

WHAT IS THE BEST PUBLIC RELATIONS STRATEGY TO REVERSE MONSANTO'S REPUTATION AS AN EVIL CORPORATION?

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"The thing that drives me a little bit nuts, and is the frustrating piece in this, is it's such a polarized debate and I don't think it should be."

- Hugh Grant, CEO of Monsanto, Money CNN, 2016

Despite Monsanto's technological and worldwide product development success, it had gained the reputation as an "evil corporation." Monsanto had used makeover public relations (PR) methods for the last four years to address controversy, but these actions did not satisfy many of its critics (Kanso & Gonzales, 2015). Controversies over mergers and genetically modified organisms (GMOs), as well as a decline in various performance indicators suggested that Monsanto needed to treat its highly publicized negative reputation as a serious PR issue rather than a PR nuisance (Barrett, 2015; Campbell & Matthews, 2015; Kanso & Gonzales, 2015).

Monsanto's sales slowed, its negative reputation persisted, and stakeholders wanted to know how to turn these trends around (Kanso & Gonzales, 2015; Monsanto Annual Report, 2015). By August 2016, it appeared that the CEO's options to address the company's negative reputation and avoid a company downward spiral had considerably narrowed. What kind of PR framework did the firm need to develop, and how could it integrate PR into its product strategy?

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Monsanto was proud of its technologies and believed that past company public relations efforts had been misunderstood (Monsanto: A history, 2009; Kanso & Gonzales, 2015).

The numerous awards Monsanto had won since Hugh Grant became CEO in 2003 were evidence that the firm had many admirers. For example, *Chief Executive* magazine named Grant 2010 CEO of the year. *Forbes* named Monsanto its company of the year in 2009, praising the firm's economic success and innovative new products in the GMO area (Monsanto: Awards and Recognition, 2015). The Monsanto Awards and Recognition section of its website (Monsanto, 2015) included numerous awards such as "2010 Working Mothers 100 Best Companies" and "The 100 best companies to work for in 2010."

Monsanto had created numerous innovative products over the years but its history was tainted with Agent Orange, super-fund clean-up sites, heritage crops in adjacent fields contaminated by GMO corn pollen, and so forth (Monsanto: A history, 2009; Kanso & Gonzales, 2015).

Monsanto's past involvement with unpopular products was a major contributor to its poor public image.

The company believed that farmers understood the benefits of GMOs and there was market opportunity among people in countries that wanted to increase yields in difficult situations (e.g., high heat, water shortages, and plant disease). However, Monsanto knew that many people worldwide did not understand the benefits of GMOs and were skeptical that Monsanto wanted to achieve its motto to save the world from famine (Monsanto: A history, 2009; Kanso & Gonzales, 2015). It was inescapable that Monsanto's label as the world's most evil corporation showed a "disconnect" between Monsanto's strategies, PR actions, and the perceptions of numerous stakeholders (Hopkinson, 2013; Anderson, 2014; Campbell & Matthews, 2015; Kanso & Gonzales, 2015).

Public Relations Dilemmas

Monsanto's Negative Public Image

Despite the firm's widely acclaimed product innovations and worldwide product development success, the public viewed Monsanto in an extremely unfavorable light. In polls, research studies, and typical Internet searches of unfavorable firms, Monsanto's name usually appeared first. For example, in its yearly ranking of the ethical performance of multinational corporations, the Swiss research firm Covalence revealed that Monsanto was considered the least ethical company in the world (Kiser, 2010; Kanso & Gonzales, 2015). Pollster Harris Interactive's latest study of public perception of the 100 most prominent U.S. companies showed Monsanto ranked 97th (Campbell & Matthews, 2015).

Protest groups generally singled out Monsanto even when there were many firms doing similar things. A Google search on "GMO protests" showed that when a company name appeared, it was usually Monsanto. For example, Organic Consumers launched a campaign entitled "Millions against Monsanto," without mention of the other large multinational enterprises that produced GMOs and herbicides (Organic Consumers, 2015). Monsanto was named the world's most evil corporation (Sheets, 2013; Anderson, 2014). Monsanto's involvement with GMOs was featured in an article in *Modern Farmers* magazine entitled, "Why Does Everyone Hate Monsanto?" (Anderson, 2014).

