

# Lethal Brands: How VEOs Build Reputations

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# Lethal Brands: How VEOs Build Reputations

## Author Biography

At the University of Nebraska Omaha (UNO), Drs. Ligon, Harms, and Derrick run a joint laboratory that staffs 19 people to examine the leadership, influence, performance, and cyber capabilities of violent extremist organizations (VEOs). Gina Ligon is an industrial and organizational psychologist who is an assistant professor of management in the College of Business Administration, and Mackenzie Harms is a 4th year doctoral student in industrial and organizational psychology. Douglas Derrick is a computer scientist who is an assistant professor of IT Innovation in the College of Information Science and Technology, and he holds an appointment in the Management Department at UNO. Both Derrick and Ligon hold Director Positions in The Center for Collaboration Science (<http://www.unomaha.edu/college-of-business-administration/center-for-collaboration-science/index.php>). In the past three years, this team has worked on federal contracts from United States Strategic Command, Department of Homeland Security, National Institute of Justice, and the National Science Foundation.

## Abstract

ISIS has run the most effective social media marketing campaign in history. In fact, violent extremist organizations (VEOs) market their ideology and organizations to a global audience in ways that rival even the savviest of conventional organizations. However, applying marketing theory and methodology to study VEOs has not been done to date for the security community. Thus, the goal of the present effort is to use a novel lens used to apply the marketing strategies of conventional, for-profit organizations to examine the impact of VEO reputation and legitimacy on VEO performance. We coded tactics used by VEOs such as ISIS to establish a strong brand reputation, and examined the relationship between branding strategies and markers of performance (e.g., recruitment and fundraising) using a sample of 60 historically notable VEOs spanning a variety of ideologies, cultures, and periods of peak performance. The primary contribution of studying such a diverse sample of VEOs is the identification of how branding strategies can predict recruitment of talented personnel, financial sources, and organizational capacity for violence. Two key findings discussed are (1) VEOs market and differentiate themselves via malevolently innovative attacks, and (2) even negatively-toned media coverage is related to their long-term fundraising viability.

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behavioral, cultural, and economic factors on radicalization and violent extremism. The views and conclusions contained in this document are those of the authors and should not be interpreted as necessarily representing the official policies, either expressed or implied, of the U.S. Department of Homeland Security or START.

## Introduction

Over the span of one year, the Islamic State of Iraq and Syria (ISIS) has become one of the most recognized terrorist organizations globally, and a legitimate rival and alternative to al-Qaida Central.<sup>1</sup> The former affiliate separated from al-Qaida in 2014 following publicized disagreements between the leaders. Traditionally, once a parent organization disavows an affiliated organization, the former affiliate suffers in both performance and legitimacy.<sup>2</sup> ISIS, however, has shown steady and sustainable increases in performance and reputation over the past year. Since the split from al-Qaida, ISIS has used strategic marketing to publicize high-impact and innovative attacks (such as the video-taped beheadings of journalists) with low cost to the organization.<sup>3</sup> These tactics have led to numerous outcomes, such as strong alliances with other violent extremist organizations, daily global media coverage, recruiting large numbers of local and foreign fighters, establishing strong and sustainable fundraising lines, and accomplishing organizational objectives.

The success of ISIS over the past year highlights a critical aspect of performance in violent extremist organizations (VEO) that has yet to be empirically examined: Do marketing and branding frameworks that illustrate successful strategies in conventional organizations apply to VEOs? This question is timely, given the increasing VEO use of technology and media to communicate with a global audience. In the following sections, the article briefly outlines how marketing and branding strategies influence performance in conventional organizations, and apply the frameworks to a sample of historically-notable VEOs using a historiometric methodology and a psychometric content-coding scheme. The article then discusses the implications of these results, with emphasis on counterterrorism.

## Violent Extremist Organizations

The term “violent extremist organization” (VEO) is used to describe a collection of individuals who prescribe to an ideological or belief-based

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<sup>1</sup> Charles Lister, “Profiling the Islamic State,” Brookings, December 1, 2014, available at: <http://www.brookings.edu/research/reports2/2014/12/profiling-islamic-state-lister>.

<sup>2</sup> Randi Lunnan and Sven A. Haugland, “Predicting and Measuring Alliance Performance: A Multidimensional Analysis,” *Journal of Strategic Management* 29:5 (2007): 545-556.

