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Editor-in-Chief

# O'Dwyer's Newsletter

The Inside News of  
PR and Marketing  
Communications

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## CDC TO REVIEW BIG ANTI-TOBACCO PUSH

The Centers for Disease Control and Prevention is preparing a review of its multimillion-dollar anti-tobacco campaign.

A group led by Plowshare Group, including Havas, GolinHarris, Toluna USA, the American Legacy Foundation, Arnold Worldwide and Elevacio share the \$50M account. It was last put out for review in 2012 and the resulting pact with options expires this year.



The account is funded by the Prevention and Public Health Fund of the Affordable Care Act, which has about \$110M earmarked for anti-tobacco efforts.

GH's digital and media relations focus is estimated to be worth about \$900K per year as the bulk of the pact, \$29M+, is slated for media buys through Havas.

The CDC said an RFP is forthcoming and that any firm, regardless of size, will be able to submit a proposal.

## COYNE BOOKS CAYMAN ISLANDS PR

Coyne PR has booked the Cayman Islands' US tourism PR account after a competitive review.

The Cayman Islands Tourism Department kicked off an RFP process in November for its PR and advertising accounts. MFA Ltd. was the PR incumbent, while Chowder Inc. worked creative.

The CITD said 20 firms pitched, a pool narrowed to eight. Bright Red TBWA, a Tallahassee-based Omnicom unit, nabbed the advertising account for the British-controlled territory.

Parsippany, N.J.-based independent Coyne has worked with South Africa Tourism and Disney Parks.

## IBM VET JOINS H+K

Mike Azzi, a 16-year veteran of IBM, has joined Hill+Knowlton Strategies to head its New York tech group. He headed Big Blue's cloud computing PR and did outreach for the IBM Cloud Center for Excellence.

Before heading for clouds, Azzi led communications for the company's Smarter Commerce Initiative.

Prior to IBM, Azzi held media relations jobs at Guardian Life Insurance, Dun & Bradstreet, Weichert Realtors and The Valerie Fund.

At H+K, he reports to Chris Winans, NY GM. Jodi Baumann heads the WPP unit's US tech operation.

## QORVIS LANDS \$1M LIBYA PR DEAL

Qorvis MSLGroup has inked a \$1M one-year pact to provide PR services to Libya's Embassy in Washington.

President Michael Petruzzello's Publicis-owned operation will work to "open channels of communication" through government relations and organize meetings for Libyan officials, according to its contract.

Outreach is slated with reporters and US officials to "ensure Libya's messages reach the White House, media, think tanks and Capitol Hill."

Qorvis will develop messages, forge a rapid response team and provide regular briefings on conditions in Libya. The firm is in line for \$50K retainers for the first three months and \$100K payments for the following nine months. Monthly expenses are capped at \$12,500.

Since the death of Col. Muammar Qaddafi four years ago, Libya has been in a state of chaos. The US-recognized Libya government is headquartered in the eastern cities of Tobruk and Bayda compared to Tripoli, former capital of the Northern African state.

"We are proud to represent the legitimate and internationally recognized government of Libya," Petruzzello told O'Dwyer's. "This is a critical time and the world needs to support them not only for the future of Libya but also for the security of the region."

Qorvis, which represents Saudi Arabia, Bahrain and Iraq's Kurdistan regional government, reports to Wafa Bugalghis, charge d'affaires at Libya's embassy.

## ANTHEM TAPS PR EXEC IN WAKE OF BREACH

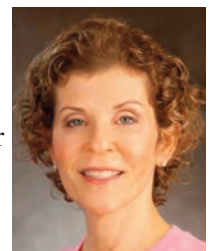
Anthem, the top health insurance provider that is navigating the aftermath of a massive data breach, has brought in Allergan chief communications officer Bonnie Jacobs as senior VP of corporate communications.

Jacobs, VP of corporate affairs and PR for Allergan, heads executive and internal comms., as well as PR for Indianapolis-based Anthem.

The company's former SVP of corporate communications, David Palombi, decamped for the chief communications officer slot at CVS Health last August.

Jacobs was previously VP of comms. for Johnson & Johnson and held top PR roles at Bristol-Myers Squibb, Earle Palmer Browne and Dorland Global.

Ketchum is Anthem's outside PR firm.



Jacobs

Anthem, the former WellPoint, posted 2014 net income of \$2.6B on revenues of \$73B. The company said in February that an online attack exposed data on nearly 80M people.

## **HUNTSWORTH PROFIT COLLAPSES**

UK-based Huntsworth reported an \$87M loss for 2014 as revenue slipped to \$242M in an "unusually turbulent" year of "fundamental change" that saw the exit of CEO Peter Gummer, amid other changes.

Chairman Derek Mapp, who took that post in December, said leadership changes at the holding company "have inevitably been disruptive and distracting."

Former Hill+Knowlton Strategies chief Paul Taaffe took the CEO reins of Huntsworth this week.

