

Rumors and Rumor Control



A
Manager's
Guide
to
Understanding
and
Combatting
Rumors

ALLAN J. KIMMEL

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AND
RUMOR CONTROL



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and Combatting Rumors

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This book is dedicated
to my father, Donald Kimmel,
and to the memory
of my mother, Helen Kimmel.

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Preface

Whatever words we utter should be chosen with care for people will hear them and be influenced by them for good or ill.

—Siddhartha Gomo or Buddha

In this new millennium, the expression *information age* has been used so frequently to describe the modern era that to cite it here may be seen as belaboring the obvious. Yet, what better terminology to characterize an era in which newly emergent technologies allow us to communicate with one another with far greater facility than at any other time in history? Unlike previous periods, we are now as likely to exchange information with total strangers as with people we know. The information available to each of us at any particular time has also expanded exponentially over the years. As Richard Saul Wurman (1989) pointedly observed in his book *Information Anxiety*, “a weekday edition of *The New York Times* contains more information than the average person was likely to come across in a lifetime in seventeenth-century England” (p. 32). This is perhaps nowhere more evident than in the business world. If you were to look at a Reuter’s financial market screen for 10 minutes, you would see 10 times the information you would ever need.

In this context, with any desired bit of information instantaneously available with a click of a computer mouse, we might expect that rumors, which traditionally have flourished during periods of news blackouts and information famines, would be a thing of the past. Ironically, the opposite seems to be the case. In contemporary society, rumors circulate like the air we breathe; more and more, they seem to arise not from a lack of information, but within a context of information overload. This apparent contradiction can be traced in large part to the public’s seemingly insatiable need to know. As demands for greater access to news and instantaneous communication continue to grow, the reliability of any one piece of information has become that much more difficult to assess. Indeed, the veracity of much publicly circulating information has become progressively more suspect as the capacity

for its rapid and widespread flow has expanded. In many cases we do not know whether the facts have been verified and often we do not even know where the information originated. Lacking the identity of the true source, we are left with the thorny task of discriminating reality from fiction, truth from nontruth, and fact from rumor.

With respect to the questionable truthfulness of information, the stakes are perhaps nowhere higher than in the contemporary business world. At no other time have rumors represented such an imposing competitor in the marketplace of information exchange. Rumors can tear at the heart and soul of a business and the fight to control them ultimately engages most managers at one time or another. Given that there are alternative explanations for the evolution and spread of rumors, in addition to the complex dynamics of the rumor process, it would be naive to expect that one approach to rumor control would be feasible in all situations. In fact, most rumor specialists advocate the use of multiple rumor control tactics within any business setting to optimize the chances that rumors will be identified and addressed early, before they manage to wreak much damage.

Although it is essential that each company formulate an approach for dealing with the rumor problem, there is no foolproof plan for preventing or neutralizing rumors that can guarantee success for different kinds of companies or varying circumstances. Although the stakes clearly are on a smaller scale, the fight against commercial rumors shares much in common with the ongoing international war against terrorism. In both cases, the specific enemy and timing of the strike are not known until it is too late to avoid potentially dire consequences. Even the strongest prevention efforts cannot successfully ward off every single blow. Yet there are measures that can be taken to reduce the likelihood of attack and the severity of damage inflicted once the battle has been joined.

When I first set out to write this book, I had two objectives in mind: (a) to shed light on the often perplexing phenomenon of rumor by integrating disparate approaches from the behavioral sciences, marketing, and communication fields; and (b) to offer something of a blueprint for going about the formidable tasks of attempting to prevent and neutralize rumors in business contexts. In essence, these objectives reflect the two faces of this book, one of which is theoretical and the other applied. Social psychologist William McGuire (1965) once adroitly commented that application without regard to theory is "as inelegant and inefficient as trying to push a piece of cooked spaghetti across the table from the back end" (p. 139). Similarly, we can say that efforts to cope with the rumor problem in the marketplace and workplace without an appreciation of what has been learned to date about the multifaceted and elusive nature of hearsay are ultimately doomed to failure. With these dual goals in mind (one theoretical, the other applied), I am hoping that

this book will be of equal interest to academics and managers in a wide range of professional contexts.