<sup>3</sup> Gina S. Ligon, Mackenzie Harms, John Crowe, Leif Lundmark, and Pete Simi, “ISIL: Branding, leadership Culture, and Lethal Attraction,” *START*, November 2014, available at: <http://www.start.umd.edu/research-projects/isil-branding-leadership-culture-and-lethal-attraction>.

mission and engage in violence in order to execute that mission.<sup>4</sup> Due to the covert nature of their activities, VEOs often have a degree of ambiguity in their organizational boundaries.<sup>5</sup> Despite this ambiguity, VEOs share many characteristics with more conventional organizations, particularly within their core leadership and top members.<sup>6</sup> For instance, VEOs can be classified by their organizational features, such as hierarchy, formalization, and centralization, as well as in terms of performance, such as financing, recruitment opportunities, and innovation.

In addition to features like structure, tactics, and operations, VEOs are similar to other types of organizations in that their complexity, unique characteristics, and continual evolution make it difficult to study them in a controlled setting. Despite these limitations, there is a critical need to study organizational trends and frameworks across VEOs in an empirical way, in order to better predict strategic outcomes following counterterrorism efforts and deterrence operations.<sup>7</sup> Consequently, similar techniques employed to study conventional organizations—using secondary, archival data and other historical records suitable for these distinct populations of interest—can be applied to VEOs.

## VEO Marketing: Brand and Reputation

In addition to methodological and data collection techniques, the similarities between VEOs and conventional organizations offer opportunities to use the robust body of literature on organizational behavior garnered from businesses and non-profits to develop and test models of performance in VEOs. One such area that has shown strong predictive value in the private sector is research illustrating how organizations market themselves and establish a unique brand with implications for firm legitimacy, funding, human capital, and innovation.<sup>8</sup> The ways in which organizations differentiate themselves

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<sup>4</sup> Gina S. Ligon, Pete Simi, Mackenzie Harms, and Daniel J. Harris, “Putting the ‘O’ in VEO: What Makes an Organization,” *Dynamics of Asymmetric Conflict* 6:1 (2013): 110-134.

<sup>5</sup> Marc Sageman, *Leaderless Jihad: Terror Networks in the Twenty-First Century* (Philadelphia: University of Pennsylvania Press, 2008).

<sup>6</sup> Clark McCauley and Sophia Moskalenko, “Mechanisms of Political Radicalization: Pathways Toward Terrorism,” *Terrorism and Political Violence* 20:3 (2008): 415-433.

<sup>7</sup> Edwin Bakker, “Forecasting Terrorism: The Need for a More Systematic Approach,” *Journal of Strategic Security* 5:4 (2012): 69-84.

<sup>8</sup> David L. Deephouse, “Media Reputation as a Strategic Resource: An Integration of Mass Communication and Resource-Based Theories,” *Journal of Management* 26:6 (2000): 1091-1112.

from competitors in terms of their brand influence perception among stakeholders and competitors.<sup>9</sup>

An organization's brand can be thought of as its personality—the stronger or more distinct an organization's brand is, the more likely it is that marketing and promotional efforts will increase the organization's reputation, which in turn increases other facets of performance.<sup>10</sup> Branding is achieved through engaging in innovative marketing campaigns and strategic actions that attract media attention, publicizing the organization's mission and success, and differentiating them from competitors.<sup>11</sup> As the ISIS example suggests, VEOs with similar ideologies may still have remarkably distinct brands that differentiate them as unique from competing VEOs (e.g., al-Qaida). Accordingly, marketing frameworks offer valuable theoretical support for understanding the interplay between branding, reputation, and organizational sustainability in VEOs.

In more conventional organizations, crafting a successful brand via media coverage and innovation can lead to third-party endorsements (e.g., organizations see a surge in applicants and investments after recognition in Forbes Magazine as a desirable organization via their ranking system), which build a strong reputation for the firm.<sup>12</sup> Firm reputation and legitimacy garnered through third-party endorsements results in sustainable funding lines with banks and investors, access to desirable markets, and opportunities to co-brand with other notable organizations.<sup>13</sup> Co-branding or aligning with other organizations is an important outcome because it leads to wider global influence, larger constituencies of stakeholders, and increases access to resources such as training or human capital. In addition, stable funding lines increase the organization's ability to execute successful marketing campaigns in the future. Therefore, marketing constructs found in conventional organizational science literature are important to understanding VEO performance because the cyclical nature of branding, reputation, and performance tends to increase sustainability over time.

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<sup>9</sup> David L. Deephouse and Suzanne M. Carter, "An Examination of Differences between Organizational Legitimacy and Organizational Reputation," *Journal of Management Studies* 42:2 (2005): 329-360.

