

**RESEARCHERS BEWARE**

But what does this do to phone surveys? "If you're using telephone directories or self-contained sampling systems that are only updated periodically, chances are your sampling frame contains a significant amount of invalid telephone numbers & your sample measurement will be flawed." Continuous updating is necessary. Area code changes so far, by effective date:

<u>New AC</u>	<u>Old AC</u>	<u>State</u>	<u>Effective Date</u>	<u>Grace Period*</u>
610	215	PA	1-8-94	1-7-95
334	205	AL	1-15-95	5-13-95
360	206	WA	1-15-95	8-20-95
281	713	TX	3-1-95	3-1-96
520	602	AZ	3-19-95	7-23-95
970	303	CO	4-2-95	10-1-95
941	813	FL	5-28-95	3-3-96
540	703	VA	7-15-95	7-13-96
860	203	CT	8-28-95	10-6-96
562	310	CA	9-2-95	to be determined
423	615	TN	9-11-95	2-26-96
541	503	OR	11-5-95	6-30-96
770	404	GA	12-1-95	to be determined
864	803	SC	12-3-95	5-1-96
850	904	FL	late 1995	to be determined
954	305	FL	late 1995	to be determined
330	216	OH	late '95-early '96	to be determined
630	708	IL	late '95-early '96	to be determined
847	708	IL	1-20-96	to be determined
972	214	TX	2-1-96	8-1-96
576	314	MO	2-15-96	6-15-96
281	713	TX	3-1-96	to be determined

\* Period in which either old or new area code will work -- hopefully. Callers have complained that the changeover isn't always smooth.

**WHO'S WHO IN PUBLIC RELATIONS**

**ELECTED.** Elizabeth Allan (currently svp) becomes IABC's president, replacing David Paulus, who resigned after 7 months citing a personal mgmt style that differed with the needs of the ass'n.

**HONORS.** Marilyn Laurie (svp-pr, AT&T, Basking Ridge, NJ) receives 1995 Human Relations Award from the Amer Jewish Cmte for her outstanding prof'l achievements & dedication to service.

Paul Fullmer (pres, Selz, Seabolt & Assocs, Chi) honored by his Notre Dame Class of '55 with an endowed scholarship in his name. Will be awarded annually to a junior in Amer Studies prgm with exceptional writing ability who wishes to pursue a career in comms.

**PEOPLE.** Michael Kempner (pres, MWW/Strategic Communications, East Rutherford, NJ) attended White House Conf on Small Biz, June 11-15, appointed as delegate by Pres Clinton.

**STUDIES ON MEDIA STATUS SUGGEST REVIEWING MEDIA STRATEGY**

As their credibility, audiences, ad revenues & perceived usefulness or relevance decline, news media are in a frenzy of self-studies. Most active is Times Mirror Center for the People & the Press, headed by ex-Gallup exec Andrew Kohut. Items from its recent reports:

1. **Gotcha journalism.** Even insider polls, including the new Republican majority in Congress which has often benefited from it, say they're frustrated with this type of reportage.
2. **Not explaining complex issues.** An amazing 80% of media people interviewed believe they pay too little attention to this.
3. **Adversarial approach.** 2/3rds of public, & same percentage of opinion leaders, see media as too adversarial -- he-said, she-said etc. But only 1/3rd of media people share this view.
4. **Out-of-touch with public.** 50% of media folks think Washington polls are honest & ethical; 18% of public does. 3/4ths of journalists give religious leaders high ethical ratings; 55% of public does. CEOs get high rating from 50% of national media; 1/3rd of public rates them highly.
5. **Coverage falling fast.** Only 45% of adults read a newspaper the day before they were polled -- down from 58% last year. 61% had watched tv news, but last year it was 74%. From another angle, all political persuasions are less media-prone: 54% of Republicans, 56% of Democrats & 56% of independents hadn't read a newspaper the day before.

**CYNICISM FACTOR: PUBLIC IS MORE CYNICAL THAN MEDIA**

Exacerbating the search for a media strategy is this factor, symbolized by one finding: Only talk show hosts are as cynical as the public. 50% of each group call themselves "highly cynical." In contrast, only 25% of media people and **only 13% of opinion leaders describe themselves this way.**

Yet, over half the media representatives interviewed feel the media is too cynical. Confusing? And it's media practice that breeds cynicism.

**MEASURE OF "IGNORANT & APATHETIC" PUBLIC IS O.J. TRIAL COVERAGE**

Many people -- Kohut reports numbers as high as 40 million -- said in April they were catching most or all of the live coverage. 63% are women. That may have declined, but the phenomenon "has clearly disrupted previous news



consumption patterns," he notes.

