

# Strategic Public Relations Center

UNIVERSITY OF SOUTHERN CALIFORNIA  
*Annenberg School for Communications*



## FIFTH ANNUAL PUBLIC RELATIONS GENERALLY ACCEPTED PRACTICES (G.A.P.) STUDY (2007 DATA)

### GAP V

#### SECTION IV: CHARACTERISTICS OF PUBLIC AND PRIVATE COMPANIES

By

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## **SECTION IV: CHARACTERISTICS OF PUBLIC AND PRIVATE COMPANIES**

### **Introduction:**

This section compares the differences between privately and publicly held companies. To the best of our knowledge, the USC Annenberg Strategic Public Relations Center's GAP Study remains the only concerted effort to analyze and compare the public relations practices of these two types of organizations. This comparison is offered in recognition of the fact that the communications environments and challenges of public companies are often significantly different from those of private companies, making data from the former of limited value to practitioners working for the latter (and vice versa).

Throughout Section IV, all respondents and the data they provided are divided into two revenue categories (less than \$1.6 billion, and greater than \$1.6 billion), rather than the categories referenced in Section III. This was done because the authors believe that the overall distinctions between public and private companies, rather than revenue category-specific distinctions, are the most compelling. In addition, this approach assured more reliable and comparable results for both types of companies.

**IV/A-1 and A-2: Respondents by Organizational Size: Gross Revenue, Year-Over-Year**

Revenue Categories	Type	Average (in Millions)					Respondents		
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007
\$1.6 Billion +	Public	\$10,365	\$11,866	\$17,893	\$7,528	\$6,028	71	76	89
	Private	\$40,049	\$11,564	\$12,664	(\$27,385)	\$1,100	21	19	27
Less than \$1.6 Billion	Public	\$612	\$493	\$532	(\$80)	\$39	59	102	58
	Private	\$376	\$282	\$192	(\$184)	(\$90)	57	63	65

Base: All public and private organizations providing gross revenue data  
 Data source: Q13 by Q1 and Q13 (as categories); see Appendix for question wording

Revenue Categories	Percent of All Respondents				Respondents		
	2002	2005	2007	Dif 05 & 07	2002	2005	2007
Public	61%	43%	30%	-13%	200	208	157
Private	39%	24%	23%	-1%	128	118	117
*Other	0%	33%	47%	14%	0	162	246
<b>Total</b>	100%	100%	100%		328	496	520

\*Other includes not for profit organizations and government agencies.  
 Base: All organizations  
 Data source: Q1; see Appendix for question wording  
 Note: Differences between 2002 and 2007 are not calculated because question methodology changed after 2002

**\* Findings/observations in 2007:** A total of 239 public and private companies responded to GAP V. Of these, 157 (58%) were publicly owned while 117 (42%) were privately owned.

\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

### IV/A-3: Geographic Parameters of Respondent's Responsibilities

Participants were asked to specify the geographic parameters of the communications organizations for which they have responsibility. This facilitates comparisons against like-sized organizations.

<b>Table IV/A-3: Geographic Parameters of Respondent's Responsibilities, Year-Over-Year</b>							
Revenue Categories	Parameters	Type: Public			Type: Private		
		Percent			Percent		
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
\$1.6 Billion +	US - Local or regional	10%	10%	0%	22%	15%	-7%
	US - National	25%	16%	-9%	13%	22%	9%
	North America (US, Canada, Mexico)	12%	12%	0%	4%	22%	18%
	Americas (North, Central, South)	1%	1%	0%	4%	0%	-4%
	International/Global	52%	61%	9%	57%	41%	-16%
	Total	100%	100%		100%	100%	
Respondents		91	89		23	27	
Revenue Categories	Parameters	Type: Public			Type: Private		
		Percent			Percent		
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
Less than \$1.6 Billion	US - Local or regional	20%	21%	1%	43%	42%	-1%
	US - National	28%	22%	-6%	23%	23%	0%
	North America (US, Canada, Mexico)	14%	5%	-9%	10%	5%	-5%
	Americas (North, Central, South)	1%	2%	1%	1%	2%	1%
	International/Global	37%	50%	13%	23%	29%	6%
	Total	100%	100%		100%	101%	
Respondents		114	58		91	65	
Note: Percentage columns may not total to exactly 100% due to rounding							
Base: All public and private organizations providing gross revenue data and geographic parameters							
Data source: Q2 by Q1 and Q13 (as categories); see Appendix for question wording							

**\* Findings/observations in 2007:**

- a. Among organizations with gross revenues of \$1.6B+, 61% of public company respondents and 41% of private company respondents indicated that they have some degree of international responsibility (i.e., outside the United States).
- b. Among organizations with gross revenues of less than \$1.6B, 50% of public company respondents and 29% of private company respondents indicated that they have some degree of international responsibility.
- c. For organizations with gross revenues of \$1.6B+, 37% of private company respondents and 26% of public company respondents indicated that their responsibilities are limited to the U.S. (national, regional, or local). For organizations with gross revenues of less than \$1.6B, 65% of private company respondents and 43% of public company respondents indicated that their responsibilities are limited to the U.S. (national, regional, or local).

***The data suggest to us that:***

- a. *Not surprisingly, international responsibilities are more commonly found among public companies, while domestic responsibilities are found more often among (generally smaller) private companies.*
- b. *Nonetheless, the fact that a relatively large proportion of private respondents have international responsibilities is somewhat surprising because of their generally smaller size.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

## IV/B-1: Total Average PR Budgets

Respondents were asked to provide their PR budgets in two ways: 1) including salaries and related costs (i.e., benefits), and 2) excluding salaries and related costs (i.e., benefits).

<b>Table IV/B-1: Average PR Budgets, Year-Over-Year</b>											
Revenue Categories	Type	PR Budget w/ Salaries			PR Budgets w/o Salaries			Respondents			
								Provided PR Budgets w/ Salaries		Provided PR Budgets w/o Salaries	
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	2005	2007
\$1.6 Billion +	Public	\$9,422,770	<b>\$14,149,494</b>	\$4,726,724	\$4,818,097	<b>\$9,703,694</b>	\$4,885,597	80	77	80	72
	Private	\$7,641,288	<b>\$7,534,375</b>	(\$106,913)	\$5,812,228	<b>\$6,311,667</b>	\$499,439	31	24	27	27
Less than \$1.6 Billion	Public	\$2,273,527	<b>\$1,037,101</b>	(\$1,236,426)	\$1,508,041	<b>\$638,933</b>	(\$869,108)	97	54	102	50
	Private	\$1,950,964	<b>\$807,655</b>	(\$1,143,309)	\$362,385	<b>\$435,895</b>	\$73,510	73	58	77	57
Revenue Categories	Type	PR Salaries*			Percentage of PR Budgets Dedicated to Salaries*			Respondents			
								Provided PR Budgets both w/ and w/o Salaries			
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	2005	2007
\$1.6 Billion +	Public	\$3,045,176	<b>\$5,309,662</b>	\$2,264,486	37%	<b>40%</b>	3%	68		70	
	Private	\$2,493,624	<b>\$2,858,750</b>	\$365,126	44%	<b>43%</b>	-1%	17		24	
Less than \$1.6 Billion	Public	\$725,656	<b>\$412,736</b>	(\$312,920)	44%	<b>46%</b>	2%	91		50	
	Private	\$1,665,323	<b>\$378,982</b>	(\$1,286,341)	51%	<b>50%</b>	-1%	65		56	
*PR Salaries* and "PR Salaries as % of PR Budget" calculated using companies reporting PR budgets with and without salaries											
Base: All public and private organizations providing gross revenue data and PR budget with salaries data and/or PR budget without salaries data											
Data source: Q14 and Q15 by Q1 and Q13 (as categories); see Appendix for question wording											

### \* Findings/observations in 2007:

Public companies, irrespective of size, are spending more on PR activities than private companies, but allocating smaller percentages of their budgets to staff salaries than do private companies. However, this difference must be assessed in tandem with data on staff size.

\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

***The data suggest to us that:***

*The higher percentage of resources allocated to salaries and related expenses by smaller private companies is probably due to their more limited use of outside agencies, and their relatively heavy reliance on PR (rather than paid advertising) to communicate with their key stakeholders.*

## **IV/B-2: Percent PR Budget Changes in Last Fiscal Year**

Respondents were asked to describe in percentile terms the extent to which their total PR budgets changed (if at all) in 2007 versus the prior year (i.e., FY 2006).

<b>Table IV/B-2: Percent PR Budget Changes in Last Fiscal Year, Year-Over-Year</b>						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	2%	7%	5%	83	76
	Private	-1%	7%	8%	22	26
Less than \$1.6 Billion	Public	5%	3%	-2%	102	51
	Private	0%	10%	10%	86	56
Base: All public and private organizations providing gross revenue data and PR budget change in last FY data						
Data source: Q16 by Q1 and Q13 (as categories); see Appendix for question wording						

### **\* Findings/observations in 2007:**

- a. Public and private companies, irrespective of size, saw their PR budgets increase.
- b. In 2007, larger public and private companies alike experienced budget increases of 7% over the prior fiscal year.

