



*The voice of Public Relations
around the world...*

Quarterly Newsletter

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Full Articles

What's New @ ICCO

Australia's RCG welcomed as Full Member

At its annual spring board meeting on May 22nd, the ICCO board of management voted unanimously in favour of welcoming the Registered Consultancies Group (RCG) of the Public Relations Institute of Australia as a Full Member.

With 175 member firms, including the major multinationals, the RCG is highly representative of the PR consultancy industry in Australia. Its main focus lies in imposing professional standards on consultancy operation as well as promoting the industry as a whole. Among its many activities is an annual benchmarking study within Australia that provides member firms with metrics for better business management.

The RCG previously acted as an Observer to ICCO over a two-year period.

Learn more about the Registered Consultancies Group by visiting their [website](#).

New ICCO officers elected

Also during the spring board meeting in Stockholm, new officers were officially voted in for the coming term.

The position of President, held since 2007 by Lou Capozzi (Senior Counsel and former CEO of MS&L), will be filled by Richard Houghton as of January 2010. Richard is the founding Partner of Carrot Communications, a communications and public relations agency that specialises in fast-growth companies with a technology slant. He has a 21-year track record in public relations consultancy with a career that has spanned senior management positions in leading international consultancies including Shandwick, Fleishman-Hillard and Ketchum. He is also a former Chairman and current Vice Chairman of the Public Relations Consultancy Association (PRCA) of the UK.

The role of Treasurer, until now held by Christian König (Managing Partner of Farner PR in Switzerland), will be assumed immediately by board member Salvador da Cunha. Salvador is Managing Director of Lift Consulting, the largest consultancy of its kind in Portugal and exclusive affiliate of the multinational Burson-Marsteller. Salvador is also the Owner / CEO of Bairro Alto Group, a private holding company. A former economic journalist and founder of several well-known economic publications, he specializes in Financial Communications as well as in Crisis and Public Affairs.

Officers on the ICCO board of management also serve on the Executive Committee and generally rotate every two years.

For more information on the new ICCO officers and their roles, visit www.iccopr.com.

Board perspectives highlighted in Czech press

Board member Pavlína Rieselová was so inspired by the last meeting with her ICCO peers that she penned an article on the event for the Czech media. Weekly trade magazine *Marketing & Media* was equally impressed and ran a full feature in its June 15 edition. Entitled (in translation) "Everyone Wants to Be a PR-ista...", her piece highlights board opinions as to the relative health of the PR industry as compared to other Marketing and Communications disciplines, despite some expected decline in many markets. They note that agency profitability is largely down, especially as clients try to maximise leverage on their existing funds. On the positive side, advertising budgets across geographies are being cut in favour of public relations spending, though it seems the reaction of the most agile ad agencies is to offer PR services as well. Watch out for the latest competition!

The [full article in Czech](#) and an [English translation](#) are available on the ICCO website.

US Council of Public Relations Firms offers new products

The Council of Public Relations Firms in the US recently introduced two new products that should be of interest to PR professionals everywhere. The first is a 2009 compendium inspired by the Council's own newsletter and entitled: "Firm Voice: Outstanding Best Practices for Public Relations Firms". This practical guide features countless insight and intelligence from leading practitioners and experts within the Council membership and is neatly indexed across general categories and dozens of key words.

The second Council innovation is called *RFP Builder*, an online tool that makes it easier for client organisations to design a Request for Proposal (RFP) and search for an agency in the US. "We want to help create a standard for writing an RFP that is mutually beneficial for public relations firms and the organisations that hire them," said Kathy Cripps, president of the Council of Public Relations Firms. *RFP Builder* helps them write a request that makes it clear to the PR firms what the organisation wants." A video demonstration on the registration page walks visitors through each step in the process, and the Council's searchable database of member firms, Find-a-Firm, is fully integrated. Organisations looking for agencies in other countries can also benefit by using insight and structure gained from the tool in conjunction with local agency search directories and assistance from the relevant ICCO member association.

To order the best practice compendium, go to www.prfirms.org. ICCO-affiliated firms are eligible for Council member rates. *RFP Builder* can be accessed directly at <http://rfp.prfirms.org/>.

"Hot Topics" knowledge section now available on ICCO website

A new section has been added to the Knowledge Base on the ICCO website. "Hot Topics" is a collection of resources related to the most talked-about issues in the public relations industry and is updated regularly. Current topics include: "Social Media", "Measurement & Evaluation", "Regulatory Issues" and "PR in the Recession".

