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Communications & new media

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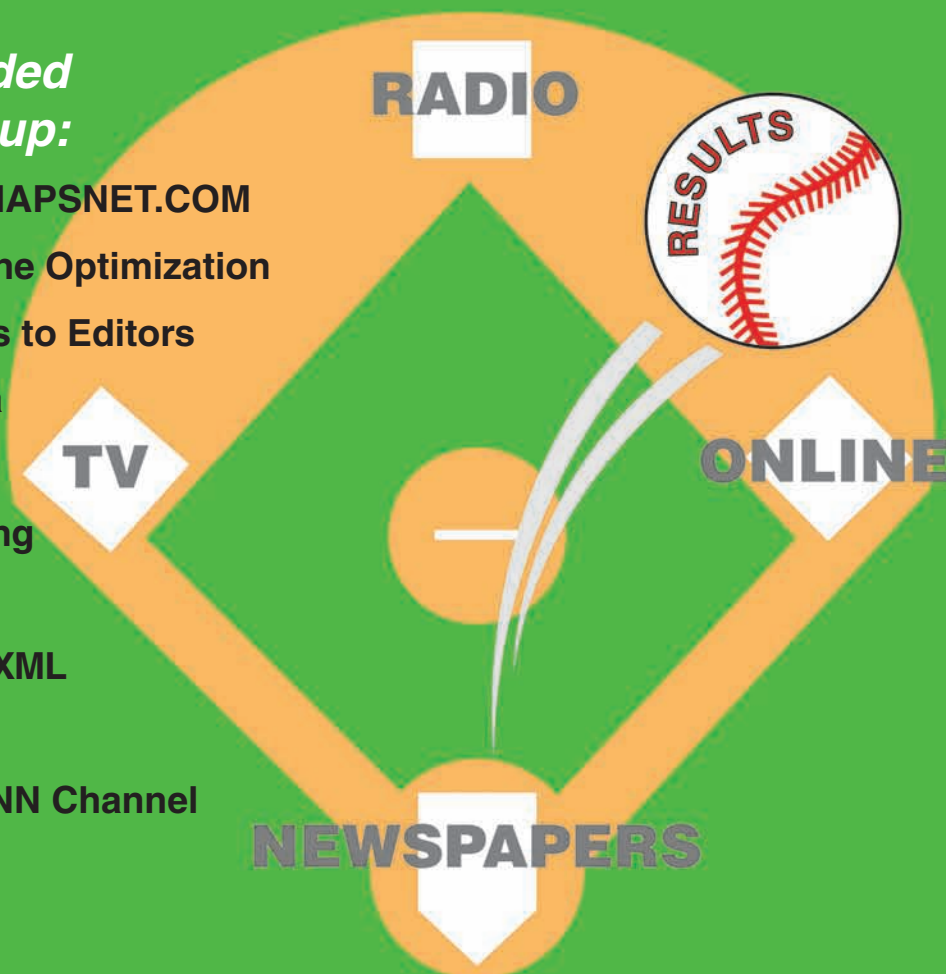
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Tales of sexual hijinks smirch IMF's "austerity" image

The Washington, D.C.-based International Monetary Fund is supposed to be an organization of strait-laced numbers-crunching economists dedicated to restoring sanity to the globe's financial system. That nose-to-the-grindstone image was forever shattered last month when news broke that IMF Chief, Frenchman Dominique Strauss-Kahn, was arrested in the first class cabin of an Air France plane at New York's JFK Airport for allegedly attempting to rape a chambermaid at his \$3,000 a-night suite. He 62-year-old Strauss-Kahn was humiliated via a "perp walk" and then unceremoniously tossed in jail at the notorious Riker's Island lock-up. New York tabloids rightly feasted on the misfortunate of the haughty Frenchman. Photographers snapped unflattering pictures of the unshaved Strauss-Kahn, which sent shudders down the spine of the chattering classes of France, a group that long tolerated the womanizing ways of their perhaps future president. The pix also did the IMF no good.

The sordid mess opened a nasty can of worms. The *Wall Street Journal* huffed that there was little new in the matter because insiders knew of the frat-house culture that ruled the IMF. While the arrest of the now former IMF chief is the most recent "black mark," the Fund "chose to overlook" Strauss-Kahn's previous sexual adventures, reported the WSJ. In 2007, it gave Strauss-Kahn a "wrist slap" after a dumped husband blew the whistle on an affair the then newly minted managing director was having with his wife. The Fund's board determined that Strauss-Kahn committed a serious of judgment errors. In contrast, the *Journal* pointed out that IMF's sister organization — the World Bank — gave its then-President Paul Wolfowitz the boot after news broke that he helped get a raise for his girlfriend.

Strauss-Kahn's legal team informally reached out to Washington-based TD International for counsel, according to a report from Reuters. William Green, a former U.S. diplomat posted in Geneva and Paris, founded TDI in 1999 to provide discreet and strategic crisis management expertise to companies, non-governmental organizations and wealthy individuals. Before TDI, Green served as President of Parvus International, a business intelligence outfit.

TDI has a history with DSK. He hired the firm in 2007 as his U.S. communications resource to help guide the former French government official's quest for the top spot at the IMF.

Lousy damage control

The IMF attempted to sweep the latest Strauss-Kahn embarrassment under the rug. It issued a skimpy 46-word statement on May 15 about the arrest of its leader to assure the world that it "remains fully functioning and operational." That business-as-usual attitude was torn to shreds by a *New York Times* (May 20) article with the headline "At IMF, Men on Prowl and Women on Guard." It depicted the IMF as an institution run by "alpha males" where women are subject to sexual harassment. The *Times* reported that the IMF's own rules seem to encourage managers to pursue women who work for them. "Intimate personal relationships between supervisors and subordinates do not, in themselves, constitute harassment," says an IMF provision. The Fund tried to regroup following the NYT report to deny its frat house image. "Harassment is not tolerated in this institution," said a statement from Spokesman William Murray. A new standard of conflict requires that close personal relationships between a supervisor and subordinate must be reported. The IMF effort was too little and way too late.

The Fund's global role is supposed to be all work and no play. Boring is good. The IMF governs the economic lives of 187 nations that depend on it to keep the global financial system operating in an orderly fashion. Lately, the IMF is pushing harsh austerity measures to punish the so-called economic free-wheeling activities that it believes went on in places like Greece, Ireland and Portugal. The IMF calls for pain, not pleasure. Excesses are to be squeezed, not celebrated.

IMF staffers are expected to be hard-nosed arbiters, not a pack of lecherous skirt-chasers. Tough going awaits the IMF. Embarrassing revelations about the financial body are bound to be revealed during the trial of Strauss-Kahn. It will take more than just a new broom for the IMF to regain respectability. ●



Dominique Strauss-Kahn

O'Dwyers

EDITOR-IN-CHIEF

Jack O'Dwyer
jack@odwyerpr.com

ASSOCIATE PUBLISHER

Kevin McCauley
kevin@odwyerpr.com

EDITOR

Jon Gingerich
jon@odwyerpr.com

SENIOR EDITOR

Greg Hazley
greg@odwyerpr.com

CONTRIBUTING EDITORS

John O'Dwyer
Fraser Seitel
Richard Goldstein

ADVERTISING SALES

John O'Dwyer
Advertising Sales Manager
john@odwyerpr.com

Jack Fogarty
National Advertising Representative
jfogarty@odwyerpr.com

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— Kevin McCauley



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Experts: better PR is lesson of Japan nuke crisis

By Greg Hazley

A report commissioned by the U.K. government to draw lessons from Japan's Fukushima nuclear disaster named better PR and communications as one of four general takeaways from the event.

Although the U.K. is 1,000 miles from the nearest fault line, the report, released May 18, found several areas of improvement for the British nuclear industry and

stressed public communications as a key area of focus for the country's 19 reactors in the wake of Fukushima, noting the Japanese nuclear plant operator TEPCO fumbled its early PR at the detriment of the public and its own reputation.

"The recent comments over information release by TEPCO and distrust in its provenance provide a striking illustration of why [the U.K. Office of Nuclear Regulation] is addressing this issue with commitment and urgency," says the

report.

President Barack Obama has asked the Nuclear Regulatory Commission to review the U.S.'s 104 nuke plants, as well.

The U.K. nuclear industry has made "great strides" with an "openness and transparency agenda" in recent years, according to the report, but "some stakeholders have reservations about greater openness and access to information, based on concerns about the potential for misuses by the media or others and possible detrimental effect on our regulatory effectiveness.

The report says that while there must be some limitations on the release of information because of security concerns, "such reservations should not stand in the way" of more open communication with the public.

W-S touts Japan recovery

Weber Shandwick's Tokyo office unveiled a web-centric platform in May to show "a more accurate understanding" of the rebuilding of Japan economy in the wake of the March tsunami and subsequent nuclear disaster which has shaken the country.

The initiative, called "Real Voices, Real Japan," highlights the views of citizens and business leaders, social media posts, along with photos and video to feature the country's efforts to recover and offer PR advice the companies with interests in the region.

Japan CEO Akihiko Kubo said the firm has been issuing a daily "Quake Update" briefing since the March 11 disaster, noting that the international business community is "keenly interested" in Japan's economic recovery. He said the Real Voices offering is intended to create "a more accurate understanding" of the situation in Japan as a way of supporting the recovery process.

Insight from Weber Shandwick staffers offering a PR perspective is also part of the digital endeavor.

Senior VP Toshiya Takata said Tokyo-based companies, including those unaffected by the disaster, have been asking him about how to communicate with stakeholders overseas.

He wrote in a post on the new site that he counsels them to use their own media to stress two points: the company's functional status (injuries, casualties, damage) as well as disaster updates and countermeasures. ●



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Orbitz asked to drop ads from Fox

Internet travel giant Orbitz is being asked by gay rights groups to pull advertising from Fox News due to alleged bias.

By Kevin McCauley

Washington's FitzGibbon Media is guiding the launch of MediaMatters' DropFox campaign designed to pressure advertisers to pull ads from Fox News due to what it perceives as the News Corp. property's "alarming deviations from the usual standards of a news organization."

Travel website Orbitz Worldwide is the first target as members of three gay organizations signed a letter to that company's CEO, Barney Hartford, to "raise our concerns about your association with a network that advances destructive anti-gay rhetoric."

The organizations, GLAAD, Courage Campaign and Equality Matters, acknowledge that Orbitz, which also runs a gay-specific site, has done "great work" in "partnering and catering to the LGBT community."

They blast Fox for bias "on everything from gay marriage to the repeal of DADT" and conclude that its "coverage is driven by a political agenda and cannot be considered an objective news source."

The gay rights groups want Orbitz to rethink its advertising backing for Fox because that translates into support for an "organization committed to advancing an agenda that demeans many of your customers and advocates limiting their civil

rights."

Fox News denies any bias in its coverage.

Brian Hoyt, Vice President of Corporate Communications and Government Affairs at Orbitz, was contacted for corporate reaction to the DropFox effort. He provided a statement in which Orbitz played up its strong support of gay rights and its "perfect score on the Human Rights Campaign's 'corporate equality index.'"

Headquartered in Chicago, Orbitz

Worldwide, Inc. has been a leader in the online travel business since its founding in 2001. The site is currently responsible for more than 1.5 million flight searches and one million hotel searches every day. It has estimated annual revenue of \$870 million.

Orbitz says its advertising carries an "inclusive message reflective of our diverse audience." It will continue to "respect and serve the needs of all travelers no matter their politics, race, religion, sexual orientation or gender."

The company noted it "might need to agree to disagree" at times with organizations that it supports. ●

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PR Services Briefs

GRAYLING SMOKES OUT EU

Grayling has picked up a big anti-smoking campaign from the European Commission's Directorate-General for Health and Consumers covering 27 nations of the European Union.

Huntsworth's global PR flagship is to handle media relations, content development, outreach to convince adults aged 25 to 35 to quit smoking. Publicis Groupe's Saatchi & Saatchi handles the advertising component of the communications program.

Huntsworth CEO Peter Chadlington believes the March win of British Airways business, a three-year deal covering 38 countries, opened the door for Grayling to scoop up larger mandates.

He said in March that the trick is to "convert our expanding international pipeline into new clients. The EU win combined with the DHL courier business in 17 countries is worth nearly \$25 million.

Huntsworth touts Grayling as the second largest independent global network after Edelman. It is helmed by Michael Murphy.

Burson becomes target in Facebook flap

The growing corporate and PR war between Google and Facebook enveloped Burson-Marsteller in May after the firm said it took on an assignment it should never have accepted.

By Greg Hazley

The episode unfolded in early April after Burson staffers approached on behalf of Facebook an Internet security blogger about penning an op-ed piece critical of a Google service. When the blogger, Chris Soghoian, pressed Burson to reveal its client, the firm declined and an irritated Soghoian posted the firm's entire pitch online.

Under pressure from evidence uncovered by the Daily Beast on May 11, Facebook admitted a few days later that it was the shadowy client, sparking a flurry of criticism for the social network, PR firm and, in some cases, the PR industry as a whole.

Slate's Jack Schafer sneered: "As someone whose regard for the public relations industry could not descend beneath the subbasement it currently occupies unless I used nitroglycerine to erase some troublesome bedrock, I find nothing surprising, shocking, or offensive in what Burson-Marsteller did in attacking Google."

But much of the flame-throwing came from within the PR industry, itself, and dozens of PR pros took to their blogs, social networks and the airwaves to expound on ethical PR and criticize the Burson-Facebook fiasco.

"Just as we saw in the Dept. of Education/Ketchum matter a few years back, this case is as much about attribu-

tion as ethics," said Alan Kelly, the veteran technology PR CEO now in D.C. with Playmaker Systems. "Had inquiries been answered honestly and immediately — even proactively — there'd be no PRgate to navigate." He dubbed the episode "more a case of incompetence than malpractice."

A particularly stinging critique was handed down from a former top B-M staffer in the U.K., Terence Fane-Saunders, the former CEO of the firm's U.K. operation now chairman of London-based Chelgate.

"Quite simply, this is not the way that B-M would have operated in the days when I knew it well, and I am sure that it is not an approach which Harold Burson would have condoned," he said, noting that the firm's history helped establish PR as an ethic management process and expressing hope that the "furtive and creepy" episode was an aberration.

No intent for 'smear' campaign

USA Today cracked the story open a week earlier, on May 6, when it said it was among the "top-tier media outlets" targeted by B-M to place news stories and editorials about how Google's Social Circle email feature violates the privacy of users. At the time, Facebook's identity was still under wraps.

A Facebook spokesman said the social network hired B-M because Google is moving into social networking services and also because Facebook "resents" Google's attempts to use FB data in those services.

"No 'smear' campaign was authorized or intended," Facebook said, adding that it hired B-M to "focus attention on this issue, using publicly available information that could be independently verified by any media organization or analyst."

