

Is the lack of crisis PR to blame for brand failure?

Yesterday, I talked about nightmare CEOs. And today, I came across two very good business articles, one about the biggest brand disasters of the year, and the other about the decline in crisis PR. It seems to me that perhaps the lack of good crisis communications strategy is directly to blame for these brand failures.

Daily Finance lists a top ten list of brand disasters, which include:

- BP
- Goldman Sachs
- Toyota
- Google

Each of these companies had plenty of headlines this year, most of them negative. But what made each of their particular situations worse was the inappropriate reactions from their CEOs, and their response to the situation.

It seems fairly clear to me that although the situations that each company faced were bad, the public response to the situations made the situations even worse. In Toyota's case, the first response to reports of accidents tied to flaws in their vehicles was DENIAL. Toyota insisted for some time that there was nothing wrong with their vehicles, that the people were somehow to blame. Then, they insisted that small fixes were needed—like with the floor rugs (come on, the floor rugs cause sudden acceleration?). Finally, they had to face the music as the government stepped in with all sorts of evidence, but the damage was already done.

According to Matthew DeBord, writing in Big Money, the problem may lie in the 24-7 Internet news cycle, and the inability of

PR firms to adapt to the new realities. He writes:

But now, the new crisis paradigm is spinning hopelessly in the dark. By mid-2010, the stories were changing too rapidly to control, much less revise. Like a violent postmodern vortex, the bad news sucked down all who struggled to escape it. Unsurprisingly, the Internet is to blame. But it goes beyond the 24/7 news-and-comment cycle, and forces the PR world to confront something far more disruptive—and something that will undercut its \$700-per-hour fees.

The lesson now for companies that screw up is that you really have no chance: The currents are against you from the get-go. The courts of Twitter and online video sharing and the forming of Facebook groups to deplore the transgressions of an enterprise will overwhelm even the most crafted crisis battle plan. The profession, quite simply, is at a crossroads. And it isn't in a position to ride out the bumps, because it's up against the kind of high-altitude turbulence that can shred the airframe.

There is no doubt that with Twitter, YouTube, blogs and the rest, bad news travels fast, faster than good news for sure! No news is not good news—it is an opportunity for bad news to stay at the top of people's minds.

Companies and organizations who want to avoid first-class meltdowns must invest in crisis planning and strategizing. If the big names like Toyota and BP can suffer the erosion from bad news, what makes smaller companies think they will survive a crisis?

