



# Inside the Modern Believability Crisis

## How Rockefeller's Dimes, War Propaganda, and the Marlboro Man Ruined the World

*We are governed, our minds molded, our tastes formed, our ideas suggested, largely by men we have never heard of. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country.*

—Edward Bernays, in *Propaganda*, 1928

**A**bout a hundred years ago, one of the world's richest men had a public relations (PR) problem. His name was John D. Rockefeller, and in 1914, he was dealing with a crisis that most of American history has since forgotten.

A decade earlier Rockefeller had purchased the Colorado Fuel and Iron Corporation (CF&I). In the span of those 10 years, CF&I had quickly come to dominate the growing coal mining industry in

Colorado. With 27 dirty and mostly lawless mining camps in Southern Colorado, they had a virtual dictatorship over the many immigrants who worked in the mines. Thanks to the financial success of mining, the company also enjoyed a controlling political influence across the state of Colorado.

Unfortunately, that money never really made it to the miners' pockets, and mining was a hard life. For years the miners suffered under brutal and dangerous working conditions with a lack of basic rights. Finally, the miners decided to create their own organization, United Mine Workers, to negotiate with their corporate masters for better living conditions and (hopefully) higher pay. In 1913, their early negotiations failed. CF&I had no real interest in sharing the profits with miners; after all, mine workers of the day were not particularly skilled and easily replaceable.

Knowing that they had a weak case, as a last resort the miners called for a strike. In response, CF&I called in their own security team to strong-arm the miners back to work. In a matter of days, they had also used their political influence to pressure Colorado Governor Elias M. Ammons to declare martial law and call in the Colorado National Guard.

It was a disaster. After escalating violence, on April 20, 1914 the National Guard opened fire on the mining camp in Ludlow, Colorado. They set fire to the tents and despite objections from many of their own soldiers, they followed the orders they were given to put down the mining strike at any cost.

In the aftermath, the Red Cross reported finding 26 dead bodies. Among them were two women and 11 children who could not escape and were burned alive while hiding under a cot. The next day the *New York Times* carried this headline: "Women and Children Roasted in Pits of Tent Colony As Flames Destroy It."

Years later in one of the only historical accounts of that day, historian Howard Zinn wrote that it "was the culminating act of perhaps the most violent struggle between corporate power and laboring men in American history."<sup>1</sup> The media called the entire event "The Ludlow Massacre," and the public blamed Rockefeller and corporate greed for the tragedy.

In support of the miners, people picketed outside Rockefeller's office in New York. For the next several months there were more negotiations, mediations, and talks of settlement. They all failed. Finally, the strike

was officially called off in December 1914, having accomplished little. As Zinn wrote, “The Union had not won recognition. Sixty-six men, women, and children had been killed. Not one militiaman or mine guard had been indicted for a crime.”

Despite their failure to win more labor rights, the whole episode was a major crisis for Rockefeller and his entire family, particularly his son John D. Rockefeller Jr., whom he had put in charge of managing CF&I. It got worse when Rockefeller Jr. went before the U.S. Industrial Relations Commission in 1915 and declared, “There was no Ludlow Massacre.” It was clear the family’s reputation was tarnished and they would need help to restore it. Luckily, there was a man named Ivy Ledbetter Lee who was perfectly suited for the job.

## The Birth of Modern PR

By 1915, Lee had already established quite a reputation for himself. Growing up in Georgia as the son of a Methodist minister, Lee started his career as a journalist for the *New York Times*. Realizing his passion lay elsewhere, in 1905 he founded one of the nation’s first public relations firms, Parker and Lee, which used the tagline “Accuracy, Authenticity, and Interest” as their motto.

In 1906, when there was a train accident in Atlantic City, New Jersey, Lee was the one who advised his client, Pennsylvania Railroad,\* to issue what is today considered the first press release ever. It shared a public response and disclosed details about the tragedy from the company’s point of view. The move was widely seen as a stroke of genius, and even more widely copied.

