

COMPANIES SLOW TO VALUE PRE- & POST-PROMOTION RESEARCH

"Knowing what attracts consumers' attention can save dollars invested in programs that often fail to produce results," says Jean Farinelli, CEO, Creamer Dickson Basford. Firm's research subsidiary conducted a survey about point-of-sale (POS) -- i.e. point-of-behavior -- promos that found:

- Only 25% of consumers shopping in supermarkets notice POS promotions on product packaging
- Of those who do, only 2 of 5 will purchase that product
- Point-of-sale promos are most effective when geared toward a) the young, b) single, c) less affluent shoppers, according to the survey.

CDB is working with a British research firm to formulate marketing techniques that access demographic groups currently less affected by POS -- a) the middle-aged, b) married, c) the wealthy. (More from them at 350 Hudson St, NYC 10014; 212/367-6800)

A LOOK AT GENERATION 2001 -- THE COLLEGE CLASS OF THAT YEAR

Findings are based on a survey of 2001 students from 101 colleges & universities around the country:

- Key to Happiness. 77% believe strongly it is close family relationships
- Trust. 79% trust the moral integrity of their grandparents' generation, 68% their parents' generation, 25% their own generation, 19% GenXers
- Advantages. They see technology & better career opportunities as most important
- Disadvantages. Crime/violence & drugs are their biggest disadvantages
- Career Components. Most important are:
 - Doing work which provides the opportunity to help others (65%)
 - Having idealistic & committed co-workers (62%)
 - Doing work which requires creativity (47%)
 - Earning a high salary ranks 5th in a list of 12 components
- Eleemosynary. 90% say helping others is more important than helping oneself
- Volunteerism. 73% have volunteered in the past year, 92% say it's likely they will in the future
- Issues of Concern. 68% are very concerned about the education system; it ranks first among issues they believe gov't or society should address
- Looks. 91% are satisfied with their physical appearance
- Don't Trust News Media. Among 10 political & social institutions, press & media ranked lowest -- 33% gave them a grade of D or F

Survey was commissioned by Northwestern Mutual Life. (More from them at 800/567-2001; www.Northwesternmutual.com/2001)

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USE OF & CONFIDENCE IN NEWS MEDIA CONTINUE TO PLUMMET

From '86-'96, 25% of Americans followed major news stories "very closely." This year, that number fell to 19%. Only one story united most Americans: the death of Princess Diana. 54% paid very close attention to that story.

1. Top 10 '97 stories, nearly all entertaining or voyeurism rather than enlightening. Only one affected personal behavior -- tainted meat.

% Followed
Very Closely

Death of Princess Diana	54
Dispute w/Iraq re: UN inspectors	44
Hamburger meat recall	40
Timothy McVeigh Trial/Verdict	39
End of UPS strike	36
Floods in Pacific Northwest	34
Heaven's Gate mass suicide	32
O.J. Simpson civil trial/verdict	30
British au pair trial	29
Birth of septuplets in Iowa	29

2. Not one domestic policy story out of Washington made the top 10. Only 49% paid "very" or even "fairly" close attention, compared to 62% in '93. Top 5 policy issues were: a) Social Security reforms; b) IRS reform; c) federal budget; d) late term abortions; e) Medicare reform. 3 of these could impact readers/viewers/listeners, but apparently they'd rather cry over a faraway princess or see O.J. & the au pair in court.
3. Even scandal failed to arouse much interest. At the height of public interest, Senate hearings into allegations of campaign finance irregularities by the Democrats drew "very close attention" by just 19%. Nor did the heavy news coverage harm Pres. Clinton's popularity. For the first time, his approval ratings stayed comfortably above the 50% mark all year.
4. Wise public separates private life from job responsibility. In another survey conducted Jan 30-Feb 2, Clinton's approval rating rose to 71%. Why? Respondents cite his State of the Union speech (20%); ability to carry on despite the sex-scandal controversy (13%); heightened news coverage of his presidency -- the "spell my name right" syndrome (11%).
5. Press enmity actually helps. "Sympathy for a president beleaguered by a press perceived as biased & inaccurate is an important element in Clinton's support."



