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50TH ANNIVERSARY SPECIAL

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COLUMNS

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Edelman
Act With Certainty

O'Dwyer's celebrates 50 years

The July issue of *O'Dwyer's* magazine looks back on 50 years of PR coverage and explores what lies ahead for the public relations industry and related functions.

Companies 50 years ago relied on the media to get their news and viewpoints across to the public. Today, they have numerous ways to reach key audiences in a general or individual basis. Cellphones, miracles of communication, dominate society. Media and other communicators format their content to fit the small screens.

President Donald Trump's "get tough" attitude with the press has been mirrored in the press relations of many companies and institutions throughout the land.

Another change is the gradual flip from a male-dominated profession to one that is overwhelmingly female.

PR/media a different world in 1968

The PR/media world this writer experienced 50 years ago was radically different from our current environment.

"PR," once synonymous with press relations, later became one of many disciplines involved in shaping campaigns.

Only one of the ten largest firms now ranked by *O'Dwyer's* uses "PR" in its name. Only three of the top 25 do so. "PR" is seen as a term that put limits on the activities of a firm.

PR people used to make a point of personally interacting with reporters. PR pros would often show up at our offices and chat over a cup of coffee. More common was lunch; we often had lunch five days a week at various Midtown locations. Standard dress for reporters and PR people was a suit and tie.

In a few decades, dress habits shifted to informal clothes, including jeans. There was no need for formal business dress if the main or only form of contact was by phone or email.

This writer launched a weekly newsletter in 1968 after our employer of six years, the former Hearst *New York Journal-American*, closed the paper where we had been doing a daily ad column. The *Chicago Tribune* then hired us to do an ad column from New York. Many of the PR contacts we built up doing the columns for a total of eight years later subscribed to our newsletter, making it a financial success.

PR services industry exploded

The PR services industry, specialist firms working directly for clients or helping PR firms to serve clients, vastly expanded in the past 50 years.

Fifty-five types of services by more than 700 firms were catalogued in the January 2018 *O'Dwyer's* PR Buyer's Guide, the 25th year of publication of this database.

These included firms providing media lists of all types and the techniques for reaching them, satellite media tours/roadshows, media training, crisis management, video production, executive search, conference planning, management consultants, merger specialists, graphic services, measurement and evaluation services, interactive/multimedia services, and photographers/stock photos, to name a few.

Professionals working in the world of PR/marketing/advertising/social media benefit from the expertise offered by these firms.

Vets contrast PR in 1968 vs. 2018

Staffers, contributors and PR veterans featured in this issue have assisted us in contrasting the PR world of 50 years ago compared to today's digital and web-dominated environment.

We wonder: what are the valuable practices that were common in 1968 that have been lost over the years?

One bedrock principle of PR was that what others say about you — the "third party endorsement" — is more important than what you say about yourself.

Corporations and other news sources decided that their communications efforts didn't need endorsements by anyone else.

Another question is how PR and related subjects should be taught at the undergraduate and graduate levels?

A basic measuring tool of the *O'Dwyer's* ranking is the ratio of wages paid to employees. For most of the firms, that figure was close to 50 percent. Firms were supposed to devote at least half of their income to counseling and press relations.

Conglomerates purchased 18 of the 25 PR firms in the 1978 *O'Dwyer's* ranking and there were fears that the entire independent PR firm sector would vanish. Edelman and other firms refused to join the parade.

The July issue of *O'Dwyer's* explores the changing role of "PR" in the marketing mix and examine how firms are coping with the new environment. ○

—Jack O'Dwyer

O'Dwyer's

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Consumers willing to part with private data for a price

Nearly half of U.S. consumers said they'd be willing to sell their personal online information to brands for about $150.

By Jon Gingerich

$151. That's the average amount it would take nearly half of U.S. citizens to voluntarily fork over their personal data to their favorite brand, according to a recent survey conducted by Germany-based digital marketing agency SYZYGY Group.

Consumers widely claim to value their online privacy, and have expressed trepidation regarding the prospect of third parties accessing that information — particularly in the wake of the Facebook / Cambridge Analytica data scandal — but our behaviors online routinely belie those protestations.

According to SYZYGY's research, many consumers believe it's worth giving up at least some online privacy in certain cases, and others said they'd be willing to part with that information if the price was right.

While more than half (53 percent) of U.S. residents said they believe brands and retailers already know too much about them, almost one in five (18 percent) said it's worth giving up some online privacy in exchange for receiving more personalized online experiences.

The SYZYGY survey asked: If your favorite brand offered to pay you for any data Google and Facebook already have about you (promising not to share it), what's the minimum amount you'd accept?

Many U.S. consumers believe that much of their personal data is already freely available online anyway, and of the 45 percent who said they'd be willing to sell the data Google and Facebook already have on them to their favorite brand (on the condition those brands promised not to share it), the average minimum going price is €130 (approximately $151).

About 33 percent of U.S residents said they'd even allow Google to track and monitor their online use and activity across all their digital devices — as long as they were promised not to share that data — for an average of about $23 per month.

Only nine percent of U.S. consumers said they'd be willing to share their personal data with their favorite brands for free, and more than half (55 percent) said they wouldn't sell their personal data for any price at all. More than a third (35 percent) said they've stopped using an online service or retailer within the past year because they didn't trust how that company handles their data.

These privacy attitudes appear to vary somewhat across countries. The survey found that German citizens, in particular, seem to value their personal data more than their American or British counterparts.

Two out of three Germans (67 percent) said they wouldn't sell their private data to any brand for any price, even to their favorite brand. Only 18 percent of Germans believe it's fair that Google and Facebook collect and use their data for ad targeting, compared to more than a quarter of U.K. and U.S. residents (26 percent and 27 percent, respectively), and 56 percent of Germans said they think brands already know too much about them, with only one in six claiming it's worth giving up anonymity for personalized brand experiences.

Finally, it would also take more money to convince the average German to part with their personal data: $163, compared to only about $150 in the U.S. and U.K.

By contrast, U.K. residents seemed the most eager to part with their data, with 48 percent claiming that they'd agree to the practice if the price was right. However, more than a third of U.K. residents (36 percent) said they've stopped using an online service or retailer because they didn't trust that company, the highest number polled (compared to 35 percent in the U.S. and 25 percent in Germany).

SYZYGY's report, "Digital Insight Survey 2018: The Price of Personal Data," polled 3,000 adult Internet users living in the U.S., U.K. and Germany in late May. Respondents comprised a nationally-representative sample of users from the Google Surveys Publisher Network.

A similar April poll on Americans' perceptions of tech companies released by San Francisco-based tech firm Bospar found that 55 percent of Americans admitted they no longer trust Facebook, yet two-thirds (66 percent) professed that they still enjoy the site.

Brands must fix social media

Consumers want brands to pressure social media platforms to protect personal data, curb fake news and protect them from offensive content, according to an Edelman poll.

By Kevin McCauley

More than seven-in-ten (71 percent) of more than 9,000 consumers in nine countries polled by Edelman, expect brands to pressure social media platforms to protect personal data, according to a June poll released by Edelman.

Seventy percent of respondents want brands to help curb the spread of fake news and 68 percent want brands to protect them from offensive content.

CEO Richard Edelman calls brands the new hope for consumers battered by populism, rapid change and societal discontent.

On his 6 A.M. blog, he wrote: "Brands are an alternative democracy because consumers feel they can vote with their wallet or cellphone and can control their relationship with a brand more easily than dealing with a polarized, paralyzed government."

The firm's poll is a Special Edelman Trust Barometer prepared for the Cannes Lions International Festivity of Creativity.

It found a serious lack of confidence in social media throughout the world. "This is a cry from the heart; people are scared," Edelman blogged. "They are outraged about the violation of their privacy, and uncertain about the truth because of the plague of fake news.

The Special Report shows trust in social media has been specifically damaged by identity theft (71 percent), fake news (69 percent) cyberbullying and hate speech (69 percent).

Edelman believes consumers don't want to give up on social media because the platforms have become a big part of their lives.

Edelman wrote: "But they want a New Deal with the platforms. Be transparent with me about what you are doing, including clear identification of sponsorship. Give me control over my purchase data and my demographics, with explicit privacy options at each step. Offer me information that I can believe and protect me from noxious content. Give me a public place to talk back to you, and I will then hold you accountable for substantive change."

People expect brands to have values, and not just a value proposition, according to Edelman. "That's why consumers are counting on brands to preserve social media and to protect them from exploitation," he wrote. "Brands and social media platforms must treat consumers as an equal partner in solving the problem."

Google overtakes Facebook for referrals

Changes in Facebook's algorithms have caused Google to overtake the social media giant as the number-one traffic referrer to online articles, according to a new report.

By Jon Gingerich

Google has overtaken Facebook as the number-one referrer of external traffic to news articles online, according to a new report by technology company Parse.ly.

Analyzing referral traffic data from more than a million articles on the Internet, Parse.ly discovered that Google search now accounts for 46 percent of all major referral traffic, followed by Facebook (29 percent), Twitter (2.2 percent) and Clipboard (1.7 percent).

Facebook had in recent years become the top source of traffic to third-party sites published by online media companies, but the social media giant famously tweaked its algorithms last year after criticisms arose that it had circulated fake content created by Russia-backed companies in the months leading up to the 2016 Presidential election.

Those algorithmic changes now emphasize content posted by users' contacts over its news feed and have subsequently diminished the site's value among the online media outlets, newsrooms and brands that depend on Facebook for routing organic traffic to their content.

Findings by Parse.ly suggest that beginning last year, referral trends began shifting away from Facebook and toward Google, with referral traffic volume from Facebook falling 25 percent between February and October 2017 while Google's traffic surged at the same time.

When broken down by article category, Parse.ly found that Google now refers more traffic than Facebook in every category with the exception of lifestyle, education, law/government/politics and real estate.

Facebook remains especially strong when it comes to driving traffic to lifestyle content, outpacing Google by eight percent overall. However, even in this category, Facebook has ceded ground, as Parse.ly found that prior to Facebook's reversal last year, 87 percent of audiences discovered lifestyle articles through the social media platform. One category within the lifestyle group — food/drink — now sees more traffic from Google, and Google referral traffic to health and fitness items now equals Facebook as well.

Parse.ly's report also found that combined referrals from external traffic sources other than Google and Facebook increased by about three percent last year, with 35 percent of traffic to media sites now coming from sites such as Twitter, Drudge Report, Google News and Flipboard.

The findings were based on Parse.ly's analysis of eight billion page views from more than a million articles within the company's network of more than 2,500 media sites in April and May 2018.

PR news brief

ANA acquires DMA

Marketing trade group the Association of National Advertisers has acquired data-driven marketing industry trade giant the Data & Marketing Association.

Financial terms of the deal were not publicly disclosed.

Formerly known as the Direct Marketing Association, DMA has been labeled by "60 Minutes" as "one of the most powerful lobbying groups in Washington," representing 1,000 organizations including tech and data firms, marketers, service providers and media companies. Google, Facebook and Twitter are among member companies. The trade organization, which maintains offices in New York and Washington, D.C., was founded in 1917.

The merged organization effectively establishes the largest marketing/advertising trade association in U.S., with collective membership to total 2,000 member companies including ad agencies, media companies, law firms, consultancies, ad tech firms, service providers and national advertisers representing more than 20,000 brands.

The deal, which was scheduled to be formally completed on July 1, was approved by ANA and DMA's board of directors and remains subject to formal approval by DMA's voting members.

ANA officials in a release said that DMA would henceforth become a division of ANA. The unit will continue to be led by DMA CEO Tom Benton.

ANA in January acquired nonprofit trade group the Word of Mouth Marketing Association.

Jack O'Dwyer's contributions to the PR M&A world

By Rick Gould

I met Jack O'Dwyer in 1987 when he launched his monthly magazine, *O'Dwyer's PR Services Report*. Jack approached me to write a monthly PR agency management column.

At the time, I owned a general NYC-based CPA firm. I had one client, Creative Systems Group, a new PR firm formed by three executives from Burson-Marsteller. Jack even offered to pay me for the column, but I turned him down because I saw PR value for my business in having a monthly full-page column, photo and byline. I did the column for nine years and passed the baton to Richard Goldstein, CPA, who has written the column ever since.

Jack was also the person who suggested that, as a financial person and columnist, I was in a perfect position to do financial benchmarking for the PR field. So, working together, we created the annual Gould+Partners' "Best Practices Benchmarking" survey, first published in 1988.

I'm proud to be known as the pioneer of agency benchmarking in the PR industry. Few today know it was Jack's idea. Since then, I've also published an annual "Billing and Utilization Report" and annual "Net Revenue Growth Report." All three studies have always been free on request.

I also assisted Jack in refining his PR firm directory ranking application so that all agencies defined net revenues and profitability the same way and had their CPA firm sign off on the financial representations.

In 2001, I sold my CPA firm and started my M&A firm, Gould+Partners, LLC. Already having a decent knowledge of PR-industry M&A, I was committed to and passionate about raising the bar in M&A transactions.

In the late '90s, there were many notable failed M&A transactions as a result of sellers grabbing frothy down payments at closing and getting zero on their earn-out as a result of lost staff and clients. Some of these deals ended up in court.

I learned that deals fail because both buyers and sellers start on the wrong foot during the preliminary due-diligence stage. In effect, the failures take place long "before" the deals close.

More to the point, buyers were not making a thorough enough effort in due diligence. Sellers, on the other hand, were misrepresenting the potential and projections of their future revenues. They were also misrepresenting the quality and security of their clients.

To solve this problem, my idea was to bring analytics into the transaction, to create earn-out models that would require the seller to live up to their expectations and representations. To this day, I use the same approach. I always look closely at benchmarks and profitability ratios. More specifically, for the past 17 years I have studied, written and taught about what's needed for a firm to attain 20 percent-plus profitability as a foundation for building maximum value year by year for an eventual sale.

Both of my books, "The Ultimate PR Agency Financial Management Handbook," and "Doing It the Right Way," explain how this is done. I'm also proud that these books are the most comprehensive in PR history on agency M&A.

I've also had a catbird's seat regarding PR firm M&A trends and issues. Today, large PR firm buyers are sophisticated, savvy and know how far they can go in any offer. Ditto for the private equity firms, CPA firms and law firms that are acquiring PR firms. They've made the M&A business far more competitive than in the past.

Any seller entering discussions and negotiations without proper M&A advisory representation is at a disadvantage. They will be out-negotiated. The majority can never know the many components that go into an M&A deal.

For "you" the seller

Over the years, I've developed 10 strategic steps that make it easier for sellers to engage in the M&A process. Following these steps as a seller, you can receive a significant premium from buyers because they'll be able to forecast what your firm will be worth to them once they own it.

Instead of forecasting out your "present" future profits, a strategic buyer will use analytics to calculate the economic benefit of merging your firm into theirs. They're looking to improve your bottom line and service offerings. To this end, they want your book of business and your key employees. They also want to understand your geographic market and niche, if you have one. If you can quantify these wants to their advantage, you will gain an immediate edge in receiving maximum value for your firm.

Make your firm "you-proof." Now is the time to ensure that your business isn't exclusively about you. Take the "hit by a bus" test. If you were out of action for three months and unable to work, would your business keep running smoothly? The more your clients and staff must depend on your involvement, the less valuable your firm will be to a buyer.

Have a strong "number two." Firms with a strong management team are worth far more than firms where the owners are the key players, the hub. A second in command can help you to significantly balance the demands of running the firm and servicing clients. This is key to building your firm's value.

Shift from manager/owner to "coach." This is a gradual process in which your goal is to ask more questions, be a great listener, and spend less time doing the talking and calling the shots. Transition from a hub-and-spoke owner to a rainmaker owner. You should focus more on new business and selling versus account management. Let your second and third tier staff handle account management; you only step in if needed.

Rick Gould

Set up your firm so it can thrive and grow without you. A firm that isn't dependent on its owner is a premier asset to own. It is worth far more than an owner-dependent firm.

Force your staff to "walk in your shoes." Get them to think as an owner, an entrepreneur. Give them the space to solve the firm's challenges and to use you as a coach, not a crutch.

Have your second-tier management run the day-to-day operations, which will free you up to think, create and further the firm's vision and success. Create the future of your firm. Dream and imagine what your business could be if you had the required financial and creative resources.

Cultivate your point of differentiation as a firm. Buyers don't buy what they can build on their own organically. Create something to offer that the competition doesn't have.

Stick to your niche and create programs and campaigns you can use over and over with different goals, tactics and messages. This will increase your firm's efficiency and spike your profitability and value, which in turn will make your firm worth more to a buyer.

Today is a good day to start applying these steps with the goal of building a more rewarding and profitable future and a strong end game for when you're ready to sell for cash, equity and other financial and personal benefits. We've represented firms selling for in excess of $40 million. We know how it's done and what the rewards can be

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Olden days, golden days

We've come a long way in the last five decades. The public relations industry has been there every step of the way, and due to its ability to empower relationships among people and the institutions that serve them, has played a vital role throughout all this change. Fifty years ago, however, PR was pretty much the same practice it'd been since the dawn of the 20th century. But cultural shifts that began in the 1960s, along with technological changes in decades since, have completely transformed the profession. And the next half-century promises to be even more transformational.

By Don Bates

When I began in professional public relations, things were a lot different. We're talking the late 1960s, early 1970s, when political revolution commanded the headlines, not only in the U.S. but also in Europe and other pro-democracy areas of the world. Post-World War II turmoil had helped strike the match.

The young were suddenly on the move. In America, we'd had our fill of segregation, McCarthyism and war — the Vietnam War in particular — which was tearing the country apart. We wanted peace. We wanted to help the poor. The young also wanted unadulterated freedom to do whatever they felt was groovy.

Thus, the Hippies and Yippies. Thus, the biker gangs. Thus, Haight Ashbury and Greenwich Village. Thus, experiments with hallucinogens, grass and other so-called socially-conscious drugs (some things never change). Thus, the SDS, SNCC and the Black Panthers. Thus, more than society had ever allowed or tolerated before.

The upside was the Civil Rights Movement, the peace movement, the anti-war movement, all of which had a positive effect, despite the forces marshaled against them. The downside was that a lot of anarchistic thought infected discussions of political change. Some reformers wanted so much so fast that they began to riot. Remember the 1968 Chicago Democratic Convention? Remember the Kent State killings? Remember our cities on fire? Remember white flight? Remember the assassinations: Medgar Evans, Jack and Bobby Kennedy, Martin Luther King, Viola Liuzzo, Malcolm X, George Lincoln Rockwell, and friends James Chaney, Andrew Goodman and Michael Schwerner (and those were only in the U.S.)?

