual property is necessary to incentivize the development of life-saving drugs. As Myriad Genetics CEO, Peter Meldrum, explained while a case involving his company's intellectual property was being heard by the US Supreme Court, “our company and its investors spent more than \$500 million over 17 years before we were able to recoup this investment.”²⁹

To many of the industry's critics, the information put forth by major pharmaceutical companies to shape the public debate is irrelevant. Public health advocates, development organizations, as well as governments and health officials in developing countries focus on the immense suffering of the poor who cannot afford life-saving Western drugs. Their frame does not focus on defending property rights but rather on saving lives using all means available. According to this frame, drugs save lives and those preventing their use kill. The relevant information under this framing is not the billions in R&D needed to make the first pill,

²⁹ Peter D. Meldrum, “Myriad Genetics: Patents save lives, aid innovation,” USA Today, 14 April 2013.

but rather the miniscule amount to make the second pill. Within the “saving lives” frame, key information includes the prevalence of diseases, death rates, and suffering, contrasted with the profitability of the drug companies that own the patents. Similarly, many highlight the contrast between incomes in developing countries and the cost of drugs.

Industry critics have been sufficiently successful in that most global pharmaceutical companies today have elaborate “corporate citizenship” or “corporate social responsibility” initiatives under which they give many millions of dollars worth of drugs away for free. But in dealing with policymakers, the industry continues to push its property rights frame and stresses the losses from patent infringements and innovations from patent enforcement to retain government backing of industry-supporting public policies. While the industry and its critics have learned to work with one another, when it comes to the critical question whether current levels of patent protection are a blessing or a curse, neither side has budged and each stands ready to provide ample information consistent with its frame to support its position.

Framing to mobilize assets

Companies possess a wide range of assets that can help them influence the course of nonmarket issues, such as reputation, social and economic importance, control of critical technology, access to key decision makers and financial resources. The manner in which an issue is framed has a significant impact on which assets companies are able to employ and/or how effective those assets are in shaping how an issue evolves. As many assets are relatively stable, at least in the short- to medium term, a frame that enables a company to effectively leverage its existing assets will afford that company a great advantage. Huawei's struggles to enter the US market illustrate vividly how the company's US competitors were

able to use issue framing to privilege their asset mix over Huawei's and protect their home market.

The greatest competitive threat facing Cisco is arguably the rise of China-based Huawei and ZTE as potent global players in the market for networking technology. When Huawei first pursued Cisco clients, it wooed them with prices that were commonly 30-50 percent below those of its American rival. Even so, Cisco "took little notice of Huawei until it suspected that the Chinese upstart was reverse-engineering its products. It sued the company in 2003 for patent infringement, only settling after Huawei agreed to make changes to its equipment."³⁰ Almost from the beginning, Cisco has thus been fighting its Chinese competitors in nonmarket arenas. However, this has not slowed down the advance of Huawei and ZTE. In the market for routers sold to telecom providers, for example, Cisco's global market share slipped from above 50 percent in 2008 to about 35 percent in 2013, while the combined share of Huawei and ZTE climbed from 12 percent to 26 percent.³¹ Particularly, in emerging markets, Huawei and to a lesser extent ZTE have become the providers of choice, having sold high quality systems at competitive prices in more than 140 countries. As *The Economist* remarked, "In Africa Huawei is everywhere, and welcome almost everywhere."³²

Yet the world's biggest market for networking and communications equipment - the US - remains effectively closed to Huawei and ZTE. This is not because US customers of such gear view Chinese products as inferior and are happy to pay a premium for Cisco equipment. Rather, Cisco, in close collaboration with US policymakers, has worked to frame in particular Huawei's potential US market entry as a national security threat. In 2011, Cisco put together a

³⁰ Jeremy Wagstaff, Sinead Carew, and Jim Finkle, "Insight: For Cisco and Huawei, a bruising rivalry reaches stalemate," Reuters, 22 November 2013.

³¹ Jordan Robertson, "The Chart That Helps Explain Cisco's 6,000 Job Cuts," *BloombergBusiness*, 14 August 2014.

