

HOW IT WORKS

Will the desire for any-location communication translate to purchases from any location? The method seems simple enough. Devices called squirters scan a bar code in an ad, news story or catalog. The squirter uses a cell phone or other device to "squirt" the purchase to the seller for processing.

Squirters would be cheap to make so could be given away by sellers to promote sales.

There are drawbacks. This would be the zenith of impulse buying, which could be a boon to products which seem very clever or valuable when first met but don't get bought because consumers wonder whether they'll really be useful, or used enough. Impulse purchases made by this method on the spur of the moment that didn't meet the test would make buyers unhappy.

Also, instead of shopping the stores or Net for best deals, purchasers would pay the seller's price. Until computers are used to provide instant quotations from all sellers for comparison – a doubtful occurrence – buyers would have to be unconcerned with cost.

In many, perhaps most cases, buyers will already have made a decision to purchase or at least think seriously about the mobile commerce purchase. So ads et al may not be the persuaders. However, **their very presence as a "store wherever you are" will serve as a triggering event.**

ITEMS OF IMPORTANCE TO PROFESSIONALS

¶ **TV Ratings Get Less Trustworthy as Hispanic Networks Grow.** Nielsen's ratings have long been criticized for concentrating on "sweeps" weeks, which measure the extraordinary efforts of stations to gain top ratings vs their regular fare. Also for the sample & "meter" methodology. And for avoiding new technology which allows an "eye" in the tv set to actually see who's in the room – so that when viewers leave during a commercial or before a show finishes, only those left to actually watch are counted. TV stations & ad agencies are the main barrier to change because neither seems to want paying clients to have more accurate numbers – & thus lower the cost of commercials. Now Univision & Telemundo, the networks which account for virtually all Spanish language stations, say their viewership is undercounted because of an inadequate sample of Spanish speaking households. But English-language stations oppose any change because it will show their viewership is in fact smaller. Nielsen itself estimates that in NYC Spanish households are undercounted by 300,000. US Hispanic population has grown by 10 million in a decade. Based on door-to-door surveys, Nielsen finds 500,000 Spanish-dominant households in NYC – or 8% of tv households. At present, Nielsen's viewing meters are in only 4% of sample households. English-language stations stand to lose \$50 million.

¶ **Look Who's Forming a Union Now: Substitute Teachers.** Doctors & medical students aren't the only professionals seeing the answer to their income & job situation problems in unionization (pr 1/24). Nat'l Ass'n of Professional Substitute Teachers estimates there are 3 million teachers who work part time as needed. Some have already joined bargaining units of Nat'l Education Ass'n or Service Employees Int'l Union. Their plight can be recited by anyone who's experienced the challenge of coming unexpectedly into a managerial or training situation & having to immediately gain respect & keep the work moving. Add increasingly violent & unruly behavior in many classrooms, distracted principals & the many other problems facing some schools and the move to protect themselves & get bigger paychecks is easy to understand. But school pr practitioners will have to both explain the situation & in most districts be asked to fight off organizing attempts. (More from <http://subed.usu.edu>)

TRUST DIRECTLY IMPACTS SUCCESS & PROFITS, FINDS STUDY; SITUATION IS REPLICATED ACROSS CULTURAL BORDERS

New study by IABC Research Foundation finds that trust inside organizations directly impacts profits, innovation & organizational survival. "Measuring Organizational Trust: A Diagnostic Survey & International Indicator" shows the ability to form trusting relationships with diverse people is an organization's social capital (see t&t) – & a strong predictor of effectiveness.

■ **Study finds "trust contributes to job satisfaction and that leads to effectiveness, financial strength, competitiveness & productivity, factors that contribute to success,"** past Foundation chair David Kistle (svp Padilla, Spear & Beardsley, Minneapolis) told pr.

Researchers asked employees to evaluate how 29 statements (e.g., "my manager listens to me," "I feel comfortable about voicing my opinions about organizational procedures," etc.) fit the atmosphere in their organization. Kistle says the statements not only concern management attitudes, but peer relationships as well, since these, too, contribute to overall organizational atmosphere. Multiple factors that shape trust – hammered into 29 variables – were then grouped into 5 dimensions:

- **competence** – coworkers' & leaders' effectiveness
- **openness & honesty** – amount, accuracy & sincerity of information shared
- **concern for employees** – exhibition of empathy, tolerance & safety
- **reliability** – consistent & dependable actions
- **identification** – sharing common goals, values & beliefs

THE TRUST-SUCCESS LINK

According to the research, trust proves to have a statistically significant role in creating job satisfaction & perceived organizational effectiveness. In addition, Kistle notes, scholarship shows that organizations with high levels of trust continually benefit from more:

- a) Adaptive organizational structures,
- b) Strategic alliances,
- c) Responsive virtual teams,
- d) Effective crisis management,
- e) Reduced "transaction" (see t&t) & litigation costs

- "The most significant thing about the study is that we didn't see differences by regions or even cultures. The second thing is that it helped us to develop a prediction model"
- Study verifies predictions that innovation is enhanced by pr efforts, since they are vital in earning trust in organizations (pr 3/20)

Report was sponsored by United Technologies (Hartford). Over 6 months, researchers surveyed 4000 employees of 53 major organizations, e.g., Dow, Bristol-Myers, AlliedSignal & Holiday Inn. Countries included the US, Italy, Australia, Singapore, Hong Kong, India, Japan & Taiwan. (Report includes kit for organizations that want to evaluate trust in-house. Contact IABC at 800/776-4222 or e-mail service_center@iabc.com)

INCREASINGLY, REPUTATION MANAGEMENT ABILITY VIEWED AS ESSENTIAL ORGANIZATIONAL ATTRIBUTE FOR CEOs, STUDY FINDS

The number of companies that measure corporate reputation has doubled over the past year, & reputation management is increasingly seen as a key job qualification for heads of org's, finds a study by Hill & Knowlton (NYC), "Clearly, companies understand – & CEOs understand – the need for companies to have the highest possible reputation," H&K's Ed Belkin told pr. "It translates into so many arenas. And it is directly tied to CEOs."

