Adolph Coors Company (B)

The following is the complete transcript of a speech given by Shirley Richard, director of corporate communications, at the International Association of Business Communicators annual conference on May 12, 1983.

Introduction
The winds of change are blowing, and as we progress into the information age, investigative journalism is something which will affect all of us—either as consumers, members of special interest groups, business persons, or members of the general public. Organizations—and especially businesses—will be forced in the years ahead to deal with investigative reporters in an open and forthright manner.

Adolph Coors Company, the nation's sixth largest brewer, has changed its news media policy from being a "no comment" company to a company with an open door policy. The purpose of this address is to discuss a case history involving Coors and "60 Minutes."

There are certain ways you know when it's a bad day....One of these is when "60 Minutes" calls.

Identification of the Problem/Opportunity

Since 1977 Coors had been the victim of a vicious labor-related boycott designed by AFL-CIO officials to put Coors out of business.

Mike Wallace has gained a reputation as television's major exponent of adversary journalism and had been accused on occasion of not reporting all the facts (particularly with regard to business). There was concern about the news angle "60 Minutes" could take because Coors had a reputation for being a conservative company that took controversial political stances. In addition, Joe Coors for many years had been a supporter of Ronald Reagan and was a member of Reagan's "kitchen cabinet." Because of the unemployment situation in America, Reagan's policies were being seriously questioned. Joe Coors was also reported to have been responsible for the appointments of controversial James Watt (former Secretary of the Interior) and Anne Gorsuch (former EPA administrator). Furthermore, Coors required a preemployment polygraph of all employees, which was an emotional issue with many segments of the general public.
Awareness levels about boycott issues were low in states where Coors was not sold (thirty states). Since Coors was considering a major expansion into the Southeast, there was a risk of raising awareness about negative corporate issues.

The AFL-CIO boycott against Coors appeared to be working. Awareness levels of boycott-related issues throughout the marketing area were high. Formal research performed in 1981 showed that Coors's corporate image had slipped badly. A comprehensive public relations program was in effect to combat the problem, but progress being made to change attitudes was slow.

The facts were on Coors's side. The labor-related boycott was based largely on falsehoods. An open-door policy with "60 Minutes" could result in helping set the record straight.

Morale among distributors and employees was eroding because they believed Coors's management was not doing enough to combat the boycott.

If "60 Minutes" decided to do a feature about Coors, it could be disastrous for Coors not to participate.

After considering the facts, Joe and Bill Coors made a decision to open Coors's doors to "60 Minutes" and conduct an interview with Mike Wallace.

Planning for the Interview

**Target Audience:**

**Primary**

- Beer consumers, potential beer consumers, and opinion leaders with neutral or slightly negative attitudes toward Coors who would comprise a portion of the "60 Minutes" audience of twenty-plus million households.

**Secondary**

- Employees and independent Coors distributors.

**Objectives:**

- Turn a potentially negative report into a positive one by providing an open and candid forum for the "60 Minutes" investigative reporting team. Unlike other organizations' responses to "60 Minutes," Coors didn't want to merely "survive" the investigation, but instead set out to take advantage of this opportunity to set the record straight.
We established some message objectives which were based upon overall corporate objectives and identification of image problems in the market. These are extremely important in any interview situation. These are key points we would make if we had free air time. This is the heart of dealing successfully with investigative reporters. The message objectives we established were:

- Coors has fair hiring practices and is a good place to work.
- The boycott is unfair and is carried on by a few rejected union officials.
- Coors cares about its employees, its products, its community, and its country.
- Coors is not anti-union.
- Coors makes a unique quality beer.

**Plan Elements:**
- Make sure certain officers were adequately prepared prior to the Wallace interview.
- Maintain an open door policy with "60 Minutes" throughout the investigation.
- Perform informal and formal research to measure results of the broadcast.
- Share "60 Minutes" with employees and distributors after the show's airing.

**Budget:**
We established a budget which was spent primarily for professional telecommunications training. Establishing a budget is essential for all PR programs.

