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**THE STUDY OF METHODS USED BY PUBLIC RELATIONS FIRMS
TO ASSIST IN ATTRACTING AND MAINTAINING CLIENTS**

by
Donna M. Field

A Thesis

**Submitted in partial fulfillment of the requirements of the
Master of Arts Degree in the Graduate Division
of Rowan University
May 30, 1998**

Approved by

Date Approved

5/30/98

ABSTRACT

Donna M. Field

The Study of Methods Used by
Public Relations Firms to Assist in
Attracting and Maintaining Clients
1998
Advisor: Larry Litwin
Program: Corporate Public Relations

The purpose of this study was to determine the methods that public relations firms use to do public relations for themselves to attract new clients and to maintain existing clients. The author researched and analyzed whether public relations firms do public relations for their respective firms, the methods used, as well as the reasons why or why not.

A survey was sent to 60 public relations firms belonging to Pinnacle Worldwide, Inc., an international corporation of independent public relations firms with offices in major cities throughout the United States and the world. Forty-seven responses were received.

The results of the study show that public relations firms use public relations as a means to promote their own firms and to generate new business. Most of the firms reported they were not satisfied with the number of current clients. The findings indicate that networking and referrals are the most widely-used public relations methods utilized by the firms to attract and maintain clients. Networking and referrals were also considered the two most effective methods that a firm could employ to promote itself or maintain existing clients. Public relations efforts for many firms is very casual, often without a specific budget, time line or assigned staff.

MINI-ABSTRACT

Donna M. Field

The Study of Methods Used by
Public Relations Firms to Assist in
Attracting and Maintaining Clients
1998
Advisor: Larry Litwin
Program: Corporate Public Relations

This study determines whether public relations firms do public relations for themselves to attract new clients and to maintain existing clients, the methods that firms use and the reasons why they use them.

The results show that public relations firms use public relations to promote their respective firms and to generate new business.

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CHAPTER I

THE PROBLEM, THE REASONS FOR STUDY AND DEFINITIONS OF TERMS

Public relations firms are hired by their clients to manage the communications between the organization (their client) and their publics. The firm's clients are usually from a variety of industries, but most clients who hire public relations firms want some type of a tailored public relations program.

Clients are the key to a successful public relations business. Most agencies have more than one client and do varied work for each one, depending upon the client's needs. Without clients, agencies have no income. Agencies and public relations firms must constantly strive to keep their current clients happy and seek out new clients. The amount of income of an agency is directly proportional to the amount of clients it services. The more clients an agency has, the more income it generates.

I. THE PROBLEM

Any client of a public relations agency will tell you it is important to invest in public relations. Any agency will tell you how important it is for its clients to use public relations. However, many public relations agencies do minimal public relations for their own respective firms, if any at all.

Public relations firms provide public relations services to their clients as a means to communicate with the client's key publics, to gain recognition for the client and to generate new business.

If this is the case, then it should be important for public relations firms to do the same for themselves. The more people that know about a firm and the services it offers, the better the chances are that the firm will receive a call when public relations assistance is needed.

Samuel Coad Dyer, Ph.D, senior lecturer in management communications at the University of Waikato, New Zealand states,

“It is my contention that effective pr strategy...will be the key to survival and growth in the current global organizations environment. PR is an unavoidable function in any organization.”¹

Dyer quotes R.M. Haywood, author of the book, *All About PR*, as saying,

“An organization has no choice whether to ‘have’ public relations. All organizations are communicating with all audiences that are of importance to them. The decision is not whether to have public relations, but whether these relations will be handled in a planned, organized manner...or allowed to be accidental, haphazard and possibly inconsistent.”²

¹ Dyer, Samuel Coad. Public Relations Strategies for Small Business Growth. *Public Relations Quarterly*, Fall 1996, p. 43-46.

² Haywood, R.M. *All About PR*. 1984. (London: McGraw Hill, Limited).

“Public relations can: support business objectives, explain policies, increase awareness, focus attention on issues, encourage informed discussion, help to change perception, opinion and behavior, influence attitudes, motivate staff, reinforce the marketing and sales effort, build and sustain a reputation over time, help to restore credibility, and have some effect on the values of a particular group or of society as a whole.”³

There are many public relations strategies that small businesses could implement, according to Dyer, but “scarce entrepreneurial resources restrict the range of public relations activities that are practical in a small business context.”⁴

Dyer believes that “...marketing alone does not make small business enterprise responsive enough to its environment. Maybe the simplest distinction is this: marketing focuses on identifying and meeting the needs, interests and aspirations of customers, whereas public relations embraces the concerns of a much wider range of stockholders including customers.

“Once you have identified your stakeholders, then craft a plan for communicating with them. You have a marketing plan, now plan your communications strategy. I believe that by being a responsible member of the community, small business can build goodwill, recognition and business that cannot be achieved with advertising dollars.”⁵

³ Dyer. p. 43.

⁴ Ibid. p. 43.

⁵ Ibid. p. 45.

Communication is essential to business growth and success, therefore planning for key communications strategies must be a major focus. Businesses that communicate with all facets of their environments are businesses that will be ready and fully responsive to change and opportunity.

This study will attempt to identify if public relations firms do public relations for themselves. It will also attempt to identify methods that firms and agencies use to attract new clients and maintain existing clients. Public relations organizations utilize different methods to communicate with their key publics and to effectively promote themselves. Some methods are useful, some are not. Some firms do not want to exert the extra effort of publishing a newsletter. Some firms do not have the money or resources to set up and maintain a website. Some firms just don't have the staff to handle any other work above client work. Yet there are firms that are willing to go the extra mile and write a newsletter, annual report, or create a website as a means of communicating with their current and potential customers.

There are new business opportunities to be found when an agency gets its name out to the public. Since an agency's income is based upon its clients, it would only make sense that an agency's ultimate goal would be to find and secure more clients. It would seem natural for public relations firms to promote themselves because they have experience in promoting clients and have the necessary resources at their fingertips — media contacts, in-depth knowledge of how the organization works, as well as its strengths and weaknesses. The organization should be motivated by opportunities for new business as a means to increase income. How do public relations firms obtain new

clients without promoting themselves? How do they win accounts among the competition and show that they stand out from the rest? How do they keep existing clients happy? Basic research indicates that most public relations firms do not use public relations tactics to further their own business development or to maintain existing clients.

The study will show whether public relations firms promote themselves to generate new business and to communicate with current clients, and it will determine the most effective and least effective methods currently used. It will determine if firms that do public relations for themselves are able to keep existing clients longer than firms that do not attempt to communicate with their clients. It will attempt to identify what public relations methods have been successful in the past and present. It will determine if new methods have been influenced by technology. It will also attempt to uncover if firms that do not promote themselves have a lower percentage of new business than firms that use some type of public relations with their audience.

II. THE REASONS FOR THE STUDY

The results of the study will determine the methods that public relations firms use to do public relations for themselves. The study results will also determine how successful these methods are in generating new business for the firms and maintaining their existing client base, and why or why not.

III. THEORETICAL FRAMEWORK

The premise of this study was that public relations firms make little or no effort to use public relations to promote their own businesses to gain new clients and maintain existing clients. It is assumed that public relations firms have tried to promote themselves by various methods and tools, but that they lose interest because they are unsuccessful in generating new business; the methods they used were too costly for the agency in terms of resources, materials and/or manpower; and/or that the chosen method was just too time intensive and took away from serving clients and the agency's billable hours. The methods that firms have employed vary depending upon the particular management style of the firm and how important the function is to management as a business-generating technique or as a means to communicate with existing clients.

IV. DELIMITATIONS OF THE STUDY

The study was limited to the 60 members of Pinnacle Worldwide, Inc., located in the following 44 national and international cities: Chicago; Cleveland; Copenhagen; Dallas; Denver; Detroit; Dublin; Frankfurt; The Hague; Helsinki; Hong Kong; Houston; Jakarta; Kansas City; Las Vegas; London; Los Angeles; Manila; Milan; Mexico City; Miami; Minneapolis/St. Paul; Mountain View; Moscow; Munich; New York City; Paris; Philadelphia; Portland; Raleigh; St. Louis; San Francisco; Seattle; Seoul; Singapore; Stockholm; Sydney; Taipei; Tampa; Terneuzen; Tokyo; Toronto; Vienna and Washington, DC.

V. DEFINITIONS

Annual report - A strategic communications vehicle for corporations that communicates company thinking with key publics, shareholders, etc.⁶

Agency - An establishment engaged in doing business for another.

Client - A person who engages the professional advice or services of another.

Extranet - A computer-based network that extends the information and communication functions of a company's intranet to business partners or customers outside the firewall.⁷

Freelancer - A person who sells services without working on a salary basis for one employer.⁸

Marked-up expenses - Expenses incurred by an agency on behalf of a client, which the agency then bills to the client at a higher rate.

Newsletter - A printed sheet, pamphlet, or small newspaper containing news or information of interest chiefly to a special group.⁹

Pass-through expenses - Expenses incurred by an agency on behalf of a client, which the agency then bills directly to the client, without a mark up.

⁶ Donaldson, John. How To Evaluate Annual Reports. *PR Tactics*. October 1997. (New York: Public Relations Society of America, 1997), p. 22.

