TRUST ME AGAIN

AN ANALYSIS OF
ADVERTISING
IN CRISIS SITUATIONS

Stephen Gemignani
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Prof. Edward A. Leary
Every day, the average American is exposed to hundreds of advertising messages in many different media. Regardless of the product and/or service offered, all advertising shares the common goal of persuading a target group of individuals to believe an item will fit their wants and needs better than either a competitive product or doing without.

The vast majority of advertising deals with either attempting to convince people to try a new offering or to reinforce the position of an established offering in the customers' minds. In some instances, however, a set of circumstances may result in a product or brand name falling to a level of disfavor with the market it is trying to reach. When this happens, steps must be taken to address the problem in its advertising and reconvince the buying public that the product in question is, in fact, still the best value for their dollar. Failure to take these steps can result in a dramatic downturn in market share and may lead to the eventual demise of the product.

In this thesis, two case studies of advertising campaigns designed to overcome image problems will be examined: Tylenol and Harley-Davidson motorcycles. By analyzing the strategies used in these two campaigns, a better understanding of the themes needed to overcome image problems in mass media advertising will be provided.
TYLENOL

In September of 1982, the non-aspirin pain reliever Tylenol held a 37 percent share of the over the counter (OTC) pain reliever market. It was the largest single brand name in the OTC pain reliever market, outselling all other non-aspirin (acetaminophen) products by a ratio of six to one.¹

On September 30, 1982, one of the most shocking sabotage acts in modern history came to light when it was discovered that three Chicago area residents had died from taking Extra-Strength Tylenol Capsules that had been laced with cyanide.²

In the first days of the crisis, Tylenol's parent company, Johnson and Johnson, was forced into the limelight because of an ominous question concerning the level at which the contamination had occurred. Initially, a rumor started which placed cyanide in areas of Johnson and Johnson's Tylenol facilities where it could have found its way into the manufacturing process. Although this rumor was soon proved untrue (cyanide was only used for controlled raw materials testing in separate lab areas), it underscored the initial tendency to place all blame on the corporation manufacturing the product in question.³

Regardless of who was at fault in the poisonings, some type of action had to be taken by Johnson and Johnson. In the following months, three dominant themes,
or plans of action, emerged: openness, security and reassurance.

From the very beginning of the crisis, Johnson and Johnson was bombarded with inquiries from the media. The incident resulted in an estimated 80 thousand newspaper stories in the United States alone, along with hundreds of hours of electronic media coverage. In contrast, Johnson and Johnson had received only 687 media inquiries on all product lines in 1981.\(^4\)

The financial stakes for Johnson and Johnson in eventually reviving the product line were enormous: Tylenol products generated an estimated 400 million dollars in sales for Johnson and Johnson. In the days immediately following the Tylenol deaths, Johnson and Johnson stock plummeted twenty percent, amounting to a loss of almost two billion dollars for stockholders.\(^5\)

James Burke, Chief Executive Officer for Johnson and Johnson, denied however that profit was the main motive for the company's quick response. In a television interview, he stated, "We were really concerned with only one thing: people were dying...somebody had used it (Tylenol) as a murder weapon."\(^6\)

Because of the tremendous shock the crisis had created, Johnson and Johnson took unprecedented steps in order to show their willingness to deal with the situation in an up front manner.
The first major action taken by Johnson and Johnson was the voluntary nationwide recall of all OTC Tylenol capsule products. Eight million of the recalled capsules were tested, and only a few isolated samples from the Chicago area were found to be contaminated, reinforcing the finding that the initial poisonings were confined to one area.\footnote{7} As it turned out, the recall may have served a secondary purpose, as a series of copycat tamperings had begun to emerge nationwide. By leaving only tablet forms of Tylenol on the market, the chance of further tampering was decreased due to the fact that it is much harder to tamper with a solid tablet than to tamper with loose powder inside a capsule.