**Execution (by the Corporate Communications Department):**

**Preparation**
Requested a letter from Mike Wallace stating the subject matter of his investigation.

To properly prepare for any investigative reporter, you should know as much about the program and its host as possible. To prepare for Mike Wallace's visit to Coors, we learned as much about "60 Minutes" as we could. The success of "60 Minutes" is attributed to its investigative portions and especially the hard-hitting, inquisitorial approach of Mike Wallace, who has been with the show since its debut on the CBS network in the fall of 1968. The show reaches approximately forty million Americans each week.

Allan Maraynes was the producer for the Coors investigation. According to Palmer Williams who recently retired after thirty-one years with CBS—the last fourteen as deputy to Don Hewitt—the founding father and executive producer of "60 Minutes":

"Producers are the be-all and end-all of everything that happens on this show. They are the twenty-three skilled entrepreneurs who do a great deal of research and collar people for interviews and arrange schedules and beat
their correspondents over the head all year long. Good camera crews and good editors improve pieces, but it is the producer who does the donkey work at every level, and it's his neck that's out. If his case—and that includes his big-name correspondent—doesn't perform up to expectations, it's a blot on the producer."

After we learned this information, we traveled to New York to visit the producer, Allan Maraynes, to learn more about him and how "60 Minutes" worked. We obtained tapes of Mr. Maraynes' recent productions, and we contacted other corporations that had been the subject of an investigation by Allan Maraynes. In all cases, we learned that Allan Maraynes was a professional who researched the facts thoroughly and produced a fair story.

Obtained tapes of recent speeches and information about David Sickler, the AFL-CIO official who headed the Coors boycott.

Researched and gathered all facts surrounding every issue which could be brought up by Mike Wallace.

Obtained permission from Mike Wallace for the Coors Television Department to film all aspects of the "60 Minutes" visit to Coors. It's good to have a record of questions asked and responses.

Prepared Bill and Joe Coors for the Mike Wallace interview with professional spokesmanship training using actual reporters. These techniques would apply to any interview situation for any company.

• Reviewed message objectives and explained technique of bridging from Mike Wallace's questions to positive points about the company. (Emphasize that audience will not see actual bridging of message objectives during the "60 Minutes" film they will see because of editing. Explain that the message objectives were communicated through-out the entire "60 Minutes" investigation, including when we transmitted all information to producer in response to his requests.) Example of bridging: Mike: "Joe Coors, you give to right wing groups, including Anita Bryant, to help stamp out gays. You are the acknowledged leader of the Colorado Crazies, including James Watt. You sneak into the back door of the White House when Ronnie's secret kitchen cabinet meets. Wouldn't it be better to get out of politics and just make beer?" Answer: "I don't agree with your statements, Mike. The reason I'm involved in politics is that I care about America--people may not agree with me philosophically, but they can't argue with the fact that I care. But more importantly, the company I represent cares about its employees and cares about providing a good place to work.

• Reviewed interview strategy:
  o During an interview, you have rights...Advised Joe and Bill of their rights with Mike Wallace, i.e., the right to set their own pace, the right to be comfortable, the right to have Mr. Wallace repeat a question if they are uncomfortable with it, the right to ask Mr. Wallace for more information or why he may be asking a certain
question. We reminded them that this interview would be a two-way conversation between them and Mike Wallace.

- Reminded Joe and Bill to remember the "real audience" would not be Mike Wallace but the millions of viewers who would be watching the broadcast. We urged them to use language the person at home could understand.

- Cautioned them to listen carefully to the entire question.

- Advised them to smile and not be afraid to show a sense of humor.

- Some don'ts that were reviewed:
  
  - Don't fall for Mike Wallace's technique, the "pregnant" pause. You feel compelled to fill the space—lots of errors occur here.
  
  - Don't become hostile, no matter how hostile Mike Wallace might become. We emphasized that more points could be made with the real audience by keeping cool.
  
