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# O'Dwyer's Newsletter

The Inside News of  
PR and Marketing  
Communications

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## WPP'S SORRELL SLASHES GROWTH OUTLOOK

WPP CEO Martin Sorrell cut full-year growth '17 prospects in half to between zero and one percent due to a slash in spending by consumer packaged goods clients and failure of the Trump White House to get its promised program of regulatory reform, infrastructure spending and tax cuts off the ground.

At the beginning of the year, Sorrell predicted three percent growth but sliced that figure to two percent in March. The stock "crashed" 10% on Aug. 23, said the U.K.'s *Independent*.



Sorrell on CNBC

The drop to \$90.61 was the biggest drop in 17 years, it said. WPP was as high as \$117.28 on Feb. 22, 2017, and \$120.34 on Sept. 6, 2016. It rallied last week to \$93.20.

The WPP chief sees little reason for either an upside or downside breakout in growth for 2018 despite the possibility of an increase in interest rates.

He also took a wicked slap at competitors who are bent on winning accounts no matter the cost in order to boost their "image in trade magazines."

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## HELLER SPLITS WITH KUSHNER

Risa Heller, the well-connected New York PR pro, has split with Kushner Cos., the family real estate company of Donald Trump's son-in-law, Jared Kushner.

The former communications director for ex-New York governor David Paterson and Sen. Chuck Schumer and senior VP at Global Strategy Group, signed on with KC more than a year ago. Charlie Kushner, patriarch of the family, has long ties with the Democratic Party.

Heller also helped Kushner's wife, Ivanka, with the launch of her self-help book, "Women Who Work."

*Politico* describes Heller as a "one-woman crisis management machine" who is best known as a "straight-talking Democratic operative."

Her departure from KC comes as the Trump Administration deals with fall-out with the President's "many sides" responsible for the violence in Charlottesville remark.

KC, which says it decided to replace Heller, is under fire for "pushing for the arrest of tenants who hadn't paid their debt in Maryland," according to *The Real Deal*, real estate publication.



Risa Heller

## NYCEDC ISSUES MARKETING RFP

New York City's Economic Development Corporation, the government agency that works to create jobs and promote economic growth across the five boroughs, has issued a request for proposals from marketing agencies that can elevate and promote NYCEDC's Urbantech NYC initiative, the city program that leverages entrepreneurs and innovators to address energy, waste, transportation, agriculture and water challenges through the use of clean tech and smart cities technologies.

Scope of work includes developing an Urbantech NYC Website that will serve



as a central resource for the Urbantech NYC community and promote Urbantech NYC programs, resources and events; providing media and marketing services to promote Urbantech NYC programs, resources and events through development of a marketing and social media strategy; and creating an Urbantech NYC Partner Network to engage and leverage existing organizations and resources to expand Urbantech NYC activities and reach.

Proposals are due by 4 p.m. on October 4.

[Download RFP \(PDF\)](#)

## AD WATCHDOG GOES AFTER GOOP

Consumer protection organization Truth in Advertising has filed a complaint with two California district attorneys regarding marketing claims allegedly made by Goop, the lifestyle brand and digital media property founded by actress Gwyneth Paltrow.

The non-profit claims that an investigation into Goop's marketing practices identified more than 50 instances in which the site made deceptive health and disease-treatment claims without reliable scientific substantiation, which TINA claims are in violation of the law.



Goop, Gwyneth Paltrow

According to TINA's investigation, this includes claims made by Goop that its products — or the third-party products it promotes — can "treat, cure, prevent, alleviate the symptoms of, or reduce the risk of developing a multitude of illnesses from depression and anxiety to infertility and arthritis."

Initially launched by Paltrow in 2008 as a weekly newsletter, the Goop site refers to itself as "an indispensable

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## WPP'S SORRELL SLASHES GROWTH OUTLOOK

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He blasted major groups that “offer clients up-front discounts as an inducement to renew contracts, heavily reduced creative and media fees, extended payment terms (which are starting to show up on agency balance sheets), unlimited indirect liability for intellectual property liability and cash or pricing guarantees for media purchasing commitments, even though the latter is difficult for procurement departments to measure and monitor. As some say, you are only as strong as your weakest competitor,” he said.

Sorrell predicted discounting, and other inducements will result in poor financial performance and further consolidation. “Our industry may be in danger of losing the plot,” he said.

WPP's PR/PA group (Hill+Knowlton Strategies, Burson-Marsteller, Finsbury, Ogilvy PR Worldwide) posted a 0.6 percent revenue hike during the Q2, down from 4.4 percent for the previous quarter.

## AD WATCHDOG GOES AFTER GOOP

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resource for all who love to make, go, get, do, be and see,” and states that its mission is to “share all of life’s positives.”

