SECTION C: PUBLIC AND PRIVATE COMPANY COMPARISONS

I. RESPONDENT DATA

This section compares the differences between privately and publicly held companies. To the best of our knowledge, this is the first time a concerted effort has been made to analyze and compare the PR practices of privately held companies versus those of publicly-held companies.
The percentage of private respondents (39%) is substantially smaller than that of public respondents (61%) because greater emphasis was placed on garnering responses from "Most Admired Companies" (for comparative purposes) which tend to be larger organizations. Also, private companies tend to be smaller than public companies.

Because of the severe imbalance in the number of public respondents versus private, the reader is warned that significant parts of the data are unreliable. In many cases, there are* not *enough respondents in the private category to provide statistically significant and reliable data; therefore, in those cases, wholly reliable interpretations of the behavior and the profiles of private companies can* not *be made.

However, wherever possible, we have hypothesized on what appear to be emerging trends. Again, additional studies are needed to provide sufficient empirical data on which reliable claims and conclusions can be based.

Where possible, we have provided opinions and interpretations of the data that are based on our professional expertise and insight,* versus *the more limited claims that are warranted by stringent scientific standards. Those areas in which there are no statistically significant differences between groups have been clearly labeled and identified as "NSSD."

Respondents by Company Size By Gross Revenue

As evidenced by the following chart, within all revenue categories, public companies are substantially larger on average than private companies. Furthermore, there are relatively few private company respondents represented in the Fortune 500 and none in the Fortune 501 – 1000.

Table C1: Respondents by Company Size (Gross Revenue)						
Revenue Categories	***Average Revenues***		***Number of Respondents***		***% of Total Respondents***	
	Private	Public	Private	Public	Private	Public
$6 Billion + [Fortune 500]	16920	24310	13	59	13%	34%
$3.1-$6 Billion [Fortune 501-1000]	N/A	4472	N/A	25	N/A	14%
$1.6-$3.1 Billion [Fortune 1001-2000]	2174	2254	19	23	18%	13%
$580M-$1.6 Billion [Fortune 2001-5000]	939	1061	17	34	16%	20%
$100M-$580Billion [Fortune 5001-20000]	260	325	30	21	29%	12%
Less than $100M [Fortune 20000+]	25	33	25	12	24%	7%
Total	**2747**	**9432**	**104**	**174**	**100%**	**100%**

Respondents' Average ROA

Table C2: Respondents' Average % Return on Assets (US)						
Revenue Categories	***Average % ROA***		***Number of Respondents***		***% of Total Respondents***	
	Private	Public	Private	Public	Private	Public
$6 Billion + [Fortune 500]	4.98	1.88	3	44	30%	38%
$3.1-$6 Billion [Fortune 501-1000]	N/A	2.51	N/A	21	N/A	18%
$1.6-$3.1 Billion [Fortune 1001-2000]	9.80	-0.48	2	15	20%	13%
$580M-$1.6 Billion [Fortune 2001-5000]	4.85	1.09	2	22	20%	19%
$100M-$580Billion [Fortune 5001-20000]	-1.70	5.00	2	11	20%	9%
Less than $100M [Fortune 20000+]	2.90	-3.20	1	3	10%	3%
Total	**4.37**	**1.71**	**10**	**116**	**100%**	**100%**

Note: The data from private companies are insufficient to draw statistically valid conclusions

Respondents' Total Average PR Budgets

Table C3: Respondents' Total Average PR Budgets						
Revenue Categories	***Average Budget***		***Number of Respondents***		***% of Total Respondents***	
	Private	Public	Private	Public	Private	Public
$6 Billion + [Fortune 500]	2	10	10	37	13%	30%
$3.1-$6 Billion [Fortune 501-1000]	N/A	2	N/A	16	N/A	13%
$1.6-$3.1 Billion [Fortune 1001-2000]	3	3	12	19	15%	15%
$580M-$1.6 Billion [Fortune 2001-5000]	2	1	15	25	19%	20%
$100M-$580Billion [Fortune 5001-20000]	2	1	23	16	29%	13%
Less than $100M [Fortune 20000+]	0	1	18	10	23%	8%
Total	**2**	**4**	**78**	**123**	**100%**	**100%**

Although the data cannot be used for policy or decision-making purpose. The following trend appears to hold: among all respondents, the PR budgets of public companies are, on the average, twice as large as those for private companies. This dissimilarity may be due to the more complex communications and stakeholder environments faced by public companies, as well as the intrinsically less opaque natures of private companies.

