

Quarterly news for the Minnesota chapter, Public Relations Society of America (PRSA)

Blog on

Blogs are the latest advent for instant news on the Web. Haven't heard of a blog? Chances are, if you ask your son, daughter or the intern, they can probably point you to their favorite one.

The word blog is short for Web Log, which is essentially a web page where an editor (blogger) logs content in reverse chronological order and offers opinions on, rumors about or links to their favorite subjects.

Often blogs read more like a diary than a news story, but because they usually contain an editor's personal comments, a blog can be a powerful and timely way to distribute news about a product or as a tool to combat rumors on the Web.

Understanding a blog

As blogs become more prevalent, the chances that someone will post information about your company increase significantly. The good news is if you start monitoring blogs now, you will have a much greater chance of controlling the message and creating a positive story. Although you may not be able to prevent negative stories, you will — at the very least — be aware of the messages posted and gain knowledge about the process.

So where do bloggers get their information? According to Xenia Jardin (pronounced Sheni), an editor for the popular blog BoingBoing.net, the information comes from a variety of sources including first-hand accounts, readers, other blogs and, on occasion, public relations firms.

"If a public relations professional wants a blog editor to post information on his/her company, it is important to follow the same guidelines used when pitching any other journalist," said Jardin. "You have to get to know the blog, your audience and understand when the blogger is not interested in your topic."



photo by Christian Ristow

Susannah Breslin and Xenia Jardin

Who's blogging?

Blogs have made posting messages to the Internet easy for anyone with or without technical capabilities, so there is no clear answer to the question "Who's blogging?" other than to say just about anyone.

"There is a diverse universe of blogs out there, from award-winning blogs to 18-year-old Web-cam girls posting videos," said Jardin. "So the best way to learn about blogs is to get out there, rather than wasting time trying to pitch a blogger with no interest in you or your product, and get to know the individual blogger."

Susannah Breslin is a freelance writer and runs the wild Reverse Cowgirl's Blog. Written as a self-proclaimed attempt to justify her collection of porn, the irreverent subject matter of Breslin's site quickly caught the attention of MTV producers who now want to turn her blog into a television show for the network.

"The Internet opened up a whole different dimension to publicity for myself and it happened sort of by accident," said Breslin. "Publicists don't yet understand what a powerful tool a blog can be for reaching their audiences."

Blogs continued on page 4

Important dates to remember

9

April

Monthly meeting with Ad Fed

15

May

Monthly meeting

19

June

Monthly meeting

What's new at
www.mnprsa.com
Classics Award winners

Building brand value: an editorial

Two years ago, I was having lunch with a public relations colleague, who asked me why I had recently left a freelance PR career I loved to join Select Comfort — then a struggling bed maker. I told him that we would soon be launching a new brand — the now famous Sleep Number® bed — and I was confident that this brand had the power to propel the company out of the depths of relative brand obscurity, financial losses and a rapidly falling stock price. “Come on,” he said doubtfully, “do you really think a new brand can help save a company?”

Fast forward two years to a conversation with the same colleague, congratulating me on Select Comfort’s most recent profitability, record sales, and industry-leading stock performance — none of which I could take credit for, but graciously did, nonetheless. “Did Select Comfort really do all that with a new brand?” he asked somewhat sheepishly.

Hesitant to say “I told you so,” I had to admit to him that our turnaround was certainly due to several factors — including cost cutting, new products and expanded distribution. But I also had to be honest that the launch of the Sleep Number brand had been the catalyst for turning Select Comfort around into a profitable and growing industry leader and the nation’s #1 bed retailer.



Ann Folkman, APR

Like Xerox, Kleenex and Band-Aid, Google! has become synonymous with its product category.

In *Brand Warfare*, one of my favorite books, author David D’Alessandro offers “10 rules for building the killer brand.”

1. It’s the brand, stupid.
2. Codependency can be beautiful — consumers need good brands as much as good brands need them.
3. A great brand message is like a bucking bronco — once you’re on, don’t let go.
4. If you want great advertising, be prepared to fight for it.
5. When it comes to sponsorships, there’s a sucker born every 30 seconds.
6. Do not confuse sponsorship with a spectator sport.
7. Do not allow scandal to destroy in 30 days a brand that took 100 years to build.
8. Make your distributors slaves to your brand.
9. Use your brand to lead your people to the promised land.
10. Ultimately, the brand is the CEO’s responsibility — and everyone else’s too.