The site has been ensnared in controversy in recent years and excoriated by the press for its line of pseudo-scientific “wellness” products, often accompanied by snake-oil grade claims made without scientific basis.

The Better Business Bureau's National Advertising Division last year launched an inquiry into Goop's unsubstantiated claims that the “Moon Juice” line of dietary supplements it promotes improves brain function.

Former NASA chief scientist Mark Shelhamer blasted Goop this year after the site promoted a line of wearable stickers purporting to improve the body's energy reserves, stickers that it claimed were “made with the same conductive carbon material NASA uses to line space suits so they can monitor an astronaut's vitals.” In a statement, the aeronautics and aerospace agency said it did not use “any conductive carbon material lining” in its spacesuits. Shelhamer referred to Goop's claims as a “load of BS.”

TINA's filing with government regulators comes after an August letter the group sent to Goop as well as its celebrity founder, requesting corrective action to be taken against some of the marketing claims made on its site. TINA claims the complaint was filed after Goop made only limited changes to the allegedly objectionable content in question.

“For far too long, Goop has exploited consumers with a deceptive marketing campaign that prioritizes profits over women's health,” TINA.org executive director Bonnie Patten told *O'Dwyer's*. “It's time that the company's use of disease-treatment claims end, and Goop admits it has sold customers a bill of goods with no competent and reliable scientific evidence to substantiate its health-related advertising claims.”

Madison, Conn.-based Truth in Advertising, which was founded in 2010, is an online resource that aims to empower consumers against misleading, deceptive and fraudulent marketing practices.

## WHITEWASHING HISTORY

By Arthur Solomon, contributor to PR & sports business publications



For years, the Taliban and ISIS have been rightly derided for whitewashing history by destroying monuments dating back 2,000 years or more. But the United States is no stranger to the same practice, as the controversy surrounding the removal of Confederate monuments shows. The tools our populations use are demonstrations that prevent diverse opinions from being expressed in the public square and at colleges, by revisionist history books and TV documentaries and “historical” dramatizations which use artistic license to commingle facts with fiction, creating a distortion of history.

**Books:** In my opinion, books can be the most dangerous tool, because anything written by a historian — regardless of the author's political slant — is too often considered as being based on newly uncovered facts instead of opinion.

**Talk radio & TV:** The whitewashing of history is most evident by listening to far-right entertainers. Facts are twisted to fit a political agenda; guests are booked only if they have a far right philosophy. Conspiracy theories abound.

**Schools of higher learning:** Colleges and universities have often played a part in the whitewashing of American history, when the administration accedes to the demands of students' pressure groups, resulting only in biased views of history.

**Civil War monuments:** Most Taliban-ISIS-like is the movement to do away with statues erected of so-called Southern Civil War “heroes,” and the renaming of buildings and streets named after historical people now out of favor.

What's most troubling about this is that people who are against the removal of Civil War monuments are automatically called racists by individuals who don't have the slightest idea of the political philosophy of those they're slandering.

History is meant to teach us lessons from the past, both the good and the bad. If evil is not to be repeated, people must constantly be reminded that it existed and still exists (and is growing because of Trump's actions). Removing Confederate statues and renaming buildings and streets is a form of censorship: Once it starts, where will it end?

Personally, I think that the statues should not have been built. They are not “beautiful,” as Trump has said. They represent a shameful era in America's long history of racial injustice. But evil must always be remembered.

In Europe, concentration camps still remain so that future generations will witness the evil of Nazi Germany. Before people are so certain that the Confederate statues must be removed, maybe they should remember the saying “out of sight, out of mind.”

Controversy about these statues plays into what hate groups want. It assures them continuous news coverage, which provides them a platform to express their hatred.

Let the monuments stand and become teaching tools and gathering places so that future generations will constantly be reminded of the necessity to be on guard

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## WHITEWASHING HISTORY

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and fight back against hate. Build new ones of people of all races and religions who fought for justice and civil rights. Doing so will not erase history but will set the record straight.

**Show biz:** All facets of the show biz industry, the legit stage, TV and movies, are guilty of whitewashing history. Too often facts are completely changed. Artistic license is the excuse. Unfortunately, the shows are publicized as being based on history with the word “fiction” not included.

Hollywood, in particular, holds the record of whitewashing history. Dozens of films have glamorized the Confederacy as a noble effort to achieve freedom, instead of what it really was: A movement to ensure the continuation of slavery.

**Record busters:** The most frequent reported whitewashing of history occurs almost on a daily basis by sports reporters. Record-breaking sports achievements in baseball and football become major news often without mentioning that they occurred because the seasons are much longer (or, in baseball’s case, the distance between the batter’s box and the outfield fences have shrunk, and the balls aren’t what they used to be). Records in other sports are also broken with no mention of how modern equipment and training played a role.