Changes in PR Budgets

Table C4: Has PR Budget Increased, Decreased or Remained Flat in Current FY?					
Revenue Categories		***Decreased***	***Remained Flat***	***Increased***	***Total***
$6 Billion + [Fortune 500]	Count	28	23	21	72
	% within Revenue Categories	39%	32%	29%	100%
	% of Total	10%	8%	8%	26%
$3.1-$6 Billion [Fortune 501-1000]	Count	8	13	3	24
	% within Revenue Categories	33%	54%	13%	100%
	% of Total	3%	5%	1%	9%
$1.6-$3.1 Billion [Fortune 1001-2000]	Count	12	18	11	41
	% within Revenue Categories	29%	44%	27%	100%
	% of Total	4%	6%	4%	15%
$580M-$1.6 Billion [Fortune 2001-5000]	Count	23	13	15	51
	% within Revenue Categories	45%	25%	29%	100%
	% of Total	8%	5%	5%	18%
$100M-$580Billion [Fortune 5001-20000]	Count	13	14	24	51
	% within Revenue Categories	25%	27%	47%	100%
	% of Total	5%	5%	9%	18%
Less than $100M [Fortune 20000+]	Count	15	13	10	38
	% within Revenue Categories	39%	34%	26%	100%
	% of Total	5%	5%	4%	14%
Total	**Count**	**99**	**94**	**84**	**277**
	% within Revenue Categories	**36%**	**34%**	**30%**	**100%**
	% of Total	**36**	**34**	**30**	**100**

Generally consistent with the findings for all respondents, 36% of private companies have decreased their PR budgets, 34% have not changed them, and 30% have actually increased them Again, despite the economic difficulties of the last year, 64% have maintained or increased their budgets.

Average Percentile Budget Changes

Table C5: Average % Budget Change						
Revenue Categories	***Average % Budget Change***		***Number of Respondents***		***% of Total Respondents***	
	Private	Public	Private	Public	Private	Public
$6 Billion + [Fortune 500]	2.33	-4.18	9	40	11%	31%
$3.1-$6 Billion [Fortune 501-1000]	N/A	-3.00	N/A	18	N/A	14%
$1.6-$3.1 Billion [Fortune 1001-2000]	2.71	-7.75	14	20	17%	15%
$580M-$1.6 Billion [Fortune 2001-5000]	-3.67	-3.85	15	27	18%	21%
$100M-$580Billion [Fortune 5001-20000]	-0.56	-1.06	25	18	30%	14%
Less than $100M [Fortune 20000+]	-4.29	0.71	19	7	23%	5%
Total	**-1.12**	**-3.80**	**82**	**130**	**100%**	**100%**

Significant Findings

While the relatively limited number of private respondents makes the data unprojectable for policy-making purposes, it is nonetheless interesting to note that:

1) Among all respondents, public companies have reduced their budget in the last year by an average of 3.8%, while private companies have reduced them by less than 1/3 of that amount, 1.12%. This is probably due to the larger base of PR budgets among public companies (especially those in the Fortune 1000).
2) It is particular noteworthy that the 14 private respondents in the $1.6-3.1 billion range *increased* their budgets by an average of 2.71%, while the 20 public company respondents in that revenue range *decreased* their budgets by an average of 7.75%. Bear in mind that the average total budget for both public and private organizations of that size is $3 million.

Industry Hypothesis

Because they are under greater scrutiny by shareholders, Wall Street analysts, and the financial media, Public companies are more likely to cut PR budgets as a way of reducing expenses. When times are difficult, private companies are arguably more likely to “stay the course” and, in many cases, invest even more in PR.

Also, given their greater focus on sales and marketing-oriented PR activities and by the fact that PR reports to Marketing, they are more likely to use PR as a cost-effective replacement for – or adjunct to – expensive advertising/promotional campaigns during difficult financial times.