The world is a much different place now than it was when this book was first conceived. Events such as the September 11 terrorist attacks in the United States and the collapse of Enron have done little to deflate the problem of marketplace rumors. On the contrary, by raising public anxieties, uncertainty, and skepticism, these events have served to exacerbate the very forces that underlie the generation and spread of rumors. The challenges for product and brand managers, public relations specialists, employers, and behavioral scientists have never been greater. Companies must be prepared to ward off competing campaigns of misinformation by revealing rather than concealing the truth, reducing uncertainties, and proactively establishing and maintaining trust among their various publics. It is hoped that this book can serve as one tool toward achieving such daunting tasks.

My interest in the psychology of hearsay dates back to my early days as a graduate student at Temple University. It was there that I met and began to work with one of the key crusaders in the investigation of rumor, Ralph Rosnow, who one September afternoon in 1976 invited me to contribute an article about gossip for a special issue of the *Journal of Communication* he was editing. Little did I realize at that early stage in my professional career (my first month in graduate school!) that I was about to embark on a fascinating journey that would culminate in the writing of this book. It now has been more than 25 years since that article (coauthored with Jack Levin) was published and I have remained actively engaged in the study of rumor ever since.

—Allan J. Kimmel
Paris, France

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Part I

Understanding Rumors and Rumor Transmission

Rumour is a pipe
Blown by surmises, jealousies, conjectures
And of so easy and so plain a stop
That the blunt monster with uncounted heads,
The still-discordant wavering multitude,
Can play upon it

—William Shakespeare, *Henry IV*

Introduction: Identifying Rumors and Related Forms of Communication

Rumor. Think about this word. Say it out loud. Rumor. It has such ugly connotations, doesn't it? A statement that cannot be proved or disproved. Rumor. Rhymes with tumor.

—La Monica (1999a)

Whether one chooses to equate it with a malignant growth, a poisonous vapor, or an information virus, the underlying message is clear: Rumor spreads rapidly, is difficult to control, is invisible yet nearly impossible to ignore, and can have damaging and perhaps even deadly consequences. We know it is probably bad for us, and we know it can hurt those around us, but we often find it hard to resist becoming active participants in the rumor-spreading process.

Rumors have been a basic element of human interaction for as long as people have had questions about their social environment. Yet, despite its obvious negative connotations, a rumor has the capacity to satisfy certain fundamental personal and social needs, and in this sense can be beneficial to those who participate in its transmission. To a great extent, rumors are communicated as an effort after meaning; in other words, they help people make sense of what is going on around them. Rumormongering is a way of trying to explain what is happening and why—whether it be a crime in the neighborhood, a political crisis, or a change in a company's management. Spreading rumors becomes a means by which people try to get the facts, to obtain enough information so that it reduces their psychological discomfort and relieves their fears.

RUMORS IN THE MARKETPLACE

Despite the positive aspects of rumors, in the business environment, unfounded assertions and speculation can be especially potent and undeniably

dangerous. In fact, for many contemporary managers, rumors often represent an imposing competitor in the marketplace of information exchange. Virtually every type of company is plagued from time to time by the spread of unverified stories and questionable information about its operations. Most of these stories are relatively harmless, drawing little serious attention and quickly fading away before developing into something more formidable. However, sometimes the situation festers and takes on a life of its own, and what may have started out as a seemingly innocuous assertion about some aspect of the company's activities evolves into a full-blown whispering campaign that spreads quickly and uncontrollably throughout the company's various publics. In such cases, rumors can strike at the very heart and soul of a business. They can severely damage company and brand images, undermine corporate credibility, stimulate consumer boycotts, adversely affect employee job performance and satisfaction, and have far-reaching effects on financial markets. Although most rumors have a discernible life cycle, contemporary communication media have the potential to speed up the process dramatically—in fact, some rumors cause damage overnight and disappear immediately; others are more persistent and can have insidious effects over the long term, appearing and reappearing along with changes in the social or psychological climate.