The reaction was swift and punishing. The police panicked, the politicians panicked, average citizens panicked. How could anyone be so violent and virulent against our great country? They must be anti-American. They must be Communists. They're going to ruin our comfortable lives.

At the same time, businesses were being attacked inside and out for not lending a hand, for preserving the status quo. But customers saw the need for change because they were swept up in it. Employees were, too. Soon, among corporations, government agencies, universities and in the streets, there was an unusually unanimous call for action to redress our social and political ills, for integrating society racially and culturally and for reaffirming the freedom to speak, assemble and choose.

As Dickens wrote in "A Tale of Two Cities," in one of the most famous lead sentences in a novel: "It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair …"

However, despite the resistance of the powers-that-be, public and private institutions began responding as never before. They lined up for change because they knew it was needed. Too much ignorance, poverty, racism and cultural indifference had been allowed to fester for generations. It was hurting the economy. It was hurting business. It was hurting global competition. It was also undermining ideas like capitalism and free markets. Things had to be done to right the ship and sail it into calmer waters.

Because of its function, professional public relations had a big role to play amidst the call for change and it quickly took action on its own or at the order of the C-Suite, which saw the meaning on the wall. Help or get hurt by not doing so. Corporations took a giant step. They began to view and practice social responsibility differently. They went from benign neglect to active engagement.

Rather than adhering to the ideas of well-known economists like Milton Friedman ("In [a free economy] there is one and only one social responsibility of business ... to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game"), they understood public relations' value of helping society with charitable donations, job training, business teaching, management counsel and more.

Besides making money lawfully, they became good guys socially. Public relations departments and their firms paved the way by reaching out to stressed communities and inviting them in for discussions of how they could help each other.

Don Bates

In the Bell System, I was given permission to create a program called Volunteers in Action (VIA), which had company managers teach, train and inspire children and teens in the poorest neighborhoods of New York City. The volunteers worked at local settlement houses in the five boroughs. Eventually, the program went national and lasted into the 1990s. (This is not the Christian education program of the same name that I see referenced on the Internet.)

Corporate social responsibility put business in a more favorable light. It underscored that companies had a heart even as they pursued their goal of profit and the attendant jobs and economic impact. Companies also had the smarts to see that PR as well as marketing and advertising could be used to enhance community and customer relations.

Prior to the age of CSR, most professional PR was focused on publicity, about blowing your horn, about informing the public and other stakeholders about how good your products and services were. This approach was mostly one-way communication as opposed to the two-way communication that has become more dominant over the past two decades even as it's still aborning.

Back then, the public and its representatives didn't have the same interest and engagement with big institutions as they do today. They depended on the print and broadcast press for most of their news. Newspapers were the vehicle of coverage and delivery. Advertising drove the presses. Publicity was pretty much how PR had been practiced since the early PR pioneers came on the scene at the start of the 20th century. Think Edward Bernays, Ivy Lee,

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William Parker, Carl Byoir and John Hill. Publicity meant everyone had to be a good writer with a facility for preparing news releases, pitches and media alerts. Form follows function.

Thus, it was largely impossible to get a PR job in corporate America throughout the ’60s and ’70s into the ’80s unless you’d been a journalist. You had to be an expert in preparing news releases, pitches and media alerts. Strong writing and editing skills were sought and prized. You had to know the media. You had to run press conferences (they had lots of them back then). And you had to relate to reporters and editors (you actually went to lunch or dinner with them!). PCs and email had yet to emerge — never mind the Internet — so working with the press was pretty much the only game in town, and thank goodness. With all its warts, the Fourth Estate has been and is a counter balance to institutional power, and protector of the people’s right to know in a free society.

The publicity model continued through the 1990s, but it had begun to shift during and after the dot.com boom. That’s when the PR business suddenly grew in leaps and bounds. Corporations and agencies couldn’t find people who were journalists fast enough to handle the new business (PR practically drove the Age of Website content and development). Thus, companies started hiring college graduates with degrees in psychology, philosophy, theater arts, history — in any field if they had a quick mind and the gift of gab.

Also, about this time, marketing communication and integrated marketing began to be bandied about as umbrella terms for all corporate communication, regardless of what it was called on the organization chart. This caused more than a little agita in the halls of PR and still does, but it wasn’t the panacea everyone thought. There’s a big difference between selling and promoting, between one-way advertising and two-way PR. IM and IMC have had a major impact on PR but their influence has yet to become as intrinsic to corporate communication as the traditional marketing industry might like.

Of course, the 800-pound gorilla that had entered the room before and after the dot.com boom was the Internet, after which came the explosion in personal computers and the Wild West of social media, which hasn’t only changed how publicity is done but has weakened its value and therefore the use of standbys like news releases. At the same time, the Internet has strengthened the value and use of blogs, podcasts, video, bots, paid advertising and now Augmented Reality and Virtual Reality. Imagine what the world of corporate communication will look like in 50 years. Wow is an understatement.

So, professional public relations has come a long way baby, in a moment in history that saw communication not only grow and prosper but also become absolutely essential to the management of for-profit and nonprofit organizations. This includes businesses, government agencies, NGOs, associations, charities, celebrities, public officials, even criminals — just about everyone and everything that has reason to fight for and win public favor.

Fifty years is a minute in earth’s history and maybe an hour in human history, but in this time minor and major miracles of communication have been forged and delivered with the goal of empowering relationships among people, the institutions that serve them, their communities and their countries. The next fifty years will bring unimaginable challenges, but as in the past PR will rise to the occasion and contribute to their resolution. I wish I could be here to see it, but I likely won’t. At least I can say I’m glad I was around to witness professional public relations’ ascendancy to conspicuous prominence as a tool not only for publicity but for crisis and reputation management, as well.

Don Bates is an award-winning public relations practitioner, educator, trainer and consultant. He began his career as a reporter in Boston, after which he was a senior executive in major corporations, nonprofits and consulting firms, and later owned The Bates Company for a dozen years before merging it with another firm. He teaches at New York University, conducts PR writing workshops, writes regularly on PR management issues and handles PR agency M&A as a Senior Counselor for Gould+Partners.

Contributions to M&A

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when it’s done the right way.

I thank Jack O’Dwyer for being instrumental in launching both my CPA firm and M&A advisory firm as a niche specialty in public relations. His coverage of the PR industry, directories and other products have helped to strengthen the reputation and acceptance of the PR profession. Happy 50th Anniversary.

Rick Gould is Managing Partner at Gould +Partners.

Gender affects treatment, communications at PR firms

A study focusing on gender's role in the PR industry found that many female practitioners will adopt "masculine" traits in the hopes that they'll achieve recognition and be seen as equals by their male colleagues.

By Jon Gingerich

Gender still plays a big role in determining how someone's identity and personality is perceived and presented in the communications industry, according to initial findings from a study focusing on gender differences in the public relations world.

The findings were released by Amelia Reigstad, a visiting assistant professor of marketing communications at The University of Wisconsin–River Falls. Reigstad interviewed PR pros to uncover what factors they believe influence how they communicate and what influence gender has on the practice of PR and the workplaces in which these practitioners perform.

Reigstad's study suggests that PR professionals exhibit a wide array of different communication and personality traits in the office, and those characteristics — as opposed to someone's gender alone — can have a real impact on how projects are developed.

Still, there were some noted variations in the ways in which men and women said they communicate in the workplace, and female respondents were quick to articulate what they perceived to be obvious differences, and more often than not, shared those differences in a somewhat negative light, claiming they don't feel equal to men in a workplace environment. Men's opinions on these differences, on the other hand, appeared to be expressed in a somewhat muted fashion.

Specifically, the study found that female practitioners said they'll often adopt "masculine" traits and essentially behave like men in the hopes of gaining recognition and being treated as an equal. More than three-quarters of female respondents — 77 percent — admitted that they take on what they perceive to be "male" qualities in order to be successful.

"I wasn't necessarily surprised that many female practitioners that I had interviewed were taking on masculine qualities or traits in order to be successful in the workplace, because although the industry is predominately female, leadership positions are still for the most part filled with men," Reigstad told *O'Dwyer's*. "According to my research, women have been witness to how men have succeeded in securing leadership positions within the workplace for many years and they feel like if they mimic that type of behavior or personality, they too will be successful and rewarded with executive positions."

This personality adaptation isn't limited to women in PR, however. Interestingly, Reigstad found that many practitioners admitted that they essentially play a performance role in their day-to-day jobs, putting on a facade and often avoiding communicating what's on their minds to colleagues and clients. An incredible 95 percent of practitioners admitted doing this at some point, with many claiming that this roleplaying was typically borne out of an expectation to always be "on" when interacting with colleagues or clients.

"I was extremely surprised that public relations practitioners were 'performing' per se on a day-to-day basis to colleagues and clients; essentially putting on a front or playing a role especially because the aim of PR practitioners is to practice truthful, ethical and transparent public relations," Reigstad told *O'Dwyer's*. "To me, therein lies a slight contradiction to what PR practitioners do and say and this could be considered an issue. If we are to practice transparent public relations on behalf of organizations and clients, we should be as transparent as possible within our interpersonal communications."

Amelia Reigstad presents her Ph.D. findings at an IABC event in St. Paul, Minnesota.

Reigstad's findings also suggest that inequality between men and women at the C-suite level remains a major issue of concern among women. An overwhelming number of women interviewed — 96 percent — said they're still concerned about gender inequality in the workplace. Men, meanwhile, appear to be aware of these challenges, but don't seem especially motivated to make actionable changes in this department, perhaps due to the fact that these issues don't impact them in any direct way.

Women in the PR workplace expressed facing numerous personal, societal and professional expectations amounting to a desirable work/life balance that they view as an almost impossible task to achieve. Particularly, women with children said they struggle daily to fill the dual roles of mother and practitioner, which inevitably results in feelings that they're coming up short in one department or another, either in the office or at home.

Age also appears to present its own set of communication challenges within the industry. Older practitioners — specifically, senior male PR pros — are often perceived as arrogant and ego-driven, and can exhibit difficulty communicating with younger female practitioners. Unpleasant interactions, speaking down or "mansplaining" were cited as frequent occurrences. Many older men avoid interactions with younger female practitioners altogether, and typically make decisions in a vacuum without the input of others. Again, the study found that many senior-level female practitioners admitted to essentially adopting many of these traits, which they view as a means to their own success.

The study also found that Millennials are perceived to communicate differently and less effectively in the work environment regardless of gender, often limiting face-to-face communication and using screen-based methods (like texting) as a substitute.

Finally, the study found that most PR pros believe gender plays a role in influencing a person's identity and personality — as does culture, race and socio-economics — and practitioners widely said they aim to practice ethical, transparent PR, with 95 percent of all interviewed (both male and female) claiming that diversity is of utmost importance in their place of work.

Reigstad's findings are part of the dissertation she's currently writing for a Ph. D. in Media and Communications at the University of Leicester in the UK. In the course of conducting her research, Reigstad spent last year interviewing more than 40 PR practitioners within the Minneapolis/St. Paul region from agencies as well as companies' internal PR departments.

Reigstad shared her initial findings during an April presentation at an International Association of Business Communicators event in St. Paul.

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The past as prologue

As PR ponders its future, traditional media platforms have suddenly become a major influence once again, underscoring the adage that the more things change, the more they remain the same.

By Alex Stanton

When I look back at the evolution of the media and the public relations business and assess where it's all headed, legacy media brands loom large.

A few short years ago, native digital news outlets such as BuzzFeed and Mashable were touted as the future of online news while traditional media outlets like the *New York Times* and the *Wall Street Journal* were written off as dinosaurs.

But as we head toward a new decade — with PR playing an increasingly strategic role in marketing communications — consumers of news have flipped the switch.

Mainstream media outlets are experiencing a renaissance via online subscription plans while digital native news outlets that rely on online advertising face significant headwinds.

Mashable, once valued at $250 million, was sold to Ziff Davis late last year for less than $50 million, according to recode. "Mashable's collapse comes amid increasing skepticism about online publishers that depend on digital advertising, as Google and Facebook eat up increasing amounts of that market," recode said.

Call it back to the future, as traditional media brands rise in popularity and charge for it via digital subscriptions.

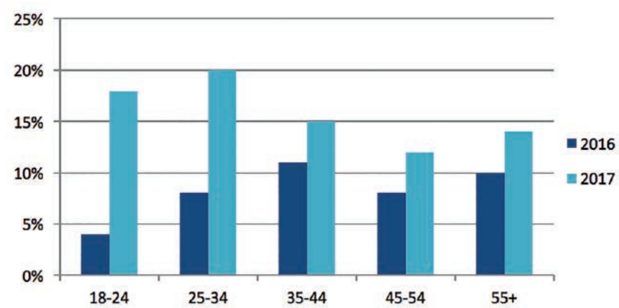
Paying for news you trust

Between 2016 and 2017 digital subscriptions to the *New York Times* grew 500,000 to 2.6 million, while the *Journal* added 200,000 digital subscribers to 1.7 million. *The New Yorker*, a master of long-form journalism, saw its digital subscriptions increase 250,000, to 1.1 million, during the same period. The New York Times Co. added 139,000 digital-only subscribers during the first quarter of 2018, up 25.5 percent from the year-earlier period.

With a constant stream of unreliable content circulating throughout the Web, consumers of news seem to be gravitating toward more reputable media platforms — and paying for the privilege.

But wait. Weren't Millennials — who are fast entering the decision-making ranks — conditioned to the imperative that "information wants to be free?" Fortunately for traditional media brands, Millennials have bucked conventional wisdom.

Between 2016 and 2017, the share of Americans ages 18-24 who paid for online news increased from 4 percent to 18 percent, according to Reuters Institute for the Study of Journalism. Among ages 25-34 it rose from 8 percent to 20 percent.



Consumers who pay for subscription news services by age (U.S., 2016-2017)

Source: Reuters Institute for the Study of Journalism.

In fact, the largest growth in U.S. subscribers paying for news content during that time frame was among those aged 18-24.

By paying for digital subscriptions, younger consumers of news not only keep traditional media sources viable, but expand the number of editorial/content marketing opportunities for brands and organizations to consider.

Legacy media brands now have multiple, integrated media channels to offer marketers, including online video, podcasting and live events, with additional channels likely to emerge within the next few years.

Investigative journalism on rise

Larger media consumption trends also play into the growing appeal of traditional media platforms.

Investigative journalism, which for years was a hallmark of major American newspapers and the top broadcast outlets, has come back with a vengeance in the last few years.

Leading newspaper and broadcast platforms have invested significantly to beef up their investigative teams because such work attracts eyeballs and wins accolades. The Pulitzer-Prize winning Spotlight team at the *Boston Globe*, for instance, has grown to six full-time staffers.

Alex Stanton

The public interest news platforms and consortiums have growing capabilities and influence. ProPublica, the Center for Investigative Reporting and the International Consortium of Investigative Journalism, for example, are hiring more correspondents and adding dozens of media partners. Recent and global stories produced from such partnerships include the "Panama Papers," "Russian Trump Tower Meeting" and "Cambridge Analytica."

The more things change …

A lot of the conversation within PR precincts centers on how our profession has changed more dramatically in the last 10 years than in the previous 50.

To a significant degree, that's true. A growing number of communicators are gaining a seat at the proverbial table, strengthening influencing decision-making, driving key trends and boosting our value to the C-suite.

In some important ways, however, the more things change, the more they stay the same.

Legacy media brands are investing significantly — and driving cross-platform coordination — to win in the fast-changing digital arena. They are playing the long game while others are forced to focus on the short-term. The ultimate winners are yet unclear, but the battle for mind share is good for consumers of news — and for PR professionals.

Alex Stanton is CEO of Stanton, a communications firm with offices in New York and California. He can be reached at astanton@stantonprm.com.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Are we competing with Mad Libs?

Several services on the market today are promising companies that they can now do their own PR, but these fill-in-the-blanks solutions miss the mark on what a true public relations campaign can offer, and echo the oft-repeated truism that there's no alternative for hiring a professional.

By Paula Conway

Many of our colleagues are expressing concern over emerging "PR solutions" such as Spry and Bitesize PR. There are also publicists who offer quick solutions with great marketing taglines like "from hidden gem to household name" where they demonstrate, among other things, how to create a strong pitch letter and, through their short-term program, introduce clients to some leading journalists for a fraction of agency fees.

For an established PR agency, it can be challenging to educate prospective clients on the difference between these instant fill-in-the-blanks solutions and long-term brand-building public relations campaigns and what it means to the future health and well-being of a company.

Let's start with business models like Spry and Bitesize PR. They present themselves as "PR solutions," but they really are little more than Mad Lib shortcuts. Spry is the first mobile PR Network; an app where a prospect can outsource everything for corporate communications including a press release, bylined article, blog post, company fact sheet and a la carte media lists. They'll even write LinkedIn blog posts for you, for \$300. When you dissect the service, the a la carte costs add up. For example, your company needs a press release (\$749), a media list (\$529), which adds up to \$1,278 for a blind shot in the dark of papering a list with news written by someone who is unfamiliar with the user's business or field, with the sender who isn't skilled at following up with the media.

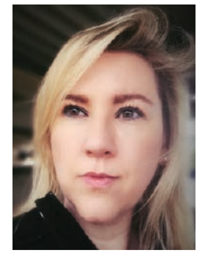
Bitesize PR works on a different model with three tiers of service: \$79, \$149 and \$499 per month, respectively. It functions much like a curated HARO that you pay for: the user pays for the plan they think that they want and enters the Bitesize PR interactive network of journalists who are seeking experts and sources for stories they are working on, and if you are a good fit, they'll contact you. Pretty straightforward.

Then there are the media experts who offer public relations services to make you really, really famous in a short period of time with their unique networking programs where they showcase their clients who were featured in *Forbes*, *Inc.* and *O Magazine*, examples they display proudly on their websites. These are typically short-term programs, up to four months, with fees starting at \$3,000 and services that include learning how to write your own pitch letter and introducing you to a handful of impressive journalists through a series of exclusive networking events. What they don't show you is that of the twenty-five or so clients who sign up, maybe two actually get into the high-end publications, and that's not to mention how ineffective the long-term benefits of that one-off actually is. You may go to a few good cocktail parties and meals and discover how to draft a basic press release, but certainly not as well as a professional. Isn't a client's time better utilized by hiring a professional to draft and follow-up on a release? That way the client can spend their time operating their business?

