

# THE WAL-MART FAKE BLOG CONTROVERSY

## ANATOMY OF A PUBLIC RELATIONS DISASTER

### THE PREMISE

- **Wal-Mart's Jim and Laura.** "On Sept. 27, 2006, a folksy blog called Wal-Marting Across America was born. It features the journey of Laura and Jim, a couple on their maiden trip in an RV (recreational vehicle), capturing lives and stories as they journey from Las Vegas to Georgia, and park for free at Wal-Mart Stores (WMT) parking lots. . .



"Every Wal-Mart employee that Laura and Jim run into, from store clerks to photogenic executives, absolutely loves to work at the store...Anyone familiar with Wal-Mart and its reputation for being quite stingy with wages and benefits will roll their eyes at such a rosy picture. In fact, some critics are so skeptical that they wonder whether Jim and Laura are real or whether they were concocted at the company's headquarters in Bentonville, Ark." [BusinessWeek, 10/8/2006 Wal-Mart Watch Blog, 10/10/06]

### IDENTITY OF "WAL-MARTING ACROSS AMERICA" RV'ER REVEALED

- **Identity of "Walmarting Across America" RV'er Revealed.** "The anonymous Jim from Edelman's "Wal-Marting Across America" RV tour is James Thresher, a photographer for the *Washington Post*.

"The story, told in full, with certain financial payments disclosed, does not reflect as well on Wal-Mart as perhaps the company would like. The tale of how they started the blog reveals how hungry Wal-Mart is to find people who have anything positive to say about the company." [BusinessWeek 10/8/06]

- **Washington Post Photographer Anonymously Promoted Wal-Mart.** "Wal-Mart Watch, a group critical of the Arkansas-based company, disclosed Thresher's identity on its own blog late Tuesday." [Associated Press, 10/11/06]
- **Wal-Mart PR: One Step Forward, Twenty Steps Back.** "Wal-Mart Watch, of course, is all over this one like white on rice. Most relevant to our industry is this post which links to other bloggers slapping Edelman into next month for treating social media so, so wrong." [Advertising Age, 10/13/06]

### WAL-MART'S LATEST ASTROTURF OPERATION

- **Pro-Wal-Mart Travel Blog Screeches To A Halt.** "What do you call a phony blog that's actually a front for a huge corporation? A "flog"? A pro-Wal-Mart blog called "Wal-Marting Across America," ostensibly launched by a pair of average Americans chronicling their cross-country travels in an RV and lodging in Wal-Mart park-



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ing lots, has been reduced to a farewell entry. One of its two contributors was revealed to be Jim Thresher, a staff photographer for The Washington Post." [Media Daily, 10/12/06]

## WAL-MART FUMBLES IN THE BLOGOSPHERE

- **Wal-Mart vs. the Blogosphere.** "Last week, Wal-Mart took a hit when bloggers on the Internet attacked the behemoth's effort to burnish its image via its own bloggers, who were receiving compensation from the retailer for their efforts. The episode may turn out to be an even bigger public relations disaster for Edelman, the retailer's PR firm. It culminated on Oct. 16, with a mea culpa from CEO Richard Edelman on his blog." [BusinessWeek, 10/17/06]



James Thresher, a staff photographer for the Washington Post, created a fake blog praising Wal-Mart with freelance writer Laura St. Claire.

- **Corporate Blogging: Wal-Mart's Fumbles.** "For worse? A blog praising Wal-Mart called "Wal-Marting Across America," ostensibly created by a man and a woman traveling the country in an RV and staying in Wal-Mart parking lots, turned out to be underwritten by Working Families for Wal-Mart, a company-sponsored group organized by the Edelman public relations firm. Not cool." [Fortune, 10/18/06]
- **News Flash: Blogs Influence Advertising.** "Funny then, that the same PR firm is apologizing today for trying to influence the influencers via a "flog" (fake blog) about Wal-Mart. On Edelman's own blog he wrote: 'For the past several days, I have been listening to the blogging community discuss the cross-country tour that Edelman designed for Working Families for Wal-Mart. I want to acknowledge our error in failing to be transparent about the identity of the two bloggers from the outset. This is 100% our responsibility and our error; not the client's.'" [Advertising Age, 10/17/06]

