

2) strategic communications, 3) business & finance, 4) hr & organizational behavior, 5) changing external & internal environments.

Sponsors will still send staff to professional seminars & still employ consultants. Academy is seen as "additive to things others do," notes chair Ron Rhody, Bank of America. Co-directors are Bill Shepherd, consultant & former svp-pr at Alcoa, & prof Frank Kalupa of Syracuse U.

Steering cmte is Richard Claeys, Electric Power Research Institute; Tom Flynn, Bechtel Group; Roderick Hartung, Chevron; Grant Horne, PG&E; Marvin Krasnansky, McKesson; Keith Mabee, Industrial Indemnity; Hugo Quackenbush, Charles Schwab; Gary Simpson, Varian Associates.

Advantages are seen to be
a) time-efficient schedule,
b) going beyond specialist pr skills, c) self-supporting thru admission fees, d) learning environment of similarly placed practitioners in neighboring organizations sharing the project.

ITEMS OF INTEREST TO PROFESSIONALS

Prime Mover in Socializing Corporations & Investors is celebrating its 20th anniversary. Interfaith Center on Corporate Responsibility also helped focus religious organizations' social concerns into practical action. 56 Protestant & Catholic organizations are sponsors. Current efforts are to bring conscience to the marketplace on apartheid, Star Wars, nuclear weapons, minorities, women, alternative investments, energy, environment & international marketing. Maquiladora Standards of Conduct, patterned on Valdez Principles & similar codes, aims to get cross-border companies to comply with fundamental workers' & citizens' rights. (Annual report reviewing 20 years from 475 Riverside Dr, Room 566, NYC 10115)

More Intrigue From the Upper Echelons of Hill & Knowlton (pr 9/2). Bob Dilenschneider is no longer CEO; Tom Eidson is. "Resigned," reads the press release from H&K. "I did not resign," Dilenschneider told prr but couldn't go into it further. "There is more I'd like to say, but I can't"...yet. Stay tuned.

WHO'S WHO IN PUBLIC RELATIONS

HONORS. Pete Williams, Ass't Sec'y of Defense for PA, named Gov't Communicator of the Year by Nat'l Ass'n of Gov't Communicators for "eloquence & ability to handle himself under extreme pressure" as chief spokesperson in Gulf War.

ELECTED. Arthur W. Page Society '92 ofcra: re-elected pres, Lawrence Foster (pr counsel, Westfield, NJ); vp, Marilyn Laurie (svp, AT&T, Basking Ridge, NJ); treas, C. Richard Yarbrough (vp, BellSouth, Atlanta); annual conf chrm, Carlton Curtis (vp, Coca-Cola, Atlanta).

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BRAND LOYALTY DECLINE CAUSES NEWS MEDIA & AD AGENCY SLUMP, HEALTHCARE & EDUCATION DROP PRODUCT MARKETING APPROACH; NEW CONSUMER PSYCHE AT WORK ALSO MEANS NEW PR STRATEGIES

The tyranny of the hotshot marketer & arrogant brand manager may be ending. In consumer products, birthplace of brands, the talk is about erosion of loyalty, brand switching & the rise of housebrands. New management at American Hospital Ass'n reportedly dislikes the "M" word. Schools, colleges & others lured by the marketing fad are seeing things differently.

Product publicity faces a problem/opportunity -- it could go either way -- but **broader-based pr strategies** now have a chance to demonstrate both their worth **and** the shallowness of dealing with publics only in terms of what can be gotten from them. That may not have been marketing's intent over the last decade -- but too often it has been the reality. Indicators:

BRANDS SUPPORT ADVERTISING WHICH SUPPORTS MEDIA -- OUCH!

The oft-noted

decline in ad volume & effectiveness arises largely from manufacturers unwilling/unable to support brands with big bucks campaigns. The toll on media is seen everywhere: rumors only 2 tv nets will be around perhaps as soon as next year, cuts in editorial staff in all media, cancellation of local tv programming. For publicists, the news hole is smaller & fewer reporters are available.

GREED IS THE CAUSE; CAN CONCERN FOR CONSUMERS REBUILD BRANDS?

Forbes details how greedy marketers thru the 80s raised prices steeply even while raw material costs were stable or falling. Now consumers are saying "enough." But something larger is at play -- and may provide an opening for pr. One consultant's studies find people are **tired of homogeneity, of sameness**. Now they want to be different from everyone else, so seek specialty products -- a trend building for years in gourmet foods, local beers, B&Bs vs. hotels, etc.

This mandates 2 requirements: 1) like brands, these new entities must develop a personality, but it can be consumer-centered rather than

A perceptive Forbes summary of the situation (9/16 issue, copy from prr) quotes research showing **ad effectiveness has fallen 30%** among consumers in 10 years. Marketing strategist John Trout says the couponing replacing ads further erodes brand loyalty by showing the product is a commodity -- with little difference between brands. And it stimulates brand switching.



manipulative marketing, offer real rather than perceived differences; 2) as green marketing illustrates, linking purchases of goods & services to social values pays off. PR strategy is at its forte in both these arenas.

