



THE  
HOLMES  
REPORT

USC  
Annenberg  
Center for  
Public Relations

# Global Communications Report 2017

USC Annenberg School for Communication and Journalism



FOUNDED 1956



WORLDCOM  
Public Relations Group

amec



ARTHUR W. PAGE SOCIETY



ICCO

INTERNATIONAL  
COMMUNICATIONS  
CONSULTANCY  
ORGANISATION



**OUR PARTNERS**

# Introduction

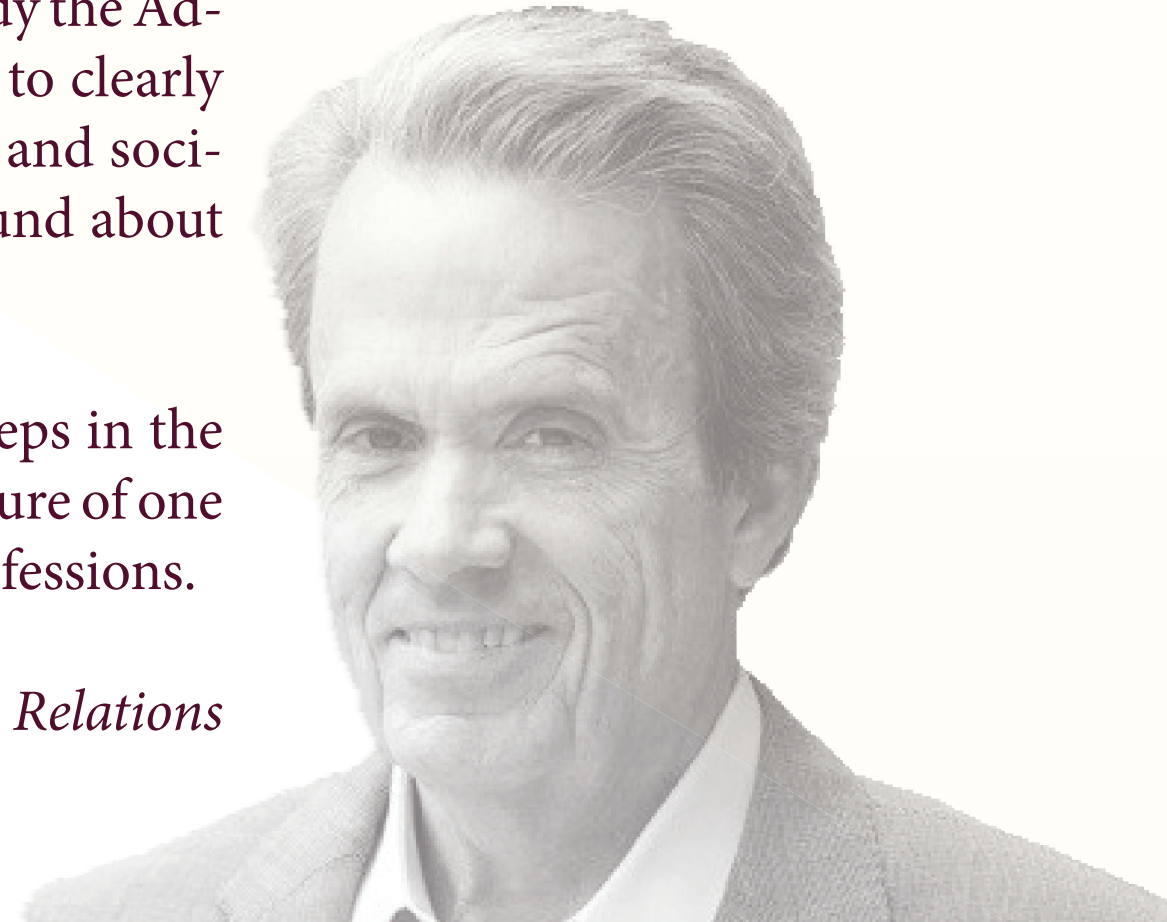


Sometimes research creates more questions than it answers, especially when the topic being researched is in a state of change.

When we embarked on the 2017 Global Communications Study the Advisory Board of the USC Center for Public Relations wanted to clearly define the role of the PR profession and its value to business and society. As one member put it, “to finally put a stake in the ground about who we are and what we do.”

We didn’t reach that ground. But we took some important steps in the right direction by identifying the critical issues shaping the future of one of the world’s most dynamic and possibly misunderstood professions.

*-Fred Cook, Director, USC Center for Public Relations*







# Will PR and Marketing Mix?



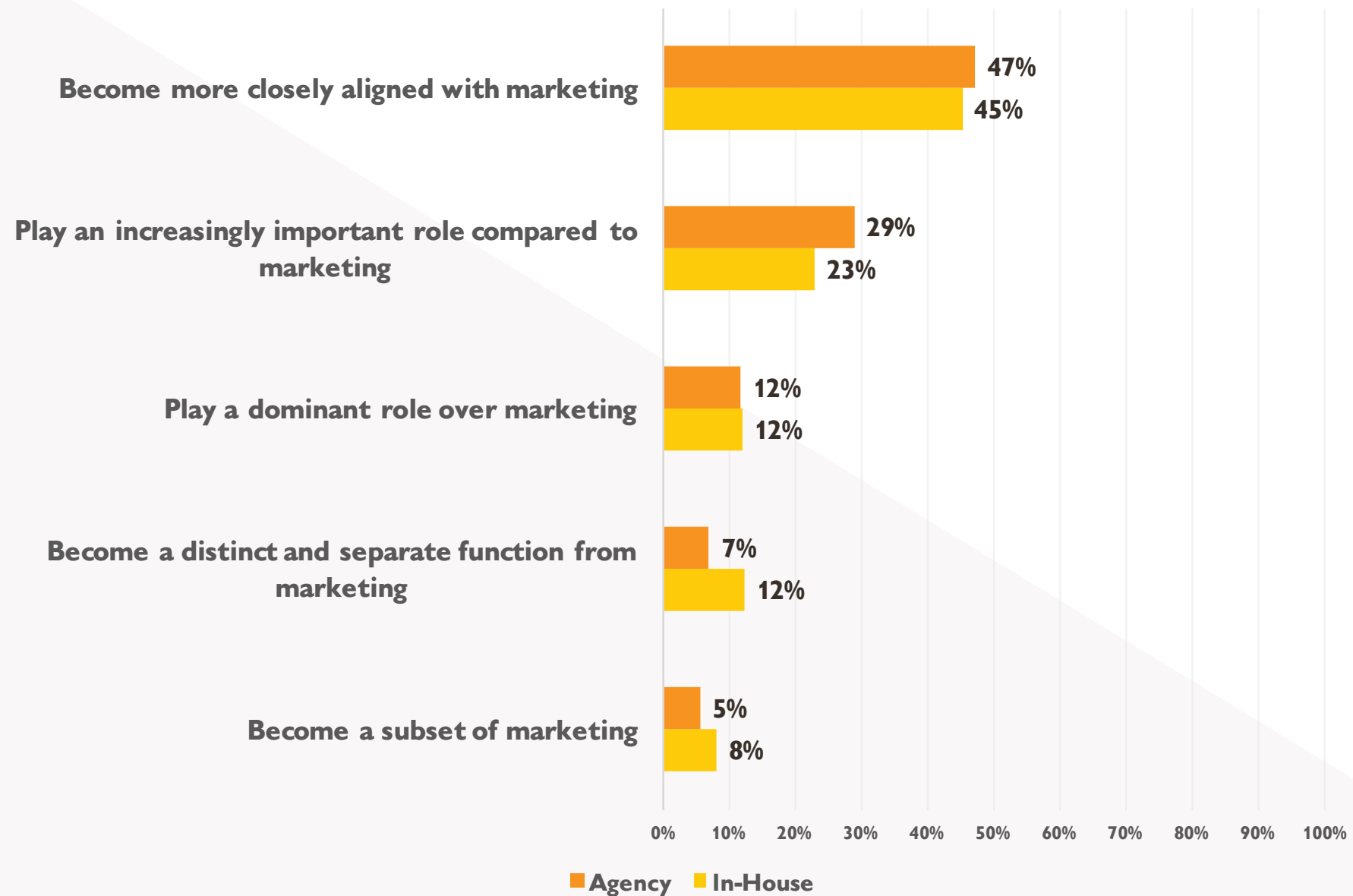


*Almost half of PR professionals and more than 60% of marketing executives believe that their two disciplines will become more closely aligned in the next five years. Some think PR will dominate. Others think it will be dominated. Perhaps the reality is somewhere in between.*

*How this trend plays out may be the most critical issue facing the PR industry. Currently 18% of corporate communications departments report into marketing. If that number grows will their influence decrease? Currently, PR agencies report into marketing 21% of the time. If that number grows will their bottom lines increase?*

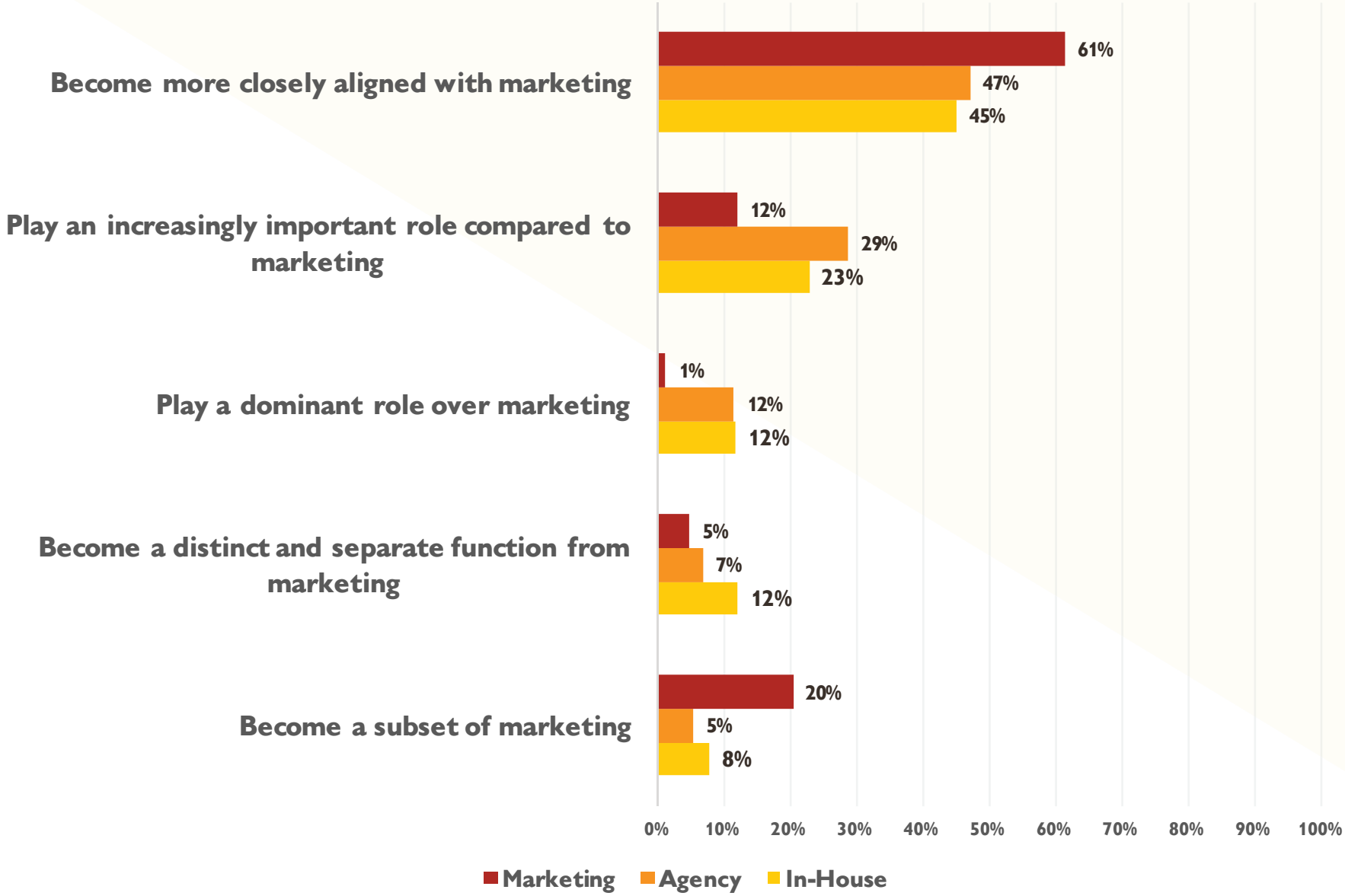
*Recently, two major holding companies “bundled” their PR agencies with their Advertising agencies to provide clients with a more integrated solution. Internally, some companies are restructuring their marketing functions to include public relations. Will these changes expand or diminish the role of the PR professional?*

