

ITEMS OF INTEREST TO PROFESSIONALS

¶ **Top corp execs' pay may draw renewed attention** because of a recently released IRS report, notes PAC's *Impact*. Data show exec pay has been growing at a much faster rate than corp revenue. Total tax-deductible exec compensation, before inflation, rose 182% between the years '80 & '95. Taxable corp profits rose 127%; corp income taxes 114%. [Don't even ask how much employee pay has risen; in some cases it has actually declined -- which explains workers' unrest & lack of loyalty] "They have all this diaphanous language about performance, all these committee reports on how pay was determined, but the simple truth is that executives are setting their own pay," Robert Monks, an investment fund principal, told the *NYTimes*.

¶ **One more time the U.S. gov't blows dollars on advertising**, when pr techniques would be far more effective. This time it's \$100 million to get people to fill out their census forms in 2000! Young & Rubicam won the account from Census Bureau. Maybe they plan on having significant work done by the pr firm they own, Burson-Marsteller [pr inaccurately reported last week that B-M is owned by Ogilvy & Mather]. The feds do it every time: for seat belts, against drunk driving, keep kids off drugs et al. Study after study shows the extremely limited role ads can play in motivating behavior. Not only is editorial placement more effective, but face-to-face and peer or opinion leader interactions work better than any 1-way com'n. Maybe the new trade ass'n of pr firms -- American Ass'n of PR Firms -- can do something about this.

¶ Words from respected CEOs to use persuasively:

- Lucent Technologies' new boss Richard McGinn says plenty of his competitors have good products but "the key to success is focusing on customers, not technology." Among the 3 units AT&T split into last year, Lucent has been the clear winner thus far.
- Asked what one quality he looks for in selecting managers, Bill Marriott of Marriott International responds, "their ability to get along with people, interpersonal skills, the desire to be of service."

"Executives & workers who are committed to serving other people are going to be more successful. I've had to discharge people at the senior level if they don't get along with people, **particularly if they don't listen.**"

WHO'S WHO IN PUBLIC RELATIONS

ELECTED. Public Affairs Council's new officers: chrm, Stephen Chaudet (vp state & local gov't afrs, Lockheed Martin Corp, Arlington); chrm-elect, Woody Madden (gov't afrs mgr, Exxon, Houston); 2 vice-chrm, Jo-Ann

Costa (dpa & admin, Hughes Electronics, Los Angeles) & Nick Franklin (sr vp-pa, PacificCare Health Systems, Santa Ana); treas, S.M. Henry Brown (vp gov't afrs, Entergy, Wash DC).

BEING GLOBAL MEANS GOING MULTI-LINGUAL & MULTI-CULTURAL

Applying multi-lingual, multi-cultural knowledge is the key to building relationships with new markets worldwide ... & locally. Urban school districts report as many as 40 languages among students. Hospitals are hiring banks of interpreters, as are gov't agencies & others. And it's not just for Spanish.

PROBLEM BEGINS WITH THE WEB

In an attempt to enhance their global presence, many companies are using the Internet. But 85% of all corporate Web sites are in English only. There is a mistaken perception that English is an international language. In fact, 92% of the world's 5.9 billion consumers don't speak or read English, according to Edward Poulin of MediaSync International (DC). English is just 1 of 7,600 languages worldwide, he notes.

"A trend is afoot. Smart people all over this country are beginning to understand a very basic human trait: People prefer to do business in their own languages. They are beginning to realize that they can't build business relationships within a global marketplace unless they publish ideas & concepts in multiple languages, taking into consideration cultural & socio-political norms of communication." Multi-lingual Web site development is still in its infancy, he notes.

"Language translation is only part of the equation. Overlooked are the cultural considerations, the politics, the socio-economic norms that, if not addressed, could damage your organization's image & reputation among those you hope to influence."

UNDERSTAND THE VARIED CULTURES OF LOCAL CUSTOMERS, TOO

Do that by tapping into the expertise of people within those ethnic communities, explains David Nuffer of Nuffer, Smith, Tucker in the San Diego Business Journal. "It's why I have a long-range alliance with Cohen Latino Communications (a Latino-oriented marketing firm), why I serve on the board of the Black Chamber of Commerce & the Asian Business Ass'n." If you're not doing these things you're missing the boat, he says. "White Anglos are going to become a minority in [Calif] by the end of the century. That means if you don't pay attention to the ethnic market, you're missing it."

