

2. National Hurricane Center reports it could not round up any reporters to cover the dangerous strengthening of Hurricane Opal as it neared Florida's Gulf Coast. They were busy covering O.J. Result: viewers got the message of the storm's unexpected pickup of power perilously late.
3. TV's premier programmer, Don Hewitt of 60 Minutes, refused to include any O.J. material on the show, from the beginning. He felt it would further harm the medium. "In the 80s the question was, 'Who killed J.R.' Now it's 'Who killed Nicole & Ron.' I fear people no longer know the difference between fiction & reality..."

INTERNAL COMM SURVEY FINDS NO CONSENSUS: IS THIS NEW?

Survey by Council of Communication Mgmt & Simmons College Grad Prgm in Comm Mgmt finds a mish-mash of views -- with no statistically significant agreement, except (ho-hum) that the electronic toys are being used. CCM's 225 mbrs were surveyed; 70 responded. Findings:

- **The single greatest challenge:** rebuilding trust (18); explaining how & why (11); establishing a global view (7); communicating strategy/changes (7); consistency (6); other (14); n/a (7).
- **New & different comm processes:** electronic/multi-media/voice mail (33 responses); face-to-face/officer walkabouts/ambassador networks/employee town meetings (17); newsletters, mags (11); other (9)
- **How was it effective?** speed/breaking down into smaller amounts (11); sharing of info/more personal (5); increasing employee responsibility (5); consistency (7); other (22); n/a (20).
- **Why did you change?** speed (21); establishing relationships/trust (18); business shift (8); increasing employee responsibility (5); cost savings (2); n/a (21).

An emerging trend is the need to empower employees to obtain information. This trend is directly tied to the new employee contract where employees are responsible for their position, performance & resources.

(More info from Judy Kehrle, Eli Lilly & Co, 317/276-2746)

ITEM OF IMPORTANCE FOR PRACTITIONERS

PRSA RESEARCH PANEL TO DEMONSTRATE INTERACTIVE IS WHERE IT'S AT in conference programs. They have moved from focusing on big plenary sessions to professional development seminars & now to an interactive format. At PRSA's conference (Oct 29-Nov 1 in Seattle), the Research Cmte is sponsoring an interactive forum on Sunday, Oct 29. Panel members (including Glen Broom, Bob Druckenmiller, Lauri Grunig, Kathy Lewton, Steve Seekins, Lou Capozzi, Pat Jackson) & attending practitioners will share practical research ideas & experiences thru an interactive role-play with the audience. "Our goal is to use this process to raise the level of professionalism," Kitty Ward, cmte chr, told prr. (More info from PRSA, 212/995-2230)

PR & MARKETING BLUR, OR MELD, IN NEW 1-ON-1 SYSTEM

Because it is so eminently sensible, marketers have usurped another basic pr method. "The old paradigm, a system of mass production, mass media & mass marketing, is being replaced by a totally new paradigm, a one-to-one (1:1) economic system," write Don Peppers & Martha Rogers in *The One To One Future: Building Relationships One Customer at a Time* (Doubleday). Published in '93, the idea has been building -- and many have employed the method for some time.

While book focuses on 1:1 marketing for the purpose of selling something or service, the principles are the same for building 1:1 relationships for less tangible purposes -- acceptance, support, permission to do (not do) something. The distinction between pr & selling/marketing blurs.

"The 1:1 future will be characterized by customized production, individually addressable media & 1:1 marketing, totally changing the rules of business competition & growth. Instead of market share, the goal of most business competition will be share of customer -- one customer at a time."

Focus is not on short term profits but "on the kind of profits that can be realized from long-term customer retention & lifetime values." While mass marketing is adversarial, 1:1 marketing is collaborative.

MAJOR CHANGE FOR COMMUNICATIONS

It's a new way of thinking about business. "The central idea is that to be able to compete effectively by using 1:1 technologies, you will first have to change completely the way you think about & approach the very act of competition itself." Because of the decreasing relevance of mass marketing, more money will need to be spent on more media to reach consumers less effectively ... but personally, collaboratively. Book uses many practical examples to illustrate.

Marketing has moved from Product-based, concentrating on the product & selling it to anyone who would buy; to Market-based, targeting a market & offering it as broad a line of related products as possible (1-stop shopping); and now to Customer-based, focusing on continually meeting the needs of specific buyers in order to retain their unswerving loyalty (1:1).

Driving forces: 1) the 20\80 rule: 20% of your customers give you 80% of your volume; 2) cost of wooing a new customer vs. retaining a present one (\$5 to \$1 ratio); 3) service, satisfaction & delight as the only competitive differentiator available today.

