

on the needs of young people because one third of Latinos are under the age of 18, and half are under the age of 26. The median age of Latinos in the U.S. is 25.9 vs. 35.3 for the rest of the population.

**Politicians recognize the importance of the Latino vote.** It is one reason the Bush administration has reportedly proposed granting legal status to the three million undocumented Mexican immigrants currently living illegally in the U.S. With about \$560 billion in annual buying power, **marketing people have targeted Latinos.** Procter & Gamble's gross media expenditures for 2000 were \$46.2 million, and Cinco de Mayo has been adopted by many companies as a national fiesta. We can expect more community relations programs aimed at this group.

Mexicans are by far the nation's largest immigrant group, having soared tenfold since 1970. An estimated 8 million Mexican-born people live in the U.S., especially in California where almost half reside. Other states with a large percentage of Mexicans are Texas (1.45 million), Illinois (468,000), Arizona (402,000) and Florida (196,000). These states are burdened with higher costs of social services and education because most Mexican immigrants have large families and are poor. In California, 69% of Mexican immigrants and children under 18 are in or near poverty vs. 26% of U.S.-born parents and children under 18. The percentage is even higher for Arizona: 72% vs. 31%. Also, 25% of Mexican immigrant mothers in California have school-age children ages 5 to 17.

**PUBLIC ATTITUDES TOWARD IMMIGRANTS ARE MIXED**

Although there is a rise in favorable attitudes toward immigrants, many Americans are concerned about the population surge. **More whites than**

**blacks and Hispanics are likely to be concerned about the changing demography,** as shown by a recent telephone survey of a nationwide sample of 1,202 by the Pew Research Center. One finding is that two-thirds have heard of California as the "minority majority state." Other findings:

1. Non-whites are more upbeat than whites about population growth; 54% of whites see it as a bad thing.

2. Seven in ten view segregation as a bad thing.

3. By a narrow margin (35% to 29%), whites react positively to the finding that Hispanics have achieved rough numerical parity with blacks. Hispanics and blacks (52%) also see it as a good thing.

Immigrants today...	1994	1996	1997	1999	2000
Strengthen our country	31%	37%	41%	46%	50%
Are a burden	63%	54%	48%	44%	38%
DK/Neither	6%	9%	11%	10%	12%

In general, the public is now less resentful of immigrants than in the mid and late 90s, and far fewer are now likely to regard them as an economic burden. In 1994, the public, by a 2 to 1 margin, saw immigrants as an economic drain.

4. While whites are divided over whether California's mix is a good thing, non-whites, by a margin of 35 to 1, view it positively.

5. Americans 50+ are split over whether it's a good thing, women particularly: just 28% see the growth of the Hispanic population as a good thing, compared to 41% of the men.

**THE BIOTECH INDUSTRY RECOGNIZES THE NEED FOR PUBLIC EDUCATION AND REACHING OUT TO CRITICS**

**"Optimism about the future of biotechnology appears to be on the decline,** and a solid majority worries about its potential harmful effects," reports the University of Maryland's Program on International Policy Attitudes. This ominous warning is sounded even though a May 2000 Wirthlin Group survey found that 59% of Americans expressed optimism that biotechnology would provide benefits for themselves and their families in the next five years. The problem is that earlier, in March 1997, more Americans, 78%, felt this way.

**MEASURING PUBLIC CONCERN ABOUT BIOTECHNOLOGY**

Concern about biotechnology shows little change over the last seven years, although the more recent survey only asked about environmental effects:

- A June 1993 Harris poll showed 60% feared that "animal, plants, or bacteria produced by genetic engineering will pose a serious threat to human life or the environment" – 22% felt this result was "very likely" and 38% "somewhat likely."
- This concern has persisted, as shown in a June 2000 Harris survey which found a "solid majority" of 56% expressing concern that "plants and crops developed by genetic engineering [would] upset the balance of nature and damage the environment" – 25% thought this effect was "very likely" and 39% said "somewhat likely."

Polls can be misleading, however. They show that a large majority (65%) thinks GM (genetically modified) foods should be labeled. But as Gene Grabowski, spokesman for the Grocery Manufacturers of America, learned, **biotech is not a huge public issue.** When respondents were asked the open-ended question, "What isn't on a food label that should be there?," fewer than 2% named genetic engineering. Out of millions of calls every month about food labels, the top issues are fat content, salt content, demands for more nutritional information and larger print.

**ANALYZING THE OPPOSITION: DISTINGUISHING BETWEEN PROTESTERS AND OTHERS WHO QUESTION BIOTECHNOLOGY**

When the Biotechnology Industry Organization (BIO) held its annual conference in San Diego last month, fewer protesters than expected

showed up – only 750 participated, Dan Eramian, BIO's vp of com'n, told prr. "These were mostly the extremists intent on shutting down the industry." They were symbolized by the roughly three dozen protesters clad in black, some wearing masks and carrying shields, who typically are also anti-global and anti-corporation. **These extremists must be distinguished from other protesters representing a loose coalition of groups,** such as Greenpeace and the Community Alliance with Family Farms. Strong police action – plus concrete barriers and wire fencing – kept protesters away from the convention center and no serious confrontations occurred. What the protesters did accomplish was to



attract widespread media coverage, not only about themselves but also about biotech issues, such as labeling of GM foods, length of patents and an end to gene patents. Protests against biotech foods in Europe have not been duplicated in the U.S., “partly because people have faith in the FDA.”

