



## Managing a Crisis Using PR

Public Relations is the proactive communication that an organization initiates and maintains with the media, its clients, and key internal and external publics. It provides organizations various tools that can be used to support brand building, research attitudes of consumers, and influence key publics. This simulation illustrates the use of Public Relations to develop a Public Relations plan and to use its various tools to manage a crisis.

# Torching Freedom

In the 1920s, American women won their right to vote—they also won their right to smoke. Called the “Torches of Freedom,” cigarette smoking among women was promoted by the American Tobacco Company, because it realized that women smokers were a huge market segment. By linking it to their right to vote, cigarette smoking among women was promoted as a fashion statement.

Using Public Relations (PR) tactics for such dubious marketing was a dream come true for the cigarette company. However, for most women who eventually suffered the ill effects of smoking, it can only be described as a Freudian nightmare.

That was not too far from the truth, because the man who conducted that campaign, Edward L. Bernays, was Sigmund Freud’s nephew. This, and several other controversial campaigns, made him one of the most influential PR professionals of the last century and earned him the title of “Father of Public Relations.”

The “Father of Spin” (as Bernays was also referred to) did not manage crises but created several of them. Not surprisingly, even today, not all publicists are held in high regard.

# PR and Awareness

Spin continues to malign the reputation of the PR profession, but several organizations have realized that PR can be based only on trust, honesty, and openness. Instead of using their skills to squirm out of controversies, many PR professionals advocate preventing crises and completely avoiding unethical and illegitimate business practices.

PR has also been responsible for campaigns ranging from AIDS awareness to changing or reversing harmful laws in many countries. Often, it is the sustained efforts of PR professionals, working for social welfare organizations, or socially responsible companies, that bring about positive changes in social behavior or governmental regulation.

Awareness about environmental conservation is perhaps the biggest and most sustained awareness campaign carried out by publicists all over the world. It has inspired people to convert to vegetarianism and influenced multinational companies to adopt environment-friendly business practices.

Awareness about environmental conservation, combined with the energy crisis, is the prime motivation underlying the green energy industry.

# The Energy Crisis

**In the U.S., electricity generation accounts for most of the pollution that causes acid rain.**

**It accounts for more than a third of the carbon dioxide that causes global warming.**

**It creates nitrogen oxides, which contribute to smog.**

**It prematurely kills tens of thousands of people—especially children and senior citizens—from heart and lung disease every year.**

Green Electricity is being publicized as the solution for these problems, because it does not produce any pollutants and is virtually limitless.

However, many consumers are skeptical, because some green energy vendors are part of larger corporate families, who invest in environmentally destructive projects such as oil, gas, or nuclear power. People living in the vicinity of wind farms also have to suffer shadow cast, glinting effects, and noise from the wind turbines. At 250 meters, a wind turbine makes no more noise than a household refrigerator... but it is still noise.

Therefore, a crisis can strike even in a "clean" industry like green energy.

In this simulation, you will formulate strategies to manage a crisis and make the most effective use of PR tools to communicate with all the publics.

## Green is Clean

American Wattage Corporation is a \$3.5 billion electricity producer providing more than 1.5 million customers with reliable, efficient energy. It has a power generation capacity of close to 8,000 megawatts from coal, oil, wind power, and geothermal resources. American Wattage Corporation operates in California, Utah, and Wyoming. In California, its green electricity division operates as Greenergy, and it has set up a 14MW wind plant (20 wind turbines each with a capacity of 700kW) in Altamont Pass.

You have just joined Greenergy as Public Relations Manager, and your Chief Executive Officer is Richard Hughes. John Glover, the Marketing Manager, will also assist you in your decision-making.

## PR Planning

### March 2x01

Being a new company, Greenergy has to establish everything from the ground up. As Public Relations Manager, your first task is to formulate a PR plan that will encompass all relevant aspects of corporate communications.

In addition to strategy, you will decide how to communicate with key publics. Your choice of strategy and combination of communication tools will determine how successful you are as a PR professional.



You have been allocated a budget of about \$1 million to formulate a PR plan that has the relevant plans and effective tools. Budget constraints will restrict you to only some of the PR Tools.  
**Which PR tools will you choose?**

**PR Tools**



Move the mouse cursor over the images to refer to suggestions of the team.