Huntsworth revenues fell more than 3% (1% on a like-for-like basis) in 2014 and a second half return to growth never materialized as Huntsworth Health gains were offset by Grayling declines in the UK, Europe and US.

Revenue shortfalls at its Grayling PR operation caused margins to plummet from 14.3% in 2013 to 7.7% in 2014. Revenues at the unit, which also saw the exit of a CEO, Pete Pedersen, declined 6.3% to about \$103M.

Revenues at Financial PR operation Citigate slipped 3.7% to \$32M as Asia Pacific gains were cut by UK and European declines on fewer deals. Its IPO PR assignments were solid, including NN Group NV, Coface SA (France) and Poundland, GAME Digital and FDM Group in the UK.

Huntsworth's consumer PR business, Red, fell 4.4% to just under \$18M amid project delays and new business wins coming "on stream" later than anticipated. The win of a seven-figure assignment for Emirates at the end of the year points to growth for 2015, the firm said. It also picked up Kenya's global tourism account this week.

Huntsworth said it closed the year with around 1,580 staffers and serviced 1,960 clients last year.

## **EMBATTLED KENYA GOES WITH GRAYLING**

Kenya has brought in Grayling for global tourism PR after a search as the country copes with a battered image from high-profile terror attacks over the past few years.

Phylis Kandie, cabinet secretary for East African affairs, commerce and tourism, said the country is "enduring very difficult times" and said Grayling will help "ensure that our message is communicated effectively to every corner of the world." She added: "The profound nature of this problem cannot be overstated and as a Government, we are well aware of the importance of confronting the key issues and restoring our reputation as Africa's number one visitor destination."

The Kenya Tourism Board has run an ongoing campaign, "Magical Kenya," touting the country's safaris, national parks and other attractions.

"Kenya truly is the jewel of Africa and we are committed to restoring its luster," said Grayling Middle East and Africa CEO Loretta Ahmed.

Myriad Marketing (US), Vox International (Canada) and Hills Balfour (UK) work with the tourist board, as well.



## **OMC's WREN GETS 33% PAY HIKE**

Omnicom CEO John Wren received a 33 percent hike in total compensation to \$24M during the past year, according to the ad/PR conglomerate's proxy statement.

His \$1M salary was fortified by a \$12.6M cash payment under OMC's on-equity incentive compensation scheme. That amount rose 23.5 percent from the 2013 level.

OMC's board rewarded Wren for driving "solid financial growth," expanding client relationships and for his "direct leadership role with many of the company's largest global clients."

Philip Angelastro, who succeeded Randy Weisenburger as CFO in September, enjoyed a 108.3 percent surge in total comp to \$5M. Base salary jumped to \$850K from \$425M.

Weisenburger closed the books on OMC, earning total comp of \$1.1M vs. \$11.9M in 2013.

## **SAUDI ARABIA BOLSTERS DC LOBBY ARSENAL**

Saudi Arabia has signed DLA Piper to a nine-month \$450K contract to cement its ties with the US.

In its engagement letter to Adel Al Jubeir, the Kingdom's US Ambassador, DLA Piper said it will work to help strengthen the ability of Saudi Arabia and US to "advance mutual security interests."

The firm notes both countries "confront a confluence of ongoing events" that heighten security concerns."

DLA adds, "Both nations have benefitted from an enduring strategic alliance."

The firm's agreement includes a "conflicts waiver" clause, which states DLA Piper "may, now or if the future, represent other persons or entities on matters adverse to you."

The US has provided weapons and logistical support for Saudi Arabia's campaign in Yemen designed to thwart factions supported by Iran.

Qorvis, which is now part of France's Publicis Groupe, has been Saudi Arabia's go-to PR firm since the aftermath of the 9/11 terror attack.

## **CALIFORNIA HEALTH EXCHANGE REVIEWS PR**

Covered California, the Golden State's successful health insurance exchange, is reviewing its PR and advertising accounts through an RFP process.

Ogilvy PR and Weber Shandwick work with the exchange.

A dozen firms attended a voluntary pre-bid conference on March 24.

Covered California said it has enrolled more than 1.4M since its inception. The exchange wants to hear from firms that can build on its success and introduce "fresh, innovative ideas" to move it forward.

PR firms must have a California office since 2010 with billings of at least \$1.3M and at least 15 staffers for the account. The review is being conducted in stages; a certification stage started on April 2.

The PR account is valued at \$2M per year with a five-year contract expected.

RFPs have been posted to Covered California's website.

**REUTERS CHIEF EXITS FOR EUROMONEY**

Andrew Rashbass, CEO of Reuters, is leaving for the executive chairman slot at Euromoney Institutional Investor.

He joined Reuters two years ago after a 15-year stint at The Economist Group.

At Euromoney, Rashbass is to step up its push to develop digital-only formats for its more than 100 publications, which include *Euroweek*, *Global Investor*, *InvestHedge*, *Industrial Minerals*, *Petroleum Economist*, *Med Ad News* and *Managing Intellectual Property*.



