

The New Global World of Public Relations

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KRC RESEARCH

As a global public relations agency working with multinationals, Weber Shandwick knows that building and protecting a consistent global brand is a priority.

In today's rapidly changing, globally connected communications landscape, several questions are often raised in discussions with global partners. We decided to try to answer some of them: What is the best way to allocate communications resources around the globe? How is the public relations industry shifting to adapt to the changing marketing mix? How are clients' needs and expectations of their agencies evolving?

For insight, we spoke to 10 global communications professionals—senior executives responsible for corporate communications in large multinational companies. These executives represented companies with world-class communications — with corporate brands recognized worldwide as admired and with award-winning communications programs.

From our conversations, we drew five lessons. ►

Lesson 1

Invest for the future, with an eye toward measurable results.

For many corporate communications teams, the annual budget dance can be complex. Project teams, functional teams and geographic teams all spin and skip and jump to defend their enterprises; allocators work to balance competing goals within their enterprises while protecting their overall budget allocation. Often, these negotiations occur around the margins; most funds are allocated automatically based on the prior year allocation or based on current revenues, then adjusted down or up to reflect current priorities.

In speaking with these communications leaders, it quickly became clear that getting the geographic allocation right means considering two things:

First, the question is not just “how important is a given region to the company now?” but equally “how important is that region to our future?” Nearly every company considers its current revenue footprint in setting communications budgets. However, participants also told us that they equally consider what the company wants the revenue footprint to be five or 10 years ahead. In other words, they see communications as part of what will help their organizations achieve their

future footprint and revenue growth. These companies do not believe that revenue comes first, communications second. They work together instead.

Second, the question is not just “what do we want to accomplish this year in that region?” but equally “what do we need to deliver this year in that region?”

While most companies will fund specific projects in specific countries and regions, participants insist that the projects they fund be attached to specific, measurable results. Thus, these executives are focusing their budgets on winning the winnable; a project or objective must not only make strides towards the future, it must also be demonstrably and quantifiably achievable.

As global communicators, we provide the greatest value if we can help ensure that communications plans (for both regions and projects) are firmly rooted in business objectives for now and ahead, and tied to specific, measurable results that directly meet those business goals. If we fail to present solid, forward-looking strategic plans, we have no one to blame but ourselves if communications is under-resourced.

“ It’s the markets that are trying to increase their presence that need a greater percentage of the budget. If you are looking to grow, it is difficult to allocate proportionally. ”

“ Budgets are based on our ability to achieve strategic goals. It’s very important to be able to show that the investment in communications will drive business results. ”

“ We put our funds where they have to move the needle. ”



Lesson 2

Expect emerging markets to cost more, not less.

Those of us in global roles have all been there: We are asked to expand a project into a new market, then are expected if the assignment relates to media outreach to deliver as much coverage as we're securing in the U.S. or Europe for a fraction of the budget. This reflects a common assumption that large emerging markets are somehow "cheaper" for program development and execution. The frequency of this assumption is borne out by a recent survey Weber Shandwick and Spencer Stuart conducted of 142 senior corporate communications professionals for international companies. These individuals reported that while their companies saw an average of 18% of their annual revenue coming from Asia, only 13% of their communications budgets are spent in Asia.

Communications leaders in our survey see the world differently. These executives rarely adjust budgets based on market-by-market cost differences. All recognize that where communications is concerned, **there is no such thing as a "cheaper" place to do our work.** In any market around the world, if some are less expensive, inevitably other things will be more expensive.

What drives budgets for these leaders

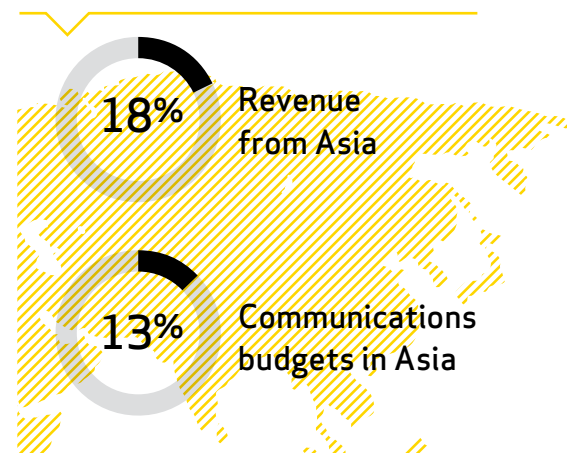
has almost nothing to do with relative

labor costs or the strength of currencies. What drives their budgets is the strategic importance of the work. And because for many of these companies, emerging markets are of paramount importance to their future growth, the budgets for these markets are growing rapidly.

Most global communicators have encountered frustrating assumptions about how far the dollar or euro will go in developing countries, encountering executive decision makers who expect full-blown communications support in China or India for substantially less than they invest in the U.S. or Europe — which are less than half the size.

Rectifying this requires taking a lesson from the communications leaders we interviewed: To secure appropriate budgets around the world, we in public relations need to understand global business strategies and objectives and need to present clients with realistic plans, attached to achievable and measurable deliverables, with budgets rooted in the strategic importance of that market in the years ahead. We also need to listen carefully to our local markets to appreciate how the nuances of those markets impact how work needs to get done.

