

A lesson in crisis communication

The Pick 'n Pay story is a textbook study in crisis communication and every company's nightmare.

 By Louise Marsland 8 Jul 2003

This case of bio-terrorism will no doubt be analysed and dissected ad infinitum in the future. Initially consumers showed their wholehearted support, and the Pick 'n Pay share price rose as store visitors increased. Some have lauded the company's management of the crisis so far and others have not been a complimentary.

It will be interesting to see what happens as the crisis escalates, especially as a child was the latest victim the Pick 'n Pay poisoner. Families may be more reluctant to shop there for food.

Personally, having worked in the FMCG arena as an editor these past 10 years, I know the closed-mouth attitude of retailers to publicity only too well. So in my opinion, Pick 'n Pay has been very courageous in coming out with regular updates on the full extent of the crisis and this is due to CEO Sean Summers' sav as a marketer. But no doubt, there will be many lessons to be learnt as the crisis is unpacked later, and questions are asked about why Pick 'n Pay waited for a customer to become a victim, before alerting the public.

The Marketing Federation of Southern Africa (MFSA), in a statement at the beginning of last week, commended Pick 'n Pay for acting in the public interest in disclosing the extortion threats faced by the retailer over the past seven weeks. "In particular, the MFSA lauds the fact that Pick 'n Pay has chosen to place consumer safety above anticipated revenue losses and other damaging cost implications to the store," said John Arnesen, general manager of the MFSA.

Communication experts such as the Public Relations Institute of South Africa (PRISA), have, however, questioned Pick 'n Pay's ethics in delaying communication about the contaminated products.

In a statement issued by PRISA on Friday, the following was noted: at strategic level an organisation has t right to protect its reputation for plans in progress. In a crisis you need a discretionary window period to assess the situation. However, it's the responsibility of any organisation to act in the best interests of their consumers. In this instance Pick 'n Pay withheld life-threatening information from the public for seven wee and it would thus appear to have been acting in the interests of its shareholders and not consumers. "Was this deliberate, delayed communication ethical?" asks Margaret Moscardi, PRISA's executive director.

Tell the truth

The principles of any crisis communication situation are that you tell the truth and you tell it first and fast, particularly if there's any possibility of danger to human life. When the inevitable happened, and a custome did consume contaminated (poisoned) food, Pick 'n Pay had no option but to communicate fully, truthfully and fast. There's no doubt that at that time this was done effectively - but seven weeks after they had beer warned about the contaminated product on their shelves, says the PRISA statement.

"PRISA is committed to the Global Alliance protocol for ethics in public relations and communication

management and promotes truthful and timeous communication. In my opinion and under these particular circumstances, the integrity of Pick 'n Pay in withholding life threatening information for seven weeks is questionable. Why were the products not recalled immediately and consumers advised?" Moscardi concludes.

Communicate Editorial Board member and MD of Grapevine Communications, Marie Yossava, comments "I commend Pick 'n Pay on the manner in which they are handling this crisis. Despite the fact that Pick 'n P kept silent on this issue for up to seven weeks, they have indicated that reasonable steps were taken durir this period to prevent harm from happening. They have subsequently launched a high profile damage cont campaign in the media with no expenses spared.

"To date, Pick 'n Pay has shown responsible control of its public image and the group's Chief Executive, Sean Summers, is a perfect example of how a company spokesperson should respond to the media - openly," adds Yossava.

Victim

International reputation management specialist, Deon Binneman, said he would praise Pick 'n Pay for their candour, as it sounded and looked like they had handled the issue as responsibly as any corporation coul have done, but added that he also had reservations about how long they kept quiet.

"It wasn't exactly a difficult strategy to envision or adopt, since they were the 'victim'. When you are a victim it makes perfect sense to be open and transparent, etc. Crisis management is much more difficult when y are culpable, or perceived to be culpable.

"My only reservation was the time window period between them knowing about the threat and public action However there is always a time lag between when you know something, and when you act on it. There is al a time factor involved in making an announcement properly, in a manner that will not induce unnecessary panic. A badly planned announcement can unnecessarily harm more people than can be 'saved' by an ear possibly premature announcement," says Binneman.

The crisis raises a number of pertinent lessons for SA management in general, he explains: "Barbara Bloom, an American artist once said that, 'when the Japanese mend broken objects they aggrandize the damage by filling the cracks with gold, because they believe that when something's suffered damage and has a history it becomes more beautiful'. Is it that simple when it comes to company reputation? Can a broken reputation really be repaired?" asks Binneman.

After all, reputation is defined as a state of mind - a set of memories, perceptions and opinions that sits in your stakeholders' consciousness or as the net result of the interactions of all the experiences, impressior beliefs, feelings and knowledge all stakeholders have about a company.

Reputation

Unfortunately perceptions, memories and opinions are not easily shifted. So what can a company do when it has damaged it's carefully crafted reputation?

"First and foremost I would recommend, is for the company to own up and apologise without admitting liability. Then I would rectify the matter as far as possible... going beyond the obvious."

This Pick 'n Pay did, says Binneman, they learnt from experience and they are stakeholder focused.

"How many companies have readily designed crisis management and communication plans in place? Plans of action need to be immediately responsive. When a crisis such as the Pick 'n Pay/Oceana Fisheries product tampering (tin food poisoning) hits an organisation it better be ready to react with speed and finesse to deal with the reality and the perceptions created during the crisis.

"Experience has taught us the importance of foresight and preplanning. A Crisis Response and Communication Plan is a blueprint of what processes and actions need to kick in - depending on the type of crisis facing the organisation."

The problem, he says, is that in many organisations crisis responses are fragmented and should be combined instead of being called Emergency Response, Business Contingency, Disaster Recovery, Occupational Health & Safety, Security and/or Crisis Communication plans.

Deon Binneman has a free questionnaire available, called the 'Crisis Communications Preparedness Checklist' for companies wanting to assess their preparedness. Quite timeously too, he is running a special workshop on 'Effectively Preventing, Containing & Managing a Corporate Crisis', 23 - 24 July 2003, Rosebank, Johannesburg. Email him on: for more detail.

ABOUT LOUISE MARS LAND

Louise Burgers (previously Marsland) is Founder/Content Director: SOURCE Content Marketing Agency. Louise is a Writer, Publisher, Editor, Content Strategist, Content/Media Trainer. She has written about consumer trends, brands, branding, media, marketing and the advertising communications industry in SA and across Africa, for over 20 years, notably, as previous Africa Editor: Bizcommunity.com; Editor: Bizcommunity Media/Marketing SA; Editor-in-Chief: AdVantage magazine; Editor: Marketing Mx magazine; Editor: Progressive Retailing magazine; Editor: BusinessBrief magazine; Editor: FMCG Files newsletter. Web: www.sourceagency.co.za.
View my profile and articles...

For more, visit: <https://www.bizcommunity.com>