

**Results of the Pr Week/MS&L survey on marketing activities overseas. Budget is increasing
In the USA, companies prefer PR
It is ideal for overcoming a crisis (74%) and building a brand's reputation (75%)**
by Claudia Cassino

The budget is increasing for marketing activities in the United States, where the public relations section scores a sensational victory over traditional advertising as an instrument to build and market company brands. This according to the results of the annual marketing survey conducted by *PR Week* magazine in conjunction with MS&L (Manning Selvage & Lee), the PR network of the French multinational Publicis. According to information in the "2004 Marketing Management Survey" released to *ItaliaOggi*, over half of the respondents (346 business managers, to include chief marketing officers, marketing VPs, brand and product managers) claim they devote much more time to searching for alternatives to advertising than they did a year ago. In 2003, 45% of the respondents believed that advertising was essential in acquiring customers, while this year only 24% of the respondents hold the same opinion. Moreover, in last year's survey, advertising had been defined as the most important discipline for building awareness: today, instead, in this field, advertising (48%) and public relations (43%) receive almost the same rating. "Marketing executives have discovered that, in order to build a brand and a reputation, it is really necessary to go beyond the thirty-second TV ads," remarks Eleanor Trickett, the *PR Week* survey manager. When they were asked to classify advertising, public relations, and direct marketing in order of importance with regards to the various communications objectives, top managers declared that public relations is most important in overcoming a period of crisis (74%), cultivating industry-thought leaders (55%), and building a corporate reputation (75%).

Furthermore, the survey shows an increase in the budget available to market agents for 2004. In most cases (53%), the resources assigned to marketing have increased, reaching an average of 28.5 million dollars per company, an increase of 5-10% from 2003. According to 9% of the respondents, the budget increased by over 50%. Last year, only 28% of the people interviewed declared that communication resources had increased, while 38% signaled a decrease.

Therefore, part of the budget has shifted toward PR activities, while advertising lost its primacy in three categories: acquiring customers, building awareness, and promoting a new product or service. In the latter case, in fact, the main strategy according to the respondents is direct marketing (41%), a discipline that has been gaining ground in many areas. 54% of managers maintain that it is the most important instrument in gaining new customers as well as reaching niche customers. Direct marketing is also regarded as the most significant means of retaining customers. "Agents," concludes Mike Marino, MS&L's director of creative and strategic development, "seek more effective marketing alternatives that will help them to better define consumer targets, in order to meet their needs." (All rights reserved)

Available budget

In millions of dollars

Average Revenue						28.5	
Cmo/Vp*				18.7			
Director		8.3					
Brand Manager							33.1
	0	5	10	15	20	25	30 35

* Chief Marketing Officer/Vice President

Source: Pr Week/MS&L

...and how it has changed from last year

2004	2003	2004	2003	2004	2003
53					
			38		35
	28	23		24	

Increased

Decreased

Remained the same

In %

Source: PR Week/MS&L

- *MINI*, co-branding to launch new cabriolet
- *MS&L*, new approach to PRs
- *DAILY NEWSPAPERS*, April circulation

Mike Marino (MS&L)

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A Conversation with Mike Marino, Director of Creative and Strategic Development of Publicis PR Network

Here is How MS&L Changes Your Mind

The *Change Minds* Project Is Launched into Global Markets

by **Claudia Cassino**

In order to get to the top, one must start from the top. Just like the oscillatory motion of a pendulum. This, in very few words, is the goal behind the Change Minds strategy introduced two years ago by the American PR multinational MS&L (Manning, Selvage & Lee), which today is part of the French group Publicis. Mike Marino, MS&L's Director of Creative and Strategic Development, has recently been in Milan to explain the company's international philosophy to the personnel of the Italian branch of the network, MS&L Mavellia and Bellodi directed by Adriana Mavellia. "We began years ago to position our network in a more strategic manner," Marino explains to *ItaliaOggi*. "We started first of all by changing the perspective on customers. Strategic planning, in fact, is typical of an advertising agency, but it is much less so for PR agencies." In order to achieve higher goals, therefore, it is necessary for the PR world to change its mindset with regards to companies. And at the same time, companies must be stimulated to demand more from public relations organizations. Not only press releases and media relations, but a totally new way of assisting and promoting brands.

How does the Change Minds experience translate into concrete terms? "There are many examples," Marino continues, "from Cadillac to E-Bay to Nike." The case of Nike in the United States is emblematic. When Shox, the new sneakers model, was launched in the market, it was not through traditional advertising methods; instead, the campaign was based exclusively on PR. And with outstanding results: only ten days after the product was launched, Shox had already reached a sales record threshold of 90%. "The sneakers market is particularly crowded with brands (from Adidas to Puma) which typically address the athletic potential of the target. The strategic thought that allowed us to set Shox sneakers apart was to associate them not with athletics but with technology, since it was a highly technologically-sophisticated product. Therefore, we did not choose athletes as our testimonials, but a series of people who worked in Silicon Valley."

“During the 1980s, all public relations were based on image and perception,” adds Daniela Canegallo, managing director of MS&L Mavellia and Bellodi. “Our motto is ‘change minds’ in the sense that we try to change the idea or the concept that people might have about a company or a product.” Does this mean that a company can do without advertising if it is supported by an accurate PR strategy? “No,” says Marino, “their roles and functions are different. From a strategic point of view we are integrated communications consultants, we can troubleshoot problems and find opportunities. The role of advertising agencies comes later.”

How does the Change Minds project work in Italy? Are there differences among the various national branches of the MS&L network? “In reality, Change Minds is based on a universal concept that allows us to operate on a single customer on a global level; Philips, for example. From New York to Hong Kong we guarantee society the same service.” (All rights reserved)