Equally important, as public relations professionals, we need to train our local team leaders and managers to think more holistically — to put their plans and budgets in context, rather than presenting them in a vacuum and to always be clear about what their plans will deliver.



“ We look at where the business will grow, and where we think we can achieve specific objectives. ”

“ It makes sense to increase PR budgets where the opportunity is the greatest, and where the most long-term growth potential exists. ”

Lesson 3

Globalize strategies and standards, but keep tactics local.

“Global integration” is a common buzzword today, and the communications leaders we interviewed agreed it is important.

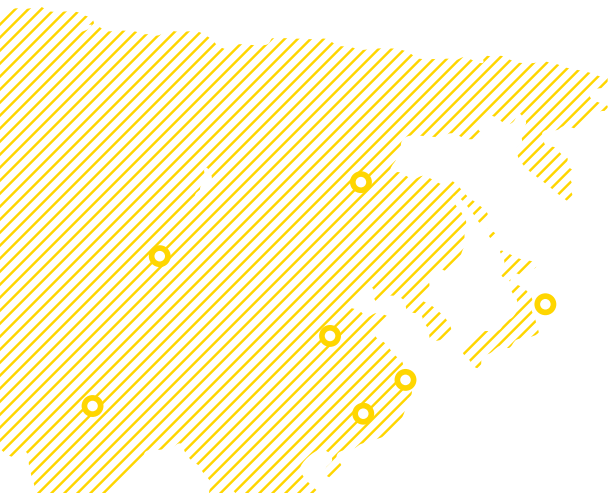
What “global integration” means to them is that their corporate brand is positioned consistently, with disciplined messaging around the globe. Secondly, “global integration” means that knowledge transfer is both ongoing and seamless within their teams, between their teams and across their agencies — that is, best practices, knowledge and skills-sharing must flow quickly around the globe and infuse all communications. Third, for some, global integration also means that objectives and metrics are consistent from place to place — that teams around the world have a shared and common

understanding of what communications should achieve and how it should be measured.

Notably, there are two things that global integration does not mean to these leaders: First, it rarely means using the same content around the world. Occasionally, they may commission a multinational study to publicize in multiple markets. What they almost never mean is replicating certain tactics in multiple countries. This is where the world remains very local to the leaders we interviewed. This basic tenet of respecting global strategies but being mindful of local cultures is widely supported in these communications officers’ domains.

“ We try to share best practices and ideas across markets, so that markets can leverage one another’s experience, knowledge and creativity. Sometimes importing ideas can work; other times it won’t; and the local markets need to be the ones to determine that. ”


“ Global integration means a globally coherent strategy and consistently high quality execution. It means sharing best practices and information with businesses/ regions. ”



For these reasons, the leaders we interviewed use global agencies to achieve strategic coherence and adherence to global standards. When we asked executives, the value of global agencies was very clear to them:

- 1 Global agencies are said to bring big-picture thinking and high-level strategy. Their wide breadth of client experience and their cream-of-the-crop talent enables them to bring both broad and specialized perspectives, new ideas and strategic sophistication.
- 2 Global agencies provide access to global influencers. While local agencies are more likely to own relationships with local media and policy-makers, global agencies can tap the Davos crowd and complement that with local luminaries.
- 3 Global agencies have staff in many geographies. The benefit is seen not only in the ability to provide day-to-day arms and legs throughout the world but also in the capability to instantly deploy additional people with distinctive skills and know-how. As leaders see it, the breadth and depth of staff at a global agency equips the company to move rapidly to fill in gaps and respond to changing circumstances.
- 4 Global agencies can (sometimes) help drive even higher standards and consistency around the world, across company business units and agency teams. Importantly, this deployment is said to be rooted more in agencies' ability to provide oversight, as well as a transfer of knowledge and skills, than because their own staff is doing everything.
- 5 Global agencies must offer both breadth and depth of specialist talent. Jacks-of-all-trades will not suffice. Instead, to meet clients' expectations and needs today, agencies must be able to provide experts in specific industries, in the most up-to-date and proven communications tools, in reaching different kinds of stakeholders, and in experts who can flawlessly apply and execute on-the-ground knowledge in local markets as necessary.

The new global world of communications suggests a demand for truly global agencies — agencies with a wide network of best-in-class subject matter experts, a multi-market footprint, the culture and infrastructure to seamlessly connect the pieces, and local expertise rooted deeply in markets worldwide.



“ In order to be credible, the organization has to be authentic, and consistent messages help the company look authentic and therefore credible. ”

“ It's important to achieve consistency in global messaging, to make sure your brand is well-defined and well-differentiated. ”

Lesson 4

“Digital” is a false category.

The past several years have seen an explosion in the number of PR firms who describe themselves as “digital” or “social media” agencies. But increasingly, employing a separate digital agency is like a restaurant having a separate department for stirring. It’s not really something you can do separately from everything else you do. This was the clear message we heard from our corporate communications leaders.

Furthermore, these leaders said that any PR agency that did not have digital thoroughly integrated into everything they do probably lacks the kind of strategic savvy that clients need to effectively navigate today’s communications landscape. Indeed, they told us, **in the 21st century, you cannot engage with media if you are not literate in the content, cultures, tools, technologies and analytics of digital communications.**

“ There is no longer a separation between PR and digital, which means PR agencies need to redefine themselves as something broader than traditional PR. ”



Lesson 5

The PR discipline is expanding in scope and moving up the strategic ladder.

When we asked these corporate communications leaders whether their PR teams are starting to do things traditionally done by other disciplines, the answer was a resounding “yes.” Several told us that they increasingly believe in the importance of integrating historically separate disciplines under one umbrella — erasing the divides between traditional and digital/social media, internal and external messaging, brand and corporate reputation, government and investor relations, and legal and crisis communications.

The reasons they gave for this expanding scope of public relations is straightforward: In a porous world, where news and events can race across time and space, the global integration of public relations increases communications efficiency, strengthens brands and counters disruption and detractors.

The broadening strategic role that PR is increasingly playing is helping to better position brands among stakeholders and making them more competitive for the long-term.

Because PR practitioners are increasingly responsible not just for disseminating information through the media but also for

deepening relationships with stakeholders by engaging them, the profession is increasingly being recognized as the fulcrum, lynchpin and axis around which the best brand and reputation programs are built.

In conclusion, our experts suggested that the definition of “public relations” is also expanding. Conventionally, to some “public relations” has connoted media relations. Today, however, world-class communicators acknowledge that public relations offer a fully integrated approach that has moved up the ladder and has earned a legitimate “seat at the table.”

Today’s corporate communications officers and PR professionals are no longer simply responsible for media mentions and placements. Instead, they have a higher strategic purpose and role in their global organizations — they are builders and protectors of brands and reputation, no matter where their company’s good names are under attack. They are also increasingly responsible for understanding how to engage key audiences through their brands’ footprints, no matter where in this world or when.

“ The role of PR used to be mainly media relations. Now it can play a very big picture strategic role, particularly in defining and driving the brand. ”



What we did

We spoke at length to 10 senior executives with global corporations, all of whom have responsibility for corporate communications across multiple countries, have reputations in the field as being among the best, and work for companies with reputations for effective communications. Their companies spanned a range of industries, geographies (four of the 10 are headquartered outside the U.S.), sizes (from annual revenues of \$3 billion to above \$100 billion), and stakeholders (some are well-known consumer brands; some have brands known primarily to businesses or governments). Those participating included:

Chief communications officer for a consumer technology company

Chief marketing officer for a company that produces durable and household goods

Head of Asia communications for an industrial components company

Head of corporate communications for a health product company

Head of corporate communications for an automotive company

Head of corporate communications for an energy company

Head of corporate communications for Asia, Africa, and the Middle East for a financial services company

Head of global public affairs for a food service company

Head of internal and external corporate communications for a technology company

Vice president of corporate affairs for a beverage company

About the authors



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Tim leads Weber Shandwick's Client Relationship Leader (CRL) program, which sets the gold standard for client service excellence within Weber Shandwick and the industry. Tim is also the General Manager for the Seattle office of Weber Shandwick. He has a background in storytelling strategy and coaching, public opinion research, brand campaigns and product launches for some of the world's most respected brands, including Microsoft, Motorola and Samsung.

Before joining Weber Shandwick, Tim worked with Rowan & Blewitt, Inc. as a research associate, where he developed and tested corporate messages using electronic message testing technology.

Tim has been recognized with several industry awards, including *Ad Age's* "40 under 40" and *PR News's* "15 to Watch." He sits on the advisory board for the University of Washington's Master's in Communications Digital Media program. Tim graduated from Georgetown University in Washington, D.C. with a bachelor's of science degree in foreign service. He also spent a year at Sophia University in Tokyo, where he studied comparative culture and Japanese business and politics.



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Jennifer is the strategic counsel and former President of KRC Research, Weber Shandwick's strategic research arm, which specializes in global research to support communications. As KRC's leader for more than a decade, Jennifer developed positioning and messaging for many of the world's largest corporations and industries, designed strategies for high-profile public affairs controversies, provided marketing insights to NGOs seeking to expand their research and impact, and provided research support to help government agencies achieve their missions.

She has degrees from Carleton College and from Yale University, and is a long-time member of the American Association for Public Opinion Research and the Council of American Survey Research Organizations. She recently moved back to the U.S. after three years in London.



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Stan is responsible for the General Motors account globally, and also runs the Weber Shandwick Automotive practice. He was instrumental in re-establishing Weber Shandwick's presence in Detroit in 2003, and continues to help manage the office there.

Prior to joining Weber Shandwick, Stan ran his own company, Publicity Group LLC, and before that spent 19 years with Manning, Selvage & Lee, primarily developing and managing the General Motors account there.

Stan holds a bachelor's of arts degree in journalism and a master's of arts degree in advertising and public relations from Michigan State University. In 2010 he was recognized by his alma mater as a Communications Arts & Sciences Outstanding Alumni. He is also an accredited member of the Public Relations Society of America.

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