<sup>10</sup> Volina P. Rindova, Antoaneta P. Petkova, and Suresh Kotha, "Standing Out: How New Firms in Emerging Markets Build Reputation," *Strategic Organization* 5 (Feb 2007): 31-70.

<sup>11</sup> Ibid.

<sup>12</sup> Charles Fombrun and Mark Shanley, "What's in a Name? Reputation Building and Corporate Strategy," *Academy of Management* 33:2 (1990): 233-258.

<sup>13</sup> Ibid.

## Malevolent Innovation

Firms conventionally build their brands and reputations based on innovative promotional efforts to attract attention to their products and services. However, given the destructive nature of VEOs, it is unclear how their violence impacts organizational brand and reputation. In a recent model by Gill and Horgan, malevolent creativity is described as a particularly useful index of performance and may have implications for understanding how organizations such as ISIS have rapidly become a global threat.<sup>14</sup> While traditional VEO performance is studied almost exclusively in terms of lethality, that metric does not capture the full range of outcomes that have implications for early warning signs of later VEO destruction.<sup>15</sup> For instance, as the recent Boston Marathon bombing suggests, lethality alone cannot fully capture the impact of VEO performance and effectiveness. The bombing resulted in three fatalities, which is a relatively low number of casualties when compared to other high-impact terrorist attacks. However, the symbolic nature of the target and attack were psychologically destructive to the target audience and resulted in a renewed attention to the Jihadi brand. This suggests that lethality alone may not be the only index that should describe VEO performance.

Using a marketing framework, however, may link how malevolent innovation (i.e., novel methods of destruction to people, property, and symbols of the target group) results in greater organizational performance. Moreover, it is widely known that one aspect of creating a strong brand in conventional organizations is the innovation that firms use to draw attention from potential recruits, customers, and investors. For example, brand managers spend resources to creatively market their firm to stand out from others in their industry (e.g., Coke versus Pepsi advertisements and public relation campaigns). Given that VEOs operate in a violent domain, it is likely that their innovation must also demonstrate increasingly novel and sophisticated attacks to differentiate themselves in the marketplace of ideas. How that malevolence relates to performance has not been tested empirically to date.

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<sup>14</sup> Paul Gill, John Horgan, Samuel T. Hunter, and Lily D. Cushenbery, "Malevolent Creativity in Terrorist Organizations," *Journal of Creative Behavior* 47:2 (2013): 125-151.

<sup>15</sup> Victor Asal and Karl Rethemeyer, "The Nature of the Beast: Organizational Structures and the Lethality of Terrorist Attacks," *The Journal of Politics* 70 (April 2008): 437-449.

## VEO Performance

Relatively novel attacks such as the Boston marathon bombing and the video-taped beheadings of American journalists by ISIS tend to attract global media attention, both positive and negative, that may create the same impact on the organization's reputation and brand as a high-lethality attack. The media coverage allows VEOs to craft the narrative supporting their attack to further establish their brand and spread their ideological message to potential sympathizers and constituents. In addition, for VEOs to draw desirable recruits such as foreign fighters or individuals with specialized skills, media coverage places their brand foremost in the minds of potential members and has been shown to influence radicalism.<sup>16</sup> Similar to how marketing campaigns are designed to establish brand loyalty among consumers, VEOs execute innovative attacks as campaigns to draw media coverage and attract membership and potential financiers. This suggests that malevolent innovation may be a critical early indicator of VEO marketing (e.g., third-party endorsements, opportunities to co-brand, reputation) that may increase the legitimacy and desirability of a VEO in the eyes of the potential recruits and funders.

## Present Study

Applying marketing constructs such as branding (e.g., malevolent innovation, media attention) and reputation (e.g., external legitimacy, third-party endorsements) to examine VEO performance in terms of recruiting and fundraising has not been done to date. Thus, the goal of the present effort drives three research questions:

**Research Question 1:** Do elements of organizational branding and reputation extend to the domain of Violent Extremist organizations?

**Research Question 2:** What is the relationship between malevolent innovation with other branding indices (e.g., media tone) and reputation indices (e.g., organizational legitimacy) in the context of violence?

**Research Question 3:** What is the relationship between marketing efforts and recruitment of talented members and revenue sources?

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<sup>16</sup> Robin L. Thompson, "Radicalization and the Use of Social Media," *Journal of Strategic Security* 4:4 (2011): 167-190.