John Botts, senior non-executive director, said Rashbass "is a good fit for us given his track record and proven quality to deliver top-quality journalism."

UK-based Daily Mail and General Trust owns Euromoney.

Stephen Adler, editor-in-chief of Reuters, is replacing Rashbass on a temporary basis.

**ROLLING STONE RETRACTS UVA RAPE STORY**

*Rolling Stone* magazine last week retracted its controversial account of a gang rape at the University of Virginia, after a review by Columbia's journalism school said the magazine shucked "basic, even routine journalistic practice."

Columbia dean Steve Coll, along with Sheila Coronel and Derek Kravitz penned a review of the article at the request of RS managing editor Will Dana. The Nov. 19 article, "A Rape on Campus: A Brutal Assault and Struggle for Justice at UVA," was a failure that "encompassed reporting, editing, editorial supervision and fact-checking," the Columbia report said. "The published story glossed over the gaps in the magazine's reporting by using pseudonyms and by failing to state where important information had come from," said the review.

RS publisher Jann Wenner said no one was fired in the aftermath and told the *New York Times* that the author, Sabrina Erdely, would continue to write for the magazine.

**FREBERG, 'FATHER OF FUNNY ADS,' DIES AT 88**

Stan Freberg, whom *Advertising Age* called the father of funny commercials and one of the 20th Century's most influential admen, died April 7 in Santa Monica. He was 88.

A jack-of-all-trades, Freberg recorded hit comedy records, voiced hundreds of cartoon characters and did radio sketches for CBS.

The self-described "guerrilla satirist" worked as creative consultant for ad agencies.

His output "shattered Madison Avenue conventions," according to his *New York Times* obit.

The paper reported that Freberg attacked adland's greatest heresy: lampooning the deficiencies of a paying client's own products.

For instance, an ad for Pacific Airlines featured attendants handing out "survival kits" and one for pit-less

prunes promised to get rid of the wrinkles next.

Freberg did ads for General Motors, US Army and Presbyterian Church, among others, earning 21 Clio awards.

AMC's "The Mad Men" paid tribute to him in 2010, using a bit from his 1951 soap opera parody.

Freberg's humor did draw some eyebrows. CBS Radio dropped his program because of jokes about the hydrogen bomb.

He also angered TV executives by refusing to air tobacco advertising.

**VOA CHIEF EXITS**

David Ensor, director of the Voice of America, will exit the government-bankrolled broadcaster at the end of the month.

The 30-year veteran of NPR, ABC, CNN was director of communications & public diplomacy at the US Embassy in Afghanistan before taking the VOA post.

He's credited with stepping up VOA's digital push and expanding Russian, Persian and Ukrainian programming.

During his four-year stint, Ensor bolstered online audience by 49M people to 172M, according to the Broadcasting Board of Governors, which is parent of VOA.

"We are grateful for the leadership David Ensor brought to VOA," said BBG chair Jeff Shell in a statement. "His deep journalistic roots and rich knowledge of world events were tremendous assets he enthusiastically invested in this venerable organization."

Ensor, who is 64, said despite shrinking budgets during each of his years at VOA, the service "found creative ways to respond to the lies of Vladimir Putin and to the threats of ISIS."

He added: "And it will be ready to do much more under its next director, if resources can be identified."

**NAT'L GUARD SPOKESWOMAN GETS \$480K**

Mary Therese Grabowski, former director of public affairs for the Georgia National Guard, has settled a whistleblower suit against the Guard for a reported \$480K.

Grabowski, a former TV news anchor in Macon, filed suit in Cobb County Superior Court in Georgia in July 2014 under the state's whistleblower law, claiming she was fired for raising concerns about then Adjutant Gen. Jim Butterworth's alleged misuse of Guard resources in fundraising, transportation and a trip to the 2013 Paris Air Show, among other incidents.

The *Marietta Daily Journal* reported the amount of the settlement.

The Georgia Department of Defense confirmed a settlement was reached that "does not constitute a finding of liability, rather, the case was settled to avoid the cost and resources associated with protracted litigation."

Butterworth is now director of the Georgia's Emergency Management Agency.

Grabowski's complaint alleged Butterworth retaliated against FOX-5 for critical coverage by banning the station's reporters from Guard facilities.

**USING SOCIAL MEDIA FOR A CAUSE**

By Valerie Pritchard

Social media can help shed light on issues that might have otherwise remained in the dark and bring grassroots issues to awareness on a national level. It can turn a group of friends into an army of social justice warriors and inspire average people and celebrities alike to pour big buckets of ice over their heads to raise millions for ALS.

We can certainly aspire to the level of success that was achieved by the ALS Ice Bucket Challenge, but there's a lot we can learn from it as well. Here are a few "do's" and "don'ts" for your next cause marketing campaign.

