

ITEMS OF INTEREST FOR PRACTITIONERS:

Bomb scare or not, the presentation goes on! The last of several groups competing for Florida International University's first fundraising effort, Bruce Rubin & Associates (Miami) was 6 minutes into its presentation when a bomb scare forced everyone outside. Though police, firemen, others evacuated were milling around, FIU's search committee encouraged Rubin to continue since "there's nothing else to do." Without notes or visual aids, Rubin went on extemporaneously -- only to be interrupted again by police who relocated them as being too close to suspected bomb. Rubin managed to focus group's attention in spite of the competing action & ended up getting the client! "I think they were as much impressed by our ability to weather an adverse situation as they were with our ideas!" (This story arrived in response to our "rain dance" request last week. Who's got another?)

¶ Multicultural Resources Guidebook available, organized by racial/minority groups. Includes addresses, phone, other info on hundreds of minority associations, social service agencies, civil rights organizations, etc. throughout US & overseas. Cross-cultural section features media, firms, clubs & related resources that serve all groups. (\$25.95 + \$2.50 shipping from Praxis Publications, P.O. Box 9869, Madison Wis. 53715; 608/244-5633.)

¶ Postal workers' perception of the value of the piece may influence its delivery, finds study by Direct Mail Association. Test involved mailing of 4 different 3rd class packages to proven deliverable addresses who volunteered to be monitored for delivery. Non-delivery rate varied for each piece, suggesting physical nature of the piece & subsequent perceptions of postal workers are key. Importantly, use of endorsement "Forwarding and Return Postage Guaranteed" increases the chance of delivery. (More info from DMA, 7th St, Garden City, NJ 11530.)

¶ Selecting a Public Relations Firm is topic of Alan Towers Associates (NYC) booklet. Explores 10 areas for consideration -- some familiar, some forgotten -- e.g. matching needs with capabilities, different methods of establishing payment, the client's contribution. (Copy from Robin Schoen, ATA, 15 W. 39th St, NYC 10018; 212/354-5020.)

¶ GOVERNING, new nat'l publication targeted for top-level state & local gov't officials. With power & responsibility moving to the states & localities, elected & appointed officials at these levels now comprise increasingly important public to many practitioners. New monthly will focus on emerging issues & developments, e.g. Fend-for-yourself Federalism, Sales Tax on Services, Anti-takeover laws. (Copy from Governing, 1414 22nd St NW, Washington DC 20037; 202/887-6261.)

¶ Price for computerizing typical 6-person office is \$26,000 according to Hi-Tech Alert for the Professional Communicator. Estimate includes cost of equipment, staff time, training & "learning curve" downtime. Installation is usually cost-effective, claims newsletter, as automated office reduces need for at least 1 clerical worker. (Info from publication: 10606 Mantz Rd, Silver Spring, MD 20903; 301/445-3230.)

pr reporter

The Weekly Newsletter of Public Relations,
Public Affairs & Communication

Vol.30 No.41
October 19, 1987

603 / 778 - 0514

CORONA BEER IMPORTER TACKLES UNFOUNDED RUMOR OF CONTAMINATED PRODUCT WITH FACT-FINDING, PERSONAL CONTACT WITH WHOLESALERS & RETAILERS

Popular Corona Extra from Mexico was fast becoming No. 1 imported beer in US when a false rumor that product was contaminated with urine threatened to take fizz out of sales. The rumor, whose spread was eventually traced to a competing wholesaler, spread throughout entire South & Northwest before US importer Barton Beers (Chi) could stop it.

Fortunately for Corona, "...when we were told about the rumor, we were also given the names of competing wholesalers & distributors in the Reno area whose employees were responsible for spreading the rumor at the retail level," Fred Mardell, Barton legal counsel & exec vp of corporate development, told pr.

Tho Barton had no previously prepared crisis plan, a hastily assembled crisis team headed by Mardell & gen mgr & exec vp of sales Michael Mazzoni took immediate action:

1) First step was to try to stem rumor at source by obtaining competing wholesaler's oral commitment to have employees stop spreading it. Currently, retailer which first reported the rumor was contacted by Barton with facts in effort to prevent rumor from seeping to consumer level.

2) One week following Barton's first knowledge of rumor, Barton sales team went into marketplace to deal with problem at retail level. Armed with fact sheets & other data, sales team contacted retailers thru mail & personal visits, helped prove rumor had no foundation. This evoked confidence.

3) Barton filed suit against rumor-spreading wholesaler, not for damages, but to obtain a public apology. Reprints of apology were sent to all retailers as further evidence rumor was false.

Adverse rumors can usually best be handled by:

1. Ignoring -- let the fire burn itself out. Unless rumor is widespread, refutation may only draw more attention to it.
2. Blanketing -- shift attention to another issue. (E.g. in Corona's case, importer shared suspicion of competitor sabotage.)
3. Fanning the rumor -- e.g. pre-publication hype of Woodward's book, Veil, tho this tactic is not suitable in cases of consumer safety.
4. Go public -- if rumor has wide geographic coverage, tactic recommended by Fred Koenig (purview 1/13/86) is to use all media resources available with offsetting evidence. News coverage can destroy a rumor by transforming it into news.



