

First-of-the-Year Issue

MILLENNIUM - SIZED CHALLENGES FACE PR AS NEW ONE BEGINS

Yes, '01 is the first year of the millennium – not '00, which was the last year of the 20th C. But this is an unimportant detail in light of the jumbo issues practitioners will deal with during this new year.

- The knuckle breaker is, of course, preparing to handle a decline in the economy ([pr 12/11/00](#)). Who can help mgmt determine if it will be a soft or hard landing – or if the accumulating evidence the economy is headed downward is only a blip?

From the many other trends & issues that might be highlighted – the issues list does grow exponentially these days, for a variety of reasons – here are 4 biggies.

1. SORTING OUT E-WORLD & “NEW ECONOMY” = BACK TO BASICS

Adjacent copy in *The Wall Street Journal* last week showed how trends today *fade* as rapidly as they *start*. A review of *The Coming Internet Depression* (n.b.) appears directly above an ad headlined: “Want to be a winner in the next economy? Going digital is the last thing you should do.”

- The former may be typical e-world overstatement. But the latter can't be taken lightly, because it's an ad for another book, *How Digital Is Your Business?* – written by Mercer Mgmt Consulting's Adrian Slywotzky & David Morrison. The book postulates:
 - “*Start with the critical problems faced by customers, then focus technology on solving those problems.*” The dot.com collapse, say the authors, is caused by companies with no business plan, i.e. solving no customer problem. Proof: bricks & clicks (online versions of real stores that succeeded before digital because they served a need well) are running away with e-commerce
 - Their subsequent *Fortune* article titled “Going Digital? Think First” turns out to be a double entendre, meaning both a) think about your basic business plan before going digital – but also b) the major problem with doing things at e-speed is it eliminates time to think, which would appear to be the explanation for the foolhardy, faddish acts by entrepreneurs, Wall Street & venture capitalists the last few years
 - **Org's, from companies to school systems, should go digital only if they're really solving customers' problems.** Digital tools are more-then-ever pull, not push, media. Dot.coms go broke because promotion to get people to their sites is too costly. But where a solution exists, these costs are minimal since once stakeholders use the Website, Intranet or whatever, they come back again & again because it's in *their* interest

- Makes sense – & demonstrates why doing anything because it's “the thing to do” or “everybody's doing it” is nonsense. Worrying about “real time” in a vacuum can defy common sense (note how often that word appears in this sentence ... for good reason)
- Authors' rule: **Don't go digital until you're ready**

THE OUTLOOK NOW

Last year at this time the vaunted e-economy was to change everything. Does this twist hold meaning for pr's use of hi-tech tools as well as for the economy & individual org's? Council of PR Firms' study, out 2 weeks ago, says no – Net will double size of profession ... by 2003. Granted, study was being done before e-economy trended downward – & by one of the firms that was hyping it before.

- But even if only those digital tools that make sense survive, there would appear to be growth here for pr – tho maybe not to the extent or date the above study reports
- **The pace may slow, but by all means don't fall off the wagon** (More from www.imtstrategies.com/presentations/PRwhitepaper3.pdf)

HOW BROADLY BOOKS NOW DELIVER MESSAGES & VIEWPOINTS

How Digital Is Your Business? is published by Crown, but also available as an e-book & as a Random House AudioBook. More info & downloading of excerpts from www.howdigitalisyourbusiness.com. And – it spawned a series of articles in *Fortune*, *The Standard* & other media, plus book reviews. Mercer is, of course, using it in its consulting practice as well. Handled this way, books have become even more powerful tools; instead of destroying books, the e-world has added to their reach with print, audio, ebook, Web excerpts, articles, reviews (& the last 2 are also on the Web as well as in print).

2. GOOD OL' RADIO MAY BECOME AN IMPORTANT PR TOOL AGAIN

Prediction: local stations will revert to news & talk, especially the opinion-leader reaching NPR affiliates, as the only way to differentiate themselves – because of 2 imminent triggering events:

1. **Launch of 2 national radio channels**, XM & Sirius, this month. These are *national* channels, broadcast via satellite. Each will have 100 stations, expected to be half music, half talk formats. Sound will be digital quality (think CDs). You'll need a special radio or adapter to get them at first, & they may be by subscription initially (\$10/mo) – but once tuned in you can drive from Eastport, Maine to San Diego, from Seattle to Miami without moving the dial or any interference or fading
2. **Launch of low power super-local FM stations**. The first 255 licenses were granted in 20 states last month & will become operable within weeks. Those in the other 30 states will be granted early this year. Covering only about 3-1/2 miles of territory, they are being awarded basically to public interest organizations, churches, universities, schools & the like

IMPLICATIONS FOR RADIO

Whatever music format local radio uses – there are few talk radio stations left – it will be available with multiple choices on national radio. Even specialty formats like Spanish language will have maybe 20 choices.

The classical music/jazz/folk backbone of public radio will have dozens of national competitors.

But a station that switches to covering local news, offering once-popular local talk shows & featuring local talent can probably prosper by “putting Jones County on the air.”

