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# Got PR?

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I was tempted to make some points on self-inflicted PR wounds by discussing the latest spectacular example provided by New York Rep. Anthony Weiner. But his tale is so sordid that I chose not to. No matter, he's announced his resignation so he'll follow Elliot Spitzer and other pols who have granted our wish that they just go away.

This month's issue focuses on some social media news items. McDonald's gets victimized by tweets but fights back using the same strategy. New research says that 43% of all businesses use social media networks to attract customers. And former white house press secretary Joe Lockhart has been hired to manage Facebook's global communications.

Anyone who thinks the "holy trinity" of social media firms (Facebook, Twitter and LinkedIn) are at heart altruistic good will ambassadors, can now see they're in it for the money, just like any other profit-driven company.

The economy must be improving. Revenue from display advertising will soon overtake revenue from search...and advertising on mobile phones is going through the roof. The last thing I want to see on my smart phone is an ad!

Call me biased, but I still like this take on which marketing strategy produces the best bang for the buck:

"If I only had \$2 left, I'd spend \$1 on PR," Bill Gates.

**Last but not least, way to go Bruins!!**



## McDonald's not lovin' latest social media scam

An online hoax that falsely suggests McDonald's discriminates against African-American customers is causing a PR headache for the Golden Arches.

Earlier this month, the photograph at right circulated widely on the Internet. The image shows what looks like an official McDonald's notice in the window of a restaurant, telling customers that blacks will be charged \$1.50 extra "as an insurance measure due in part to a recent string of robberies."

Many internet users retweeted the photo, using the words "Seriously McDonald's," to express their disapproval of the burger chain. In response, McDonald's sent a tweet of its own: "That pic is a senseless & ignorant hoax. McD's values ALL our customers. Diversity runs deep in our culture on both sides of the counter."

But that clearly wasn't enough to clear things up, because Twitter users continued to send out the picture, with that same message of condemnation: "Seriously McDonald's." Indeed, so many people sent "Seriously McDonald's" Tweets that the phrase became a leading entry on Twitter's trend list.

That led to a second, blunter McTweet, a day later: "That Seriously McDonalds picture is a hoax." The latest pushback effort seems to have helped keep the photo from spreading too much further—but there's no telling how many people out there still think the photo is for real.

## Terrorists sabotaged with cupcake recipe

The Associated Press reports that Britain's spy agencies have a new message for terrorists: make cupcakes, not war.

Intelligence agents managed to hack into the extremist Inspire magazine, replacing its bomb-making instructions with a recipe for cupcakes. It's the first time the agents sabotaged the English-language magazine linked to US-born Yemini cleric Anwar al-Aswaki, an extremist accused in several recent terror plots.

The quarterly online magazine had offered an original page titled, "Make a Bomb in the Kitchen of Your Mom" in one edition last year. The magazine's pages were corrupted, however,



**Despite evidence showing this blatant example of racial discrimination to be a hoax, McDonald's is still fighting public sentiment that believes the notice is legitimate. Social media circulated the scam, and McDonald's is using social media in an attempt to discredit the allegation.**

This is hardly the only recent barrage of negative publicity for the burger behemoth—some of it more justified. McDonald's CEO Jim Skinner recently was forced to defend the company's renewed use of the Ronald McDonald mascot to appeal to children, after critics said the restaurant's fat-laden burgers and fries endanger kids' health (as reported in May 2011 *Got PR?*).

It's not clear who created the hoax image. It appears to have first showed up on the popular 4chan message board, and it was posted last year on an anti-McDonald's blog.

But there's no doubt it's fake. As some Twitter users have pointed out, the toll-free number given at the bottom of the sign is actually the number for...Kentucky Fried Chicken.

and the instructions replaced with the cupcake recipe.



"We're increasingly using cyber tools in our work," a British government official said in confirming that Inspire magazine had been successfully hacked. Despite sharp cuts to defense and intelligence agency budgets, Britain last year authorized an extra \$815 million in funding on cyber-related projects. In London talks last month, Prime Minister David Cameron and President Obama also pledged to work more closely on cyber research, the AP reported.

If James Bond had been part of this effort, I think he would have made sure that the recipe required the cupcake mix to be shaken, not stirred.

## 43% of U.S. businesses use social media networks to win new customers

The last year has seen a rise in U.S. companies using social networks to win new business, reveals a new survey from Regus, a global provider of flexible workplace solutions.

