

## The power of communication during a product recall

Jonathan Hemus, Porter Novelli  
October 2006



---

---

---

---

---

---

---

---

## Your reputation on the line

*Sony battles to restore credibility after recall warning*  
Financial Times, 5 Oct, 2007



---

---

---

---

---

---

---

---

## Recoverers and non-recoverers

The graph plots ValueReaction (%) on the y-axis (ranging from -20 to 20) against Event Trading Days on the x-axis (ranging from 1 to 251). Two lines are shown: a blue line for 'Recoverers' and a red line for 'NonRecoverers'. The blue line starts at 0, rises to about 10% by day 50, and continues to rise to approximately 25% by day 251. The red line starts at 0, drops to about -10% by day 50, and continues to drop to approximately -18% by day 251.

Event Trading Days	Recoverers (%)	NonRecoverers (%)
1	0	0
51	10	-10
101	15	-12
151	20	-15
201	22	-17
251	25	-18



---

---

---

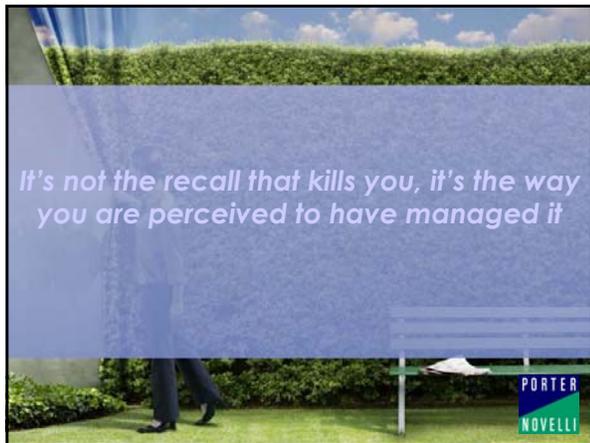
---

---

---

---

---



---

---

---

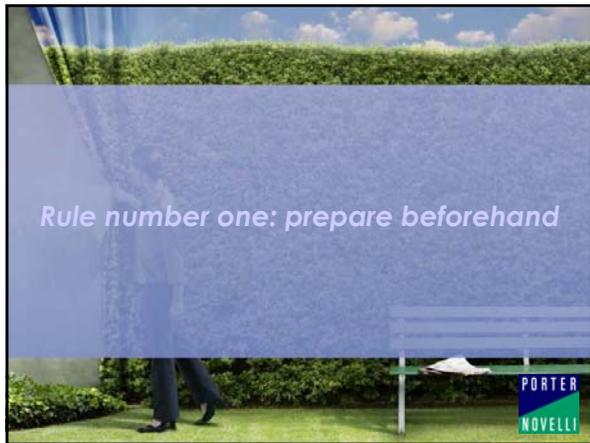
---

---

---

---

---



---

---

---

---

---

---

---

---

**Why is preparation so important?**

- Speed of interest
- Scale of interest
- Surfeit of 'experts' and 'commentators'
- Spread of bad news
- Word of mouth – blogs etc
- Perceptions form and harden quickly

PORTER  
NOVELLI

---

---

---

---

---

---

---

---

**Preparing the communications arsenal**

- Stakeholder map
- Corporate/product facts and figures
- Positioning papers
- Holding statements
- Spokespeople
- Communications procedures and processes
- Communications capability – call centres, website, Intranet, design agency etc.
- Monitoring capability



---

---

---

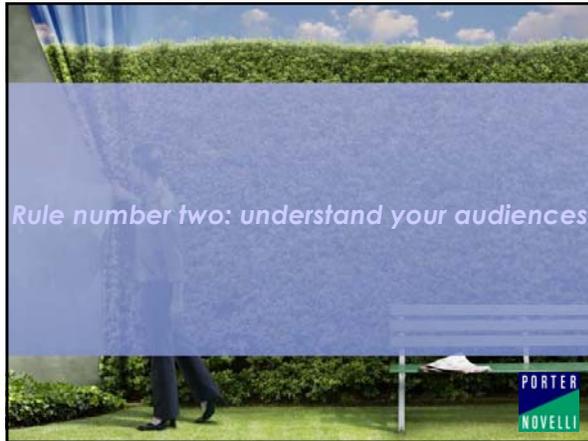
---

---

---

---

---



*Rule number two: understand your audiences*



---

---

---

---

---

---

---

---

**Stakeholder mapping**

- Develop stakeholder map – who is impacted, who has influence?
- Prioritise accordingly - focus on high impact and/or high influence
- Messages – what do they need to know and/or do?
- Develop communications tactics that meet the need of each stakeholder group
- Identify and mobilise allies



---

---

---

---

---

---

---

---

**The media likes a good crisis, especially..**

- Conflict
- Someone to blame
- Controversy
- Mixed messages
- "No comment" – it means you're guilty!

• But they can help



---

---

---

---

---

---

---

---

**So...**

- Communicate proactively as early as is practicably possible
- If you don't communicate, they will get the story from other sources
- Delays in responding position you as irresponsible, unconcerned, incompetent and confused



---

---

---

---

---

---

---

---

**Understand the agenda**

- What happened?
- Why did it happen?
- What are you doing about it?



**Who is to blame?**



---

---

---

---

---

---

---

---



---

---

---

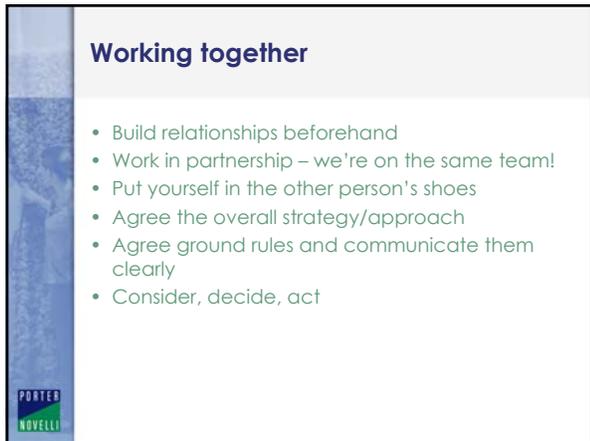
---

---

---

---

---



---

---

---

---

---

---

---

---



---

---

---

---

---

---

---

---