The openness of Johnson and Johnson when it came to presenting its reaction to the public can be found in the following examples: Top management in the corporation could regularly be found doing broadcast interviews, and the program \textit{60 Minutes} was invited to film marketing meetings dealing with the crisis.\footnote{8} On a more personal level, 2,250 sales representatives from all Johnson and Johnson divisions were sent to give one-on-one presentations to the medical community. These presentations reaffirmed the positive aspects of Tylenol and allowed for a personalized period in which the questions and objections of each health care professional could be dealt with in a personal setting.\footnote{9}
The dominant strategy in the initial publicity was to clearly position the Tylenol name as that of an "innocent victim." The next major strategy employed at this point was that of demonstrating a commitment to security which would ensure that such an incident could not happen again.

Even though the Food and Drug Administration had already announced new regulations on tamper proof packaging for OTC medications, Johnson and Johnson used their new packaging as a vehicle for promoting security in the entire Tylenol line.

The new packaging consisted of a triple seal system that would virtually eliminate any chance of undetectable product tampering. A seal placed beneath the plastic bottle was supplemented with a shrink wrap seal around the cap and neck of the bottle. In addition, the box flaps were glued shut, with prominent markings indicating that the product should not be purchased or ingested if any of the security seals were broken.

The announcement of the new packaging plan was made at a press conference that featured a two-way hookup to over 30 major broadcast markets. With this strategy, Johnson and Johnson was able to use the media to its advantage, allowing the same people who first reported a problem with Tylenol to now report that the product was once again safe.
With the problem of security addressed, Johnson and Johnson were now left with the task of reassuring the buying public that Tylenol was once again the product they should buy for their pain relief needs. To do this, they used a two faceted strategy of incentives and testimonials.

The incentives came in the form of price. Johnson and Johnson gave retailers an initial 25 percent discount on their initial reorder of Tylenol, provided they purchased amounts at or above the levels of stock immediately before the poisoning incident. In addition, coupons were placed in almost every daily newspaper, good for $2.50 off any purchase of Tylenol. The coupon value was roughly equal to the cost of a standard size bottle of Tylenol product, and was designed to reduce apprehension about repurchasing Tylenol by basically giving the first bottle away free.

The next step of the reassurance campaign started in early January of 1983. In what was dubbed the "Trust Us" TV commercial, a California housewife spent 45 seconds extolling the virtues of Tylenol and the trust she and her family have always put in the product. The remainder of the ad was devoted to an explanation of the new tamper resistant packaging.

Indications were clear from the beginning that Tylenol was quickly regaining its pre-crisis market share. By June of 1983, Tylenol's market share had reached thirty
percent of the total OTC pain reliever market. Later figures show that Tylenol regained all but a small fraction of its previous market share. The lost sales were not attributed to the crisis so much as to increased advertising on the part of Tylenol's competitors in the period following the crisis.
Unlike the problems Tylenol faced, Harley-Davidson's problems had no definitive starting point and cannot be traced back to one specific act. Therefore, it is best to start with a brief background on motorcycles and the motorcycle industry to put the problem into perspective.

Up until the 1960's, the typical leisure motorcyclist was basically viewed as a crass, poor-mannered and ill-tempered reject of society. The 1950s movie, The Wild One, reinforced this image, just as the character of "The Fonz" on the 1970s TV series Happy Days poked fun at the time period's image of motorcycles and motorcyclists. Even if motorcycles had been more socially acceptable, it is doubtful that they would have been a common recreational item, as motorcycles of that time period were both unreliable and difficult to handle.

In 1960, Honda introduced its first motorcycles to the American market. Unlike the larger Harleys and British bikes available at the time, Honda's cycles were small, featured user friendly extras such as electric start, automatic transmission, high reliability and low cost, and were specifically aimed at a middle class market.

A few years later, the now famous "You Meet The Nicest People On A Honda" ad campaign was started. While it may not be feasible to give Honda all the credit for the rapid growth of middle class motorcycling during the 1960s, this campaign was the first to present motorcycling in
a sanitized fashion acceptable to the mainstream public.