³² "The company that spooked the world," *The Economist*, 4 August 2012.

report and presentation called “Huawei and National Security” that was “meant to help Cisco representatives persuade clients to reject Huawei on security grounds.”³³ According to the Washington Post, the report proclaimed, “Fear of Huawei spreads globally. (...) Despite denials, Huawei has struggled to de-link itself from China’s People’s Liberation Army and the Chinese government.” Cisco lobbyists delivered the same message in Washington and it clearly had an effect. Congress launched an investigation and concluded that “Chinese telecom firms Huawei and ZTE pose [a] security threat.” As House Select Committee on Intelligence Chairman Mike Rogers explained, “It could be a router that turns on in the middle of the night, starts sending back large data packs, and it happens to be sent back to China.”³⁴ Similarly, ranking committee member Dutch Ruppersberger commented, “China is cyberattacking us every day and we had real concerns about the role of Huawei and its connection to the Chinese government.”³⁵ However, as the *The Economist* explains, “The [Intelligence Committee’s] report contains plenty of rhetoric about the supposed threats that Huawei and ZTE (...) pose to American security because of their opaque governance structures and links to China’s Communist Party. But it is oddly devoid of hard evidence to support its draconian recommendations.”³⁶

These ‘draconian recommendations’ include a de-facto ban on acquisitions in the US and a stern warning that US companies should not conduct any business with Huawei or ZTE. Indeed, CFIUS forced Huawei to abandon a planned merger with US technology company 3Leaf Systems and lawmakers pressured Sprint to cancel a deal with the Chinese firm. The

³³ Adi Robertson, “Cisco and other US tech companies lobbied for Huawei investigation, says Washington Post,” *The Verge*, 11 October 2012.

³⁴ Ellen Nakashima, “Chinese telecom firms Huawei and ZTE pose security threat, congressional investigators say,” *Washington Post*, 8 October 2012.

³⁵ Cecilia Kang, “Huawei’s U.S. competitors among those pushing for scrutiny of Chinese tech firm,” *Washington Post*, 10 October 2012.

³⁶ “Putting Huawei on hold,” *The Economist*, 8 October 2012.

dominant national security frame means that the company's key assets, namely its competitiveness, quality, price and reliability, are deemed irrelevant. Instead, the discourse has focused on the fact that Huawei's founder, Ren Zhengfei, was an engineer in the People's Liberation Army (PLA) until 1982, five years before he founded Huawei, and that the company has supplied the PLA with networking equipment. Echoing what has become a chorus among many US technology companies, Dmitri Alperovitch of US web security firm CrowdStrike explained, "I think it's ridiculous to allow a Chinese company with connections to the Chinese government and the PLA to have access to a network."³⁷ As a result, "the one market [Huawei] hasn't been able to penetrate is the US," explained an industry observer, "and that's mainly because of politics and lobbyists pushing really, really hard to put up barriers."³⁸

By deliberately framing the procurement of networking equipment as a national security issue, Cisco and other US technology companies not only make Chinese competitors such as Huawei and ZTE less attractive but they make themselves more attractive. This attractiveness derives from a simple asset that Huawei and ZTE cannot imitate - Cisco and its allies are American. Thus, through framing, Cisco and its peers have been able to focus attention on the nationality of equipment makers as a key asset and thereby protect their home market while encouraging the government to continue efforts that thwart Huawei's expansion. At the same time, Huawei's strong backing from the Chinese government, originally an asset as the company sought to expand abroad, has become a liability.

How to frame

³⁷ "The company that spooked the world," *The Economist*, 4 August 2012.

³⁸ Cecilia Kang, "Huawei's U.S. competitors among those pushing for scrutiny of Chinese tech firm," *Washington Post*, 10 October 2012.

The previous section illustrates how framing can shape the way stakeholders view and attach meaning to an issue and how this in turn structures the nonmarket environment by altering actors, interests, arenas, information, and assets. This makes framing an immensely powerful tool to shape the evolution of nonmarket issues. So how do you frame? What determines whether a company, an NGO, or another group of nonmarket actors will succeed in imposing a preferred frame on a given issue? More research is necessary to definitively answer this question. However, in this section, we draw on cases we have studied as well as extant research to present eight managerial prescriptions for effective framing.

1) *Clearly identify your audience.* Frames are particularly effective when they are selected and tailored to appeal to the intended target audience (Chong 1996). This requires firms to first identify who the key actors are that are involved in an issue and which additional actors, if any, they want to bring to the fore. Being clear about the targeted audience is necessary to design frames that will resonate with the audience's interests and values. Research has found, for example, that lobbyists adopt different frames when lobbying legislators and bureaucrats because of their targets' differing concerns and interests (Holburn and Vanden Bergh 2002).