**Do define your objectives and priorities**

Every social media campaign needs a clearly-defined objective and cause campaigns are no exception. Before you draft your first tweet, you should know exactly what you're hoping to accomplish, whether it's raising funds or awareness. This is the first step toward establishing whether or not your campaign will be a success.

When in doubt, keep it simple. This is a good rule of thumb no matter what you're doing on social media, but it's particularly crucial for cause marketing. Social media is a powerful platform, but it's also an incredibly noisy space. In order to break through the clutter, you need to ensure that your objective is as clear and streamlined as possible.

**Do create the right call to action**

The difference between activism and "slacktivism" lies in the call to action. Critics of using social media channels for a cause marketing campaign argue that consumers are only interested in changing their profile picture or using a hashtag for the attention it brings to their personal pages. But if your goal is to raise awareness and half a million Facebook users change their profile pictures to support your cause, that's absolutely progress toward your goal.

But if awareness is not your goal and what you'd really like is for people to vote, donate or sign a petition, a simple avatar change might not be the best way to get there.

**Do offer a content "souvenir"**

If the Obama campaign and the Ice Bucket Challenge have taught us anything, it's that user-generated content plays an incredibly powerful role in a cause campaign on social media. It almost serves as a badge for the person to be able to say, "I care and I participated." If your goal is more along the lines of fundraising or drawing votes, consider positioning content as the product of the action rather than the action itself.

**Don't wait to evaluate results**

Publishing content on social media isn't like purchasing a TV or print ad. Of course you have the added advantage of two-way communication about your campaign, but you also have the unique ability to optimize in real time. Looking at your results on a regular basis can provide insights on how to pivot if your content isn't resonating with your audience or how to tweak your spending.

Also, reporting your results can help you drum up more enthusiasm for your cause. ALS didn't wait until the ice bucket challenge fizzled out to report how much money the participants raised. This worked in their favor and every subsequent report spurred more donations and participation.

*Valerie Pritchard is a Digital/Social Strategist at Makovsky.*

**WHEN SOCIAL MEDIA HIJACKS YOUR BRAND**

By Meg Alexander

"You're denying my child a life-saving medicine!" "Ingredients in your foods are toxic." Imagine these words landing one after another on your brand's Facebook page or Twitter feed. In minutes, the online "voice" of your brand that you've worked hard to establish is smothered in negative commentary. You may find yourself asking: is my brand ready for this?

In the coming years, we believe biopharmaceutical companies will also become targets as consumer goods companies have already. Why? With frustrations over the growing price of medicines and increasing interest in gaining access to exploratory therapies, it's likely patients-turned-activists will turn to avenues such as social media.

A quintessential example is the case of #SaveJosh, a program initiated by the parents of a young boy suffering from cancer who developed a life-threatening infection. His family sought access to an anti-viral drug that was not yet approved by the Food & Drug Administration. The investigational drug's manufacturer, Chimerix, initially declined their appeal but after a Facebook campaign and hashtag #SaveJosh demanded access to the medicine Chimerix announced under withering pressure that it would work with the FDA to open clinical testing. Josh was among the first to receive treatment.

**Six steps to protect your brand**

**Cultivate relationships.** Examine your brand through the eyes of those who feel most aggrieved by your business policies and practices. Understanding their concerns and behaviors will offer an insight into their future actions. On a parallel path, shore up your relationships with credible organizations and individuals who share your position.

**Predict and monitor.** Many issues can be anticipated when companies tune their listening to the right signals. Executives should couple social listening with cross-functional information sharing to spot emerging issues. Overlaying offline and online intelligence, such as advocacy group comments or hotline calls, may help identify an issue that could metastasize from one channel to another.

**Plan and establish protocols.** Empower a team of first responders before the warning signals appear, complete with a response protocol that specifies who responds when negative commentary surfaces, and what statements are cleared for immediate use in each channel.

**Practice response.** Simulation exercises are an effective way to stress-test your plans. They allow teams to rehearse and build 'muscle memory' so they know how to act, when a crisis hits. Companies should simulate multi-platform issues because modern crises are rarely contained to traditional media alone.

**Assess and engage.** All online chatter is not equal. Learn to recognize when a critical campaign is trending upwards, and have tiers of response pegged to quantitative and qualitative metrics that gauge the intensity of the assault.

**Measure and refine.** Ensure internal teams are measuring the impact of your response actions in real-time, and be prepared to change approach if they are not working.

*Meg Alexander leads inVentiv Health Public Relations Issues Management practice.*

**NEWS OF PR FIRMS****INDY PR FIRM OWNERS PLAN TO SELL**

An overwhelming majority of independent PR firm owners expect to sell their firms and have given equity to top managers with an eye on succession and attracting buyers, according to a study by The Stevens Group.

Veteran PR industry M&A counselor Art Stevens said he was surprised to find many – nearly one quarter -- agency principals own less than 100% of their firms. "Many agency owners have put together 'golden handcuffs' to retain such managers by means of real stock, phantom stock and generous bonuses and incentives," he said.