  - Don't say "no comment." We advised them that if they couldn't answer a question, to say so but tell the audience why.
  
  - Don't belabor a point. We told them they probably would not get Mike Wallace to agree with them anyway on most points.
  
  - Don't be patronizing. We encouraged them to avoid comments like, "That's a good question," or "I'm glad you asked that." We also advised them not to ask, "Does that answer your question?" It would be an open invitation for Mike Wallace to say no.

- Reviewed interview techniques:

  - Some types of questions, favorites of investigative reporters (particularly the broadcast media), should not be answered in the form they were asked. We told them to answer the question their way, then bridge to a positive objective.

Examples:

A or B Questions--The answer doesn't have to be yes or no, either/or, black or white. It may well be C—or D, E, or F. Example: "Your sales are down. Is this because? a. Of your Johnny-come-lately marketing campaign? or b. Lack of commitment on the part of your independent distributors? Answer: Our sales are off due to tough competitive pressures in the market-place. But the reason we'll be successful in the long run is because we make a unique quality beer.

Absent Third Party--We told them they didn't have to attack, defend, or explain someone who was not present. Example: "August Busch of Anheuser-Busch has made a statement to the effect that your company lacks breadth and depth at the top management levels. Could you comment on that?" Answer: I don't
have knowledge of August Busch's statement, but I can tell you that at the top management levels we're committed to providing a good place to work.

Irrelevant--We told them they did not have to answer any irrelevant questions. Example: "Mrs. Coors is a born-again Christian—how do you reconcile that with the fact that you support causes that are costing Americans their jobs?" Answer: We're not here to talk about Mrs. Coors, but we are here to talk about the unfair boycott carried on by a few rejected union officials.

Loaded Preface--We advised them to watch out for long questions that contained outrageous statements from which they may want to disassociate themselves. Example: "We all know that Coors is anti-union, anti-gay, anti-minority, and anti-people. It is also generally agreed that your marketing campaign has been ineffective against your major competitors. Even some of your distributors have questioned your leadership—calling Coors a rudderless ship at sea. Yet, you've often said that survival is the name of the game--how can you expect to survive?" Answer: I don't agree with your statements. There are a lot of misunderstandings about Coors, and that's why we're here. We will survive for a number of reasons, but primarily because: a. We make a unique product, and b. We care about our employees and provide them a good place to work.

- Actual interviews were conducted with Joe and Bill by professional reporters before television cameras and lights in the setting where the interview with Mike Wallace would take place. We reviewed and critiqued the videotapes and each officer. We prepared a follow-up memorandum summarizing the key points. It's interesting to note that Mike Wallace agrees with this approach to preparing for an interview using outside reporters. He once said, "It makes perfect sense to me because people should have every opportunity to make the best case they can for themselves."

- Other--Recognizing that audiences respond emotionally rather than intellectually, it's important to make a good impression with appearance and mannerisms. Some things were considered:
  - Joe Coors's glasses
  - Whether to wear coats and ties
  - Whether to use make-up
  - What type of chairs to sit in; where chairs should be placed
  - The importance of smiling, no matter how hostile Mike Wallace might become

Engaged Harbicht Research Inc., of Arcadia, California, to perform formal research with beer consumers to measure the impact of the show in Los Angeles and Denver:

- Wave I  Immediately prior to broadcast (9/21-26)
- Wave II  One week after broadcast (10/1-4)
Wave III Four weeks after broadcast (10/28-31)—Wave III was intended as a measure of long-term impact of the program.

Engaged Manning, Selvage & Lee to perform a media audit in Los Angeles.

Open Door Policy

- Invited Allan Maraynes, producer, to visit the brewery and ask questions of any employee he wanted about the working conditions at Coors.
- Prepared extensive chronology of Coors's labor relations history.
- Responded immediately to all requests for information. (Note: the actual interview with Bill and Joe Coors was held in May; the show was not aired until September 26. There were continuing follow-up requests for information throughout the summer.)
- Conducted an employee "brown bag" luncheon with Mike Wallace where employees at random told Mike Wallace their opinions about Coors.