### ***The data suggest to us that:***

*These numbers would appear to reaffirm the hypothesis that 2005 was a healthy year of stabilization and normalization for the profession, while the period 2005 – 2007 was one of growth.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

### **IV/B-3: Ratio of PR Budgets to Gross Revenues: PR/GR Ratio**

A common question among PR professionals is, “how much money should we be spending on PR, given the size of our organization, industry, etc.?” To answer that question, in 2004 the authors created a new PR management tool, the PR/GR Ratio, which describes the number of dollars spent on PR for each \$1 million in gross revenues. They view this tool as a “work in progress” in need of further study, refinement and reader feedback.

<b>Table IV/B-3: Ratio of PR Budgets to Gross Revenues: PR/GR Ratio,* Year-Over-Year</b>																
Revenue Categories	Type	Average									Respondents					
		Gross Revenue (in Millions)			PR Budget (w/ Salaries) (Actual Figures)			PR/GR Ratio*			Provided Gross Revenue		Provided PR Budget (w/ Salaries)		Provided Gross Revenue and PR Budget (w/ Salaries)	
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07	2005	2007	2005	2007	2005	2007
\$1.6 Billion +	Public	\$11,866	\$17,893	\$6,027	\$9,422,770	\$14,149,494	\$4,726,724	\$790	\$1,045	\$255	91	89	80	77	78	77
	Private	\$11,564	\$12,664	\$1,100	\$7,641,288	\$7,534,375	(\$106,913)	\$742	\$1,239	\$497	35	27	31	24	31	24
Less than \$1.6 Billion	Public	\$493	\$532	\$39	\$2,273,527	\$1,037,101	(\$1,236,426)	\$11,267	\$11,638	\$371	114	58	97	54	95	54
	Private	\$282	\$192	(\$90)	\$1,950,964	\$807,655	(\$1,143,309)	\$27,686	\$21,928	(\$5,758)	78	65	73	58	63	58

\*"PR/GR Ratio" refers to the number of dollars spent on PR for each \$1 million in revenue; calculated only using companies reporting gross revenues as well as PR budgets including salaries

Base: All public and private organizations providing gross revenue data and PR budget with salaries data

Data source: Q13 and Q14 by Q1 and Q13 (as categories); see Appendix for question wording

### **Findings/observations in 2007:**

Among larger public and private companies, the consistency in the 2007 data suggest that the PR/GR Ratio may be emerging as an increasingly valid model, at least for larger organizations.

### **On a year-over-year basis:**

Among larger respondents, PR/GR ratios appear to have increased.

### ***The data suggest to us that:***

*Budgeting relative to organizational size remains one of the most important challenges facing professionals, and the Strategic PR Center will continue to refine PR/GR Ratio in the hope of establishing it as an industry standard.*

**IV/B-4: Expected Change in PR Budget in Next Fiscal Year**

Respondents were asked to describe the changes they expected in their PR budgets in the next fiscal year (i.e., FY 2008) as compared with the then current year (2007).

<b>Table IV/B-4: Expected Percent Change in PR Budget in Next Fiscal Year, Year-Over-Year</b>						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	2%	2%	0%	83	74
	Private	-1%	4%	5%	22	24
Less than \$1.6 Billion	Public	5%	11%	6%	100	48
	Private	0%	3%	3%	86	52
Base: All public and private organizations providing gross revenue data and data about PR budget change in next FY						
Data source: Q17 by Q1 and Q13 (as categories); see Appendix for question wording						

**Findings/observations in 2007:**

- a. Both public and private companies expect their budgets to increase in 2008.
- b. Most notable is the nearly 11% increase projected by smaller public companies.

**On a year-over-year basis:**

In 2007, respondents in three of the four categories anticipated larger budget increases for the subsequent fiscal year than was the case in 2005.

***The data suggest to us that:***

*The data would also appear to reaffirm the hypothesis that 2005-2006 was expected to be a period of stabilization and normalization for the profession, while the period 2006-2008 is expected to be one of growth.*

**IV/B-5: Percent of PR Budget Dedicated to Evaluation**

Respondents were asked to describe, in percentile terms, the portion of their total budgets that is allocated to PR evaluation.

<b>Table IV/B-5: Percent of PR Budget Dedicated to Evaluation, Year-Over-Year</b>						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	6%	5%	-1%	66	58
	Private	7%	6%	-1%	16	24
Less than \$1.6 Billion	Public	3%	7%	4%	67	25
	Private	4%	7%	3%	52	25
Base: All public and private organizations providing gross revenue data and providing percent of PR budget dedicated to evaluation data						
Data source: Q20a by Q1 and Q13 (as categories); see Appendix for question wording						

**\* Findings/observations in 2007:**

The data are very consistent across the board: public and private organizations alike, of all sizes, spend between 5% and 7% of their total budgets on evaluation.

***The data suggest to us that:***

- a. *The imperative to evaluate PR spending and activity now has equal footing in organizations of all types and sizes.*
- b. *Given the average expenditure of just 5% to 7%, the authors believe that the PR profession is still not doing enough to demonstrate its value relative to other disciplines.*
- c. *The absence of reliable and widely accepted tools for measuring PR effectiveness (other than those measuring media-related activities) may lie behind the low percentages of PR budgets dedicated to evaluation.*
- d. *It is nonetheless a positive development that smaller organizations in our sample now report spending approximately the same proportion of money to evaluate the effectiveness of their work.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

- e. *The authors believe that the profession is doing itself a great disservice by not directing a sufficient percentage of its resources to more sophisticated and available forms of evaluation. This is particularly true when assessing PR budgets relative to advertising budgets, which are carefully measured and monitored for effectiveness. It will be difficult for PR to get a larger share of the total communications expenditure without quantitative means that go well beyond measurement of media outputs.*

### IV/C-1: PR/Communication Reporting Lines

Respondents were asked to indicate to whom they report. Multiple responses were allowed.

Table IV/C-1: PR/Communication Function Reporting Lines, Year-Over-Year											
Revenue Categories	Reporting Lines	Type									
		Public					Private				
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007	Dif 02 & 07	Dif 05 & 07
\$1.6 Billion +	C-Suite*	59%	65%	63%	4%	-2%	55%	65%	37%	-18%	-28%
	Finance	12%	3%	5%	-7%	2%	0%	9%	4%	4%	-5%
	Head of Operating Unit		15%	9%		-6%		17%	11%		-6%
	Human Resources	9%	10%	8%	-1%	-2%	8%	13%	22%	14%	9%
	Legal	10%	8%	8%	-2%	0%	0%	4%	15%	15%	11%
	Marketing	33%	16%	15%	-18%	-1%	47%	39%	26%	-21%	-13%
	Strategic Planning		1%	2%		1%		13%	7%		-6%
Respondents		84	94	89			23	40	27		
Revenue Categories	Reporting Lines	Type									
		Public					Private				
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007	Dif 02 & 07	Dif 05 & 07
Less than \$1.6 Billion	C-Suite*	70%	59%	64%	-6%	5%	67%	62%	72%	5%	10%
	Finance	6%	11%	9%	3%	-2%	0%	5%	3%	3%	-2%
	Head of Operating Unit		14%	16%		2%		24%	11%		-13%
	Human Resources	6%	4%	7%	1%	3%	0%	8%	8%	8%	0%
	Legal	6%	3%	5%	-1%	2%	0%	4%	5%	5%	1%
	Marketing	12%	28%	29%	17%	1%	44%	38%	40%	-4%	2%
	Strategic Planning		1%	3%		2%		7%	11%		4%
Respondents		65	120	58			45	94	65		
*Corporate C-Suite (Chairperson, CEO, COO)											
Base: All public and private organizations providing gross revenue data and data on PR/Communication function reporting lines											
Data source: Q6a-g by Q1 and Q13 (as categories); see Appendix for question wording											

**\* Findings/observations in 2007:**

Reporting line comparisons between public and private companies are interesting. For example:

- a. Among larger public companies, 63% report to the C-Suite, while among larger private companies just 37% do so
- b. Among larger private companies, 22% report to HR, while among larger public companies just 8% do so
- c. Among larger private companies, 26% report to Marketing, while among larger public companies just 15% do so
- d. Among smaller private companies, 40% report to Marketing, while among smaller public companies 29% do so

***The data suggest to us that:***

*The fact that more than one-third of private companies report to Marketing could be due to the less complex communications environments those companies generally face, as well as a greater emphasis on sales rather than overall reputation.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

## **IV C-2: Appropriateness of PR/Communication Function Reporting Lines, Year-Over-Year**

Respondents were asked to describe the appropriateness of their reporting line by selecting a number from 1 (“Highly inappropriate”) to 7 (“Highly appropriate”).