Check out the resources available at <http://www.iccopr.com/knowledge-base/Hottopics.aspx>. To suggest a new topic or offer additional resources for posting, please e-mail info@iccopr.com.

Board member David Gallagher makes the news

ICCO board member and PRCA Chairman David Gallagher has enjoyed some high visibility over the last few months. Most notable in the media was his elevation to Senior Partner and President of Europe for the newly-formed Ketchum Pleon. The merger between US-based Ketchum and European-based Pleon creates one of the largest global networks in the PR industry. David also spoke at the end of May at *PRWeek*'s latest innovation, "PR On the Edge", a new-style event aimed at sparking debate and providing high-level networking opportunities. His panel topic focussed on lessons from the Barak Obama campaign trail.

ICCO board survey shows emerging Social Media issues

A flash survey of ICCO board members, in which 11 countries¹ participated (and at least six more peeked without finishing), aimed to gather information on regulatory activity, positions held by the national trade associations and personal opinions from senior public relations practitioners with regards to appropriate practices for organisations when dealing with bloggers and other social media.

It was designed in direct response to issues under active debate in the U.S., the largest and one of the most progressive markets for public relations. According to the June poll, "disclosure of commercial interests" is a recognised issue in a majority of countries, while "disclosure of payments" and "giving of product samples" have moved into the spotlight in fewer than half of the responding geographies.

Discrepancy between countries reflects a broad disparity in overall adoption of social media by organisations (and individuals) and different legal and regulatory environments as well as social and corporate norms as to what constitutes acceptable behaviour. The extent to which the application of social media has entered into the mainstream of communications and public relations services also varies from one geography to the next.

¹List of participating countries: Australia, Austria, Denmark, Finland, Germany, Greece, Portugal, Russia, Slovenia, Switzerland, UK

[Complete survey findings](#) can be found on www.iccopr.com. See also the [Hot Topics](#) section on "Regulatory Issues" for information and further developments.

Business Wire poll: "32% Don't Know What Advertising Equivalencies Means"

Results of the July Business Wire *PR Peeps* survey, in which 411 public relations professionals responded by means of Twitter and webinar polls, show that nearly 32% were not at all familiar with the long-standing concept of "advertising equivalencies" or "AVEs". An AVE is a controversial method for measuring the benefit to a client (or ROI) from media attention received by a PR campaign. It attempts to equate total coverage to what paid-for advertising would have cost.

An almost equal number of poll respondents, 33%, claimed to have used advertising equivalencies in the past while almost 24% said they had never used them and some 11% claimed they "used to, but don't anymore".

See the press release and poll results or leave a comment on the [BusinessWired site](#).

Industry Highlights

US firms report that Online Media / Digital is most productive specialty area by far

A July survey of US Council of Public Relations Firms members concludes that the area of Online Media / Digital offers the best growth opportunities for 2009. Fully 82% of the survey's 65 respondents expect yearly revenues attributable to the speciality practice to increase. 34% also anticipate that Crisis & Issues Management income will grow, with 27% citing the area of Public Affairs as likely to show improvement this year.

Full results of the Council survey were published in the [August 12 edition](#) of Firm Voice.

Industry forecasts confirm Advertising's decline

The new Communications Industry Forecast from private equity firm Veronis Suhler Stevenson predicts Public Relations will proliferate over the next few years as Advertising continues its decline.

The report expects overall communications spending in the US to decline by about 1% this year following the relatively slow 2.3% growth seen in 2008. Advertising, which contracted by 2.8% over the same period is forecast to decline by as much as 7.6% in 2009 with an additional 1% decline in 2010 and a return to growth only in 2011. James Rutherford, Executive VP and Managing Director of

the firm, notes that "...advertising, which was not so long ago the biggest part of the overall pie, is now the smallest part of the pie and shrinking at a pretty good clip." Public relations, on the other hand, should grow as a whole at an impressive 9.2% compound annual growth rate from 2008 to 2013.

As if these predictions weren't dire enough for the Advertising industry, a July 21 article in *Forbes* by Dirk Smillie presents the case that "more and more marketers are pulling out of traditional ad channels and spending it on themselves". A new study by Outsell Inc. predicts that in 2009 alone some \$65 billion will shift away from traditional advertising channels and be spent instead on US companies' own websites and internet marketing.

A third, independent study in June by StrongMail Systems singles out Advertising as the top target for budget cuts in the second half of 2009, with a hefty 78% of surveyed businesses looking to reduce spending in this area. This despite the fact that a majority of businesses are expected to maintain or increase marketing budgets over the period. By contrast, 58% of businesses hope to increase investment in social media – which interestingly enough, is the new realm of Public Relations....

