

For audience segmentation or direct mail, system will enable never-before-available pinpointing of publics. Marketers like N.W. Ayer's DM division are favorable. In a bulletin last week AyerDirect said it "believes the ultimate benefit in targeting audiences so accurately will more than offset the new procedures needed to make the new ZIP work." "Ultimately it is a good thing," agrees mail expert John Jay Daly, D.C. counselor. He reports 97% of mail now carries 5-digit ZIPs, illustrating public acceptance.

Big mailers are concerned over cost of updating lists, adding machinery to properly handle new capabilities. They've asked for delay in Feb '81 inception of program. Sen. Glenn (D-Ohio) will hold hearings this Wed. One item of controversy is whether U.S. manufacturers will be able to win bids on sophisticated optical equipment Postal Service needs. Some feel only overseas makers have capability, Daly told pr. FTC fears system could be used by creditors to make "racially discriminatory" decisions. New ZIPs are so specific, pinpointing one side of the street or a particular apartment house, that they could "function as a proxy for the race of residents." (See t&t 10/27 for description of how current ZIPs are used to analyze publics.)

Postal Service will provide computer tapes to help large mailers make changeover. Mailers with non-computerized address lists will get 9-digit info on microfilm, other formats. Toll-free phone line for obtaining ZIPs will also be available. (For complete description of new system, plus "62 questions," write Daly at World Center Bldg, Wash, D.C. 20006.)

CLASSY T-SHIRT USED AS AN INVITATION
WORKED WELL FOR CYPRESS GARDENS

One of Florida's original tourist attractions, Cypress Gardens recently opened new area.

Invitees received a navy blue gift box, 11" x 10" x 1" deep. On cover, in white ink, appears this text: "Some people would give the shirt off their backs for an engraved invitation to the grand opening of the new Cypress Gardens." Inside was a navy blue shirt. Silk screened on it in script is this invitation: "Cypress Gardens cordially invites you to the grand opening celebration of the new Cypress Gardens, Sunday, the thirteenth of January, 1980 at two o'clock in the afternoon."

"It was well received and resulted in a 70% response," Joe Curley, publicity mgr, told pr. However, St. Petersburg Times refused to accept one mailed to them because it violated paper's policy on "gifts." Attendees were not required to wear their invitation to be admitted -- but many did. Curley considered idea, rejected it due to size problem: all shirts were mediums.

PULLMAN PR UNIT
NOT DUMPED AS REPORTED

Firing of Pullman's public relations dep't due to merger with Wheelabrator-Frye, reported in 10/28 Wall Street Journal, didn't occur, WFI sr-vp Marc Stern told pr.

Dep't was treated same as others, with some cutbacks due to duplication, Pullman's "extensive losses." Pullman vp corp afrs Rosemary Mazon told pr 1 of 3 pr pros was cut, WSJ's attribution of 30 people to dep't is in error. Pullman treats pr as "media relations," houses internal comms, fin rels separately -- tho all report to Mazon. Stern praises her performance, says she's doing a "super job." But he predicts WFI will invoke its philosophy of having lean hq staff, assigning professionals to operating divisions. WSJ article, which Mazon says a phone call to her unit would have shown to be inaccurate, perpetrates media-generated myth about expendability of public relations.

Vol.23 No.45
November 17, 1980

COMPARISON OF RECENT WELL-PUBLICIZED CASES SUGGESTS
PR PHILOSOPHY, WILLINGNESS TO FACE UP TO BAD SITUATIONS
IS WORTH REAL DOLLARS ON THE BOTTOM LINE

One major way public relations directly affects the bottom line is its ability to help organizations ride out embarrassing occurrences. By building true relationships with key publics, organizations can abide by Hal Geneen's dictum of "No surprises!" In their role as 1) surveillance & intelligence officers and 2) designers & operators of emergency plans, practitioners are the best -- and often only -- line of defense before & after disaster strikes. Compare these cases ... and the results:

Three Mile Island. Major internal technical difficulties at atomic plant. But apparently no significant releases of radiation. No deaths or traceable health damage to employees or public at this time. PR Outcome: lack of emergency plans by utility and NRC, inability to work with media made owner Metropolitan Edison a financially dubious entity.

Love Canal. Leakage of chemicals from dumpsite sold 27 yrs ago (for \$1) to local school board by Hooker Chemical. Despite deed restrictions, board allowed road to be built across canal, gravel to be dug from sides. Unusually heavy rains apparently caused overflow. Nearby homes declared unsafe, gov't funds compensate owners, company donates \$1 million. PR Outcome: U.S. & NY State say no direct proof of health problems, no deaths. Hooker reviled by media, especially tv. Gov't agencies investigate. Hostile public reaction.

Firestone 500. See chronology on next page. Some deaths & injuries allegedly caused by faulty tires. PR Outcome: Company reputed to be in serious difficulties.

Rely Tampons. See chronology. Toxic shock syndrome "believed to be responsible for a number of deaths," Rely "apparently involved to a greater extent than other brands," to quote Procter & Gamble's own ads. P&G tells shareholders it is creating \$75 million reserve for impact of product discontinuance. PR Outcome: Public & commentators hail P&G for its prompt recall, generally caring attitude, placing human concerns above profits.

Because of its competitive consumer products, P&G is more vulnerable than the others to public disfavor. Consider Nestle, J.P. Stevens boycotts. Company for years has had programs to build public confidence. Consumer services operates an "800 line" info service. Community relations manages corporate responsibility programs. Educational services works with schools. While final chapter is still being written, P&G's philosophy of public relations seems to be translating into real dollars on the bottom line.

