

# talespin

public relations  
disasters –  
inside stories &  
lessons learnt

£18.99

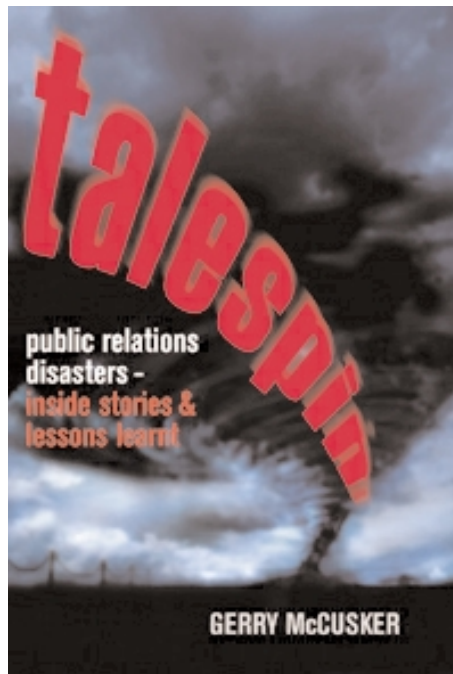
US \$29.95

Hardback

0 7494 4259 X

336 pages

234x156mm



**R**

**Radio,  
Reputation Management,  
Research,  
Rumour Management**

# Radio – Promotion leaves station cooling its heels

Media spin:

## ***‘Radio station guilty over frozen buttocks’***

Yahoo News

In the world of promotions, it seems there’s no such thing as a new idea, so it’s perhaps inevitable that, in the quest for innovation, some of the fresher creative tacks could be construed as being more than a little ‘out there’. And where there’s creative wackiness involved, there’s plenty of scope for disastrous PR.

The PR bods at English radio station BRMB decided on an innovative competition for listeners to win tickets and VIP prizes for a live music extravaganza called ‘Party in the Park’. As the competition was designed for fans to win the ‘coolest seats in town’, the challenge went out for four listeners who could endure sitting on blocks of ice.

Conceptually it’s a nice idea with strong ‘linkage’ (as we say in PR parlance) between cool seats and blocks of ice. And it was probably pretty cheap to do as well. Physiologically, though, it was bad. Very bad. Sitting on ice for too long (even if it’s covered with plastic sheeting) causes burns. On the day of the event, the BRMB contestants were rushed to the local Sellyoaks Hospital, one with 18 per cent burns to the legs and thighs and another suffering painfully damaged buttocks.

## Covering its own backside

Although the station hadn't covered the contestants' backsides properly, it thought it had covered its own. For they'd been prescient enough to pass the stunt through legals before the competition started. This established the failsafe that all entrants had to sign disclaimers before participating and precluded any of the pained participants from being able to personally sue the station for the discomfort caused. However, a court case was pursued and BRMB was eventually fined £15,000 and had to issue a humiliating public apology to those injured. And saying sorry rarely looks cool.

### LESSONS LEARNT

For a hip and edgy radio station to demonstrate its maverick nature by encouraging its listeners to go to extremes to win gig tickets might be considered acceptable. It can certainly make for good 'on air' content. But when going to those extremes damages its listeners' extremities then the prank has obviously gone too far. Failure to think through the consequences of this promotional stunt, no matter how sexy the headline 'Coolest seats in town' appeared, merely shows evidence of half-assed PR thinking.

Putting publicity before the safety of the target audience is never excusable, especially when the potential negative publicity leaves a decided chill in relations between the station and its offended audience.

# Reputation management – Even playing field

**Media spin:**

***‘200,000 more Games tickets  
for the rich’***

Sydney Morning Herald

The 2000 Sydney Olympics was hyped as being the best Games the world would ever see: the world’s greatest sporting spectacle hosted by the world’s most sport-loving nation.