<b>Table IV C-2: Appropriateness of PR/Communication Function Reporting Lines, Year-Over-Year</b>						
1=Highly inappropriate, 7=Highly appropriate						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	5.39	5.40	0.01	88	87
	Private	6.04	4.63	-1.41	23	27
Less than \$1.6 Billion	Public	5.71	5.91	0.20	115	58
	Private	5.65	6.09	0.44	92	65
Base: All public and private organizations providing gross revenue data and providing data about appropriateness of PR function reporting line						
Data source: Q7 by Q1 and Q13 (as categories); see Appendix for question wording						

### **\* Findings/observations in 2007:**

- a. All respondents appear to feel that their reporting lines are appropriate.
- b. The highest level of appropriateness in reporting is indicated by smaller private companies, at 6.09, while the lowest – 4.63, is reported by larger private companies (where there is a greater likelihood of reporting to HR, Marketing, etc.).

### ***The data suggest to us that:***

*With increasing numbers of PR professionals reporting to their C-Suites, even higher levels of satisfaction might be expected in the future.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

**IV/C-3: Average PR Staff Size**

Respondents were asked to provide the number of full-time employees in their PR organizations, at all levels.

<b>Table IV/C-3: Average PR Staff Size, Year-Over-Year</b>									
Revenue Categories	Type	Average					Respondents		
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007
\$1.6 Billion +	Public	39	25	32	-7	7	87	93	88
	Private	19	22	40	19	18	25	38	26
Less than \$1.6 Billion	Public	6	5	7	1	2	65	118	58
	Private	7	3	6	-1	3	48	94	65
Base: All public and private organizations providing gross revenue data and PR staff size data									
Data source: Q3 by Q1 and Q13 (as categories); see Appendix for question wording									

**\* Findings/observations in 2007:**

The staff sizes of smaller private companies are only slightly smaller than those of like-sized public firms, but the larger private companies report significantly higher staff sizes than public corporation respondents.

***The data suggest to us that:***

*The fact that larger private companies have bigger internal staffs than larger public companies may be due to their lesser use of outside PR firms, as shown in Table IV/D-1.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

#### **IV/C-4: Percent Changes in PR Staff Size in Last Year**

Respondents were asked to describe (in percentage terms) how the size of their PR staffs changed from August 31, 2006 to August 31, 2007.

<b>Table IV/C-4: Percent Changes in PR Staff Size in Last Year, Year-Over-Year</b>						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	4%	8%	4%	88	89
	Private	1%	3%	2%	23	27
Less than \$1.6 Billion	Public	4%	5%	1%	114	57
	Private	2%	7%	5%	92	64
Base: All public and private organizations providing gross revenue data and data about PR staff size changes						
Data source: Q4 by Q1 and Q13 (as categories); see Appendix for question wording						

#### **Findings/observations in 2007:**

- a. All respondents reported percentile increases in the sizes of their PR staffs from 2006 to 2007.
- b. The largest increases in PR staff from 2006 to 2007 occurred within larger public companies.
- c. The smallest area of growth in PR staff from 2006 to 2007 was within larger private companies, by an average of 3%.

#### **On a year-over-year basis:**

All categories reported more substantial staff growth in 2007 than they did in 2005.

#### ***The data suggest to us that:***

- a. *The increase in PR staff size reflects an overall improvement and a positive trend for the profession, particularly within larger public companies*
- b. *These numbers would appear to reaffirm the hypothesis that 2005 was a healthy year of stabilization and normalization for the profession, while the period 2005 – 2007 was one of growth*

#### **IV/D-1: Use of PR Agencies**

Respondents were asked to report whether or not they use outside PR agencies.

<b>Table IV/D-1: Use of PR Agencies, Year-Over-Year</b>									
Revenue Categories	Type	Percent					Respondents		
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007
\$1.6 Billion +	Public	91%	85%	<b>93%</b>	2%	8%	69	84	89
	Private	83%	73%	<b>78%</b>	-5%	5%	18	22	27
Less than \$1.6 Billion	Public	79%	68%	<b>67%</b>	-12%	-1%	56	113	58
	Private	81%	46%	<b>52%</b>	-29%	6%	54	89	65

Base: All public and private organizations providing gross revenue data and data on use of PR agencies  
 Data source: Q30 by Q1 and Q13 (as categories); see Appendix for question wording

#### **\* Findings/observations in 2007:**

- a. The majority of respondents now use outside PR agencies.
- b. Overall, public companies are more likely to work with agencies than private companies.
- c. Agency usage is the most common among large public companies (93%) and the least common among smaller private firms (52%).

#### ***The data suggest to us that:***

- a. *The markedly lesser use of agencies among larger private companies as compared with larger public companies is an interesting corollary to the larger internal staffs of the former shown in Table IV/C-3.*
- b. *The larger the company, the more likely it is to work with a PR agency, perhaps due to the more complex PR environments size can create.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

## IV/D-2: Percent of PR Budget Allocated to PR Agency Fees

Respondents were asked to report the amount of PR budget paid to outside agencies, including both fees and direct expenses, as a percentage of their total PR budget.

Table IV/D-2: Percent of PR Budget Allocated to PR Agency Fees, Year-Over-Year									
Revenue Categories	Type	Average					Respondents		
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007
\$1.6 Billion +	Public	20%	24%	26%	6%	2%	59	55	61
	Private	24%	24%	40%	16%	16%	15	13	15
Less than \$1.6 Billion	Public	19%	24%	27%	8%	3%	51	56	32
	Private	28%	39%	37%	9%	-2%	51	30	24

Base: All public and private organizations providing gross revenue data and using PR agencies and providing data about percent of PR budget allocated to agency fees

Data source: Q33 by Q1 and Q13 (as categories); see Appendix for question wording

### \* Findings/observations in 2007:

Larger private companies allocate the highest percentage of their PR budgets (40%) to agency fees. This is interesting when seen in combination with prior data showing that fewer companies in this category are working with agencies and that they have larger internal staffs.

#### *The data suggest to us that:*

*When viewed cumulatively, the data on larger private companies indicate that they are less likely to work with agencies, but, when they do work with agencies, they allocate larger percentages of their budgets to those outside firms. From the perspective of the agency industry, this suggests that larger private companies that do work with agencies are excellent clients from a financial standpoint.*

\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

**IV/D-3: Nature of PR Agency Relationships**

Respondents were asked to describe the nature of their agency relationship(s) by selecting from the four options listed in the table below.

<b>Table IV/D-3: Nature of PR Agency Relationships, Year-Over-Year</b>							
<b>Revenue Categories</b>	<b>Relationship</b>	<b>Type</b>					
		<b>Public</b>			<b>Private</b>		
		<b>2005</b>	<b>2007</b>	<b>Dif 05 &amp; 07</b>	<b>2005</b>	<b>2007</b>	<b>Dif 05 &amp; 07</b>
\$1.6 Billion +	Agency of Record	32%	24%	-8%	35%	20%	-15%
	Multiple Agencies	51%	57%	6%	29%	65%	36%
	Pre-Approved Criteria	6%	3%	-3%	12%	0%	-12%
	Ad-Hoc Basis	11%	17%	6%	24%	15%	-9%
	<b>Total</b>	<b>100%</b>	<b>101%</b>		<b>100%</b>	<b>100%</b>	
Respondents		76	81		25	20	
<b>Table IV/D-3: Nature of PR Agency Relationships, Year-Over-Year</b>							
<b>Revenue Categories</b>	<b>Relationship</b>	<b>Type</b>					
		<b>Public</b>			<b>Private</b>		
		<b>2005</b>	<b>2007</b>	<b>Dif 05 &amp; 07</b>	<b>2005</b>	<b>2007</b>	<b>Dif 05 &amp; 07</b>
Less than \$1.6 Billion	Agency of Record	30%	46%	16%	38%	53%	15%
	Multiple Agencies	29%	22%	-7%	38%	27%	-11%
	Pre-Approved Criteria	5%	5%	0%	2%	3%	1%
	Ad-Hoc Basis	36%	27%	-9%	21%	18%	-3%
	<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>101%</b>	
Respondents		77	37		42	34	
Note: Percentage columns may not total to exactly 100% due to rounding							
Base: All public and private organizations providing gross revenue data and using PR agencies and providing data about nature of agency relationships							
Data source: Q32 by Q1 and Q13; see Appendix for question wording							

**\* Findings/observations in 2007:**

- a. It appears that larger public and private companies are roughly equally likely to employ the agency of record model or maintain ongoing relationships with multiple agencies.
- b. 65% of larger private companies work with multiple agencies, while 57% of larger public companies do so.

***The data suggest to us that:***

*When seen in combination, the data on larger private companies indicate that they have larger internal staffs and are less likely to work with agencies. However, when they do work with agencies they are more likely to have relationships with multiple firms and allocate larger percentages of their budgets to those outside firms.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

#### **IV/D-4: Number of PR Agencies Used**

Respondents were asked to report the number of outside PR agencies they work with, on average.