## EDELMAN REVEALS TWO MORE 'FLOGS'

- **Edelman Reveals Two More Wal-Mart 'Flogs.'** "Public relations firm Edelman, which last week pledged to be more transparent in its involvement with client-related blogs, Thursday revealed it is behind two more 'flogs,' or fake blogs, created on behalf of Wal-Mart. Until the new disclosures, both blogs appeared to have been created and contributed to by independent supporters of the big box retailer, an Edelman client... One blog appears on the home page of Working Families for Wal-Mart, the allegedly grassroots advocacy group formed by Edelman last December, which is "committed to fostering open and honest dialogue...that conveys the positive contributions of Wal-Mart to working families." The second blog is on WFWM's subsidiary site Paid Critics." [Media Daily, 10/20/06]

## EDELMAN APOLOGIZES FOR ROLE IN 'FLOGGING' CONTROVERSY

- **Edelman Apologizes For Wal-Mart Blog Disclosure Omission.** "Edelman CEO Richard Edelman today issued an apology for his agency's role in creating a blog for client Wal-Mart that did not properly disclose its origins or funding. . . The blog, walmartingacrossamerica.com, chronicled a couple's journey across the



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country in an RV while stopping at various Wal-Mart parking lots. Although the blog did not initially bear any clear disclosures outside of an advertisement, the trip was funded by the group Working Families for Wal-Mart [WFWM], a Wal-Mart-backed organization designed to promote a positive portrayal of the company. The group is part of Edelman's effort to turn around the reputation of the controversial retailer." [PR Week, 10/17/06]

- **Edelman Apologizes For Wal-Mart 'Flog.'** "Richard Edelman posted the apology in his blog yesterday afternoon, roughly a week after Wal-Mart Watch and BusinessWeek, in separate events, exposed the pair behind "Wal-Marting Across America" as Washington Post photographer Jim Thresher and freelance writer Laura St. Claire. 'I'm sorry we did this,' Edelman expanded in an interview Monday afternoon. 'I am completely committed to doing better, not only for our firm but also the PR industry. I want your readers to know I take all this very seriously.'" [Media Daily, 10/17/06]
- **Edelman Eats Humble Pie.** "It's ironic that Edelman Worldwide helped to write the Word of Mouth Marketing Association's code of ethics, which states: 'Honesty of identity: You never obscure your identity.' Ironic, of course, because the independent firm was publicly slapped -- and publicly apologized -- for being the force behind the Wal-Marting Across America blog that was unmasked as a fake created and paid for by Edelman." [Advertising Age, 10/19/06]
- **Wal-Mart PR Firm's CEO Admits 'Error' In Blog Controversy.** "The head of Wal-Mart Stores Inc.'s public-relations firm said the firm made an "error" when it didn't disclose the full identity of a Washington Post photographer it equipped to travel across the country for a pro-Wal-Mart Internet campaign." [Dow Jones, 10/16/06]

## MARKETING ASSOCIATION PUTS EDELMAN ON PROBATION

- **WOMMA Puts Edelman On Probation.** "Following public relations firm Edelman's acknowledgement that it was behind a series of flogs, or fake blogs, for its client Wal-Mart, the Word of Mouth Marketing Association [WOMMA] has placed the agency under a 90-day review." [Media Daily, 11/7/06]
- **Edelman Membership Put on Review.** "WOMMA has responded this week to issues of disclosure and ethics surrounding Edelman's recent blogs for Wal-Mart by placing Edelman's membership on review... Based on Edelman's publicly stated actions regarding the Wal-Marting Across America blog, WOMMA has determined that the company has breached the WOMMA Ethics Code — a code that Edelman helped write." [WOMMA News, 11/1/06]
- **Wal-Mart: A 'Reputation Crisis.'** "Many of Wal-Mart's political consultants came on board after Wal-Mart hired PR giant Edelman last year. Edelman has been a controversial force in Wal-Mart's image-boosting efforts. Last December, the firm formed the advocacy group Working Families for Wal-Mart, paid for solely by Wal-Mart, to counter criticism from the union-funded groups Wal-Mart Watch and WakeUpWalMart.com. The Working Families group has been at the center of several notable maelstroms swirling around Wal-Mart." [BusinessWeek, 10/31/06]



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