PR Budgets As a % of Gross Revenues (PR:GR Ratio)

Table C6: Average % of Gross Revenues Dedicated to PR Budgets (PR/GR Ratio)

Revenue Categories	***Average %***		***Number of Respondents***		***% of Total Respondents***	
	Private	Public	Private	Public	Private	Public
$6 Billion + [Fortune 500]	2%	4%	9	34	13%	31%
$3.1-$6 Billion [Fortune 501-1000]	N/A	5%	N/A	14	N/A	13%
$1.6-$3.1 Billion [Fortune 1001-2000]	9%	13%	9	17	13%	15%
$580M-$1.6 Billion [Fortune 2001-5000]	16%	11%	13	23	18%	21%
$100M-$580Billion [Fortune 5001-20000]	106%	28%	23	13	32%	12%
Less than $100M [Fortune 20000+]	272%	184%	17	9	24%	8%
Total	**104%**	**25%**	**71**	**110**	**100%**	**100%**

Significant Findings

1) In private companies:
    a. The higher one's PR budget as a percentage of gross revenues the more likely that PR reports to the Executive Office.
    b. The higher the level of support for PR from senior management and the greater the extent to which PR is perceived to contribute to Strategic Planning, the higher the PR budget.

Average % of Gross Revenues Dedicated to PR Budgets by Industry Category

Table C7: Average % of Gross Revenues Dedicated to PR Budgets Within Different Industry Categories			
1-Digit SIC		***Average %***	***Number of Respondents***
Manufacturing	Private	25%	12
	Public	11%	34
	Total	14%	46
Utilities and Transportation	Private	105%	4
	Public	7%	25
	Total	20%	29
Trade	Private	91%	4
	Public	4%	12
	Total	26%	16
Finance, Insurance, and Real Estate	Private	73%	15
	Public	27%	13
	Total	51%	28
Services	Private	179%	25
	Public	87%	18
	Total	141%	43
Total	Public	24%	102
	Private	111%	60
	Total	56%	162

Significant Findings

Within the Utilities/Transportation and Trade sectors, private companies have larger PR budgets as a percent of revenue (PR:GR ratio). While the numbers may be too small to be projectable, it is likely that this is true in other categories as well.

II. STRUCTURE/SIZE/|REPORTING LINES OF PR FUNCTION

<u>PR Function Reporting Lines</u>

Table C9: To Which Area Does Your PR Function Report?

Revenue Category		***Report to Executive Office***		***Report to Marketing***		***Report to HR***		***Report to Legal***		***Report to Finance***		***Report to more than one***		***Total***	
		Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private	Public
$6 Billion +	# of resp.	[4]	[36]	[5]	[10]	[0]	[3]	[1]	[1]	[0]	[1]	[1]	[2]	[11]	[53]
	% within Revenue Categories	36	68	45	19	0	6	9	2	0	2	9	4	100	100
	% of Total	4	22	5	6	0	2	1	1	0	1	1	1	12	32
$3.1-$6 Billion	# of resp.	N/A	[16]	N/A	[4]	N/A	N/A	N/A	[2]	N/A	[1]	N/A	[2]	N/A	[25]
	% within Revenue Categories	N/A	64	N/A	16	N/A	N/A	N/A	8	N/A	4	N/A	8	N/A	100
	% of Total	N/A	10	N/A	2	N/A	N/A	N/A	1	N/A	1	N/A	1	N/A	15
$1.6-$3.1 Billion	# of resp.	[7]	[11]	5	3	2	2	[0]	3	1	3	3	[0]	18	22
	% within Revenue Categories	39	50	28	14	11	9	0	14	6	14	17	0	100	100
	% of Total	7	7	5	2	2	1	0	2	1	2	3	0	19	13
$580M-$1.6 Billion	# of resp.	7	16	6	7	[0]	4	[0]	2	[0]	[0]	[0]	4	13	33
	% within Revenue Categories	54	48	46	21	0	12	0	6	0	0	0	12	100	100
	% of Total	7	10	6	4	0	2	0	1	0	0	0	2	14	20
$100M-$580Billion	# of resp.	13	7	10	7	1	[0]	[0]	[0]	[0]	2	3	5	27	21
	% within Revenue Categories	48	33	37	33	4	0	0	0	0	10	11	24	100	100
	% of Total	14	4	11	4	1	0	0	0	0	1	3	3	29	13
Less than $100M	# of resp.	9	6	11	3	1	[0]	[0]	[0]	[0]	[0]	4	1	25	10
	% within Revenue Categories	36	60	44	30	4	0	0	0	0	[0]	16	10	100	100
	% of Total	10	4	12	2	1	0	0	0	0	[0]	4	1	27	6
Total	**# of resp.**	**40**	**92**	**37**	**34**	**4**	**9**	**1**	**8**	**1**	**7**	**11**	**14**	**94**	**164**
	% within Revenue Categories	**43**	**56**	**39**	**21**	**4**	**5**	**1**	**5**	**1**	**4**	**12**	**9**	**100**	**100**
	% of Total	**43%**	**56**	**39%**	**21**	**4%**	**5**	**1%**	**5**	**1%**	**4**	**12%**	**9**	**100%**	**100**