With the predicted influx of foreign visitors, the event organizers, the Sydney Organizing Committee for the Olympic Games (SOCOG), still needed to ensure that the event was well supported by Australians, too. So, an extensive advertising and marketing communications campaign promised ticket allocation would be organized by a totally fair and open public ballot, which would give every Australian an equal chance to get a seat at the Olympics – even a seat at some of the most coveted events.

## **Taken at face value**

SOCOG’s comprehensive marketing plan worked a treat, with Australians spending close to AU \$350 million in advance for Olympic Games tickets. However, the press got wind that SOCOG

had secretly removed thousands of ‘best seat’ tickets and assigned them to an exclusive premium ticket scheme for individuals and companies prepared to pay a premium price of up to three times the tickets’ original face value. This meant that the majority of the best tickets were not available as promised in SOCOG’s initial promotions for the Games.

It transpired that the general public, via ballot applications, had only a 2 per cent chance of getting seats for top events. Most of those who got tickets via the ballot had to be content with their second or third choice event.

## **Seat of power**

Other allegations followed, with some SOCOG board members accused of cronyism – ie helping friends and associates to get back door access to the ‘best seats’. These allegations got a very public airing in the Australian media, which likes nothing better than to chop down ‘tall poppies’. And when the media stink wouldn’t go away, the great and the good of SOCOG got downright bad and ugly, informing on their colleagues and trying to distance themselves from any impropriety.

This was exemplified when SOCOG President and Olympics Minister, Michael Knight and Chief Executive Sandy Holloway denied all knowledge of the premium price ticket scheme. This signalled bad news for Paul Reading, the executive who had supposedly devised the scam to make up a budget deficit.

First, Reading’s position was downgraded and then he departed from the organization with confusion surrounding whether he had jumped or was pushed. Again, this confusion was extensively covered in the Australian media.

## **Competition intensifies**

The brouhaha that this episode stirred up also stimulated the interest of the nation’s corporate watchdog the ACCC (Australian Competition and Consumer Commission). Its investigation concluded

by accusing SOCOG of deceptive and misleading conduct, which is a serious offence under consumer protection law. Consequently, under extreme pressure SOCOG was forced to offer refunds to the people who did not get their first choice tickets and it also undertook to take seats out of the premium scheme and put them back into the second round ballot. Naturally, the media interest in these developments was as strong as it had been with all the prior revelations.

## Game plan

As this crisis unfolded, one might have expected some humility or regret from SOCOG but neither was forthcoming, which further outraged the media and public alike. In fact, when the ticketing irregularities came to light, SOCOG's response was actually one of dismissive arrogance. Not only did this PR disaster mean that PR staff became embroiled in dousing media fires, but it limited the time they had to spend on communicating the many positive aspects of the world's greatest sporting spectacle.

### LESSONS LEARNT

The actions of the SOCOG board bore several hallmarks of how not to handle a crisis of significant public interest.

Management of an issue that clearly revealed that SOCOG had acted improperly and misled the public looked, to most outsiders, bungled. First, they stonewalled, which gave the impression that they had something to hide and that they were impervious to the concerns being expressed by their stakeholders. Then they hesitated when they should have taken positive, remedial action, which would have lessened the vitriolic attacks that soon came their way. Failure to resolve the matter quickly and satisfactorily only served to keep the issue alive, drawing in other organizations such as the ACCC, which dragged SOCOG into litigation. Taking any issue into the law courts means that the dirty laundry gets washed and aired in full view of the public.

Throughout, there was also a lack of strong leadership from SOCOG; strong in this context doesn't mean fighting strong or unflinching strong; it should mean someone responsible enough to accept and deal with the consequences of wrongdoing. And the frantic attempts at personal skin-saving did little to diffuse suspicions of malpractice. This – and the 'scapegoating' of Paul Reading – also raised public ire in a country where 'mateship' is held in high regard.

In a case of obvious wrongdoing, an organization really only has one option, which is to come clean and tell the full story. Failure to do so means that you are taken further away from quickly capping a troublesome situation, which can result in tortuously drawn out, negative publicity.

