

GM Needs PR Strategy In Time Of Crisis

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My beef with GM is personal. In 1989, when everyone in my suburban California high school was driving shiny black Beemers, cute little VW Rabbit convertibles or some such, the parental units stuck me with a 1979 Caprice Classic station wagon, a lumbering behemoth that got 20 MPG highway, 14 in the city.

Dad hadn't sprung for the wood paneling — ours was silver with red vinyl seats, a memorable sensory experience on a 104° summer day. You could indeed fit three kids, a German Shepherd, 17 bags of groceries and a pup tent in the back. By the time I inherited it, there was a big dent in the rear door (from when my mom reversed into the Pet Barn sign) and burn holes in the red velveteen ceiling (from when my brother found a flare in a side compartment and said "Hey, what's this?").

I digress. My focus is not the two-ton griefmobile that impeded my ever learning parallel parking, but GM's PR predicament and current communications strategy.

In November 2008, Chrysler CEO Bob Nardelli assured Congress that giving the U.S. auto industry taxpayer funds wouldn't be a "real" bailout. No, indeed — this was for innovation. Good old American inventin' and developin' and engineerin' and optimizin' and road testin' and

New York Times columnist Thomas Friedman put it best: "We have to subsidize Detroit so that it will innovate? What business were you people in, other than innovation? If we give you another \$25 billion, will you also do accounting?"

GM's failure points are extensive, but nothing is more glaring than its resolute myopia. Throughout its history, GM anointed itself the final arbiter of customer needs and wants. While the consumer public was awakening to less bulky, more fuel-efficient and environmentally friendly cars (e.g., our family's next car purchase, after the fantabulous Caprice Classic, was a Honda Accord), GM kept telling us that nah, what we wanted was a really big truck.

They bet entirely against the evolving buying preferences of the very demographics that had the highest growth rates in disposable income. GM's inability and unwillingness to adapt to changing customer desires is perhaps best encapsulated by the remarks of VP of Product Development Bob Lutz, recently quoted as calling global warming a "crock of sh*t." As evidenced by GM's environmentally unfriendly product line, Lutz never cared if his opinion was shared by the consumer public — in terms of his job description, the only opinion that mattered.

In a significant mea culpa, GM now agrees. On December 8th, the Monday after its second Congressional hearing, GM (no doubt assisted by some pricey communications mercenaries) published its "Commitment to the American People." An excerpt:

"While we're still the U.S. sales leader, we acknowledge we have disappointed you. At times we violated your trust by letting our quality fall below industry standards and our designs become lackluster. We have proliferated our brands and dealer network to the point where we lost adequate focus on our core U.S. market. We also biased our product mix toward pick-up trucks and SUVs. And, we made commitments to compensation plans that have proven to be unsustainable in today's globally competitive industry."

While GM's missive is primarily intended to grease its money pleas, it is also a first attempt at regaining public confidence during a PR disaster. Indeed, crisis management specialists stress that rebuilding credibility requires a powerful, unequivocal response pattern. To paraphrase James E. Lukaszewski, chairman of The Lukaszewski Group and a leader in the field, there is a clear communications methodology for companies facing similar PR emergencies:

Candor: Publicly acknowledge that a problem exists, and that action will be taken to fix the problem.

Explanation: Explain briefly why the problem occurred — even if only partial information exists, and no matter how silly or embarrassing the reason. Commit to reporting additional information, until all is made public or no public interest remains.

Affirmation: Say what you've learned from the situation and how this knowledge will influence your future behavior.

Declaration: Publicly commit to taking specific steps that will conclusively address the issues and resolve the situation.

Contrition: Take appropriate responsibility for having allowed the situation to occur in the first place, whether by omission, commission, accident or negligence.

Consultation: Involve those most directly affected in finding permanent solutions that will preclude similar problems from re-occurring.

Commitment: Promise that like situations will never occur again. Show the steps you are taking to make this a reality.

Restitution: Find a way to “pay the price.” Go beyond community expectations to remediate the problem.

GM is not just fighting for our taxpayer dollars or our future business; it is fighting for the scraps of its reputation, as well as its legacy in American history. But GM's breakage with public trust was not a one-off, like **Johnson & Johnson's** Tylenol tampering scare of 1982, or **JetBlue** stranding passengers on runways during a 2007 ice storm (both companies pursued strong crisis messaging tactics, recovering admirably). Rather, GM is asking our forgiveness for decades of systematic failure, made obvious by current economic conditions.

Bailout billions may halt GM's fiscal hemorrhaging, but can the ministrations of PR gurus really effect a verdict reversal in the court of public opinion?

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