

"If you ask business executives how important organizational and brand reputation are to their jobs, they're likely to answer 'extremely.' The difficulty is, if you ask how much formal education – however basic – they've had in these disciplines, the answer usually falls between very little and a blank stare." [story on page 2]

Lowe's is latest to face crisis PR fallout

I didn't plan it this way, but this month's newsletter is all about reputation management. For starters, There is no doubt that Facebook is now part of mainstream media. You can't fly under the radar of media scrutiny by using Facebook to make public announcements. Lowe's has discovered this, as I report in my lead story. With more than 800 million active users, Facebook probably has a bigger audience than any other content source, so why would you even try?

To be fair, Lowe's finds itself in a difficult situation regarding advertising on the "All-American Muslim" TV show. I presume most Americans have a hostile view of the Muslim faith based on the 9/11 attacks and the violence of this year's "Arab Spring." And yet clearly that's not an accurate portrayal of these people, who make up roughly 23% of the world's population.

As Warren Buffett has said "It takes twenty years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently." The wisdom and logic of this is underscored in the five biggest PR blunders of 2011.

But America's next crop of MBA grads may gain the knowledge and tools to make better decisions on reputation management thanks to what some would view is a highly unlikely source: the Public Relations Society of America. Yes, the profession whose practitioners are frequently characterized as "spin doctors" and "hacks" are finally being recognized for helping organizations and individuals out of "tight spots," mostly of their own doing. The PRSA hopes that fewer PR crises will occur when the program is rolled out.

Let me take this opportunity to extend sincere Seasons Greetings to all of you and your families, and best wishes for the New Year!



Lowe's, the giant home improvement and big box retailer, finds itself in the center of a growing controversy on religious tolerance and bigotry over a decision to pull its ads from the reality TV show "All-American Muslim," which debuted on TLC last month and is based on a Muslim community near Detroit.

Naturally the story has received coverage in the *Detroit Free Press*, but outlets such as the *Boston Globe*, *USA Today* and the *Associated Press* have covered it too. To try to dig its way out, Lowe's released a statement explaining its decision on its Facebook page – not via a news release on its corporate website.

Lowe's pulled the ads after receiving emails from conservative Christians upset that the show doesn't portray Muslim Americans in Dearborn as radical terrorists, according to the *Detroit Free Press*. Meanwhile, Muslim Americans and their supporters are criticizing Lowe's for its move, as are other groups who cite ethical reasons for urging Lowe's to restore the ads.

The Florida Family Association, which launched the e-mail campaign, says on its website that the show is "propaganda that riskily hides the Islamic agenda's clear and present danger to American liberties and traditional values."



The Jaafar family of Dearborn, Mich., is one of five Muslim families featured in the TLC reality TV show.

Hip-hop mogul Russell Simmons, chairman of The Foundation for Ethnic Understanding, said "This can't happen in America, (Lowe's) needs to fix this immediately. ..." "There are American principles at stake here," Simmons says. "This country is built on religious freedom. This is the kind of hate that tears the country apart."

Dawud Walid, head of the Michigan branch of the Council on American-Islamic Relations, said the attack on the show "is part of an ongoing cultural war with the objective of marginalizing Muslims."

Lowe's (cont.)

Five biggest PR blunders of 2011

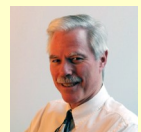
Ronn Torossian, founder & CEO of 5W Public Relations, picks the biggest PR gaffes of the year...so far.

- 1. Herman Cain:** His dropping out of the GOP presidential race showed a complete disregard of all basic rules of crisis PR. He never addressed the various sexual allegations in a clear manner, and he dodged reporters, cameras and questions.
- 2. Anthony Weiner:** In another political scandal,

- 3. Penn State:** For evil to succeed, good people stand on the side and allow evil to happen. At Penn State, a blind eye to child molestation went on for years.
- 4. Netflix.** A brand that

soared on good publicity did an awful job handling price increases and a business reorg. They made things worse by making announcements via a blog post rather than standing up and facing the music.

- 5. Bank of America.** Clearly misreading the anger Americans have towards banks, BOA planned to charge consumers \$5 to access their own money. They withdrew the plan over public outcries, but the PR damage was already done.



PRSA works to help tomorrow's business leaders avoid PR nightmares

The Public Relations Society of America (PRSA) is leading an industry-wide charge to create an MBA-level public relations course that will give future business leaders the strategic communication and reputation management skills needed to manage modern-day corporate challenges and crises.

Currently, many American business leaders view recent MBA graduates as being under-prepared in these areas, according to the findings of a new study commissioned by PRSA. One reason why, says ITT senior communications manager Anthony D'Angelo, is that MBA programs are "notoriously lacking" in their reputation and corporate communication curricula.