One rule I would add is that you can’t buy brand value or loyalty. Think MCI/WorldCom, once among the nation’s leading advertisers. I recently read an article about Cisco Systems Inc. and their plan to spend \$150 million this year to promote their brand. While I appreciate the value of advertising in building awareness for a product or service, I believe the real and sustainable value of a brand comes from building credibility and consumer satisfaction.

— Ann Folkman, APR
Select Comfort

Earning brand value

Admittedly, the best brand in the world can’t save a poor product. And while many companies have tried, brand value can’t be bought. Take eToys, for example. Having been called “the poster child of instant but fleeting stardom” by CBS Market Watch in 2000, this Internet retailer had a creative brand, a catchy name and identity. Yet it failed to turn a profit and ultimately succumbed to the same fate as many of its fellow e-tailers.

This is not to say that all dot-com brands are doomed. The “global brand of the year” for 2002 is Google!, according to a recent survey by Brandchannel.com. With an estimated brand value of \$2 billion, this surprising winner beat out such long-time leading brands as Coca Cola and Apple Computer. Perhaps most surprising is that Google! has never advertised, having built its brand simply by word of mouth.

“Google has strong word-of-mouth because it delivers on its uncomplicated promise,” says Brandchannel.com’s Robin Rusch, who ran the survey.

Dear Members:

One of our chapter’s most important roles remains to communicate current, relevant and interesting information that helps build your knowledge base and advance your career. This is the goal of *PRSA Today*, our quarterly newsletter. I hope you will find it useful and valuable. Please let us know if you have story ideas for future issues or if you’re interested in writing an article. We’d love to hear from you.

— Ann Folkman, APR
President, Minnesota PRSA

The management perspective: a panel discussion

February 20, 2003, was a historic day for Minnesota PRSA and IABC Minnesota. The two membership organizations for Twin Cities' communications professionals teamed up to host a panel discussion with local business leaders.

Panel members included Jim Dauwalter, CEO of Entegris; Jon Thompson, president of Opportunity Partners; David J. Therkelsen, APR, Fellow PRSA, CEO of the American Red Cross of the St. Paul Area; and John N. Ounjian, CIO and senior vice president of Blue Cross and Blue Shield Minnesota.

The panel addressed the role of communications and public relations in

business, touching on how communicators can help companies achieve business goals; the qualities of an effective business communications strategist; how corporate reputation can impact financial status; the value and role of communications during tough economic times; and how communicators can partner with executives to build employee trust and loyalty.

Themes that dominated the discussion included the importance of proactive and measurable strategic planning versus tactical actions, and the value of demonstrating corporate integrity and ethics in the post-Enron business environment. When asked about the

greatest mistake communications professionals sometimes make, Entegris CEO Jim Dauwalter explained that it is not understanding the true value communications has in the management of a company. Too often, he explained, we underestimate our own worth as business communicators.

All four panelists agreed upon the need for communicators to thoroughly understand the business they are in, not just the principles of good communications. As David Therkelsen advised, "Know the business drivers. Read broadly. And visit your Chamber of Commerce."

— Brigitt Martin

Calculating your brand ROI

The following example is valuable to calculate return on investment (ROI) from a public relations program. This is one tool to help determine the effectiveness of PR in building brand ROI.

To calculate the ROI on your publicity program, you'll need to make certain assumptions. Here are some examples and the ensuing ROI calculations. You will need to have set specific objectives in order for this example to work for you:

1. There is a group of potential customers that, given the right motivation, will be attracted to contact your company in some way.
2. Every 10 inquiries received results in two new customers (a 20 percent close rate).
3. The average customer order is \$2,000 (order \$).
4. The average customer orders four times per year (# orders/year).
5. The average gross profit (GP) on an order is 30 percent.
6. The cost of a professionally implemented publicity program is \$24,000.

How many inquiries do I need to generate to break even (ROI = 0%) based on the above assumptions?

Number of inquiries to break even = program cost / (close rate) x (order \$) x (# orders/year) x (GP)
No. of inquiries = \$24,000 / (.20) x (\$2,000) x (4) x (.30) = 50

How many inquiries would it take to achieve an ROI of 50 percent?

