March 22, 1999

### THE BIG PLACEMENT TODAY CAN TURN ON THE INVESTIGATIVE MEDIA

Many org'ns use an under-the-radar approach for this reason. They concentrate on going direct to key

stakeholders & avoid calling undue attention to themselves by reporters.

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For a cogent explanation of why this can make sense, read the critique of presentday reportorial morals by journalist leaders Bill Kovach & Tom Rosensteil in WashPost weekly edition March 8. Its title tells the tale: "Don't facts matter anymore? We are descending into an era of journalism by assertion rather than verification." (Copy from prr)

"Minor" placements become even more valuable in this scenario.

Those who love to write a good old fashioned news release, rejoice! But don't get carried away & start sending them to the NYTimes or WSJ. Their wastebaskets are full already.

#### THOSE ECONOMISTS MAKE PR'S HUMAN CLIMATE WORK TOUGH

In a review of workers' job security fears & concern for wages that have fallen steadily in purchasing power for almost 20 years, a member of the President's Council of Economic Advisors chides:

"People's perceptions really do lag behind what the economy is doing, & the economy is doing remarkably well."

Let's see: How many did the Citibank-Travelers merger displace? Fleet & BankBoston? Name your favorite M&A case, then count the heads that rolled. Surely these folks are bouyed by how "remarkably well" the economy is doing -- especially if they're in their 50s+.

Like engineers, scientists & other linear thinking technologists, economists forget about PEOPLE!

#### BAD NEWS DESPITE A SUPER ECONOMY

Bureau of labor statistics reports only 50% of workers feel "I can be

sure of having a job as long as I perform well." Organizational transformation, M&As, obsolescence-by-machine & other out-of-the-blue events make everyone vulnerable -- for reasons often entirely beyond their control.

- 1 in 4 execs are concerned for their jobs, one survey reports -- up from 7% in one year
- When displaced workers find another job, it's at an average lower wage of about 6% -- better than 29% of the 70s & 80s

#### ITEM OF IMPORTANCE TO PRACTITIONERS

When will some smart trial lawyer sue for involuntary servitude for being kept on voice jail such long periods. Would only apply to cases where one is obligated to make the call -- e.g. to get permissions from HMOs, or reporting to gov't agencies, maybe calling regulated utilities or monopolies. A good class action suit might finally get attention, the way they have for tobacco & gun manufacturers.



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#### CASE: IN ISSUE DEBATE, ONLY INTERNAL MESSAGE IS CONTROLLABLE

News stories about the pilots' "sick-out" at American Airlines threatened to bump President Clinton's impeachment off the front pages in mid-February. But the media coverage itself is one aspect of the story. While reporters focused on flights cancelled & pilots calling in sick, few discussed whether the pilots causing the trouble were negotiating in good faith.

#### SITUATION ADDS NEW ELEMENT TO MERGERS & ACQUISITIONS RISKS

American acquired Reno Air in December. Immediately, Allied Pilots Ass'n (APA) began negotiating employment issues raised by the merger. APA insisted on immediate raises for pilots who qualify for promotions as American incorporates Reno flights.

- APA wanted them retroactive to the merger date, Dec. 23 -- months before these pilots might actually start working at their new status.
- American proposed raises when pilots are promoted. More than 150 AA pilots would be promoted within a year as a result of the Reno Air purchase; currently, there is a 2-3 year wait for promotions.

On Friday, Feb. 5, several news outlets reported pilots were threatening a job action. Confronted with the articles, the union denied the reports. Then, the next day, pilots began to call in sick. In short, "they lied," a source tells  $\underline{prr}$ .

Backlash: After pilot sick-out lasted 9 days, canceling flights & disrupting travel plans for thousands, Federal judge Joe Kendall ordered the pilots back to work & fined APA officials personally plus \$10-million levied against the union. In his order of contempt the judge commented:

• "The radical element that appears to be in control of the APA seems determined to fly American Airlines into the side of the mountain, taking themselves, the company, their co-workers & their customers with them."

#### AMERICAN'S STRATEGY: GET CORRECT DATA TO EMPLOYEES DESPITE MEDIA

Primary concern was letting employees know -- & thru them, customers -- what media were being told, namely: (1) 2/3rd of pilots weren't participating in the sick-out, (2) the airline wasn't interested in browbeating the pilots, because they're part of the American family.

