

- **Face – corporate social responsibility.** Includes enviro responsibility, contributions & community involvement. Face plays an especially strong role among high net worth consumers. Impact is greatest in industries where “humanity” is critical to success, such as pharmaceuticals & insurance
- **Heart – corporate character.** Open & honest communication with the public, honest & ethical business practices, leadership in markets served, concern for employees. Heart peaks in industries such as telecommunications, computers, pharmaceuticals & others that deal with highly specialized knowledge – where stakeholders must rely on perceptions of an org’s honesty & ethics
- **Mind – quality of mgmt & people, responsiveness to consumers, & quality service** are seen as key attributes in shaping a positive reputation, but are of less importance than “muscle” & “face”. Mind attributes are most significant for industries in which decisions have far-reaching social impact, e.g., chemicals, food & healthcare

MORE THAN LIP SERVICE

Respondents put their money where their mouths are. Not only do they give kudos to companies with winning reputations, they give them their business as well. Survey found respondents were 4x more likely to:

- a) invest in a winning company or recommend the purchase of its stock; b) select a winning company as a joint venture partner; c) pay a premium for its products or services.

- “Understanding the drivers of a winning reputation, & how these drivers vary between industries & audiences, is key to developing messages that resonate with all the stakeholders of an org’n.”
(More from 212/210-8563)

ITEM OF IMPORTANCE FOR PRACTITIONERS

¶ **“Webcasting: What Works, What Doesn’t”** is an infobook that couldn’t be more timely. As 250,000 new Net users with audio & video access join the crowd every day, precise knowledge of how to use the Web is essential – whether your target is thousands at a time, or just a select few. Streamed media is now the preferred Web source, since it’s really tv via computer. But like a tv show, this requires a team of pros – & essential equipment. Booklet lists these – so budgets can be built to gain capability, if not in place. Also included are 1) how to engage the audience, 2) pre-show tips, 3) promoting webcasts, 4) tracking viewers, 5) how to followup a webcast – and “Jargon Central,” a useful glossary for the increasingly arcane terminology of the e-world. (Copy from On The Scene Productions, 323/930-1030 or onthescene.com)

WHO’S WHO IN PUBLIC RELATIONS

ELECTED. PRSA Educators Academy Officers 2001: Bill Adams (Fla Int’l U), chair; Kathy Fitzpatrick (U Fla), chair-elect; Ann Major (Penn State U), sec’y; Joe Trahan (DInfoS), treas; Dave Woolverton (Eastern Kentucky U), newsletter editor; Dan Millar (Indiana State U), research chair; Shannon Bowen (Auburn U), new educator chair; Linda Hon (U Fla), director; Don Stacks (U Miami), director.

HONORS. From Maine PR Council for outstanding contributions to the field, President’s Award to Dan Davidson (P.R.O. Assocs); Edward L. Bernays Award to Judy Katzel (Burgess Adv’g & Assocs).

Rick Fischer (U Memphis), receives PRSSA Jon Riffel award for exemplary service as national faculty advisor to PRSSA

RELATIONSHIP MARKETING: WHAT PRECISELY IS PR’S ROLE? CREATING THE ENVIRONMENT, COUNSELING, RUNNING THE SHOW?

As relationships become the key to continued success – or even survival – of org’s of all types, a vital application of the concept is to engineer relationship-building into the sales or marketing process – whether that be moving products or services, attracting students or members, or keeping donations coming. So much evidence has been compiled to show this works that a variety of relationship marketing models have been created:

7 TYPES OF RELATIONSHIP MARKETING

1. **Affinity marketing:** one org’n attempts to usurp another org’n’s relationships, e.g. a credit card company offers a deal to an airline’s frequent flyer members. Countless examples now in place
2. **Cause-related marketing:** if you buy my product, I’ll contribute to or otherwise support Cause X
3. **Loyalty marketing:** rewards loyal customers with special prices, opportunities, deals or treatment. Frequent flyer or similar point systems or gold charge cards are examples. Museums have member only rooms or exhibits, the socially-desirable annual dinner is only for big givers etc
4. **Value-added marketing:** something beyond the product, service etc comes with the purchase – usually not just more of what you’ve purchased (that’s an old trick, giving an extra ounce of the shampoo or a lipstick with the perfume). Most powerful is giving information, learning, data – intangibles not otherwise available
5. **Cyclical relationship-building:** many items are bought in cyclical patterns. If the seller ignores the buyer between the actual purchase elements of the cycle, the buyer may be lost to competitors. Heavy equipment, farm machinery, real estate, insurance, automobiles, appliances are examples. For public service org’n’s dependent on fundraising, capital campaigns must be spaced out. Keep-in-touch programs consisting of events, direct com’n vehicles, training, info updates & similar keep the relationship strong between purchase or other behavior cycles
6. **Macro relationship marketing:** takes affinity, loyalty & other approaches to a new level by creating relationships *between org’n’s themselves*, which then benefit members. Example: Gateway announced last week a relationship with National Federation of Independent Businesses which provides computer sales & service – only for NFIB members
7. **Delivering personalized customer delight:** the most effective – & the toughest. Service is once again a lost art, say the consumer advocates who study it. *Business Week* recently showed the dire statistics. Yet with a) employee satisfaction programs, b) high morale & above all c) training & d) personnel evaluations that emphasize it, delighting customers is possible. Those dubious should

ask why WalMart grew from one store in rural Arkansas to the US' largest business ...