Significant Findings Regarding PR Function Reporting Lines (Chart Previous Page)

1) PR reports to Marketing more often in private than in public companies.

Industry Hypothesis

The PR functions of private companies have less complex stakeholder environments, tend to be more sales and marketing driven, and place more emphasis on product/brand PR than corporate reputation.

Average PR Staff Size

Table C10: Average Number of People in PR Organization

Revenue Categories	***Average Number***		***Number of Respondents***		***% of Total Respondents***	
	Private	Public	Private	Public	Private	Public
$6 Billion + [Fortune 500]	21	78	12	59	12%	35%
$3.1-$6 Billion [Fortune 501-1000]	N/A	13	N/A	24	N/A	14%
$1.6-$3.1 Billion [Fortune 1001-2000]	18	12	18	22	18%	13%
$580M-$1.6 Billion [Fortune 2001-5000]	9	8	17	33	17%	19%
$100M-$580Billion [Fortune 5001-20000]	7	4	29	21	29%	12%
Less than $100M [Fortune 20000+]	4	3	23	12	23%	7%
Total	**11**	**33**	**99**	**171**	**100%**	**100%**

While the numbers are not projectable for policy making purposes, it is interesting to note that, except for the very largest, in all revenue categories, private companies have larger PR staffs on average than public companies.

Average PR Staff Size By Industry

Table C11: PR Staff Size By Industry Category				
Industry Category		***Staff Size***		
		Privately	Publicly	Total
Manufacturing	Count	29	66	95
	% within 1-Digit SIC	*31*	*69*	*100*
Utilities and Transportation	Count	6	34	40
	% within 1-Digit SIC	*15*	*85*	*100*
Trade	Count	5	14	19
	% within 1-Digit SIC	*26*	*74*	*100*
Finance, Insurance, and Real Estate	Count	21	20	41
	% within 1-Digit SIC	*51*	*49*	*100*
Services	Count	45	32	77
	% within 1-Digit SIC	*58*	*42*	*100*
Total	**Count**	**106**	**166**	**272**
	% within 1-Digit SIC	***39***	***61***	***100***

NSSD.

A possible trend is that publicly held companies in the Manufacturing, Utilities/Transportation and Trade categories have far larger PR staffs than private companies in those categories.

III. AGENCY USAGE STATISTICS

Do/Don't Use Agencies

Table C12: % That Do/Don't Use PR Agencies			
Revenue Categories		*Average %*	*Number of Respondents*
$6 Billion + [Fortune 500]	Privately	1.7	12
	Publicly	2.3	56
	Total	2.2	68
$3.1-$6 Billion [Fortune 501-1000]	Private	N/A	N/A
	Publicly	2.0	24
	Total	2.0	24
$1.6-$3.1 Billion [Fortune 1001-2000]	Privately	1.8	16
	Publicly	1.6	23
	Total	1.6	39
$580M-$1.6 Billion [Fortune 2001-5000]	Privately	1.1	17
	Publicly	1.5	33
	Total	1.4	50
$100M-$580Billion [Fortune 5001-20000]	Privately	1.3	28
	Publicly	1.2	20
	Total	1.3	48
Less than $100M [Fortune 20000+]	Privately	1.1	23
	Publicly	1.6	11
	Total	1.3	34
Total	Privately	1.4	96
	Publicly	1.8	167
	Total	1.7	263

Fortune 500 public companies tend to use more PR agencies than private companies of comparable size. This is probably due to the greater complexity of their stakeholder environments.