• When flights were cancelled, AA's com'ns dep't informed employees how customers could receive refunds or obtain new tickets.



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- American reached employees via intranet, as well as its "Jetwire" electronic newsletter (a regular com'ns outlet that appeared more frequently during the sick-out)
- CEO Don Carty issued frequent "hotline" messages (both recorded & distributed electronically) updating employees on negotiations & status of the sick-out. This received more than 80,000 hits during the sick-out
- Messages: (a) simple explanation of why Reno integration would take longer than anticipated; (b) compassion for already overworked frontline employees; (c) urging employees

not to be angry with pilots ("by working together we'll benefit our customers and American in the long term")

 Carty also used hotline to quash a rumor that American ultimately would go out of biz because of the sick-out

Implacable media: Tho pr dep't logged approximately 10,000 media calls over a 10-day period, little of this saw print or airtime.

To handle call volume, some reporters were asked to consult the airline's Web site -- where statements were updated 3x daily. They could also get info from a recorded hotline, also updated frequently. AA told prr most reporters didn't mind being shuttled to these sources -- except a few who otherwise wouldn't be calling anyway.

Only the conflict appeased media's desire for sensation over facts.

#### CHECK WHAT MINORITY CONSUMERS VALUE BEFORE WOOING THEM

Marketing to minorities is an outstanding opportunity if you've done your homework, notes The Herman Group (Greensboro, NC) in its e-mailed trends bulletin. Ethnic minority groups often value different things from white households and from each other. Therefore, "if you seek to motivate people to take action, you MUST look at what they value FIRST."

Comments are based on a study by New America Strategies & DemoGraph Corp. showing that, in the next 3 years, spending by ethnic minorities will increase 3-3½ times faster than white households -- particularly in healthcare & entertainment. Reasons include:

- Strong economy with added job opportunities
- After watching white households enjoy "the good life," minorities are ready to do so, too
- For cultural & religious reasons, ethnic minorities often have larger families, meaning greater expenditures for clothing, entertainment & healthcare. (More from Herman, 336/282-9370)

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## RETHINKING THE NEWS RELEASE, ALSO ROUNDUP STORIES & OTHER "MINOR" PUBLICITY -- WHAT'S THEIR VALUE TODAY?

When <u>prr</u>'s Survey of the Profession finds few send out releases anymore (<u>prr</u> 11/9/98), what does this mean? Only that *major* placements come from personal media contacts, fact sheets or news advisories -- delivered in person, by phone or electronically.

However, an array of what are often considered *minor* media opportunities have become, in some cases, more valuable than the big placements. These include the following outlets -- and all usually prefer written releases:

- Radio -- tho if you really care about working with them you'll send it written in radio style; a standard press release is insulting
- Smaller newspapers -- limited staffs demand pre-prepared material
- Smaller trade pubs -- ditto
- Minor items for major media -- that vital release about the new vp, e.g. But that's a 1 or 2-paragraph release (even tho he may demand 2 pages) & it may be worth a short cover note offering the interview after she's been in the executive suite a while

#### WHY THEY'VE TAKEN ON NEW IMPORTANCE

The vp release has internal political value primarily -- tho

it may help at the tennis club or trade group meeting. But in a world of ever tighter narrowcasting, a number of messages/appeals today may well hit home forcefully in the "little media." Their reach is shorter, but their attention deficit drawback is smaller.

Drivetime radio has the most captive of audiences. Smaller papers & trades are often read by aficionados or spouses, who put items on the grapevine fast.

#### ROUNDUP STORIES HAVE ONE GREAT ADVANTAGE

Many practitioners say they get more

impact by being included in a roundup of the leaders or good guys than from a story about their org'n. It's the inclusion with other leaders that matters, providing a kind of rank. This is particularly true of smaller or lesser known outfits who can squeeze in with the heavyhitters.

- Because of this, some publicists find working on roundups serves their strategy best -- again, particularly for smaller or lesser known org'ns
- But many representing major names find them valuable -- particularly if there have been allegations or attacks on some aspect of their product/service line or management/operations
- If the word is out that you're falling behind, a story debunking that is too often met with cynicism. But a roundup that links you with others whose leadership is acknowledged can start to change perceptions