

10 Things That Will Change the Face of PR in the Next 10 Years*

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2020 might seem way beyond the horizon today but in reality, it is just a moment in time away. By 2020 we will have been 12 years into the current recession and, based upon historical economic trends we will by then be through it. But it will take that length of time for the U.S. and Europe to de-leverage to any meaningful extent. It took the UK more than 10 years to climb out of a steep recession in the 1980s; in the United States in the 1970s it took a decade to shake off the shackles of the downturn. Some countries in Europe, like Germany or Switzerland, may come out of all of this unscathed - but I suspect not many.

However, it's all too easy to get dragged down by what's going on, by seemingly weak European political leadership or by the self-delusion on the part of many of our countries over the past decade.

For many years my business bible has been Jim Collins' book - "From Good to Great". In it he makes the point that great businesses prosper no matter what the circumstances, because they are flexible and nimble, and because their management or leadership is more likely to see storm clouds gathering. They take the necessary action in advance, rather than sailing unprepared into stormy seas.

While some of the corporations he cited have since fallen from grace, Collins' point remains valid. Notwithstanding the ups and downs of the European economy, there is not one of us in this room today - even in a stagnant market - who cannot be more innovative or take more market share.

The more I attend conferences like the World Economic Forum and others, and the more I read, the more I am convinced that no one knows what the global economy will look like in another decade. We are in the middle, or we may not even be at the halfway mark, of a prolonged period of uncertainty, with no clear vision ahead.

I have no doubt that many countries have been served by poor leadership but I don't believe its right to tar all politicians with the same brush. A common theme these days is that we are served by European leaders devoid of vision. I am strongly of the view that this is completely unfair. If the great leaders of yesterday were scrutinised to the same degree by the laser sharp focus of social media, freedom of information acts, exposes on their personal lives, stories on how they gathered their personal wealth – not to mention the hacking of their phones by massive media organisations - then those visionaries of the past might also have got lost in the fog of spin.

My first prediction is that by 2020 we will see **new leadership** emerge – (**Prediction No.1**) that will have to be transparent - but will be much more highly skilled at cutting through all the noise that's out there and will not fear to make the big decisions. Fearless leaders, with fine but not flawless character will emerge who will face down the media in the way that Britain has recently stood up to what many people believe is the disproportionate power of one media organisation.

In ten years time, businesses will have opened up and be fully accountable for their actions more than their promises, and their leaders will be vetted for their authenticity. They will inevitably have to be **transparent (Prediction No.2)**, truthful and fair ...and we as an industry can do more even today to help them get there.

Our business communications is at the front of an extraordinary wave of change, where an organisation's business reputation is defined by customer reviews and ratings, where the news agenda is often delivered by independent bloggers, and where issues move in real time across social networks to become crises even before they migrate up to major news outlets.

When in the Netherlands the bonus of ING Bank board members was published, clients en masse threatened to withdraw their deposits, through a social media campaign. ING is one of the banks that were bailed out by taxpayers' money. Within a week, its CEO, stating to have 'misread society's sentiment' voluntarily waived his \$1.8M bonus and ordered his directors to do the same. The media, or should I just say "media", will ensure this hiding becomes impossible.

Society has more changes coming – on the individual level. Because as much as we expect from our new leaders, just imagine the increased influence of the individual and how one person can cause a ripple. Individuals have more power, more information, more access to media, and more voice, than ever before and that will profoundly change our social, political and economic landscape – in ways we probably don't even know yet.

In a world of hyper-connectivity in the future, we are looking at a generation that, compared to today, will be seen as **super humans (Prediction No.3)**. It won't surprise you that technology is a main driver of this. Today we have multiple devices, each with its own screen. In the future, screens will be separate from devices and will be virtual--projectable, not size limited.

The current trend of companies and brands beginning to provide ongoing streams of editorial quality content – targeted and delivered straight to the individual, based on their individual needs and desires – will only continue.

With the personal screen of the future, various public and private content providers will be linked to a micro-projector that can give you an image on your sunglasses, on the seat back in front of you on a train or plane, or on a size adjustable portable surface that may roll up to the size of a pencil or fold out like a handkerchief.

This technological future is simply awesome, but while I predict that in ten years time, we will not become machines, people will become increasingly more mechanised. And while these super humans are so well equipped technologically, they will as a consequence, happily make use of the full mobility this provides while they seek out their profession.

As we all become more networked, and are enabled to work from the place of our own choosing, talent can be found anywhere and everywhere. Organisations will need to organize towards that talent, as talent won't voluntarily announce itself anymore. Companies will need to find ways to attract inspire and retain professionals that can work anywhere and anyhow they want. The new generation of workers, let's call them digital natives, who have grown up with, or should I say within the Internet, begin to flood the workplace. They have new and different expectations, as well as new capacities to serve as change agents. We'd better embrace them and relinquish some degree of control to them, because in ways unbeknownst to us today, they will contribute value to the bottom line by the end of this decade. I was reminded recently that when Saatchi & Saatchi was at its zenith, its 1,000 staff in London had an average age of less than 25.