Percent of PR Budget Allocated to Agency Fees

Table C13: % of PR Budget Allocated to Agency Fees by Private Companies		
Revenue Categories	*Average*	*Number of Respondents*
$6 Billion + [Fortune 500]	30%	8
$1.6-$3.1 Billion [Fortune 1001-2000]	30%	15
$580M-$1.6 Billion [Fortune 2001-5000]	37%	13
$100M-$580Billion [Fortune 5001-20000]	23%	23
Less than $100M [Fortune 20000+]	30%	22
Total	**29%**	**81**

As with public companies of comparable size, private companies spend an average of 29% of their PR budgets on agency fees.
NSSD.

Industry Hypothesis

While private companies may spend a higher percentage of gross revenues on PR than public companies, they do not spend a higher percentage of the PR budgets on PR agencies. Ergo, within the context of their PR environments, they are no more reliant on agencies than are public companies.

Percent of PR Budget Dedicated to Direct Agency Expenses

Table C14: % of PR Budget Allocated to Agencies for Direct Expenses						
Revenue Categories	***% Allocated***		***Number of Respondents***		***% of Total Respondents***	
	Private	Public	Private	Public	Private	Public
$6 Billion + [Fortune 500]	34	16	7	26	10%	28%
$3.1-$6 Billion [Fortune 501-1000]	N/A	11	N/A	13	N/A	14%

$1.6-$3.1 Billion [Fortune 1001-2000]	30	19	14	13	21%	14%
$580M-$1.6 Billion [Fortune 2001-5000]	16	25	10	19	15%	20%
$100M-$580Billion [Fortune 5001-20000]	11	8	18	15	27%	16%
Less than $100M [Fortune 20000+]	13	23	18	8	27%	9%
Total	**19**	**17**	**67**	**94**	**100%**	**100%**

Nature of Agency Relationships

Table C15: Nature of Agency Relationships

Revenue Categories		***Agency of record***		***Choose for projects from pre-approved list of firms***		***Choose for projects based on pre-approved list of criteria***		***Choose for projects on an ad hoc basis***	
		Private	Public	Private	Public	Private	Public	Private	Public
$6 Billion + [Fortune 500]	Average %	73%	57%	18%	24%	9%	12%	45%	45%
	Number of Respondents	11	49	11	49	11	49	11	49
$3.1-$6 Billion [Fortune 501-1000]	Average %		64%		9%		9%		50%
	Number of Respondents		22		22		22		22
$1.6-$3.1 Billion [Fortune 1001-2000]	Average %	56%	57%	19%	29%	13%	14%	38%	52%
	Number of Respondents	16	21	16	21	16	21	16	21
$580M-$1.6 Billion [Fortune 2001-5000]	Average %	77%	34%	0%	24%	0%	7%	23%	48%
	Number of Respondents	13	29	13	29	13	29	13	29
$100M-$580Billion [Fortune 5001-20000]	Average %	48%	53%	7%	7%	4%	7%	52%	33%
	Number of Respondents	27	15	27	15	27	15	27	15
Less than $100M [Fortune 20000+]	Average %	75%	60%	19%	0%	0%	10%	19%	30%
	Number of Respondents	16	10	16	10	16	10	16	10
Total	**Average %**	**63%**	**53%**	**12%**	**19%**	**5%**	**10%**	**37%**	**45%**
	Number of Respondents	**83**	**146**	**83**	**146**	**83**	**146**	**83**	**146**

Industry Hypothesis

While the numbers are not projectable for policy making purposes, it appears that private companies are more likely to work with an agency of record than public companies, while public companies are more likely to work with agencies on a project basis. This may suggest that private companies have longer-term, more stable agency relationships than public companies.

