

AUTO INSURANCE STUDY GIVES MODEL
FOR STATING CREDIBLE POSITION
ON EFFECTS OF GOV'T REGULATION

It is no surprise -- and therefore not very believable -- that an "independent study" sponsored by an insurer found the industry "restrained by diverse systems of state regulation." But the matrix used by SRI International for Commercial Union Assurance's inquiry provided a method for presenting the case that adds substantial credibility.

Primary Question: Is there a compelling reason for governmental intervention in the marketplace?

Underlying Assumptions of Social Benefits of Competition:

- 1) Allocation of society's scarce resources in accordance with the preferences of its individual members;
- 2) Production of the goods and services individuals desire in the least costly ways possible;
- 3) Continuing incentive for innovation in ways responsive to consumer interests, i.e., to provide less expensive or more effective goods and services or to introduce totally new products;
- 4) Personal freedom of choice.

Sub-Questions for Purpose of Presenting Results Succinctly:

- 1) Is there a compelling need for governmental intervention to ensure competition?
- 2) Is there a compelling reason to engineer departures from competition on grounds of fairness?

Method produced study entitled "Choice of a Regulatory Environment for Automobile Insurance." Conclusion had popular appeal: "Assuring the consumer the benefits of price competition should be the main aim of regulation." (Copies of report & methodology from Geoffrey Mullis, dir comms, CU Assurance, 1 Beacon St., Boston, 02108.)

WHO'S WHO IN PUBLIC RELATIONS

PEOPLE. Chester K. Lasell becomes vp, corp comms, Deere & Co (Moline, Ill.)... Budd Co (Troy, Mich.) names Paul O. Sichert, Jr., vp-pa.

Christopher Cross Assocs (NYC) becomes Cross & Schwartz, Inc. with Barry M. Schwartz as pres and Christopher Cross, chmn.

FIRMS. New regional ofc of Posner Public Relations, headed by Nathan J. Silverman, gen'l mgr, at 840 N. Michigan Ave, Chicago 60611; 312/337-2266...Washington APR Advertising & Public Relations formed by Don A. Grigg and Peggy Dwyer, 910 17th St, NW, D.C. 20006; 202/466-6366...Fred Isley forms Fred Isley & Assocs, 146 Putnam Park, Greenwich, Conn. 06830; 203/622-0170.

Zachary & Front, move offices to 369 Lexington Ave, NYC 10017; 212/867-7363...Norman Brown & Assocs move to 1 E. 42nd St, NYC 10017; 212/687-2570...Theodore Johnson & Co now at 786 National Press Bldg, D.C. 20045; 202/638-7200...Schapper/Phillips have new offices at 310 Madison Ave, NYC 10017; 212/490-1211...Michael Klepper Assocs move to 342 Madison Ave, Suite 905, NYC 10017; 212/682-9142.

Schulte Reece & Aguilar (Miami) changes to Schulte Ross & Aguilar with addition of Robert C. Ross as vp & gen'l ptrn...

Peter Martin Assocs opens new branch headed by Evon Brown at 3361 S.W. 3rd Ave, Miami 33133; 305/856-7586.

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GETTING READY FOR THE 80'S/NO. 2

WE WILL AVOID THE VICTORY SYNDROME ...
BECAUSE WINNING IS LOSING IN PUBLIC RELATIONS

One frequently used word to describe public relations goals or campaigns is one of the most dangerous. The word is "winning." The danger is misstating the role of public relations in a pluralistic society.

Whenever there are winners, there are losers. By definition and human nature, losers have an emotional investment in turning the tables. Decisions worked out in adversary proceedings of "I win - you lose" are never finalized. The struggle can go on forever. The objective of public relations is not to win over people ... but to win people over.

We don't seek victories, but successes -- and they are not the same. Edward L. Bernays says the essence of public relations is "adjustment." Professionals advise on ways to bring an organization to the highest point of mutual accommodation "with the publics on which it depends for viability" (t&t 12/18/78). If the organization is strident, arrogant or intent on "winning," adjustment is not possible. Any victories will be Pyrrhic: win today, lose tomorrow. Win the battle, lose the war.

Marshall Lewis, speaking from the corporate viewpoint, put it well in a perceptive talk to PRSA's Counselors Section:

If we can't voluntarily accommodate to expectations of more dependable products, or safer electricity, or more secure and rewarding employment, then government will be asked to impose an accommodation on us.

The adversary system -- appropriate or inevitable as it may be in the legal tradition -- may turn out in corporate affairs to be a zero-sum game in which paradoxically no one is likely to be a winner. One aspect of professionalism is to sense when the game is turning into zero sum -- when even the most appealing advocacy ads, talk-show appearances, and political action committees are not making one damn bit of difference in the tide of events. When the public and their elected representatives simply don't accept our definition of their self-interest, it may be that the time has come for us to modify our behavior and get on about our new business.

In Only By Public Consent, L.L.L. Golden describes several cases where the mightiest institutions of their day were brought to heel by the court of public opinion because their philosophy was one of "winning."

