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O'Dwyer's Newsletter

The Inside News of
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BELL POTTINGER APOLOGIZES

Bell Pottinger has issued **"a full, unequivocal and absolute apology"** for its work on behalf of former South African client Oakbay Capital, which is owned by the controversial Gupta family.

The *Financial Times* reported that BP represented Oakbay as the Guptas were accused of boosting their mining-to-media conglomerate by cashing in on close ties with South African president Jacob Zuma while depicting opponents as agents of "white monopoly capital."

Bell Pottinger

In his July 6 statement, BP CEO James Henderson said his firm hired law firm Smith Freehills to view messaging that may have stirred up "racial division" in South Africa.

"We have already been shown interim evidence, which has dismayed us," said Henderson. "Much of what has been alleged about our work is, we believe, not true—but enough of it is to be of deep concern."

Henderson said a BP-developed social media campaign that "highlights the issue of economic emancipation in a way that we, having now seen it, consider to be inappropriate and offensive."

For such a campaign to be carried out in South Africa, "a country which has become an international beacon of hope for its progress toward racial reconciliation is a matter of profound regret and in no way reflects the values of Bell Pottinger."

The firm has dismissed the lead partner involved in the account and suspended three others pending the completion of the investigation. Smith Freehills will complete its investigation during the next few weeks.

BP cut ties with Oakbay in April.

KLINGHOFFER TO BOLSTER KELLY

Dana Klinghoffer, who stepped down as VP-corporate communications at Fox News Channel in April, will handle PR for the launch of Megyn Kelly's morning program on NBC in the fall.

She's been with FNC since 2003, rising from media relations coordinator.

Kelly departed Fox in January, receiving a salary of \$17M per-year. She's been hosting the "Sunday Night with Megyn Kelly" newsmagazine since early June.



Dana Klinghoffer

The program, which has featured interviews with Russian leader Vladimir Putin and InfoWars founder Alex Jones, has generated lackluster ratings.

SRI LANKA SEEKS TOURISM PR SERVICES

The Sri Lanka Tourism and Promotion Bureau, the government department responsible for marketing and promotional activities related to Sri Lanka's travel and tourism industry, has issued a call for **PR firms that can organize a series of U.S.-based road shows** promoting tourism to the island nation.

Sri Lanka's DOT is seeking a PR firm that can help organize three road show events for SLTPB to take place in October in New York, Washington D.C. and Los Angeles. The hired firm would be responsible for selecting a venue in each city, inviting travel agents, tour operator companies and members of the press in each city to attend, helping with the preparation of an opening ceremony and country presentation and supplying a PA system and multimedia equipment, as well as arranging meeting facilities.



The U.S. has boomed as a market for Sri Lanka tourism. According to the SLTPB, more than 54,000 American tourists arrived in Sri Lanka in 2016, an uptick of 15 percent from the year prior.

Agency quotations are due August 14.

HUNTSWORTH BAGS TCEG

Huntsworth has acquired The Creative Engagement Group, an experiential marketing outfit, for around \$32M.

TCEG units include WRG, The Moment and Just Communications, operations that handle events, exhibitions, digital marketing, interactive/immersive content and branded communications.

Huntsworth CEO Paul Taaffe said in a statement that as more clients

HUNTSWORTH

seek "to engage both employees and customers with powerful experiences, TCEG is well positioned for future growth."

He expects the acquisition will benefit from Huntsworth's "reach and connections especially in healthcare." The US is another area of opportunity for TCEG under Huntsworth.

TCEG CEO Russ Lidstone, an executive who began at Coca-Cola and worked at McCann, Lowe and JWT before rising to helm Havas Worldwide, will remain at TCEG.

Huntsworth is parent of Grayling, Huntsworth Health, Red and Dewe Rogerson.

CHINA GIVES PR TICKET TO RIDE TO BLJ

The People's Republic of China filed a \$24K per-month contract with BLJ Worldwide effective June 28 for ongoing PR services.

Peter Brown's firm is to support programming and activities of Beijing's DC embassy with services such as drafting/editing statements, media monitoring, social media, spokesperson training, crisis management and special events.



President Trump, according to the *New York Times*, is frustrated by Chinese leader Xi Jinping's failure to lean on North Korea over its missile launches.

He warned China's president that the US is willing to act alone in the event that China fails to "put a heavy move on North Korea."

The Times reported the honeymoon between the two presidents is over following Washington's decision to sell weapons to Taiwan, threaten trade sanctions and brand China as a human trafficker.

Brown is the former manager of The Beatles and director of Apple Corps.

VMWARE SHOPS EBAY FOR PR BOOST

Claire Dixon, who was VP-global communications at eBay, is the new senior VP/chief communications officer at VMware, cloud infrastructure outfit.

