"As an independent dealer, I have a choice. We are a multi-brand company, so we're in a position to compare tires. I can choose any brand that I want to sell to my customers. I've chosen to deal with Firestone because they have consistently given me a world-class product."

NEW FEDERAL REPORT ON COMMERCIALISM IN SCHOOLS OFFERS VALUABLE INFORMATION, NO CONCLUSIONS: IS THAT PR'S JOB?

School & corporate practitioners have an opportunity for a summit meeting to set standards for what is acceptable in taking product sales deals, advertising & curricular material into schools. Because the General Accounting Office report out last month makes clear there are no standards now – & both schools & marketers can be hurt by a growing backlash. Report states:

- **High schools, understandably, are the biggest target** – altho course material is often very effective in elementary grades. (Such materials are traced to 1890 when a paint mfr developed a handout on primary & secondary colors for art classes, says the report)

- **Schools who cut commercial deals are in it for the money or free equipment** – risking the criticism that education is supposed to operate at a higher ethical level (College sports are rife with ads & endorsements, & critics are wondering whether this professional tilt is actually tipping the balance of priorities in higher education – & eliminating any sense of amateur athletics)

- **There are 4 categories of commercial activities**: 1) *product sales*, e.g. soft drink, fast food & uniform contracts – including exclusionary deals; 2) *Direct advertising*, on computer screens, drink dispensers, scoreboards, bus stop kiosks; 3) *Indirect ads*, such as course materials, contests, teacher training; 4) *market research*, especially surveys & internet tracking of student Web use

Report's one conclusion: Because advg is ubiquitous in our society, it is difficult – if not impossible – to distinguish between its effects inside & outside of schools. (Free from 202/512-6000)

ITEMS OF IMPORTANCE TO PRACTITIONERS

¶ **Study: Marketing E-mail Set to Push Overcommunication Past the Last Straw**. Jupiter Research reports marketing e-mail will total 200 million this year – or 131 messages, wanted & unwanted, per user. In '99 it was 40. By '05, total is estimated to be 1 billion – or 1,612 per user. Most of that will be spam. This is speculative, of course, but consider: the best study we have of overcommunication is that today the average person – not just e-mail users – is bombarded with 1,400 unsought messages each day. Even assuming that figure doesn't rise (unlikely), if the mktg e-mail blitz materializes as Jupiter suggests, each user would be hit with slightly over 3,000 unsought messages every day! Software to let in only what you want will be created – & sell like crazy! Some early versions already exist.

¶ **A Really Practical Media Pitching Tip** passed along by Kathy Lewton, as used by one of her Fleishman-Hillard colleagues. Carefully work out what you want to convey to the reporter, producer or news director – using what you know about their interest, the tone of the medium & all the usual. (You must do this homework – this *thinking* – first.) But do it the day before you intend to call the journalist. Then go home, call your office voice mail & make the pitch. Next a.m., listen to it. If it still sounds persuasive, make the call. If not ... back to the drawing board.

pr reporter

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ARE THERE CIRCUMSTANCES WHICH PERMIT ORG'NS *NOT* TO PRACTICE SOUND PR & STILL PROSPER – OR APPEAR TO?

If relationships are the real bottom line, & behavior motivation is the true goal of pr, how to explain the seeming success of some org'ns famous for ignoring both? Often they operate in closed information mode, care little about real communication, use top-down micromanagement styles, show cursory if any concern for customer or other stakeholder satisfaction, ignore outside & even employee, shareholder or member input – i.e. operating in a 50s mode & apparently getting away with it in the 00s.

FOUR CONDITIONS ALLOW IT – TEMPORARILY, AT LEAST

1. **MONOPOLY**. Org'ns with no competitors, whether by gov't license or insufficient market need, have a history of, first, ignoring public opinion, then of putting on a caring face but often failing to walk their talk. State public utility com'n dockets are full of evidence. Or, if you're the only store in town that carries petite or big-&-tall clothing, you may be able to get away with actions, attitudes or policies retailers with real competition couldn't.

   - **BUT the day or reckoning comes**. A general clothing store hears repeated complaints about those so-&-so's down the block – & adds a petite line

   - **In the case of utilities**, regulators can right the balance. Still-regulated electricity suppliers realize complaints cost money – in handling, responding, appearing before the regulators. Now, in a *deregulated* market, complaints can drive away customers from the gencos (power suppliers); and may have even more impact on discos (local distributors with the wires to homes & businesses). It's conceivable discos will soon be paid on a capitated basis – so much per hookup – as some healthcare providers are now. Then, every complaint's costs will impact the bottomline. And discos will probably remain regulated

2. **INNOVATION**. If you introduce a new product & have no competition, or there are too few competitors to supply demand, pr may seem unimportant. Hi-tech industries are examples. Imagine what consumers & regulators would do to the auto industry if its products performed as unevenly as computers & software often do. But, the car makers got away with the same over-hyping & under-delivering in the Teens & 20s when they were the new hi-tech.

