

# Suspicion breeds increased skepticism

By [John Bradfield](#)

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Public relations practitioners need to understand the new force of citizen's scrutiny of business and how their case will be judged by the ultimate arbiter, the court of public opinion.

A supermarket group conducts extensive consumer research and chooses a location that will draw strong revenues from a growing community. The public relations and marketing people anticipate positive headlines in the community and business press along the lines of 'Community welcomes SuperDiscount Stores'. Success seems guaranteed.

Business faces a more complex reality today with increasing skepticism about their real purpose and actions. SuperDiscount Stores is more likely to come up against local community business people who express concerns about eventually being forced to close. Consumers find out that the supermarket chain pays the lowest salaries and wages in the industry. Environmentalists learn that the company intends destroying indigenous trees that have been on the proposed site for generations. Children stand to lose their favourite playground among the trees. The local newspaper tasks a reporter to investigate; she files her story with the headline, 'SuperDiscount Stores not welcome in community'. Heated conversations begin on-line.

People have long been suspicious of companies and their actions to increase business. They have become more skeptical of business's claim to play by the 'rules' when they often break them. The media are more suspicious after the collapse of large companies due to corruption, unfair competition, paying of unduly large bonuses, and poor treatment of employees and suppliers.

Mistrust of business runs deep in the psyche of consumers and communities throughout the world. Martin Vander Weyer, writing in the Spectator, points to the huge amount of "propaganda for the idea that business people are by nature greedy, heartless, incompetent, dishonest or ... all four". The counter argument that market forces encourage "efficiency, choice, lower prices and rapid technological progress" is often not recognised. He mentions the example of Tesco which this year announced a record £2 billion profit. A hostile media singled out as being a 'destroyer of the high street and the environment, an exploiter of struggling farmers and Third World factory workers'.

Concerned citizens under a new movement 'Wal-Mart No Way' uniting labour, the neighbourhood and small-business have launched a campaign to keep Wal-Mart out of New York. Communities are more disbelieving of the benefits of large businesses entering their domain after lessons learned in other neighbourhoods. The Village Voice reported that accusations include "sweatshop wages and factory conditions overseas, child labour, increased traffic, environmental destruction, systematic discrimination against women, poverty-level domestic pay, and fervent union busting".

Wal-Mart, which has \$285.2 billion sales a year and around 1.2 million workers, has reacted with full-page ads in community newspapers to persuade consumers.

Apart from the local community public relations campaign, Wal-Mart Stores chief executive Lee Scott has gone on the offensive as criticism has mounted after the company became the world's biggest public company. The Wall Street Journal covered how the company has conducted its first comprehensive reputation survey, started running television ads, and met with various constituencies including political leaders, environmental groups and suppliers.

Business in South Africa has come under scrutiny from a number of quarters. Some recent examples include: insurance companies' excessive early termination penalties on policies, the issue of bank charges and whether they are too high, and CEO pay which, according to PE Corporate Service, can be up to 50 times that of the lowest-paid worker (from 38 times 10 to 12 years ago).

Journalists are trained to be skeptical of the information that they find or that is brought to them by various special interest groups, including those in public relations. They know too that to prevent their stories becoming mere one-sided propaganda, they need to get both sides to provide balance and be fair. Journalists are wary of companies' news agenda, which, as a former Financial Times editor and writer Jenny Luesby notes: "Sales are strong and rising, prices are firm or rising, product development is strong, all operations are safe and efficient, employees are happy and appropriately rewarded and management is acting in the best interests of shareholders".

Andrew Leckey, writing in the Los Angeles Times, describes the conflicting needs of journalists and businesses succinctly when he says companies want to put a good face on things to look attractive in the eyes of investors, employees and customers. Business journalists want to get at what's really happening because their readers and viewers are those very same people.

The rise of the 'citizen journalist' in the aftermath of the Asian tsunami, during the terror attacks on London and after other events such as the Hurricane Katrina crisis is bringing about an important change in the balance of communication power. Previously the media told the story through formalised largely one-way channels. Now the many on-line outlets enable a potentially unlimited number of people to publish their views.

The scale of 'citizen journalism' is perhaps best illustrated by the interactive newspaper, OhmyNews, launched in 2000 in Korea. The paper employs 50 staff reporters and editors plus 38,000 citizen reporters (although not all contribute), and receives around 200 stories a day from these volunteers. Richard Edelman, a public relations practitioner in the US, points out: "Citizen journalists or catalysts who spread information through word or mouth are important new recipients of information. We must seek relationships with these new voices in the global conversation".

It would be folly to underestimate or be dismissive of the mainstream media. The depth of their reporting, rigorous disciplines garnered from centuries of craft and pursuit of uncovering the truth, makes mainstream newspapers still a formidable force. Reporting on the recent Hurricane Katrina disaster is a case in point. The Village Voice writes that the mainstream media provided the best reportage and "still have it in them to rattle the cages of the comfortable". The best online-only coverage came from the 168-year-old Times Picayune, from a borrowed website while its printing presses were flooded. "It was almost like the old times: The established media with its sure grip on public truth and meaning; the Internet a sideshow of hobbyists and kooks."

Growing skepticism and citizen journalism are challenging public relations practitioners to face up to serving the public interest. In an advocacy profession such as public relations the goal is often to influence public opinion, notes Craig Miyamoto, a practitioner in the US. "When it's all said and done, what you do in your own particular situations will be judged by your bosses, by yourself, and by the general public in the court of public opinion."

It's hardly necessary to reinforce why companies need to act ethically, build trust and reputation with communities by giving information that is accurate and honest and through corporate responsibility and corporate social investment.

Large companies pay a lot of attention and devote many resources to protecting their biggest asset - their reputation. Competing with a good corporate reputation is complicated but a valuable source of competitive advantage. The California Management Review, noted that "The integrity of the top team - the Board, CEO, and executive managers - plays a crucial role in personifying and creating trust and confidence in the company."

Many more people are watching companies' actions today. Their voice is becoming stronger through the democracy of electronic publishing. The party which best presents its case in the court of public opinion, backed by good performance, will ultimately be given consent to carry out its business. Those who act in the public interest will not be censured, forfeit their good name and will perhaps be more welcome in communities.

## ABOUT JOHN BRADFIELD

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