

GLASS HOUSE PR CRISIS COMMUNICATION CASE STUDY :

Synopsis/Executive Summary

It was in early 2014 that the Kenyan business scene was introduced to Client X. Then, he was a 25 year old high school graduate who had started a venture capital firm with less than USD200 and grown it to a multi-million dollar international company worth about USD10million. His company was said to have invested in over 15000 small businesses each getting between \$10000 and \$15000 in seed capital. His investments were estimated to have created jobs for over 50000 people. This company was also said to be one of the holding companies in Client X group of companies, each valued at about \$10million. He had partners in the US who were the major investors in his company. Client X was featured in several TV shows, did many interviews with local, regional and African news outlets. He engaged in several mentorship programs with the youth. He was the entrepreneur to watch.

Glass House PR Ltd is a Public Relations company operating in Kenya from the year 2012. It offers customised solutions to its clients who include SMEs, local and regional artists and sports men and women.

The relationship between Client X and Glass House PR Ltd started later in 2014. The Company handled X' media relations making sure Client X' brand received visibility. This they did through TV appearances and news articles as well as social media relations. The Company facilitated his connection to his audience; that is other young entrepreneurs in Kenya. This was done through holding talks, lectures, seminars and the like where Client X would speak on his experience as a successful entrepreneur, offer advice to aspiring, budding and even established young entrepreneurs.

Inconsistencies in Client X story became clear over time. The more appearances he made in public; in interviews both TV and print and during his TV shows, the more holes were poked in his narrative.

For instance, details of his story regarding particular company investments he claimed to have made were inconsistent in most interviews and programs he would speak at. The numbers would go down drastically from tens of thousands of investments to mere dozens.

On further investigation, no one could find corroborating evidence of his business operations with the companies or individuals he claimed to know invest in or work with including his partners in the US.

When client x was asked for his company documents, he could not deliver. Client X was also unable to present basic company documents including business registration documents and tax clearance forms. When pushed for the same, Client X employed delay tactics and got very defensive. He even tried to play on the emotions of his partners and the Glass House PR Ltd claiming they were being inconsiderate and pushy.

The main purpose of this case study is to explore the solution employed by Glass House PR Ltd in dealing with the issues outlined above. The study will look into the issues surrounding the case and their effect on the solution employed. It will further explore the resulting effects of the solution employed with regard to both Client X, Glass House PR Ltd and the different publics.

The study will highlight the merits and demerits of the solution employed and give recommendations on the same.

The study will touch on several communication and public relations theories and their applications in this particular case. These theories include:

- Crisis communication in the digital space
- Reputation management after the fact
- Relationship management in crisis
- Developing authentic brands

Discussion

After much consultation and further investigation coupled with Client X unwillingness to cooperate, Glass House PR Ltd issued a press release in March 2015 stating that they no longer represented Client X sighting inconsistency and ambiguity in Client X representation of his brand.

‘....GLASS HOUSE PR Ltd will no longer represent Client X the brand due to some observations made and ambiguity and inconsistency presented by the brand.....’

The Y PR, in the same press release also issued an apology to the public with regard to their part in representation of the brand and promised to learn from the process.

GLASS HOUSE PR also categorically stated that they would immediately stop hosting any and all other events current and in future that operated under Client X’ brand.

‘...We will no longer be hosting S talks (entrepreneurship events) or follow up on T radio show....’

Glass House PR Ltd chose to send out this information openly and publicly.

“We got into the relationship with Client X publicly and so we felt that would also be the best way to handle the situation,” Glass House PR CEO said. These were the main objectives of that communication:

- To completely sever all current and future ties between Client X and Glass House PR Ltd.
- To create awareness to the public on Client X inconsistencies and ambiguities in his dealings.
- To clearly state Y PR's part in the problem and its subsequent solution to the same.

Several issues were considered in the process of making the decision that this was the best way to handle the situation:

- How do you drop a client who has been a very prominent youth figure in the public?
- Saving face Vs telling the whole truth: Client X was already a prominent figure in the country's business and leadership circles. He had been featured in several national TV shows and news articles. GLASS HOUSE PR would have to be very tactical in how they would choose to steer the narrative. Public Relations in practice is ideally expected to lean on the side of ethics. On the one hand we have a client who is inconsistent, ambiguous and generally dishonest and on the other hand we have a PR company that has been representing him in public.