BASIC PRINCIPLES OF 1:1 SYSTEMS

- The goal of the 1:1 marketer is to sell one customer at a time as many products as possible, over the lifetime of that customer's patronage -- which, one hopes, will be forever.
- Each point of *market share* costs more to attain than the last point (because of increased discounts, as well as communication/media cost). Thus each additional point of market share achieved comes at a lower profit margin. The opposite is true for each additional *point of share of customer*, which requires fewer introductory discounts & lower per-customer communication costs since the account is already established.
- The organizational structure required to implement 1:1 marketing will be based on customer management, rather than product or brand management.
- Under customer mgmt, each customer is assigned to a customer portfolio, & is the responsibility of one (& only one) customer manager.
- Building dialogue with individual customers thru a relationship based on mutual learning is essential for 1:1 marketing.

"The information tools required to manage millions of such individualized relationships are already available. However, understanding the capabilities of these tools, & knowing when & how to use them, are not trivial skills. For instance instead of doing research in the comfortable old way -- conducting surveys & projecting the results to a broad, undifferentiated target audience -- you'll do research by conducting 'experiments' with individual customers. In the 1:1 future you might conduct hundreds, or thousands, of different experiments at once.

"The most indispensable element of your relationship with each of your customers in the 1:1 future will be dialogue & feedback. What do customers really want: What does *this* customer really want?"

RELATED CASE STUDY: KNOW YOUR CUSTOMERS IS TODAY'S MAXIM

And as Bernays instructed practitioners, *always begin with research* (pr 3/20). Steve Shapiro of Rowan College (Glassboro, NJ) illustrates:

Last month, Wal-Mart sold t-shirts emblazoned with the words "Someday A Woman Will Be President." Two female customers complained that this message did not support the kind of family values promoted by Wal-Mart. The t-shirts were immediately pulled from the shelves.

This led to a counter protest that it was not a radical feminist message but recognized opportunity is expanding for women & is indeed in support of family values. Wal-Mart relented, putting the t-shirts back on the shelves. After further discussion with both sides, Wal-Mart made the decision to give the t-shirts away to any customers wanting them.

"Wal-Mart belatedly used public relations to turn a negative into a positive. But it was a negative that never should have happened.

With the company's recent history of problems in the family values area, proper *pr research* would have disclosed these attitudes & saved Wal-Mart unnecessary embarrassment & the cost of changing public positions twice."

NOBEL AWARD SHOWS AGAIN THE DANGER OF HEEDING ECONOMISTS

For people with so much influence in our quantitatively-obsessed world, it is amazing -- really criminal -- economists can be so ignorant of human nature.

The Nobel Prize in Economics (worth \$1 million!) was awarded last week for "demonstrating how people's *fears & expectations* can frustrate policy-makers' efforts to shape the economy," in AP's words.

Any pr practitioner, or anyone with common sense, knows that from day one. But economists required a Nobel-worthy effort to learn that it is psychology, relationships, emotion, human nature that shape economies, not macroeconomic theory or monetary policy.

**How do economists think people behave, or make decisions?
What kind of ideal or rational model are they working from --
apparently one that thinks Joe & Jane Sixpack study reports of economic indicators rather than using common sense!**

DOWN TO CASES

AP's report of the award gives an example of application of the winner's work: "For instance, if the Federal Reserve raises interest rates to slow economic growth & prevent inflation, people might stop taking out loans & making major purchases." Wow! What a revelation! Higher rates discourage borrowing!

Thank goodness the winner, Robert Lucas, has enlightened his colleagues at last. The citation says his work has had "the greatest influence on macroeconomic research since 1970." Basically he found that shifts in economic policy don't work because of people's expectations. The old models, he said, "presumed a lot of stupidity on the part of ordinary citizens."

CLEANING UP AFTERWARDS: SIMPSON MEDIA BINGE WAS HARMFUL

Studies & expert opinions find obsession with the O.J. trial not only damaged the criminal justice & court systems, but also the media & some unexpected victims:

1. Media coverage of anything, no matter how serious, is now weighted entirely toward titillation & entertainment, if the statistics have any meaning. The trial wiped out coverage of far more critical topics. The story entertained, but failed to enlighten.

Thru 9/22, Big 3 Network newscasts gave it 1,392 minutes. Bosnia's genocide got 762 minutes. Oklahoma City bombing, 530. Federal budget balancing efforts, 208 minutes.

Simpson coverage averaged 12.3% of evening newscasts, one researcher figured.