Number of inquiries for 50 percent ROI is 75. (Because it took 50 inquiries to generate the \$25,000 to break even, another 25 inquiries would generate an additional \$12,500 in profits for an ROI of 50 percent.)

What is the lifetime value of a new customer? Of an inquiry?

Assuming the customer will be with you for two years:
Lifetime value of customer: (order \$) x (# orders/year) x (GP) x (2 years) = (\$2,000) x (4) x (.30) x (2) = \$4,800
Lifetime value of inquiry: (lifetime value of customer)(close rate) = (\$4,800) x (.20) = \$960

Is it possible to generate 50 to 75 inquiries per year with an effective publicity program, to generate the numbers above?

History has proven that the ability of publicity to draw inquiries has a high degree of probability compared to other methods of advertising and promotion.

Keep in mind the above assumptions are only examples. Plug in your own numbers and see what might be possible for your business.

This ROI chart was reprinted from *Entrepreneur.com*, February 17, 2003. Reprinted with permission from Alfred J. Lautenslager, an award-winning marketing and PR consultant, direct-mail promotion specialist, principal of marketing consulting firm Marketing Now, and president and owner of The Ink Well, a commercial printing and mailing company in Wheaton, Illinois. Visit his Web sites at <http://www.market-for-profits.com> and <http://www.1-800-inkwell.com>, or e-mail him at al@market-for-profits.com.

Blogs continued from page 1

The key to optimizing publicity through a blog is getting to know the editors and understanding their needs and their interests. In other words, using blogging to your company's advantage goes far beyond just managing negative and positive comments.

MSNBC recently reported on the "exploding popularity of Web logs" and the rise of corporate blogs. Dr. Pepper started a blog (ragingcow.com) to market their new drink Raging Cow — a milk-based product with attitude.

Not only did Dr. Pepper start its own blog, but it is also trying to tap into "key influence bloggers" to promote the new drink by linking back to Dr. Pepper's new site.

The response by the online community is still unclear, but the comments posted on boingboing.net were mixed from "any advertising is good advertising" to "we can all help this campaign backfire [by not reading a] blog (ragingcow.com) that supports corporate greed."

Some resistance to corporate blogging is inevitable. In an article written by Paul Andrews of the *Seattle Times* on June 20, 2002, he notes that people in Web communities fear that corporations may try and take over independent blogs. "I tend to doubt it. Web users are pretty savvy at defending their turf," wrote Andrews.

"But corporate blogs should provide full disclosure of their vested interests. Let the reader decide. That way, everybody wins."

While corporate takeover of the Internet might not be an immediate threat, AOL has rumored its interest in starting a blogging service. In addition, the recent purchase of Pyra, one of the largest Web log companies, by Google clearly shows a growing interest in the Web logs as a business.

So, what's attractive in a blog?

The most effective blogs, according to Breslin are dynamic, wide-ranging and written by professionals as an enhancement tool for their own publicity. Also, a blog needs to be visually appealing.

"It is important to understand there is a new kind of person on the Internet, and publicists need to highlight what they are trying to sell," said Breslin. "For example, a vodka company recently approached me with an offer to send me to the Arctic Circle for an event if I would give them publicity through my blog."

The jury is obviously still out on whether blogs are ready for public relations, but the temptation to avoid the unknown must not hinder risk takers from exploring the possibilities of what a blog could hold for the future of public relations.

PR-related blogs!

Still think blogs are just for computer geeks and that they don't play a significant roll in public relations? Think again. *The Wall Street Journal* has a Web log that posts articles relevant to your business. Check it out in the editorial section at: <http://www.opinionjournal.com>.

So now that you know what a blog is, and you have an idea what a blog can do for you, it is time to put your newfound knowledge to work. Log on to the brand new blog at www.mnpr.blogspot.com and find out what a blog can do for Minnesota public relations.

— Ryan May,
United Defense

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Credits

Minnesota PRSA Classics Awards March 6, 2003 at The Depot

photos by Stan Waldhauser



"The Daves" – Past Minnesota PRSA presidents Dave Schoeneck, APR, and Dave Kostik, APR



Emcee Patty Peterson, WCCO Radio