What followed was a series of questions and answers between Mike Wallace and over a dozen Coors employees. These were all filmed by "60 Minutes" and comments from three employees eventually appeared in the segment aired in September.

The "60 Minutes" broadcast "Trouble Brewing" was aired on September 26, 1982. We didn't know until we saw the show what was in the program.

Evaluation

Mike Wallace and his producer were professionals in every sense of the word. They explained what type of story they wanted to do, and then they set about doing it. They were never hostile or antagonistic, although Mike Wallace was tough in his questioning.

According to Nielsen, 20.8 million households saw the program; it was the number two show of the week.

We met our objective to turn a potentially negative story into a positive one as evidenced by the following:

- Coors received more than eight hundred letters expressing viewers' thoughts about the program—only six were negative. We also received hundreds of phone calls supporting Coors. In addition, according to CBS the thousands of letters it received about the broadcast were overwhelmingly in favor of Coors.
- A review of the script showed that all message objectives were communicated at least once.
- According to the formal research, one out of five beer drinkers saw the show. The change in attitudes among the minority who saw it was large enough to cause a notable shift in the total sample.
The media audit revealed that 90 percent of the media saw the show. All believed the story was positive for Coors. Importantly, the people with some of the strongest anti-Coors feelings six months earlier showed the largest change in attitude.

Many organizations lifted their boycotts as a result of the broadcast. These groups included Hispanic groups, colleges, and gay editors in San Francisco. Also, pro-Coors editorials appeared in several newspapers.

Follow up

Negotiated with "60 Minutes" to purchase rights to reproduce and distribute tapes for employees, distributors, and opinion leaders. The transmittal to distributors suggested ways to use the tape in their markets to capitalize on the positive impact.

Made available to employees the tape of the employee brown bag luncheon with Mike Wallace.

Held an open house with management and employees to share the "60 Minutes" broadcast. Shared "60 Minutes" updates with employees and distributors through employee and distributor publications.

Sent copies to distributors of the support letters we had received from consumers in their markets and asked them to follow up. We also answered each letter personally.

Placed ads in several local papers reproducing the editorial which had been run by that paper with a note of thanks for supporting Coors.

Conclusion

Adolph Coors Company faced its biggest communication challenge ever in 1982 when Coors was the subject of a "60 Minutes" investigation by Mike Wallace. Our objective was to turn a potentially negative report into a positive one by providing an open and candid forum for the "60 Minutes" team. We successfully accomplished our objective.

Trends

There are a number of emerging issues in which business plays a part and that have substantial impact on the public. A quick reading of major periodicals provides some indication of what these issues are: America's shift from an industrial society to an information society; multinationalism with both domestic and international ramifications; corporate governance at all levels; increasing reliance on public referenda and consumer protection. There is also a rapid development of new power centers throughout our society. Special interest groups have come to occupy a position of significant political and social importance. Employees, too, are flexing their muscles.

Forming a backdrop to this is the pervasiveness and the influence of the news media, which have become a center of power in America. Although investigative reporting is not new, the
journalists of today come prepared with better understanding of the workings of business and they also have the resources of large media organizations. The outcome of all these changes—the new issues, the rise of new power centers, and the enlarged influence and reach of the media—has been to bring previously private organizational problems into the public domain. Unlike the earlier muckraking, investigative reporting of the '80s will attempt to interpret more thoroughly and accurately all of these massive changes in a targeted manner. It is an opportunity for an organization to communicate positive messages about itself.

It is also an opportunity for organizational communicators to expand their roles by keeping abreast of all changes and expectations related to the public interest. Communicators can interpret these changes to management and then become involved in the decision-making process to help ensure that the company's policies are perceived to be in the public's best interest. The organization then will be better prepared to respond to its stakeholders and survive in this changing, information-oriented society.