

ACCOUNTING MEGAMERGERS, KNOWLEDGE MOVEMENT = PR COMPETITION

With the once Big 8 now the Big 4, and giants like the \$18B Ernst & Young - KPMG Peat Marwick combine & the \$13B Coopers & Lybrand - Price Waterhouse going after consulting work a la Anderson Consulting -- offspring of another auditing giant -- pr firms face an ever increasing challenge. So do all professions, since these guys claim to do everything.

And they have direct access to CEOs to make their pitch.

Some see ethical problems, which might get FTC to stop the mergers. If one of them is after a big consulting deal, will they go easy on the audit? If the multi-million fines paid by Big 8 firms in the S&L scandal are an indication, they will even cook the books -- or look the other way.

KNOWLEDGE MATTERS, NOT INFORMATION

Who would disagree? PR is too often caught up in information transfer. A new breed of "knowledge officers," the CKO, (see prr 8/11) are appearing in many organizations, and their job is to wipe away the meaningless, even damaging flow of unconnected info & data; and get staff to focus on obtaining & transmitting the core knowledge which drives the organization & makes it what it is.

This knowledge base should be the core of pr dep'ts. McKinsey mgmt consultants, e.g., have coordinators in every practice area who guide case consultants to "use tactic x." Coordinators are in effect sources of the firm's accumulated knowledge. Nothing really new -- but a new emphasis.

Some theorists of the knowledge movement -- e.g. Verna Allee of Integral Performance Group (Walnut Creek, Cal) -- give a wide realm to the field. She feels knowledge includes not only obvious tangibles like patents, but also in-house experts (a la McKinsey), shared stories, working solutions, **internal & external relationships**, practice models, databases etc.

Stay tuned. A good review of the movement appears in this month's *Management Review*, published by American Mgmt Ass'n (copy: 212/586-8100).

ITEM OF INTEREST TO PROFESSIONALS

Truth vs. fraudulent info another big Web problem. It's difficult for consumers to tell authoritative info from high-tech frauds & self-promoting cure-alls, notes Peter Goldschmidt of Health Improvement Institute. There are over 10,000 health-oriented Web sites & he claims "the Internet is becoming the predominant way for people to obtain health information." To combat the problem, Institute is holding a 1-day workshop Nov 17 in Bethesda, Md, to explore ways to enable consumers to evaluate the quality of health info on the Net, to tell fact from fraud. Workshop is co-sponsored by Amer Ass'n of Working People, Consumer Coalition for Quality Health Care, Medical Care Mgmt Corp, US Agency for Health Care Policy & Research, US Food & Drug Admin, US Pharmacopeial Convention & the World Health Org'n. (More from 301/657-0404; or e-mail, hii@mcman.com)

EXPERTS: IN DEVISING A MEDIA STRATEGY, MAKING SENSE OF NEW AND OLD MEDIA STILL IMPOSSIBLE

Before helping clients & employers pour resources into new media, consider what experts say when giving a balanced account amid the hype. Never forget: just as it is media folks telling us how important media are, it is the computer industry shouting about how great new media are.

- **Trust level not there yet.** Only 1.6 million people are willing to make financial transactions on the Internet, according to America Online. Tho 50% of all electronic transactions happen on AOL, only 9% of AOL's customers are involved. "That's not a lot," Peter Temes of Temes Consulting (Internet content developers) told prr: "We're a lot earlier in the evolution of this than most people think."
- **Offbeat bunch.** "This is a special group of distinctive individuals who speak a different language than your typical customer. They're a little better educated; have a little higher income; are very impatient. They don't read much; they don't scroll."
- **Soundbite theory applies here also.** "When you build your Web site, you have essentially one screen to **give them something of value**. You have to find a way to get a lot of information into a small space -- into a telegram. And it can't be a gimmick. It has to be real & of value; not fun or flashy," advises Temes.
- **"People won't do what you want them to do on their first visit to your Web site. They won't give you information, they won't buy. They must first develop trust in you as a provider of information."**
- **Getting ahead of reality.** "Some companies have their entire business plans based on the assumption that the tv, pc & telephone will be connected within 5 years. But it's a fallacy that people will soon be using the Internet for everything but going to the bathroom," believes Roger Selbert of *FutureScan*, a trends newsletter.
- **"If you're not prepared to have the equivalent of one full-time individual keeping your site fresh & correct, you'll probably do more harm than good. Information must be updated at least weekly, if not daily. You'll wind up with people looking at you as just another company that has planted a cheesy billboard along the side of the road."**

"You can't build a brand on the Internet, unless it's something specifically related to the world of the Web." It works "only for a brand people already know, where confidence & loyalty already exist."