This is, of course, a media-induced condition. Has it backfired? What does it imply for the future of news; and for the utility of traditional news outlets for any subject of consequence? Media, especially tv, have made even serious matters into entertainment. Considering the damage O.J. media frenzy has probably done to the basic social institution of criminal justice, do you want to risk such an outcome for your sector?

ONE IMPLICATION STANDS OUT

- A. Psychological studies show people want to feel positive. When circumstances make them cynical, they want even more to find positive leadership to follow.
- B. Opinion leaders are not cynical, but positive -- an essential trait for them. When people are cynical, opinion leaders' ability to give hope increases their power.
- C. Going direct to opinion leaders of key stakeholder groups gets around public cynicism -- which is largely caused by media practices.

NATURAL COMMUNICATIONS METHODS WORK BEST; SOME EXAMPLES

Communication effectiveness is determined by the recipient, not the sender. People receive, maybe even respond to, messages they get in the easiest way for them to handle.

1. For years we've urged using rest rooms for getting must-know (or any important) messages distributed in a fail safe way. The difficulty of breaking thru the clutter of overcommunication has removed whatever distaste the idea had for many. We receive increasing reports of this technique being used successfully.
2. Motorola reports a similar "natural" technique: As they do their work overnight, cleaning staff distribute to each desk or work station red alert messages employees must have immediately. Message sheets carry a special logo to identify their urgency.
3. Another idea used by Motorola & others aims to take the sting out of impending bad press or other issue-related matters. Sandwich boards at the exits at the end of the workday alert employees to, say, tv coverage expected that evening, criticism or an investigation, a headline expected next morning. They can also promote good news. Or be a reminder of some next-day activity -- a town hall session, deadline for various reports or a blood bank visit.

MORE RESEARCH ON BOTTOMLINE VALUE OF NON-FINANCIAL ITEMS

Studies are accumulating on how non-monetary factors -- including many where pr does or can play a key role -- truly impact the dollar bottom line (see prr 6/12 & 5/29). In a phone survey of 1,189 analysts, 73% predict institutional investors will demand more non-financial performance data from the companies they invest in. 67% wish quarterly operating statements

also had non-financial performance data. These non-financial data -- or hidden assets -- include:

- Ability to reduce costs
- Ability to avoid regulatory problems
- Ability to increase revenue
- Customer satisfaction & loyalty
- Brand equity of the company & its products
- Ability to increase productivity
- R&D, intellectual capital & the ability to innovate
- Concern for & relations with its employees

Analysts were asked to rate companies' hidden assets using a scale of 1-10 (10 is excellent, 1 is very poor). The following chart illustrates the principle by showing the top 10 companies, their Hidden Value Index (the average rating across all 8 hidden assets) & the one hidden asset for which each company received the highest rating.

Rank	Company	Hidden Value Index	Hidden Asset Receiving Highest Rating
1	Hewlett-Packard	8.82	Brand equity
2	The Home Depot	8.53	Ability to increase revenue
3	Gillette Company	8.48	Brand equity
4	Berkshire Hathaway	8.47	Customer satisfaction/loyalty
4	Sysco Corp	8.47	Brand equity
5	Whitman Corp	8.45	Employee relations
6	Nucor Corp	8.44	Customer satisfaction/loyalty
7	Coca-Cola Company	8.36	Brand equity
8	General Instrument Corp	8.22	Ability to increase revenue & customer satisfaction/loyalty
9	Intel Corp	8.20	R&D/intellectual capital
10	Motorola	8.17	R&D/intellectual capital
10	United Healthcare Inc.	8.17	R&D/intellectual capital

"High levels on the Hidden Value Index suggest companies are seen by analysts as having stronger potential for better future financial performance," explains Larry Chiagouris of CDB Research & Consulting, which did the survey. "In addition, by looking at the ratings of a company on each of the 8 hidden assets, management can pinpoint problem areas to address. These may be actual problems requiring operational solutions or perceptual problems requiring changes in communications strategies & messages." (More from them at 212/887-8123)

REDO YOUR ROLODEX TO FACTOR IN CHANGING AREA CODES

The main form of effective distance communication remains the telephone. By changing the system so area codes no longer need a 0 or 1 in the middle, the former limit of 128 ACs can now expand to 799. (This makes possible 5 billion new phone numbers! And new numbers are being created -- 40,000 daily, according to Survey Sampling.)

New area codes are typically used to split up a previous area -- so only some numbers within the old area will get new codes.