Playboy is an example of a truly global brand. "We have products, television networks or magazines in a hundred and some countries around the world," said Martha Lindeman, Playboy Enterprise's sr vp corporate com'ns & investor relations.

The corporate brand is highly relevant to investor relations; it is basically **another name for reputation**, which is more familiar to pr people. Charles Fombrun and Naomi Gardberg, both associated with New York University's Reputation Institute, explain why and how their copyrighted Reputation Quotient measures corporate reputation (see box). They refer to research that confirms that large economic premiums are associated with strong corporate reputations.

There is no IR brand as such, says Ulla James, vp investor relations, Nokia; there is only a company brand. It positions Nokia as socially accountable, honest, caring, listening, thinking and acting. In case of an economic downturn, it provides a cushion because **risk-averse people focus on the brands they trust**.

Sometimes corporate brands must be realigned. Paul Gifford, Goodrich Corp's vp investor relations, explains why, after a lot of acquisitions over the last 10 or 12 years, the company had to change its brand from that of a tire manufacturer to a broader one that also makes such products as compressors and large diesel engines for ships.

Reputation Quotient is based on 20 questions grouped around six dimensions:

1. **Emotional appeal** – how much the company is liked, admired and respected
2. **Products and services** – perceptions of product and service quality, innovation, value and reliability
3. **Financial performance** – perceptions of the company's profitability, prospects and risk
4. **Vision and leadership** – how much the company demonstrates a clear vision and strong leadership
5. **Workplace environment** – perceptions of how well the company is managed, what it's like to work for and the quality of its employees
6. **Social responsibility** – perceptions of the company as a good citizen in dealings with communities, employees and the environment

(More info, see *IRQ*, Vol. 4, No. 2; National Investor Relations Institute, Vienna, VA; 703/506-3570)

ITEM OF INTEREST TO PRACTITIONERS

¶ **Reasons for funding work/life programs** are cited in a 2000 William M. Mercer survey. Employers list retention (71%), morale (47%), recruitment (47%), employee productivity (30%), employee commitment (28%), employee performance (27%). Less than half of employers, however, believe these initiatives are critical for meeting business goals: 15% say they are "very important," and 33% say they are "important."

NOTICE TO READERS

Following our tradition, pr reporter will not be published next week to allow our printer & members of our staff a well-deserved break.

pr reporter

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THEY'RE NOT "HEALTHCARE CONSUMERS" – COUNSELOR WARNS STRATEGISTS TO CONSIDER THEM PATIENTS, PARTNERS

"The term *healthcare consumer* desensitizes practitioners to the import of the information we're trying to develop and distribute," Joan Bachenheimer, CEO, BBK Healthcare (Newton, MA) told prr. Healthcare is different from other industries because the "consumer" is "either more vulnerable or anticipates some sense of vulnerability. There is a certain level of sensitivity that healthcare practitioners need to have." If a clerk is rude at Bloomingdale's, for example, it may be upsetting but not as upsetting as curt treatment at the hands of healthcare staff. Consider, she says, how someone with a sick child feels when treated in a rude manner. "It's not acceptable any time, but in healthcare, it's beyond intolerable," notes Bachenheimer who helped build the public affairs division at Boston's Beth Israel Hospital.

INTERESTING TRENDS IN PHARMACEUTICAL MARKETING

The industry has changed a great deal in the past two decades and "healthcare consumer" is a fairly new buzzword. However, "it's a misnomer," says Bachenheimer. Although pr can't return to the 1950s, practitioners have to ***retain* the image of the healthcare recipient as a patient, someone in need**. This view can be lost in the wake of several trends, which realigned the patient in the category of "consumer":

1. Direct-to-consumer marketing of prescription drugs in the U.S. started in the early 1980s. "Until approximately 1983, drug makers marketed their products only to doctors."
2. Pfizer was an early entrant with drugs such as Diabinese for diabetes. Soon after the ads began running, new prescriptions jumped 14%.
3. In the 1980s, consumer marketing of pharmaceuticals had moved to more targeted venues, but the FDA kept tight control.
4. A 1994 survey showed that while 56% of doctors were opposed to consumer advertising, they tended to be more accepting of ads for drugs to treat certain diseases – migraines, hypertension, allergies, ulcers, cholesterol.

Now, says Bachenheimer, about $2 billion is spent annually in promoting healthcare products to the American public – "everything from asthma spray to RU486" – **yet patient care is getting lost in the "direct-to-consumer" marketing frenzy**.

PART OF THE CONTINUUM

Healthcare practitioners need to think of themselves as part of the healthcare continuum. Practitioners and communicators are important players. "Consider, for example, that patients spend more time reading a healthcare brochure than they do with their doctor," notes Bachenheimer. That, and pr's more integral role in reaching the patient public, underscores the practitioner's key role.