**Effectiveness of Tools**

	Research Team Setup Plan	Media Relations Plan	Marketing and PR Advertising Plan	Crisis Management and Communication Plan
High	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Medium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- Research Team Setup Plan
- Media Relations Plan
- Marketing and PR Advertising Plan
- Crisis Management and Communication Plan

Budget Allocated (\$'000)	1,000
Plans	Cost (\$'000)
<b>Research Team Setup Plan</b> >>	
Expert Group	234 <input type="checkbox"/>
Systems for Web Polls	185 <input type="checkbox"/>
Systems for Polls and Surveys	53 <input type="checkbox"/>
<b>Media Relations Plan</b> >>	
Publicity through Third-Party Endorsement	251 <input type="checkbox"/>
Media Communication Tools	21 <input type="checkbox"/>
Corporate Web Site	27 <input type="checkbox"/>
<b>Marketing and PR Advertising Plan</b> >>	
Product Publicity	124 <input type="checkbox"/>
Promotional Events	260 <input type="checkbox"/>
Trade Shows	115 <input type="checkbox"/>
Celebrity Spokespersons	240 <input type="checkbox"/>
TV Advertisements	252 <input type="checkbox"/>
TV Interviews for CEO	66 <input type="checkbox"/>
<b>Crisis Management and Communication Plan</b> >>	
Community Development and Philanthropic Activities	390 <input type="checkbox"/>
Environmental Conservation Activities	335 <input type="checkbox"/>
Fact-Finding Team	300 <input type="checkbox"/>
Crisis Communication Process	21 <input type="checkbox"/>
<b>Total (\$'000)</b>	<b>0</b>

# PR Tools

# PR Tools



## Research Team Setup Plan

## Media Relations Plan

## Marketing and PR Advertising Plan

## Crisis Management and Communication Plan

- Expert Group  
Experts are an important source for current information on key trends and public opinion. Their input can be useful for designing questionnaires for surveys and for establishing public benchmarks.
- Systems for Web Polls  
With the advent of the Internet, surveys can be conducted online and at much lower costs. Web sites can run software to enable input from relevant publics.
- Systems for Polls and Surveys  
Regular polls and surveys can identify current attitudes regarding a company's product or image to identify threats or opportunities.

## Research Team Setup Plan

## Media Relations Plan

## Marketing and PR Advertising Plan

## Crisis Management and Communication Plan

- Publicity through Third-Party Endorsement  
Publicity is more credible than advertising, because a news item carries the implicit, third-party endorsement of being objective and impartial.
- Media Communication Tools  
Facts Sheets, White Papers, Photographs, Case Histories, Byliners, Op-Ed articles, and Pitch Letters are different tools for communicating with the media. Each tool has its own style, which makes the message more effective.
- Corporate Web Site  
The Internet is changing the way in which PR activities are implemented, because reporters are increasingly using the Internet for their daily activities. After personal contacts with PR professionals, journalists rely on corporate Web sites for their information.

## Research Team Setup Plan

## Media Relations Plan

## Marketing and PR Advertising Plan

## Crisis Management and Communication Plan

- Promotional Events  
Promotional Events can capture the undivided attention of your target audiences. In some ways, they are better than tradeshows as there is no hindrance from competitors.
- Trade Shows  
Target audiences are usually present in large numbers at Trade Shows. Participation helps an organization in displaying its products to target audiences that cannot be reached effectively through other media.
- Product Publicity  
A support function to marketing, Product Publicity can increase demand for a product during launch, educate customers about complicated products, or generate interest among new customers.
- TV Advertisements  
Also called Institutional Advertising or Image Advertising, Public Relations Advertising markets a company's image rather than a product or service.
- Celebrity Spokespersons  
Celebrity spokespersons range from corporate chairmen to sportspeople to Hollywood stars. Associating with the high visibility of the celebrity increases a company's exposure to the public.
- TV Interviews for CEO  
With TV spots being as expensive as they are, getting your CEO on air can be one of the best ways of getting your message across. Besides the low cost and high visibility, TV Interviews have a tremendous amount of credibility.

- **Community Development and Philanthropic Activities**  
Community development affects every aspect of an organization from boosting corporate image to minimizing damage during a crisis. It could involve the development of communities located in the immediate vicinity of the company or may include a large number of consumers. Philanthropic activities are an extension of community development and may not affect any of the stakeholders directly. Some studies have shown that socially responsible companies are amongst the most profitable firms today.
- **Environmental Conservation Activities**  
From pollution-control projects to adherence to federal standards, environmental conservation activities are a specific instance of a company's social responsibility.
- **Fact-Finding Team**  
Certain employees should be identified and briefed in advance to carry out the role of a fact-finding team. This team is responsible for collecting all the information related to a crisis and communicating that information to the CEO. An internal fact-finding team ensures that the company does not have to depend on the media or unreliable sources for information.
- **Crisis Communication Process**  
Crisis Communication Process establishes the CEO as the official spokesperson of the company. This ensures that the company sends out an unambiguous message. The process also identifies important people in the media and other organizations, such as governmental authorities, to whom information must be released immediately.