Eramian appears sympathetic to the **second category of protesters: those who have legitimate ethical and moral concerns and only want to “slow down” developments.** These people “don’t know what it’s all about,” however, and may be concerned about narrower issues like stem cell research and genetic privacy and discrimination. Technology has a positive appeal to most Americans, seeing it as “something good that makes life easier for us.” These technological optimists also look upon small business favorably, says Eramian, which helps BIO because there are only a few national companies among its 1,000 members. Most employ fewer than 100, and 95% don’t yet have a product on the market. The remainder, however, have placed over 100 drugs and vaccines on the market. As the industry moves from childhood to the teenage status, more products will appear, along with greater efforts by BIO to tell its own story.

**INDUSTRY COMMUNICATION EFFORTS**

Molly, the cloned sheep, started the industry’s communication efforts. The

February 1997 announcement was “pivotal,” says Eramian; it put biotechnology and genetics on the radar screen. After BIO received a flood of media inquiries, it held focus group sessions on national policy and conducted polls. These indicated that a **third of the public is aware of biotech, but isn’t sure what it is.** People are more aware of “food & ag” aspects because biotech crops have been around for the last 12 years.

BIO’s public education campaigns have been limited by its small budget. It waged a \$400,000 tv campaign a year ago, but only in the DC area and in Waco, TX, which reached President Bush’s hometown. The Council for Biotechnology Information – a separate organization in which BIO simply has board membership – has launched a \$50 million campaign. It is supported by major companies, such as Monsanto, Dow and DuPont. A Council ad appeared in the *Wall Street Journal* on June 25 with the headline, “Biotechnology is helping him [referring to a large photo of a farmer] protect the land and preserve his family’s heritage.” Eramian says that the **low level of science knowledge in the U.S. makes it difficult to communicate** what appears under the microscope – “We can tell people only about results.”

With stem cell research on the public agenda, BIO’s president Carl Feldbaum was wise to warn delegates at BIO 2001: “We ought to **expect a certain amount of opposition and suspicion from defenders of the established social and religious doctrines.**” On an optimistic note, however, he added: “When people understand what’s at stake, even deeply religious individuals will frequently be on the side of scientific inquiry and discussion, and so will the United States Constitution.” BIO has been meeting with religious leaders and others who describe themselves as deeply religious.

**MEASURING THE IMPACT OF NEGATIVE PUBLICITY ISN’T EASY**

How much is an organization hurt when the media run unfavorable stories about it? There’s no simple answer, because many factors determine how one’s business is affected: potential public interest in the event, breath and length of media coverage and type of product. With serious crisis events, impact has been measured as follows:

- **Loss of market value of stocks:** When Johnson & Johnson’s Tylenol was tampered in 1982 causing seven deaths, the company’s market value plunged by \$1 billion (14%); the first week after

the *Exxon Valdez* oil spill, Exxon’s stock value plunged \$3 billion (5%); and when scientists hinted at a link between cell phones and brain cancer in 1995, Motorola’s stock lost \$6 billion (16%) in value; after reports of E. coli poisoning caused by Odwalla fruit juices, the company’s stock plummeted 34%, falling from 18 3/8 to 12 1/8. *The impact of a crisis is greatest when public health and safety are affected.*

- In extreme crises, usually accompanied by massive litigation, **companies have gone out of business or gone into bankruptcy.** The Bank of Credit and Commerce International no longer exists, and the former Johns-Manville Corp. (now Manville) and Dow Corning filed for Chapter 11 bankruptcy.

**With non-crisis events, negative publicity doesn’t necessarily have a negative impact.** For example, insider trading allegations were made against the CEO of St. Francis Capital Corp. by the federal Securities and Exchange Commission. Even though the media focused on this accusation, “we did not see any change in the stock price that we thought reflected” the negative publicity, said W. Charles Jackson, outside counsel for the company.

Although reputation is important for a retailer, **Wal-Mart has not yet been damaged by bad publicity** about slip-and-fall cases in its stores, rapes in its parking lots, and, most recently, charges of discrimination toward women. Judges have sanctioned the company 130 times for abusive litigation, including rulings that it has withheld, hidden or destroyed evidence. Wal-Mart remains the leading global retailer. But Wal-Mart is mending its ways, seemingly aware that **when a story remains on the media agenda for several months (e.g., 3 to 5 months), public awareness grows.** Besides setting up special teams to coordinate pretrial discovery, it brought in a top-shelf law firm, Jones Day Reavis & Pogue, to look at how Wal-Mart manages litigation generally.

**WHEN NEGATIVE PUBLICITY IS HELPFUL**

When it comes to books and works of art, negative publicity can be “positively priceless.” Two recent examples:

- Alice Randall’s *The Wind Done Gone* would not have made a splash were it not for the **publicity surrounding the injunction that prevented Houghton-Mifflin from publishing it.** Copious press coverage has the book climbing sales lists, even though critics have not been impressed and *USA Today* tagged it a “sad, stale tale.”
- Renee Cox’s photograph titled, “Yo Mam’s Last Supper,” included in an exhibit at the Brooklyn Museum of Art, **drew large crowds after New York mayor Rudolph Giuliani called it offensive.** Cox said, “You couldn’t hire a pr person who could do this.”

**CENSUS REPORTS MORE INGREDIENTS – ESPECIALLY LATINOS – IN THE MIXING BOWL, DRAWING MIXED REACTIONS**

Huge increases in the size and diversity of the U.S. population have drawn a variety of reactions from different segments of the public. Attention has been focused on Latinos because the 2000 census shows they are the fastest-growing minority in the nation, numbering 35 million, or one of every eight Americans. Sonia Perez, deputy vp for research at the National Council of La Raza, says Latinos want three things: safe neighborhoods, good schools for their children and adequate health care. Emphasis is