In business as in sport, it all comes down to playing fair.

# Research – Own goal for football brand

Media spin:

***‘Umbro “regrets” Holocaust blunder’***

[www.cnn.com](http://www.cnn.com)

While PR theorists and academics place great stock in the role of research in the communication process, PR commonly gets involved as the one following the parade with the shovels when other communications disciplines are less than diligent with their research. Like when sports goods and apparel manufacturer Umbro named one of its children’s ranges of training shoes ‘Zyklon’, thereby provoking outrage from an influential Jewish rights group.

## **Political football**

Documenting its concerns, the Simon Wiesenthal Centre lambasted the name ‘Zyklon’ as ‘an encouragement to neo-Nazis who terrorize the football terraces and a dishonour to sport itself’. The Centre’s Dr Shimon Samuels reminded Umbro that ‘Zyklon’ was the name given to a deadly nerve gas used by Nazi Germany in the Second World War death camps. Dr Samuels implicitly condemned Umbro for its commercial use of a word strongly associated with mass murder.

Umbro expressed regret for any offence caused and suggested that an internal investigation into what could only have been an accident would be undertaken. This partly addressed the Simon Weisenthal Centre's demand for an 'investigation and condemnation of those behind Umbro's marketing strategy'. At the same time, Umbro pointed out that the offending 'Zyklon' name had only been used in ads and not on the training shoes themselves. This attempt to bring some perspective may have looked somewhat lame given that more people probably read adverts than read words on a shoe.

Yet true to prescribed crisis management diffusion techniques, Umbro underlined that it had already changed the name of the shoe in the UK with plans to follow up that remedial action internationally.

### **LESSONS LEARNT**

As the concept of branding is all about image, it's easy to see how there should be a role for PR in the process of developing and growing brands. PR skills are valuable in helping to predict the consequences of the new brand's emergence among stakeholder groups and not just market segments. In other words, while marketing and advertising are largely focused on sales, Public Relations is focused on a bigger picture and so, a wider audience. It's amazing to think that in the development of a mass-market sports shoe sub-brand, no-one asked the question, 'What does the name mean?' Perhaps Public Relations could have dug around to find this out, thereby reaffirming its value to the brand development process. In this episode, Umbro effectively handled the situation, empathizing with concerns and confirming that action was being taken to correct any perceived wrongdoing. It's a simple but reliable way to get a positive result in the world of reputation management.

# **Rumour management – Devil of a stain mars reputation**

Rumours are possibly the most damaging and difficult to dispel of all influences on organizational reputation. In the mid-1970s, Procter & Gamble became associated with allegations suggesting that it was a ‘front organization’ for Satanism. This rumour was thought to have been around since the company was formed in the late 1800s. If true, the corporation was unbelievably lax in preparing its rumour management strategy!

## **No-go logo**

Mischievous ‘bizlore’ suggested that P&G’s original owners had traded Satan’s promise of success in exchange for permission to represent his logo on all their products: an early form of sponsorship, if you like.

Some speculated that the reason the rumours started to resurface around 1974 was that P&G decided to revert to the use of its original logo showing a bearded ‘man in the moon’ looking over 13 stars, representing each of the original 13 US colonies. Gossip and hearsay

insisted that the number 666 – supposedly the mark of the devil – was discernible on the wispy threads of the old man’s beard.

## **Unchristian behaviour**

Suspecting that a competitive business interest – specifically Amway – was engaged in perpetuating the rumours, Procter & Gamble feared a backlash against its products, particularly among Christian communities in the United States and mainland Europe. As Amway is a direct sales organization, many of its staff had developed personal relationships with thousands of customers. This could have enabled them to use ‘word of mouth’ – the most potent and influential form of communication – to spread the gossip. Before long, however, P&G acquired taped evidence that Amway staff had actively spread the Satanic slurs.