# PR Professionals Believe Public Relations Will...



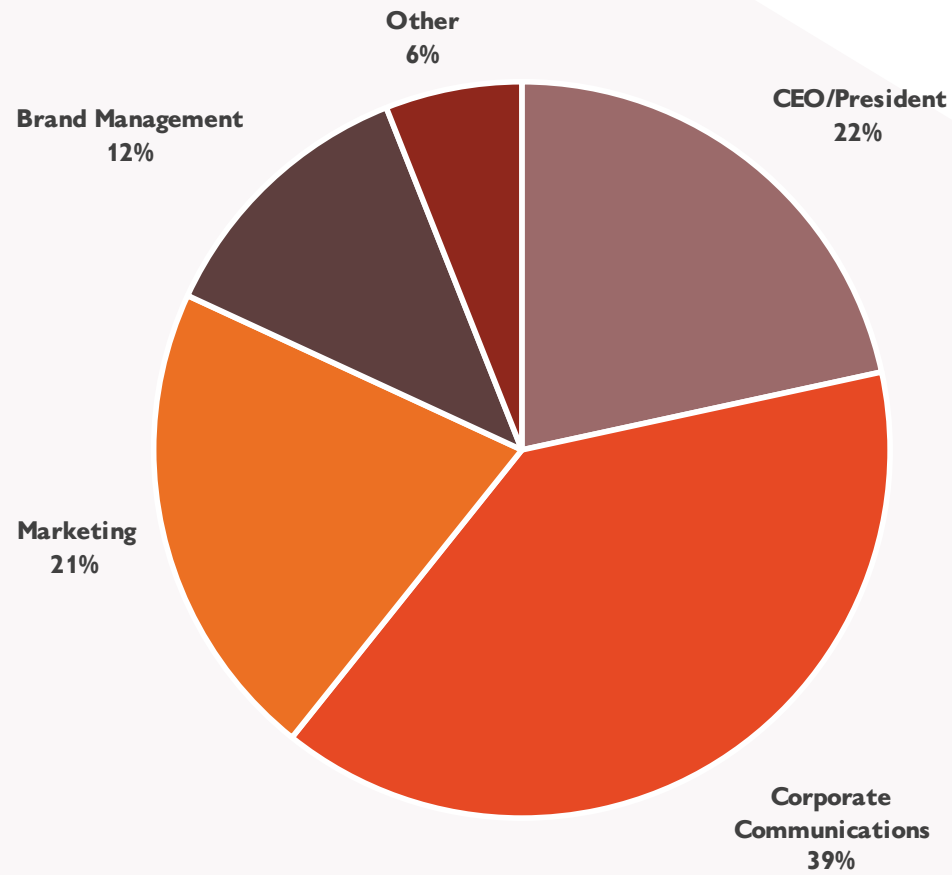


# Marketing Professionals Believe Public Relations Will...

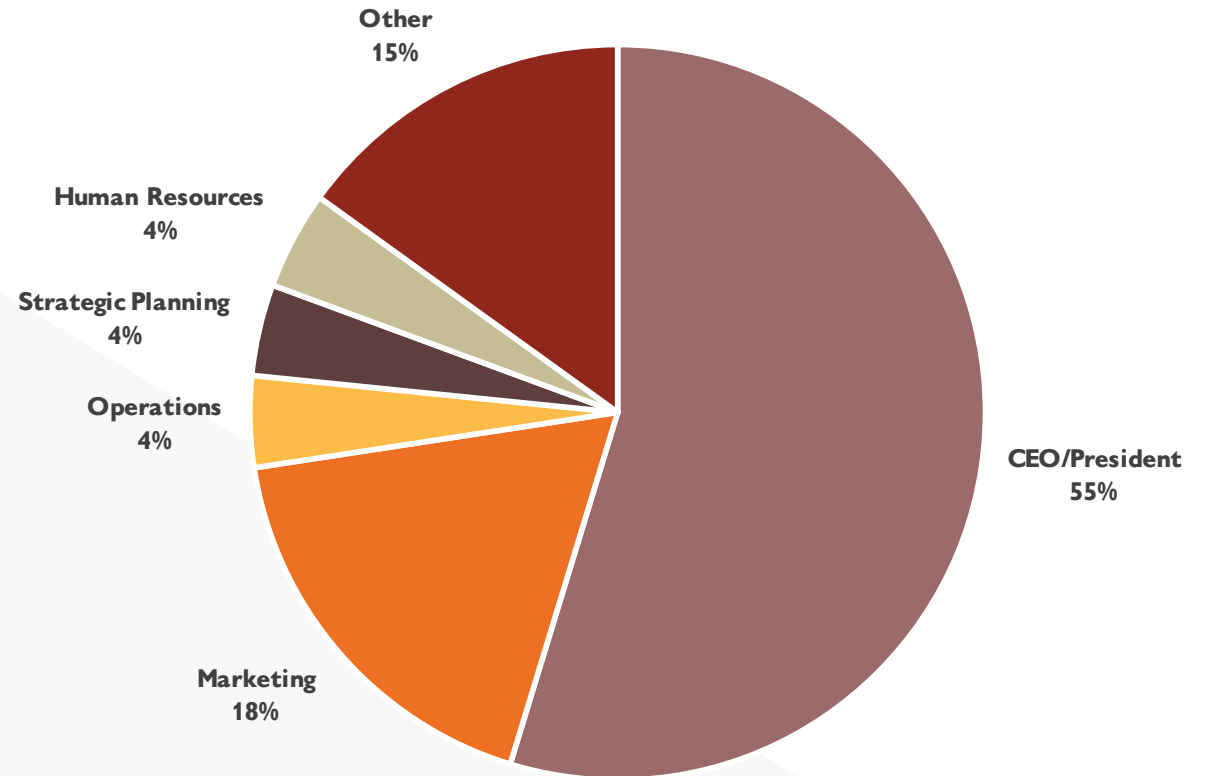


# Who's the Boss?

## Agency Reporting Lines



## In-House Reporting Lines





A large, multi-story brick university building with arched windows and a prominent entrance. In the foreground, a large crowd of people is gathered, many wearing red and gold USC (University of Southern California) apparel, including t-shirts and hats. Some people are standing near red and yellow tents. The scene is set outdoors with trees and a clear sky. A semi-transparent white banner is overlaid across the middle of the image, containing the text.

# Should PR Redefine or Rename Itself?



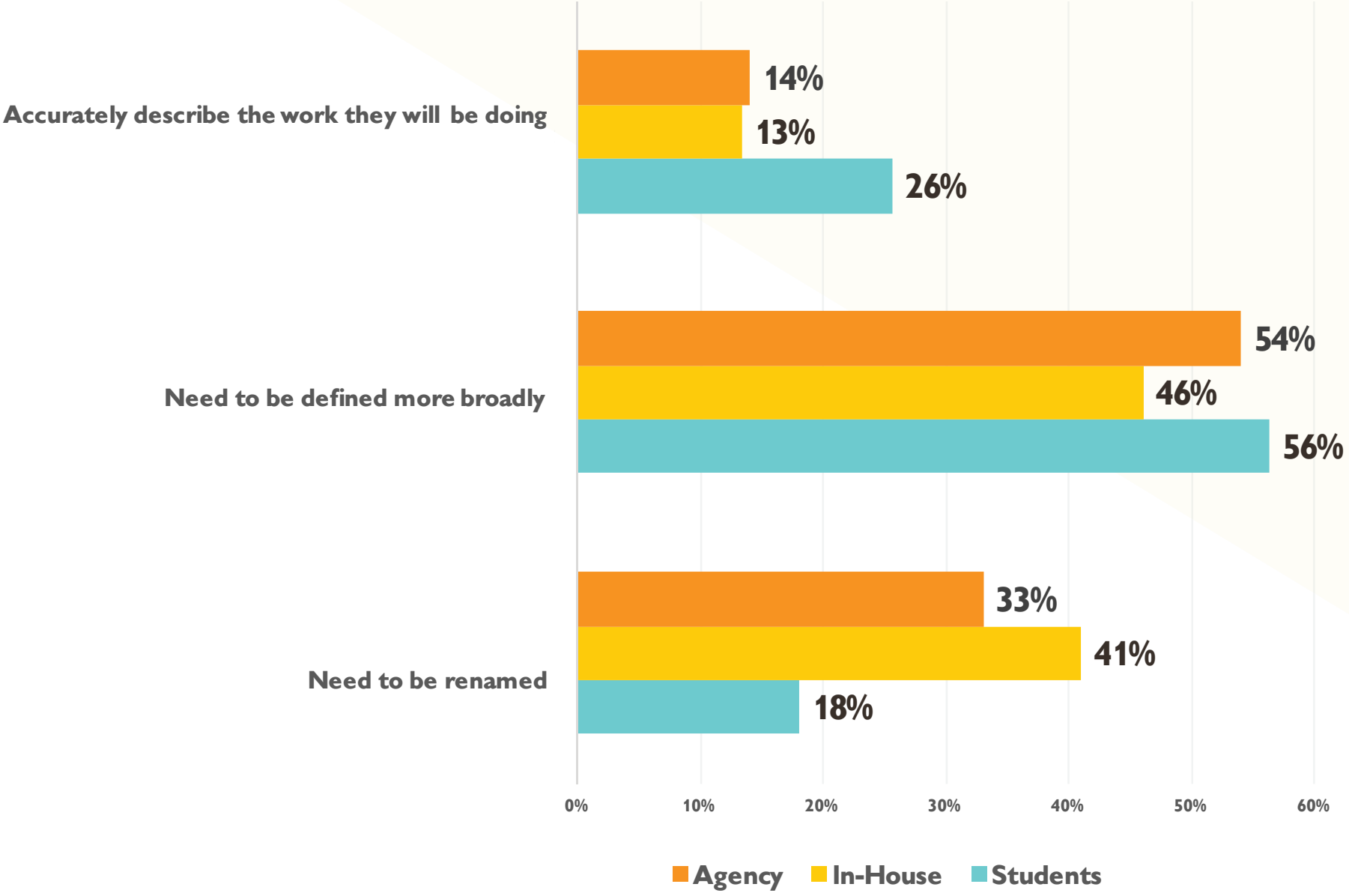
*The answer is maybe. Eighty seven percent of PR executives believe the term Public Relations won't accurately describe the work they will be doing in five years. About half of them believe PR needs to be more broadly defined, while the rest think the name should be changed.*