A key player at eBay, Dixon led global external communications duties including management of media, consumer PR, thought leadership, content and digital/social channels.

She helped fend off corporate activist Carl Icahn and spearheaded communications surrounding the high-profile spin-out of PayPal.

Earlier, Dixon was in charge of GlaxoSmithKline's consumer division's European PR and did stints at Unilever and Weber Shandwick.

At VMware, Dixon is responsible for PR, analyst relations, stakeholder engagement and thought-leadership.

VMware generated more than \$7B in 2016 revenues.



Claire Dixon

JOELE FRANK WORKS STAPLES TAKEOVER

Joele Frank is handling Sycamore Partners' \$6.9B cash bid for Staples, the embattled office supply chain.

The offer follows last year's collapse of Staples plan to merge with competitor Office Depot. A federal judge blocked that transaction.

Sycamore, a private equity firm that owns retailers such as Talbots and the Limited, views Staples as an "iconic brand." Stefan Kaluzny, managing director, praised Staples for its "winning strategy, and dedicated and passionate associates who are deeply focused on the customer."

The Framington, MA-based chain posted a 4.9 percent drop in first-quarter revenues to \$4.2B. It registered a \$815M net loss due to a \$920M charge for discontinued operations outside of North America. Staples has more than 1,500 outlets in the US and Canada.

Joele Frank's Michael Freitag and Arielle Rothstein handle IR duties for Sycamore.

INTEGRATION IS ABOUT INPUT, NOT OUTPUT

By Karen Seamen, President & COO of Cramer-Krasselt



There are two reasons our PR practice won 17 awards in just about a month. One is a different take on that vastly overused word, integration. The other is a laser focus on success – and a different take on what constitutes success.

Firms say they're integrated but what does that really mean? They asked someone at a sister agency to review their work or their "output" and give advice. Or they've made sure their output works across channels.

At C-K, we've flipped it. Since PR is core to C-K, we know the key to integration isn't just in the output, but the input. Traditional PR shops have been turned on their heads trying to figure out this model and they are scrambling to catch up. At C-K, we aren't feeling those growing pains since integration is what we have practiced for 118 years.

PR is about harnessing data and using analytics, using media planning knowledge, search metrics, journey planning tools and the finesse of creative for storytelling. That's the kind of input that makes all the difference.

The guardrails are off PR. There are no more swim lanes and limitations. PR has a seat at every table. PR is no longer a sidebar. And, PR thinking can come from other team members. That's C-K's integration.

Let's talk about success. C-K doesn't measure success by impressions or changes in perceptions. Positive feelings about a brand or likes just aren't enough. They only have a peripheral impact on success. Our key PR metric for success is behavioral change that delivers trackable action.

Today, client margins are too thin and costs are too high to be satisfied with changes in consumer perceptions alone. It has to result in an action. Our PR practice is dedicated to delivering on that. Of course, perceptual metrics contribute, but in the end, we need to deliver an action.

And that actually goes back to input. To achieve behavioral change you need to have the data.

We recently had a celebratory breakfast for our award wins and created a list of people who were involved in making the wins possible. It included people from every department. That's by design.

The "Big is Here" campaign for the Milwaukee Public Museum is an example of how design works for us. A PR staffer created the idea (a "Jurassic Park"-style dinosaur attack on Milwaukee – minus the deaths). It was rolled out and developed by people from every part of the agency.

That may not sound revolutionary – but when you see a creative director suggesting media ideas for a "PR idea" or a group of writers poring over museum attendance data, it's different from anywhere else. Plus we crushed cars and hatched a 12-foot egg. The campaign resulted in us doubling the museum's net profit goal and membership sales.

It's an exciting time to be in PR – the old rules don't apply. PR is involved in everything with everyone. PR uses all the resources that are available and works as a broader team and drives quantifiable behavioral changes. In this economic environment, that's what is required. When this is accomplished in scale, PR is an integral part of the marketing communication budget and often becomes the driver of all communication to follow. That's a big difference. And that's C-K PR without guardrails.

GATESMAN ACQUIRES NOBLE

Pittsburgh-based **Gatesman** is doubling its size with acquisition of marketing communications firm Noble Communications.

The deal boosts Gatesman's employee headcount to more than 125 and adds offices in Chicago and Springfield, Mo.

John Gatesman will serve as CEO of the combined entity, and Shannon Baker will remain president.

Noble Communications management team will remain in place as part of Gatesman.

Bob Noble will continue to lead The Food Channel, which was not part of the acquisition. His focus will be growing and expanding food publishing and Noble's food marketing, which remains in Springfield.

Gatesman opened its doors in 2006.