⁷ Mullich, Joe. Netting Clients Something Extra. *PC Week*. September 15, 1997. p. 31.

⁸ Random House Webster's College Dictionary. (New York, New York: Random House, Inc., 1997), pg. 517.

⁹ Webster's Ninth New Collegiate Dictionary. (Springfield, Massachusetts: Merriam-Webster, Inc., 1987), p. 796.

Pinnacle Worldwide - An international corporation of independent public relations firms with offices in major cities throughout the United States and the world. Founded in 1976, Pinnacle Worldwide is one of the oldest networks of its kind. The combined billings of its member firms make it one of the largest public relations organizations in the world.

Public relations - Management of communication between an organization and its publics.¹⁰

Website - A connected group of pages on the World Wide Web regarded as a single entity, usually maintained by one person or organization and devoted to one single topic or several closely related topics.¹¹

World Wide Web - A system of extensively interlinked hypertext documents: a branch of the Internet.¹²

¹⁰ Grunig, James & Hunt, Todd. *Managing PR*. (USA: Harcourt Brace Jovanovich College Publishers, 1984), p. 6.

¹¹ Random House Webster's College Dictionary. p. 1456.

¹² Random House Webster's College Dictionary. p. 1482.

CHAPTER II

REVIEW OF THE LITERATURE

A study of literature showed no related research on whether public relations firms do public relations for themselves.

A search was made on the World Wide Web. The key words used were public relations, new business, new business techniques, communications, agencies, and combinations thereof.

Searches were made through the Rowan University Library, Burlington County Library and Evesham Public Library by subject and thesis topic. The searches uncovered several articles on specific public relations methods used by public relations firms, such as the use of annual reports by Gavin Anderson & Company and the Hoffman Agency as reported in *PR Tactics*; the use of extranets by Copithorne & Bellows as reported in *PC Week*; and the use of websites by many firms as reported in the *New York Times*. The searches also uncovered several articles written by public relations professionals on varying topics related to the search words in *Public Relations Journal* and *Public Relations Quarterly*.

None of the articles cited results supported by a survey dealing with the topic of this thesis.

CHAPTER III

METHOD AND MATERIALS

I. DATA NEEDED

The investigation revealed whether public relations firms do public relations for themselves. It also determined the specific public relations methods that the firms use and the effectiveness of those methods.

By use of a survey, public relations firms disclosed whether or not they have used public relations to promote their own firms, and the methods they used.

Some examples of public relations methods used by public relations firms to promote themselves, attract new business and maintain existing clients are newsletters, websites, press releases, feature stories in newspapers or trade publications, direct mailings, community involvement and networking.

II. SOURCES OF DATA

The study was limited to national and international public relations firms of Pinnacle Worldwide Inc. The firms are located in Chicago, Cleveland, Copenhagen, Dallas, Denver, Detroit, Dublin, Frankfurt, The Hague, Helsinki, Hong Kong, Houston, Jakarta, Kansas City, Las Vegas, London, Los Angeles, Manila, Milan, Mexico City, Miami, Minneapolis/St. Paul, Mountain View, Moscow, Munich, New York City, Paris,

Philadelphia, Portland, Raleigh, St. Louis, San Francisco, Seattle, Seoul, Singapore, Stockholm, Sydney, Taipei, Tampa, Terneuzen, Tokyo, Toronto, Vienna and Washington, D.C.

III. TOOLS AND TECHNIQUES

A survey (Appendix A) was faxed to the 60 public relations firms that are members of the organization, Pinnacle Worldwide Inc.

To assure a high percentage of returns, the survey was short and uncomplicated. Recognizing the contacts at these public relations firms are top executives with limited time to spare, it was important to keep the survey brief, focused, and easy to answer. Questions included in the survey focused on firm demographics, like the number of employees, years in business, annual billing and number of clients; the public relations methods used by the firm to generate new business; whether they found those methods effective; whether they would consider implementing any of those methods; the public relations methods used by the firm to maintain the existing client base; and any experiences they have had as a direct result of the public relations they used to promote their firm.

A cover letter (Appendix B) was attached to the survey, outlining the purpose of the study; the reasons that Pinnacle Worldwide Inc. was selected as the control group; the need for the organization's participation; and the importance of their cooperation, honesty and quick response. To show appreciation for each firm's participation, the final results of the study were offered. These results will enable the firms to analyze the effectiveness

of their current public relations efforts and measure their efforts against other professional firms. The results would also enable a firm, not currently engaging in public relations for itself, to analyze the effectiveness of the various methods used by other firms and initiate the method(s) at their own firm.

The survey was faxed to assure that it reached the contact quickly and directly, and to communicate the urgency of the return of the information.

Approximately one week after the surveys were faxed, a follow-up cover letter (Appendix C) and a second copy of the survey were faxed to the firms that did not respond to the first fax.

CHAPTER IV

ANALYSIS OF DATA

Surveys containing 27 questions were faxed to the 58 national and international public relations firms that are members of Pinnacle Worldwide Inc.

Forty-seven public relations firms (81 per cent) responded. Of those responding, all (100 per cent) said they use public relations to promote their firms and to generate new business.

Public Relations Firm Demographics

Thirty-eight (81 per cent) public relations firms out of the 47 firms that responded to the survey said they consider their firm to be a general public relations practice, as opposed to nine firms (19 per cent) that consider their firms to be specialized. (Figure 1) The nine firms that identified themselves as specialized said their specializations lie in automotive, business-to-business, crisis management, entertainment, high technology, healthcare, investor relations, lobbying, pharmaceuticals, product publicity, real estate, special events, sports marketing and wireless telecommunications.

Twenty-two of the responding public relations firms (47 per cent) have been in business for less than 10 years. Approximately 16 firms (34 per cent) have been in

business for 11 to 20 years; five (11 per cent) for 21 to 30 years; one firm (two per cent) for 31 to 40 years; and three firms (6 per cent) have been in business for more than 40 years. (Figure 2)

Twenty firms (43 per cent) have from one to 10 full-time employees. Fourteen firms (30 per cent) have 11 to 20 full-time employees; six (13 per cent) have from 21 to 30 full-time employees; one firm (two per cent) has from 31 to 40 full-time employees; six firms (13 per cent) have more than 40 full-time employees. Thirty-five public relations firms (74 per cent) reported having part-time employees that receive salary and benefits. This does not include freelancers. (Figure 3)

Of the 47 responses, eight public relations firms (17 per cent) represent from one to 10 clients. Eighteen public relations firms (38 per cent) represent from 11 to 20 clients. Twelve firms (26 per cent) represent from 21 to 30 clients; three (six per cent) represent from 31 to 40 clients; six firms (13 per cent) represent more than 40 clients. (Figure 4)

Twenty-eight per cent of the firms that responded to the survey reported that they were satisfied with the number of clients they serve, while 72 per cent are unsatisfied. (Figure 5)

Approximately half of the firms that responded (51 per cent) reported annual fee billings of \$500,000 to \$1 million. The minimum amount of annual fee billings required for a public relations firm to be a member of Pinnacle Worldwide Inc. is \$500,000, therefore, respondents were not given an answer choice in a range lower than \$500,000. Twelve firms (26 per cent) reported annual fee billings from \$1.1 million to \$3 million;

eight firms (17 per cent) reported billings from \$3.1 million to \$6 million; three (6 per cent) reported from \$6.1 million to \$10 million in billings; and no responding firms reported annual fee billings above \$10 million. These figures included marked-up expenses, but not pass-through expenses. (Figure 6)

Results of Surveys

Public Relations Methods

All firms that said they used public relations as a means to promote themselves and to generate new business were asked to identify the methods they most often use. Respondents could choose more than one answer to the question. Of all the public relations methods used by the 47 responding public relations firms, networking is the most widely used method (85 per cent). Referrals (81 per cent) are the second most widely used method. Seventy-two per cent of the firms reported that both professional organizations and press releases are currently used to promote their firms and to generate new business. Sixty per cent said that they currently use websites and seminars and/or speeches. Fifty-seven per cent cite community and/or civic involvement as a current public relations method used. Approximately half, or 51 per cent, of the firms surveyed use feature and/or news articles to promote themselves and to generate new business. Forty-three per cent turn to advertising. Direct mail campaigns are used by 38 per cent of the firms, whereas only 36 per cent prefer to cold call prospective clients. Approximately one-quarter of the responding firms (26 per cent) use newsletters as a vehicle to promote themselves and to generate new business. Nineteen per cent use special events and 13 per

cent benefit from promotional items. Six per cent use extranets and books, and four per cent employ annual reports to promote their firms. Nine per cent of the firms surveyed cited other methods as a means of firm promotion, specifically their Pinnacle Worldwide membership. (Figure 7)

Thirty per cent, or 14 of the 47 public relations firms surveyed, engage in the public relations methods they cited on a monthly basis. Twenty-eight per cent use the methods on a weekly basis. Thirteen per cent of the responding firms use the methods cited on a quarterly basis, and 11 per cent on a biweekly basis. Another 19 per cent reported that they use the methods “whenever they feel like it.” (Figure 8)