Monsanto's past involvement with unpopular products (overhang) was a major contributor to its poor public image (Anderson, 2014; Campbell & Matthews, 2015; Kanso & Gonzales, 2015). Monsanto had made several unpopular products including saccharin, PCBs (polychlorinated biphenyls), polystyrene, nuclear weapons, DDT, dioxins, Agent Orange, petroleum-based

fertilizers, Roundup, aspartame, Bovine Growth Hormone (rBGH), and GMOs. Agent Orange was made infamous as a defoliant used by the U.S. during the war with Vietnam. DDT (dichloro-diphenyl-trichloroethane) was useful in the 1940s to fight insect-borne human and animal diseases. When evidence accumulated of its toxic effects, the Environmental Protection Agency (EPA) issued a cancellation order in 1972.

Although active resistance to GMOs remained, farmers and consumers in the U.S. accepted GMOs over time on a product-by-product basis. Recent TV commercials by some companies had started to reflect both voluntary and State regulations for GMO labeling on their products.

Mergers and Acquisitions

The most recent PR dilemma, 2016, involved the pending \$66 billion USD Monsanto-Bayer merger. Many observers declared the deal was the year's biggest takeover and cash transaction. Bayer's chief executive officer, Werner Baumann, acknowledged in a call when the deal was first made public that Monsanto's poor image did factor into consideration of the deal (Court, 2016). Moreover, Antonius Michelmann, CEO of the Coalition against Bayer-Dangers, contended in an interview with Money CNN, "Bayer [does] significantly better public-relations work than Monsanto, but that's it" (Henein, 2016). Thus, skeptics viewed both firms as caring more about profits than people. Many of Monsanto's stakeholders were concerned that the firm's negative reputation might harm the pending merger with Bayer.

In 2015, Monsanto's negative reputation was directly involved in a highly publicized failed merger with Syngenta, a large Swiss seed firm. Syngenta's board rejected Monsanto's initial bid valued at 41.7 billion francs (\$45.1 billion USD) and agreed to be acquired by ChemChina for \$43 billion USD. Syngenta's board (BOD) indicated prospects for a Monsanto merger created "significant execution risks, including regulatory and public scrutiny at multiple levels in many

Monsanto



countries” (Campbell & Matthews, 2015). Many industry observers were convinced that Monsanto’s negative reputation, rather than traditional financial and regulatory issues, was the deal breaker (Campbell & Matthews, 2015). Hence, negative press related to the proposed Bayer-Monsanto merger and the pending ChemChina acquisition confirmed the impact of Monsanto’s negative reputation and muddled its worldwide M&A strategy (Kanso & Gonzales, 2015; Bhardwaj, 2016; Money CNN, 2016; Hammond, 2016).

Worldwide Controversy about GMO Safety

The term genetically modified organism had become a household word to many people; yet, GMOs were controversial in many ways. Often, the controversy started with different definitions of GMOs. As a prominent organization, Monsanto’s product strategy, company reputation and public relations plans, and actions were influenced by the public’s understanding of GMOs and the worldwide GMO safety controversy (Kanso & Gonzales, 2015). This influence extended to different GMO safety perceptions by multiple stakeholders such as the scientific community, government regulators, customers, and the general public. Even restaurants and retailers became involved in the GMO controversy. Chipotle ([CMG](#)), made a splashy announcement saying it would become the first national restaurant chain to go GMO-free (Money CNN, 2016). Whole Foods ([WFM](#)) joined in, proclaiming it was the first national grocery chain committed to providing GMO transparency. The retailer also said it was working to stock more non-GMO items (Money CNN, 2016). Furthermore, Whole Foods tried to inform consumers where GMO ingredients were likely to be found, such as in packaged foods (Whole Foods, 2016).

Controversy over the Definition of GMO

GMOs were defined as food or other organisms that were altered by placing genes from one organism into another by use of recombinant DNA biotechnology procedures (Junod, 2007; Schneider & Schneider, 2010; Woolsey, 2012; deGrasse Tyson, 2014). Schneider & Schneider (2010) made the definition simpler by indicating GMOs created changes that were not contained in the original organisms (e.g., delayed ripening and pest-resistance).

