

■ “This debacle demonstrates a complete breakdown in communications between the two companies. Publicly slugging it out isn’t going to do anyone any good.”

■ “The real question is why didn’t these two supposedly responsible, respectable companies join forces to discover the root of the problem and solve it together, instead of throwing blame around like two adolescents having a food fight. Where were their crisis counselors – or weren’t they listening to them?”

■ “There absolutely had to be a better way to do this. As a public relations executive and a consumer, I am shocked by both companies’ actions. What could Ford or Firestone ever hope to achieve by bashing each other publicly? No one wins here. Both companies are losers.”

Bergen calls the debacle a “landmark communications issue, which could have a profound impact on corporate relationships, brand value and consumer attitudes for years to come.”

SURVEY QUESTIONS AND ANSWERS

Q) *What is the best course of action for Bridgestone/Firestone to regain credibility and prevent further erosion of the parent company’s U.S. market share?*

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| a. Vigorously publicly defend and demonstrate the safety of the Firestone tires being produced today by providing clear details of manufacturing improvements, as well as support from independent safety experts and agencies | 62% |
| b. Eliminate the Firestone brand in favor of the Bridgestone name or launch a new brand name | 18% |
| c. Hire a spokesperson who has great credibility | 6% |
| d. Take legal action against Ford for the harm its recall of tires will do to Firestone’s reputation | 5% |
| e. As convincing evidence of its confidence in its tires, offer a \$100,000 quality guarantee on each tire that there are no manufacturing defects | 4% |
| f. Publicly blame defects in the Ford Explorer for most of the accidents that have occurred | 2% |

Q) *In your opinion, is Firestone’s decision to stop supplying tires to Ford being seen as an attempt to limit responsibility in the Explorer accidents by claiming that the vehicle is unsafe?*

- | | |
|-----|-----|
| Yes | 68% |
| No | 32% |

ITEM OF INTEREST FOR PRACTITIONERS

¶ **Forget Attention Deficit Disorder, “Multi-Phasic Concentration” Is the Malady of the Day.** It’s a pervasive problem – difficulty concentrating combined with a driving need to pay more attention than ever. “Multi-tasking has moved into our heads as we juggle thousands of thoughts about a wide range of topics, all at the same time,” says Herman Group’s *Trend Alert*. “The Great Fear is that we might miss something important.” Herman predicts that a lot of people will simply turn off radios and tvs, cancel subscriptions and retreat into the peace and solitude of their homes. Others will develop a new skill, continuous Partial Attention – “a means of handling the continuous messages being bombarded from a number of sources.”

FLEXIBILITY KEY WHEN TRYING TO DO BUSINESS WITH FALTERING DOT-COMS, HIGH-TECH COMPANIES AND OTHER DOWNSIZERS

As the economy grinds down and dot-coms lay off, in-house counsel is too often the first to go. Practitioners know the result is usually counterproductive. “Some tech companies cutting back in-house have begun looking outside their organizations for cost-effective pr,” says Jon Boroshok, pres. of TechMarcom (Boston), an independent marketing communications outsource firm. “They often discover that traditional tech pr firms provide more services than necessary or require retainers in excess of \$20K per month.” Picking up the slack are firms that can offer flexibility and project-based billing. Also accommodating are “boutique” pr firms, virtual pr teams and individual practitioners. “Like their clients, these outsourcers have to work smarter, faster and cheaper in a slowing economy.”

■ **Big pr firms are at a disadvantage.** “Downtown offices with skyline views, employee salaries, benefits and equipment all have overhead that must be passed along to the client.” Despite the prestigious name and fancy address, actual account work is often performed by young and inexperienced staffers.

■ **Outsourcing to flexible companies allows tech companies to enjoy short-term activities without large commitment.** “If a project proves successful, it can certainly lead to a longer-term relationship.”

Boroshok’s advice to tech companies seeking solid, flexible counsel can be inverted for practitioners hoping to tap into this burgeoning opportunity:

1. **Have a conceptual understanding of the company,** its technology & marketplace. Visit its Website prior to first meeting.
2. Remember **big-budget advertising can be a turn off,** as clients may assume costs will be recouped in fees.
3. **“Location location location” does not mean a fancy address.** Downsizing clients are not impressed.
4. **Watch the name dropping.** PR firms “love to drop names of media contacts, but these may not be the right reporters, editors and analysts,” Boroshok tells tech companies. “Experienced pros develop new press relationships as needed.”
5. **Diversify your portfolio** with clients of all sizes and budgets, so that a downsizing company can see work you’ve done for others with similar size & budget.

Most important, **“listen to their concerns,”** stay out of the sell mode, at least in the first meeting.



WHAT'S THE BEST WAY TO DEAL WITH RESISTORS OF CHANGE? LISTEN TO THEIR CONCERNS

In an organizational structure, people who resist change often receive a bad rap. "The idea that anyone who questions the need for change has an attitude problem is simply wrong," says management expert Peter deJager. There are plenty of good reasons to resist change, he told *The Futurist*. Implementing a new system, for example, could be expensive, disruptive and undermine morale. "A company may not even need so much change."