- Effect on prospective-client attraction and retention of old clients. There was always a question of whether the solution chosen would have a negative effect on Y PR's image which could in turn adversely affect the company's ability to attract and retain clients.
- Contractual obligations: Here, GLASS HOUSE PR had to consider the terms of agreement with Client X and how each of these terms would play out in the decision to drop him as a client.
- Client screening and selection processes in future: GLASS HOUSE PR had to evaluate their methods of client selection and make immediate and lasting improvements on the same so as to avoid a repeat of the situation in question.

Results

Client X, when interviewed on a popular TV show after the press release went public claimed Glass House PR Ltd was hitting back with false claims because he had fired the company first. These were false claims.

The press release soon went viral eliciting both positive and negative responses from different publics. There were two very distinct responses with one side lauding Glass House PR Ltd for openly informing the public that Client X was not to be trusted and the other side saying the matter should have been handled quietly and others still questioning the credibility of Glass House PR Ltd's allegations as expressed in the press release and in an interview that Glass House PR Ltd did on a TV show after the fact to explain its actions toward Client X.

A crisis in this case can be defined as a situation that threatens to harm a business through serious interruption of operations, significant damage to reputation and negative impact on the profit margins and capital growth.

GLASS HOUSE PR was facing a great challenge that needed to be handled in the utmost care. Communication during crisis is critical and can either make or break the parties involved.

In this case, GLASS HOUSE PR had not fully anticipated the crisis itself and backlash from releasing the press release and more so, it going viral. In this digital age, social media causes communication to travel fast, in the blink of an eye even. Time and timing is a crucial aspect of communication in this particular era.

The Situational theory as explained by Grunig and Hunt suggests that the different publics or stakeholders if we may, of a particular organization can be classified as either active or passive seekers of information depending on particular situations that would govern their levels of involvement and therefore their subsequent communication needs.

In this case, Client X was a young, arguably successful entrepreneur who had made a name for himself in the business circles. He had been on several TV shows, news articles and feature stories, youth mentorship programs and was in all aspects a big client for Y PR. X also had several financial partners and investors who had already sunk quite a bit of money in his ventures. We can see four very distinct and active stakeholders here:

- Young Kenyan entrepreneurs and aspiring youth

- Current and prospective clients of Glass House PR Ltd
- Client X' financial partners
- The media

GLASS HOUSE PR then needed to identify the information each stakeholder needed and how best to communicate said information which it has been doing on a case by case basis.

Almost two years down the line, the story is still very fresh in the minds of the different stakeholders and the association of Glass House PR Ltd and Client X brought up another key issue that GLASS HOUSE PR has had to deal with; Reputation Management.

“Sometimes when we send press releases to news organisations we keep getting the same question; ‘Are you the same PR company that represented Client X?’, so we always have to deal with the issue when it comes up,” GLASS HOUSE PR CEO says.

Reputation management is a vital aspect that largely determines the sustainability of a business. Reputation of a business can be defined as an overall assessment of an organisation’s past actions and stakeholders’ trust in the ability of the organization to deliver value and fulfil its promises to its stakeholders.

Y PR’s reputation took quite a hit because of the Client X scandal even though its quick, open and precise handling of the situation softened the blow and reassured Y PR’s current and prospective clients of the company’s abilities in crisis management. Reputation; as it is heavily reliant on trust is built over time and hangs on a very delicate balance.

Recommendations

Proper crisis communication strategies should be put in place and these should further be customized for both digital and analog platforms. James Grunig and Todd Hunt suggest, through the two-way-symmetrical model of Public relations, that communication has to be two way between the organization and its publics and that this communication has to come from a point of mutual understanding rather than one way persuasion. It is not enough to just feed the public information and walk away.

The model explains that both the organization and the public have to adjust to each other and create a balance between self-interests and the interests of others. With the press release going viral, Glass House PR Ltd had to deal with a lot of feedback from the public on social media. Whether positive or negative a bit of back and forth had to happen for the balance to finally be achieved.

Employment of client screening strategies is important for Public Relations practitioners. Without these, the company risks would be placing a big risk on its reputation. GLASS HOUSE PR has since set up clear cut screening measures for every prospective client to ensure the authenticity of the brands they choose to represent.

Conclusion

Communication management is the most essential ingredient in Public Relations as it touches every aspect of the practice. During crisis, it becomes even more crucial to handle communication with care when dealing with your different publics before, during and after the crisis.

The relationship between client and PR representative must be clearly outlined in well drawn contracts that spell out each party's duties to the other so that any breaches and consequences thereof are not a matter of opinion but a matter of fact. This is important because even after the relationship is severed for whatever reason, a clear contract may help in making the separation process amicable to some extent.