Average Number of Agencies Used

Table C15: Average Number of Agencies Used

		Private	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*
		0		**1**		**2-3**		**4-5**		**6-7**		**8-9**		**10+**		**Total**	
$6 Billion + [Fortune 500]	Count	2	5	1	10	8	24	1	6		3		6		2	12	56
	% within Revenue Categories	17%	9	8	18	67	43	8	11		5		11		4	100	100
	% of Total	2	3	1	6	8	14	1	4		2		4		1	13	34
$3.1-$6 Billion [Fortune 501-1000]	Count	N/A	2	N/A	5	N/A	9	N/A	6	N/A	2	N/A	0	N/A	0	N/A	24
	% within Revenue Categories	N/A	8	N/A	21	N/A	38	N/A	25	N/A	8	N/A	0	N/A	0	N/A	100
	% of Total	N/A	1	N/A	3	N/A	5	N/A	4	N/A	1	N/A	0	N/A	0	N/A	14
$1.6-$3.1 Billion [Fortune 1001-2000]	Count	2	3	5	8	6	8	1	4	2	0	0	0	0	0	16	23
	% within Revenue Categories	13	13	31	35	38	35	6	17	13	0	0	0	0	0	100	100
	% of Total	2	2	5	5	6	5	1	2	2	0	0	0	0	0	17	14
$580M-$1.6 Billion [Fortune 2001-5000]	Count	3	6	9	8	5	15	0	3	0	1	0	0	0	0	17	33
	% within Revenue Categories	18	18	53	24	29	45	0	9	0	3	0	0	0	0	100	100
	% of Total	3	4	9	5	5	9	0	2	0	1	0	0	0	0	18	20
$100M-$580Billion [Fortune 5001-20000]	Count	4	5	12	8	11	5	1	2	0	0	0	0	0	0	28	20
	% within Revenue Categories	14	25	43	40	39	25	4	10	0	0	0	0	0	0	100	100
	% of Total	4	3	13	5	11	3	1	1	0	0	0	0	0	0	29	12
Less than $100M [Fortune 20000+]	Count	5	1	11	3	6	6	1	1	0	0	0	0	0	0	23	11
	% within Revenue Categories	22	9	48	27	26	55	4	9	0	0	0	0	0	0	100	100
	% of Total	5	1	11	2	6	4	1	1	0	0	0	0	0	0	24	7
Total	**Count**	**16**	**22**	**38**	**42**	**36**	**67**	**4**	**22**	**2**	**6**	**0**	**6**	**0**	**2**	**96**	**167**
	% within Revenue Categories	**17**	**13**	**40**	**25**	**38**	**40**	**4**	**13**	**2**	**4**	**0**	**4**	**0**	**1**	**100**	**100**
	% of Total	**17**	**13**	**40**	**25**	**38**	**40**	**4**	**13**	**2**	**4**	**0**	**4**	**0**	**1**	**100**	**100**

Significant Findings Regarding Number of Agencies Used (Chart Previous Page)

It is interesting to note that the use of 2 to 5 agencies is standard among Fortune 500 publicly held companies, while 1-3 agencies is the norm among the largest privately held companies.

Reasons for Working with Agencies

Table C16: Reasons For Working With Agencies

Revenue Categories		*Objective point of view*		*Strategic/market insight and experience*		*Ability to quantify results*		*Offset limitations of internal staff*		*Cheaper than adding staff*		*Easier than adding staff due to limits on internal "head count"*		*Senior management expects me to*	
		Private	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*	*Private*	*Public*
$6 Billion + [Fortune 500]	%	92%	58%	83%	71%	33%	23%	75%	63%	33%	50%	50%	33%	25%	12%
	Number of Respondents	12	52	12	52	12	52	12	52	12	52	12	52	12	52
$3.1-$6 Billion [Fortune 501-1000]	%	N/A	52%	0	74%	0	9%	0	70%	0	22%	0	43%	0	9%
	Number of Respondents	N/A	23	0	23	0	23	0	23	0	23	0	23	0	23
$1.6-$3.1 Billion [Fortune 1001-2000]	%	47%	44%	87%	61%	13%	11%	67%	67%	40%	22%	33%	56%	7%	11%
	Number of Respondents	15	18	15	18	15	18	15	18	15	18	15	18	15	18
$580M-$1.6 Billion [Fortune 2001-5000]	%	43%	50%	64%	56%	29%	6%	57%	75%	50%	31%	50%	22%	14%	9%
	Number of Respondents	14	32	14	32	14	32	14	32	14	32	14	32	14	32
$100M-$580Billion [Fortune 5001-20000]	%	36%	64%	68%	50%	16%	29%	68%	64%	32%	29%	32%	14%	8%	14%
	Number of Respondents	25	14	25	14	25	14	25	14	25	14	25	14	25	14
Less than $100M [Fortune 20000+]	%	28%	60%	72%	90%	17%	20%	56%	90%	22%	40%	22%	40%	6%	0%
	Number of Respondents	18	10	18	10	18	10	18	10	18	10	18	10	18	10
Total	%	**45%**	**54%**	**74%**	**66%**	**20%**	**16%**	**64%**	**69%**	**35%**	**36%**	**36%**	**34%**	**11%**	**10%**
	Number of Respondents	**84**	**149**	**84**	**149**	**84**	**149**	**84**	**149**	**84**	**149**	**84**	**149**	**84**	**149**

