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Government Bailout Thank-You Notes

Should banks, carmakers, and other companies getting federal bailouts run marketing campaigns "thanking" taxpayers for giving them a hand? Some experts in relationship marketing—which focuses less on driving immediate sales and more on building ties with consumers—say thank-you messages can help companies bond with their customers. "A show of gratitude is a significant driver of relationships in business," says Randle Raggio, an assistant marketing professor at Louisiana State University and the author of a new *Harvard Business Review* case study on whether bailout recipients should say thanks.

PR and marketing strategists have long encouraged companies seeking to regain favor with the public to be open, honest, and humble. But a number of experts say adding "grateful" to that list may not work in the case of bailouts. In thanking taxpayers "for something they did not do voluntarily," notes Atlanta PR strategist Paul Pendergrass, "you run a significant risk of irritating a lot of people." Indeed, after the bailed-out Chrysler ran full-page "Thank You America" ads in *USA Today* and *The Wall Street Journal* last December, the blogosphere was alive with complaints that the move wasted taxpayer money.

Perhaps that's why Citigroup and General Motors ([GM](#)) haven't run similar ads—although CEO Fritz Henderson has expressed gratitude in TV interviews. Raggio argues that Chrysler's only mistake was stopping with the one-time thank-you ad, which made the gesture appear "self-serving, like a PR stunt." It would have been better, he says, for the company to have integrated the message into a broader media campaign—one that features, say, special deals for car buyers. (Chrysler declined to comment on its ad.)

What else might go over well with consumers? Alan Parker, chairman of consultant Brunswick Group, suggests in the June HBR article that "to move ahead in a crisis like this, you have to be prepared to show real contrition and in some way acknowledge your role in the decisions that got you to this point."

The FDA Puts More 'Black Boxes' On Store Shelves

The proposed ban on Vicodin and Percocet by an FDA advisory panel is part of a sharpened focus on widely used products. In this case, concerns centered on the risk of liver damage from too much acetaminophen, an ingredient also used in Tylenol and other painkillers. The panel's vote, which the agency isn't required to heed, is the latest in a string of recent FDA activities. On June 16 the agency advised consumers to stop using two of 17 Zicam cold remedies following reports that some users lost their sense of smell. (Zicam maker Matrixx Initiatives ([MTXX](#)) recalled the nasal spray and gel.) In May the agency said that packages of Botox and of testosterone gels called AndroGel and Testim will carry "black box" warnings about serious but rare side effects—muscle weakness when Botox is used off-label at high doses and puberty-like symptoms in children on whom the testosterone gels rub off.

An agency spokesman says the FDA Amendments Act of 2007 has greatly expanded its authority over products already on the market and that it is under pressure "from Congress and other stakeholders" to assume a greater role in this area.

Streetlights on Demand

Albus Dumbledore, Harry Potter's headmaster at Hogwarts, used a magic "put-outer" to extinguish the streetlights in young Harry's neighborhood. Now a German utility has created a twist on the idea and is trying to market it. Known as Dial4Light, the technology lets residents in Dörentrup, a town of 9,000 in northwest Germany, use mobile phones to turn on the lamps. The idea came from adman Dieter Grote, who worried about his family's safety after Dörentrup began switching off streetlamps after 11 p.m. to save money. Grote asked local power authority Stadtwerke Lemgo if it could install equipment to allow people to get light on demand. Together with Dörentrup lighting equipment company A&H Meyer, the utility came up with a two-second procedure: A resident calls a number posted in luminous letters on a lamppost. The call is answered by a computer at the utility, which then signals a wireless modem to switch on lights in the area for 15 minutes. The system has cut Dörentrup's power bill by a third, Mayor Friedrich Ehlert says, because the village now cuts lights as early as 9 p.m. in lightly traveled areas. And the utility has patented Dial4Light, using partners to sell it abroad. Says Grote, who will get a cut of the profits: "Even in a recession, a good business idea sells."

with Andrea Zammert in Frankfurt

The Dreary Decade

There are still six months left in this decade, but it may not be too soon to start drafting its obituary.

And a look at the numbers shows that investors calling the 10 years "lost" may have understated the case. As of June 30, the Standard & Poor's ([MHP](#)) 500-stock index was down 37%, or 5% a year, from its Dec. 31, 1999, close of 1469.25. So it would take quite a rally just to break even for the decade: The index would have to climb 60% by Dec. 31, 2009. The last such negative decade? The dreadful 1930s, which suffered a 42% cumulative stock market loss. Factor in dividends, says Howard Silverblatt, a senior index analyst at S&P, and the "aughts"—the years 2000 through 2009—look even worse. In the '30s, dividends turned that decade's 5% average annual drop into a positive total return of 1% a year. That return for the '00s: So far it's -3%.