TWO CASE STUDIES IN RESPONDING TO A PUBLIC PROBLEM

FIRESTONE

November, 1972 - A memo to a high Firestone Tire & Rubber Co. official said that problems with the Firestone 500 radial tires were so bad "we are in danger of being cut off by Chevrolet because of separation failures."

September, 1975 - A Firestone document said that the company had pinpointed many of the problems with the tire to a failure of the adhesion holding steel belts to the tire carcass.

September, 1976 - The US orders Firestone to recall its 500s. It goes to court and blocks the recall.

December, 1976 - Firestone recalls 2,070 tires because of using a wrong fabric. Three months later, it recalls 400,000 tires saying they don't meet federal standards.

February, 1978 - The National Highway Traffic Safety Administration launched a formal investigation into the Firestone 500.

May, 1978 - A house subcommittee was told by consumers of defects in the tire, but Firestone officials testified that the problems were caused by drivers and improper maintenance.

July, 1978 - The NHTSA investigation concluded by saying Firestone 500s were unsafe and their recall was urged.

August, 1978 - Another government hearing hears much the same testimony.

August, 1978 - Reports circulate that Firestone was willing to settle with the US.

September, 1978 - House subcommittee urges voluntary recall.

October, 1978 - Consumer groups urge a recall.

November, 1978 - Firestone and the US government sign a voluntary recall agreement.

May, 1980 - The US fines Firestone \$500,000 for not recalling a product it knew was unsafe.

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PROCTER & GAMBLE

June, 1980 - Tampons were linked to toxic shock syndrome.

Sept. 18, 1980 - Procter & Gamble's Rely brand was singled out as being especially dangerous.

Sept. 19, 1980 - Consumer groups call for a recall of Rely.

Sept. 23, 1980 - Procter & Gamble recalls Rely.

* * * * *

"Granting that the two recalls stem from far different situations and involved widely differing costs, I still have a question: Which of the two companies is perceived by the public as being responsible, and which as being dishonest? And, in the long run, which will suffer the most?"

-- from report by Steve Byers, ass't bus ed, in Milwaukee Journal for Oct. 2; data is from public records

LAW DOESN'T PRECLUDE USE OF TERM "PUBLIC RELATIONS," ULRICH BELIEVES; CONSUMER AFRS WANTS OWN CATEGORY

Longtime federal public relations director John Ulrich (currently with Corps of Engineers, Portland, Ore.) told prr widely-held belief U.S. gov't cannot use term "public relations" is erroneous.

"Contrary to popular belief both in and outside government, there is no law which says the government cannot hire 'public relations' persons. The oft cited 1913 statute is codified as Section 3107 of Title V of the U.S. Code and it states 'Appropriated funds may not be used to pay a publicity expert unless specifically appropriated for that purpose.' The popular belief is based on a lack of understanding of what the term 'public relations' actually entails."

Fact came to light during PRSA study of proposed new job standards & titles for federal practitioners (pr 10/6).

Meanwhile, gov't consumer afrs specialists are resisting inclusion in new "public affairs" series, want category of their own. Based on feeling that pr is publicity or communications, while their work requires knowledge of home economics or engineering in order to understand products. Washington pr pros strongly disagree, feel main requirement is knowledge of how to deal with public. Necessary data about products can be learned quickly, they point out. Highly technical matters should be referred to engineers or scientists anyway for credibility. Pres. Carter's consumer advisor Esther Peterson is believed to be behind move to exclude consumer afrs.

SURVEY FINDS HOSPITAL DPRs "MOBILE GROUP," EARNING COMPETITIVE SALARIES -- BUT STILL LOW ON MANAGEMENT SCALE

Rapid growth of the healthcare marketplace has made practitioners there a "mobile group," aware of what competitive realities can do for them in

salaries & other job factors, concludes Meidinger Human Resource Systems (Louisville) in its first hospital mgmt compensation survey. For dpr position, study found these ranges:

- ¶ Low: \$12,000 for entry level person, 23 yrs old, no college (!), no staff to supervise, at 5th administrative level
- ¶ Median: \$21,000 for person with 3 yrs experience, 39 yrs old, bachelor's degree, guiding staff of one, at 3rd mgmt level
- ¶ High: \$40,810 for person with 27 yrs experience, age 65, 2 graduate degrees, managing 6 professionals plus support staff of 15 ... but still at 2nd mgmt level

pr's 16th Annual Survey of the Profession found low salary to be \$13,850 ... median, \$23,650 ... high, \$57,000. Meidinger's sample included 57 hospitals nationwide; only 42 reported having dpr position. Despite strides made by healthcare practitioners, this fact plus their low mgmt level suggests hospitals will continue to suffer public relations problems until higher priority is given this essential job.

9-DIGIT ZIP CODES COMING REGARDLESS OF CONTROVERSY; BETTER MAIL DELIVERY IS REASON

Goal of new system is to digitally pre-designate mail right down to the carrier route. Present 5-digit numbers only designate post office. Numerals work like this. First 3 digits distribute

mail to sectional center or major P.O. Next 2 digits name local P.O., branch of major city P.O., or large office bldg. Of 4 digits now to be added, first 2 indicate a "sector," final 2 a "segment" within that sector -- i.e. mail is pre-designated to the actual delivery route. At present postal clerks must sort mail into routes from memory. New ZIPs will be machine sorted, using bar code system similar to that used by banks for processing checks.