

LOCAL SURVEY DATA
SHOW MEN BETTER PAID THAN WOMEN
AND MORE OFTEN ACCREDITED

PRSA chap; \$35,000, ITVA mbrs employed in internal pr dep'ts; \$38,000, pr.

Minnesota chapter's results show statistical differences between men & women. The average salary for men is \$37,677, or 29% more than the average salary for women, \$23,442. Though results show women are at the less experienced end of the spectrum & older men at the most experienced end, it doesn't completely explain the difference in salary. Men earn more than women at all levels of experience.

Accreditation was found to be more statistically significant than sex. Accredited women average \$23,000; non-accredited, \$21,015. Accredited men average \$39,189; non-accredited, \$35,937. Many more men than women are accredited in the chapter.

REFERRALS, NOT SPECULATIVE PROPOSALS,
WAY TO GET NEW CLIENTS

100% of respondents use referrals from business associates as a method to acquire new business, reports survey of 375 California public relations firms and advertising agencies offering pr services. Referrals from clients are used by 97%, though rated ½ point higher in importance -- 8.5 on a scale of 1 to 10 in contrast to 8.0 rating of referrals from business.

Conducted for PRSA's Orange County Chap by Clay Publicom (Irvine, Calif), survey rates other methods: other personal contacts, 6.8; referrals from media, 5.4; personal correspondence, 4.5; phone calls to people you know, 5.2; news releases, 5.6; speeches, 5.2; magazine or newspaper feature, 5.1; printed direct mail material, 4.7; cablevision advertising, 1.3.

Acquisition methods showing increased use in future are: cablevision advertising (up 8%); newsletters (up 7%); brochures on pr subject (up 4%); printed direct mail material, posters, business/prof'l mag adv'g, and general circulation mag adv'g are all up 3%.

"Formally written proposals may not be the way to go," says Bob Clay, pres, Clay Publicom. "The average proposal takes 11 hours of work. At prevailing rates of \$50 to \$100 per hour, that equates to approximately \$500 to \$1000 of free counseling service to every prospect."

WHO'S WHO IN PUBLIC RELATIONS

PEOPLE. Munsingwear (Mpls) appoints Ann Barkelew to new position of vp, corp afrs (see pr 4/27)...Public Service Satellite Consortium (DC) promotes Polly Reed Rash to dir-mktg...Patricia Onderdonk joins McKinney/Southwest (Phoenix) as sr consultant...David Evans, Inc. (SF) appoints John Lucas mgr-edit svcs...Parlen McKenna joins Pacific Express (Chico, Calif) as vp-legal/labor rels... Insurance Information Institute (NYC)

names Cary Schneider vp-subscriber svcs & James Marks mgr-subscriber svcs... Debra Endsley Fiebig becomes mpr/mktg promo for Waring Products Div/Dynamics Corp of America (New Hartford, Ct)... United Technologies' Power Group (E. Hartford, Ct) names David Price vp-comms...Arthur Cooney joins C.I.T. Financial (NYC) as dpr...Union Camp (Wayne, NJ) promotes Thomas Hunter to dpr...Richard Rump joins Libbey-Owens-Ford (Toledo) as corp afrs analyst.

Surveys done by Minnesota PRSA chapter and International Television Ass'n offer localized comparisons to pr's annual survey. Reported median salaries are: \$25,000 - 29,999, Minn

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TELLING THE PUBLIC MAKES THE DIFFERENCE:
ROYAL BANK FINDS "OMBUDSMAN" MAGIC IN MORTGAGE RATE CRISIS

By arranging services into a plan, changing a name & going public, Royal Bank of Canada has drawn applause from the gov't, envy from competitors & probably unbeatable good graces from the public.

Senior mortgage mgr was given "ombudsman" title for a job he has always done -- reviewing & altering mortgages in cases of hardship. "The ombudsman title focused the service as a humanitarian approach," Jim Etherington, mpr, told pr. "One competitor remarked, 'We're all doing the same thing, but you listed the services and made them public.'"

Canada's unstable economy had driven Oct. mortgage rate to 21 3/4%. With 60% of Canadians owning homes, this led the public to the doors of the gov't & the gov't to the executive suites of the banks. "The gov't asked all lending institutions to see what could be done to relieve the situation," Etherington said. "Payments on a \$30,000 mortgage 5 yrs ago were \$288/mo (at 11%). Now for \$28,000 it's \$481 monthly (at 19 3/4%). Royal Bank holds 10% of all mortgages in Canada."

Plan also includes 1) reduction of past 2-month's interest high to current rates (loss of \$2 million to bank), 2) prepayment without penalty, 3) deferred interest at 3 3/4% below market rate. The plan made big impression on public's perception of Royal Bank, the number taking advantage of the opportunity is small -- only 3% of mortgage holders.

FIRST EVER WORD-OF-MOUTH RESEARCH STUDY
FINDS UNMOLLIFIED COMPLAINANTS TELL 10 OTHERS,
QUIT OR CUT BACK ON COMPANY'S PRODUCTS

Tho everyone "knows" word-of-mouth is a powerful medium, no publicly available research on the phenomenon existed -- until "Measuring the Grapevine Consumer Response in Word-Of-Mouth." Done last year for Coca-Cola by Technical Assistance Research Programs (D.C.), study found 12% of complainers told over 20 people about the response from the company. Also:

MORE GOOD SEMANTICS

"Reindustrialization" is a New Right economic term that has turned off everyone from professors to union members, with its implications of a US return to the sweat shop or assembly line while Japan moves to quality circles and Sweden to task teams. Fowler-McCracken Commission, performing a study of how gov't-business cooperation can improve international trade, avoided the term by substituting "innovation & productivity." Carl Hawver, past PRSA pres who advises the Commission's parent, Int'l Mgmt & Development Institute, goes a step further and uses "innovative productivity."