Survey respondents were asked to choose the three most effective methods that their firms use to do public relations for themselves and to generate new business. Networking was cited as the most effective method that the responding public relations firms used to promote themselves and to generate new business (75 per cent). Referrals were chosen as the second most effective method (62 per cent) used. Community and/or civic involvement and seminars and/or speeches tied as the third most effective method at 21 per cent. Other effective methods were indicated as follows: professional organizations (19 per cent); cold calling (15 per cent); direct mail campaigns and press releases (13 per cent); websites (11 per cent); feature and/or news articles and special events (nine per cent); advertising and newsletters (six per cent); and extranets (two per cent). Two per cent reported that they did not use any of the methods listed to promote their firms, and four per cent referred to other effective methods that were not listed, such as O’Dwyer’s Newsletter and “cold calling, but only with good reason.” (Figure 9)

Over half of the responding public relations firms (55 per cent) said they considered the methods they chose to be the most effective because they “get the firm’s name out to the public.” Thirty per cent said the chosen methods are effective because they “generate a lot of calls” to the firm. Twenty-six per cent said these methods give the firm the “most bang for the buck,” meaning they give the firm the best return for the amount invested. Thirteen per cent consider the chosen methods effective because they are “easy to do,” and nine per cent because the methods are “not very time consuming.” Twenty-eight per cent of the responding firms referenced other reasons why the particular public relations methods mentioned were effective. (Figure 10) These firms reported the following: referrals are important as an endorsement of the firm’s services by an independent party, thus giving the firm high credibility; the use of articles, seminars and speeches make the firm “look serious” about public relations; networking, referrals and involvement in professional organizations “put a face on the organization” and showcase their style; networking, professional organizations and special events are relationship-building; press releases are very easy; cold calling gets results and is directly accountable; community and/or civic involvement makes the firm more credible; networking and seminars and/or speeches are cost-effective and generate qualified clients; networking facilitates effective one-to-one marketing opportunities; and community and/or civic involvement and networking allow for in-depth contact and relationship-building in order to create a bond and ensure that the firm’s reputation is based on long-term experiences, not just shallow pitching techniques.

Firms were asked which public relations methods they would consider implementing in order to promote their firm and generate more business, if they were not currently implementing any. Respondents were asked to choose the top three methods they would consider. Of the 17 firms that responded (36 per cent), 15 (41 per cent) would consider implementing newsletters. Thirteen (35 per cent) would consider implementing websites and special events. Eleven (29 per cent) would consider direct mail campaigns and seminars and/or speeches. Advertising and feature and/or news articles would be considered by six (17 per cent) of the responding firms. Four (11 per cent) would consider cold calling and promotional items. Two (six per cent) would consider books and press releases. (Figure 11)

When asked why they would consider implementing these items, the firms responded that the methods “sound promising,” are “more formalized back-up for current promotional activity,” “the Internet is gaining in popularity,” there is a “better return but requires more effort,” the methods are costly, the firm needs “methods that give them face-to-face contact with existing and potential clients,” the methods “deliver impact and have direct approach value.”

The Pinnacle public relations firms were asked how many new clients they had secured over the last 12 months. Twenty-one per cent reported that they secured over 10 clients in the last year. Eleven per cent communicated that they had secured nine to 10 new clients over that time period. Eleven per cent also reported that they had secured seven to eight new clients. Thirty-two per cent said they secured five to six new clients over the year. Twenty-one per cent secured three to four, and two per cent reported that

they gained one to two new clients. One firm in particular said they had actually lost clients over the last 12 months. (Figure 12)

Survey participants were asked if these new clients said they had heard of their public relations firm through the firm's public relations efforts. Forty out of the 47 responding firms (85 per cent) said "yes," that they had heard of their pr firm through their pr efforts. Four firms (nine per cent) said "no," that their clients did not hear of them because of their public relations efforts. Three firms (six per cent) gave no answer. (Figure 13)

When respondents were asked to identify the public relations methods through which their new clients became familiar with their firms, 70 per cent reported that their new clients were referred to them. Approximately 56 per cent said that networking introduced and familiarized them with their new clients. Websites were another method in which clients were introduced to their public relations firms (29 per cent). Twenty-seven percent of the firms said that their community and/or civic involvement familiarized them to clients. Twenty-four per cent cited professional organizations. Feature and/or news articles written by firm employees or by reporters were cited by 17 per cent of the firms as reasons why clients became familiar with them, as were direct mail campaigns. Twelve per cent said cold calls, press releases and seminars and/or speeches were the reasons why clients found out about their firms. Seven per cent mentioned newsletters as the method that clients noticed, and five per cent gave credit to advertising and special events as the reasons for their new business. Four per cent of the responding firms said that clients referred to other public relations efforts not included in

the list, such as O'Dwyer's Newsletter. One firm said they didn't use any of the methods; they grew their new business "from ground zero." Two per cent of the firms said they did not do any public relations for themselves and therefore, didn't receive any new business from the listed methods. (Figure 14)

The firms that said they did not do public relations for themselves were asked why they did not engage in such activities. Of the three firms that responded to the question, one firm felt it "too time intensive," one firm blamed it on "old fashioned reticence," and one firm "preferred clients to approach them." Forty-four firms did not respond.

Marketing and New Business

Firms were asked how they searched for new business if the methods were different from their current public relations efforts. Respondents could choose more than one answer for this question. Of those firms responding, 13 (28 per cent) search for new business through contact with business associates; 11 (23 per cent) through referrals; nine (19 per cent) by reading the newspapers; five (11 per cent) by entertaining prospective clients, networking, and by reviewing top company listings; four (nine per cent) by their community and/or civic involvement, professional organizations, and seminars and/or speeches; two (four per cent) by special events; one (two per cent) by their websites, cold calling prospective clients, advertising, and direct mail campaigns. Two firms responded that they did not actively search for new business. One firm reported that they assigned a new business team to research and target companies in particular industry segments. Twenty-one firms (45 per cent) did not respond to this question.

The heads of the Pinnacle public relations firms were asked to estimate how much time they spend on public relations efforts to promote their firms and as a means to generate new business. Fifty-one per cent of the 47 responding firms said at least 25 per cent of their time was spent on public relations efforts for the firm. Thirty-four per cent reported they spend 10 per cent of their time on these efforts. Eleven per cent said they spent approximately 50 per cent of their time on promoting the firm. Four per cent spend 75 per cent of their time on such pr efforts.

Seventy-seven per cent of the 47 responding heads of the public relations firms said that other staff members assist in these public relations efforts. Twenty-three per cent reported that they don't receive any assistance with the public relations efforts from other staff members at the firm. (Figure 15)

The 77 per cent of the firm heads that said they received help with the firm's public relations efforts reported that they are assisted by staff members of varying levels, such as executive vice presidents, general managers, account supervisors, senior account executives, associate directors, managing directors, media directors, account managers, managing partners, partners, chairmans, marketing directors and coordinators, assistants and outside consultants.

Ten per cent of the 47 public relations firm heads that responded to the survey estimate that their employees do not spend any time at all on the firm's public relations efforts. Sixty-three per cent estimate that their employees spend approximately 10 per cent of their time on these efforts. Twenty-two per cent of the responding firm heads estimate that their employees spend 25 per cent of their time on firm public relations

efforts. Two per cent estimate that employees spend 50 per cent, and 75 per cent of their time respectfully on these efforts. No responding heads of firms estimate that their employees spend all their time on these efforts. (Figure 16)

Regarding budgets, 51 per cent of the firms that responded to the survey have an allocated budget for their public relations and new business efforts. Forty-nine per cent do not. (Figure 17)

When queried how their allocated public relations and new business budgets are determined, 26 per cent of the firms said by “whatever it takes,” and 15 per cent said it is determined by a “percentage of fees.” Twenty-eight per cent reported other approaches to determining these budgets, such as zero based budgeting each year, percentage of staff time, what the firm can afford, the firm head sets the amount, budget amounts reviewed annually and voted on by senior management, budgets based on need, the same fixed budget each year, empiricism, budgets comparable to the advertising budget, and group decisions by senior management on investments over \$100. Thirty-one per cent of the 47 firms (15 firms) did not respond.

All firms were asked how they maintained their existing clients. Firms could choose more than one answer. Of those firms that responded, 35 firms maintain existing clients through quality meetings; 29 firms by client contact via the phone; 19 maintain them through client entertainment; 14 through holiday gifts; 12 by networking; eight through special events; six through their newsletters; and five by direct mail campaigns, promotional items, community and/or civic involvement, and feature and/or news articles. Respondents could identify other ways in which they maintain existing clients.

The other methods they identified included “servicing the client’s needs well,” the “high quality of service,” “great work,” “quality supplies,” and “great results.” (Figure 18)

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

I. SUMMARY

Surveys were mailed to 60 national and international public relations firms that are members of Pinnacle Worldwide, Inc. The survey was administered to determine whether public relations firms do public relations for themselves, and to identify the methods that the firms use to attract new clients and maintain existing clients.

It was a premise of this study that public relations firms make little or no effort to use public relations to promote their own firms to gain new clients and maintain existing ones. It was also assumed that public relations firms that do currently do public relations for themselves do not do so on a consistent basis, and that it is not a very important function of the firm.

Therefore, the survey was also designed to find whether public relations firms have tried to do public relations for themselves and why they discontinued their efforts; how important a function they consider it to be to maintain existing clients and gain new ones; how consistently they do public relations for themselves. The survey was also designed to discover the methods the firms use; how effective they consider these methods; what methods they consider more effective; which methods they would

consider implementing and why. The survey may also reveal how much time the firm spends on their public relations efforts and who in the firm is involved in these efforts.