While analogies don't always do the image justice, the best analogy to a full service public relations agency and the examples cited above might be the difference between using WebMD to diagnose your symptoms and going to see a doctor. You can spend all the time you want shooting in the dark, treating yourself with web searches, guessing and putting the pieces together, but eventually you'll need the diagnostic testing and the course of antibiotics to be on the mend. WebMD and over the counter medications can be a quick, cheap fix, but they are not a good way to service your health needs long-term.

When, as an agency, we drill down on what we do for our clients, the breadth and depth of what's required to help a client build and maintain the brand is deep and long. It goes far beyond the one-shot services of companies like Spry, Bitesize PR and networking offered through a meet and greet service. Agencies prepare clients for their media close-ups that quick apps can't, and then the agency introduces, builds and maintains client relationships with the media, crafts the brand messaging and helps them evolve with changing circumstances.

Our agency recently signed a radiologist who's developed a patented technology that will change the landscape of patient data and body imaging. She drafted a thought leadership article for a trade publication and it was unintelligible, not because she's inarticulate or uneducated — quite the contrary — but she's a radiologist with an extremely high level of technical expertise, not a writer. We had her dictate to us what she wanted to say in her industry lingo and we translated her concepts and wrote the article so that it would be understood by the layman. The type of education and training it takes for even a staff like ours to be able to translate her specialized ideas far exceeds that of what would be expected from a fill-in-the-blanks press release or article. It takes time, skill and understanding of the client that an app simply cannot replace.


Paula Conway

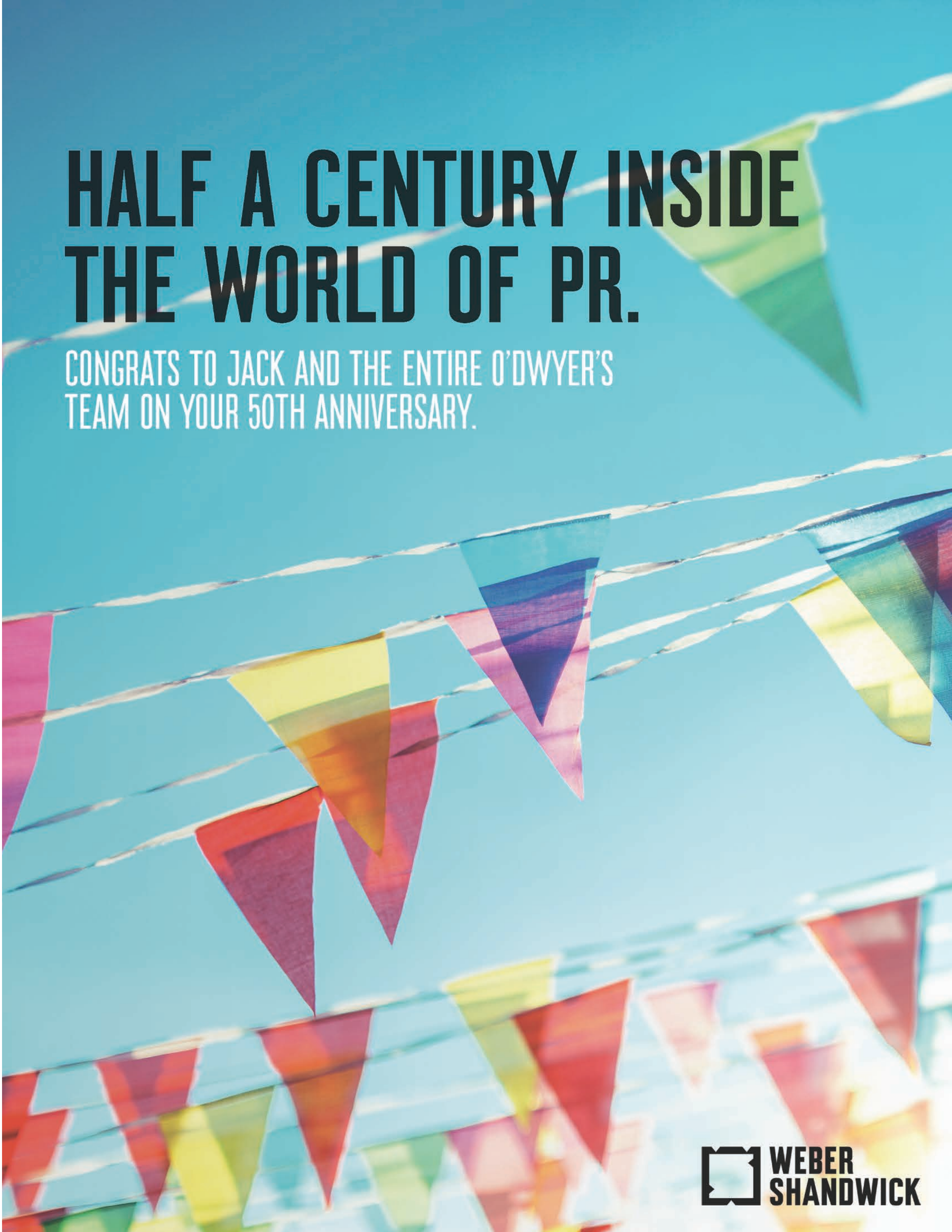
We protect our client's intellectual property, file trademarks and hire outside counsel for patents. We make sure that trade dress is in line with messaging and all other IP assets, as a business is not ready for public relations if it is not fully protected or secured. Being ready for media is about much more than just having something to say. We also ensure that the leadership is appropriate for media, prepared and trained, and if not we suggest measures to realign the brand.

Our relationships with major television networks and shows like the "Today Show" span nearly 20 years, and it is for this reason that they call us when they are looking to fill content, and we reach beyond our client list to fill space. You can't find that on Spry and Bitesize PR. You also will not find that producer hanging out at cocktail parties after hours.

When our clients are preparing for a series round of funding, they turn to us to review their decks. We provide strategic counsel on positioning, rewrites and full scratches when it's called for. We also sit in on pitch meetings when partners are not available. We nominate our clients for national awards and secure speaking engagements on the highest levels, including The White House.

These aren't bragging rights, this is what it means to hire a public relations agency and why you build a brand with the right PR partner. Your firm is in the long-term relationship and brand building business and these are the critical elements to good ongoing public relations that only an experienced agency can deliver. When prospects pose the question: why should we choose your agency over a less expensive, quick solution? The answer is easy: they should invest in their long-term future. In PR, as with everything in life, you get out of it what you put in to it.

Paula Conway is the President of Astonish Media Group in New York City, and a five-time award-winning author.


HALF A CENTURY INSIDE THE WORLD OF PR.
CONGRATS TO JACK AND THE ENTIRE O'DWYER'S TEAM ON YOUR 50TH ANNIVERSARY.
WEBER SHANDWICK

Millennials have more to teach us

The latest generation has changed the way business is done. Here's what PR needs to do to keep up to speed.

By Andy Polansky

Millennials have changed the course of business, to a greater extent than any of us could possibly have imagined. Coming of age in the new millennium, 22-to-37 year old Millennials are a different cohort than GenXers, Baby Boomers and the Silent Generation. While there's no shortage of research and information on what Millennials want, think, do and say, there are indicators that might be overlooked. Signals that might provide a window into how future generations will expect businesses to behave and contribute.

Here's what we know already about this most influential group:

• When it comes to business, Millennials want to work for and buy from companies that they believe deliver on their promises, care about social justice and defend their values.

• If Millennials do not agree with how a company treats its employees, takes a position on hot-button issues or engages in sustainable practices, they will think twice of it as a place to work and a brand to buy.

• Millennials aren't afraid to take action. If they disagree with a company's political view, they will boycott it and often go one step further by intentionally buying the products of companies that align with them on controversial issues of the day. In other words, BUYcotting is in all of our futures.

Millennials grew up on the cusp of the digital revolution. They led other generations in their adoption and use of technology and watched how technology disrupted markets, sometimes even making their own parents' jobs obsolete or outdated.

Certainly digital and social media-savvy Millennials will continue to make a huge impact on how businesses communicate and engage with key stakeholders.

Given this special edition of *O'Dwyer's* celebrates 50 years in covering the PR sector, what can we learn from our youngest practitioners about what the next 50 years will bring, both for our clients and our industry?

A lot, I think. Here are a few considerations for the years to come:

Corporate values will matter even more

With the retirement of Baby Boomers now upon us, more than one in three Americans in the workforce are Millennials, making them the largest generation in the U.S. labor force, according to a Pew Research Center analysis of U.S. Census Bureau data.

However, Millennials have a reputation for being nomadic, hopping from one job to another. Weber Shandwick's research on employee engagement, *The Employer Brand Credibility Gap*, found that nearly 60 percent of global Millennials are very likely to keep working for their current employers for the next year, a rate significantly lower than that of older generations. Therefore, employers must promote things that matter to Millennials, and communicating values may help to attract and retain this generation: nearly four in 10 global Millennials say whether an employer has a clear mission and purpose would be a very important factor if they were looking for a new job.

Values also matter while on the job. One-third of Millennials who say they're aware of their employers' values strongly agree that they consider these values when faced with decisions at work.

Values and purpose increasingly play a role in Millennials' purchasing decisions. According to Weber Shandwick's study, *The Company behind the Brand II: In Goodness We Trust*, four in 10 Millennials are buying from companies or brands that share their values more than they used to, and are significantly more likely to be doing so than older generations. Millennials also increasingly want to feel good about the company that makes the products they buy (37 percent) and are purchasing more from companies that have a social purpose or strive to make a positive contribution to the world or market in which they operate (33 percent).

In further research that investigates the rising trend of BUYcotting — where consumers show support for companies by intentionally buying from them — we found that BUYcotters are more likely to be Millennials or Gen Z. U.S. and UK consumers who BUYcott primarily do so because of product or service quality, but their support was secondarily driven by values displayed by a company or brand.

As Millennials continue to gain influence as employees and customers, companies devoid of clearly defined and articulated corporate values will be at a disadvantage.

Business leaders need to be more vocal

The past few years have shown an increasing intersection between business, brands and policy. Millennials especially have heightened expectations for how leaders and companies respond to current controversial issues of the day, whether it is immigration, gun control, climate change or gender equity.

Millennials not only see a responsibility for CEOs to speak up on societal issues, they favor it. In Weber Shandwick's latest CEO Activism study, we found that Millennials have higher favorability toward CEOs who speak out on societal issues and a higher likelihood of buying from a brand whose CEO speaks out on hot-button issues – with 51 percent more likely to buy from a company led by a CEO who speaks out on an issue they agree with.

Andy Polansky

Millennial support of CEO activism comes naturally and we can expect to see more in the decades ahead. A 2014 Pew Social Trends report found that the Millennial generation may be detached from organized politics but are politically active. They're more supportive of gay marriage, climate change solutions and social justice. They are also America's most racially diverse generation. Coupling these differences with their immersion in social media, they have more confidence in the power of networks and connectedness to make change. We can expect them to be more vocal as well as they turn to social networks to make their opinions known.

Ending gaps in diversity, equity, inclusion

Fifty years from now, I hope we'll be able to look back on 2018 as an inflection point year in the pursuit of equality for people of all backgrounds. With movements like #MeToo and #TimesUp cementing in our cultural zeitgeist, the next half century in the workplace will (and should) look a lot different than the last. While DEI should be a priority for everyone — across generational lines, at every level — I suspect that demand from Millennials and Gen Z will have a greater impact on the issue.

We know that Millennials seek diversity and inclusivity at work more than their older counterparts — in a Weber Shandwick study, nearly half of Millennials said diversity and inclusion would be an important factor in job searches, compared to about one-third of Gen Xers and Boomers.

We also know from our most recent *Civility in America* annual tracking study that a diverse and inclusive workplace is more civil. If it's not clear by now that we should be proactively advocating for a more diverse, equitable and inclusive workplace for employees now and in the future, I expect

Continued on page 28

Then and now: the changing PR landscape

Today's PR landscape bears little resemblance the agency world of decades past.

By Grace Leong

Fifty years ago, in 1968, Barbara Hunter, the eventual Founder of Hunter Public Relations, was setting her sights on taking over Dudley-Anderson-Yutzy. She achieved this ambitious goal in 1970 when she and her sister, Jean Schoonover, purchased the firm and became the first women to own and run a PR agency. D-A-Y remained the only female-run agency in the top 25 for many years to come, until Barbara eventually sold the firm to Ogilvy and Mather where she served as Chairwoman until striking back out on her own with the founding of her eponymous firm.

We're fortunate to have her legacy and perspective as our foundation at Hunter PR, but the agency of today bears little resemblance to the agency of 50 years ago, when desk essentials included little more than a telephone, a rolodex, and for many a PR pro, an ashtray. Since that time the Digital Revolution fundamentally altered the channels, speed, direction, measurement, and format of brand to consumer communications. Your "Rolodex" and phone still matter, but now they're held in the palm of our hands from where we control the dissemination of information, often in 140 characters or less.

In considering the changing PR landscape over the past 50 years, seven areas of evolution come to mind:

From journalists to (informally-credentialed) influencers: The power of the third-party endorsement, editorial or otherwise, endures. But with the rise of social media as consumers' primary source of information and inspiration, those endorsements come not just from the credentialed media, but from the lifestyle trend setters these consumers admire and aspire to be. Individual Instagram follower counts for skilled content creators from every vertical from food to fashion, beauty and travel are surpassing the circulation of even the largest consumer lifestyle media. The best of the best maintain credibility by carefully integrating branded content into their storytelling in a way that is authentic and transparent, and their followers have come to expect and appreciate partnerships between these influencers and the brands that support them.

From publicists to content creators: As the mediums have evolved, so has the tool box and necessary skill set of the PR pro. At our core, we are still facilitators of an exchange of information between our clients and various influential third parties. But well beyond crafting messaging and arranging access, interviews and photo shoots for news media, today's PR pro is often charged with developing the storylines and the reams of visual and written content necessary to continually feed the digital needs of our clients' owned social and digital channels. As a result of our clients becoming publishers, we now have a lead role in communicating directly to consumers on behalf of the brands and products we represent.

From one-way communications to two-way conversations: Those consumers sometimes communicate back! One of the many reasons that the PR discipline was well positioned to step into the role of social media community management on behalf of our clients is our comfort with uncontrolled mediums and nuanced, on-going conversations. Relating to the public is, after all, at our core. Today's consumers expect to be able to share their feelings, joys and frustrations with the companies and brands they let into their lives, which has created a slew of new opportunities and challenges for us and our clients.

From long lead to micro-lead: Much has been written about the relentlessness of the 24/7 news cycle, and reporters are being asked to juggle multiple deadlines and wear numerous hats. Entertainment weeklies, for example, have to grapple with not just the weekly close, and hourly breaking news online, but also minute-by-minute commentary on Twitter and elsewhere in the social sphere. Many reporters/editors are cultivating vast social followings of their own, and wielding influence beyond the mastheads of their employers. Another boon for PR: media events and "desk sides" have taken on a new life as fodder for in-the-moment content generation, so that new product you're promoting could land on Instagram, online, and in print as a result of one good meeting.

From measuring outputs to outcomes: Do impressions still matter? Of course they do. Before you can engage consumers, you have to reach them, and impressions give us the ability to calculate other valuable measures such as CPM and competitive SOV. But the digital and social outputs of our efforts now allow for tracking of much more than the potential number of consumers who have been exposed to our content, including their engagement with that content and the actions taken as a result. The previously elusive "buzz factor" can now actually be measured, and new analytics technology that demonstrates the powerful impact of our efforts on consumer behavior has helped to elevate PR's role in the marketing mix.

From clear lines of responsibility to a marketing communications land grab: Who is winning the lion's share of the PR Lions at Cannes? Advertising agencies. Why? Because a breakthrough campaign today is at its very core, a PR campaign. In a world where consumers are touching their phones 200 times a day on average, there is a battle raging for their attention. As we say at Hunter, you can't own that attention, and you can't buy it. You have to earn it. The best marketing ideas today are platform agnostic, and travel fluidly between owned, earned and paid media as the consumer does, with a consistent, values-based message that connects on a deeper level. Makes a statement. Stands for something. Marketers can't just talk the talk. To connect with consumers today, perhaps more than ever, they need to walk the walk. Advertising agencies are presenting PR ideas to our clients more than ever before, and digital agencies are fighting it out with us for community management and content creation roles. We'll keep fighting the good fight, and demonstrating that an "earned" POV improves the work and resulting consumer response.

Grace Leong

From homogenous to diverse: One area where our industry is making strides in "walking the walk" is on the diversity front. The corporate communications and PR agency practitioner of Barbara Hunter's day was predominantly white and male. Today, our makeup is beginning to look a little more like the population we're speaking to, and that's a good thing, but there's more to be done. Hunter is proud to be a women-run agency with many bi-lingual staff on our roster, and to have recently been named to the first annual PRSA-NY President's Diversity Honor Roll. We're encouraged and inspired by the work of our industry and peers to improve diversity among our ranks.

What hasn't changed? Ultimately, our fundamental roles — communicators, facilitators, fact and gut checkers, truth keepers, writers, creators and connection makers — these have stayed the same. It all just happens a lot faster, with more scrutiny and competition than ever before. But that's OK. We can handle it. We're PR pros, after all.

Grace T. Leong is CEO of Hunter Public Relations.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BRANDS & ESPORTS:

RAISING THE BAR FOR CONSUMER ENGAGEMENT

SUMMARY

For more than **two decades** of our 30-plus years as a leader and innovator in sports public relations and marketing, Taylor has been at the **forefront** of the **digital sports revolution**. Over the past five years, that has included our role as a counselor for brands who are embedded in and navigating the dynamic and fast-evolving esports landscape. Our work in esports, which includes in-depth engagements with client partners Activision Blizzard (PR AOR for the Overwatch League) and Comcast, along with 20 plus executives who are personally and professionally invested in esports - has helped us build a unique level of expertise and POV on how brands can seize this market.

THE INDUSTRY: GROWING UP, BUT TEETHING

Esports has come a long way in the past five years. Even casual observers cannot ignore the following:

- It now generates over $900M in revenue and claims 380M fans
- New fans are coming into the sport rapidly with 29% of esports fans saying they became fans in the past year
- Coverage of esports on traditional TV tripled in 2017
- By 2021 the sport will be worth over $1.65 billion

All of this gives rise to new challenges and opportunities for brands participating in the sport. Yet for all the buzz, the sport still has a lot of growing up to do. Pro tournaments are flourishing, but it's not clear if there will be one tournament, or a series, that will draw mainstream interest and support. For example:

There are now over

800

TOURNAMENTS FOR ONE GAME

Counter-Strike: Global Offensive compared with just 199 in 2013

Six separate organizations (World Electronic Sports Games, ELEAGUE, ESL, MLG, PGL,and Esports Championship Series) had a prize pool of over

$1,000,000

FOR A COUNTER-STRIKE TOURNAMENT IN 2018

indicating that many organizations are competing with each other to be the most notable esports tournament for a particular game

Additionally, things that make traditional sports compelling to the mainstream - rivalries, charismatic players, loyal fans of teams - are still developing in esports. Less than 1 in 4 esports fans follow a pro esports player or pro team on social media. Personalities who create shoulder content and humorous esports videos are more popular than pro esports athletes. Many fans struggle to name more than a few teams or players.