Up until 1969, Harley-Davidson catered mainly to two markets: police forces and "Wild One" types. Unit production at Harley was 14,000 units per year, a figure that was inadequate to meet projected market demands. To facilitate rapid expansion, Harley-Davidson was taken over by AMF in 1969.16

In order to get ready to reap its share of the motorcycling boom, AMF/Harley-Davidson went from hand assembling its motorcycles to hastily thrown together assembly lines. In doing this, however, quality control fell by the wayside and Harleys developed an even bigger reputation as oil leaking, hard to start motorcycles with vibration that would try the patience of a saint.17 This, coupled with an advertising strategy that still mainly catered to the "badass"biker, resulted in Harley losing much of its market share during the 1970s to the Japanese, who were building bigger cycles to satisfy those riders who wanted to trade up to a bigger machine.

In 1976, Kawasaki introduced their LTD series of motorcycles, followed in 1977 by Yamaha's "Special" series. Both lines showed the first signs of the so-called cruiser styling that was dominant on most Harleys. Distinctive features included a lower seat, pullback handlebars and an abundance of chrome parts.
In entering the cruiser market, the Japanese were able to hold on to their customer base and attract new customers with a product that was faster, more reliable and thousands of dollars less than a comparable Harley. During this time, the only market that Harley seemed to have locked up was the traditional tattooed, black leather jacketed rider.

In 1981, two major events occurred at Harley-Davidson. First, a group of investors, headed up by AMF Corporate Vice-President Vaughn Beals, purchased Harley-Davidson from AMF with the help of a 65 million dollar loan from CitiBank. Second, Harley-Davidson showed its first annual operating loss in the company's 78 year history.\textsuperscript{18}

At this time, advertising was still directed to Harley's traditional buyer, as illustrations one and two (appendix) clearly show. Given the current market conditions, steps had to be taken to insure that America's only remaining motorcycle manufacturer would stay in business.

Harley's first major solution was to ask for (and eventually receive) protection from the International Trade Commission in the form of sharply higher tariffs on all large (700cc and up) Japanese motorcycles.\textsuperscript{19} The exact political logic behind the decision is still debated; the important items that resulted from it were sharply higher prices on Japanese cycles and a very upset group of riders who felt they were being forced
to subsidize Harley by paying an average of one thousand dollars extra for their new Japanese bikes. Letters printed in major motorcycle publications were a clear indication of this; they ran five to one against the ITC's decision.

Even with the tariffs in place, one could still buy a Japanese cruiser for thousands of dollars less than a Harley. For example, the Suzuki Madura in illustration 3 (second from left) retailed for $4499.00 in June of 1984; the Harley Low Glide (far left) retailed for $7460.00.20

Clearly, Harley needed to use a strategy that would place value above price in the minds of the mainstream buyer. A 1982 attempt at showing Harley as the innovator in custom styling (illustration four) only seemed to motivate the Japanese designers, as is indicated by the similarities in styling in illustration three from 1984.

To implement this strategy, Harley chose not to use the tariff as an issue in advertising. Open discussion of the tariff was reserved for guest editorials21 and interviews22 in major motorcycling publications.

Most of "The New Harleys" ad campaign was placed in major motorcycle publications that reached the target demographic group.23 Limited national television was used in selected sports broadcasts and assistance in the form of co-op monies and ad ideas were provided to dealers for local media. Since the magazine advertising is
reflective of the themes used in other media, this analysis will concentrate solely on the magazine side of the campaign.

Illustration five shows one of the first of the Harley ads dealing with value over price. This ad was placed at a time when the new Japanese motorcycles had an alarming habit of becoming obsolete one year after their introduction and purchase. Another important point in this ad is the first use of the theme "Motorcycles By The People, For The People". This line worked the "Buy American" theme in with an implication that Harley was responsive to the needs of the American riding public.