II. CONCLUSIONS

Responses from the 47 returned surveys were tabulated and analyzed.

The results of the study show that:

1. All firms use public relations as a means to promote their own firms and to generate new business.
2. Most firms (72 per cent) reported they are not satisfied with the current number of clients they serve. Only 28 per cent of the firms are satisfied with their current client base.
3. The majority (81 per cent) of Pinnacle firms practice general public relations.
4. There appears to be a correlation between the annual fee billings of the firm, the number of years in business and the number of full-time employees. Roughly half (51 per cent) of the firms bill from \$500,000 to \$1 million, which appears to be proportional to the approximately half of the firms (43 per cent) that have from one to 10 full-time employees, and approximately half (47 per cent) that have been in business for one to 10 years.

About one-fourth of the firms (26 per cent) bill from \$1.1 million to \$3 million a year. A little more than one-fourth of the firms (30 per cent) have from 11 to 20 full-time employees, and approximately 34 per cent have been in business for 11 to 20 years.

Seventeen per cent bill from \$3.1 million to \$6 million. Approximately 13 per cent of the firms report 21 to 30 full-time employees, and 11 per cent have been in business for 21 to 30 years.

There appears to be a pattern that the longer the firms are in business, the more clients they accumulate. The more clients they have, the more full-time employees they have.

4. Networking (85 per cent) and referrals (81 per cent) are the two most-widely used methods currently utilized by the Pinnacle public relations firms. Networking reinforces that public relations practitioners feel most comfortable engaging in interpersonal communications to solicit new business and maintain existing business. They feel very comfortable communicating this way, and it probably comes easy for most. Referrals, the second choice, reinforces that public relations practitioners value the effectiveness of third party credibility. Public relations practitioners recognize its validity and counsel our clients to use it for varying campaigns like product and company promotion. It makes perfect sense that public relations firms would value this as a method to solicit new business and maintain existing clients.

Professional organizations and press releases were tied (72 per cent) for the third most widely-used method. Press releases have always been a tried and true, popular method of communicating with the public through the media, and they are easy to do and inexpensive. Most public relations practitioners know the importance of belonging to professional organizations, particularly for the networking opportunities, and apparently use these memberships to their benefit.

Sixty per cent of the firms currently use websites and seminars and/or speeches. This indicates that there is a rise in the use of Internet communications and firms are beginning to realize the value of having a presence online. Seminars and/or speeches give the firm an opportunity to meet potential clients and strengthen the credibility of the firm. Fifty-eight per cent currently use their community and/or civic affiliations to promote their firms and generate new business, which indicates that public relations firms are no longer just looking for the Fortune 500 clients. The firms realize that smaller community businesses also need public relations attention and have the money to spend. The public relations firms are pursuing these new business opportunities more aggressively through their community and civic involvement.

Approximately half (51 per cent) use feature/news articles as a means to promote themselves and generate new business. Again, this lends itself to third party credibility by having an article published in a local or national publication, which implies the publication's endorsement. However, it takes time to write an article and publications are usually wary of what the firm is trying to do and may be skeptical about running these stories frequently.

Less than half of the firms currently use the following methods: advertising (too expensive for a controlled message and public relations practitioners realize that public relations is free); direct mail campaigns (a very expensive medium to design, produce and mail); cold calling (very impersonal in this day and age of forging and building personal relationships); newsletters (too time intensive); special events (an effective channel, but

too time intensive and costly); promotional items (a waste of money); books (too time intensive); extranets and annual reports (both are expensive and not widely used yet).

It appears that most public relations firms currently use the most convenient methods available to them. They don't expend a lot of energy in promoting their firms; they use methods that come easy for them, such as networking at professional organizations or referrals from others. It appears that the proactive methods of public relations are not as widely used as the reactive and passive methods.

5. The most popular schedules of engaging in public relations efforts were cited as monthly (30 per cent) and weekly (28 per cent). It appears that the majority of the firms realize the importance of keeping their name out in front of the public. Thirteen per cent do public relations for their firms quarterly, and 11 per cent do it bi-weekly. Twenty per cent do public relations for their firm "whenever they feel like it," which indicates that it is not a planned function for at least one-quarter of the surveyed firms.

6. The firms reported that the three most effective public relations methods they currently use are networking (75 per cent), referrals (62 per cent), and a tie between community and/or civic involvement and seminars and/or speeches (21 per cent). This may indicate that the firms consider the most effective communications to be face-to-face and relationship-building.

7. Eighty-five per cent of the firms currently use networking, and 75 per cent consider it to be an effective method. Eighty-one per cent of the firms currently utilize referrals as a method, and 62 per cent consider them to be effective.

Over 70 per cent of the firms currently use professional organizations as a means to generate new business and maintain existing clients, but only 19 per cent consider that to be an effective method. Over 70 per cent utilize press releases, but only 13 per cent consider them effective to maintain clients and generate new ones.

Sixty per cent use seminars and/or speeches and only 22 per cent consider them to be effective. Sixty per cent currently use their websites as a means to generate new business, but only 11 per cent consider websites effective.

Fifty-eight per cent of the firms use their community and/or civic involvement as a means to do public relations, and 22 per cent consider it an effective method.

Over half of the firms utilize feature/news articles, but only nine per cent consider that an effective public relations method.

Forty-three per cent use advertising, but only six per cent feel that is an effective method.

Thirty-eight per cent of the firms use direct mail, and 36 per cent make cold calls. However, only 13 per cent consider direct mail effective, and 15 per cent consider cold calling effective.

Twenty-six per cent say they use newsletters as a public relations method, but only six per cent consider them effective.

Nineteen per cent claim they use special events currently. Yet only nine per cent claim they are worthwhile. Thirteen per cent utilize promotional items, yet none of the firms consider these items effective.

Six per cent use books and extranets, and four per cent employ annual reports as current public relations methods, but none are considered too effective. Books and annual reports are not considered effective by any of the firms, and extranets are considered effective by only two per cent of the respondents. Annual reports and extranets are cutting-edge, new techniques that are currently being tested by several firms and not yet widely used.

Mark Plungy, account manager at the SiliconValley-based Hoffman Agency, says his agency uses annual reports because “people are looking for ways to set themselves apart” and because “it’s gotten very competitive for PR talent.”¹³

The Hoffman Agency uses its annual report as an effective new business and non-traditional marketing tool because it shows the financial performance and stability of the agency.

8. Over half of the firms (55 per cent) consider the methods chosen to be effective because they “get the company’s name out to the public.” This creates name recognition which is an important part of the process to maintain clients and secure new ones. Firms (30 per cent) also consider these methods to be effective because they “generate calls” to the firm. Over one-fourth of the firms consider the methods effective because firms get the “most bang for the buck,” meaning that the results are effective in proportion to the amount of effort required or resources used. Not as many consider the methods effective because they are “easy to do” (13 per cent), or because they are “not very time

¹³ Mullich, Joe. Netting Clients Something Extra. *PC Week*. September 15, 1997, p. 31.

consuming” (nine per cent). This may indicate that firms realize that just because a method is easy and takes less time, it isn’t always effective.

Other firms commented that networking comes naturally and that’s why it is an effective method. Another comment was that referrals reflect confidence in the firm and strengthen the firm’s reputation. Another firm feels that networking allows in-depth contacts and relationships through trust and mutual respect, not just shallow pitching.

9. Networking and referrals were indicated to be the most currently used methods of public relations for the respective firms and as the most effective methods that can be used. However, 41 per cent of the firms that currently do not use any of those methods already listed said they would consider implementing newsletters. One firm in particular said they would like to use newsletters as a more formalized backup for current promotional activity, and that they have a better return, but require more effort. Thirty-five per cent said they would consider implementing special events, and websites, in particular, because they are gaining in popularity. Twenty-nine per cent would consider the implementation of direct mail campaigns, but don’t because they are expensive, and seminars and/or speeches because they provide face-to-face contact with potential and current clients. Eighteen per cent would consider using advertising and writing feature/news articles. Only 12 per cent would consider the use of promotional items or cold calls. Six per cent would consider books and press releases.

10. All of the responding firms reported that they do public relations for themselves, but three firms responded to the question asking why they do not do public

relations for themselves. One firm reported it was too time intensive, one said it prefers clients to approach them and one chose old-fashioned reticence.

11. Firms search for new business in essentially the same ways they do public relations for themselves. Firms were asked to identify their new business methods, if they were different from their public relations efforts. The firms reported that they search through contact with business associates (28 per cent); referrals (23 per cent); reading newspapers (19 per cent); entertaining prospective clients (11 per cent) and networking (11 per cent). Some companies (11 per cent) review top company listings when they are available, and approximately nine per cent utilize their community and/or civic involvement, professional organizations and seminars and/or speeches to search for new business.

Only four per cent prefer holding special events. Two per cent prefer cold calling potential clients, direct mail campaigns, advertising, and website utilization. Four per cent said they did not actively search for new business. Forty-five per cent of the firms did not respond to this question, which indicates that 45 per cent of the firms public relations methods are one in the same with the methods they use to search for new business.

