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Crisis PR Then and Now: Mitigating Damage Through Real-Time Communication

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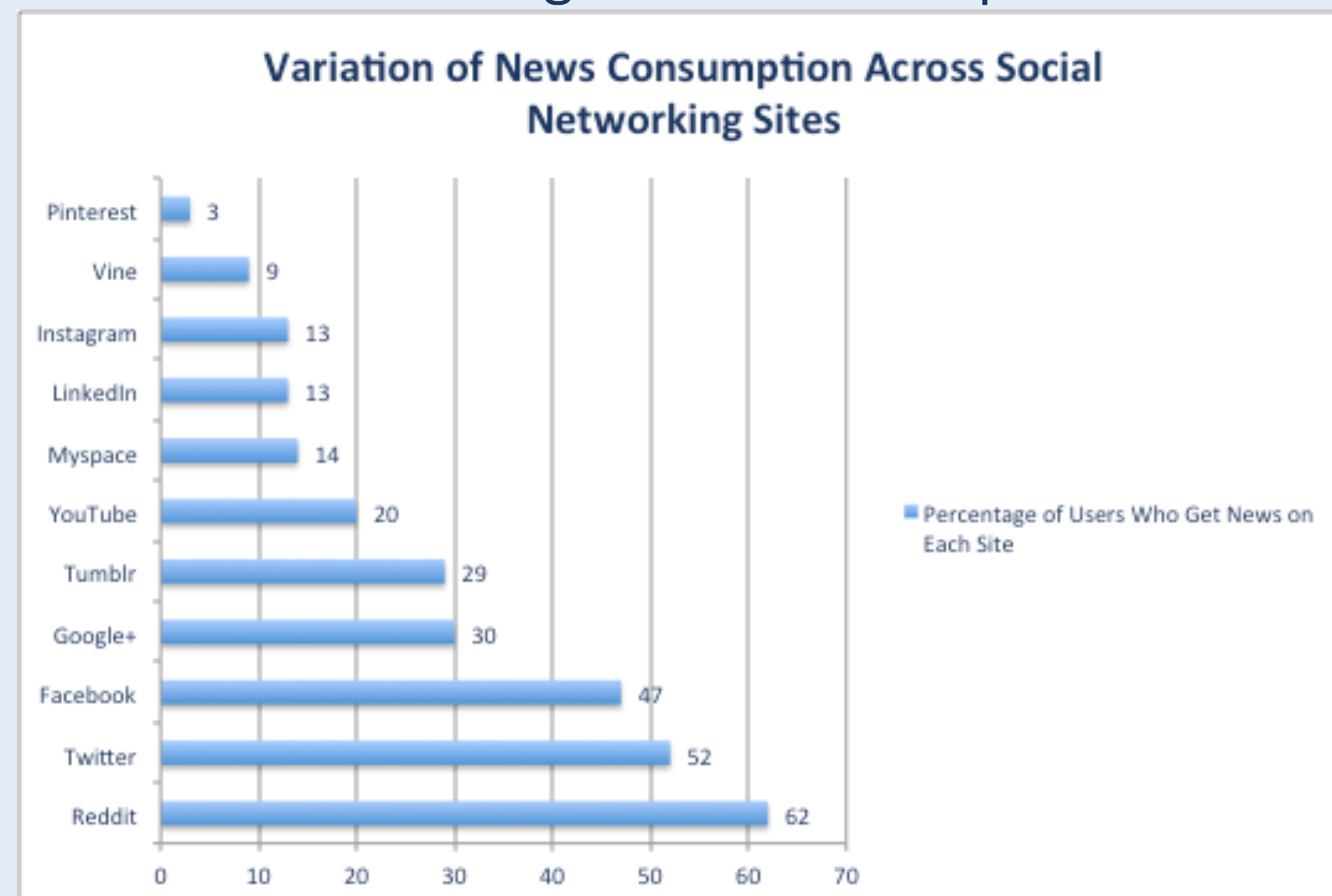
Crisis PR Then and Now: Mitigating Damage Through Real-Time Communication

Hailey Cowan

Introduction

Crises are both inevitable and unexpected, and can cause irreparable damage to a company's image. The way in which a company communicates to their stakeholders can make all the difference in lessening or preventing damage to the brand's image or profits over time. When looking at well-known crises, the importance of companies engaging in real-time communications with their stakeholders becomes ever so imperative to mitigating damage and preserving a brand's image. Recently, social media has changed the media landscape. The way in which people get their news and how companies interact with the public has significantly shifted. During crises, companies who effectively use social media to communicate information directly to their stakeholders and who engage in two way, real-time communication, are the companies who also experience minimal damage to their brand's image.

A Shifting Media Landscape



Information provided by: Pew Research Center; survey conducted August 31-September 2, 2013

SOCIAL MEDIA MANAGEMENT IN A PR CRISIS HELPS...

- 1 evaluate conversations about the brand
- 2 assess the level of threat and prioritize
- 3 determine how to respond.