## Method

This research employed a historiometric method developed as part of the Leadership of the Extreme and Dangerous for Innovative Results (LEADIR) project, dedicated to examining predictors of violence and performance of VEOs.<sup>17</sup> Historiometry is a method that transforms publicly available, qualitative historical records and applies quantitative analyses to measure relationships in notable populations that may be otherwise difficult to study.<sup>18</sup> The steps followed to develop a psychometrically-validated content coding scheme, to gather and code the data using benchmarked rating scales, and to test the hypothesized relationships are briefly outlined in the following sections.

## Sample

The sample was comprised of sixty historically notable VEOs, distributed across regions (western and non-western) and ideologies. The sample was also diverse in organizational structure (e.g., hierarchical and cell-based) and size. Organizations were excluded if their height of peak performance occurred prior to 1980, to ensure that sufficient data on the media strategies of the organizations were available. Height of peak performance was determined according to consistency of performance over time (e.g., attacks), largest growth in terms of membership or financing, and relative stability of organizational structure and leadership. Using three subject matter experts with over ten years of experience in the field of extremist studies, we identified organizations that met criteria outlined to capture a wide array of VEOs (e.g., Tamil Tigers, Hezbollah, FARC). Though the sample may be considered small relative to research within other domains, the sample was sufficiently diverse to examine whether the hypothesized relationships between branding and performance are consistent across ideological groups who employ violence to execute their mission.<sup>19</sup>

## Data Gathering and Coding

Doctoral students trained in industrial and organizational psychology and extremist organizations gathered academic, government, and media sources

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<sup>17</sup> Gina S. Ligon, "Organizational Determinants of Violence and Performance," Study of Terrorism and Responses to Terrorism, available at: <http://www.start.umd.edu/research-projects/organizational-determinants-violence-and-performance>

<sup>18</sup> Gina S. Ligon, Daniel J. Harris, and Samuel T. Hunter, "Quantifying Leader Lives: What Historiometric Approaches can Tell Us," *The Leadership Quarterly* 23:6 (2013): 1104-1133.

<sup>19</sup> Brian J. Phillips, "What is a Terrorist Group? Conceptual Issues and Empirical Implications," *Terrorism and Political Violence* 27:2 (2015): 225-242.

to gather qualitative information about the marketing strategies (e.g., branding and reputation efforts) and the performance indices (e.g., recruiting characteristics and fundraising sources) of each organization. In accordance with best practices for coding of secondary sources, the research teams divided into groups devoted to gathering marketing strategy data or performance data to prevent mono-source and common method bias. The search tactics were standardized across researchers to ensure that any gathered data were from reputable sources and that sufficient data were gathered. Each organization was then de-identified so that coders in subsequent steps were not familiar with the groups.

A psychometric content coding scheme was developed using behaviorally anchored rating scales (BARS) and objective indices of performance to measure constructs related to branding and organizational behavior. Constructs coded as BARS were measured on 5-point Likert-type scales with benchmark exemplars for low, medium, and high performance indicators.<sup>20</sup> All data were then coded by three trained raters and assessed for interrater agreement according to within-group variance ( $r_{wg}$ ) and intraclass correlations (ICCs). Agreement was above .80 on all constructs across raters, which is the accepted criterion for research.<sup>21</sup>

### *Branding Measures*

The most notable way for VEOs to brand themselves and attract media attention is by executing attacks that are innovative, as well as highly effective at psychologically influencing secondary and tertiary targets (i.e., some attacks induce a high degree of fear to those not directly involved in the attack). Thus, we assessed *malevolent innovation* by rating attacks from VEOs to the extent to which an organization uses behaviors or actions that are cruel or excessively violent, above and beyond their mission and relative to other VEOs within their historical context. For instance, the video-taped beheadings made popular by al-Qaida in Iraq under Abu Musab al-Zarqawi (and later, ISIS) show an element of psychological cruelty that supersedes attacks measured solely by lethality. To assess this particular aspect of performance, we used the Global Terrorism Database to sample attacks from each organization during its peak performance period.<sup>22</sup>

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<sup>20</sup> Debnath, Sukumar C., Brian Lee, and Sudhir Tandon. "Fifty Years and Going Strong: What Makes Behaviorally Anchored Ratings Scales So Perennial as an Appraisal Method?" *International Journal of Business and Social Science* 6:2 (2015): 16-25.

<sup>21</sup> Ibid.