Many non-scientific stakeholders felt that changes in genes were unnatural and harmful to humans. A GMO advocate, Neil deGrasse Tyson, argued the GMO definition should have included selective plant breeding, which included almost all the food we consumed. He stated that food had been modified over thousands of years without harm to consumers. For example, the ancient Mayans adapted corn to improve cultivation and productivity. This GMO advocate noted that other pre-biotechnology era genetic modifications occurred in the 1930s. In the 1930s, Milford Beeghly developed hybrids that proved easier to grow than earlier varieties and that were also more insect resistant (PBS, 2002; deGrasse Tyson, 2014).

More recently, genetic modifications included the GMO revolution with plants, animals, and microorganisms. Over the past decade, a World Health Organization (WHO) consensus definition of GMOs evolved with new discoveries, regulatory decisions, and public safety concerns. The World Health Organization (2016) defined GMOs simply as organisms in which the genetic material (DNA) was altered in a way that does not occur naturally by mating and/or natural recombination. This consensus definition reduced controversy over the meaning of GMO, but it was not ended.

The GMO Safety Controversy

There were many myths that GMOs were harmful. One team of European scientists found no evidence of harm in animal feed that contained GMO foods (Snell, et al., 2012). Furthermore, McHughen (2013), a public sector educator, scientist, and consumer advocate at the University of California, Riverside, concluded that there had not been any harm done by GMO foods to humans, and he cited extensive expert studies.

The difference between public and scientific opinion regarding GMOs in the U.S. and Europe was large (Funk & Rainie, 2015). The GMO Literacy Project was an effort by scientists to explain GMOs and debunk myths (Schultz, 2014). Again, these scientists found that GMO foods had not harmed those who consumed them (Schultz, 2014; Funk & Rainie, 2015).

U.S and Europe

In spite of what scientists had said, the GMO safety controversy persisted in the U.S. and appeared to be even more widespread in Europe (Funk & Rainie, 2015). A company with GMO products faced more regulatory and reputational hurdles doing business in Europe than even in the U.S.

The U.S. scientific community and government regulators accepted GMO-based scientific testing evidence and the advantages of increased crop yields, reduced production costs, and higher nutrition with manageable disadvantages such as allergies and safety. Scientific research and regulatory approvals from U.S. government agencies such as the Federal Drug Administration (FDA) supported the safety of GMOs ranging from genetically modified foods to testing methods.

GMO safety issues in the U.S. ranged from general environmental concerns to legislation for labeling, as well as specific crop planning issues such as what seeds a farmer purchased. The primary controversial area in the U.S. was product labeling (Anderson, 2014; Campbell & Matthews, 2015).

Acceptance of GMOs in Europe remained controversial based on uncertain effects on health and the environment (Campbell & Matthews, 2015). Greenpeace and even Prince Charles of Great Britain came out against “Frankenfoods.” GMO products had been controversial in Europe for two decades due to skeptical regulatory agencies, food policy activists, and public opinion. Formal institutions in the European Union did not accept GMOs to the extent that institutions in the U.S. accepted them. Chereau (2014) concluded that U.S. regulatory agencies operated from a science-based perspective regarding GMOs while in Europe regulators relied on the precautionary principle. Thus, the GMO controversy in Europe was more challenging for global companies like Monsanto and when it attempted to sell GMO seeds in Europe; it was met with aggressive resistance.

Africa

Skeptical views by regulatory agencies, food policy activists, and public opinion existed to a lesser extent across the African continent based on the uncertain effects on agriculture, health, and the environment (Campbell & Matthews, 2015). For instance, there was a cassava failure in Africa and GMO success with Hawaiian papaya saved the crop. Given the importance of cassava to the diets of hundreds of millions of poor people in Africa, a solution to the pestilence that ruined cassava crops had to be found, probably through a combination GMOs and positive PR (Naam, 2014).