HOSPITALS MOVING FROM MARKETING TO RELATIONSHIP-BUILDING

Bill Ferretti of Medstar Communications finds them adopting the fundraising model, which is **longterm**

& requires "cultivating" donors. The marketing model aims for **instant** success. H&K healthcare practice director Jack Hardy notes that all an institution has is trust; selling healthcare like soup or soap can only damage trust. They & other panelists at Amer Soc for Healthcare Mktg & PR's annual conference last month kept talking about the importance of building caring, personalized relationships.

ONE RESPONSE NOT TO TRY...

Constant pr-basher Joanne Lipmann, ad reporter for Wall Street Journal, her complete misunderstanding still intact, recently touted the case of Electronic Arts, a video game maker. As if it were news, she told how the company's dpr had developed "a system that equates press coverage with advertising time & space, actually assigning a dollar value to mentions in the press." This dpr was having trouble meeting her current quota, she noted.

The same column -- which continually labels publicity as public relations -- cited a questionable study by press researchers Delahaye Group (Hampton Falls, NH) that supposedly showed the cost of "public relations" [read publicity] is up because placements are down. Its 30 clients were mentioned [note] on average in 878 articles in '90, down 36% from 1,371 in '89. Somehow this worked out to \$763 for each mention vs. \$585 the year earlier. What's missed completely is that, cost notwithstanding, this 1-way communication technique, like the advertising some would use it to replace, is of greatly declining value in today's personalized, overcommunicated era.

As this demonstrates, some will still try to force all of public **relations** into the single mode of media work for marketing support. And Doug Newsom, Texas Christian pr prof, reports the Q&A at a recent Texas meeting was dominated by the battle for turf between pr & marketing. Trend exploiters, however, have ample evidence a window of opportunity is opening.

PR & MARKETING CAN WORK TOGETHER, AND WELL, WITHOUT TURF ISSUES, COMMUNITY COLLEGE SHOWS

Actually enhancing each other, claims Diane Dann who heads marketing and reports to the head of pr at Lane Community

College (Eugene, Ore). In '84, LCC created a Marketing Council that "spans the campus. From the beginning we didn't want one department doing marketing. We wanted it to be broad based. All our vice presidents are members," Dann told pr.

LCC's marketing efforts focus on the quality of services provided students, not just the 4 Ps of marketing. According to its 37-pg Marketing Plan, LCC has "adopted a **perspective of marketing which emphasizes service**. We want to be sure we do not make the mistake of equating marketing with

recruitment or promotion. Rather, we want to take a hard look at how well the college is serving students and other constituents...along the 4 marketing dimensions of product (programs & services), price, place (time, place & delivery systems) and, also, recruitment/promotion. In short, service to the community is the college's most important concern, and **all staff**...are involved in marketing and the critical relationship between the college & constituents."

MARKETING & PR INTERCHANGEABLE

Implementing a marketing/pr attitude across campus "took a lot of time & education but when we started this we were having enrollment problems so there was a lot of interest. In fact there was so much support that our initial budget was a special allocation from our board." School is in its 5th year of using a written Marketing Plan. "The broad participation and continuity show that pr & marketing can work well together because the **plan could just as easily be called a Public Relations Plan.**"

WHAT MARKETING COUNCIL DOES

1. Encourages people to be consumer oriented.
2. Pays for employees to go to customer-service workshops, distributes audio & video tapes on the topic. "We're an advocate for thinking in terms of the student/customer."
3. Has an internal grant request procedure. If a dep't wants to do its own promotion, it can apply for funds. If the promotional idea fits the Council's guidelines, money is granted. "It ties the individual dep't to the larger marketing effort, keeps us all moving in the same direction."
4. **Serves as role model for moving toward broad participation** on issues where it's appropriate. For example, class schedule was recently redesigned -- participatively. Focus groups of students & non-students were held and videotaped. An open meeting was attended by 50 people who made 90 suggestions. "We took all that information and made some wholesale changes in the schedule. The effort was participative enough so we received only positive comments." (For copy of Marketing Plan, call pr)

"It took us 3 years to get a solid effort going. This isn't a quick fix. It's a mechanism for solving problems longrange. By having a systematic approach, we've been able to increase the resources available to do what we need to do." Effort is having a positive effect on the bottom-line. Enrollment for fall term is up 10% over fall '90.

CALIFORNIA GROUP DESIGNS SHARED PROFESSIONAL DEVELOPMENT PLAN TO PREPARE UPCOMING PR EXECES

Equipping the no. 2 & no. 3 person to move up to managing the function is the aim of the San Francisco Academy: Senior

PR Officer Development Program. But its innovative feature is that **several leading companies are doing it together.**

12-month series for a dozen selected pros uses 2-day (Friday-Saturday) sessions. Curriculum includes 1) general & functional management,