

CommunicationsMatch™

PR & Communications Agency Search Report

2017



Survey of Communications Leaders & Industry Influencers

Conducted in Partnership with CommPRO.biz

COMMUNICATIONSMATCH™
CONNECTING COMPANIES WITH COMMUNICATIONS PROFESSIONALS

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Introduction

In 2016 we had many discussions with corporate communications and agency leaders about how companies find PR and other communications resources. The takeaway from these informal discussions was that finding agencies and being found were two sides of the same coin and neither were easy.

When we asked corporate communicators how they found agencies, they said they sought referrals from industry colleagues. When we asked agencies and public relations professionals how they were found, they also said it was typically through word of mouth.

It was important to see if these findings held true with a broader group of communicators and to better understand the dynamics of the agency search process. We decided to conduct research in partnership with CommPRO.biz into how corporate communicators find communications agencies, the resources they use, and how the skills they are seeking are changing. With responses from 91 corporate communications and marketing leaders, as well as industry influencers, the statistics should be considered directional.

A few things jump out from the research.

The first is three-quarters of respondents cited “asking peers” to find agencies. The second is the importance of PR to the marketing mix. Along with digital marketing and social media, PR was considered the most important discipline in terms of its impact on business success. Third, many companies said they are looking for new agencies, in part, because the ones they are working with don’t necessarily offer the capabilities they need. And, finally, respondents confirmed that finding the right agency isn’t easy.

Research often confirms what we think we know and surprises at the same time. This report is no different.

It highlights the importance of word of mouth and shows other search resources are of secondary importance. It also underscores just how valued PR continues to be in the minds of clients seeking specialized skillsets for a digital world.

Businesses, marketing, corporate communications and agency professionals will find things that resonate and, hopefully, insights that challenge. We welcome your feedback.

Highlights

This first CommunicationsMatch™ PR & Communications Agency Search Report provides insights into agency selection trends and the search process.

- Thirty-seven percent of respondents said their companies were looking to engage new agencies with specialist skills. Hiring is primarily driven by companies seeking new skillsets.
- Companies face challenges when it comes to finding agencies. Around a third said it was somewhat difficult or very difficult to find firms.
- Word of mouth recommendations were the most often cited method (76%) for finding agencies. “Asking Peers” was often combined with a range of additional search methods including industry meetings, search engines and trade media.
- Google and LinkedIn were cited by 20% or less of respondents as agency search tools. Trade organizations, meetings and RFPs were mentioned solely or in combination with other resources by around 10%.
- PR, digital marketing and social media were ranked highest in terms of impact on business success. Traditional marketing was ranked as highly important, while digital and traditional advertising were ranked least important.
- When selecting agencies - creativity, reputation and specialized expertise were the top criteria.
- Budgets are tight. Year over year communications budgets for close to two-thirds of respondents were expected to be flat in 2017 compared to 2016. While the majority of firms that planned to change resourcing were growing budgets, rather than shrinking them, expected budget growth was modest.



How Do Companies Find Agencies?

Word of Mouth is King.

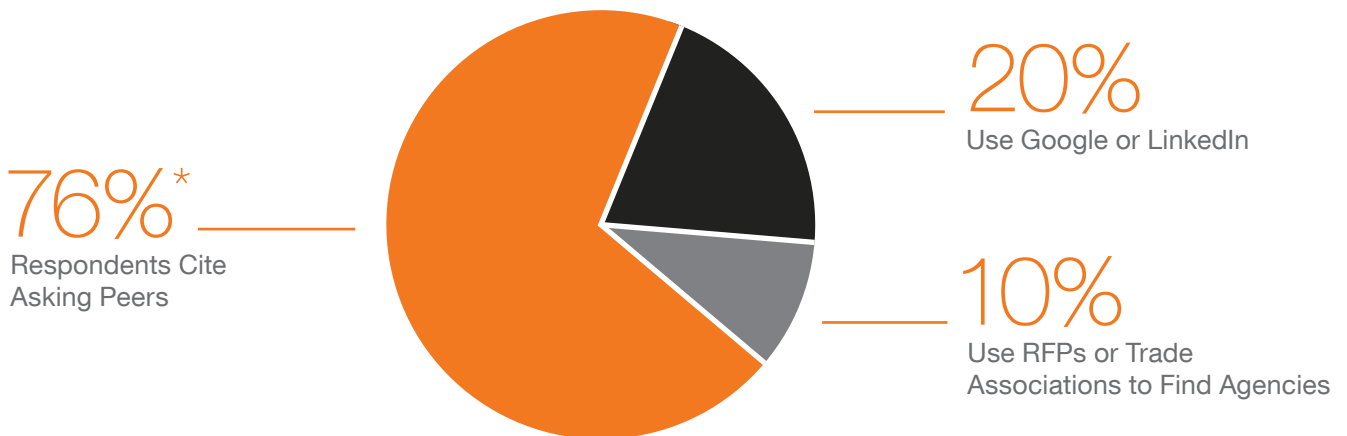
Our research shows that word of mouth (“Asking Peers”) is the most commonly used resource for agency and consultant searches.