**Trump spokespeople:** As anyone who has watched the White House press briefings know, Trump’s press secretaries are consistently whitewashing history, not from years ago but from the past 24 hours or less.

**Trump:** Whitewashing current history is practiced almost daily by the President. Trump has made so many contradictory and false statements that when historians write about his tenure in the White House the libraries should place the books in the fiction section. Trump often has said, according to White House leakers, that he is being criticized for statements he never made. If he truly believes that, he has serious mental problems that should be addressed. And if he knows that he’s deliberately lying, that’s even worse. Either way his conduct makes him unfit to be President of the United States.

One segment of U.S. history that should be remembered and publicized before every election is the vulgar, crude and incendiary remarks of Trump so that, hopefully, more people will leave their couches and vote to prevent a smaller slice of the electorate from choosing a future unstable megalomaniac through the electoral college, even though a larger portion of popular votes went to another candidate.

## BELL POTTINGER SANCTIONED FOR S.A. WORK

Britain’s Public Relations and Communications is expected to sanction Bell Pottinger for its campaign that stirred up racial tensions in South Africa.

In July, BP CEO James Henderson issued a “**full, unequivocal and absolute apology**” for the firm’s work on behalf of former South African client Oakbay Capital, which is owned by the controversial Gupta family.

Critics charged the PR campaign bolstered the conglomerate by cashing in on the Guptas close ties with

South African president Jacob Zuma while depicting opponents as agents of “white monopoly capital.”

PRCA will publish its decision on BP during the week of Sept. 4.

Director Francis Ingham said in a statement the BP sanctions decision will be made “once it has been through the full and balanced process set out in our professional charter and codes of conduct, including any appeals.”

Henderson, who has denied reports that he had resigned, told the *Guardian* that BP board is “considering all options” in the aftermath of the scandal.

Those options could lead to Henderson selling his stake in the firm.



## VILLAGE VOICE KILLS PRINT EDITION

The *Village Voice*, America’s most high profile “alternative” newspaper—and a platform for such writers as Jack Newfield, Wayne Barrett, Gary Giddins, Hilton Als and Ellen Willis—has killed its print publication.

Peter Barbey, who purchased the paper from Voice Media Group in 2015, said ending the print edition of the paper was necessary to secure its future.

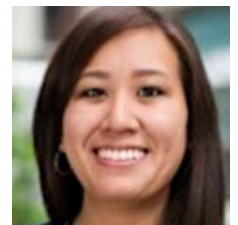
The Voice’s website will remain intact, and Barbey says the publication “plans to maintain its iconic progressive brand with its digital platform and a variety of new editorial initiatives and a full slate of events that will include The Obie Awards and The Pride Awards.”



## PEOPLE ON THE MOVE

**Scott Circle**, Washington, added **Kellie Murphy** and **Dee Donovanik** to its senior management team. Murphy, who is joining as senior VP, previously provided strategic counsel for clients in the U.S., Europe and the Middle East, in addition to serving as a senior vice president at GMMB. She will lead client accounts, manage staff and develop new business. Donovanik is promoted from senior manager to VP. Before coming to Scott Circle, she led operations for the Washington branch of Media Connect, a division of Finn Partners.

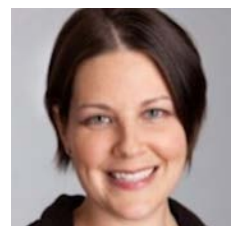
**FiComm Partners** hired **Kirsten Plonner** as chief of communications. She joined from Fidelity Investments, where she was director of strategic media for its workplace investing business. Plonner’s remit is to provide strategic oversight and counsel for the firm’s PR clients, manage the growing PR team and oversee the firm’s New York office.



Dee Donovanik



Kellie Murphy



Kirsten Plonner

**Some 11,500 Americans died in 13 “hellish” U.K. prisoner ships docked off Brooklyn during the Revolutionary War**, recalled the *New York Post* Aug. 25.

Twice as many died on one ship, the Jersey, than died in combat during the entire War from 1775-83.

“It was the closest thing to hell any living man would ever know,” wrote David McKendry for blumhouse.com. “The Jersey was floating tomb... that became a symbol of the depths of man’s cruelty.”

“During the day, the sun would heat below decks to unbearable temperatures. Prisoners would strip naked in an attempt to cool down. They gasped for air in the dark because there was not enough oxygen to keep their lanterns lit.

“Those who were too sick to fend off the rats were eaten alive, men cursed and screamed as the vermin consumed them. The screams of men sick, dying, and driven to madness was a constant. Those who didn’t succumb to dehydration and starvation died from diseases such as small pox, typhus, and dysentery.

