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Wal-Mart, Aware Its Image Suffers, Studies Repairs

Constance L. Hays. **New York Times**. (Late Edition (East Coast)). New York, N.Y.: Aug 14, 2003. pg. C.1

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Abstract (Article Summary)

To reverse the impression about its jobs, Wal-Mart is broadcasting three ads nationwide that portray it as a great place to work. Two of the ads feature women who work at Wal-Mart discussing their job satisfaction. "They give you opportunity to advance," says one, a black department manager who persuaded her daughter to give Wal-Mart a try.

The ads, produced by GSD&M of Austin, Tex., also part of Omnicom, are appearing at a time when Wal-Mart is on the defensive over its treatment of female employees. A group of them filed a discrimination lawsuit against the company 18 months ago in federal court in Washington, and a hearing to determine whether the suit should become a class action, covering all of the women working at Wal-Mart, has been scheduled for next month.

Among bankers, Mr. [Jay Allen] said, Wal-Mart's image included problems that some consumers and local officials had cited, including low-paying jobs. "But it didn't really have an impact on the way they looked at Wal-Mart as an investment," he said. "Their questions were: Can Wal-Mart continue to grow in the United States, and are we well positioned to capitalize on the international opportunities that we have?"

Full Text (1059 words)

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Wal-Mart, concerned about its public image, is using a consultant to analyze that image and has commissioned radio and television ads to try to reverse criticism from local officials, consumers and others.

It is the first time that Wal-Mart, known for parsimony in its business practices, has invested in "reputation research" -- using polling techniques, focus groups and phone interviews -- and then spent more money to try to repair the distressing aspects of what it found.

The project began about two years ago at the suggestion of Wal-Mart board members, a company spokesman said, and is continuing. Regular updates are being given to the board, with one scheduled next month. The company's relationships with consumers, employees, bankers and community leaders have all been examined by the consultant, Fleishman-Hillard, a part of the Omnicom Group. Last but not least will be its ties to suppliers, who make and deliver billions of dollars' worth of goods to Wal-Mart stores.

Such an effort indicates concern at Wal-Mart's highest levels about fallout from the company's rapid growth and enormous economic influence. With that ascent has come scrutiny of Wal-Mart's penchant for hiring part-time workers as well as its treatment of female employees, the subject of a pending federal lawsuit, and its resistance to organized labor.

Community opposition to building Wal-Mart stores has been vociferous in some places, and muttering is heard from time to time among manufacturers, which say they are being constantly pressed to sell their goods to Wal-Mart at low prices.

The project found that many people view Wal-Mart as a place of dead-end jobs, and that its performance as a corporate citizen leaves much to be desired. "They didn't see us as involved in the community as they might like," Wal-Mart's chief spokesman, Jay Allen, said. "They didn't give us good marks on listening. Sometimes it was as basic as the parking lot was not clean, and that's not treating the community with respect."

To reverse the impression about its jobs, Wal-Mart is broadcasting three ads nationwide that portray it as a great place to work. Two of the ads feature women who work at Wal-Mart discussing their job satisfaction. "They give you opportunity to advance," says one, a black department manager who persuaded her daughter to give Wal-Mart a try.

Another, a white mother of two who is a district manager in charge of several stores, says, "It's not easy to have a career and a family, but my job makes it a lot easier to do both." As the camera panned over her tranquil home, she said she hoped to "set a good example for my boys, that they can go out and achieve absolutely anything."

The ads, produced by GSD&M of Austin, Tex., also part of Omnicom, are appearing at a time when Wal-Mart is on the defensive over its treatment of female employees. A group of them filed a discrimination lawsuit against the company 18 months ago in federal court in Washington, and a hearing to determine whether the suit should become a class action, covering all of the women working at Wal-Mart, has been scheduled for next month.

So far, the television ads have focused on correcting what Wal-Mart maintains is a false impression about its jobs. But a lawyer for the plaintiffs said he thought the ads were a direct result of the lawsuit.

"The telling thing is that the ads are even here," the lawyer, Joseph Sellers, said. "My sense is that Wal-Mart has never run ads like this before, and that the timing is more than coincidental." The lawsuit includes accounts from many women, he said, about being told that "they were unsuited to management," and from others "who said they were told that the hours are too long, you should be home with your children."

Mr. Allen, the Wal-Mart spokesman, insisted that the research, rather than the lawsuit, prompted the ads featuring the women. But he added: "We would acknowledge that we need to get better as an employer. The lawsuit has certainly heightened our awareness of that."

Among bankers, Mr. Allen said, Wal-Mart's image included problems that some consumers and local officials had cited, including low-paying jobs. "But it didn't really have an impact on the way they looked at Wal-Mart as an investment," he said. "Their questions were: Can Wal-Mart continue to grow in the United States, and are we well positioned to capitalize on the international opportunities that we have?"

Wal-Mart workers generally gave the company high marks, Mr. Allen said. But pay and benefits did not get much applause. "People always want to make more money," he said. "Really, what you see for the most part is people want to be treated well. They want to be treated fairly. They want to develop on the job."

The lawsuit contends that women were often overlooked or ignored when it came time to promote cashiers and others to management positions. In January, Mr. Sellers said, the company began its first formal system for inviting people to apply for vacancies in an important management-training program. His attempts to find out more about

the program were batted away by company lawyers, who said it was "attorney work product" and therefore not to be offered as part of discovery.

"It was clear that they were inaugurating this with the help of lawyers," Mr. Sellers said.

A Wal-Mart spokeswoman, Sarah Clark, called the January change "an enhancement" to a program already in place.

More television ads are planned around other findings from the Fleishman-Hillard research, Mr. Allen said. Among the positives were that many people think Wal-Mart has a good reputation and that "we were easily the first retailer you think of with low prices," he said. "Even people who don't like us or respect us would not argue that we have the lowest prices."

The negatives, though, also caught everyone's attention at the company's highest levels and are now pushing it to make changes.

"We need to do these things," Mr. Allen said. "At the same time, we can't change who we are. We can't change what makes Wal-Mart Wal-Mart."

[Photograph]

Carolyn Sapp, a former Miss America, speaking near a Wal-Mart in Las Vegas in the spring. Her group of about 40 women supported a lawsuit against Wal-Mart accusing it of sex discrimination in promotion. (Photo by Clint Karlsen/Las Vegas Review-Journal)(pg. C6)

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