



Jack O'Dwyer
Editor-in-Chief

O'Dwyer's Newsletter

The Inside News of
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271 Madison Ave., New York, NY 10016
212/679-2471. Fax: 212/683-2750
www.odwyerpr.com; jobs.odwyerpr.com

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KEKST ADVISES CVS IN AETNA DEAL

Kekst & Co. advised CVS Health in its blockbuster \$77B cash/stock/debt deal to acquire Aetna, the nation's No. 3 insurer, a move destined to reshape the healthcare sector.

CVS CEO Larry Merlo promised the marriage will remake the "consumer health-care experience" by combining Aetna's analytics savvy with CVS's "human touch."

The *Financial Times* speculated the deal also is designed to fend off Amazon's anticipated foray into the pharmacy sector as the online retailer has been acquiring wholesale state pharmacy licenses to pave the way for its market entry.

CVS is the nation's No. 1 drug store chain with more than 9,700 outlets, of which about 1,100 of them are equipped with a "MinuteClinic" walk-in facility.

Aetna provides healthcare benefits to an estimated 44.6M customers.

Kekst's managing directors Ruth Pachman, Daniel Yunger, Dawn Dover and Tom Davies counseled CVS with associates Charlotte Stones, Cathryn Vaulman, Ashe Reardon and analyst Maddie Sewani.

Publicis Groupe owns Kekst.



SV&C ORDERS BUFFALO WILD WINGS FOR ARBY'S

Sard Verbinnen & Co. is handling media for Buffalo Wild Wings' \$2.9B takeover by Arby's Restaurant Group.

Atlanta's Roark Capital Group, owner of Arby's, is offering \$157 for each BWW share, a price that represents a 38 percent premium over the 30-day average closing of BWW's shares prior to the transaction.



The deal follows a proxy fight for BWW that was launched by activist hedge fund Marcato Capital Management, which won three seats on the BWW board of directors.

Marcato, which controls a 6.4 percent stake in BWW, plans to vote in favor of Arby's bid.

Paul Brown, Arby's CEO, called BWW "one of the most distinctive and successful entertainment and casual dining restaurant companies in America."

BWW will be a privately-held subsidiary of Arby's following the anticipated first-quarter 2018 completion of the transaction.

SV&C's David Reno and Meghan Gavigan represent BWW, while Christopher Fuller, senior VP at Arby's, works the media for the sandwich chain with 3,300 outlets.

CRYPTOCURRENCY SEEKS CONTENT SUPPORT

A cryptocurrency venture has issued a request for quotation for agencies that can create custom content to coincide with the company's forthcoming Initial Coin Offering.

Belize City-based VVToken, which was founded this year, will kick off an ICO in December in a bid to fund the launch of a new consumer finance platform titled CyberBank, a project designed to make electronic financial services more accessible and affordable by offering a debit card alternative for unbanked consumers or those who simply desire to avoid traditional banking services.



VVToken intends to issue two versions of the cards: one for individuals and another for corporate users. The technology behind these products is blockchain, a core structural component of cryptocurrency which records transactions, thereby providing security and governance features.

The project would last between 75 and 150 days, and is slated to commence upon award of the contract. Familiarity with cryptocurrency and blockchain technology is required.

VVToken in November announced it has raised more than \$6 million since announcing the opening of its ICO pre-sale in September.

All inquiries should be sent to VVToken CEO Dr. RJ Gosselin, rjg@vvtokens.com.

Deadline for quotations is 5 p.m. on Dec. 8.

CELLPHONE-ARMED MOB COULD BE PR GOLD

Communications technology does a terrific job in connecting individuals, but it also divides people into tribes, **APCO Worldwide's** Evan Kraus said at the Institute for Public Relations' research symposium in New York Nov. 29.

Tribes, of course, have existed throughout time. While they once were groupings of native peoples, today's tribes could be team t-shirt wearing softball players heading for a game on the National Mall, noted Kraus.

He said technology cuts both ways, making it easier for people to find/join tribes and for PR people to reach them.



Evan Kraus

During a smart and crisp 20-minute presentation,
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CELLPHONE-ARMED MOB COULD BE PR GOLD

(Continued from pg. 1)

“Building Brands in an Influencer Dominated World,” Kraus focused on the importance of targeting “super-influencers,” who represent 12 to 15 percent of the overall population.

Kraus, who is APCO’s president and managing director, said savvy communicators reach out to super-influencers as they are the tribal leaders. “Who are they?,” asked Kraus. “Get to know them and find out how they feel about you.”

The super-influencers can pull together their tribes to either “carry the water or go after” a PR firm’s client.

Kraus views today’s technology-driven tribes as mobs carrying cellphones rather than pitchforks.

“These people are not barbarians at the gate,” he joked, rather they could be developed as allies to help spread a client’s message.