India

Cotton was an important crop in India (Naam, 2014). India allowed GMO cotton to grow, referred to as Bt cotton. Cotton yields were flat in India from 1991 to 2001 at 300 kilos/hectare (Naam, 2014). Using Monsanto's seeds since 2002 allowed India to become a leader in cotton and Bt cotton yields jumped to 500 kilos/hectare (Naam, 2014). In January 2016, Monsanto was warned of troublesome regulation in highly politicized markets and withdrew its application to the Indian government in August for use of new GMO cottonseeds, which displeased many Indian stakeholders (Bhardwaj, 2016). Monsanto objected to the Indian government's proposal that Monsanto share its technology with Indian seed firms as well as a reduction in the royalties paid. However, analysts believed Monsanto would stay in India given the size of the Indian market. "India is too huge a seed market for anyone to leave (of) one's own choice," said Ajay Vir Jakhar, chairman of the *Farmers` Forum India* (Daily The Pak Banker, 2016).

China

China had to feed a growing population in challenging circumstances including drought or perennial water shortage in the north (Roberts & Bjerga, 2015). In 2014, the agriculture ministry signaled that it had embraced GMO technology and China wanted to increase yields on marginal lands (Roberts & Bjerga, 2015). China also saw self-sufficiency in grain as a strategic imperative; importing 60% of global soybean exports was inconsistent with its strategy for self-sufficiency. Nevertheless, rather than allow U.S. based global companies like Monsanto and DuPont to dominate the GMO market in China, the government wanted to build a domestic GMO industry to improve its agricultural productivity (Roberts & Bjerga, 2015). Some suggested that one way to speed up the process was industrial espionage (Roberts & Bjerga,

2015). Another way China could gain intellectual property was through state-backed ChemChina purchasing Europe's leading GMO company, Syngenta (RT, 2016).

GMO Industry Background

GMO Industry Characteristics

According to the North American Industry Classification System (NAICS), GMO foods were primarily classified in the biotechnology R&D (code 541711) with some overlap in the agriculture and chemical industries (NAICS, 2012). Major firms with GMO products crossed these three industry classifications. Monsanto was one of the top U.S. chemical companies until the late 1990s when it evolved into a firm that focused on agricultural applications of biotechnology (biotech). Although Monsanto was the first chemical firm to make this major move into agricultural applications of biotech, others quickly followed. Major peer firms with competing products such as Bayer, Dow, DuPont, BASF, and Syngenta also crossed one or more of these three industry classifications. Additionally, two pending consolidations between prominent firms in the industry (Dow-DuPont & Syngenta-ChemChina) muddled the once clearer boundaries between the chemical, agricultural, pharmaceutical, and biotech industries.

Competition in GMO Industry and Niches

Over the past twenty years, several industry niches had developed for the competitive GMO sector. Seed production, food processing, and agriculture productivity (fertilizer, insecticides, and herbicides) became major GMO niches and Monsanto had twenty-five competitors in these niches (Investopedia, 2015). The "attractiveness" of the GMO industry appeared to vary by industry niche and product. For example, Barker (2015) observed the demand for GMO seed

slowed in 2015 as concern over the effectiveness of glyphosate grew and the price of non-GMO crops rebounded.

Threats and Opportunities

Monsanto predicted declining company financials due in part to the worldwide drop in crop prices (Monsanto Annual Report, 2015). Organic farming methods competed with GMO seed and it was logical that public concern about GMO crops increased farmers' interest in non-GMO seed (Barker, 2015). Since price competition existed, sometimes suppliers and farmers substituted non-GMO products for GMO products at premium prices (Barker, 2015). Yet farmers and those opposed to large suppliers like Monsanto argued that many small farmers did not have the market power to bargain with large suppliers (Barker, 2015).

Some analysts contended that declining crop prices led to increased competition and a recent wave of mergers and acquisitions (M&A) in the industry (Barker, 2015). On the other hand, sometimes M&As led to decreased industry competition. U.S. anti-trust government regulators such as the Anti-Trust Division of the Department of Justice, the Federal Trade Commission (FTC), and the European Commission were the main external regulatory agencies. They were charged with the duty of raising questions and blocking M&As they deemed to hurt consumers due to less competition. The regulatory responses regarding the degree of industry competition was mixed. Some planned M&As in the industry had attracted regulatory and political scrutiny but no action was taken to date by regulators (Somayaji, Mulvany & Koch, 2016). Regulators had not blocked any major GMO related M&As due to lack of industry competition (Barker, 2015). As previously stated, some observers believed Monsanto's negative reputation played a larger role in the 2015 failed M&A with Syngenta than any regulatory concern for reduced competition. This failed merger only added to the public's

negative perception of Monsanto and possibly hurt its other opportunities for M&As, licensing, and industry partnerships.