There are issues. Will all national ads go to national stations? FCC estimates 18% of radio ad dollars now are national. Whether or not national ads are lost, can local ad revenue cover the cost of news operations? It's far more costly than flipping discs – but talk & call-in shows aren't much more expensive than disc jockey shows. Will low-power specialty stations draw off enough listeners to destroy regular local stations? (That's why the broadcasting industry forced Congress 2 weeks ago to severely cut the number of local licenses FCC originally planned). Will more than a handful listen to low-power radio? Indeed, will enough tune in or subscribe to national stations to make them viable?

- **One thing's certain: There will now be AM ... FM ... XM ...& Sirius all after the nation's ear. And don't forget Internet radio, which is moving from simply carrying existing stations to real stations with their own programming**

IMPLICATIONS FOR PR

Radio will now be a medium of supertargeted, segmented stations, not just by geographic area but *within* geographic areas. Like magazines & cable tv, there'll be a specialty outlet for every interest – locally & nationally.

1. This will be a **huge new outreach opportunity** for practitioners, like the old days when radio placements were important
2. The audience will be **pre-selected for targeting**
3. **The need for content will be immense.** Stations will embrace pr pros who can provide balanced, objective material & not over-hype their client/employer

One media irony: Despite their fragmented & badly declined readership, newspapers are now the major “mass media”. The exception is a few occasional network or syndicated tv events, but placements there are rarely available – well, a few “product display” opportunities, maybe.

This is no fly-by-night. Both XM & Sirius are \$billion investments to date with very large broadcasting facilities ready to go, e.g. XM has 80 studios. XM's investors include DirecTV, GM & Clear Channel; with Hughes providing the satellites. All car brands have agreed to build in receivers. (For info on how the systems work & much more, call or email pr so we can supply specific interests from our data file on the subject)

3. MINORITY & INCLUSIVITY ISSUES BACK WITH A VENGEANCE

US has made real gains – but a new generation that did not experience the civil rights & women's rights struggles is demanding instant gratification. Since this is a posture US society strongly imparts to its young, the situation should not be unexpected. Some of the events that suggest these issues will be big:

1. **Workplace lawsuits** simultaneously against 4 major Atlanta companies – Coke, Georgia Power, Lockheed Martin & Home Depot – with participation by big name attorneys & request for class action status, appear to be part of a concerted effort

2. **Similar suits elsewhere including one against Kodak**, which is significant since the company was the defendant in the first major action of this type decades ago & seemed to be a leader in policies of inclusivity. A court in the Burger King case decided against plaintiffs – but that probably only increases bad feelings & perceptions of unfair treatment, whether actual or not
3. **Mitsubishi's celebrated sexual harassment issue**, supposedly resolved, is getting media coverage again suggesting the company didn't adequately follow thru – or maybe take the incident seriously enough. Could explode once more, stimulating cases elsewhere
4. **State flag issue that beset S.C. is starting in Mississippi**. Methodist, Catholic & Episcopal leaders are calling for a new flag that omits the Confederate battle emblem, which they feel is racist. Others see it as simply Southern heritage
5. **Pres-elect Bush's almost total rejection by African Americans** (90% voted for his opponent) & loss to Gore among women & Hispanics (excepting Miami area's anti-Cuban faction). Naming 2 blacks, a woman & an Hispanic as his first cabinet choices is seen so far as too obvious a ploy by leaders of these groups. His performance may be critical to holding inclusivity issues in balance
6. **Harvard law professor's proposed suit for \$trillions to compensate for slavery**, due to be filed this year if plans mature, can only enflame the issue however right its justification may or may not be
7. **War on Drugs, harsh prison sentences, death sentences, profiling** for motor vehicle stops by police all seem aimed at minorities, particularly blacks. Arab Americans are reportedly subject to airport search or detention far more than other travelers. Such items are daily news & passions are rising – not just among minorities but civil libertarians & fair-minded citizens, as letters-to-the-editor, lawsuits & statements of outrage demonstrate
8. **Immigration** will “enflame passions & become a major polarizing political force” predicts *The Trends Journal*. Ironically, this contrasts with rising anti-Americanism abroad due to American culture's “emphasis on violence, mindless consumption, fake sex & real stupidity” which are viewed as “numbing & dangerous”

Open question: will Hispanics/Latinos/Chicanos join in this year? Without a successor to Cesar Chavez, there have been no visible issue-raisers – to date.

PR HAS AN ETHICAL & VERY PRACTICAL ROLE

Coke's settlement for \$200 million, on the heels of Texaco's earlier costly case, should make the CFO an ally, even if others in sr mgmt are focused elsewhere. Evidence in the cited case & others shows many execs assume inclusivity issues were resolved long ago – particularly since most org'ns have policies in place. Practitioners will do themselves & their org'ns a huge service by making the time to:

1. **Carefully review the policies** – or better yet, get a reliable, experienced, independent outside source to conduct a review. Equal employment, hr & other concerned offices should be involved, of course, but it is reputation & public relations that get battered when cases arise. PR has an obligation to take the lead here, as well as a self-interest