Kraus said technology and the rise of social networks have made the traditional way that companies communicate (e.g., create and push out their own messages) obsolete.

Similarly, the old brand promise of offering the best price/quality/reliability doesn’t resonate with today’s consumers who want to identify and engage with brands.

Kraus cited APCO research that found consumers want companies to take a stand on social issues, believe the private sector will assume duties once performed by the central government and feel solutions to society’s major problems will come from businesses.

He pointed to the Trump Administration’s decision to walk away from the Paris global warming accord as an example of local mayors and businesses stepping into the void left by Washington and committing to reduce pollution.

GLOVER PARK TUNES INTO MSGN

Glover Park Group has signed on to represent Madison Square Garden Network cable TV/broadband company as it tackles telecommunications and programming matters on Capitol Hill.

MSGN, which is 70 percent owned by the Dolan family of Cablevision fame, is a 2015 spinoff of Madison Square Garden Co.



The sports/entertainment company airs live games of the New York Knicks, Rangers, Islanders, Liberty (which MSG put on the auction block earlier this month), Red Bulls, Buffalo Sabres and Westchester Knicks, as well as coverage of the Buffalo Bills and New York Giants.

The company has developed programs such as “Four Courses with JB Smoove” and “Beginnings” plus entertainment specials like “Billy Joel: Home at the Garden.”

Helmed by Cablevision alum Andrea Greenberg, MSGN posted both flat revenues and net income of \$157M and \$41.2M, respectively, for the quarter ended Sept. 30.

GPG’s lobbying team includes Gregg Rothschild (legislative assistant to ex-Sen. John Kerry), Rob Seidman (LA to ex-Sen. Kelly Ayotte), Robert Harris (LA to Rep. G.K. Butterfield) and Guillermina Moore (senior policy advisor to Rep. Adam Smith).

WPP owns GPB.

KIMMEL EMERGES AS LATE NIGHT POLITICAL VOICE

By Ronn Torossian, CEO of 5WPR



Admit it: if you had to guess which of the current lineup of late night talk show hosts would emerge as the number-one voice in post-prime-time politics, you probably assumed it would be Stephen Colbert.

After leaving his thinly veiled satire show on Comedy Central, Colbert has successfully used his role as CBS’s *Late Show* host as a political platform, but the results haven’t gained nearly such strong reaction as his ABC competitor, Jimmy Kimmel, who’s charged headlong into politics with monologues on healthcare, mass shootings and President Trump.

But it’s his latest political salvo that’s really rewriting Kimmel’s late-night reputation.

Challenged by embattled Alabama Senate candidate Roy Moore, Kimmel



picked up the gauntlet and told Moore he would be pleased to meet him “man to man.”

The conflict began when Kimmel’s team orchestrated a bit that aggravated Moore’s team. Kimmel sent one of his writers down to Alabama to attend an event where Moore was speaking at a church. Attendees were heckling Moore in the crowd while the writer pretended to support him. The writer’s support even earned him some applause from the audience of Moore supporters. Kimmel’s fans loved the bit. Moore’s people less so.

Moore went on Twitter to accuse Kimmel of mocking his “Christian values” and challenged Kimmel to “come down here to Alabama and do it man to man ...”

Kimmel fired back that he was all for it. “I accept his invitation. I will come down there ... We’ll have a little Panda Express, and we’ll talk about Christian values ...”

In a recent opening monologue, Kimmel once again took up the challenge. He repeated the story that Moore was put on a watch list at the local mall and discussed the numerous allegations against Moore, who’s been repeatedly accused of trying to instigate relationships with teenage girls while in his 30s. Kimmel added:

“There is no one I would love to fight more than you. I will put my Christian values aside just for you and for that fight ... (and I will) wear a Girl Scout uniform so you can have something to get excited about.”

Clearly, while he still has jokes, Kimmel is not kidding around. He’s drawn lines in the sand, making increasingly political comments that have earned him a lot more play than typical comedic bits. Is this a side of Kimmel that will continue to grow and evolve? He wouldn’t be the first comedian to transition into politics, but he might be one of the more surprising.

UN, UNICEF TOP B-M'S SOCIAL MEDIA RANKINGS

The United Nations and UNICEF have more social media followers than any other international organizations, according to a new study from [Burson-Marsteller](#).

Burson's "[Twiplomacy](#)" study, which looked at how world leaders, governments and organizations use social media, found that the UN had 16.9 million social media followers, with UNICEF close behind at 16.3 million.

Coming in at third, with 10 million followers and subscribers, is the Geneva-based World Economic Forum. But the WEF tops the list when it comes to interactions (likes and retweets) on social media platforms. WEF racked up 33.5 million interactions over the past 12 months on Facebook, Twitter and Instagram. UNICEF was in second place with 25.6 million interactions and Greenpeace was third with 11.2 million.