To read more on the Communications Industry Forecast, visit [the VSS site](#) or [August 4 coverage in the NY Times](#). See also the [Forbes interview](#) with Outsell CEO Anthea Stratigios or purchase the company's [Annual Advertising & Marketing Study 2009](#). Findings of the "2009 Marketing Trends Survey" by StrongMail Systems are highlighted in the [July 22 edition of Daily 'Dog](#).

Global Twitter use is high and rising, though many users are not engaged

Sources everywhere point to the fact that use of platforms like Twitter is expanding fast across the globe and the trend is set to continue. But what exactly does that mean?

A recent study by Forbes Insights and Google claims that more than half of young executives (the under-40 crowd) at large US companies use micro-blogging via Twitter or a similar platform, with 32% reading or generating feeds on a daily basis. They do so in order to "enhance their transparency and enrich their personality". However, Twitter is almost non-existent among over-50 CEOs, revealing a not-so-subtle generational split.

A subsequent report by HubSpot, released in June, looks more specifically at the level of activity recorded for Twitter accounts. Their research shows that nearly 55% of "users" have never tweeted, while another 55% are not following anyone and 53% have no followers themselves. Moreover, they reckon that, given the total number of users without a significant number of friends, followers or updates, close to 1 in 10 Twitter accounts is actually inactive.

For more on Twitter usage, read the ["The Rise of the Digital C-Suite"](#) study on [Forbes.com/forbesinsights](#) or the ["State of the Twittersphere"](#) report on [blog.HubSpot.com](#).

Thinkers' Corner

"Media Relations: A Reality Check"

Daniel Munslow, an Executive Strategist at Newsclip Media Monitoring in Johannesburg, tracks the latest trends in Media and Communications and presents his findings regularly across South Africa. The following is excerpted from his latest white paper.

Media Relations has been defined as "those activities that involve working directly with persons responsible for the editorial (news and features), public service and sponsored programming products of mass media". In this light, it becomes apparent that while the principles of media relations remain the same throughout the ages, the tools and applications that communicators use in the modern era are changing rapidly.

GENERAL COMMUNICATION TRENDS

Having judged [awards] both globally and domestically, I have picked up numerous trends, which are also looked at in the context of other internationally-based research on best of practice and global trends.

i. New Media and Social Networking

Firstly, we picked up good use of new media in modern communication strategies, which includes the Social Media Press Release (SMPR) and the use of multimedia-centric online press portals (press offices – but in a new media environment, not the traditional flat text structures).

Social networking was used extensively in various media campaigns, where the intended target market was relevant to the use of such communication tools. Top of the list were Facebook, Twitter, LinkedIn, and YouTube.

We have also seen a significant move towards adapting traditional public relations skills to a new environment, without compromising the fundamentals of communication. In principle, what communicators have always done, will always be done; what changes are the tools and applications used to achieve the end result. It is therefore important to integrate good strategy and business principles into the use and application of new media (and traditional media, for that matter).

Micro-sites and blogs have also seen an increase in usage from a general media relations perspective, although blogs pose their own significant downsides and should be approached with caution when considering them as part of the media relations effort. That is not to say they cannot be effective, but they must fall within existing monitoring structures to ensure the messages are not damaging, and when they are, the perception must be managed correctly.

ii. Engagement Public Relations

'Engagement PR with media' was identified as a significant trend that will likely grow in years to come. There is a global shift from relying solely on outbound public relations towards inbound public relations. The fundamental distinction between the two is that in the former, a communicator relies on sending information out to the media and waiting for it to be used; while the latter method assumes that the media will be interested in, and have access to, information that they can source by approaching the relevant sources. This could be done through a press portal, for example – the journalist has access to a host of information that can be accessed via inbound methods. The basis to this is that solid media relations are built with key journalists and editors (a topic for another paper).

iii. Shifting Perceptions

New media developments over the past few years have caused significant changes to the business of communications. One of the main challenges nowadays is the realisation that communicators are in fact speaking directly to consumers – 'PR to consumers'. Gone are the days that public relations practitioners send out messages to the media and wait for the media to disseminate the messages.

Each press release loaded onto a blogsite or a press portal is immediately googleable (SEO – search engine optimisation) and can be read by anyone from anywhere. Try this with the keywords of your clients – you will be surprised what comes up!