12. The heads of the firms indicate that they do not spend all of their time on the firm's public relations efforts, and don't need to because the staff gets involved. Only four per cent say they spend 75 per cent of their time on publicizing the firm. Only 10 per cent say they spend 50 per cent of their time. Over 50 per cent of the heads of the firms say they spend at least 50 per cent of their time on firm promotion and new business

endeavors. Thirty-four per cent report they spend only 10 per cent of their time on these efforts. All of the heads of the firms are involved in some capacity because no one reported spending no time at all on the efforts.

13. Over 75 per cent of the firms divide the internal public relations tasks among staff members, with less than 25 per cent of the firms heads doing it all themselves.

14. Only 51 per cent of the responding firms said they have an allocated budget for public relations efforts for their firm, therefore 49 per cent do not feel the function is important enough to warrant a separate budget.

15. The firms that do have a budget for their public relations efforts determine it mainly by whatever it takes to get the job done. Twenty per cent determine the budget by a percentage of fees. The remaining 40 per cent vary in the way they determine their budgets, which shows that it just depends on the firm and how much they value the public relations effort.

III. RECOMMENDATIONS

Based on the conclusions of this study, the following recommendations are made:

The 78 per cent of the firms that reported they were not satisfied with the number of clients they currently serve should implement a more aggressive, proactive public relations strategy and approach, and do it consistently. This will surely affect the number of clients they have.

Since networking comes naturally to most public relations practitioners, they should continue to utilize it as a public relations method, but not rely on it solely and should make an effort to implement a variety of other methods.

When firms were asked to identify how their clients heard of them, networking, referrals and websites were reported. Firms need to consider the idea of implementing a website. Internet activity is on the rise and to be competitive in the marketplace, firms need to keep up with technological advances. Prospective and current clients will be impressed that the firm they have or are considering is current with technology and preparing to move into the future. It also shows that the firm knows what is going on in the world and has access to another audience and information resource. Firms that are able to adapt and change with the times will be appreciated and sought out.

Referrals should not be considered a method to maintain and attract clients. Referrals are a confirmation that your current public relations methods are working. If a firm is networking, sending out press releases and newsletters, maintains a presence on the Internet with a website, doing good public relations with good results, and is doing all that it can to proactively promote its firm, then referrals will come. It should not be considered a method of promoting the firm, but a direct result of those promotions.

Communication is essential to business growth and success, and therefore, planning must also be an integral part and major focus. It doesn't appear that the 47 responding firms have an actual public relations plan for the efforts to promote their firms. Approximately half report that they allocate these efforts a budget. The public relations efforts for the firm should be approached as a "paying client." A specific client

number should be assigned to track the budget and time, and a team should be established. If that is not an option, there should at least be an account supervisor appointed to monitor and report on the progress. A plan should be written that outlines the firm's goals, strategies, objectives and then tactics should be developed based on the resources available. The plan should be revisited each year to gauge effectiveness and make changes where it is evident they need to be made.

Firms should attempt to implement a newsletter. According to the survey results, it is not a popular method currently used and it is considered only somewhat effective. (Not many firms use them, though, so their judgments of effectiveness may not be accurate.) However, close to half of the firms said that they would like to implement a newsletter. Firms should include a newsletter as the most basic tactic of their public relations plan. It is a physical collateral piece that prospective clients can hold and look at again and again. It can be filed away until services are needed, and then it is right at their fingertips in their reference files and on the top of their minds.

Firms should try to implement at least one cutting edge public relations method, such as a website or annual report. It is something new and different that will set the firm apart from the norm and encourage people to take notice of the firm and its creativity.

Although on the whole, the Pinnacle firms reported a steady flow of new business and clients, one firm in particular reported that it did not do much public relations for itself. Consequently, that firm lost several clients over the last 12 months. This shows a direct correlation between public relations efforts and maintaining existing clients. Companies re-evaluate their situations just like anyone else, and if they are not satisfied

with their current firm and the level of service they are receiving and have not established a comfortable face-to-face relationship, do not see results, and do not see the firm in the paper or working successfully with any other clients, than they may be more inclined to find an agency that makes them more at ease and comfortable.

Management needs to be in agreement that the public relations function of the company is important. The trickle-down theory applies because management dictates how much time the staff will spend on promoting the firm and the attitude they have about conducting these efforts.

Firms should establish a schedule for doing public relations and stick to it. Firms should not get into the habit of doing public relations for the firm “whenever they feel like it.” The effort should become habit and ritual each month or as determined. Otherwise, the task will not take precedence and possibly never get done proactively.

Public relations firms should track how their new clients became familiar with their firm and services. This feedback will help to evaluate the public relations plan currently in place.

Public relations firm heads are correct to enlist the help and support of the staff in the public relations efforts of the firm. It frees up their time to pursue more new business, which augments and fortifies the overall public relations plan and efforts.

Recommendations for Additional Related Research

This study is believed to be the first of its kind but was limited to the group of public relations firms in the Pinnacle Worldwide, Inc. network. Therefore, the researcher

recommends similar surveys be administered to other public relations firms nationwide in significant markets, particularly New York City, Boston and Washington D.C.

For conducting similar studies, the researcher recommends a further breakdown in the demographics of public relations firms by the size of the firm and the income of the firm. In this study, the firms varied in size from one to over 40 employees, and in annual gross income from \$500,000 to \$10 million. There are many public relations firms that employ more than 40 employees and have annual fee billings over \$10 million. There are also firms that have fee billings below \$500,000.

The researcher recommends a question that measures the methods of public relations currently used, considered effective and worth of being implemented in order of importance. The current survey asked respondents to choose their top three choices, but did not require that they number them in the order of importance.

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APPENDICES

SURVEY

**Please complete and fax back to Donna Field at Anne Klein & Associates
BY FRIDAY, MARCH 27
(609) 988-6564**

- (1) How many FULL-TIME employees work at your PR firm or in the PR division of your firm?
 1 - 10 11 - 20 21 - 30 31 - 40 more than 40
- (2) How many PART-TIME employees work at your PR firm or in the PR division of your firm?
 (receiving salary & benefits, excluding freelancers)
 1 - 10 11 - 20 21 - 30 31 - 40 more than 40
- (3) How many years has your PR firm, or PR division, been in business?
 1 - 10 11 - 20 21 - 30 31 - 40 more than 40
- (4) Is your PR firm a general PR practice or a specialized one? general specialized
- (5) If specialized PR, what is your firm's specialization? _____

- (6) What are the annual fee billings of your PR firm or division? (Include mark-ups, but not pass-through expenses)
 \$500,000 - \$1 million \$3.1 million - \$6 million Above \$10 million
 \$1.1 million - \$3 million \$6.1 million - \$10 million
- (7) How many clients does your PR firm or division represent?
 1 - 10 11 - 20 21 - 30 31 - 40 more than 40
- (8) Are you satisfied with the current number of clients your PR firm or division serves?
 Yes No
- (9) What public relations method(s) does your firm currently use to promote itself and generate new business? (Check all that apply.)
- | | | | |
|--|--|---|--|
| <input type="checkbox"/> advertising | <input type="checkbox"/> direct mail | <input type="checkbox"/> newsletters | <input type="checkbox"/> seminars/speeches |
| <input type="checkbox"/> annual reports | <input type="checkbox"/> campaigns | <input type="checkbox"/> professional organizations | <input type="checkbox"/> special events |
| <input type="checkbox"/> books | <input type="checkbox"/> extranets | <input type="checkbox"/> press releases | <input type="checkbox"/> website |
| <input type="checkbox"/> cold calling | <input type="checkbox"/> feature/news articles | <input type="checkbox"/> promotional items | <input type="checkbox"/> nothing, we don't promote our PR firm or division |
| <input type="checkbox"/> community/civic involvement | <input type="checkbox"/> networking | <input type="checkbox"/> referrals | |
| <input type="checkbox"/> Other: _____ | | | |

(10) How often do you engage in these PR efforts for your PR firm or division?

- weekly monthly yearly whenever we whenever we
 biweekly quarterly never feel like it remember

(11) Of the methods your PR firm or division uses, which do you think are the three (3) MOST effective?

- | | | | |
|--|---------------------------------------|--|--|
| <input type="checkbox"/> advertising | <input type="checkbox"/> direct mail | <input type="checkbox"/> newsletters | <input type="checkbox"/> seminars/speeches |
| <input type="checkbox"/> annual reports | <input type="checkbox"/> campaigns | <input type="checkbox"/> professional | <input type="checkbox"/> special events |
| <input type="checkbox"/> books | <input type="checkbox"/> extranets | <input type="checkbox"/> organizations | <input type="checkbox"/> website |
| <input type="checkbox"/> cold calling | <input type="checkbox"/> feature/news | <input type="checkbox"/> press releases | <input type="checkbox"/> nothing, we don't |
| <input type="checkbox"/> community/civic | <input type="checkbox"/> articles | <input type="checkbox"/> promotional items | promote our PR |
| <input type="checkbox"/> involvement | <input type="checkbox"/> networking | <input type="checkbox"/> referrals | firm or division |
| <input type="checkbox"/> Other: | _____ | | |

(12) Why do you consider these three methods to be the MOST effective?

- easy to do gets our firm/division name out there
 generate a lot of calls most "bang for the buck"
 not very time consuming
 Other: _____

(13) If you do NOT use any of the above mentioned methods as a means to do public relations for your PR firm or division, which three (3) would you CONSIDER implementing?