“Every morning, the ‘death patrol’ would seek out the dead so that they could be thrown overboard. Such was the disturbing appearance of their fellow inmates, their skin so covered in feces and filth that the patrol would have to **ask people if they were dead or alive.**”

#### **Irish Potato Famine Recalled**

The cruel slaughter of so many by Brits brought to mind the Irish Potato Famine of 1845-49 that took one million Irish lives and caused millions to flee the country, reducing the population of nine million to 6.1M.

David Nally, Ph.D., of Cambridge University, has authored **Human Encumbrances: Political Violence and the Great Irish Famine**, which he calls “one of the worst in recorded history.”

There’s lots of debate about the famine caused by failure of the potato crop, he admits. But The U.K. government’s failure to take action, born out of an indifference to the suffering of the Irish poor, amounted to an avoidable policy of “letting die,” he says.

Nally is a lecturer in the Geography Dept. and a Fellow and Director of Studies at Fitzwilliam College of the University. He has a B.A. in History and Geography from University College Cork, Ireland, and a Ph.D in Geography at the University of British Columbia, Canada.

Nally argues that land confiscations and plantation schemes paved the way for the reordering of Irish political, social, and economic space. The policies undermined rural livelihoods and made Irish society more vulnerable to catastrophic food crises. He says colonial ideologies generated negative evaluations of Irish destitution and attenuated calls to implement traditional anti-famine programs.

#### **Cut to Present: Brits Invade with Borrowed \$\$**

In compiling our Modern History of PR, which covers the half century that we have been reporting on it, we can’t help but notice the leading role that the U.K.’s Martin Sorrell has played in the destruction of much of the traditional open, responsive U.S. PR culture, a unique U.S. creation. Dozens of major agencies have either been

destroyed or, in effect, imprisoned.

Sorrell’s pay of \$62 million in 2016 was more than twice the pay of the next highest U.K. exec, and far below the \$90.8M, he received the previous year.

A close second in pursuing these destructive policies is John Wren’s Omnicom. Same record of destroyed and silenced PR firms.

OMC’s DDB unit has been the lead creative agency for Budweiser in the U.S. since the mid-1990’s while WPP’s Mediacom unit handles media buying. Both are under fire for their roles in **twice substituting “America” for Budweiser** on hundreds of millions beer bottles and cans.

#### **U.K.’s Gummer Was an Aggregator**

Borrowed funds bankrolled the takeover of many PR firms. Merger specialists comb the lists of independent PR firms, offering jaw-dropping amounts of cash, stock and/or extended payouts to owners. Support staffs, CPAs and other suppliers, offices, etc., are quickly offloaded.

A leading practitioner of this art in the 1980s was the U.K.’s Peter Gummer, who acquired 35 firms for an initial \$90M with further possible payouts of \$180M. Much of that was never paid. The firms, almost all of which disappeared, had \$100M in fees and 1,700 staff. They were to keep their names, management and cultures, a promise that mostly was not kept. Gummer sold Shandwick to IPG in 1998 for \$170M, a deal that included \$70M in acquisition-related debt.

Gummer had 9.5M shares of Shandwick worth \$10.8M at the time of the sale.

Current debt of the five conglomerates is \$19.15 billion. WPP owes \$8.54B; OMC, \$4.98B; Publicis, \$3.81B; IPG, \$1.82B, and Havas, \$777.4B.

WPP, Omnicom, IPG and other companies purchased 16 of the 25 biggest PR firms on the 1980 ranking in O’Dwyer’s Directory of PR Firms.

Six were in the “Top Ten”—H&K, B-M and Byoir, the three biggest; Manning, Selvage & Lee, Doremus & Co., The Rowland Co. and Ketchum, MacLeod & Grove.

Harshe-Rotman & Druck, sixth biggest, was acquired by Ruder & Finn, fourth biggest, in 1981.

#### **NYT Ad Column Killed**

A casualty of the onslaught is the *New York Times* ad column, a feature for 81 years until the retirement of Stuart Elliott at the end of 2014. Not only did ad support of the column dip, but also cooperation with the column. Public companies like WPP and OMC are hyper about anything written about them.

Their target audience is security analysts, whose employers are also trying to sell the stock with some of them also doing underwriting business for WPP and OMC. The latter is followed by 16 analysts, **who mostly advise “buy” or “hold.”**

Oddly, the same finance.yahoo listing for WPP is almost bare, laden with 0’s and “N/A.”

WPP, which reached \$120.34 on Sept. 9, 2016, is now around \$90. OMC, \$88.47 on Nov. 25, 2016, is around \$73.

– Jack O’Dwyer