Image provided by: www.emergency-management-degree.org

Case #1: Tylenol Poisonings

In 1982, Tylenol Extra Strength capsules were tainted by cyanide-traced capsules, which ended up poisoning and killing 7 people. The media found out about the deaths before Tylenol, and widespread distrust of the Tylenol brand began within days. In a post crisis study conducted by Johnson & Johnson, they found 90% of the US had heard about the poisonings within the first week, which was the widest news coverage since the assassination of JFK.

Actions:

- Immediately alerted consumers to stop using Tylenol, recalled all products nationwide and stopped all advertising
- Johnson & Johnson CEO, James Burke, set up strategy team to protect people and save the product
- Company set up 1-800 hotline for customer and media inquiries
- Press conference held at company headquarters was live fed to New York, allowed press conference to be shared within minutes
- Developed triple safety seal packaging within 6 months of crisis, the first of its kind

Outcomes:

- Tylenol is an example of one of the most effective crisis management campaigns nationwide
- Within 5 weeks of the crisis, Tylenol recovered 70% of its market share, effectively preserving long-term value of the brand
- Jerry Knight of The Washington Post wrote: "Johnson & Johnson has effectively demonstrated how a major business ought to handle a disaster."

The Truth About News Sources



Infographic Provided by: Mashable.com

Case #2: Susan G Komen for the Cure Ends Partnership with Planned Parenthood

In January 2012, Susan G Komen announced plans to cut off financial support for Planned Parenthood's women's health initiatives. Leslie Aun, spokeswoman for Susan G Komen said the cutoff was a result of the charity's newly adopted criteria barring grants to organizations under investigation.

Actions:

- Komen used social media as a monologue, Planned Parenthood used it to engage with continuing dialogue with stakeholders
- CEO, Nancy Brinker, released public statements that lectured supporters rather than offering support and open lines of communication
- Deleted critics' Facebook posts from their wall instead of responding to them, proceeded to deny doing so
- On Facebook, shares measure potential support and agreement: Planned Parenthood posts – 22,000 shares, Komen posts – 436 shares
- Minimal Facebook presence, defensive messaging

Outcomes:

- When the decision sparked a debate between pro-choice and anti-abortion activists, Susan G Komen reversed their decision.
- CEO, Nancy Brinker and President, Elizabeth Thompson announced plans to step down
- Participation in Race for the Cure decreased by 20%



Image provided by: Baer Performance Marketing

Case #3: BP Oil Spill

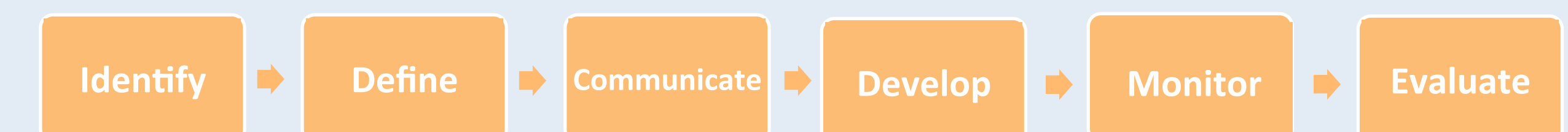
In April 2010, an explosion occurred on an off-shore oil rig, causing an oil spill that's estimated to have leaked 4.9 million barrels into the Gulf of Mexico. The spill impacted 68,000 square miles of ocean but also had a devastating effect on the coastline, marine life and surrounding coastal economies. The oil spill has been described by President Obama as the worst environmental disaster the US has ever faced.

Actions:

- Originally stated that no oil had leaked, later recalled that statement
- Appeared in Congress and placed blame with Transocean (rig operator) and Halliburton Global (rig contractor) BP agrees to pay \$100 million for damages as well as pay for lost wages of workers
- BP shut down comment sections on Facebook and YouTube
- Created YouTube videos that had a sales tone
- Paid more than 10k per day for internet search terms such as "oil spill" and "oil cleanup" that would lead people to links about BP's efforts in the cleanup
- Regularly updated social media but often made insensitive comments to news outlets, did not effectively communicate key messages to public
- Updated website with interviews of those effected by the spill

Outcomes:

- CEO steps down, replaced by Robert Dudley
- Stock sank 15%
- From April 1 to May 1, 2010, negative sentiments grew by over 40%
- Amount of supporters waned in comparison to the negativity voiced in media and in general public
- BP's voice throughout campaign was drowned by voices of boycotters
- Although officially called "Deepwater Horizon Oil Spill", popularly known as "BP Oil Spill" and public continues to make negative associations with the spill and BP



Final Conclusions

- Have defined missions and distinct communication channels with organized messages
- Focus on core audiences and always make sure information is successfully communicated to those specific audiences
- Understand the need for real time, two-way communication with stakeholders
- Incorporate, and understand the importance of, traditional media (press conferences, press releases, etc.) and new media (social media, internet communication, etc.)
- Use relationships with media to disseminate messaging across all relevant channels

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