

Rumors and Reputations

There are numerous definitions for a crisis, and our definition focuses on important outcomes based on rumors. A crisis can be defined as a significant threat to operations. In addition, some information can negatively impact the reputation of the organization that is the target of the rumor.

A potential plaintiff must prove five things: (1) this was a false communication; (2) the communication was a rumor or an opinion, not a fact; (3) this message was made about the plaintiff; (4) the content was published by a third party; (5) the communication caused damage to the plaintiff. To be effective, crisis progression can be segmented into three categories such as pre-crisis, crisis response and post-crisis. Each category has a role that the crisis management team (CMT) will need to address to be successful.

There are several types of rumors. The first type publicizes fake information created by someone such as a stockbroker who claims that a given stock is going to plummet and the client should sell his stocks before their value drops even further. This is called an intentional rumor. In the previous example, this person started the rumor for their own monetary gain.

Not all interactions are malicious; they can, however, create false promises to an unassuming crowd of people. For example, an individual is finding it difficult to attract people to his new restaurant, so he circulates a rumor that a popular rockstar will be at the bar on the given date. According to the restaurant owner, the night was a huge success and no one left the bar unhappy. Could these statements count as damage to various individuals? Since there was no defamation, the communication did not cause damage to the plaintiff.

The next type of communication is called the premature-fact rumor. Basically, the content of the rumor will eventually be proven to be true. For example, employees in an automotive plant are hearing

through word of mouth that their salaries are going to be cut. Some managers call the communication true while other managers deny the plausibility of the rumor. This communication was proven to be true. The denial of the rumor greatly decreased the reliability of communications disseminated by management.

The next communication is called the malicious rumor, and this rumor is primarily spread to diminish the reputation of a company or an organization. There could be truth in the claim that a restaurant uses ingredients that are not fresh; however, this claim was never proven to be true. The monetary impact cannot be denied. Over the course of two weeks, the profits of the company had declined by 50%. After some investigative research, the CMT determined the source of the rumor. There was a public apology covered by various media channels, and the positive reputation of the company was restored.

The next rumor is called the outrageous rumor because it is so extreme that it must be true. It can be financially costly as well. Procter & Gamble was the target of a rumor campaign started by an unknown source. This source claimed that the corporation associated with the Ku Klux Klan. They also claimed that the corporation practiced Satanism. This rumor found its way into various churches, and the leaders of some churches advised biblical practitioners to boycott Procter & Gamble products. The rumor cost Procter & Gamble \$100,000. There are various ways to detect and prevent the spreading of a rumor.

An organization needs to make use of their CMT. The team must use flexible guidelines to resolve a crisis. Every situation is different and outcomes can vary. There can be parallel situations within different crises, and a comparative analysis can give leverage to the participants. Wendy's and McDonalds both had to address claims that worms were found in their hamburger beef. There are several ways to diminish the impact of the rumor. These experiences lay the foundation for a comparative analysis to a similar situation.

Sometimes, the target (s) of the rumor is the last person or group of people to hear the rumor. The company should create a rumor hotline to report the origination of potentially damaging information. In

the past, telephones were the primary source for collecting information. In the digital age, social media has become an inlet as well. From time to time, employees can receive information on how to handle a situation from an informant. These representatives know how to process information. In some large organizations, one purpose of the employee is to determine the potential of damaging rumors. These employees keep files and records that are passed along to various managers who make decisions regarding the tactics and strategies of the organization.

Anticipation is key and rumors need to be stopped at the pre-crisis phase. Consider the type of rumor that might be most damaging to the reputation of the company. Would this type of story gain the attention of publics across all media channels? Companies can use the rumor telephone line to create a crisis communication strategy that could keep certain information from reaching certain publics. There are negative rumors currently circulating in the marketplace, and rumors gain momentum, day after day, if ignored by the corporate gatekeeper. While hotlines are still used by publics, the web has become a primary source for gathering potentially damaging information.

After a rumor has entered the public relations funnel, how should a company proceed? At this point in the funnel, the media specialist should know the origin of the rumor and the possible impact on the organization. Another option for the company is to do nothing. The company hopes that the rumor will go away on its own.

An example demonstrates candid, internal communications in the work place. In this particular analysis, an employee died from an industrial accident at the corporation. After the crisis, employees did not demonstrate negative behaviors toward the organization. In this scenario, workers had been instructed by management on how to interact during this difficult situation. The organization demonstrated forthright behavior towards employees and employees reciprocated by following the requests of management.

Additional research is needed to determine the usefulness of crisis communications in different situations. The goal is to keep employees properly informed and to convert them into proponents for their employer. There is another way to drive traffic to your organization. This concept is called stealing thunder. The goal is to demonstrate the flaw in your corporation before your opponent has an opportunity to publicly demonstrate the error in your organization. Essentially, a crisis does less damage to the reputation of the company if the organization is first to publicly address the crisis. Timing is key for the CMT.

When a company fails to publicize a damaging rumor, this situation creates the impression that the organization has little regard for the well-being of their stakeholders. You can imagine how upset stakeholders would be if an organization knew that there was an ignition switch problem but the company did not disclose that crisis to consumers or the government. If an organization fails to disclose issues, this creates the perception that the company does not value the well-being of their stakeholders.

Stealing thunder is an important part of the crises response. The initial crisis response should focus on three points. The first point is to be quick. The second point is to be accurate. The third point is to be consistent. There are several repair strategies that can undermine the effectiveness of rumors. (1) the crisis manager can challenge the person or group claiming that something is wrong with the organization; (2) the crisis manager can deny that there is a crisis; (3) the crisis specialist can make someone outside the organization a scapegoat; (4) a crisis manager can minimize the responsibility for the crisis because they were not able to control the events that ignited the crisis; (5) inducement allows the practitioner to claim that the crisis was a result of some other organization; (6) the manager can apologize and take the blame for the crisis; (7) the manager can claim a lack of control over events leading to the crisis situation; (8) the manager can offer money or other contributions to the victims.

To be effective, public relations practitioners must determine the potential for a crisis situation. Stealing thunder should be optimized. The company should design response goals that address these

situations within the crisis funnel. The next step involves training employees for internal and external audiences. Crisis management provides training for the CMT by equipping employees with all of the necessary techniques needed to successfully address a crisis on time with a minimal amount of collateral damage.