

German engineering, reasonable price, durability. **Emotional wrappings** are the bug's nostalgic appeal, image of independence, promise of fun. "Put it all together and you get Brand Essence."

Alberti and colleague John Isaf developed a methodology that applies this approach to investor relations strategy. "Arnold Capital Insight (ACI) recognizes that investment decisions, whether made by an individual investor or a mutual fund manager, include consideration of both rational factors based on fundamentals and emotional considerations of intrinsic value." He says it's important to understand not just the financial performance of a company, but also subjective types of things – management philosophy, credibility, corporate culture, et al. "It's all about providing the rest of the story, the invisible message."

ACI looks at the value of the entire franchise and breaks down a company's financials, strategy, vision, role of management, brand strength, etc. – all the drivers of long-term value – then from this creates and supports a positioning that cuts through the Wall Street clutter. The end result is an enhanced valuation and greater equity in a company's corporate brand.

From bull to bear, from GE to Enron, people need a context to understand the following 5Cs:

1. **Credibility** – believable message and management
2. **Core** – what it is companies do and how they generate earnings/cash flow from it
3. **Context** – the environment that makes metrics meaningful
4. **Clarity** – plain-English jargon-free detail and
5. **Consistency** – message acceptance through repetition

(More info from Alberti @ 617/587-8912.)

¶**Of related interest:** Investments in brand development, training and R&D now exceed total investments in tangible assets. At least a third of a mature company's value is attributable to nonfinancial information, according to Center for Business Innovation. More from www.cbi.cgey.com or by calling 617/761-4021.

ITEM OF INTEREST TO PROFESSIONALS

¶ **Country's Best Graduate Programs In PR** are offered at the U of Maryland, Syracuse U and the U of Florida, according to a national directory of top pr programs compiled at Marquette U (Milwaukee). Directors of the 45 collegiate programs profiled in the directory, *Graduate Study in Public Relations*, were asked to name two of the best programs in the country (other than their own). From those recommendations, along with schools' evaluative info, 16 "Premier Programs" were selected and are displayed in the directory. Along with the top three programs listed above, are: U of Georgia, Northwestern U, San Diego State U, U of Southern Calif, U of Louisiana (Lafayette) Florida International U, Boston U, U of NC, U of Colorado, U of Miami, U of South Alabama, Purdue U and Colorado State U. (More from Bill Baxter @ 414/761-2191; Racer1931@aol.com)

"Communication within organizations is key," says Alberti. **Top management should explain the company's capital positioning to employees so the employees also embrace it.** "These are the kinds of things that drive the bottom line.

"Many companies are still focusing only on the numbers side of their business, not balancing their brand. Management on down needs to communicate that it practices what it preaches. Managers need to define their market – and decide how they are going to address needs, meet expectations."

BALANCING PRIVACY AND SECURITY – THE HOT ISSUE OF 2002?

IBM has established a Privacy Institute and Privacy Management Council to address privacy and data protection issues. Its concerns are on two fronts: 1) giving companies more power to control the flow of data (whether from internal, partner or customer sources) and 2) letting businesses extend more security and privacy options to online customers (business and consumer alike). IBM's Privacy Management Council is currently conducting research on next-generation software. "**We are clearly in a time where the balance between privacy and security is going to sharply intensify,**" notes Harriet Pearson, IBM's chief privacy officer.

Forty-seven percent of privacy officers in consumer services industries "recognize **privacy as a competitive edge issue with consumers** where they want to play a leadership role," says Alan Westin, Columbia University professor and president of Privacy & American Business (P&AB). This finding is based on a survey of privacy officers commissioned by the Association of Corporate Privacy Officers (ACPO) and developed as part of P&AB's Corporate Privacy Officer Program 2001.

THE FUTURE OF PRIVACY OFFICERS

The survey found that:

- 40% believe *more* than half (30% believe *almost* half) of US firms will have a designated privacy officer within the next 3 years
- Half of current privacy officers surveyed believe they will be serving as a corporate privacy officer at their present or another company 3 years from now; 18% think they will not be a privacy officer; 33% aren't sure

Survey Findings on What Is Currently Being Done:

- 80% have **online privacy notices & policies** for all the company's online or Internet operations; 12% plan to do this
- 70% are **conducting a privacy-risk assessment** of all personal info their company collects, how it is used and what kinds of privacy issues are involved; 22% plan to do this
- 69% have a **permanent Privacy Task Force** of reps from various business units and staff functions in their organizations; 15% plan to do this
- 66% have a **privacy policy** covering all consumer info uses in their offline operations; 25% plan to do this
- 62% have **designated a privacy rep** in all business units handling personal info, to help oversee policy implementation and raise issues of concern; 18% plan to do this
- 57% are operating a **formal complaint & resolution program** for consumers; 33% plan to do this.