Many managers have learned the hard way that a failure to react quickly and effectively to false rumors can have devastating consequences. This is something that the corporate executives and brand managers at Procter & Gamble (P&G), one of the world's most successful consumer goods manufacturers, are all too well aware of. P&G has been the target of negative rumor campaigns off and on over the past two decades, and there is little reason to expect that the trouble will not reemerge again in the future. The P&G case represents one of the longest, most widely publicized, and most expensive confrontations with rumor in the consumer marketplace. Accordingly, it can serve as a useful starting point in efforts to fulfill the basic objectives of this volume: to dissect the nature of rumor, understand its dynamics, and develop strategies for coping with it. Following a detailed description of the P&G story and some related examples, the remainder of this introductory chapter tackles the thorny and often elusive issue of what a rumor is, identifying its characteristics and properties, and distinguishing the concept from related forms of communication with which it is often confused.

Procter & Gamble and the Man in the Moon

The beginning of trouble for P&G has been traced back to early 1979, when rumors began to circulate that the company was secretly controlled by the Reverend Sun Myung Moon's Unification Church (so-called Moonies). As we consider in greater detail later, it typically is very difficult to pinpoint the exact

origins of a rumor and the P&G case is no exception. Nonetheless, it has been suggested that the onset of the Moonies rumors could have had something to do with the Unification Church's purchase of property in Florida (Koenig, 1985). This action caused a general sense of uneasiness in the local population that may have been transferred back to the American Midwest by tourists who spent their winter holidays in the South. The strange image of the man in the moon in P&G's logotype, which appeared on more than 70 household products at the time, may have served to link the company and the church for anxious consumers (see Fig. 1.1).

The Moonie rumors first became apparent to P&G officials when the company's Public Affairs Division received inquiries from a handful of reporters and consumers in Florida about ownership by the Unification Church (Koenig, 1985). Shortly thereafter, telephone calls from around the country began to trickle in to the Consumer Services Department, whose toll-free telephone number was printed on every product package. In each case, the callers said that they had heard that the company had been acquired by the followers of the Reverend Sun Myung Moon. By the end of 1980, hundreds of telephone calls, cards, and letters were arriving each month, compelling the company to deny the allegations by writing to news organizations in the states that apparently were most affected. Eventually, however, many of the inquiries began to focus on P&G's involvement with witchcraft and the devil, with a growing number alleging that the company's century-old trademark, a circle with a design depicting the man in the moon and 13 stars representing the original American colonies, was a symbol of Satanism. The situation appeared to have died down following P&G's unequivocal denials, until late 1981 when a deluge of Satanic-related queries suddenly beset the company. During December 1981 alone, 1,152 inquiries were received, mainly from the West Coast (Salmans, 1982). At that time, the Moonie ownership rumors appeared to fade away as the Satanism rumors became more specific and elaborate,



FIG. 1.1. Procter & Gamble's moon and stars logo. Reprinted with permission of The Procter & Gamble Company.

quickly spreading across the country. Many callers reported hearing that a company executive (often identified as the “owner”) had appeared on a nationally popular television program and admitted a Faustian pact with the devil to gain success for the company. Interestingly, a nearly identical story had circulated about the McDonald’s Corporation a few years earlier.

It was now becoming apparent that what had started out as a more or less localized story about company ownership was rapidly evolving into a national crisis situation for P&G. This case predates the Internet, but a formidable word-of-mouth network was constructed through the use of more traditional media, including newsletters, circulars, and face-to-face interactions. Anonymous fliers, usually misspelling the company’s name, began to appear at supermarkets, alleging that the company was donating 10% of its earnings to the Church of Satan and urging shoppers to boycott P&G products. For example, in one anonymous flier, the call to boycott took the following form: “Do you realize, that if all the Christians in the World would stop buying Procter and Gamble [sic] Products this Company would soon be out of business?” (Such urgings for consumers to boycott a company at the center of a rumor-generated controversy are frequent; see [Box 1.1](#)). There were reports that the ministers of some small fundamentalist churches were also attacking the company and urging parishioners to boycott its products. Church newsletters distributed throughout the Southeast Bible Belt, Texas, and Oklahoma reiterated the Satanism claims, detailing the alleged television program and eventually adding a new twist regarding the P&G logo. The fliers described how the logo included the figure “666”—the sign of the Beast according to the Book of Revelation. This additional indication of devil worship was apparent when the 13 stars were connected and also could be seen in the curls of the man in the moon’s beard when the logo was held up to a mirror (see [Fig. 1.2](#)). By the spring of 1982, P&G was receiving 12,000 queries monthly about the devil rumors and there was little to encourage the company that the rumors would soon go away on their own.