This is not to imply we can get everyone to agree -- on anything. Most of the time there is a way to bring most of those involved to some level of consensus. If this doesn't get an organization everything it wanted, that is a sign adjustment is required. Compromise -- taking what you can get now -- has always been the mark of mature executives & politicians. Yet often organizations are slow to adopt this prudent approach. Think of the public issues today where institutions, even whole industries are being damaged -- and the public harmed -- because of intransigence.

On the world scene, reentry of China is a factor for the 80's. Perhaps we can learn from them how to let opponents save face. This ancient art allows us to both reach decisions and keep marching along together. By contrast, adherence to the victory syndrome continually interrupts progress for childish fist fights.

-- Patrick Jackson

ANOTHER NEW BREED PRACTITIONER,
THE ACADEMIC WITH O.D. SKILLS,
ILLUSTRATES PATHS PROS ARE TAKING

To head its newly formed public affairs dept, reporting directly to CEO, A-T-O (Willoughby, O.) chose a man who 1) holds Ph.D in communications methodology, 2) founded & directed Center for Communication Research & Development at Eastern Illinois Univ, 3) taught speech & comms at college level, 4) consults on management & organizational development, 5) joined company 3 yrs ago as manpower development mgr. Dr. Bruce Wheatley doesn't belong to PRSA or IABC. His memberships are Amer Soc for Training & Development and Int'l Comms Assn.

What tasks are assigned such a person? In previous post he was "charged with designing a company-wide program for expanding management skills, locating and identifying talent, and accelerating development of managers destined for higher responsibilities." Now he "will have overall responsibility for internal and external communications, including public relations, investor relations, advertising, employee communications, and new public affairs programs." A-T-O is traded on NYSE, has 29 major divs, sales of \$628 million last year.

FASTER SPEECH HAS GREATER IMPACT
IN AUDIO PRESENTATION -- AND
AUDIENCES LIKE IT BETTER

An experienced, mature, male speaker reads a radio commercial at the rate of 141 words a minute. That rate can be increased 50% without listeners becoming aware of a speed-up. Until the rate is increased by 100% there's no loss in message comprehension.

Listeners to radio commercials prefer a rate of speech that's about 25% faster than normal. Priscilla La Barbera & James MacLachlan, authors of "Time-Compressed Speech in Radio Advertising" (Journal of Marketing, Vol. 43, January 1979, pp. 30-36) recommend faster speech as a way to increase the impact of audio presentations such as psa's or cassettes. For paid messages there's the obvious benefit of cutting costs by using less time.

A new electronic device known as a speech compressor-expander makes such speed-up possible without creating a "Donald Duck" effect or other alteration of pitch of the speaker.

SYMPOSIUM ON STATISTICS AS A PERSUASIVE DEVICE:
DO THEY REINFORCE ... AFFECT ... OR VALIDATE ATTITUDES?

Practitioners must realize "that understanding statistics is work, even for statisticians," warns Ron Gray (pio, Fraser Valley College, Chilliwack, B.C.).

But when they provide "alternative interpretations" and give valid perspectives the public "wouldn't normally have access to," statistics used as persuasive strategy become "the essence of the practice," feels Joseph O'Connell, Jr. (dir comms, Transport International Pool, Bala Cynwyd, Pa.).

Used to calm public anxiety, as NASA employed them in informing about Skylab's fall to earth (pr 5/7), "statistics do not calm or counter the fear ... unless to the person reading them Skylab and its descent is a familiar technology," suggests Frank Shants (Texas Utilities Services, Dallas). "To overcome people's fear & anxiety with cold statistics just doesn't work," he finds, comparing NASA's problem with his own work countering anti-nuclear attitudes.

Gray & Shants both see "gut reactions" and "feelings" as the issue to be addressed, not attempting to "prove" something with logical statistics. Gray: "The Skylab statistics increase the sense of alarm because people won't do the work necessary to understand statistics, but they still react. And the common reaction to something not understood is anxiety." To overcome this, he proposes transferring statistics into real-life examples tangible to readers.

Shants: It is easier to create anxiety & fear with statistics if the subject is not familiar and if it poses a threat to life & limb. He urges "fighting fire with fire by appealing to people on the same emotional plane as their fear." Nuclear power proponents can show that nukes may be less frightening than the effects of energy shortages. NASA might suggest that, due to its importance in national security, the risks without Skylab are worse than the risks with it. The alternative is trying to allay the risks with statistics that in essence claim "the risk isn't really that big" -- which Shants feels doesn't work. "Putting risks in perspective (with or without statistics) does little more in people's minds than acknowledge the risk."

Gray concludes: Because they are assimilated thru a perceptual screen that includes our whole life history, bare statistics tend to reinforce existing attitudes. Real-life interpretations of statistics, on the other hand, have some chance of touching parallels in our own experience and thus affecting attitudes. For this reason he believes "the only proper role of statistics in pr is to stand as footnotes that validate personalized, experiential, concrete statements."

"DISAGREEING WITH PRR ON "ISSUES MANAGEMENT" are Allstate Insurance and George Washington Univ. Allstate changed Ray Ewing's title from corporate communications director to director of issues management. Short course titled "Public Policy Participation Thru Issues Management: A Systems Approach" will be offered by university's continuing education div, School of Engineering & Applied Science (sic). Well, at least they shouldn't object to "the engineering of consent." Info from William Steeves, Jr. at the Univ. (address is simply Washington, D.C. 20052).