In fact, three-quarters (76%) of the survey respondents cited asking peers alone or in combination with other resources to find agencies.

It is important to note here that respondents were provided a comprehensive list from which they

could select the most important resources (e.g. ask peers, search engines, RFP tools, associations, trade media or industry meetings, etc.) they used to find communications firms.

The data shows the number of times a specific resource was cited alone or with other resources. The majority of companies use two or more resources in the search process.



**Note: The percentages reflect combined mentions versus total participants for each search resource – several categories could be selected so the percentages do not add up to 100%.*

Google or LinkedIn in combination with asking peers or other resources are used by around 20% of respondents. Just 10% said they used RFPs or trade associations to find agencies alone or in combination with other resources.

Why does this matter?

From a corporate communications perspective: The agencies corporate communications leaders are aware of, and have worked with, are most likely to be recommended to others. In this respect we believe established PR brand names have a major advantage. For new, smaller, less well-known or diverse firms, building awareness is a significant hurdle they need to overcome if they are to be considered beyond their existing client base.

This approach clearly makes sense for many. Agency choices are validated by the opinions of trusted peers.

There is a risk, however, that by only going to the limited pool of firms they or their peers know, companies may be missing out on agencies and professionals that may be as good or a better match for their needs. Or, at a minimum, agencies they may want on their consideration list when doing due diligence for their next communications partner.

From an agency perspective:

The importance of establishing a track record of success and having others recommend you is critical. The use by potential clients of Google, LinkedIn, trade media, associations and industry meetings as resources to find agencies is far less important than word of mouth.

PR, Digital Marketing & Social Media Seen as Most Important to Business Success

A takeaway from the research is that public relations, closely followed by digital marketing and social media, is seen by companies as the discipline most important to business success. All three came out ahead of traditional marketing in the rankings. Digital and traditional advertising were considered overall less important.

Among this audience of communications and marketing professionals, 94% said PR was very or somewhat important to their business' success, very closely followed by Digital Marketing (93%) and Social Media at (92%).

Traditional Marketing (82%) followed closely in terms of importance. Digital Advertising (58%) and Traditional Advertising (43%) and were the lowest ranked.

If we had asked this question 10 years ago, there's little doubt that traditional advertising would have played a far more important role.

These results underscore the industry's decade long shift in emphasis toward social and digital communications. That public relations is the top of the list demonstrates its continued evolution and relevance in the digital landscape.

Communications Disciplines Most Important to Business Success

	Very Important	Somewhat Important	Neither Important or Unimportant	Somewhat unimportant	Very Unimportant	Very + Somewhat Important
PR	65%	29%	2%	1%	3%	94%
Traditional Marketing	42%	40%	9%	8%	2%	82%
Digital Marketing	66%	27%	3%	2%	2%	93%
Traditional Advertising	16%	27%	16%	28%	13%	43%
Digital Advertising	22%	36%	11%	20%	11%	58%
Social Media	62%	30%	2%	3%	3%	92%

Most Important Attributes for Communications Partners

The survey revealed key attributes companies are looking for when hiring an agency or consultant. Creativity (88%), multi-disciplinary/integrated communications (85%), reputation (85%), specialization (80%) and content creation (80%) were very or somewhat important attributes in agency hiring decisions.

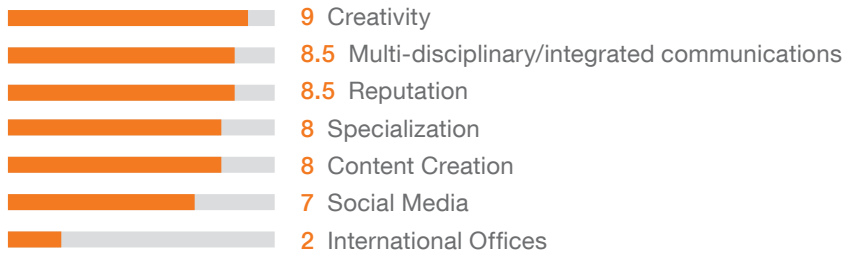
The prioritization of these criteria by respondents underscores the importance of agencies' integrated communications capabilities, having specialists with expertise in key areas, and the

creativity companies feel necessary to develop differentiated programs to compete in a competitive digital landscape.

Seven out of 10 respondents noted that being an expert in social media was somewhat or very important.

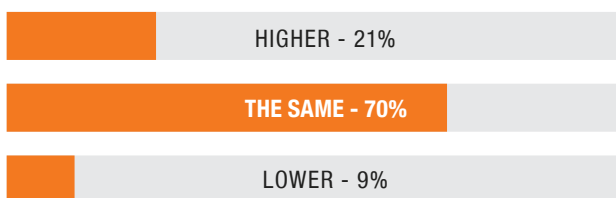
Having international offices was not a priority for most with only 18% of respondents citing this as somewhat or very important.

