
WORLD PR REPORT 2014

Produced by the Holmes Report and
the International Communications
Consultancy Organisation





Proud Sponsors of the World PR Report. Supporting 11% worldwide growth through global in-house & consultancy talent sourcing

Capstone Hill Search is a specialist talent finder for the PR and MarComms industry; committed to solving your hiring needs no matter the size of your business. We work locally, nationally and globally to provide the best people for the best roles.

Contact: Jamie McLaughlin

Tel: +1 212 601 1932

Email: jamie@capstonehillsearch.com

Web: www.capstonehillsearch.com

We deliver outstanding service expertise and insights to both candidates and clients throughout the entire hiring process and beyond.

New York - London - Melbourne - Sydney



WORLD PR REPORT 2014

CONTENTS

04 Foreword

David Gallagher and Francis Ingham

05 Global Rankings

18 Global Research

18 Trends and Attitudes

24 Opportunities and Challenges

37 Growth

47 Talent

51 Local Markets

53 Methodology

Produced by the Holmes Report and ICCO.

The Holmes Report

Paul A. Holmes — CEO

Arun Sudhaman — Partner & Editor-in-Chief

Greg Drury — Partner & President, US Operations

Aarti Shah — Associate Partner & Senior Editor

ICCO

David Gallagher — President

Francis Ingham — Chief Executive

Anastasia Demidova — General Manager

Report Design —

christhedeignerlimited@gmail.com

The Holmes Report

The Holmes Group is dedicated to proving and improving the value of public relations, by providing insight, knowledge and recognition to public relations professionals. The Holmes Group was founded in 2000 by Paul Holmes (pholmes@holmesreport.com), Editor-in-Chief and CEO, who has more than two decades of experience writing about and evaluating the public relations business and consulting with both public relations firms and their clients. The Holmes Group delivers against its mission by providing the most sophisticated reporting and analysis on public relations trends and issues.

www.holmesreport.com

ICCO

The International Communications Consultancy Organisation (ICCO) is the voice of public relations consultancies around the world. The ICCO membership comprises national trade associations in 29 countries across the globe in Europe, Africa, Asia, the Americas and Australia. Collectively, these associations represent over 1,700 PR firms.

www.iccopr.com

WORLD PR REPORT

FOREWORD

David Gallagher
ICCO President &
CEO EMEA, Ketchum

Francis Ingham
ICCO Chief
Executive



“This World Report - a unique source of intelligence for agency heads around the world - should give us a feeling of pride and confidence...”

FOREWORD

This World Report describes an industry that continues to flourish in every part of the world. Across the globe, PR agencies are on the up - growing in revenue; optimistic about the future; profitable. And as general economic conditions grow more positive, the trends of the past few years seem set only to accelerate. PR weathered the economic storm better than many other industries, and now seems set fair to take advantage of the brighter times ahead.

A key driver of this is PR continuing to broaden its remit - to win work that once would have gone elsewhere. A large part of this is of course social media, but that is far from the being the entire picture. Marketers across the board are moving spend from other disciplines and towards PR - a trend that is highly positive for the industry.

Of course there are challenges, and of course not every region our country in the world can be its fastest growing. The talent gap is obvious. So too is the need finally to put evaluation and measurement at the heart of what agencies do. And in that regard, ICCO is taking concrete, substantial steps via its ongoing partnership with AMEC. Equally, we need to do more work to prove the direct financial costs and benefits of movements in corporate reputation, an area of vital importance to PR's future, and yet one where we continue to perform less well than we could.

Overall though, this World Report - a unique source of intelligence for agency heads around the world - should give us a feeling of pride and confidence. Pride in being part of such a vibrant, dynamic industry. Confidence that PR's best times are yet to come.

GLOBAL RANKINGS EXECUTIVE SUMMARY

Arun Sudhaman
Partner & Editor-in-Chief
The Holmes Report

GLOBAL PR INDUSTRY GROWTH SURGES TO 11% IN 2013

- Publicly-owned MNC firms up 6%
- Independent PR firms up 12.5%
- PR agency industry worth \$12.5bn, employs more than 80,000 people
- Revenue per head rebounds to \$155k

Public relations industry growth improved significantly to 11% in 2013, cracking the double-digit barrier for the first time since the global recession took hold in 2008.

Growth was again powered by independent PR agencies, which were up 12.5% on 2013, according to the 2014 World Report, which is produced by the Holmes Report in conjunction with ICCO.

The first phase of the World Report ranks the 250 largest PR firms in the world, revealing a global PR industry that grew 11% in 2013, compared to 6% in 2012 and 8% in 2011.

Once again, publicly-held MNC firms lagged, with those owned by the major holding groups growing by 6% in 2013 to around \$5.3bn. That figure still represents a considerable improvement on 2012, when the major public-owned MNC PR firms grew by just 3.3%.

Reported PR growth at the 'big four' holding groups — WPP, Omnicom, Interpublic and Publicis Groupe — was more modest, at around 4%. However, when accounting for all of the publicly-owned firms in the Global Rankings, including smaller and specialist agencies, reported growth was a much healthier 11%.

The market share of globally reported revenue—slightly more than \$9.7 billion—held by the four giant holding companies, which was around 50 percent three years ago, holds steady at around 45 percent. The share of the overall global PR industry revenue—now estimated by The Holmes Report at close to \$12.5 billion based on the vast number of smaller firms that do not provide revenue figures—remains well under 40 percent.

Also of note is that independent PR firm fee income has almost reached parity with the big four holding groups, with the former

reporting \$4.5bn compared to the latter's \$4.7bn.

"Public relations agencies in general are beginning to experience the kind of growth we should expect to see in the current environment," said Holmes Report publisher/CEO Paul Holmes. "The things that PR firms should be good at — authenticity, engagement, credibility, conversation — are all increasingly valuable in the digital age, and while it has taken some firms a few years to adapt and expand their service offerings, these numbers suggest that as a whole the industry is getting it right."

"But once again we are seeing disappointing growth for many of the industry's flagship agencies — and particularly those owned by the larger holding companies," added Holmes. "It's not entirely clear why this should be. Perhaps they are restricted from expanding their offering out of a concern that will cannibalize sister agencies; perhaps their sheer size makes them less flexible or less nimble in times of rapid change; or perhaps holding company profit targets make it more difficult to make the necessary investments. Whatever the cause it is clear that they are losing market share to midsize and independent firms."

This year's Global Rankings also finds a welcome rebound in revenue per capita for those firms reporting both fee income and headcount to an average of around \$155,000, compared to \$142,000 last year, and ahead of the \$151,000 reported in 2011. Based on its research, the Holmes Report estimates that the global PR agency industry employs more than 80,000 people, up from 75,000 last year.

GLOBAL RANKINGS

TOP 10

Arun Sudhaman
 Partner & Editor-in-Chief
 The Holmes Report

TOP 10: EDELMAN, WEBER SHANDWICK, THEN DAYLIGHT

- Double-digit growth for world's two largest PR firms
- WPP PR firms flat, but Ketchum continues climb

2014	2013	AGENCY	HQ	2013 [\$]	GROWTH [%]
1	1	EDELMAN	USA	746,672,274	12.2
2	2	WEBER SHANDWICK	USA	697,468,500	11.0
3	3	FLEISHMANHILLARD	USA	554,190,000	1.5
4	4	MSLGROUP	FRANCE	547,040,000	4.0
5	6	KETCHUM	USA	490,000,000	11.4
6	5	BURSON-MARSTELLER	USA	454,500,000	0.0
7	7	HILL+KNOWLTON STRATEGIES	USA	386,100,000	-1.0
8	8	OGILVY PUBLIC RELATIONS	USA	297,000,000	0.0
9	10	BRUNSWICK	UK	210,000,000	0.0
10	9	HAVAS PR	FRANCE	209,000,000	5.0

Edelman and Weber Shandwick have widened their lead as the largest PR firms in the world, according to the 2014 World Report.

Edelman, which grew 12% to \$747m, has now held the number one spot for the past four years. Meanwhile, The Holmes Report estimates that Weber Shandwick grew by 11% to reach almost \$700m in fee income, putting it well clear of third-ranked FleishmanHillard.

In general, it was a year of modest growth for the giant PR firms, with only Ketchum joining Edelman and Weber Shandwick in delivering double-digit growth. The Holmes Report estimates that the Omnicom agency grew by more than 11% in 2013, helping it leapfrog Burson-Marsteller to take fifth spot, climbing from seventh position two years ago.

That was the only significant rankings shift in the top ten. WPP PR firms — in particular, B-M, H+K and Ogilvy PR — were flat. Outside the top 10, meanwhile, there was eye-catching growth from GolinHarris (12%), Media Consulta (17%), W2O Group (21%) and Japan's Vector (24%).

Fee income for eight of the top 10 firms is estimated by The Holmes Report based on published sources (including holding company revenues) and our own knowledge of the industry, with the majority of large holding companies continuing to use the Sarbanes-Oxley financial disclosure rules as an excuse not to publish numbers of individual businesses.

Independent firms, meanwhile, continue to outperform the holding companies in terms of growth, with Edelman only the most prominent example. Overall, independent firms submitting information to the Holmes Report 250 experienced growth of better than 12%, compared to average growth of around 4% for the public relations operations of the major holding companies.

The Global Rankings form part of the World PR Report, conducted in conjunction with ICCO, which will also include the results of a definitive survey of attitudes and trends among PR agencies worldwide.

GLOBAL RANKINGS

TOP 250

Revenue numbers for many agencies include subsidiaries—including research, advertising, and specialist PR firms—many of which operate under separate brands but nevertheless report into the listed PR agency. For full methodology please visit worldreport.holmesreport.com/methodology. For firms that submitted numbers in pounds sterling or euros, conversions were made using exchange rates as of 12/31/2013. In some cases, where last year's submitted numbers were used for comparison purposes, growth numbers may be lower because of exchange rate fluctuations than they would have been in constant currency terms. Aside from large PR networks above \$100m in fee income, the Rankings are totally dependent on submitted fee income; many agencies, often well-known, choose not to submit their numbers.

2014	2013	AGENCY	HQ	FEE INCOME 2013 (\$)	FEE INCOME 2012 (\$)	GROWTH (%)	STAFF
1	1	EDELMAN	USA	746,672,274	665,600,000	12	5113
2	2	WEBER SHANDWICK	USA	697,468,500	628,350,000	11	N/A
3	3	FLEISHMANHILLARD	USA	554,190,000	546,000,000	2	N/A
4	4	MSLGROUP1	FRANCE	547,040,000	526,000,000	4	N/A
5	6	KETCHUM	USA	490,000,000	440,000,000	11	N/A
6	5	BURSON-MARSTELLER	USA	454,500,000	454,500,000	0	N/A
7	7	HILL+KNOWLTON STRATEGIES	USA	386,100,000	390,000,000		N/A
8	8	OGILVY PR	USA	297,000,000	297,000,000	0	N/A
9	10	BRUNSWICK	UK	210,000,000	210,000,000	0	N/A
10	9	HAVAS PR	FRANCE	209,000,000	199,000,000	5	1200
11	12	GOLINHARRIS	USA	196,000,000	175,000,000	12	N/A
12	11	FTI CONSULTING	USA	186,200,000	186,700,000	-0	N/A
13	15	MEDIA CONSULTA INTERNATIONAL	GERMANY	166,861,800	143,233,200	17	674
14	13	COHN & WOLFE	USA	162,180,000	159,000,000	2	N/A
15	15	GRAYLING	UK	130,144,000	132,912,000	-2	N/A
16	19	BLUEFOCUS (BLUEDIGITAL)2	CHINA	123,361,000	87,771,000	41	3500
17	16	APCO WORLDWIDE	USA	120,345,400	121,800,000	-1	658
18	18	PORTER NOVELLI	USA	120,000,000	116,000,000	3	N/A
19	17	WAGGENER EDSTROM WORLDWIDE, INC.	USA	117,608,000	118,462,000	-0	625
20	23	RLM FINSBURY	US/UK	100,000,000	N/A	N/A	N/A
21	21	CHANDLER CHICCO COMPANIES	USA	83,600,000	76,000,000	10	N/A
22	22	FSB COMUNICAÇÕES	BRAZIL	77,000,000	71,006,375	8	N/A
23	25	W2O GROUP	USA	75,000,000	62,005,000	21	N/A
24	20	PUBLIC SYSTÈME HOPSCOTCH	FRANCE	73,526,153	77,395,950	-5	N/A
25	24	KREAB GAVIN ANDERSON	UK/SWEDEN	66,000,000	66,600,000	-0	N/A
26	26	RES PUBLICA (NATIONAL PR)	CANADA	64,000,000	60,000,000	7	N/A
27	27	RUDER FINN, INC.	USA	63,249,000	56,148,000	13	N/A
28	N/A	VECTOR INC.	JAPAN	62,000,000	50,000,000	24	286
29	30	INSTINCTIF PARTNERS	UK	54,249,233	47,263,287	15	355
30	31	FISCHERAPPELT	GERMANY	52,003,000	46,345,275	12	340
31	28	TEXT100 CORPORATION	USA	51,975,031	50,890,670	2	481
32	33	FREUD COMMUNICATIONS	UK	49,954,314	45,413,013	10	N/A
33	35	MWW	USA	48,020,000	42,875,000	12	217
34	29	BELL POTTINGER PRIVATE	UK	47,500,000	47,313,690	0	229
35	39	LEWIS PR	UK	45,848,320	35,819,000	28	N/A
36	N/A	BRODEUR PARTNERS	USA	45,000,000	N/A	N/A	N/A
37	32	HERING SCHUPPENER	GERMANY	44,688,000	46,279,350	-3	N/A
38	43	FINN PARTNERS3	USA	44,400,000	32,293,000	38	287
39	41	DEVRIES GLOBAL	USA	42,000,000	35,000,000	20	N/A
40	36	DENTSU PUBLIC RELATIONS INC.4	JAPAN	40,000,000	42,000,000	-5	N/A
41	54	ZENO GROUP	USA	39,200,000	24,412,282	61	N/A
42	37	CITIGATE DEWE ROGERSON	UK	38,678,000	39,810,486	-3	N/A

TABLE NOTES

- 1: MSLGroup includes fee income from a number of group agencies, including Qorvis Communications, Publicis Consultants, Kekst, Davies, CNC, CapitalMSL and JKL.
- 2: Due to the differences in how some agencies classify revenue versus fee income, BlueFocus' fee income was incorrectly listed as \$271m in the first iteration of the global ranking. This has since been corrected to \$123.6m, which sees the China agency's ranking revised downward to 16th in the Top 250 table. The corrected figure covers fee income from the firms BlueDigital operation, which includes public relations and digital marketing services, and the income from other subsidiaries of BlueFocus Communication Group is excluded. The new figure represents growth of more than 40%, compared to 2012.
- 3: Finn Partners includes acquisition of Widmeyer.
- 4: Dentsu fee income is estimated based on its net sales.

GLOBAL RANKINGS

TOP 250

Continued

2014	2013	AGENCY	HQ	FEE INCOME 2013 (\$)	FEE INCOME 2012 (\$)	GROWTH (%)	STAFF
43	60	WE ARE SOCIAL	UK	38,677,478	22,750,085	70	450
44	40	MARINA MAHER COMMUNICATIONS	USA	38,000,000	35,000,000	9	N/A
45	38	PRAP JAPAN, INC.	JAPAN	37,000,000	36,229,000	2	263
46	55	RACEPOINT GLOBAL10	USA	34,000,000	23,543,959	44	127
47	44	MHP COMMUNICATIONS	UK	33,209,960	29,601,135	12	172
48	48	GOOD RELATIONS GROUP	UK	33,200,000	26,087,566	27	N/A
49	42	DKC PUBLIC RELATIONS	USA	32,896,560	32,896,560	0	171
50	82	PADILLACRT5	USA	32,333,400	16,875,860	92	192
51	65	PPR	AUSTRALIA	30,200,000	20,488,112	47	250
52	46	CITIZEN RELATIONS	USA	28,785,000	28,500,000	1	N/A
53	52	ALLISON+PARTNERS	USA	28,093,000	25,000,000	12	165
54	N/A	MÁQUINA PUBLIC RELATIONS	BRAZIL	27,459,408	24,895,202	10	250
55	51	LLORENTE & CUENCA	SPAIN	27,427,260	25,183,350	9	330
56	58	BLUE RUBICON	UK	26,842,029	23,412,960	13	N/A
57	47	BITE	USA	26,368,273	26,895,639	-2	N/A
58	50	HOTWIRE PUBLIC RELATIONS	UK	26,094,207	25,626,802	2	173
59	N/A	GLOBAL STRATEGY GROUP	USA	25,000,000	24,917,000	0	72
60	53	AGT COMMUNICATIONS GROUP	RUSSIA	24,836,942	24,808,978	0	N/A
61	N/A	EXPOSURE	UK	24,652,252	22,756,112	8	200
62	76	MIKHAILOV & PARTNERS	RUSSIA	23,309,000	18,870,372	24	104
63	63	OLIVER SCHROTT KOMMUNIKATION	GERMANY	22,902,600	21,908,196	5	130
64	73	GIBBS & SOELL, INC.	USA	22,490,108	19,734,980	14	127
65	69	TONIC HEALTH	UK	22,159,535	20,053,878	11	N/A
66	59	FISHBURN	UK	22,000,000	22,762,600	-3	N/A
67	62	THE RED CONSULTANCY	UK	21,414,000	22,564,240	-5	N/A
68	72	ICF MOSTRA6	BELGIUM	21,413,000	19,752,785	8	158
69	71	TAYLOR	USA	21,100,000	19,800,000	7	105
70	61	FOUR COMMUNICATIONS GROUP PLC	UK	20,916,000	18,800,000	11	N/A
71	N/A	SPN COMMUNICATIONS	RUSSIA	20,121,836	N/A	N/A	154
72	70	COYNE PR	USA	20,040,000	20,027,000	0	133
73	74	THE OUTCAST AGENCY	USA	20,000,000	19,240,000	4	87
74	66	STRATEGIC PUBLIC RELATIONS GROUP	HONG KONG	20,000,000	20,320,000	-2	279
75	49	BARABINO & PARTNERS	ITALY	19,950,000	24,000,000	-17	N/A
76	N/A	PRAIN GLOBAL	KOREA	19,892,451	16,017,266	24	140
77	83	A&B ONE	GERMANY	19,471,200	16,744,950	16	93
78	68	GEELMUJYDEN.KIESE GROUP	NORWAY	19,471,200	20,161,160	-3	90
79	80	FRENCH/WEST/VAUGHAN	USA	18,801,845	17,186,330	9	89
80	97	SHIFT COMMUNICATIONS INC.	USA	18,600,000	14,225,795	31	N/A
81	93	HUNTER PUBLIC RELATIONS	USA	18,417,092	14,554,310	27	108
82	N/A	IMARS GROUP	RUSSIA	18,100,000	14,650,000	24	127
83	64	CROS	RUSSIA	18,000,000	21,550,000	-17	N/A
84	85	PEPPERCOMM	USA	17,637,036	16,172,652	9	77

TABLE NOTES

5: Racepoint Global includes the integration of Digital Influence Group.

6: PadillaCRT is the new agency formed by the merger of Padilla Speers Beardsley and CRT/Tanaka.

7: ICF Mostra is the new agency formed by the acquisition of Belgium's Mostra by US agency ICF.

GLOBAL RANKINGS

TOP 250

Continued

2014	2013	AGENCY	HQ	FEE INCOME 2013 (\$)	FEE INCOME 2012 (\$)	GROWTH (%)	STAFF
85	89	PROSEK PARTNERS	USA	17,398,091	15,000,000	16	68
86	67	INTEREL	BELGIUM	17,290,000	20,173,050	-14	N/A
87	88	ADFACTORS PR	INDIA	17,240,000	15,400,000	12	N/A
88	N/A	SERVICEPLAN PR GROUP	GERMANY	17,210,200	N/A	N/A	93
89	96	M BOOTH	USA	17,088,234	14,240,195	20	125
90	91	OLSON ENGAGE7	USA	16,891,000	14,750,000	15	87
91	84	INFORPRESS	SPAIN	16,881,690	16,540,583	2	187
92	108	FAHLGREN MORTINE	USA	16,842,065	12,397,732	36	97
93	98	5W PUBLIC RELATIONS	USA	16,019,492	14,188,564	13	105
94	86	FARNER CONSULTING	SWITZERLAND	15,960,000	16,100,000	-0	65
95	92	PR ONE	SOUTH KOREA	15,911,644	14,746,544	8	140
96	106	LANSONS	UK	15,521,430	12,605,912	23	77
97	87	MAITLAND	UK	15,400,000	15,446,050	-0	N/A
98	100	HABERLEIN & MAUERER	GERMANY	15,295,000	13,976,100	9	166
99	121	IRIS WORLDWIDE	UK	15,035,488	10,858,856	42	109
100	90	ERGO KOMMUNIKATION	GERMANY	15,029,000	14,899,050	0	131
101	94	MITCHELL COMMUNICATIONS GROUP, LLC	USA	15,000,000	14,335,377	5	85
102	101	BRANDS2LIFE	UK	14,599,036	13,169,790	11	106
103	99	FAKTOR 3	GERMANY	14,364,000	13,976,100	3	143
104	98	MAKOVSKY	USA	14,250,000	13,000,000	10	55
105	75	COONEY/WATERS GROUP	USA	14,020,940	18,961,000	-26	55
106	176	NEWGATE COMMUNICATIONS	UK	13,573,958	5,463,024	149	N/A
107	95	ACHTUNG!	GERMANY	13,472,900	14,305,725	-6	104
108	111	JACKSON SPALDING	USA	13,471,600	12,095,500	11	93
109	120	TRACCS	SAUDI ARABIA	13,323,000	10,870,000	23	203
110	109	AMI COMMUNICATIONS	CZECH REPUBLIC	13,169,919	12,262,050	7	113
111	107	FORMULA	USA	13,099,005	12,518,123	5	119
112	79	ROWLAND	AUSTRALIA	12,500,000	17,943,977	-30	N/A
113	141	HANOVER	UK	12,450,000	8,555,486	46	54
114	117	FIRST HOUSE	NORWAY	12,444,810	11,284,427	10	30
115	78	ACTION GLOBAL COMMUNICATIONS	CYPRUS	12,400,000	14,000,000	-11	N/A
116	102	RF BINDER	USA	12,300,000	13,136,803	-6	76
117	123	LEVICK STRATEGIC COMMUNICATIONS	USA	12,273,538	10,793,299	14	46
118	115	NELSON BOSTOCK GROUP	UK	11,875,640	11,533,842	3	78
119	N/A	F&H PORTER NOVELLI	GERMANY	11,837,000	11,576,400	2	58
120	110	JESCHENKO MEDIENAGENTUR	GERMANY	11,610,900	12,182,940	-5	51
121	119	WELLCOM	FRANCE	11,438,000	11,207,250	2	N/A
122	118	SPARKPR	USA	11,360,750	11,280,339	0	48
123	132	LAUNCHSQUAD	USA	11,341,707	9,387,224	21	96
124	105	FRANK PR	UK	11,333,617	12,901,144	-12	59
125	113	DAVIES	USA	10,980,650	11,955,649	-8	35
126	122	KAPLOW	USA	10,868,000	10,850,000	0	66

TABLE NOTES

8 - Olson Engage was previously known as Olson PR

GLOBAL RANKINGS

TOP 250

Continued

2014	2013	AGENCY	HQ	FEE INCOME 2013 (\$)	FEE INCOME 2012 (\$)	GROWTH (%)	STAFF
127	N/A	MILITON	FINLAND	10,507,000	N/A	N/A	95
128	125	TVC GROUP	UK	10,500,000	10,568,350	-0	60
129	N/A	GRUPO CDI - COMUNICAÇÃO E MARKETING	BRASIL	10,200,000	8,500,000	20	184
130	N/A	SEC4	ITALY	10,000,000	N/A	N/A	N/A
131	N/A	VERITAS	CANADA	10,000,000	N/A	N/A	70
132	124	RASKY BAERLEIN	USA	9,957,467	10,689,403	-7	38
133	116	124 COMMUNICATIONS CONSULTING	THAILAND	9,956,522	11,450,000	-13	N/A
134	151	PEGASUS	UK	9,629,117	7,596,205	27	64
135	133	APPROACH	BRAZIL	9,452,400	9,300,000	2	105
136	140	RED DOOR COMMUNICATIONS	UK	9,439,650	8,581,500	10	N/A
137	145	LIFT CONSULTING	PORTUGAL	9,425,354	8,247,365	14	90
138	138	THE HOFFMAN AGENCY	USA	9,422,000	8,650,000	9	110
139	N/A	ADVICE A/S	DENMARK	9,385,282	8,488,173	11	66
140	147	AGENCE ELAN	FRANCE	9,310,000	8,042,850	16	N/A
141	139	SENATESHJ	NEW ZEALAND	9,255,358	8,635,117	7	N/A
142	144	JEFFREYGROUP	USA	9,201,011	8,400,330	10	107
143	136	3 MONKEYS COMMUNICATIONS	UK	9,130,000	9,058,038	0	62
144	157	MAX BORGES AGENCY	USA	9,100,000	6,910,743	32	2
145	134	TBWA/CORPORATE	FRANCE	9,000,000	9,229,500	-3	N/A
146	146	OCTOPUS	UK	8,840,000	8,179,903	8	61
147	N/A	MURPHY O'BRIEN	USA	8,818,200	7,400,652	19	38
148	163	MISCHIEF	UK	8,798,000	6,394,665	38	70
149	143	KPR & ASSOCIATES	SOUTH KOREA	8,668,970	8,444,506	3	99
150	150	EULOGY!	UK	8,644,748	7,788,061	11	50
151	N/A	MERRITT GROUP, INC.	US	8,599,395	9,220,283	-7	39
152	159	PRO-VISION COMMUNICATIONS	RUSSIA	8,591,874	6,796,308	26	75
153	142	KWITTKEN	USA	8,400,000	7,304,348	15	N/A
154	N/A	WAY TO BLUE	UK	8,025,459	5,986,553	34	60
155	148	HORN GROUP	USA	8,000,000	8,000,000	0	45
156	N/A	EXPONENT	USA	7,700,000	N/A	N/A	N/A
157	137	KIRCHHOFF CONSULT	GERMANY	7,574,350	8,702,100	-13	59
158	N/A	EMG	THE NETHERLANDS	7,448,000	7,392,000	0	49
159	149	AIRFOIL GROUP	USA	7,382,549	7,867,069	-6	N/A
160	N/A	PODESTA GROUP	US	7,374,124	6,144,941	20	18
161	N/A	GREGORY FCA	USA	7,300,000	7,300,000	0	42
162	156	MARCO DE COMUNICACION	SPAIN	7,182,000	6,922,125	4	N/A
163	135	DIPLOMAT COMMUNICATIONS	SWEDEN	7,049,000	9,229,500	-24	N/A
164	174	DODGE COMMUNICATIONS	USA	7,006,911	5,510,756	27	46
165	162	FINK & FUCHS PUBLIC RELATIONS	GERMANY	6,982,500	6,460,650	8	67
166	167	TALK PR	UK	6,972,000	6,023,960	16	50
167	153	KOMM.PASSION	GERMANY	6,916,000	7,251,750	-5	50
168	N/A	ENGLANDER KNABE & ALLEN	USA	6,700,000	6,100,000	10	20

TABLE NOTES

9: SEC fee income includes the acquisition of Cambre in Belgium.