PEOPLE ON THE MOVE

Bill McCue has been appointed vice president at digital agency **Indicate Media**. Previously a senior vice president at NYC's North 6th Agency, he will be working with Indicate founder Todd Barish on marketing strategy, business development and talent recruitment. McCue will also serve as lead on client accounts and will take on daily staff management and operations duties at Indicate's lower Manhattan headquarters.



Bill McCue

Amanda Plecas has been named VP/chief creative director at **Waterhouse Public Relations** in Chattanooga. Before joining Waterhouse, Plecas served as head of communications and government relations at Wachter Chemie. Her remit includes overseeing the development of PR and marketing communications strategies, as well as determining the vision and overall focus of Waterhouse's strategic and creative services.

Philip McGowan has been upped from VP to partner at Nashville-based **DVL Seigenthaler**, a Finn Partners Company. He specializes in media relations, issues management, government and community relations, and strategic planning. DVL Seigenthaler has also announced the promotions of **Lisa Button** to senior VP, as well as the hiring of **Christian Lail** and **Olivia Parven** as account coordinators and **Noelle Grimes** as associate art director. A four-year veteran at the firm, Button's previous positions have included VP and senior account supervisor. Lail, a UNC-Chapel Hill graduate, and Parven, who graduated from Rhodes College in Memphis, both started as interns at the agency. Grimes, a New Orleans native, received a BFA in Graphic Design from Watkins College of Art.

Deanna Tomaselli, Catherine Clements and Megha Pai have joined the staff of **Havas PR's** Pittsburgh office. Tomaselli has been brought on as an account supervisor, working for such clients as Transitions Optical and the International Play Equipment Manufacturers Association. She comes to Havas PR from PRSA Pittsburgh, where she served as communications director. Clements and Pai will both be fellows at the firm. Clements has interned at **Word-Write Communications**, as well as Bethlen Communities and The Leukemia and Lymphoma Society. Pai has worked as a business consultant and graduate assistant for the Small Business Development Center at Duquesne University, where she will complete her MBA this August.

Leah Hattendorf, Matt Sulzer, Sarah Anderson and Blair Grant have been hired by Interpublic Group agency **Current Marketing**. Hattendorf, who has worked at The Escape Pod, JWT New York and FCB Chicago, is taking the role of SVP – planning, based in Current's Chicago office. Sulzer, who has served as creative lead at agencies including VML, Critical Mass and DDB, joins the Chicago office as creative director. Anderson, who has run her own consultancy as well as holding executive positions at Ruder Finn, Weber Shandwick and Edelman, will take the post of EVP – integrated media, working out of the agency's New York office. Grant, who has run her own event planning company, is coming on board in New York as an account supervisor, supporting such clients as De'Longhi and Samsung.

BILLING RATES FLAT AT MANY PR AGENCIES

Average hourly rates were down for PR professionals stationed across various agency staff positions last year, according to a new report released by New York-based merger and acquisition consultancy **Gould+Partners**.

Gould+Partners' report, which profiled billing rates and staff utilization at agencies by size, region and specialty, suggests most PR professionals didn't increase their hourly rates last year, and in many cases, actually lowered them.

Presidents and CEOs stationed at North American PR agencies billed at an average rate of \$354 an hour in 2016, compared to \$355 an hour in 2015. The downturn appears among chief executive billing rates across the board: for agencies with less than \$3 million in revenues, CEOs billed an average of \$272 per hour last year (compared to \$301 in 2015); CEOs at agencies with revenues between \$10 and \$25 million billed \$379 per hour in 2016, compared to \$426 in 2015.

The exception to this trend seems to exist at the top. At agencies making at least \$25 million in net annual revenues, CEO billing rates averaged \$486 per hour in 2016, up from \$448 the year prior. [Read rest of story on *odwyerpr.com*](#)

Billing Rates by Size & Region (2016 Results)

Size	Account Execs			
	#	2016	2015	2014
Less than \$3 Mill	26	\$131	\$137	\$134
>\$3 Million to \$10 Million	46	\$161	\$155	\$157
>\$10 Million to \$25 Million	18	\$168	\$170	\$161
> \$25 Million	11	\$177	\$171	\$164
Average All Firms	101	\$158	\$155	\$156
Regions				
1. NY & NJ	31	\$162	\$164	\$164
2. D.C. & Suburbs	3	\$128	\$152	\$156
3. NE	8	\$137	\$148	\$146
4. SE	7	\$139	\$137	\$143
5. Midwest	20	\$162	\$160	\$167
6. SW	9	\$147	\$147	\$141
7. Southern CA	6	\$175	\$161	\$160
8. Northern CA	6	\$178	\$163	\$152
9. NW	3	\$140	\$140	\$140
10. Canada	8	\$178	\$171	\$161
Average All Firms	101	\$158	\$155	\$156

TRUST IN POLITICAL PARTIES TANKS

Trust in economic and political institutions has declined markedly among U.S. residents in the last year, according to a recent international study conducted by market research organization GfK Verein.

