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MULTICULTURAL & GLOBAL PR

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Arab World is willing to give Obama a shot

By Kevin McCauley

President Barack Obama enjoys strong popularity in the Arab World, but that goodwill will quickly vanish if he fails to deliver on promises to withdraw U.S. forces from Iraq, shutter the Guantanamo prison camp and banish torture.

That's the major finding of the 2009 Annual Arab Public Opinion Survey from the University of Maryland and Zogby International.

The poll finds that sixty percent of Arabs in Egypt, Jordan, Saudi Arabia, Lebanon, Morocco and United Arab Emirates hold a positive image of Obama.

He is most popular in Saudi Arabia (79 percent) and least popular in Jordan, where 57 percent of respondents are either "somewhat or very negative" on Obama.

George W. Bush remains the "most disliked" world leader, cited by 76 percent of the more than 4,000 Arabs polled in April and May.

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Multicultural firms reveal success stories, struggles for the PR industry

By Jon Gingerich

As the face of America changes, so too does the content, focus and scope of its informational palette.

A field that works in nuances, communicators in the multicultural sphere require an unmatched level of specificity when delving into the distinctive niches of African American, Asian and Hispanic markets, as well as emerging markets in gay, lesbian and transgendered communities. While the differences are clear, successful communications is predicated on a thorough understanding of these cultures, as well as the values and background characteristics that drive purchasing decisions. It's for this reason, experts attest, that multicultural communications remains primarily a "small shop" practice in 2009.

Many leaders in the PR industry, now finding them-



Esther Novak



Bernadette Morris

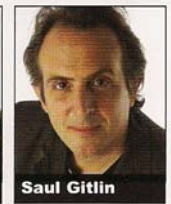


Juan Lezama

selves in a game of communicative catch-up, are forming multicultural practices so their messages may match the breadth of today's



Michelle James



Saul Gitlin

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Global PR networks grow despite worldwide economic challenges

By Jon Gingerich

Membership and combined total revenues have been up for three of the "big four" global PR networks in the last year, a trend that runs contrary to the current worldwide economic crisis.

While network partnership has always been an attractive alternative for independents wishing to attain global presence and penetrate local, niche markets, some industry experts are now saying a sour financial climate may have actually contributed to recent additions in the ranks of IPREX, Pinnacle, PRGN and Worldcom.

Perhaps more revealing, a closer look at 2009's global network roster shows increased member presence in regions like Asia, Latin America and Eastern Europe, a migratory pattern that mirrors recent grabs by North American holding companies in these emerging markets.

Experts believe a surge of partner addi-

tions (in some regions where PR is still a new concept) highlights a changing world economic balance, and one that could be a salve for communicators, as the scales of financial performance tip into increasingly global territory.

Big gains for Worldcom

The largest of the global networks, Worldcom Public Relations Group continues to grow in the face of world financial woes. Recent gains for the network include five new U.S. partners and four new European partners, as well as a new partner addition in Latin America (Infomedia Consulting, in

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Global PR networks growing

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Buenos Aires). With a total net gain of five new firms, combined total revenues for the network was \$244 million in the last year, revealing a clear pattern of upward mobility when noting Worldcom's '07 revenues of \$227.1 million and their '06 revenues of \$189.2 million.



**IPREX Worldwide
President Kathy
Tunheim.**



**Hanser & Assocs.
Pres. Ron Hanser,
Pinnacle Worldwide
Chairman.**



**Worldcom's COO
Daisy Guthin.**

Worldcom COO Daisy Guthin believes the network's strong partner performance is indicative of a growing trend. Namely, clients are beginning to see the advantages of working with independent PR firms. Regardless of economic circumstance, clients look for representation that is intimately familiar with their local markets. When the economy goes down, clients also require the nimbleness and financial wiggle-room that only the independents can offer.

"I believe clients are increasingly seeing the value of working with independents over multinationals," she said. "When the economy is in downturn, clients are looking to stretch the value of their dollar and demand more from the agencies, and independents are better positioned to do so."

It becomes a self-fulfilling prophecy. As independent PR firms gain leads in local markets the world over, other independents see the benefits of joining a global network. Guthin admitted that such strong growth in

the midst of a recession still comes as somewhat of a surprise.

"I thought the economic effect would hamper our efforts to recruit, but with the results we've had we've been able to bring people in, in spite of the market," she said. "But the proof will be in the pudding when we can see what we're able to do in the fall and next spring."

Hal Dash, Chair of Worldcom's Americas region and President of Cerrell Associates, cited a strong European board, new and aggressive social media initiatives and a strict member peer review as a few reasons for the network's ongoing success. Worldcom has also expended considerable resources into its practice groups, including a 30-member healthcare practice group, as well as practice groups for energy and environment, travel and tourism, financial and technology. Dash said these groups are an attractive resource for prospective members, as they allow networks to share case studies and pitch business together.

"In some cases they jointly write proposals," Dash said. "It's beneficial to them and it helps the organization."

