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O'Dwyer's Newsletter

The Inside News of
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WPP HIKES PRESSURE ON JAPAN'S ADK

WPP boss Martin Sorrell hiked the pressure on 25 percent-owned Asatsu-DK by rejecting to tender its shares to Bain Capital and threatening to increase his firm's stake to the 33 percent mark.

He has maintained that Bain's offer undervalues ADK's assets and future opportunities.

The ad/PR combine claims it has been approached by other stakeholders, including ADK investors and management, to "clarify our commitment to ADK" in the event Bain's \$1.3B bid for the Japanese ad agency collapses.

WPP stands ready to "engage constructively with the board of ADK if the tender offer fails, to help ensure ADK has the talent and focus on digital and animation capability needed to increase the value of ADK for the benefit of all long-term stakeholders," according to its statement.

ADK calls Bain's offer "the most credible proposal, and one that would offer the most price maximization for shareholders."



Martin Sorrell

EX-NY SENATOR D'AMATO REPS SOMALIA

Former New York Republican Senator Al D'Amato is repping terror-torn Somalia in its outreach to Congress and the US Government.

The Islamic State is a growing presence in that Horn of Africa nation, fortified by fighters who fled Syria with the collapse of its forces there.

The US conducted its drone strikes in Somalia this month, with commanders reporting the deaths of "some terrorists."

The el-Shabab group, an affiliate of al-Qaida, also is active in Somalia. It was responsible for a truck bombing in Somalia's capital, Mogadishu, last month that killed 350 people.

D'Amato's Park Strategies firm will provide strategic counsel to the Somalis and assesses "relevant policy, economic, and security developments that have implications for the relationship between the Somali Republic and the US," according to its contract.

The firm will arrange meetings, develop PR and press strategies and report on the "political landscape" to gauge developments that could impact Somalia's ties with the US.

Park Strategies' agreement runs for a year at \$10K per-month. Expenses are capped at \$36K for the duration of the pact.



Al D'Amato

MUCKLESHOOT CASINO ROLLS PR DICE ON RFP

The Muckleshoot Casino, which is about 30 miles southeast of Seattle, is looking for a PR firm to broaden its position as a "leading destination for fun, tourism and gaming," according to an RFP.

Owned and operated by the Muckleshoot Indian Tribe, the facility in Auburn features more than 3,100 video gaming machines, ten dining options and live entertainment.



The Casino, which opened in 1995, wants a firm to help promote it as "an industry leader and must-visit destination in the Pacific Northwest."

Its target audience skews females, largely age 35 and up.

Responses to the RFP go to purchasing manager Marie Reid (Marie.Reid@muckleshootcasino.com) and are due by Nov. 30.

AMAZON, PAYPAL TOP 'MOST AUTHENTIC' LIST

Amazon and PayPal top Cohn & Wolfe's list of the most authentic brands in the U.S. in its just-released 2017 Authentic Brands study.

Burt's Bees, Crayola, M&Ms, Lego, Hershey's, Newman's Own, AAA and UPS round out the list's top 10.

Though respondents named the brands they judged to be most authentic, there's a growing streak of cynicism about companies and brands in general.

Only one in five said brands "stay true to their purpose," with just 16 percent finding brands to be "open and honest." That number, a seven percent decrease from last year's study, makes the U.S. the only country of the 15 surveyed to show a decrease in the perception of brand authenticity.

The value of authenticity, however, appears to be growing. Worldwide, 91 percent of consumers indicated they are willing to reward a brand for its authenticity via purchase, investment, endorsement or similar action. In the U.S., 62 percent of respondents said they would either purchase or express increased purchase interest in a brand they view as authentic.

U.S. consumers agreed with those in other countries in what they saw as the key driver of brand authenticity. "Respectful" rated as being the most crucial key driver of brand authenticity in 2017, topping last year's "Reliable."

The Authentic Brands study, which C&W has

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AMAZON, PAYPAL TOP 'MOST AUTHENTIC' LIST

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conducted since 2012, examines the role of authenticity in business, the attributes associated with an authentic brand and the impact of authenticity on consumer, investor and employee attitudes and behaviors both globally and regionally. Conducted in May and June, this year's study surveyed over 15,000 consumers, and included more than 1,400 brands.

The complete US Top 50 Index can be viewed at www.Authentic100.com.

RUSSIA'S PROPAGANDA UNIT FILES WITH FARA

Russia's RT global television network, which was fingered by US intelligence agencies for seeking to influence American politics, registered Nov. 10 with the Justice Dept. as a foreign agent.

T&R Productions, RT's content supplier, made the registration. It disputed the need to register, saying owner Mikhail Solodovnikov retains sole editorial control over its news, talk shows and entertainment video packages.

The content "merely informs, not influences," according to the filing. T&R said its programs "cover a broad range of topics, reflect balance regarding commentary, and are not aimed to benefit any foreign government or political party."

The Justice Dept.'s national security division is reviewing T&R's filing for both accuracy and sufficiency.

"Americans have a right to know who is acting in the United States to influence the US government or public on behalf of foreign principals," said Dana Boente, acting assistant attorney general for national security, in a statement.



EX-US SENATOR WORKS FOR MEXICO ON NAFTA

Former Missouri Republican Senator Kit Bond represents Mexico as it renegotiates the North American Free Trade Agreement with the US and Canada.

Donald Trump has promised to walk away from NAFTA unless he can squeeze concessions from America's No. 1 and No. 2 trading partners.

As Senator, Bond was known as an advocate of international economic development, especially with regard to bolstering US ties with the countries of east and southeast Asia.

On the NAFTA work, he is joined by Kit Bond Strategies vice chairman Kenny Hulshof, an ex-Congressman from the Show Me State who served on the powerful Ways and Means Committee.

Mexico's Secretaria de Economia wants KBS to attend meetings and draft statements explaining its trade priorities to White House officials and Members of Congress.

KBS will work with the Mexicans until an updated formal NAFTA agreement is finalized.



Kit Bond

HAVAS POSTS FLAT Q3 PERFORMANCE

Havas Group reported a 0.2 percent dip in Q3 growth to \$620M largely due to a 10.9 percent decline in organic growth in the UK, where Unilever and Pernod Ricard trimmed outlays.

The French ad/PR combine produced solid gains in North America due to a revamp and "unflagging commitment of our teams," said CEO Yannick Bollore.

"Despite an ever more challenging sector environment, we remain positive over the mid-term because we believe firmly in the positive effects of our strategy and in our client-centric organization," he said in a statement. "We will be forging ahead with our strategy to make our structures and the organization of our Villages even more fluid."



Yannick Bollore

Bollore expects growth from the alliance with Vivendi Group "to work together on creating a world leader in content, communication and distribution."

PAY & PRESTIGE FOR WOMEN IN PR STILL LAGS

A new study reveals that while women represent two-thirds of the global PR industry, 78 percent of CEOs in the top 30 PR agencies worldwide are men and they also occupy 62 percent of seats at the PR boardroom table.

The results of the study were presented in a panel discussion at the Global PR Summit in Toronto, which was sponsored by the Organization of Canadian Women in Public Relations. Conducted by the group in collaboration with the



Organization of American Women in Public Relations and Global Women in PR, the annual gender pay gap survey examines the working practices of the global PR industry, highlighting the fact that very few PR women make it to the top of the profession.

When it comes to salaries, the study says, women are falling behind. Comparing like for like, the study found that average salary for men in PR is \$61,284 (CDN \$76,365), while the average for women is \$55,212 (CDN \$68,799). The resulting overall gender pay gap is \$6,072 (CDN \$7,566).

The biggest gender pay gap, however, is found at the boardroom level. At that level, 28 percent of men earn more than \$150,000 (CDN \$186,915) annually, compared to just 12 percent of women. In addition, the PR workplace does not appear to become more gender equal as workers get older—36 percent of female respondents believe the PR industry is ageist, compared with 25 percent of men.

"The PR industry is nearly two-thirds female and we are still faced with some of the same challenges we had 50 years ago," says Daniela Kelloway, founder and CEO, Clutch PR. "We still have a wage gap in our profession and there are still only a few female CEOs at large PR firms. We still have unrealistic ideals and limitations in the work force for women."

CROSSWIND ACQUIRES FELLOW AUSTIN SHOP

Austin-based communications agency **Crosswind Media & Public Relations** has acquired energy, oil and gas PR shop Carmichael Communications & Consulting.

The acquisition, the financial terms of which were not publicly disclosed, becomes official on December 31.

CC&C, which was founded in 2014, represents associations, non-governmental organizations and clients in energy exploration and development. Principal Katie Carmichael previously served as public affairs director to Texas Railroad Commissioner David Porter. Earlier in her career she was stationed in the House Committee on Culture, Recreation and Tourism in the Texas House of Representatives.

Carmichael now becomes a vice president in Crosswind's Austin headquarters. The Carmichael brand will cease operations on December 31 and all Carmichael staff will join Crosswind.



Thomas Graham & Katie Carmichael

"We have a strong and vibrant energy practice, from nuclear energy, renewable energy and oil and gas, and of course Katie knows the oil and gas industry from well head to the burner tip and the regulatory process from the capitol to the agencies, so she'll provide terrific expertise to our clients," Crosswind president and CEO Thomas Graham told *O'Dwyer's*.

"Crosswind has an impressive team and I'm proud to be joining them, and I'll both learn from and work alongside some terrific people," Katie Carmichael told *O'Dwyer's*. "Crosswind's extensive crisis communications and global media reach is a definite need for the industry as our nation's energy production becomes the dominant force in the global economy."

Crosswind, which was founded in 2008, maintains additional outposts in Washington D.C., Los Angeles, Houston, Dallas and New York.

DODS ACQUIRES 30% STAKE IN SOCIAL360

Dods Group is shelling out \$2.2M for a 30 percent stake in Social360, social media monitoring and intelligence outfit with offices in London and New York.

It retains an option to purchase the balance of Social360's shares over the next three years based on its financial performance.

Cheryl Jones, chairman of Dods, welcomed Social360's CEO Ryszard Bublik and CTO Rob Herridge to her team, praising their "clear and strong vision for the delivery of social media monitoring and analysis."

SOCIAL360

Launched in 2009, Social360 says its proprietary search and categorization technology filters out noise and highlights specific insights to provide a single reference point for corporate executives in search of fast, accurate and easily digestible intelligence.

London-headquartered Dods is a content, media services and events company.

In registering \$13M in revenues for the six-month period ended Sept. 30, Jones noted the increase in margins and profits were a "reflection of high client retention and efficiency levels."

She called the Social360 investment "an opportunity to create a competitive advantage and expand its bundled services around political monitoring, business intelligence and consultative services to existing clients and new markets."

Alma PR's Josh Royston, John Coles and Helena Bogle represent Dods in the Social360 transaction.

3M TAPS HR CHIEF FOR TOP PR SPOT

3M has appointed Kristen Ludgate, VP-global human resources business operations, to the top PR post effective Jan. 1, taking over for Kimberly Price who is retiring March 1.

Ludgate, who will assume the senior VP-corporate communications and enterprises services title, joined the \$32B diversified products giant in 2008 as senior counsel legal affairs.

She also served as chief compliance officer following her role as chief employment counsel. Prior to 3M, she was a business lawyer in private practice at Faegre & Benson (labor law) and Hamline University (general counsel).

Inge Thulin, 3M chief, hailed Ludgate as "an accomplished leader with a proven track record of success across multiple functions at 3M."



Kristen Ludgate

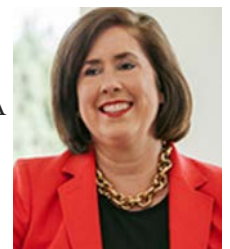
JEAVONS JOINS B-M'S DIRECT IMPACT UNIT

Kathy Jeavons has joined **Burson-Marsteller's** Direct Impact grassroots communications unit as executive VP.

The veteran communicator worked in George Bush I's White House as associate director for public liaison and at the Dept. of Energy as PA specialist in its congressional affairs office.

Most recently, Jeavons was senior VP at Story Partners, handling health-care, energy, food and nutrition clients. She also did stints at Ketchum, Public Strategies Inc. and Dix & Eaton.

Michael Fleischer, DI president, called Jeavons a "demonstrated leader in developing and leading multifaceted national and international PA, issue advocacy and reputation campaigns."



Kathy Jeavons

Two choices present themselves when looking for outside PR counsel—hire an ad agency related PR operation or an independent firm. Both have pluses and minuses.

The PR volume handled by the five conglomerate operations is in the hundreds of millions and dwarfs the revenues of the independents.

One reason is that PR, advertising and marketing are integrated at the conglomerates. A restructured Ogilvy has noted that **PR is no longer a separate function**.

Nearly all press relations have shifted to agencies. Many companies, and particularly blue chips, do not have PR departments or even a PR function. Their “corporate communications” units are focused on executive and employee communications, company websites, social media, retirees, local communities, public service and other audiences.

Seminar, founded in 1952 and known as “PR Seminar” until 2007 when it dropped the “PR,” has 200 blue chip corporate execs as members. **Fewer than five have “PR” in their titles.**

“PR” Retained by Major Trade Group

However, the **PR Council**, comprised of 100 PR operations including conglomerates and many major independents, has examined the issue and has kept PR in its title.

Members of the PR Society of America rejected an attempt at the Oct. 7, 2017 Assembly to replace “PR” with “communications” throughout the bylaws. Both terms are now used.

The numerous functions of a PR firm have been noted by CooperKatz which says the **chief value provided to clients is media outreach**.

Defenders of “PR” note that “communications” also refers to communications infrastructure such as cellphone towers, telephone equipment, etc.

Specialty Practices Emerge

Firms have developed specialty practices in recent years that give them deep backgrounds in at least a dozen areas including healthcare, tech, financial, food, environmental, beauty/fashion, entertainment, home furnishings, professional services, travel, sports/leisure and agriculture. The O’Dwyer website provides a link to **124 documented ranked firms with these practices**.

Consultants who specialize in helping companies to find the right firm are RFP Assocs., Washington, D.C., headed by **Robert Udowitz**, and Pile and Co., Boston, headed by **Meghan McDonnell**.

First step in searching for a firm would be opening a dialogue with four to six likely prospects, an even number of ad agency-related and independent firms.

Firms billing more than \$10 million yearly are looking for monthly retainers of \$50,000. Smaller firms are looking for fees of \$20K to \$30K. Ask for the size of the budget. Expenses could be an extra charge.

Ask for account lists to check for conflicts.

Look for clients in similar industries and check their size and prestige. Would your company be a giant among midgets or vice-versa? Look for press placements in major as well as trade media. Compare minimums and

other prices being charged. You want a firm that speaks your language.

Ask two or three interested firms to make written proposals. Most will come up with run-of-the-mill PR ideas and programs. But one or two will come up with some really good...even great...ideas. Those are the firms that should be hired. A well-written RFP will outline the specifics the agencies need to address.

Visit Offices of Contenders

Visit the offices of finalists. Look for staffers who are busy at computer terminals. Empty offices, outdated clippings on the walls are bad signs. Meet the support people. If a big agency is involved, your work may be farmed out to writers, artists, placement and other specialists. Meet them from time to time.

The firm you pick should have deep background on the industry or industries you are representing and should not require a long break-in period.

Make the PR firm part of your company. Don’t be adversarial. Have one informed person at the agency and let him or her fill in the other agency departments.

Ask agency principals before you sign how often you are going to see them each month. Meet the A/E who is assigned to day-to-day contact with you and know what other accounts he or she is working on.

Accessibility Is Needed

You need instant accessibility to your firm. Some of the smaller firms keep all their employees up-to-date on their accounts as much as is possible. A client who calls can always expect some kind of help or at least knowledgeable interest in his or her problem.

Too many firms wait for the client to take the initiative.

Monthly meetings with agency principals are also important. If you don’t like your A/E, that’s the time to bring it up. Don’t be afraid to ask for a new one. Many companies have switched agencies when all they really needed was a new A/E.

Performance Can Be Measured

There are many ways of measuring the performance of a PR firm. These include obtaining higher sales and profits for your product, increased floor traffic at consumer outlets, increased market share, increased profits, publicity obtained, and reaching tangible goals such as passage of legislation.

A PR firm on a sizable budget should be able to come up with four or five major placements a year—besides counseling and the day-in and day-out product, personnel and other routine announcements.

Examples are a “personality” profile in the *New York Times* or *Wall Street Journal*, a feature in a major magazine or a segment on a nationwide TV program. That is the most efficient way to reach big audiences. The company may be so important to the field that the trades have to pick up just about every word it says.

Also important is creating a dialogue with influencers on social media. This can be a significant requirement of clients. The third parties help to validate what the clients are saying.

— **Jack O’Dwyer**