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# Got PR?

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What a troubling start to 2011. First we had the chilling shootings in Tucson, Ariz., that claimed six lives and injured a U.S. congresswoman. Then upheavals spread throughout the Arab world, beginning in Tunisia and most recently Libya, where military action threatens to expand the conflict beyond that nation's borders.

Now in March, we have the nightmare in Japan, where loss of life and personal hardship caused by the massive earthquake and tsunami are surpassed only by the unfathomable physical damage. And now we have the threat of wide-scale nuclear radiation leaks. This latest wrinkle is causing everyone to re-examine nuclear power as an acceptable source of energy. Here we go again.

My lead story looks at the job the Japanese government has done thus far in crisis communications. The source I cite is being overly harsh in his criticism, I feel. Look at how the U.S. government responded to the events of Sept. 11, Hurricane Katrina and the Gulf Oil disaster. The response to 9/11 was outstanding, but no gold stars for crisis PR were passed out for the other tragedies. And as devastating as these events were, they were far more localized than the disaster in Japan. How would Washington respond if something of that magnitude happened here?

Sadly, April is particularly known for tragic headlines: the shootings at Virginia Tech (2007) and Columbine High School (1999), and the Oklahoma City bombing (1995).

But spring is here, the snow is nearly gone, and we have college hoop and the upcoming baseball season to help take our minds off of the world's ills. No matter how the Red Sox fare this year, nothing will touch us the way these global developments have.

## Japan gets so-so grades on crisis communications

Because Japan is the most earthquake-prone place in the world, the buildings are designed and built to withstand such tremors, and public safety preparedness is baked into the Japanese psyche. Yet nothing could possibly have prepared the country and its citizens for the triple tragedy of March 11: the fifth most violent earthquake ever recorded followed soon thereafter by a destructive tsunami beyond what a Hollywood cinematographer could have envisioned...all topped off by the most calamitous nuclear incident since Chernobyl in 1986.

This has all happened in *less than two weeks*, meaning recovery efforts are still barely underway. The country, and the world, will never be the same. Yet the Japanese government, its business infrastructure and its people, have displayed uncommon steadiness, civility and calm. I suspect that enduring two nuclear bomb strikes that helped draw World War II to a close puts more recent events into perspective.

And yet there is second-guessing on Japan's handling on the crisis communications front. As the tragedy continues to unfold, the lack of clear information could undermine social cohesion the longer that nuclear and seismic uncertainty continues, writes Tokyo-based David S. Abraham, a Hitachi International Affairs Fellow at the Council on Foreign Relations in *The Atlantic*. He is growing more concerned about the country's fate because of the Japanese govern-



**Prime Minister Naoto Kan speaks to the media ahead of his inspection to the biggest earthquake-hit site. (Reuters/Kyodo)**

ment's inability to convey accurate information, which he feels is occurring for four main reasons.

1. The decision makers, whether they are in the government or TEPCO, the utility in charge of the ill-fated Fukushima nuclear power plant, do not have complete information to answer all questions. They are busy working, but peering into the earth's crust to see when the next quake will be and looking behind a veil of radiation to examine what is happening in the nuclear reactor is just not possible.
2. The government in Japan, like their peers elsewhere, is balancing what it believes to be competing priorities: informing the public about an evolving situation and reducing fear. Officials

*("Japan" cont.)*

## Microsoft deemed more ethical than Google, Apple & Facebook

Microsoft is no longer an evil empire, according to a corporate ethics think-tank. As reported in *Time* magazine, the software giant earned a spot on Ethisphere's 2011 list of the world's 110 most ethical companies. Apple, Google and Facebook were left off the list. Other tech companies that received plaudits include T-Mobile, Adobe, Xerox and Symantec.

Ethisphere doesn't go into detail on why Microsoft received the high praise, and its methodology page is so choked with business jargon that it defies understanding. But as *Business Insider* points out, Microsoft started making a "corporate citizenship" push in the early 2000s, spurred by the antitrust trials that accused Microsoft of enjoying a monopoly over American PCs. The company has since donated millions to nonprofits, invested in economic development programs and

improved its internal reporting processes.

Not that Microsoft's been perfect on the ethics front lately. Last summer, the company decided to keep doing business in China and obey local censorship laws, even as Google vowed to vacate the country (Google eventually went crawling back).

Google probably didn't make Ethisphere's list because companies who've faced significant legal trouble in the last five years are disqualified. *Time* only speculates on Facebook and Apple, but Facebook is facing scrutiny over privacy concerns, and tech watchers have dubbed Apple the new Microsoft due to its reign over the budding smart phone and tablet app market. And yet, Apple is now worth more money than Microsoft. So much for Ethisphere's theory that it pays to be ethical. Once you're successful, someone's going to pick a fight.