Most Important Attributes Table (Out of 10)



Corporate Communications Budgets Mostly Flat

2016 vs 2017 Communications Budget



For the majority who responded to this question, communications budgets were expected to be flat in 2017 compared to 2016, with only 1 in 5 expecting to see a modest increase. Of those who indicated that budgets would be higher or lower, most indicated increases or decreases were expected to be less than 10%.

Almost Four in 10 Respondents Looking to Engage New Agencies

More than a third of respondents (37%) said they planned to engage new agencies in 2017. Few stated this was because they were unhappy with existing firms. Two-thirds of these respondents cited the need to add new skillsets as a significant reason for looking for new agencies.

Where companies stated they were looking to hire, their primary focus was on content marketing, social media, SEO and video. These hiring patterns show clients continuing to seek communications partners with digital communications skillsets.



37% Looking to Engage New Agencies

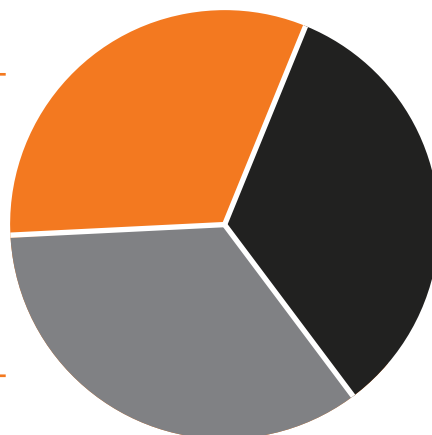
Finding Agencies Isn't Easy

A third (33%) of respondents said that it is either somewhat difficult or very difficult to find agencies. Another third (34%) said it was neither easy or difficult. Only 33% said it was somewhat or very easy to find agencies.

At a time when many businesses are looking for specialist capabilities, finding the firm with the right skillset isn't a simple task. There may be thousands of agencies and consultants, but finding the right firm or individual for a specific corporate or business unit need is a challenge for many.

33%

of respondents say it is somewhat difficult or very difficult to find agencies



33%

of respondents say it is easy or very easy to find agencies

34%

say it is neither easy nor difficult to find agencies

Conclusion

In this first survey by CommunicationsMatch of agency hiring practices, we see the echoes of the fundamental changes that have been taking place in the communications industry. The shift in focus toward social media and away from traditional advertising is a specific case in point.

Among the various communications disciplines, public relations, digital marketing and social media are seen as the most important to a company's business success. This underscores the continued evolution and relevance of public relations in a digital communications world.

The research shows a significant number of companies are looking to hire new agencies because they need different areas of expertise in this digital world. While very few respondents said they were unhappy with their current agencies,

around two-thirds of companies that are searching say they are looking for new capabilities.

From what we saw in the data, company hiring priorities are primarily focused around social media, content creation, SEO and video, matching broader trends in the communications landscape. Skillsets that are important are creativity and the ability to bring capabilities together in an integrated way across disciplines.

Contrary to what many might expect, Google, LinkedIn, trade media or associations aren't where most companies are searching for their next communications partner. In fact, what we see is a reliance on word of mouth recommendations. Industry leaders are going to peers as a trusted source of information.

Survey Methodology



CommunicationsMatch partnered with CommPRO.biz on the survey which received responses from 91 communications professionals and influencers. The survey, which was in the field between December 2016 and January 2017, was made available to CommPRO subscribers through the CommPRO website and email. Respondents were from a cross-section of industries. They hold corporate communications, marketing, management and founder roles.

Given the sample size, the percentages should be considered to be indicative of directional trends.



About CommunicationsMatch™

CommunicationsMatch is used by communications and business professionals to identify communications agencies and consultants with specific capabilities that match their needs.

With 5,000 agencies and experts across disciplines in more than a dozen countries, CommunicationsMatch is a go-to resource for communications-related searches in areas including: Public Relations, Government Affairs, Content Marketing, Social Media and SEO.

Users search by industry and communications expertise, location, size, clients, keywords and more. In three steps - Search, Select & Connect – companies can shortlist and engage with the agencies and consultants they chose. It's a more efficient and comprehensive way to find communications partners and it's free to Search and List for qualified agencies.

CommunicationsMatch, our [Insights Blog](#), [CommPRO.biz](#) and social media channels are a source of insight and curated best practices for corporate communications and marketing professionals, as well as leadership at startups and SMEs.

Our partnership with CommPRO.biz allows us to reach more than 130,000+ communications decision makers and influencers around the world and engage with them through sponsored articles, lead generation reports and webinars.

Visit www.communicationsmatch.com for more information. [Find out more about our plans to promote agencies and consultants](#) with the CommPRO and CommunicationsMatch communities.

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