1. Consumers who felt their complaints weren't satisfactorily resolved told a median of 9 to 10 people about their negative experience. 30% of them said they no longer buy the company's products, another 45% said they now buy them less frequently.

2. Inquirers who felt their queries weren't satisfactorily answered told a median of 4 to 5 people about that negative experience. 12.5% no longer buy the company's products, another 12.5% cut back on purchases.

3. Complainants whose gripes were resolved told 4 to 5 friends or associates about their positive experience -- and 10% now buy more products from Coca-Cola.

4. 70% of inquirers whose questions were satisfactorily answered say they now buy more.

TARP vp Marc Grainer told prr the study definitively illustrates "the marketing pitfalls of being unresponsive to consumer complaints & inquiries." It shows consumer response systems can become "high performance profit centers." He said the study demonstrates "brand loyalty can be reinforced by satisfactorily responding, or severely eroded when consumers are not satisfied with responses to complaints or inquiries."

TARP's search of the literature found only 2 previous items -- one an unintelligible experimental study from the Aug. '67 Journal of Marketing Research, the other is William White's Fortune article of Nov. '50 entitled "The Web of Word of Mouth," which contained no research, just his gut feeling. (For more detail, write prr.)

But Informal Research By World's Champ Salesman Offers Some Guidelines Joe Girard's "undertaker's law" is the closest thing practitioners have had to a rule for measuring the ripple effect of grapevine communication. Listed in the Guinness Book of Records as the world's greatest retail salesman, Girard sold over 13,000 cars & trucks in 15 years. His rule: "When you turn somebody off for whatever reason, remember, you turn off 250 people," he says in his book, How to Sell Anything to Anybody. Girard got this figure by asking undertakers how they know the number of cards to print for funerals. He learned the average person normally has 250 callers at the funeral home or attending the service. Girard thus reasoned that the average person has 250 others he sees regularly enough to influence thru word-of-mouth.

AMERICANS VOLUNTEER -- MORE THAN EVER, SAYS GALLUP SURVEY FOR INDEPENDENT SECTOR; BUT ADS & PUBLICITY DON'T GET 'EM The myth that volunteerism is dying is refuted in a recent Gallup survey. 52% of Americans volunteer when a broad definition of volunteer service is used -- work done informally & alone as well as in structured situations. 31% volunteer on a regular basis -- 2 or more hours per week. 10% average 7 or more hours per week.

What appeals should you employ to find volunteers? Reasons most frequently reported for starting and continuing as a volunteer are: 1) to do something useful and 2) to help others. People who first volunteered because they thought they would enjoy the work (63%), because they wanted to do something useful (77%), for religious reasons (79%), and because they were interested in the work (72%) continue for the same reasons. Reasons for starting & continuing are not always the same, however. Of those who first volunteered to gain job experience, only 37% continue

for that reason; 64% continue because they are interested in the work and 67% because they enjoy doing something useful & helping others.

Why do volunteers stop? Reasons most frequently offered: 1) too busy (33%); 2) personal reasons (18%); 3) project completed (11%); 4) volunteer moved (12%); 5) began a paying job (10%); 6) family, friend or relative no longer involved (8%); 7) lost interest (9%).

Volunteering is an ingredient in nearly every organization's public relationships. Nonprofits depend on it as a manpower source with unbeatable community relations & public education fallout. For-profit organizations lean heavily on volunteers for their community outreach programs.

HOW VOLUNTEERS GET RECRUITED	
Asked directly	44%
Involvement of family or friend	29%
Participation in group or organization	31%
Own initiative	25%
Ad or info in media	6%

"ALL ISSUES ARE LOCAL ISSUES EVEN THO THEY ARE SEEMINGLY NATIONAL IN NATURE"

Marvin Baiman, pres, R.H. Bruskin Assocs research firm, goes further: "The old statement that 'people are people' isn't true when you talk about specific subjects in specific regions of the country. People differ in what they consider important, what they worry about, what they may even do about some of their concerns."

Evidence from firm's "Aim" study, a survey of the major problems people feel face them today: 93% of adults across US list economic conditions first. But when probing for specifics, concern drops in one census region to 57.8% on employment & a possible depression. Another rates it only 30% -- a swing of 93%. Other sub-categories have even wider variations -- see chart. Pollution & ecology ranges from 17.6% concern to only 1.2%, a variant of 1,367%.

	TOTAL US CONCERN	REGION WITH HIGHEST CONCERN	REGION WITH LOWEST CONCERN	DIFFERENCE BETWEEN HIGH & LOW
Economic Conditions	93%	96.5%	88.7%	9%
Unemployment/Depression	39%	57.8%	30.0%	93%
Economy/Money	24%	31.5%	13.2%	139%
Taxes	14%	21.9%	4.0%	448%
Mortgage/Interest Rates	7%	16.6%	3.5%	374%