In tailoring frames to audiences, managers need to be careful when determining the breadth of their frame. Frames can be broad or narrow with the broadest frames being master frames such as "good vs evil" or "fairness vs injustice." The advantage of broad frames is that they are relevant to a broader set of actors, thus enabling coalitions to form. However, the disadvantage of broad frames is that they are often generic, which can limit their ability to deeply resonate with diverse audiences and stimulate a significant response.

2) *Appeal to deeply entrenched values.* Frames are particularly effective when they are tailored to appeal to deeply entrenched values, principles and interests of their intended audience. Many people have strong positive associations with words such as “independence,” “choice,” “freedom” and “fairness” and patriotic colors and symbols similarly invoke positive emotions. For example, to broaden the appeal of renewable energy sources in the US, advocates have stressed their contribution to ‘energy independence,’ knowing that ‘independence’ has broad emotional appeal that surpasses concerns for the environment or the planet. Similarly, the American Beverage Association used the slogan ‘New Yorkers for Beverage Choice’ and adopted the Statue of Liberty as the symbol of its campaign against New York Mayor Michael Bloomberg’s proposed ban on large soda/soft drink containers. The more a frame is linked to the intended audience’s preexisting values, or relies on language and symbols that connect the frame with such values, the more effective it will be. By contrast, frames are less likely to succeed when they contradict individuals’ strongly held values (Chong and Druckman 2007, Chong 2000). As a result, in situations where competing frames exist, individuals can be expected to side with the frame that is most consistent with their prior beliefs (Sniderman and Theriault 2004).

3) *Use emotive language.* Frames appeal to people’s emotions as much as (or even more than) their intellect. Effective framers therefore deliberately use emotive language. In the battle over Brent Spar, for example, Greenpeace repeated words like ‘toxic’, ‘radioactive’ and ‘dumping’ over and over. Similarly, the Motion Picture Association of America and its allies in the music industry speak of ‘stealing’, ‘theft’ and ‘piracy’ in their battle against illegal downloads because these terms have strong emotional associations and connect back to values, which hold that stealing is wrong. Technically, the practice in question is ‘intellectual

property infringement' but that term neither evokes emotional reactions among most people nor does it appeal to deeply held values. In short, emotive language and imagery are important to framing acts because they are memorable and help to engage the underlying values of stakeholders.

4) *Be consistent.* In order to “stick”, a frame has to be consistent across the actors a firm or NGO wishes to speak to. The pursuit of tailored and appealing frames should not lead actors into opportunistic framing shifts that provoke framing inconsistency. It might be tempting to rely on different frames for different audiences, however this poses risks because audiences often communicate with one and another and framing acts can be observed by multiple audiences. For example, a statement to investors during an earnings call might be reported in the press and reach multiple other audiences. Similarly, an argument and frame presented to a bureaucrat may be repeated to an elected official. As Baumgartner (2007, p. 485) notes in his discussion of framing and lobbying, “advocates do not have the luxury of changing their arguments to fit the listener; they have to be consistent because others will point out contradictions and communications are often widely shared in the advocacy process.”

The risks of using multiple, inconsistent frames are twofold. First, the use of multiple frames invites charges of insincerity and manipulation. Second, the use of multiple frames may simply confuse audiences and make the frames less compelling. A frame is designed to focus attention and employing multiple frames may focus audience attention in too many directions causing confusion. Furthermore, if the frames are inconsistent and even contradictory than they may defeat each other by undermining one another. A clear factor that contributed to the Australian mining industry’s successful creation of an alternative frame for

the RSPT was that the same frame focused on economic harm and sovereign risk was repeated across the spectrum of communicative acts, including advertising, letters to newspaper editors, interviews by executives and meetings with investors. The prevalence of social media makes consistency particularly challenging as companies and their activities are increasingly under the microscope, critics are quick to seize on discrepancies, and messages can go viral instantly.