*Who should answer this question? The Arthur Page Society is doing a heroic job defining the role of the CCO for its members. The PR Council and PRCA are trying to do the same for their agencies. But who is responsible for educating the rest of society?*

*Interestingly, not-yet-jaded students are far more comfortable with the current terminology than seasoned pros. Fewer than 20% think the name needs to be changed and most are pretty comfortable explaining it. Maybe we should all stop worrying and just get on with it.*



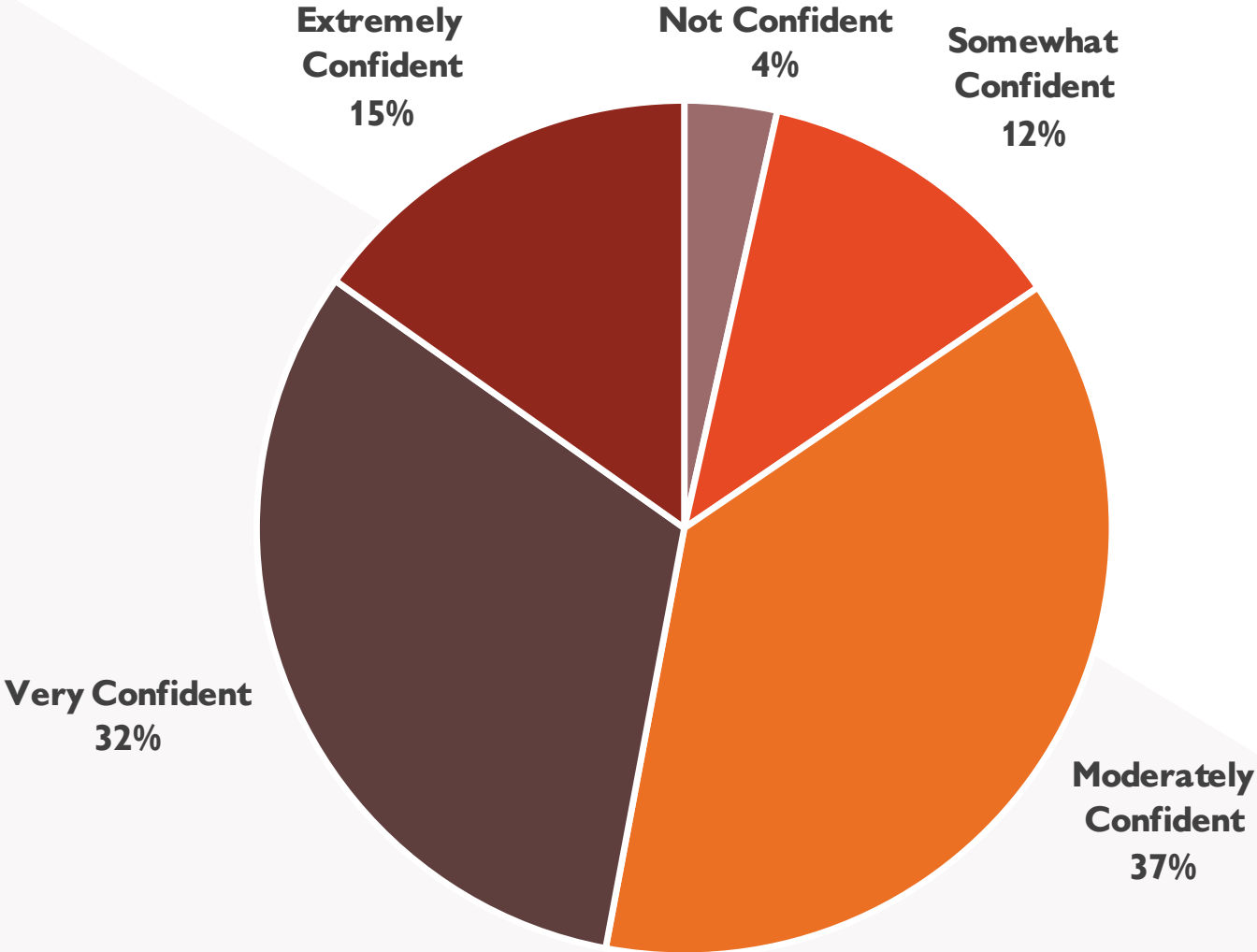
# In 5 Years, the Term “Public Relations” Will...



**87%**

of professionals say that the term “Public Relations” will not describe the work they will do in five years

# Student Confidence in Explaining Public Relations







LESLIE MOONVES AND CBS MEDIA CENTER

# Does Digital Storytelling Describe Our Future?



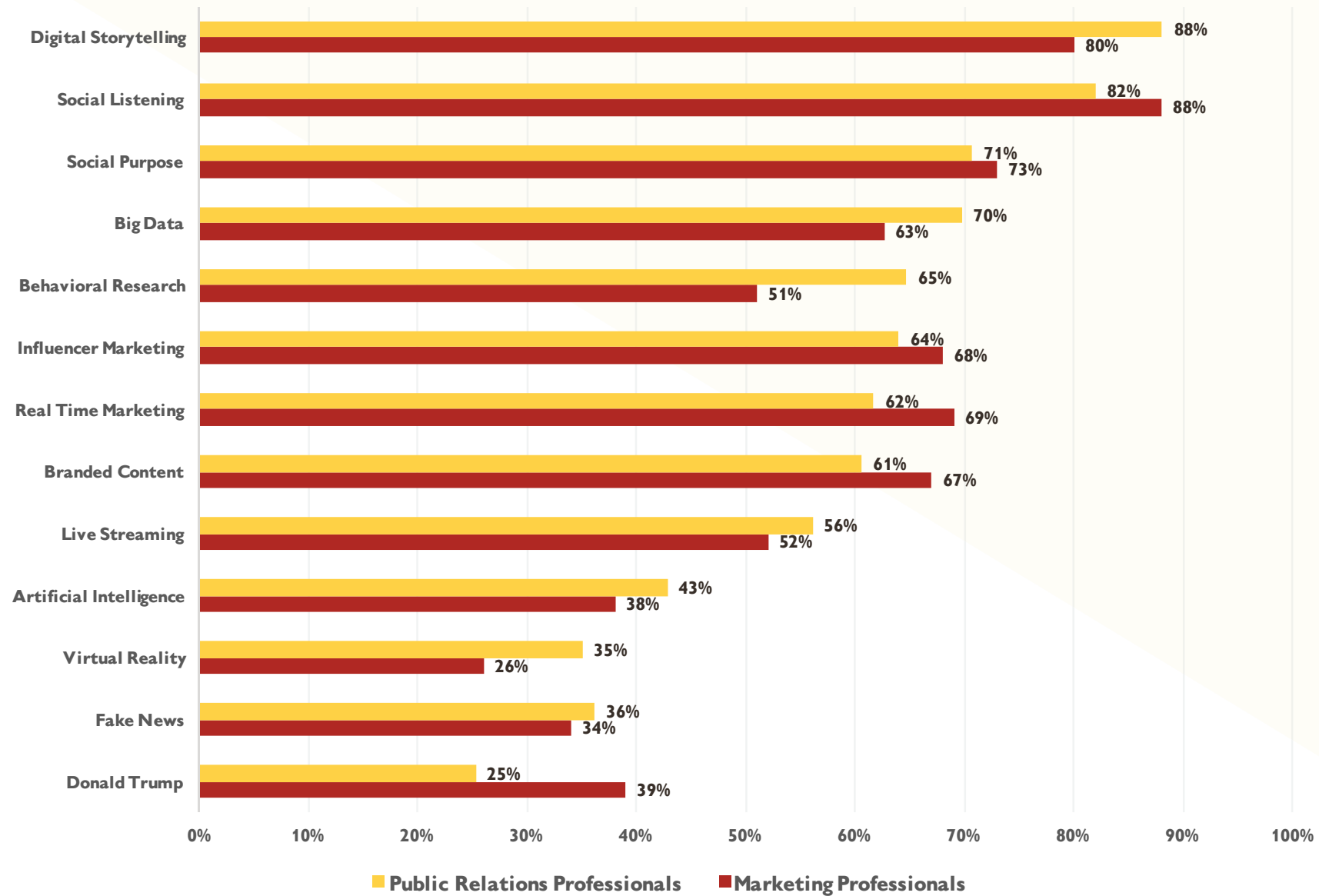


*When public relations executives were asked which communications trends will be the most important in the next five years, digital storytelling ranked above the rest, followed by social listening, social purpose and big data. That's a dynamic combination and a striking example of how the industry has changed. Fortunately, these happen to be the same topics students are interested in.*

*Emerging technologies, like VR and AI, fall further down the list. But above Donald Trump, whom executives believe won't have much impact on our industry. In fact, when we conducted this survey, only about 1/3 of the respondents thought Fake News would be an important trend. I suspect that number has increased since January.*



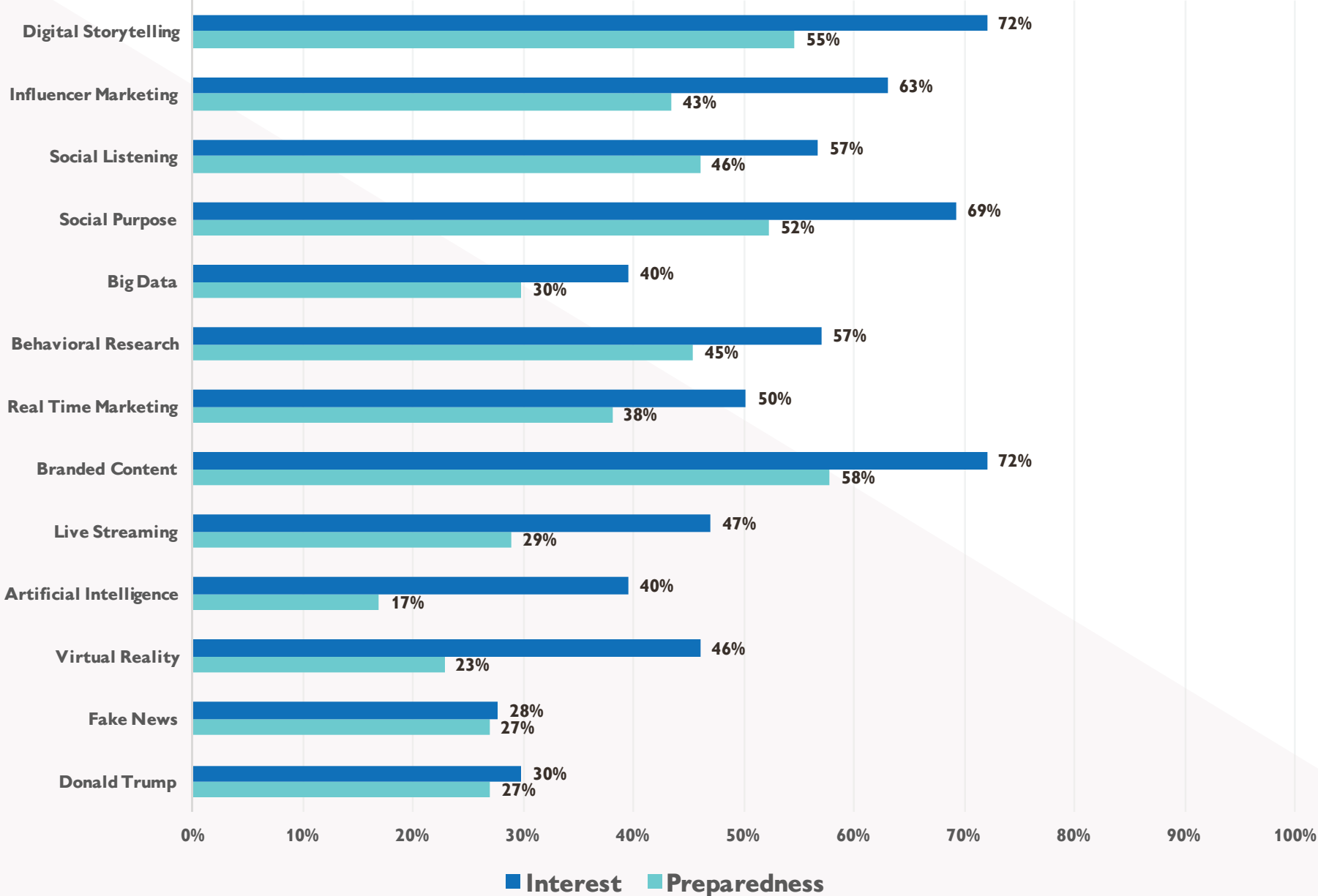
# Important Trends Impacting the Future of Public Relations