Stevens added: "In today's robust M&A marketplace, they realize that to position their firm for acquisition, they must hold on to their key second tier managers."

Stevens' survey focused mainly on about 100 principals at firms with up to \$5M in revenue and a few in the \$5M-\$10M range. The majority of respondents were aged 40-60 years old.

Ninety-two percent of firm owners said they will sell at some point and 44% slate a sale within in next five years, according to the survey. Post-sale, many said they would continue to toil at the agencies they built as Stevens found that 64% said they want to keep working at the firm after any employment contract ends.

**Cashing Out**

Agency owners gave three main reasons for wanting to sell: cash out and retire, cash and do something else, or to position the firm to compete for bigger business. Dozens said their firms are doing well but have "hit a wall" and can't see major growth without a significant increase in "mass."

Others want to dump administrative responsibilities on a buyer to focus more on creative work, according to Stevens. [Full findings at [thestevensgroup.com](http://thestevensgroup.com).]

So what's holding back the sales? Most (61%) agency owners said they are waiting to increase revenues, while others want to strengthen their management teams (34%) or first increase profitability (27%).

**SD SLATES PR PUSH FOR WATER CONSERV.**

San Diego is dangling a five-year pact worth up to \$1.6M for a public information/outreach program for its water conservation program.

It wants a firm to handle strategic planning, develop drought messaging, identify media opportunities/partnerships, and assist in media buys.

The RFP says the selected consultant is to "provide guidance as needed to Water Conservation staff in securing water use efficiency articles regarding new programs, incentives and opportunities to conserve water." It will "provide support as needed for press conference or campaign related events." The document said San Diego's Mayor and City Council are firm believers in the public info push.

Budget ranges from \$1M-\$1.6M per year over five years. Mayor Kevin Faulconer is a Porter Novelli alumnus, having served as a VP.

Proposals are due May 24.

View the RFP: <http://odwpr.us/1Os82Ke>.

**NEW ACCOUNTS****New York Area**

**Lou Hammond & Associates**, New York/The Beach Company, real estate development in the Southeast; Halls Hospitality, South Carolina restaurant group including Halls Chop House; High Country Rugs, US-based oriental rug maker, and Domestic Estate Management Association, educational group for the Private Service Community, all for PR.

**Nancy J. Friedman PR**, New York/Oasis Collections, portfolio of high-end rental properties, and Wild Walk, outdoor discovery attraction located in Adirondack Park slated to open in July in The Wild Center.

**Burson-Marsteller**, New York/Meltwater, media intelligence and PR software, as AOR for PR in North America, Europe and Asia-Pacific, including media rels., product launch support and brand management.

**East**

**Matter Communications**, Newburyport, Mass./Progress, business application and integration software, as AOR for PR in North America, following a review.

**Big River**, Richmond, Va./Eagle Companies, including Eagle Construction, Markel | Eagle, Eagle Commercial Construction, NAI Eagle and Eagle Realty, for research and strategic branding.

**DPR Group**, Frederick, Md./NeoGrid, global tech provider of supply chain management solutions, for PR and marketing in North America, including media relations.

**Southeast**

**JoTo PR**, Clearwater, Fla./SCI Distribution, wireless fleet and fuel management software, hardware and services for government and the private sector, for PR.

**Mountain West**

**Metzger Albee PR**, Boulder, Colo./Clip Interactive, interactive mobile app developer focused on the radio industry; SQFT, a do-it-yourself real estate portal that uses technology along with a team of local, independently operated, licensed real estate agents that allows users to buy and sell homes using only a smartphone, and AllSource Analysis, commercial imagery intelligence for the energy, financial, government, humanitarian and insurance industries.

**West**

**Driven PR**, Temecula, Calif./Borla, exhaust systems manufacturer for performance vehicles, for a strategic PR plan and media engagement strategy, as well as branding, sports marketing and social media.

**The Brandman Agency**, Los Angeles/The Ritz-Carlton, Bechelor Gulch, resort on Beaver Creek Mountain in Vail, Colo., for PR following a multimillion-dollar renovation.

**PMBC Group**, Los Angeles/Echo Labs, biowearable developer for monitoring blood components, as AOR for PR. EL came out of Stanford's incubator, StartX. The campaign targets biz, tech and consumer press.

**PadillaCRT**, Los Angeles/The Original Farmers Market at Third & Fairfax, 81-year-old shopping and tourist destination in L.A., as AOR for PR. The firm takes over PR from WHPR as its principals retire after two decades on the account.

## NEWS OF SERVICES

### MCCORKINDALE HEADS INSTITUTE FOR PR

Tina McCorkindale, Ph.D., an associate professor at Appalachian State University who was 2013 chair of the PRSA Educators Academy, will join the Institute for PR May 11 as CEO.