- 56% are managing **privacy training for company employees**; 39% plan to do this
- 37% are conducting a **regular privacy audit** of company operations that involve personal consumer info; 49% plan to do this
- 36% have adopted a **formal privacy assessment process** for new products or services being developed; 40% plan to do this

(More from Privacy & American Business, 2 University Plaza, Ste. 414, Hackensack, NJ 07601; 201/996-1154; www.pandab.org. Full results of the survey, including details on how companies are developing privacy mgmt systems and problems they are encountering will be released in March at the 8th Annual National Privacy Conference)

TIMES ARE CHANGING FOR HEALTH COMMUNICATIONS

Reaching the public has become an entirely new ballgame – especially for health educators. Due to the increase in competition for consumer attention, and the variety in the consumers themselves, health educators need to venture down the path of **social marketing**.

Social marketing has been defined as “the application of commercial marketing approaches to social issues.” By addressing issues such as health, education or safety, the health educator can use a pre-tested methodology to reach, and perhaps motivate, a target audience to adopt a marketed behavior.

As social marketing integrates other disciplines, such as public relations, advertising and promotions, it seeks to persuade the target audience to adopt the marketed behavior by placing emphasis on the benefits of this behavior. Most campaigns allow the health educator to monitor the achievement and failure of individual campaigns, enabling changes to be made accordingly, thus maximizing their success.

With its continual development, social marketing is deeply rooted in ten basic truths:

1. **Social marketing is audience driven.** This speaks for itself. By conducting research we are able to better understand our audience’s perceptions on a variety of issues, allowing us to craft multiple messages across audiences.
2. **A simple message is an effective message.** Make the message single-minded and repeat it often. Remember the audience to whom you are speaking – keeping in mind their culture, education and familiarity with the subject at hand.
3. **A PSA poster or pamphlet is NOT social marketing.** Social marketing is “a comprehensive approach to a public concern.” Refer to the four Ps of commercial marketing – Product, Place, Price, Promotion (& 5 more from Pat Jackson: Packaging, Positioning, People, Perception, Participation)
4. **Good health is not always a motivator.** Consumers do not want to be bothered with time-consuming, costly screenings associated with preventive medicine. Social marketing needs to offer the immediate benefits, making change within their reach.
5. **Education is necessary.** Knowledge is critical but it does not motivate the masses. Social marketing illustrates the **link between the behavior and health** by finding a way to motivate consumers to want to change – perhaps a person-to-person relationship component like AA’s.

6. **You are not the audience.** As a health educator, your perceptions will vary greatly from that of the public. Be objective. Use research to compile audience perspectives, thus producing an unbiased response.
7. **Focus groups are for learning, not for confirming a bias.** Do not rely on research to confirm preconceived notions.
8. **A variety of approaches for message delivery improves consumer response.** This is often referred to as “integrated marketing.” For the campaign to be successful, the message must reach audiences through a variety of mediums.
9. **Make sure there’s an objective behind the creativity.** This needs to be driven by strategy. It is important to begin with a creative brief, referring to it often.
10. **A message that affirms** the audience’s core values will be effective. A message that is respectful of the consumer will be more effective than simply asking them to abandon their current, reckless behaviors.

(For more on social marketing and its effect on the value of health communications, refer to the Spring 2001 edition of *The American Journal of Health Communications*.)

PR FIRM USES BRAND BUILDING METHODOLOGY IN INVESTOR RELATIONS STRATEGY; AN INTEGRATED APPROACH IS NEEDED

Now more than ever, it’s imperative that publicly traded companies speak with One Clear Voice to ensure survival in a rapidly evolving marketplace. They must communicate “the invisible message,” i.e., those things people don’t see on the investment channel. “Communicate to customers, shareholders and analysts all with a single voice,” Bill Alberti, Arnold PR (Boston) told prr. “When a company can accomplish that, they will get long-term valuation.” This method is used in most “best practice” companies, he notes. “General Electric, for example, has a single voice, which translates its brand to a variety of publics.” [See prr 12/6/93 for Pat Jackson’s development of Total Relationship Management – a seamless One Clear Voice system]

Alberti says a swiftly changing Wall Street drives the need: Consider how:

- Reg. Full Disclosure, CNBC, the Internet, etc. have changed the nature of what IR, PR and consulting must be. These media “bring people (e.g., Michael Dell and the company he heads up) into our homes and turn them into household names.”
- Financials & earnings are under increasing scrutiny. “This is a new trend.... People are interested in what a company is doing in the marketplace.”

PROVIDING CONTEXT AND MEANING

In addition to demanding a single voice from CEO to business line managers to staff, today’s environment also requires context and meaning for a company to enhance its valuation. This involves brand building, and to do it successfully, Alberti says companies need to discern “Brand Essence.” “Look at a product or service and figure out what the rational components are, and what the emotional wrappings are all about.” He notes how Volkswagen’s “Drivers Wanted” campaign, developed by Arnold, reintroduced the revamped, classic Beetle. **Rational components** include sturdy,