

to carry it out. Everyone involved got to review his findings for accuracy. Seems like pretty unassailable research. What else he found:

1. **36% of decisions are never even attempted**, 14% are tried & then dropped -- automatic 50% failure rate. "Enormous sums of money are spent on decisions" when only half the time are they really implemented at all, he says.
2. **Needed is a better decisionmaking method.** Consulting employees about decisions affecting them was the least used method -- 23% of the time.
3. **Issuing a directive** -- i.e. giving orders -- was used 30% of the time. But is "the best recipe for failure."

### ITEMS OF IMPORTANCE TO PRACTITIONERS

¶ **Value of a human voice** is noted on letterhead of Laughlin Associates (Carson City, Nev). Bottom of sheet reads, "The Company that greets you with a warm, smiling, friendly, human voice: not a voice mail machine."

¶ **All One Needs Today Is Critical Mass of Stakeholders**, not a majority or larger. The reason is a combination of overcommunication, overbusyness, inattention, skepticism -- all the things that make 90% of the stakeholders who ought to care about or be involved in an issue or subject instead drop out. New evidence comes from a former mayor of Mexico City who left the Establishment to work at reducing the huge & growing gap between rich & poor (a worldwide problem full of dangers). "It doesn't take 50% of the population to make a country ungovernable," Manuel Comancho Solis told the NYTimes. "If just 5% take to the streets, that could be enough."

¶ **TV Journalists Just Can't Let People Speak for Themselves.** Maybe that's why good talk show hosts are so rare & well paid. Ctr for Media & Public Affrs study found reporters' comments took up 75% of the time devoted to the Republican convention on network newscasts. Candidates Dole & Kemp got only 7%! Worse, from the GOP viewpoint, 60% of reporters' comments were negative -- at least as interpreted by CMPA. 150 stories were carried the week of the convention. Wonder if the data were much different for convention coverage itself, where more often than not the face on the screen was a reporter. News is about *journalists* & their views, not about subjects in the news.

### WHO'S WHO IN PUBLIC RELATIONS

**NAMED.** Rosemary Graham (London) as exec dir IPRA, effective Sept 2. Her first challenge will be completing transition of IPRA's Secretariat from Geneva to London.

New editor-in-chief of PRSA's *The Public Relations Strategist* is Robert Bennett. Bennett is a former banking reporter of NYTimes.

### PR OPPORTUNITY: FINDING WAYS TO FACILITATE CROSS-SELLING

The essential element of the new 1-on-1, relationship marketing is cross-selling -- getting present customers for one product or service to also use others. The objective now is **share of customer**, not share of market.

#### FIRST STEP IS STRUCTURAL

Getting it can be mighty difficult. Banks faced the challenge early. How get checking account customers to also open savings accounts & CDs, take out auto loans or mortgages, use safe deposit boxes & other services? People at one desk handling one service -- on which their personnel evaluations & compensation were based -- had to be motivated to urge their customers to use other services handled by other dep'ts. Turf worked against new business.

This remains the case in many organizations. PR has 2 roles here:

- **As the corporate champion**, the team spirit leader, the voice reminding employees that unless the overall health of the outfit is sound, ultimately everyone will suffer.
- **As the change agent**, working to promote structural change so either customer representatives (compare this language with sales rep) handle all interactions; or there are rewards, not barriers, when customers must be handed off to other units (for highly specialized products/services).

#### PR RESPONSIBILITIES BROADENED

Once the organization is ready for share-of-customer, pr becomes a **central function** for all operations -- since relationships & communication are now the driving forces. A few programmatic applications:

1. **Customer Satisfaction.** Research shows a 1% increase in customer satisfaction brings an 11% increase in profits! But getting employees to deliver satisfaction means finding ways to satisfy them -- since disaffected workers will have trouble pleasing customers. (See prr 8/10/92).

¶ PR's employee relations & communications activities are vital here.

Share of customer means focusing on how much of his or her total needs in your product or service category are being supplied by you -- vs. shared between you & competitors. It pays off well in cost savings (repeat dealings with the same customer) & higher profits.

2. **Customer Retention.** Customer satisfaction or delight is critical when share-of-customer is the goal -- since each lost customer takes away more. *Research shows a 5% improvement in retention can double profits!* Other studies suggest 65-70% of the reason customers switch has little or nothing to do with the product or service. It's the way they are treated by the organization & its frontline people.