- | | | | |
|--|---------------------------------------|--|--|
| <input type="checkbox"/> advertising | <input type="checkbox"/> direct mail | <input type="checkbox"/> newsletters | <input type="checkbox"/> seminars/speeches |
| <input type="checkbox"/> annual reports | <input type="checkbox"/> campaigns | <input type="checkbox"/> professional | <input type="checkbox"/> special events |
| <input type="checkbox"/> books | <input type="checkbox"/> extranets | <input type="checkbox"/> organizations | <input type="checkbox"/> website |
| <input type="checkbox"/> cold calling | <input type="checkbox"/> feature/news | <input type="checkbox"/> press releases | <input type="checkbox"/> nothing, we don't |
| <input type="checkbox"/> community/civic | <input type="checkbox"/> articles | <input type="checkbox"/> promotional items | promote our PR |
| <input type="checkbox"/> involvement | <input type="checkbox"/> networking | <input type="checkbox"/> referrals | firm or division |
| <input type="checkbox"/> Other: | _____ | | |

(14) Why? _____

(15) How many new clients has your PR firm or division secured within the last 12 months?

- 0 1 - 2 3 - 4 5 - 6 7 - 8 9 - 10 10+

(16) Did any of these clients say they heard of your PR firm or division through your PR efforts?

- Yes No

(17) Through which of your PR efforts did they become familiar with your PR firm or division?

- | | | | |
|--|---------------------------------------|--|--|
| <input type="checkbox"/> advertising | <input type="checkbox"/> direct mail | <input type="checkbox"/> newsletters | <input type="checkbox"/> seminars/speeches |
| <input type="checkbox"/> annual reports | <input type="checkbox"/> campaigns | <input type="checkbox"/> professional | <input type="checkbox"/> special events |
| <input type="checkbox"/> books | <input type="checkbox"/> extranets | <input type="checkbox"/> organizations | <input type="checkbox"/> website |
| <input type="checkbox"/> cold calling | <input type="checkbox"/> feature/news | <input type="checkbox"/> press releases | <input type="checkbox"/> nothing, we don't |
| <input type="checkbox"/> community/civic | <input type="checkbox"/> articles | <input type="checkbox"/> promotional items | <input type="checkbox"/> promote our PR |
| <input type="checkbox"/> involvement | <input type="checkbox"/> networking | <input type="checkbox"/> referrals | <input type="checkbox"/> firm or division |
| <input type="checkbox"/> Other: | _____ | | |

(18) If your PR firm or division does NOT do public relations for itself, why not?

- | | |
|---|---|
| <input type="checkbox"/> too time intensive | <input type="checkbox"/> not enough interest by employees |
| <input type="checkbox"/> not enough interest by clients | <input type="checkbox"/> seems like a waste of time and money |
| <input type="checkbox"/> not enough clients | <input type="checkbox"/> not enough staff |
| <input type="checkbox"/> Other: | _____ |

(19) How do you search for new business, if different from your firm's public relations efforts?

- | | | |
|--|--|--|
| <input type="checkbox"/> advertising | <input type="checkbox"/> entertain prospective clients | <input type="checkbox"/> referrals |
| <input type="checkbox"/> annual reports | <input type="checkbox"/> extranets | <input type="checkbox"/> review top company listings |
| <input type="checkbox"/> books | <input type="checkbox"/> feature/news articles | <input type="checkbox"/> seminars & speeches |
| <input type="checkbox"/> cold calling | <input type="checkbox"/> networking | <input type="checkbox"/> special events |
| <input type="checkbox"/> community/civic | <input type="checkbox"/> newsletters | <input type="checkbox"/> website |
| <input type="checkbox"/> involvement | <input type="checkbox"/> professional organizations | <input type="checkbox"/> nothing, we don't actively |
| <input type="checkbox"/> contact with business | <input type="checkbox"/> press releases | <input type="checkbox"/> search for new business |
| <input type="checkbox"/> associates | <input type="checkbox"/> promotional items | |
| <input type="checkbox"/> direct mail campaigns | <input type="checkbox"/> read newspapers | |
| <input type="checkbox"/> Other: | _____ | |

(20) How much time do you estimate you (head of PR firm/division) spend on public relations (or new business) efforts for your PR firm or division?

- 0 10% 25% 50% 75% 100%

(21) Does anyone else at the firm/division assist you with your PR (or new business) efforts?

- Yes No

(22) If yes, how many others help you, and what are their titles? _____

(23) How much time do you estimate that these other employees spend on public relations (or new business) efforts for your PR firm/division?

- 0 10% 25% 50% 75% 100%

(24) Do you have an allocated budget for your PR (or new business) efforts?

- Yes No

(25) How is this PR (or new business) budget determined?

percentage of fees

whatever it takes

Other: _____

(26) How does your PR firm or division maintain existing clients?

advertising

entertaining clients

promotional items

client contact via phone

feature/news articles

quality meetings with clients

community/civic involvement

holiday gifts

special events

direct mail campaigns

newsletters

website

Other: _____

(27) Do you have any experiences (positive or negative) that you can share directly stemming from some type of public relations method you used to promote your PR firm or division?

(28) If you are interested in receiving a copy of the final results of this study, please provide your name, company and mailing address:

(29) **Please fax completed survey back to:**

**Donna Field
at Anne Klein & Associates
(609) 988-6564**

by FRIDAY, MARCH 27

Thanks for your help!

March 23, 1998

Dear Pinnacle Member:

Attached is a survey that is being sent to all Pinnacle members worldwide. It has been prepared by Donna Field, an account executive in our firm and a master's degree candidate at Rowan University.

I hope you will take a few minutes to complete this survey of your own firm's public relations and marketing activities. Not only will your participation be a big help to Donna in writing her master's thesis, but it will also be an excellent benchmark for Pinnacle so that we can share our best practices with one another.

Thanks for whatever help you can give to Donna.

Sincerely,

Jerry Klein

March 23, 1998

Dear Pinnacle Worldwide Member:

My name is Donna Field and I am a graduate student at Rowan University and an account executive at Anne Klein & Associates. I am working on my graduate thesis and the subject I am most interested in knowing more about is if and how PR agencies actually do PR for themselves.

Attached is a short survey that I'd like you to complete.

Why were you chosen, you ask? Well, you happen to be a member of the prestigious group, Pinnacle Worldwide, which I have chosen as my research sample. Pinnacle, as you well know, is a dynamic group of public relations professionals located nationally and internationally with firms of varying sizes and specialties. It happens to fit my research needs perfectly, and it doesn't hurt that I work down the hall from Pinnacle's next president, Jerry Klein.

Please take a few minutes to respond and **fax your completed survey back to me by Friday, March 27**. Since there are only 60 Pinnacle members, your participation is very important.

From your answers, I hope to uncover whether public relations firms actually do public relations for themselves, the methods currently being used and the effectiveness of these methods.

Your help with the research portion of my thesis is greatly appreciated. As a token of my thanks, I would like to send you a copy of my study upon completion. If you are interested in the results I receive, please complete the return address section of the survey.

Thank you in advance for your cooperation. If you have any questions at all, please don't hesitate to call me at work at (609) 988-6560. Again, I appreciate your help.

Sincerely,

**PLEASE FAX SURVEY BACK TO
DONNA FIELD at ANNE KLEIN & ASSOCIATES:
(609) 988-6564**

Donna Field

TO: Pinnacle Worldwide Member
FROM: Donna Field, Anne Klein & Associates
DATE: March 30, 1998
RE: Research Project

My name is Donna Field and I am an account executive at Anne Klein & Associates and a graduate student at Rowan University. I am working on my graduate thesis and recently faxed you a survey on the subject of how PR agencies actually do PR for themselves.

I have not received your response, so I have attached another copy of the short survey that I'd like you to complete.

Why were you chosen, you ask? Well, you happen to be a member of the prestigious group, Pinnacle Worldwide, which I have chosen as my research sample. Pinnacle, as you well know, is a dynamic group of public relations professionals located nationally and internationally with firms of varying sizes and specialties. It happens to fit my research needs perfectly, and it doesn't hurt that I work down the hall from Pinnacle's next president, Jerry Klein.

Please take a few minutes to respond and **fax your completed survey back to me by Wednesday, April 1.**

Since there are only 60 Pinnacle members, your participation is very important.

From your answers, I hope to uncover whether public relations firms actually do public relations for themselves, the methods currently being used and the effectiveness of these methods.

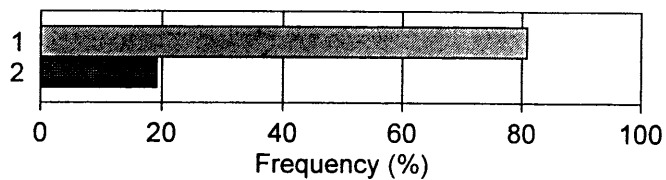
Your help with the research portion of my thesis is greatly appreciated. As a token of my thanks, I would like to send you a copy of my study upon completion. If you are interested in the results, please complete the return address section of the survey.

Thank you in advance for your cooperation. If you have any questions at all, please don't hesitate to call me at work at (609) 988-6560. Again, I appreciate your help.