Lastly, the popularity of individual games varies over time. While some games (i.e., FIFA) are staples, many games fall out of favor, making it hard for sponsors to build affinity and association. Half of the 2017 top 10 esports games (by tournament prize money) didn't exist in 2013. The largest TV audience for esports tournaments has come from two new games launched in the past year (Injustice 2 and H1Z1). **We believe brands are in a good position to build awareness with its sponsorship of well-known, stable titles such as FIFA and League of Legends. However, as you evaluate your esports presence, there is an increased risk of being associated with games that are no longer popular.**

THE FANBASE: LARGER AND MORE DIVERSE

The aforementioned shifts in the industry ought to be considered against the background of a rapidly changing esports fanbase. 84% of self-identified esports fans say they came into the sport within the last three years, with 29% coming into the sport in the last 12 months. These fans are attracted to the sport by different games and for different reasons. How they will change the sport – and what will 'break through' to popular culture - is difficult to predict. However, it's clear that the fanbase is becoming more heterogeneous. It now makes about as much sense to talk about an "esports" fan, as it does to talk about a general "sports" fan. Just as the fandom of tennis and motocross are different, so are the fans of Overwatch and Candy Crush. **We see three key differences emerging:**

1. ASPIRATIONS

Esports fans are different from fans of other sports in that a large amount of them aspire to "go pro." However, there are significant differences among fans of different games. For example, 81% of League of Legends fans aspire to be professional esports gamers, whereas only 60% of Call of Duty fans want to go pro.

2. DEMOGRAPHICS

Over three times as many women cite 'real-time strategy' games as their favorite type of esports game, whereas 63% more men say first-person shooters such as Counter-Strike are their favorite esports game. These gender divisions have always been persistent in gaming - witness the large, predominantly female audience that took to Facebook social games in the early 2010s. We believe that demographic changes in the fanbase will continue to play out as different types of games gain popularity as esports content (e.g., CBS airing Candy Crush).

3. AVIDITY

FIFA fans spend 55% less time playing esports than League of Legends fans, and Overwatch fans spend 12.2 hours playing per week, some 25% more time than League of Legends fans.

OPPORTUNITIES FOR BRANDS

A very strong case can be made for select brands to invest in esports, but given the aforementioned audience segmentation, knowing exactly where to put those marketing dollars is difficult at this point in the sport's trajectory. Publishers, games, leagues, teams, and players may come in and out of popularity rapidly. It's not clear if this sport will be centrally controlled and vertically integrated, like MMA (where a single organization, UFC, dominates the sport) or be decentralized, like boxing (with multiple governing bodies). Even if consolidation and centralization occur, will this be centralized around a specific game, or for all games (i.e., the Olympics)? And while Twitch and MLG.tv certainly have a dominant position now on distribution, the rights deals cut over the past six months suggest that there will be significant competition in the coming years.

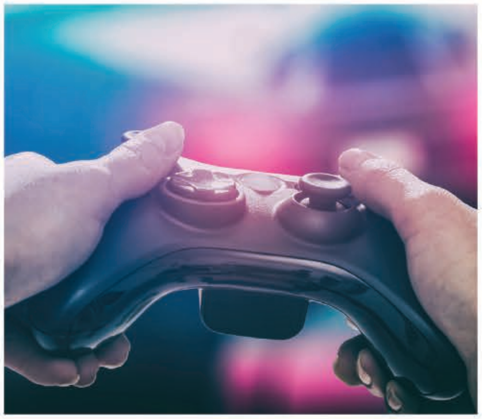
There are two basic principles that we feel all marketers must adhere to in the face of current industry dynamics:

1. Are sponsorship dollars targeted around the right game for the right audience? It no longer makes sense to have a generic 'esports' strategy. Given that different games are attracting different demographics, with different ambitions – it's critical to ensure your target audience is indeed playing and engaging with that specific title.

2. Is the brand 'covering the field' across the range of traditional sponsorship opportunities for any given game? Seek to place smaller bets across a range of tournaments, teams, and players. Create and partner with shoulder content that is universal and is in some ways insured against the peaks and valleys in popularity of individual players, teams, and leagues.

We believe esports marketers have the opportunity to stand out in two key areas. Each one has the potential to generate significant mass awareness, engender your company with both casual and pro gamers and, ultimately, drive direct sales:

1. Play the role of facilitator and advocate of the sport. Position yourself as the brand that drives esports enthusiasts together to watch, train and compete in esports.



Esports fans are different from conventional sports fans in their desire to become professional: 81% of League of Legends fans and 76% of Counterstrike fans aspire to be professional. Brands could further capitalize on this enthusiasm to 'go pro' by holding a series of branded skills training camps around the world. Sponsor training camps have the potential to earn media across the esports industry, create content that could be used for promotional channels, and establish relationships with core gamers and future esports stars. A world-class venue like Mercedes-Benz Stadium can serve as the opening event venue.

Despite significant progress, esports have yet to obtain broad mainstream recognition. Our own research of gamers across university campuses has revealed that many college gamers find going pro challenging due to lack of recognition that they are embarking on a 'real' career. Leading sports marketers are uniquely positioned to serve as an authentic global advocate for esports.

2. Connect generations around esports. The connection between sports and family is strong: think parents taking their children to their first baseball game, or Dad being the coach of the soccer team. However, there is limited inter-generational content around esports. Some parents want to connect with their children around esports but feel lost on how to do so.

Imagine a content campaign which 'flips the script' on the traditional idea of a parent taking their child to a professional game for the first time, and instead shows a child taking their parent to their first esports tournament. Marketers could go further into inter-generational content and events - for example, create competitions which involve family members (as players, coaches or team managers), or content for parents to help them bond with their children over esports. This would enable your brand to reach casual gamers, drive direct sales through events and deliver content for its own channels.

How tech startups "flip the funnel" with PR

Principles, strategies and tactics that can help PR startups cross the chasm where inbound outpaces outbound sales efforts.

By Kevin McLaughlin

For startups, the evolution of PR is a lot like sales: until you earn a reputation for a great product or service and achieve some semblance of market traction, most of your time is spent hustling with outbound campaigns and leads.

Like many of your startup peers, you're jumping headlong into the funnel only to find yourself clogged in the bottleneck: fighting for attention, validation and wins in order to slip through to land that coveted client or lone media placement.

It can be exhausting. It can feel thankless. But it's all part of the startup gig, and that's what you signed up for. Still, success stories surround you. Tales of rapid growth, overflowing sales and enviable media and market attention abound. These are the juggernauts, the wunderkinds, the disruptors and unicorns that you aspire to become, companies that've managed to flip the funnel where inbound outpaces outbound sales efforts.

While there isn't a roadmap to follow that's tailor-made for your company, there are underlying principles, strategies and tactics that can and will get you there, helping you to cross the chasm between startup mode (cracking the code on market fit) and growth mode (putting your foot to the floor to achieve scale).

Just as your operational priorities, strategies and tactics change in accord with the various life stages of your company, so should your PR program. For the vast majority of companies, that trajectory is the same: first, asserting your brand as "part of the conversation;" next, becoming a regular on the short list allows your brand to help "shape the conversation;" and ultimately, climbing to a leadership position in your market empowers your brand to "lead the conversation."

Before your brand can progress along that arc, however, you'll need to execute on your startup PR plan. While innovation and provocation may help in creating the sizzle as a startup, it's the creation of predictable, measurable value that makes the meal, which applies to sales and product marketing as much as PR. As a high-level guide, you can consider this two-phase approach to architecting a PR funnel flip for your brand.

Phase I: plan and project

Coming out of the gate, you need to get on the radar of your target media, establish your brand positioning and drive home your narrative in a concise, compelling way. In this phase, it's all about making noise. Here are a few key components:

Audit and emulate: You've already gone through the process of crafting your positioning, mission statement and value proposition as you built your business plan. Now it's time to map those tenets to your PR plan. This doesn't happen in a vacuum; you can't force-feed your agenda and brand-driven vernacular to the media. First you need to survey the landscape from the inside out: hear what your peers are saying, how they're packaging it and how they develop their ideas into storylines. Conversely, taking a view from the outside in, examine which media are covering topics (not just competitors) relevant to your business, and with what tone or style. The exercise and findings of this audit should inform how to turn your PR assets into stories that will not only get coverage, but also help to push your corporate agenda.

Package: Understandably, most emerging companies have smart, accomplished people throughout the ranks, from founders to whipsmart engineers to creative geniuses. But it's not enough to simply have a compelling point of view or proven best practices. These nuggets of valuable insight need to be packaged into actual stories, with the structure, tone and takeaways appealing to the press, and more importantly, their reading or viewing audiences.

Pitch: The decisions about the way you pitch and to whom are informed by your audit. By now, you should know that blasting press lists aren't the way to go. Sure, to some degree it's a numbers game, but the only way to maintain a healthy run of coverage is to target and tailor your pitches. Again, take the mindset of the reading or viewing audience and work backwards from your dream story to a concise and compelling pitch that can catalyze your big idea into your dream feature.

Build: In the early stages, it's all about momentum. While you're hustling on the PR front, you're building a library of informative content coupled with initial press relationships that you can and should nurture over time. The biggest mistake many companies make is to engage only with the press when they're seeking coverage. While you don't want to flood inboxes and social feeds, you do want to maintain a two-way connection. Offer email, DMs, shares and likes with meaningful commentary, whether that means reinforcing their findings or points-of-view, or pointing out something they missed. All of these touchpoints go a long way in maintaining visibility and strengthening relationships, so when you actually do have news or commentary that's coverage worthy, you'll have a receptive audience that will at least provide feedback if not include your company in a story.

Phase II: project and protect

Now that you have achieved validation, it's time to cement the reputation as the trusted, proven and acknowledged market leader. This also means you need to defend and protect — both proactively and reactively — that reputation and leadership position you've worked so hard to establish. If you're going to accomplish "flipping the funnel," these aspects of your PR program are critical:

Kevin McLaughlin

Expand: It's time to get more deeply entrenched with media that matter most; those in the mainstream and industry-trade that see the market in a similar way, know your brand's capabilities and value proposition and have an influential voice. At the same time, you'll need to expand your reach as well, to steadily broaden the exposure across the outlets and platforms that your experience and marketing research has proven to reach, engage, influence, and activate your target audiences. Two key measurements here to track performance are sentiment and share of voice (for the latter, this applies to the macro view across the marketplace, as well as the micro view within each piece of coverage and relative to other brands).

Strengthen: You need to broaden your PR arsenal while increasing tempo. While in the first phase of the PR program, your approach as an emerging company was mainly one of a "hunter" — tracking and pursuing media targets with outbound pitching tailored to their tastes — you now need the additional role of a trapper, which requires baiting contacts with compelling content like data findings, analytics, playbooks, case studies, surveys and third-party studies. This type of content can travel, maintain relevancy over longer time periods and cascade throughout your marketing mix as sales triggers for direct marketing, account-based marketing, content

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Media training: then and now

How the media training profession has changed in the last quarter-century.

By Ken Scudder

I'm using the occasion of *O'Dwyer's* 50th anniversary to reflect on my own career, and how I've seen media training change in the approximately 25 years I've been conducting it.

The most obvious, and least important, changes involve the basic technology involved in the training. Twenty-five years ago, my clients left the training day with a video cassette containing all of their simulated interviews and presentations. Today, I email the mp4 files or hand over a memory card. Instead of faxes, I confirm trainings and get background via email. Instead of a quarterly newsletter, I post on my blog. And, blissfully, the cameras I now use are much smaller and easier to bring on the road.

More significantly, the media available to my clients has increased exponentially. Calling the increase in news outlets, and "news" outlets, an "explosion" grossly understates it. This hasn't been an "explosion," it's been a "big bang." There are more opportunities for newsmakers to get their stories out than at any time in history. There are also more opportunities for making a devastating error.

And those devastating errors are ending careers faster than ever. There is no such thing as a small, local mistake anymore. The pressure to "get it right" in every public encounter is excruciating. And, as we saw in the last two Presidential campaigns, private events are no longer truly private.

Because of this, I've put a premium on crisis prevention in my media training sessions. The increased difficulty in recovering from a slip has moved me to focus even more on ensuring the answers to the toughest questions are nailed down, defensible, and truly satisfy those questions. It has also led me to spend more time reviewing what pitfalls exist, as a slip is more likely to occur when the question is unexpected instead of one we prepared for. And, I've told all my clients to assume that there is someone attending every public appearance of theirs who disagrees with them 100 percent and is recording everything they say in the hopes of sending their error or inflammatory statement out into the world.

To me, one of the most interesting changes is where TV interviews are taking place. When we founded Virgil Scudder & Associates in 1990, we wanted a TV studio that looked like a "TV studio": overhead lights, large cameras on tripods, big monitor and an "On Air" sign. Today, outside the network morning shows, most TV interviews look like they're happening in a coffee shop with WiFi. Also, the number of interviews that are taking place via Skype or other video chat apps has had me adjust my training to include more "one shot" simulations (looking directly at the camera) and remote interviews.

The change I'm shocked by — and one that has only come into play in the last two years — is the fact that I now feel the need to tell my clients their answers must be true. Not that I feel that my clients have been lying; on the contrary, I'm proud of the honesty of the men and women I've worked with and for. But there are now so many examples of pure, unbridled dishonesty in the public discourse that I fear many people will take this as an example of "how to do it."

For decades, I've taught that you satisfy any tough question you get, and then steer to one of your key points. I've always taught that those points must be "interesting and relevant to the topic of the interview." Until recently, I never believed I would have to tell people they also must be honest.

No matter what advantage a public speaker seems to enjoy for dishonestly, I still firmly believe that it's only short-lived. Presidents Richard Nixon and Bill Clinton will forever be known as liars, and I have no doubt the current inhabitant of 1600 Pennsylvania Avenue will as well. I also believe strongly that anyone caught lying has more trouble getting what he/she wants accomplished despite a short-term gain. For example, in mid-June, Department of Homeland Security Secretary Kirstjen Nielsen tweeted that the administration does "not have a policy of separating families at the border. Period." However, Attorney General Sessions and the President himself have confirmed, and even bragged, that they're pursuing such a policy. This fabrication will not only hurt Sec. Nielsen's career, it also will prevent people inside and outside of her department from acting on anything she wants done as her public persona is now damaged.

The last change I'll discuss is the growing distrust in the media. From day one, I've had some clients say "it doesn't matter what I say in an interview, the reporter will just write what he or she wants." And I've countered that while a few reporters may not be as fair as you'd like, you can succeed with almost any reporter if you make your points and handle the negatives. Over the past ten years, however, the number of clients who come in with the aforementioned attitude has multiplied. I've been working harder to show examples of how newsmakers have handled hostile interviews, and how they can "win" no matter what the interviewer's perceived bias.

Regardless of technological and societal changes, one thing has remained constant: the need for clear, concise, and consistent messaging. This proliferation of outlets, and thus overall news content, makes consistent messaging even more critical. And as the number of viewers/readers/listeners for each source diminishes, newsmakers must focus even more on delivering the same message across multiple platforms. What you say on MSNBC should be nearly identical to what you say on Fox, to the *New York Times* and the *Orange County Register*, and across your Tweets, Facebook posts, and whatever social media channel has sprung up in the 30 seconds it took me to type this sentence.

Ken Scudder

I'm excited about where the news media, public relations, and the communications training field are going in the next 25 years. And I'm comforted by the thought that *O'Dwyer's* will continue to report on it all for the next 25 years, 50 years, and beyond. Congratulations to Jack, John and the entire team!

Ken Scudder has provided media training, presentation training, crisis communications training and consulting, and writing and editing to business leaders, celebrities, and politicians for more than 20 years.

What Millennials can teach us

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the Millennial voice will make a difference. I also expect Millennials will ensure it won't take 50 years to achieve our DEI goals.

Takeaways for our industry

Millennials are without a doubt making their mark on the communications industry. Their expectations should be taken seriously because they have a great deal to contribute and as the next generation of PR leaders, they will drive progress forward. They have pushed our sector to be more connected, more diverse, more accessible and yes, more accountable. Here's to the next 50 years of seeing what this group will help our community achieve.

Andy Polansky is CEO of Weber Shandwick.

To win in sports marketing, give fans what they want

As the sports industry continues to grow in scale, marketers can longer afford to drop the ball.

By Samantha Baier

Sports marketing has evolved, and brands must continue to change their game plans, as the stakes grow higher than ever.

Gone are the days where a brand's top goal was to put its logo in the face of as many people as possible, as often as possible. Eyeballs are no longer enough. Fans are consuming, following and experiencing sports differently.

It's hard to imagine feeling more pressure than an athlete at crunch time in a championship game, but brands that are investing millions in sponsorships have just as much on the line.

Digital sports evolution

Fans expect and demand to be engaged. With that, they crave access, authenticity, and value. If there is no value provided by the sponsor — or a way to bring fans closer to the game experience — a 30-second ad during the Super Bowl becomes forgettable, and those five million dollars become money poured down the drain. Any engagement without true, meaningful, valuable activation will produce ineffective results that are (perhaps mercifully) hard to measure with any precision.

A key component in the evolution of sports marketing is the value of influencers and the creative, actionable content they provide. Influencer marketing is not necessarily about choosing ambassadors with the greatest reach or follower count. Identifying and understanding the intricacies of the intersection of your target audience and the fan passion points is key in selecting an influencer and crafting a content strategy; just as analyzing the defense in the waning moments of a close game is crucial for a quarterback when calling a play.

Because consumers have become more discerning about the content served to them on digital platforms, maintaining authenticity becomes paramount. This means treating your influencers as partners and taking a customized approach to each interaction. Fostering these relationships takes time and often means finding ways to add value beyond product and monetary compensation.

For example, instead of paying per post, a sponsor can offer influencers insider access to their favorite team through VIP experiences. This access-vs.-investment approach results in a motivated influencer who creates the kind of content his or her audience craves.