Despite its recent gains, Worldcom took a big hit in Asia for the second year in a row, losing four partners in Hong Kong, New Delhi, Manila and Singapore. Guthin claimed the loss was the result of economic and climate activity in the region, including the devaluation of Asian currencies against the U.S. dollar, which hit especially hard when firms pay their membership dues. Total, the network has added three firms from China in the last five years.

Worldcom's Pacific and Canadian member numbers remained the same as in '07.

IPREX wins in North America

The second largest global network, IPREX beat Worldcom this year in North American partner gains. With five U.S. firms joining the IPREX ranks and one new addition in Canada, the network made bigger U.S. percentage gains than any other. IPREX's combined total revenues were a strong \$117 million for 2009, showing big gains from their \$98 million revenues in 2008 and \$94 million in 2007.

Kathy Tunheim, President Worldwide of IPREX, said a new economic climate that favors independent shops has helped shape IPREX's success.



PRGN President José Luiz Schiavoni (far left) greets new PRGN members (L to R): Jackson Harrell (Harrell Group, Dallas); Ralph Katz (CooperKatz & Co., New York); and Ramonna Tooley (Ground Floor Media, Denver). Standing right is former PRGN President Frank Cullen.

"We think the timing to be on a global scale through a consortium like this is perfect. Clients need the expertise and they're also looking for nimbleness," she said. "Building business in the world, as it is evolving, means having the competitive advantage, and being part of an experienced consortium that can deliver to scale is a proven formula."

Gene Marbach, Group Vice President of IPREX partner firm Makovsky + Company, said there's a freedom among independents to cherry-pick the clients and markets they want, on their local terrain. In some cases this allows more flexibility when times are tough.

IPREX gained one partner in Asia this year while losing two in the Middle East. They also lost their only Latin American partner (Silvia Pendas, S.A., of Mexico City), though Tunheim told *O'Dwyer's* that as of press time, they are in the final approval stages of adding a new Latin partner. Tunheim said the firm is also currently making a concerted effort to reach out to Asian markets.

"From our perspective, we're not looking to add partners just to say we have a dot in every corner of the map," she said. "On the other hand, when you have agencies all around the world, we need to ask ourselves: where does a client in the IPREX consortium need to have services available to them? Looking at Asia, there's a lot of ground yet to be dealt with, so that's a priority."

PRGN surprises

Regardless of its size, the biggest percentage gains this year came from the newest of global groups, Public Relations Global Network. This year's combined total revenues were about \$110 million, tak-

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ing into account more than 1,000 clients across six continents.

PRGN didn't lose a single member last year. Instead, the network added two partners in Asia (Aspire PR in Pune, India; and Mileagé Communications in Singapore). In May, they also announced a major expansion of their North American presence with the addition of three new U.S. partners: CooperKatz & Company (New York), Ground Floor Media (Denver) and the Harrell Group (Dallas).

The network's fast growth has been a running theme for several years. PRGN added five agencies to its roster in 2007. The year before, the firm added new partners in Europe, Latin America and Asia, as well as new firms in Paris, India, Singapore, the Netherlands and South Africa.

Speaking to *O'Dwyer's* from his S2 headquarters in Sao Paulo, Brazil, PRGN President José Luiz Schiavoni said the network's recent global success lies in its ability to position seasoned communicators in niche markets around the globe.

"If we want to be considered an option for multinational PR agencies, we have to have a global presence. There is no other way," he said. "We respect the Edelmans and the Bursons, but right now clients are looking for the best solutions and they're discovering that one size does not fit all." Schiavoni said that while the network is currently interested in building its Asian and Manhattan partner base, the number of recent adds shouldn't be an indication that the network is interested in anything other than carefully-planned, long-term relationships.

"We have a different approach than other networks. We are not eager to just add new members. We are really looking for the best partners in any particular geography. We are very careful about this process."

Pinnacle feels economic pinch

If there's a hole in the recent theory shared by global network heads that independent consortium members fare better in tough times than U.S. holding agencies, it's Pinnacle Worldwide. The first and oldest of the global independent networks felt the economic pinch this year, recently losing five partners: one in the U.S., one in Australia, and three in Latin America. Pinnacle's only new recruit was in Canada (Vancouver's Hoggan and Associates). With combined total revenues of approximately \$90 million last year, Pinnacle did not lose any European or Middle Eastern members.

"We have lost a couple of members. They've told us that they've wanted to stay with Pinnacle but right now it's not feasible

economically," said Ron Hanser, Chairman at Pinnacle Worldwide and President at Hanser & Associates in Des Moines, Iowa.

"Members across the country, and across all continents, have been affected by the economy. That's not news at all. Some of our members were seeing clients putting a hold on business and unfortunately that's a universal around the world."

In the meantime, Hanser said Pinnacle has an active recruitment program underway to push for new members in Europe and Asian/Pacific regions. They're putting a particular emphasis on prospective member firms in China that would be considered

"medium" in size.

While unsure if an economic seesaw theory exists between a bad economy and increased business for network partners, Hanser said independents could be growing simply because clients have learned they offer better service than "big" shops in foreign locales that send junior staff to make important business decisions.

"Independent firms serve with very experienced people in the local markets," he said. "When a client meets with an independent firm, you know there will be a senior level principal in the room, and that elevates the quality of the service." ■



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