Coping: Procter & Gamble Fights Back

In an attempt to cope with a growing crisis that threatened the company’s strong leadership position in several product categories, P&G officials initially feared that going public to fight the rumors would add fuel to the fire and bring the stories to the attention of people who were not already aware of them. There is nothing unusual about this concern—it is a typical reaction of many companies that are put in the position of dealing with hearsay about their operations or marketplace offerings. After a second mailing to news organizations on the West Coast had little apparent impact, and as there was little to suggest that the Satanism rumors would die a natural death, P&G’s president enlisted the cooperation of conservative religious leaders, including

Box 1.1. Marketplace Rumors and Consumer Boycotts: From “Xeroxlore” to “Cyberlore”

A number of commercial rumors that have plagued well-known consumer products companies have been accompanied by calls for a consumer protest or boycott of products and brands (cf. Friedman, 1999). Such demands typically are targeted at companies that raise concerns or fears within certain groups about unethical business practices or unsafe product offerings (so-called conspiracy or contamination rumors; see chap. 2), and traditionally have been spread through the use of anonymous, printed leaflets and fliers. In the past, such media represented one of the most efficient mechanisms for conveying a lot of information. For example, in the case of the P&G rumors, leaflets and fliers were required to list all of the company’s many products and brands so that they could be boycotted (Kapferer, 1990). Further, in contrast to rumors that are transmitted orally through word-of-mouth, those that appear in printed form often seem more authoritative and credible, especially when they are accompanied by the signatures of influential people. According to Kapferer (1990), the tendency for the individuals involved in the rumor-spreading process to simply photocopy and distribute large numbers of leaflets in mailboxes or public settings has led to the emergence of a category of rumors called “Xeroxlore.”

In recent years, with the emergence of the Internet, a new form of Xeroxlore has begun to take shape in cyberspace. Rather than engaging in the tedious task of physically providing hundreds of consumers with photocopied rumor leaflets, a word-processed version of the flier can now be sent out to thousands of e-mail boxes within a few minutes. Given the steady rise of spam (or electronic junk mail) in cyberspace, it remains to be seen whether “e-mail lore” or “cyberlore” will turn out to be as persuasive as the more traditional fliers and leaflets in adding fuel to the rumor-spreading process. A recent example of false rumors about Nike and Coca Cola and accompanying calls to boycott the companies turned up in the e-mail in-box of one of my students. Excerpts of the crudely written message appear here, with the accompanying photos:

My Dear Muslim this is Symbol Qyamat (Dooms Day). Wakeup my dear (Iyman waloo). Go through the mention below message and photograph.

BOYCOTT COCA COLA

Attention all Muslim Media’s and Muslims of the World!!!!

Last year famous jew’s shoe making company “NIKE” designed shoes with written ALLAH using the art of Calligraphy. Now once again they are back by using the art of calligraphy but with very internationally well known beverage product Coca Cola. In normal we read Coca Cola but actually its reversed calligraphy art and if u read it, it means “NO MOHAMMAD NO MAKKHA”.

... please ask Muslim Ummah to Boycott drinking Coca Cola and should ask Company official to immediately change their monogram ...

(continued)

DO NOT DRINK !