Burson said Facebook requested that its name be withheld on the grounds that it was "merely asking to bring publicly available information to light and such information could then be independently and easily replicated by any media."

The firm contends that any informa-

tion brought to media attention raised fair questions, was in the public domain, and for the media to verify through independent sources.

Burson admitted, however, that the effort was "not at all standard operating procedure and is against our policies, and the assignment on those terms should have been declined."

The client and firm have since parted ways.

Standard tactic of PR

While many PR critics piled on the episode, some were less admonishing and detected an air of hypocrisy in some of the finger-pointing.

"I am sure there will be PR practitioners who join the public lambasting of the PR agency in question in a holier than thou attempt to position themselves above the fray," wrote Scott Friedman, North American Director for Text 100. "The truth, however, is that anyone who has worked in our industry for a significant time has probably engaged in somewhat similar tactics. It is a regular practice in PR to create fear, uncertainty and doubt about our clients' competition."

B-M said the two execs involved in the campaign — former *National Journal* scribe John Mercurio and ex-CNBC tech correspondent Jim Goldman — were to undergo additional ethics training, and all staffers would be reminded of ethical guidelines in place at the WPP-owned firm.

"Op-ed pieces are supposed to spring fresh from the minds of their writers, not be prompted by skullduggery," blogged Pennsylvania PR pro Doug Bedell. "It's possible Mercurio might have disclosed his client to Soghoian later. But the damage in terms of the standards shown by this PR executive has already been done."

PRSA chair Rosanna Fiske, in a rare rebuke of a PR agency, criticized B-M for not revealing its client and appeared in a handful of media outlets to tout the group's ethics code.

"This reflects poorly upon the global public relations profession," she told the *Telegraph*. "[B-M] took the road of misleading and not disclosing who they were representing," she said in the *New York Times*. "In the essence of the public relations code of ethics 101, that's a no-no." ●

PR services news

NOKIA PLUGS NEXT FIFTEEN

Three Next Fifteen Communications Group PR firms will handle Nokia's global PR account, following a competitive review.

Text 100, Bite Communications and 463 Communications have been tapped to guide PR for the telecom in the U.S., U.K. and its home base of Finland.

Ketchum was the U.S. incumbent, while GolinHarris and Good Relations worked Finland and the U.K., respectively.

Earlier this year, Nokia said it would be adopting Microsoft's Windows Phone 7 software for its smartphones in a billion-dollar deal between the companies. Some media and analysts have suggested the pact is a precursor to an acquisition by Microsoft.

IPRA members comment on board abuses

By Jack O'Dwyer

Key board members and past leaders of the International PR Association have resigned to protest what they see as abuses in financial reporting and governance including the dissolution May 5 of the IPRA Council, the 74-member legislature of the group.

One issue of particular contention is the election of Johanna McDowell of South Africa as President for 2012. Dissidents claim McDowell was wrongfully elected based on her receiving "40 messages of congratulations."

They say her election should be declared null and void because valid other candidates were excluded; no secret ballot was held; the voting software was "corrupted," and the board ignored complaints of minority board members about the conduct of the election.

A number of members are also in open revolt against the leadership of staff CEO James Holt, who at one point resigned last year. Dissidents feel he should not have the title of "CEO."

Holt appears to be back at the helm although some members have complained that his salary — about \$80,000 a year — takes up about 80% of the income of IPRA.

Board members say they were ignored

The dissolution of the Council was declared at the May 6 meeting in Brussels but there are many members who question this action, noting that only the Council could dissolve itself.

An announcement May 13 by 2011 president Richard Linning said the last five IPRA presidents, operating under the new constitution, have submitted its report on the membership and eligibility for election of the new governing body and for the conduct of future IPRA ballots.

Dissident board members, including former President Elizabeth Ananto of Indonesia Ananto, claim they do not get adequate financial reports. They are also upset that Nigel Chism of the U.K. has been treasurer since 2000 when there is a four-year limit for that office.

Tempers have flared on both sides of this dispute resulting in threats of lawsuits and legal opinions obtained from lawyers. Two dissident directors have been "suspended" from the board for several months as "punishment" for not toeing the line. They disputed such suspensions as improper and unwarranted.

Among those resigning in protest are

former directors Don Stacks of the U.S.; Jennifer Hardie of United Arab Emirates; Volker Stoltz of Germany and David Donahue of Australia, former Council head.

Poor financial reporting

Member services manager Clare Cochrane, who was with IPRA more than 10 years, was laid off because of budget problems, said sources. She was paid four months' salary and a "compensation" payment.

Members say the Council of IPRA, "the sovereign body" of the group according to Robert's Rules, made up of representatives from the 60 or so nations with members in IPRA, is being disregarded and key decisions are being made by a few board members.

A new governing setup places control in the hands of representatives elected from "regions" rather than individual countries. A new U.K. corporation has been set up to handle the affairs of IPRA as required by U.K. laws.

There are numerous complaints that directors and even officers of IPRA are not getting full and timely financial reports. Latest figures on the IPRA website are for the year ended Dec. 31, 2009 and show an

operating loss of £18,277 on revenues of £204,798 including £81,907 cost of sales and £141,168 administrative expenses. Net assets were £319,205, a decline of £16,101.

IPRA hurt by mismanagement

Some members fear the current crisis at IPRA could spell its doom or bring it to its knees. It's in the middle of its biggest money-maker, the Golden World Awards.

Winners, who paid £230 per entry, will be announced later this month and awards will be made at a banquet in the fall.

IPRA, whose membership has declined from 1,000 or so to under 500, say senior members, has stiff competition from the European Assn. of Communication Directors, a corporate group founded in 2006 that now has 1,600 members.

IPRA had about 900 members in 2004 from 90 countries and had cash of £231,336. Current membership is said to be about 1,000.

Current staff costs, including Holt's pay of about £60,000, consume 80% of total income, said memo by director Volker Stoltz of Germany; Srba Jovanovic of Serbia; Hardie, and Stacks. The memo said directors had been told that Holt intends to stay for another five years. ●

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Tips for the traveling PR pro

International public relations has become a way of life for communicators in the United States. When the opportunity arises to develop a PR plan or supervise a project in another country, etiquette and cultural sensitivity are paramount.

By David Ritchey

You may be in for a big surprise. International PR often has little similarity to the way we practice it in the United States.

In London, the president of a large, prestigious PR firm called me aside after he'd lectured my students about British PR. "Hey, chap," he said, "What is the 'evaluation' thing you yanks do? How does it work? Can I bill the client more if I work evaluation into the mix?" I gave my new friend a fifteen-minute lecture on the value of evaluation as part of the PR mix. What I learned in that fifteen minutes is that not everyone in the world practices PR as we do in the United States.

In Hong Kong, the head of a PR office said "we should call it ER, not PR. Emergency Relations is what we do." He was sending emails as quickly as possible to a newspaper in Korea. He wanted a Korean reporter to correct an error in a story. The reporter insisted the story would remain as it had originally been written; the error would remain. The integrity of journalist varies from country to country. Don't expect the type of journalistic excellence you find in the United States in every country of the world.

In preparation for traveling to another country, you don't need an in-depth knowledge of the language where you'll be visiting. However, you do need enough knowledge of the host country's language to show respect. Some of the words you'll need include: Hello, Goodbye, Thank You, Yes and No.

English is a required language in many countries. Many high school graduates may be able to converse with you in English. But, you should arrive in the country with a basic vocabulary in order to open the language barriers.

Check with your local university in order to hire a tutor, who can give you a crash course in conversational language. A quick review of a college foreign language textbook (available in the local bookstore) will bring back some the language you learned in school.

For legal documents and financial agreements, contact the American Embassy for a translator. The person you hire may

not work in the Embassy but would be acquainted with the Ambassador's staff.

Culture dictates how people behave in a country. A group of Arab students invited me to dinner. Out of respect for the food, I removed my shoes at the doorway to the room where the food would be served. Second, we sat on the floor. Arabs do not let the bottoms of their feet show. They consider the bottom of the foot to be the dirtiest part of the body and it must never be exposed. The Arabs wore long robes that covered their feet. I was wearing slacks and it's impossible to cover the feet when wearing slacks. I removed my sweater and covered my feet with the sweater.

We ate family style, with our hands — no knives, forks or spoons — out of a large common bowl. At the end of the meal, the men left the dining area one at a time. When a man returned to the room, another would leave. I assumed they were going to the bathroom. Later, one of the men told me they left to go to a prayer room, where each prayed alone.

People eat based on what they can afford. In China I was alerted that dog was usually served with tomato sauce. In a Hong Kong market I saw live snakes available for the evening meal. The market offered slaughtered rabbits.

Don't ask your host, "What is this stuff?" Sneer or not, it's an insult to your host.

You can easily order something that might be appealing to you by reviewing the menu and asking questions. Don't expect a hamburger and fries. You need to enjoy new foods.

When working in another country, who pays for what is a delicate issue. You must be willing to pay. In truth, you have the money to pay for the dinners. Avoid the embarrassing moment when the check is brought to the table. Take the check. Don't let this be a problem for you, your host or your guest.

A colleague invited me to tour the Carpathian Mountains. We would travel in his car, but I was expected to pay for all of the food and drink. When it was time to leave, his wife and daughter joined us. I paid for everything.

The gifts I've been given in other coun-

tries usually represent that country. In Beijing, a student, who knew I collected stamps, gave me a first-day cover of a stamp issued jointly by China and Sweden. He remembered my interest and gave me an appropriate gift. If you'll be exchanging gifts, bring items that are indigenous to your country. Give practical, inexpensive gifts. Don't embarrass a host who can't afford to buy you something expensive.

Dress appropriately and conservatively. Don't wear any clothing with words written on them and don't wear clothing with a manufacture's logo prominently displayed. These clues readily identify you as an American.

Don't ask about family, spouse, home or lifestyle. Some cultures consider it rude to ask about the wife of a business associate. We might innocently ask, "And how is your wife? What does your wife do?" These fairly innocuous questions may not be acceptable in another culture.

Show respect for what your hosts hold special or sacred. Attitudes about religion will be different than what you've know in the US. I left Westminster Abby following a worship service. One of the students said, "They certain do the worship service well."

Another student responded, "They've had about a 1,000 years to get it right." A thousand years of religious traditions demand your respect.

Don't flaunt your wealth. In most countries and in most situations you are a rich American. Don't display photographs of your house, car or other possessions in order to show your new friends how you live.

Money is important. Don't refer to American money as "real money." In Romania, the money hasn't been re-evaluated in a long, long time. My breakfast at the Hilton Hotel in Bucharest was 100,000 Lei. "Oh, I can't afford this," I said.

A friend responded, "It's only \$3.40. Tickets to the top opera house in Romania were \$3.40. An excellent Italian dinner in Romania, with salad, two glasses of wine and tip was \$3.40.

Prepare for your visit to another country by reviewing how you practice public relations in your office. Study the country you'll be visiting — language, currency and history. Finally, show respect for the traditions of the host country. You'll be more successful professionally and personally if you make a point of enjoying yourself.

David Ritchey, Ph.D., is a Professor in the School of Communications at the University of Akron. Ritchey has worked in St. Petersburg, Bucharest, Hong Kong, Beijing, London and Cuba. ●

Health pros want McDonald's to give Ronald the boot

More than 500 healthcare pros and medical institutions signed a letter to McDonald's CEO Jim Skinner asking him to stop marketing "junk food" to children in an effort to combat the "staggering" rates of obesity and diabetes among the nation's young.

By Kevin McCauley

The letter appeared May 18 as a full-page ad in the company's hometown *Chicago Sun-Times*, *New York Metro*, *Boston Metro*, *San Francisco Examiner*, *Minneapolis City Pages* and *Baltimore City Paper*. The ad's full-text at LettertoMcDonalds.org contends that the dramatic rise in sickness "mirrors the growth of your business — growth driven in large part by children's marketing."

The letter reads, in part:

"As health professionals engaged directly in the largest preventable health crisis facing this country, we ask that you stop marketing junk food to children ... Our community is devoted to caring for sick children and preventing illness through public education. But our efforts cannot compete with the hundreds of millions of dollars you spend each year directly marketing to kids ... We know the contributors to today's epidemic are manifold and a broad societal response is required. But marketing can no longer be ignored as a

significant part of this massive problem."

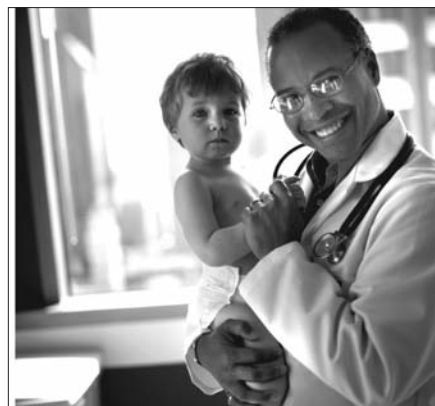
The letter zeroes in on corporate mascot Ronald McDonald and other promotions "to appeal to kids in environments that informed parents and health professionals can't constantly monitor — from schools to libraries to the Internet."

Ronald McDonald is an "icon as recognized as Santa Claus, and the McDonald's model of marketing is used by a range of abusive industries," says the group.

Skinner was asked to retire marketing to children for food high in salt, fat, sugar and calories, as well as Ronald and toy giveaways.

McDonald's says it's concerned with health issues and that it takes its "communications to children very seriously." It is committed to being part of a dialogue on children's health and nutrition. The fast-feeder also says parents have told it that "they appreciate our Happy Meal choices."

Corporate Accountability organized the ad campaign that received signatures from organizations such as the Massachusetts Public Health Assn., American Academy



DOCTORS' ORDERS: STOP MARKETING JUNK FOOD TO KIDS

Full-page ads appeared in newspapers across the country asking McDonald's CEO Jim Skinner to change the company's marketing plans.

of Child and Adolescent Psychiatry, Illinois Maternal & Child Health Coalition and Physicians Committee for Responsible Medicine. ●

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New technologies leave newswires' role uncertain

A recent MyPRGenie survey of U.S. journalists found that only 1.4% of them now prefer to receive press releases via commercial newswires. Email, on the other hand, was the preferred delivery medium for 90% of reporters. These numbers have inspired some to reflect on the changing role of PR newswires in this highly dynamic and ever-changing media landscape.

By Johan-Till Broer

Reaching journalists with your story takes far more than just sending a press release over the wire. This is not new. Creating compelling content, good writing and strong ties with important reporters in your industry have always been the fundamental pillars of any successful PR program. But this is even more true in the age of the social web.