Some threats had the potential to become strategic business opportunities for Monsanto. Kalso & Gonzales (2015) suggested Monsanto had overlooked pivotal groups such as scientific experts, organic consumer associations, conservation organizations, community leaders, shareholders, and employees that were potential allies for their anti-labeling strategy. Monsanto had fought many legislative attempts to pass laws concerning restrictive GMO labeling. A wider group of stakeholders that included pro-labeling activists and environmentalists potentially could help Monsanto to broaden its network, if it could find common ground with them (Phillips & Grant, 1998).

Any sizeable shift in market focus to non-GMO products actually helped Monsanto's brand with a segment of its GMO business. For instance, suppliers of non-GMO agricultural products also sold GMO seed. The failed 2015 merger with Syngenta opened the door for Monsanto to pursue other, different consolidation prospects such as purchase of the BASF or Bayer's seed units (Hammond, 2016). Additionally, Monsanto investigated other traditional strategic opportunities such as GMO licensing and strategic partnerships (Hammond, 2016). This expanded strategic approach to M&A improved the chances of Monsanto finding untapped stakeholders for its GMO products and non-GMO products. Hence, each of these new strategic consolidation moves had the potential to help repair Monsanto's negative reputation and declining financial indicators.

Performance indicators

Monsanto used benchmarking to compare its stock prices to its peers' stock prices. Since no group of companies precisely matched Monsanto, the firm created its own peer group. This

Monsanto



peer group included Bayer, Dow, DuPont, BASF, and Syngenta. Exhibit 1 shows a six-year comparison of Monsanto's stock prices to its peer group. In the Monsanto FORM 10-K section of the Monsanto Annual Report for 2014, the comparison showed that Monsanto's fiscal year end stock price had lagged behind both the S&P Index and its peer group for the previous six years. However, Monsanto started a three-year repurchase plan of its common stock in 2013 and another accelerated plan in 2015. The stock comparison to the S&P Index and its peer group improved; yet, the company's public image did not improve (Monsanto Annual Report, 2015; Kalso & Gonzales, 2015; Court 2016; Hammond, 2016).

Exhibit 1. Monsanto's Comparison to Peer Group

	8/31/2010	8/31/2011	8/31/2012	8/31/2013	8/31/2014	8/31/2015
Monsanto	\$100	\$133.09	\$170.77	\$194.86	\$233.88	\$200.93
S&P 500 Index	\$100	\$118.50	\$139.83	\$165.99	\$207.89	\$208.88
Peer Group	\$100	\$124.63	\$140.87	\$178.64	\$219.31	\$198.18

Source: Monsanto FORM 10-K, 2015, p. 14; Monsanto Annual Report, 2015

Monsanto's Business

As noted, although GMO foods were primarily classified in the biotech industry, Monsanto participated in three different industries, including agriculture. Many agricultural firms were involved in the development and distribution of GMOs, but Monsanto was the largest industry player (Kalso & Gonzales, 2015). The firm's strategic agricultural focus was modified corn; soybean, cotton, and canola seeds that helped farmers increase crop yields dealing with weeds, insects, and droughts (Schilling, 2010, Monsanto Annual Report, 2014).

Monsanto



Products and Organization Structure

Monsanto was structured by markets (major countries) worldwide and major product areas or segments (Monsanto Annual Report, 2015). Monsanto was structured in two major segments along the lines of its main product areas:

- **Seeds and Genomics (Traits)**

The Seeds and Traits segment consisted of the company's global seeds and traits business and genetic technology platforms - including biotechnology, breeding, and genomics.

- **Agricultural Productivity**

The Agricultural Productivity segment consisted primarily of agricultural and industrial, turf, and ornamental herbicide products.

