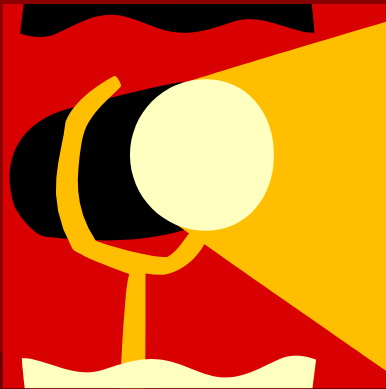


# Public Relations Departments and Firms



Chapter 4





# Chapter Spotlight

- This chapter examines what PR departments and firms are; how they are similar and how they are different
- PR firms—the services they provide; the pros and cons of using them; how they do their fees and charges
- From the job perspective, the pros and cons of working for a PR firm versus working for a PR department

# Public Relations Departments

- George Westinghouse is credited with creating the first corporate public relations department in 1889 when he hired two men to publicize alternating current (or AC) electricity.



- Such efforts helped Westinghouse edge out Thomas Edison in the AC versus DC battle

- Today, executives increasingly see PR not as publicity and one-way communication, but “as a process of negotiation and compromise with a number of key publics” and “strategic communication managers rather than communication technicians.”



## Ideally...

- Professional public relations people assist top management in developing policy and communicating with various groups
- An IABC study found that CEOs want communication that is strategic, research-based, and involves two-way communication with key publics.

# Functions of a Corporate PR/Communications Department

(From a 2009 survey—see percentages on p. 101)

- Media Relations
- Public Relations
- Communication Strategy
- Crisis Communication
- Communication Policy
- Executive Communication
- Reputation Management
- Internal Communication
- Social Media
- Internet Communication
- Intranet Communication
- Annual/Quarterly Reports
- Corporate Identity
- Issues Management
- Community Relations



# Sources of Friction



- PR and Legal—public statement paranoia over possible lawsuits?
- PR and HR—who is responsible for employee communications?
- PR and Advertising— departments can clash while competing for funds to communicate with external audiences
- PR and Marketing—PR thinks beyond customers and potential buyers. PR may consider, for example, neighborhood groups, environmental groups, governmental agencies that marketing would not consider customers

# The Trend Toward Outsourcing

- Trend today of organizations using more PR firms and outside contractors to do their communication activities
- A PRWeek survey found that companies spent more than 40 percent of their PR budgets on the services of outside firms- even more in high technology- 66 percent; less in non-profits- 38 percent
- Reasons: Need the expertise and resources, which may not have internally
- And the need to supplement internal staffs during peak periods of activity

# Most Frequently Outsourced Activities

- Writing and Communications
- Social Media maintenance
- Media Relations
- Publicity
- Strategy and Planning
- Event Planning



# Public Relations Firms

- Sizes vary— from one or two employees to global giants such as Weber-Shandwick which has 3,000 employees in 81 offices around the world.
- U.S. with 7,000 PR firms has the most in the world
- America's largest PR firms are part of huge conglomerates that also own ad agencies, marketing firms, billboard companies, direct mail firms, and special event specialty shops
- Such conglomerates earn an estimated 60 percent of the global business in public relations
- Three of the largest— and some of their better known PR firms- are:
  - **Omnicom—Fleishman-Hillard; Ketchum; Porter Novelli**
  - **WPP—Burson-Marsteller; Ogilvy; Hill & Knowlton**
  - **Interpublic Group: Weber-Shandick; Golin/Harris Inter.**
- But all firms, large or small, have in common:
  - **Give counsel and advice**
  - **Perform technical services required to carry out an agreed upon program**

# Services of PR Firms

(p. 106-7)



- Marketing Communications
- Executive Speech Training
- Research and Evaluation
- Crisis Communication
- Media Analysis
- Community Relations
- Events Management
- Public Affairs
- Branding and Corporate Reputation
- Financial Relations

# Pros and Cons of Hiring a PR Firm

(p. 114-115)

## PROS:

- Objectivity
- Varied skills/expertise
- Extensive resources
- Offices nationwide
- Special problem-solving skills
- Credibility

## CONS:

- Superficial grasp
- Lack of full-time commitment
- Prolonged briefing period
- Internal staff resentment
- Need for strong direction
- Costs

# Getting work and pay

- Organizations, even if they have internal public relations staff, often use the services of other PR agencies to supplement staffing, do special projects, or because they need special expertise in a particular situation
- The primary income of PR firms comes from the selling of staff time
- Ways PR Firms Charge for Services
  - Basic hourly fee      --Retainer fee
  - Fixed project fee    --Pay-for-placement



# Positions at PR Agencies

- Account Supervisor- in charge of one major account or several smaller ones
- Account Executive- reports to the supervisor; is in direct contact with the client and handles most day-to-day activity
- Assistant Account Executive- may do routine maintenance work compiling media lists, gathering information, and writing rough drafts of news releases (recent college grads)
- Common to advance/get promoted once learn the firm's procedures and show ability

# Chapter “Insights”

- So You Want to Make a Six-Figure Salary? (p. 94)
- Wanted: A Director of Corporate Communications (p. 100)
- Wanted: A VP for a Public Relations Firm (p. 111)
- Conflict of Interest Snags PR Firm CEO (p. 114)
- SanDisk Social Media Campaign (p. 104)
- Your Choice: A Corporation or a PR Firm? (p. 115-6)



# Local Look...

- Rawle-Murdy Public Relations—largest locally and one of the best in the region:  
<http://www.rawle-murdy.com>
- Leapfrog Public Relations:  
<http://www.leapfrogprco.com/>
- Ryan Nelson's Nelwater Consulting:  
<http://nelwater.com/>
- Chernoff/Newman:  
<http://chernoffnewman.com/#all>