

ITEMS OF IMPORTANCE TO PRACTITIONERS

Breakthru? Mean Salary For Men & Women Of The New England Society For Healthcare Communications Is The Same -- \$51,000. Mean age is 38. Survey shows a clear & steady rise in average salary with age, from early 20s to early 40s. Mean salaries roughly double over this age range. (More info from Gay Groomes at 508/463-1000)

"Trial By Television" -- 1-hour PBS program -- is "a provocative debate on media coverage of high-profile trials in a post-Simpson world." Program uses a hypothetical case to explore how the media will cover the next great celebrity trial. Host is CNN anchor Bernard Shaw; moderated by Columbia U Law prof George Fletcher. 10 panelists come from electronic & print media & the law. Broadcast via PBS feed last Friday (Oct 27). Check local listings for date & time.

Employees Who Want To Study Give Colleges & Universities Many More Customers for educational services "than is typically realized," explains Don Dillman, dir of Wash State U's Social & Economic Sciences Research Center. 97% of respondents in a recent study say it's a good idea to encourage more Americans to attend college. Half of respondents aged 40-49 had been encouraged by their employers to get additional education. The same proportion say they expect to change careers. "If higher education does not adapt to serve older, working students, firms in the private sector will meet those needs," notes Dillman. Survey of 1,124 adults in the 48 contiguous states is believed to be the first nationwide study of Americans' views on & experiences with lifelong learning. (More info from the Research Ctr at 509/335-1511)

When You Want To Appeal To Women, Use A Woman To Communicate Your Message. Likewise, use a man to communicate to men, advises David Vadehra, pres, Video Storyboard, whose company surveys to find which endorsers have the most credibility. All but 2 of the top 10 celebrity endorsers this year are female. A decade ago, 9 of the top 10 were men, notes a 10/12 WSJ article. "Women endorsers are in the ascendancy because today's more sophisticated consumers no longer are looking for traditional authority figures. Conventional wisdom once held that men had to be seen in virtually all ads, even those that were supposed to appeal to women."

WHO'S WHO IN PUBLIC RELATIONS

HONORS. Ann Barkelew (counselor & former vp-pr Dayton Hudson, Mpls), voted PR Professional of the Year by PR News subscribers.

RETIRES. Howard Boasberg (chrm, Boasberg Valentine Radford Public Relations, Kansas City) at the end of the month.

Jack Koten (counselor & former vp-pr Ameritech, Chi) receives Arthur Page Society's Hall of Fame award.

Walt Radmilovich (vp-corp comms, Oklahoma Natural Gas, Tulsa). He joined ONG in '67 as dir of co's first pr dep't.

HOW EXPLAIN DOWNSIZING & HIRING OCCURRING SIMULTANEOUSLY ?

As predicted, employers are now *hiring* to replace jobs cut by *downsizing*. While job cuts continue, their severity is lessening, reports American Mgmt Ass'n. Of 1,003 large & mid-sized firms surveyed, 50% report job eliminations in the 12 months ending June '95 (up from 47% the preceding year). Average reduction was 7.7% -- lowest in the survey's 9-yr history. **But:**

- Among firms reporting job eliminations, **60% also created new jobs**. Concurrent job creation was so strong the workforce change in "downsized" firms was -1.1% (compare to -5.2% in '93-94, -8.4% in '92-93).
- Among all 1,003 firms surveyed, 58% created new jobs; **total workforce rose by an average 4.5%**. 1/3 of the firms eliminating jobs offset those losses with new hiring & actually increased their workforces in the 12-month period. "Job cuts are no longer driven by market demand. Only 3% of surveyed firms said they cut jobs solely because of current market conditions," notes Eric Greenberg, AMA's dir of mgmt studies.
- **34% of jobs created were in the professional/technical category**. They are being created at a stronger rate than they are being eliminated -- "evidence that companies are using 'downsizing' not merely to cut staffing costs but rather as a tool for shifting staffing resources to address new business challenges."