"If you ask business executives how important organizational and brand reputation are to their jobs, they're likely to answer 'extremely,'" said D'Angelo, co-chair of PRSA's MBA Initiative with retired Coca-Cola communications director Ray Crockett.



"The difficulty is, if you ask them how much formal education — however basic — they've had

in these disciplines, the answer usually falls between very little and a blank stare," D'Angelo added in a news release.

To help address this lack of training, PRSA has created a turn-key program based on course curricula developed over three decades by Paul Argenti, professor of corporate communications at Dartmouth College's Tuck School of Business, ranked by *The Economist* as the world's best MBA program. Developed with the support of the Arthur W. Page Society, the course incorporates flexible full-semester, "mini-mester" and seminar formats, thus increasing the likelihood of adoption by the nation's MBA programs.

PRSA is in the process of identifying four charter schools, in addition to the Tuck

School of Business, to take part in a pilot program through which the schools will formally integrate the public relations course into their MBA programs for their fall 2012 semesters. PRSA set a timeline to launch the initiative with MBA programs nationwide in 2013.

The PRSA study was conducted in October and intended to gauge the organizational value that U.S. business executives place on corporate communications and reputation management, and on senior managers having advanced skills in those areas. According to the survey, a large majority of C-suite business executives believe that MBA programs lack sufficient emphasis on communications strategy and related leadership skills.

Moreover, 93% of respondents indicated that public relations is as important to their companies as other forms of communication, including advertising and marketing.

Lowe's (cont.)

Muslim Americans have launched an online campaign against Lowe's, urging the chain to apologize and restore ads to the show.

Senator Ted Lieu of California has issued a statement that he is considering calling for a boycott of Lowe's Cos., sparking criticism of the chain from both inside and outside of the Muslim community.

US Representative Keith Ellison of Minnesota, who is Muslim, has released a statement condemning Lowe's for choosing "to uphold the beliefs of a fringe hate group and not the creed of the First Amendment."

And state Representative Rashida Tlaib of Detroit, the first Muslim elected to the Michigan Legislature, voiced her concerns directly with the company. She wrote a letter to Lowe's CEO, Robert Niblock.

"I told them I was extremely disappointed that you give credibility to these hate groups," Tlaib said. "People of Muslim faith are being attacked. It's disappointing, disheartening."

Meanwhile, Lowe's, based in Mooresville, N.C., said it stands by its statement that it pulled the ads after the show became a "lightning rod for people to voice complaints from a variety of perspectives - political, social and otherwise."

Five tips for an 'extreme messaging makeover'

With a new year starting in just a few weeks, this is a good time to take a fresh look at how to reach and influence your target audiences more effectively.

David M. Mastovich, president of MASSolutions, offers five ways to achieve what he calls an extreme messaging makeover.

1. Focus on One Big Idea

We're bombarded with messages nonstop. We remember creative messages that are memorable and make an emotional impact. We relate to them and they are focused on one main idea. Think about ads or slogans that you probably couldn't forget if you wanted to: *Can You Hear Me Now? Don't Leave Home Without It. Got Milk?* The next time you are creating an ad, making a sales pitch, preparing a memo, presentation or PR campaign, improve your message by asking yourself: What's the Big Idea?

2. Tell your story by telling stories

Stories resonate and help us relate to others. We remember vivid details of stories told when we were kids. The most influential speakers tell memorable stories that stir multiple emotions. The best media coverage is created by compelling stories. Build your company's brand by telling multiple stories that become your key message points, convey your real story and create the image you deserve. Tell

your company's story in a way that focuses on your key target audiences. Make it about them and their wants and needs

3. Use startling stats, numbered lists and acronyms

We remember memorable facts or numbers rather than theories or abstract ideas, so use this approach to grab attention. Trident famously used the phrase "four out of five dentists surveyed would recommend sugarless gum to their patients who chew gum" in its advertising for decades. Why? It was a startling statistic that made a memorable impact. We also remember numbered lists better than a simple listing of facts. Acronyms and abbreviations can be effective ways to help your audience remember things, but don't overdue it or you'll have alphabet soup!

4. Get them to feel something. Your messaging must make an emotional impact with your target audience. They have to feel something. Touch emotions to capture people's attention. Focus on what the audience stands to lose as well as what they stand to gain. Put the message in their terms and focus on the impact on them, positive or negative.

5. Tell the truth. If you falsify information or mislead people for any short-term gain, you will be exposed at some point and the damage may be irreparable. Don't risk losing your audience's trust for any reason.