2. **Inject yourself into whatever unit is assigned to monitor policies** – usually hr or EEOC – to be sure managers & employees are walking the talk. Nearly always the reputation-damaging issues appear because mgmt got overconfident or slipshod. These are New Century issues, not left behind in the 60s. When they hit, they hurt
3. **Be sure communication, sensitizing & training in showing respect & dignity** to all are not only in place, but fresh & effective. This is a customer, vendor & supplier and community issue as well as a workplace one
4. **Remember, inclusivity is more an opportunity than a problem!**

4. ENVIRONMENT IS A LIVE ISSUE, BUT WITH NEW PERSPECTIVES

Not a big topic in the elections – but mentioned, even hotly on occasion, by the major candidates. And remember the 3 million that voted for Nader's Green party. One of Pres Clinton's final decrees will be to make vast acreages of national forests roadless. One of the first of Pres-elect Bush's initiatives may be to attempt opening the Arctic wildlife preserve to drilling.

- **Symbol:** head of TVA, US' largest electric utility, predicts combination of deregulation of electric industry with resultant power shortages, price rises in both natural gas & oil, & clean air requirements may revive *nuclear power* – once the most emotional issue of the era
- **Augury:** EPA has begun filing suits against *colleges & universities* for pollution discharges or mishandling of toxic substances. Agency is also, after years of discussion, promulgating rules to require power plants to control release of mercury by 2004
- Global climate change (industry's semantics) or global warming (public's phrase) could be the new mantra – & even the oil industry is divided on this one. BP's stakeholder-friendly approach is to advertise that its initials stand for Beyond Petroleum. Others in Big Oil want to avoid the subject

WHERE THE PUBLIC STANDS

Wirthlin Worldwide's tracking study finds "2/3rds of Americans surveyed feel that environmental standards cannot be too high & continuing improvements must be made, regardless of cost."

1. Water & air pollution remain atop the list of public concerns
2. Hormone disrupting chemicals & global warming are the fastest rising topics

Another issue that didn't go away with the 70s. (More from www.wirthlin.com/publicns/library.htm)

OTHER TRENDS PRACTITIONERS SHOULD BE AWARE OF

THE MOST COMMUNICATED TOPIC EVER SHOWS HOW INEFFECTIVE WE ARE

AIDS has been described as such. It's part of comic strips & sitcoms, safe sex is taught in schools etc etc etc. Is this info transfer working? Consider these data, showing adults & children living with AIDS/HIV at end of '00 – & percent increase *in the last year*:

North America: 920,000 (+5.1%); Latin America: 1.4 million (+12%); Western Europe : 540,000 (+5.9%); Eastern Europe & Central Asia: 700,000 (+55%); North Africa & Middle East: 400,000 (+25%); Sub-Saharan Africa: **25.3 million** (+17.7%); East Asia & Pacific: 640,000 (+25.5%); South & SE Asia: **5.8 million** (+16%); Australia & New Zealand: 15,000 (+3.5%)

UN's AIDS unit, source of this data, calls it a global epidemic. Drug companies are donating \$millions in medicines – but sooner or later individual workplaces, educational institutions & other org'ns will have to make this a survival priority – perhaps in '01. Just read the numbers ...

SIGN THAT RELATIONSHIPS AS THE BEDROCK OF PR IS BETTER ACCEPTED?

Jack O'Dwyer, unyielding advocate of the thesis that pr = media relations, or at least information transfer, wrote this in his final newsletter for '00:

“Among the trends & developments in 2000 was this one: the shift in pr from urging clients to provide information to their customers to urging them to ‘build relationships’ with their customers.”

Highlighting the difference in philosophies & approaches to the field – which many observers cite as the reason it has been so difficult for pr to get the organizational & public recognition it deserves – is that pr began advocating for relationships over information transfer, or even 2-way communication (which is not the same as building relationships), in the 70s.

It should be noted, however, that in his 1966 book, *Communications & Public Relations*, Boston University pr instructor Ed Robinson already postulated that the only goal for pr is *behavior*.

SIMPLY IRONIC, OR MIGHT OTHER USE OF NAMES OVER TIME HAVE IMPACT?

A major global issue in the early years of the millennium will be genetically designed seeds, cloned animals & similar manipulations of nature. The first round is being fought over seeds & the resulting crops, as seen in the ongoing struggle to locate which grocery products may have erroneously included genetically modified corn.

Irony: these seeds & crops are referred to as GE (genetically engineered) or GM (genetically manipulated or modified). Will the giant global corporations with those same initials feel an emotional, if not actual, spillover? Will it start opponents of GE or GM food materials paying special attention to any perceived bad behavior by the two corporations? The power of semantics & association are well known in pr.

FOR FIRST TIME SINCE ITS ORIGIN IN 1887, AT&T IS REDUCING ITS DIVIDEND

Reason given is debt reduction, following its buying binge to become the largest cable company. But AT&T isn't an old economy outfit, for that very reason – plus its use of both Roadrunner & Excite at Home fast Internet connectors & other projects. Never mind that the string is broken, is there another company with such a record? Defunct Scovill Brass, headed by the lionized Mac Baldrige (the Baldrige Awards), claimed it had paid dividends since the 1790s – but it was acquired & merged several years ago. Most of the former big names seem to have some success fatigue.

