

Simultaneously, Reagan set up a pr coordinating body of gov't agencies that aim messages at both US & foreign publics. The White House, State Dep't, Pentagon, AID & USIA will work together on information policy through a public diplomacy committee.

Prime Minister Thatcher -- saying "we must fight propaganda with propaganda" -- approved a plan in which J. Walter Thompson would produce tv ads, posters, leaflets & booklets with a pro-nuclear message. "We have a positive line that will come as a surprise to people who've fallen for the disarmament lobby's propaganda," said the Foreign Office. But that lobby raised such opposition to spending public funds on a pr campaign to woo the citizenry that the gov't dropped the idea last week.

TV commentator Dan Schorr calls it "The Propaganda Bowl." For practitioners, it is recognition at last for the use of public relations skills in international relations.

CHICAGO TRIBUNE PROCLAIMS
"A PUBLIC RELATIONS GAP"

"Something disturbing has been going on lately on the pr front," claims a recent editorial. Namely, Russia is beating the US in use of public relations techniques. "The Soviets are learning to be slick, persuasive and credible in presenting their case to the world. They are analyzing public attitudes and public fears in the West and playing to them as a means of neutralizing Western defense efforts. Their printed material and international broadcasting displays a new sophistication; their official spokesmen wear sincere ties and offer plausible arguments; their leaders have better speechwriters." Editorial begins by showing public relations as the art of manipulation, but ends by recognizing its essentiality. Comments Phil Lesly: "We went from a gang around Nixon who knew nothing about public relations but talked constantly about using it cleverly, to our present president who has professionals around him but doesn't seem to use it well either in domestic or foreign affairs." (For copy of editorial, write prr.)

ITEMS OF INTEREST FOR PRACTITIONERS

¶Average cable home spends 9.5 hrs per week watching cable programming -- nearly triple the level of 2 yrs ago -- according to an A.C. Nielsen study. During the same period, the average cable home reduced its viewing of network affiliates by about 10%. The cable viewing is still less than network tv viewing, trend is clear. Steady gains for cable are predicted. Getting involved in cable now will help you to establish an early position and gain knowledge & experience in a medium that is becoming increasingly important.

¶Bibliography of the literature on issues management is available from TrendTrack. Most recent edition carries approximately 600 entries and 25 categories. Shows there is a considerable body of literature available enabling practitioners to learn more about this field. Updates are published quarterly. All entries are coded in anticipation of TrendTrack's on-line information retrieval system where either full-text or abstracts will be available. (Copy from them at 4700 Walnut St, Boulder, Colo. 80301. \$30; \$60 for list plus 2 updates.)

¶Asking customers to write the company is seldom done in these days of mass societies. But Celestial Seasonings, a new-wave tea & spice merchant, prints the following on each package: "Please write, we like to respond. We are interested in your suggestions, ideas, queries, quotations and short essays for use on our packages."

Vol.26 No.7
February 14, 1983

EVIDENCE THAT TRUE SOCIAL RESPONSIBILITY PAYS OFF:
JOHNSON & JOHNSON'S ABILITY TO WEATHER TYLENOL SCARE
IS ATTRIBUTED TO A PRECEDENT-SETTING POLICY ADOPTED IN 1942

Successful management of a crisis takes more than just a crisis plan. It requires company-wide acceptance of an ethics code. Johnson & Johnson's Credo stood by them during the Tylenol crisis playing an important decision-making roll. "It is one of our company's greatest strengths," says James Burke, chrm of the bd.

Credo was put to its most severe test last fall during the Tylenol crisis. "We didn't really have a crisis plan. We reacted to what happened day-to-day as information came in. It was like groping in the dark. The first day we weren't exactly sure what was going on out there. As information unfolded, we responded to it," ass't dpr Jim Murray told prr.

But company's decisions during the crisis revealed the strength of its Credo -- "the welfare & protection of the consumer must come first." "Decisions made at the highest level were to provide the best information we had as quickly as we could get it with the thought that we'd save people from being poisoned. That was our main concern. Two poisoned bottles were recovered so we feel it was worthwhile."

Robert Wood Johnson, chrm of the bd from 1938-1963, pioneered a little-used concept of his time -- corporate social responsibility. 41 yrs ago he authored J&J's Credo, outlining responsibilities to consumers, employees, community & stockholders. Describing the intent of the Credo & the responsibility of business, he wrote in 1942:

"The evidence on this point is clear. Institutions, both public & private, exist because the people want them, believe in them, or at least are willing to tolerate them. The day has passed when business was a private matter -- if it ever really was. In a business society, every act of business has social consequences and may arouse public interest. Every time business hires, builds, sells, or buys, it is acting for the ... people as well as for itself, and it must be prepared to accept full responsibility...."

To keep Credo alive -- not just so many words engraved on a plaque -- company: 1) made it the theme of an annual report; 2) conducted a series of dinner meetings for mgmt to reinforce its philosophy; 3) holds ongoing challenge meetings led by CEO Burke, attended by every member of top mgmt from the worldwide "family of companies." Purpose is to debate the philosophy & its wording, keeping it fresh & vital.

Evidence of Credo's strength was company's 1975 decision concerning location of its new world headquarters. Belief in the Credo and responsibility to the community was at the core of the decision to remain in New Brunswick, NJ and deal with its urban problems rather than moving to a more pastoral setting.



