

Anti business: Moralists (16%); Embittered (9%) have specific distrust of corporations, Seculars (8%) are generally distrusting of everything; New Dealers (8%) distrust business in general. Total = 41% probable.

One can conclude that potential anti-biz groups are not so much larger than pro-biz; and that more heavy hitters are in the pro camp.

Pro gov't: New Democrats (12%); Seculars (8%) are moderately so; Partisan Poor (8%) want more gov't spending on poor. Total = 28% probable.

Anti gov't: Enterprisers (13%); Moralists (16%); Libertarians (8%); New Economy Independents (13%) are strongly environmentalist but not believers in gov't regs; Embittered (9%) actively distrust gov't; New Dealers (8%) are turned off by politics. Total = 67% probable!!!

Socially Tolerant: Libertarians (8%); New Economy Independents (13%) -- of homosexuals; Seculars (8%); New Democrats (12%); New Dealers (8%) -- moderately. Total = 49% probable. Has real implications for far right.

Socially Intolerant: Moralists (16%); New Economy Independents (13%) -- of blacks; Embittered (9%); Partisan Poor (5%); New Dealers (8%) are strongly conservative on race. Total = 51% probable.

Pro Social Welfare: New Economy Independents (13%); Partisan Poor (5%). Total = only 18% probable.

Anti Social Welfare: Enterprisers (13%); Moralists (16%); Libertarians (8%); Embittered (9%); New Dealer (8%); strongly conservative on race & social welfare. Total = 54% probable.

Commitment to Environmentalism: New Economy Independents (13%); Bystanders (8%); Seculars (8%); New Democrats (12%). Total = 41% probable.

Vital consideration: While all members of any group won't fully share such generalized characteristics on every topic, this at least suggests how they may be

a) personally leaning in a direction, b) under peer pressure to do so.

WHO'S WHO IN PUBLIC RELATIONS

HONORS. "Hold fast to the term **public relations.** We are in communications -- it's one facet of what we do. We're in public affairs also. But the best description is public relations." -- Dan Edelman (pres & CEO, Edelman Public Relations Worldwide, Chi) receiving the Ball State U. National Public

Relations Achievement Award. Bestowed annually since '80, award was created as a way for the academic comty to recognize professionals for contributions to pr education, role modeling for students & young professionals, & for contributing to the elevation of the profession.

DIRECT MAIL: NO LONGER WORKING or STILL STAR PERFORMER?

Direct mail is the most common communications medium. 77% of organizations use it, reports postage meter maker Pitney Bowes. It gets around the gatekeepers & goes direct to key publics. Yet "junk mail" is the source of jokes, seemingly almost as disliked as telemarketing calls in the middle of dinner. Consider these divergent views:

A. Direct mail is rated "best" in achieving 6 of 7 marketing objectives:

- | | |
|-----------------------------------------------------------|----------------------------------------------------|
| 1) generating sales (25%); | 5) informing about a new product or service (35%); |
| 2) cost-effectiveness (39%); | 6) ease of tracking results & effectiveness (43%). |
| 3) educating consumers/business on a complex issue (42%); | |
| 4) direct product selling (38%); | |

Only in the case of "increasing brand identity" is direct mail ranked behind mags, tv & newspapers, finds a Gallup study for Pitney Bowes.

B. Fundraisers are seeing a precipitous decline in mail results, says a report in Chronicle of Philanthropy: "Americans have become increasingly fed up with direct-mail appeals from charities." Sample dropoff data:

Disabled Amer Veterans down 25%	InnVision homeless shelter (San Jose) response rate down to .8% from 2%
Nat'l Easter Seals down 20%	Metropolitan Museum of Art from .9% to .5%
Prison Fellowship Ministries 10%	

HOW TO EXPLAIN THE DIFFERENCE ?

1. Do people like to buy by mail but dislike *donating* by mail?

"Charities are hurting themselves by saturating the market," finds the Chronicle. "People are worn out by heartbreaking stories."

2. Still, appeals are up only 20% over the decade -- from 10 billion pieces of 3rd class mail annually to 12 billion. Charities have increased their frequency of mailing. Yet many report good results by hitting current donors more often.
3. In contrast, marketing execs interviewed report that direct mail generates, on average, 5% of their company's revenue. 65% of organizations using it have increased their budgets in the past 5 yrs by an average of 25%. 18% have increased their budgets by 90% or more.



FORMS OF DIRECT MAIL USED:

Brochures (86%), letters (80%),
flyers (77%), newsletters (69%),
postcards (55%), catalogs (35%), invoice inserts (25%), package inserts
(22%). On average, org'ns report their direct mail lead generation
response rate is 20 per 1000 or 2%.