Significant Findings

1) Among private companies in the Fortune 500, 92% report working with agencies for "their objective point of view." Only 54% of public companies identified this as the main reason for turning to an agency.

IV. EVALUATION METHODS

Table C17: Evaluation Methods

Budget for:	Number of Respondents		%	
	Private	Public	Private	Public
Corporate communications (other than advertising)	124	189	89%	83%
Marketing PR	124	189	81%	71%
Crisis management	124	189	77%	70%
Internal communications	124	189	76%	68%
Executive communications	124	189	73%	67%
On line communications	124	189	64%	61%
Product PR	124	189	64%	59%
Community relations	124	189	63%	59%
Corporate advertising	124	189	55%	50%
Public affairs	124	189	52%	45%
Issues management	124	189	48%	43%
Philanthropy	124	189	32%	43%
Product advertising	124	189	28%	29%
Issues advertising	124	189	27%	28%
Government relations	124	189	25%	24%
Lobbying	124	189	23%	24%
Consumer affairs	124	189	16%	20%
Investor relations	124	189	15%	13%
Ethicist/ombudsmen	124	189	7%	6%
Total	124	189		

Significant Findings Regarding Evaluation Methods (Chart Previous Page)

1) Within the Fortune 1001-2000 segment, private companies are more likely to use "contribution to sales" as a method of evaluation than like-sized public companies; this is consistent with the greater likelihood that PR reports to Marketing in private companies. Private companies in general are more likely to rely on "ad equivalency" and "content analysis of clips" as evaluation techniques.
2) Public companies rank "influence on corporate reputation," "contribution to sales," and "influence on shareholder awareness" as the leading evaluation methods.

V. Senior Management Views/Support

Table C18: Contributions of Departments, In Ranked Order		
Revenue Categories	***Rank***	
Fortune 500	**Private**	**Public**
Information technology	1	4
Finance	2	1
Marketing	3	3
Strategic planning	4	2
Legal	5	7
HR	6	6
PR	7	5
Security	8	8
Fortune 1000-2000	***Rank***	
	Private	**Public**
Finance	1	1
Legal	2	5
Strategic planning	3	2
Information technology	4	4
HR	5	6
PR	6	7
Marketing	7	3
Security	8	8
Fortune 2000-5000	***Rank***	
	Private	**Public**
Finance	1	1
Marketing	2	5
Information technology	3	2
Strategic planning	4	3
HR	5	6
Legal	6	4
PR	7	7
Security	8	8
Fortune 5000-20000	***Rank***	
	Private	**Public**
Finance	1	1
Information technology	2	5
Marketing	3	2
Strategic planning	4	4
Legal	5	3
PR	6	6
HR	7	7
Security	8	8

Significant Findings Regarding Contributions (Chart Previous Page)

It is interesting to note that, regardless of whether respondents were from public or private companies, Finance is always perceived to make the highest contribution to success. Among public companies in the Fortune 500, PR is perceived to make a greater contribution than Legal.

Degree of support for PR

Table C19 :Describe the Degree of Support For the PR Function From Senior Management In Your Organization.