With a constantly evolving world, however, we need to learn to respond to change resistors:

1. **Don't reject resistance.** People who oppose change are acting naturally. They need a reason to make the transition. "Instead of ordering them to 'adapt or die,' lead them by sharing the rationale behind the change."
2. **Involve them in the process.** "If you must upgrade your accounting system, have the computer and accounting departments investigate alternative options and propose their own change."
3. **Create a learning environment.** Sometimes, people resist change because they fear having to learn something new. "Create an environment where learning is the norm," and early failure is not frowned upon or punished.

"If you plan to introduce change in your organization or group, listen carefully to the people who are resisting it."

(For more information, contact Dan Johnson at 301/656-8274)

ADVERTISING: IF YOU'RE GOING TO USE IT, WATCH AND "MANAGE THE NEWS ENVIRONMENT"

The tenor of news programs has a direct impact on the success of an advertising campaign, finds a study from the Institute for Public Relations (U of Florida). The study identifies situations where the two complement each other as well as where they undermine each other and "identifies ways in which the two can be managed to gain greater efficiency and impact."

Not much attention has been given to how news and advertising interact to influence perceptions, attitudes and behaviors, notes author Bruce Jeffries-Fox. This is owing to: a) the lack of contact among organizations, which typically don't share research or joint planning; b) use of outside firms, which have little incentive to reach across disciplines; c) the fact that advertising dominates current discussions about marketing communication and ad agencies have little incentive to have it otherwise. "Advertising has a vested interest in maintaining the status quo because they typically command the largest share of communication dollars." Further, there is an entire supporting industry of advertising research which similarly has a vested interest in keeping the spotlight on advertising."

Practitioners, too, have inadvertently contributed to this by neglecting to evaluate programs. "Increasing calls for accountability sparked greater interest in tools for measuring effectiveness of media relations and of pr's contribution to achieving corporate goals."

NEWS AND ADVERTISING LINK

Understanding how the two relate is important because it helps organizations develop communication plans and allocate resources. From a theoretical perspective, there is the promise of deepening the understanding of how people integrate messages received from different forms of mass communication.

The IPR study assessed a series of studies sponsored by AT&T, each conducted during the 1990s, and examines the differences in effectiveness of media coverage and advertising over a specific time period at AT&T. The primary research focused on: 1) media coverage and brand loyalty; 2) news consumption & advertising awareness and attitudinal change; 3) news coverage & advertising and perception about "slamming"; 4) attributing customer acquisitions to news coverage. "These studies represent the first steps toward understanding the conditions under which news coverage interacts with advertising to impact marketplace perceptions, attitudes and behaviors." While conclusions on causality cannot be drawn, a pattern shows an impact.

■ **News modulates the impact of advertising.** In times of normal, mostly positive coverage, the two work together bearing a positive impact on attitudes. In times of widespread, positive coverage, the incremental positive impact of advertising is much less than in normal times. In times of widespread, extremely negative news coverage, incremental advertising doesn't have a positive incremental impact and may even have a negative one.

News has an influence on consumers that is on par with advertising. Jeffries-Fox says implications are that partnership between media relations and advertising would save money and pack a bigger punch. "We need to bring together the two worlds. Messages from both worlds combine in the minds of consumers."

(For copy of study, contact John Felton, 352/392-0280 or visit www.instituteforpr.com)

FIRESTONE SHOT ITSELF IN THE FOOT WARRING WITH FORD, SAY MOST PRACTITIONERS SURVEYED

Was Firestone smart to open fire first, ending its 95-year relationship with Ford? Most practitioners think not, according to a survey conducted by NYC-based Council of PR Firms. The Council polled its 130-member pr firms on their feelings about the Ford/Firestone breach and received 87 responses, all from top pr staff. Of them, 66% disagree with Firestone's move, and 65% agree with Ford's decision to spend \$3 billion to replace 13 million of the Firestone tires now on Ford vehicles.

An overwhelming 85% agree that if over the last year Ford and Firestone had worked together instead of publicly attacking each other, their 95-year-old business relationship could have been saved and the **damage being done to their credibility and to consumer confidence in both companies could have been avoided.** Unlike lawyers, pr people believe in conflict resolution and mutual problem solving. There was awareness, however, of Ford's legal motive: 62% saw its unilateral decision to recall 13 million Firestone tires as an attempt to limit responsibility in the Explorer accidents by bolstering its argument that the car is safe and that defective tires were at fault; 35% accepted Ford's contention that the recall was a genuine demonstration of Ford's commitment to safety. (See box on page 4 for other queries and responses. Responses such as "both," "other" and "don't know" have been eliminated.)

Jack Bergen, pres. of the Council, says the prevailing opinion was best expressed by comments from three participants: