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Editor-in-Chief

O'Dwyer's

Newsletter

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COHEN TO BUILD COMMUNICATIONS FOR AXIS

Joe Cohen, senior VP of communications for snack bar maker KIND Healthy Snacks, has moved to Bermuda-based reinsurance giant AXIS Capital Holdings as chief communications officer, the first to hold that title.

Cohen and newly hired chief marketing officer Michiko Kurahashi are charged with building an integrated marketing function at the company, which failed in an \$11B merger bid with PartnerRe last year but is reportedly still looking for a major acquisition.

Cohen spent 15 years at MWWPR before departing for KIND in 2014.

Kurahashi is AXIS' first CMO. She was head of marketing for CIT Bank and held top roles with UBS and HSBC.

AXIS, based in Pembroke, Bermuda, posted 2015 revenue of \$4.1B and net income of \$641.6M.

Albert Benchimol, president and CEO of AXIS, said in a statement, "As we grow the AXIS brand, we need to learn from the industries that are best at marketing on how to further connect and deepen our engagement with clients." He called the present a "transformative time in our industry."

The company continues to rely on Kekst and Company for corporate communications support.

KCD ACQUIRES WALL & BROADWAY

San Diego-based financial services communications agency KCD PR has acquired boutique consultancy Wall & Broadway.

Financial terms of the transaction were not publicly disclosed.

Encinitas, CA-based Wall & Broadway consults a range of start-ups specializing in the tech and fintech sectors. The agency was founded in April by managing director Philippa Ushio.

Prior to launching her own agency, Ushio held several senior positions at consulting company FTI Consulting, which she joined in 2007 as an associate vice president before later serving as director. Ushio now joins KCD in the role of managing director. In light of the transaction, Wall & Broadway now assumes the KCD PR name, and the agency's staff will move into KCD's headquarters.



Cohen, Kurahashi

O'MALLEY HANSEN ACQUIRES ALPAYTAC

O'Malley Hansen Communications has acquired Chicago-based brand and social media communications agency Alpaytac Public Relations.

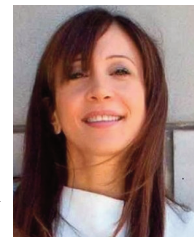
The acquisition, the financial terms of which were not publicly disclosed, closed in September.

Alpaytac was founded in 2004 by Turkey native Huma Gruaz, who serves as president and CEO. The full-service agency, which holds additional offices in New York and the Los Angeles metro area, lists Turkish Airlines, Abt Electronics and SharkNinja as clients.

Alpaytac's brand will gradually transition to assume the O'Malley Hansen name in light of the deal. Chicago-headquartered OHC, which maintains additional offices in St. Louis and New York, adds Gruaz to its senior management ranks, where she'll wear the title of partner. She'll be based out of the agency's forthcoming Los Angeles-area office. In New York, OHC staff will move into Alpaytac's preexisting offices.

Gruaz told O'Dwyer's that she decided to enter into a merger/acquisition agreement after a dozen-year run to expand her agency's capabilities and enhance its services. She said O'Malley Hansen's team and "outstanding track record and expertise" would "immediately benefit our clients and will create new opportunities for them."

(Continued on page 2)



Gruaz

STAGWELL INVESTS IN FINN PARTNERS

Stagwell Group, the marketing investment group headed by polling guru and former Burson-Marsteller CEO Mark Penn, has purchased preferred stock in global independent agency Finn Partners.

The private equity fund's preferred share investment in Finn Partners carries future conversion rights to a minority interest in the firm, according to the agency in a statement. As a result of the deal, Penn now joins Finn Partners' board. No other changes in Finn Partners' management, structure or operations will occur, according to the agency.

Finn Partners founding partner Peter Finn told O'Dwyer's that bringing on a minority investor was something he "wanted to do for quite some time."

"We're on track to becoming a top global agency, but we're still far from where we need to be, and for some time I've wanted to bring in a minority investor to help accomplish that," Finn told O'Dwyer's. "What was important to me was to find an investor who was willing

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STAGWELL INVESTS IN FINN (Cont'd from page 1)

to take minority position and was willing to do it on terms that worked for us, and Mark was willing to do it on terms that made sense to me. He firmly understands our business.”

Finn told O'Dwyer's that he and Penn attended high school together and have known each other for 45 years.

As a result of the investment, Stagwell and Finn Partners will also launch a new jointly-owned PR agency titled Wye Communications. Wye will hold multiple purposes, serving as a conflict shop for Finn Partners and slated to become a home to some “significant accounts” that Stagwell will bring to the table, according to Finn.

Wye will initially maintain offices in New York and Washington, D.C. Finn Partners will provide office space for Wye in the agency's existing offices.

Stagwell, which was established last year after Penn's exit as EVP and chief strategy officer of Microsoft, has been in the midst of a purchasing frenzy. The investment advisory shop in January acquired a majority stake in New York-based digital agency Code and Theory, a deal that followed Stagwell's October 2015 purchase of PR and public affairs firm SKDKnickerbocker, and its November acquisition of Nielsen's National Research Group. Former Microsoft CEO Steve Ballmer is a Stagwell investor.

Finn Partners in August acquired Portland-based agency Lane PR, and in July picked up Washington, D.C.-based branding and marketing services shop Greenfield Belser. The New York-based agency also acquired San Francisco-based tech agency Horn Group last year.

Finn Partners in 2015 accounted for nearly \$71.5 million in net fees.

OH ACQUIRES ALPAYTAC (Cont'd from page 1)

“I looked for an agency that will complement Alpaytac's culture while matching my passion and dedication to excellence that I carried in my profession throughout my career,” Gruaz told O'Dwyer's. “O'Malley Hansen Communications is exactly what I want for my clients and for my team.”

O'Malley Hansen principal Todd Hansen told O'Dwyer's that both agencies offer complimentary strengths, which ultimately broadens the scope of the combined agencies' client offerings, adding OHC's corporate communications and media capabilities to Alpaytac's digital merits. The deal would also strengthen OHC's New York presence while giving the agency its first west coast outpost. Finally, Hansen referred to Gruaz as a “key part of the acquisition.”

“I think both Huma and I really saw exponential opportunities for getting bigger, and we're really fortunate that our respective portfolios are so complimentary,” Hansen told O'Dwyer's. “And the opportunity to be on the west coast and have full national coverage is very exciting, and we're also very excited to work with Huma.”

Full-service agency O'Malley Hansen, which was founded in 2006, last year accounted for more than \$1.7 million in net fees. Clients include Charter Communications, HanesBrands, Monsanto Company, Pepsico, Sara Lee Corp. and Tyson Foods.

MEDIA/SOCIAL MEDIA NEWS

REPORTERS HELP COMPANIES CREATE ADS

A spirit of cooperation with the community and advertisers is currently required of reporters, a *New York Daily News* panel was told last night. Attendance was 150+.

A panel that included Jim Rich, editor-in-chief of the *Daily News*, Priya Ganapati of Quartz and Kate Ward of Bustle.com considered the thorny issue of “branded content” or “sponsored” editorial matter that is seen by some media as one of the main answers to declining newspaper circulation and advertising.

Jay Rosen, journalism professor at New York University, moderated the program which is part a series of events called “Conversations”.

Rich said that in the past, newspapers were driven to build circulation. The goal is still building circulation but more attention is being paid to what types of audiences are being attracted, he said.

“Solid reporting, which includes great writing accompanied by great videos can still be a successful formula,” he said.

Ganapati said staffers at Quartz help advertisers create the most effective ads. Staffers think “holistically,” she said. “It is not just one person's job to sell nor one person's job to create content.”

Reporters Do More than "Gather Information"

Ward said that J students in college were taught to gather all information about a subject but now they have to learn to “navigate” when writing about a subject.

Journalists are challenged to “think more creatively,” she said. “Clients want premium product” which gives the medium “the opportunity to present product in a way that it has never before been presented.”

Bustle, founded in 2013 by Bryan Goldberg and which reaches an estimate audience of 40 million women monthly, is about “collaboration,” helping to build brands with the help of editors. The different departments of Bustle collaborate, she said. Bustle is part of the “community that it serves.” The “product team” at Bustle is also the “editorial team,” she said.

Rich noted that there are positions at the *Daily News* that did not previously exist such as “chief creative officer” and “product developer.” Members of such units must decide whose job it is to “cross the wall” that previously separated advertising and editorial.

The announcement for the panel had said: “As media companies increase their focus on business models, economic realities are affecting the way journalists work. Instead of a ‘strict separation’ between the business and editorial sides, journalists are being asked how they create value for the company that can be monetized, while still meeting their responsibilities to public service and truth telling.

Rich said there is an “acute awareness in the newsroom of what works for our readership.”

Attendees asked whether it is advertising or consumers that failed the media and resulted in declining trust in media. Ward said that perhaps all parts of society are to blame. “We have to re-think how we do things,” she said, adding there are now “a bunch of different opportunities.”

NEWS OF PR FIRMS

JAPAN'S VECTOR GRABS HAWAII PR FIRM

Japanese PR operation Vector Group has acquired Hawaii's PacRim Marketing Group to create a \$90M Asia-Pacific network with around 500 staffers.

The deal, expected to close by the end of the year, includes PacRim's sister units PRTech (online marketing) and PacRim Marketing Tokyo (Japan office).

Honolulu-based PacRim founder and chief Dave Erdman, a Hill+Knowlton Asia alum, said his firm's client will benefit from Vector's deep understanding of Asian consumers and contacts in the region. PacRim has worked with Hawaiian Airlines, Neiman Marcus and Ritz-Carlton. Vector president and global chair Keiji Nishie praised PacRim's 26-year history of multicultural and multilingual marketing communications, as well as digital PR savvy. He called "acquiring one of the top marketing firms in Hawaii" a "natural step to increasing the quality and scale of our public relations business."

BRIEFS: **Jason Buxt**, who led Glover Park Group's research and analytics work as a managing director, has shifted to **Penn Schoen Berland** in Washington as an executive VP focused on the firm's corporate clients. ...**APCO Worldwide** has appointed **James Robinson** managing director of its Shanghai office. He was formerly SVP and senior director of APCO's New York location. ...**Matter Communications** has elevated **Mandy Mladenoff** to president of the 13-year-old Massachusetts-based firm. Founder and CEO **Scott Signore** (FitzGerald Comms.) remains at the helm in Newburyport, Mass.

NEWS OF SERVICES

EVENT SHOPS MERGE IN DC, LA

Washington and Los Angeles-based event producers CWA and Roundboxx are merging to form a powerhouse shop to produce political, sports and corporate events.

CWA chief Chris Wayne, a former Clinton administration aide, and RoundBoxx executive producer and director Mark Poncher will lead the combined shop, Peak XV.

Their experience includes the Clinton Global Initiative since 2005, the White House Summit on Families, Rally to Restore Sanity with Jon Stewart and Stephen Colbert, and the *Wall Street Journal's* CEO Council.

Wayne served as special assistant to the President handling official events for seven years. Poncher got into the events business in the early 2000s, producing projects for Disneyland's 50th anniversary and moving on to FiveCurrents for 10 years before RoundBoxx Group last October.

CISION BULKS UP C-SUITE TEAM

Cision has added two top executives in the chief strategy officer and chief information officer roles.

Sean O'Driscoll, a former partner for PWC Consulting and general manager at Microsoft focused on customer experience and relations, has been named chief strategy and insights officer of the Chicago-based PR services company. In addition, Cision has added Robert Coppola, ex-CIO at S&P Global and senior VP and chief reliability officer for Thomson Financial, as CIO to focus on technology and security.

NEW ACCOUNTS

New York Area

Rubenstein PR, New York/Eight O'Clock Coffee, for a media relations campaign for the iconic coffee brand, a subsidiary of the Tata Global Beverages. The push supports the launch of its Infusion line of two new coffee varieties: Infusions Alert and Infusions Relax.

The Brandman Agency, New York/Denihan Hospitality Group brands including The Surrey, The Benjamin and Affinia Hotel Collection, for PR.

East

The Keelen Group, Washington, D.C./The National Association of Letter Carriers, the labor union that represents city delivery letter carriers employed by the US Postal Service, for federal representation amid pressure to make cuts to door delivery service.

Midwest

PadillaCRT, Minneapolis/Spanish wine regions Ribera del Duero and Rueda, for trade marketing in the US targeting importers, distributors and retailers. The northern Ribera del Duero region is known for its tempranillo grapes and red wines, while Rueda, also located in northern Spain, is known for its verdejo grapes and white varieties.

Near Perfect Media, Birmingham, Mich./Chapman House; FLR Advanced Recycling and Reliable Restaurant Supply.

West

Stalwart Communications, San Diego/Jerome's Furniture, 60-year-old Southern California retailer, for marketing and community relations.

PEOPLE

Joined

Kathy Grannis Allen, senior director of media relations, National Retail Foundation, to airline trade group Airlines for America, Washington, D.C., as managing director for airline industry PR and communications. She spent 10 years at the NRF as a top media liaison after starting out with Stovell Marketing and NAVAIR. A4A, as the trade group is known, also added **Nicole Soufi** as manager of social media from government statistics contractor Westat, where she was a digital and social media associate.

John Seigenthaler, former NBC News anchor and Seigenthaler PR partner, to Finn Partners, New York, as senior counsel. Seigenthaler, who began his career as an anchor and reporter at Nashville's WSMV-TV and Seattle's KOMO-TV, recently served as evening news anchor for AlJazeera America. He left NBC in 2007 and joined Nashville-based Seigenthaler PR, founded by his uncle, Tom Seigenthaler.

Pamela Browner White, senior VP of corporate comms. and strategic dev. for the Hispanic community organizing group Esperanza, to the American Board of Internal Medicine as senior VP of communications for the independent evaluation organization. Browner White is based in Philadelphia for ABIM and oversees the ABIM Foundation's communications, as well. She is former VP of corporate affairs for Cancer Treatment Centers of America and a senior VP of corporate affairs for Citizens Bank of Pennsylvania.

HOTWIRE EXPANDS LATIN AMERICA PARTNER

VIANEWS & HotwireTech specialist Hotwire PR, in an ongoing bid to counter large global agencies, has aligned with Latin American PR operation VIANEWS of Brazil in an exclusive partnership that builds on less formal ties between the firms over the past five years.

London and New York-based Hotwire said the deal significantly deepens an operational relationship between the firms, including joint pursuit of new business. Joint clients include BMC, Intralinks, LogMeIn and Rakuten.

Thirty-year-old VIANEWS is based in Sao Paulo but partners with firms throughout the region. It serves clients in Mexico, Chile, Argentina, Columbia and Peru. Pedro Cadina, founder and managing director, said, "We've seen tremendous value from our affiliation with Hotwire in recent years in terms of new business and knowledge sharing, so it is a natural next step to move even closer to the business."

Hotwire group chief development officer Andy West said he sees clients "burnt by the large agency networks" looking for "something different" that still offers consistency, sector knowledge, coordination and team collaboration. Hotwire group CEO Brendon Craigie added: "We are building a true alternative to the established global PR order."

Hotwire is owned by Australia's Eneko Group Limited. The firm has recently landed partners in the Middle East and the Netherlands.

DENTSU ACQUIRES INDIA'S PERFECT PR

London-based PR and ad group Dentsu Aegis Network has acquired India's Perfect Relations Group, a 500-staffer firm with outposts in 50 cities in India.

Dentsu sees the India market as poised for significant growth and the agency group said it hopes to be the No. 2 player in PR in the country by 2017.

Perfect PR managing director Dilip Cherian and CEO Bobbhy Kewalramani, who founded the firm in 1992 after careers in business journalism, are joining Dentsu Aegis Network's leadership team under South Asia CEO Ashish Bhasin.

Bhasin said Perfect is the company's first PR agency in India. He noted Perfect has the scale to service large clients with a national footprint in the country.

Perfect will retain its name. Clients include Nolia, Honda and Coca-Cola.

Cherian and Kewalramani said in a joint statement that their firm needed a global partner to accelerate growth and tap into the latest global platforms and tools.

BRIEF: Tailored Brands, the revamping men's apparel retailer behind Jos. A Bank and Men's Wearhouse, has brought in corporate communications and investor relations veteran **Julie MacMedan** as VP of IR. Publicly traded TB, based in Fremont, Calif., is in the midst of a "transition plan" that involves closing about 250 stores in the current fiscal year. Net sales for the second quarter dipped 1.1% to \$909.7M.

PR OPINION

Do Newspaper Readers Want "Puppy Dogs" or Real News?

That was the issue on the griddle Sept. 21 when a *Daily News* panel discussed advertiser-initiated editorial content that looks like it was written by the news staff. (Story on page two).

NYU journalism Prof. Jay Rosen, moderator, defined the issue at the start by playing a videotape of Sam Zell, who controls the Tribune Co., replying to a female staffer of the *Orlando Sentinel*, owned by the Tribune, who said at a meeting in 2008 that "What readers want is puppy dogs but we need to inform the community."

Her comment came after Zell said that he wants to "make enough money so I can afford you. It's that simple. Focus on journalism that our readers want and therefore generate more revenue." He was taken aback by the question and told the staffer she was showing "classic journalistic arrogance" and ended the exchange.

Rosen said the dialogue was highlighted on the Aug. 7, 2016 show of HBO's John Oliver, who has been an ardent critic of any mixture of editorial and advertising.

Washington Post columnist Margaret Sullivan said Aug. 8 that the 19-minute segment "precisely nailed" what's happening to newspapers--"shrinking staffs, the abandonment of important beats, the love of click and bait over substance, the deadly loss of ad revenue, the truly bad ideas that have come to the surface out of desperation, the persistent failure to serve the reading public...media's addiction to content that generates digital traffic, particularly ever-weirder stories about cats." As of Sept. 25, the segment had been viewed 6,418,707 times and had drawn 8,361 comments.

The *Daily News* panel showed that the editorial space of newspapers, magazines and other media is for sale as never before. Print media, bypassed by the web to a great extent, are desperate for income.

Quartz "product designer" Priya Ganapati said her staff meets constantly with editors to determine content. Quartz and others in effect have become PR firms for client companies, learning their strategies and crafting relevant articles.

PR firms that approach media should have their wallets open either to buy traditional ads or pay for "sponsored content" that looks like regular news content. A current chart in Quartz shows that "Americans with a great/fair amount of trust in media" fell from 70% in 2005 among Democrats to 52%, and among Republicans, from 53% in 1998 to 12%. Average is around 30%. "Branded" stories are contributing to that decline.

The shrinking news hole in media, with some of that "for sale," is good growing weather for PR firms. Fifteen of the 25 largest PR firms in the 2015 O'Dwyer's rankings posted double-digit gains including six of the ten largest, an indication that clients are increasingly turning to the firms for a host of communications tasks. Social media, in-house websites, emails to customers and other communications forms are available to PR firms.

— Jack O'Dwyer