GLOBAL RANKINGS

TOP 250

Continued

2014	2013	AGENCY	HQ	FEE INCOME 2013 (\$)	FEE INCOME 2012 (\$)	GROWTH (%)	STAFF
169	152	CP/COMPARTNER	GERMANY	6,650,000	7,515,450	-12	70
170	N/A	AKKANTO SA	BELGIUM	6,570,200	5,910,960	11	29
171	165	LOU HAMMOND & ASSOCIATES	USA	6,552,466	6,318,272	4	40
172	N/A	JUNGRELATIONS AB	SWEDEN	6,498,380	6,449,520	0	41
173	158	IMAGEM CORPORATIVA	BRAZIL	6,487,000	6,732,343	-4	N/A
174	186	FOODMINDS	USA	6,432,640	4,859,213	32	23
175	N/A	RUMEUR PUBLIQUE	FRANCE	6,251,000	6,204,000	0	43
176	169	BLISS INTEGRATED COMMUNICATIONS	USA	6,231,000	5,698,000	9	37
177	160	PUBLIC COMMUNICATIONS INC.	USA	6,214,154	6,546,731	-5	49
178	166	LAMBERT, EDWARDS & ASSOCIATES	USA	6,188,000	6,026,000	3	40
179	189	360 PUBLIC RELATIONS	USA	6,170,000	4,752,383	30	38
180	182	SALT	UK	6,142,000	5,015,902	23	N/A
181	178	SPECTRUM	USA	6,102,379	5,225,000	17	31
182	203	HIGHWIRE	USA	6,022,255	4,093,335	47	36
183	168	PAN COMMUNICATIONS	USA	6,008,000	6,002,000	0	38
184	164	SHINE	UK	6,000,000	6,342,636	-5	N/A
185	173	RBB PUBLIC RELATIONS, LLC	USA	5,810,104	5,603,460	4	33
186	171	MCNEELY PIGOTT & FOX PUBLIC RELATIONS	USA	5,605,768	5,640,530	-0	52
187	184	LINHART PR	USA	5,481,205	4,899,244	12	28
188	N/A	YJOO	SWITZERLAND	5,400,000	N/A	N/A	N/A
189	161	MCG MEDICAL CONSULTING GROUP	GERMANY	5,333,300	6,473,835	-18	36
190	N/A	FURRER.HUGI&PARTNER AG	SWITZERLAND	5,331,970	4,741,440	13	25
191	N/A	NARVA	SWEDEN	5,320,000	3,300,000	61	26
192	187	REVIVEHEALTH	USA	5,300,000	4,850,000	9	24
193	175	JP KOM	GERMANY	5,187,000	5,500,000	-6	38
194	183	SINGER ASSOCIATES	USA	5,063,344	4,907,595	3	17
195	193	INTEGRAL PR SERVICES PVT LIMITED	INDIA	5,050,000	4,600,000	10	78
196	224	THREEPIPE COMMUNICATIONS LIMITED9	UK	4,980,000	3,132,048	59	55
197	N/A	COONIC	SPAIN	4,918,957	5,534,683	-11	57
198	N/A	SAXUM	US	4,918,713	4,070,590	21	32
199	N/A	NYHUS COMMUNICATIONS	UNITED STATES	4,907,974	4,195,255	17	16
200	N/A	BERSAY COMMUNICATIONS GROUP	TURKEY	4,901,287	4,622,340	6	58
201	190	KALTWASSER KOMMUNIKATION	GERMANY	4,841,200	4,733,415	2	32
202	N/A	ALL CHANNELS	BULGARIA	4,814,904	N/A	N/A	N/A
203	N/A	IKP	AUSTRIA	4,721,500	4,530,636	4	32
204	201	CREATIVE CREST	INDIA	4,712,400	4,200,000	12	72
205	199	TANGERINE PR	UK	4,706,100	4,294,002	10	N/A
206	197	L C WILLIAMS & ASSOCIATES	USA	4,659,667	4,404,394	6	30
207	N/A	BRAY LEINO PR	UK	4,648,000	4,435,455	5	33
208	211	BERKELEY PR INTERNATIONAL	UK	4,469,680	3,633,887	23	N/A
209	192	COOPERKATZ & COMPANY, INC.	USA	4,465,856	4,622,315	-3	30
210	N/A	BATEMAN GROUP	USA	4,400,000	3,090,454	42	29

TABLE NOTES

10: Threepipe's income includes the merger of digital agency Blowfish Digital.

GLOBAL RANKINGS

TOP 250

Continued

2014	2013	AGENCY	HQ	FEE INCOME 2013 (\$)	FEE INCOME 2012 (\$)	GROWTH (%)	STAFF
211	N/A	JMW KOMMUNIKATION	SWEDEN	4,300,000	4,000,000	8	24
212	200	CIRKLE	UK	4,150,958	4,254,980	-2	26
213	N/A	AKIMA MEDIA	GERMANY	4,150,000	3,500,000	19	31
214	198	INTERMARKET COMMUNICATIONS	USA	4,128,335	4,312,805	-4	16
215	185	HAAS & HEALTH PARTNER	GERMANY	4,123,000	4,878,450	-16	32
216	206	LANE	USA	4,109,561	3,968,034	4	26
217	216	WHYTE CORPORATE AFFAIRS	BELGIUM	4,084,000	3,446,559	19	N/A
218	196	PRETTY GREEN	UK	4,083,600	4,435,455	-8	N/A
219	212	TRIGGER OSLO	NORWAY	4,017,917	3,559,950	13	26
220	194	CERRELL ASSOCIATES	US	4,001,072	4,505,793	-11	22
221	209	HBI INTERNATIONAL	GERMANY	3,963,400	3,810,465	4	22
222	208	GROUNDLOOR MEDIA	USA	3,944,744	3,874,878	2	21
223	N/A	RMA COMUNICAÇÃO	BRAZIL	3,900,000	2,920,000	34	70
224	229	W COMMUNICATIONS	UK	3,867,800	2,895,728	34	35
225	N/A	WALKER SANDS	USA	3,811,380	2,920,449	31	43
226	217	DUKAS PUBLIC RELATIONS	USA	3,741,809	3,438,000	9	17
227	N/A	NOTA BENE	SPAIN	3,724,000	3,696,000	0	37
228	202	STANDING PARTNERSHIP	USA	3,704,065	4,100,532	-10	N/A
229	N/A	DABO & CO	UAE	3,701,459	3,065,782	21	48
230	219	THE SKILLS GROUP	AUSTRIA	3,649,520	3,296,250	11	18
231	214	CCGROUP	UK	3,643,610	3,485,021	5	23
232	N/A	PLMR	UK	3,627,799	2,615,782	39	29
233	N/A	MEROPA COMMUNICATIONS	SOUTH AFRICA	3,500,000	3,500,000	0	41
234	N/A	CROSSROADS	US	3,331,926	2,746,000	21	15
235	N/A	EML WILDFIRE	UK	3,320,000	N/A	N/A	26
236	218	STORYMAKER	GERMANY	3,298,400	3,335,805	-1	30
237	N/A	HB AGENCY	USA	3,277,000	2,514,000	30	21
238	N/A	ROCKORANGE	USA	3,200,000	N/A	N/A	N/A
239	127	FORTUNE PR	INDONESIA	3,183,509	10,055,460	-68	N/A
240	N/A	PRAM CONSULTING	CZECH REPUBLIC	3,139,285	5,663,907	-45	10
241	N/A	CAP & CIME PR SAS	FRANCE	3,066,804	2,373,376	29	22
242	N/A	PUBLICUM GROUP	LITHUANIA	3,060,000	2,164,000	41	58
243	227	SCHWARTZ PUBLIC RELATIONS	GERMANY	3,029,740	2,900,700	4	21
244	N/A	ASESORES DE RELACIONES PÚBLICAS Y COMUNICACIÓN	SPAIN	3,029,578	3,006,799	0	41
245	N/A	PROFILE PR	FRANCE	2,926,000	2,904,000	0	24
246	237	RED LORRY YELLOW LORRY	UK	2,921,791	2,375,440	23	N/A
247	233	SEESAME COMMUNICATION EXPERTS	SLOVAKIA	2,920,680	2,647,548	10	25
248	N/A	EVERCOM	SPAIN	2,878,201	2,686,465	7	27
249	232	EON STAKEHOLDER RELATIONS	PHILIPPINES	2,800,000	2,740,000	2	N/A
250	230	TREVELINO/KELLER	USA	2,752,000	2,888,624	-5	17

GLOBAL RANKINGS

GROWTH

Aarti Shah

Associate Partner & Senior Editor
The Holmes Report

FAST MOVERS: UK FIRMS LEAD INDUSTRY GROWTH

AGENCY [GLOBAL]	HQ	GROWTH [%]	FEE INCOME 2013
NEWGATE COMMUNICATIONS	UK	148.5	13,573,958
PADILLACRT	USA	91.6	32,333,400
WE ARE SOCIAL	UK	70.0	38,677,478
NARVA	SWEDEN	61.2	5,320,000
ZENO GROUP	USA	60.6	39,200,000
THREEPIPE COMMUNICATIONS LIMITED	UK	59.0	4,980,000
PPR	AUSTRALIA	47.4	30,200,000
HIGHWIRE	US	47.1	6,022,255
HANOVER	UK	45.5	12,450,000
RACEPOINT GLOBAL	US	44.4	34,000,000

UK-based firms dominated the fast movers with four firms ranking among the top 10 fastest growing around the globe.

For the second consecutive year, Newgate takes top spot as the fastest-growing PR firm, this year expanding by almost 150% to reach more than \$13m in fee income. The consultancy is joined by other UK-based firms We Are Social, Threepipe Communications (after a merger with digital agency Blowfish Digital) and Hanover.

Four US firms also make the top 10. PadillaCRT and Racepoint Global owe much of their growth to mergers, but Zeno Group and Highwire achieved their numbers organically. Sweden's Narva and Australia's PPR round out the top 10 fastest-growing PR firms in the world.

On a regional basis, China's largest independent PR firm BlueFocus (BlueDigital) ranks second in Asia-Pacific, following a downward revision of its numbers since the tables were first published. Due to the differences in how some agencies classify revenue versus fee income, BlueFocus' fee income was incorrectly listed as \$271m in the first iteration of the global ranking. This has since been corrected to \$123.6m, which sees the China agency's ranking revised downward to 16th in the Top 250 table.

The corrected figure covers fee income from the firm's BlueDigital operation, which includes public relations and digital marketing services, and the income from other subsidiaries of BlueFocus Communication Group is excluded. The new figure represents growth of more than 40%, compared to 2012.

Taking into account its reporting structure, it is unsurprising that even when breaking the rankings down by region, BlueFocus remains unparalleled as the largest agency of the group at \$124 million. Its closest fast moving rivals across all regions were firms with less than \$50 million in fees, among them: UK-based Lewis PR at \$45 million, US-based Finn Partners at \$44 million and US-based Zeno Group at \$39.2 million.

Overall, firms in Asia-Pac enjoyed double-digit growth that averaged 13.7% across all reporting firms in the region. Among the more mature markets, only the UK-based firms experienced overall double-digit growth at 10.3%. The US-based firms grew at 6.5%, while EMEA-based agencies trailed with 4.4% growth in fee income.

GLOBAL RANKINGS

GROWTH

Continued

“UK-based firms dominated the fast movers with four firms ranking among the top 10 fastest growing around the globe...”

AGENCY [US]	GROWTH [%]	FEE INCOME 2013
PADILLACRT	91.6	32,333,400
ZENO GROUP	60.6	39,200,000
HIGHWIRE	47.1	6,022,255
RACEPOINT GLOBAL	44.4	34,000,000
BATEMAN GROUP	42.4	4,400,000
FINN PARTNERS	37.5	44,400,000
FAHLGREN MORTINE	35.8	16,842,065
FOODMINDS	32.4	6,432,640
MAX BORGES AGENCY	31.7	9,100,000
SHIFT COMMUNICATIONS INC.	30.7	18,600,000

AGENCY [UK]	GROWTH [%]	FEE INCOME 2013
NEWGATE COMMUNICATIONS	148.5	13,573,958
WE ARE SOCIAL	70.0	38,677,478
THREEPIPE COMMUNICATIONS LIMITED	59.0	4,980,000
HANOVER	45.5	12,450,000
IRIS WORLDWIDE	41.6	15,035,488
PLMR	38.7	3,627,799
MISCHIEF	37.6	8,798,000
WAY TO BLUE	34.1	8,025,459
W COMMUNICATIONS	33.6	3,867,800
LEWIS PR	28.0	45,848,320

AGENCY [EUROPE]	GROWTH [%]	FEE INCOME 2013
NARVA	61.2	5,320,000
PUBLICUM GROUP	41.4	3,060,000
CAP & CIME PR SAS	29.2	3,066,804
PRO-VISION COMMUNICATIONS	26.4	8,591,874
IMARS GROUP	23.5	18,100,000
MIKHAILOV & PARTNERS	23.5	23,309,000
WHYTE CORPORATE AFFAIRS	18.5	4,084,000
MEDIA CONSULTA INTERNATIONAL	16.5	16,686,180
A&B ONE	16.3	19,471,200
AGENCE ELAN	15.8	9,310,000

AGENCY [ASIA-PACIFIC]	GROWTH [%]	FEE INCOME 2013
PPR	47.4	30,200,000
BLUEFOCUS (BLUEDIGITAL)	40.5	123,361,000
PRAIN GLOBAL INC.	24.2	19,892,451
VECTOR INC.	24.0	62,000,000
TRACCS	22.6	13,323,000
DABO & CO	20.7	3,701,459
CREATIVE CREST	12.2	4,712,400
ADFACTORS PR	11.9	17,240,000
INTEGRAL PR SERVICES PVT LIMITED	9.8	5,050,000
PR ONE	7.9	15,911,644

GLOBAL RANKINGS

GROWTH

HOLDING GROUPS/NETWORKS

AGENCY	GROWTH (%)	INCOME 2013
WPP	3	1,528,860,000
OMNICOM GROUP	0	1,300,000,000
INTERPUBLIC GROUP	8	1,300,000,000
PUBLICIS GROUPE	4	547,040,000
PROI	22	513,134,421
HUNTSMITH GROUP	1	285,022,000
WORLDWIDE	-18	281,009,531
HAVAS PR	5	209,000,000
IPREX	33	200,000,000
NEXT 15	7	159,526,000

BEST OF THE REST

BEYOND THE TOP 250, A NUMBER OF PR AGENCIES FROM AROUND THE WORLD CATCH THE EYE, DEMONSTRATING STRONG GROWTH AND AN EYE FOR INNOVATION. HERE ARE 15 TO WATCH.

AGENCY	GROWTH (%)	FEE INCOME 2013 (\$)
CLICK PR	171.1	807,451.00
AVANGARD GLOBAL COMMUNICATIONS	87.4	2,530,000.00
THE10COMPANY	70	850,000.00
M3 COMMUNICATIONS GROUP	59.6	2,420,600.00
RICE COMMUNICATIONS	39.8	1,502,624.00
FINN	36.8	1,336,650.00
STUNTMAN PR	35.2	511,000.00
URBAN GRUPO DE COMUNICACIÓN	29.9	152,000.00
BABEL PUBLIC RELATIONS	28.9	2,338,193.00
COOPR	28.1	796,670.00
MONET+ASSOCIÉS	25.9	1,995,000.00
PRHUB	21.2	800,000.00
EPIC COMMUNICATIONS	14	2,270,500.00
TRIBECA PUBLIC RELATIONS	2.5	808,000.00

TABLE NOTES

1: Interpublic Group's PR fee income is estimated based on revenues provided by its CMG division.

GLOBAL RANKINGS METHODOLOGY

“One critical decision we made when the ranking project began was to define public relations broadly. This decision was grounded in the philosophical approach of The Holmes Report, which believes that public relations includes all of the activities in which an organization engages in order to strengthen its relationship with any public or stakeholder group...”

Thus, public relations fee income includes not only fees derived from traditional PR activities (media relations, community relations, employee communications, investor relations, public affairs) but also fees (but only fees) related to activities such as research, design, advertising and social media relations—as long as those activities were carried out by a firm whose primary activity is public relations.

We have always considered advertising, for example, to be a perfectly legitimate tool of public relations management. Indeed, many in-house public relations departments have responsibility for substantial advertising budgets, particularly when the advertising is designed to meet corporate or public affairs objectives rather than marketing or sales objectives. It would therefore be illogical to exclude fees related to advertising from a broad and inclusive ranking.

So the precise wording on the rankings form provided to participating agencies was as follows: “The Holmes Report defines public relations broadly as any activity designed to help corporations and other institutions build mutually-beneficial relationships with their key stakeholders, including but not limited to customers, employees, shareholders, legislators and regulators, communities, and the media. “The primary business of a public relations firm for the purposes of this document should involve either strategic, media-neutral counsel or earned media, but a public relations firm may engage in a wide range of activities including but not limited to media relations, sponsorship, advertising, corporate identity, web design, and research. However, firms may include only the fees for this work, not payments related to media buys, production, etc.

“The Holmes Report reserves the right to make its own judgment about whether a firm qualifies as a public relations firm for the purposes of these rankings, and to exclude firms it considers not properly qualified.” This is a broader definition than the one used by many other organizations providing local market rankings of public relations firms, which means that several of the firms providing numbers to The Holmes Report will receive credit for income not included in other rankings. The numbers for Edelman, for example, include fees from its StrategyOne research division and its Blue advertising unit, adding between \$7 million to the more tightly defined fee income reported to O’Dwyer’s newsletter. There were several obstacles to complete accuracy, the most obvious of which is the decision of the largest publicly-traded holding companies to interpret the Sarbanes-Oxley regulations in the United

States in such a way that they preclude the release of information about specific operating units.

In truth, there is nothing in Sarbanes-Oxley that prevents the release of information. Indeed, some publicly-traded communications companies do continue to provide information about individual public relations brands. For the very largest companies, such as WPP, Omnicom, and Interpublic, the issue appears to be one of cost—the expense associated with ensuring the accuracy of published numbers—rather than legal prohibition. Needless to say, none of the Sarbanes-Oxley restricted holding companies or their PR firms co-operated in the creation of this ranking, and so The Holmes Report/ICCO was compelled to rely on several sources to compile a ranking that it believes to be broadly accurate. Among the information sources on which we drew:

- Publicly-available information (including the last official ranking to pre-date Sarbanes-Oxley, for 2001 fee income, and some information available from the firms themselves related to headcount);
- Information that has entered the public domain despite the best efforts of the companies (specifically, information from former employees relating to headcount in specific offices, supplemented in some cases by directories of agency employees, as well as widely known revenue-per-employee targets); and
- The judgment of The Holmes Report/ICCO, which covers the field in both the U.S. and Europe and can draw on information about clients moves, office openings and new hires to form a broad picture of the industry.

PRCA TRAINING 2014

Using Video in Social Media for PR

Training Type: Online
Skill: Digital

PR and Brands

Training Type: Online
Skill: Specialist Skills

Managing Your Client Relationships

Training Type: Online
Skill: Client Management

Making the Most of Pinterest and Social Bookmarking for PR

Training Type: Online
Skill: Client Management

Generating Sales with Social Media

Training Type: Online
Skill: Digital

Understanding Finance

Training Type: Online
Skill: Finance & Profitability

How to Prepare for a Presentation

Training Type: Online
Skill: Personal Skills

Developing an Internal Communications Strategy

Training Type: Online
Skill: Specialist Skills

Training sessions run every three months!
To find the next date which suits you, log on to
www.prca.org.uk/pr-training-calendar

Online webinars

ICCO Members: £80.00

All prices are subject to VAT

MAKE THE RIGHT CHOICE

The professional body representing PR consultancies, in-house communications teams, freelancers and individuals

GLOBAL OVERVIEW

TRENDS & ATTITUDES

OPTIMISM REBOUNDS AS MARKETERS SPEND MORE ON PR

- Marketers increase PR budgets
- Digital and social media upturn
- Corporate reputation and responsibility less important
- Talent remains perennial concern

“Agency leaders were more optimistic all around the world as markets rebound and social media force companies to engage with their stakeholders in a more meaningful way...”

Public relations agency leaders from around the world are generally bullish on the outlook for their business, expressing greater optimism about the growth of the PR market in general and about their own agencies' profitability.

That optimism appears to stem from a belief that marketers are increasing the share of their budget allocated to public relations, and are increasingly willing to turn to public relations firms for non-traditional services, including digital and social media work—offsetting some concerns about the importance of corporate reputation and corporate responsibility.

Optimism levels rebounded from last year's survey, with agency principals averaging a 7.69 (on a scale of one to 10) when asked whether they were optimistic about the future of public relations in their market (up from 7.50 in 2013) and a 7.60 (up from 7.38) when asked whether they expected profits to increase this year.

The research—conducted by The Holmes Report and the International Communications Consultancies Organisation (ICCO) among more than 500 PR agency principals as part of the World PR Report—found a continuing gap between the Americas and Europe when it comes to optimism: Latin American agency principals were the most optimistic (8.71), followed by those in North America (8.46) and Asia (8.35). But Eastern Europeans (6.89) and Western Europeans (7.28) were considerably less confident about the future, with firms in the UK (7.83) somewhere in the middle of the two extremes.

The optimism level of Western European firms was actually an improvement over 2013, when it was just 6.70, but Eastern Europe suffered a sharp decline, down from 7.31—the only region where agency leaders were more pessimistic than the year before.

“Agency leaders were more optimistic all around the world as markets rebound and social media force companies to engage with their stakeholders in a more meaningful way,” said Paul Holmes, publisher/CEO of The Holmes Report. “The only exception is Eastern Europe, where PR firms are not feeling the benefit of the recovery.”

Globally, agencies were increasingly convinced that marketers are increasing their spending on PR relative to other disciplines (6.19, up from 5.63 the previous year). Agencies in the Asia (6.56), the UK (6.53) and North America (6.51) were the most likely to see such an increase, while Eastern European agencies were the least likely (5.48).

Another major difference between Europe and the rest of the world is the willingness of clients to turn to PR firms for “non-traditional” services such as corporate advertising, digital services, and word-of-mouth. Western European firms were the least likely to see this kind of diversification (6.65), although Australian agencies seem to be stuck in a similar rut (6.67) compared to their peers in North America (7.49) and Latin America (7.71).

But if agency principals are more optimistic when it comes to marketing budgets, they were less likely to see corporate reputation being prioritized. When asked if CEOs in their market were taking corporate reputation seriously, the average score was 7.35, down from 7.54 last year. When asked whether clients were taking corporate responsibility more seriously, the average score was 6.76, down from 6.88.

Corporate reputation was seen as a big issue in North America (8.20) but is being taken least seriously in Eastern Europe (6.52). CSR is a significant priority in Latin America (7.94) but again lags in Eastern Europe (6.14).