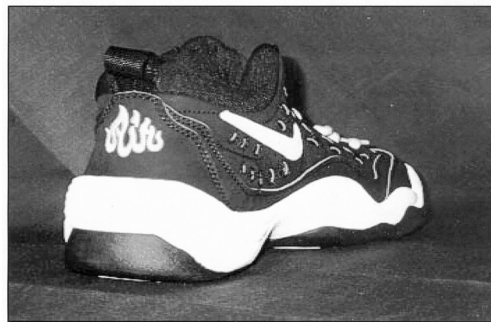
The word Coca Cola:



If you read it from left to right (mirror orientation) it clearly says: "NO MOHAMMAD NO MEKKAH" in arabic letters → (لا محمد لا مكة)



".. rank hatred has already appeared from their mouths: What their hearts conceal is far worse .." → Quran



Jerry Falwell and Billy Graham, who prepared letters strongly avowing that the company was not associated in any way with Satanism or devil worship. The letters were mailed to 48,000 Southern churches, but appeared to have little effect in killing off the rumors. By June 1982 more than 15,000 monthly queries were reaching the company about the trademark (Salmans, 1982).

On July 1 P&G executives decided to fight fire with fire by publicly attacking the rumors with an all-out crisis management offensive. The company's

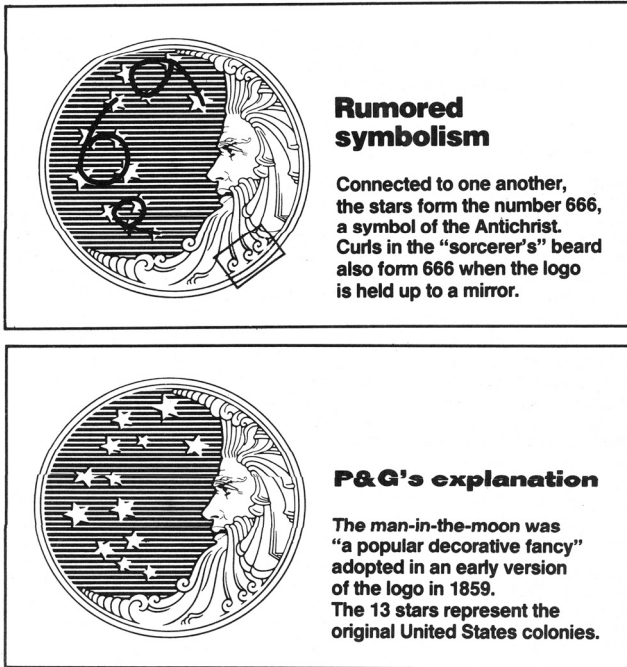


FIG. 1.2. Alleged references to Satan in the P&G logo. Source: *Rumor in the Marketplace*, Fredrick Koenig, Copyright © 1985 by Auburn House Publishing Company. Reproduced with permission of Greenwood Publishing Group, Inc., Westport, CT.

public relations department, advised to forget earlier cautions, mounted a three-pronged attack consisting of mass mailings to churches, denials to the media, and lawsuits against persons known to be spreading the rumors. The litigation was intended as a forceful means of generating publicity (Salmons, 1982). Underlying this offensive were the goals of reaching as many people as possible with the antirumor campaign as many times as possible (called *reach and frequency* in the advertising trade). It was believed that this approach would curtail the spread of the false, malicious rumors and forestall their future reappearance. As with most public relations campaigns, P&G also hoped to influence public opinion to accomplish the broader objective of protecting the company’s reputation and that of its many products (see [Box 1.2](#)).

As a result of this aggressive strategy, calls about the rumors quickly fell off by half and it appeared that the rumors were on the way to being successfully quashed. The lawsuits filed against seven individuals believed to have spread the rumors were especially effective in generating a flurry of publicity and calling attention to the company’s seriousness in combatting the whispering campaign. The initial lawsuits, which were filed against distributors of competing household products and a lay minister, all were resolved out of court when the defendants publicly apologized and stated that the rumors were untrue.