The way journalists work has changed dramatically over the last years. Many publishing houses have cut their reporter staff. At the same time, the number of PR professionals has increased drastically, exposing each journalist to more pitches and press releases. The social web and the digitalization of different media forms requires journalists to take on additional responsibilities and juggle multiple tasks. Many journalists are now also bloggers, Twitter users and web TV producers. They are very busy and forced to be extremely selective about their sources. All of this means they have less time to deal with PR people and their stories, which makes it harder to get through

to a reporter. For any PR pro it is therefore, now more than ever, extremely important to establish oneself as a reliable source that journalists trust and listen to. The survey results mentioned above reflect this: Instead of browsing through all the press releases that come through the commercial wire services every day, journalists preferably rely on trustworthy sources sending their news via email.

Do newswire still reach journalists?

There are still benefits to using a PR newswire. Even though journalists prefer to receive information via email, there are still reasons for them to browse through the stream of a commercial wire service, for example, when researching a specific topic or looking for a new and specialized source. In these cases it is clear that being present with press releases on a newswire site can be beneficial. A newswire can also be extremely helpful if you don't have any relationships with journalists in place yet or when entering a foreign market. In these cases it will at least enable you to reach a certain number of influencers that could be interested in your story, and you'll get the press release into search engines. Newswire sites, like PR Newswire, Business Wire or Market Wire, still receive high web traffic, so posting a press release can result in good visibility on search engines. This is a very effective way to reach journalists as 91% turn to Google when researching a story, the study shows. When distributing the release over a wire, it will also automatically be posted on major news sites like Yahoo Finance etc., which provides additional SEO benefits.

Newswire alternatives

As already pointed out, establishing your own network of press contacts that are relevant and sending press releases to reporters directly is still the most effective way of getting your news out. But there are other tactics that can work as well. Writing a blog post on your corporate blog can be very effective and there are many companies doing just that. It is a great way to get your news into search engines, especially if

your website and blog gets a lot of visits. Another benefit is that you drive traffic directly to your website instead of driving it to a newswire site.

It can also be very effective to just pitch certain key blogs with a story and offer them an exclusive. Popular blogs can serve as distribution vehicles. Their posts not only rank high on search engines but are also followed by many journalists at mainstream and industry publications (especially in the tech space). One downside of this strategy, however, is the loss of control over the message. While the content of a press release can be entirely controlled (of course not the resulting coverage), a blogger will write whatever he/she thinks of your news, so there is a possibility that the focus of a story will be different than expected or even take a negative tone.

Reaching new influencers

The social web has not only changed how journalists work, it has also changed the audience PR pros need to address. Brands not only need to reach analysts and journalists but also influencers on the social web as well as customers. This is why the Social Media News Release (SMNR) was developed. The idea of the SMNR is that it offers many different sharing options for various social media platforms but also multimedia content — such as videos — that can deliver the message in a different format. The SMNR also acknowledges the fast-paced work environment of journalists and tries to not only provide a news text but also additional content, such as links to articles that put a topic in context, as well as in-depth background information. This provides journalists a more comprehensive view on a topic, even without additional research. A SMNR can be created in form of a blog post or with specialized services such as Pitchengine.

PR newswires have lost some of their relevance, but they aren't obsolete. When planning any media outreach, it should be assessed closely if a wire distribution makes sense or not. There are surely many alternative tactics. Hopefully, the big newswires will realize this too and further adopt their products to the needs of the social web. While most of them offer sharing buttons and multimedia integration, they are still far away from offering comprehensive SMNRs.

Johan-Till Broer is an international public relations professional living in Chicago. He is the North American PR Manager and Spokesperson for NAVIGON, and blogs at GlobalPRblog.com. ●

PR news briefs

RUDER FINN GROUP FORMS RUDER FINN PARTNERS

Ruder Finn Group announced May 24 that it is spinning off Finn Partners as a separate unit under Peter Finn later this year.

Currently, he shares co-CEO duties at Ruder Finn Inc. with his sister, Kathy Bloomgarden. Ruder Finn spun off RF Binder Partners in 2001 under Amy Binder, sister of Peter and Kathy.

As founder and managing partner of Finn Partners, Finn will initially preside over 160 staffers and \$25M in fees. RFG generated \$97M in 2010 fees and employed 602 at yearend.

Finn Partners will be housed in RFG's New York headquarters and move into Ruder Finn Inc. offices in Washington, Chicago, Los Angeles, San Francisco and Israel.

Finn expects the new venture will thrive in an era in which "innovation and partnership will be strong drivers of the brand."

He has targeted digital/social media, consumer, technology, travel/economic development, corporate and the arts as areas of development.



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Five subjects they don't teach in PR school

By Shelley Spector

Many years ago, I asked Eddie Bernays, the father of public relations, what he thought was an ideal undergrad level PR program.

Considering this question was asked years before a PR degree would be widely conferred at U.S. colleges, Bernays had the opportunity to construe his own ideas for an ideal BA degree in Public Relations.

"In today's world, the best PR degree would be equally divided among three disciplines: one-third journalism, one-third psychology, and one-third business," replied Bernays.

In short, he was saying that students should learn the tools of the trade through journalism: news writing, understanding of news and the media. They also should learn the principles of human motivation: an understanding of our publics and how best to influence their perceptions.

And very importantly — and here is where Bernays thought our profession was truly lacking — future PR professionals should learn finance and how businesses operate. By this he didn't mean just our client's business, but the greater business world.

Fortunately, a growing number of PR grad programs, like NYU's, are now incorporating into curriculums courses that teach students critical skills, like learning how to read a balance sheet, writing an IR program and understanding SEC compliance. But yet few undergrad programs are requiring this. They should.

PR students should also understand the growing influences of politics and government on the practice of PR. Equally important for tomorrow's practitioner is an appreciation of reaching a global audience.

So what does this mean for today's PR graduate? What are some of the subjects most valued in the PR field but that undergraduate PR students never learn?

1. Consumer Behavior. Of all the courses I took at my college's business school, the one that proved to be the most potent to my appreciation of public attitudes was Consumer Behavior 201 — a mix of social psychology, market research and mass communications. Only through learning how to assess customer sentiment, is it possible to influence attitudes and behavior and eventually build what Bernays' called a "two way street" of trust between an institution and its publics.

Malcolm Gladwell's "Tipping Point"

and "Blink" are excellent explorations of the topic, as is my old time favorite book that first introduced me to consumer behavior "The Hidden Persuaders" by Vance Packard. Although published in 1957, its theories of motivation and influence are still relevant today.

2. The Stock Market. Understanding the sentiment of the investing public, especially the people who own your client's stock, is critical to anyone working or representing a public company — which will be most communicators, at some point or other in their careers.

It's impossible to create and conduct a PR campaign without taking into account how best to reach the professional and individual investor: to recognize how the news you're releasing will impact the stock, how securities analysts will be evaluating the chairman's recent remarks and how the introduction of a new product will impact perception on Wall Street. Keep track of the Dow and NASDAQ; read at least the first page of the *Times*' Business section and, for extra credit, read the *Wall Street Journal*.

The more you read, the more you'll understand how best to position your company as well its management before the investors. Also, and maybe most importantly, you'll be able to have meaningful dialogues with the top management.

3. Sales, Finance, Manufacturing and Supply Chains. As PR people, we sometimes get so wrapped up in creating outside perceptions that we often overlook what's happening inside. How does the company develop new technologies, build sales, manage supply chains, and export to new markets? How does it handle operations, manage finances, analyze competition, and train its workforce?

Take time to truly get deep into the company: talk to workers on the factory floor, attend a sales presentation, sit in on a production meeting or have lunch with an engineer. It will not only help you create more effective campaigns, but they'll help you learn the inner workings of the company, and ultimately, help you achieve increased respect in the C-suite.

The better you understand the company's culture—its acronyms, terminology, departmental structure and even its politics — the better you'll represent it to all its stakeholders.

4. Politics and Government. No organization is immune to what happens inside the beltway. Washington is no longer just the province of the government relations

department. Every PR person today needs to understand how decisions made in D.C. can have profound and long-lasting impact on operations in the future (see the Sarbanes-Oxley Act). Bills being considered today may well impact your company tomorrow.

Rulings at regulatory agencies, decisions by the Supreme Court, speeches made on the House floor — all of these potentially have an affect on your company's bottom line.

Keep tabs on political trends and presidential polls. Read political blogs, watch politically diverse coverage and read the sites published by your company's industry trade associations. The most penetrating PR campaigns today are those that are informed, at least in part, by what's going on in Washington.

5. International affairs. Few companies today operate exclusively within its own country's borders. With the public becoming more diversified—culturally, politically and economically — PR people have a lot learning to do.

How do we engage and win the trust of these new groups of stakeholders whose cultural backgrounds are so different from ours? How do we assess their perceptions, influence their attitudes, and build their trust? How do we best create a dialogue when we can't even understand their language?

Here, an old axiom is relevant: to be understood, first understand: read the international press, subscribe to the *Economist* and stay attuned to events affecting particularly influential overseas markets.

Read case studies of communications programs that reflect cultural sensitivity (a good recent example is Aflac's response to recent events in Japan) and programs that did just the opposite (like the introduction of the Nova car in Latin America).

Any good undergraduate public relations program will arm students with the tools of the trade: media relations, writing and research. But it's up to them to take that education up a few notches up, getting their arms around consumer behavior, market research, Wall Street, Washington and the rest of the world.

Only by truly appreciating the inner depths of a company, and the new environments in which they operate, can PR people learn how to build that "two way street" of trust that Bernays originally had in mind.

Shelley Spector is President and Founder of Spector & Associates in New York. ●

Koch industries gives Lincoln Center PR headache

About 1,000 people gathered in front of the Lincoln Center on May 11 to protest David H. Koch, whose name now christens the famous theater's walls.

By Jack O'Dwyer

A large sticker was placed on the theater's wall above the name with the inscription, "I'm the Tea Party's Wallet."

Promoters of the event, who host the site www.kochbrothersexposed.com, provided a live marching band, sang songs, and gave out popcorn. A goal of the protesters is renaming the theater.

A film exposing the alleged abuses of David and Charles Koch was projected on an outside wall of the theater. David is the richest person in New York City, according to *Forbes* magazine. He gave \$100 million to refurbish the theater in 2008 and later gave \$2.5 million to the ballet company itself.

NYCB, despite the gift, faces a \$6 million budget shortfall this year. Dancers received no pay increase last year and will get a 2.5% hike this year.

The *New York Times* and *New York Post* did not report the incident.

The Koch Brothers are accused by the protesters of "representing the worst of the corrosive elements that have turned our democracy into a pay-to-play system of government — a system where the corporate elite are able to continuously extend their power, wealth and influence while the majority of citizens are relegated further and further to the margins."

The group says the brothers have funded the "Tea Party which has become the tip of a right wing spear that will never stop seeking tax cuts for the rich."

Praised in the group's website are the activities of George Soros, a billionaire who has supported liberal causes and Democratic candidates.

One part of the site has a list of alleged "evil" activities of the Koch Brothers set alongside alleged "good" activities of Soros.

'Political' gifts may be taxed

Political gifts of donors like the Kochs and Soros, which have escaped taxation, may no longer be able to do so under a new initiative of the Internal Revenue Service.

The IRS has sent letters to five such donors, who were not identified, saying their gifts to politically active foundations may be taxed if they exceeded legal limits.

Such donors have "proliferated and funneled vast sums of money in support of campaigns and causes without having to publicly disclose themselves," said the *New York Times* May 13.

The Kochs have been involved with a number of political entities including the conservative "Americans for Prosperity" while Soros has given "more than \$12 million" to liberal advocacy groups like Priorities USA Action, said the NYT.

Companies and individuals can contribute to non-profit groups registered under 501(c)(4) of the tax code but the primary purpose of such groups cannot be political.

Individuals may be taxed at 35% on any gifts exceeding \$13,000 in a year (\$26,000 for a couple). ●

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Global PR networks grow abroad, shrink in U.S.

The effects of the recession now seem safely behind the “big four” global PR networks, with each reporting member expansions in new global markets, as well as big revenue gains for affiliated agencies. With all this PR growth happening overseas however, the numbers reveal another trend affecting each of the networks: a slow but steady disappearance of North American partners.

By Jon Gingerich

In 2011 the public relations industry has become, by design, a global endeavor. A May study commissioned by the Public Relations Global Network (PRGN) found that half of all U.S. PR executives polled said they work with foreign PR pros on a regular basis. About four in 10 — or 43% — now claim to have some global marketing capacity. More than half of the rest said they plan to have one implemented within the next five years.

Indeed, if there's one take-away trend visible in each of the “big four” global PR networks besides economic recovery, it's all the unexpected dots they've been putting on the map in the last year. China. Russia. India. South Africa. Chile. Beirut. These are countries where just several years ago PR existed either only for national emergencies or it simply didn't exist at all. And yet, each is now the stage of a communications wildfire, with global networks scrambling for a foothold in these communications “brick” markets.

Meanwhile, as new markets open up, it appears member numbers in the mainstay communications market — the United States — have dwindled.

Worldcom, the world's largest global PR network, grew in each of its five global markets in 2011 except the United States. The global giant revealed remarkable expansion abroad, adding agencies in Latin America (two), Africa (one), India (one), and the Middle East (one). At the same time however, Worldcom lost two members at home. IPREX, the second-largest network, experienced more growth in a single market — Europe — than any other network, adding five European partners in the last year and growing in its Asia/Pacific market as well. The network managed to lose seven U.S. partners during this time. PRGN also grew in Europe and Asia, adding two and one new partners, respectively. Partner numbers in North America however, fell by two. Pinnacle Worldwide, which doubled its presence in South America and added a completely new market to its roster — South Africa — meanwhile managed to

lose three U.S. firms.

If the PRGN study is any indication, communications in the U.S. is hardly becoming more insular. So, why the drop-off? Have we simply decided we no longer need global networks to function on a global scale?

According to Worldcom Group Chair Matt Kucharski, the perceived decline in North American partners is the result of concurrent phenomenon, the common logical fallacy of confusing correlation with causation. In the U.S., the recession saw a mass shake-out of PR firms that may not have been doing so well. At the same time, the communications world is seeing a mass emergence of talent and demand in new global markets, as third- and second-world economies pick up and take on first-world communications concerns. It's not that global PR capabilities are falling in the U.S. It's just that they're growing very quickly everywhere else.

“It's not that the North American market is declining, it's that you're seeing other markets catching up from a maturity standpoint. The Asian markets are experiencing a natural evolution in the field. You're seeing growth in those emerging markets,” Kucharski said.

Worldcom blazes ahead

Kucharski, who is Senior Vice President of Padilla Speer Beardsley in Minneapolis, said Worldcom's growth serves as a bellwether for PR firms. Most Worldcom partners were able to hold onto their clients through the recession and even saw a significant uptick in 2010.

Indeed, Worldcom Public Relations Group hasn't shown any signs of slowing down. With 95 total member firms in 2011, comprising 107 partner offices in 91 cities across six continents, the global network has continued to blaze ahead into new markets, adding a total of five foreign agencies in the last year.