“Optimism is clearly the watchword for this year's World PR Report — and as we head further out of the downturn, there are some clues here as to what holds the best opportunities for the industry,” added ICCO chief executive Francis Ingham. “Non-traditional services continue to grow as a client draw, and while corporate reputation services seem to have waned a little, let's not forget that they still remain important for over 70% of agencies around the world.”

Globally, the perennial concern about talent intensified, with agency heads less confident (6.01, compared to 6.13 in 2013) that there was “a plentiful supply of intelligent, well-educated talent” in their market. The concern was greatest in Eastern Europe (5.40) and in the UK (5.77).

“In some ways, that number is the most worrying for Eastern Europe,” said Holmes. “In the past, we have seen the greatest concern about talent in markets where the PR business is flourishing—where the demand for good people is outstripping supply. The fact that Eastern European agencies are struggling to find talent suggests a deeper malaise. The PR industry in the region has not convinced either potential clients or potential employees of its value.”

GLOBAL OVERVIEW

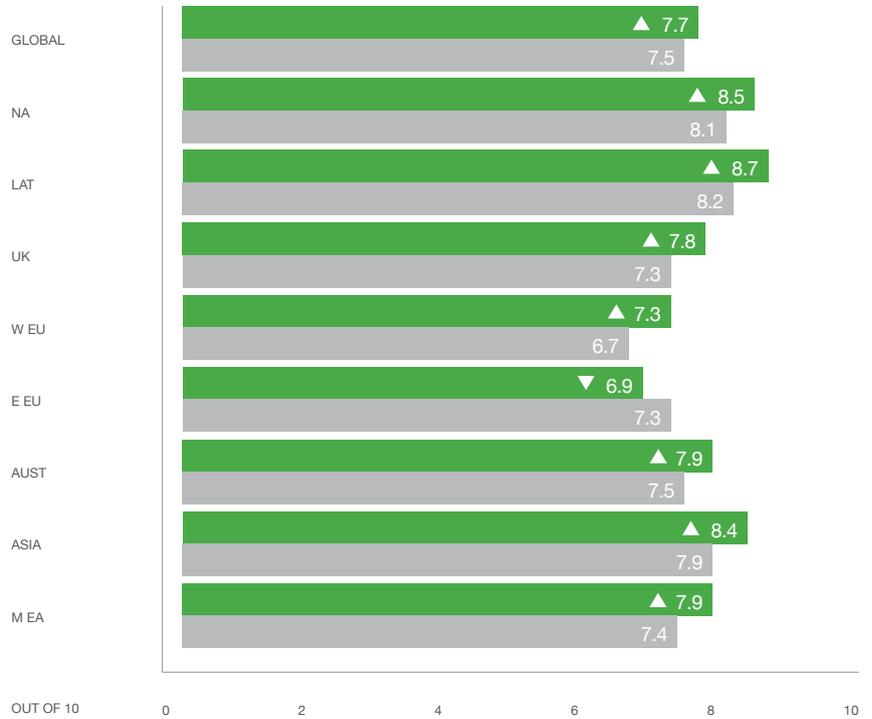
TRENDS & ATTITUDES

Continued

■ 2014
■ 2013
 NA: NORTH AMERICA
 LAT: LATIN AMERICA
 UK: UNITED KINGDOM
 W EU: WESTERN EUROPE
 E EU: EASTERN EUROPE
 AUST: AUSTRALIA
 ASIA: ASIA
 M EA: MIDDLE EAST

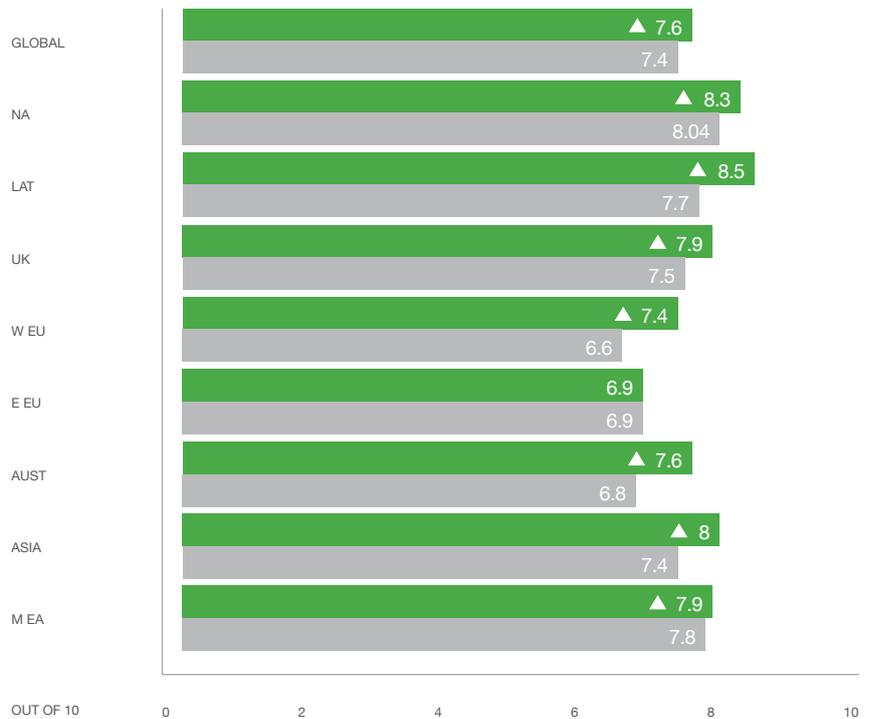
OPTIMISM:

I am optimistic about the growth of the public relations market here



PROFITABILITY:

I expect an increase in agency profitability this year



GLOBAL OVERVIEW

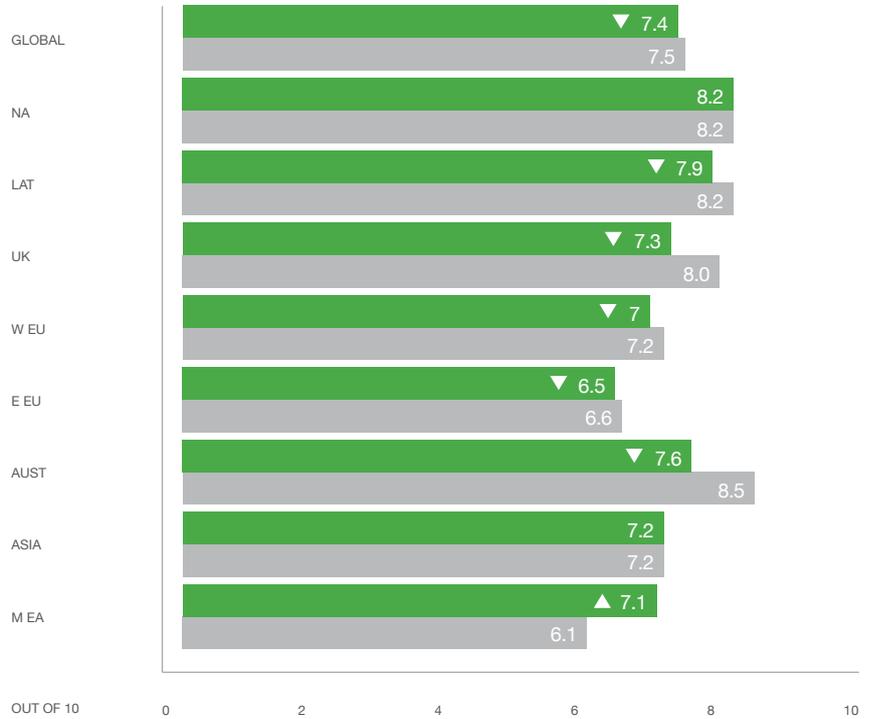
TRENDS & ATTITUDES

Continued

■ 2014
■ 2013
 NA: NORTH AMERICA
 LAT: LATIN AMERICA
 UK: UNITED KINGDOM
 W EU: WESTERN EUROPE
 E EU: EASTERN EUROPE
 AUST: AUSTRALIA
 ASIA: ASIA
 M EA: MIDDLE EAST

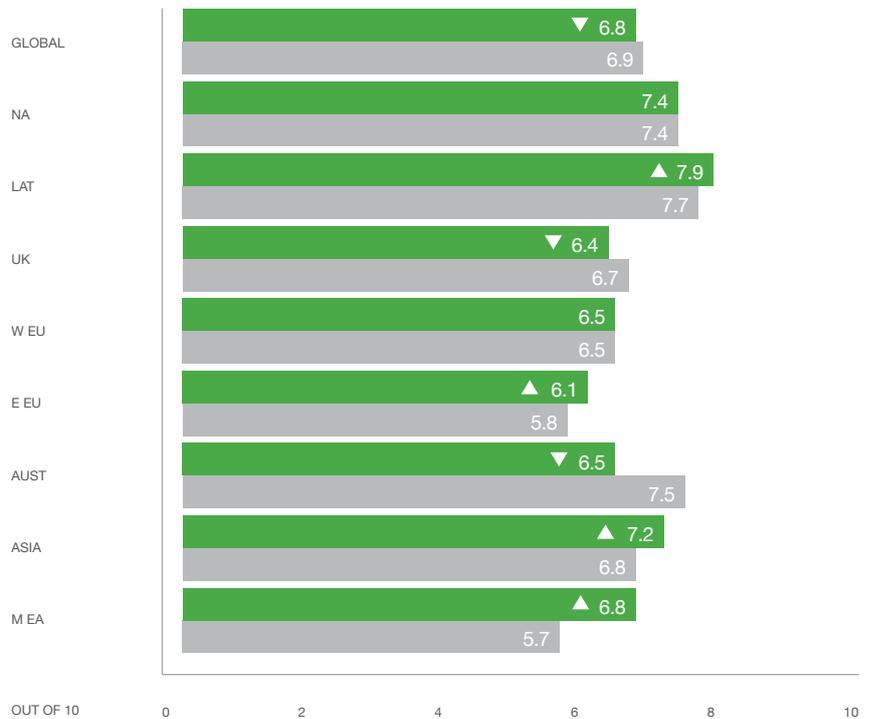
CORPORATE REPUTATION:

CEOs in this market take corporate reputation seriously



SOCIAL RESPONSIBILITY:

Companies in this market are paying more attention to corporate social responsibility



GLOBAL OVERVIEW

TRENDS & ATTITUDES

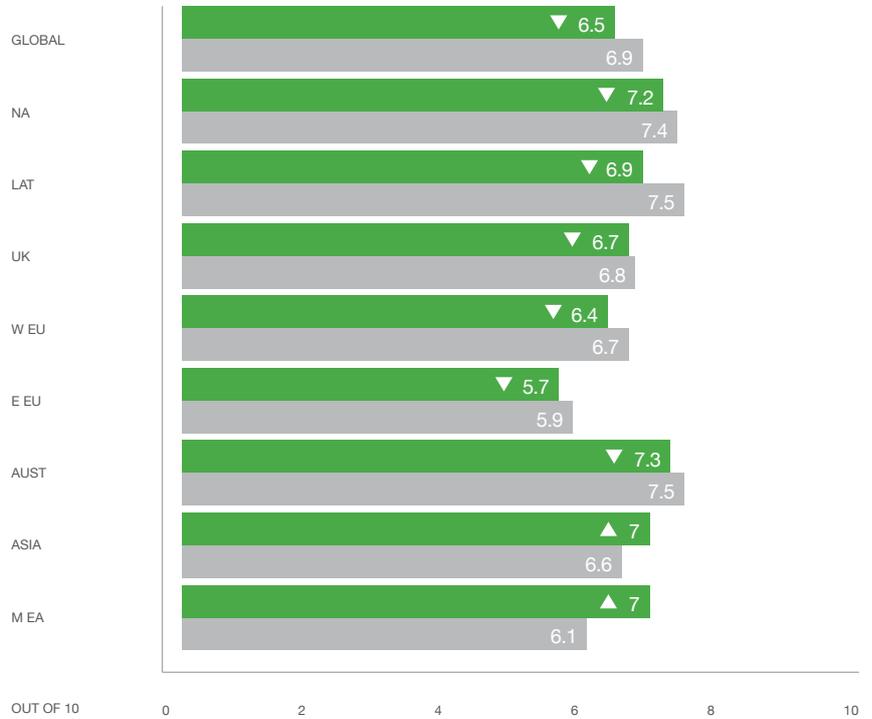
Continued

2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST

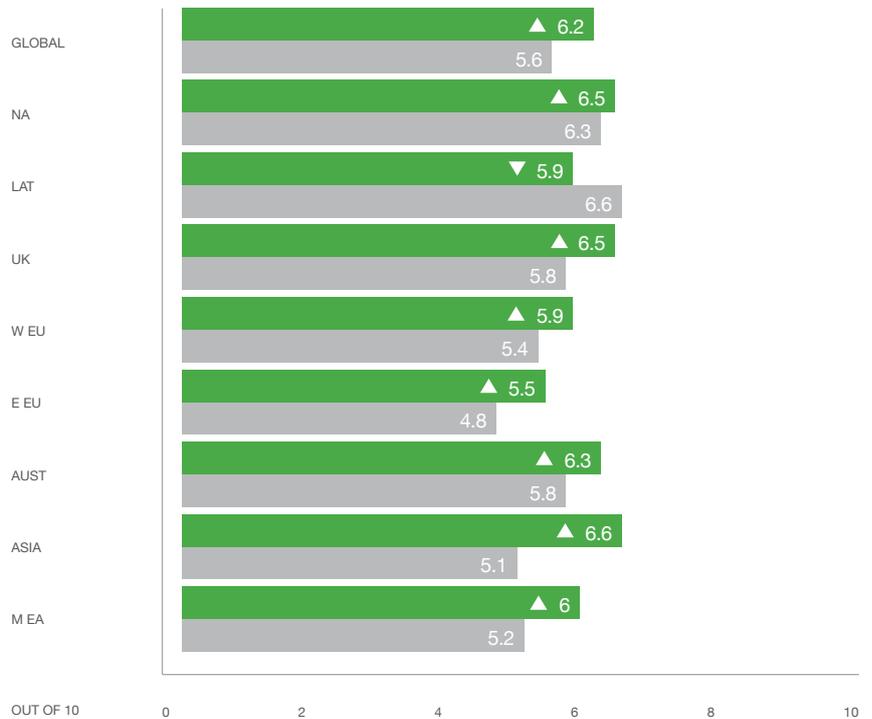
SHAREHOLDER INTERESTS:

Companies understand the need to balance shareholder interests with those of other stakeholders



MARKETING SPEND:

Marketers are spending more money on public relations relative to other marketing disciplines



GLOBAL OVERVIEW

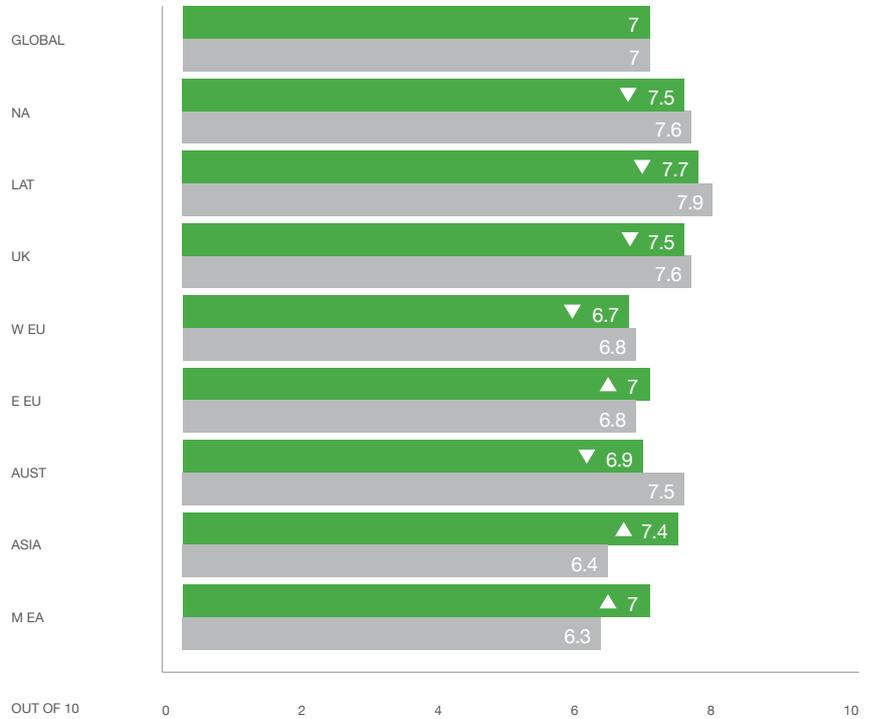
TRENDS & ATTITUDES

Continued

■ 2014
■ 2013
 NA: NORTH AMERICA
 LAT: LATIN AMERICA
 UK: UNITED KINGDOM
 W EU: WESTERN EUROPE
 E EU: EASTERN EUROPE
 AUST: AUSTRALIA
 ASIA: ASIA
 M EA: MIDDLE EAST

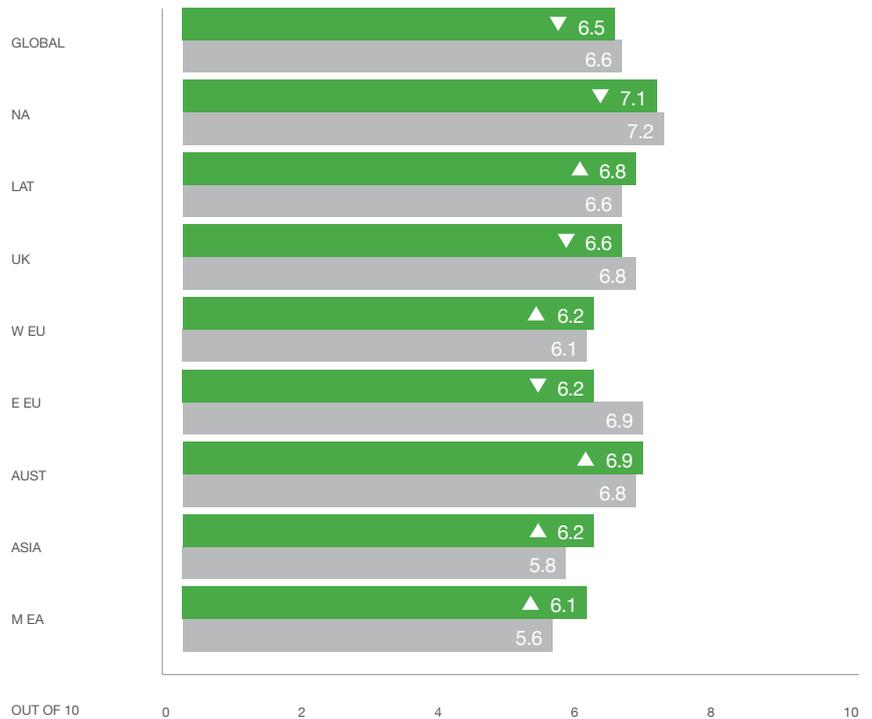
NON-TRADITIONAL SERVICES:

Clients in this market are willing to turn to public relations firms to provide non-traditional services



DIGITAL:

PR agencies in this market are successfully addressing client digital needs



GLOBAL OVERVIEW

TRENDS & ATTITUDES

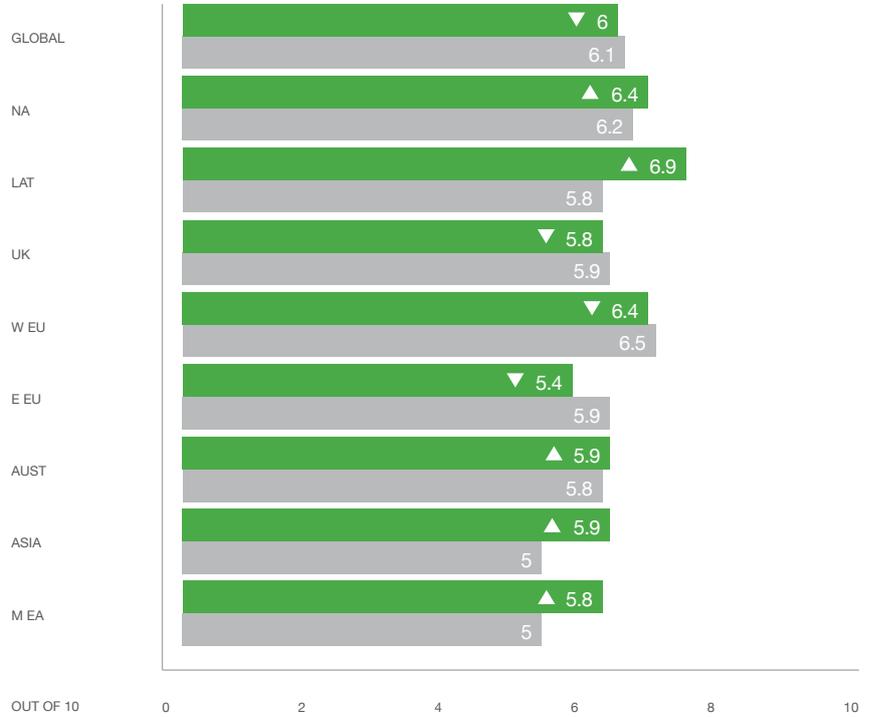
Continued

2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST

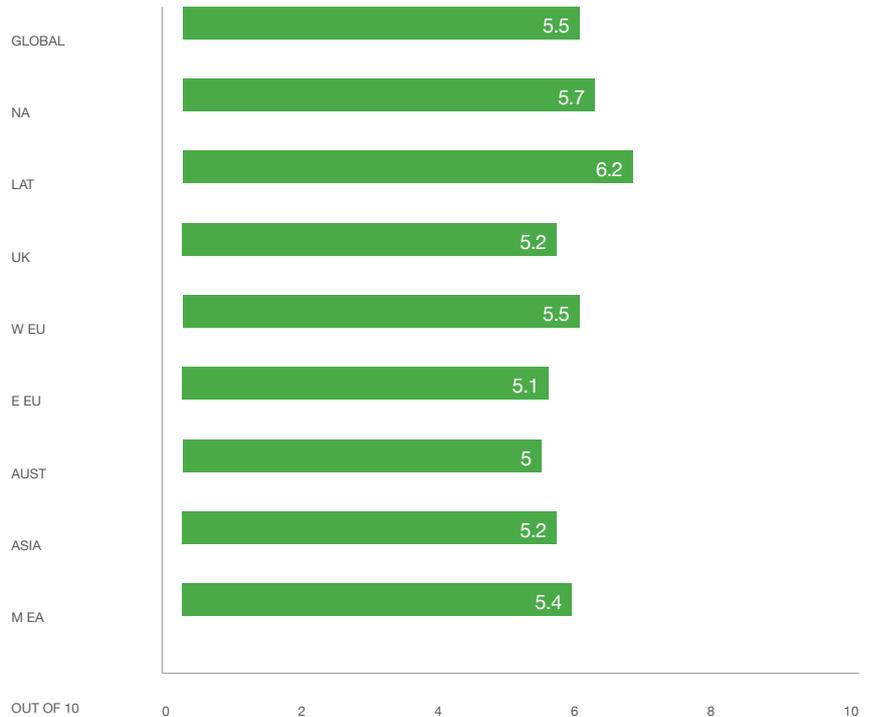
TALENT:

There is a plentiful supply of intelligent, well-educated talent in this market



OUTSOURCING:

PR firms in this market do a good job of sourcing talent from outside the industry



CHALLENGES GREATEST GLOBAL CHALLENGES

GREATEST GLOBAL CHALLENGES

“...many clients are still reluctant to spend on public relations, and agencies are feeling the pressure to deliver more for less...”

The ability to attract top talent is now the biggest concern for public relations agency leaders around the world, according to a survey conducted by The Holmes Report and the International Communications Consultancies Organisation as part of the World PR Report.

Almost four out of 10 (39.9 percent) consultancy principals responding to our survey cited “staff recruitment” as one of the most significant challenges facing PR firms in their market. That was an increase over last year, when recruitment was second (36.9 percent) behind concerns about overall economic conditions (37.6 percent).

Economic conditions were a less pressing concern this year, with just 25.8 percent identifying them as one of the three greatest challenges to their growth—although many (31.54 percent) continued to worry that clients are unwilling to commit sufficient funds to public relations.

“The recession may be over in most markets around the world,” says Paul Holmes, editor of The Holmes Report, “but many clients are still reluctant to spend on public relations, and agencies are feeling the pressure to deliver more for less.”

The survey identified a number of concerns that may be contributing to that problem.

The first is increased competition. This year, more than a quarter of responding firms (25.5 percent) cited competition from other marketing disciplines as a major obstacle to growth—that continues a steady increase from 22.9 percent of respondents in 2013, and 20.6 percent in 2012. Similarly, 22.82 percent cited competition from other PR firms as one of their toughest challenges, up from 18.2 percent in 2013 and just 15.5 percent in 2012.

The second is the ability to master digital and other new technologies—although PR firms do appear to be rising to the challenge, as this issue was cited by 22.5 percent of respondents this year, compared to 25.2 percent last year.