GfK's Global Trust Report, which polled residents in more than two-dozen countries on the levels of trust they place in various institutions, sectors and professions, found that political parties now comprise the least trusted bodies in the U.S. today.

Only 14 percent of U.S. respondents currently claim to trust political parties, compared to 23 percent in 2015 and 27 percent in 2013. Additionally, only 41 percent of U.S. residents now say they view the U.S. government as trustworthy.

Other sectors experiencing a recent trust deficit in the U.S. include the justice system and the church. Both of those categories accounted for some the largest year-over-year declines in the study, with the church now trusted by only 69 percent of U.S. residents (compared to 74 percent the previous year) and the justice system now trusted by only a little more than half of all Americans (53 percent, an eight-percent decline from 61 percent in 2015).

Across the U.S.'s economic sector, telecommunication companies and Internet service providers saw considerable reputation slumps, now trusted by only about half of the population (51 percent). Pharmaceutical corporations have decreased by 14 percentage points, to 44 percent.

The media and international corporations / large companies also experienced big reputational dips, with the former falling six points and the latter eight points, with only 36 percent and 33 percent of the population, respectively, now claiming to trust them.

The media and large companies are now beat only by political parties as the least trusted institutions in the U.S., viewed as less trustworthy than government, the justice system, the church or even the Internet.

On the other hand, the military continues to inspire the highest level of trust both in the U.S. and globally. 84 percent of U.S. respondents and 79 percent of respondents worldwide see the military as a trusted institution. The police took the number-two position in the U.S., trusted by three-quarters of the population, which accounts for a slight improvement from 2015.

GfK's Global Trust Report 2017 gauged responses from more than 28,000 people living in 25 countries. U.S. data for the study was collected by GfK's opinion research unit KnowledgePanel. Research was conducted between September and October 2016.

USA /// Trust in institutions

(*I completely/generally trust*/in %)



■ 2017 ■ 2015 ■ 2013

PR OPINION

The list of 77 employee benefits and perks compiled by recruiter Dennis Spring shows the increasing power of women in the PR workplace. Companies are offering benefits such as childcare, family and medical leave, lactation room, paid family leave and paid maternity leave.

Most of the benefits listed by Spring apply to males also and some, like family and medical leave, are required by the federal government. Paid maternity leave is required if companies have 50+ employees and the employee has 1,250 hours at the firm.

Other workplace enhancements that Spring found include casual dress policy, birthday off, help with student debt, company smartphone and laptop, free massages, liberal vacation, new biz commission, relaxation lounge, summer hours, tuition assistance and wellness pay.

A key perk listed is "work remotely." Many PR people and others are now working from their homes one or more days a week since two hours and more of commuting time can be saved, particularly in New York and other major cities.

Mothers with young children can function adequately from home, killing two birds with one stone. Employers judge whether enough results are being obtained.

PR Women Shorted in Pay, Titles

Publication of Spring's list will focus attention on the special needs of women in PR posts. They comprise up to 80% of those in the industry but do not have pay and title equality with men. **A Pew report April 3, 2017**, says pay of women employees in the U.S. in 2016 was 83% of pay for males, a slight gain over the 80% found for 2015.

The "PR Women Who Changed History" program March 9 in New York included statistics provided by SVP Judith Harrison of Weber Shandwick that showed disparity in PR pay and titles.

The ten largest PR firms, as ranked by several sources, employ 32,851 worldwide and 12,646 in the U.S., but none is headed by a woman.

Women are nearly 70% of PR firm employees but hold only 30% of top positions, according to *The Holmes Report*. Only 11% of ad agency creative directors are women.

Women have 52% of all professional jobs, according to the Bureau of Labor Statistics, and earn almost 60% of all undergraduate and master's degrees. While they are 78% of those in healthcare, only 15% are in senior executive posts and none are CEOs. Women have 54% of financial services jobs but only 12% are executives and none are CEOs, according to the Center for American Progress.

New PR Women's Group Seeks Equality

"Gender pay gap" is the biggest issue on the agenda of **American Women in PR**, a new sister organization of Women in PR Canada. WPRC chairwoman and president Talia Davis and others launched the new organization June 9 at a reception in New York.

AWPR will build chapters throughout the U.S. It acknowledged the existence of New York Women in Communications but notes that its 2,000+ membership includes those from media, publishing, and other industries and is not PR-specific.

– Jack O'Dwyer