UN Secretary General António Guterres was judged to be the most effective tweeter of the 74 leaders of international organizations, averaging 1,092 retweets per tweet.

The study tracked the number of followers and subscribers each organization had on the six main social media channels— Facebook, Twitter, Instagram, LinkedIn, YouTube and Google+. It analyzed 171 Twitter accounts of international organizations, 113 Facebook pages, 75 Instagram accounts, 83 LinkedIn pages and 35 personal profiles, 88 YouTube channels, 82 Google+ pages, and 50 Periscope channels. The data was collected on Sept. 1.

A major takeaway from the study is the growing importance of video content on social media channels. Facebook, according to the data, is becoming the preferred audiovisual platform for international organizations. While native video posts account for just 16 percent of the 72,736 Facebook posts published by the international organizations over the past 12 months, they generated 45 percent of total interactions. Twitter is becoming a visual network as well, with only five percent of all tweets analyzed being plain text updates.

"This cross-platform study shows how international organisations continue to increase their reliance on social media platforms—and innovate in their content and formats—to engage better with stakeholders," added Ramiro Prudencio, CEO of Burson-Marsteller Europe, Middle East and Africa. "The focus on Twitter for executive communications is an indication of where more and more business leaders are likely to move as well."

The complete collection of social media studies can be found on [bm.com](#) and [twiplomacy.com](#).

RAFFERTY TAKES CHARGE OF KETCHUM

Ketchum president Barri Rafferty will become CEO of the Omnicom unit on Jan. 1, taking over for Rob Flaherty, who will remain chairman.

She will become the first woman to lead a Top 5 global PR firm, according to Ketchum's release.

Before assuming the president post in 2016, Rafferty led North America and the global brand marketing practice. She helped launch Ketchum Digital and counseled top clients such as Gillette and Pernod Ricard.



Barri Rafferty

"Barri brings strong business acumen, a passion for operational excellence, and a deep belief in the importance of talent, especially the critical role of diversity, equity and inclusion. I know these skills will help her lead the agency forward," Karen van Bergen, Omnicom PR Group CEO, said in a statement.

DDC PLUCKS PLUNKETT FOR DIGITAL WORK

Jacqueline Plunkett, who did a five-year stint at Google, has joined DDC Public Affairs as senior VP for digital strategy.

She takes command of the Omnicom unit's social media, analytics and advertising divisions.

At Google, Plunkett served on the search engine's 2016 election team, where she worked on campaigns to help connect them with swing voters.

Most recently, she did a six-month stint as senior media director at the National Rifle Assn.

Earlier, she worked in international business development at Estee Lauder, global marketing at Clinique and private banking at JPMorgan Chase.

Jim Gianiny, DDC president, said Plunkett's work for "some of the world's most iconic brands combined with her work in targeting key political influencers will be a major differentiator for our clients' digital campaigns."



Jacqueline Plunkett

LEWIS LANDS AUCHMAN

Caren Auchman, who was senior VP in [Fleishman-Hillard's](#) Washington PA group, has joined [Lewis US](#) as senior VP and head of its Capital City outpost.

At FH since 2011, Auchman handled crisis, media and reputation management matters for energy, tech, consumer and healthcare clients.

Earlier, she served as an aide to ex-Senator Chris Dodd (D-CT) and Rep. Henry Waxman (D-CA) and did a stint in the Obama Administration as press secretary at the General Services Administration.

At Lewis, she reports to Stephen Corsi, executive VP, who called Auchman a "highly respected PA and corporate communications practitioner."



Caren Auchman

AMF ACQUIRES BARNETT COX & ASSOCIATES

San Ramon, CA-based full-service agency AMF Media Group announced that it plans to expand its Golden State footprint with the acquisition of San Luis Obispo-based marketing and ad shop Barnett Cox & Associates.

The transaction, the financial terms of which were not publicly disclosed, is scheduled to close on January 1.

AMF CEO Vintage Foster told O'Dwyer's that the deal introduces AMF to California's Central Coast region (the agency maintains additional offices in San Francisco, Los Angeles and San Jose, as well as a sixth location in Dallas). BCA also brings to the agency deep expertise in a range of industries including land-use and development, tourism, health care and education.

PR PLAYED KEY ROLE IN REBIRTH OF KKK

Two PR pros played a major role in the 1915 rebirth of the Ku Klux Klan as a profit-making enterprise, according to an article written by Adam Hochschild in the Dec. 7 *New York Review of Books*.

In the aftermath of D.W. Griffith's landmark film, "The Birth of a Nation," Atlanta doctor William Simmons reincarnated the KKK, which had largely disbanded in the South under pressure from the federal government during the 1870s.

Two skilled PR professionals, Elizabeth Tyler and Edward Clarke, began advising Simmons in 1920.