AFTER - EFFECTS OF DOWNSIZING

	Immediate (up to 1 yr)				Long-term (1+ yr)			
	Up	Same	Down	NA	Up	Same	Down	NA
Absenteeism	9%	71%	14%	6%	5%	60%	13%	21%
Employee morale	3	20	74	3	18	34	30	19
Employee turnover	35	49	12	5	20	49	11	21
Resignations	40	47	10	4	21	49	9	20
Productivity	33	48	15	4	42	33	6	20
Operating profits	47	29	14	10	46	22	7	25
Product quality	26	62	7	4	33	43	3	21
Customer rels	25	59	11	5	32	41	5	21
Training budgets	26	38	33	4	29	34	16	21
Worksite security	11	78	7	4	8	68	5	20



TRAINING COSTS MUST INCREASE TO GET BENEFITS FROM RIGHTSIZING

Findings show a remarkably strong correlation between increased training budgets & increased profits & productivity following workforce reductions. Long term, firms that increased their training budgets after workforce reductions were twice as likely to show increased profits & productivity than firms that cut their training expenses:

	<u>Immediate Results</u>		<u>Long-term Results</u>	
	Increased Profits	Increased Productivity	Increased Profits	Increased Productivity
<u>Training budgets</u>				
Increased	68%	44%	79%	70%
Remained same	42	29	46	41
Decreased	40	31	41	37

"This is best understood in light of the findings that 2/3 of reported job eliminations are connected to organizational restructuring & nearly half to reengineering of business processes. Workers who receive training in these new structures & processes are far more likely to improve their productivity, which in turn leads to increased profits," points out the survey analysis. (More from AMA, 135 West 50th st, NYC 10020; 212/903-8052; fax 212/903-8169)

RESEARCH - BASED LOOK AT 1:1 MARKETING TOUTS DIRECT MAIL

Another book looks at maximizing **share of customer** rather than share of market (pr 10/16) -- *All Consumers Are Not Created Equal: The Differential Marketing Strategy for Brand Loyalty and Profits* by Garth Hallberg (Wiley). Differential Marketing requires building loyalty & profits of your most valuable customers by communicating more directly with them. Key is your database of info about these valuable customers.

Since 1992, Hallberg (worldwide director of differential marketing at Ogilvy & Mather) & a task force at Ogilvy & Mather Direct have been gathering & systematizing info. David Ogilvy notes these findings in his foreword to the book:

- Most of the profits of many brands -- even big brands -- derive from less than 10% of all households.
- The most valuable consumers rarely have a dominant brand -- as few as 20% of them buy the same brand more than half the time.
- As much as 80% of brand volume is bought by consumers who don't count or don't care.
- Communicating directly with your best customers can increase their purchases as much as 40%.
- Procter & Gamble and Kraft Foods have already built databases of more than 40 million households. And there are other marketers close behind them.
- Consumers who are on the database do not resent the mailings they receive. They like them.

BOOK EXPLAINS RESEARCH-PROVEN MARKETING IMPLICATIONS

- A marketer's best customers are also the competitors best customers. High-profit buyers spread their purchases, or their purchase interest, across many brands.
- All purchases are not equal. A sale motivated by belief in the brand will be significantly more profitable than a sale stimulated by a price incentive.
- Too much sales promotion undermines the loyalty of high-profit buyers. A brand that spends twice as much in sales promotion versus advertising is likely to spend 10-20 times more in promotion directed to the very high-profit consumers who already buy the brand.
- Brand loyalty programs harness the selling power of information. They build brand loyalty by actively involving the consumer with news & info about the brand.

(\$27.95, 320 pgs; available at bookstores or by calling 1-800-225-5945, in Canada 1-800-567-4797)

"Marketers are finally realizing that the short-term pursuit of profit & the long-term building & maintaining of a healthy brand cannot be mutually exclusive objectives. Not if we are to survive, much less prosper. Thus, reconciling these two goals is the first challenge of Differential Marketing."

"SLICK BROCHURES AREN'T WORKING ANYMORE"

"With constant change, information is wrong by the time they're printed," Susan Hardy Brooks, pr ofcr at Francis Tuttle (Oklahoma City), told prr. She notes also that they don't allow you to address varying customer needs.

- **Question became:** "How could we maintain quality look, yet provide up-to-date info that is relevant to *individual* customer needs?"
- **Answer:** "Cluster" folders with customized inserts. Brooks notes these advantages:
 1. Maintain quality, 4-color look
 2. Info on *folder* is carefully selected to remain timely for 2 years
 3. Customized *inserts* allow:
 - personalized, individualized messages & info
 - explanation of benefits can be changed easily, daily
 - responsibility for inserting content is at grassroots, frontline level -- "moves busy work out of the pr department."

(More info from Brooks, 405/720-4225)