Total combined revenues for agency partners was \$264 million in 2010, a giant leap from 2009's \$214 million — accounting for the greatest financial growth of any of the “big four” networks. Revenues for Worldcom's North

American partners were \$154 million in 2010 (versus \$126 million in 2009), \$29 million for Asian partners (versus \$21 million in 2009), and \$81 million for European partners (versus \$68 million in 2009).

Kucharski said Worldcom has now been turning its attention to potential partner queries in the Middle East, Eastern Europe, and Asia Pacific, areas that are each exhibiting strong growth.

“Our expansion is not come-one, come-all. You don't want to bring in partners just for the sake of numbers because sooner or later they'll end up crossing over too much,” he said. “Almost anyone in this day and age can create a PR network with an Outlook folder and a LinkedIn account. We have a very deliberate membership strategy, and it's really all about looking at high growing markets where there's a big demand and need for clients. The evolution from network to partnership is not just about dots on a map. We're actually looking for shared business opportunities.”

PREX continues surge

With 67 member firms in 71 different offices, IPREX is the second largest of the “big four” global PR networks. Founded in 1983, the network celebrates its 30th anniversary in 2013.

Total revenue for partners of network was \$173 million in 2010, a healthy step forward from \$167 million in 2009. Revenue for 2008 was \$117 million and \$98 million in 2007, showing there's been no direction but up for IPREX members, even in the face of recession.

In terms of member numbers, IPREX was the only network to experience a net loss in 2010 (they lost a total of four firms). However, in total office numbers they've increased by 13, from 83 offices in 2009 to 96 by the end of 2010. IPREX's total partner labor force was also up, from 1,240 employees in 2009 to 1,275 in 2010.

Kathy Tunheim, Global President of IPREX, said revenue growth for the network was consistent around the globe; revenues went up even when partner numbers went down.

“We've grown nicely in a couple different ways, fueled particularly by growth in Europe, Asia and the Middle East,” Tunheim said. “Our total number of partner companies has stayed relatively flat but the number of market offices has gone

Continued on next page

up by 13. It's an organic growth. It tells us that growth is happening internally, from existing partners."

In May, IPREX had its annual meeting in Washington, D.C. Tunheim said one market of interest that repeatedly came up was Russia.

"We've spent some time in the last couple years trying to find partners there. The energy industry especially being what it is. South Africa is another area where we have an active search under way. We have a strong interest in building the capacity there," she said. "Growth is important for us but we don't want to look at things simply geographically. We want to be securing local insights and access to partners in important, existing markets. We're not interested in adding partners simply for the sake of having a lot of partners. We're looking for strong offices with good overall revenues."

PRGN makes big gains

Founded in 1992, the Public Relations Global Network is the newest of the "big four" networks. PRGN's combined revenues in 2010 were \$110 million, a healthy recovery from 2009's recession-resulting slip to \$100 million, which itself was a fall from their combined total revenues of \$110 million in 2008.

For their 2011 role call, PRGN now boasts 43 total independent member firms in 65 different offices, which accounts for about 900 PR professionals and approximately 1,000 different clients worldwide. This is a slight gain from their previous roster of 42 partners, which the network held for the past two years.

PRGN President Francine Robbens said a network comprised of independent agencies is designed for fast recovery because its constituents have long established contacts in their respective markets. When the markets recover, business follows.

"We are all doing our own thing, operating within our own markets. We know the culture, we know the media landscape. We have a bit more long-term vision," Robbens said. "The multi-nationals have one brand and one culture they've imported into various markets, along with their Chief Executive."

Robbens is also the President of Public Relations Partners, in Brussels, Belgium. PRGN's heavy public affairs offerings makes Brussels a likely hub for the network, a city that holds an estimated 28,000 lobbyists. Brussels was also home to PRGN's most recent semi-annual meeting.

"Lobbying and public affairs is a type of specialization where we have found a great deal of success with our peers," she

said.

Robbens also said the network is currently looking into China and Indonesia as potential places for future growth.

"We are still also looking at our present markets, and that means GDP is important. We need to be in those important markets, we need to establish very clear lines," she said. "We are entrepreneurs. We want to be independent and we are operating in our individual and cultural environments, but we know the markets are global. It's for the best that we want to be part of a network."

Pinnacle rebounds

Pinnacle Worldwide, which was founded in 1976, will be celebrating its 35 anniversary this September. The oldest of the global PR networks, Pinnacle took a beating in 2009 with the recession, as the network lost about a dozen firms between 2008 and 2009.

This year however, Pinnacle appears to have officially rebounded. The network touted 31 total member firms for 2011 — up three total firms from last year — in 36 different offices. Like each of the "big four" networks, Pinnacle lost several North American partners last year but managed to double its presence in South America.

Pinnacle also recently announced an alliance with 27 and More, a PR network

based out of Kronberg, Germany. According to Pinnacle Executive Director Johanna Mouton, this partnership uses another network's preexisting resources to allow Pinnacle an increased presence in Europe, as well as Australia and China.

"It's kind of a new direction we wanted to move into. We're partnering on a global initiative, we're combining resources to be able to meet our partners' needs. By aligning ourselves with this other network it's enabled us focus our intentions on that increased global capacity," she said.

Pinnacle President Donna Vandiver said the network's partners, which recently held its annual meeting in Las Vegas, reported upticks in RFPs and overall communications interest. She said that while Pinnacle has several areas of expansionary interest in foreign markets, its number-one concern remains increasing membership in the U.S.

"We're seeing an increased interest in membership, and we have increased our membership drive. We're getting requests from our international offices and we're sending out requests as well. We're basically looking for best in class firms," she said. "But we're primarily focused on the U.S., and our membership drive is focused primarily in the U.S. Any other place where we think we need additional coverage is secondary." ●



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Azabukaisei Bldg.
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COSMO is one of Japan's foremost independent strategic communications consultancies and a founder of the Public Relations Society of Japan. For 50 years, COSMO has used its global experience and domestic expertise to deliver communications solutions for multinational and Japanese companies. COSMO develops integrated campaigns involving media outreach, crisis and issues management, advocacy and public affairs, key opinion leader research, corporate positioning, consumer communications, corporate social responsibility, cross border consulting and the development of editorial materials.

Over the years, COSMO has been at the forefront of social and political developments, contributing to progress in the areas of healthcare, food and food sciences, and services.

COSMO continues to be recognized internationally, with CEO Kumi Sato being named PR Agency Head of the Year at the Asia-Pacific PR Awards 2010, and COSMO recently being named Japanese Consultancy of the Year 2011 by the *Holmes Report*.

The July issue of *O'Dwyer's* will profile PR firms that specialize in travel and tourism. If you would like your firm to be listed, contact Editor Jon Gingerich at 646/843-2080 or jon@odwyerpr.com

FEINTUCH COMMUNICATIONS

245 Park Ave., 39th Floor
New York, NY 10167
212/808-4900
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Henry Feintuch, *President*

Feintuch Communications is a strategic relations firm. We enjoy decades of experience in developing and implementing successful public relations programs for organizations of all types and sizes. Our specialty practices include healthcare and life sciences, advertising and media, technology, financial services and energy.

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With 70 partners operating 100 offices, employing 1,300 staff and generating revenue of \$175m, IPREX is one of the world's largest partnerships of independent PR firms. Founded in 1983, we have significant



Feintuch Communications and JumpStart Global Principal Henry Feintuch offering market entry tips in Singapore to SMEs at an international conference hosted by IE Singapore.

experience of managing client projects and programs in multiple markets.

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ments. Our internal management systems enable us to make the specialist skills and experience of partner firms available throughout the organization.

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To learn more, contact IPREX at executive@iprex.com.



IPREX partners gather in Washington, D.C. during the annual global partners meeting in 2011.



MAYO Communications President Aida Mayo (left), with LA County Supervisor Don Knabe (center), who received the "Keeper of the Flame Award" and George McQuade, V.P. MAYO Communications, which did the media campaign for the Annual ITEP Dinner.

MAYO COMMUNICATIONS

7248 Bernadine Ave., 2nd Floor
West Hills (Los Angeles), CA
91307
818/340-5300
Fax: 818/340-2550
publicity@mayocommunications.com
www.mayocommunications.com

Aida Mayo, President
George McQuade, Vice President

MAYO Communications International is based in LA with offices in New York, San Diego and Bern, Switzerland.

Founded in 1995, MAYO has been offering high-tech, corporate, maritime industry, government and nonprofit clients social media and global branding services for more than a decade. Earlier this year the International Trade Education Programs (ITEP) honored 4th District Los Angeles County Supervisor Don Knabe with the "2011 Keeper of the Flame Award" at the 11th Annual Scholarship Awards and Fundraising Dinner in San Pedro, CA. ITEP takes financially strapped and disadvantaged high school students and offers them training and hands on maritime industry, ports security and team building leadership skills to prepare them for future jobs. MAYO Communications has signed an international client based near Sacramento, CA —

Sun Born Natural Products, which for the first time in America offers Herbal Chi Balm. Herbal Chi Balm, a specialized natural product used for relief of pain from physical exertion, minor injury, and used for sports training has gained more ground. The balm formula contains 100-percent pure organic unrefined Shea Butter, and lavender oil along with 20 hot and cold Chinese herbs. World Class Sprinter and previous Olympic runner Patrick Johnson, and former Sambo World Champion, National Judo Champion, and 11 time Martial Arts Hall of Fame award winner Grandmaster Jody Perry support Balm. Both athletes use the product on a regular basis. Doctors and celebrities are also testing it for use before and after therapy and workouts.

MWW GROUP

One Meadowlands Plaza
East Rutherford, NJ 07073
201/507-9500
Fax: 201/507-0092
mkempner@mww.com
www.mww.com

Michael W. Kempner, Founder, CEO, and President

MWW Group is one of the nation's ten largest independent public relations firms and is known for its results-driven approach to public relations. The agency is internationally recognized for its work in consumer

marketing, digital communications, corporate communications, media relations, investor relations, public affairs and government relations, technology and healthcare. Our strategic PR programs have consistently engaged key stakeholders and consumers for clients ranging from leading global brands to entrepreneurial start-ups, and span numerous industries.

In the past year, MWW Group was named "Midsize Firm of the Year" and "Strategic PR Agency of the Year" by the *Holmes Report*, "Digital Firm of the Year" and "Team of the Year" by *PR News*. Headquartered in East Rutherford, NJ, MWW Group services national and multinational companies through its ten full-service offices in major business centers around the world.

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636 Eleventh Avenue
New York, NY 10036
202/729-4308
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Ogilvy PR is a global, multi-disciplinary communications leader operating in more than 80 markets across 50 countries. We blend proven PR methodologies with cutting edge digital innovations to craft strategic programs that give clients winning and measurable results. Founded in 1981, the company serves a full spectrum of corporations, industry trade associations, government agencies and not-for-profit clients through seven practice groups: consumer marketing, corporate, healthcare, public affairs, social marketing, technology and 360° digital influence.

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440/617-0100 ext. 201
Fax: 440/614-0529
estevens@stevensstrategic.com
www.stevensstrategic.com

Edward Stevens, APR, President, Stevens Strategic Communications, Inc.

West
1388 Sutter Street, #901
San Francisco, CA 94109
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8687 Melrose Ave., 7th Floor
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310/854-8117
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Rogers & Cowan is the leading entertainment marketing and PR agency with offices in Los Angeles, New York and London. Our International Film team works with filmmakers,

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Weber Shandwick is a leading global public relations agency with offices in 74 countries around the world. The firm's reputation is built on its deep commitment to client service, creativity, collaboration and harnessing the power of advocates — engaging stakeholders in new and creative ways to build brands and reputation.

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The majority of Weber Shandwick's multinational clients work with the firm in at least five markets and across practice areas, relying on the agency for consistency of message and local insights. Weber Shandwick therefore enables clients to drive global, integrated campaigns and engage audiences with the appropriate scale.

Weber Shandwick is a unit of The Interpublic Group of Companies (NYSE:IPG), which is among the world's largest advertising and marketing services organizations.

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500 Fifth Avenue, Suite 1010
New York, NY 10110
800/955-WORLD (9675)
(US and Canada)
212/286-9550
212/286-9003
coo@worldcomgroup.com

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Worldcom Public Relations Group is the world's leading partnership of independently owned public relations firms with 112 offices in 93 cities in 46 countries on 5 continents, more than 2,000 employees, and combined revenues of more than US \$264 million in 2010.

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Daisy M. Guthin, APR,
Worldcom Chief Operating Officer and Owner of Guthin Myers Public Relations in Rochester, New York.



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O'Dwyer Rankings Now Open Year-Round

To help clients shop for PR and wind up with legitimate firms, odwyerpr.com is opening its ranking process to PR firms throughout the year.

Public Relations Firms Rankings

Updated March 2011

Firm	2010 Net Fees	Empl.	% Fee Change from 2009
1. Edelman, New York [listing]	\$521,969,675	3,635	+18.6
2. APCO Worldwide, Wash., DC [listing]	\$113,400,000	566	+13.1
3. Waggener Edstrom, Bellevue, WA	\$111,910,000	839	+5.9
4. Ruder Finn, New York [listing]	\$97,059,000	602	+8.8
5. Text 100 Global PR, San Francisco [listing]	\$46,700,000	451	-3.9
6. WCG, San Francisco	\$37,008,000	179	+37.6
7. MWW Group, East Rutherford, NJ [listing]	\$34,798,000	184	new
8. Qorvis Communications, DC [listing]	\$29,713,320	98	new
9. ICR, Norwalk, CT [listing]	\$26,514,621	87	+20.0
10. Schwartz Comms., Waltham, MA [listing]	\$25,210,803	179	+1.2

An "O'Dwyer Seal" will be provided to firms that document their revenues and staff and provide a public account list.

Turn to page 39 of this magazine to obtain a copy of the O'Dwyer's ranking form.

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Log on to odwyerpr.com to download rankings instructions in PDF form.

Hispanic social media efforts not doing enough

While social media PR has boomed over the past year, recent outreach efforts to woo the 50-million-member Hispanic market have lagged significantly, according to a new study.

By Greg Hazley

Fewer than half of respondents to a Hispanicize survey said their social media programs target Hispanic markets, a finding few in the Hispanic marketing sector have found surprising, despite the sector's expectation to surpass \$1.3 trillion in buying power by 2013.

David Henry, CEO of Latino-focused agency TeleNoticias, said the importance of marketing to the Hispanic sector doesn't translate to actual work being conducted "and dollars being spent."

The Hispanic PR Association and HispanicAd.com conducted the study with Survey.com finding that while 92% of respondents said they are engaged with social media programs, only 45% are targeting the Latino market.

The 45% compares with 67% who said their company has a traditional Hispanic PR program.