By the spring of 1983, the situation seemed to have calmed down, but as P&G soon learned, its battle against rumors was hardly over. As this case illus-

Box 1.2. The Public Relations Transfer Process

As the term suggests, *public relations* (PR) is a mass-promotion technique that involves a company's attempts to develop good relations with its various publics by obtaining favorable publicity, building a good corporate image, and managing any unfavorable events or crises that threaten its reputation or corporate earnings (Kotler, Armstrong, Saunders, & Wong, 1999). When unfounded, negative rumors about a company's operations, products, or services begin to receive widespread attention, the situation can become a PR nightmare that threatens to rapidly spiral out of control. The negative publicity generated by increasing media attention to the story typically requires some sort of carefully managed response by the company concerned.

PR experts Jefkins and Yadin (1998) developed a simple conceptualization of the PR process that is quite useful to our understanding of the important tasks at hand when a firm is confronted by rumors and forced to respond to them. In their *public relations transfer process*, Jefkins and Yadin suggested that the classic PR situation requires the conversion of four negative states into four positive ones. The basic aim of this transfer process—in fact, the principal aim of PR—is the creation of understanding, which comes about from knowledge provided through the company's PR efforts. In short, a company or its specific marketplace offerings (e.g., a brand, an advertising campaign, a sales promotion, a trademark design, a retail outlet) may be subject to one or more of the negative states depicted in the left box of the model.



The PR transfer process: Knowledge leads to understanding (Jefkins & Yadin, 1998; Reprinted with permission of Pearson Education Limited).

For example, we might imagine that members of certain religious groups, on hearing of P&G's alleged relationship with Satan, would be outraged by the company's practices. This hostility, which might be accompanied by some of the other negative attitudes in the box (e.g., prejudice and ignorance), could be expected to lead to a variety of actions that would be potentially harmful to the company, such as the boycotting of its products, vandalism toward the firm, and the repetition of malicious rumors. P&G's PR challenge would be to launch a communication campaign to successfully convert the hostility into sympathy, such as by convincing consumers that the company is the innocent victim of clearly false and unfair rumors. (See [chaps. 5](#) and [6](#) for more details about how this conversion could be accomplished.)

trates, some rumors never die, and instead periodically return to do further damage. This is precisely what happened with the Satan rumors, which reappeared with rejuvenated force in late October 1984. At that time there was a network radio news report that the company was again being victimized, and the problem was reiterated the next day in the *Wall Street Journal*. According to a front-page story in that week's *Advertising Age*, queries about the Satan connection had increased to about 3,000 in October. Although the problem did not appear to be as widespread as it had been 2 years earlier, this time a different network of rumor transmitters seemed to be involved. P&G responded locally to outbreaks of the rumor in areas of the country where Catholic nuns and priests were putting notices in newsletters and church bulletins urging people to boycott the company's products. Apparently, these members of the Catholic clergy had not been reached by the national media campaign that had been launched 1 year earlier.

Following another serious flare-up of the Satan rumor across several mid-Atlantic states in early 1985, P&G announced that it would be removing the moon-and-stars trademark from its product packages as each package underwent routine redesign. It was believed that the removal of the trademark, in use since 1850, would help counter the belief that it represented a symbol of Satanism. At the time of the announcement, a company spokesperson explained, "The bottom line is the move is being made because there appears to be little advantage to having the trademark on product packages. At the same time, it will remove one part of those false and malicious stories" ("P.&G. Drops Logo," 1985, p. D1).

During previous outbreaks of the Satanism and Moonie rumors, P&G had firmly rejected suggestions that it simply remove the controversial symbol from its packages. This decision was a contentious one, perhaps bolstering the suspicions of some consumers. However, internal company research had revealed that customers generally did not notice the trademark on product packages and assigned little meaning to it ("P.&G. Drops Logo," 1985). Indeed, on some products, the trademark had been reduced for design purposes to only one-eighth of an inch in diameter. Also, one must bear in mind that the moon-and-stars symbol was a readily identifiable company logo that had been associated with P&G's numerous products for more than 100 years (see [Fig. 1.3](#)), including such well-known brands as Crest toothpaste, Tide laundry detergent, Ivory soap, and Pampers disposable diapers. At the time of its adoption, the man in the moon profile was a fad, much like the happy face of more contemporary times, and the company founders took a liking to it. In retrospect, although it can be argued that the removal of the logotype should have been accomplished much earlier, this represented a tough decision for the company. Ultimately, the company settled for a compromise, eliminating the logo from its product packages while maintaining its use on corporate letterheads and publications (Wilcox, Ault, & Agee, 1989).