## Part 5: 5Ws and the H: what businesses can learn from this journalism primer

In November I introduced this multi-part series on how businesses can improve their market positioning by following the time-honored process journalists use to write a news story. They always start with the “5Ws and the H”: who, what, when, where, why and how.

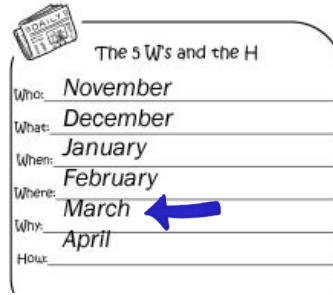
This month I discuss your “why” attributes, because getting a solid grasp on why you do things, and why you do them in a certain way, is a crucial component of your identity and brand.

The “why” reasoning behind business decisions can be an endless discussion, as can the “how” factor that we’ll discuss next month. But the pursuit of revenue and profit is the most fundamental “why” of all. Every business competes on a combination of product/service and price, and generally there’s an emphasis on one attribute or the other. Wal-Mart and Southwest Airlines compete on price; for example, while Mercedes Benz and Starbucks compete on product/service, tossing in a good

measure of convenience and/or customer service to create a strong perception of value in the eyes of the marketplace intended to overcome a higher price point.

So which attribute is best for you, product or price -- and why? I favor a product-focused strategy versus a low-price approach, but both Wal-Mart and Southwest are proof you can be wildly successful being a low-price leader.

But they are the exceptions. Having a competitive if not superior product/service is generally a better business strategy. Discount chains like Bradlees, Ames, Filene’s Basement, Circuit City and Linens ‘N Things each had long, proud histories but succumbed to more aggressive competitors. If low price is your only differentiator, you will eventually lose market share to a business who either matches or beats your prices. If you fight back by offering something more, you’ll either have to raise your prices or your margins will deteriorate to the point where you will have to close your doors.



**Taken from journalism, the “5 Ws and the H” are the necessary components that the lead paragraph of a news story should contain. Apply these same ingredients to create a profile of your business that defines your USP (unique selling proposition).**

By contrast, having a superior product/service tends to sell itself, and allows you to charge more for higher quality. Your target audience is smaller, but so is your distribution network and, therefore, so is your cost of sales.

Then there are businesses like Marriott’s, which has its high-end hotels and resorts along with lower-cost brands like Fairfield Inn and Courtyard. Product and price: the best “why” of all!

And speaking of “why”...

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### “Japan” (cont.)

worry that the full facts about possible, if not likely, outcomes could lead to panic. In some cases, this reasoning may be right. But in the midst of a dynamic emergency, a perceived lack of candor in official statements can undermine the public trust and be destabilizing.

- Sharing information within bureaucratic organizations is often difficult in good times. But communication among many organizations and agencies is often stove-piped. And if information is not shared easily through clear pathways in normal times, when disaster strikes, it creates further obstacles to get details to decision makers.
- Finally, the government has a tendency to want to have all the facts before making an announcement or a decision. Releasing information based on hunches or half-completed work can be seen as a failure to do a complete job. But in emergency cases, a timely decision based on some information is better than a delayed

decision with complete information. The difficulty in information sharing at various levels has led to government apologies and incomplete requests; for example, requesting certain people to shelter, but without giving an estimate length of time they may need to remain indoors.

Abraham recognizes people are working trying to get details to the public, and the overwhelming pressure these leaders must be under is unfathomable. But overall, he says that people feel in the dark, and it is unclear if the government had a plan to ensure that its citizens were kept up to date -- a crucial aspect of emergency response.

Abraham fears this lack of disseminating information and sharing best estimates within organizations and the public is beginning to hamper efforts to get supplies where they are needed. He concludes that he has faith that the leaders are acting in the best interest of the country, it is just important they all share the facts.

### One quack too many

For a comedian, Gilbert Gottfried’s (pictured) timing couldn’t have been worse. The long-time voice of the AFLAC duck frequently seen on TV commercials, Gottfried got fired for tweeting jokes about the earthquake in Japan.



If you didn’t catch his tweets, here’s a sample. “I just split up with my girlfriend, but like the Japanese say, ‘They’ll be another one floating by any minute now.’” He later followed-up with, “I was talking to my Japanese real estate agent. I said ‘is there a school in this area.’ She said ‘not now, but just wait.’”

The insurance company deemed his comments insensitive, particularly since AFLAC does 75 percent of its business in Japan.

Not everyone has been critical of Gottfried, however. He’s received support from fellow comedians. “Howard Stern was very nice,” Gottfried said. “He spoke in favor of me.”

High praise indeed, Gilbert, coming from such a model of tasteful commentary.