One hurdle could be the perceived effectiveness of digital outreach to

Hispanics. Fifty-six percent said they view Hispanic social media programs as effective, compared to 64% of mainstream efforts.

The current environment is expected to change however. Nearly 70% said they view Hispanic social media programs equally as important as mainstream efforts and most said they expect greater budget allocations for Latino outreach through social media channels in the near future.

Mobile use greater

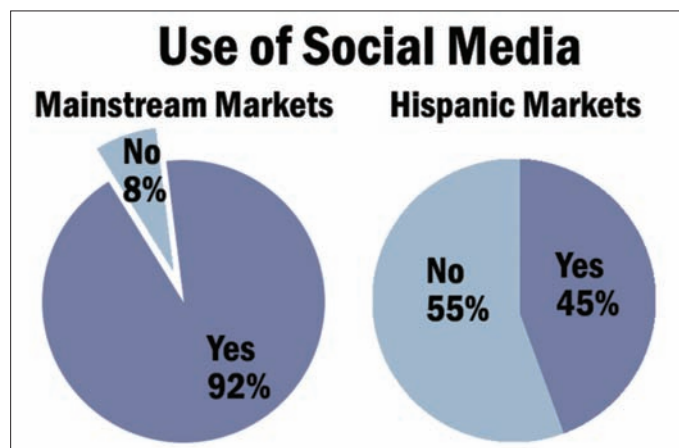
The differential in outreach is notable because recent data suggests that Hispanics are more engaged in certain types of digital media than other demographics, like Caucasians or Asians. Nielsen NetView Ratings data in February showed that that Hispanics were among the top users of YouTube, outpacing white and black viewers. Hispanics were the top users of MySpace and at virtually the same level of white users on Facebook.

According to the Hispanicize survey, outreach is slightly greater in the Hispanic sector than the mainstream when it comes to mobile. Respondents cited mobile as 17% of Hispanic social media efforts, while it is only 15% of mainstream campaigns.

One of the largest gaps between mainstream SM and the Hispanic market is LinkedIn, where 46% cited its use in mainstream outreach, compared to only 21% for Latinos.

The 2010 census found that the U.S. Hispanic population hit 50 million, according to the Department of Labor, which notes one in every six Americans — one in four children — is a Latino.

Hispanics account for more than half of the U.S. population boost over the last



The number of social media programs for non-Hispanic audiences outnumber Hispanic programs by a two to one margin, according to the 2011 TeleNoticias-LatinoWire Hispanic Social Media Survey. While Hispanic social media programs are currently lagging, the study showed they are poised for growth.

decade.

Engaging Hispanics online

NM Incite, a Nielsen company, offers four key tenets for engaging Hispanics via social media.

First is understanding the audience. NM research identified five main groups of Hispanics, including Spanish-dominant speakers to English speakers. Working off that realization, NM said secondly that marketers should choose their language wisely.

Third, culturally irrelevant content from brands is the biggest complaint among Latino bloggers, according to NM.

Generally speaking, Hispanics want a meaningful and authentic connection with the products they use," wrote NM's Chris Corales & Elizabeth Martinez. "Hispanics also expect brands to do their part in protecting, empowering and inspiring their community."

Finally, marketers are urged to pay attention to influences in the Hispanic market by following communities like Latism or MyLatinoVoice.

Tom Mulgrew, VP of agency relations for Business Wire, pointed out that the Hispanicize survey shows that social media is "very much in the formative state" and not a part of overall strategic communications plans. He added: "I think we can expect that to change in the coming years." ♦

PR Briefs

PUBLICIS ACQUIRES ROSETTA FOR \$575 MILLION

Publicis Groupe has acquired Rosetta, the largest independent digital agency, for \$575M in cash and earn-outs.

Princeton-based Rosetta, which counts clients in the healthcare, consumer products, telecommunications, and financial services sectors, is expected to generate \$250M in revenues from its nine-office network (New York, Cleveland, Los Angeles and San Jose).

The firm has more than 1,100 staffers serving clients such as Johnson & Johnson, Hewlett-Packard, Marriott, Allergan, Valvoline, T-Mobile and Bristol Myers Squibb.

Publicis CEO Maurice Levy said in a statement that the Rosetta addition will accelerate his goal of becoming the "human all digital agency."

The deal bolsters Publicis' digital exposure to from 28 percent to 30 percent of overall revenues. That digital number is expected to hit 35 percent in 2014. The digital group includes Digitas, Razorfish and Publicis Modem.

Levy believes Rosetta stands apart from the pack due to its combination of "savoir-faire in consulting and strategic services with an expertise in technology and creative agency services."

Chris Kuenne founded Rosetta in 1998. He now reports to Jean-Yves Naouri, COO of Publicis.

Multicultural market research: an evolving history

By Michael Halberstam

I remember our first multicultural/bilingual Spanish project in 1983. My company had been around less than a year and a local client called and asked me if we could do a telephone survey of Hispanics in Los Angeles. The objective was to glean Hispanics' opinions of how they shopped for groceries. That survey was conducted on paper and pencil and took around 15 minutes per interview. Prior to the start of data collection we had to find and train a group of bilingual Spanish speaking interviewers, locate a sample of telephone numbers and get a translation for the questionnaire. We struggled as Hispanics were not surveyed regularly at that time and were cautious about phone calls from strangers. I had projected it should take about one hour to find, screen and complete each interview. It took two hours to complete each. Although we lost money I began to see the potential of doing marketing research among smaller, less acculturated groups in the U.S.

That first project utilizing bilingual Spanish and English interviewers was a great learning experience. We completed three more surveys that year among Hispanics, doing better each time, finally making money on the last project. As the calendar turned to 1984, we entered the next phase of what became one of our core strategies and competencies. That summer a different client approached me and wanted to do a bilingual project with car buys among the Korean market, again here in Los Angeles. I remember thinking "How can we possibly get this done?" "Where can I get telephone numbers for Korean households?" Who knew there was a Korean White Pages telephone book for LA? I quickly realized that there was a whole world I didn't yet understand. But the more I learned the more curious and intrigued I became. Why not include the emerging groups in our capabilities?

In the 28-plus years since that first bilingual project the market research industry has undergone seismic shifts and titanic changes. No longer are projects completed with paper and pencil. In the late 1980's we installed Computer Assisted Telephone Interviewing or CATI stations. Paper and pencil was all but gone by 1995. In 1998 and 1999, respectively, we added web interviewing and IVR. These new modes of data collection for marketing research allowed multicultural/multilingual popula-

tions to answer surveys quickly and easily. As the century ended more and more bilingual focus groups moderators and multicultural specialists emerged pushing the boundaries of the, then nascent, multicultural community.

With each release of a decennial census more and more large corporations, advertising agencies, PR firms, political groups, governments and even universities have come you recognize the growth, importance and spending power of these emerging minorities. Recently, Ethnic Technologies, a premier multicultural marketing research company released the following statement in May of 2010: "The 2010 U.S. Census Bureau drew attention to ethnic groups by allocating the majority (estimated \$145 million) of its \$300 million budget to multicultural audiences.

For the first time, the census website was available in a bilingual format English/Spanish and included guides in 59 other languages. Because of the dramatic growth the census showed, multicultural experts expect marketing geared towards them to increase as companies become more aware of the economic opportunities and clout of targeting these various ethnic segments. As marketers we need to be prepared for the increased interest in these fast growing segments of the American population." They couldn't be more right.

This is the third decennial census since we've been conducting multicultural marketing research surveys. After each release we see a measurable increase in bids and "live" projects that include languages other than English. The most common these days are Spanish, Mandarin, Korean, Vietnamese, Armenian, Farsi, Cantonese, Hindi, Tagalog, Somali, Russian, Hmong, Portuguese and Oromo. There are several industries that have been at the marketing, advertising and research forefront for over 20 years. They include healthcare, financial, telecommunications, gaming and automobiles. Jumping on board in the past decade have been fast food and consumer package goods. My belief, as well as the belief of many in marketing, is that the 2010 Census will be the defining data set that pushes many companies to finally explore how they can enter this lucrative arena.

Special care must be undertaken to understand a nationality, ethnicity or minority group before implementing a survey. As an example, certain questions

don't translate well to other cultures. When interviewing in some Asian cultures a numeric scale works much better than a verbal scale. For many languages the time it takes to complete an interview is longer than to do so in English. A 20 minute interview in English will take 24 minutes in Spanish. It is imperative to work with an ad agency, PR firm or research company who can guide you through these intricacies. In the 1980's and 90's there were few to choose from. Today there are quite a few excellent, dedicated companies to choose from.

Market research, as a tool to help marketers, has been moving ahead quickly as well. Today my company has conducted projects in 67 languages using many different techniques. We still use telephone, in-person, focus groups and the Internet to collect data in a representative manner. However, as we speak we are celebrating our second year conducting surveys in-person on tablets and are finishing development on smart phone mobile apps that will allow for multilingual surveys to be conducted in real-time as consumers are shopping. Mining data from Social Networks is on the horizon as well. We've gone from paper and pencil to bilingual mobile apps for smart phones in less than 20 years. As the populations of the US change rapidly, the market research industry has done the same. All to the benefit of the consumer.

Michael Halberstam is President of Interviewing Service of America in Van Nuys, CA. ●

News briefs

AT&T CALLS IN GIBSON

AT&T has hired the Gibson Group to work its proposed merger with T-Mobile, which is under spirited attack by Sprint Nextel for creating what it calls a wireless sector "duopoly" with Verizon.

Joe Gibson is a veteran Capitol Hill hand who worked at the House Judiciary Committee as chief minority counsel to Rep. Lamar Smith, who now heads that panel.

Smith (R-Tex.) said the proposed AT&T/T-Mobile deal raises important questions about competition in the telecom industry and the effect on American consumers.

Gibson served as Smith's chief of staff during his campaign to become Republican leader on the Committee.

He also played a role in crafting the Telecommunications Act of 1996 and served in the Justice Department as deputy assistant attorney general in its office of legislative affairs. He is the author of two books "Persuading Congress," and "A Better Congress: Change the Rules, Change the Results."

The why, how and what of multicultural marketing

The terms “multicultural marketing” and “marketplace diversity” strike fear in the hearts of many marketing managers. Their fear is well founded: these professionals may have been wildly successful at targeting mainstream customers but are now facing an increasingly diverse body of consumers and have little experience to serve them.

By Anne M. Brumbaugh

The fact is, professionals shouldn't consider multicultural segmentation and marketing because it's the feel-good-flavor-of-the-day or the “right thing to do.” There are many reasons why it's going to be good for your bottom line.

Why multicultural marketing?

The 2010 census projects that white non-Hispanic Americans will become a minority majority (i.e., plurality) by 2042. I predict this will occur closer to 2035 as more people intermarry, have children, travel and work here and abroad, and choose to identify with more than one ethnoracial group on the census and other polls. Some white non-Hispanics seem to be on the edge of panic that this day will be some cultural Armageddon. My advice: embrace it, or at least get over it. If you don't, your customer base will shrink.

Ethnoracial minority groups that have, for one reason or another, fallen into the lower tail of the socioeconomic distribution are making great strides. Not only will there be more consumers of diverse backgrounds, but they will have more money. They will not be buying the upscale homes and fancy sports cars with extra piles of money that wealthy white non-Hispanic Americans (allegedly) have, but they will be buying more and buying better than they ever have in the past. And they will remember companies that targeted them with respectful, value-added offerings on the way up.

Multicultural marketing is where your competition is going. Both nature and business abhor a vacuum, and underserved markets will not remain underserved for long. If you don't get with the program and learn how to target diverse consumers, your competition will. It may not be your biggest, closest competitor, but rather a small shop that's willing to end run you but good with a little extra effort, creativity, and heart. The customers are there and the money is there. Go for them before someone else does.

White non-Hispanic consumers will remain the largest ethnoracial group even after becoming a “minority.” The thing is,

some of them will be gaining an appreciation for the range of ideas, assortment of goods and services, and spice of life that a more diverse America brings to them, and they will want to patronize firms that embrace that. Multicultural marketing is where the mainstream mindset is going. Terms like the “New Mainstream,” “Cultural Creatives,” and “Diversity Seekers” reflect an evolving ethos among current majority white non-Hispanic consumers who value diversity in their lives. Companies that don't update their appeals to be more inclusive toward everyone may lose these folks as well.

Here's a piece of wisdom from Economics and Marketing 101: if all your consumers are the same, seeking the same source of value for the same reasons, you can't differentiate and you end up playing a price game in a commodity market. On the other hand, the more diverse your consumers are, the more opportunity you have to differentiate — do more, do different, and do better than your competition in the eyes of your consumers. Unfortunately, it's going to take more money, more knowledge, and more effort than it has in the past, but if misery loves company, at least everyone's in the same boat. If you can figure out how a particular consumer segment is different, cater to that point of difference, and then deliver on it, you're going to thrive in this new, multicultural marketplace.

How to implement multicultural marketing

Once you've come to the realization that you need to consider multicultural marketing — targeting different consumer segments on the basis of ethnic, racial, or other cultural group membership — you need to figure out how to get ready to do it. If you want to do a mediocre job, simply read an oversimplified demographic profile of your target group on the Internet, reinforce marketing stereotypes that may or may not hold true for the group, replace a few white characters in your ads with members of that group, and translate directly your existing communications into their language

On the other hand, if you want to know how to do a really good job — one that resonates with your subcultural target and has a positive ROI — you need to do a little background work first.

As members of the dominant culture, we white Anglos have a difficult time knowing if, when, and how the beliefs, values, and behaviors of other cultural groups differ from ours. We may erroneously assume that members of another culture behave just like we do, or that they behave completely differently from how we do. Successful multicultural marketing starts by checking both types of assumptions at the door. Research, particularly qualitative, is absolutely essential for understanding the consumer beliefs about, motivations toward, uses of, and propensity for different product categories and brands among diverse cultural segments of which we are not members. Assume nothing, research everything.

Learn the culture of your target. Read the literature of your target — be sure to include a biography or two, fiction, and non-fiction of different historical periods. Take a history, sociology, or anthropology course to learn the culture's ethos — what makes its people tick. Identify what popular media your target consumes (television shows, online content, magazines, radio, news, etc.) and consume them yourself to learn what the current issues within the community are. You're doing all this not to learn how to market to them per se, but rather to understand their values and beliefs.

Marketing to diverse consumers requires a diversity of thought, and you get this diversity of thought from having diverse employees. That doesn't necessarily mean that if you would like to target subcultural segments X, Y, and Z, you have to have employees from subcultural segments X, Y, and Z (though it doesn't hurt). It does mean, however, that you have to have different types of people in your firm with a diversity of experiences and backgrounds so that they can question assumptions, tap into a broad network of connections and resources that a narrow employee base might not have, and generate better ideas than a homogenous group could.