PR'S ROLE IS UP FOR GRABS

A. Is our task **creating & maintaining an environment hospitable to relationship marketing** –

building reputation, brand, social responsibility & community relations so customers & partners will want to work with our org'n, while others actually run the programs?

- B. Are these concepts so typically foreign to marketing folks that we should **be part of the coalition that** designs programs, does much of the training, researches effectiveness & similar involvement?
- C. Or are some of these so completely pr that **pr ought to run the program**?
- D. **All of the above**, depending on the programs offered & the org'n?

AS RELATIONSHIP MKTG BECOMES A FIXTURE, 2 THINGS SEEM APPARENT:

- If pr is not involved, a major opportunity to promote the philosophy of relationships that motivate behavior will be abdicated to others. We have a responsibility to be as deeply committed & fully involved as possible – because relationships are the basic currency or pr
- All varieties of relationship marketing carry out the basic desire of today's stakeholders: They want to be served, not sold; involved, not told

SAVVY 16TH C. MONARCH OFFERS LEADERSHIP SKILLS FOR TODAY

Henry VIII up-ended his entire kingdom for fear his dynasty would dry up if he failed to produce a male heir. Ironically, his only son who survived past babyhood died as a teen, and after the brief & bloody reign of Queen Mary, Henry's daughter Elizabeth went on to become England's greatest ruler.

- **In 1558, E inherited a "business in trouble,"** says author Alan Axelrod. Runaway inflation, a debased currency, an absence of allies, internal dissent & jealousy left England on the brink of ruin
- **45 years later, it was the richest, most powerful nation in Europe.** How did E do it?

Axelrod's new book, *Elizabeth I CEO*, outlines "strategic lessons from the leader who built an empire." Modern in thought, ancient in application, these truisms remain relevant in today's orgn'l culture & remind us that, despite welcome technological advances, human nature doesn't change. A sampling:

1. **Cherish Core Values.** Queen E's notion of survival meant more than staying on top of the corporate heap; her neck was at stake. She learned early that the superficial trappings of power are transitory, inner truths are enduring. She grasped the importance of leadership anchored in a firm mental position, not principles arbitrarily or conveniently chosen. Today, change & dynamism characterize business. "A deal is proposed in the morning, withdrawn before lunch and revived at dinnertime. What can you hold onto? At age 13, Elizabeth already knew"
2. **Control the message, not the messenger.** Or, in E's time, kill rumors, not people. In the hotseat for suspicions at 16, she was in danger of being sent to the Tower for treason. The regent suspected she was being slandered & pledged to punish the rumor mongers. E's response was a letter in which

she declined to name them, suggesting instead that his Lordship & the rest of the council send forth a proclamation urging restraint of tongue. A request, a positive action, & appeal to the good in others are all key components in this brilliant response

3. **Demonstrate concern.** During a fireworks display, nearby homes were burned to the ground. E saw to it that the residents received more than sufficient compensation – not only to rebuild their homes but to furnish them as well. Later, she visited them to make sure all was well. "A leader should never forget that few acts of care, concern & kindness are so small as to escape notice"
4. **Seek the wisdom of others.** For her Privy Council, E had not only kept the old guard, but appointed the "lately called," i.e., newcomers given positions as a reward for their service to one of her predecessors, Edward or Mary. "She recognized the value of retaining the old order, for they represented the continuity as well as faithfulness." While continuity was ensured, & stagnation avoided with the "new blood." E's staff did not consist of clones or like-minded yes persons, but a blend of opinions & personalities
5. **Transform surrender to victory.** "An effective leader knows when to bow to the inevitable. A leader of genius knows how to shape that bow into a gesture of victory in which all involved may partake." E could have gone head-to-head with Parliament, which opposed the granting of monopolies. Parliament wanted to pass an act barring them, which would amount to a statutory limitation on the crown & a step toward erosion of the queen's power. E's response was that *she* would act to alleviate the evil of monopolies. To maintain her power, she didn't challenge Parliament but, in effect coopted it thru cooperation

Book condenses 136 examples of E's leadership wizardry into management lessons practitioners & orgn'l leaders can employ in their quest for excellence. (From PrenticeHall Press.)

NEW STUDY OUTLINES DETAILS OF IMPORTANCE OF REPUTATION

Strong reputations give companies the competitive edge in raising capital, finding business partners & obtaining premium prices for contracts, finds "Gaining the Winning Edge" by Brouillard Com'ns (NYC). Study also confirms that consumers are more likely to do business with org'n's with winning reputations.

Reputation research has come into question for its methodologies, as well as for seeming to be a quest for silver bullet devices pr can use to demonstrate its importance. It is not behavioral or outcomes research – but what respondents feel or what they *say* they might do. This study, conducted jointly with Brand Keys, phone surveyed 1250 people in US markets. Respondents included 650 with incomes of \$75K+, 350 sr execs of Fortune 1000 companies, & 250 investment professionals.

Respondents ranked the characteristics of a winning reputation in 13 different industries, including aerospace, financial services & telecommunications. Critics of such research can certainly question the methodology, but Brouillard's handling of the findings is different. It boils key attributes down to what it calls "muscle, face, heart & mind":

- **Muscle – corporate performance.** Includes financial performance, earnings growth, innovation & quality products. Muscle is seen as most important driver, especially with investors who say it accounts for over half the value of a winning corporate reputation, & biz execs, who see it as accounting for 43%. Muscle is important but less significant to high net worth consumers who say it accounts for 33% of reputation