<b>Table IV/D-4: Number of PR Agencies Used, Year-Over-Year</b>									
Revenue Categories	Type	Average					Respondents		
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007
\$1.6 Billion +	Public	3	3	4	1	1	69	70	81
	Private	2	3	3	1	0	18	16	21
Less than \$1.6 Billion	Public	2	2	2	0	0	56	77	39
	Private	1	2	2	1	0	54	40	34
Base: All public and private organizations providing gross revenue data and using PR agencies and providing data about number of PR agencies used									
Data source: Q31 by Q1 and Q13 (as categories); see Appendix for question wording									

#### **Findings/observations in 2007:**

Larger public companies work with slightly more agencies (4) than do larger private companies (3); for smaller organizations, the number of PR agencies used is the same (2).

#### **On a year-over-year basis:**

The number of agencies used by both types of companies, in both size categories, has generally increased from both GAP I (2002) and GAP IV (2005) to GAP V (2007).

#### ***The data suggest to us that:***

*The use of larger numbers of agencies among all categories of companies, suggests greater opportunities for specialized and mid-sized agencies to share and compete for pieces of large corporate accounts.*

### IV/D-5 and D-5a: Reasons for Working with PR Agencies and Rankings

Respondents who work with outside agencies were asked to select all applicable reasons for doing so.

Table IV/D-5: Reasons for Working with PR Agencies, Year-Over-Year							
Revenue Categories	Reason	Type					
		Public			Private		
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
\$1.6 Billion +	Ability to quantify results	15%	11%	-4%	9%	10%	1%
	Additional arms & legs	74%	87%	13%	61%	91%	30%
	Cheaper than adding staff	24%	31%	7%	17%	29%	12%
	Complement our internal capabilities	57%	70%	13%	57%	71%	14%
	Limits on internal head count	33%	33%	0%	26%	52%	26%
	Objective point of view	44%	57%	13%	35%	76%	41%
	Resources in geographies/markets where needed*		74%			71%	
	Strategic/ market insight and experience	52%	72%	20%	52%	86%	34%
	They offer unique expertise	57%	70%	13%	39%	62%	23%
Respondents		76	83		25	23	
Table IV/D-5: Reasons for Working with PR Agencies, Year-Over-Year							
Revenue Categories	Reason	Type					
		Public			Private		
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
Less than \$1.6 Billion	Ability to quantify results	12%	23%	11%	14%	35%	21%
	Additional arms & legs	49%	90%	41%	39%	71%	32%
	Cheaper than adding staff	24%	41%	17%	18%	32%	14%
	Complement our internal capabilities	48%	56%	8%	38%	71%	33%
	Limits on internal head count	18%	44%	26%	17%	38%	21%
	Objective point of view	25%	54%	29%	20%	62%	42%
	Resources in geographies/markets where needed*		54%			50%	
	Strategic/ market insight and experience	35%	67%	32%	38%	68%	30%
	They offer unique expertise	47%	49%	2%	23%	77%	54%
Respondents		77	39		42	34	
*New item in 2007							
Base: All public and private organizations providing gross revenue data and using PR agencies and providing data about reasons for working with PR agencies							
Data source: Q34a-i by Q1 and Q13 (as categories); see Appendix for question wording							

**Table IV/D-5a: Reasons for Working with PR Agencies, Year-Over-Year Ranking**

Revenue Categories	Reason	Type			
		Public		Private	
		Ranking		Ranking	
		2005	2007	2005	2007
\$1.6 Billion +	Ability to quantify results	8	9	8	9
	Additional arms & legs	1	1	1	1
	Cheaper than adding staff	7	8	7	8
	Complement our internal capabilities	2(tie)	4(tie)	2	4(tie)
	Limits on internal head count	6	7	6	7
	Objective point of view	5	6	5	3
	Resources in geographies/markets where needed*		2		4(tie)
	Strategic/ market insight and experience	4	3	3	2
	They offer unique expertise	2(tie)	4(tie)	4	6
Revenue Categories	Reason	Type			
		Public		Private	
		Ranking		Ranking	
		2005	2007	2005	2007
Less than \$1.6 Billion	Ability to quantify results	8	9	8	8
	Additional arms & legs	1	1	1	2(tie)
	Cheaper than adding staff	7	8	6	9
	Complement our internal capabilities	2	3	2(tie)	2(tie)
	Limits on internal head count	6	7	7	7
	Objective point of view	5	4(tie)	5	5
	Resources in geographies/markets where needed*		4(tie)		6
	Strategic/ market insight and experience	4	2	2(tie)	4
	They offer unique expertise	3	6	4	1
*New item in 2007					
Base: All public and private organizations providing gross revenue data and using PR agencies and providing data about reasons for working with PR agencies					
Data source: Q34a-i by Q1 and Q13 (as categories); see Appendix for question wording					
Note: Differences between 2005 and 2007 are not calculated because question methodology changed in 2007					

**\* Findings/observations in 2007:**

- a. “Additional arms and legs” was the most common reason cited by all revenue categories except smaller private companies.
- b. “Ability to quantify results” and “cheaper than adding staff” were the two least cited reasons for working with outside PR agencies.
- c. 76% of larger private companies cited “objective point of view,” while only 57% of larger public companies did so.
- d. 86% of larger private companies cited “strategic market insight and experience,” while only 72% of larger public companies did so.

***The data suggest to us that:***

*The fact that larger private companies are more likely to work with agencies for reasons having to do with strategic and/or intellectual added value (i.e. objectivity, insight, etc.), and rank those criteria higher than do larger public companies, is further evidence that companies in this category tend to be excellent clients.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

#### IV/ E-1 and E-1a: Use of PR Evaluation Methodologies and Ranking of Evaluation Methods

Respondents were asked to describe the extent to which they use various measures to evaluate PR's effectiveness by selecting a number from 1 ("Do not use at all") to 7 ("Use significantly").

Table IV/E-1: Use of PR Evaluation Methodologies, Year-Over-Year											
1=Do not use at all, 7=Use significantly											
Revenue Categories	Methodology	Type									
		Public					Private				
		Average			Respondents		Average			Respondents	
	2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007	
\$1.6 Billion +	Clip ad equivalency	2.69	2.96	0.27	86	84	3.38	3.08	-0.30	37	25
	Content analysis of clips	4.67	5.00	0.33	89	86	5.00	6.00	1.00	37	26
	Contribution to market share	2.14	2.15	0.01	83	81	2.14	2.48	0.34	35	23
	Contribution to profitability	2.41	2.07	-0.34	85	82	1.91	2.09	0.18	37	23
	Contribution to sales	2.65	2.61	-0.04	85	83	2.50	3.20	0.70	38	25
	Crisis avoidance/mitigation	4.23	4.23	0.00	87	86	4.32	4.62	0.30	37	26
	Influence on corporate culture	3.95	4.07	0.12	88	84	3.90	4.31	0.41	36	26
	Influence on corporate reputation	4.70	5.20	0.50	88	86	4.73	5.00	0.27	38	26
	Influence on employee attitudes/morale	4.40	4.42	0.02	88	86	3.85	4.56	0.71	35	25
	Influence on share of voice	3.60	3.81	0.21	87	85	2.79	4.29	1.50	34	24
	Influence on stakeholder awareness	4.04	4.36	0.32	86	88	3.33	4.70	1.37	37	23
	Influence on stakeholder opinions	3.86	4.18	0.32	85	84	3.59	4.50	0.91	38	24
	Influence on stock performance	3.13	3.08	-0.05	85	84	1.78	1.26	-0.52	32	19
	Total circulation	3.57	3.21	-0.36	83	84	3.35	4.56	1.21	35	25
	Total impressions	3.89	4.00	0.11	85	87	4.43	5.04	0.61	37	25
	Total number of clips	4.06	3.85	-0.21	85	84	4.14	5.00	0.86	38	26
Total number of clips "top tier" media	4.21	4.29	0.08	84	87	3.95	4.92	0.97	37	26	
Less than \$1.6 Billion	Clip ad equivalency	3.18	2.53	-0.65	114	57	3.02	2.93	-0.09	83	60
	Content analysis of clips	3.75	4.00	0.25	113	55	3.55	3.56	0.01	86	63
	Contribution to market share	2.08	2.18	0.10	111	55	2.50	3.10	0.60	83	60
	Contribution to profitability	2.13	1.95	-0.18	110	55	2.81	3.12	0.31	84	60
	Contribution to sales	2.66	3.00	0.34	111	56	3.14	3.72	0.58	83	60
	Crisis avoidance/mitigation	3.21	3.29	0.08	114	56	3.17	3.05	-0.12	85	61
	Influence on corporate culture	3.38	4.05	0.67	114	56	3.65	3.92	0.27	85	61
	Influence on corporate reputation	4.17	4.73	0.56	114	56	4.59	4.90	0.31	89	62
	Influence on employee attitudes/morale	3.76	4.16	0.40	112	56	4.00	4.06	0.06	84	62
	Influence on share of voice	3.05	3.51	0.46	108	55	2.92	3.27	0.35	81	59
	Influence on stakeholder awareness	3.85	4.14	0.29	111	56	3.00	3.44	0.44	84	59
	Influence on stakeholder opinions	3.79	4.04	0.25	112	55	2.75	3.34	0.59	83	58
	Influence on stock performance	3.27	3.15	-0.12	112	54	1.50	1.37	-0.13	75	52
	Total circulation	3.50	3.50	0.00	109	56	3.38	3.16	-0.22	81	56
	Total impressions	3.59	3.72	0.13	110	58	3.56	3.65	0.09	81	60
	Total number of clips	3.69	3.74	0.05	110	57	3.72	3.65	-0.07	82	60
Total number of clips "top tier" media	3.62	3.84	0.22	111	57	3.77	3.42	-0.35	80	60	