The 2015 Monsanto Annual Report indicated that the seed and genomics segment was the larger of the two segments. Since 1996, Monsanto developed and sold GMO seeds to work with its well-known Roundup herbicide (glyphosate). Its seed brands included DEKALB (corn), Asgrow (soybeans), Deltapine (cotton), and Seminis and De Ruitter (vegetables). The Seeds and Genomics segment envisioned future growth; however, this vision for Seeds and Genomics contradicted the recent slump in sales and profits (Monsanto Annual Report, 2015). The smaller Agricultural Productivity segment related to crop protection and depended on global glyphosate producers' extensive supply capacity, which maintained downward pressure on recent profit margins (Monsanto Annual Report, 2015).

Strengths and Weaknesses

Among Monsanto's major strengths were strong brand recognition, strong organizational culture, innovative products, experienced leadership, and a strong R&D program (Monsanto: A history, 2009; Barker, 2015; Kanso & Gonzales, 2015). One example of Monsanto's value was a

great deal of scientific and management experience in new product development. Moreover, Monsanto had demonstrated the capability to reinvent itself in the past when it moved from a chemical focused company to an agriculture and biotech based company in the 1990s. The firm's investment in R&D, patent protection, and vigorous legal protection of GMO seeds helped Monsanto to increase the value of its products. Prior to 2015, this value was reflected in growing sales (Monsanto Annual Report, 2015). Although there were many competitors in the GMO seed business, vigorous legal protection of its intellectual property made Monsanto unique in the industry.

Some of Monsanto's strengths were also potential weaknesses. Strong brand recognition was a likely weakness because the firm's public image was negative. Numerous reports showed Monsanto's management was slow to react to external criticism about GMOs and the company's aggressive legal tactics with farmers and environmentalists harmed its reputation (Hopkinson 2013; Kalso & Gonzales, 2015). Monsanto's key financial indicators decreased in fiscal year (FY) 2015 and this decline continued in FY 2016. Declining financials possibly decreased Monsanto's reputation and made the firm a less attractive M&A or strategic industry partner than a few years prior.

Financial Indicators

Most management researchers agreed there was a strong historical correlation between reputation and financial performance (Kaplan & Norton, 1996; Grupp & Gaines-Ross; Hannington, 2004; Smith, 2013; Kalso & Gonzales, 2015). Despite Monsanto's declining reputation, key financial indicators from 2009-2014 showed improving financial performance (see Exhibit 2). Monsanto had four large U.S. agricultural distributors that made up 22% of global net sales and 40% in the U.S. during 2014 (Monsanto FORM 10-K, 2009-2015). In the Seeds and Genomics segment, the largest U.S. distributor accounted for 13% of global net sales

and 21% of the U.S. Monsanto's international sales, made up 46% of the company's total sales - 39% of the total Seeds and Genomics segment's sales and 59% of the Agricultural Productivity segment's sales (Monsanto FORM 10-K, 2009-2015). Its international sales were primarily to Brazil, Argentina, Canada and Mexico (Monsanto FORM 10-K, 2009-2015). As net sales increased, innovation came from increasing research and development expenditures: \$1,725 million in 2014, \$1,533 million in 2013 and \$1,517 million in 2012 (Monsanto FORM 10-K, 2009-2015). Assorted legal challenges arose but one that had been widely criticized in the press involved farmers, often in foreign countries, who saved non-hybrid soybean, canola, and cottonseeds that contained Monsanto's patented biotechnology traits, keeping Monsanto from maximizing its earnings on intellectual capital (Monsanto FORM 10-K, 2009-2015). Overall, however, financial indicators continued to increase through FY 2014 (see Exhibit 2).

Exhibit 2. Key Internal Monsanto Financial Indicators

(in \$US millions)

FY Year/\$M	8/31/2009	8/31/2010	8/31/2011	8/31/2012	8/31/2013	8/31/2014	8/31/2015	8/31/2016
Net Sales	11,724	10,483	11,822	13,504	14,861	15,855	15,001	13,502
EBIT	3,007	1,568	2,387	3,047	3,460	3,952	3,500	2,408
Net Income	2,109	1,096	1,607	2,045	2,482	2,740	2,314	1,336
Free Cash Flow	1,513	564	1,839	2,017	1,963	959	2,089	1,724

Source: Monsanto FORM 10-K, 2009-2015; Monsanto Annual Report, 2015; Monsanto Corporation Fiscal Year 2016 Results