Oscar Suris, IPR co-chair and XVP of corporate communications, Wells Fargo & Co., said that under Frank's leadership "IPR's influence grew among professionals and academics and it resulted in a strong and engaged board, and great respect throughout our profession. Tina is now poised to build on that legacy as she works to attract a new generation of professionals and academics to IPR's research, insights and thought leadership."

"Tina is a well-respected researcher who has been active in academic and professional organizations that are squarely aligned with IPR's focus on PR and communication," said Ken Makovsky, co-chair of the IPR board.

McCorkindale said: "As someone who has been involved with IPR for 15 years, I am thrilled to have the opportunity to lead this organization forward. Research on measurement standards, behavioral and employee communications, and the deeper meaning of social media will remain among IPR's top priorities."

IPR, which had been associated with PRSA since its founding, broke away in 1989 when the Society refused to allow IPR to have directors who had not passed its accreditation process.

The Society continued to have a 501(c)3 non-profit which it called the Foundation. Revenues in 2013 were \$250,526 and expenses \$287,288, for a loss of \$36,762. Net assets were \$568,756.

IPR had revenues of \$725,474 in 2013 and expenses of \$540,675 for a profit of \$184,799. Net assets were \$559,358. Ovaitt was paid a salary of \$150,000 and received \$4,000 as "other" income.

McCorkindale and Marcia DiStaso, assistant PR professor at Penn State who chaired the Academy in 2014, authored a 23-page article for the PR Society's online PR Journal in 2013 that said a "dialogic loop" is the ideal form of communication for PR people. They defined a dialogic loop as "any negotiated exchange of ideas and opinions." They wrote: "Both parties must be willing to be open and listen to the other parties even if there is disagreement."

**BRIEFS:** **Lia Hanson**, regional sales manager for ADP, joins **Business Wire** as regional manager of the San Francisco Bay Area. BW also promoted **Loredana Dailey** to regional manager in Phoenix. ...Milwaukee-based marketing research and consulting shop **Market Probe** has tapped **Joe Retzer** as chief research officer and **Andrea Corrado** as VP. Retzer is a veteran of Radius Global Market Research and CMI Research. Corrado was with TNS North America and Synovate. ...St. Louis-based digital firm **Engage** designed a new website for the Software & Information Industry Association at [siaa.net](http://siaa.net). The site was built on the DNN content system Evoq Content.



McCorkindale

## PEOPLE

### Joined

**Tamar Anitai**, managing editor, MTV Networks/MTV Digital, to Porter Novelli, New York, as senior VP, content strategy, in its PN Connect digital operation. She was previously director of content strategy for PunchStock and senior manager for AOL Community.

**Diana Scott**, senior VP at Weber Shandwick, joins as senior VP, health and wellness. She also held senior posts at MSLGroup and Ruder Finn. Also, **Henry Engleka** was promoted to EVP, health and wellness.

**Marcy Graham**, executive director of IR and corporate comms., Ambit Biosciences, to aTyr Pharma, San Diego, as VP of IR and corporate comms. Graham built Ambit's IR unit from its IPO through its acquisition by Daiichi Sankyo last year. She held senior IR and comms. roles at Sequenom, Genoptix and Novatel Wireless after starting out at Leap Wireless.

**Joanna Ong**, VP of PR and communications, Asia Pacific, for Carlson Rezidor Hotel Group, to Hilton Worldwide, as VP of corporate comms. for Asia Pacific, based in Singapore. She was previously director with PR agency Urban Scoop Consultancy, senior corporate affairs manager at Standard Chartered Bank.

### Promoted

**Brian O'Connor** to VP of PR, Princess Cruises, Santa Clarita, Calif., effective June 1. He takes over for Julie Benson, who is retiring after 32 years on May 29.

**Eric Becker** to SVP, corporate communications, Starz, Beverly Hills, Calif. **Shannon Buck** to SVP, programming publicity and **Colleen Curtis** to SVP, consumer and digital publicity. All work under EVP of communications Theano Apostolou.

**Christian Averill** to VP of global communications and brand, BitTorrent, San Francisco. The FleishmanHillard and Text 100 alum joined in 2012 as director and has overseen the launch of its Bundle and Sync products.

**Diana Banister**, partner at Shirley & Banister Public Affairs, Alexandria, Va., to president as founder and CEO Craig Shirley moves into a chairman role. Kevin McVicker, who joined the firm in 1999, was upped to VP.

Ketchum has named 11 new partners of the firm, which is led by CEO and president Rob Flaherty. The group includes **Matt Afflixio**, president of Access Communications; **Babette Kemper** and **Rüdiger Maessen**, managing partners, Düsseldorf; **Paul Teuton**, EMEA regional director for Ketchum Change, based in London; **Marc Drechsler**, head of financial comms., New York; **Kim Essex**, director of NA Food & Nutrition practice, Chicago; **Bill Reihl**, managing dir., global brand marketing, New York; **Kiersten Zweibaum**, director of client dev., New York; **Stephen Waddington**, chief engagement officer, London; **Lynn Farley**, Asia Pacific CFO, Los Angeles, and **Bill Visone**, chief CFO, New York.