What is also characteristic of this new generation, with all its technology and mobility, is its search for meaning. And this brings me to my next prediction for today. (**Prediction No.4**)

I attended a small event in Oxford recently, organised by the newly formed Communications Circle - a group of mainly in-house corporate communications professionals with a modest number of agency people also invited to participate. Out of a range of challenging presentations by different experts, I was fascinated by one which stated: "*GOD IS BACK - HOW THE GLOBAL REVIVAL OF FAITH IS CHANGING THE WORLD*". It was given by Adrian Woolridge of the *Economist* who argues that religion is getting stronger rather than weaker. He cites China and Russia, where religious revivals are taking place. He talked about Latin America where there is a dramatic surge in evangelical groups.

Religion is growing throughout Africa and in Europe it is increasing too, largely because of immigration. Woolridge went on to argue that religion is also associated with modernity. In other countries many are emulating the Christian American model whereby both the more educated and the business elite embrace religion.

For many of us living in Europe, we have witnessed a decline in the importance of religion. The argument now is that this will change, and change radically, by the time 2020 comes along. As young people increasingly look for greater meaning in their lives, companies will need to be more sensitive to religions in terms of the over-commercialisation of their products. That presents new territory to many consumer package goods manufacturers and retailers, who will need to adapt. Similarly, the demand for sharia-compliant finance will continue to grow. As religions such as Islam have a greater voice in Europe, traditionally Christian countries will become more aware of their distinct culture and values and will seek to articulate these and promote a sense of Christian identity as a result.

There is also the fact that religious people tend to have more children. In Israel, for example, they are witnessing quite dramatic changes in their demographics. Hasidic Jews who only recently made up 8% of the population now account for 20% as many of them are having eight, nine and sometimes up to 10 children in a family. So I am going to take a leap of faith and say that **religion** is a factor that we will have to consider much more than we do today in the next decade.

The term “**public relations**” will continue to decline. According to the 2011 European Communications Monitor, 42% say that the term is discredited (**Prediction No.5**).

This piece of research is corroborated by another one which covers Asia. According to a recent IABC/Ogilvy PR Survey, 76% of our industry believes that by 2021, the term PR will cease to be used. Therefore, our industry wants or is already identifying a shift towards a default term that reflects the broad range of disciplines we provide for clients every day. A caveat to what I have just said is that the media will continue to use “PR” as a pejorative term of abuse for what they regard as propaganda, spin or evasion of the truth.

Everything we know, everything we do, everywhere we are – as dispersed as it all sounds, our profession, our job, will integrate even more.

Increasingly, **integration** of communications (**Prediction No. 6**) and marketing disciplines will be more embedded and more professionals will have substantial experience in both paid and earned communications. This won't only be driven by the fact that digital media will dominate as a source of all information. More companies and products will have communications and marketing leaders who have grown up or worked in business environments like Russia and China and other developing markets, where there is less differentiating among service providers. Even in my own company I see migration of employees as they move around offices as they go on to expand their professional and cultural boundaries. My own son Colin has been working in China for almost six years, and his reference points are so utterly different.

A July 2011 article in McKinsey Quarterly states “we're all marketers now” by which it means that marketing is inherent in everything a company does these days. Maintaining a consistent brand and consistent quality throughout the myriad touch points will require a change in structure, outlook and coupling of many disciplines our profession possesses.

In the future, one of the underpinnings of the new approach to integrated communications will be a function that most organisations don't have now – that of a content manager. A content manager will be someone who functions in a corporate or brand setting as an editor does in a media outlet. He or she will have a role of curating and generating a stream of information for a particular audience.

Public relations will work hand-in-glove with all the elements of a business to present a coordinated message and experience. For those of us, who already work in large holding companies, we have been hearing the mantra of integration for quite some time. For those of you who have yet to embrace this notion, I urge you to consider alliances and partnerships with other disciplines.

One of the overall themes of the future for communications and marketing will be the ability of teams and organisations to collaborate. No one, not a single company or individual, will survive let alone thrive without **partners (Prediction No. 7)**.

If you take the view of a client looking for a one-shop-one-stop solution, they will expect representatives of different providers to work together comfortably, productively, seamlessly and invisibly. This goes on to some degree now, but in future, integration of freelancers and other highly specialised personnel will be common. It is possible that more relationships between clients and outside resources will look like the relationship between movie studios and production teams for a specific film. Instead of hiring a company with a fixed team, the client will hire an outside communications services leader, who will then put together a team from many disciplines and agencies. This will be a management challenge for traditional agencies, and for employees who have to operate more like freelancers. However, clients will get the purpose built, best-of-class teams that they increasingly want.