The third is measurement and evaluation. While this was cited by just 13.8 percent of respondents (down from 17.5 percent) last year, it seems likely that there is some correlation between the industry’s ongoing measurement problems and the unwillingness of clients to invest sufficient funds. Says Holmes, “If we were providing clients with convincing metrics to show that PR impacts their performance, we would surely be seeing higher levels of investment.”

The fourth is client education. More than one in four (21 percent) suggested that client understanding of PR was a significant obstacle to growth, and an ever greater number (24.5 percent) worried that clients were too focused on the short-term.

“The fact that talent is now the leading issue for PR agencies globally shows that growing pains are once again top of the agenda, while economic conditions have slipped down the list,” added ICCO chief executive Francis Ingham. “This is reassuring to some extent, but there is some concern over the growing pressures brought on by competition from other marketing disciplines - leading to this continuing reluctance from clients to spend on PR.

“As the global PR industry’s talents become increasingly diverse, it is inevitable that competition with other disciplines will be an everyday experience — an interesting dynamic which I believe can only help us to hone our abilities.”

CHALLENGES GREATEST GLOBAL CHALLENGES

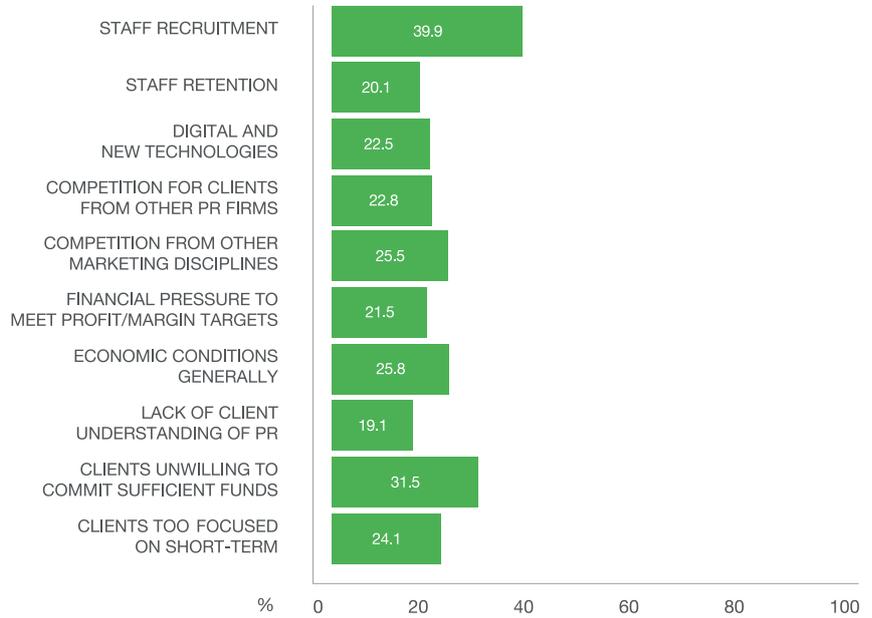
Continued

2014
2013

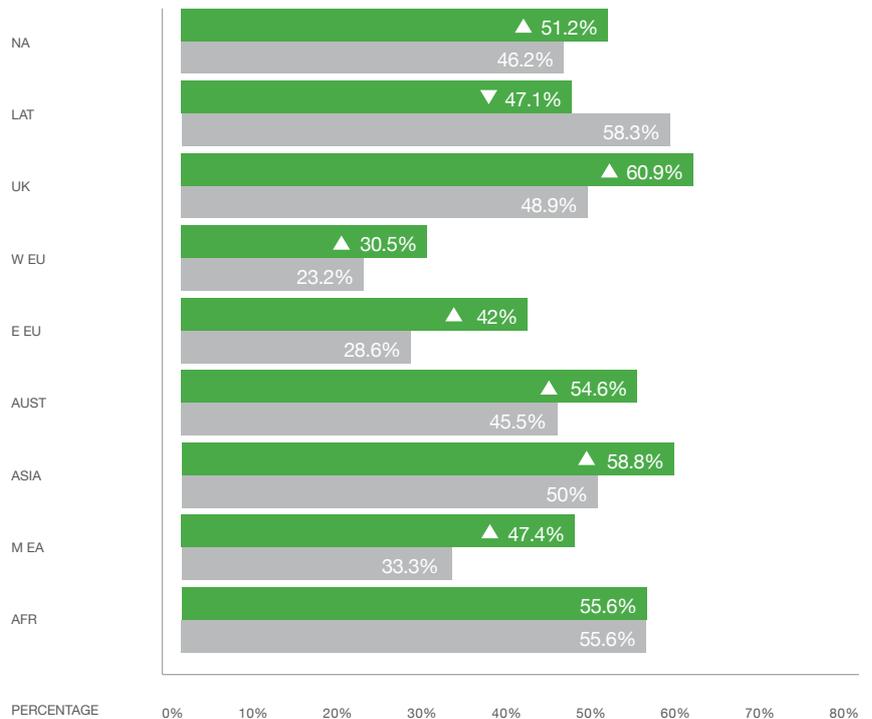
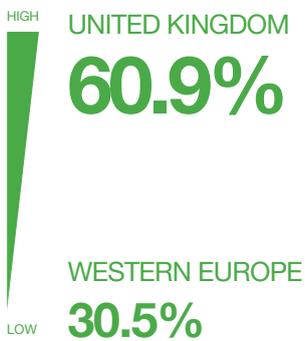
NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

GLOBAL CHALLENGES:

Which of the following issues is the greatest challenge for PR firms in your market?



STAFF RECRUITMENT



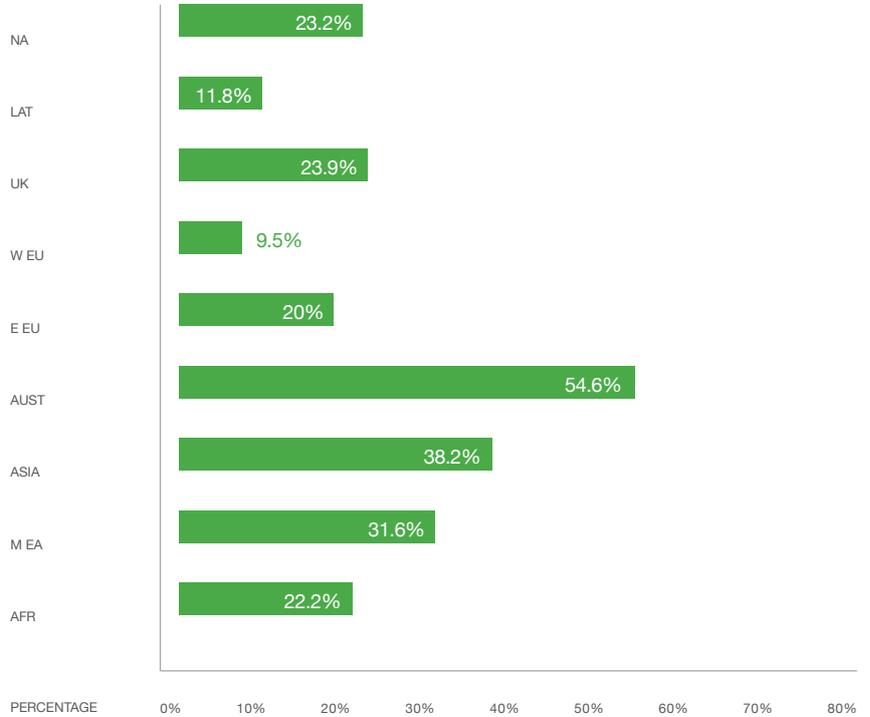
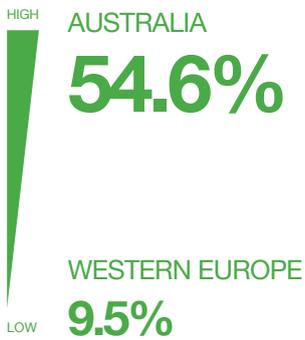
CHALLENGES GREATEST GLOBAL CHALLENGES

Continued

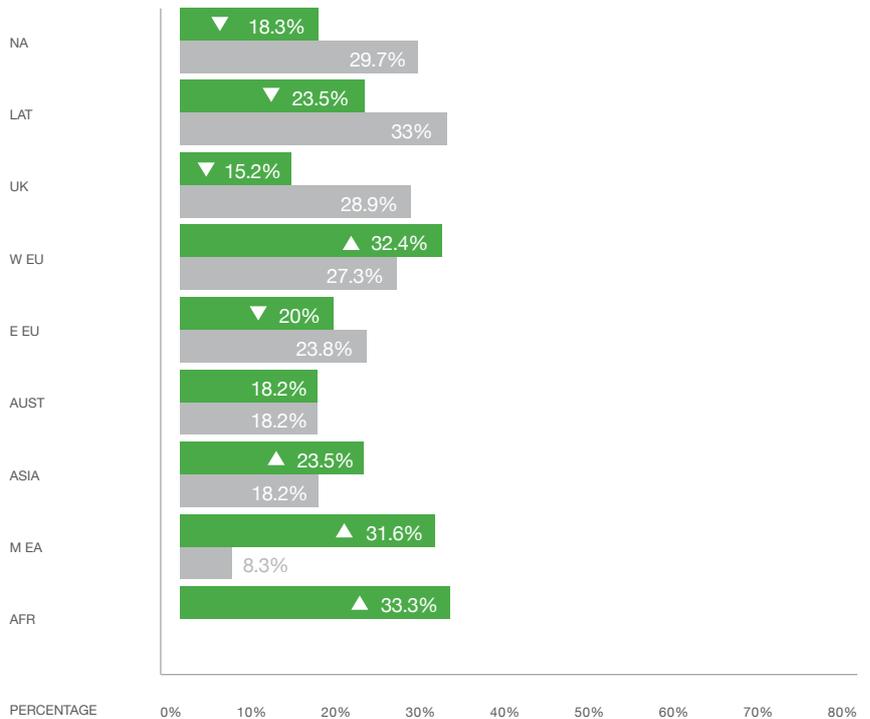
2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

STAFF RETENTION



DIGITAL AND NEW TECHNOLOGIES



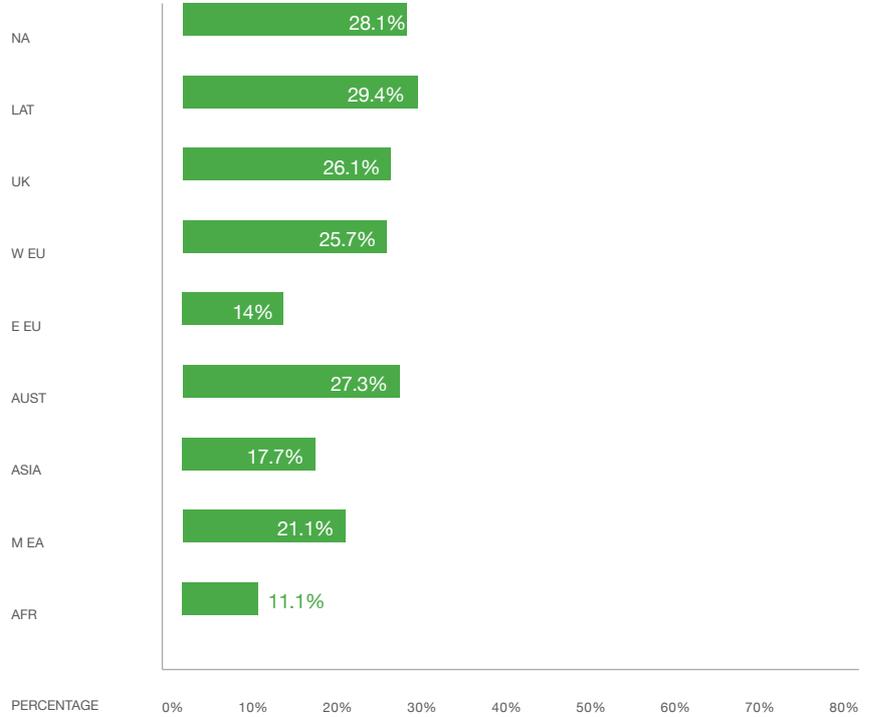
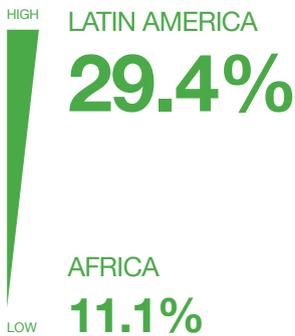
CHALLENGES GREATEST GLOBAL CHALLENGES

Continued

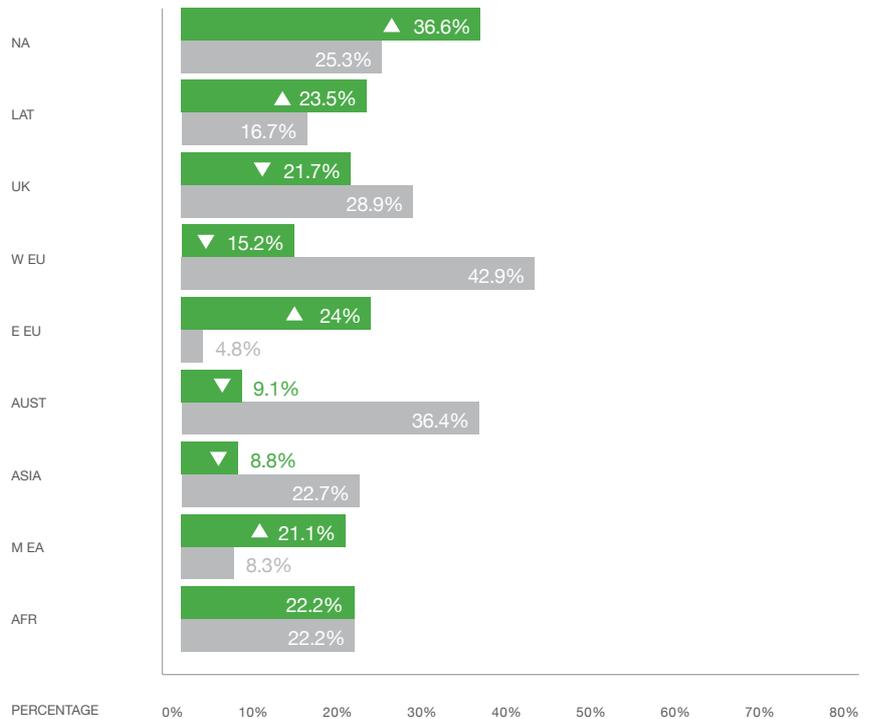
2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

COMPETITION FROM OTHER PR FIRMS



COMPETITION FROM OTHER MARKETING DISCIPLINES



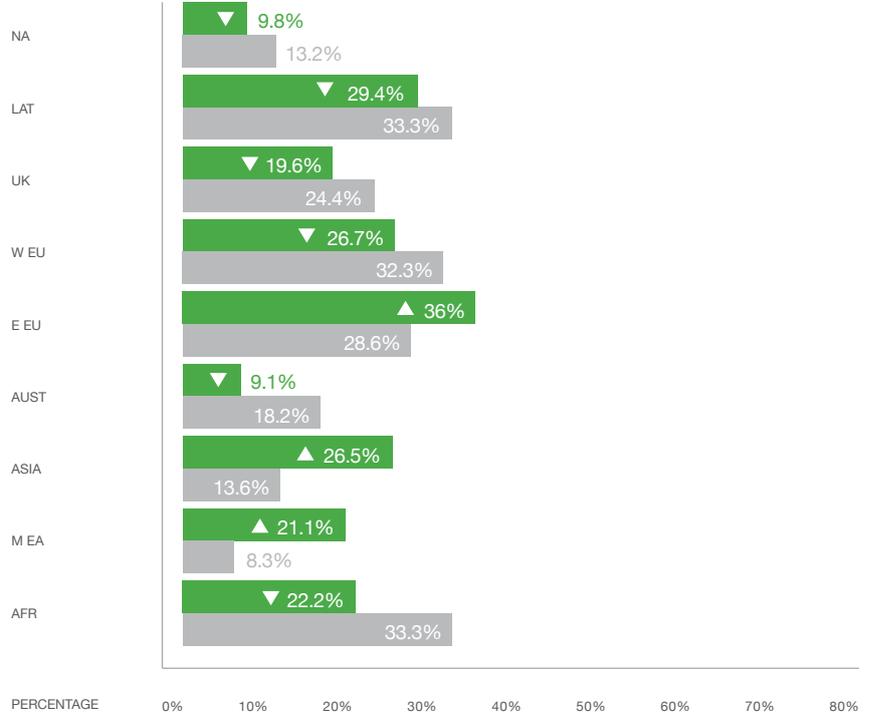
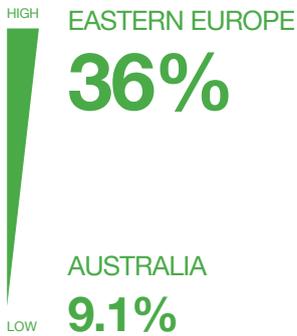
CHALLENGES GREATEST GLOBAL CHALLENGES

Continued

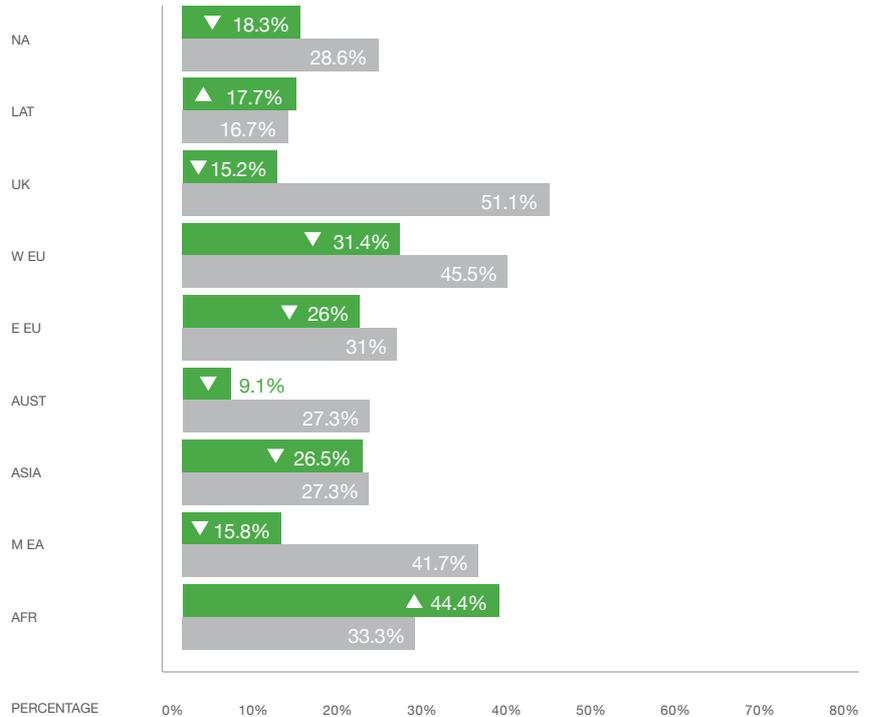
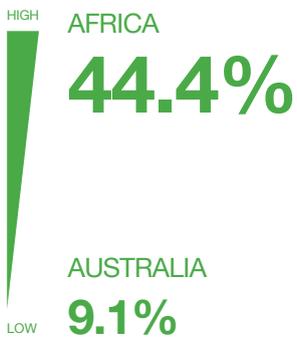
2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

FINANCIAL PRESSURE TO MEET PROFIT TARGETS



ECONOMIC CONDITIONS



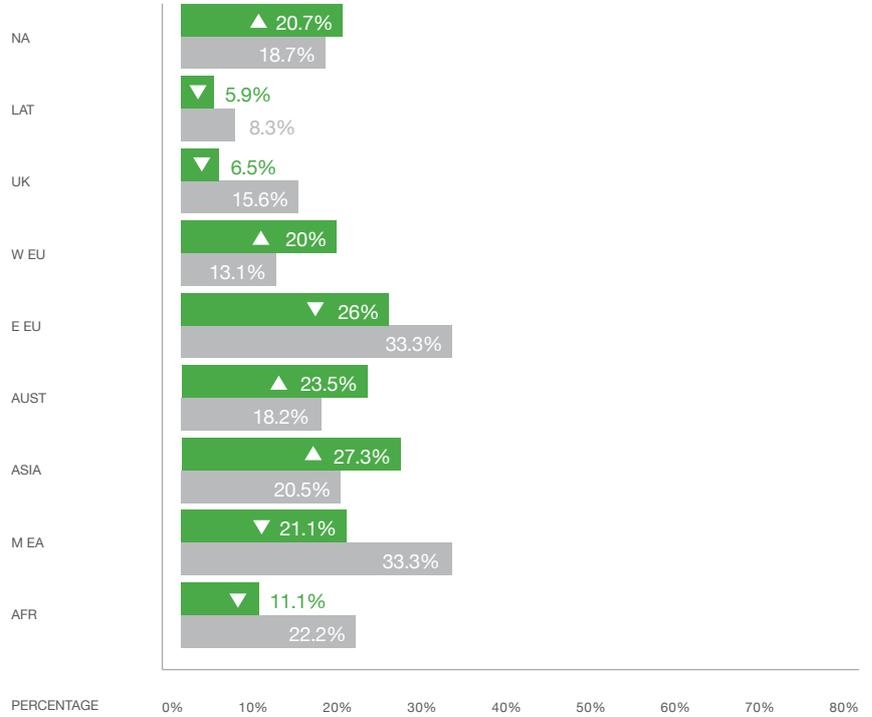
CHALLENGES GREATEST GLOBAL CHALLENGES

Continued

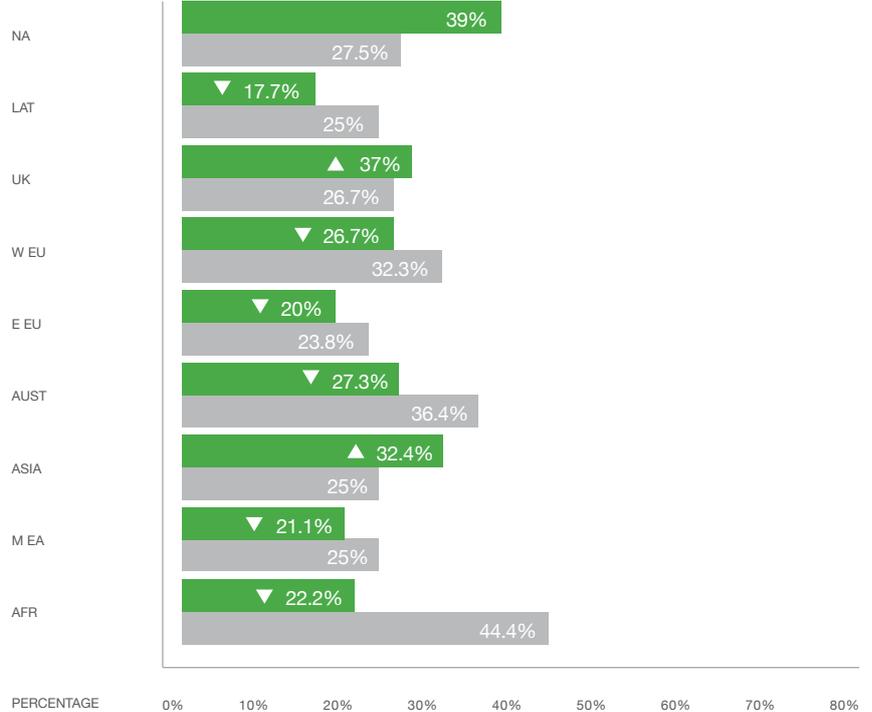
2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

LACK OF CLIENT UNDERSTANDING



CLIENTS UNWILLING TO COMMIT FUNDS



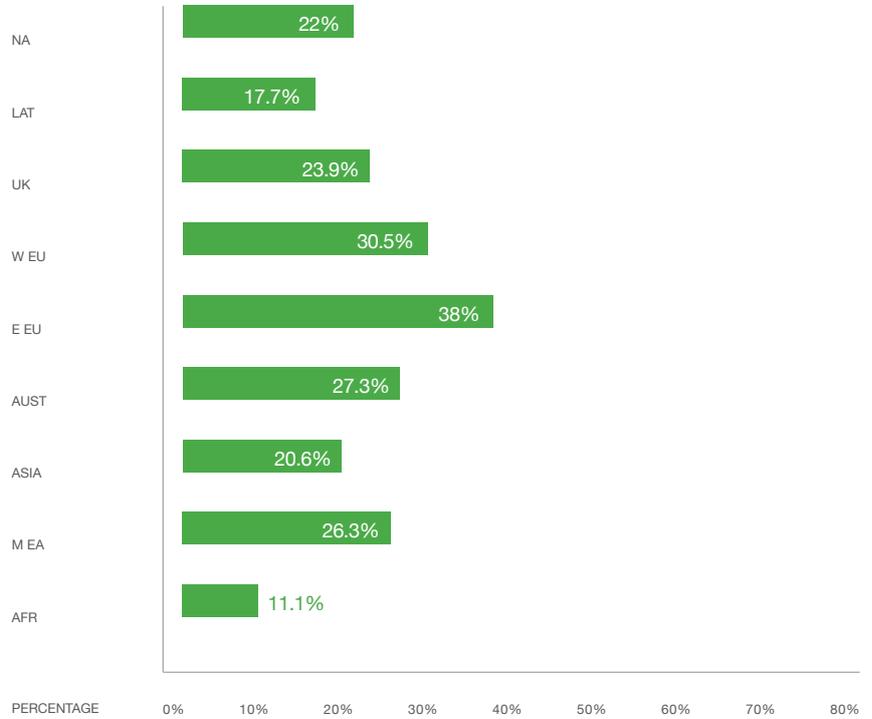
CHALLENGES GREATEST GLOBAL CHALLENGES

Continued

2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

CLIENTS TOO FOCUSED ON SHORT TERM



OPPORTUNITIES & CHALLENGES

GLOBAL INVESTMENT PLANS

HIGH
LOW

GLOBAL INVESTMENT PLANS

“Looking ahead, digital is likely to be the area of greatest focus...”