Writing a press release gave Lee and his client the ability to influence the media before journalists were able to gather facts from elsewhere. Without the Internet or Twitter, this effectively allowed them to control the story. Soon after, Lee was hired full time by Pennsylvania Railroad, making him what his personal archives described as “the first VP-level corporate public relations person.”

On the heels of the Ludlow Massacre, Lee was brought in by the Rockefellers to help “manage” the public fury. His first act was to travel to Colorado and speak directly to the people there to understand the situation. Having done that, Lee reported to Rockefeller, “The people

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\*Yes, the same one from *Monopoly*!

of this state have been led to believe by the hostile press that you and your friends are exploiting the state. From friendly sources, I gather this opinion is still widely held.”<sup>2</sup>

The fight to restore the Rockefeller reputation, however, did not start well for Lee. In late 1915, he decided to publish some pamphlets, which he titled “Facts Concerning the Struggle in Colorado for Industrial Freedom.” They contained many factual “errors” and were widely seen as propaganda. They directly led muckraking journalist Upton Sinclair (who achieved fame for his 1906 exposé of the meat-packing industry, called *The Jungle*) to brand Lee with the nickname “Poison Ivy.”

Still, Lee had a gift for the art of influence. Despite his missteps, what he did next was a PR master stroke that is still remembered nearly 100 years later. He advised Rockefeller to carry around dimes in his pocket and hand them out freely to people on the street. A dime (10 U.S. cents) adjusted for inflation was worth approximately 2 dollars by today’s standards. For Rockefeller, though, the amount of the money was unimportant.

The simple act of personal charity changed how people saw him, and how history remembered him. He transformed his legacy from a detached billionaire to an engaged, kind, and grandfatherly benefactor of society.

In 2007, PBS aired *The Rockefellers*, a documentary film about the life and times of the Rockefeller family. Despite the fact that the Rockefeller name was despised for many years, the film description noted, “Their contributions transformed America. When he died at age 86, Junior [Rockefeller’s son] left his six children and 22 grandchildren an invaluable inheritance: a name which stood not for corporate greed, but for the well-being of mankind.”

Thanks to a combination of smart PR and a later dedication from the family to making charitable donations, the Rockefeller family name eventually was no longer a symbol of greed, but rather a leading family in contributing actively to society.

## **#occupywallstreet**

Of course, that was nearly 100 years ago, and times have changed. Today we have big and powerful unions to protect workers’ rights. Our

average life expectancy has gone up by more than a decade. By law in most countries, monopolies are not allowed. The power to shape entire nations and industries no longer falls into the hands of one individual.

Almost exactly a century after the Ludlow Massacre, in September of 2011, a group of protesters organized by a Canadian activist group called Adbusters set up

**Even though today is different, some of the problems haven't changed at all.**

a demonstration in New York's Wall Street financial district. Their goal was to protest the unequal distribution of wealth, Wall Street corruption, and the link between politics and money.

Using the rallying cry "Occupy Wall Street" and Twitter hashtags of #occupywallstreet and #ows, the movement started to spread. On October 15th, a global day of solidarity was planned for 951 cities in 82 countries around the world.

It is not exactly the same as the Ludlow Massacre. Though there were moments of violence, very few people lost their lives. What is clear is that the gulf between corporations and the people has remained over the past century. Judging from recent events, it is safe to say that it has grown into a full chasm.

These two events, separated by nearly 100 years, lead to an interesting and important question. If the tension between organizations and individuals has always been present, why hasn't there been more conflict in the last century? The answer may come from turning our attention to something that has become a dirty word: propaganda.

## The Propaganda of Revolutions

For nearly as long as humans have recorded history, there have been examples of rulers and their governments using communications to influence or inspire their people. The ancient Romans used large public gatherings where orators would speak publicly to thousands of people about philosophy, religion, and the status and the necessity of the conquests of the Roman Empire.

Since they had no microphone, many orators would begin by learning techniques created by a man named Marcus Fabius Quintilianus

for using body gestures to signify meaning. Quintillian even wrote a widely used 12-volume textbook on rhetoric and public oration in AD 95 called *Institutio Oratoria*.