**PLEASE FAX SURVEY BACK TO
DONNA FIELD at ANNE KLEIN & ASSOCIATES:
(609) 988-6564**

Figure 1.

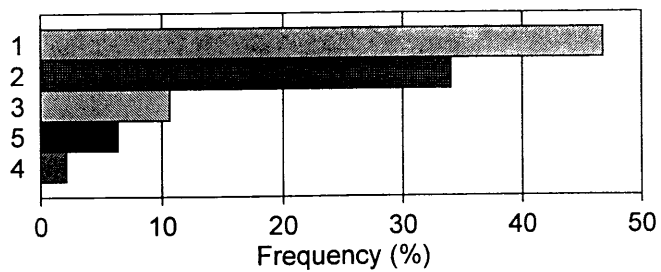
Is your PR Relations firm a general PR practice or a specialized one?



1 - general 2 - specialized

Figure 2.

How many years has your PR firm, or PR division, been in business?



1 - 1 - 10 2 - 11 - 20 3 - 21 - 30 5 - more than 40
 4 - 31 - 40

Figure 3.

How many FULL-TIME employees work at your PR firm or in the PR division of your firm?

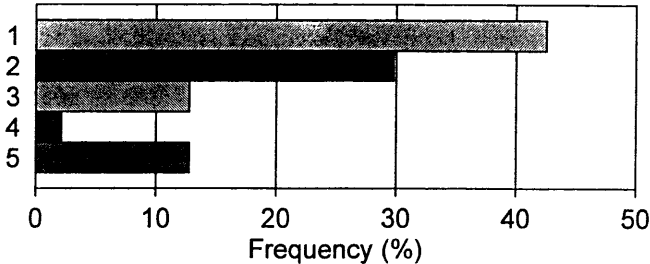


Figure 4.

How many clients does your PR firm or division represent?

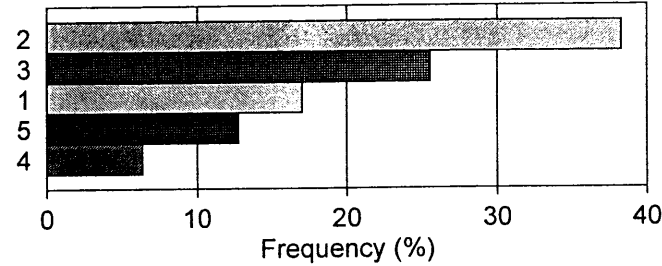
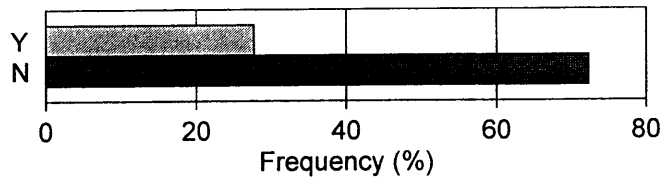


Figure 5.

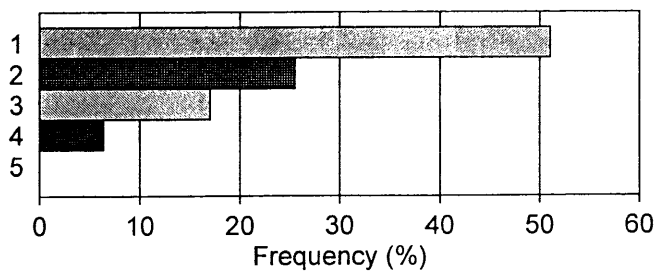
Are you satisfied with the current number of clients your PR firm or division serves?



■ Y - Yes ■ N - No

Figure 6.

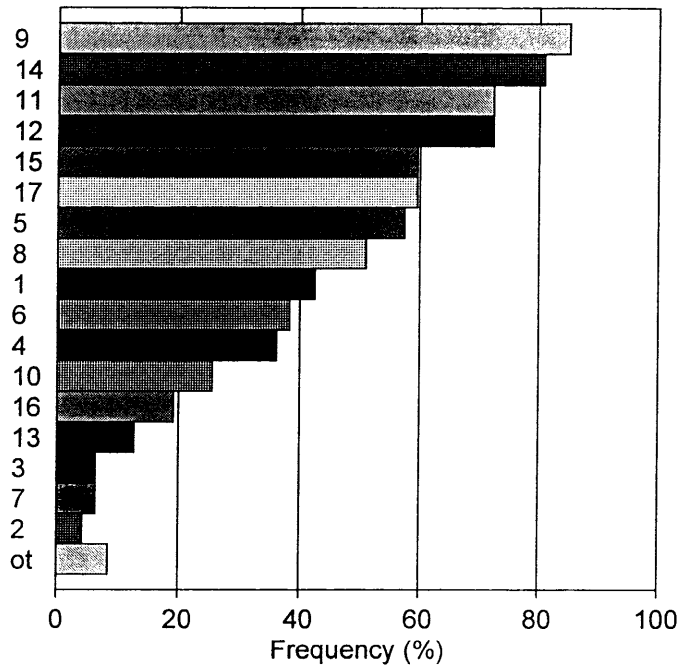
What are the annual fee billings of your PR firm or division?



■ 1 - \$500,000 - \$1 million ■ 2 - \$1.1 million - \$3 million ■ 3 - \$3.1 million - \$6 million
■ 4 - \$6.1 million - \$10 million ■ 5 - Above \$10 million

Figure 7.

What public relations method(s) does your firm currently use to promote itself and generate new business? (Check all that apply)

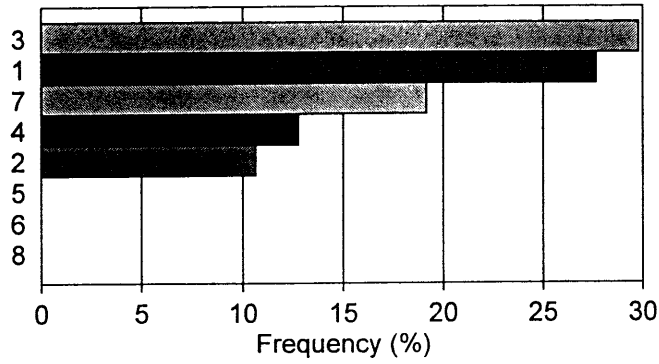


- | | |
|---------------------------------|---------------------------|
| 9 - networking | 14 - referrals |
| 11 - professional organizations | 12 - press releases |
| 15 - seminars/speeches | 17 - website |
| 5 - community/civic involvement | 8 - feature/news articles |
| 1 - advertising | 6 - direct mail campaigns |
| 4 - cold calling | 10 - newsletters |
| 16 - special events | 13 - promotional items |
| 3 - books | 7 - extranets |
| 2 - annual reports | ot - Other |

* Note: Multiple answers can total over 100%.

Figure 8.

How often do you engage in these PR efforts for your PR firm or division?



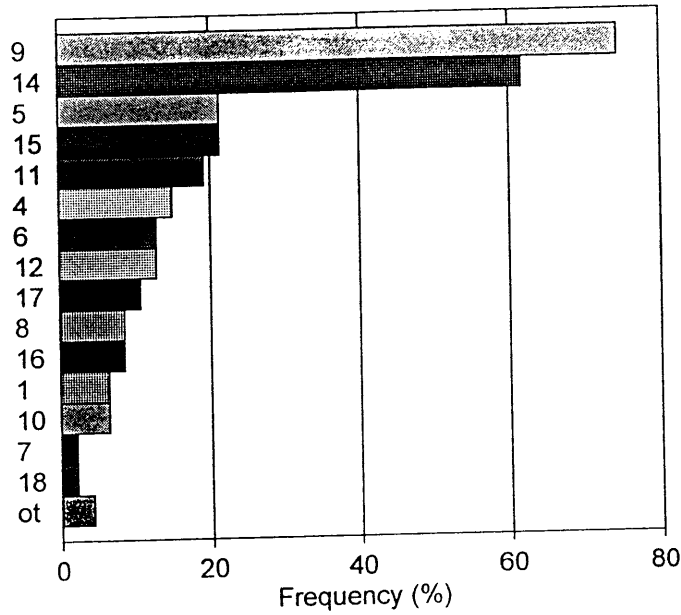
3 - monthly
4 - quarterly
6 - never

1 - weekly
2 - biweekly
8 - whenever we remember

7 - whenever we feel like it
5 - yearly

Figure 9.

Of the methods your PR firm or division uses, which do you think are the three most effective?

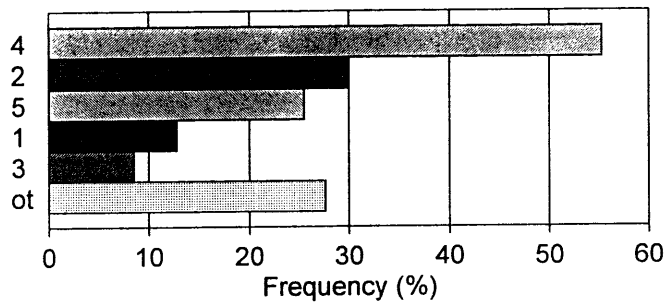


- 9 - networking
- 14 - referrals
- 5 - community/civic involvement
- 15 - seminars/speeches
- 11 - professional organizations
- 4 - cold calling
- 6 - direct mail campaigns
- 12 - press releases
- 17 - website
- 8 - feature/news articles
- 16 - special events
- 1 - advertising
- 10 - newsletters
- 7 - extranets
- 18 - nothing, we don't promote our PR firm or division
- ot - Other

* Note: Multiple answers can total over 100%.