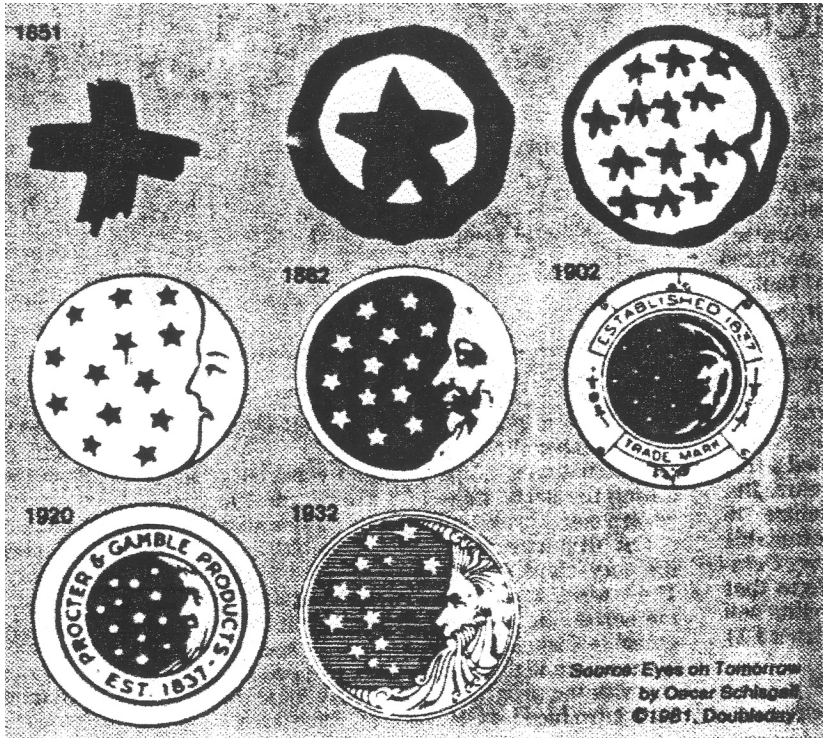


FIG. 1.3. Evolution of the Procter & Gamble logo. Reprinted with permission of the Procter & Gamble Company.

For the next 10 years, the combination of antirumor strategies implemented by P&G appeared finally to succeed in pushing the rumors that plagued the company for so long into the background, although not killing them entirely. During that time, there apparently was a small but persistent group of Americans who still believed that P&G was linked with the devil and who periodically circulated poorly copied fliers. The company continued to receive up to 20 calls per day about the Satanic rumors and initiated additional lawsuits, one against a Kansas couple who worked as distributors for Amway, a P&G competitor, which resulted in a \$75,000 judgment (“Trade Mark of the Devil,” 2000). In 1991 the elements rumored to represent the Satanic number 666 were removed from the trademark.

The P&G rumors have made more than one major comeback in recent years, most notably in 1994 and 1999. In each case, the stir was precipitated by the recycled tale alleging that the company president had announced on a popular television program that he was a Satanist and his company associated with the Church of Satan. One added twist to the 1994 version was the assertion that a Satanic ram’s horn symbol would start appearing on the company’s

products, bearing the number 666 (“Trade Mark of the Devil,” 2000). Over the course of its rumor troubles, P&G has filed 15 lawsuits against individuals identified as making false and defamatory statements linking the company to Satanism, 6 of which have been initiated against Amway distributors. Try as they might to kill the rumors, they invariably spring to life again.