Last year, PR firms continued their investment in social media community management (68.9% listed that among their top three growth areas), multimedia content creation (37.1%), and digital build and production (26.2%)—but also in senior counsel (37.0%) and, somewhat surprisingly, media relations (35.1%).

At the other end of the scale, research (7.2%) and professional development were the areas of lowest investment.

Other priorities for firms around the world include senior counsel (26.5%) and creativity (24.2%).

Looking ahead, digital is likely to be the area of greatest focus: 52.7% expect to continue spending heavily on social media community management; 40.6% on digital production; and 38.9% on multimedia content.

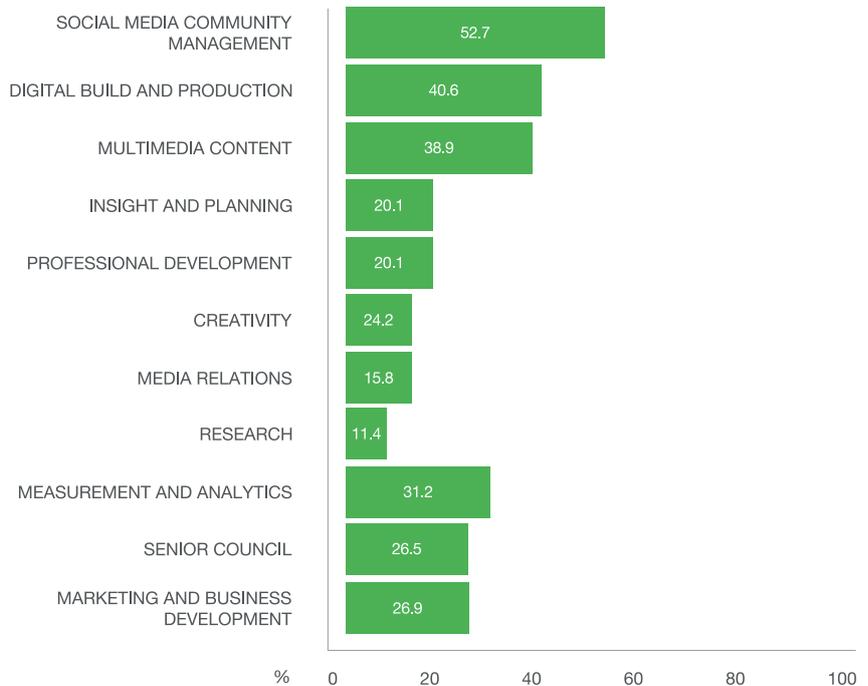
Interest in expanding social media community management is strongest in the Middle East and Africa (70.4%) and weakest in Latin America (25.0%). Enthusiasm for digital build and production is highest in Eastern Europe (58.0%) and lowest in Western Europe (31.4%). And multimedia content production is a top priority in the UK (54.4%) but barely registers in Australia (9.1%).

But there is also a surge of interest in measurement and analytics, which is likely to see the fourth highest investment in 2014, cited as a priority by 31.2%. Add in the number who expect to increase spending on insight and planning (20.1%) and other research (11.4%) and it is clear that data and analytics-related investment is on the increase.

Senior counsel is a high priority in Australia (45.5%) and in Latin America (37.5%), while measurement and analytics garners the greatest interest in the most developed markets: the UK (41.3%) and North America (39.8%).

INVESTMENT:

In which of the following areas do you expect to increase your investment this year?



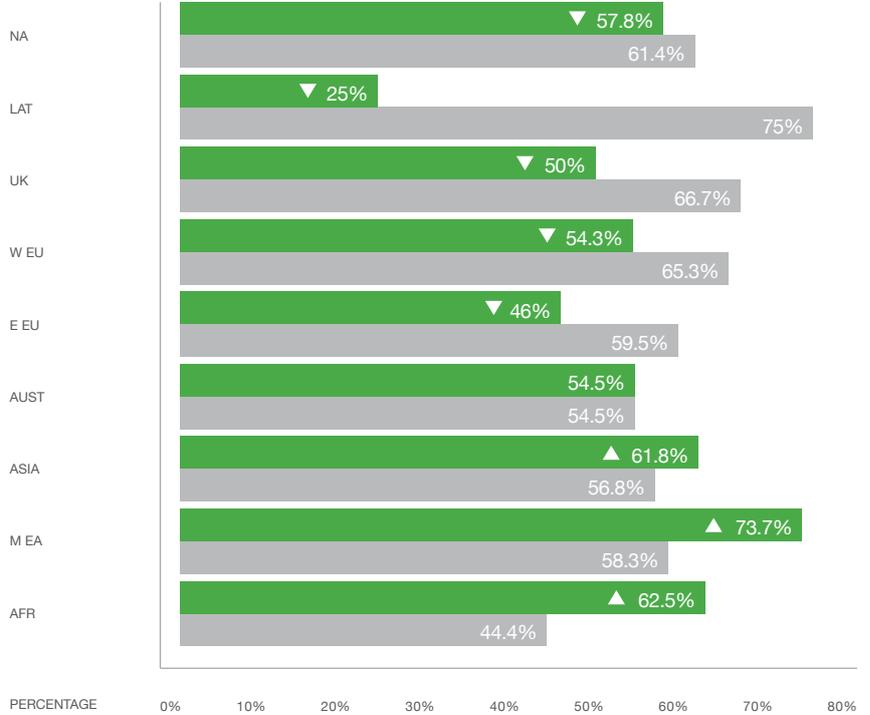
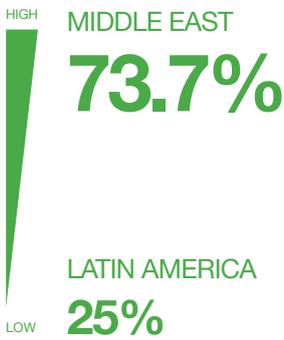
OPPORTUNITIES & CHALLENGES

GLOBAL INVESTMENT PLANS

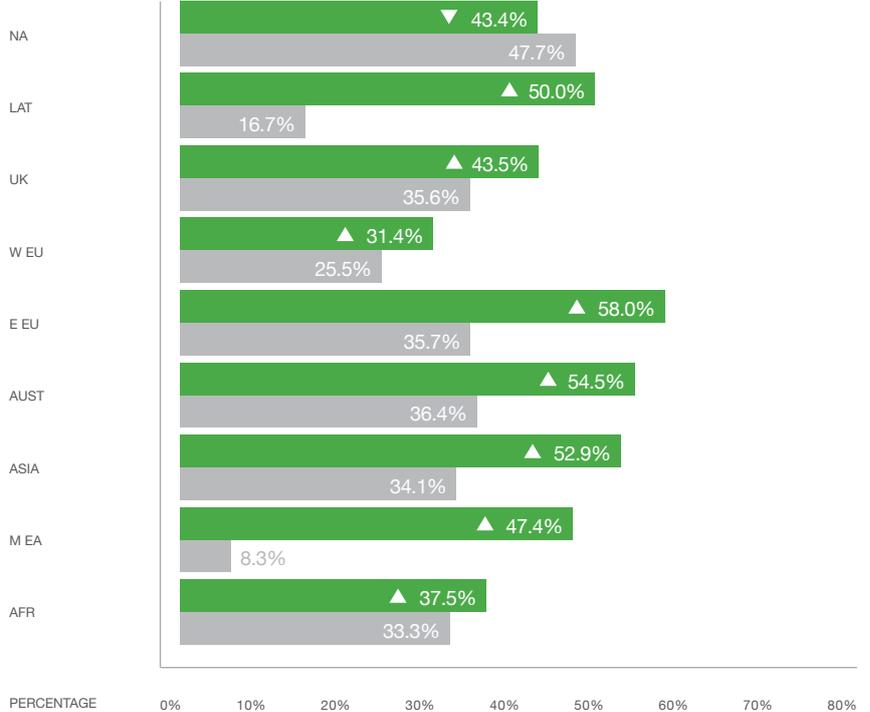
Continued

■ 2014
■ 2013
 NA: NORTH AMERICA
 LAT: LATIN AMERICA
 UK: UNITED KINGDOM
 W EU: WESTERN EUROPE
 E EU: EASTERN EUROPE
 AUST: AUSTRALIA
 ASIA: ASIA
 M EA: MIDDLE EAST
 AFR: AFRICA

SOCIAL MEDIA COMMUNITY MANAGEMENT



DIGITAL BUILD AND PRODUCTION



OPPORTUNITIES & CHALLENGES

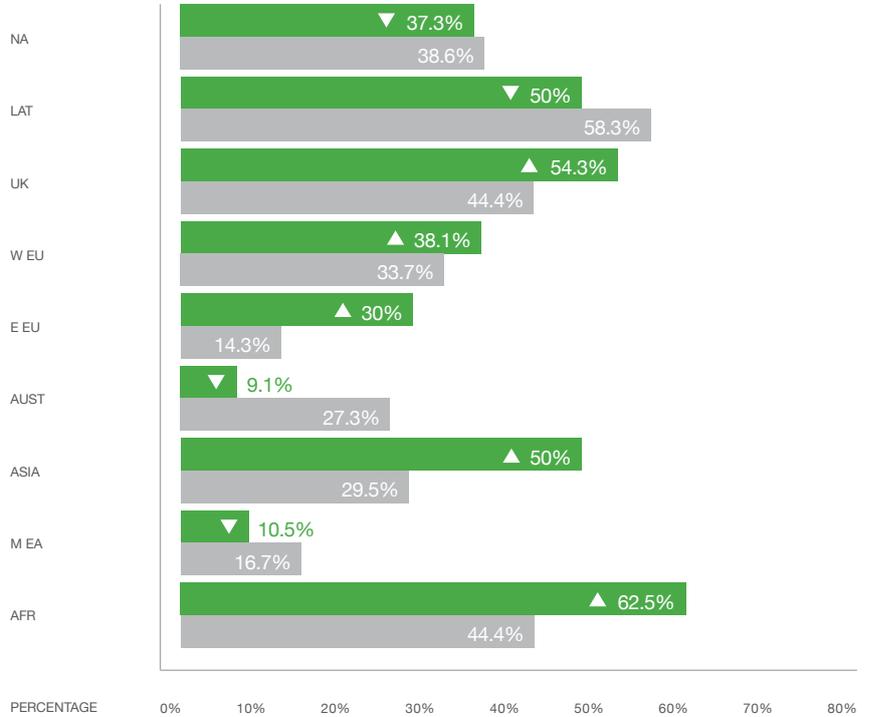
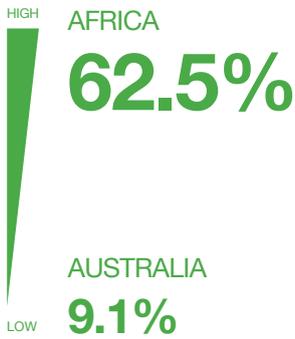
GLOBAL INVESTMENT PLANS

Continued

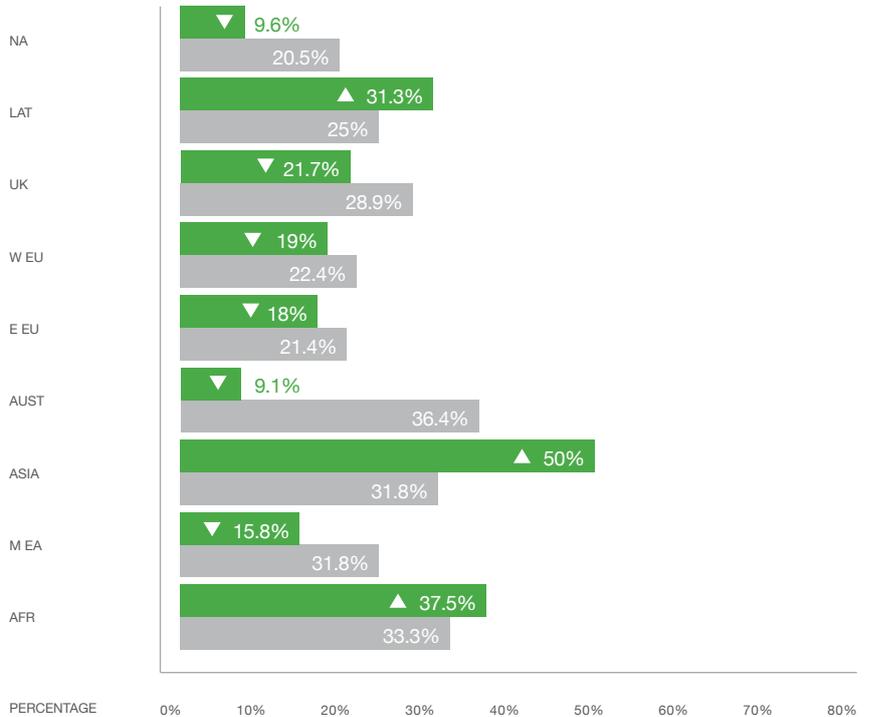
2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

MULTIMEDIA CONTENT CREATION



INSIGHT AND PLANNING



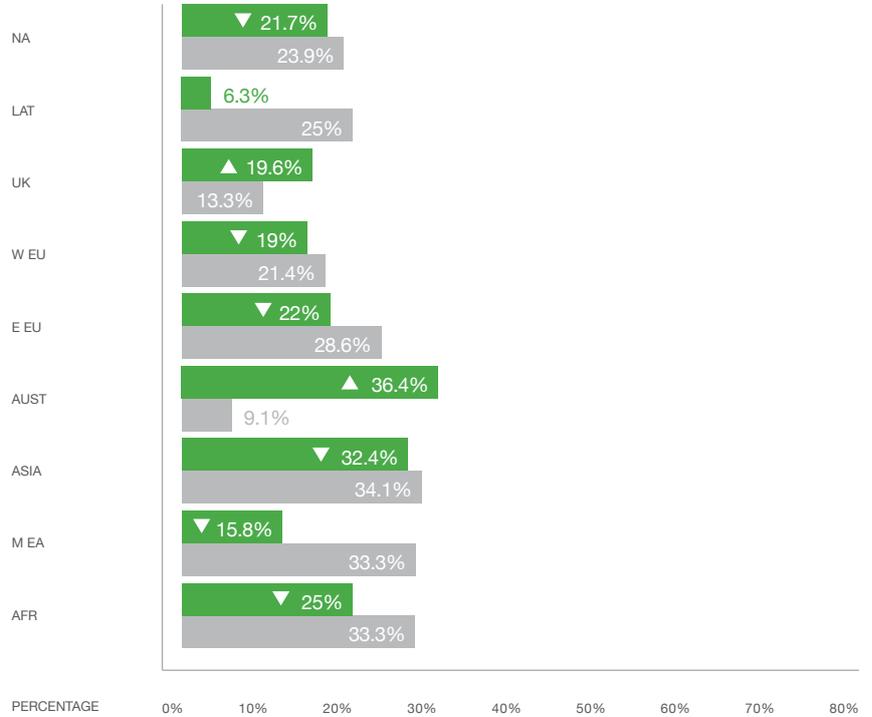
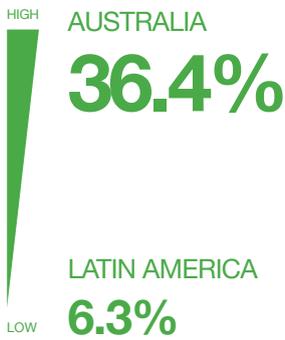
OPPORTUNITIES & CHALLENGES

GLOBAL INVESTMENT PLANS

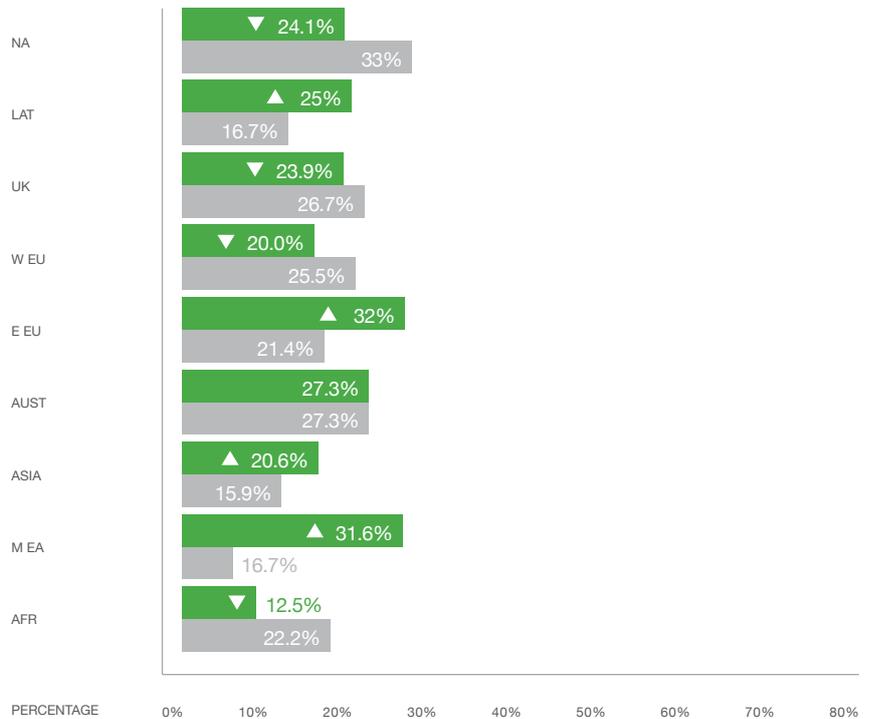
Continued

■ 2014
■ 2013
 NA: NORTH AMERICA
 LAT: LATIN AMERICA
 UK: UNITED KINGDOM
 W EU: WESTERN EUROPE
 E EU: EASTERN EUROPE
 AUST: AUSTRALIA
 ASIA: ASIA
 M EA: MIDDLE EAST
 AFR: AFRICA

PROFESSIONAL DEVELOPMENT



CREATIVITY



OPPORTUNITIES & CHALLENGES

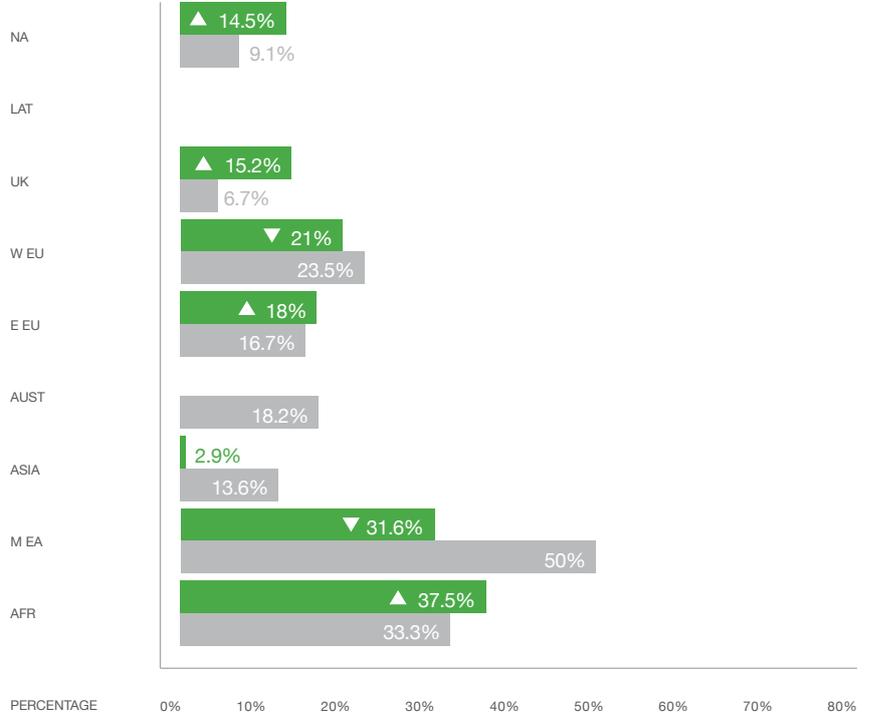
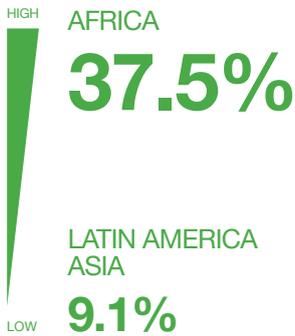
GLOBAL INVESTMENT PLANS

Continued

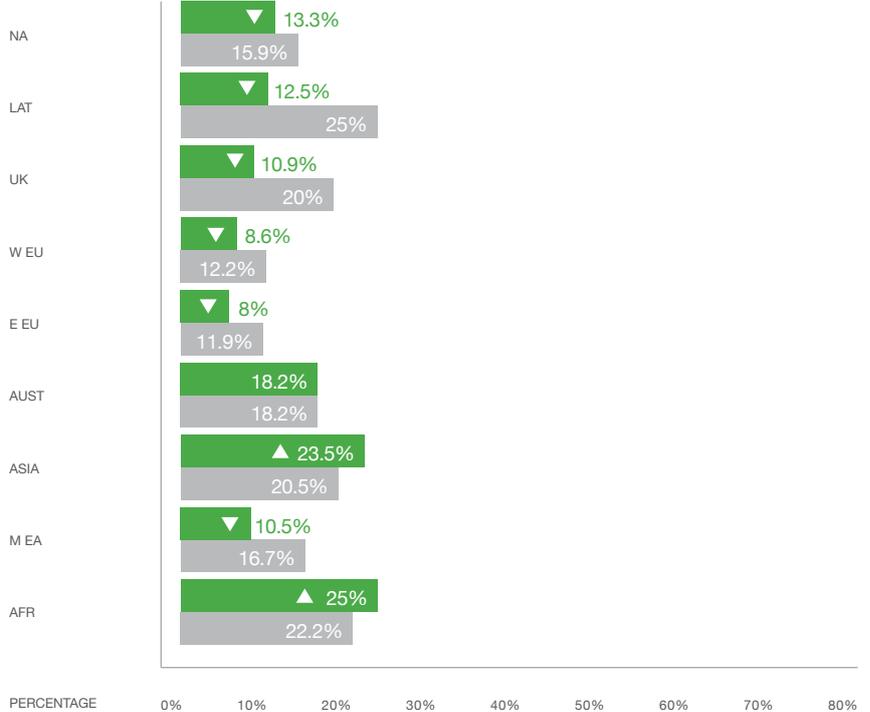
2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

MEDIA RELATIONS



RESEARCH



OPPORTUNITIES & CHALLENGES

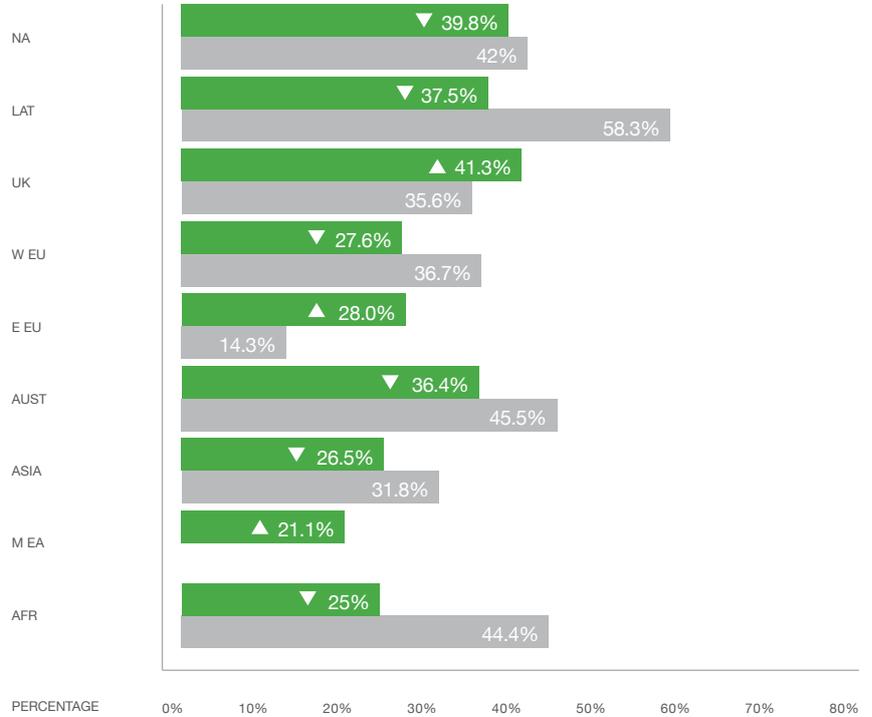
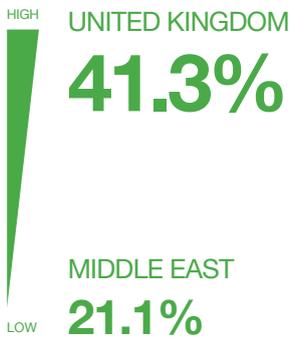
GLOBAL INVESTMENT PLANS

Continued

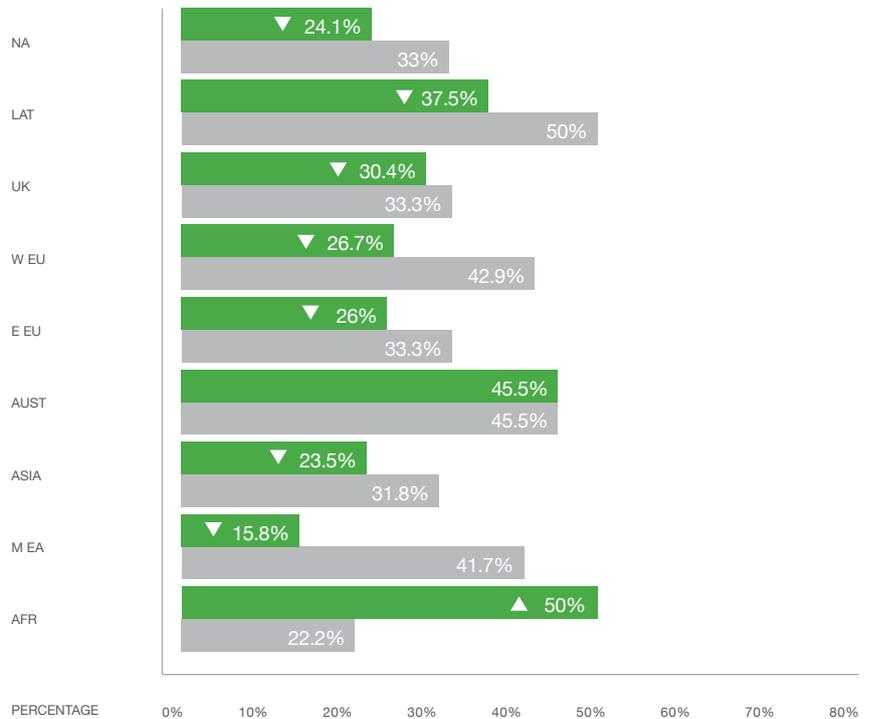
2014
2013

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

MEASUREMENT AND ANALYTICS



SENIOR COUNSEL



GROWTH

GLOBAL PRACTICE AREA & INDUSTRY SECTOR GROWTH

“Technology and consumer products remain the key drivers of growth over the next few years...”