There is substantial heterogeneity within any segment, and failure to acknowledge it could be disastrous. Understand

Continued on next page

diversity within diversity. An African American mom with three kids and a minivan is probably more like her white soccer mom counterpart than she is like a black Caribbean hip hop artist when it comes to purchasing an SUV, and a fifteen year old Hispanic boy is probably more like that same hip hop artist than he is like his own Mexican grandfather when it comes to choosing clothing. Individuals in ethnoracial subcultures differ substantially with regard to how much they identify with their subcultural groups, and these differences influence how they respond to targeted marketing efforts.

Too often when firms decide to target a particular cultural subsegment, they name someone within their organization of that same subsegment to lead the effort (without regard to his or her marketing acumen), fund the effort from ad hoc sources (without regard to how much money it will actually require), and expect immediate results (without regard to how long it is likely to take). Though firms seem reluctant to redeploy their best assets on cultivating a new, unknown, smaller, riskier subsegment than they are used to, successful multicultural marketing requires that they do so. Commit money and talent. If you're not going to commit these resources to the effort, you may not be ready for multicultural marketing yet.

What is multicultural marketing?

By now you know why it's imperative that you consider doing some multicultural marketing, have thought a bit about how you might approach doing so, and might even know whom you might target first. But what do you actually do to "do" multicultural marketing? Just throwing a few brown-skinned people in your ads, translating your website into Spanish, and saying you're committed to serving minorities are not enough. Irrespective of your specific target market, here are some general guidelines for increasing your probability of success with any diverse customer base.

Avoid stereotyping and ghetto-ing. Obviously, intentionally depicting minority groups in an unfavorable light is not only bad marketing, but also, well, just plain bad. However, well-intentioned marketers might unintentionally do so. I recently reviewed a piece targeting college students. The firm obviously attempted to be inclusive across a range of ethnoracial groups. In the collage, there were pictures of white-only groups of students studying, rowing crew, and graduating. Additionally, there was a picture of a young Asian woman playing the cello, one of several black males playing basketball, and one of a group of blacks partying.

Seriously? Each individual picture was fine and the emphasis on whites appropriate statistically speaking. Taken together, however, the collage unequivocally emphasized stereotypes of Asians as over-achieving string musicians, blacks as athletes and not-so-serious students, and whites as privileged elite. That no single picture showed a diverse mix of students is what I call "ghetto-ing" — segregating each group into its own photo space. Firms need to acknowledge prevailing stereotypes and think critically about how to offset them with positive, counter-stereotypical images of ethnoracial minorities. Even if contrived, a single picture of a diverse group sends a far stronger signal of inclusion than a photo collection of different groups depicted separately.

Unless your firm has a long-standing relationship with a minority group it would like to target, it needs to invest in grass roots activities to earn the right to be able to target that group in order to be truly successful. Members of minority groups know when they are being pandered to, and a firm that has a poor or non-existent track record with the group will have a much more difficult time than a firm that has invested in philanthropies, community activities, and local organizations affiliated with the group. Firms need to demonstrate that they are deserving of the minority group's consumer spending in order for its targeting efforts to be welcomed.

In addition to having a diverse employee base, your firm needs to cultivate relationships with vendors and partners experienced in doing marketing research, social media, advertising, distribution channel management, and product development with members of your intended target market. The survey questions you ask of one group may be irrelevant for another. How members of one group incorporate a social medium into their daily lives and identities may be different from how another group does it. While two groups appear to both shop at the same distribution outlet, what each buys there may be very different. Thus, it is not enough to be aware of potential differences, but to partner with folks who can explore and utilize them effectively.

Most marketing phenomena operate on an S-shaped response curve. This means that for a low level of spending, you get no (zero, zip, zilch) results. You might as well not spend a penny. Then at some point ("critical mass"), increased levels of spending actually move the needle and you see a response among consumers (brand awareness for ad spend, unit sales for promotion spend, engagement for social media spend). For a while, greater spend yields

proportionally greater outcomes up to a second point, at which effectiveness again drops off ("point of diminishing returns"). Too often firms fail to spend enough on targeting efforts to move the needle at all — the budget for a specific subsegment is simply too low to have any effect. Managers skeptical of the effort in the first place are validated when the targeting effort fails, and managers who had the impossible task of targeting the subsegment with insufficient resources see their units disbanded. It is crucial to research the response function for a specific segment, identify its sweet spot on the curve, and fund the effort fully to that spot.

Finally, be accountable. It is absolutely appropriate to require accountability from the unit tasked with targeting a minority group. In a form of reverse discrimination, some firms are reticent to hold units responsible for marketing to minority segments to the same standards as held for mainstream audiences. This undermines the credibility of the units and hurts overall targeting effectiveness. Ample resources should be allocated and expectations for ROI set beforehand, as is done with any business function. Only then can mid-course corrections in strategy and implementation be made, improving the function of both the unit and firm.

Whether it titillates or terrifies you, fills you with anticipation or dread, makes you excited or exhausted, ready or not, the multicultural marketplace is here. Before you run off and stick your head in the sand or worse, make a grave mistake, take a step back and heed the advice herein. You should take away three themes from all I've described herein. First, educate yourself — about cultures, best practices, different populations, etc. You are much less likely to do something horrible if you learn about diverse others with genuine curiosity and respect. Second, surround yourself with smart, diverse people, the kind who will question assumptions, thereby reducing the likelihood of failure and generating more and better ideas. Finally, do the math: count what resources it will actually take to be successful in a multicultural marketing effort, calculate what an appropriate ROI would be, and hold the effort accountable. Go for it!

Anne M. Brumbaugh, is Founder and Owner of Anne Brumbaugh Marketing in Charleston, SC. Dr. Brumbaugh holds an MBA with a specialization in marketing and a PhD in business and consumer behavior; and teaches marketing courses on contract in top-ranked MBA programs. This article is compiled from a series of blogs she originally wrote for www.charlestonpr.com. ●

O'Dwyer's Guide to: MULTICULTURAL PR FIRMS

■ 6.11



D. Michelle Flowers-Welch, Founder and CEO of Flowers Communications Group (left), and Rashada Whitehead, President of Flowers Communications Group.

COMUNICAD, INC.

1530 Wilson Blvd, Ste. 860
Arlington, VA 22209
703/807-0500
info@comunicad.com
www.comunicad.com

Gloria Rodriguez, CEO

Comunicad is a full service marketing communications agency with expertise in the Hispanic market, headquartered in Washington, DC with offices in Los Angeles, Austin and Miami. We have extensive experience with community and grassroots programs and understand the importance of developing and delivering a message that resonates with the U.S. Latino com-

munity, taking into consideration geographic location, country of origin, and every other nuance that can influence how a message is received.

DAE

71 Stevenson Street, Suite 750
San Francisco, CA 94105
415/341-1280
Fax: 415/296-8378
hello@dae.com
www.dae.com

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FLOWERS COMMUNICATIONS GROUP

303 East Wacker Drive, Ste. 1000
Chicago, IL 60601
312/228-8800
www.flowerscomm.com
rwhitehead@flowerscomm.com

Rashada Whitehead, President

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more, visit www.flowerscomm.com and join the conversation.

IMAGES USA MULTICULTURAL MARKETING COMMUNICATIONS

1320 Ellsworth Industrial Blvd.
Atlanta, GA 30318
404/892-2931
Fax: 404/892-8651
www.imagesusa.net

**Robert "Bob" McNeil, Jr.,
President & CEO**
**Ricki Fairley-Brown, Partner &
CMO**
John Lockyer, Partner & CFO

IMAGES USA is a leading full-service multicultural marketing communications agency headquartered in Atlanta, Georgia. Founded in 1989 by Robert (Bob) McNeil, IMAGES offers marketing expertise to clients wanting to reach, motivate and influence African-American, Hispanic and Asian consumers. The agency's client roster includes Amtrak, Choice Hotels, KFC, Sara Lee, AARP, Brown-Forman, Susan G. Komen, Teach for America, and Scientific Games. The agency currently ranks No. 4 on *Advertising Age's* list of Top African American advertising agencies, No. 20 on Top Hispanic advertising agencies, and No. 286 on Top U.S. advertising agencies and has won over 100 creative honors. For more information on IMAGES USA, including award-winning work and recognitions, visit us at www.imagesusa.net or www.multiculturalmarketing.com.

The July issue of *O'Dwyer's* will profile PR firms that specialize in travel and tourism. If you would like your firm to be listed, contact Editor Jon Gingerich at 646/843-2080 or jon@odwyerpr.com

INTERVIEWING SERVICE OF AMERICA

Corporate Headquarters
15400 Sherman Way, 4th Floor
Van Nuys, CA 91406
818/989-1044
halberstam@isacorp.com
www.isacorp.com

Michael Halberstam, President

Founded in 1982, Interviewing Service of America (ISA) has become one of the largest market research data collection and processing firms in the US. To date, we have conducted Quantitative and Qualitative multicultural and multilingual research projects in 67 languages, worldwide. Industries served include Automotive, CPG, Healthcare, fast food, entertainment, radio and TV advertising, public relations and universities. We are acknowledged as experts in the Asian and Hispanic American communities having won three awards for our research. ISA has offices around the USA, Canada and India with three telephone centers and two focus group facilities in Los Angeles. We are the co-owners of the Asian American Marketing Report, a one-of-a-kind, ongoing syndicated survey that compares the Chinese, Korean, Vietnamese, Filipino, Indian, Hispanic and African American communities with the general population.

OPEN CHANNELS GROUP

101 Summit Ave., Suite 208
Fort Worth, TX 76102
817/332-0404
Fax: 817/531-1520
tonya@openchannelsgroup.com
www.openchannelsgroup.com

Tonya Veasey, Malizy Scruggs and Chris Turner, Principals

Open Channels Group (OCG) is an emerging, forward-thinking public relations agency specializing in multicultural communications. The OCG team values collaborative partnerships with its clients to connect with the diverse communities and customers they serve. OCG is one of the largest minority-owned public relations agencies in Texas. Services: multicultural communications, public

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New York Headquarters
350 Hudson Street, Suite 300
New York, NY 10014
800/853-5905
www.prnewswire.com
www.hispanicprwire.com
www.hdnweb.com
margarita.hernandez@prnewswire.com
multicultural@prnewswire.com

Margarita Hernandez, Senior Account Manager of Multicultural Markets

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RL PUBLIC RELATIONS + MARKETING + SPORTIVO

11835 W. Olympic Blvd.
Ste. 1155E
Los Angeles, CA 90064
310/473-4422
Fax: 310/473-5833
roxana.lissa@rlpublicrelations.com



www.rlpublicrelations.com

27 West 24th St., Ste 901
New York, NY 10010
212/206-8668
Fax: 212/206-8778
melissa.smith@rlpublicrelations.com

Roxana Lissa, CEO
Melissa Smith, Executive VP
Mario Flores, Partner and Managing Director, Sportivo

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TARGET 10

248 W. 35th St., Suite 504
New York, NY 10001
212/245-6040
www.target-10.com

Matt Tumminello, President

Target 10 is one of the leading gay and lesbian marketing and communication agencies in the country. We specialize in creating meaningful and lasting rela-

tionships between gay consumers and our clients through campaigns that connect rationally, emotionally and with the right sensibility. Using market insights and strategic expertise, we uncover the most powerful and distinctive ways that clients can connect with gay consumers and motivate them to action.

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Margarita Hernandez is Senior Account Manager of Multicultural Markets at PR Newswire

Scrap the annual meeting

By Fraser Seitel

It is time once again for that annual ritual where 14,000 public company CEOs making tens of millions of dollars are dragged kicking and screaming to drone on about the “past year’s progress” and face a host of irreverent and irrelevant questions from tens of shareholders gathered in convocation at the Securities and Exchange Commission-required “corporate annual meeting.”



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

I say “tens of shareholders,” because that, alas, is what today’s annual meetings typically draw — a grab bag of attendees, generally composed of less-than-interested employees who work in the building and are more or less obligated to attend, old people with little else to do, and a dwindling posse of aging “corporate gadflies,” whose intentions in altering corporate governance are about as pure as Donald Trump’s in challenging the President’s birth certificate.

Occasionally, one might also encounter a disgruntled ex-employee wishing to mix it up with the folks who have done him wrong. But even these recalcitrants are becoming harder to find.

The people who really matter — institutional and individual shareholders — rarely attend the annual boondoggle.

So here’s the point. Where once the annual meeting may have been justified in exposing secretive companies to at least one day of open disclosure, in today’s environment of the Internet and round-the-clock business journalism, the annual meeting — at least as it is currently composed — no longer makes sense.

It has become a colossal waste of corporate shareholder money and corporate executive time that reveals little and proves nothing. Clearly, the traditional annual meeting should be replaced with a more efficient 21st century substitute that fulfills SEC requirements and doesn’t waste everybody’s time and money.

Here’s why annual meetings no

longer make sense:

• Canned speech.

Annual meetings invariably begin with the CEO — and, if you’re really unlucky, the CFO — rehashing the “Letter from the Chairman” from the just-distributed annual report. Rarely is fresh material included in these reports, because, frankly, most shareholders don’t read the letter. And even more frankly, the annual meeting speech, delivered as it is before precious few of the shareholders, just ain’t worth it.

So the result is recycled material, generally delivered in an uninspired manner by corporate officers going through the motions.

• Cooked votes.

After the speeches, it’s time for the shareholders to vote for directors standing for reelection, the outside auditors, and several shareholder resolutions. These are important pieces of business, but they’ve already been decided, through proxy, by the time the meeting commences.

Most of these proxy votes are cast by institutions, which control the vast majority of votes. And rarely, if ever, is management’s will challenged. So the vote is “cooked,” and the meeting voting is a charade.

• Worthless questioning.

The idea that shareholders get an opportunity to grill management is certainly a noble one in theory. It just doesn’t work in practice.

Annual meeting question periods are generally dominated by a small group of wingnuts, who thrive on their annual moment in the limelight by terrorizing chairmen with inane accusations and incessant babble. In the old days, gadflies like the Gilbert brothers, Lewis and John, would put management through its paces with pointed questions, based on their own knowledge of accounting.

Today, the Gilberts have passed on, and 21st century gadflies are led by the impenetrable Evelyn Y. Davis, the aging and certifiable loony toon, who has made corporate CEO’s lives miserable for 40 years. (A friend of mine once had to stop his chairman from taking a swing at the diminutive Davis, so thoroughly had she annoyed him).

The point is that encouraging publicity seekers like Davis to spread their wings once a year would seem to be the

last thing shareholders should be putting on their tab.

So what to do to rescue the annual ritual and bring it into the Internet age.

Former Lockheed Martin Chairman Norm Augustine has suggested that shareholders should submit serious questions about the company; the outside auditors should review them and select a number to convey to management; and then management should respond to shareholders with its answers on the Net.