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NAPSTER STRUGGLE CALLS COPYRIGHT ISSUES TO FOREFRONT

Teens and others downloading songs thru Napster are in violation of copyright laws; while it's difficult to chase after everyone, each can in theory be held liable. "Strictly speaking, individual users can be held liable, even if they do not intend to violate the law," Deborah Bouchoux, attorney and author of *Protecting Your Company's Intellectual Property: A Practical Guide to Trademarks, Copyrights, Patent and Trade Secrets*, told Amacom. "Such users would be liable in the same way that consumers who rent a movie and then make a copy for home use are violating copyright laws."

Since it's hard for copyright owners to chase down individual pirates, the industry has targeted the purveyor of the material: Napster. And rather than trying to shut down the practice, the music industry is trying to control it and companies are coming up with subscription sites. But what are the rules in the area of digital piracy?

AWARENESS UP "In the wake of Napster, Internet providers are becoming increasingly concerned about materials offered on their sites." Responses include:

a) **self-monitoring** – eBay, for example, moved items from its site when notified by copyright owners that these items were infringing on copyright; eBay has started to police its own site for such material.

b) **digital rights management** – such technology includes: 1) programs that help artists control distribution of their materials by locking up products until they are paid for, and 2) passwords, encryption technologies that permit the content to be assessed for limited periods.

DON'T FIND OUT THE HARD WAY ABOUT COPYRIGHT

Bouchoux identifies 10 common copyright myths:

1. **I can play the radio or tv at my business for the enjoyment of my customers.** "Unless an establishment is very small, playing the radio or tv is an infringement." So is playing recorded music without a license.

2. **Attribution to the author means there is no infringement.** Not so. It doesn't insulate you from a claim of infringement.

3. **If it's on the Internet, it's free to use.** "You must check the legal terms on each Web site. Without express permission, using materials is probably an infringement."

4. **If I paraphrase, there is no violation.** "Courts protect copyright owners against literal and non-literal copying."

5. **If I take just a little, it's okay.** "Although courts examine how much material is taken, even a little infringement goes a long way. If what is taken is at the heart of the material, infringement can occur."

6. **Once I own a work, I can do what I want with it.** "An owner of a copyrighted work can sell it or lend it to others, but the *copyright owner* retains other rights even after the work has been sold. Thus, reproducing several chapters of a book or magazine is an infringement, even if there is no commercial motive."

7. **Any nonprofit use is permissible.** No need for commercial gain for infringement to occur. "Even a nonprofit use of copyrighted material can be an infringement, particularly where such use affects the market for the copyrighted work."

8. **If it's just for me it's okay.** "Making a copy of a video for a friend is infringement even though there is no commercial exploitation."

9. **I didn't know it was wrong, so there can be no violation.** "An innocent violation is a violation nonetheless. It may have a bearing on the amount of damages but it does not excuse the infringement."

10. **I didn't do it (but my equipment was used).** "Copy shops can be held liable for allowing students and others to use their equipment to reproduce copyrighted material. Photo shops have been held liable for infringement for allowing patrons to make reproductions of copyrighted photos, and employers can be liable for the acts of their employees."

(For more info, contact Kama Trimbrell @ 212/903-8315)

IS YOURS A LEARNING ORGANIZATION?

Firms must transform themselves into learning organizations says David Garvin in a new book, *Learning in Action: A Guide to Putting the Learning Organization to Work* (Harvard Business School Press). He defines a learning organization as one "skilled at creating, acquiring, interpreting, transferring, and retaining knowledge and at purposefully modifying its behavior to reflect new knowledge and insights."

Some advice: Leaders need to be tolerant of dissent and ready to hear new views. Enabling skills are the ability to ask open-ended questions, listen to responses, and lead a productive discussion free from superficialities, rigidity or miscommunication.

> The problem, he says, is not in acquiring information or interpreting it but in using or applying it. **Firms fail to translate what they learned into action because of risk aversion and the difficulties people have in knowing when their actual behavior deviates markedly from their espoused behavior.**

BRAND IS IMPORTANT IN INVESTOR RELATIONS

The latest issue of *Investor Relations Quarterly* is all about "Building the Brand." Branding is "a communication phenomenon that is sweeping through corporate America," writes Timothy Croasdaile, a partner at Genesis Inc., whose observation sets the tone for this issue. Moreover, he asserts that the *brand is an investor relations imperative*. It is "probably the company's single most important communication asset." He refers to a recent Ernst & Young study that states **brand and corporate image account for 30% of valuation**.

Marketing people increasingly refer to the **corporate brand, which subsumes product brands**. It is easier to position a single corporate brand in global markets, and even domestically it can cut through the clutter of too many names. "The brand essentially says here's who we are – here's what we do – here's the kind of experience you will have dealing with us," says Donald Schultz, professor of Integrated Marketing Communications at Northwestern University's Medill School of Journalism.