One of Harley's most powerful ads appeared a few months later. Illustration six shows the first major attempt to woo the traditional Japanese motorcycle buyer into a Harley-Davidson dealer. The ad copy stresses the idea that motorcycle riders -- all motorcycle riders -- share certain common traits. This theme may have helped to ease dissonance in some peoples' minds about the stereotype of all Harley riders being card carrying Hell's Angels members.

The first ad addressing the price issue in depth was illustration seven. It discussed the fact that, while a Harley may cost more to start with, the trade in value of a Harley held at a much higher percentage for a much longer time than a comparable Japanese cycle.
Another theme used in Harley's advertising was that of testimonials used to build credibility. Since Harley had developed an image problem in the 1970s, much print and all television advertising was devoted to quoting road tests which touted Harley's newfound quality. Illustration eight is typical of such an advertisement.

Possibly the strongest testimonial used by Harley is shown in illustration nine. The (ex) president of a large Japanese motorcycle owners' club, who challenged Harley to an all out test, has switched over to a Harley. The implied rationale of the ad seems to be, "What does he know that I don't know. Are Harley's really that good?".

In 1984, Harley-Davidson decided to give the motorcycling public a chance to find out for themselves. In a program called SuperRide, any licensed motorcyclist was allowed, if not encouraged, to visit their local Harley dealer and take a free test ride on the Harley of their choice. This program was radical in that, unlike the auto industry, the motorcycle industry is normally very reluctant to give out test rides due to liability (read: crash) problems.

In 1984, over 35 thousand cyclists took part in the program. Harley considered this a success, and even went so far as to invite all the 1984 participants to the 1985 SuperRide program.
Future advertising in 1985 continued along these same themes. Although it is too early to assess the long term effectiveness of the campaign (people buy pain reliever more frequently than motorcycles), two local motorcycle dealers confirmed that Harley's sales and market share were rebounding in 1985. 26
INDICATIONS

In looking at the Tylenol and Harley-Davidson campaigns, certain similarities emerge. Even though one dealt with an immediate crisis while the other dealt with a long term image problem, both used similar methods in an attempt to regain market share.

The first similarity is the distinction between news and advertising. Items of a controversial nature (tariffs, dead bodies) were never mentioned in any paid advertising; instead they were discussed openly and fairly by top corporate management in a news setting.

Another congruant theme is the selective testimonial. Just as Barbra Strisind chose to forget what was too painful to remember in the song "The Way We Were", Tylenol and Harley decided to have opinion leaders sing songs of nothing but praise in their respective advertising. By doing this, the public was exposed to a mix of the best of the past and the best of the present, building security based on innovation and/or an established position in the marketplace.

A third, related concept found in both campaigns was the absence of any admission of blame or guilt on the part of the respective corporations (poor packaging, inferior quality). While this may sound elementary, A & P supermarkets used such an admission of guilt with their
"Price and Pride" campaign of the mid 1970s. Even though A & P had seemingly corrected their past mistakes, the public seemed largely unimpressed, as A & P continued to fail in city after city.

A final theme found at one point in both campaigns was the making of an unusual offer in order to get the target market to try the product in question. By offering free trials of the products, both Johnson and Johnson and Harley-Davidson were able to eliminate the financial risk of trying the product, thus making an individual evaluation and subsequent purchase much more likely.

Obviously, it is hard to judge the exact effects of any persuasive campaign, advertising or otherwise. The success of the two products examined, however, coupled with the high risk of failure they faced under crisis conditions, does indicate that the strategies and themes discussed in this paper may have had a great deal to do with the resulting success in the face of doom.
ENDNOTES


2 "The Re-Selling of Tylenol," 60 Minutes (transcript), 10 December 1982, p. 11.


4 Snyder, p. 26.


8 "The Re-Selling of Tylenol," p. 11.

9 Kleinfield, p. B 35.

10 "The Re-Selling of Tylenol," p. 14

11 "The Re-Selling of Tylenol," p. 16.