¶ PR needs to be involved in training, operating processes & monitoring of relations with customers. Marketing & HR rarely are effective here.

¶ Good place to start: check feelings about your v-mail system. Do battle with the computer nerds if necessary, but get it either replaced with live human voices, or at least made truly user-friendly.

3. **Ambassador Programs.** These have real sales & marketing impact in a share-of-customer mode because relationships, not product features, are the only differentiating factor left today. Capitalize on the existing relationships between employees & friends, relatives, neighbors to grow.

4. **Training.** Everyone in the organization needs to *internalize* the difference between a relationship approach & a sales approach. People want to be served, not sold. Experience in thousands of organizations strongly suggests only pr, of all the dep'ts, can provide this approach.

5. **Hospitable Environment.** PR's basic task of smoothing the way for sales & marketing by providing a hospitable environment in which to do business is enhanced as well. Handling reputation, issues, community relations, gov't relations et al are more important than ever -- since research shows increasing numbers judge organizations on such factors when deciding with whom to do business.

There are other programs, such as Loyalty Marketing & Constituency Relations, that add real value to 1-on-1 marketing. The underlying idea may be something pr proposed 20 years ago -- that with the **trust factor** overriding all other considerations, pr success comes when we have succeeded in making our organization or its products/services truly **factors in peoples' daily lives.**

## GENERATION X + 1 VALUES PERSONAL HAPPINESS OVER "SUCCESS"

The workforce of the future values relationships. Top life goal among 13-17 yr olds is "happiness" & a "long, enjoyable life." Career success ranks 5th, contrary to '83 when it was their top life goal.

Today's teens "clearly want their professional **work lives balanced with fulfilling relationships & family,**" note study's sponsors -- Nat'l Ass'n of Secondary School Principals in partnership with the Horatio Alger Ass'n of Distinguished Americans. "Mood of American Youth" is a once-a-

decade survey previously published in '74 & '83. Other aspects of interest to practitioners:

- **Media = entertainment.** TV (4 hrs/day), radio (3 hrs) & personal computing get more time than homework (51 mins/day) or reading for pleasure.
- **Don't read newspapers.** In '83, 85% read a newspaper at least once a week; today, only 66% make this claim.
- **Want education.** More than 60% plan to attend a 4-yr college or university after high school; up from 33% in '74 & 54% in '83.

### NOT REBELLIOUS, NOT MATERIALISTIC BUT NOT VERY HOPEFUL

Today's teens are not as rebellious as in the 70s, and not as materialistic as in the 80s, but they are also not as hopeful, concludes Janis Cromer, author of the '74 & '83 studies. "They aren't as committed to volunteerism & community service. Over 1/5th could not or would not name a personal hero & almost 65% believe the American Dream is nearly impossible to achieve." (More: 201/445-7606)

## NEW MAGAZINES KEEP COMING BUT MICRO - MARKETS ARE LURE

The number of new mags being published is growing -- as is their survival rate, finds Samir Husni's annual *Guide to New Consumer Magazines.*

- More than 4,000 mags are currently available to readers (& to pr).
- 838 were **new** last year vs. 832 the year before (10 years ago, 234 premiered).
- The survival rate has grown too: in '85, 2 out of 10 new mags were around after 4 yrs of publishing; now it's 3 out of 10.

**Mass appeal is out.** "One of the major changes in the industry is what I like to refer to as the 'Micro Magazine Market.' There are magazines with micro content in a micro subject area directed to a micro audience. A host of mags are breaking loose from the old confines of such general categories as 'Horses' & 'Dogs & Pets' to the new terrain of ultra-specialization." ('96 edition, \$35, 601/232-7237)

## SOME METRICS ON HOW WELL EMPLOYEE PARTICIPATION PAYS OFF

Managers who consult those affected by their decisions succeed with their plans 60% of the time. Those who "simply issue a directive about how they want a decision implemented" only succeed 46% of the time, reports Paul Nutt, prof of mgmt science at Ohio State.

- **Worst record:** mgrs committed to fast answers who don't recognize quick fixes make failure likely.

For *Making Tough Decisions* (Jossey-Bass), Nutt conducted personal interviews over 16 years with sr mgrs of corp'ns, gov't agencies & NPOs. The mgrs identified decisions Nutt would study, he interviewed 2 execs who had