The Consequences: Tallying the Damages

Just who was responsible for the P&G rumors? Although it might be suspected that rival companies were behind the rumor campaigns launched against P&G, no evidence has ever emerged suggesting that competitors pushed their circulation or that the campaigns were economically inspired (Salmans, 1982; “Trade Mark of the Devil,” 2000). Despite the involvement of some overexuberant Amway distributors in the rekindling and spreading of the rumors, much of the problem appears to have come from the activities of religious groups unhappy about P&G’s sponsorship of controversial television programs. In fact, an Amway spokesperson emphasized that his company had “bent over backwards to help Procter & Gamble stop this rumor,” and added that P&G had handled the problem badly from the start from a public relations perspective, allowing the Satanism rumors to spread far and wide (Franks, 1999). In [Chapter 2](#) we consider some other plausible explanations for the rumors and why they have been so difficult to eliminate completely. However, before leaving the P&G case, it is instructive to consider the extent of the impact of the rumors on the company.

As is often the case, the costs and effects of a rumor on a business enterprise are difficult to gauge accurately. It goes without saying that unfounded rumors have been a major source of irritation for P&G officials and have entailed considerable unanticipated expenses. By the time the decision was made to remove the trademark from product packages, a company spokesperson estimated that \$100,000 had been spent fighting the Satanism rumors (“P.&G. Drops Logo,” 1985). Resources were diverted in various ways to deal with the problem, including the hiring of additional staff to respond to consumer letters and telephone calls. The lawsuits, which represented an additional expense in terms of time and money, also posed a significant risk, because a lost case would considerably damage the image of the company. Finally, it is impossible to assess to what extent P&G sales were affected by consumers who heeded the various calls to boycott its products. However, one estimate of the impact on purchasing was obtained during an early point in the crisis by the SRI Research Center, which was commissioned by the publication *Advertising Age* to conduct a nationwide survey (“Procter & Gamble Rumor,” 1982). SRI obtained the responses of more than 1,200 American adults during the summer of 1982 and found that of those who believed the Satanism rumors or were unsure about their veracity, 17% said they were reducing their purchases

of P&G products. Of those who were aware of the rumors, only 5% (or 1.6% of all respondents) claimed to be buying fewer products, and 1% said they were buying more. The authors of the survey concluded that the rumors did not seem to be having much of an adverse impact on sales, a point further supported by the finding that 79% of the people surveyed could not identify any of P&G's products. Of course, for company officials, any loss of sales attributed to factors outside the spheres of economic influences or product integrity was no doubt a matter of serious concern.

Marketplace Rumors: Some Additional Examples

Like P&G, numerous other corporations have had to fight unfounded rumors in the consumer marketplace. In fact, the major corporation that has not been targeted by external rumors of one sort or another is clearly an exception in the contemporary business environment. As mentioned earlier, the McDonald's restaurant chain also had to fight off a rumored link to the Church of Satan a few years before P&G was victimized by the very same rumor. Some of the same elements were apparent in the McDonald's case: the reported television appearance by the company owner to publicly admit his pact with the devil, the involvement of some members of the clergy in the perpetuation of the rumor, and the numerous inquiries to the company from concerned or angry consumers. Briefly, the general strategy of McDonald's was to respond to each flare-up of the rumor locally by enlisting the support of ministers and television producers of the programs on which the company's owner actually had appeared. These respected individuals prepared letters attesting to the falsity of the rumor and to the Christian integrity of the company's owner, and verbatim transcripts of the television appearances were made available. Each time this approach was effective in putting out the fire in one part of the country, the rumor quickly reappeared elsewhere. Eventually, the story was picked up by the mass media and rapidly spread across the nation 1 year after its initial onset. However, just as the P&G Moonie accusations quickly faded when another rumor appeared, the Satanic rumor ended suddenly for McDonald's with the emergence of a potentially more damaging whispering campaign. This time the rumors concerned the contents of McDonald's hamburgers, which allegedly contained red worms to boost their protein levels.

Like the Satanic rumor, the worm allegation is another example of a false story that had been around for a while, most notably targeting Wendy's, another American hamburger chain, before moving on in 1978 to cause substantial damage for McDonald's. Company officials at McDonald's were wary of the worm rumor even before it affected their company, but were too distracted at the time fighting the Satanic rumors to take preventive action (Koenig, 1985). The specific details of the McDonald's response to the worm rumor are described in [Chapter 6](#), but in brief the company went on the offen-