

I. INTRODUCTION: GOALS, METHODOLOGY, ACKNOWLEDGEMENTS

This annual study plays a major role in the accomplishment of the mission of the USC Annenberg Strategic Public Relations Center (SPRC):

To advance the study, practice and value of the public relations profession by conducting practical, applied research in partnership with other visionary organizations.

The Strategic Public Relations Center and this study owe their existence to the generous support of the visionary companies that have generously supported our efforts. These include:

AT&T

Avery Dennison

General Motors

Home Depot

Lohan Media

Nissan Motors America

Raytheon

SC Johnson

Weber Shandwick Worldwide

We are enormously grateful to these outstanding organizations and their PR teams, as should be all PR practitioners who benefit from the findings contained in this report.

The objectives of the study are to:

1. Identify trends and emerging issues based on year-over-year comparisons of GAP data.
2. Compare the manner in which the PR profession is practiced and organized among companies identified as “Most Admired” by *Fortune Magazine* as compared with all others.
3. Assess the perceived importance of the PR function relative to other organization functions.
4. Determine how organizations perceive the value of, use and organize their in-house PR departments; and, how they work with external public relations agencies.

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Objectives of the study (cont'd):

5. Ascertain current Generally Accepted Practices (or GAPS), and explore “Best Practices” for PR;
6. Identify gaps in knowledge requiring further investigation, and
7. Provide PR practitioners with practical, applied research that will be of immediate direct use to them, and thus, help them improve their effectiveness.

Comments on response:

A total of 266 questionnaires were completed, including 62 from companies appearing on *Fortune*'s “Most Admired” list. This is fewer than the number received in GAP I. The decrease in response is most likely due to (1) the transition from a mailed, “hard copy” questionnaire to a fully on-line version, and (2) the early (and quickly abandoned) use of a technology that prevented completion of the on-line questionnaire unless all questions were answered. In future years a combination of paper and on-line response will be utilized, and only specified questions will require answers.

In addition, because few respondents provided their gross revenues in 2002's GAP I study, a secondary research effort was undertaken to acquire that information. For GAP II, it was decided not to undertake such an extra effort and allow the data provided (or not provided) to stand on its own. Hence, in those questions relying on gross revenue as a categorizer, the authors have focused on the *Fortune* 2000 rather than smaller categories where the response may not have been statistically valid.

Comments on methodology:

Four principal methods were used to analyze the data: 1) for each of the individual survey questions, **raw frequencies** were tabulated for all of the respondents; 2) where applicable, **factor analyses** were performed to reveal underlying patterns in the data; 3) **explicit comparisons** were made between important sub-groups, e.g., companies that employ outside public relations agencies and those that do not; 4) **correlations** between major segments of the questionnaire were also performed to reveal additional, underlying patterns in the data.

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Report structure:

The report that follows is divided into major sections, each with subject-specific sub-sections:

- Section II:** An Executive Summary of all key findings;
- Section III:** An overview of the entire findings relative to all respondents, including year-over-year changes from GAP I;
- Section IV:** An explicit comparison between those respondents whose companies are included in *Fortune's* "Most Admired Companies" list and those that are not, including year-over-year changes from GAP I;
- Section V:** An explicit comparison between public and private companies, including year-over-year changes from GAP I, and
- Section VI:** "Emerging Best Practices, Trends, Issues, Etc," i.e. brief descriptions of those factors which appear to represent "best practices" of various types (strategic, organizational, budgetary, evaluative, etc.) and/or emerging issues.