5) *Frame early*. The Australian mining tax case also illustrates the importance of timing and the need to be quick in establishing a frame in a competitive framing environment. Once a frame has taken hold among a broad set of stakeholders, changing it requires extraordinary effort, if it is possible at all. The Australian government had already established a frame for the proposed tax reform and the mining industry was able to establish a counter-frame by acting quickly. Had they moved slowly the government would have had weeks or months to establish a dominant frame for the tax that would have been more difficult to dislodge as stakeholders would have become accustomed to viewing the tax reforms through the government's frame of fairness and redistribution.

More generally, Chong and Druckman argue that reframing is easier to achieve when issues are new. They note that, "Although new issues are often variants of other issues that have been in the news, they are distinguished by the absence of general agreement about how to construe them, whereas older issues have a defined structure and elicit more routine considerations" (Chong and Druckman 2007, p.108). Thus, it behooves actors to be alert to the emergence of new issues that can affect their interests and to be ready to act quickly to affect how the issue is framed before others' frames becomes established in the minds of key

stakeholders. Moreover, because frames are sticky and can be difficult to shift once they have been established (Baumgartner 2007), there can be first mover advantages when framing.

6) *Rely on spokespeople with authority.* Frames are more persuasive when delivered by persons in positions of authority. By “authority” we mean that the audience perceives that the individual has credibility to speak on the issue (see also Druckman 2001). In the case of DP World, a key factor that helped the security threat frame take hold was that it was communicated by senior political figures, such as Senator Schumer, whose responsibility it was to look after the welfare and security of the public. Similarly, senior executives of the leading mining companies in Australia had a huge impact on shaping the debate over mining taxes. Since they preside over multi-billion dollar investment decisions, their claim that the tax would deter new investments and hurt the economy had a measure of credibility. And the public and business community took note when the CEO of a globally operating company declared Australia his “number one sovereign risk issue” globally. Last but not least, while Cisco’s allegations against Huawei certainly had an impact, the application of a national security frame to the issue of networking technology procurement became truly entrenched when a Congressional committee threw its authority behind the claims. The need for authority means that companies and other nonmarket actors who might not a priori have authority with respect to an issue frame must seek out spokespeople with such authority to deliver framing messages on their behalf. Particularly as social media democratizes the public sphere and broadens access, authoritative voices that can rise above any ‘noise’ are critical.

7) *Credibility:* In order to be effective, frames must be empirically credible (Benford and Snow 2000). Frames are more credible when they are consistent with events and evidence

which audiences are familiar with or that framing agents can point to (Dowell, Swaminathan, and Wade 2002). Frames become less credible in the face of clearly contradictory evidence. It is important to note that the evidence in support of a frame need not be overwhelming and sometimes not even a preponderance of evidence is necessary. It does, however, have to be plausible, it has to be consistent with the way the audience might be looking at the world, and most importantly, the actors pushing a particular frame must not undermine the frame themselves through their own actions. Discussing the impact of frames on social movements, Dowell, Swam and Wade (2002) note that, “Another characteristic that determines a frame’s resonance is its consistency (Benford and Snow 2000), or the extent to which a movement’s articulated beliefs match its actions.” An excellent example of this occurred when mining companies in Australia shelved new mining projects and claimed that uncertainty surrounding future mining taxation was the main driver behind those decisions.³⁹ Conversely, if an actor’s frame is discredited due to a lack of supporting evidence or contradictory behavior, the actor risks being discredited themselves, making the establishment of new frames in the future more difficult.

8) *Focus where the impact is greatest.* Framing efforts are more likely to succeed if firms or other nonmarket actors are clear about which aspects of the nonmarket environment they seek to reshape. While we have illustrated ways in which framing can shape the role and influence of actors, interests, arenas, information and assets, and thus shape the evolution of nonmarket issues, some dimensions of the nonmarket environment may be more difficult to shape through framing than others in a given instance. For example, if the actors involved in an issue are largely fixed, framing should probably focus on changing their perception of their

³⁹ Louise Dodson, “\$55bn in limbo amid dust-up,” *The Australian Financial Review*, 9 June 2010.

interests. Similarly, the information available can often be difficult to change and in such cases it may be beneficial to frame an issue in order to access a particular arena in which some information will be weighed more heavily than other information. Thus, in much the same way that Porter advocates trying to create value where the five forces that characterize an industry are weakest, framing should focus on reshaping those dimensions of the nonmarket environment possessing the most scope for flexibility and change given the issue at hand.