Anitai



Averill

## **PAGE SOCIETY REPORTS ON 'FUTURE OF CCO'**

IBM PR chief Jon Iwata outlined preliminary findings of the "future of the chief communications officer" research project during the April 9 session of the Arthur Page Society's spring seminar held at Manhattan's Conrad Hotel.

Stressing the study is an evolving process, Big Blue's senior VP-marketing & communications, told the audience CCO's will:

- 1) Continue to be grounded in the enduring responsibilities of strong corporate communicators (strategic counselor, guardian of enterprise reputation, critical thinker and relationship builder);
- 2) Require differentiating business leadership skills (deeper business understanding, integration savvy, business leadership), and
- 3) Create and operate systems (leverage data, create channels/platforms that connect with individuals directly, shape not only opinion, but also behavior).

The IBM executive noted that software is increasingly becoming an important part of the CCO job. That development is already in the works as Iwata pointed out more CCOs are working with chief information officers than they were five years ago.

The audience participated in a table exercise to provide input into the ongoing study The Society's conference is themed "the indispensable CCO."

## **UNDERSTANDING THE 'BACKFIRE EFFECT'**

People make decisions based on emotions not fact-based evidence, Chris Graves, Ogilvy chairman, told the Society spring conference on April 10.

The Ogilvy executive talked about the "backfire effect," which causes people to become more entrenched in their own viewpoints when challenged by facts contrary to their beliefs.

The more educated the group, the more polarized they become, said Graves.

He gave climate change and the "vaccine wars" as examples where people cling to positions despite overwhelming evidence that shows they are out-of-step.

Research shows the human brain expresses puzzlement and then triggers physical pain when a person is not aligned with his group.

The brain reacts favorably when presented with an image of a supported politico and registers disgust when an opposing candidate is presented.

Graves said even though a person's preferred candidate does a "flip-flop," he or she would get a free pass from a political backer.

The Ogilvy chairman said "narration transport" or creating a social norm supporting the desired behavior is a path to change.

Kit Yarrow, Golden Gate University professor emeritus, shared the stage with Graves. She described how words or "blah-blah" messages have little effect on today's consumers, who are self-reliant and want to be admired by marketers. Messages need to be short, simple, frequent and ubiquitous, according to Yarrow.

The presentation was called "Know Thy Consumer: Implications of Behavioral Economics for Corporate Communications."

## **PR FIRMS ADVISE MASSIVE SHELL-BG DEAL**

Brunswick Group and Finsbury are advising the blockbuster \$70B acquisition of the UK's BG Group by Royal Dutch Shell.

BG Group, a multinational based in Reading, UK, with major operations in the liquefied natural gas space, was spun off of British Gas as Centrica in 1997.

The cash and stock sees Shell paying a 52% premium on BG shares and comes amid a global decline in oil prices. "The result will be a more competitive, stronger company for both sets of shareholders in today's volatile oil price world," Shell chairman Jorma Ollila said in a 30,051-word press release announcing the deal April 8.

On the PR front, Finsbury is supporting Shell's global communications team regarding the deal. Managing partner James Murgatroyd leads the London-based Finsbury team, assisted by natural resources lead Dorothy Burwell.

Lachlan Johnston heads external communications for BG, which is counseled by Brunswick Group. Brunswick London partner Michael Harrison, who once covered the energy sector, among others, while a journalist for *The Independent* and *Evening Standard*, leads Brunswick's account.

Shell said it expects to save \$2.5B per year by 2018 on "synergies" with BG. It expects charges of \$980M over the first three years.

The resulting company's market cap is pegged at \$240B, behind Exxon Mobil's \$360B atop the energy sector, excluding state-owned operations.

## **SILVER POWERS PR FOR DETROIT UTILITY**

Paula Silver, who led corporate communications and IR for Federal-Mogul Corp., has moved to Detroit utility DTE Energy Co. as VP of corporate communications.

Silver takes over for Sandy Ennis, who was named VP of diversity & inclusion, a new post for the publicly traded company with 2.1M customers.

Silver covers media relations, digital, internal and marketing communications, as well as advertising, sponsorships and brand management, reporting to vice chair and chief administrative officer Dave Meador. She was previously VP of comms. and PR for Quicken Loans/Rock Ventures.



**Silver**

DTE, the former Detroit Edison, 2014 revenue hit \$12.3B with net income of \$911M via its electric and natural gas utilities, as well as pipelines/storage, power projects and energy trading.

## **AYALA CHECKS IN AT WYNDHAM**

Nadeen Ayala has been named senior VP-communications at Wyndham Worldwide, which bills itself as the biggest hotel company based on the number of rooms.

She joins from Starwood Hotels & Resorts, where she led global crisis PR, branding and executive communications for the Sheraton and Westin properties.