Yet the firm's key financial indicators turned in late 2014. Monsanto reported a 34% fall in earnings the fourth quarter of 2014. As previously reported, demand for GMO seed slowed in

2015 as concern over the effectiveness of glyphosate grew and the price of non-GMO crops rebounded (Barker, 2015). Monsanto's net corporate sales and net profit decreased from FY2014 - FY 2015 and fell more dramatically from FY 2015– FY 2016. These negative internal financial trends together with a persistent negative reputation, strongly suggested that Monsanto needed to take a more serious look at the relationship between its PR activities and its strategy and the sustainability of the firm (Barker, 2015; Barrett, 2015; Campbell & Matthews, 2015; Kanso & Gonzales, 2015; Monsanto Corporation Fiscal Year 2016 Results, 2016).

Monsanto's Public Relations Frameworks

Monsanto's Reputation Management

Most major firms with GMO-related products such as BASF, Bayer, Dow, DuPont, Syngenta, and Monsanto participated in efforts to educate the public about GMOs (Hopkinson, 2013; Monsanto Corporation, 2014-2015). The consensus was that the entire GMO industry was affected by negative public opinion, but Monsanto's reputation was more negatively affected (Kanso & Gonzales, 2015). Monsanto had attempted to improve its PR toward GMOs and these actions created both positive and negative public images. Industry observers pointed out negative opinions about Monsanto's involvement in GMO products primarily stemmed from its past involvement with unpopular products (overhang), its vigorous defense of GMO causes, and its aggressive legal activity (Hopkinson, 2013; Kanso & Gonzales, 2015). Monsanto's traditional makeover reputation management approach included product innovation, economic advantages, scientific community support, government regulations acceptance, and industry awards that provided a positive public image for some Monsanto products (Monsanto Corporation, 2015). Yet on balance, Monsanto's reputation had remained very negative (Kanso & Gonzales, 2015; Hammond, 2016; Court, 2016).

By 2011, Monsanto could no longer ignore public criticism that resulted in the firm being labeled as the world's most evil corporation. Monsanto began to: (1) implement a reactive approach through communicating with certain stakeholders and publics, (2) increase informational events, and (3) recognize public opinion (Kanso & Gonzales, 2015).

In 2013, Monsanto took several PR actions to change its public image such as revising the senior public relations staff, engaging a PR firm, and creating a website to answer questions regarding GMOs (Hopkinson, 2013). In so doing, Monsanto publically acknowledged that the industry's image was negative and serious public relations actions were needed to repair the company's reputation. Exhibit 3 summarizes the actions Monsanto had taken for reputation repair and PR makeover since 2013:

Exhibit 3. Monsanto Reputation Repair Actions

1. Top management formally recognized the GMO public image problem
2. Top management reorganized its senior public relations staff
3. Top management engaged one of the country's largest public relations firms
4. The company answered questions on its website
5. The company partnered with various green organizations
6. The company contributed to charity
7. Monsanto explained how important its work was to feeding the world

Source: (Hopkinson 2013; Kanso & Gonzales, 2015)

Advocates for GMO labeling in the U.S. were revitalized as legislative bills were introduced in several states to require labeling of GMO foods (Anderson, 2014; APECSEC, 2014). Each time a new GMO controversy swirled or recent M&A deals involving Monsanto were proposed, the firm's negative reputation and PR efforts became issues in the deal making. Again, the recent dilemmas involving Syngenta, the Indian government, and the pending Bayer deal underscored the importance of Monsanto's negative reputation in all company strategic decision-making.

The risk of “doing nothing” or “doing the same thing” regarding these assaults on Monsanto’s reputation had potentially negative consequences for company sales and growth that were already trending down. Recent financial and non-financial indicators showed that Monsanto’s makeover PR actions had not gained traction and raised the question, what more needed to be done in the area of PR, as Monsanto’s PR efforts over the past four years had failed to repair its badly damaged reputation.

If you were the CEO of Monsanto in 2016, what reputation management or PR approach would you take to repair and restore Monsanto’s public image and turnaround the decline in company performance indicators? How would you use strategic management models to develop an effective PR strategy and integrate PR into the strategic product plans?



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