Base: All public and private organizations providing gross revenue data and using PR agencies and providing data about use of PR evaluation methodologies

Data source: Q21a-q by Q1 and Q13 (as categories); see Appendix for question wording

**Table IV/E-1a: Use of PR Evaluation Methodologies, Year-Over-Year Ranking**

Revenue Categories	Methodology	Type					
		Public			Private		
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
\$1.6 Billion +	Clip ad equivalency	14	14	0	10	14	-4
	Content analysis of clips	2	2	0	1	1	0
	Contribution to market share	17	16	1	15	15	0
	Contribution to profitability	16	17	-1	16	16	0
	Contribution to sales	15	15	0	14	13	1
	Crisis avoidance mitigation	4	6	-2	4	7	-3
	Influence on corporate culture	8	8	0	7	11	-4
	Influence on corporate reputation	1	1	0	2	3(tie)	-1
	Influence on employee attitudes/morale	3	3	0	8	8(tie)	0
	Influence on share of voice	11	11	0	13	12	1
	Influence on stakeholder awareness	7	4	3	12	6	6
	Influence on stakeholder opinions	10	7	3	9	10	-1
	Influence on stock performance	13	13	0	17	17	0
	Total circulation	12	12	0	11	8(tie)	3
	Total impressions	9	9	0	3	2	1
Total number of clips	6	10	-4	5	3(tie)	2	
Total number of clips "top tier" media	5	5	0	6	5	1	
Less than \$1.6 Billion	Clip ad equivalency	13	15	-2	11	16	-5
	Content analysis of clips	5	6	-1	7	7	0
	Contribution to market share	17	16	1	16	14	2
	Contribution to profitability	16	17	-1	14	13	1
	Contribution to sales	15	14	1	10	4	6
	Crisis avoidance mitigation	12	12	0	9	15	-6
	Influence on corporate culture	10	4	6	5	3	2
	Influence on corporate reputation	1	1	0	1	1	0
	Influence on employee attitudes/morale	4	2	2	2	2	0
	Influence on share of voice	14	10	4	13	11	2
	Influence on stakeholder awareness	2	3	-1	12	8	4
	Influence on stakeholder opinions	3	5	-2	15	10	5
	Influence on stock performance	11	13	-2	17	17	0
	Total circulation	9	11	-2	8	12	-4
	Total impressions	8	9	-1	6	5(tie)	1
Total number of clips	6	8	-2	4	5(tie)	-1	
Total number of clips "top tier" media	7	7	0	3	9	-6	

Base: All public and private organizations providing gross revenue data and using PR agencies and providing data about use of PR evaluation methodologies

Data source: Q21a-q by Q1 and Q13 (as categories): see Appendix for question wording

## IV/E-2: PR Evaluation: Use of Data from Other Functions

<b>Table IV/E-2: Use of Data from Other Functions, Year-Over-Year</b>						
1= Strongly disagree, 7= Strongly agree						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	4.51	<b>4.36</b>	-0.15	86	88
	Private	4.09	<b>4.48</b>	0.39	23	27
Less than \$1.6 Billion	Public	4.42	<b>4.96</b>	0.54	109	57
	Private	4.55	<b>4.80</b>	0.25	89	64
Base: All public and private organizations providing gross revenue data and providing data about using data from other functions (e.g., Marketing, HR, etc.)						
Data source: Q22 by Q1 and Q13 (as categories); see Appendix for question wording						

### \* Findings/observations in 2007:

- a. Only one metric, “content analysis of clips,” earned a score of 6.0 on a 1 – 7 scale, but only among larger private companies.
- b. Interestingly, larger private companies report making greater use of virtually every evaluation methodology than do larger public companies. This is not true among smaller companies.
- c. “Influence on corporate culture” ranked #8 among larger public companies, and #11 among larger private companies.
- d. “Influence on employee attitudes/morale” ranked #3 among larger public companies, and #8 among larger private companies.

### *The data suggest to us that:*

*Given the lower rankings for employee-related metrics among larger private companies, one might ask, is internal communication less of a priority in those organizations? If so, why?*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

### IV/F-1 and F-1a: Senior Management Views and Rankings of Nine Functions' Contributions to Organizational Success

Respondents were asked to rank on a scale of 1 (“Does not contribute significantly”) to 7 (“Contributes significantly”) how their senior management views contributions by nine common functions to their companies’ success.

<b>Table IV/F-1: Senior Management Views of Nine Functions' Contributions to Organizational Success, Year-Over-Year</b>											
1=Does not contribute significantly, 7=Contributes significantly											
Revenue Categories	Functions	Type									
		Public					Private				
		Average			Respondents		Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Finance	5.81	<b>5.87</b>	0.06	86	85	5.57	<b>5.92</b>	0.35	37	25
	Human Resources	5.00	<b>5.33</b>	0.33	87	84	5.04	<b>5.32</b>	0.28	37	25
	Information Technology	4.97	<b>5.13</b>	0.16	86	84	4.68	<b>5.08</b>	0.40	36	25
	Legal	5.21	<b>5.16</b>	-0.05	87	85	5.09	<b>5.52</b>	0.43	37	25
	Marketing	5.37	<b>5.48</b>	0.11	86	85	4.65	<b>6.00</b>	1.35	37	24
	PR	5.23	<b>5.36</b>	0.13	87	84	5.26	<b>6.08</b>	0.82	37	24
	Sales	6.06	<b>6.08</b>	0.02	85	86	5.35	<b>6.12</b>	0.77	35	25
	Security	3.87	<b>3.93</b>	0.06	85	83	2.95	<b>3.33</b>	0.38	35	24
Strategic Planning	5.20	<b>5.20</b>	0.00	87	85	4.87	<b>5.40</b>	0.53	36	25	
Revenue Categories	Functions	Type									
		Public					Private				
		Average			Respondents		Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
Less than \$1.6 Billion	Finance	5.72	<b>5.78</b>	0.06	113	55	5.42	<b>5.50</b>	0.08	88	60
	Human Resources	4.62	<b>4.91</b>	0.29	113	57	4.63	<b>4.82</b>	0.19	90	61
	Information Technology	5.13	<b>5.04</b>	-0.09	112	56	5.08	<b>5.11</b>	0.03	90	61
	Legal	4.79	<b>5.05</b>	0.26	110	56	4.63	<b>4.48</b>	-0.15	87	61
	Marketing	5.26	<b>5.45</b>	0.19	113	56	5.48	<b>5.70</b>	0.22	91	60
	PR	5.04	<b>5.26</b>	0.22	110	57	5.10	<b>5.31</b>	0.21	91	62
	Sales	5.85	<b>5.95</b>	0.10	106	55	5.89	<b>6.25</b>	0.36	87	57
	Security	3.61	<b>3.15</b>	-0.46	107	55	2.98	<b>3.33</b>	0.35	85	57
Strategic Planning	5.12	<b>4.95</b>	-0.17	110	57	5.00	<b>5.25</b>	0.25	88	61	
Base: All public and private organizations providing gross revenue data and providing data about senior management's perceptions of different organizational functions											
Data source: Q28a-i by Q1 and Q13 (as categories); see Appendix for question wording											

**Table IV/F-1a: Senior Management Views of Nine Organizational Functions'  
Contributions to Success, Year-Over-Year Ranking**

Revenue Categories	Functions	Type					
		Public			Private		
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
\$1.6 Billion +	Finance	2	2	0	1	4	-3
	Human Resources	7	5	2	5	7	-2
	Information Technology	8	8	0	7	8	-1
	Legal	5	7	-2	4	5	-1
	Marketing	3	3	0	8	3	5
	PR	4	4	0	3	2	1
	Sales	1	1	0	2	1	1
	Security	9	9	0	9	9	0
	Strategic Planning	6	6	0	6	6	0
Revenue Categories	Functions	Type					
		Public			Private		
		2005	2007	Dif 05 & 07	2005	2007	Dif 05 & 07
Less than \$1.6 Billion	Finance	2	2	0	3	3	0
	Human Resources	8	8	0	7 (tie)	7	0
	Information Technology	4	6	-2	5	6	-1
	Legal	7	5	2	7 (tie)	8	-1
	Marketing	3	3	0	2	2	0
	PR	6	4	2	4	4	0
	Sales	1	1	0	1	1	0
	Security	9	9	0	9	9	0
	Strategic Planning	5	7	-2	6	5	1
Base: All public and private organizations providing gross revenue data and providing data about senior management's perceptions of different organizational functions							
Data source: Q28a-1 by Q1 and Q13 (as categories); see Appendix for question wording							

**\* Findings/observations in 2007:**

- a. Respondents from larger private companies reported a very strong average score of 5.86 in response to this question, while those from larger public companies reported a lesser, but still strong score of 5.36.
- b. PR was ranked at #4 within both revenue categories, public and private.