"They convinced him that for the Klan to gain members in other parts of the country, it had to add Jews, Catholics, immigrants, and big society elites to its list of villains," wrote Hochschild. "Tyler and Clarke, in effect, ran the KKK for the next several years, a pair of Bannons to Simmons' Trump."

The PR duo signed a contract with Simmons, giving them 80 percent of dues and other revenues generated from new recruits. Hochschild believes they collected \$850K from the venture, which translates into \$11M today, during their first 15 months on the job.

"Tyler and Clarke polished Simmons' speaking style and set up newspaper interviews for him, gave free Klan memberships to Protestant ministers, and assured prominent placement of their blizzard of press releases by buying tens of thousands of dollars' worth of newspaper advertising," wrote Hochschild.

Corruption led to Simmons' demise as he spent Klan money on horse races, prizefights and booze.

Tyler and Clarke schemed with Simmons' rivals and ousted him from the Imperial Wizard spot.

A Texas dentist, Hiram Evans, took over the Klan in 1922, and with an eye on Tyler and Clarke's 80 percent cut of the revenues, forced them out with a scandal. The pair was having an affair through each was married to someone else.

Linda Gordon, author of "The Second Coming of the KKK: The Ku Klux Klan of the 1920s and the American Political Tradition," mainly credits Tyler for the KKK rebirth.

"The organization might well have grown without this driven, bold, corrupt and precociously entrepreneurial woman, but it would likely have been smaller," she wrote.

The KKK moved its headquarters to Washington and membership soared to an estimated 4M by 1924. Revenue flowed in from the sale of dues, insurance, knives, trinkets and garb. Made to exacting patterns, KKK robes and painted hoods were sold at a big mark-up and could only be purchased from a company controlled by Clarke until he got the boot.

With Gordon's book, Hochschild also reviewed "Ku Klux Kulture: America and the Klan in the 1920s" written by Felix Harcourt.

His NYRB piece is called "Ku Klux Klambakes."



Elizabeth Tyler



William Simmons

PR OPINION

Superstar Meryl Streep, nominated for 20 Academy Awards, barged into the Committee to Protect Journalists dinner Nov. 15 to plead the case for journalists.

Streep, who was not on the program, called journalists "intrepid, underpaid, over-extended, trolled, and un-extolled, young and old, battered, bought and sold, hyper-alert crack-caffeine fiends."

"You're ambitious, contrarian, fiery, dogged and determined B.S. detectives," she added. "There has never been a more exciting, exhausting or, let's face it, dangerous time to be an investigative journalist, especially for women."

She has more nominations than any other actor and is one of six who have **won three or more Oscars for acting**.

Streep and husband Donald Gummer head the Silver Mountain Foundation for the Arts that supports numerous philanthropic causes, **reports Inside Philanthropy**.

President Barack Obama in 2010 awarded her the National Medal of Arts and in 2014 the Presidential Medal of Freedom.

CPJ Could Take Bigger U.S. Role

CPJ, backed by blue chip companies and media, might, at the urging of Streep, focus more on the plight of journalists and journalism in the U.S. It has a full-time staff of 27 in New York and 13 who are employed abroad. Revenues for the year ended Dec. 31, 2015 were \$5,281,111. Net assets were \$15,961,651. **Joel Simon is executive director**.

A study could be made of corporate, government and institutional press practices in the U.S. and suggestions made for improving relations.

The availability of news at no cost on the internet has caused major shrinkage in the media and in reporting jobs.

Newspaper Jobs Cut in Half

Nieman Lab, in a posting titled "Newsonomics—the Halving of America's Daily Newsrooms," said full time journalist jobs at the nation's 1,400 dailies **fell from 55,000 in 2007 to 32,900 in 2016**.

Mashable says newspapers lost half their jobs in the past 15 years while internet media and web search portals went from **67,000 in 2007 to 206,000 in 2016**.

CPJ focuses on persecution of journalists abroad, noting that 1,262 have been killed while doing their jobs since 1992. Many of the **deaths were never investigated, much less prosecuted**.

Most were in Middle East countries. Iraq led with 186 such deaths followed by Syria, 114; Algeria, 60; and Afghanistan, 32. Seven journalists have been killed in the U.S. in the line of duty since 1992.

U.S. Press Under Pressure

U.S. journalism is under pressure on a number of fronts including the ongoing "war" that President Donald Trump is conducting against it. A substantial part of the public sympathizes with Trump on this.

The CPJ board, headed the past five years by Sandra Mims Rowe, former editor of *The Oregonian*, Portland, said last year that CPJ would make an unprecedented foray into U.S. "politics" because "A Trump presidency represents a threat to press freedom unknown in modern history."

Read full text of CPJ statement.

— Jack O'Dwyer