Public Relations Professionals Marketing Professionals



# Student Interest & Preparedness in PR Trends





# What's Real with Media?





*As we saw last year, the amount of revenue agencies generate from earned media will decline over the next five years, while revenue from paid, shared and owned will increase. Corporate media budgets are moving even faster towards owned and paid.*

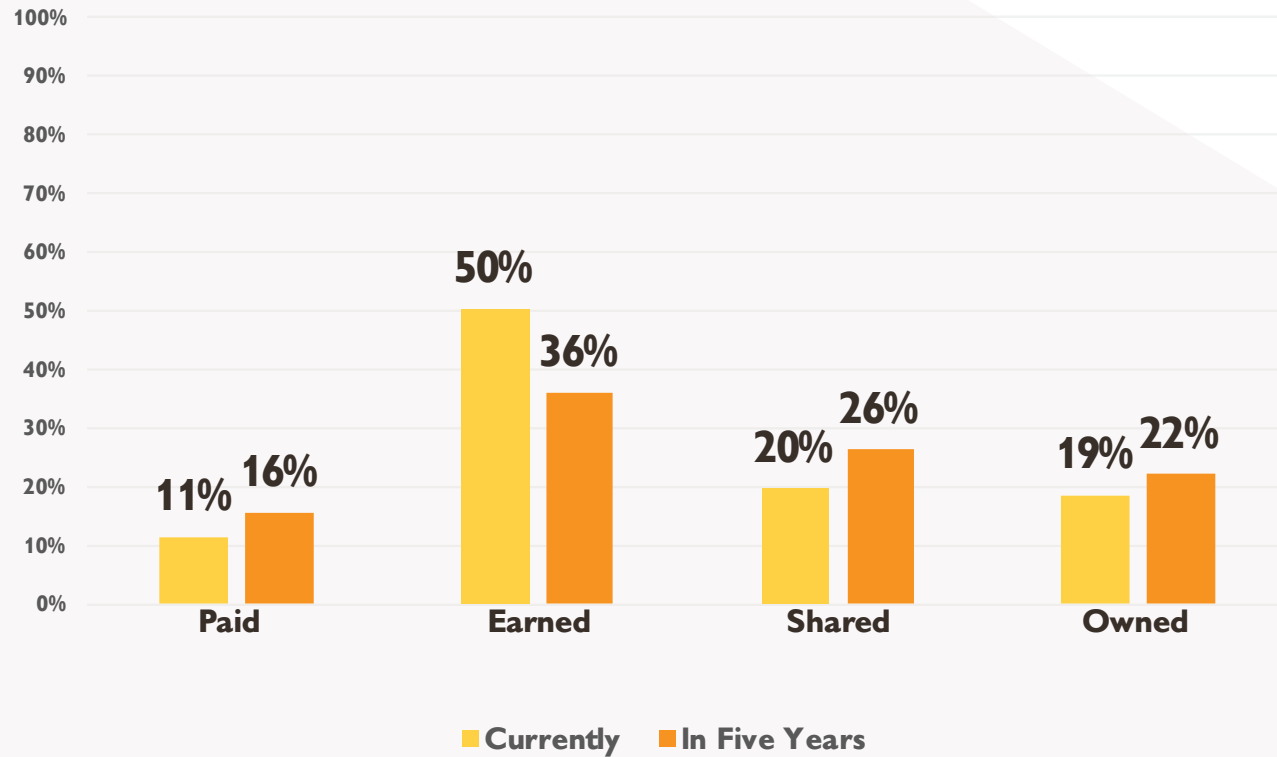
*Supporting that direction, 60% of all PR executives believe that branded content and influencer marketing, which are both primarily paid, will be important trends in the next five years. This changing media mix creates an opportunity and a challenge.*

*The opportunity is to move aggressively into paid content, an arena long dominated by advertising. This will require PR professionals to master media buying, which currently ranks last on the list of skills they think are important to the future.*

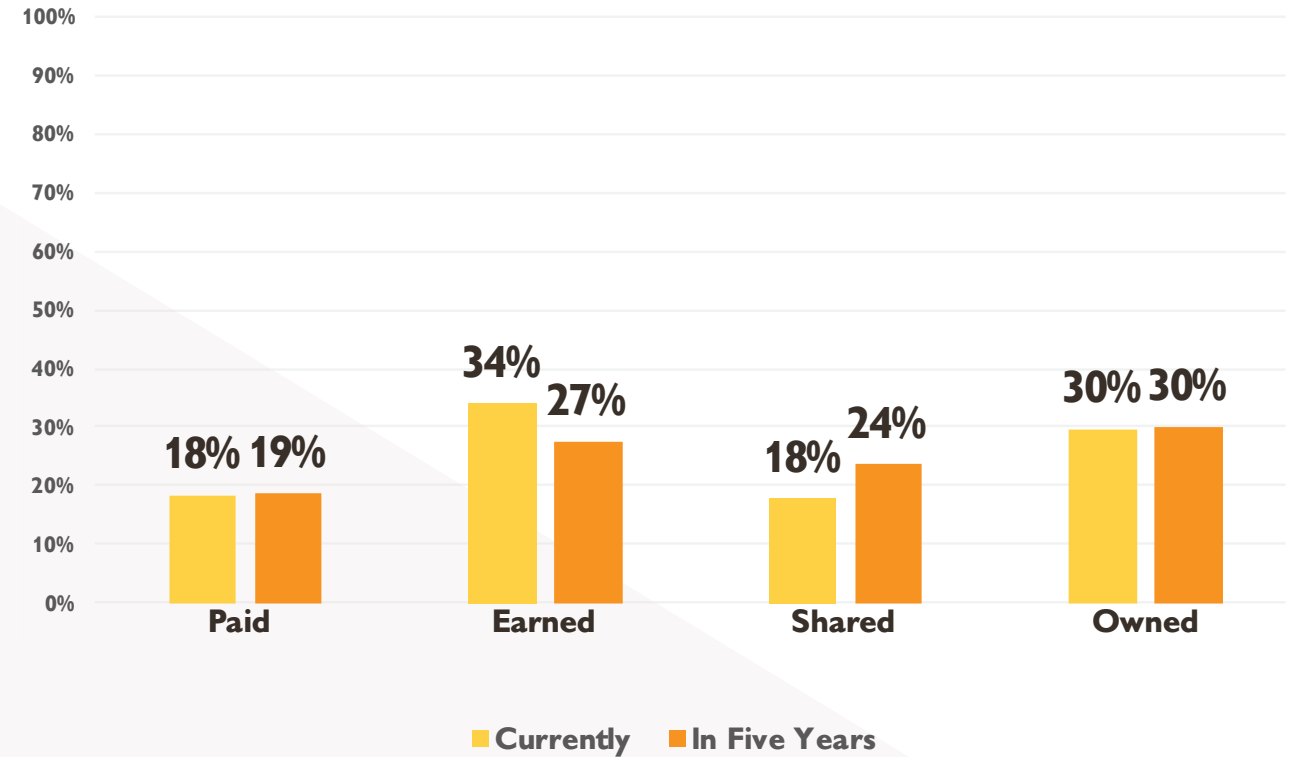
*The challenge is more than half of PR executives believe the consumer of the future will not make a distinction between paid and earned media. Another one-third disagree. The answer to that debate has profound ramifications for everyone.*

# Media is Shifting

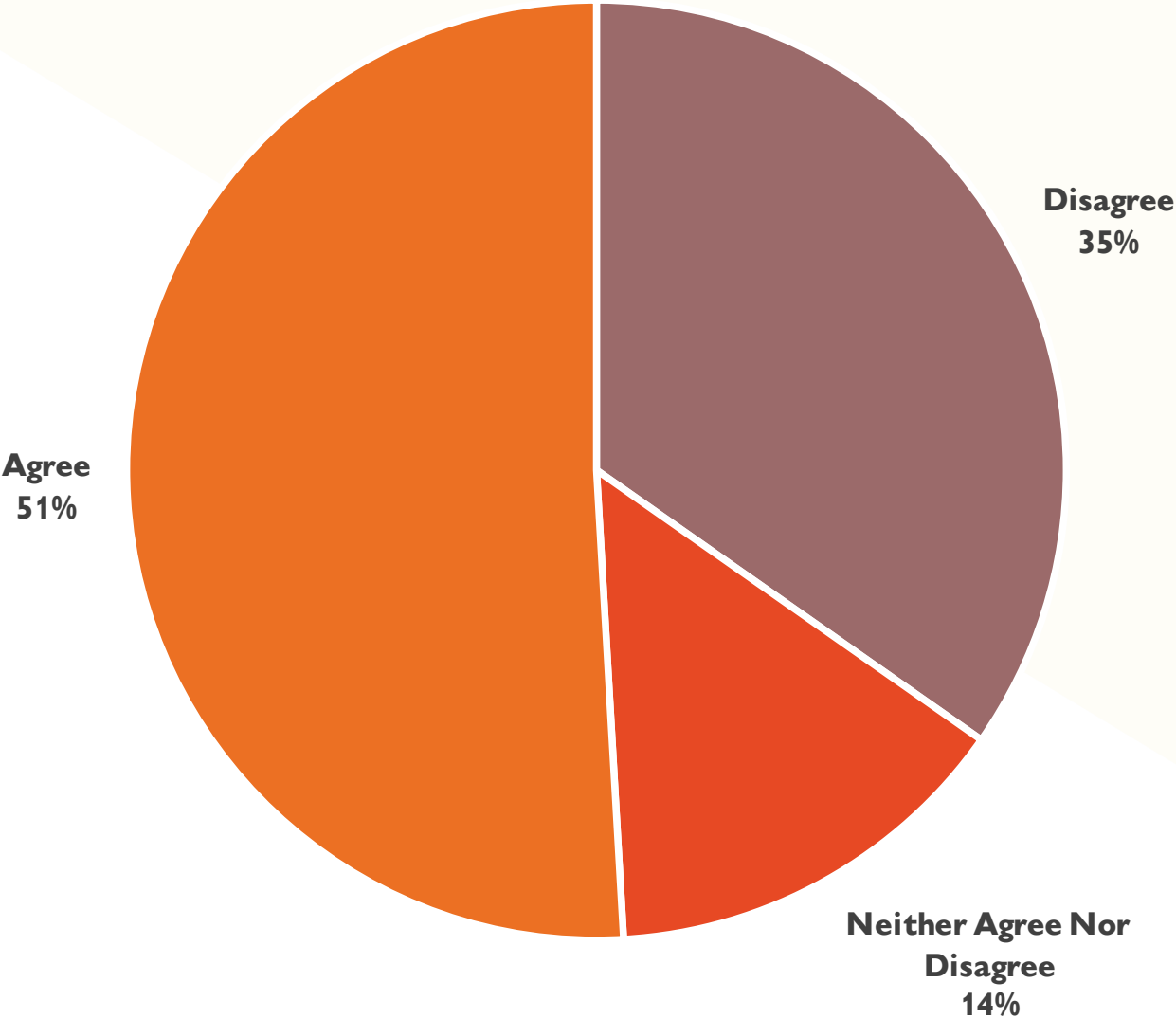
## Agency Revenue From PESO



## In-House Budget For PESO



# In 5 Years, the Average Person Will NOT Make a Distinction Between PESO







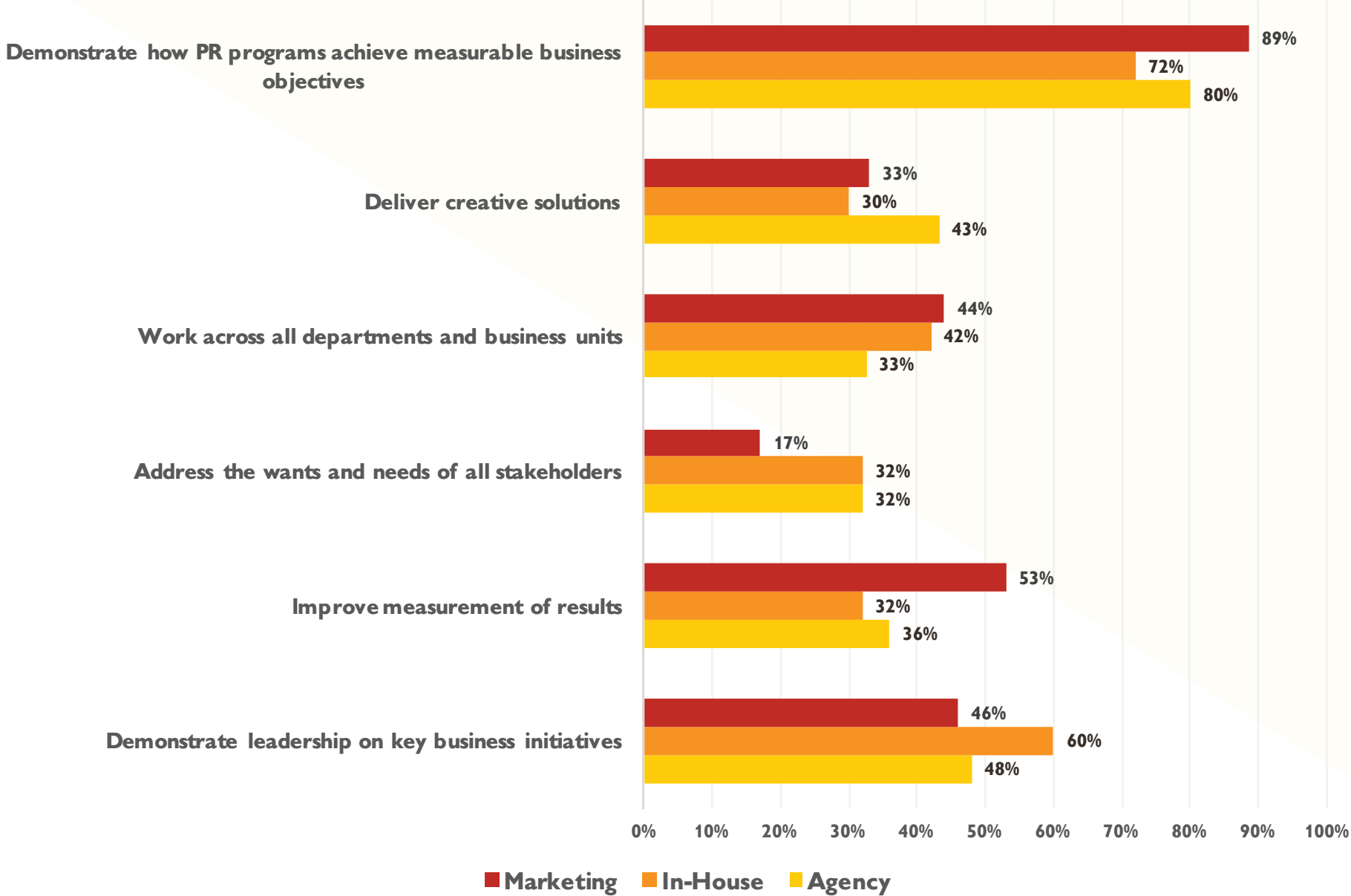
# **Will PR Always be Measured by Measurement?**



*This year we asked PR executives how they felt public relations could increase its value inside the organization. Interestingly, measurement of results was not their top choice (34%). Overwhelmingly, they selected demonstrating how PR achieves business objectives (77%). Of course, this requires measurement, but a more sophisticated variety that focuses on less-tangible variables like brand reputation and purchase intent.*

*At the other end of the value spectrum, PR executives also rank leadership (52%) and creativity (38%) above basic measurement. These territories provide fertile ground for future growth, but they are even harder to quantify.*

# Effectively Demonstrate the Value of Public Relations





# What's Happening to Clients and Agencies?

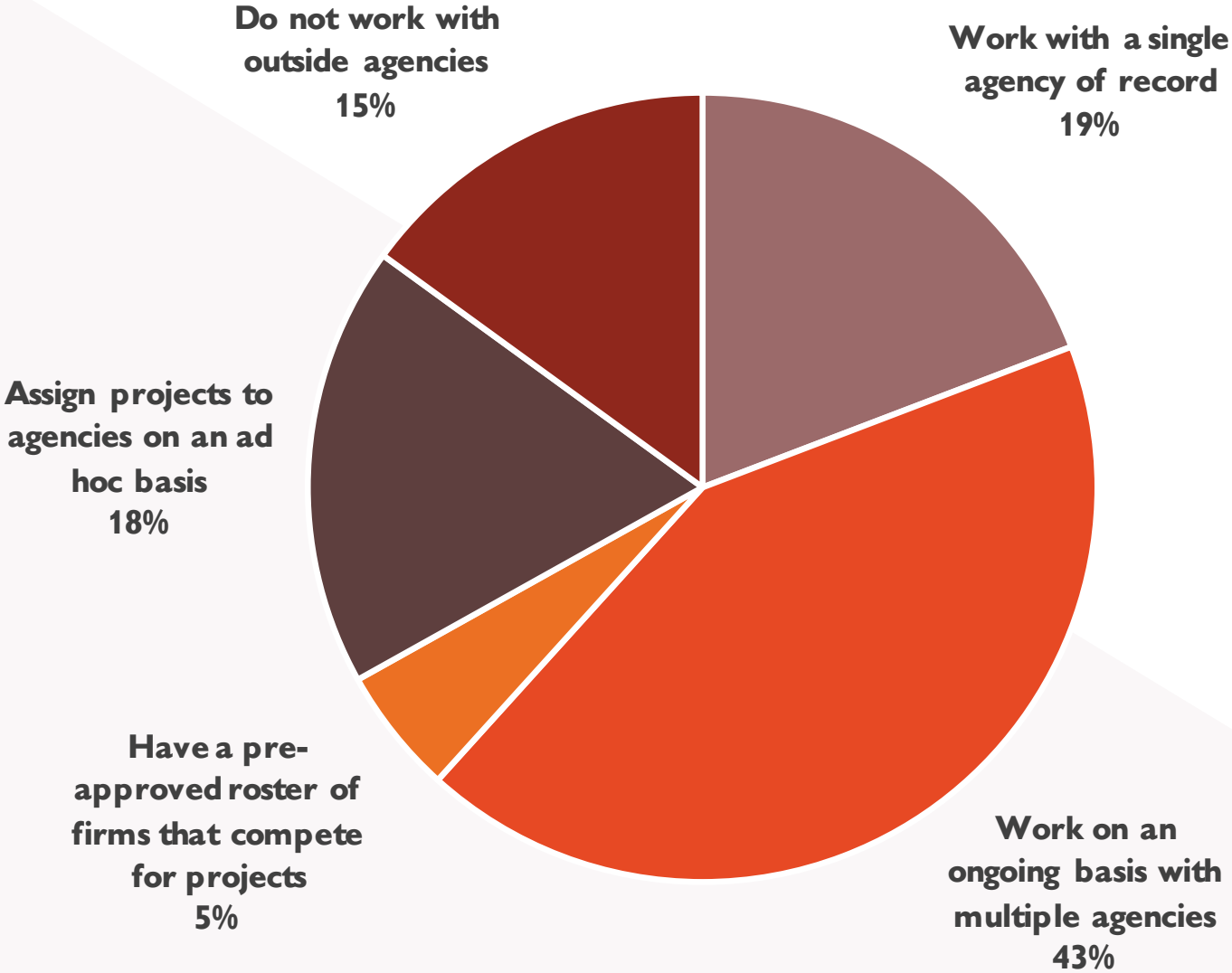


*In 2017, the 5-year average growth rates for PR agencies (30%) and communications departments (12%) were very slightly down from last year. Agency leaders are much more optimistic than in-house executives. Almost all (92%) of agency executives predict some growth in the next five years, while 70% of in-house communicators predict an increase. A mere 43% of marketers predict any sort of growth in PR spending.*

*At the same time, the number of clients who rely on a single agency of record continues to decline to below 20%. Thirty-eight percent of in-house PR leaders say they will use more agencies in the next five years, while 34% of in-house marketers say they will use less.*

*Creative thinking and strategic insights are top reasons clients hire PR agencies, while research and analysis is last. Almost everyone agrees the PR industry will continue to grow, but these apparent contradictions make it hard to plan for the future.*

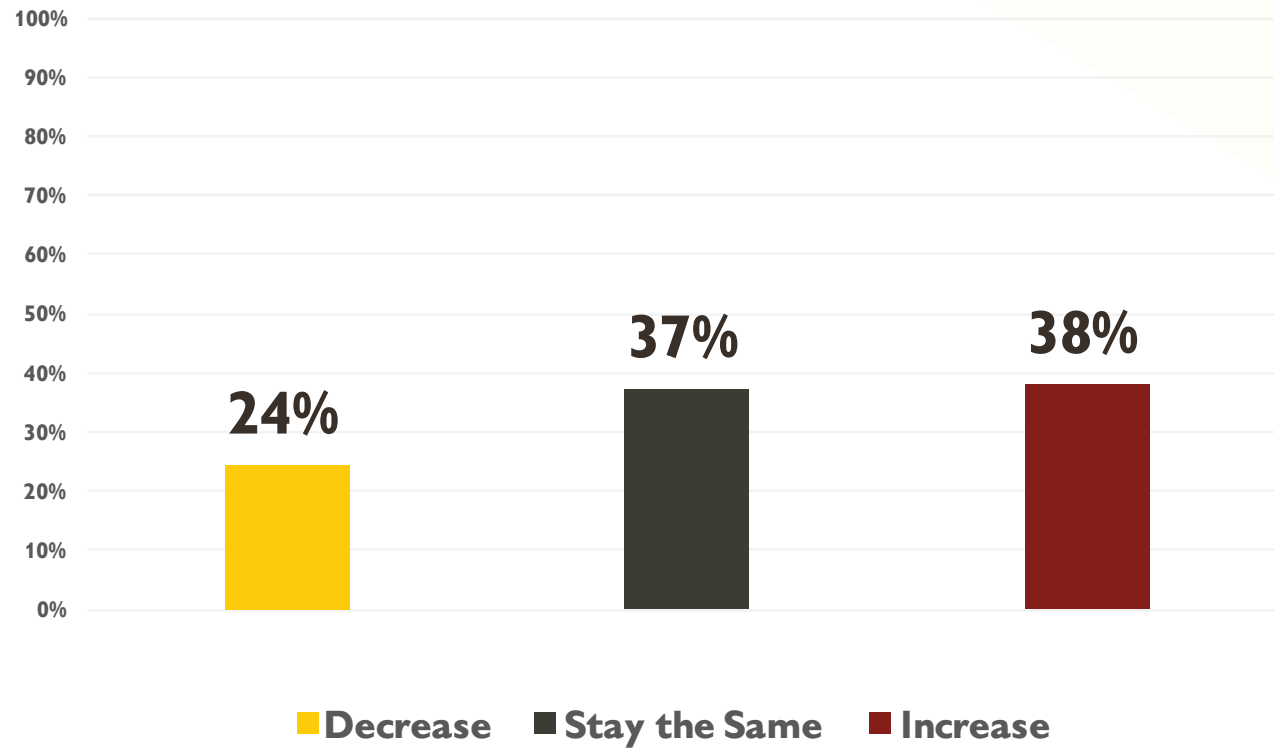
# Nature of PR Agency Relationships



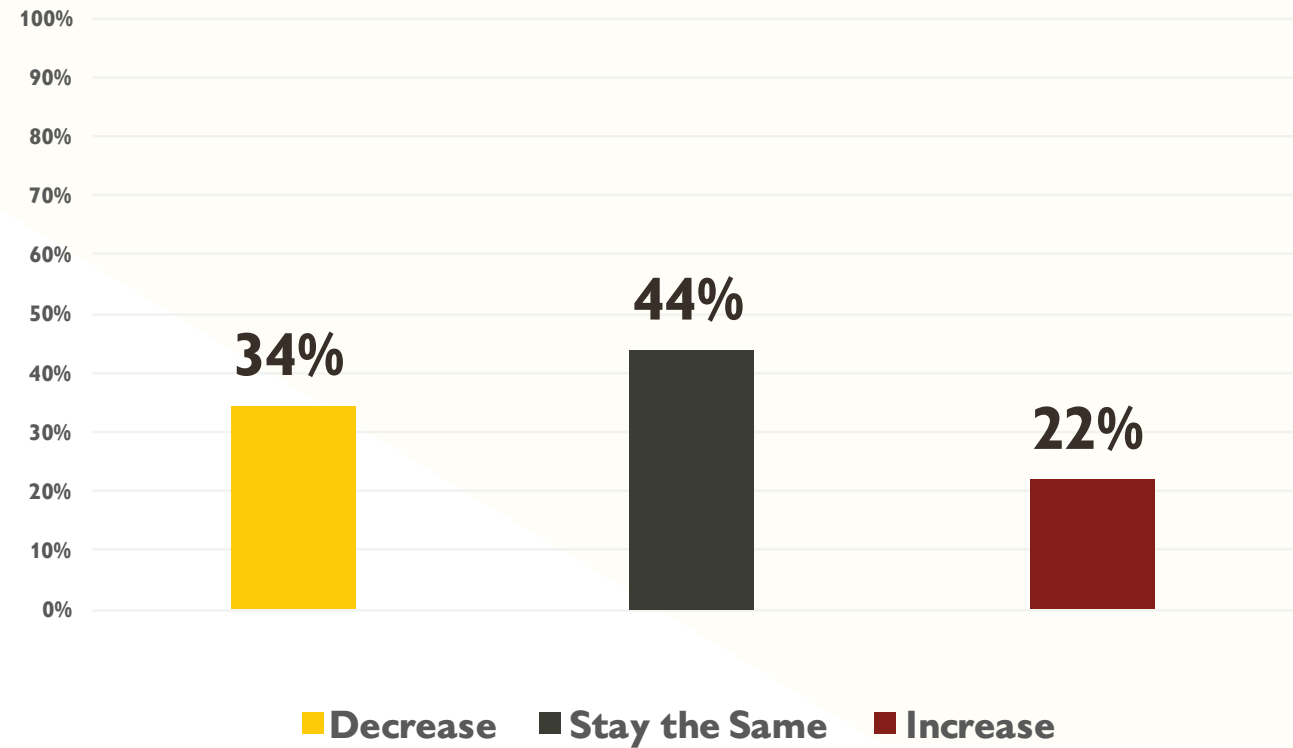


# Total Number of Agencies We Use Will...

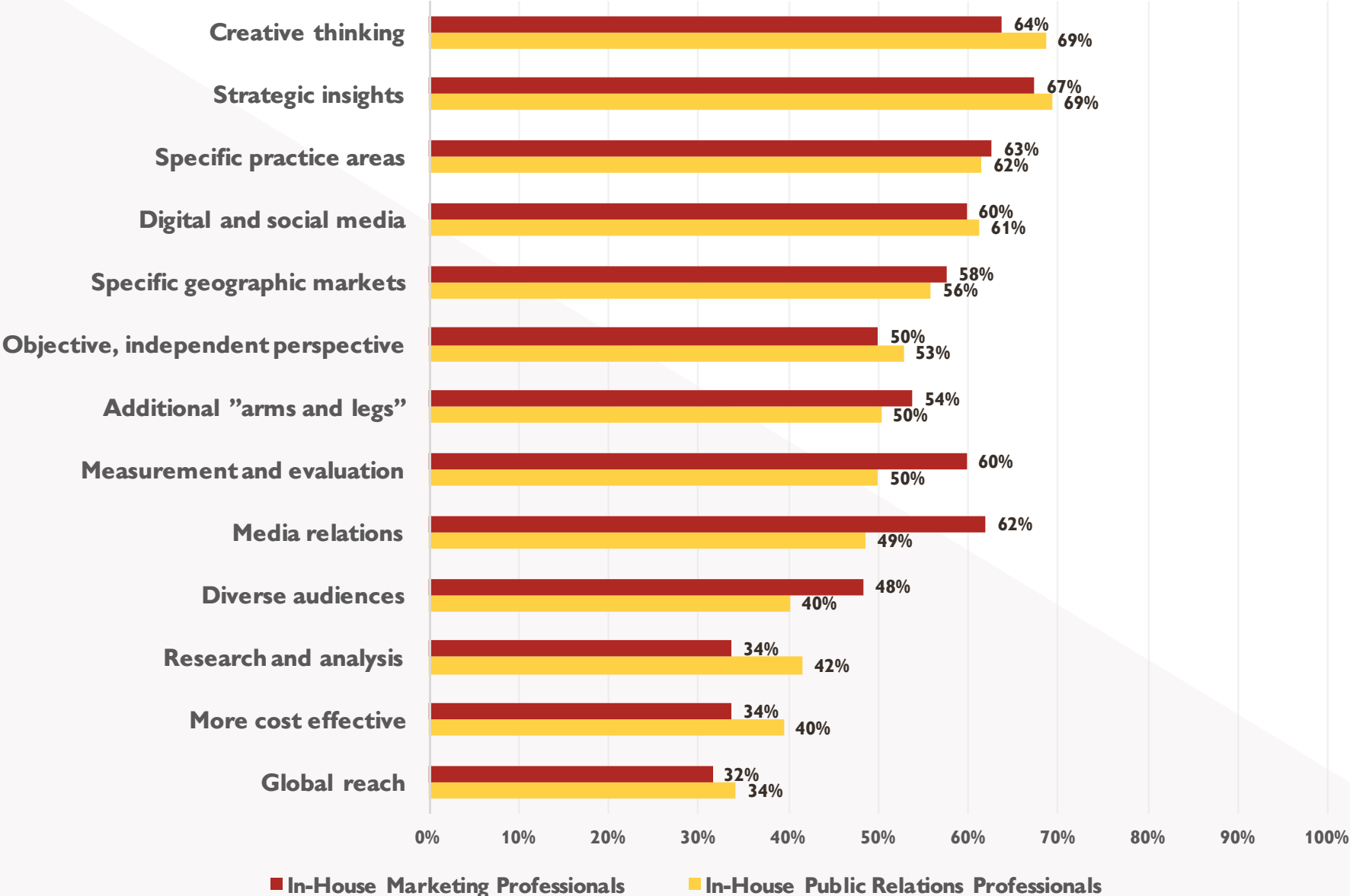
## In-House PR Professionals



## In-House Marketing Professionals



# Top Reasons for Working With PR Agencies







# Why is the Right Talent So Hard to Find?

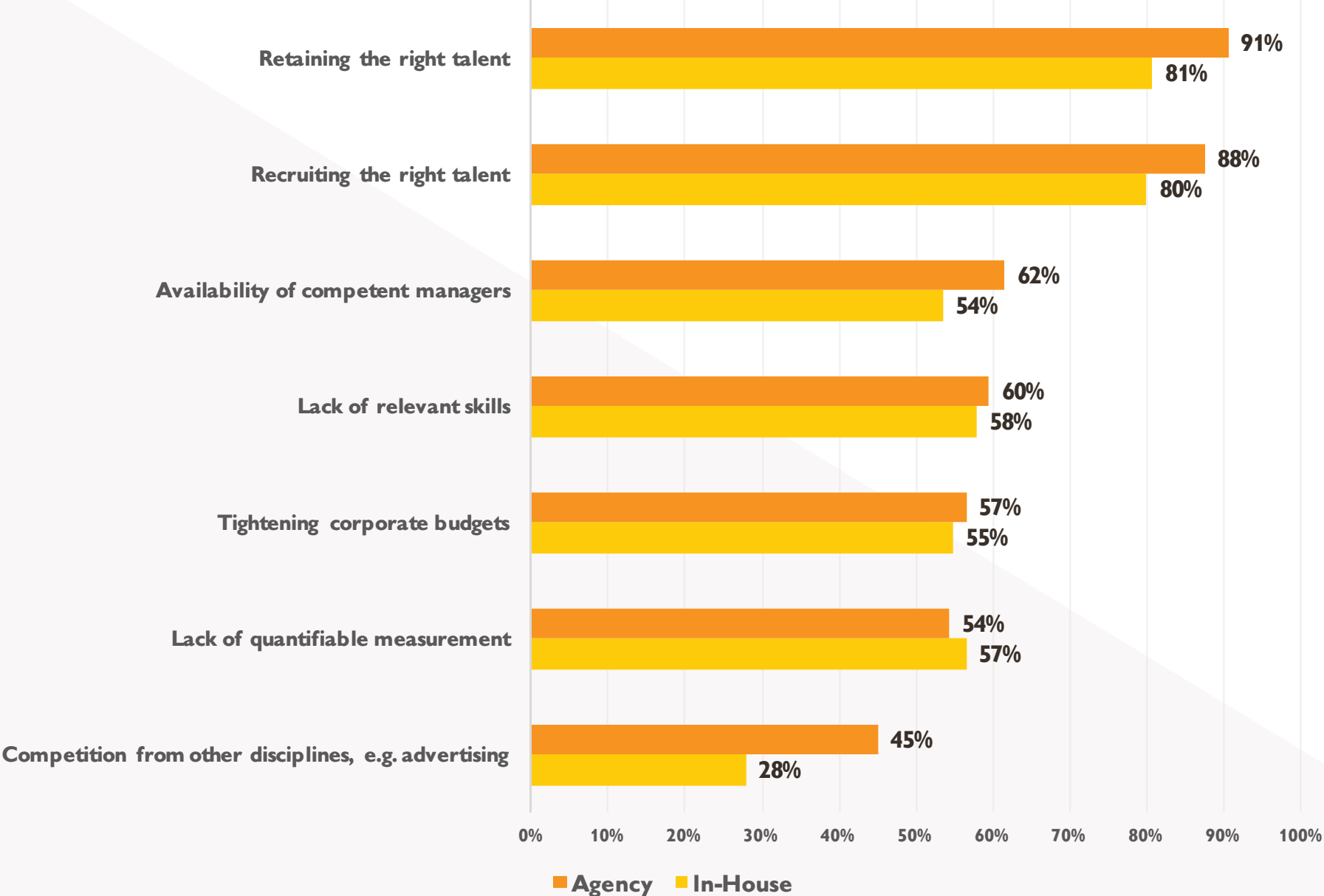




*Across the globe, why does finding and retaining the right talent remain the biggest business challenge PR faces? Maybe because less than one-third of PR executives believe the industry is doing a good job of positioning itself as an aspirational career choice. Or maybe because hard-to-find strategic thinking is prized as the most important skill a PR person needs. Outranking writing for the first time in our study!*