Later in history, the power of these orations would come from storytellers recording famous moments of history to retell them. One example is King Henry V's famous "once more unto the breach" call to arms for his English forces, and countless battle cries from military across the world.

It is no coincidence that many of the most recorded forms of mass communication have come from rulers of countries or leaders of military campaigns. Until very recently, the only real reason to inspire mass belief in an idea was to unite a country or band of revolutionaries to win freedom or conquer another culture. It was only in the last century that this started to shift, and the role of propaganda shifted with it.

In the 1920s, mainly to avoid being "smothered in American culture," the Canadian Radio Broadcasting Commission (CBC) began creating public broadcasting content specifically for the Canadian market. Today the CBC employs nearly 10,000 Canadians and produces original programming on news and current affairs, arts and entertainment, children's programming, and sports.

In 2010, the CBC turned to the historical subject of World War II and created a six-part series called *Love, Hate, and Propaganda* with the mission of showing the central role propaganda played in telling the people what to believe. The introduction to the series went on to describe the war in this way:

*The first modern war in which all combatants bombarded their citizens with messages . . . they employed truth, half-truths and sometimes outright lies, used powerful symbols and persuasive words to sway entire populations . . . Every movie house, school, newspaper and radio became a forum for persuasion and manipulation.*

In one particularly telling interview published on the website for the documentary, nonfiction author Antony Beever was asked why propaganda was so important. He responded: "Hatred alone was not enough. What you had to have was a combination of hatred and fear. In a way you could say hatred was the explosive and fear was the

detonator.” Propaganda was frequently used in this way—to turn fear into action or inaction.

After World War II, there was another form of communications that was also emerging, which would do the same thing—but toward a different objective. Its birthplace was a single street in New York that would soon take on a larger-than-life role in American culture: Madison Avenue.

## **When Advertising Ruled the World**

In 1954, the Leo Burnett Advertising Agency had a challenge before them that only advertising could solve. They had been asked to create a new campaign to reinvent a brand that was launched 30 years earlier exclusively for women with the slogan “Mild as May.” Now the parent company, Philip Morris, wanted to make a change.

The early 1950s were a pivotal time for cigarette manufacturers like Philip Morris. In response to growing evidence of the health risks of smoking, they were introducing filtered cigarettes as a “healthier” alternative. The problem was that men considered filtered cigarettes unmasculine and would not buy them. So when Philip Morris approached the team at Leo Burnett, they had a very specific challenge in mind—to turn one of their most popular brands of cigarettes for women, called Marlboro, into a brand for men.

What happened next would become part of advertising history. Leo Burnett launched their new campaign by photographing men in masculine professions like sea captains, athletes, and cowboys smoking the cigarettes . . . and called them all *Marlboro Men*. It was the image of the cowboy more than any other that immediately stuck in people’s minds. Launching a nationwide search for an authentic cowboy actor, they found an actor named Darrell Winfield and cast him as the Marlboro Man—a role he would keep for the next 20 years until he retired in the 1980s.

The advertising launched in 1955, and within two years sales to men of the Marlboro brand were up 300 percent. The campaign became a textbook example of the power of advertising in the 1950s to influence public behavior and change the pop culture environment. This was only the beginning.

The 1960s were the true golden age of advertising, directly inspiring the popular television show *Mad Men*. As legendary ad man Jerry Della Famina wrote in the updated introduction to his 1970 cult-classic biography, *From Those Wonderful Folks Who Gave You Pearl Harbor*:

*The original Mad Men are all dead. Ironically, they died from consuming the products they sold with such gusto. Their lungs went from the cigarettes they were advertising—and smoked by the carton. Their livers melted from all the scotch, gin, and vodka they made famous—and the three martini lunches they enjoyed in the process.*

The upside was that this time of excess did result in many breakthrough ideas and campaigns. When *AdAge* magazine ad critic Bob Garfield rated the top 100 advertising campaigns of all time, 16 of them came from the 1960s. And many of the other campaigns on the list changed the world around them. Phil Dusenberry, former chairman of BBDO North America, worked with Ronald Reagan in 1984 to help him get reelected. California's legendary "Got Milk?" campaign inspired kids around the country to start drinking more milk. Pepsi-Cola's "Pepsi Generation" defined the attitudes of an entire decade of youth.