Increased spending on digital and social media remains by far the most significant driver of public relations agency growth around the world, with 69.5 percent of respondents identifying digital as one of their three top growth drivers (compared to 75.3 percent last year).

Indeed, digital was top in every region around the world, most notably in the UK, where it was cited by 80.3 percent of respondents.

But perhaps the most interesting development of the year saw a surge in marketing communication (53.6 percent) compared to corporate reputation (45.8 percent). Last year those two areas were seen as almost equal with corporate reputation slightly ahead (49.7 percent, compared to 46.4 percent who cited marketing communications).

Marketing communications was strongest in North America (where it was cited by 60.5 percent of respondents), Eastern Europe (56.0 percent), and Asia (54.6 percent). The only regions in which growth in corporate reputation outpaced marketing were Latin America (47.1 percent compared to 35.3 percent); Western Europe (46.6 percent compared to 39.8 percent); and the Middle East and Africa (48.1 percent compared to 37.0 percent).

Latin America was most bullish on public affairs (41.8 percent), some way ahead of Australia (36.6 percent), while developing markets such as Latin America (23.5 percent) and Africa and the Middle East (22.2 percent) were the biggest growth markets for corporate social responsibility.

Australian firms, meanwhile, saw the by far most significant growth in investor relations and financial communications (27.3 percent), while Western Europe (15.5 percent) and the Middle East and Africa (18.5 percent) are the two regions where employee communication is making a significant contribution to agency growth.

In terms of industry sectors, consumer products and technology were the two clear leaders globally—except in Australia, where healthcare was the biggest source of growth.

The consumer products sector was the number one source of growth in North America (where it was cited by 48.1 percent of respondents); Latin America (56.2 percent); Western Europe (47.6 percent); and Asia (59.4 percent). Technology was the top growth sector in the UK (56.5 percent) and Eastern Europe (52.0 percent). The two sectors tied (57.1 percent each) in the Middle East and Africa. Healthcare was cited by 45.5 percent of firms in Australia.

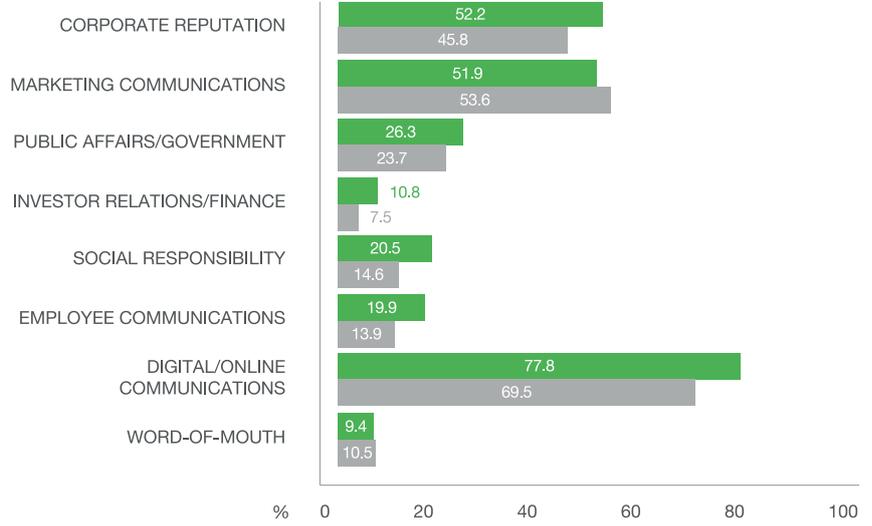
Agency forecasts, however, indicate a slightly different picture. Technology and consumer products remain the key drivers of growth over the next few years, but 49% of respondents point to healthcare as a source of growth over the next few years, compared to just 34% last year.

GROWTH

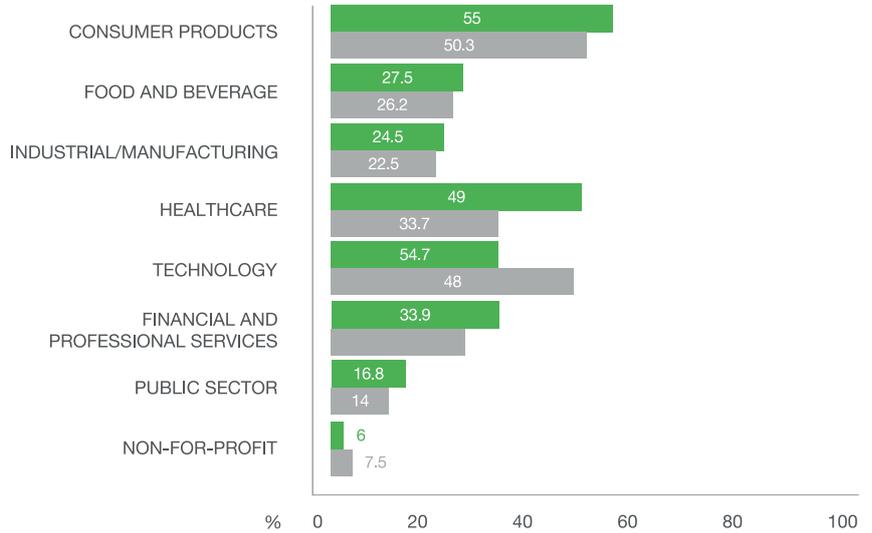
■ NEXT FEW YEARS
■ LAST YEAR

Continued

IN WHICH OF THE FOLLOWING PRACTICE AREAS DID YOU SEE/EXPECT THE MOST GROWTH?



IN WHICH OF THE FOLLOWING INDUSTRY SECTORS DID YOU SEE/EXPECT THE MOST GROWTH?



GROWTH

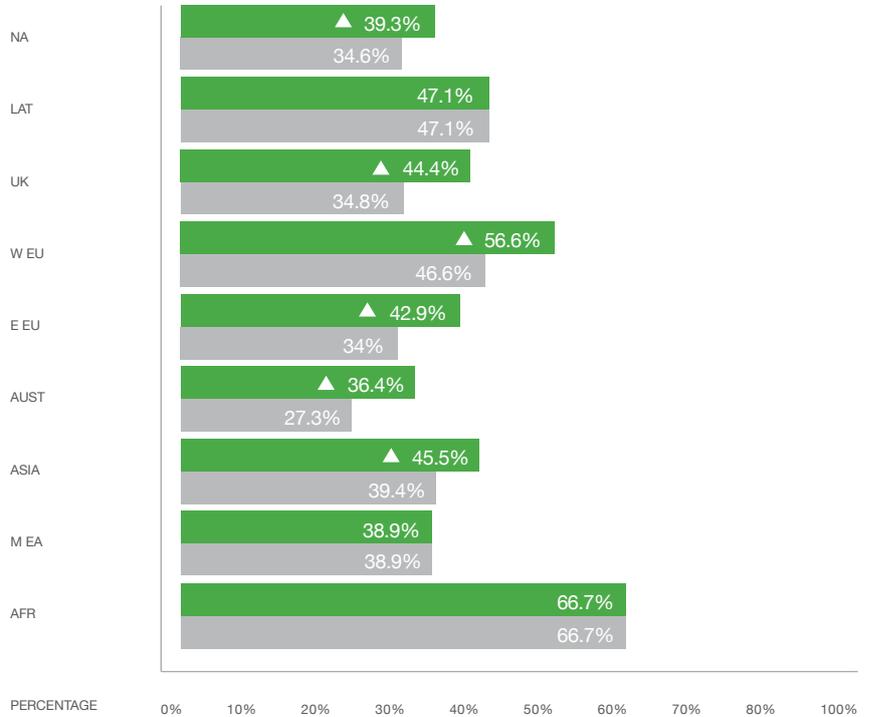
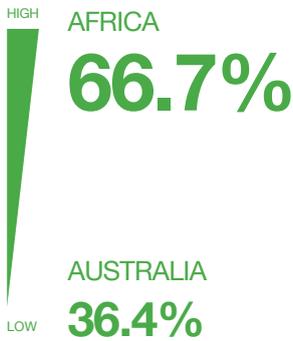
GLOBAL PRACTICE AREA GROWTH

Continued

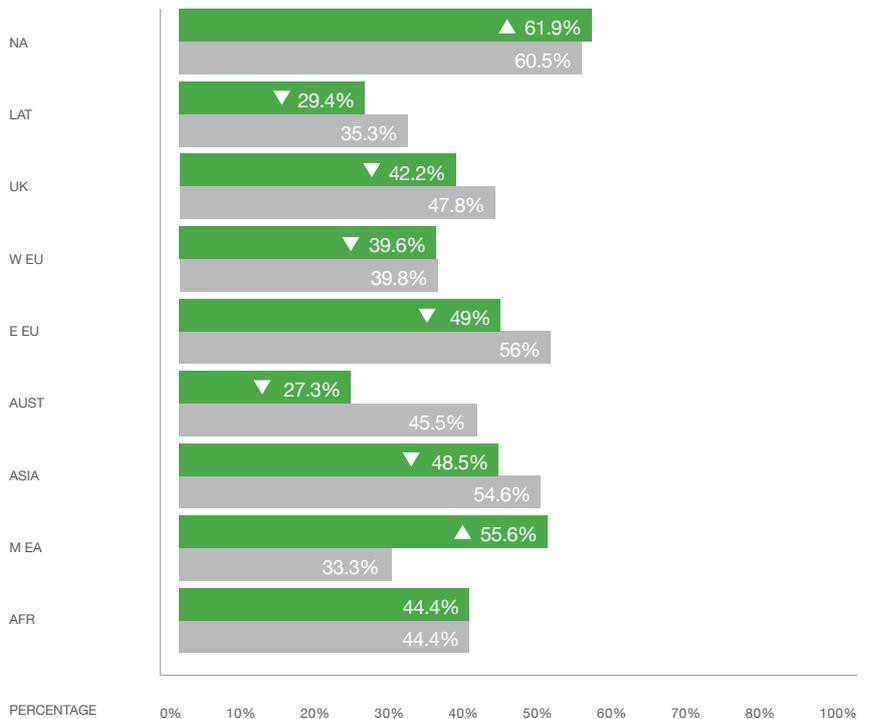
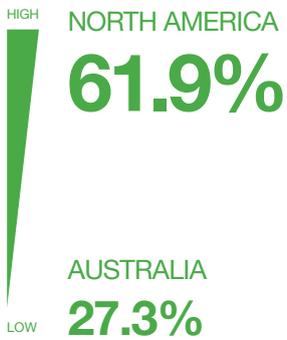
■ NEXT FEW YEARS
■ LAST YEAR

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

CORPORATE REPUTATION



MARKETING COMMUNICATIONS



GROWTH

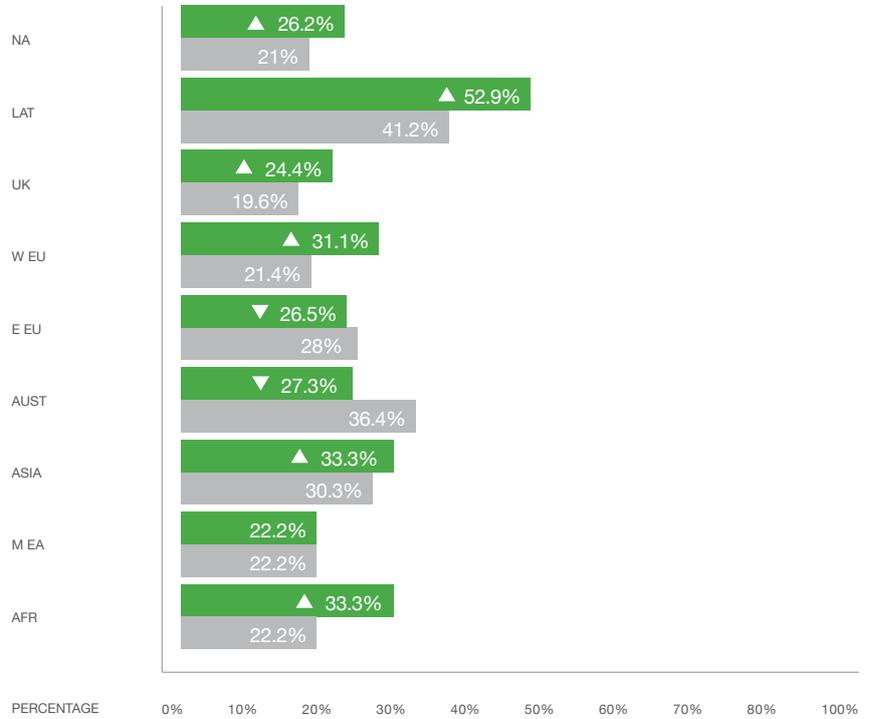
GLOBAL PRACTICE AREA GROWTH

Continued

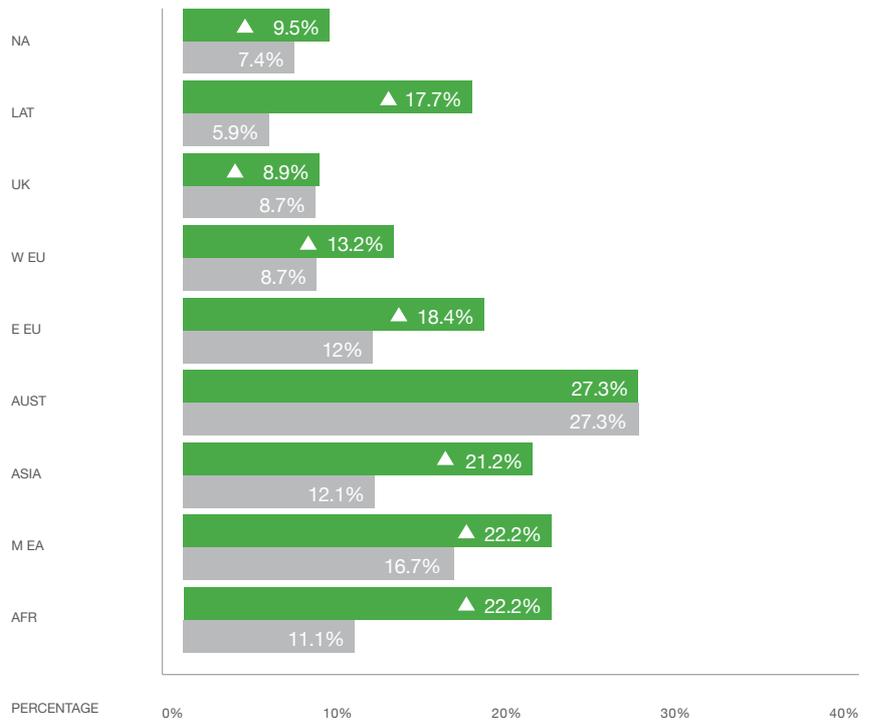
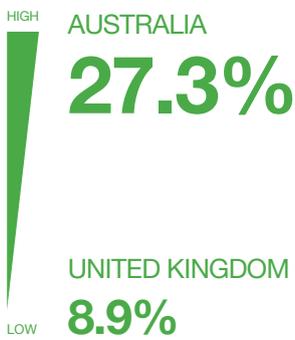
■ NEXT FEW YEARS
■ LAST YEAR

NA: NORTH AMERICA
 LAT: LATIN AMERICA
 UK: UNITED KINGDOM
 W EU: WESTERN EUROPE
 E EU: EASTERN EUROPE
 AUST: AUSTRALIA
 ASIA: ASIA
 M EA: MIDDLE EAST
 AFR: AFRICA

PUBLIC AFFAIRS/GOVERNMENT RELATIONS



INVESTOR RELATIONS



GROWTH

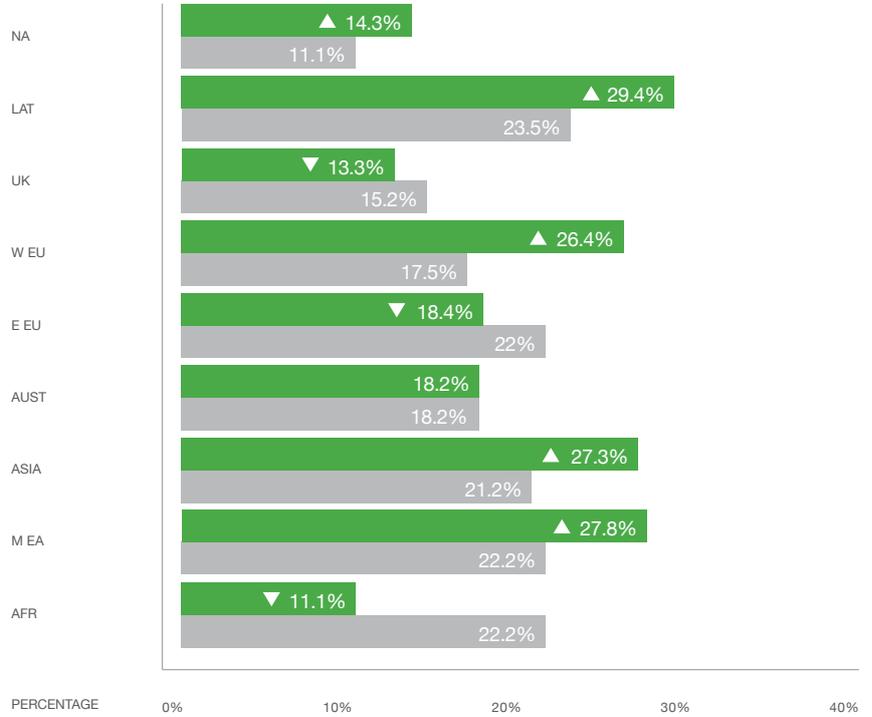
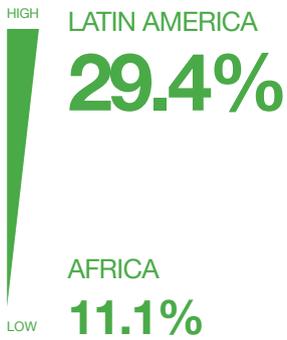
GLOBAL PRACTICE AREA GROWTH

Continued

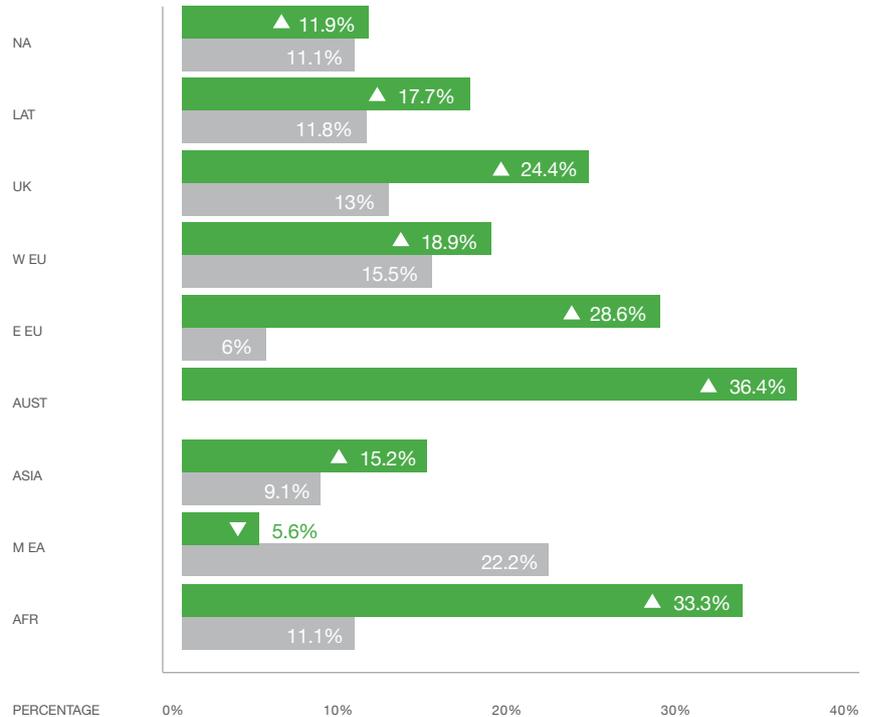
■ NEXT FEW YEARS
■ LAST YEAR

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

SOCIAL RESPONSIBILITY



EMPLOYEE COMMUNICATIONS



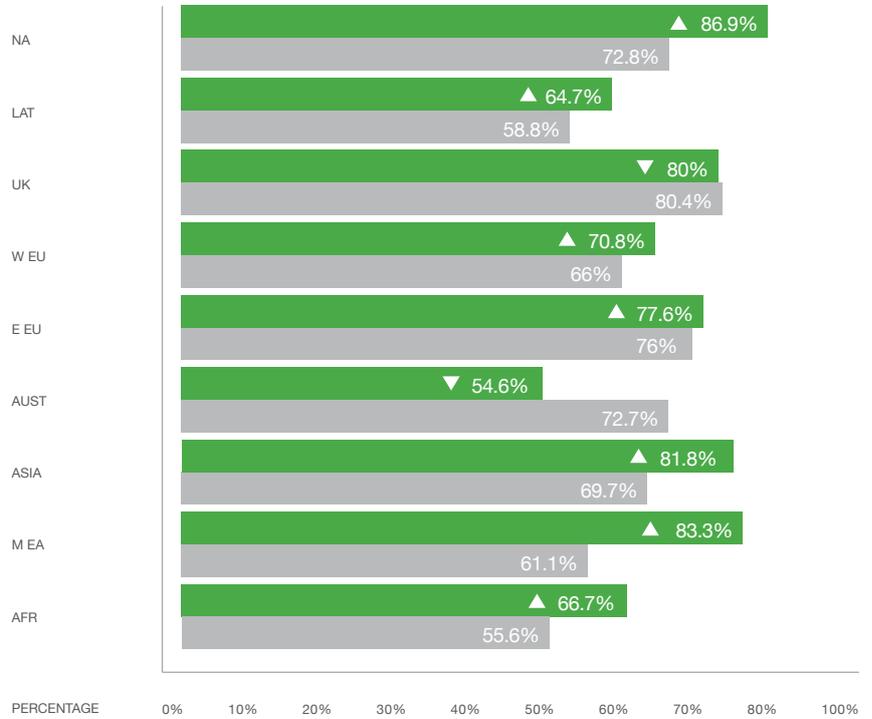
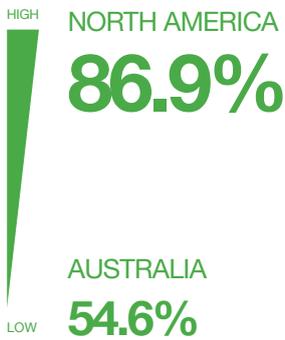
GROWTH