<sup>22</sup> Gary LaFree and Laura Dugan, "Global Terrorism Database," Study of Terrorism and Responses to Terrorism, available at: <http://www.start.umd.edu/gtd/>

Using procedures outlined by the Public Relations Society of America (PRSA) of best practices for measuring branding and reputation via media, the prominence of the organization includes indices of branding and promotional efforts that refer to the organization's global status, and are measured using several 5-point Likert-type BARS.<sup>23</sup> *Media exposure* refers to the amount of publicity an organization receives globally (both Western and non-Western media outlets). This construct was coded using a stratified sampling technique to capture news sources from both Western and non-Western media outlets, and then benchmarked proportionately within the sample to reflect low, mid, and high amounts of media exposure. *Media tone* is comprised of two scales measuring the extent to which the tone of media coverage regarding the groups is positive or negative, respectively.

### *Reputation Measures*

Organizations that are more innovative and establish a unique brand are expected to have a stronger reputation, as measured by several BARS. *External legitimacy* refers to third-party endorsements that reflect the global threat an organization poses, and is indexed by the number of countries designating that VEO as a Foreign Terrorist Organization (i.e., FTO designation), which has been used in nascent research as an index of global endorsements.<sup>24</sup> *Comparative reputation* refers to the reputation and legitimacy of an organization relative to competing VEOs (e.g., there are a number of Jihadist organizations, but some are considered to be more sophisticated than others, comparatively). *Cultural reputation* refers to the perception of an organization within their regional population (e.g., Boko Haram is considered a strong force within Nigeria). Finally, *co-branding* refers to the extent to which the organization publicizes alliances with other organizations within their ideology.

### *Performance Measures*

As establishing a unique brand and strong reputation is most likely to influence members as well as investors, two important aspects of performance we examined are recruiting and fundraising. *Recruitment strategies* refer to

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<sup>23</sup> David Michaelson and Sandra Macleod, "The Application of 'Best Practices' in Public Relations and Evaluation Systems," *Public Relations Journal* 1:1 (2007): 1-14.

<sup>24</sup> U.S. Department of State, "Foreign Terrorist Organizations," updated March 2015, available at: <http://www.state.gov/j/ct/rls/other/des/123085.htm>; Ethem Ilbiz and Benjamin L. Curtis, "Trendsetters, Trend Followers, and Individual Players: Obtaining Global Counterterror Actor Types from proscribed Terror Lists," *Studies in Conflict and Terrorism* 38:1 (2015): 39-61.

the novelty and effectiveness of strategies used to recruit potential sympathizers and members, particularly those with desirable attributes. Organizations rated high on *novelty* use diverse messaging and tactics to recruit specific members of interest, such as al-Qaida in the Arabian Peninsula's (AQAP) magazines targeting female Muslims or Westerners with access to desirable targets, or the Hammerskins' use of their record label and racist rock concerts to recruit youth.<sup>25</sup> Organizations high on *effectiveness* use tactics that are highly successful at recruiting desirable members (those with access to resources, specialized skills, or other desirable traits).

Marketing should also relate to fundraising efficiency. *Short-term fundraising* refers to strategies that have an immediate fundraising return for the organization, such as bank robberies or successful ransom demands. *Long-term fundraising* refers to sustainable fundraising strategies that lead to income for the organization over time, such as legitimate business or membership dues. *Fundraising novelty* refers to the diversity and innovation an organization uses to raise funds, and was assessed by measuring each fundraising stream on a Likert scale for creativity.

## Results

In order to examine how branding and reputation may influence the threat and success of VEOs, the authors conducted a series of descriptive statistics and correlations among indices of branding, reputation, and performance. To investigate research questions one and two, proposing that relationships between malevolent innovation, branding, and reputation found in conventional organizations are also predictive in VEOs, we examined the intercorrelations among analogous indices (Table 1).

**Table 1: Intercorrelations between Indices of Branding and Reputation**

		M	SD	1	2	3	4	5	6	7
	Branding									
1	Malevolent Innovation	2.83	1.39							
2	Media	2.97	1.52	.60**						

<sup>25</sup> Esther Solis Al-Tabaa, "Targeting a Female Audience: American Muslim Women's Perceptions of al-Qaida Propaganda," *Journal of Strategic Security* 6:3 (2013): 10-21; Simi, Pete, and Robert Futrell, *American Swastika: Inside the White Power Movement's Hidden Spaces of Hate* (New York: Rowman & Littlefield, 2010).

	Exposure									
3	Positive Exposure	2.90	1.40	-.03	.19					
4	Negative Exposure	3.42	1.23	.71**	.52**	-.20				
Reputation										
5	External Legitimacy	2.39	1.62	.51**	.62**	.21	.39**			
6	Comparative	3.30	1.32	.62**	.69**	.20	.57**	.61**		
7	Cultural	3.89	1.26	.68**	.72**	.23 <sup>†</sup>	.56**	.55**	.83**	
8	Co-branding	2.73	1.45	.44**	.47**	.24 <sup>†</sup>	.37**	.65**	.52**	.51**

Note: N = 60; \*  $p < .05$ , \*\*  $p < .01$ , <sup>†</sup>  $p < .10$ .

Consistent with marketing frameworks in for-profit organizations, there are strong, positive relationships between malevolent innovation, branding and media prominence, and perceived reputation against and among comparable organizations, as well as within their cultural group. In addition, malevolent innovation, branding, and media prominence were related to higher external legitimacy (FTO designations) and co-branding (strategic alliances).

Specifically, VEOs who co-brand with other VEOs and have higher external legitimacy from foreign governments tend to also have much more media exposure and a higher reputation comparatively and culturally. VEOs who engage in the higher malevolent innovation tend to have stronger branding and a more prominent reputation. For example, when the group *Tawhid a'al Jihad* broadcasted the promotional video of the beheading of Daniel Pearl, they gained a great deal of media attention—albeit negative attention ( $r = .71$ ,  $p < .01$ ), which was followed by at least four countries designating the group as an FTO ( $r = .51$ ,  $p < .01$ ). While this may have had an immediate negative reaction globally, overtime the media attention that was received increased the group's brand and reputation via legitimacy.

Dissimilar to analogous relationships in conventional organizations, positive media exposure has no impact on other facets of branding and reputation, while negative media exposure does. Given that lethality, destruction, and malevolence are common tactics of VEOs, this suggests that actions to gain negative exposure result in several positive outcomes, such as a stronger reputation and more access to valuable allies. Conversely, efforts by organizations such as ISIS to reframe media exposure to highlight positive aspects of their organization (e.g., offering food and infrastructure to the local

population) likely have little influence on their overall reputation and prominence.

Findings related to reputation demonstrate that malevolent innovation has a strong relationship with both cultural ( $r = .62, p < .01$ ) and comparative ( $r = .68, p < .01$ ) reputation. Thus, VEOs who engage in innovative attacks may increase the desirability of other VEOs to align with them. It may also lead to more distinct reputation against other VEOs, as is playing out currently with the competition between ISIS and al-Qaida Associated Movements (AQAM). Former AQAM affiliates such as Boko Haram have recently pledged loyalty to ISIS following their increase in attack innovation, and coinciding with AQAM's overall decrease in innovation and attacks in the past year.

Preliminary analyses among performance metrics suggested that recruiting efforts were related to novelty ( $r = .57, p < .01$ ) and long-term fundraising ( $r = .55, p < .01$ ) for VEOs. However, short-term fundraising is not significantly related to either novel or effective recruitment strategies, suggesting that VEOs marketing themselves to desirable populations for recruitment may be less likely to engage in more one-off fundraising exploits (e.g., bank robberies) that may alienate potential members. Next, to investigate research question three, investigating whether marketing frameworks that predict performance in conventional organizations also predict performance in VEOs, the authors examined the inter-correlations among branding, reputation, and performance (creative and effective recruitment and fundraising) (Table 2).

The results suggested that high external legitimacy (i.e., FTO designation by foreign governments) is positively related to long-term fundraising, but not related to short-term fundraising. This may mean that designating a VEO as an FTO hinders short term fundraising and political/ideological goal achievement, but may lead to these organizations getting more novel in their fundraising efforts, and eventually more sustainable in their business models. For example, as ISIS gains legitimacy and controls more territory, they also have more sustainable funding avenues available and, therefore, may rely less on only short-term or illegal funding activities.