***The data suggest to us that:***

*Among the four categories of companies analyzed in this section, PR was ranked as the fourth most important function in three of the categories (ahead of HR, Strategic Planning, Legal, and Security, but behind Sales, Finance, and Marketing). Interestingly, it was ranked #2 among larger private companies. This suggests that while public companies have mandatory communications obligations, larger private companies perceive communications to be just as important, despite their lack of mandatory communications.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

## IV/F-2: Degree of Management Support for PR Function

Respondents were asked to rate the level of support the PR function receives from senior management in their organizations using a 1 (“Very little support”) to 7 (“Very strong support”) scale.

<b>Table V/F-2: Degree of Management Support for PR Function, Year-Over-Year</b>									
1= Very little support, 7= Very strong support									
Revenue Categories	Type	Average					Respondents		
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007
\$1.6 Billion +	Public	6.04	5.53	<b>5.70</b>	-0.34	0.17	90	94	87
	Private	6.29	5.78	<b>5.89</b>	-0.40	0.11	26	40	27
Less than \$1.6 Billion	Public	5.68	5.29	<b>5.62</b>	-0.06	0.33	64	119	58
	Private	5.81	5.14	<b>5.86</b>	0.05	0.72	50	94	65

Base: All public and private organizations providing gross revenue data and data about senior management support for PR function  
Data source: Q9 by Q1 and Q13 (as categories); see Appendix for question wording

### \* Findings/observations in 2007:

While respondents gave consistently high average scores (i.e., 5.62+) in evaluating the degree to which senior management supports the PR function, it is interesting to note the slightly higher average scores earned by private companies.

#### *The data suggest to us that:*

- a. *It is certainly noteworthy that PR receives somewhat more support from senior management in private companies than it does in public companies, though the average scores for both are impressive.*
- b. *These data are consistent with the higher PR/GR ratios found among private companies (see Table IV/B-3). One can hypothesize that this may be due to a greater emphasis on the relationship between PR and sales in these companies, as evidenced by the substantially higher frequency with which PR reports to marketing among private companies (see Table IV/C-1).*

\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

### **IV/F-3: Extent to Which PR Recommendations are Taken Seriously**

Respondents were asked to describe the extent to which public relations recommendations are taken seriously by senior management, on a scale of 1 (“Not taken seriously at all”) to 7 (“Taken very seriously”).

<b>Table IV/F-3: Extent to which PR Recommendations are Taken Seriously, Year-Over-Year</b>									
1= Not taken seriously at all, 7= Taken very seriously									
Revenue Categories	Type	Average					Respondents		
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007
\$1.6 Billion +	Public	5.87	5.55	<b>5.73</b>	-0.14	0.18	90	94	88
	Private	6.24	5.83	<b>5.85</b>	-0.39	0.02	26	40	27
Less than \$1.6 Billion	Public	5.29	5.37	<b>5.50</b>	0.21	0.13	65	119	58
	Private	5.65	5.18	<b>5.62</b>	-0.03	0.44	50	94	65

Base: All public and private organizations providing gross revenue data and data about how seriously senior management takes PR recommendations  
 Data source: Q8 by Q1 and Q13 (as categories); see Appendix for question wording

#### **\* Findings/observations in 2007:**

- a. Scores of 5.50 to 5.85 indicate that both public and private company respondents clearly believe that PR’s recommendations were taken seriously in 2007.
- b. As with the data for the previous question, it is interesting to note the slightly higher average scores earned by private companies relative to public companies with comparable gross revenues.

#### ***The data suggest to us that:***

- a. *It is certainly noteworthy that PR recommendations are taken a bit more seriously in private companies than is the case in public companies, though the average scores for both are impressive.*
- b. *As previously noted, these data are consistent with the higher PR/GR ratios found in private companies (see Table IV/B-3).*

\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

#### **IV/F-4: Contributions to Strategic Decision Making and Planning**

Respondents were asked to describe the extent to which PR and reputational considerations are factored into strategic and operational decision making and planning in their organization by selecting a number from 1 (“Never”) to 7 (Always”).

<b>Table IV/F-4: Extent to which PR and Reputational Considerations Factored into Strategic Decision Making and Planning, Year-Over-Year</b>						
1= Never, 7= Always						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	5.03	<b>5.32</b>	0.29	94	88
	Private	5.13	<b>5.07</b>	-0.06	40	27
Less than \$1.6 Billion	Public	4.90	<b>5.12</b>	0.22	119	58
	Private	4.76	<b>5.38</b>	0.62	93	65
Base: All public and private organizations providing gross revenue data and data about PR considerations factored into organizational strategic decision making and planning						
Data source: Q10 by Q1 and Q13 (as categories): see Appendix for question wording						

#### **\* Findings/observations in 2007:**

Again, this demonstrates a strong, above average showing for another key measure of PR value – the inclusion of PR and reputation into company strategic decision making and planning.

#### ***The data suggest to us that:***

*When viewed cumulatively, and as previously noted, the data on private companies suggest a very high reliance on PR, despite the fact that these companies lack the more complex communications obligations and challenges of public companies. This suggests that the marketing/PR emphasis among private companies more than offsets the communications obligations and challenges that come with being public.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

#### **IV/F-5: Likelihood of PR Being Invited to Meetings Dealing with Strategic Planning**

Respondents were asked to describe the likelihood that they would be invited to meetings dealing with organizational strategic planning by selecting a number from 1 (“Never”) to 7 (“Always”).

<b>Table IV/F-5: Likelihood of PR being Invited to Meetings Dealing with Strategic Planning, Year-Over-Year</b>						
1=Never, 7= Always						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	4.78	<b>4.78</b>	0.00	88	86
	Private	4.39	<b>4.96</b>	0.57	23	26
Less than \$1.6 Billion	Public	4.57	<b>4.66</b>	0.09	115	58
	Private	4.43	<b>4.98</b>	0.55	91	61
Base: All public and private organizations providing gross revenue data and data about likelihood of PR being invited to attend senior-level strategic planning meetings						
Data source: Q11b by Q1 and Q13 (as categories); see Appendix for question wording						

#### **\* Findings/observations in 2007:**

The scores, ranging from a low of 4.66 (smaller public companies) to a high of 4.96 (larger private companies), suggest a moderate degree to which PR participates in strategic planning among all four categories of organizations.

#### ***The data suggest to us that:***

*The fact that there is no substantial difference in the extent to which PR participates in strategic planning among public and private companies, and that the scores in both categories are only moderate, must be seen in the context of the results for other questions. This suggests that reputational considerations contribute to organizational success, higher degrees of management support, etc., between both types of companies. Nonetheless, the moderate scores in this question also suggest that communications and strategic planning are not as well integrated as they might otherwise be.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

**IV/F-6: Likelihood of PR/Communications Being Invited to Meetings Dealing with Important Issues That May or May Not Have Communications Implications**

Respondents were asked to describe the likelihood that they would be invited to meetings dealing with important issues that may or may not have PR implications by selecting a number from 1 (“Never”) to 7 (“Always”).

<b>Table IV/F-6: Likelihood of PR/Communications Being Invited to Meetings Dealing with Important Issues that May or May Not Have Communications Implications,* Year-Over-Year</b>						
1=Never, 7=Always						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	4.99	<b>5.20</b>	0.21	88	86
	Private	5.00	<b>5.31</b>	0.31	23	26
Less than \$1.6 Billion	Public	4.75	<b>5.09</b>	0.34	116	58
	Private	4.38	<b>5.10</b>	0.72	91	61
*In 2007, "PR implications" changed to "communications implications" in question text; as such, year-to-year comparisons must be interpreted with caution						
Base: All public and private organizations providing gross revenue data and data about likelihood of PR being invited to attend senior-level meetings that may have communications implications						
Data source: Q11a by Q1 and Q13 (as categories); see Appendix for question wording						

**\* Findings/observations in 2007:**

- a. Respondents believe PR would be invited to meetings with issues that may/may not have communication implications.
- b. Most confident of all groups about this invitation are larger private companies.
- c. Size of company does not seem to have a strong bearing on the degree of likelihood of being invited to these meetings.

