

## THE DAYS OF ORGANIZATIONAL MAGAZINES: GONE FOREVER ?

Robert Hodesh's death May 11 of heart failure brings back another era of pr. He was editor-in-chief of *Ford Times*, where he attracted award winning writers to contribute to the publication -- William Faulkner, John Steinbeck & several Pulitzer winners in fiction.

Ford Times may be the best known corporate mag ever. It "was a little pocket sized publication that you could slip into your coat pocket & read when you had free time. That's the way founder Henry Ford wanted it," John Sattler, who oversaw the publication when Hodesh was there, told pr.

**WILL WE SEE ITS LIKE AGAIN ?** Readership peaked in '76 at 2 million, according to Sattler. It was quoted & read widely. While it promoted Ford products -- subtly & often with helpful tips -- it concentrated more on encouraging use of them, with travel articles that were clipped for vacation planning.

"After that the job was turned over more or less to the J. Walter Thompson Co. They changed the format & approach and made it more of a sales oriented publication rather than an entertainment/readership publication" -- typical of the different worldviews of adv'g & pr. "The circulation began to go down. I think it was a case of its time had come."

Times have changed, Sattler feels. "People have less time for reading indepth publications. Everything is done in quick takes. We've lost a lot of publications like the *Ford Times*, or radio programs, e.g. the *Ford Sunday Evening Hour*, *Maxwell House Showboat*, because time passed them by."

## ITEMS OF IMPORTANCE TO PRACTITIONERS

¶ **More "News" Is Outside The Newspaper**, which may make it more valuable for issue advertising -- or promoting events. First it was Post-It® ads or notices, stuck to the front page. Now there's a **bag closer card**: one of those pieces of hard plastic with prongs & a hole in the middle used to close food packages, but with a 3x4" sheet of waterproofed tagboard attached for the ad or message. Subscribers can't even take home-delivery papers out of their protective plastic bags without seeing the pitch.

¶ **Prime Example Of Media's Ability Over Time To Set The Tone On Subjects** is covered in the 6/3 issue of *People*. "How media images of celebrities teach kids to hate their bodies" cites the social damage done by featuring too-skinny or surgery-enhanced physiques of models & actresses. Real people they aren't, yet thousands measure themselves against this ridiculous "norm" -- with anorexia, bulimia & psychic disorders the penalty paid. Practitioners who have used models know the feeling: you keep wanting to offer them a wholesome meal!

## IN FOCUSED PHILANTHROPY ERA, SOME DON'T EVEN PUBLICIZE GIFTS

Being socially responsible has many benefits for organizations:

1. **Consumers are 90% more likely to buy their products or services** (shows a study by the Walker Group)
2. **Employee morale is boosted; & shareholder value increases**
3. **The goodwill it builds within the community can stand by the organization during times of crisis**

### IT'S SMART TO PROMOTE YOUR INVOLVEMENT, YET ...

In a just-released study of Boston area's largest publicly-held companies, only 16% mention corporate giving or offer examples of community service in their annual reports. In contrast, 67% of Fortune 100 firms discuss philanthropy & corporate citizenship in theirs. IDPR Group (Boston) did the research.

- **The benefits of corporate giving are obvious** & give a company a sustainable competitive advantage in the marketplace. Yet more than 80% of Boston's biggest companies are oblivious to it.
- **"The sad thing is most of them are probably generous & do give to causes in the community. But without letting others know, they're not getting any benefit back from their donations. This is a disservice not only to themselves, but to their customers, employees & shareholders,"** explains Cary Raymond of IDPR Group.
- **One explanation given is the mind-set that it's somehow inappropriate or boastful to discuss charitable giving, or that you have to be a huge donor in order to be a good corporate citizen. That's not true,** says Paul Davis Jones, another IDPR principal.
- **"As long as corporate philanthropy is motivated by a genuine desire to do good -- & isn't just part of some cause-related marketing scheme to increase sales -- then it deserves to be publicized. You don't need a million dollar charitable foundation to show you're active in the community,"** he feels. [Some argue cause-related is also a public benefit, just another manifestation of strategic philanthropy; but see p.2]
- **"Not informing others about a company's philanthropic involvement is like withholding vital financial or product information. In today's business world, it's indefensible for businesses to take a low profile in the area of social responsibility."**