GLOBAL PRACTICE AREA GROWTH

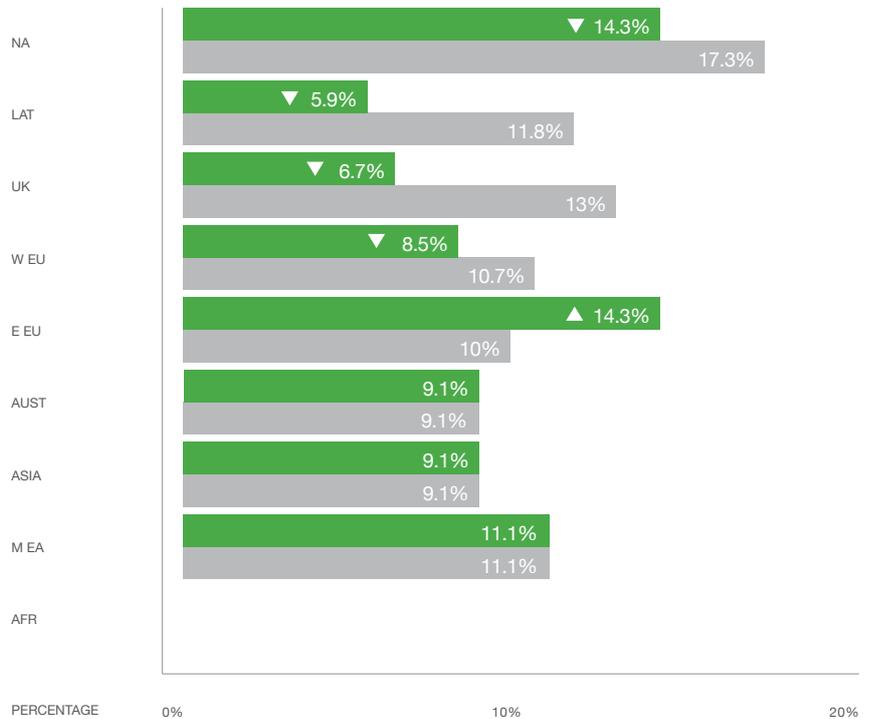
Continued

■ NEXT FEW YEARS
■ LAST YEAR
 NA: NORTH AMERICA
 LAT: LATIN AMERICA
 UK: UNITED KINGDOM
 W EU: WESTERN EUROPE
 E EU: EASTERN EUROPE
 AUST: AUSTRALIA
 ASIA: ASIA
 M EA: MIDDLE EAST
 AFR: AFRICA

DIGITAL/ONLINE COMMUNICATIONS



WORD OF MOUTH



GROWTH

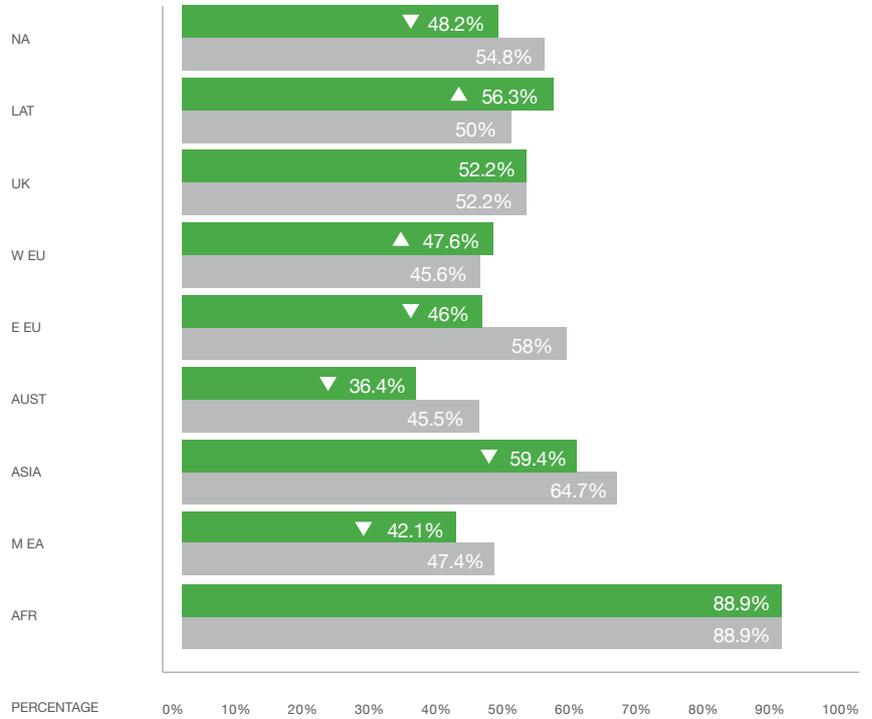
GLOBAL INDUSTRY

SECTOR GROWTH

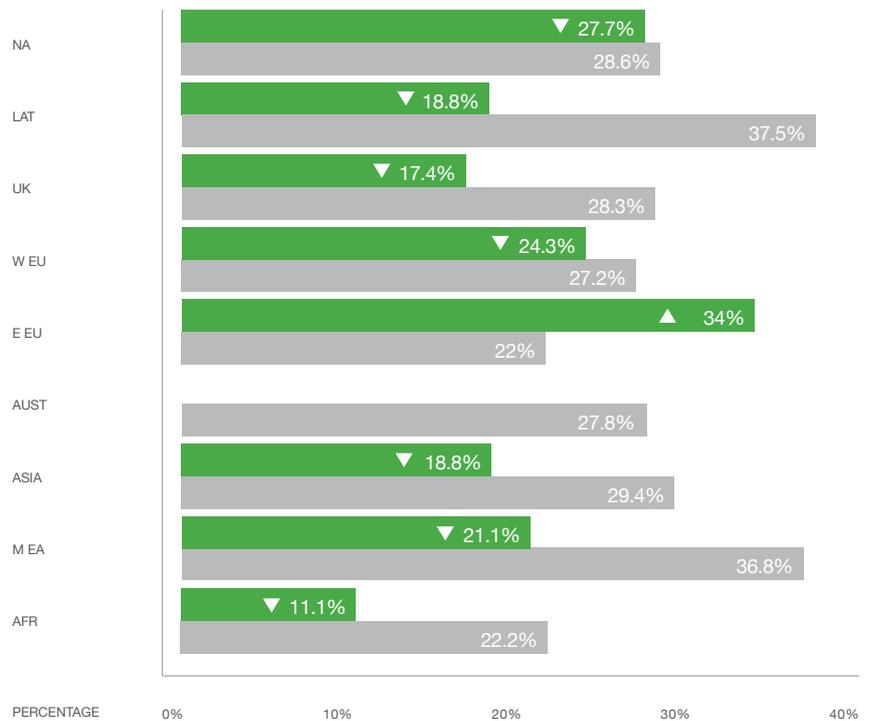
Continued

█ NEXT FEW YEARS
█ LAST YEAR
 NA: NORTH AMERICA
 LAT: LATIN AMERICA
 UK: UNITED KINGDOM
 W EU: WESTERN EUROPE
 E EU: EASTERN EUROPE
 AUST: AUSTRALIA
 ASIA: ASIA
 M EA: MIDDLE EAST
 AFR: AFRICA

CONSUMER PRODUCTS



FOOD AND BEVERAGE



GROWTH

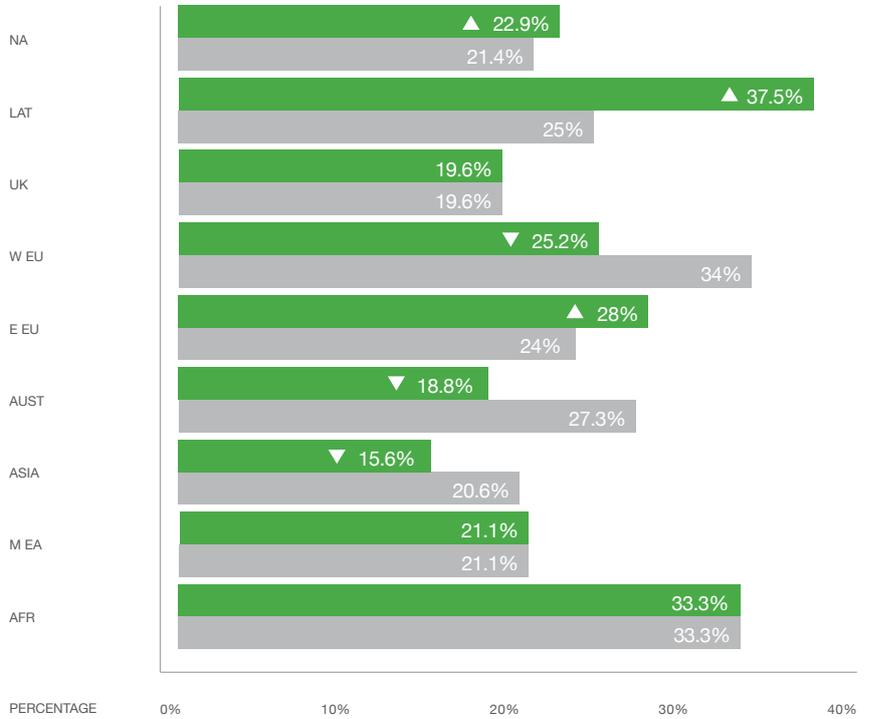
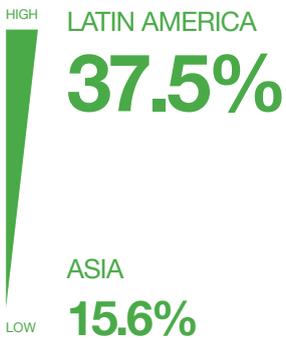
GLOBAL INDUSTRY SECTOR GROWTH

Continued

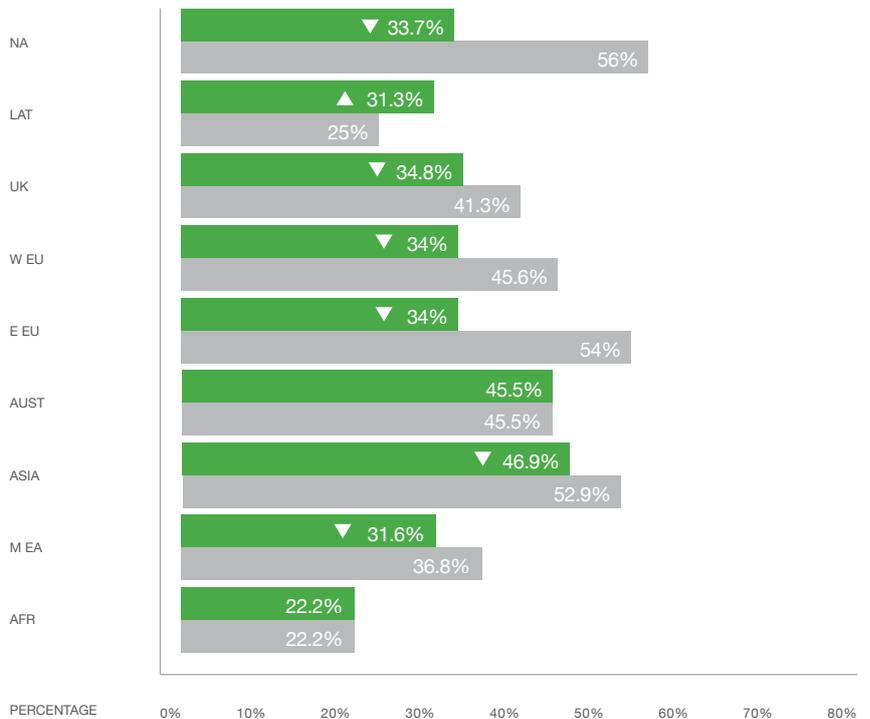
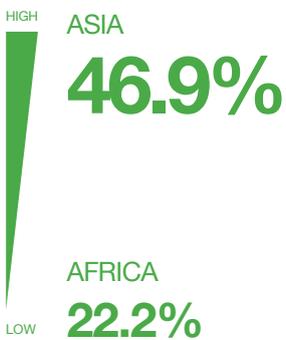
■ NEXT FEW YEARS
■ LAST YEAR

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

INDUSTRIAL/MANUFACTURING



HEALTHCARE



GROWTH

GLOBAL INDUSTRY

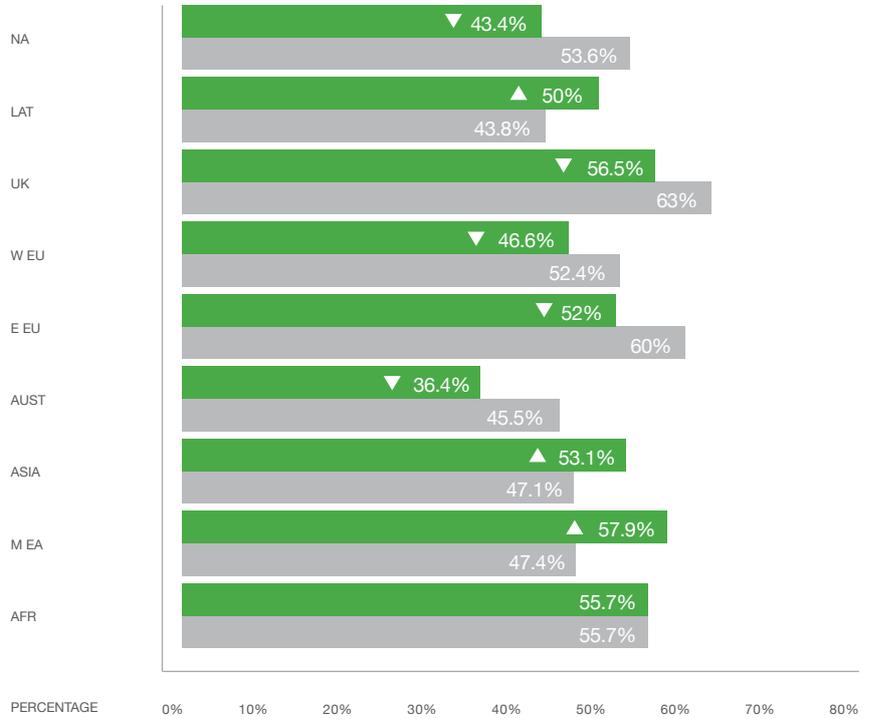
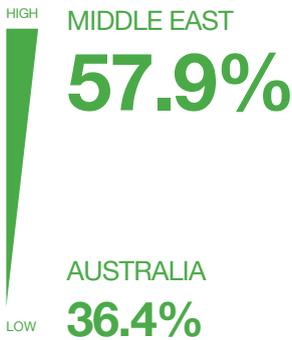
SECTOR GROWTH

Continued

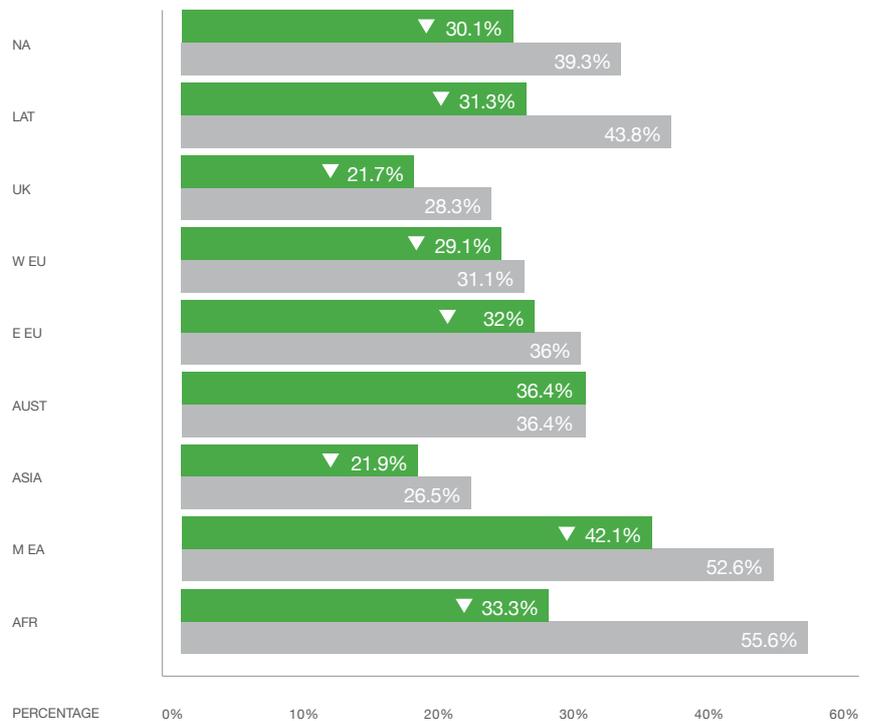
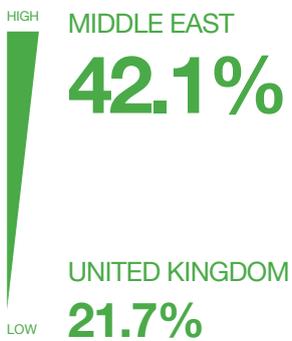
■ NEXT FEW YEARS
■ LAST YEAR

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

TECHNOLOGY



FINANCIAL/PROFESSIONAL SERVICES



GROWTH

GLOBAL INDUSTRY

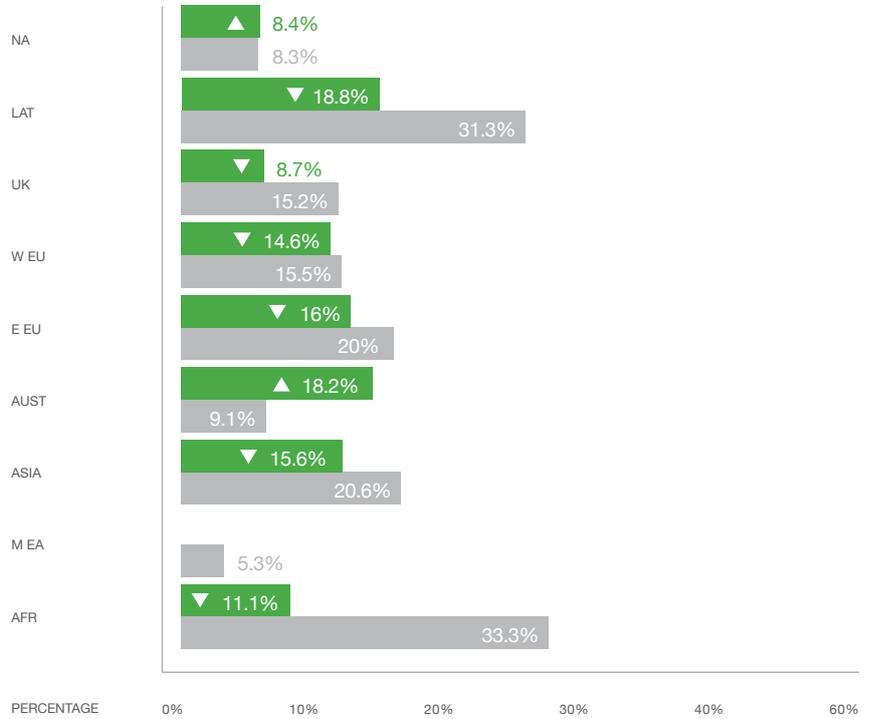
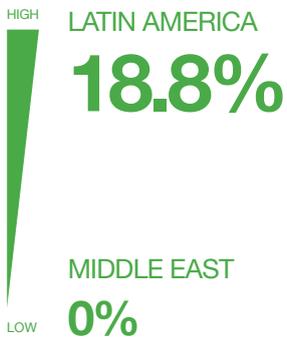
SECTOR GROWTH

Continued

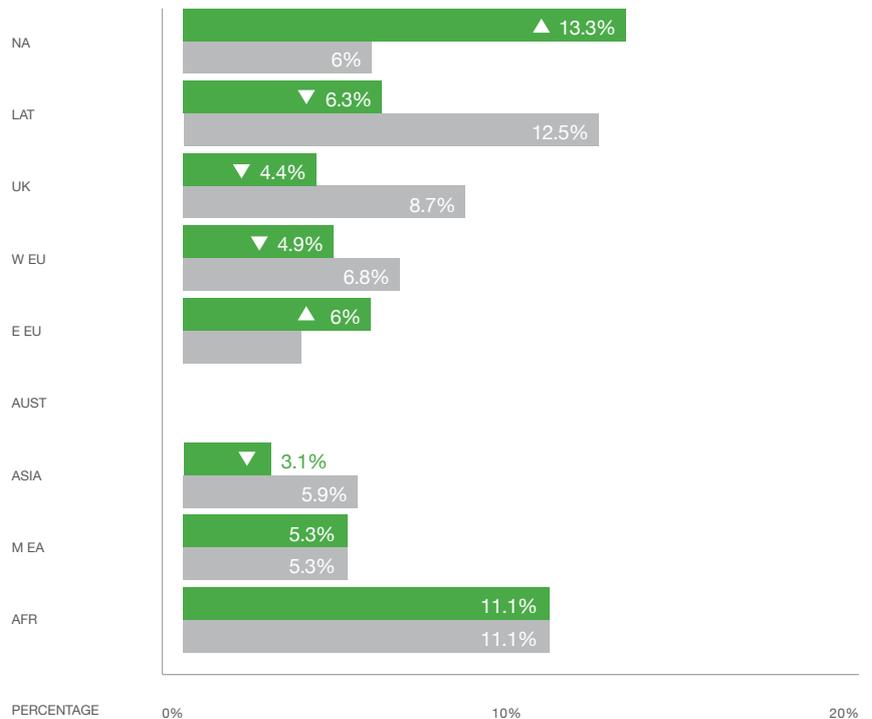
■ NEXT FEW YEARS
■ LAST YEAR

NA: NORTH AMERICA
LAT: LATIN AMERICA
UK: UNITED KINGDOM
W EU: WESTERN EUROPE
E EU: EASTERN EUROPE
AUST: AUSTRALIA
ASIA: ASIA
M EA: MIDDLE EAST
AFR: AFRICA

PUBLIC SECTOR



NOT-FOR-PROFIT



TALENT FOREWORD

Jamie McLaughlin
Managing Director,
Capstone Hill Search



“Part of the challenge in addressing the demand for talent sits with the historic lack of willingness to source talent from outside traditional PR roles...”

FOREWORD

The report very much echoes what Capstone Hill Search experiences across the UK, European, US and Australian markets daily. Improving economies and the surge in overall growth of 11% have necessitated that the primary focus of many agencies be placed on attracting high quality talent, particularly those who reflect the broadening expectations of their clients.

Securing talent with specialist skill sets (social, digital, measurement, analytics) is a universal and rapidly growing challenge. Equally specialist sector experience (technology, finance, health etc.) continue to be in significant demand year on year. Though specific sector experience fluctuates per geography, demand for technology expertise is prominent in all regions and we see this sector showing very strong signs of sustained and increasing growth.

Part of the challenge in addressing the demand for talent sits with the historic lack of willingness to source talent from outside traditional PR roles, and to a large degree, reticence to hire talent outside of significant comparable agency experience. This creates more of a merry-go-round effect rather than assisting the overall growth of experienced agency talent. This is further exacerbated by a general trend for agencies to look at direct rivals as the best source of talent, rather than perhaps taking a broader view.

This somewhat conservative approach to hiring may have compounded the general shortage of talent. However there are indications that, along with an increasing willingness to invest in external talent search, many are now beginning to their broaden vision. We believe this will assist greatly in the longer term easing of talent shortage and improved breadth of available skills.

A further challenge, despite the strong rate of growth within agencies, is that the industry is still facing a battle to convince many consultants of the career opportunities and benefits agency-side versus the perceived advantages of client-side roles. Capstone Hill Search sees countless examples where the perceived advantages do not actually meet with reality, and it is an ongoing process of education to ensure consultants have a more realistic view of their options. The perceived advantages of client side movement is a significant contributor to the drain on agency talent pool and perhaps an significant opportunity to improve overall retention.

TALENT

Continued

THE GLOBAL WAR FOR PR TALENT

- Recruitment of senior and mid-level is biggest challenge
- Majority of firms cannibalise talent from competitors
- Salary and skills seen as obstacles to non-traditional talent

“Securing talent with specialist skill sets (social, digital, measurement, analytics) is a universal and growing challenge...”

With talent identified as the most pressing challenge facing the global PR industry, this year’s World PR Report investigated the area further, asking a number of questions to try and unravel why PR firms struggle to recruit and retain the people that they want and need.

In particular, it appears that agencies are struggling to hire senior (43.6%) and mid-level staff (41.3%). These were two biggest challenges cited when it comes to PR agency talent strategies.

Retaining key talent (33.9%) is another significant issue, ahead of training and development (25.2%). Interestingly, respondents pointed to ‘motivating young executives’ as another area of concern (20.5%), ahead of finding people from non-traditional backgrounds (20.1%) and incentivising senior staff (20.1%).