As marketers, we have a responsibility to not only engage our audiences but to connect with them in ways that show we truly understand how each particular group prefers their sports experiences. This means immersing yourself in the mindset and behavior of the fanbase to understand how each particular demographic watches and follows a specific sport, team or event. Connecting with them and the influential people they follow is also key.

Taylor client partner P&G was able to create and execute distinct content strategies that champion their male brands (i.e., Head and Shoulders) to showcase the authentic connection between the brands and athletes during a special moment in time, the NFL Draft. The content was captured in video format with the NFL prospects distributing through their own social channels. These videos focused on their preparation for the biggest moment in their athletic careers thus far while also leveraging their personalities to maximize authenticity and relevancy.

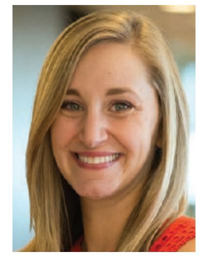
Delivering on exclusive items to elevate fan excitement is another great way to bring your brand to the forefront of marquee moments in sports. Besides NBA free agency, which begins every year on July 1st, the NBA Draft is the most talked about moment on social during the league's off-season. To leverage that excitement, our client partner Panini activated during last year's NBA Draft by releasing their #PaniniInstant collection which allowed fans to purchase each draftee's first trading card in real-time as they were drafted.

While each player included his unique card and link to purchase on their own Twitter channels, the content catered to fans of the teams in which they were drafted by using relevant hashtags and team dialect.

Emerging trends in sports marketing

The recent explosion of esports as a mainstream sporting event has been eye-opening, to say the least. Fan engagement, similarly to traditional sports, is as segmented and rich with opportunity for brands and sponsors.

According to a gaming market intelligence provider, Newzoo, the global esports economy will grow to $905.6 million in the coming year, up 38 percent year over year. And the audience is rapidly growing as the global esports audience will reach 380 million this year, comprised of 165 million "esports Enthusiasts" and 215 million "Occasional Viewers."



Samantha Baier

With such a diverse and widespread fanbase, marketers of esports should take the same approach to understand this demographic as they would traditional sports. The same way an avid football fan might have certain affinities, so do gamers. For instance, Call of Duty gamers will respond to different influencers and content than Overwatch gamers.

Competitive gamers, like more traditional athletes, can be highly effective influencers as they have built an audience around a shared passion point. This especially rings true for the younger, Gen Z fan. However, the same principles apply: knowing the fan, speaking their language and adding value to their experience.

Aside from influencer marketing, brands are taking notice and learning where the opportunities are. Some are providing YouTube and Twitch sponsorships. Then there are the more progressive brands, like Coca-Cola, which operates a dedicated esports Twitter channel, Coke Esports, and uses the hashtag #CokeEsports. The brand has also has expanded its footprint in esports, along with its long-time investment in soccer, with the global launch of eCOPA Coca-Cola, a global EA Sports FIFA 18 tournament.

Sports PR/marketing, just like any other industry's marketing, must evolve along with the consumer. The good news is that growing digital consumption helps marketers understand consumer needs almost in real time.

And even though players, fans, and preferences may change over the years, one thing remains true: the ultimate win for your brand is the long-term relationship and impactful reputation you build with your target audience.

Samantha Baier is Director of Digital Sports at Taylor, a leader in digital sports strategy and public relations.

Brunswick hires former Weber heavyweight McLeod

Brunswick Group has hired Jon McLeod, who chaired Weber Shandwick's UK corporate, financial and PA group, as head of its London PA operation. He'll start in September.


Jon McLeod

McLeod left the Interpublic unit last month following a more than 20-year run of guiding clients through regulatory, financial and legal matters.

His goal at his new job "is to ensure that leadership and innovation in public affairs is right at the heart of Brunswick's sustained evolution as a world-class advisory firm."

Prior to joining Weber Shandwick, McLeod spent more than six years as board member of the East Midlands Regional Development Authority in Nottingham and two years as Associate Director of Westminster Strategy in London.

Laidlaw lands Allison +Partners crisis post

Barbara Laidlaw, a former executive at Burson-Marsteller, Edelman and FleishmanHillard, has joined Allison+Partners, where she's been named Managing Director of Global Reputation, Risk + Advisory.

Laidlaw joins the MDC Partners unit from Burson-Marsteller, where she was Managing Director and provided strategic communications and change management advice. Prior to that, she was President and Owner of communications consultancy BEL Communications.


Barbara Laidlaw

She was previously an Executive Vice President and crisis head at Edelman and a Partner and Senior VP in Fleishman Hillard's corporate financial and corporate affairs practices.

At Allison+Partners, Laidlaw will be responsible for overseeing the growth of the San Francisco-based agency's global issues management, crisis and risk mitigation capabilities. She'll be stationed in New York and will report to Partner and Europe + Corporate Global President, Matthew Della Croce.

CNBC, CNN vet Frayter to RF|Binder

Karina Frayter, most recently a field producer at CNBC Business News, has joined RF|Binder as Managing Director to drive media relations at the New York-based independent shop.

At CNBC, Frayter covered the stock market, IPOs, economy, banking, fintech and payments. She produced the "Where the Jobs Are" series and her digital documentary, "The Bitcoin Uprising," earned an honorable mention by Cablex Program Awards.


Karina Frayter

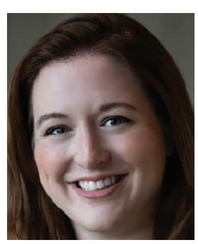
Prior to joining CNBC in 2010, Frayter was New York Assignment Editor at CNN during the financial crisis and worked in London and Atlanta for CNN International.

CEO Amy Binder believes Frayter's "experience in the newsroom offers us a new advantage in understanding the way reporters think, act, and make decisions today and will further help our clients stand out as the leading voices in today's conversations on business, the economy, social issues, and culture."

Mayoral press secy. signs on at Solomon

Nicole Caravella, former Press Secretary to Boston Mayor Martin Walsh, has joined Solomon McCown & Company as an Account Supervisor.

Caravella was Mayor Walsh's Press Secretary for two years, beginning in 2016, where she oversaw communications for all city departments and agencies, as well as the rollout of new policies, initiatives and legislation. She was previously Press Secretary to Rep. Joe Kennedy III (D-MA) and served as a political advisor to former Secretary of State John Kerry in his Senate office as well as press assistant to Paul Hodes (D-NH) during his 2010 Senate candidacy.


Nicole Caravella

At Solomon McCown, Caravella will focus on the agency's real estate and nonprofit clients as well as public policy.

Solomon McCown, which specializes in healthcare, public affairs and crisis management, maintains an additional office in New York.

GOP politico Gillespie takes SV&C PA post

Ed Gillespie, who narrowly lost the 2017 Virginia governor race to Ralph Northam and the 2014 Virginia Senate race to Mark Warner, will chair Sard Verbinnen & Co.'s freshly launched public affairs group in DC.


Ed Gillespie

The former Chairman of the Republican National Committee founded powerhouse Quinn Gillespie & Assocs lobbying firm with Jack Quinn, VP Al Gore's Chief of Staff and President Clinton's White House counsel.

Gillespie also served as White House counsel to George W. Bush.

"Ed's unparalleled experience in business, politics and government will be an important asset to SVC's clients," said George Sard and Paul Verbinnen in a statement. "In addition to his expertise in public affairs, he has advised clients on M&A and crisis situations and counseled CEOs and boards through significant transitions."

Former deputy US Trade Representative Miriam Sapiro and Purple Strategies co-founder Bruce Hayes head SV&C's Washington outpost and vice chair the PA group, which is to offer strategic counsel on high-stakes events (M&As, government investigations, issues management and crises).

Eaton reps Red Lorry Yellow Lorry in North America

Red Lorry Yellow Lorry, London-based B2B tech outfit, has brought on Meredith Eaton to join its Boston office as director of North America.

Eaton comes to the agency from March Communications, where she most recently served as VP, working on clients across industries including cloud computing, telecommunications, enterprise software and hardware, IoT, security and blockchain.


Meredith Eaton

Eaton will have overall responsibility for growth and client services in the North America region and will report to Guy Walsingham, Red Lorry Yellow Lorry's CEO.

Public relations: the next 50 years

Industry veterans weigh in on how they see the industry evolving in the decades ahead.

By Henry Feintuch

Fifty years of chronicling the growth of the PR industry is certainly a milestone worthy of reflection. Jack O'Dwyer was a financial journalist at two of the biggest daily newspapers in the U.S., the *New York Journal-American* and the *Chicago Tribune*. The creation of his signature off-white, typed weekly report in 1968, *O'Dwyer's Newsletter*, quickly became a must-read for corporate and agency practitioners. By the time I graduated Brooklyn College with a degree in TV and radio in 1976, worked on-air in radio, served on a TV assignment desk and finally joined the PR industry in 1981, "O'Dwyer's" had become one of a handful of legitimate publications serving our industry.

I met Jack in the late '80s at the annual KCSA West Point football outing. Jack was a perennial attendee, joining Herb Corbin, Les Schupak, the late Les Aronow and the rest of the firm for the dining and liquid refreshment that preceded the afternoon in the grandstand. His distinct laugh, voice and presence dominated the group, and to this (then) young practitioner, he seemed a reporter's reporter. And in many ways, he was. Jack pushed, probed and exposed and didn't think twice about who he was writing about and who he might offend.

Over the decades, as my career unfolded, Jack was always inviting and magnanimous in coverage of stories I pitched. In later years, we often disagreed on various industry and PRSA issues, but we maintained an open dialogue and his publication's doors were always open.

Reminiscences aside, O'Dwyer was there to report on our industry's maturation and transformation into a serious management discipline (that despite the Aug. 2017 Gallup Poll depicting the profession as one of the least respected, with a just eight percent net positive rating).

Where is the PR industry headed?

Seeing we all have a good sense as to the current state of the profession, I thought it might be instructive to look at where PR is headed in the next 50 years. I turned to some industry friends and colleagues to weigh in. "Technology" and "societal changes" are two common themes I heard in many responses.

"PR is going to significantly move away from any kind of mass distribution since it is no longer going to be necessary," said Natan Edelsburg, COO of the Muck Rack and Shorty Awards. "Journalism's fragility and evolution is going to force more customization than ever before. Because of advancements in technology and social platforms, it will be easier to target the right journalists and get a brand's message across in a sincere way. As a result, the PR industry is going to help boost a renaissance within a journalism industry that has been plagued by outdated business models and mass layoffs. The future is bright for those who take their time to build relationships and use technology to scale."

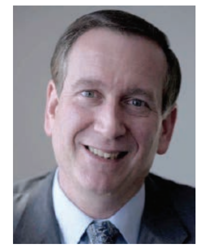
According to Erik Deutsch, Principal of ExcelPR Group in Los Angeles and a former PRSA-LA President, "It's difficult to predict what will happen next week let alone 50 years into the future, but the long horizon gives us freedom to think big. If the past is any indication, change will be manifest in new technologies and the democratization of content publishing and distribution. We may see artificial intelligence take on PR storytelling functions, as it is already beginning to do in journalism. It's possible PR will take on a more scientific approach, given new forms of data and the ability to analyze it. Perhaps the most fundamental change will involve how the public perceives news sources. We already see a less clear delineation between editorial and branded content, and that's likely to continue."

Bill Doescher, President and CEO of the Doescher Group and past President of PRSA-NY and the PRSA Foundation, thinks change will accelerate and that includes the language of our profession. "The short answer is in all kinds of directions with some indications that the words 'public relations' will be playing a lesser role and maybe even disappearing … in the next five-to-10 years."

What else may disappear? Quite a bit according to Rick Anderson, Managing Director and head of Feintuch Communications' financial practice, who shared a more cynical view of where the industry is headed.

"…to extinction. PR will be taken over by AI and bots which will crawl through our clients' public and private information and effectively bypass our role as the middleman. It will be machine-to-machine since there will no longer be reporters but intelligent robots sifting through their expansive data bases looking for sources and data. It's hard enough today to get reporters on the phone; robots won't even have cell phones," said Anderson.

Perhaps one of the most upbeat and analytical responses came from Kevin Akeroyd, CEO of Cision. "Public relations is headed toward becoming a heavily data-based profession within the next 50 years, in highly similar ways to how marketing, advertising and digital commerce have evolved. 'Real' data, analytics, and business results attribution and measurement will finally arrive (unlike the last 50 years) and will permeate the industry as the advancement and sophistication of available tools continues to increase."



Henry Feintuch

Where do I see the industry going? After watching technologies arrive and transform our business for more than 35 years, there's no question that the volume and pace of innovation will only increase. From big data, AI, AR, social media and mobile to new, undreamed of tech, the only constant, as the ancient Greek philosopher Heraclitus of Ephesus is thought to have said, is change.

Regardless of the tools, it's the people who use the tools and advocate for their firms and clients that are the constant. The technology allows us to be more thoughtful, to target better, interpret and free up our creativity. Tech will not replace us; it will empower us in ways previously unimaginable.

Cision's Akeroyd similarly believes the best days are ahead. "PR, the fundamental keystone of earned media — will actually be recognized for what it is — the most influential, most effective, most impactful of the media mix."

I couldn't have said it better. Here's to the next 50 with you all and with *O'Dwyer's*. Fasten your seat belts!

Henry Feintuch is President of Feintuch Communications, a NYC-based PR firm focused on technology, financial services and start-ups. He is a past President of PRSA-NY.

Fifty years on, bold answers address familiar tensions

Media have learned that readers insist on fearless conversations that cater to diverse audiences. It's time for the communications sector to follow suit.

By Mary C. Buhay

Compare today's societal tensions with those business communicators grappled with 50 years ago, and it's easy to recognize some familiar narrative arcs. Diversity. Generational gaps. Trust in the news. To foster better understanding among modern audiences, a new breed of journalists, media executives and communicators is taking bolder measures, a recent conference presented in New York by G&S Business Communications revealed.

The G&S Global Street Fight examined new forms of storytelling and audience engagement. One catalyst for innovation emerged: the urgent need to fund good journalism.

Worth paying for

"We're a subscription business more than we are an advertising business now," Marc Lacey, national editor of the *New York Times* told G&S CEO Luke Lambert, who served as panel moderator. "More of our money is coming in from digital subscriptions, from print subscriptions, so we are relying on engaged readers. We need to have an audience that believes what we're producing is worth paying for."

Lacey believes this revenue shift is driving a sharper focus on audiences. The *Times* launched its Race/Related weekly newsletter in 2016 in the aftermath of the Black Lives Matter protests. To reflect the reality of race as a subtext in its readers' experiences, the newsletter is a joint effort across different departments, ranging from the national desk and Washington bureau to the culture and sports sections.

Also in 2016, the *Times* ran a special series online during Black History Month, in which images from its extensive picture library were published for the first time. "We were shining a light on the *New York Times* as well, being critical of our own coverage," said Lacey. "At the time that these photos were taken, we had an all-white photo editor staff — all-white editor staff, in fact." The photo series attracted so much public feedback that a book based on the groundbreaking work came out in 2017.

The Pulitzer Prize is another iconic journalism brand taking a fresh look at its mission. Newly appointed Pulitzer Prize Administrator Dana Canedy will likely be a "stronger voice on First Amendment and free press issues" while doing more diversity work, according to Megan Mulligan, the organization's Deputy Administrator.

Cord cutters

With content that caters to diverse audiences, The Young Turks Network is rapidly growing its viewer base. TYT is the online news and commentary juggernaut that recently hit 7.6 billion lifetime views, mainly among Millennials who support its progressive political stance. At a median age of 28, the TYT viewer is significantly younger than counterparts at FOX and CNN, whose median ages are 60+.

In their session, G&S Managing Director Ron Loch and TYT Chief Business Officer Steven Oh explored the network's Over-The-Top viewers who are flocking to platforms such as YouTube, Amazon Video, Hulu and other distributors that do not rely on cable or satellite pay TV services or infrastructure.

According to a G&S poll conducted on May 29, 2018 among 517 adults, one-quarter had become "cord cutters," by canceling their cable or satellite subscriptions in the past 12 months.

Identifying TYT's paying viewers as members, not subscribers, is a way of acknowledging their active roles in developing show content, Oh explained. Membership fees range from $10 to $1,000 per month. At the upper level, super fans are considered executive producers and gain access to premium content. VIP members also take part in regularly scheduled calls with TYT top brass.

The upstart network's business formula creates a community whose energetic support often extends to brands with shared values, which has attracted sponsors including American Express and Verizon. Brand collaborations with TYT result in longer-form digital content, such as mini-documentaries, and experiential programs, such as panel discussions and meet-and-greets.

B2B brands, in particular, must adjust their approaches as they consider unconventional placement options. Loch remarked that TYT's platform is ideal for the more complex storytelling that often eludes B2B marketers on mainstream media, since OTT viewers are more willing to immerse themselves in content that can run as long as 30 minutes or more. "They're willing to pay extra to get an experience with a company that has an aligned value [with theirs]," said Oh.

The TYT executive urged marketers to build relationships with OTT viewers over time and not to be intimidated by isolated instances where brands have appeared alongside content deemed unsavory.

Blockchain-based journalism

G&S also provided a first look at The Civil Media Company, a Brooklyn-based new venture with an emerging journalism model based on blockchain technology. Founded in 2017, Civil funds other media start-ups with grant money from its own strategic investor, an arm of Ethereum, a blockchain-driven computing platform that generates the cryptocurrency used by Civil.


Mary C. Buhay

Steve Halsey, G&S Managing Director, ignited the interview with Daniel Sieberg, Civil's co-Founder and Head of Journalism Operations, with a startling survey finding.

More than one-third (37 percent) of those polled by G&S would categorize as fake news "an article that contains factual errors, even if the mistakes are unintentional."

Sieberg revealed Civil's solution to restore trust in the news media: Start fresh with a brand new protocol. On Civil's platform, news publishers and members of the public who wish to fund quality journalism form a cooperative by taking financial stakes using Civil cryptocurrency, agreeing to uphold a constitution and holding each other accountable for practicing ethical journalism and civil discourse. Violators risk expulsion from the community and forfeiture of their tokens.

Ease their grip

Civil believes it can avoid social media's unruliness and opacity since blockchain operates as an open ledger that lets members practice self-governance, fund news reports, and distribute stories in full view of all participants. Blockchain technology also promises a way to check the veracity and sources of news. From the initial transaction in which a fully-disclosed funder and newsroom agree on the terms of an assignment to the resulting news product, each story is permanently archived as one indelible record and traced wherever it is shared within the platform.

