

## **EXECUTIVE SUMMARY**

On behalf of the Council of Public Relations Firms, the USC Strategic Public Relations Center conducted a major study of the Public Relations (PR) profession.

In May/June 2002, a 25-question survey was mailed to approximately 4,600 PR professionals in publicly and privately held organizations throughout the U.S.

The major goals of the study were to:

1. Determine how organizations perceive the value of, use and organize their in-house PR departments; and, how they work with external public relations agencies.
2. Ascertain current Generally Accepted Practices (or GAPS), and explore “Best Practices” for PR;
3. Identify gaps in knowledge requiring further investigation, and
4. Provide PR practitioners with practical, applied research that will be of immediate direct use to them, and thus, help them improve their effectiveness.

The most significant findings of the study are:

1. The more that a public relations function is designed, practiced, and evaluated in close alignment with an organization’s strategic business goals, the greater its support from top management in terms of budget size, and the greater its perceived contribution to the organization’s success.
2. Among those companies that are recognized as being among America’s best, as evidenced by their inclusion in Fortune Magazine’s list of Most Admired Companies:
  - PR reports to the Executive Office and not Marketing;
  - A larger percentage of gross revenues is dedicated to PR (i.e. they have higher PR/GR ratios);
  - PR has greater support from senior management;
  - The use of PR agencies (especially on an “agency of record” basis) is even more universal than among corporate America in general;
  - The companies perceive themselves as being more ethical, proactive, and anticipatory, and
  - The higher the Return on Assets (ROA).
3. In difficult economic times, companies that believe in and support PR often invest in it even more;

4. In organizations where there is a high level of support for PR from senior management, PR reports directly to the Executive Office.
5. “Influence on Corporate Reputation” is the most frequently used method to evaluate the effectiveness of PR
6. Those methods of evaluation that have the greatest potential impact on corporate success are ranked at the bottom of the list of evaluative tools in terms of their current use.
7. In organizations where PR is viewed as making a contribution to strategic planning, there is a higher perceived value of PR’s contribution to the organization as a whole.
8. Respondents believe that, in the view of senior management, PR makes significantly less of a contribution to their company’s success than Finance, Marketing, Strategic Planning and IT.
9. PR, HR, and Legal finish in a virtual dead heat in terms of their perceived contribution to an organization’s success; Security is a distant last.

In short, the study showed that there are two contradictory, and simultaneously held, views of PR:

1. If PR is viewed as making a significant contribution to the strategic objectives of an organization, then PR is held in relatively high regard by senior management, and by PR practitioners themselves;
2. On the other hand, PR has a lower perception of its own contribution to the success of an organization than other corporate functions, and this perception is generally shared by top management.

If the profession of PR is to continue to advance, it has to demonstrate to top management, in measurable, quantifiable ways, that the strategic objectives of an organization cannot be obtained without it. Strong, strategically oriented PR functions are indispensable. They are not optional.

PR not only has to think strategically and systemically, but it has to practice and to measure its effectiveness strategically and systemically. It has to take the lead in melding the various business functions into an integrated whole for purposes of both building and defending the organization’s most important asset: its reputation.

Most important of all, PR has to raise its level of self-esteem. It has to believe in itself.