*The data suggest to us that: The current levels of respect for PR’s input in such meetings, among both public and private companies, is quite reliably evident and reflects management’s confidence that PR professionals can make valuable contributions on issues outside of their core expertise.*

\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

### IV/F-7a through F-7b: Extent to Which CEO Believes That...

Using a scale of 1 (“Strongly disagree”) to 7 (“Strongly agree”), respondents were asked to describe the extent to which their CEOs would agree with the following statements:

- a. PR evaluation methods are adequate
- b. Organizational reputation contributes to success
- c. Public relations contributes to maintaining or increasing market share
- d. Public relations contributes to financial success
- e. Public relations contributes to maintaining or increasing sales

<b>Table IV/F-7a: Extent to which CEO Believes that..., Year-Over-Year</b>											
1= Strongly disagree, 7= Strongly agree											
Revenue Categories	Type	Evaluation methods are adequate			Respondents		Organizational reputation contributes to success			Respondents	
		Average			2005	2007	Average			2005	2007
		2005	2007	Dif 05 & 07			2005	2007	Dif 05 & 07		
\$1.6 Billion +	Public	5.05	<b>4.93</b>	-0.12	90	86	5.91	<b>6.12</b>	0.21	92	89
	Private	4.55	<b>5.42</b>	0.87	36	26	5.96	<b>6.38</b>	0.42	39	26
Less than \$1.6 Billion	Public	4.75	<b>5.14</b>	0.39	111	57	5.76	<b>5.91</b>	0.15	115	57
	Private	4.97	<b>5.22</b>	0.25	90	64	5.98	<b>6.09</b>	0.11	92	65

Base: All public and private organizations providing gross revenue data and data about CEO perceptions about PR evaluation methods and/or organizational reputation  
Data source: Q23 and Q24 by Q1 and Q13 (as categories); see Appendix for question wording

<b>Table IV/F-7b: Extent to which CEO Believes that..., Year-Over-Year</b>																
1= Strongly disagree, 7= Strongly agree																
Revenue Categories	Type	PR contributes to maintaining or increasing market share			Respondents		PR contributes to financial success			Respondents		PR contributes to maintaining or increasing sales			Respondents	
		Average			2005	2007	Average			2005	2007	Average			2005	2007
		2005	2007	Dif 05 & 07			2005	2007	Dif 05 & 07			2005	2007	Dif 05 & 07		
\$1.6 Billion +	Public	4.69	<b>4.87</b>	0.18	92	86	4.82	<b>5.02</b>	0.20	90	86	4.61	<b>4.74</b>	0.13	91	86
	Private	4.73	<b>5.36</b>	0.63	36	25	4.95	<b>5.24</b>	0.29	34	25	4.80	<b>5.44</b>	0.64	33	25
Less than \$1.6 Billion	Public	4.85	<b>5.24</b>	0.39	114	54	4.83	<b>4.96</b>	0.13	115	54	4.78	<b>5.06</b>	0.28	111	54
	Private	5.21	<b>5.40</b>	0.19	87	62	5.01	<b>5.21</b>	0.20	89	62	5.16	<b>5.23</b>	0.07	88	60

Base: All public and private organizations providing gross revenue data and data about CEO perceptions of PR contributions to market share, financial success, and/or sales  
Data source: Q25, Q26, and Q27 by Q1 and Q13 (as categories); see Appendix for question wording

**\* Findings/observations in 2007:**

- a. With scores ranging from 5.91 to 6.38, both public and private company respondents indicate that their CEOs definitely believe that “organizational reputation contributes to success.”
- b. To more moderate degrees, public and private respondents report that their CEOs believe “evaluation methods are correct,” “PR contributes to maintaining or increasing marketing share,” “PR contributes to financial success” and “PR contributes to maintaining or increasing sales.”
- c. Some interesting distinctions:
  - PR contributes to maintaining or increasing market share
    - Larger public: 4.87; Larger private: 5.36
    - Smaller public: 5.24; Smaller private: 5.40
  - PR contributes to financial success
    - Larger public: 5.02; Larger private: 5.24
    - Smaller public: 4.96; Smaller private: 5.21
  - PR contributes to maintaining or increasing sales
    - Larger public: 4.74; Larger private: 5.44
    - Smaller public: 5.06; Smaller private: 5.23

***The data suggest to us that:***

*The (albeit somewhat small) differences between public and private company responses are interesting in that they suggest a greater contribution to the bottom line among private companies than among public companies. This may counterbalance the mandatory communications obligations of public companies in equalizing the perceived importance of the function in the two types of ownership.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

## IV/G-1: Functions For Which Respondents Have Budgetary Responsibility, and Their Rankings

Respondents were asked to indicate the communications-related functions for which their departments have primary budgetary responsibility by selecting from the list appearing in the table below.

Table IV/G-1: Functions for which Respondents have Budgetary Responsibility, Year-Over-Year Ranking												
Revenue Categories	Functions	Type										
		Public					Private					
		Percent			Ranking		Percent			Ranking		
		2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007	
\$1.6 Billion +	Advertising (corporate image)	43%	43%	0%	14	15	63%	56%	-7%	9	10(tie)	
	Advertising (issues)	30%	27%	-3%	15(tie)	19	55%	33%	-22%	12	17	
	Advertising (product)	19%	15%	-4%	17	22	33%	19%	-14%	16(tie)	21	
	Community relations	60%	64%	4%	6	7(tie)	70%	67%	-3%	5(tie)	8	
	Corporate communications	83%	92%	9%	1	1	90%	93%	3%	1	1	
	Corporate ethics/ombudsman	13%	9%	-4%	19	23	20%	11%	-9%	18	22	
	Corporate external web site	49%	59%	10%	11	12	58%	56%	-2%	11	10(tie)	
	Corporate governance/standards	6%	7%	1%	20	24	13%	7%	-6%	19	23(tie)	
	Corporate image (graphics, logo)	47%	52%	5%	12(tie)	14	65%	52%	-13%	8	13(tie)	
	Corporate intranet	47%	64%	17%	12(tie)	7(tie)	45%	59%	14%	15	9	
	Corporate reputation	76%	81%	5%	2(tie)	5	75%	82%	7%	3(tie)	4	
	Corporate social responsibility*		61%			9(tie)		48%			16	
	Crisis management	76%	86%	10%	2(tie)	2	75%	78%	3%	3(tie)	5(tie)	
	Employee/Internal communications	71%	85%	14%	4	3(tie)	78%	85%	7%	2	2(tie)	
	Executive communications	70%	85%	15%	5	3(tie)	70%	85%	15%	5(tie)	2(tie)	
	Government relations/Lobbying	30%	22%	-8%	15(tie)	20	33%	30%	-3%	16(tie)	18(tie)	
	Investor relations	18%	19%	1%	18	21	10%	7%	-3%	20	23(tie)	
	Issues management	57%	69%	12%	7	6	53%	78%	25%	13	5(tie)	
	Marketing PR/Product PR	56%	61%	5%	8	9(tie)	70%	74%	4%	5(tie)	7	
	Monitoring and participation in online social networking*		31%			18		26%			20	
	Monitoring and participation in other online media*		40%			17		30%			18(tie)	
Monitoring and participation in the blogosphere*		60%			11		52%			13(tie)		
Philanthropy	53%	53%	0%	9(tie)	13	50%	56%	6%	14	10(tie)		
Public affairs	53%	42%	-11%	9(tie)	16	60%	52%	-8%	10	13(tie)		
Respondents		94	88				40	27				
*New item in 2007												
Base: All public and private organizations providing gross revenue data and data about functions for which PR departments have primary budgetary responsibility												
Data source: Q12a-x by Q1 and Q13 (as categories); see Appendix for question wording												
Note: Differences in rankings between 2005 and 2007 are not calculated because question methodology changed in 2007												

**Table Continued...**

Revenue Categories	Functions	Type									
		Public					Private				
		Percent			Ranking		Percent			Ranking	
		2005	2007	Dif 05 & 07	2005	2007	2005	2007	Dif 05 & 07	2005	2007
Less than \$1.6 Billion	Advertising (corporate image)	58%	58%	0%	6(tie)	9	66%	60%	-6%	5	10
	Advertising (issues)	32%	40%	8%	16	14	43%	37%	-6%	13	14
	Advertising (product)	33%	42%	9%	14(tie)	13	49%	38%	-11%	10	12(tie)
	Community relations	58%	47%	-11%	6(tie)	11	65%	68%	3%	6	3(tie)
	Corporate communications	88%	91%	3%	1	1	84%	82%	-2%	1	1
	Corporate ethics/ombudsman	8%	5%	-3%	20	24	12%	18%	6%	18	22
	Corporate external web site	64%	61%	-3%	3	6(tie)	68%	68%	0%	3	3(tie)
	Corporate governance/standards	13%	7%	-6%	19	23	9%	8%	-1%	19	24
	Corporate image (graphics, logo)	62%	65%	3%	4	5	67%	63%	-4%	4	7(tie)
	Corporate intranet	33%	49%	16%	14(tie)	10	36%	38%	2%	15	12(tie)
	Corporate reputation	51%	77%	26%	10	3	52%	66%	14%	9	5(tie)
	Corporate social responsibility*		21%			19(tie)		35%			15(tie)
	Crisis management	61%	61%	0%	5	6(tie)	54%	63%	9%	8	7(tie)
	Employee/Internal communications	70%	75%	5%	2	4	56%	62%	6%	7	9
	Executive communications	53%	61%	8%	9	6(tie)	45%	66%	21%	11	5(tie)
	Government relations/Lobbying	21%	14%	-7%	18	22	16%	22%	6%	17	20(tie)
	Investor relations	46%	32%	-14%	11	17	5%	12%	7%	20	23
	Issues management	29%	39%	10%	17	15	24%	34%	10%	16	17
	Marketing PR/Product PR	57%	84%	27%	8	2	73%	80%	7%	2	2
	Monitoring and participation in online social networking*		21%			19(tie)		22%			21(tie)
	Monitoring and participation in other online media*		23%			18		23%			19
Monitoring and participation in the blogosphere*		33%			16		28%			18	
Philanthropy	45%	19%	-26%	12	21	40%	35%	-5%	14	15(tie)	
Public affairs	44%	44%	0%	13	12	44%	52%	8%	12	11	
Respondents		120	57				94	65			
*New item in 2007											
Base: All public and private organizations providing gross revenue data and data about functions for which PR departments have primary budgetary responsibility											
Data source: Q12a-x by Q1 and Q13 (as categories); see Appendix for question wording											
Note: Differences in rankings between 2005 and 2007 are not calculated because question methodology changed in 2007											