Figure 10.

Why do you consider these three methods to be the most effective?



4 - gets our firm/division name out there

5 - most "bang for the buck"

3 - not very time consuming

2 - generate a lot of calls

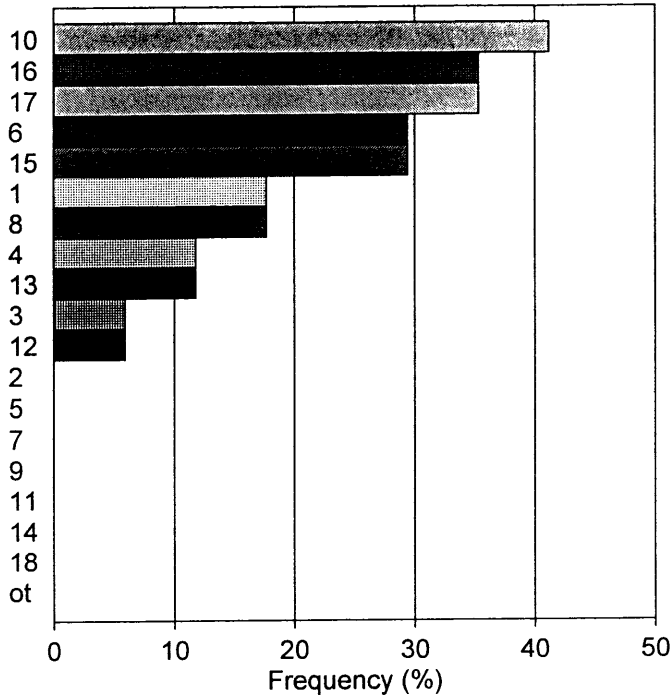
1 - easy to do

ot - Other

* Note: Multiple answers can total over 100%.

Figure 11.

If you do not use any of the above mentioned methods as a means to do public relations for your PR firm or division, which three would you consider implementing?



- 10 - newsletters
- 16 - special events
- 17 - website
- 6 - direct mail campaigns
- 15 - seminars/speeches
- 1 - advertising
- 8 - feature/news articles
- 4 - cold calling
- 13 - promotional items
- 3 - books
- 12 - press releases
- 2 - annual reports
- 5 - community/civic involvement
- 7 - extranets
- 9 - networking
- 11 - professional organizations
- 14 - referrals
- 18 - nothing, we don't promote our PR firm or division
- ot - Other

Figure 12.

How many new clients has your PR firm or division secured within the last 12 months?

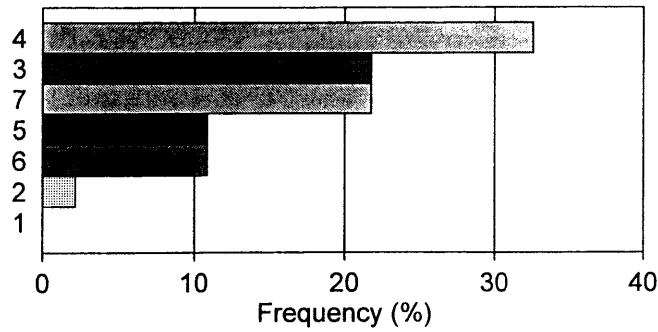


Figure 13.

Did any of these clients say they heard of your PR firm or division through your PR efforts?

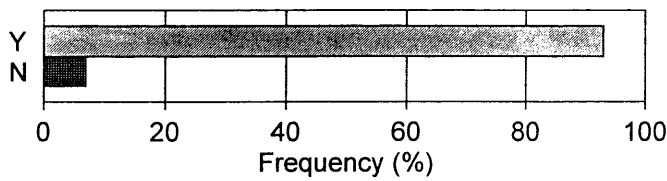
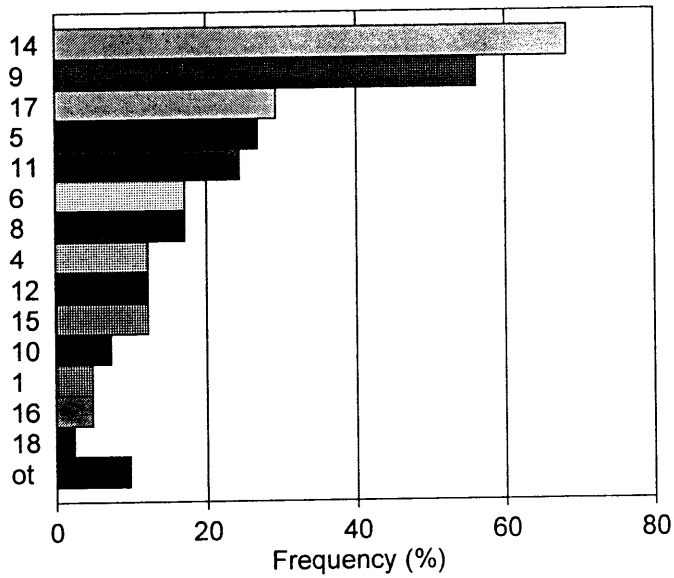


Figure 14.

Through which of your PR efforts did they become familiar with your PR firm or division?



- 14 - referrals
- 9 - networking
- 17 - website
- 5 - community/civic involvement
- 11 - professional organizations
- 6 - direct mail campaigns
- 8 - feature/news articles
- 4 - cold calling
- 12 - press releases
- 15 - seminars/speeches
- 10 - newsletters
- 1 - advertising
- 16 - special events
- 18 - nothing, we don't promote our PR firm or division
- ot - Other

* Note: Multiple answers can total over 100%.

Figure 15.

Does anyone else at the firm/division assist you with your PR (or new business) efforts?

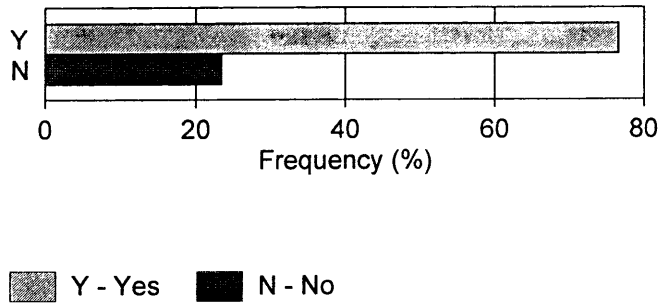


Figure 16.

How much time do you estimate that these other employees spend on PR (or new business) efforts for your PR firm or division?

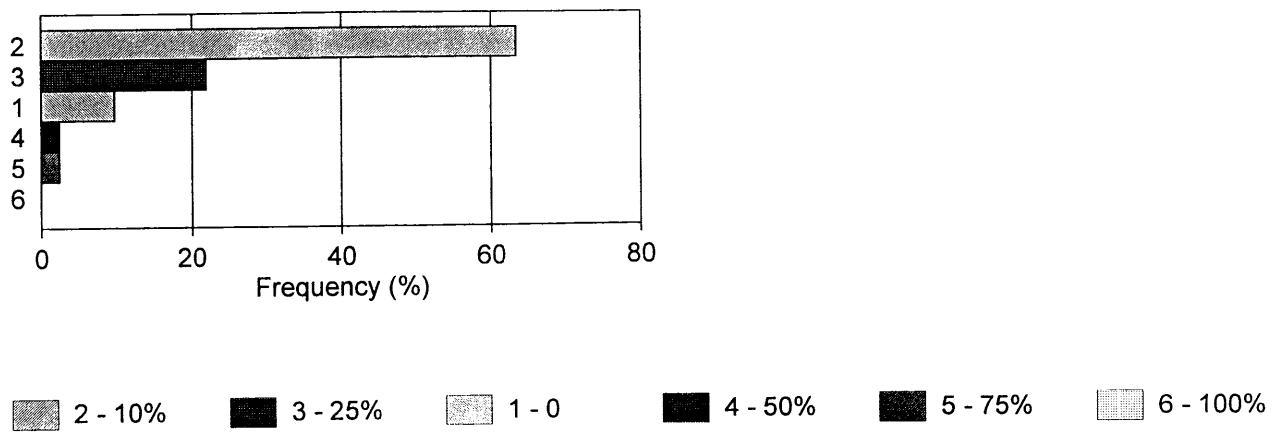


Figure 17.

Do you have an allocated budget for your PR (or new business) efforts?

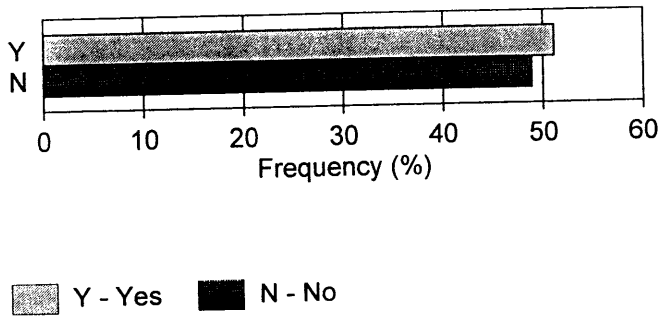


Figure 18.

How does your PR firm or division maintain existing clients?

