

# Reputation Management



**COMM 386R**  
Tamar Milne  
October 25, 2017

# **Agenda**

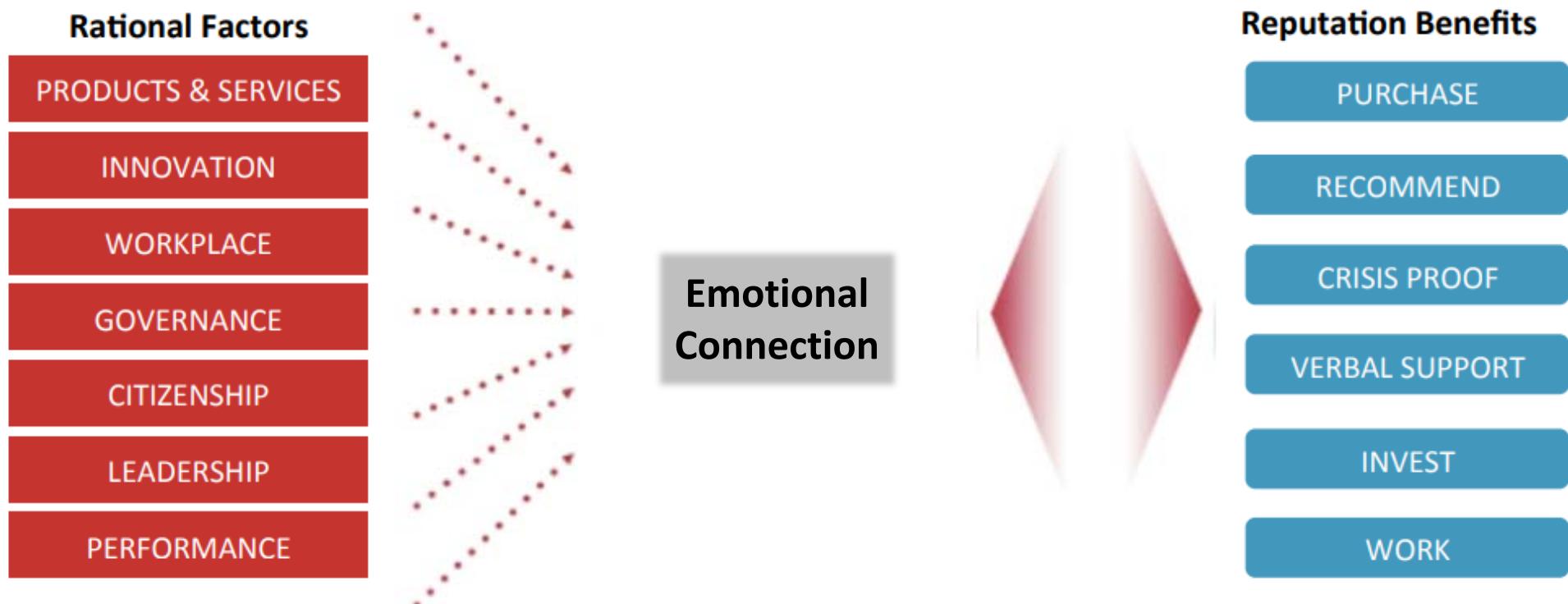
1. Debrief on Cotter Costumes' crisis communications
2. Reminder: components of reputation
3. Case studies: Tylenol, Pfizer



STAR WARS

# CAPTAIN PHASMA™

# Shaping Reputation – and Reaping Benefits



Source: Reputation Institute, Global RepTrak 100

# Related: Johnson & Johnson's Tylenol, 1982



## Chicago mayor bans Tylenol; trail of cyanide widens

CHICAGO (AP) — Mayor Jane Byrne banned the sale of all Tylenol in Chicago on Saturday and hundreds of thousands of residents responded in both of the major cities to police stations as cyanide-laced Tylenol was planted in Extra-Strength Tylenol.

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## Tylenol Claims Seventh Victim

CHICAGO (AP) — Mayor Jane Byrne banned the sale of all Tylenol in Chicago Saturday and hundreds of frightened residents turned in bottles of the pain reliever for inspection and had planted in Extra-Strength Tylenol capsules claimed a seventh victim.

The trail of poison continued to widen, cyanide also turned up in an unexpected bottle of Tylenol that was pulled from the shelves of a suburban drugstore as part of the investigation. That means bottles containing tablets supposed to be pain reliever had been for sale at least four stores in the Chicago area.

The Illinois attorney general has filed criminal charges against the manufacturer, but the Cook County Medical Examiner said he could not rule out "factory error" because of the disclosure that cyanide was used in the Tylenol produced by two different manufacturers. A spokesman for the manufacturer dismissed that possibility, saying cyanide is kept at an area far from where Tylenol is manufactured.

Mrs. Byrne, who Friday had urged stores to strip all Tylenol products from their shelves, declared the ban Saturday "an important step in giving the powers in the city health code," according to a spokesman for her office.

The U.S. Food and Drug Administration said Saturday it would advise not to use any Extra-Strength Tylenol capsules for the time being.

Fran Prince, a flight attendant, was found dead Friday night in her seventh floor apartment on the city's Near North Side, the first victim from within the city limits. In addition, the number of a few days before her body was found, a 34-year-old bottle of Extra-Strength Tylenol (See TYLENOL on Page 8A)



Associated Press Photo  
UNITED FLIGHT ATTENDANT PAULA PRINCE, 35  
Authorities believe she died before warnings were issued

## Suspect Tylenol Found In Fla.

By The Associated Press  
Extra-Strength Tylenol capsules from one of the nation's biggest manufacturers, with the deaths of 10 people in Illinois and the deaths of 10 people in Florida, have been found in three Florida cities, according to a spokesman in the Food and Drug Administration's Orlando district office.