4) Initially, Barton chose not to deal with rumor at the consumer level to avoid feeding the fire.

Halt of Rumor Aided by Wide-spread Favorable News Coverage Despite these efforts, rumor spread thruout West in less than 2 months, unwittingly aided by bartenders & waitresses. LA Times contacted Barton to confirm or deny added rumor that state of California had embargoed sale of Corona. Resulting interview Barton gave became turning point.

"One of the things we did was devise a positioning for our rebuttal. It wasn't enough to say the rumor wasn't true; we also reported our suspicion that the rumor had been started by a competitor for the express purpose of damaging the Corona brand," Mardell adds.

Favorable coverage given by LA Times & syndicated papers, combined with 4-1/2 minute satellite videocast Barton prepared for tv stations ultimately reached over 200 media outlets. Videocast featured a) Q&A format; and b) footage of Mexican brewery to confirm cleanliness of facilities & purity of product.

Rumor's Impact on Sales, Consumer Beer-Buying Behavior "It's difficult to assess the rumor's impact on sales; we've never been able to keep up with demand so we continued to sell everything we have." The total sales were not impacted, weekly analysis of sales & telephone interviews with consumers in areas nearest the epicenter of rumor revealed isolated individual markets where sales had slipped.

"Not surprisingly, the greatest impact on sales was felt in those areas where the rumor had its earliest publication and which are least affected by the kind of favorable media attention we eventually received."

To deal with sales decline in particular markets Barton 1) first determines if rumor is the only reasonable explanation. If so, 2) takes corrective action by arranging parties in some establishments, attended by Barton reps, wholesale reps & consumers to give everyone an opportunity to learn facts about unfounded rumor.

WHAT YOUR ORGANIZATION'S ATTORNEY NEEDS TO KNOW ABOUT DEALING WITH THE PRESS In cases of crisis or lawsuit, the responsibilities of attorneys & practitioners frequently converge (pr 11/24/86), with attorneys sometimes forced to take the role of spokesperson. But, does your organization's legal counsel understand how to speak with the press, keeping in sync with your public relations strategy?

NY State & American Bar Assns advise attorneys of ethical & tactical considerations once a case grabs attention of media.

Some high points:

-- Who should speak, the attorney or the client? "If the case hinges on a technical legal issue, perhaps the lawyer is the better spokesperson. The danger is that the lawyer may be too much of a technician to convey the broader concepts to the reporter and thus the public. If the case deals with emotional issues, the client may be the better spokesperson."

-- If you choose to remain silent, "you will probably minimize any adverse impact by being unavailable for comment. Lack of comment is far preferable to being misquoted or quoted out of context. In addition, you haven't given credibility to the inquiry."

-- How to say "No comment": If forced to speak with reporters, it's better to say something rather than nothing to avoid sounding uncooperative or negative. But, since reporters are looking for quotes, "there are occasions when a lawyer, dealing with a reporter, must dare to be dull."

-- If you decide to talk: Lawyers are trained to be silent & secretive to protect client's privilege while reporter's role is reverse -- to gather news for public. To balance these opposing forces, establish ground rules, speak carefully, watch out for leading questions & other tricks of journalistic trade.

(Full article from Brad Carr, NY State Bar Assn, 1 Elk St., Albany, NY 12207)

"Controversy sells newspapers; litigation is controversial. The conclusion is inescapable: the profession of law is intertwined with the profession of news reporting. Once both lawyers and reporters understand the reality of this symbiosis, both professions -- and the public -- will be better served."

SURVEY SHOWS LARGEST COMPANIES HANDLE CRISIS COMMUNICATIONS INTERNALLY 90% that have a crisis plan handle it internally, finds survey of Fortune 1000 industrial and Fortune 500 service companies commissioned by Western Union Corp. Among those that use outside help, survey shows 2 in 3 rely upon a public relations firm; 19% upon an advertising agency.

Manufacturing companies are more likely to use a public relations firm (71% vs. 49%) while non-manufacturing companies are more likely to rely on a special crisis communications consultant (40% vs. 7%).

Who Is Prepared ... and How? A. Larger companies (75%) are more likely to have plans than smaller companies (under 50%). Most common elements of crisis programs, regardless of size, were: up-to-date lists of key contacts (89%) and crisis teams (82%).

B. Company size is a factor affecting types of situations crisis plans address. E.g. larger companies cite environmental programs (57%), government regulatory problems (33%) more frequently than smaller companies. Smaller companies cite proxy situations (36%), strikes (29%) more frequently than larger organizations.

C. Tho natural disasters & industrial accidents are still the top reasons for putting a plan into effect, potential crises involving mergers & acquisitions are of increasing concern (pr 4/20) to both large (59%) & small (54%) companies, with non-manufacturing companies slightly more worried.

D. While 96% believe their plan to be effective, 60% are modifying programs by: 1) rehearsing or testing the existing plan (17%); 2) training personnel on responsibilities (9%); 3) adding more detail (5%). (Survey info from Valerie Magliano, WUC, 1 Lake St., Upper Saddle River, NJ 07458; 201/825-5286.)