One important factor which keeps management in tune with its publics is that J&J's corp vp-pr, Lawrence Foster, reports directly to chrm Burke. "He was involved in all management discussions during the Tylenol crisis. We have excellent interaction between management & pr. It makes our job a lot easier." Foster divided the crisis program into 3 parts: 1) problem identification & containment; 2) communication; 3) rebuilding the brand. Here are some highlights from the crisis:

- ¶ 2,000 media calls were answered in October.
- ¶ Established a toll free consumer hot-line receiving more than 30,000 calls thru November.
- ¶ PR staff told press cyanide is not used in the manufacturing of Tylenol. But they later found cyanide is used and issued a reversal. It caused some embarrassment to J&J, but their openness made up for any damage to credibility.
- ¶ Recalled 31 million bottles from across the country. "That was really the significant move."
- ¶ Suspended all advertising for Tylenol.
- ¶ Offered to replace already purchased capsules for tablets, which were not involved in the scare.
- ¶ Communicated twice by letter with its domestic employees & retirees keeping them updated and thanking them for their support.
- ¶ McNeil division employees, who make Tylenol, created & enthusiastically wore buttons with "thumbs-up" picture & "we're coming back" slogan.
- ¶ McNeil's medical director alerted consumers to the impending return of Tylenol in tamper-resistant packages. An estimated 85% of all tv households saw the commercial.
- ¶ J&J's corp pr people visited more than 160 Congressional offices in DC to lobby for tamper-resistant packaging and get legislation making product tampering a felony. Goal was to re-gain public confidence by showing company's concern & reinforcing its credibility.
- ¶ J&J execs faced the issue squarely on numerous national tv appearances & media interviews.
- ¶ Videotaped 3-hr special reports for employees & retirees.
- ¶ J&J's quarterly report in October informed stockholders of the impact of the Tylenol capsule withdrawal.
- ¶ Prepared 4-minute videotape for tv placement covering tamper-resistant packaging, showing Tylenol's new triple-seal features.
- ¶ Responded to all letters from consumers regarding Tylenol. 3,000 had been answered by late November.
- ¶ Mobilized 2,259 salespeople to persuade doctors & pharmacists to start recommending Tylenol to patients & customers -- the same tactics used 22 yrs ago when they began marketing Tylenol.
- ¶ Announced a special "800" number and offered free coupon for any Tylenol product to all callers. Over 136,000 calls were received.

¶ Of related interest: "Conventional approaches to handling crisis situations cultivate dangerously defensive attitudes," says Donald Stephenson, dir corp comms, Dow Chemical Canada (Ontario). He sees crises as "golden opportunities to serve the public interest." Learning lessons from 2 derailments, Dow has developed a public information plan for dealing with emergencies: 1) full cooperation with the media; 2) readily available plain language background information; 3) experts on the scene immediately to help local authorities

meet the problem and to answer all questions. "Our purpose is to build credibility for Dow spokesmen and the company. That calls for company-wide acceptance of the need for complete openness and a top-notch technical response capability. Management must understand the essentiality of seeing crises as opportunities. To improve the climate for a company, it is first necessary to establish that climate in the company."

CLOSING HER FIRM FOCUSES EDIE FRASER ON
BEAUTY OF "REAL PUBLIC RELATIONS"

At the height of its success, Fraser/Associates (DC) went out of business last month. Pres. Edie Fraser shares with prr what she learned from the experience:

"I have learned more in the past 6 months about business and management than ever before. These are lessons that I now can apply. Also, I learned that I love to service this business. I don't enjoy being a pure administrator, dealing with numbers and personnel rather than the real beauty of what we do -- planning & implementing quality programs.

"I have learned the wisdom of knowing what kind of firm you want to be, how large and how it is to be run. Frankly, I don't think managing more than 20 people is as much fun as a smaller, more family-oriented "group" who are working together to be innovative, creative & results-oriented. [Ed Bernays & Phil Lesly came to simi-

lar conclusions.] I also learned there must be a team spirit. It is so essential in a productive relationship.

"Fancy overhead is not important. What is important is the enjoyment of the profession -- attaining new heights for a client, new thoughts, re-directions in our own thinking and philosophies, substantial writing. That's the real public relations.

"Now I want to move forward in a positive and progressive way, yet a "quiet" one. I am staying as chairman of the Public Affairs Section of PRSA and will continue tremendous professional commitments."

"FIGHT PROPAGANDA WITH PUBLIC RELATIONS"
SAYS REAGAN IN LAUNCHING CAMPAIGN
TO SELL MISSILE POLICY TO EUROPE

Public relations, called openly by that name, is being utilized by governments to try to persuade their own citizens & those of other nations on public issues. Tho his minions have spent 2 yrs decimating public relations budgets at federal agencies, Pres. Reagan now expects public relations to rescue his unpopular missile policy in Europe. Following suit, the British gov't planned a million pound ad-pr push to counter that nation's grassroots Campaign for Nuclear Disarmament.

To head his campaign, Reagan named Peter Dailey. Dailey handled advertising for the Reagan & Nixon elections, was appointed ambassador to Ireland when Reagan won. A source in the administration told AP the debate over nuclear weapons is "a very important public policy issue. You have to keep emphasizing what your position is." Thus, employ public relations techniques. Sec'y of State Schultz suggested Dailey for the job, presumably based on his experience -- tho it is in advertising, not public relations.