**Table 2: Intercorrelations between Branding, Reputation, and Performance**

	<b>Recruitment</b>		<b>Fundraising</b>		
	Novelty	Effectiveness	Novelty	Short-term	Long-term
	2.72 ± 1.38	3.35 ± 1.28	2.90 ± 1.35	3.93 ± 1.16	3.47 ± 1.48
<b>Branding</b>					
<b>Malevolent Innovation</b>	.41**	.52**	.41**	.28*	.35**
<b>Media Exposure</b>	.55**	.61**	.62**	.29*	.48**
<b>Positive Exposure</b>	.31*	.35**	.31*	.19	.31*
<b>Negative Exposure</b>	.38**	.16	.38**	.16	.43**
<b>Reputation</b>					
<b>External Legitimacy</b>	.45**	.44**	.45**	.21	.59**
<b>Comparative</b>	.39**	.44**	.51**	.41**	.51**
<b>Cultural</b>	.41**	.60**	.57**	.44**	.52**
<b>Co-branding</b>	.28*	.33*	.32*	.19	.49**

Note: Constructs are coded on 5-point, Likert-type scales. N = 60; \*  $p < .05$ , \*\*  $p < .01$ .

The results also demonstrate strong relationships between external legitimacy, co-branding, and media exposure with novelty and effectiveness of recruitment. What is interesting about this finding is that effective recruitment was measured for this effort as the VEO's capacity to recruit specialized, desirable individuals—not just sheer number of people. This suggests that organizations that are seen as more legitimate and have greater media attention are also able to better attract more sophisticated members, who can later plan specialized attacks that gain greater media exposure down the road. One example of this finding is Jemaah Islamiyah, who used its relationship with al-Qaida (co-branding) to recruit more specialized weapons experts, which may have led to the subsequent successful bombings in Bali.<sup>26</sup>

<sup>26</sup> David Martin Jones, Michael L. R. Smith, and Mark Weeding, "Looking for the Pattern: Al Qaeda in Southeast Asia—The Genealogy of a Terror Network," *Studies in Conflict and Terrorism* 26:6 (2003):443-457.

This set of coordinated attacks subsequently led to more prominence and attention from foreign states.

Cultural reputation is strongly related to effectiveness in recruiting for desirable populations, suggesting that VEOs with a stronger reputation and prominence within their culture tend to attract highly skilled individuals compared with organizations who have not established a reputation (garnered from media coverage of innovative attacks) within their region. In other words, when VEOs are perceived as stronger, more dominant representatives of their people's needs, they are more likely to also have more expert, talented members drawn to them. In support of this, VEOs who engaged in the most creative marketing to potential members tended to obtain more financial support from investors. Overall, the results support the research hypothesis proposing that marketing frameworks used to predict performance in conventional organizations will be predictive in VEOs as well. The implications of these results are discussed in the following section.

## Discussion

A central concern of a VEO is how to grow and maintain the organization—both in terms of followers and finances. Recruiting is a central component of VEO leader decision making, resulting in a focus on branding, organizational legitimacy, and creating a compelling narrative. Decisions are both made and framed in relation to the brand, such as what alliances to endorse, what media to use in recruiting, and what statements to make by key figures. For example, ISIS has designated Abu Muhammad al-Adnani as the Chief Media Officer, charged with delivering “official” organizational speeches and approving media content such as the video *Flames of War*. With an emphasis on the recruitment of foreign fighters from distinct regions, the branding that al-Adnani uses creates waves of media attention—both positive and negative in tone—and increases the overall reputation and legitimacy of ISIS.

When competing for funds against similar and regionally-co-located VEOs (e.g., al Nusra Front) from revenue sources, ISIS has created a compelling brand that is differentiated, endorsed, and increasingly legitimate. The present effort highlights empirical relationships that indicate that marketing matters for VEOs, and there may be early indicators of which VEOs will gain momentum in terms of recruits and funders. Before turning to the implications of these results, however, it is important to discuss the limitations of the present effort.



First, the authors only had access to secondary sources to assess marketing impact. While examining reactions from actual recruits and funders based on efforts to differentiate brand and reputation would have added more validity to our findings, the method of inferring impact based on objective indices (e.g., number of talented recruits, diversity of fundraising sources) has been used extensively in the broader strategy and organizational literature to assess marketing impact. Nonetheless, future laboratory-based studies should examine reaction-level data from individuals after viewing marketing campaigns from VEOs to gain a richer understanding of how such efforts to highlight innovation, brand, and reputation influence at the individual level.

Related to this limitation, this study only examined correlations among the branding and performance facets coded here. Though more complex models may reveal intricacies among the data such as mediated relationships, the authors were hesitant to draw causal directions without meeting the criteria for inferring causation from traditional laboratory research. Future studies may consider examining these constructs using time series data in case studies or small samples, in order to begin testing directional relationships among metrics examined here.