1 (not supportive) to 7 (highly supportive)

	Average	Number of Respondents
Publicly	6.35	23
Privately	5.74	19
Total	**6.07**	**42**

Significant Findings

1) Publicly held companies, on average, reported higher degree of support from senior management than privately companies. When the data were analyzed according to Fortune revenue categories, the only significant finding was that specifically within the Fortune 1001-2000 category, public respondents reported a higher degree of senior management support than private respondents.

VI. Communications Functions (Begin on following page)

Understanding of Organization’s Business

Table C20: Describe the Degree to Which You Understand Your Organization’s Business ***On a Scale of 1 (low understanding) to 7 (high understanding)***		
Revenue Categories	Public	Private
$6 Billion + [Fortune 500]	6.42	6.69
$3.1-$6 Billion	6.64	N/A
$1.6-$3.1 Billion [Fortune 1001-2000]	6.35	6.37
$580M-$1.6 Billion [Fortune 2001-5000]	6.44	6.59
$100M-$580Billion [Fortune 5001-20000]	6.52	6.63
Less than $100M [Fortune 20000+]	6.75	6.80
Total	**6.48**	**6.63**

Consistent with the total universe of respondents, private respondents report a very high degree of understanding of their organizations’ businesses.

Functions of Primary Responsibility

Table C21: For What Functions Does Your Department Have Primary Responsibility?		
	Rankings	
	Private	*Public*
Budget for Corporate communications (other than advertising)	1	1
Budget for Marketing PR	2	4
Budget for Crisis management	3	3
Budget for Internal communications	4	2
Budget for Executive communications	5	5
Budget for On line communications	6	7
Budget for Product PR	7	6
Budget for Community relations	8	8
Budget for Corporate advertising	9	10
Budget for Public affairs	10	12
Budget for Issues management	11	9
Budget for Philanthropy	12	11
Budget for Product advertising	13	15
Budget for Issues advertising	14	13
Budget for Government relations	15	16
Budget for Lobbying	16	17
Budget for Consumer affairs	17	18
Budget for Investor relations	18	14
Budget for Ethicist/ombudsmen	19	19

Significant Findings

1) Among private companies:
    a. Public affairs is generally more likely to report to PR than among public companies, possibly due to the smaller size of private companies.
    b. Issues management is not among the Top 10 responsibilities, whereas it is in public companies.
    c. Consistent with previous findings showing that PR is more likely to report to Marketing, product advertising is more likely to be grouped with PR among private companies, suggesting a greater emphasis on integrated marketing communication.
2) Among public companies:
    a. Internal communication is more likely to report to PR than in private companies.

Number of other depts. with some budgetary control

Table C22: Number of Other Departments With Some Budgetary Control

Revenue Categories	***Average***		***Number of Respondents***	
	Private	Public	Private	Public
$6 Billion + [Fortune 500]	2.40	4.01	5	37
$3.1-$6 Billion [Fortune 501-1000]	N/A	3.50	N/A	10
$1.6-$3.1 Billion [Fortune 1001-2000]	3.79	2.62	14	13
$580M-$1.6 Billion [Fortune 2001-5000]	2.00	3.20	6	20
$100M-$580Billion [Fortune 5001-20000]	1.92	3.20	12	10
Less than $100M [Fortune 20000+]	2.00	1.50	12	4
Total	**2.53**	**3.40**	**49**	**94**

Significant Findings

1) Generally speaking, the number of departments having some control over communications budgets is smaller in private companies than in public. This is consistent with the genrally smaller size of private companies and may suggest a greater concentration of communications resources, often within the overall Marketing function.

Finally, a profile of public and private companies has begun to emerge. In private companies, PR tends to report to Marketing and, as would therefore be expected, is also evaluated in terms of its contribution to market/share, sales and profitability. Private companies also tend to foster warm, flexible environments that put people first.. And, while additional data are needed to bear this out, they may tend to rely less on issues management and crisis mitigation/avoidance as a means for evaluating the PR function. If true, it could suggest that they are less prone to crises relating to complex public issues.

As would be expected, in public companies, PR is more likely to be evaluated on the basis of its contribution to stock performance. But it is also more likely to make a significant contribution to strategic planning in public companies than in private.