At Fleishman Hillard, we have purpose-built, dedicated teams serving major clients, often incorporating teams from other firms, specialised outside consultants, and inside our own offices. Each of these teams is custom built, and no two are really alike.

In a development that is highly unusual in our industry, two years ago, Fleishman Hillard formed a partnership with a highly respected but fierce competitor – Ketchum. Admittedly, we are owned by the same holding group but it was nonetheless a major departure when we created a new, one-off, joint entity called “One Voice” so that we could work together, seamlessly, on behalf of a client, Philips, throughout the world. So, in ten years time, partnerships between brands will be common, if they share an audience, deepening a trend that is just beginning.

Seismic changes taking place in the ways people communicate are irrevocably altering the media world. Print media, trying to keep pace with the rapid growth of online news, is experimenting with subscription “pay walls” and advertising-supported platforms, while broadcast newsrooms are shrinking and relying more on network feeds and citizen journalists. This will continue to have a profound effect on the future of our industry. What we knew as media is now moved beyond its own definition. It now encompasses social activity, networks of groups that share a single thought or idea, that together create new economic value, without offering any rewards to the platform that facilitated the interaction. All that said, I personally believe that by 2020 there will be an even **greater role for the respected, truly independent, professional journalist** and media outlet (**Prediction No.8**). All that remains is to determine exactly how this will be funded.

There are many who believe that such is the importance to democracy of independent media that Governments will have to return to the business of subsidising that media in the same way that the BBC, The Swiss Broadcasting Corporation, or other major European broadcasters are funded today.

The volume discussion of media will disappear, as media is pervasive, yet the definition of value will dominate our minds and discussions in the next ten years, as will that ever returning Holy Grail of communications measurement. In my view, the concept of measurement should not be confused with counting. Data can be traced, tracked and counted, but insights can only be provided by people.

There is a fascinating company called Dunnhumby that has become so successful over the last few years that earlier on this year it sold its last 10% for £48m. This is a company set up by a British couple and earned itself a massive reputation for the quality of its analytics. This company had become responsible for Tesco's loyalty card programme which is now able to give the most precise insights into the habits of Tesco customers around the world. So valuable do Tesco consider the role of Dunnhumby that *they* bought the company!

Providing value will always require human intervention. We will ultimately devise more practical and powerful ways to define the value of communications and the impact that reputation has on a company or a product.

Fleishman Hillard has already experimented on a large scale with statistical modeling of reputation's impact on stock price and sales. Future systems will provide quick, inexpensive calculations of the ROI of specific communications activities. We may be able to get to the point of instantly and accurately defining how much value a specific story adds to the bottom line, or how much a series of customer complaints discussed on Facebook has cost in sales. This kind of measurement will affect everything from planning to budgets.

Something that won't change over the next 10 years is the timelessness of wise counsel in this age of information glut. According to Eric Schmidt of Google, "Every two days the world creates more information than the entire history of the world up until 2003." All of this means that we live in a world with infinitely more access to information than at any other time in history. Every digital action on the web, mobile devices, point of sale etc. can be logged, stored and analysed. This makes navigating a business harder - not simpler.

Information will continue its current trend of becoming a cheap commodity. As such raw information, raw knowledge is just too much noise in the system. In ten years time, knowledge will no longer equate with power. The winners will be those that are able to blend BOTH the technology to mine this information with the **human expertise** to provide context and meaning to that information (**Prediction No. 9**).

Finally, as the world criss-crosses more and more, I predict that the **emergence of India and China will be good for us in Europe** - and not the inevitable threat that many people predict (**Prediction No.10**). Despite the great shifts going on right now, EU exports to key developing countries remains quite low. Even though EU exports to China continue to grow, China is only the sixth largest regional destination for EU exported goods. The EU exports more to Switzerland than it does to China. The EU today has trade deficits in goods with all the BRIC countries with the exception of India.

The authors of “The Transatlantic Economy 2011” - an annual survey of jobs and trends – argue that as investment flows of the US and Europe begins to shift more towards the developing nations this should not be viewed as catastrophic for the transatlantic economy. The shift, they argue, simply reflects that global economic activity is dispersing to multiple engines of economic dynamism and growth. Whereas globalisation between 1980 and 2005 was largely about the further integration of the US and Europe, globalisation in future will be more about the further integration of the developing countries into the global economy.

The European communications industry today has an opportunity to form alliances that will help guide our clients into the future. I also believe that European communications professionals are well poised to be able to work successfully in the Middle East and Africa, helped greatly by common languages such as French or Portuguese in rapidly developing economies such as Angola. Our personal ability to alter global macro change is, of course, very limited and the future of our world looks more uncertain than at any time in the past few decades. I for one have no doubt that our ability to communicate effectively – whether it be politicians, CEOs or our own firms – will become even more important in the next decade.

We will need to learn everything quicker, understand everything sooner and define our value smarter.

Thank You