Does this low return rate make it profitable? Charities find themselves in a constant cost squeeze. Cost of paper alone rose over 40% last year. They can suggest higher contributions to cover these increases, but donors will give what they choose to give.

Marketers, on the other hand, can raise the price of the product and you either buy it or you don't.

ALTERNATIVES ONLY SOMETIMES AVAILABLE

Mass marketers can go to another form of direct selling, such as by tv or radio. Or, today, web pages or fax -- tho the latter has been heavily criticized. None have the same ability to assure the pitch will actually be seen -- even if only the unopened envelope -- as mail. Otherwise it's retail stores or door-to-door/direct selling.

Charities do have choices. And the search is on for the ones that work.

One trend is clear: more emphasis on longterm relationship-building, with interactive programs & more face-to-face. [pr will report on these alternatives in a future issue]

(More on its study from Pitney Bowes, 212/684-6300 ext.313)

ANOTHER LOOK AT NON - FINANCIAL INDICATORS OF SUCCESS

Trend toward evaluating organizations by other than bottom-line beancounts highlights growing recognition pr is a major factor in success. Securities analysts use them to check out publicly held companies. After a merger or acquisition, they see getting separate corporate cultures to work together as the most (52%) or second most (31%) difficult challenge. 46% believe company communications on this issue are not effective; 54% consider them effective, finds a survey of 75 analysts by Ogilvy Adams & Rinehart.

- **Employees & communities need work.** They give high marks to companies' communications with: analysts (86% view comms as effective); investors (83%); business media (72%); gov't regulators (68%); customers (59%). But they believe communications are much less effective with: employees (57% view as not effective); local communities (55%). Other findings:
- **Communications influence their viewpoint generally, say 72%.**
- **Com'ns are "very" or "somewhat" important in their view of whether:**
 - a) product & service quality will be maintained (91% say "important")
 - b) cost efficiencies can be achieved (90%)
 - c) shareholders will be rewarded properly (88%)
 - d) synergies can be achieved (86%)
 - e) corporate cultures will be able to work together (83%)
 - f) the financing is structured properly (83%)

- **Effective communications can add more than 15% to the value of a company's shares over time, say 15% of analysts; 5-10%, say 27%; 10-15%, say 17%.** "The survey strongly suggests that companies that go the extra mile to inform & educate the financial community regarding mission & goals, strategy, strengths, achievements, challenges & prospects going forward are likely to see tangible results reflected in share valuation," explains Michael Geczi, OAR sr mng dir.

BUT THERE'S A GLITCH

In no case did analysts rate the "effectiveness" of communication as highly as its "significance" -- i.e., the impact of communications in practice does not attain the level of importance analysts ascribe to communications in theory. For example, while 91% view communications as significant in shaping their view of product & service quality post-transaction, considerably fewer (71%) believe communications on this issue are effective.

This "potential for 'unmet expectations' reflects an ongoing high hurdle that companies need to cross whenever the nuances of a transaction are communicated." (More from OAR, 708 Third av, NYC 10017; 212/880-5200; fax 212/370-4636)

CLUSTER ANALYSIS IN DETAIL -- WITH A USEFUL EXAMPLE

Cluster analysis (pr 4/8) is a statistical method that classifies people into groups according to their similarities of response to survey items. **A research equivalent of targeting publics.** A major benefit is "detecting public opinion before it turns into active, organized opposition," say Dan Berkowitz & Kirk Turnmire of U Iowa (pr 8/31/92). These researchers' use of cluster analysis included:

1. Exploring the **dimensions** of the issue (in their case foreign-owned biz in the local comty) via library & Nexis database.
2. Identifying **issue themes** to use in interviews with comty leaders.
3. Devised 20 **agree-disagree items** (on a +/-5 scale) from interviews.
4. Designing **questionnaire** with these 20 items + demographics questions "so the characteristics of each belief system group can be summarized & compared."
5. Mailing questionnaire to 60 comty leaders.
6. **Results:** they found 4 opinion groups -- a core of minimally interested & 2 groups with clear stands on opposite sides of the issue.

Results must be applied with care. It's not a poll or "statistically pure," but an **actionable** probe. Basically, it's trustworthy data.

WHERE PEW TYPOLOGY GROUPS STAND ON BASIC ATTITUDINAL INDICATORS

Applying the Pew studies (pr 4/8) to get some direction on how its typology groups lean (key word) gives the following results:

Pro business: Enterprisers (13%); Libertarians (8%); New Democrats (12%)
Total = 33% with probable pro-biz approach.