Another alternative, attempted by several companies, is a “virtual meeting,” at which holders submit questions to management over the Net. While some object that this negates the “spontaneity” of the in-person meetings, such a format for most companies, if only for the cost savings alone, makes great good sense.

Of course, some in-person annual meetings serve a purpose — Exxon’s of a few years ago, when Rockefeller descendants spoke in favor of separating the chairman and CEO. But these worthwhile meetings are clearly the minority.

In most cases, the annual meeting is as outmoded as the buggy whip. The whole concept ought to be scrapped for something that reflects the new media and a new day. ●

News Briefs

U.S. BUDGET NEEDS ‘SHOCK TO THE SYSTEM’

Politicians must reflect courage, ingenuity and resolve to bring back more than 17 million U.S. jobs lost over the last decade, PR counselor Robert Dilenschneider told PRSA’s Westchester/Fairfield County Chapter May 19.

Dilenschneider, the former Chief of Hill & Knowlton, said he sees the potential for a “renaissance” in the U.S. and the recreation of a middle class with a new emphasis on quality and craftsmanship if urgently needed tax dollars will fund projects through the country.

“Business needs tax incentives, support from Wall Street, which will surely criticize them, and the best possible advice they can get to plan competitively for their own operations to make this happen,” he said at the Hyatt Regency Hotel event.

Dilenschneider said the country first has to get its “budget in order,” which will take a “substantial revisiting” of entitlement programs like Medicare and Social Security.

“There has to be some shock to the system,” he said, noting the debt ceiling “will require serious debate” in Congress. “We should all applaud public officials with the courage to present us with some pretty unappetizing choices.”

Dilenschneider sees hope that 64% of Americans are saving more and spending less and 61% say they’ve re-thought their priorities in life.

Congress should petition US propaganda efforts

By Wes Pedersen

The U.S. is wasting millions of dollars on propaganda to sway minds in the Middle East.

The latest stab at Pentagon PR is an outrage, and should help trigger a Congressional probe into the cost-effectiveness and basic worth of America's propaganda effort.

This particular Defense Dept. contract is for help in the U.S. Afghan Command. It calls for PR to help the Command "take aggressive actions to win the battle for public (Afghan) perception."



Wes Pedersen is a retired Foreign Service Officer and principal at Wes Pedersen Communications and Public Relations in Washington, D.C.

That's boilerplate copy from almost 10 years ago. Here's what's new: the contract is written so it could continue until 2016.

That is two years after our troops are supposed to leave.

The Command is not retrenching PR-wise. It wants to expand its 24/7 efforts to monitor native-language radio, TV and print to include Internet and, apparently, cellphone transmissions. (Big Brother potential with the latter?)

Meanwhile, the U.S. Embassy and the U.S. Agency for International Development (AID) are spending millions for their Afghanistan Media Development and Empowerment project. One PR shop that has profited from U.S. largesse is The Moby Group, founded on an AID grant and now an Afghan communications conglomerate. Its TV programs include Afghan versions of U.S. reality shows and "American Idol."

Has any of this effort actually helped the U.S.? Probably not, especially considering that, for all practical purposes, we lost Afghanistan years ago.

The same is true of Iraq. Consider excerpts from a new report, "Iraq's News Media After Saddam," released by the Center for International Media Assistance of the National Endowment for Democracy:

"Despite massive infusion of cash from the U.S. government for media development — more than \$500 million by most estimates — the country's media devel-

opment does not look promising on several fronts ...

"(Many of the Iraq media) have become mouthpieces for ethno-political factions with the potential to inflame sectarian divisions that have led the country to the brink of civil war."

As things now stand, the White House and NATO have made the job of any official U.S. publicist almost impossible throughout the Middle East and much of the rest of the world.

The White House is ensnared in efforts to explain away discrepancies in its early story of its execution of bin Laden. Failing in that task, it has gone silent until some sensible story can be patched together.

Doubts are growing louder and wider now in the Middle East that we will ever give them a script they can believe.

U.S. public affairs offices throughout the region are sweating; trying to assure local media friends we really are not the clumsy PR oafs everyone there assumes us to be.

As for Libya, NATO, and President Obama early on, have denied that our

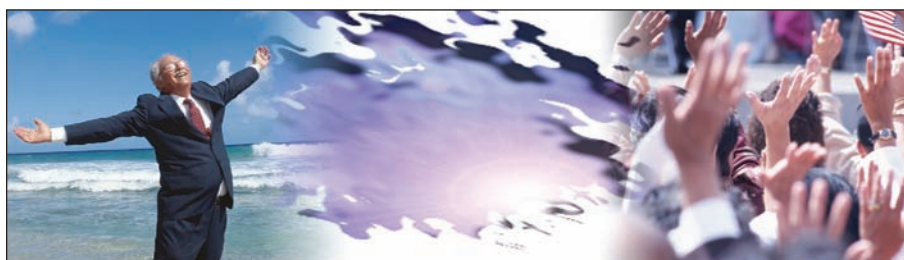
strikes on Gaddafi's compound were aimed at killing Gaddafi.

We have lied big time on Libya. The White House has lied. NATO has lied. The deadly onslaughts against the Gaddafi compound were all clearly aimed at Gaddafi himself. One killed a Gaddafi son and three of the leader's grandchildren.

Our insistence that we are not trying blast the head of a still sovereign country into hell are recognized as phony by anyone who can add one and one.

With all that as pathetic background, it is clear that our propaganda warrant re-examination. We have too many official feet in the PR fire in the Middle East, obviously. Congress ought to take a prompt look at our PR programs there, and probably around the world.

In the process, anyone making such a study should ask this question: Do we really need a huge propaganda establishment working the overseas crowd anymore? We certainly no longer need heavy communications equipment. Social media, in all their guises, can swamp the world with official messages in seconds. ●



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Buffet flunks crisis management 101

By Richard Nicolazzo

Candor is one thing, but appearing out of touch with the fact set is another.

How else to explain the reputational hit that Warren E. Buffett's Berkshire Hathaway company has suffered in recent weeks?

Buffett, known as the "Oracle of Omaha" and one of the richest men on the planet, may be a brilliant investor, but when it comes to crisis management skills, he probably needs a serious refresher course.



Richard E. Nicolazzo is managing partner of Nicolazzo & Associates, a strategic communications and crisis management firm headquartered in Boston, Mass.

By now, the story is well-documented. On March 30, David L. Sokol, 54, long considered a leading candidate to succeed Buffett, suddenly resigned from Berkshire Hathaway.

It seems that Sokol purchased thousands of shares in

Lubrizol, a lubricant company, two months before Berkshire announced a \$9 billion deal to acquire the outfit. As one might expect, when the Berkshire deal was announced, the shares shot up 27 percent over a two-week period. Sokol made a cool \$3 million on paper.

Like most alleged insider cases, the circumstances of the stock purchases remain murky. If we've learned one thing from all the Wall Street shenanigans, it's that it takes time and research to unravel the timeline and understand what really happened.

This emerging crisis should have immediately set off an alarm for Buffett to "hold his fire" when the news stories about the resignation began to break. In my view, that is crisis management 101.

Instead, what happened? In a statement the same day, Buffett said, "Neither Dave nor I feel his Lubrizol purchases were in any way unlawful. He has told me that they were not a factor in his decision to resign." Buffett went on to say that Sokol's "contributions have been extraordinary."

For a man with such acclaimed business acumen and successful track record of strategic investment decisions, this unfortunate episode was an unfathomable rookie mistake for Buffett. How could

someone with his stature simply accept Sokol's word that there was no self-dealing involved? Did Buffett really think that Sokol would say he was guilty of insider trading?

If he was practicing disciplined crisis management, what Buffett should have said was:

"Sokol has resigned from Berkshire Hathaway. We will immediately begin a comprehensive review of the circumstances surrounding his resignation, including recent stock trades, and report our findings to the public and authorities as soon as possible. We will also cooperate with any regulatory investigation that might ensue."

Buffett has since explained himself, but I'm not buying it. In a business column on May 3 in the *New York Times*, Buffett was quoted as saying, "I felt that if I'm laying out a whole bunch of facts that are going to create lots of problems for him for years to come, that I also list his side of the equation in terms of what he'd done for Berkshire."

The *Times* column also quoted Mario Gabelli, a nationally-acclaimed investor and major shareholder in Berkshire, as saying the Sokol episode was "irrelevant" and derided it as "a good story for the media." Gabelli also said he, like Buffett, simply cares about the company's cold, hard numbers.

While I agree that financials are always paramount, I disagree that this episode means nothing to the reputation of Buffett and his company. What Sokol did may not ultimately be proven to be "technically" wrong, but anyone with a sense of fair play realizes that it does not pass the smell test.

Unfortunately for Berkshire, the Sokol mess erupted just a month before the annual meeting, a time when senior executives at any company are most exposed. Instead of quieting down, negative media coverage ticked up several notches, with both sides contradicting each other.

On April 27, a report issued by the audit committee of the Berkshire Board accused Sokol of misleading the company about his personal stake in Lubrizol:

"His misleading incomplete disclosures to Berkshire Hathaway senior management violated the duty of candor he owed the company ... Sokol may have failed his fiduciary duty under the law of Delaware."

What a stark turnaround from Buffett's initial comments.

Things got even uglier when Sokol's lawyer, Barry W. Levine, got involved and disputed many major assertions in the audit report: "... Sokol had told Buffett 'twice, not once' about his ownership of Lubrizol shares before Buffett began discussions with the company."

A more stunning revelation was the audit report stating that, "Buffett and the company did not have the full story in March." This begs the question: Why would Buffett make the statements he made without knowing all the facts?

I believe Buffett's apparent knee-jerk reaction to this issue and the subsequent fallout has tarnished his pristine reputation.

I continue to be shocked at the apparent lack of crisis management planning in some of the world's largest companies. It wasn't that long ago that Tony Hayward, the disgraced BP chief, said publicly, "The company's contingency plans were inadequate and we were making it up day-to-day."

Berkshire Hathaway, a company that generated nearly \$18 billion in cash from operations last year and currently has more than \$38 billion to spend on future acquisitions, erred badly in communicating its reaction to what has become a major scandal.

What happens next isn't clear, but according to published reports, the Securities and Exchange Commission is already investigating Sokol's trading. In fact, we now know that Buffett called the SEC himself and laid out the pattern of trading.

Berkshire Hathaway may face lawsuits from shareholders who want Sokol to forfeit his trading profits because of the negative publicity and damage to the company's reputation. And the audit report said the company is considering whether to pursue "possible legal action against Sokol to recover any damage the company has sustained, or his trading profits."

In the final analysis, the lack of a coherent and well-planned crisis communications strategy is what's most surprising.

Buffett is fond of saying: "Lose money for my firm, and I will be understanding. Lose a shred of reputation for the firm, and I will be ruthless."

Still, even in his latest interview with the *Times*, Buffett has not publicly taken Sokol to the woodshed. It may be the only way to truly end this chapter and move on.

Betrayal cannot go unanswered. ●

Facebook flap shows difference between PR, journalism

By Bill Huey

The Burson-Marsteller/Facebook flapdoodle has almost run its course, except that Burson continues firing wildly at its own foot by fiddling with its Facebook page to delete negative comments.

Everyone got what they deserved, and, fortunately for Burson-Marsteller, the International Monetary Fund chief's sexual escapades came



Bill Huey is president of Strategic Comms., a corporate and marketing consultancy in Atlanta, and author of "Carbon Man," a novel about greed.

along over the weekend to wipe the Facebook story off the Big News agenda. Which makes the point that someone is almost always going to do something worse than you did, so don't panic when a crisis arises — especially if no one was killed or maimed.

The two high-profile former journalists at Burson-Marsteller who perpetrated the dastardly plot will be spared the axe because they are new hires and "will be given additional ethics training," the company said. How's that again? Additional ethics training to former journalists about not trolling for journalists under a false front? Where will this end?

Nevertheless, it is time for lessons learned. One of the most salient lessons — and one that the PR business never seems to learn — is that PR and journalism are different pursuits. That PR is not just journalism practiced in a corporate setting, and firms that hire marquee or even second-tier journalists in hopes of bolstering their cred are simply barking up the wrong tree.

How are PR and journalism different? In an extended rant on Slate, "Press Box" columnist Jack Shafer said flatly that PR people push lies, while reporters are guardians of the truth:

"Every reporter approached by PR firms knows that the primary focus of PR firms is to push lies. If PR people were being paid to push the truth, they'd be called reporters," Shafer wrote.

Of course, as an editor who once bought into a completely fabricated story called "Monkeyfishing," about

alleged fishing for monkeys in Florida from a reporter who repeatedly bamboozled him when asked for more factual detail, Shafer should know the difference.

PR and journalism are different because their aims are different. Ignore that fundamental fact and you are asking for trouble. But PR firms have done it repeatedly over the years, luring quondam journalists to the so-called "dark side" and touting them as someone "who has an intimate, first-hand knowledge of the news business and can shape compelling stories that move people to action," or similar nonsense.

Sometimes it works out. Reporters, after all, are highly adaptive creatures, and some of them learn to appreciate the difference between their old career as journalists and their new career as strategists and advisors.

But just as often, the skill sets don't

travel well. The new hires remain stuck in the journalism mode, pontificating to everyone within range about "news values" and how to make news, or telling war stories about the time they interviewed some flavor-of-the-month big shot and told him straight to his face that he was lying, etc.

You know the type because you've probably encountered them. They simply don't understand that they are no longer in the news business, and their new employers are either too dense or too timid to explain it to them.

Of course, despite mountains of evidence to the contrary, you might think that PR and journalism are more similar than they are different. If you are convinced of that, try putting out some job feelers to the *New York Times* or *Time* or one of the networks and see what happens. And don't let that one-way door hit you in the face. ●

PEOPLE IN PR

Duke exec to Purdue in PA shuffle

Julie Griffith, VP of government affairs and foundation relations for Duke Energy, has been named VP of public affairs for Purdue University as the Indiana school shuffles its community and government relations with economic development operations under its office of engagement.

Griffith takes up the post June 20, subject to the expected approval of the board of trustees, reporting to president France Cordova. The school said it has made the changes to foster stronger ties to the state governments, non-profits, private entities and citizens.

The VP/government affairs slot had been vacant since 2008. The office of engagement had been led by Victor Lechtenberg since 2004. He plans to retire in June 2012 and Perdue said he will take on an interim associate VP role with plans to advise the VP of PA and university president.

She exits Indianapolis-based Duke after 14 years, the last 11 in the VP slot. Griffith, a Ball State grad, also led Indiana govern-



Julie Griffith

ment affairs, as well as community and economic development for Duke. ●

CNBC blogger to MDC

Ash Bennington, a journalist and blogger on CNBC, has joined MDC Partners as Director of Strategic Technology and Innovation.

He is to run the MDC Ideas unit, an in-house think tank to find opportunities in social media, convergence and business analytics.