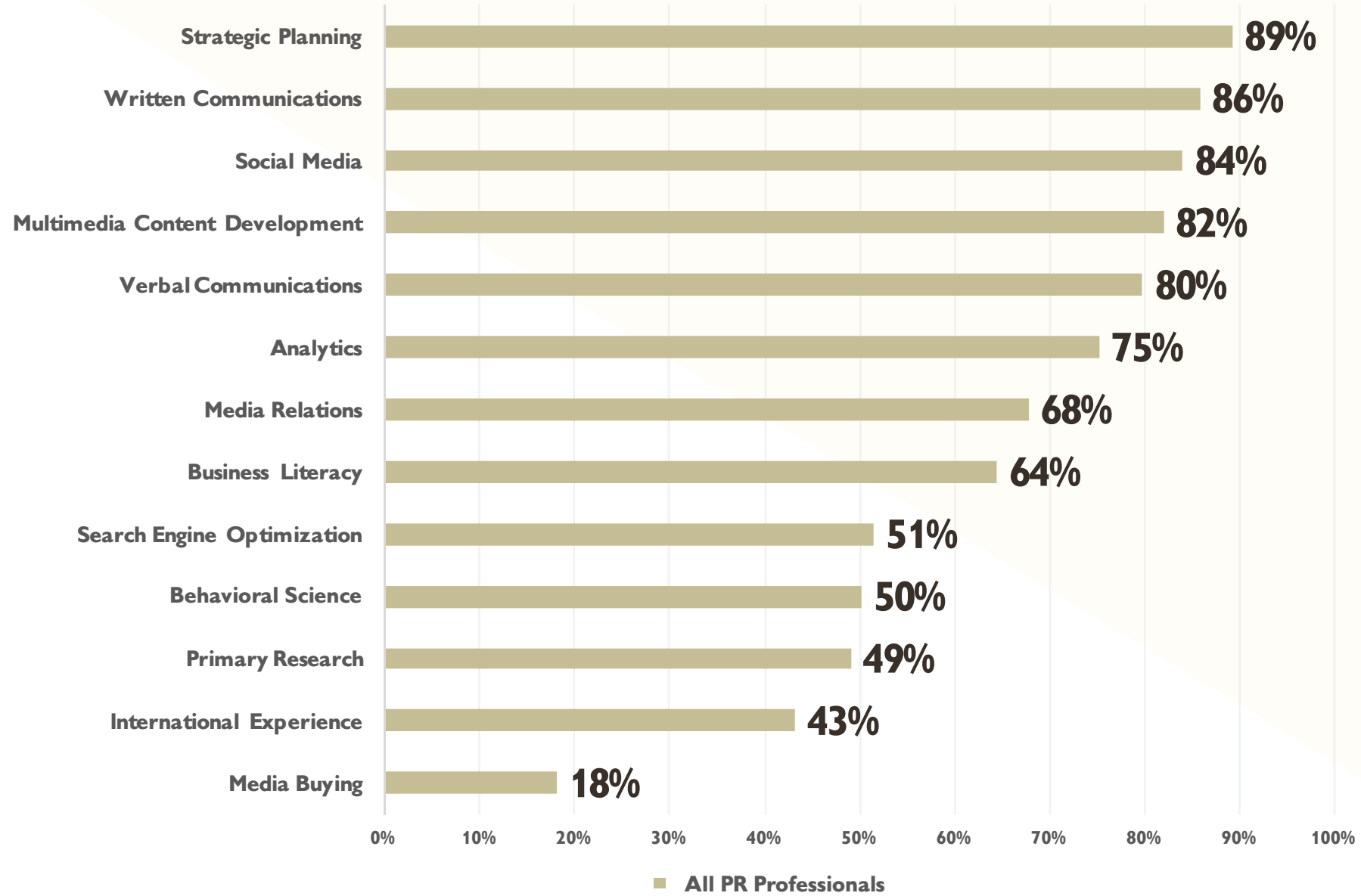
*Good news. Help is on the way. In our first-ever student survey, we found a diverse group of future PR executives who are tuned in to the trends and technologies impacting communications and are reasonably well prepared to tackle them. These new recruits also bring a sense of social purpose and pride to the profession. They just want a better definition of their role and a little more money.*