The majority of public relations agencies (62.5 percent), meanwhile, continue to look to rival firms as a premier source of new talent, and other traditional talent pools continue to be the most popular, with 41.3 percent recruiting from graduate programs, 34.1 percent recruiting from journalism, and 22.2 percent recruiting from in-house PR departments.

By contrast, just 29.7 percent of PR firms are looking to other marketing services disciplines for fresh perspectives, while 22.2 percent are seeking practitioners with a data and analytics background, and 18.8 percent are looking for new people in other professional service firms such as management consultancies or law firms.

“The first instinct of many PR agencies is to cannibalize other firms for talent, which is understandable given the need for experienced professionals,” says Holmes. “But it is encouraging to see others turning to the broader marketing and professional services world, or to data and analytics—the industry desperately needs the new skills these people can bring.”

Interestingly—and a little disturbingly—firms in developed markets were the most likely to look for talent at other agencies: 75.0 percent of firms in North America and 75.6 percent of firms in the UK. Firms in Latin America (31.2 percent) were least likely to see their immediate rivals as a leading source of new talent.

On the other hand, firms in Asia (42.4 percent) and North America (31.2 percent) were most likely to bring in people from other marketing disciplines, while firms in Latin America (31.2 percent) and Asia (30.3 percent) were most likely to consider data and analytics as a rich source of future talent.

Asked what prevented them from sourcing talent from outside the PR industry, most firms (44.2 percent) cited expected salary levels, while 37.1 percent indicated that lack of transferable skills was an obstacle and 25.5 percent complained about a lack of interest from potential recruits.

Agency leaders were less likely to cite their concerns about the investment in retraining (24.5 percent), unwillingness to challenge the status quo (20.1 percent) or recruitment consultants (6.1 percent) as major obstacles.

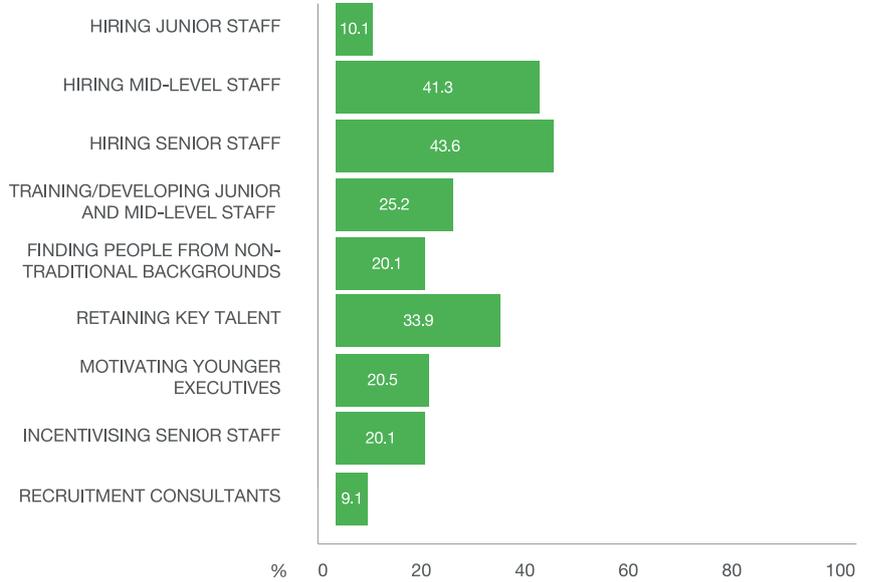
“The report very much echoes what we experience across the UK, European, US and Australian markets daily,” said Capstone Hill Search managing director Jamie McLaughlin. “Improving economies have shifted the primary focus of many agencies to attracting high quality talent, particularly those who reflect the broadening expectations of their clients.”

Securing talent with specialist skill sets (social, digital, measurement, analytics) is a universal and growing challenge. While specific sector experience fluctuates per geography, demand for technology expertise is prominent in all regions.

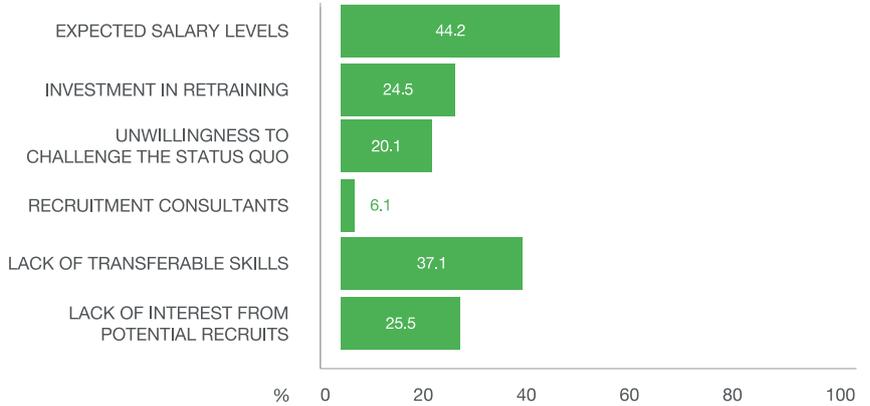
The historic lack of willingness to source talent from outside PR has compounded the general shortage of talent, although along with an increasing willingness to invest in external talent search, many are now beginning to broaden their vision which we believe will assist greatly in the longer term easing of talent shortage and improved breadth of available skills.

Continued

WHERE ARE YOU LIKELY TO SOURCE TALENT FROM THIS YEAR?

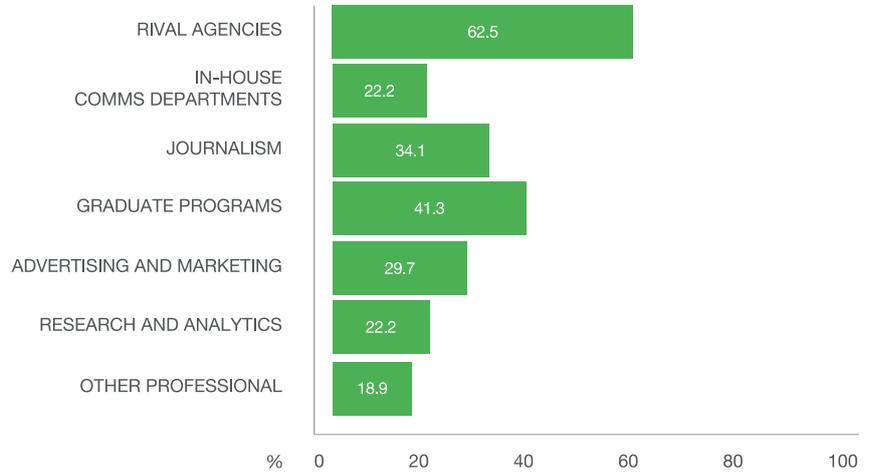


WHAT STOPS THE PR INDUSTRY IN YOUR MARKET FROM SOURCING TALENT FROM OUTSIDE THE INDUSTRY?



Continued

WHAT IS THE BIGGEST CHALLENGE YOU FACE WHEN IT COMES TO YOUR TALENT STRATEGY?



LOCAL MARKETS

COUNTRY	TRADE ASSOCIATION	NUMBER OF MEMBER FIRMS	ESTIMATED % OF TOTAL MARKET	IN WHICH OF THE FOLLOWING SECTORS DID YOU SEE MOST GROWTH LAST YEAR?	BIGGEST CHALLENGE AREAS FOR PR FIRMS	BIGGEST PREDICTED AREAS OF GROWTH
AUSTRALIA	REGISTERED CONSULTANCIES GROUP (RCG) OF THE PUBLIC RELATIONS INSTITUTE OF AUSTRALIA	119	35%	HEALTHCARE; TECHNOLOGY; FINANCIAL AND PROFESSIONAL SERVICES	STAFF RECRUITMENT; COMPETITION FROM OTHER MARKETING DISCIPLINES	MARKETING COMMUNICATIONS; DIGITAL/ ONLINE COMMUNICATIONS
AUSTRIA	PRVA AND PR QUALITY AUSTRIA	72	90%	HEALTHCARE; TECHNOLOGY; FINANCIAL AND PROFESSIONAL SERVICES SERVICES	COMPETITION FROM OTHER MARKETING DISCIPLINES; GENERAL ECONOMIC CONDITIONS; SHORT-TERM CLIENT FOCUS	CORPORATE REPUTATION, SOCIAL RESPONSIBILITY, DIGITAL/ONLINE COMMUNICATIONS
BELGIUM	BELGIAN PUBLIC RELATIONS CONSULTANTS ASSOCIATION (BPRCA)	28	70%	FOOD AND BEVERAGE	FINANCIAL PRESSURE TO MEET PROFIT/MARGIN TARGETS; CLIENTS UNWILLING TO COMMIT SUFFICIENT FUNDS; CLIENTS TOO FOCUSED ON SHORT-TERM	PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; DIGITAL/ONLINE COMMUNICATIONS
BRAZIL	BRAZILIAN ASSOCIATION OF COMMUNICATIONS AGENCIES (ABRACOM)	251	45%	CONSUMER PRODUCTS; TECHNOLOGY; PUBLIC SECTOR	STAFF RETENTION; PR MANAGED AT JUNIOR LEVEL BY CLIENTS; ECONOMIC CONDITIONS GENERALLY	CORPORATE REPUTATION; PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; SOCIAL RESPONSIBILITY
BULGARIA	BULGARIAN ASSOCIATION OF PR AGENCIES (BAPRA)	17		TECHNOLOGY; FINANCIAL AND PROFESSIONAL SERVICES; PUBLIC SECTOR	ECONOMIC CONDITIONS GENERALLY; CLIENTS TOO FOCUSED ON SHORT-TERM; MEDIA CORRUPTION	MARKETING COMMUNICATIONS; DIGITAL/ ONLINE COMMUNICATIONS; WORD-OF-MOUTH
CROATIA	CROATIAN ASSOCIATION OF COMMUNICATION AGENCIES (HRVATSKA UDRUGA KOMUNIKACIJSKIH AGENCIJA - HUKA)	14	70%	FOOD AND BEVERAGE; HEALTHCARE	PROFESSIONAL DEVELOPMENT; GENERAL ECONOMIC CONDITIONS; CLIENTS TOO FOCUSED ON SHORT-TERM	PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; INVESTOR RELATIONS/ FINANCIAL COMMUNICATIONS; SOCIAL RESPONSIBILITY
CZECH REPUBLIC	ASSOCIATION OF PUBLIC RELATIONS AGENCIES (APRA)	20	70%	CONSUMER PRODUCTS; HEALTHCARE; FINANCIAL AND PROFESSIONAL SERVICES	STAFF RECRUITMENT; COMPETITION FROM OTHER PROFESSIONAL SERVICE FIRMS; LACK OF CLIENT UNDERSTANDING OF PR	MARKETING COMMUNICATIONS; WORD-OF-MOUTH; DIGITAL/ONLINE COMMUNICATIONS
DENMARK	PUBLIC RELATIONS BRANCHEN	28	80%	HEALTHCARE, TECHNOLOGY,	COMPETITION FROM OTHER MARKETING DISCIPLINES; FINANCIAL PRESSURE TO MEET PROFIT/MARGIN TARGETS; CLIENTS TOO FOCUSED ON SHORT-TERM	MARKETING COMMUNICATIONS; PUBLIC AFFAIRS/GOVERNMENT RELATIONS; DIGITAL/ONLINE COMMUNICATIONS
FINLAND	"THE FINNISH ASSOCIATION OF MARKETING COMMUNICATION AGENCIES MTL	30	44%	CONSUMER PRODUCTS; HEALTHCARE; TECHNOLOGY	DIGITAL AND NEW TECHNOLOGIES; CLIENTS UNWILLING TO COMMIT SUFFICIENT FUNDS; INABILITY TO EFFECTIVELY MEASURE IMPACT OF PR	MARKETING COMMUNICATIONS; PUBLIC AFFAIRS/GOVERNMENT RELATIONS
FRANCE	SYNTEC CONSEIL EN RELATIONS PUBLICS	40	60%	CONSUMER PRODUCTS; FOOD AND BEVERAGE; TECHNOLOGY	CLIENTS MOVING PR IN-HOUSE; GENERAL ECONOMIC CONDITIONS; CLIENTS TOO FOCUSED ON SHORT-TERM	CORPORATE REPUTATION; SOCIAL RESPONSIBILITY; INVESTOR RELATIONS/ FINANCIAL
GERMANY	ASSOCIATION OF PUBLIC RELATIONS AGENCIES (GPRA)	31	40%	CONSUMER PRODUCTS; HEALTHCARE; TECHNOLOGY	COMPETITION FROM OTHER MARKETING DISCIPLINES; STAFF RECRUITMENT; DIGITAL AND NEW TECHNOLOGIES	CORPORATE REPUTATION; MARKETING COMMUNICATIONS; DIGITAL/ ONLINE COMMUNICATIONS
GREECE	HELLENIC ASSOCIATION OF COMMUNICATIONS AGENCIES (EDEE)	18	70%	FOOD AND BEVERAGE. TECHNOLOGY, FINANCIAL SERVICES	PROFESSIONAL DEVELOPMENT; GENERAL ECONOMIC CONDITIONS; FINANCIAL PRESSURE TO MEET TARGETS	CORPORATE REPUTATION; PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; DIGITAL/ONLINE COMMUNICATIONS

LOCAL MARKETS

Continued

COUNTRY	TRADE ASSOCIATION	NUMBER OF MEMBER FIRMS	ESTIMATED % OF TOTAL MARKET	IN WHICH OF THE FOLLOWING SECTORS DID YOU SEE MOST GROWTH LAST YEAR?	BIGGEST CHALLENGE AREAS FOR PR FIRMS	BIGGEST PREDICTED AREAS OF GROWTH
INDIA	PUBLIC RELATIONS CONSULTANTS ASSOCIATION OF INDIA (PRCAI)	23	75%	FOOD AND BEVERAGE; TECHNOLOGY; FINANCIAL AND PROFESSIONAL SERVICES	STAFF RETENTION; GENERAL ECONOMIC CONDITIONS; CLIENTS TOO FOCUSED ON SHORT-TERM	CORPORATE REPUTATION; PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; SOCIAL RESPONSIBILITY
IRELAND	PUBLIC RELATIONS CONSULTANTS ASSOCIATION (IRELAND)	31	80%	CONSUMER PRODUCTS; FOOD AND BEVERAGE; TECHNOLOGY	CLIENTS MOVING PR IN-HOUSE; CLIENTS UNWILLING TO COMMIT SUFFICIENT FUNDS; CLIENTS TOO FOCUSED ON SHORT-TERM	CORPORATE REPUTATION; SOCIAL RESPONSIBILITY; DIGITAL/ONLINE COMMUNICATIONS
ITALY	ASSOREL	43	40%	CONSUMER PRODUCTS; FOOD AND BEVERAGE; HEALTHCARE	DIGITAL AND NEW TECHNOLOGIES; COMPETITION FROM OTHER MARKETING DISCIPLINES; COMPETITION FROM OTHER PROFESSIONAL SERVICE FIRMS; ECONOMIC CONDITIONS GENERALLY	CORPORATE REPUTATION; MARKETING RELATIONS; SOCIAL RESPONSIBILITY; DIGITAL/ONLINE COMMUNICATIONS
NETHERLANDS	ASSOCIATION OF PUBLIC RELATIONS COUNSELLING FIRMS (VPRA)	55	55%	HEALTHCARE, TECHNOLOGY, NOT-FOR-PROFIT	DIGITAL AND NEW TECHNOLOGIES; FINANCIAL PRESSURE TO MEET PROFIT/MARGIN TARGETS; MEDIA CORRUPTION	SOCIAL RESPONSIBILITY; DIGITAL/ONLINE COMMUNICATIONS
NORWAY	KOMM	19	80%	CONSUMER PRODUCTS; INDUSTRIAL/ MANUFACTURING; PUBLIC SECTOR	COMPETITION FOR CLIENTS FROM OTHER PR FIRMS; DIGITAL AND NEW TECHNOLOGIES; MEDIA HOSTILITY TO PR	CORPORATE REPUTATION; DIGITAL/ONLINE COMMUNICATIONS; PUBLIC AFFAIRS/GOVERNMENT RELATIONS
POLAND	POLISH PUBLIC RELATIONS CONSULTANCY ASSOCIATION (PPRCA)	40	65%	INDUSTRIAL/ MANUFACTURING; FINANCIAL AND PROFESSIONAL SERVICES	DIGITAL AND NEW TECHNOLOGIES; COMPETITION FROM OTHER MARKETING DISCIPLINES; CLIENTS UNWILLING TO COMMIT SUFFICIENT FUNDS	SOCIAL RESPONSIBILITY; PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; DIGITAL/ONLINE COMMUNICATIONS
PORTUGAL	PORTUGUESE ASSOCIATION OF COMMUNICATIONS AND PUBLIC RELATIONS CONSULTANCIES (APECOM)	21	60%	FOOD AND BEVERAGE; INDUSTRIAL/ MANUFACTURING; HEALTHCARE	COMPETITION FROM OTHER MARKETING DISCIPLINES; FINANCIAL PRESSURE TO MEET PROFIT/MARGIN TARGETS; CLIENTS UNWILLING TO COMMIT SUFFICIENT FUNDS	CORPORATE REPUTATION; MARKETING COMMUNICATIONS; DIGITAL/ ONLINE COMMUNICATIONS
RUSSIA	THE RUSSIAN COMMUNICATIONS CONSULTANCIES ASSOCIATION (AKOS)	31	60%	INDUSTRIAL/ MANUFACTURING; TECHNOLOGY; PUBLIC SECTOR	STAFF RECRUITMENT; ECONOMIC CONDITIONS GENERALLY; CLIENTS TOO FOCUSED ON SHORT-TERM	CORPORATE REPUTATION; PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; DIGITAL/ONLINE COMMUNICATIONS
SLOVAKIA	ASSOCIATION OF PR AGENCIES IN SLOVAK REPUBLIC (APRSR)	12	70%	CONSUMER PRODUCTS, FOOD AND BEVERAGE, HEALTHCARE	STAFF RECRUITMENT; PR MANAGED AT JUNIOR LEVEL BY CLIENTS; GENERAL ECONOMIC CONDITIONS	CORPORATE REPUTATION; PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; DIGITAL/ONLINE COMMUNICATIONS
SLOVENIA	CHAMBER OF PUBLIC RELATIONS ZOJ	9	40%	CONSUMER PRODUCTS; TECHNOLOGY; FINANCIAL AND PROFESSIONAL SERVICES	LACK OF CLIENT UNDERSTANDING OF PR; GENERAL ECONOMIC CONDITIONS; CLIENTS TOO FOCUSED ON SHORT-TERM	CORPORATE REPUTATION; SOCIAL RESPONSIBILITY; DIGITAL/ONLINE COMMUNICATIONS
SOUTH AFRICA	PUBLIC RELATIONS CONSULTANCY CHAPTER FORMED BY PRISA	43	20%	CONSUMER PRODUCTS, HEALTHCARE, TECHNOLOGY	STAFF RECRUITMENT; COMPETITION FROM OTHER MARKETING DISCIPLINES; GENERAL ECONOMIC CONDITIONS	CORPORATE REPUTATION; EMPLOYEE COMMUNICATIONS; DIGITAL/ ONLINE COMMUNICATIONS

LOCAL MARKETS

Continued

COUNTRY	TRADE ASSOCIATION	NUMBER OF MEMBER FIRMS	ESTIMATED % OF TOTAL MARKET	IN WHICH OF THE FOLLOWING SECTORS DID YOU SEE MOST GROWTH LAST YEAR?	BIGGEST CHALLENGE AREAS FOR PR FIRMS	BIGGEST PREDICTED AREAS OF GROWTH
SPAIN	ASSOCIATION OF PUBLIC RELATIONS AND COMMUNICATIONS CONSULTANCIES (ADECEC)	25		CONSUMER PRODUCTS; INDUSTRIAL/MANUFACTURING; HEALTHCARE	COMPETITION FROM OTHER MARKETING DISCIPLINES; GENERAL ECONOMIC CONDITIONS; CLIENTS TOO FOCUSED ON SHORT-TERM	CORPORATE REPUTATION; PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; DIGITAL/ONLINE COMMUNICATIONS
SWEDEN	THE ASSOCIATION OF PUBLIC RELATIONS CONSULTANCIES IN SWEDEN, PRECIS	34	75%	INDUSTRIAL/MANUFACTURING; FINANCIAL AND PROFESSIONAL SERVICES; PUBLIC SECTOR	COMPETITION FROM OTHER MARKETING DISCIPLINES; FINANCIAL PRESSURE TO MEET PROFIT/MARGIN TARGETS; CLIENTS UNWILLING TO COMMIT SUFFICIENT FUNDS	CORPORATE REPUTATION; PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; MARKETING COMMUNICATIONS
SWITZERLAND	ASSOCIATION OF PR AGENCIES IN SWITZERLAND (BPRA)	28	80%	HEALTHCARE; FINANCIAL AND PROFESSIONAL SERVICES; PUBLIC SECTOR	STAFF RECRUITMENT; CLIENTS MOVING PR IN-HOUSE; CLIENTS TOO FOCUSED ON SHORT-TERM	PUBLIC AFFAIRS/ GOVERNMENT RELATIONS; DIGITAL/ONLINE COMMUNICATIONS
TURKEY	COMMUNICATIONS CONSULTANCY COMPANIES ASSOCIATION - IDA	23	50%	FOOD AND BEVERAGE; TECHNOLOGY; FINANCIAL AND PROFESSIONAL SERVICES,	FINANCIAL PRESSURE TO MEET PROFIT/MARGIN TARGETS; LACK OF CLIENT UNDERSTANDING OF PR; CLIENTS TOO FOCUSED ON SHORT-TERM	CORPORATE REPUTATION; MARKETING COMMUNICATIONS; DIGITAL/ ONLINE COMMUNICATIONS
UNITED KINGDOM	PUBLIC RELATIONS CONSULTANTS ASSOCIATION (PRCA)	380	75%	CONSUMER PRODUCTS; TECHNOLOGY	STAFF RECRUITMENT; COMPETITION FROM OTHER MARKETING DISCIPLINES; CLIENTS UNWILLING TO COMMIT SUFFICIENT FUNDS	MARKETING COMMUNICATIONS; PUBLIC AFFAIRS/GOVERNMENT; DIGITAL/ONLINE COMMUNICATIONS
UNITED STATES	COUNCIL OF PUBLIC RELATIONS FIRMS (CPRF)	105	75%	CONSUMER PRODUCTS; HEALTHCARE; TECHNOLOGY	STAFF RECRUITMENT; STAFF RETENTION; CLIENTS TOO FOCUSED ON SHORT-TERM	DIGITAL/ONLINE COMMUNICATIONS; MARKETING COMMUNICATIONS; CORPORATE REPUTATION

METHODOLOGY

The World Report survey polled more than 500 PR agency heads from around the world via an online survey. In addition, the survey was circulated among ICCO member bodies. Results from these organizations were weighted according to size and combined with the online survey findings to generate the final report. Fieldwork took place in the first half of 2014.

Florian Willershausen

Chief International Reporter
for German Business weekly

Sectors:

■ **B2B/Trade Business General**

■ **Consumer News & Current Affairs**
(International)

Awards:

2011 - Journalist Award of the Russian trade association RSPP

Language:

German/Russian/English

Short note:

Covers the globalisation and its impact on German businesses. He is a specialist for Eastern Europe and frequently publishes articles on Africa as well

Favourite sports and other interests:

Sailing, cycling, skiing, travel and history

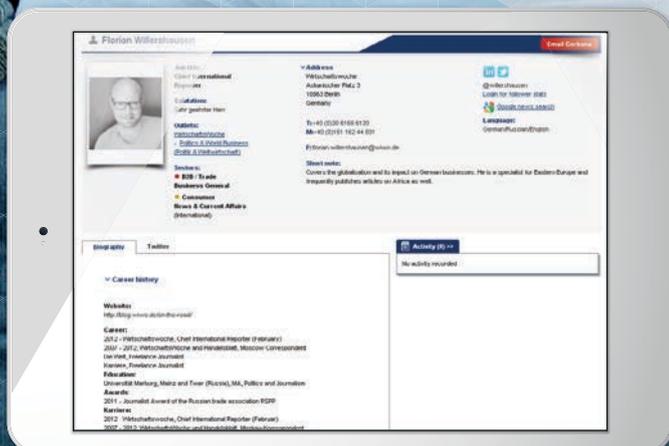
Having a relationship with
Florian could be key to your
brand reputation.

With detailed information
on over 300,000 global journalists
and more than 100,000 media outlets,
you can find out all you need about
every journalist important to you.



Gorkana Group

Global leaders in media intelligence



gorkana.com

+44 (0) 20 7674 0200

The Holmes Group
271 West 47th Street
Suite 23-A
New York, NY 10036

The Holmes Group
21 Bryanston Mews West
London W1H 2BW
United Kingdom

**International Communications
Consultancy Organisation**

Willow House
Willow Place
London, SW1P 1JH
United Kingdom

T: +44 (0) 207 233 6026
W: www.iccopr.com