Bennington will serve as the ad/PR combine's "technology evangelist" and help identify investment targets in the digital sector.

CEO Miles Nadal says Bennington is to travel the globe, scouting for compelling opportunities for MDC companies and clients.

At CNBC, Bennington reported on technology, economics, finance and banking. He will continue to do pieces for CNBC.com and serve as contributor to CNBC. Prior to CNBC, Bennington was assistant VP at Credit Suisse and VP for e-commerce at BB&T.

Sloane & Co., Kwitken & Co. and Allison & Partners are MDC's PR units. ●



Ash Bennington

McHale steps down as PR Chief

Judith McHale, the former Discovery Communications Chief who has served as the U.S.'s image chief at the State Dept., is planning to step down, according to the Washington Post.

McHale, as Undersecretary of State for Public Diplomacy and Public Affairs, has traveled extensively since being nominated to the post in April 2009 by President Barack Obama and played a role in repairing the U.S. image abroad in the wake of two wars and the financial crisis. Educational programs were key to her outreach efforts.

"This is not a propaganda contest — it is a relationship race," she told the Center for a New American Security in Washington, D.C., in June 2009. "And we have got to get back in the game."

She spent 20 years at Discovery, stepping down in 2006 as president and CEO, and is a former general counsel for MTV Networks. ●

First lady's press secretary exits

First Lady Michelle Obama's Press Secretary, Katie McCormick-Lelyveld, is stepping down to return to the private sector in Chicago.

Hannah August, a regional communications director at the White House, will take over for McCormick-Lelyveld, who has not announced her new job but said she will not work for the Obama-Biden campaign.

"Katie has been with me since the very beginning and I've relied on her intelligence, grace, quick wit, humor and friendship through the campaign and at the White House," Obama said in a statement.

August, who has covered the South and women's issues for the White House, was a Press Secretary at the Justice Dept. and Comms. Deputy at the Democratic Senatorial Campaign Committee.

Obama said Deputy Press Secretary Semonti Stephens was promoted to Deputy Communications Director. ●

FCC hires FCC commissioner

Comcast is hiring Federal Communications Commission Commissioner Meredith Attwell Baker as Senior VP-Government Affairs at NBCUniversal after her term expires at the end of June.

Baker, one of two Republicans of the five FCC Commissioners, voted in favor of the Comcast-NBC venture and was critical of the nearly one-year time the FCC spent on reviewing the merger.

She faces a lifetime ban on lobbying concerning the Comcast/NBCU agreement and a two-year ban on courting FCC officials.

Kyle McSarrow, President of Comcast/NBCUniversal's D.C. operations, praised Baker for her "exceptional relationships in Washington."

Baker reports to McSarrow and will work closely with Rick Cotton, executive VP/general counsel and assume the duties of Bob Okun, who is launching a government affairs firm.

Before the FCC, Baker worked on telecommunications and information policy issues in the Bush II Administration. She guided the national roll-out of digital TV.

She also held posts at Williams Mullen Strategies, Covad



Communications and the Cellular Telecommunications Industry Assn. ●

Leslie takes foreign aid post

Weber Shandwick Chairman Jack Leslie has been tapped for a U.S. advisory committee intended to link the federal government and private sector over foreign aid.

Leslie

Leslie was named as a member of the U.S. Agency for International Development Advisory Committee on Voluntary Foreign Aid by USAID administrator Raj Shah. He'll advise USAID on its efforts to promote democracy, good governance and economic growth, the organization said.

Leslie said he is "honored" and looks forward to working toward "strengthening global development policy and results."

The committee was set up after World War II to coordinate humanitarian and development assistance overseas with the federal government and private groups.

Leslie, a member of the Council on Foreign Relations who received Senate confirmation in 2009 after a presidential appointment to an African development post, is one of 27 members of the committee.

He started his career as an aide to Sen. Ted Kennedy (D-Mass.) before moving into political and PR consulting. ●

Coal group names Comms. chief

Evan Tracey, who founded and heads political ad and issue tracking firm Campaign Media Analysis Group, has taken the top PR slot at the American Coalition for Clean Coal Electricity.

Tracey took the post of Senior VP, Communications, at ACCCE, the three-year-old Alexandria, Va.-based trade group which represents the top U.S. coal producers, utilities and railroads. He started June 1.

Tracey, a regular media pundit, founded CMAG in 1997. The firm was acquired by TNS, which itself was acquired by WPP in 2008.

ACCCE counts about 40 members like Caterpillar, GE Energy, CSX, Southern Company and American Electric Power. The group took a PR hit in 2009 when a campaign with Hawthorne Group and subcontractor Bonner & Associates was exposed for sending fake letters to lawmakers in the name of non-profit groups.

Lisa Camoosa Miller is VP of Media Relations for ACCCE. She joined in 2009 from the National Community Pharmacists Association. ●

Monitor files \$3M Libya pact

The Monitor Company Group, which faced heat for its representation of Col. Gaddafi's Libya in the aftermath of the rebel uprising, has just retroactively filed its contract effective May 1, 2006, showing fees of \$3 million and expenses capped at \$2.5 million.

Filed May 6 with the Justice Dept., Monitor says its effort was to "take advantage of improved diplomatic relations between Libya and the U.S. in the wake of the Bush II Administration's move to remove designation of the African nation as a terror-supporting state."

Libya, which was responsible for blowing up Pan Am 103 over Lockerbie, Scotland, "suffered from a deficit of positive PR and adequate contact with a wide range of opinion-leaders and contemporary thinkers," according to Monitor's proposed "program of action."

The Cambridge, Mass.-based company drew up a list of potential visitors to Libya including Jim Woolsey (former CIA director), Robert Spencer (Jihad Watch director), George Soros (investor and Open Society Institute chairman), Daniel Pipes (founder of Middle East Forum), San Nunn (ex-U.S. Senator and CEO of Nuclear Threat Initiative), William Kristol (Editor of the *Weekly Standard*) and Tom Friedman (*New York Times* columnist).

On the media relations front, Monitor promised "operational support for publication of positive articles on Libya" in outlets such as *The Economist*, *Washington Post*, *Wall Street Journal*, *NYT*, *Financial Times* and *Foreign Affairs*.

Monitor is currently reviewing its ongoing relationship with

Libya and promises the Justice Dept. to "supplement this description as appropriate." ○

Racepoint bolsters PR savvy for Jordan Embassy

The Monitor Company tapped Larry Weber's Racepoint Group to handle communications in its effort to upgrade "Jordan's narrative in Washington" under its \$77,000 a-week contract with the Hashemite Kingdom.

The goal is to transform Jordan's Embassy from the traditional role as a "bricks and mortar" building where diplomats serve as "sole conduits for relations between sovereign governments" to a "high-performance" outpost positioned "strategically as a key node in a network of relationship involving state and non-state actors," according to the Cambridge-based Monitor's action plan.

The D.C. upgrade is to serve as a template for key Jordanian embassies in London, Brussels and Paris.

Weber heads the Racepoint team that includes Peter Prodromou, head of its global corporate, PA and reputation practices, and Anne Potts, senior VP.

Racepoint, which is headquartered in Waltham, Mass., is to "identify members of Congress that make relevant decisions and describe the sphere of influence around each member and the levers to direct their attention to support Jordan."

Racepoint is to work with Jordan's Embassy's PR staff to "engage each point in the circle of influence around Senator Kerry, bringing third party validation and a halo effect to achieve desired outcomes." ○

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.

Bavarian U.S. Offices for Economic Development, New York, N.Y., **registered April 14, 2011 for Bavarian Ministry for Economic Affairs, Infrastructure, Transport and Technology**, New York, N.Y., regarding furthering trade, business and business relations between entities in the United States and the State of Bavaria (Germany) by acting as a liaison office between parties involved in such activities.

Development Counsellors International, New York, N.Y., **registered May 10, 2011 for APEV Romania**, Bucharest, Romania, regarding providing an assessment of the current U.S. wine market and opportunities to favorably position Romanian wines particularly among the growing audience of Millennials.

Hecht Spencer & Associates, Inc., Washington, D.C., **registered April 27, 2011 for Government of Japan**, Embassy of Japan, Washington, D.C., regarding rendering government relations and political consulting services to the principal in connection with U.S. government positions, actions, legislation and treaties concerning Japan and Japanese nationals, including corporations.

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.

American Continental Group, Washington, D.C., **registered May 4, 2011 for Demand Media, Inc.**, Bellevue, Wash., regarding Internet commerce and the Domain Name System and Trademark Policy.

Lugar Group LLC, Washington, D.C., **registered May 3, 2011 for Google Inc.**, Washington, D.C., regarding technology issues.

Nixon Peabody LLP, Washington, D.C., **registered May 4, 2011 for The Eastman Kodak Company**, Washington, D.C., regarding entertainment, technology and scientific applications.

Orion Advocates, Washington, D.C., **registered May 11, 2011 for Renewable Bag Council**, Washington, D.C., regarding bag taxes/bans affecting paper bags.

TwinLogic Strategies, LLP, Washington, D.C., **registered May 16, 2011 for Pandora Media Inc.**, Oakland, Calif., regarding music licensing issues.

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Candidates should have, at either an agency or a startup itself:

- Mandatory qualifications:
 - Significant experience managing public relations for startup and technology companies
 - At least 5 years in PR agency or corporate environments
 - Proven track record of telling a company's story through a variety of communication channels (employee, social, media, influencer, etc.)
 - A desire to collaborate with all departments to identify communications support needs
 - Prior experience with reaching consumer tech and/or youth audiences.

Responsibilities include:

- Help evolve Identified's messaging & brand identity based on projected road map
- Identify and execute communications strategies and tactics reaching core target audiences that support business goals and build brand

awareness.

- Build media relations program focused on consumer, tech and business media
- Create a cross platform (social, media and corporate) communications plan for upcoming July/August company launch. Heavy emphasis on media relations
- Produce speaking opportunities to support broader corporate goals
- Develop or oversee creation of thought leadership program, including: industry reports and commentary, by-lined articles, case studies, etc.

Input on corporate collateral development and sales materials.

- Incorporate social media collaboration as needed.

Send resumes directly to brendan@identified.com and lena@identified.com with 'Director of Public Relations & Communications' in the subject line.

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Director of the Office of Communications and Public Relations Virginia Commonwealth University	Richmond, VA, United States	9/09/2010 save job view/apply
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Letter from the CPA of the PR firm as follows: *(This form may be photocopied and used by CPA)*

To the Board of Directors of _____ (city, state) _____:

We have performed the procedures enumerated below, which were agreed to by you solely for the purpose of ranking the PR firm named above with O'Dwyer's based on 2010 results. This engagement to apply agreed-upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the PR firm. We make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or any other purpose. Our procedures were as follows:

A. Net fee income is defined as basically charges for PR counseling and time spent preparing and placing stories in media. Mark-ups for out-of-pocket expenses and mark-ups and/or profits from collateral activities such as graphics, video production, printing, public opinion research, etc., are included as actual amounts. Such amounts do not exceed the limit of 7.5% of total fees. We compared fee income, as defined above, to the appropriate fee billing records and found that for the 12 months ended Dec. 31, 2010:

Net fee income for 2010 was: \$ _____

Net fee income for 2009 was: \$ _____

Percentage gain (loss) was: _____

B. Gross billings for calendar 2010 aggregated _____ (total income plus reimbusables).

C. We determined from the payroll records that _____ employees were employed full-time as of Dec. 31, 2010 (employees who worked at least 35 hours a week and had F.I.C.A. taxes withheld).

D. Wages paid as reported on enclosed form W-3 for 2010 totaled: \$ _____.

E. Enclosed is the first page of the latest Federal income tax return of the PR firm signed and dated by both us (the CPA) and _____ (CEO of PR firm).

F. The PR firm named above is (is not) owned, affiliated or in any way related to an advertising agency or individual owners of an advertising agency or any other company. The name of the parent or affiliated company is _____ (tell what industry the parent company is in).

G. Net fees of the PR firm named above in one or more of 12 PR specialties are given below to rank the firm in that specialty category. We are providing names of accounts to show the firm's expertise in these areas. (fees of specialties cannot exceed total fees of firm.)

H. **List branch office fees/staff on a separate sheet for:** New York, Chicago, Los Angeles, Washington, D.C. area, Boston, Connecticut, Philadelphia, Pittsburgh, Atlanta, Southeast, Florida, Ohio, St. Louis, Minneapolis/St. Paul, Midwest Cities, Austin, Dallas, Houston, Seattle, Western Cities, San Francisco, Sacramento and Silicon Valley.

Agriculture _____	Financial PR/IR _____	Professional Services _____
Beauty & Fashion _____	Food & Beverage _____	Sports/Leisure _____
Entertainment/Cultural _____	Healthcare _____	Technology/Indus. _____
Environmental/PA _____	Home Furnishings _____	Travel/Hospitality _____

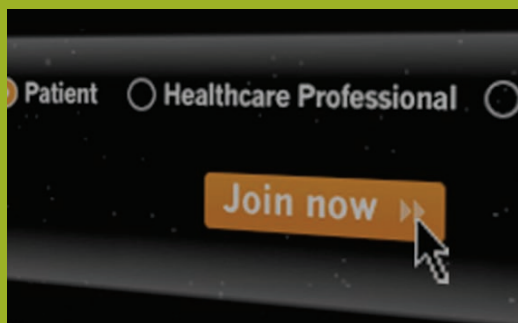
We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on any of the accounts or items referred to above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the use of the specified user listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Signed by outside CPA _____ Signed by CEO of PR firm: _____

Agency contact for this form: _____ phone: _____ e-mail: _____

GENERAL RULES UNDER WHICH ENTRIES ARE EDITED:

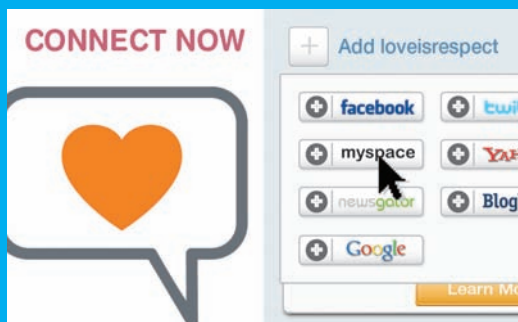
Only long-term (six months or more) clients should be listed and they should be active in 2011. PR operations which are units of advertising agencies or partly owned by ad agency employees must indicate this. Affiliates or joint ventures of PR firms should not be listed. **A PR professional's name may appear only once. At least one full-time person must be listed at each branch.** Staff listed at h.q. cannot also be listed in branches. Firms billing more than \$1 million should list at least six PR executives or staff. Only firms that list accounts will be considered for the rankings. Firms that participate in the categories must show at least three accounts in the particular specialty.



socialactivation



socialstorytelling



socialnetworking

rfrelate@ruderfinn.com



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