

ANOTHER LOOK AT SENIORS, THE GROUP WITH BOTH TIME & MONEY

Iowa is purported to be 3rd in the country in residents over 65 yrs old; 2nd over 75; 1st over 85 -- & to have 800 centenarians ... over half of whom work. Avoid stereotyping these 2 generations as children, MaryJo Loveland of Hawkeye Valley Area Agency on Aging (Waterloo, Iowa), told pr.

"Don't let an experience with Alzheimer's or the senile/dementia problem distract you from the fact there are 80 yr old college professors still being published. So don't talk down to them." Her communication tips:

1. **For hearing impaired:** Typically, the ability to hear high tones is lost first. So low-toned voices are better. People who lose their hearing gradually learn to lip read. So a voice-over on tv or video isn't as effective as when the face & lips can be seen.
2. **For the visually impaired:** The size of the type isn't as important as the *hints* (visual shaping clues) the font gives to help identify the words. An unusual font doesn't give hints, nor does all caps. Use a) upper & lower case, b) standard language, c) a basic, common font like Times or Bookman. Too many squiggles on letters distract, but some give clues. An Ariel typeface is very confusing because it has no clues.

Instead of increasing type size, increase the leading (space between lines). And use contrast. Maintain high contrast between type & background color. To test it, take a step back & squint (you'll see shapes without getting distracted by content) to see if your shapes work.

Marketing motivator: Grandparents spend a median of \$400 on grandchildren annually. The number of grandparents increases at an average of 95,000 each month, reports Primelife (primelif@ix.netcom.com). One of the largest segments today -- & the most economically powerful.

3. **Dementia or memory loss** may be present but isn't necessarily severe. The older you get the more selective you get about what you *bother* to remember. These are people who spent a lot of time storing a lot of stuff in their brains (when rote memorization was taught) & they probably can dig it out. But they've also learned that it's really wasted space. Memory loss may just be a more sophisticated memory selection process. They've learned what's important to remember for them.

ANOTHER TYPE OF OPINION LEADER JUST TALKS TO EVERYONE

It may be the barber or beautician, the guy whose gas station everybody patronizes, the convenience store clerk. Folks don't perceive them as experts on *subjects* -- but as experts on what others are saying & thinking & doing. Not intellectual giants or thought leaders. But they *might* be passing along poison or misinformation about *your org'n or product*.

Like news media, they put topics on people's agendas. Working with them can make them carriers of positive messages. Left to their own devices....

AFTER YEARS OF DOWNSIZING, SR MGRS ARE TURNING TO GROWTH

As many practitioners suggested all along. Dwight Gertz of Symmetrix Mgmt Consulting (Lexington, Mass) told PRSA conference this focus on growth...

- is a response to an overemphasis on cost cutting which, by itself, offers diminishing returns & **limited future value**
- when profitable, is the best way to create **sustainable shareholder value**
- is a way to attract and retain the **best people**.

SUPPORTIVE DATA SHOW IT DIDN'T WORK FOR OVER HALF

- Fewer than 1/2 of downsizing companies increased operating profit (45%)
- 24% stayed the same
- 20% got worse
- 11% don't know what happened

A renewed *interest* in growth is not sufficient to break the downsizing cycle. To plan for growth, managers must avoid several dangerous myths:

- Growth is common, the normal state of affairs.
- The economy is the major driver of growth.
- Today's high profits will fund tomorrow's growth.
- Cost cutting sets the stage for growth.
- Acquisitions are the best way to grow.

The reality is *most major US companies are not growing*, notes Gertz. Since the 60s, economic conditions have not supported double-digit growth.

Cutting-back, downsizing & focusing on one stakeholder group -- be it shareholders in corporations or 3rd party payers in healthcare -- reveals a principal (& principle!) weakness in management. Anyone can cut back, especially if there's no ethical or social sense of what it can mean to communities & to individuals & families -- who may have been loyal workers for years. Irony: where cutbacks are truly needed, it's often due to managerial failure -- but who gets the pink slips?

The test is being able to **manage for growth**, improved profits or true cost reduction -- e.g. reducing inefficiencies, most of which stem from hierarchical structures & resulting bureaucracies. Yet 2 extremely costly inefficiencies, both supportive of hierarchy, are hardly ever tried: 1) making meetings more effective, 2) inspiring 3-way internal communication by focusing on the frontline & the most important persons in any organization -- frontline supervisors/team leaders. PR is culpable if it doesn't promote these *communication/relationship* measures, clearly part of our portfolio.



GROWTH STRATEGIES THAT WORK

In order to grow, a company does not have to cut costs. Many companies currently prospering use one or more of the following strategies -- which may add cost in the beginning. Another opportunity for practitioners.