BUILD RELATIONSHIPS ON THE WEB WITH INFO, NOT BELLS & WHISTLES

- **To build a relationship on the Internet, sites must provide useful information for free.** "Information is the only thing of value that communicates thru the Web. It's the only thing you can absorb from a site & take away with you. Even more than interactive gaming where you may have a great experience but you don't take it away."
- **Web sites must go beyond the banners & easy promotions.** "Opportunistic marketing falls flat on the Internet."
- **"The question is, is your site providing any service?** If not, you haven't adapted to the medium. If you're a citizen of the Internet, there's something almost offensive about someone taking up space doing nothing but telling you who they are & that they're good." (More from Temes at 1305 Post rd, Fairfield, Ct 06432; 203/259-4294)

This week's t&t gives tips for writing electronic publications.

EXECS OF OLD MEDIA FEEL NEW MEDIA WON'T REPLACE THEIRS

Will "new media" (PCs, VCRs, faxes, CDs, on-line computers, the Internet, e-mail, interactive tv, car phones, satellite dishes) displace "traditional media" (newspapers, mags, radio, tv, books, movies) as the way adults receive & process info within 10 yrs?

Just 16% of top news execs at major newspapers, mags, radio & tv stations think so, reports survey of 554 of them conducted by Ketchum PR for Va Commonwealth U Schl of Mass Com'ns & AP Managing Editors. Biased group -- but knowledgeable on a daily, working, shirtsleeve basis.

NEW MEDIA: DESPITE WEAKNESSES & STRENGTHS, IT'S HERE

- **One weakness of the "new media,"** say 76%, is there are no editors, no controls, no gatekeepers -- "anyone who wants to can say or do what he or she likes without any mechanisms at all for effectively 'channeling' the information flow."
- **On the flip side,** 65% say a strength of the "new media" is consumers' ability to be their own editors, picking & choosing only info they want. Dan Edelman concurs (pr 10/13), noting opportunity "to go directly to consumers & other publics without the screen of the 3rd party reporter."
- **82% concede it would be foolhardy to ignore the importance of the "new media"** as a means of information dissemination. However, in the next decade, "traditional media" will continue to be relied on by most adults as their primary info source.

CIVIC JOURNALISM: CONTROVERSIAL, BUT MANY SEE STRENGTHS

- **51% believe civic journalism results in better reporting** of community issues; 41% strongly disagree that it is little more than a gimmick to make publishers feel better about themselves.

- 56% strongly agree that for many news org's "civic journalism" (where media plays a role in community events & activities by sponsoring civic forums, discussions, etc; see pr 9/5/94) has become an important means of enabling them to "reconnect" with their alienated communities by paying more attention than they have in the past to what people think.
- **News execs are divided** on this statement: "Those who practice 'civic journalism' unfortunately cross the line between reporting & advocacy -- putting journalism's ebbing credibility in further peril." 35% strongly disagree; 29% strongly agree; 34% are undecided.

EDUCATION: PR STILL A PARIAH TO JOURNALISTS

- A bare majority (51%) believe it's important for practicing journalists to obtain a far better understanding of the strategies, tools & techniques of related fields like adv'g, pr & interactive marketing com'n.
- Broadcasters (54%) are more likely to see value in broadening their understanding of adv'g, marketing & pr than those in print media (45%).
- But 55% believe j-schools that succeed in the next century will be those that offer training & courses in integrated com'ns, including journalism, adv'g, marketing & pr.
- Altho slight majorities feel it's very important that j-schools offer courses in pr (55%) & adv'g (52%), there's skepticism. 68% feel "it is important that j-schools concentrate on what they were originally created for -- to train & educate journalists -- & not drift too far afield into disciplines or practice areas."

SELF-DELUSION: APPARENTLY DON'T READ OWN FIELD'S RESEARCH

- 34% disagreed with the notion that "people simply do not have as much faith in, nor do they believe as much as they used to, the information they receive thru the 'traditional media.'" However, 30% strongly agreed; 35% were not sure how they felt.

(More from Walt Lindenmann, 212/448-4213)

NEW CONSIDERATIONS FOR CREATING COMMUNICATIONS STRATEGY

1. **Communications products are now secondary** (support or reinforcement) elements -- not first strike, primary means. Face-to-face is primary.
2. **Push media** have one role: putting subjects on stakeholders' agendas that won't get there by other means. They are resisted today fiercely as intrusive -- arrogant attempts "to give me info I never asked for."
3. **Pull media** like the Web are only useful if a) someone is ready & eager to pull the info, or b) you promote usage like crazy.
4. **JIT media** (just in time) are ideal; they arrive at the "interest" stage in Diffusion Theory, or the "triggering event" in the behavioral model.