Second, the present study only examined one organizational strategy—malevolent innovation of attacks—as a precursor to brand and reputation. However, signaling theory dictates that there are a number of approaches that organizations can use to increase the status of their brand and reputation. For example, organizations with “celebrity CEOs” tend to have more media attention due to the relative inimitability of that strategic resource.<sup>27</sup> Thus, it may hold that VEOs with leaders who are unique (i.e., making efforts to differentiate themselves from other leaders) also have a strategic advantage to be leveraged in organizational marketing efforts. Future studies should broaden their examination of other organizational strategies to heighten VEO brand and reputation. For instance, though this article did not examine social media use as a component of this research, a recent social network analysis of twitter feeds managed by ISIS revealed that social media has been instrumental in driving communication between core ISIS leadership and local and foreign fighters.<sup>28</sup> Other research has cited the increasing popularity of YouTube and Instagram among VEOs to share video content,

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<sup>27</sup> Violina P. Rindova, Timothy G. Pollock and Mathew L. A. Hayward, “Celebrity Firms: The Social Construction of Market,” *Academy of Management Review* 31:1 (2006): 50-71.

<sup>28</sup> Jytte Klausen, “Tweeting the Jihad: Social Media Networks of Western Foreign Fighters in Syria and Iraq,” *Studies in Conflict and Terrorism* 38:1 (2015): 1-22.

departing from the historical trend to release video content to traditional media outlets (i.e., news outlets).<sup>29</sup> Therefore, as the communication medium for conventional organizations evolves to include popular technology platforms, VEOs may transition to similar tactics in order to build an online reputation and to recruit new generations of fighters. These platforms also offer opportunities for advancements in counter-messaging from governments seeking to dissuade sympathy for VEO missions.

## Conclusion and Implications for Counterterrorism

Despite these limitations, conclusions from the present effort yielded at least three important implications for counterterrorism. First, malevolent innovation, as measured by attack cruelty above and beyond current norms that is executed in a novel and surprising way, is one important way that VEOs market themselves. By creating the impression that they are able to execute coordinated and sophisticated attacks, they create a brand that is seen as legitimate, differentiated, and unique. In addition, the novelty of attacks cannot be underestimated in terms of impact; resulting media attention—both positive and negative—can lead to potential recruits having a greater affinity for the organization, as witnessed by the recent foreign fighter phenomenon with ISIS. It may be that the increased media attention and firm legitimacy garnered after they leveraged increasingly sophisticated and cruel attacks created a cognitive opening among sympathizers for recruiters to persuade individuals to join the organization. Thus, an important implication of this work is that when VEOs send messages of rarity, inimitability, and novelty via marketing of cruel attacks, they may also be more likely to grow in size and long-term funding security over time. VEO branding and reputation efforts can be used as other indices for threat assessment given this finding.

Second, any media may be “good media” for a VEO. While conventional studies of branding have indicated that the more positive in tone different media reports are, the greater increase in funding, the results of the present effort indicate that negative tone is most related to long-term fundraising viability. This was a surprising finding as it seems that unusually cruel attacks and the negative media coverage that follows seems to marginalize more moderate followers and thus likely dampen donations from such sources. However, the converse appears to be found in the present results; attack cruelty and malevolent innovation was strongly related to negative media reports and also to long-term fundraising sources (e.g., the acquisition

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<sup>29</sup> Gabriel Weimann, *New Terrorism and New Media* (Washington, D.C.: Commons Lab of the Woodrow Wilson International Center for Scholars, 2014).

of legitimate business, member donations). The implications for understanding the relationship between financiers of terrorism and acts of terrorism are important; it may be that the psychological impact of attacks (e.g., the video-taped beheadings by ISIS created a global media buzz about the organization) sends a message to investors similar to the way pricing and product design send signals to investors in conventional organizations of firm viability and likely sustainability.

Finally, while marketing theory can be used to understand how VEOs brand and increase their reputation among recruits and investors, it stands to reason that it also can be used to develop counter-messaging and counter-narratives for VEO recruitment and fundraising. When VEOs engage in attacks that show a high degree of malevolent innovation, publicizing the rarity, complexity, and sophistication of these attacks serves as a marketing campaign for the organization. Thus, it seems that a counter-narrative that denigrates the organizational legitimacy (e.g., highlighting similarity among VEOs, downplaying unique/novel attacks) would counter the swell of enthusiasm that a 'Chief Media Officer' like al-Adnani seeks to create. In addition, capitalizing on "branding mistakes" of VEOs may also prove useful for countering violent extremism in social media.