1. **Customer Franchise Management.** Growth leaders are pinpointing the needs, buying behavior & economics of *individual customers* & customer segments, then gearing their product, marketing & distribution strategies to build relationships with them. *An example of this is USAA* providing insurance & other services to military personnel. At the beginning of the Gulf War, when other insurance companies were adding war clauses to their policies, USAA was targeting military personnel who would need insurance. (Also called 1-on-1 or relationship marketing)
2. **New Product Development.** Among the main engines of growth. Growth leaders derive about half their sales from products introduced in the last 5 yrs, according to research by New Product Development Ass'n. Companies with a superior innovation process can consistently be the first to exploit new opportunities. Leaders must be willing to cannibalize other products. *Example is razors:* they have a limited market, yet new, successful products keep emerging.
3. **Multi-Channel Management.** The single, well-established channel for reaching your customers is no longer the best route. Innovative channel strategies, often entailing multi-channel networks, are needed. A consumer products company, for example, may use kiosks to reach mall-goers, catalogues to reach busy 2-career couples, CD-ROMs or on-line services to reach cyberpunks & infomercials or home shopping networks to reach couch potatoes. Many growth companies are pushing old products thru new channels. *Example is Starbucks.* Tho coffee consumption per capita is decreasing, Starbucks is growing rapidly. Established companies find it very difficult to manage multi-channel strategies.

Growth strategies need 3 foundations to create enduring success: 1) customer value, 2) superior economics, 3) consistently superior execution.

Colin Powell, ex-head of the joint chiefs of staff & almost presidential candidate, will join over 50 corporate, academic, political & consulting leaders in a 3-day initiative to restore intelligent, innovative growth strategies to business (April 27-30, '97). Sponsored by the Strategic Leadership Forum, conference is intended to **emphasize long-term, equity-building strategy, as opposed to short-term tactics, such as downsizing.**

"It's an all out frontal assault on short term, quick fix downsizing artists, who use retreating tactics to justify their existence. We hope leaders, such as Colin Powell, will inspire others to move their organizations forward, not backwards," explains William Hess, Forum chairman (435 N. Michigan Av, Chi 60611-4067; 312/644-0829; fax 312/644-8557)

DO LOCAL MEDIA, ESPECIALLY NEWSPAPERS, HAVE A FUTURE ?

What's happening to *national* news outlets is well known:

1. Loss of credibility is reported in survey after survey.
2. Data show declining reach -- newspaper circulations low, under-35s notorious non-readers; evening tv news viewership down 18% since '93, etc.
3. Seen as irrelevant by many since what they report rarely touches the daily lives of media consumers -- i.e. news is just entertainment.

This trend is true, or even truer, of local news outlets. And they have an additional problem: audiences have word-of-mouth networks & other means of finding out what *really* is happening -- which they don't about most national/global topics.

Freedom Forum held a session last year to address the issue. Most participants were local news execs, plus your editor. Consensus was that only by becoming encyclopedic on *actionable local topics* can they make it.

SUPPORT FOR THIS VIEW FROM UNEXPECTED PLACES

- A. Barry Diller, a media survivor to top 'em all, is turning his Silver King stations -- 6th largest tv chain, reaching 20% of US homes -- into what he calls **the video version of a city magazine or alternative newspaper**, focusing on local news, entertainment & sports. Something CNN & the nets can't offer.
- B. The obit of Morris Novik, early director of pioneering municipal radio station WNYC, quoted his 1941 vision:

"Within the city's confines, more than 7.5 million people live & work & go quietly about their business. The job of a municipal radio station is to make their lives better & fuller. One of the ways we can play our part in the community is by bringing home to New Yorkers **the wonders of their city & keeping them in touch with the many things that happen in it.** Doing that makes for greater interest & understanding and for a pride in this great democracy in which we all live."

MORE MEDIA DECLINE DRIVES PRACTITIONERS TO GO DIRECT

Voters were less likely to get their political news from tv this year (72% all tv venues) than in '92 (82%), finds Pew Research Ctr. While tv news remains the leading source of campaign info, viewership declined from '92 to '96 for *network tv news* (down 19%), *local tv news* (down 6%) & *CMN* (down 8%). Greatest fall-off was among those under 30.

- Radio use increased (12% in '92 to 19% in '96).
- 10% of voters claim they went on-line for campaign news -- men more than women (14% vs. 5%) & young voters more than seniors (16% under 30 vs. 1% over 65). That impact is lessened by respective voting percentages of under-30s (very low) & over-65s (highest segment).