Indeed, the golden age of advertising lasted far longer than just the 1960s. The brands dominating that advertising landscape were the same who are around today. And the people creating those ads thrived in their creative roles. "Advertising is the most fun you can have with your clothes on," Della Famina famously quipped. Not only was it fun, but if you spent the right amount and had the right message, you could directly influence public opinion on a mass scale. Then, slowly, over the late 1990s and early 2000s, the Internet came along.

## The Mass Perception Principle

For the most part, there used to be a direct *relationship between the money you spent and the perception shift you could buy*. That meant if you spent a lot on buying advertising, you could pretty much shape what people thought about your brand. If you donated large amounts of money to a charity, people would assume you were a good person.

## The Mass Perception Principle

More money spent on communications = better brand perception.

Mass media allowed brands to reach lots of people, and there were only two ways that anyone might know or hear something different than what the advertising told them:

1. The media published a negative article or report.
2. Someone had a negative personal experience or heard something negative directly from someone he or she trusted.

In the first case, media could scale to reach a large group of people, but the odds were good that a brand might avoid this sort of negativity because there were still relatively few media outlets. In the second case, word of mouth required personal interaction (often face to face), so it was unlikely to travel far beyond the people directly affected and their own local personal network. Individual voices didn't scale.

Today, the world is different in three important ways:

1. **Media is now fragmented.** What used to be less than a dozen authoritative media outlets has now exploded into millions as the "long tail" of media has become the majority of what people consume. Aside from a few moments like the Olympics or the Super Bowl, there is no mass audience anymore.
2. **Competition is everywhere.** Hardly anyone owns an industry or a category anymore. And competition can come from anywhere. As we will see in Chapter 2, it is also increasingly harder to do anything that is truly unique.
3. **The truth about anything is harder to hide.** While perception was generally easy to shape through marketing, now people have more ways to share their real experiences with products and services through online reviews and publishing content online. As a result, any negativity from a single customer can influence thousands of others in the blink of an eye.

While the Internet has evened the playing field for anyone with a message to share, it has also created a vast ocean of information that never goes away.

Even if the Internet makes it harder to stand out, it is the business world that often gets blamed for the modern believability crisis. As Gary Ruskin, executive director of Ralph Nader's Commercial Alert organization, once said: business may be causing "an epidemic of marketing-related diseases" from smoking and gambling to obesity or diabetes. It is an ugly picture.

When Superman tried to save the world, he was always fighting against an identifiable foe—Lex Luthor. If consumers today were superheroes, it often seems that business and capitalism has become the evil villains they must rise up against.

## Marketing as the Bad Guy

Every movie needs a bad guy. The bad guys ignore social norms. They mistreat the good guys. And they always have ulterior motives to take over the world or make lots of money. Since Rockefeller's time, marketing has been going through a PR crisis of its own. For many outside the industry, any discussion of marketing inevitably brings up discussions about deception, manipulation, exploitation, and all sorts of other evil-sounding words.

Many consumers see marketing as the enemy in their lives—a force trying to interrupt and sell them something by playing on their fears, insecurities, or aspirations.

The corruptive force of marketing is one that branding consultant Martin Lindstrom has spent his career studying and writing about. One of the few people who could be described simultaneously as a consumer advocate *and* a branding consultant, he has published several books written from the perspective of an insider looking at how brands manipulate their customers.

In his popular new book *Brandwashed*, he pulls back the curtain to look at the modern view of marketing as a source of evil:

[Marketers] know more than they ever have before about what inspires us, scares us, soothes us, seduces us. What alleviates our guilt or makes us feel less alone, more connected to the

scattered human tribe. What makes us feel more confident, more beloved, more secure, more nostalgic, more spiritually fulfilled. And they know far more about how to use all this information to obscure the truth, manipulate our minds, and persuade us to buy.<sup>3</sup>

And his is not the only book to portray marketers as the enemy, either. Here is just a short list of titles that have come out in the past decade, which raise similar concerns about a world dominated by marketing and communications:

- *Toxic Sludge Is Good for You: Lies, Damn Lies, and the Public Relations Industry* (John Stauber and Sheldon Rampton, 2002)
- *Consumed—How Markets Corrupt Children, Infantilize Adults, and Swallow Citizens Whole* (Benjamin R. Barber, 2007)
- *Obsessive Branding Disorder—The Illusion of Business and the Business of Illusion* (Lucas Conley, 2008)
- *Buyology—Truth and Lies about Why We Buy* (Martin Lindstrom, 2008)
- *Scroogenomics—Why You Shouldn't Buy Presents for the Holidays* (Joel Waldfogel, 2009)
- *The Buying Brain—Secrets for Selling to the Subconscious Mind* (A.K. Pradeep, 2010)
- *Deadly Spin—An Insurance Company Insider Speaks Out on How Corporate PR Is Killing Health Care and Deceiving Americans* (Wendell Potter, 2010)
- *Age of Persuasion—How Marketing Ate Our Culture* (Terry O'Reilly and Mike Tennant, 2011)

The list more than doubles when you start to include all the books that have come out over the past five years casting capitalism itself as the enemy and arguing against everything from accumulating too many things (*Stuff: Compulsive Hoarding and the Meaning of Things*, Gail Steketee, Ph.D. and Randy Frost, Ph.D., 2010) to the rise of corporate power (*Life Inc: How Corporatism Conquered the World, and How We Can Take It Back*, Douglass Rushkoff, 2009).

All of this negativity points to one undeniable conclusion: Marketing has played a central role in creating a culture where people are afraid

to trust the media around them. There is plenty of evidence that this growing distrust has already become a full-blown crisis.

## Living in the Society of Distrust

Almost every week, there is new research published that documents the expanding trust gap between people and the organizations that they interact with. This is not only a story about people losing trust in business, but also a growing distrust in institutions of all sorts, from the church to government.

In 2011, the 12th annual Edelman Trust Barometer Survey showed that the United States was the only country to see trust in all institutions (business, government, media, and NGOs) decline—a result that mirrored a similar drop from 2008 to 2009 during the global financial crisis. In response to the fundamental question “How much do you trust business to do what is right?” for the second straight year *less than half* the people in the United States rated companies positively.

According to other surveys, the news is even worse. A Gallup survey of confidence in institutions conducted in June of 2011<sup>4</sup> found that only 12 percent of Americans had a “great deal” or “quite a lot” of confidence in the U.S. Congress, only 19 percent in big business, and 26 percent in banks. Perhaps most surprisingly, only 48 percent (less than half) of Americans even declared having either a “great deal” or even “quite a lot” of confidence in a church or an organized religion.

This society of distrust is not only limited to the United States. The 2011 Reader’s Digest Trusted European Brands survey presented even more stark results. Based on the responses of more than 33,000 readers in 16 European countries, the survey showed that 3 out of 4 people across Europe did not trust their government, and in Romania it was as low as 6 percent. The same survey reported that advertising topped the list as the least trusted institution (appearing higher than government).

Even Asia, where historically people have been much more likely to trust in businesses and government, this crisis of believability is growing. In the same trust survey from Edelman, 60 percent of respondents from Asia-Pacific surveyed said their trust in business was less today than it was 12 months ago.

Best-selling marketing guru Seth Godin (*All Marketers Are Liars*), as well as legendary author Steven Covey (*7 Habits of Highly Effective People*) both recently used the term “low-trust world” in the titles of their new books to underscore this fact.

Before we can start to discuss how to rebuild this trust, we need to understand some of the core actions that inspire this distrust every day.

**People around the world have a lower trust in institutions of all forms than ever before. This is the modern believability crisis.**

## What Is the Believability Crisis?

The easiest targets to blame for the modern believability crisis are unscrupulous communications professionals. After all, they are often hired as surgeons of spin to expertly slice into our minds and plant ideas with specific agendas. Their expertise in influence is used to modify our behaviors and change our perceptions. A second group you might point the finger toward is greedy investment firms, banks, and companies only motivated by corporate profits. The other clear choice could be politicians more concerned about getting elected or repaying their supporters instead of doing what’s right for their respective countries.

