

# Again with public perception

In today's *Washington Post*, Steven Pearlstein writes about Wall Street executives (more specifically AIG executives) who are so blind to public perception that they keep stumbling and looking worse. In case you have been avoiding the news, AIG gave some of its top executives millions of dollars in bonuses, while on the receiving end of government/taxpayer money. Nobody but AIG is happy about this. Currently and mostly due to the economic crisis, there is a tremendous amount of populist rage and ill will toward Wall Street and "fat cats" such as Bernie Madoff, who seem to be living the high life while many people are down in the dumps.

Yesterday I wrote about the Facebook redesign and many others have been writing/complaining across the blogosphere and in real life.

What do AIG and Facebook have in common? Not understanding how they are perceived and that perception matters. Both companies have proceeded with business as usual without so much a look in the rear view mirror. Perception is currency, in the most real, dollar sense, which is why the practice of public relations exists. Companies hire PR agencies to help them manage and in most cases improve the public perception of them.

Sometimes, as in the case of Facebook, there seems to be a complete disregard for how core audiences will react to news and changes. There are simple ways to prevent this: testing in the form of focus groups or surveys or even simple conversations with current users. It's about getting outside the bubble. Come to think of it, don't bubbles always burst? Soap bubbles, housing bubbles, tech bubbles to name a few.

In the case of AIG, it has much to do with Wall Street culture, in which greed is good (as the movie *Wall Street*

pointed out) and money is king. The more money, the better. After all, Wall Street is not some nonprofit organization with some altruistic purpose in mind. The whole raison d'être for it is to make money. So it stands to reason that the only thing AIG execs understand is money. Something soft and unmeasurable like public anger is a small price to pay. Except when it isn't. I think the fat cat era may be nearing its end (at least until the next bubble forms).



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## How Not to Make Friends

Well folks, Facebook has done it again. It has irritated its legions of users by changing its layout. Apparently the folks at Facebook are not too savvy when it comes to public perception. If this was the first time, then we could let it pass. After all, Matt Zuckerberg is all of 12 years old or something such. But this is the upteenth time the company does something that alienates its core public, and thus creates NEGATIVE publicity for itself. Case in point, read this blog entry in the Huffington Post. Facebook has been down this road before. And it doesn't learn. I really wonder if Facebook understands anything at all about public relations. I don't expect Zuckerberg to understand, but he should know enough to hire somebody that can provide him with communications counsel. If the company keeps doing stuff like this, it will become the Tylenol Poisoning example for the next generation (you know, how Tylenol dealt with crisis back in the 80s when someone tampered with its products...). This is not a crisis, per se, but it creates ill will. Some people will use Facebook less, and that translates into fewer eyeballs for its one major source of revenue, the ads. And do I have to spell out

what less revenue means? If so, let me introduce you to the Seattle Post-Intelligencer, now online only.

It is ironic in the nth degree that Facebook is an online meeting place for friends. Friends like each other, generally speaking, and I am not liking Facebook right now.