Regardless of which business models prevail, communicators should take heed of public demand for greater diversity of ideas. News media are learning that audiences insist on unvarnished stories and fearless conversations. Similarly, marketers and PR pros must also ease their grip on brands.

Mary C. Buhay is Senior VP of Marketing at G&S Business Communications.

The good, the bad and the ugly

The relationship between PR practitioners and the media has changed dramatically over the years. Unfortunately, some of these changes haven't been for the better.

By Arthur Solomon

Aside from the title of a spaghetti-Western, "The Good, the Bad and the Ugly" also aptly applies to how media relations have changed over the last few decades, which I've witnessed firsthand, first as a journalist and editor and later, as a professional in the PR business.

Of course, the biggest changes have been the result of technology. But below are several other reasons for those changes as well.

The Good: Newcomers to our business might be surprised to learn that for many years, dailies and wire services would run a story and omit the brand name of a product because, they said, "it's too commercial." Today, brand mentions are the norm.

While at Burson-Marsteller I found a way around the commercial block. Every story idea I presented had loads of stats about product sales, costs of promotions, etc. Without identifying which brand the stats referred to made for an incomplete story.

The Bad: Before newsrooms used computers as their basic tools, reporters were free to meet with PR people to discuss story ideas. Even when reporters were busy, we were always invited to meet in the newsroom to pitch ideas. The caveat was that pitches had to make sense, meaning they contained hard news or feature elements that made sense to journalists. Pitching fluff would end the welcome mat.

Making matters worse was the advent of the 24/7 news cycle. Many reporters became chained to their desks, often ending the cordial one-on-one relationship between reporters and PR people. Because of time constraints brought on by the 24/7 news cycle some reporters did not have the time or freedom for in-person, in-depth interviews. A short phone conversation, followed by email discussions, was often the result.

Laptop computers also played a significant role in diminishing the personal relationships. Many reporters never go to the office these days. They file their stories or columns from wherever.

The Ugly: Prior to becoming a freelancer, I was a Senior VP/Senior Counselor at Burson-Marsteller and was responsible for restructuring, managing and playing key roles in some of the most significant national and international sports and non-sports programs, as well as traveling internationally with high-ranking government officials as a media advisor. And before joining the PR business I reported for several years for some of New York City's major dailies. Thus, I can confidently write about the ugly from personal experience on both sides of the aisle.

Here's how some matters have made a change for the worse.

Media contact: Contacting a print journalist used to be easy, even if you didn't have a direct phone number. Just pick up the telephone and tell the operator to connect you to a specific reporter or an editor or reporter that covers the salt and pepper industry. No problem. At a TV station, all you had to do was ask to be connected to a producer of a certain show.

Then things changed. Many news outlets wouldn't connect you with an individual unless you gave them a specific name. Even worse, some news outlets did away with a live person answering the phone and required you to punch in the name via your telephone keyboard. (It took a while, but I finally figured out how to beat the "no name, no connect" system without spending a bundle on contact books, which I'll gladly share with anyone who hires me for project work.)

Manners: I've always been treated respectively by experienced reporters and editors. Not so by novice reporters. Two examples:

At an international event, I approached a young reporter, introduced myself and was immediately told, "I don't work with PR people" and he walked away.

At another event, a reporter didn't even let me finish introducing myself before saying, "Got to go." What I was offering was good, solid stories that subsequently were done by other reporters who listened to what I was pitching. (Lesson to be remembered: The more experienced the reporter the better they treat PR people. And staffers at the major news organizations are rarely rude if you know their beat and pitch solid story ideas.)


Arthur Solomon

The PR/journalist relationship has changed dramatically over the years. As a journalist, I always let PR people finish their pitch, even if I knew it didn't have story value. When I jumped the fence to the PR side, the great majority of journalists would let you finish pitching before saying, "good story" or "no story." (I guess good manners aren't part of the communications schools' texts.)

Finally, while there have been many changes in the PR/journalist relationship over the years, some things remain the same:

The best way to create a good working relationship is to pitch only solid stories to the proper beat reporter or editor. Pitch "in their ballpark" stories often enough and you will always get a hearing.

Pitch junk and your calls, emails or other pitching methods will not be forgotten and neither will you, and not in a good way.

Arthur Solomon was a Senior VP/Senior Counselor at Burson-Marsteller, and was responsible for restructuring, managing and playing key roles in significant national sports and non-sports programs.

Email marketing remains popular

Nearly 70 percent of businesses reported that they still rely on email marketing, according to a recent survey of digital marketers released by The Manifest.

The Manifest survey found that 69 percent of digital marketers admitted allocating time and money at their businesses for the purpose of email marketing.

Among businesses that invest in email marketing, the most popular topics behind this outreach involve product/company updates (69 percent), promotional emails (69 percent), newsletters, (68 percent) and event invitations (65 percent).

Larger companies typically send the most emails. According to the survey, 37 percent of marketers stationed at businesses with more than 500 employees said their company dispatches marketing emails daily, as opposed to 21 percent of marketers working at companies staffing between 101 to 500 employees.

When asked to cite their primary objectives for engaging in email marketing, growing and retaining customer base (29 percent), followed by the prospect of increase engagement (22 percent), were the top reasons most marketers supplied.

Again, this variable revealed a disparity among company size: companies with more than 500 employees were more likely to use email marketing to increase engagement (25 percent), whereas smaller companies said they're more likely to use email marketing to either grow and retain their customer base (34 percent) or for brand awareness (17 percent).

Jack O'Dwyer's passion for PR reporting

By Peter Finn

Congratulations to Jack O'Dwyer on his 50th anniversary covering the PR world.

I've known Jack personally for some 25 years. As we all know, the PR world has gone through an incredible transformation during this time.

Throughout these changes — in news delivery, speed of decisions and shift from relationships to often transactional models — Jack has stood for values that transcend our industry. He remained the ambassador for our industry and a prophetic journalist who would recognize that integrity and reputation were the coin of our work.

Peter Finn

More than two decades ago, desktop computers — initially word processors that enables on-the-fly editing — were new and they were just used to replace typewriters. Facsimile machines, smart phones, e-mail, web sites and social media were far from our world then. Brands were products and not necessarily people. PR and advertising firms had distinctive and separate swim lanes.

But it's all dramatically changed and one way I've kept ahead of these shifts is by reading Jack's highly regarded, distinct yellow printed pages in the pioneering Jack O'Dwyer's Newsletter.

Jack's illuminating perspectives and insights on how technological advances, economic fluctuations and societal/cultural shifts are impacting the PR industry have been a must-read for me since my father David created an iconic agency that today has blossomed into three successful offshoots, Finn being one that shares his name.

Jack was one of the first to note that marketing, branding, PR and digital/social media would converge into an integrated and dynamic communications force. He was right.

Jack also recognized that PR practitioners would help to drive the breaking stories on our news and social platforms, shaping today's most meaningful and important conversations and building our most influential brands. Again, he nailed it!

Jack's passion for PR set a standard of excellence in reporting on the PR industry that has been emulated by others, a benefit to us all. It's a level of quality and integrity in journalism that today, is being upheld by everyone at O'Dwyer's, and I have no doubt that it will carry forward for many years to come.

Though I miss that printed weekly newsletter format, I always value how it evolved, respect his legacy and anticipate its vibrancy.

Thank you, Jack.

Peter Finn is Founding Managing Partner at Finn Partners.

PR news brief

Kekst reps FujiFilm in tech tussle with Xerox

Kekst & Co. is working with Japan's FujiFilm, which in June threatened to compete with Xerox if it decides not to renew its 56-year technology partnership that expires in 2021.

Chairman Shigetaka Komori wrote in a letter to Xerox CEO John Visentin that FujiFilm is ready to compete with Xerox in Asia Pacific and enter the US and European markets.

FujiFilm had a $6.1 billion deal to acquire Xerox, but the transaction was torpedoed in May by activist investor Carl Icahn.

The scrapped acquisition led to the resignation of Xerox CEO Jeff Jacobson and five board members.

Kekst's Ruth Pachman and Kimberly Kriger represent FujiFilm.

O'Dwyer, like PR, has always been about relationships

By Dorothy York

In our 60th anniversary year, I'm proud and honored to contribute an article to celebrate the 50th anniversary of Jack O'Dwyer's company.

Nobody has helped NAPS more than Jack to get the word out to our clients, with a trade publication that's second to none.

Jack is a PR pro of the first order of magnitude. He calls it as he sees it and lets the chips fall where they may. He's given us the inside cover of his magazine for many years and top-rate positioning on his site.

What we've paid has been far exceeded by the many happy returns on our investment. I don't know if we would have survived all these years without the help of Jack and his staff. We are truly grateful for all he has done for us and for the PR community.

The fundamentals of marketing and PR are the same today as they were 50 or even 100 years ago, as written about by Edward Bernays, who most consider one of the founding fathers of PR.

Bernays, a nephew of Sigmund Freud, wrote about the psychology behind the PR efforts, including appealing to people's basic wants and needs, which are much the same today as they were back then.

PR is about relationships. What's changed is that we have new tools and techniques to get the word out and develop those relationships.

Back in 1968, one of the most tumultuous single years in history, in the days of the assassination of Bobby Kennedy and Martin Luther King Jr., the Viet Nam War, student protests all over the world, Apollo 8, the election of Richard Nixon and the dawn of the television age, Jack started out with a fire in his belly and a passion for PR. Those were the golden days of traditional media, the primary focus of the efforts of most of our clients.

Fast forward to 2018, and we live in a world of real-time news and agile responses to the constantly changing environment.

Donald Trump, like him or hate him, has rewritten the rules of PR and marketing by cutting through the filter of traditional media and reaching out directly to the public to build relationships that made the most unlikely of candidates President of the U.S.

New terminology has been coined to describe the current PR landscape, such as changing "press release" to "news release" because the news is not only for the press but also for marketing directly to consumers.

Also, "newsjacking", as described by David Meerman Scott in "The New Rules of Marketing and PR," is the act of seizing the opportunity to inject your story into the conversation about breaking news, if there's a legitimate connection to be made, and providing a resource to journalists, who are looking for more information on a relevant topic.

Clients who want to repurpose content they've worked so hard to create, typically for a handful of top-tier journalists, have an ever-increasing number of choices, as the media has become fragmented, including citizen journalists, in the age of democratization of the media.

Dorothy York

Our results are better than ever and keep getting better! We've gone from promising 100 placements per press release to more than 1,000. Our metrics are more precise measures of the value of PR so clients can more fully appreciate our success stories. We've given out hundreds of Golden Thinker Awards and Certificates of Excellence at an increasing rate, after raising the bar several times to show that what's above and beyond is now what's typically expected.

We offer proposed feature news releases at no cost or obligation from our team of experts, who study the trends in what is getting the best coverage in thousands of community news outlets, primarily in the wealthy suburbs nationwide. Our guarantee is that people will love their results or get another one free.

Dorothy York is CEO of New York-based North American Precis Syndicate.

Jack O'Dwyer, an American original

By Robert L. Dilenschneider

He was there when the public relations industry started. He tracked every important development. He called out the bad guys and exposed the charlatans for who they were, and he praised and supported the good guys.

He reflected a level of style, elegance and honesty at every turn.

In my early days in the business, I sat in rooms where Jack O'Dwyer was discussed with unhappiness, anger and, frequently, surprise. "How could he get that story?" was often the comment.

And Jack did get the story … and story after story.

It was my privilege to be with Jack and his beautiful wife Lucille on several occasions. How did he conduct himself? First, he always bent over backwards to see that Lucille was taken care of. Second, he took every occasion as an opportunity to look for news. He had a nose for it, which is why he found angles no one else got.

Robert L. Dilenschneider

Jack O'Dwyer loved people. He helped the "little guy." He was never intimidated by "the big guys." And he always had a touch of that famous Irish wit in everything he did.

The world is a better place for *O'Dwyer's*. Business is better, and people are more accountable.

Is there a downside to Jack? Yes indeed. There is only one of him.

Robert L. Dilenschneider is Founder and Chairman of The Dilenschneider Group, a global public relations and communications consulting firm headquartered in New York City.

Facebook users sharing less content

Nearly half of Facebook users in the U.S. cited privacy concerns as the reason why they're sharing less content on social media than they used to, according to a recent Thomson Reuters survey.

According to the survey, 47 percent of U.S. Facebook users claim that concerns surrounding privacy are the reason they're now sharing less content with friends and followers on social media. One in five — 20 percent — cited negative stories in the news as the reason why they're sharing less content than before.

Nearly half — 44 percent — of Facebook users said they've recently changed their privacy settings, 76 percent said they haven't increased the amount of content they share with friends/followers and 93 said they haven't increased the amount of content they share publicly.

A majority of Facebook users polled — 69 percent — said it's "very important" to control who gets to see the information they share, and 49 percent said they feel they have at least "some control" over who gets to see the information they share.

Chronicler of the PR industry

By Ken Makovsky

When Jack O'Dwyer founded his company, I would've been a senior at Washington University in St. Louis, on my way to law school. At the time, the concept of public relations as a career was not even a glimmer in my eye, much less the idea of starting my own communications agency. However, a few years later, after receiving my Juris Doctor degree, I decided to switch from law to PR, and I quickly observed that Jack O'Dwyer was a force unto his own.

When Jack would visit the top 10 agencies where I started my PR career, the firm's leaders would virtually stand at attention because they knew that if Jack took a negative stance on a story, it could impact the firm's reputation. They prepared for Jack's arrival the same way they prepared for a client meeting because his words had so much power. Jack at the time was the only game in town for PR journalism. The U.S. edition of *PR Week* started publishing 30 years after *O'Dwyer's*, and *The Holmes Report* 32 years later.

Jack was the pioneer, and in my view became a centrifugal force in accurately reporting the story of the PR industry's growth over the decades. His journalism background showed. He has consistently been a stickler for reporting honest revenues by agencies, year after year, for decades, and has insisted on seeing confirming evidence from agencies' previous-year tax forms (to the consternation of a few!). I believe his being a stickler for accuracy on agency financial performance is one of the reasons for his remarkable longevity. He wasn't afraid of calling an agency out for not cooperating.

Of course, times have changed dramatically in PR and corporate communications. But Jack has endured as an institution, despite steep competition and constant change.

What have been the most dramatic changes I've seen in the profession from the late sixties till today? These three categories are the ones I see as representing the most significant. In one way or another, I believe Jack has weighed in on all of these.

Pace. Over the past five decades, technology has progressively hyper-charged the pace at which we work, making some things easier while making others more complex. No longer can you take a breath and work on other projects after sending a strategic document to clients like you could in the late 1960s and 1970s. Today, clients often respond almost instantly with feedback, and client and agency increasingly collaborate online.

Technology has also given us an ever-changing stream of new tools for the toolkit, new ways to create and innovate, new ways to target, measure impact and tweak campaigns on the fly.

New and more complex crises. Despite all the great things technology has wrought over the past 50 years, it has also brought us new and more complex kinds of crises we haven't had to deal with before, from cyber-attacks, privacy breaches and identity theft to the proliferation of "fake news." These are crises that we are still struggling with as an industry to manage and help clients recover from. I worry that "fake news" presents a potential existential crisis for agencies, our clients and governmental entities.

Ken Makovsky

Specialization. When I started Makovsky in 1979, the idea of building an agency under the umbrella of specialization was foreign. Hiring people with deep industry-focused backgrounds for the types of clients we serve was considered an anomaly and not an effective strategy. It is true that back then, many agencies focused on consumer products. Specialists are now the order of the day, not just for industry expertise, but tech, social media, design, writing and production, etc.

Jack has survived all of these changes and will most likely continue to impact our thinking as change inevitably continues to shape our future.

Ken Makovsky is CEO of Makovsky.

Committed to journalism and holding PR accountable

By Richard Edelman

In a 2011 article about Edelman, Jack O'Dwyer wrote that ours was "the only big firm that stayed true to its craft and didn't sell out."

The same can be said about Jack. Over 50 years he has demonstrated an unwavering commitment to the profession of journalism and to holding everyone connected to the PR industry accountable for their actions.

Richard Edelman

I started in the industry and at Edelman 40 years ago, so it's not overstating it to say that much of what I learned in the first half of my career came from my father, Dan Edelman, and Jack.

And for most of you reading this, Jack more than likely served as your mentor and guide through the industry via *Jack O'Dwyer's Newsletter* and *O'Dwyer's* magazine.

For five decades Jack has served as Chronicler-in-Chief of our industry. He's reported on our evolution from media relations gurus to crisis communicators to strategic counselors; and on the progression of agencies from product marketing to digital marketing to communications marketing.

He's covered the acquisitions by the conglomerates and has remained a fierce advocate and voice for the independents. Jack is committed to ensuring transparency. His list of agency rankings was the first of its kind, and it made us all accountable for our financials.

He's a gadfly in the best possible way – in pursuit of the truth. He's an old-school reporter who digs for the facts and calls it like he sees it.

Jack's a bon vivant who loves a laugh and a glass of whiskey. And he's a true family man who, like my father and me, has led a family-owned business working alongside his wife Lucille, his strongest supporter; his son John, who serves as publisher; and his daughter Christine, director of marketing.

Jack's never lost his zeal for PR or reporting on it. Here's to you, Jack, on a remarkable half-century. Thank you for being a voice for us independents and the best source of real news about the industry we love.

Richard Edelman is president and CEO of Edelman, the No. 1 independent PR firm.

Career interrupted? *O'Dwyer's* to the rescue

By Jane Genova

My writing career had been in existence almost as long as *O'Dwyer's* has been an institution in public relations.

But it wasn't until the late 1980s that our worlds intersected. At the time, I headed the executive communications function at a major food corporation. This ended with a Stalin-like purge. The middle management layer in Corporate America was being eliminated. The ordeal was so brutal that I decided: Never again will I be laid off.

I hung out a shingle. Jack O'Dwyer heard. He put a blurb about my venture in his newsletter. Those were the old print days. Not only did the plug bring in my first assignments, but it lifted some of the stigma associated with being cut from the team. Yes, back then, there was laid-off shaming.

The silver lining was that part of the new business model was outsourcing. Once I developed marketing and sales skills, I was able to grab a big piece of that action. Days of heaven.

That was then.

In the early 21st century, *O'Dwyer's* would again come to the rescue. After the Enron scandal executives went low-profile. Things got much worse when budgets for executive communications were slashed during the post-9/11 recession. I maintained a presence in communications by publishing articles on the *O'Dwyer's* now-digital newsletter.