   - **BUT as markets mature**, org'ns without established relationships slip behind & often fail

   - **In the stodgy insurance field**, e.g., innovators like AIG & direct-write companies often ignored pr principles as they grabbed market share. Old-line competitors have now caught up – & these once-innovating companies are falling back on good old pr to stay ahead

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- **And consider NML** – long the undisputed industry leader. Its pr programs are exemplary, customer loyalty tops in its field, relationships such a major tenet of its field agents that it's continually rated among the 2 or 3 leading sales forces in the nation

- **How about e-world companies?** While they start with heavy pr, it's usually only for sales purposes. Yet internally their employee relations polices are out of the box, often cutting-edge. As they age & become sophisticated businesses, they're forced like everyone else to adopt strong pr strategies to survive & prosper. Case in point: HP, with highly praised relationships

3. **MOMENTUM**. Of all tickets to say "stakeholders be damned", this is the most powerful. Some org'ns have been around so long, amassed such financial power, become a force of habit, that their bad pr doesn't seem to matter. Take the # 2 & #3 companies on Fortune's list, GM & ExxonMobil.

- **GM's fall from its pinnacle of dominance** – Ford was about to pass it in sales before the Explorer issue arose – is often ascribed to relegating once-proud pr programs & dep'ts to lower priority. Of course its leaders never said so, but observation makes it clear this occurred over a decade or 2. Now, pr is back big time to help the giant turn itself around & climb back up

- **Few have been accused of worse pr than Exxon at Valdez**. Company breezed past it, thanks to sheer momentum. Rumor has it 40,000 customers dropped their credit cards then – but the company merely signed up a large new trucking account that brought it more business than the 40,000. ***BUT suppose its non-financial indicators were as great as its balance sheet.*** At little cost, wouldn't this increase stock value & enhance competitiveness as the industry consolidates? Or will the hard-nosed legacy of founder John D. Rockefeller, Sr. prevail?

- **AT&T has always had one of the leading pr staffs**. While their influence on *policy* seems evident, they've lost influence on company *practices*. Sales offers are called deceitful by consumers (blame marketing & industry practice?). Lack of customer service is reported widely by word-of-mouth & appears in consumer columns regularly. When they were the only game in town, poor service got them dismembered. Once their rapidly changing industry gets sorted out, will they have a pr philosophy worthy of their revered pr pioneer Arthur Page? Or will momentum in the form of being the biggest broadband provider let AT&T off the hook?

- **THEN consider Wal-Mart, #1 on Fortune's list**. Its success, as a relatively new company, is due to the way it treats customers, employees, communities. Remember its revival of floor walkers? Use of employees in advertising? Hiring the handicapped? So strong is its reputation that when it gives small donations, say $5000, media coverage is assured. Competitor Target gives more & more often, yet people talk about Wal-Mart's generosity. Company has passed the long-established GEs, GMs, AT&Ts & ExxonMobils in size: ***Could its pr approach be the augury of successful futures even for behemoths with momentum?***

4. **COST & CONVENIENCE**. Most temporary of the 4, it does happen. You hate the way the bank across the street treats customers – but the alternative is 2 miles away. You always shop at Joe's, but this week Nancy's has incredible prices. Yet sooner or later, relationships matter most.

- **A model of how org'ns with exceptional pr can prosper against powerful competition is FedEx** – as explained in last week's t&t

- **And again there's Wal-Mart,** ***which offers the lowest prices as a rule, but still relies on pr***

EVERNET, SUCCESSOR TO INTERNET, ON ITS WAY = GOOD & BAD

"It's a mixed picture, at best," warns *NYTimes* columnist Thomas L. Friedman, author of the business cult book *The Lexus & the Olive Tree.* He describes Evernet as "when you will be able to be online everywhere all the time, not just from your PC."

- **Hardware is a palm-held cell phone**, with a tiny screen that provides voice connection & Net access. Starting to be available in N.America, they're in heavy use in Japan – which is usually a year or 2 ahead in electronic devices. Japanese of all ages & types are buying them at the rate of 50,000/day! You dial with the thumb while holding with 4 fingers

PLUSES & MINUSES For instant access, it replaces the pager & other devices – for those who *must* be in *constant* touch with *several* sources of information. But Friedman emphasizes the downside – ethics of future generations & of society:

1. **Family time & reliance on family interaction & guidance may be reduced** as people develop their own private, virtual links with the world. When tv came along, at least people often watched it together. This could be the real destroyer of family values – & with it moral & ethical instruction of youth & society, say Japanese interviewed by Friedman

2. **The younger generation may lose interpersonal skills** – & no matter how "cool" it is to be online all the time, humans are social animals. One cause of mental illness is loss of contact with others. It's also a major cause of crime. Japan is suffering a wave of crime, even unheard-of murders of family members, by teenagers – the big users of what they call DoCoMo. And org'ns depend on teamwork, not recluses

> One mother's telling comment: "Young people think life is like computer games. If they press the reset button, even after they kill someone, they think they can just reset their life from scratch."

FIRESTONE FINALLY SHOWS SOME PR STRATEGY: GETTING ITS DEALERS TO CARRY THE SURVIVAL MESSAGE. WILL IT WORK?

Like most manufacturers, the tire maker is for the most part one step removed from actual relationships with buyers. Any customer delight that exists has been built by dealers – excepting the company's own stores, which have little credibility because, even if franchised, they carry Firestone's name. Even so, they may have satisfied customers willing to give the brand a Willing Suspension of Disbelief based on long experience with the product & its local vendor. But the key is independent tire dealers.

Now appearing are ads co-signed by the company & local dealers.

- **Headline**: "We Believe In Firestone"
- **Subhead**, under a **photo** of the dealer at work: "Joe Blow of Blow Tire Talks About Firestone Tires"
- **Copy**: "I've sold Firestone products for over 25 years to our customers in Jonesville. We've found the quality to be excellent. We decide what we sell based strictly on how it performs. We deal with tires daily, so we know. Our confidence in Firestone does not come from a brochure, but from experience.