It is important to note that following these eight prescriptions does not guarantee framing success, particularly in a competitive framing environment where multiple actors submit competing frames and do so in a way that is well-executed. However, our examination of multiple cases and review of extant research in multiple fields suggests that these factors contribute to effective framing while highlighting some pitfalls to avoid when seeking to frame or reframe a nonmarket issue.

Conclusion: Towards framing that is effective and responsible

This paper has illustrated both the importance of frames as a tool of nonmarket strategy as well as steps that nonmarket actors can take to make their framing strategies more effective. However, it is also important to note that the importance of frames stretches beyond their strategic benefits. Frames play an important role in political and social debate by helping stakeholders make sense of and attach meaning to issues that are often very complex and difficult to understand. Thus, in addition to gaining strategic advantage, through framing firms and other nonmarket actors can also contribute constructively to the quality of public debate and to stakeholder awareness of key facets of nonmarket issues. The flip side of this

is that framing, like many potent management tools, can be abused. The power to shape how individuals and groups understand issues must be used responsibly. In other words, actors should not use frames to willfully manipulate or mislead their audiences.

It is difficult to judge *ex ante* when framing will be manipulative or harmfully misleading. What is clear though is that - regardless of the issue at hand - promoting a more *inclusive* frame reduces the likelihood of abuse. The degree of inclusivity of a frame should not be confused with its breadth. A broad frame is one that brings in or can be applied to multiple different issues. An inclusive frame on the other hand is one that addresses multiple dimensions of the same issue. By contrast, an exclusive frame is one that focuses on a narrow aspect of an issue thereby neglecting to engage other dimensions. For example, Greenpeace's framing of the Brent Spar issue in moral 'good' vs 'evil' terms was broad but it was also deliberately exclusive - it focused on only one aspect of a very complex subject and portrayed Shell and its UK government allies in the worst possible way. Similarly, the Australian mining industry's framing of the mineral royalties issue in terms of sovereign risk and Australia's attractiveness to foreign investors was also relatively exclusive.

Highly exclusive frames raise concerns because they sideline many dimensions of an issue and potentially lead audiences to ignore issue dimensions that are important to their own welfare and the welfare of others. Admittedly, framing is about focusing attention on specific aspects of an issue. However, by adopting a more inclusive frame firms and other nonmarket actors create conditions for substantive engagement with other actors over multiple salient issue dimensions. This, in turn, permits a wider scope of competing arguments and considerations that can influence how an issue evolves, which should contribute to better, more sustainable, and more legitimate outcomes.

An important step that nonmarket actors can take to avoid potentially harmful frames, as well as a step that ensures that their framing is strategically consistent, is for senior management to assume responsibility and oversight over all of their organization's framing activities. Framing involves communicative acts and therefore it can be tempting to outsource or delegate framing to organizations and groups with specialized communication skills, such as strategic communication, public relations, or lobbying firms. While the dedicated resources and know-how of such experts can help organizations implement framing successfully, the core decisions about which frames to adopt and how the frame should be structured should be made by senior management teams charged with developing the firm's broader strategy for managing its market and nonmarket environments. These managers are best equipped to gauge the consistency of different frames with the organization's broader strategic initiatives and operations in the present and in the future. They are also most likely to be aware of the multiple dimensions of an issue, the concerns of other stakeholders and thus they are best equipped to know where and how to develop inclusive frames that bring in issue dimensions that are salient to other actors while also maintaining focus on those dimensions that enable the organization to benefit strategically from the frame. Thus, framing is likely to be most effective and responsible when developed and applied in conjunction with broader firm strategy and based on a sound knowledge of the firm's nonmarket environment.

As critical as framing is for effective nonmarket management, framing alone is not enough. It is not a substitute for strategy, but merely a tool that can be used as part of a broader nonmarket strategy. Framing helps reshape and steer issues in directions where the nonmarket environment is advantageous to the firm. However, developing those advantages in the nonmarket to begin with, such as cultivating valuable assets or managing the availability of important information, requires ongoing nonmarket management. Indeed, the

need for continuous monitoring, analysis, and management of one's nonmarket environment is particularly evident when one realizes that framing and reframing introduce greater levels of dynamism and fluidity into the nonmarket environment. It is not enough for firms to be on the lookout for emerging issues. Rather, effective nonmarket management requires active participation in the framing process.

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