Meanwhile, I struggled to figure out the next step. One day I read in the *New York Times* about Ana Marie Cox's Wonkette blog. It was posted on digital-only media outlet Gawker. Mmmm, I thought, I could do that. And so I did.

The blog I set up — janegenova.com — positioned me as digital player. Again, it was days of heaven, only the assignments were for blogging, not ghostwriting opinion-editorials for the *New York Times*.

But digital began putting journalists, the Don Draper types, and corporate internal communications scribes out of work. It was and continues to be a talent glut. In that buyers' market, compensation keeps spiraling downward and working conditions become more and more Dickensian.

Curse the entity called one's "comfort zone." I hung in with writing too long. When I finally exited, the relief was profound.

In putting together the next step, again *O'Dwyer's* has been there for me. My startup provides coaching, auditing, lecturing and thought leadership content about aging. The mission is to outfox ageism, especially discrimination in the workplace.

Jane Genova

Recently, odwyerpr.com published two of my articles. Of course, those pulled in new business. What has been even more important is this: The exposure once again re-positioned and re-packaged me as a winner. Big names in communications, human resources and law contacted me. Yeah, I'm back.

May *O'Dwyer's* continue to scale over the next 50 years. The workplace volatility will likely accelerate. We need to know that now and then we can just pause and let the folks at *O'Dwyer's* help us out.

Jane Genova heads Genova Communications and Coaching which specializes in over-50 issues.

Thank you Jack O'Dwyer for the last 50 years

By Ronn Torossian

Launched in 1968, *O'Dwyer's* is set to celebrate its 50th anniversary this July. Founder and Publisher Jack O'Dwyer has been at the helm that entire time, and his impact on the PR field has been tremendous. His near-obsessive focus on our industry has made him one of its keenest and most insightful observers, and for that, everyone who works in public relations owes the man a major thank you.

He's covered so much of the ups and downs of the PR industry, and considering the grueling industry media cycle, that's no easy feat.

O'Dwyer got his start as a financial reporter at the *New York-American* before moving to the *Chicago Tribune*. After eight years in journalism, he took everything he'd learned about the financial sector and launched a newsletter which would soon grow into a monthly magazine devoured religiously by so many in the PR industry worldwide.

A vocal advocate for transparency and face-to-face industry relationships, O'Dwyer has spoken out against the increasingly impersonal nature of the PR business. In 2013, he also took the Public Relations Society of America to task for its closed-off policies and unwillingness to deal with the press or disclose its finances.

"They've totally alienated themselves from the membership," said O'Dwyer in an interview with *Observer*. "They're all in hiding. They help accredited members; it's all about rewarding insiders. They should be setting a shining example of transparency and disclosure. It's the opposite. The PRSA will not let the press join. How can we cover the PRSA if we can't see their finances?"

O'Dwyer has been a crusader for excellence in PR for five decades, praising the field whenever he can and loudly calling attention whenever scruples are lacking. Known for his willingness to go to the mat over his beliefs, O'Dwyer has stood up for what he believes.

Ronn Torossian

With his sharp, incisive voice and unflagging persistence, O'Dwyer has influenced generations of PR reporting. His style set the standard for hard work in an increasingly automated and detached field, and even as the world of long business lunches and editorial powerhouses that gave him his start begins to fade, he remains a vibrant embodiment of everything exciting and valuable about its heyday.

Thank you, Jack O'Dwyer and the O'Dwyer Company, for all you have done for the public relations industry.

Ronn Torossian is CEO & Founder of 5WPR.

PR news brief

Kekst helps Layne Christensen cross finish line

Kekst & Co. helped Texas-based Layne Christensen Co., water management/infrastructure services operation, overcome activist shareholder and bondholder opposition to its $565 million sale to California's Granite Construction. The deal was announced in February.

Connecticut-based Cetus Capital led the charge against the merger, viewing the offer's value for Layne as inadequate.

Layne did receive major boosts from leading proxy advisory firms ISS and Glass Lewis.

Daniel Yunger, Managing Director, led the Kekst team working for Layne.

The Publicis Groupe unit coordinated its activity with Layne's long-time IR advisor, Dennard-Lascar Assocs. in Houston.

Wrestling with PR's digital future

By Harold Burson

Few public relations executives would disagree that digital technology, over the past quarter century, has impacted their work more than any technical development since Gutenberg invented the printing press in the 15th Century.

Most would also agree that the use of digital technology is still a work in progress. It has upgraded the research output upon which public programs are based. But it has also created unintended consequences that have the potential to have major adverse effects on society on a global scale, some as serious as creating a wartime environment and playing a major role in the conduct of war itself. It has undermined personal and institutional privacy and put at risk such systems as electric power grids, aircraft control systems, transmission systems and automated production systems that serve both the private and public sectors.

There's still some question on the function of digital technology in public relations. Certainly, it will not replace PR, a theme of many trade press articles when computers were first introduced. My view of digital places it in the continuum that began with the printing press and continued with the telegraph, the telephone, motion pictures, television, cable, the satellite and other gadgets that expedite the transmission of the printed or spoken word.

The great benefit of digital technology is that it has provided greater transparency, both personal and institutional, on which public relations can be effectively based. It's economical and has global reach.

As I have stated on numerous occasions, one fault in the public relations process is that industry executives have worked diligently to produce programs that provided solutions to the wrong problem. The 2016 election demonstrated that by describing more precisely the attitude of individual voters and testing scenarios for the selection of candidates but also in the selection of products and services.

Undoubtedly, government entities will have a say regarding the protection of privileged and private information of individuals and institutions. But the decision is likely to be several years distant. Meanwhile, digital will continue to expand its influence on PR.

In the area of change, another major shift is likely to be that corporations will be more transparent in describing their actions to the public.

CEOs will give more attention to the public's attitude toward their business. Mission statements and the like will be more than framed plaques hanging on the wall in the company's lobby. A big change will be that the public will know much more about the corporation that's responsible for the brand. Public relations and marketing will be conversing at the policy level.

Already, efforts are taking shape to demonstrate that corporations exist to serve the public as well as make a reasonable profit to pay a fair return to its shareholders. Don't be surprised if profit sharing plans with employees come into vogue as a recognition of the average workman's contribution to corporate success.

Another change we can look for is the effect of the increased female work force in the PR sector. Women started public relations careers in earnest with the turn of the century. It's not unusual today to identify significant numbers of females with twenty or more years' experience. My feeling is this will, in the next decade or two, be translated into a more caring and sharing corporation.

Harold Burson

All in all, I'm bullish on public relations' future. A problem that must be overcome is to provide job opportunities that create generalists. Specialists are important. But CEOs require experienced generalists and, today there are too few of them, male and female.

Harold Burson is Co-Founder of Burson-Marsteller.

Tech startups "flip the funnel"

_ Continued from page 22

syndication and social media as well as PR.

Elevate: The meek may inherit the Earth, but they'll not likely appear on stage at SXSW, CES, Web Summit, Consensus, Collision or any number of notable, influential industry events. Press traction helps build the type of momentum and recognition that can help expand your brand's platform for promotion, namely with speaking opportunities at the events where your target audiences go to learn, explore, network and often put their budgets to work. These appearances also become prompts for pre- and post-event sales activities to amplify engagement and activation directly related to your participation on panels, roundtables, fireside chats and keynotes. Additionally, a dedicated awards program can continue to validate your offerings, market leadership, industry-leading innovation and customer benefits as well as deepen the moat to protect your brand from direct competitors and new market entrants.

Defend: Anything of value requires protection of some level, and your brand is no different. Don't make the mistake of installing the security system after the first break in or threat. The bigger your brand gets, the bigger the target you become for detractors and competitors as much as fans, customers and partners. Because of this, it's important to proactively address any company or product weaknesses in your communications plan.

This isn't an admission of weakness as much as it's intended to provide a natural connection from where you are today to where you're headed by offering additional capabilities and benefits that your market demands or expects to require in the future. It's better for you to control that narrative rather than allow a competitor to position it as a slight. Similarly, you must also plan for the worst with an honest vulnerability assessment and a framework to manage a crisis, starting with the protocols for a "lock down" to control and limit outside access to information (including casual employee remarks), and progressing to key talking points, statements for escalating situations and all of the actions required of a reliable crisis-recovery plan, with the goal of owning your narrative, minimizing public alarm and mitigating reputational damage.

With proper planning and execution, you can achieve the multiplier effect of a strong, well-planned and agile PR effort, ultimately ascending from being part of the conversation to leading the conversation. Remember, there's no magic bullet for PR success: it takes persistence, determination and a commitment to storytelling along with a best practices approach to maintaining the right tempo of the right campaigns for your company's stage of growth. So, arm yourself with an arsenal of content, spokespeople, data and media intelligence, and before long, you'll be enjoying the view as the press dive headlong into the funnel in their collective scramble to get to you.

Kevin McLaughlin is Managing Director at ICR.

Record low unemployment tightens race for talent

The flipside of a robust economy and record low unemployment means there too many open jobs in PR and not enough workers, especially qualified workers, to fill them.

By Michelle Ubben

Nearly half (47 percent) of US CEOs see the lack of talent as the biggest threat to their company's future plans, according to the Worldcom Confidence Index 2018 survey of C-suite executives. Only six percent identified the available talent pool as a source of optimism.

While we are enjoying a historically low unemployment rate, the flipside of that good economic news is that we are in a period of too many jobs and not enough workers, especially qualified workers.

As a consequence, 2018 is shaping up to be the Year of the Employee, with CEOs identifying employees as their second most important target audience — right after customers — and 20 percent of top executives putting employees first.

Meaningfully engaging employees pays big dividends. Gallup reports that companies in the top quartile of employee engagement reap 10 percent higher customer metrics, 17 percent higher productivity, 20 percent higher sales, and 21 percent higher profitability. And they're more likely to attract talent in the first place.

Engagement means moving away from a top-down management structure and actively involving employees in defining and creating your culture. Here's an example of how younger professionals help define the culture at our firm.

Innovative Efforts to Attract Talent

Here in Florida's capital, the Talent Lives Here initiative aims to convert the great young talent produced by our universities into workers who put down roots in Tallahassee. Sachs Media Group is an enthusiastic participant in the Tally Chamber Job Hop to support that effort.

Statewide, the Florida Chamber Foundation's upcoming Learners to Earners Summit is stoking a broad conversation about how to meet Florida's talent needs, given that 85 percent of all jobs in 2030 could be in industries or occupations that do not exist today.

So how can you, as an employer, better compete for top talent and retain the talent you already have?

Enhance your brand. Employees, especially younger employees, want to work for companies that have a great reputation and an attractive culture. It's never been more important to boost awareness of your brand's strongest assets and to be a values-driven company that knows what you stand for and lives by those values.

Rally around your purpose. Millennials, in particular, want to know the purpose of the company they work for and how their work fits in to make a difference. Be clear about why your work matters, and provide regular and individualized feedback to staff about how they meaningfully fit into the larger purpose.

Offer a seat at the table. As David Coletto, CEO of Abacus Data, notes, Millennials are the first generation that grew up sitting at the "adult table." They aren't prepared to wait to be an influence. Consciously create an employee engagement program that involves employees of every age in bubbling up ideas to make your company stronger. The plurality of perspectives will make you a better company and more attractive to young, in-demand talent.

Embrace diversity. People want to work for organizations that, at least in part, look like them. As a communications firm, we know that we need a team that understands and mirrors the diverse audiences we are speaking to. But every firm, no matter its purpose, benefits from consciously building a diverse team, especially if it hopes to win in the talent hunt.


Michelle Ubben

Be family-friendly. While Millennials are generally marrying and having children later, Coletto notes that millennial households are more consensual, collaborative, and equal, with more women earning graduate degrees and being the primary breadwinners –while 42 percent of men serve as their family's primary cooks. Look for millennial talent to drive further change in the workplace, insisting on flexibility and family-friendly policies.

The race for finding and retaining top talent is on. Employers who hope to compete successfully for younger employees must learn what consumer brands have already discovered: Give them what they want.

Michelle Ubben is President of Sachs Media Group.

Purpose drives consumer relationships, bottom line

By Jon Gingerich

Americans widely expect companies today to align their operations with a sense of social purpose, according to a joint study issued by agencies Cone and Porter Novelli.

The Cone/Porter Novelli study found that more than three-quarters (78 percent) of Americans no longer believe it's acceptable for companies to simply make money, and an even greater number (79 percent) think companies should work to address social issues as well.

When it comes to the specific social issues Americans most want companies to address, privacy and internet security (86 percent), job growth (86 percent) and healthcare access (85 percent) took top billing, followed by sexual harassment (83 percent), racial equality (81 percent), women's rights (80 percent) and the cost of higher education (76 percent).

As it turns out, companies imbued with a sense of purpose also forge deeper bonds with consumers: 77 percent said they feel a stronger emotional connection to purpose-driven companies over traditional companies, and 67 percent said they believe these companies care about them and their families. 80 percent of respondents also said they feel they're doing something beneficial for society when they buy products or services from purpose-driven brands.

It doesn't hurt that an effective CSR mission can markedly affect companies' bottom line as well. Nearly nine-in-10 (88 percent) of respondents said they'd buy products from a purpose-driven company, two-thirds (66 percent) said they'd switch brands to one that's purpose-driven, and more than half (57 percent) said they'd pay more for a purpose-driven product.

Moreover, the study found that a clearly stated mission can also effectively turn consumers into brand advocates: 68 percent of those polled said they're more willing to share content about those purpose-driven companies via social media, and that viral activity doesn't pertain merely to a company's CSR efforts but usually includes product information (66 percent) and promotions and sales (64 percent) as well.

Cone and Porter Novelli are both part of Omnicom.

Retaining the O'Dwyer principles of public relations

By Fraser Seitel

Fifty years ago, Jack O'Dwyer, a disheveled, slightly-unorthodox, former journalist right out of the Jimmy Breslin School of rough-and-tumble police reporting, started a newsletter to shine a bright light on the practice of public relations. (I originally met him because he was my baby sitter!)

Fraser P. Seitel has been a communications consultant, author and teacher for more than 30 years. He is the author of the Prentice-Hall text, *The Practice of Public Relations.*

Today, half a century later, the old curmudgeon is still at it, his light continuing to burn brightly, extolling the virtuous and exposing the fakers in our field.

Over the years, I've occasionally questioned Brother O'Dwyer's viewpoint. (Who hasn't?) But I never questioned the "O'Dwyer Principles of Public Relations" that he championed. Today, those three principles are just as relevant to public relations professionals as the day Jack adopted them some five decades ago.

The only thing that's changed, sadly, in this era of Donald Trump and pervasive polarization is the way the O'Dwyer Principles are — or more likely, aren't — being adhered to.

Here's the proof.

O'Dwyer principle #1: Always seek the truth

"The truth," they say, shall "set you free." In Jack's case, the search for truth "set him loose" — sometimes like a rabid dog digging for the facts. Many a public relations blowhard has been laid low by the wrath of the intrepid O'Dwyer trying to ferret out the facts in a confusing situation.

The lesson to public relations people, of course, is that the one cardinal rule of the practice must be that you should always tell the truth. Obviously, there are certain situations where the facts might not be in the client's best interests to share. That's when, rather than uttering untruths to protect the client, comment should be avoided; whether inquiring minds like it or not.

Lying, rightfully argues Jack, is an action of which public relations people should never be guilty. All you have, he says, is your reputation, your integrity. Once you lose that, you've lost your credibility. And he's right.

Today, of course, truth has become a perilous commodity. With partisans throughout society who selectively pick and choose their own "facts," media which purposely slant theirs and politicians from the president on down who don't think much about them, the pervasiveness of truth-telling has taken a body blow.

No matter. In public relations, if you lie, you lose. And that's true whether your boss commands you to lie about the size of his inauguration crowd being "the largest in history" or lie about how a tax cut that returns thousands of dollars to middle class Americans is "bad for the American people."

If one is to be respected in the practice of public relations, you can never lie; the O'Dwyer Principle must abide.

O'Dwyer principle #2: Always speak your mind

Anyone who has suffered the misfortune to run afoul of an O'Dwyer verbal exchange — whether in the form of a question at a conference, a dialogue between editor and reporter or a dispute on the A train bound for Brooklyn — understands how religiously Jack O'Dwyer practices this principle.

So, too, must public relations advisers speak their own minds, not only when invited by their clients to counsel but also when not invited. Your responsibility as a public relations consultant is to speak up loudly and clearly to proffer ethical counsel in the client's best interest; whether or not that client wants to hear it. That's the reason you're paid.

Whether or not you support Donald Trump, it's inarguable that perhaps this President's most glaring weakness is his failure to seek out and listen to advice. He seems to feel he is the smartest guy in the room and can do it all himself. That's why he chose first, an unqualified Anthony Scaramucci to be his communications director and then, an inexperienced Hope Hicks to replace the Mooch. Neither one carried the credentials for the position, but Trump wasn't interested in seeking honest counsel so both were fine. Predictably, now that his two friends were driven out, the White House communications director job lingers unfilled.

The fact is Trump doesn't want an adviser who fits the O'Dwyer Principle, and no self-respecting public relations professional, therefore, would take the job without being allowed to speak his or her mind.

O'Dwyer principle #3: Always respond to the media

As a grizzled newspaper veteran of the old *New York Journal-American* and *Chicago Tribune* and then as the righteous editor of *O'Dwyer's Newsletter,* Jack O'Dwyer has always crusaded for the obligation of public relations people to speak to the media.

In Jack's mind, every public relations person must treat the First Amendment as sacrosanct, and that means responding to journalist inquiries, no matter how unpleasant. Over time, as many in the media have become more partisan and less fair-minded, even the most respected public relations professionals have wavered on following this O'Dwyer Principle. The late great Gershon Kekst, for example, one of the field's most successful practitioners, was known to counsel his clients to speak to the press only when it served their interests.

Today, of course, this O'Dwyer Principle is under assault, as much due to overt media bias as to reluctant public relations professionals. When the *New York Times*, the world's traditional "paper of record," carries a front page story that proclaims Donald Trump's first 17 months in office as "an exercise in futility," it's little wonder why at least half the country concludes the mainstream media is so anti-Trump that it can no longer be trusted to be fair.

Accordingly, increasing numbers of public relations professionals in business, government and agencies think twice about returning a call to a reporter that may well lower the boom on them, whether deserved or not. And this O'Dwyer Principle becomes that much more difficult to heed.

While these may, indeed, be confusing and perilous times for the practice of public relations and the values that have sustained the field over its first 100 years, public relations professionals must, by nature, be optimists; secure in the knowledge that the time-honored principles that have driven the field's most fearless fighter over half a century of revelatory reporting will once again emerge victorious.