As the face of journalism also changes, so do the usage patterns and needs of journalists. They can now access global information before local information through the use of webcast press conferences and web-based media tools. This leads on to an era of integration in media relations. It also relates directly to the emergence of the platform-agnostic journalist. In principle, this refers to a journalist that works across multiple platforms and is not restricted to a single medium.

iv. Integration in Media Relations

As a result of all the changes to the media landscape, communicators have had to adapt. The two main trends for this adaptation process are what could be termed 'Internal Integration' and 'External Integration'. The former refers to the working structures within a company - communicators need to work in teams from beginning to end; and report on their results. The latter refers to the trend whereby communicators will have to become multi-skilled in their abilities to work across multiple media platforms (i.e. work with external factors and variables).

v. Media Facts

There are three main facts worth taking cognisance of in this development media environment:

- Fact one: hard copy publications are online, or have moved exclusively online. Very few publications have not founded an online presence of some sort.

- Fact two: media companies are diversifying and expanding their content distribution channels. Most obvious in this trend is the move from print to online media; and further, the move and integration of online and mobile.
- Fact three: new media is here to stay and is quickly becoming a leading outlet for telling your story.

vi. Increasing Communication Channels

During a recent conference on new media, digital experts highlighted the era of media convergence. In the last hundred years there have been eight major media developments – print, recordings, cinema, radio, television, internet, web 2.0 and mobile. Over the years, there has been massive convergence across these platforms, marking a fundamental shift in communication strategies. The former 5½ fall into industrial economic climates, while the latter 3 ½ fall into attention economic environments, where consumers can share in the conversation. You will note that television overlaps the two eras.

Using an example from the good old television days of Dallas, it was only available on television. Now, in an era of convergence, you can watch episodes on demand, via PVR, online, on cellphones, and so on. In 'industrial economies' you wanted to be everywhere (i.e. it was about *prevalence*), while in the 'attention economies' you need to be *relevant* – it's not about eyeballs but about engagement with pertinent consumers.

Digital marketing requires regular optimisation and consistent effort – the most successful campaigns are those that are involved!

The challenge from a PR/communication point of view is to (a) be aware of [fast-expanding channels], and (b) ensure that they are taken into account when planning and executing media relations efforts. Simply put, whereas in the past one may have only sent out a hard copy press releases to a newspaper; now it must include multimedia elements for the website version, and possibly even an element for mobile or for widgets (in order to add value to the communications process and possibly solicit more exposure).

vii. Market Development

Markets and marketing constantly need to adapt to new environments and changing landscapes. From a media perspective, there are several trends that need to be highlighted:

- Media is fragmenting, and a huge amount of vertical integration is taking place
- News is changing dramatically, especially in the reach and profile of media
- News cycles are expanding: new media outlets allow discussion and opinion to continue long after the story has concluded
- Local news is proliferating: a trend towards more localised news, highlight the importance of community newspapers and regionalised media. This also contributes to the understanding that cost per contact and eyeballs are not good measurement tools from a qualitative perspective, leading the path to engagement measurement and the non-financial assessment of performance-based key performance areas.
- It's all about the pictures: images are necessary everywhere - make them available (global trend to online press sites)

viii. Working Globally

As if working in one country were not difficult enough, more and more communicators are finding themselves working across borders. To achieve this successfully, specific areas need to be looked at. Those include:

- Understanding of cultural differences
- Understanding of media differences (free newspapers are a huge trend in the US and UK/ community press is huge in SA)
- Understanding of financial differences in different countries (what is a big/small budget in a country/area)
- Building solid relationships with the media

MEDIA MEASUREMENT IN THE FUTURE

It is critical that in the way forward there is a shift from outputs measurement to outcomes measurement. Asking more business-savvy questions is also a movement from seeing communications in isolation to seeing as part of the business model with goals that are congruent with corporate objectives.

It is critical that campaigns are measured based on pre-defined goals and objectives. Basically - if you don't know what you're trying to achieve, you will have no benchmark to measure your results against. You can therefore never achieve 'something'.

In the old model, we would only look at how vocal you were (10,000 hits); now, we need to look at how consumers engage with your brand. Therefore there is a move from cost-per-contact to more qualitative ROI: looking at market share, customer retention, perception of quality, rate of growth (compared to self and competitors), and rate of new customer acquisition and retention, to name but a few examples.

IN CONCLUSION

The practice and operationalisation of media relations is changing, and what could have been called 'new media' a year ago, is now nothing more than 'now media'. The future is upon us, and communicators are being challenged to stay ahead of the curve.

The [full white paper](http://www.iccopr.com) is available on www.iccopr.com.

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