The point is, choosing *who* to blame is not really that difficult; there are plenty of groups who rightfully belong on that list. Looking at *why* their actions have led us to where we are is a more interesting question. If we look more deeply at that question, the reasons for the modern believability crisis come down to four basic things:

1. **Real Spin and Actual Lies**—For every nutritional label that declares a product “all natural” or “heart healthy,” a consumer’s faith in the truth dies just a little bit. The first and most basic reason for distrust is because there are so many companies and people who choose to lie to us either by making misleading claims or simply by hiding the truth. Each time one of these lies erupts into a scandal, for a company or a celebrity or a politician, the public loses a small piece of their trust in the institutions around them. By far, this has been the largest contributor to the modern believability crisis.

2. **Facelessness and Corporate Speak**—We have no personal connection to messages that come from large corporate entities or institutions. As a result we are less likely to believe them. The language they use is corporate and inhuman. Their policies are based on stupidity or greed. In my first book, *Personality Not Included*, I argued that organizations and people needed to find their humanity and personality in order to regain trust. Nearly four years later, this has become even more important. Faceless organizations and people are nearly impossible to like or believe in.
3. **Volume**—There are so many messages that most consumers are bombarded with each day that we are all conditioned to automatically distrust everything as a defense mechanism. Marketing firm Yankelovich estimates that consumers today encounter from 3,500 to 5,000 marketing messages per day, vs. 500 to 2,000 in the 1970s. When the volume increases exponentially, we all have no choice but to start in a default state of distrust. You have to *earn* our trust first, with no benefit of the doubt. This is a big fundamental shift that has contributed to a basic level of distrust in society.
4. **Consumer Protection**—There are many government agencies and third-party groups who have dedicated themselves to some form of “consumer protection.” Typically, a key part of this involves educating consumers to be more savvy. Ironically, this education can also lead consumers to automatically distrust organizations because it reminds them of how many of the messages they see around them are designed to manipulate them in some way, and encourages them to be suspicious of everything.

We live in a society where trust is at a premium and harder to earn than ever before. That’s why it is a crisis. The good news is this doesn’t have to be a crisis without a solution.

## Solving the Believability Crisis

A world where it is harder for any of us to trust the organizations that factor into our lives is a world that is broken. For businesses to succeed, economies to rebound, and people to live happier lives, we need to change this society of distrust. We need to fix the modern believability crisis.

Contrary to how it may seem, this is not just a corporate problem to fix. It cannot be us versus them. Dale Carnegie influenced so many people to reshape their views of the world and improve themselves because his books and training courses focused on the intersection of business and life.

There has never been a more important time to focus on this intersection. If we could create more human companies, demand more human politicians and reward the most human ideas, we could start to fix this crisis.

**When people change, governments, companies, and institutions change with them.**

No matter if you are an entrepreneur, employee, leader, neighbor or community member—the real question is how can you build more believable relationships in an era of distrust?

We see the problem clearly. Now in Chapter 2, we will focus on answering this question, starting with how to navigate something I call the “likeability gap.”

## CHAPTER 1 IN 60 SECONDS

### #BELIEVABILITY CRISIS #LIKEECONOMICS

- For all history, rulers and government have used communications to influence people.
- In the golden age of advertising, Madison Avenue made propaganda more commonplace.
- The “mass perception principle” meant that more money = better perception.
- Business and capitalism were seen as the bad guys trying to corrupt us.
- As a result, trust in all institutions has reached an all-time low.
- The modern believability crisis means people are less likely to trust anyone or anything.
- This distrust is fueled by four factors: actual lies, facelessness, volume, and consumer protection.
- We must fix this for businesses to succeed, economies to rebound, and people to live happier lives.
- When people change, companies and governments change with them.

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**Key Takeaway:** We are living in a society of distrust where the *modern believability crisis* makes it harder to influence anyone to do anything. In order for businesses to succeed, economies to rebound, and people to build more trusted relationships, this is a crisis that we need to solve immediately.