She began at Starwood in 1999 at its Sheraton New York Hotel & Towers facility in New York.

**Grocery story shelf space and media space are being sold** to the highest bidders. It's a shocking statement but there's a lot of truth to it. PR people must be aware of such market forces in order to cope with the PR fallout.

Money talks and ethics walks might be another way of saying this. PR traditionally has had a higher believability quotient than ads but that may be under erosion.

A spotlight was put on the practice of supermarkets charging for shelf space when PR Society of America chair Kathy Barbour joined Acosta Sales and Marketing in January.

Acosta, a private company based in Jacksonville, Fla., with \$1.5 billion in sales and 30,000 employees and "associates," plays a leading role in negotiating such deals with stores. Suppliers, including many of America's most famous brands, pay to get their new products on shelves, keep current products there, put products at eye-level, put them next to other famous brands, limit the shelf space of rivals, and obtain end-of-aisle displays (very expensive), among other tactics. Slotting fees add to the cost of products being sold.

#### **Look-Alike Editorial Space Being Sold**

Some media, including the *New York Times*, are selling ads that closely resemble editorial matter. Such copy can be so newsy and informative that readers don't care whether it's paid for or not.

That observation was made by Arik Hanson of Communications Connections who said two "paid posts" on NYT's "T Brand Studio" were outstanding—"Grit and Grace," an article on ballet placed by Cole Haan, and "Women Inmates: Why the Male Model Doesn't Work," by Netflix.

Hanson said a study that found that T Brand stories pulled 361% more unique visitors and 526% more time spent with the post than regular ads.

We don't doubt that riveting copy can be posted by sponsors. The question becomes whether the medium involved is not covering something or covering it only slightly because it might annoy the advertiser. Readers can check other media for desired coverage but their confidence in the first media may suffer.

#### **Slotting Fees a Highly Charged Topic**

Slotting fees are such a hot button topic that witnesses at a Senate hearing wore hoods to conceal their identities, the *Los Angeles Times* reported Jan. 29, 2000. They feared retaliation of one sort or another.

LAT said there had been a "dramatic escalation" in such fees and estimated suppliers pay \$9 billion yearly for them, quoting analysts as saying the payments make up more than half of supermarkets' profits. It noted that mergers had concentrated supermarket power in a few hands.

"Like Hollywood accounting, the economics of slotting and grocery story pricing are shrouded in mystery, fueling the debate on the system's ultimate effect on consumers," wrote LAT reporters Robin Fields and Melinda Fulmer.

Barbour and Karen Bennett Mathis, PR manager of Acosta, have not returned emails seeking information about the company, its employees and "associates," and its tactics to win shelf space for clients.

#### **FTC Dropped Topic After 2003 Study**

The Federal Trade Commission published a study in 2003 that estimated from \$1.5 million to \$2 million in slotting fees would be needed to introduce a new product nationwide. No follow-up study has been done by FTC.

Motley Fool, referring to the study Aug. 26, 2013, said nationwide rollouts could now cost as much as \$2.5M. R

Reporter Brian Stoffel noted the FTC study found that 80%-90% of food companies surveyed paid slotting fees. Tracking the fees is hard, he said, because the activity "usually takes place off the books."

The Motley article on slotting was titled, "The Hidden Profit Machine for Grocery Stores."

Shelf placement activities of Acosta are described in detail in a 2,580-word article in the *Jacksonville Daily Record* by editor Karen Brune Mathis on July 23, 2012 (although slotting charges were not mentioned), and in copy on the Acosta website.

#### **Acosta Reps in Stores Daily**

"Acosta's 17,000 retail associates are in stores every day, allowing the company to deliver faster speed-to-shelf for new items, correct out-of-stocks and voids more quickly, and gain greater distribution of existing products," says copy.

Acosta created "Space Management Solutions" which help "optimize our clients' shopping management strategies." It includes "strategic planogram development, which ensures our clients' brands are positioned on the right shelf, adjacent to the right products, with sufficient space to prevent out-of-stocks in all stores."

A planogram is a visual representation of a store's products and services.

NYT reported April 7 that many of the large companies that are being squeezed by stores are in turn squeezing their suppliers by making them wait up to 120 days to get paid. Procter & Gamble and Heinz are among the companies named. BI Intelligence and the Interactive Ad Bureau say such ads will reach \$21 billion by 2018, a 400% gain from 2013.

Hanson says the "trust" that readers have in NYT editorial content is what is driving popularity of its branded content. "If you have a big product launch coming up, a story in NYT would go an awful long ways," he noted. If you hire T Brand Studios, it "actually could be guaranteed."

The price might be lower than any PR firm would charge, says Hanson. His essay was titled, "Will native advertising eventually be PR's demise?"

Biz-Shifts Trends, in a May 18, 2014 posting, says "Some experts argue that slotting fees are unethical since they create a barrier to entry for small businesses that don't have the cash flow to compete with large companies."  
— Jack O'Dwyer