12 Kleinfield, p. B 35.


17 Buzzelli, p. 70.


19 Gordon, p. 67.


22 Gordon, p. 64.

23 The four major publications Harley-Davidson utilized were Cycle, Cycle World, Motorcyclist and Cycle News East/West.

24 Harley-Davidson promotional mailer, sent out in April of 1985.

25 ibid.

26 Exact figures were unavailable from any source at the time of my research; however, two local motorcycle dealers -- Harley-Davidson/Kawasaki of Muncie and Bud's Motorcycle City -- confirmed that Harley's nationwide and local market shares were up during 1985.

ILLUSTRATION SOURCES AND DATES

1 "Best of Show," Cycle World, June 1981
4 (a,b) "OK, Japan," Cycle, March 1982.
8 "This Year's FXRS," Cycle World, February 1983.

NOTE: The same ad may have run in multiple sources and months. All except for illustration three are paid advertisements.
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STURGIS, 1981: BREAKING NEW GROUND.
The 1981 Harley-Davidson Twin Belt Drive Sturgis. Campgrounds outside Sturgis, South Dakota.

Twin belts, no chain: a remarkable, ground breaking idea for a stock motorcycle. That's custom engineering at its best. And, the idea behind Sturgis™, a motorcycle inspired by this annual rally in the Black Hills.

The Harley-Davidson® Sturgis is the first stock bike in the world with twin belt drive. Compared to a shaft, our Black Belt™ system is stronger, lighter, simpler and wastes less horsepower. Compared to a chain, it gives you quieter, smoother shifting. It never needs a lube; rarely an adjustment. The Black Belt system has a 12 month, unlimited mile warranty.

Sturgis is also the first production bike built with a compensating sprocket on the primary belt drive, for remarkably smooth power flow.

Sturgis breaks new ground in custom styling, too. It's glossy black on black, signed on the tank, wheel rims and belt guard in Harley orange.

Sturgis means drag bars on 3 1/2" risers, highway pegs, new staggered shorty duals and a seat just 27" from the ground. A massive 80 cu. inch V-Twin is providing the power, and for 1981 you run on regular leaded gas.

The twin belt drive Sturgis. From the people who know what custom styling and engineering really means. Sturgis is a Harley-Davidson. That's why it's more than a machine.

We support the Motorcycle Safety Foundation and the A.M.A. and recommend you ride with lights and helmet. Specifications subject to change without notice. Support the Riders Fight Against Muscular Dystrophy.
OK, JAPAN.
YOUR NEXT CUSTOM BIKE PROTOTYPE IS READY.
IF ONLY YOU COULD STICK THIS ON YOUR FOREIGN BIKE AT TRADE-IN TIME.

Harley-Davidson motorcycles hold their value. If you haven't checked the market lately, you'd better. You might say that Harleys cost more to begin with; In most cases you're right. And in most cases they're worth more when you want to sell. One reason: Harleys cost more to build. Because we put more into them. There's a lot of careful hand work. A lot of meticulous assembly and constant quality control. Harleys. What do you mean? Take a look at any Harley-Davidson, then take a look at the deep, rich paint job that will wear brilliantly for years. Well, that's only the paint job. If you look at the fins, you'll notice that they're painted too. You'll see how Harleys are designed. Every motorcycle manufacturer knows that, but we do something about it. And we charge a little extra for it.

Across the board, we're proud to say that there aren't a lot of those little extras. And that's what makes up the difference in our purchase price. It also makes up a big difference at trade-in time.

So don't write off a Harley-Davidson because it costs too much. You may end up writing down a lot more if you don't buy one.

Motorcycles By the People. Harley-Davidson. For the People.
ONE PHILOSOPHY, VERSUS ANOTHER.

We think motorcycles should be dependable, serviceable, and durable—not disposable. That is our philosophy. Our motorcycles are shining examples of it. Each is built on a belief in simplicity of design. That is what makes them standards. One of its most remarkable qualities is that it can be rebuilt—many times over. The number of classic and antique Harleys in showroom condition attest to that fact.