

363 investors with 401(k)s or other retirement plans who had also invested outside their plans in stocks or mutual funds during the past two years were surveyed in February by Opinion Research Corp. Sponsored by TowersGroup, survey found:

- 43% of active, individual investors have less confidence in the stock market in the aftermath of Enron.
- Only 23% believe strongly in the stock market's ability to reflect the fair value of stocks.
- 88% believe Enron's execs, board, auditors or attorneys "intentionally" misled the public.
- For Enron's decline, respondents blame former chrm Kenneth Lay most, followed by former CEO Jeffrey Skilling & company's board of directors.
- On the positive side, 33% say investigation of the company's collapse will make investment information more reliable.
- To improve corporate integrity, 30% said to tighten financial reporting regs; 22% want to loosen the definition of criminal behavior so rogue corporate execs, directors and advisors can face criminal charges more easily.
- 70% claim they're comfortable with the amount of company stock in their retirement plans; 9% would like to own more - "calling into question reforms for holding company stock in 401(k)s."

Survey asked investors to rank the honesty and integrity of investment advice providers, auditors and corporate management on a 1-5 scale, with 1 being the lowest. Findings:

- 36% ranked corporate management 1 or 2
- 33% ranked directors 1 or 2
- Insurance salespeople got bottom rankings (1 or 2) from 51%, stockbrokers from 36%
- Highest rankings (4 or 5) went to bankers (39%), mutual fund companies (38%), financial planners (37%), accounting firms (34%) - despite Enron
- Respondents were divided on the honesty and integrity of securities analysts. 29% of respondents gave them the lowest ratings, 21% gave them the highest.

(More from Edward Sweeney at TowersGroup 212/354-5020 or edwardsweeney@towerspr.com)

COMMUNICATOR / MOTIVATOR MOST IMPORTANT QUALITY FOR CEO

A leadership survey of 150 top execs at Fortune 1000 companies asked: 1) What is the most important quality for a CEO to have in these difficult times? and 2) Who would make the best corporate chief exec (from among a list of 8)? Conducted for the Council of Public Relations Firms, survey found:

1. Most important quality for a CEO

Effective communicator and motivator	47%
Decisiveness	31
Being a visionary	15
Openness	4
Tireless and hard-working	2
Compassion/empathy	1

2. Best corporate CEO:

Dick Cheney	23%
Colin Powell	23
George W. Bush	15
Rudy Giuliani	15
Donald Rumsfeld	9
Tony Blair	9
Bill Clinton	3
Al Gore	0
Don't Know, Refused	2

"Executives put a premium on the ability of corporate leaders to communicate company policy and give direction with clarity and conviction, and to energize and motivate managers and workers alike," says Kathy Cripps, president of the Council of PR Firms. (More from www.prfirms.org)

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LONG - TERM BEHAVIOR CHANGE PREDICTED AS A FALLOUT FROM TERRORIST ACTIONS; HAS ONE SEMINAL EVENT DONE IT?

Pundits and practitioners alike have predicted long-term behavior change as a result of the tragic events of 9/11. The overwhelming fear that it induced among our publics was sure to change the way people would behave in many aspects of their lives, they said. And yet, aside from the airlines (though some are already looking forward to a time when they will regain pre-9/11 levels), many things have returned to normal. Consider:

- **Churchgoing rose right after the attacks**, from between 39 - 43% to 47%, according to a Gallup Poll. But by early November, attendance had dropped back to 42%.
- **Gun sales**, which, according to the FBI, had risen 15% in the two days following 9/11, immediately dropped back to pre-attack levels.
- **Home improvement sales** increased, supposedly because individuals became more focused on improving and appreciating what they already have as opposed to purchasing another home and moving. Some experts, however, attribute this tendency to the economy.
- **Hollywood worried about a "fundamental shift in popular tastes"** and thus delayed releasing shoot-em up, disaster movies. Case in point, "Collateral Damage" starring Arnold Schwarzenegger. Film was due out in mid-September, but release date was pushed back following the attacks. Eventually, the film industry was able to discern that many are still eager for this kind of fare and so released the film, which ranked #1 at the box office last month.
- **ABC News poll**, conducted in December, shows that although most people surveyed by phone (91% of 755) say the country has changed, only 55% say that they themselves have changed - and most of these make the distinction that the **effect has been psychological, not behavioral**. Seven in 10 say it's about how they "feel about things" and not how they live their daily lives.

TRIGGERING EVENTS NEED TO BE REGULAR AND OFTEN

Psychological theory shows that long-term behavior change must be the result of consistent and long-term reinforcement of the behavior

(remember Pavlov). Psychologist Michael Mills (LA) says it takes more than one stressful event to effect such change. "It takes about three weeks to get back to a sense of normality after a serious stressful event," he told prr. "Of course, the more serious the stressor, the longer the return to a sense of normality."

The Behavioral Model (see prr 11/4/96 or e-mail prr for a copy) speaks to the need for triggering events as part of a long-term strategy of relationship building and behavior change. **Engineering a series of regular triggering events into a strategic plan builds behavior change** until it becomes the habit that is sought.