Making an adequate profit in the agency business

By Richard Goldstein

There's a new generation of professionals working in PR and owning firms, and many of my contemporaries are now retiring or selling their agencies to this younger generation of PR professionals or larger agencies.

Richard Goldstein is a partner at Buchbinder Tunick & Company LLP, New York, Certified Public Accountants.

As it turns out, many of the younger generation haven't read my columns on agency profitability analysis as updated for current thinking. Accordingly, I plan on bringing topics such as "value pricing" and understanding what's necessary to make an adequate profit to this column.

The benchmark profitability in the industry is — or was — 20 percent. Problem is, many of the smaller agencies — and even some of the larger ones — don't hit this mark. If your agency is earning less than 20 percent pretax this, in my view, is not an adequate profit margin to sustain growth.

If an agency has larger clients, it may have to deal with a procurement department. These departments are going into the agency's accounting records with a fine-tooth comb before an agreement can be signed. The problem is that many of these procurement departments are asserting that an adequate profitability for the PR agency is 15 percent. After taxes, there's not enough profitability to make the money needed to cover costs and invest in the agency.

So, what is an adequate profit? The correct answer is a much as you can earn! However, putting this aside, 25 percent or more should be the goal. So, how does an agency achieve this? In my view, the answer comes down to implanting a value pricing strategy! (I will discuss this in future a column.)

So, where do you start?

First step

There are many surveys that you can read to help you in this area. One that I like is the Gould+Partners "PR Agency Industry 2017 billing Rates & Utilization Report." If you haven't read this, call Rick Gould at 212/896-1909 and ask for a copy. The report is based on 2016 results and dated July 5, 2017. The 2018 report is currently in process.

You can compare the billing rates in the report to what you're currently using. Are the rates you're using adequate, regardless of all the reports and surveys you may have read? The answer is: "maybe!"

One of the smartest PR industry consultants that ever lived was Al Croft. He was one of the best advisors and generous with his time and advice. Al and I have written many columns together and I was a contributor to his book. For a PR professional that never studied accounting, he surely knew what need to be done to be successful.

Setting hourly rates

To establish a billing rate, three factors must be considered: annual salary costs, plus overhead percentage, plus profit percentage desired. The total is then divided by the expected annual billable hours per person to arrive at an hourly rate that's required to achieve the desired profit percentage. An individual's annual salary costs include both his or her salary and benefits, either actual or a percentage share.

To determine your overhead percentage, divide your total overhead costs, including non-chargeable staff salaries (administrative personnel) by your direct labor costs. This overhead percentage figure — generally plus or minus 100 percent — is added to salary costs for an individual or group of employees. To set an hourly rate that will hit 25 percent, add a 33.3 percent factor to the sum of salary and overhead costs. To achieve a 20 percent profit, add a 25 percent profit factor; for a 15 percent factor, add a 20 percent profit factor.

Here's an example based on a salary cost of $100,000 and an overhead factor of 80 percent: $100,000 salary cost plus $80,000 overhead factor equals $180.000. Apply a profit factor of 33.3 percent to arrive at a total of $240,000. Divide this, as an example, by 1,500 billable hours to arrive at a target billing rate of $160.

You can establish rates for a group of employees by title or salary increments ($5,000 as an example).

You may find that the system results in hourly rates that are too low competitively for junior staff and too high for senior people. You can now adjust these rates by raising junior people rates and lowering senior people rates competitively while maintaining the same projected profit. You may find that to earn a 25 percent profit your rates are not competitive (too high) based on other agencies of your size or the procurement department tells you that you are not competitive. Why is this? Assuming your salary costs are in line (they usually are) compared to the competition, your overhead is not in line with your competitors. For example, an overhead factor of 115 percent of labor may not give you competitive rates. This would be a good time to perform an in-depth review of your overhead structure.

Information needed to prosper

Step two is to understand what ratio analysis brings to the table. At a minimum, a PR agency needs five basic pieces of financial information to manage the firm: cash flow, individual staff productivity, overall staff productivity, individual client profitability and overall agency profitability.

Next month I'll focus on ratio analysis. If you are thinking you can open a financial statement analysis text and use this information, you are partially correct. To understand your agency, you need to apply industry specific ratio analysis. Next month I will go over some of the specific ratios that you need to review to be successful.

PR news brief

Company launches first fake news monitoring service

Media monitoring and measurement company Glean.info has introduced the first news monitoring service designed to identify fake news content.

Unlike traditional media monitoring and press clipping services, where clients aim to earn as many media mentions as they can, Glean.info's fake news monitoring service helps clients acquire as few phony and image-damaging news clips as possible. The service collects content from more than 2,000 sites known to publish fake news and other types of misinformation. The service then sends automated email alerts to clients when one of these sites mentions a subscriber's name, product or other keywords.

The service monitors online fact-checking services to identify the stories these services are correcting.

Glean.info was founded by PR veteran William J. Comcowich, who previously founded and served as CEO of Stratford, Conn-based media monitoring and measurement company CyberAlert LLC. Comcowich told *O'Dwyer's* that most phony news stories found on social media originate on sites that the Glean.info service monitors. However, subscribers to Glean.info's fake news monitoring service can also request to add specific sites that they want monitored.

Clients can choose up to five names to be monitored. They can also monitor specific keywords or phrases.

"The spread of fake news can destroy the reputations of companies and celebrities almost instantly. It's a real problem," Comcowich told *O'Dwyer's*. "We noticed that most of the bad stuff about companies, celebrities and political issues originates in sites that intentionally traffic in misinformation, disinformation, outlandish stories, hate or other extreme viewpoints. It's important for companies to identify and quash those stories at the source before they go viral on social media. No other media monitoring service was covering those sites — so we developed the service. We think it's a vital component of a media monitoring program."

Glean.info's Fake News Media Monitoring Service retails for $99 a month. An introductory offer of $49 a month is available until July 30.

Ogilvy lobbies for 're-established' Wells Fargo

Ogilvy has signed on as D.C. representative for Wells Fargo & Co., which is seeking to rebound from its cross-selling scandal in which accounts were secretly opened for customers.

The WPP unit handles policy issues impacting banks, housing finance and Dodd-Frank Act overhaul.


Dee Buchanan

Dee Buchanan, who worked for 11 years for House Financial Services Committee Chairman Jeb Hensarling and was considered the Congressman's "go-to-guy," handles Wells Fargo, along with Karissa Willhite, ex-Aide to Jersey Senator Bob Menendez.

A California court in June approved a $142 million class action settlement involving phony Wells Fargo accounts.

In April, the San Francisco-based bank paid a $1 billion fine to end a federal probe into its mortgage and loan practices dating to 2005. The fine is the biggest levy brought against a bank during the Trump administration.

As part of its image overhaul, Wells Fargo launched an ad campaign last month carrying the tagline, "Established 1852, Re-Established 2018 with a Recommitment to You."

Altria taps Mercury for tobacco regulation work

Altria, parent of Philip Morris USA, has hired Omnicom's Mercury as its Washington lobbyist on tobacco product regulations.

The $25.6 billion Richmond-based giant says it's committed to marketing "reduced risk products" to the 40M adult Americans who continue to smoke.

PM has focused its sights on e-vapor, smokeless/oral nicotine products and heated tobacco items as platforms with the potential to drive adult smoker conversion.

Meanwhile, PM's flagship Marlboro cigarette saw a 0.7 percent slip in retail share and an 8.8 percent drop in shipments in 2017.

Mercury managing directors Stephen Aaron and Al Simpson handle the Altria business.

GPG reps leader in lab meats

Glover Park Group has signed on as D.C. representative for Memphis Meats, the Berkeley-based company involved in producing "clean" meats made from animal cells in a lab.

CEO Uma Valeti, a cardiologist by training, expects to begin marketing his company's meat harvested from cells by 2021.

The company's environmentally friendly production process requires less land, water, energy and food inputs than traditional farming methods.

The clean meat process has the potential of eliminating 15 percent of greenhouse gas emissions that are produced by animals raised for meat.

Launched in 2015, Memphis Meats produced the world's first clean meatball in 2016 and chicken strip in 2017.

It has attracted investments from Bill Gates, Richard Branson, Cargill and Tyson Foods.

Joel Leftwich, former majority Staff Director on the Senate Committee on Agriculture, Nutrition and Forestry and Aide to

Republican Senator Pat Roberts, and Grant Leslie, ex-Aide to former Democratic Senator Tom Daschle and Agriculture Secretary Tom Vilsack, handle the account.

WPP owns Glover Park Group.

Obama aide, Democratic politico launch Ambassador

Former Obama Administration and DNC officials Luis Miranda and Mark Paustenbach have launched Ambassador Public Affairs.

Ambassador offers strategic messaging, crisis management, media relations, coalition communications and a media training program, with a focus on advising clients on interactions with the changing media and digital landscape.


Luis Miranda

Miranda was a communications advisor to President Obama during his first term in office. He's also a veteran of five presidential campaigns, most recently having served as Communications Director for the Democratic Party during the 2016 presidential campaigns.

Paustenbach was most recently deputy communications director and national press secretary for the Democratic Party during the 2016 presidential primaries and the general election campaign.

USTA appoints BHFS to boost Brand USA

Travel trade non-profit the U.S. Travel Association has inked a pact with law firm Brownstein Hyatt Farber Schreck to lobby on Capitol Hill on issues related to Brand USA, the campaign that promotes overseas tourism to the U.S.

Founded in 2010 under the Travel Promotion Act, the public-private destination marketing organization faced the threat of having its funding eliminated under the Trump administration's fiscal 2018 budget proposal.

The USTA is pushing for a continued reauthorization of the U.S. travel marketing arm as the U.S. faces a drop in international arrivals. Inbound international travel to the U.S. has seen a precipitous drop since President Trump's inauguration, a trend that many travel industry pros have begun referring to as the "Trump Slump."

The travel and tourism trade group in March hired lobbying firm Klein/Johnson Group for additional help with Brand USA appropriations.

Qatar inks $1.2 million pact with Giuliani-tied firm

Qatar, which has faced an economic blockade for the past year, signs a $1.2 million pact with Blueprint Advisors, a firm that has close ties with president Trump's lawyer Rudy Giuliani.

Blueprint is to rebut claims by blockade leaders Saudi Arabia and the United Arab Emirates that Qatar's cozy ties with Iran foster terrorism and hinder peace in the Gulf region.

The firm's founder Chris Henek, who signed the Qatar contract, was a senior advisor to the Rudy Giuliani Presidential Committee.

He also did a four-year stint as business consultant to Giuliani Partners, where he identified domestic and business opportunities and set up speaking engagements for Giuliani.

Blueprint co-chairman Tony Carbonetti served as NYC Mayor Giuliani's chief of staff, presidential political advisor and co-founder of Giuliani Partners. He leads the Qatar engagement.

The firm will help Qatar's attorney general Ali Al-Marri keep U.S. decision-makers informed of his country's anti-terrorism and pro-peace policies, and will work for economic development. ○

Portland pitches for Kazakhstan

The Republic of Kazakhstan's Washington Embassy has retained Britain's Portland PR for media outreach efforts as well as to provide a spate of communication services to promote Kazakh culture in the U.S.

According to Foreign Agents Registration Act documents filed in June, Portland's New York outpost will provide ongoing communications support to the oil-rich former Soviet Union state's Embassy, through media counsel and support, social media strategies and digital campaigns, media training, event management and materials development, including providing media and research materials, press releases, op-eds and speeches.

The contract, which went into effect at the end of May and expires in December, nets Portland $140,000. ○

Bahrain inks $1.6M pact with BGR

Bahrain has signed BGR Government Affairs to a two-year strategic communications contract worth $1.6 million.

BGR chairman Ed Rogers, former aide to the late Republican political consultant Lee Atwater and deputy assistant in the George Bush I White House, leads a team including former journalist Jeffrey Birnbaum (*Wall Street Journal*, *Time*, *Washington Post* and *Fortune*) and Clinton/Obama White House staffer Maya Seiden.

Bahrain has long been criticized for a crackdown on its majority Shia population by its Sunni leadership. It has jailed Shia political leaders as terrorist.

The island nation, which is closely aligned with Saudi Arabia, is part of the Arab coalition that erected the economic and political blockade of Qatar for its alleged ties to Iran, which also is dominated by Shias.

Some fear Bahrain's crackdown will build support for Iran.

Bahrain is home to the US Navy's Fifth Fleet. ○

FARA News

NEW FOREIGN AGENTS REGISTRATION ACT FILINGS

Below is a list of select companies that have registered with the U.S. Department of Justice, FARA Registration Unit, Washington, D.C., in order to comply with the Foreign Agents Registration Act of 1938, regarding their consulting and communications work on behalf of foreign principals, including governments, political parties, organizations, and individuals. For a complete list of filings, visit www.fara.gov.

Sonoran Policy Group, Washington, D.C., **registered Jun. 12, 2018 for Democratic Party of Albania**, Tirana, Albania, regarding work with the Albanian opposition to build an anti-narcotics and anti-organized crime strategy for Albania.

Myriad International Marketing, LLC, Los Angeles, CA, **registered Jun. 1, 2018 for Taiwan Visitors Association**, Taipei City, Taiwan, to coordinate events in Los Angeles, San Francisco and New York designed to promote Taiwan as a tourist destination.

Lobbying News

NEW LOBBYING DISCLOSURE ACT FILINGS

Below is a list of select companies that have registered with the Secretary of the Senate, Office of Public Records, and the Clerk of the House of Representatives, Legislative Resource Center, Washington, D.C., in order to comply with the Lobbying Disclosure Act of 1995. For a complete list of filings, visit www.senate.gov.

Venable LLP, Washington, DC, **registered Jun. 15, 2018 for Blockchain Token Association,** Great Neck, NY, regarding legislative and regulatory environment relating to the development of blockchain-related businesses and assets.

Holland & Knight LLP, Washington, D.C., **registered Jun. 19, 2018 for Eaze Solutions, Inc.**, San Francisco, CA, regarding educating members of congress on cannabis marketplace and related federal legislation and regulation as well as the States Act.

Sidley Austin LLP, Washington, D.C., **registered Jun. 18, 2018 for Hikvision USA, Inc**., City of Industry, CA, regarding prohibitions on certain video surveillance equipment in the National Defense Authorization Act and other potential legislation.

Kelley Drye & Warren LLP, Washington, D.C., **registered Jun. 15, 2018 for DAK Americas LLC**, Charlotte, NC, regarding issues involving US Customs and Border Protection.

Steptoe & Johnson LLP, Washington, D.C., **registered Jun. 15, 2018 for Qatar Aluminium Limited (Qatalum)**, Mesaieed Industrial City, Qatar, regarding issues related to customs policies.

Signal Group Consulting, Washington, D.C., **registered Jun. 11, 2018 for Wiley Rein LLP on behalf of the Association for Unmanned Vehicle Systems Intl.**, Washington, D.C., regarding issues associated with unmanned autonomous vehicles.

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Public Relations Firms Database

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j public relations
california • new york • london

J Public Relations
530 7th Ave., #502, New York, NY 10018
212/924-3600
letstalk@jpublicrelations.com
www.jpublicrelations.com
Employees: 65. Founded: 2005.

Agency Statement: J Public Relations (JPR) is an international luxury PR and social media agency specializing in hospitality, travel and luxury lifestyle brands with offices in New York City, London, Los Angeles and San Diego. JPR is a trusted leader in media relations and brand strategy, trend forecasting, brand partnerships, influencer relations, social media strategy and unparalleled media placements worldwide.

Established in 2005, the award-winning agency has consistently risen to become the country's fastest growing, bi-coastal agency in the travel and hospitality spaces. JPR's global roster includes more than 125 hotels in the U.S., Canada, Mexico, Caribbean, Dubai, Europe, New Zealand, Asia and more. JPR steadily garners and retains notable clients including Relais & Châteaux, Jumeirah Hotels & Resorts, Vail Resorts Hospitality, Grace Hotels, InterContinental Los Angeles Downtown, Newport Beach & Company, Four Seasons Lanai and 15 Ritz-Carlton Hotels & Resorts.

JPR is listed on the *Observer's* annual "PR Power 50" as one of the country's most powerful PR firms. The agency also garnered "Top Places to Work" by *PR News* and "Agency of the Year" by *Bulldog Reporter* in addition to multiple trade and consumer awards for company culture and brand success.

Jamie Sigler O'Grady & Sarah Evans, partners

Jamie Sigler O'Grady, Sarah Evans, partners

Locations:

New York
530 7th Ave., #502, New York, NY 10018
212/924-3600

San Diego
2341 Fifth Ave., San Diego, CA 92101
619/255-7069

Los Angeles
429 Santa Monica Blvd., #280, Santa Monica, CA 90401
310/722-7066

London
14 Gray's Inn Rd., 3063, London, WC1X, 8HN, UK
(011) 44 (20) 38905838

Sampling of highlighted clients:

Adare Manor, Ireland
Adventures by Disney (project work)
Aulani, a Disney Spa & Resort (project work)
Chateau du Grand-Luce, France
Chewton Glen, UK
Cliveden House, UK
Discover Baja California
Four Seasons Resort Lana'i
Golden Oak Development by Walt Disney World Resort
Grace Hotels
Grand Hotel Tremezzo, Lake Como
Gurney's Resorts - Montauk & Newport
Helena Bay, New Zealand
Hotel del Coronado
InterContinental Los Angeles Downtown
InterContinental, Washington DC – The Wharf
Jumeirah Hotels & Resorts
Newport Beach & Company
Rancho La Puerta
Rancho Valencia Resort & Spa
Regent Seven Seas Cruises (project work)
Relais & Châteaux
The Palms and The Shore Club, Turks & Caicos
The Private Suite at LAX
The Resort at Pedregal
The Ritz-Carlton Hotels (15 properties)
Vail Resorts Hospitality
Vail Mountain Resorts

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One year of access to odwyerpr.com. Stay on top of the latest industry news, professional developments and commentary from our editors as well as many outside contributors. Get a leg up on the competition by consulting our exclusive listing of new RFPs.	$295
One-year subscription to O'Dwyer's magazine, now in its 32nd year. Each issue covers not only current topics and stories, but focuses on one of the PR specialties such as healthcare, food, technology or finance. PR firms are invited to profile their special practices in each issue.	$60
2018 O'Dwyer's Directory of PR Firms, the only printed directory of its kind!	$95
Total Value	**$750**

Submit online at odwpr.us/list-your-firm
or contact Melissa Werbel, Director of Research, 646/843-2082, melissa@odwyerpr.com