BUT NOT LINKED TO COMPENSATION YET

Despite the increased awareness of reputation & the management of it, companies are not compensating CEOs for effectiveness in this area. "The majority of boards of directors do not use enhancement of corporate reputation as a key test in determining pay for CEOs." Still, the groundwork for future compensation is there. "The results do show that the next generation of CEOs will have reputation management as a key part of their responsibilities."

Together with Yankelovich Partners & *Chief Executive* magazine, H&K surveyed almost 600 CEOs & other senior managers. They found:

1. **Significant concern with the reputation management abilities of future CEOs** – almost half (43%) say the ability "carries a great deal of weight" in the choice of a successor. In this grouping, utilities seemed to value this skill the most (72%), telecom companies the least (16%)
2. **37% of companies formally measure reputation** – up from 19% in a similar survey a year ago. Belkin feels part of the reason for raised awareness within a year has to do with the Internet
3. **Only a third say corporate reputation is a criterion for determining CEO compensation & only 12% say it "carries a great deal of weight" in determining pay**

First survey, in '98, found more of a disconnect between what the CEO *said* was important & what was actually *being done* to measure & manage reputation. "We believe increased CEO awareness of the importance of reputation will ultimately translate into action." These days, Belkin says, CEOs increasingly see reputation as an extension of their brand.

FLAG CASE SHOWS DAMAGE CAUSED BY "FALLOUT" ISSUES; THINK CAREFULLY WHEN REMOVING OLD SYMBOLS

As the S.C. Confederate flag struggle demonstrates, issue progression occurs in 4 stages: 1) latent, 2) emerging, 3) hot, 4) fallout. The legislature ended years of wrangling recently when the flag was removed from atop the statehouse to a spot directly behind the memorial statue of a Confederate soldier that has long stood in front of the building. Tho the compromise didn't please extremists on either side, many felt the issue was at last put to rest.

WITHIN DAYS A FALLOUT ISSUE WAS IN FULL DEBATE

Is the flag now *more* visible, since its new location is the main street & corner of the capitol city, Columbia, & the flagpole is only about 15' high in the viewplane of anyone in or passing thru the area. It is illuminated at night. Before, it was 120' in the air & hidden by trees from most vantage points – you almost had to look for it, flying beneath the US & SC flags.

SC's statehouse & extensive grounds are among the most beautiful of any, so many people are drawn to them. The main business buildings of the city are nearby. Many more will see the flag now, argues one group – particularly with the huge awareness created by the controversy – than probably ever saw or paid attention before. (Since Confederate forces used several flags, the one in question is that of the Army of Northern Virginia, Robert E. Lee's troops)

In the same edition of *The State*, SC's major paper, columnists argue both points. Less visible, says an assoc ed. More visible, writes a local minister (both white). NAACP is attempting to strengthen its boycott of the state, moving beyond tourism & conventions to asking moviemakers & sports events to avoid the state. The state's main hope now, for at least the unwanted external visibility the issue cum fallout issue have brought it, are efforts in Georgia & Mississippi to remove the Confederate segments from their state flags. NAACP has extended its boycott to them. This is another variety of fallout issue – where it spreads from one locale to others.

DID NEWSPAPER START THE WHOLE THING?

A prominent businessman thinks so. "The Confederate flag flew for more than 30 years with hardly a word being said about it until the new owners of *The State* came to town," he writes. "After an admitted 6-year campaign, they have finally gotten the flag down and have also finally brought race relations here to the point it takes heavily armed police units, complete with armored vehicles, riflemen on rooftops & circling helicopters to monitor citizens' activities at the State House. That never happened before the new owner, Knight Ridder, bought our local newspaper."

- Was this fomenting an issue to "sell papers"? Or giving voice to an issue suppressed previously?

BOTTOM LINE: 4 varieties of fallout issues are present in this case. 1) Whether the flag is more visible in its new location. 2) Transfer of the issue to 2 other states. 3) Enlargement of the boycott. 4) Role of the local paper, specifically whether its new chain ownership is making, rather than reporting, the news. Anticipating fallout issues is clearly a critical activity.

"MOBILE COMMERCE": DO CONSUMERS WANT TO ORDER DIRECTLY FROM ADS WHEREVER THEY ARE AT THE MOMENT?

Purchases made using cell phones & other wireless devices are termed "mobile commerce". Some project it will grow to \$56 billion by 2005. If there's any truth to this, **communications that promote purchases will be far closer to motivating behavior.** First, however:

- **Persuasion strategies & sales messages** will have to be as scientifically designed as possible, since purchase is instantaneous
- **Understanding of usurping triggering events** in consumers' lives to stimulate immediate behavior will be priceless knowledge
- **Research** to pinpoint exactly what works will have to be far less generalized than today
- **Handheld devices & cell phones** with Net links will have to become far more widely used

Motorola, for one, is betting this will be the way of the not-too-distant future, based on the perceived increase in acceptance of Palm Pilots & similar devices. "People want personal networking. They have an insatiable demand to communicate," says an exec.