- "Overall, the public gives press coverage of the scandal a mixed [but mainly negative] rating: 51% fair/poor vs. 46% excellent/good
- "But Americans are highly critical of the media's fact checking, its objectivity & the amount of punditry associated with the story.
- "Strikingly, 69% of Pew's respondents think most reporters presume Clinton is guilty of perjury, while only 9% of the public think this is definitely true."
- 6. **Press criticism:** 39% say it keeps leaders from doing their job, up from 18% in '94. Only 55% now feel criticism of leaders by the media keeps them from doing things they shouldn't; down from 69% in '94.
- 7. **Anti-social media.** 65% say the news media get in the way of society solving its problems; only 29% say news media helps solve problems.
- 8. **Criticism of press practices** has driven down the number which has "very favorable" views of the media in recent years.
 - In this poll, only cable tv news got such approval from as many as 1 in 4 Americans (26%).
 - Ranking of others were: network tv news (16%); local tv news (19%); **large nationally influential newspapers (9%) -- the ones most courted by practitioners;** daily newspaper you're most familiar with (18%).
 - On the flip side, 22% rated network tv news "mostly" or "very" unfavorable. [See also p. 4, final story]

DO GOOD TIMES EXPLAIN FINDINGS?

In '97, Americans experienced high personal contentment, low news interest. For instance:

9. **47% say they are highly contented with their lives** -- a jump of 10% in just the last year & 9% higher than at any time in the past 30 years.
10. **71% say they never doubt the existence of God** -- an 11% increase over the past decade.
11. **But interest in news continues to decline.**

(More from Pew Research Center, 202/293-3126; <http://www.people-press.org>)

STRATEGIC PHILANTHROPY NOT AS STRATEGIC AS MANAGEMENT CLAIMS

Survey of 226 Fortune 1,000 companies found that 55.2% seldom or never attempt to measure the direct impact of contributions on business goals. 26.8% evaluate sometimes; 17%, often or always. Findings, by U.N.H. prof Jerry Marx:

- Nearly 90% of companies in the survey say they practice strategic giving

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- **Business goals considered important or extremely important** by strategic philanthropy programs:

High quality of community life	96.4%
Favorable company image	95.9
Improved community services	93.8
Racial harmony	83.5
Positive media coverage	79.9
Increased employee loyalty	79.4
Maximum employee health & welfare	73.2
Highly trained employees	65.5
Expansion of existing markets	50.5
Development of new markets	47.9
Increased sales	38.7
Minimal government regulation	34.5
Reduced taxes	26.8
Reduced legal costs	20.1

"Although improved public relations is an important benefit expected from strategic philanthropy programs, it may not be the only, or even the primary, expected return. Three of the top four goals relate to the community ... and may reflect a growing awareness in corporate America of the importance of positive community relations to achieving strategic business objectives."

- **Those who attempt to measure the direct impact of contributions on business goals & objectives** use:

- | | |
|---|-------------------------|
| a) Existing data from outside sources (35.6%) | b) surveys (35.6%) |
| c) media analysis (34.5%) | d) focus groups (21.6%) |

Marx found many of the 194 strategic philanthropy programs in this study do not use a formal data collection process to evaluate their program.

STRATEGIC GIVING REQUIRES FOCUS

"Companies, thru the strategic mgmt of contributions, are focusing more resources on fewer social issues & on those that directly affect business success." Examples:

1. Chrysler reset its giving priorities from the general category of education to the more focused issue of job training for prospective employees
2. AT&T, which plans to enter local telephone markets, is currently redirecting its contributions to local groups such as the NY Public Library rather than national & international groups

DATA SUPPORTS PREVIOUS RESEARCH

Marx's findings are consistent with a study done in the 80s by the late Swede Johnson for CASE (Council for the Advancement & Support of Education).

- He found that 99% of donors to colleges/universities were not getting much of anything in return for the money they were giving, particularly for scholarships.