IMPLICATIONS ARE IMPORTANT FOR PR

1. **Achieving the changes** that organizations seek from their stakeholders is a long-term process, one based on trust, credibility and transparent communications.
2. Once a desired behavior is established, (whether we've built it or it built itself) it is **pr's job to make sure no part of the organization does anything to disrupt the behavior** – just reinforce it. The adage that it is cheaper to keep a current customer than get a new one is a mantra for pr practitioners to use in searching the organization for actions that can cause negative changes e.g. poor customer service, marketing strategies that favor the new customer versus the old.

PRACTITIONERS TAKE NOTE: WHILE NATION RETURNS TO NORMALCY, NY STILL MOURNS – TAILOR MESSAGES ACCORDINGLY

A survey from Publicis Dialog (NYC) shows that New York City is still in mourning. This is indicated by the lack of a positive overall outlook for the future (42% NYC vs. 63% of the rest of the country) and reflected by spending behavior – 49% of New Yorkers cut back holiday spending from last year's levels while only 11% spent more than last year.

Publicis has conducted three consumer surveys since the attacks. It grouped survey subjects as "optimists" or "pessimists" based on answers to questions keyed to the Life Orientation Scale, a tool commonly used by psychologists. The latest survey shows that "optimists" are more willing to spend – "notwithstanding income level, daily mood or other factors." Significantly, income was not the determining factor as the richest pessimist actually spent less than the poorest optimist.

"One of the most interesting facts we have learned from this study is that consumer spending is driven more by an individual's psychological profile than overall consumer confidence," says CEO Maurice Levy. "Society's optimists, with their greater spending activity, will continue to support the economy." Regarding the

PREFERENCE FOR STRAIGHT-FORWARD MESSAGES

"We have long known that marketing messages are more effective when targeted to the individual. This survey indicates that businesses will be well-served to **focus their communications on optimistic messages in order to buoy the spirits of individuals and consequently the spending patterns of consumers,**" Levy says. Essentially, it's not about reaching high-income consumers, or offering big discounts, but rather about giving a voice to those who believe that America will soon recover. "Now more than ever marketers need to be sensitive. Americans are watching and acting on their beliefs."

The study shows that in general, the American **taste for messages that stress solidarity, patriotism, and "the good things in life" has waned** significantly since the weeks immediately following September 11. Optimistic consumers are less impressed by patriotic messages, with 59% of this group rating such messages "not at all motivating" compared to 36% of the pessimists.

Manhattanites, however, like messages that a) talk about improving the future, b) discuss a company's contribution to victim relief efforts, and c) express support for the troops. They also tend to find practical and entertaining messages slightly more motivating than others.

the country, but the study indicates just how much. "There is a sense that recovery is imminent, but it is clear that New York will need more time to recover, and the particular sensitivities and needs of the New York audience should be taken into consideration when designing all New York-targeted communications." (More from Publicis Dialog, 212/279-5215.)

GALLUP POLL CONTROLS DISCLOSURE OF ITS SURVEY OF ISLAMIC WORLD; SOME QUESTION PROTOCOL CHANGE

In what it called "possibly the most challenging project in Gallup's history," the Gallup Poll surveyed almost 10,000 Muslims in nine Islamic nations between December '01 and January '02. Gallup used to release this type of social inquiry (a recent subject was race in America) publicly without cost, says Michael Cohen, vp for pa at Fabrizio, McLaughlin & Associates (Alexandria, VA).

But it decided on a different model – a "world leaders summit" in DC on Feb 26 (as advertised in the Feb 9th issue of *The Economist*) where attendees willing to pay \$1,250 could listen to a presentation by editor-in-chief Frank Newport, and Richard Burkholder, director of international research, with comments by chrm Alec Gallup. Interested parties could also order a copy of the report, or arrange for the data and report to be delivered in an "on-site briefing by a senior Gallup scientist."

KEY FINDINGS

USA Today and *The New York Daily News* did report on some of the survey's major findings. A key finding is the strong feeling of resentment that the United States doesn't care about them. Only 12% say the West respects Arab or Islamic values, and only 7% say Western nations are fair in their perceptions of Muslim countries. Overwhelmingly respondents describe the U.S. as "ruthless, aggressive, conceited, arrogant, easily provoked, biased," reports Newport. Demonstrating enormous denial of facts – U.S. officials say all 19 of the hijackers are Arab men – only 18% of those polled (excluding Jordan, Morocco and Saudi Arabia, which did not allow the question to be asked) believe Arabs carried out the attacks.

FULL FINDINGS SHOULD HAVE BEEN RELEASED

Cohen isn't the only member of the American Association of Public Opinion Research who feels Gallup should have disclosed more information to the public. Dick Halpern of Strategic Marketing and Opinion Research wrote in an e-mail message: "Given the obvious impact of this poll on American public opinion and possibly US foreign policy, wouldn't it be appropriate for Gallup, as a patriotic gesture, to release the full findings so that interpretations of the data are not left just up to the media to craft their own story? I realize that the cost of the study was considerable and that Gallup has every right to recoup their costs and profit by making the findings available at a price. But these are unusual circumstances." In response to such critical reactions on www.aapor.org (American Association for Public Opinion Research's website), Newport's only compromise was to release information on the website about the sample design and other methodology used.

INVESTOR FAITH IN FINANCIAL INFORMATION SEVERLY DAMAGED

"The public's trust is the cornerstone of our capital markets. Enron's blow to investor faith is the Watergate of business. Trust will no longer be assumed. Companies will have to earn it with behavior, communications and leaders that inspire confidence," says Alan Towers of TowersGroup (NYC).