**STRATEGIC PHILANTHROPY VS. PHILANTHROPY WITH AN ULTERIOR MOTIVE**

Strategic philanthropy is more than a trendy cause-related marketing campaign. It's also

more than merely writing a check, posing for a photo & basking in the temporary afterglow of generosity. Rather, it involves a company, its employees & its resources in a unique project whose primary purpose is to do good, with any side benefits to the company always remaining clearly secondary, IDPR feels. (See prr 10/26/92) Important elements include:

- A. **Long-term, focused commitment** -- not only to demonstrate genuine concern, but to generate measurable impact. Firms which continually adopt new causes or have too many philanthropic partners don't build the expertise & awareness gained through fewer, longer-term relationships.
- B. **A proper fit.** The cause should espouse the organization's business interests & offer opportunities for its expertise. It must satisfy three target audiences --
  - 1) generating goodwill in the minds of consumers,
  - 2) proving to shareholders that the money & time invested make good business sense,
  - 3) involving employees to increase morale & company loyalty.
- C. **Checks & balances** to ensure as pure a program as possible. The corporation makes sure money is spent efficiently, objectives are clear & measurable & quality remains high. The NPO lends its expertise & credibility, keeps attention focused on the cause & prevents a project from becoming overly commercial. [Wise donees keep reminding everybody who their corporate sponsor is, also!]
- D. **Genuine concern.** Programs must reflect a company's core beliefs & involve mgmt, employees & company resources in an active & personal way. Goals of the program must be consistent with corporate behavior.
- E. **Publicity is not bad.** Telling people & other companies what you're doing lets them know you're a concerned corporate citizen & encourages them to do likewise. It also gets the message of your campaign out to a larger audience & generates attention that neither partner could get on its own. But the cause must take precedence over efforts to promote it.
- F. **Under one umbrella.** By concentrating attention on one or a few projects, corporations develop stronger identity with the causes supported & increase the company's overall impact on those organizations.
- G. **Own the idea.** Maintaining the quality & creativity of a philanthropic project is key to keeping it your own. Custom-designed programs also ensure they most effectively reach your key target audiences.

"Committing time, experience & other assets is far more difficult than merely giving a donation, but it is also more likely to demonstrate that a company wants to be an exemplary corporate citizen."

**BUILDING CUSTOMER LOYALTY A LITTLE CAN DOUBLE PROFITS**

Harvard Business Review points out that "good long-standing customers are worth so much that in some industries, reducing customer defections by as little as 5%...can double profits...& what keeps customers loyal is the value they receive" (see box).

**SOCIAL RESPONSIBILITY A FACTOR**

"Feeling good about a product one buys is a tangible value. And when a

company partners with a cause that resonates with its customers' concerns, a greater emotional affinity for the brand is the result. This not only reinforces the existing customer base, but paves the way for new ones as well. And long-term loyalty shows up on the bottom line," writes Daniel Pearlman in his firm's (The Pearlman Group) pub'n Cause & Strategy Insight.

**Reducing Defections 5% Boosts Profits 25%-85%**

"Calculated by comparing the net present values of the profit streams for the average customer life of current defection rates with the net present values of the profit streams for the average customer life at 5% lower defection rates." [From Harvard Business Review]

	% Increase in customer value					
	0%	20%	40%	60%	80%	100%
Auto service chain	██████████					
Branch bank deposits	████████████████████					
Credit card	██████████████████					
Credit insurance	██████████					
Insurance brokerage	██████████████					
Industrial distribution	██████████████					
Industrial laundry	██████████████					
Office bldg mgmt	██████████					
Software	██████████					

**WEPR WORKS TO RESTORE SOCIAL RESPONSIBILITY**

Women Execs in PR Fdn's 7th annual

Social Responsibility Awards were given 6/5. "At a time when so many companies are coming under fire for their business behavior, we are pleased as pr professionals to be able to recognize those firms & groups that are doing it right -- doing well by doing good. All trends show more companies following their lead, toward greater relationship-building via social responsibility programs," says WEPR pres Len Daniels.

Honored programs illustrate topics of current public concern:

- American Express' "Charge Against Hunger"
- Avon's "Take the Pledge" Breast Cancer Crusade
- Chevrolet/Geo environmental program to rejuvenate urban areas
- Sara Lee's "Frontrunner Awards" to women of outstanding achievement
- Los Alamos Nat'l Laboratory's "HIV/AIDS in the Workplace"
- Campaign for Tobacco-Free Youth to discourage youth smoking (pr 3/25)