## **Quash the goss**

In its defence, Amway admitted that some remarks had been made by one of its people, but insisted it had instructed the staffer to make a retraction before the employee and the company parted ways. Amway’s defence lawyer actually blamed Procter & Gamble’s ‘botched PR’ as being mostly to blame for the widespread interest in the rumours, although P&G had conducted a comprehensive counter-information campaign via freecall phone lines, extensive journalist briefings and media relations activities, as well as stakeholder communications delivered from church pulpits!

But yet again, media reportage of the legal proceedings didn’t exactly help to quash the goss. Word had really caught on and P&G was feeling the pinch.

## **The calling**

Such was the widespread interest in the devilish rumours that Procter & Gamble’s customer relations team was thought to be handling around 15,000 calls every month from people looking for information

about the firm's satanic connections. Needless to say, the firm's PR team was kept very busy countering the allegations and contending with new evolutions of the rumours, which surfaced again some 20 years later.

## Show and tell

In 1995 an anonymous flyer and e-mail claimed that the president of Procter & Gamble had appeared on a national talk show, 'Donahue', in the USA confirming that his firm had demonic links and that company profits were channelled in support of a satanic church.

Despite proving that these claims were entirely bogus and that the TV segment was a complete fabrication (although the 'Donahue' show certainly exists) the P&G brand's Achilles heel was again exposed. This time, the rumours were so persistent that they forced P&G into a logo redesign, with the company opting to create two new and more corporate-looking logos, which featured a script typeface in place of the old man with the beard. And while the company decided not to bin the old logo entirely – it was retained as the company's official trademark – a design facelift saw the removal of the wispy beard that was rumoured to include the devilish number 666.

Obviously the cost to P&G for such an exercise was massive – replacing a multinational logo on everything from stationery to vehicle livery and product packaging doesn't come cheap. There was similarly high expenditure on the PR effort associated with continually playing down slurs that seemed deliberately engineered and propagated to cause consumers to stop buying P&G products.

### LESSONS LEARNT

Due to their ethereal nature, gossip and urban myths can be impossible to identify and intercept, creating major tracking problems. The difficulty for the PR consultant in a rumour management scenario is how to fight an enemy that you cannot see, hear or pin down, especially when their next appearance can be highly difficult to predict. Depending on the severity of the rumour,

organizations may just have to accept the challenge of continually countering debilitating negative media coverage that can have a detrimental impact on business. This may involve establishing a rumour hotline, utilizing a credible, independent rumour refuter, acting responsibly to re-establish trust, conducting regular and open stakeholder communications and trying to prepare for, or proactively head off, new outbreaks.

If all this fails, one might consider taking quicker than 90 years to kill off an anecdotal rumour that forces an eventual redesign of a global logo, the symbolism of which was vulnerable to speculative interpretation.

## ABOUT THE AUTHOR

**Gerry McCusker** has over 20 years' experience of working at a senior level in the PR and advertising industries. Based in Australia, he now runs his own consultancy, Generation Text, and is a Media Trainer with public speaking consultancy Kissing-With-Confidence. His client credentials include: BMW, Dunlop, Espirit/Sprint Telecoms, Gateway Supermarkets, Irn Bru, Malvern Star, MINI, National Australia Bank, Pacific Brands, Repco, Tennent, Caledonian Breweries, Ultra-Fresh, Unisys Computers, Vauxhall Motors and Whyte & Mackay Whiskey. A regular contributor to lifestyle and marketing publications, he also presents at seminars and conferences in Singapore and Australia.

This document was produced in cooperation with

<http://www.buildingbrands.com>

- For orders in the UK and Europe, please contact:

<http://www.kogan-page.co.uk>

<http://www.amazon.co.uk>

This book is available now.

- For orders in the USA or the rest of the world, please contact:

<http://www.styluspub.com>

<http://www.amazon.com>

This book will be available from December 2004.