**\* Findings/observations in 2007:**

Some interesting comparisons:

- a. Advertising, corporate image
  - Larger public: 43%; Larger private: 56%
- b. Corporate social responsibility
  - Larger public: 61%; Larger private: 48%
  - Smaller public: 21%; Smaller private: 35%
- c. Marketing/product PR
  - Larger public: 61%; Larger private: 74%
  - Smaller public: 84%; Smaller private: 80%
- d. Crisis management
  - Larger public: 86%; Larger private: 78%
  - Smaller public: 61%; Smaller private: 63%
- e. Employee/internal communication
  - Larger public: 85%; Larger private: 85%
  - Smaller public: 75%; Smaller private: 62%

***The data suggest to us that:***

*The 74% frequency with which Marketing PR/Product PR is handled by larger private respondents, versus the 61% frequency among larger public respondents, reinforces the hypothesis that this particular function is more important among private firms. However, this is not the case among smaller private firms (80%) versus smaller public firms (84%), where it is nearly equally handled.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

**IV/H-1 and H-1a: Integration of Communication Function(s)**

Respondents were asked to describe the extent to which they believe that the various communications functions within their organizations are integrated, by choosing a number between 1 (“Not at all integrated”) and 7 (“Extremely well integrated”).

<b>Table IV/H-1: Extent to which Communications Functions are Integrated, Year-Over-Year</b>						
1= Not at all integrated, 7=Extremely well integrated						
Revenue Categories	Type	Average			Respondents	
		2005	2007	Dif 05 & 07	2005	2007
\$1.6 Billion +	Public	4.94	<b>4.86</b>	-0.08	91	87
	Private	4.57	<b>5.33</b>	0.76	24	27
Less than \$1.6 Billion	Public	4.65	<b>4.88</b>	0.23	117	57
	Private	4.66	<b>5.08</b>	0.42	93	64
Base: All public and private organizations providing gross revenue data and data about integration of communications functions						
Data source: Q29a by Q1 and Q13 (as categories); see Appendix for question wording						

<b>Table VI/H-1a: 2007 Extent to which PR/Communications Functions are Integrated with Other Departments</b>			
1= Not at all integrated, 7=Extremely well integrated			
Revenue Categories	Type	Average	Respondents
\$1.6 Billion +	Public	<b>4.97</b>	88
	Private	<b>5.04</b>	27
Less than \$1.6 Billion	Public	<b>4.05</b>	57
	Private	<b>5.05</b>	65
Base: All health care organizations, manufacturing organizations, and technology organizations providing data about integration of PR/Communications function with other departments			
Data source: Q29b by Q5a; see Appendix for question wording			

**\* Findings/observations in 2007:**

Private company respondents believe that the communications functions are integrated to a greater degree than their public company colleagues.

***The data suggest to us that:***

*The somewhat greater integration in private companies could be due, in part, to their lack of financial and investor communications functions, which add significant strategic and organizational complexity to public companies.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.

## IV/H-2: Organizational Description

Respondents were asked to describe their organizational environment by selecting a number from 1 to 7 to express their organization's place on a descriptive scale. Eight items were presented for response. For example, if they see their organization as being more "rigid" than "flexible," they would circle 1, 2, or 3 on the 1 – 7 scale where 1 is "rigid," 7 is "flexible," and 4 is "neutral."

Revenue Categories	Description	Type															
		Public									Private						
		Average					Respondents				Average					Respondents	
		2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007	2002	2005	2007	Dif 02 & 07	Dif 05 & 07	2002	2005	2007
\$1.6 Billion +	Autocratic - Democratic	4.41	4.08	<b>4.14</b>	-0.27	0.06	87	90	87	4.00	3.35	<b>4.22</b>	0.22	0.87	22	24	27
	Poor external reputation - Good external reputation	5.37	5.48	<b>5.33</b>	-0.04	-0.15	87	91	88	5.42	4.78	<b>5.70</b>	0.28	0.92	22	24	27
	Profits-first - People-first	4.10	3.55	<b>3.56</b>	-0.54	0.01	86	91	88	4.68	3.14	<b>3.85</b>	-0.83	0.71	22	23	27
	Reactive - Proactive	3.86	4.04	<b>4.26</b>	0.40	0.22	87	90	88	3.89	4.05	<b>4.48</b>	0.59	0.43	22	23	27
	Rigid - Flexible	4.49	4.31	<b>4.27</b>	-0.22	-0.04	87	89	88	4.53	3.74	<b>4.63</b>	0.10	0.89	22	24	27
	Factual - Strategic	4.06	4.28	<b>4.66</b>	0.60	0.38	87	91	88	4.53	4.13	<b>5.15</b>	0.62	1.02	22	24	27
	Unethical - Ethical	5.92	6.10	<b>5.91</b>	-0.01	-0.19	87	90	88	5.53	6.04	<b>5.63</b>	0.10	-0.41	22	24	27
	Unsuccessful - Successful		5.57	<b>5.56</b>		-0.01		90	87		5.57	<b>5.89</b>		0.32		24	27
Less than \$1.6 Billion	Autocratic - Democratic	3.91	3.93	<b>4.14</b>	0.23	0.21	62	118	58	4.02	3.83	<b>4.02</b>	0.00	0.19	47	93	65
	Poor external reputation - Good external reputation	5.39	5.17	<b>5.05</b>	-0.34	-0.12	62	119	58	5.51	5.56	<b>5.60</b>	0.09	0.04	48	93	65
	Profits-first - People-first	3.60	3.83	<b>3.61</b>	0.01	-0.22	62	119	56	4.09	3.73	<b>3.75</b>	-0.34	0.02	47	93	65
	Reactive - Proactive	4.11	3.97	<b>4.16</b>	0.05	0.19	60	118	58	3.94	3.86	<b>4.72</b>	0.78	0.86	47	93	64
	Rigid - Flexible	4.45	4.30	<b>4.40</b>	-0.05	0.10	62	119	58	4.72	4.33	<b>4.75</b>	0.03	0.42	47	91	65
	Factual - Strategic	3.96	4.10	<b>4.55</b>	0.59	0.45	61	118	58	3.87	4.08	<b>4.51</b>	0.64	0.43	46	92	65
	Unethical - Ethical	5.36	5.93	<b>5.72</b>	0.36	-0.21	62	118	58	5.36	5.82	<b>5.89</b>	0.53	0.07	48	93	64
	Unsuccessful - Successful		5.31	<b>5.22</b>		-0.09		117	58		5.29	<b>5.72</b>		0.43		93	65

Base: All public and private organizations providing gross revenue data and data about organizational descriptions  
Source: Q37 by Q1 and Q13 (as categories); see Appendix for question wording  
Note: Items measured on a scale of 1 to 7; values closer to the minimum value of 1 represent the labels to the left in the "Description" column and those closer to the maximum value of 7 represent the labels to the right in the "Description" column.

**\* Findings/observations in 2007:**

Some interesting comparisons

- a. Unethical/ethical
  - Larger public: 5.91; Larger private: 5.63
  - Smaller public: 5.72; Smaller private: 5.89
- b. Reactive/proactive
  - Larger public: 4.26; Larger private: 4.48
  - Smaller public: 4.16; Smaller private: 4.72
- c. Poor external reputation/good external reputation
  - Larger public: 5.33; Larger private: 5.70
  - Smaller public: 5.05; Smaller private: 5.60
- d. Unsuccessful/successful
  - Larger public: 5.56; Larger private: 5.89
  - Smaller public: 5.22; Smaller private: 5.72
- e. Rigid/flexible
  - Larger public: 4.27; Larger private: 4.63
  - Smaller public: 4.40; Smaller private: 4.75
- f. Profits-first/people first
  - Larger public: 3.56; Larger private: 3.85
  - Smaller public: 3.61; Smaller private: 3.75

***The data suggest to us that:***

*There appear to be some marginal to moderate distinctions between the characteristics of public companies and those of private firms.*

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\* Although there may appear to be noteworthy year-over-year and cross-category differences, caution must be used when interpreting these differences due to sample size and related margins of error.