According to the survey, 43 percent of firms are successfully using social networking to win new customers — up eight percentage points from last year's survey. "As businesses emerge from the downturn, they are increasingly reconsidering pre-recession working practices and opting for more flexible, competitive strategies," said Sande Goltart, regional vice president for Regus, in a news release.

"From supply chain management, to leaner working practices, to cloud computing, to increased use of video communications and mobile working — no area of business is being overlooked," Goltart said.

"Particularly in the U.S. where MerchantCircle reports that more than 70 percent of small businesses are promoting their business on Facebook, more and more companies are leveraging this channel to increase the loyalty of existing customers, and as successful acquisition tools."

The research also reveals more firms are using social media to engage with existing customers than a year ago, with the following highlights:

- 50 percent of businesses in the U.S. use websites such as Twitter to engage, connect with and inform existing customers
- In the U.S., 55 percent of firms encourage their employees to join social networks such as LinkedIn and Xing.
- 8 percent of U.S. companies dedicate up to 20 percent of their marketing budget to business social networking activity.



**US businesses are finding social media networks help them reach and interact with key audiences.**

Globally, the survey reported a seven percent increase in the proportion of businesses successfully recruiting new customers through social networks such as Facebook media, confirming their belief that without a combination of traditional and digital techniques, marketing campaigns will not work.

Social networking has fully evolved from a nice-to-have to a necessity as the majority of businesses in the U.S. (69%), and

internationally (74%) agree that social media activity is playing a bigger role in their marketing strategy. U.S. (64%) and global firms (61%) are also emphasizing the need for a balance of marketing.

The global Regus survey findings are based on responses of more than 17,000 managers and business owners across 80 countries.

Clearly social media networks have changed the way organizations and individuals interact in ways we're still working to comprehend. But social media can also be a case of the hunter getting captured by the game, creating and destroying reputations as this month's story on McDonald's makes clear. I suggest using social media opportunistically rather than to the point of saturation.

## Display advertising to overtake search by 2015

A surge in display advertising has prompted eMarketer, the self-proclaimed go-to authority on digital marketing, media and commerce, to nearly double its ad growth prediction for 2011, according to a Forbes magazine blog.

eMarketer had predicted the market would grow 10.5%, but now it expects a 20.2% rise, and projects that display will overtake search as the largest online ad spending category by 2015.

That increase, to \$31 billion, compares to \$26 billion in 2010, when the market grew 14.9%. In a statement, eMarketer said the increased importance of online as a channel and the variety of online ad formats are fueling the growth.

In particular, display advertising has exceeded 2011 spending projections. This year such advertising will rise 24.5% to \$12.3 billion, according to eMarketer. Meanwhile, search advertising is expected to grow 19.8%, to \$14.4 billion. Marketers' increased use of Internet advertising as a branding vehicle — rather than for direct sales — will prompt faster growth in display, eMarketer projects.

Overall, eMarketer predicts Internet adver-

tising will account for 20% of the total market, up from 17% in 2010. By 2015, such advertising will account for 28% of all U.S. ad spending.

The findings jibe with recent figures reported by the Interactive Advertising Bureau (IAB) that showed a 23% jump in Internet advertising revenues for the first quarter. IAB didn't break out display advertising spending for the first quarter. A report by industry analyst firm IDC also found that display was growing faster than search in the first quarter.

**In a related development**, display advertising on mobile devices has more than doubled in the last two years, according to a study from research firm ComScore.

"Although mobile advertising is still in its relative infancy, it is quickly gaining importance as new advertisers come into the fold," said Hans Fredericks, ComScore's vice president. "The acceleration of mobile media consumption, driven by adoption of smart phones and 3G/4G networks are among the factors providing a ripe environment for advertisers looking to reach consumers through a variety of platforms, including mobile browsers, apps and SMS," Fredericks said.

## Facebook hires former White House press secretary

Joe Lockhart (*pictured*) handled the media during President Bill Clinton's turbulent second term, impeachment hearings and all. Who better to run communications at Facebook?



The former White House press secretary next month will become the company's VP of global communications. In that post, he will manage corporate, policy and international communications.

Facebook, which is gearing up for a highly anticipated initial public offering as early as this fall, has been beefing up its presence in Washington as it faces rising scrutiny for privacy and contemplates a push into China. It also recently got itself into hot water for hiring a public relations firm to pitch negative stories about rival Google (as reported in last month's issue of *Got PR?*).

Lockhart, a former TV reporter, has deep connections in Washington, having worked on several prominent political campaigns, including Sen. John Kerry's 2004 presidential bid. He founded a communications firm in 2001 and has done crisis PR for Oracle.