# Challenges Preventing Growth

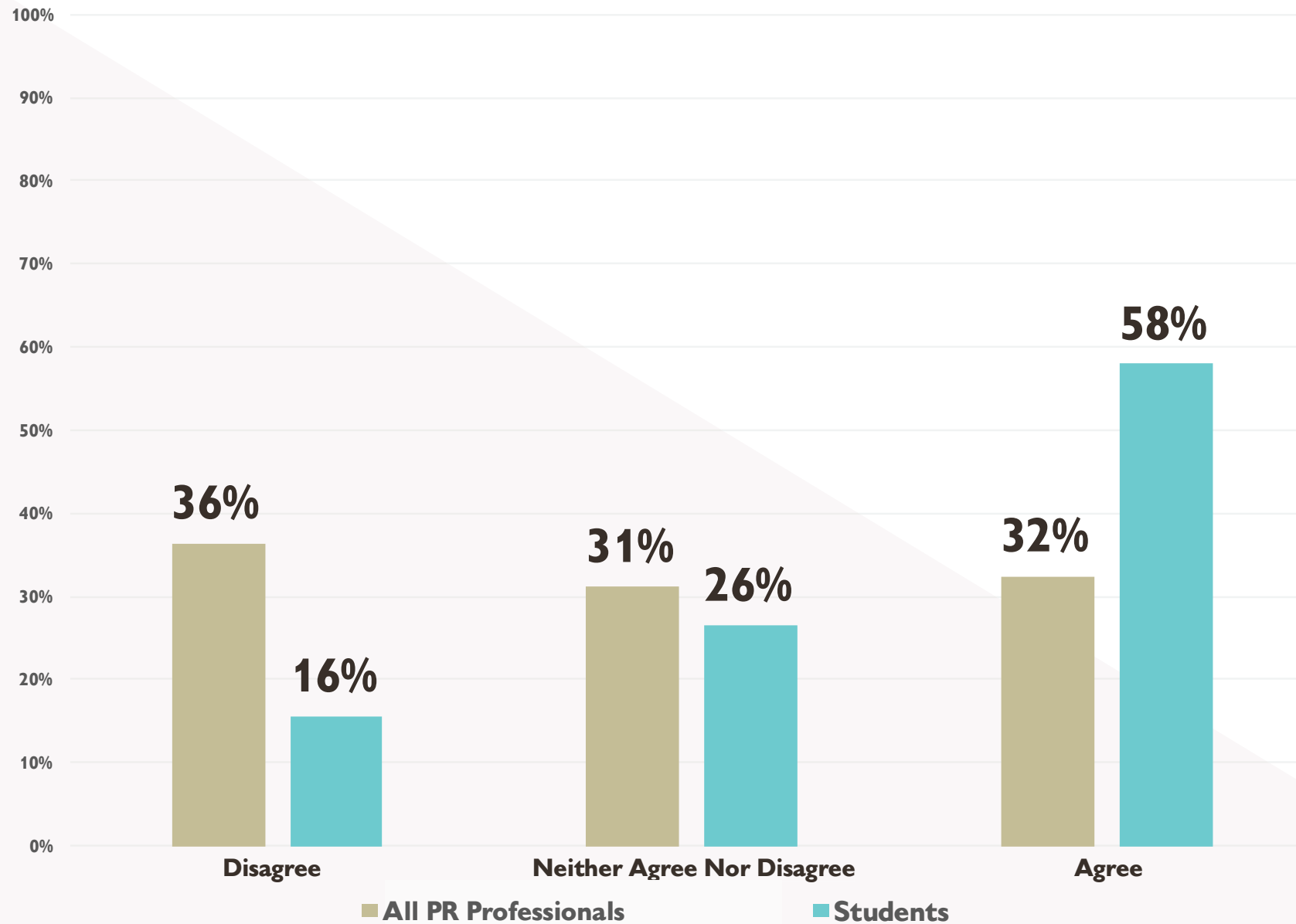




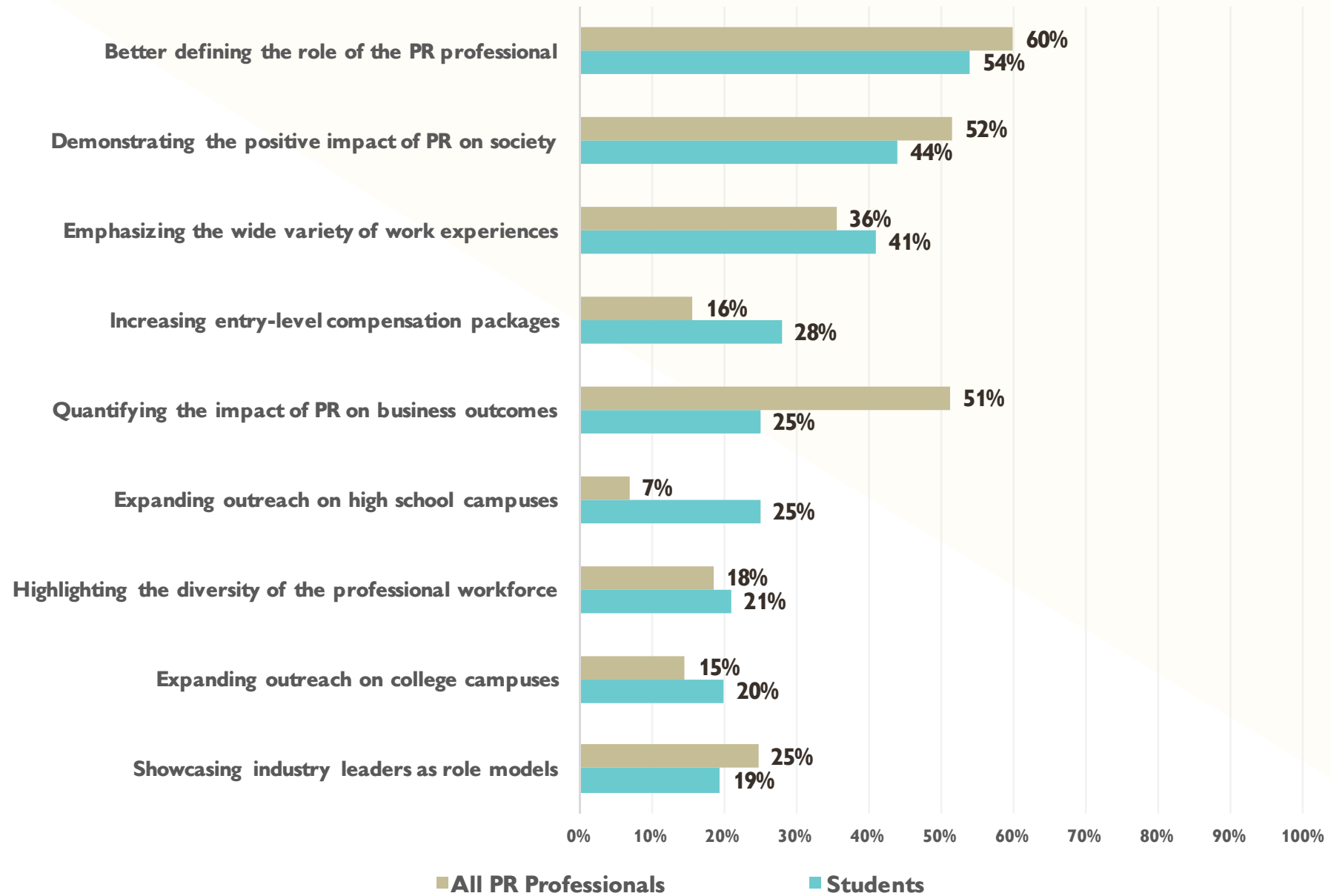
# Important Skills for Future Growth



## PR is Positioned as an Aspirational Career

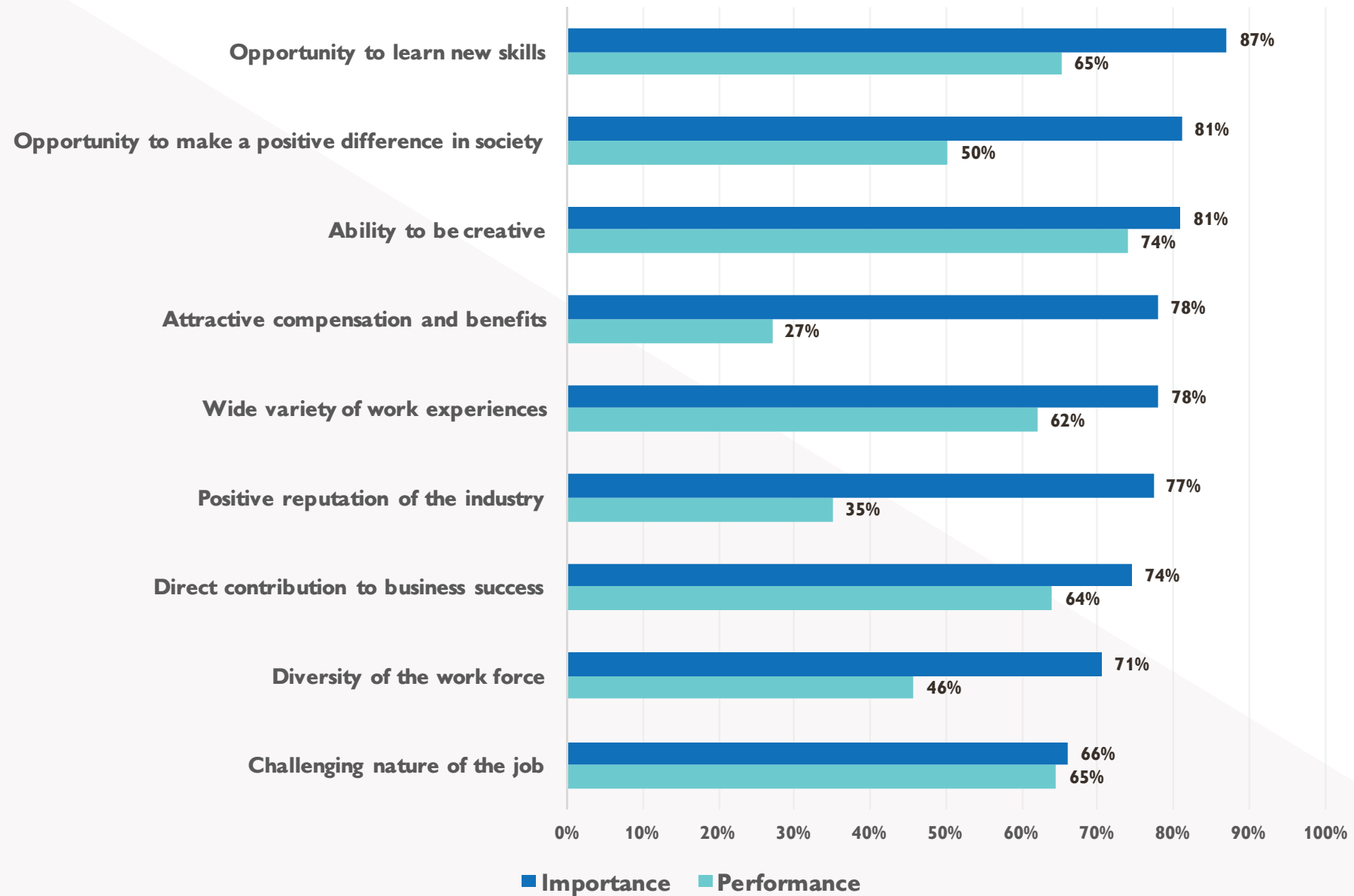


# PR Could Better Position Itself By...

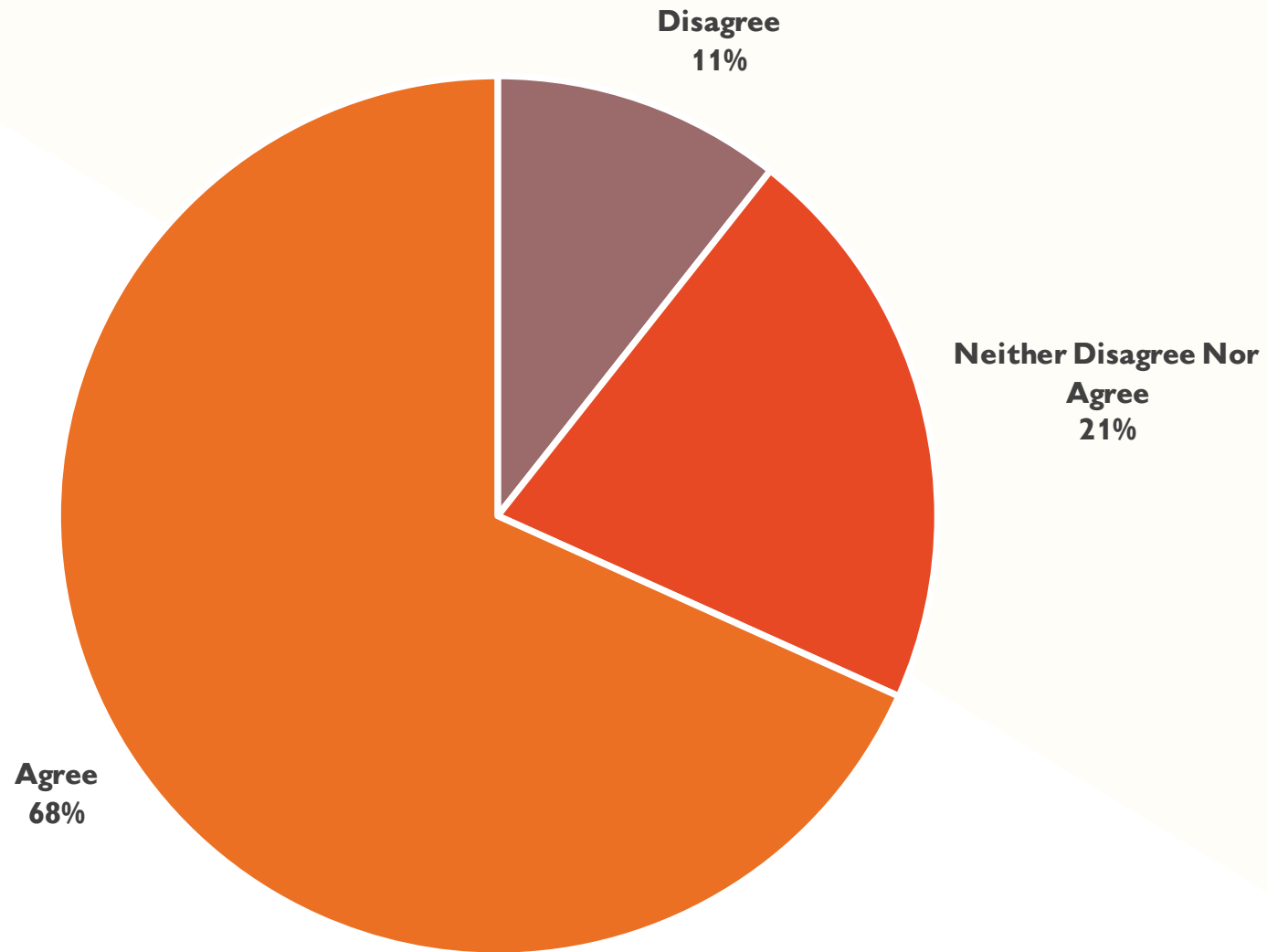




# Does a Career in PR Meet Students' Expectations



# Students Are Proud to Say They Work in PR



*Overall, our study raises a few issues about the future of communications and the role of the PR professional. We may have to wait until next year to see how they pan out, but one thing is perfectly clear. There's never been a more interesting time to work in public relations or whatever you want to call it.*





# Methodology



The data for the 2017 *Global Communications Report* presented in this report was collected through three different surveys. The USC Center for Public Relations (CPR) fielded two surveys to drive the *Global Communications Report*, one for students and one for professionals. The professional survey was broken down into two surveys, one for agency executives and one for in-house corporate executives, and was composed of 40 questions. The student survey had 20 questions. The survey which informs the *Global Communications Report* was live between January 23, 2017 and February 27, 2017. Prior to the creation of the survey, CPR conducted informal research to inform the direction of the survey and refine the questions that would be included in the survey.

The third survey was fielded to marketing professionals through the Association of National Advertisers (ANA). Their survey was based upon the questions asked in the Global Communications survey and was composed of 11 questions. ANA sent the survey to their membership via email.

The sample for this survey is a “convenience” sample rather than a random sample. Consequently, we cannot say that the results of this survey are representative of the respective populations. Nevertheless, we believe this data offers numerous directional insights into the attitudes, beliefs and activities of PR practitioners and students.

For the professional version of the GCR17 survey we had 875 usable responses. 57.4% of respondents were international and 42.6% of respondents were domestic. 62.9% were Agency and 37.2% were In-House professionals. 51.3% of participants were female and 48.7% were male.

For the student version of the GCR17 survey, we had 687 usable responses. 82% of participants (n=563) were female and 18% (n=124) were male. 77.6% (n=533) were undergraduates and 22.4% (n=154) were graduate/post-graduates.

There were 101 respondents for the ANA survey. The survey was sent out entirely to respondents in North America.

# Acknowledgements



**Irene Bischofberger**

**Emma Daniels**

**Juan Garcia**

**Ulrike Gretzel**

**Paul Holmes**

**Johnna Hughes**

**Adam Khan**

**Daniel Munslow**

**Amith Prabhu**

**Arun Sudhaman**

**Katrina Swarthout**

**Burghardt Tenderich**

**Tina Vennegaard**

**Bill Duggan, ANA**