The pain reliever, all from lot number MC289, was found in Jacksonville, Pensacola and Miami, the spokesman said.

Jesús Delojo, manager of the Navarro Pharmacy in Miami's Little Havana, said Friday he had received a telephone call from police interested at a news conference that ended after midnight.

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distributed from the warehouse.

"The important thing to say is it's from a company that has Extra-Strength Tylenol in capsule form," regardless of the central number on the bottle.

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## pain-killer live its latest bothering scare?

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ing because  
the U.S. Justice  
Tylenol capsules  
When seven people died  
after taking cyanide-  
contaminated Tylenol in  
Illinois in 1982, many  
marketing professionals  
said the brand was dead.  
But Tylenol bounced back.

survey of Johnson & Johnson for their  
opinion on the safety of the  
aspirin-free painkiller.

The New Brunswick, N.J.-based  
company set up a task force to figure out  
how it handled the Chicago case,  
and it was praised last week from  
Paul F. Friday, president of Johnson &  
Johnson's pharmaceuticals group.

The death a week ago of 23-year-old  
old Diane Ehrlich after taking a cy-  
anide-contaminated Tylenol raised a  
new question: Can Tylenol raise  
second scares?

Marketing analysts say yes,  
but they expect drug companies to  
concentrate consumer acceptance of  
Tylenol capsules.

The Tylenol capsules account for one-third of Tylenol sales.  
The majority of the market is in tablets.  
Tylenol capsules are more tamper-  
resistant than tablets. They are harder to tamper  
with than capsules because they are  
designed to be taken with a spoon or a medicine  
cup in a soluble form.

Jerry Piner, who follows the health  
and pharmaceuticals industry for the  
Chicago-based firm Duff & Phelps Inc., in  
Chicago, called the outcome for  
Johnson & Johnson's Tylenol brand  
"a definite win."

John P. Jones, associate professor  
of pharmaceuticals at Drexel University,  
and he was among those  
who thought the 1982 recall was  
unnecessary. Jones said he believes  
Tylenol-laced cyanide poisoning  
is extremely rare.

Mrs. Prince, who lived alone  
fearing to report to work Thursday,  
leading officials to believe she died  
from cyanide poisoning rather than  
from the time of the  
cyanide-contaminated Tylenol capsules.

"Once a brand is lucky enough to



Johnson & Johnson uses several devices to make Tylenol tamper-resistant: a tough foil membrane

stretches over the bottle's mouth and a tight, plastic band sealing the cap to the neck of the bottle.

Another example of corporate re-  
sponsibility, "said Raymond J. Muller,

James E. Burke, president of Case State  
University. "If this were a normal  
company with normal standards of  
conduct, it would be shocked to learn  
that this is Johnson & Johnson."

David Williams, port owner of  
Johnson & Johnson's Tylenol plant in  
Westport, Conn., predicted that Tylenol  
capsules would remain in demand,

perhaps with new tamper-e-  
resistant features.

By the end of 1985, however,  
Tylenol capsules will be 30 percent  
of the \$1.8 billion market, according  
to Josephine Green, director of  
marketing for the Tylenol brand.

After Ehrlich's death, traced to  
Tylenol purchased at a supermarket  
in New Jersey, Johnson & Johnson  
sprang into action once again.

It halted production of Tylenol  
capsules, banning promotion of them

and asking consumers to return  
any Tylenol capsules they had.

In a nationwide recall ordered

by Friday, the court said that a "se-  
vere violation of federal food and drug  
laws" forced the company to recall the  
products. Cyanide requirements prevent the name of  
the manufacturer from appearing on the official label.

"We had no choice in the division of the New  
Jersey market," said James E. Burke, president of Case State

University.

The commission ruled Thursday

that Johnson & Johnson had placed itself

at an unfair disadvantage in liability

and that the company should be held  
responsible for the deaths.

Johnson & Johnson had sought to remove Johnson's name

from the label, but the court rejected that

argument.

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Image source:highline.huffingtonpost.com

# Tylenol, “Teaching Model”

TIME

CRIME

## How Poisoned Tylenol Became a Crisis-Management Teaching Model

Jennifer Latson

Sep 29, 2014

Image source: time.com

# Tylenol, “America’s Most Admired Lawbreaker”

The New York Times

## *Risk on All Sides as 4,800 Women Sue Over Johnson’s Baby Powder and Cancer*

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By TIFFANY HSU SEPT. 28, 2017

## Case Study

“...today, people want to ‘feel’ a brand... They are looking for brands with a soul.”

“There were a lot of Pfizer-firsts for this campaign.”



“If it looks too much like pharma, it’s not right.”

“Because with reputation, you gain it in drops and lose it in gallons.”

“...’ROR’: ‘Return on Reputation’ is our indicator.”

# **Key Takeaways**

What are your key takeaways?

- Identify key audiences
- Analyze how they “see” and “feel” your company
- Think in terms of:
  - Products/Services
  - Innovation
  - Workplace
  - Governance
  - Citizenship
  - Leadership
  - Performance
- Identify appropriate communication and engagement channels



# Reminders

Register by Monday to do Reputation Audit assignment individually or as a pair

Check out revised schedule in Course Outline