¶ With marketing now "share of customer," 1-on-1 relationships are key -- as is delighting present customers. Forcing them to use your language is a clear violation of these trends. Same applies to employees, neighbors, other stakeholders.



REACHING THE BOOMING ASIAN COMMUNITY

Primary medium for reaching the Asian community is *print*, says Maya Hu-Chan, pres of Asian Communication Professionals (San Diego). Most

first-generation Asians, where English is not their first language, read ethnic pub'ns. But even those who are fluent in English, have lived here 30, 40 years, still read Asian papers. Hu-Chan offers these guidelines for building relationships with Asians:

- **Understand their culture**, language & their wants & needs.
- **Asians are not one big amorphous lump**. Each ethnic group has its own culture. Some groups harbor centuries-long hostilities against another.
- **Keep Asian cultures straight**. For instance, ninjas are associated with the Japanese, not the Chinese; foot-binding was only practiced in China.
- **Get translations right**. Hire a professional. One company took out a newspaper ad to wish its Asian customers a "happy new year," but in fact wished them a "new year happy."
- **Don't use words that sound like numbers in certain Asian cultures**. In Chinese & Japanese, the number "4" is very close to the word for death & is considered unlucky -- like "13" in American culture.
- **Avoid emotion-based appeals**. For Asians, public displays of emotion are generally not accepted. Stick to the facts.
- **Avoid use of slang or colloquialisms**. It only complicates the message.
- **Avoid references to death** -- especially in a lighthearted manner. For Asians, down-beat topics are typically considered bad luck, & death -- especially -- is taken very seriously.

STUDY: EMPLOYEE RELATIONS TOPS CORPORATE PR GOALS

Top 3 goals that corp com'ns officers say are most important to their communications program are:

1. Building support among employees & other key stakeholders for corporate change initiatives
2. Making the corporation's stock more attractive to investors
3. Building understanding of the scope of the corporation's products & services

Yet 39% report employee morale is fair or poor; 48% good; 13% excellent. And 56% agree that employee morale has suffered as a result of change initiatives, finds Corporate Reputation Watch, a survey of 250 sr corp com'ns ofc'rs in large US org'ns. Survey was commissioned by Hill & Knowlton, conducted by Yankelovich Partners. Other findings:

- **Most time is spent on** 1) employee rels/employee com'ns; 2) media rels -- on the phone with reporters; 3) investor rels.
- **Respondents plan to increase spending on** marketing (64%), product ads (52%), corp ads (51%), corp com'ns (51%).

- Respondents who report lower employee morale are 7 times more likely to agree than those reporting higher morale (58% vs. 8%) that employee morale has declined as a result of change initiatives or downsizing.

- **Companies with lower morale cite lack of sr mgmt support as the most difficult aspect of their job**; on average have a higher percentage of employees in labor unions; & have a smaller annual com'ns budget.

BENCHMARKING:

- 39% report formal systems in place to benchmark corp com'ns
- **Self-delusion?** Those that benchmark their com'ns rank their programs more favorably than companies that do not:

	% saying their programs are superior/excellent	
	<u>Do Benchmark</u>	<u>Don't Benchmark</u>
corporate communications	55%	35%
community relations	50	35
media relations	44	37
employee relations	38	22
corporate identity	37	22
public afrs/gov't relations	35	35
investor relations	32	35
product adv'g	33	26
marketing	30	30
corporate advertising	28	15

- Of those who benchmark, 73% rate their programs effective (compare with 62% -- those who don't benchmark) & 32% say their program is "one of the best," (compare with 15% -- non-benchmarkers).

FUTURE CHALLENGES:

- **Greatest challenge for the next 5 yrs** is addressing change & corporate repositioning. 82% anticipate managing mergers & acquisitions; nearly 75% note the demands of increased globalization. 60% anticipate increased pressure from gov't regs.
- **Only 29% see the Internet as an important part of com'ns programs today**. But they anticipate a change. 89% say the Internet will be an extremely or very important component in 10 years. 87% have an active Web site.

ROLE MODELS:

- **Top 3 companies** cited as the best at managing their overall corp reputation: 1) Coca-Cola; 2) General Electric; 3) Johnson & Johnson
- **Top 3 CEOs** perceived to be best by respondents at managing their image: 1) Jack Welch (GE); 2) Bill Gates (Microsoft); 3) Lou Gerstner (IBM)

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