

FUTURE TRENDS AND STRATEGIC INSIGHTS

Together with leading academics, Communication Director has conducted a survey of communication management in 37 European countries.

by Ansgar Zerfass and Dejan Verčič

Communication is a critical business function – every crisis reveals this, and the current global financial and recessionary cycle is no different. Confidence and trust are hailed as essential for restoration of normality and growth, yet they presuppose credible and transparent information. This is why organisations integrate and strengthen their communication functions throughout Europe. However, any CEO or CCO (Chief Communication Officer) striving for competitive advantage has to go beyond this. Anticipating future trends and developing competencies to deal with the ever-changing media landscape makes the difference. It opens the path to excellence and helps to take the lead in the run for attention, trust and reputation. We have limited empirical research on the future development of communication management in Europe. A major research project was recently launched by the European Public Relations Education and Research Association (EUPRERA), based on academic infrastructure from renowned universities in ten countries. The goal is to gain a clearer and deeper understanding of communications practice in Europe. The European Communication Monitor (Zerfaß et al., 2008) identifies current challenges and future developments of public relations on a transnational level. It builds on earlier initiatives in Europe that researched the structures of the profession on a country-to-country basis (Van Ruler & Verčič, 2004) and complements insights from the United States (Swerling et al., 2008) and China (Wang, 2008).

MOST COMPREHENSIVE STUDY IN THE FIELD

The European Communication Monitor was initiated in 2007 and repeated in 2008, with the intention of becoming

ing a permanent annual snapshot of communication management in this part of the world. It is a major online survey consisting of fourteen items. Four items refer to the development and status of the profession; three consider the instruments and channels of communication management; six focus on the more relevant current issues, and the last one explores the socio-demographic profile of participants. The survey was delivered via email, together with a personal invitation to more than 20,000 European professionals, using Communication Director magazine's database. Additional invitations to participate were sent via national branch associations and networks. For consistency purposes, only fully completed replies from professionals working in the field were evaluated. The final sample was 1,524 communication professionals (55 per cent female and 45 per cent male) with an average age of 39 years. The findings – as any comparable study – cannot claim full representativeness, because there is no knowledge about the population of communication departments and agencies in Europe. But it does lay a solid ground for identifying major developments:

participants are senior professionals working in 37 different European countries; almost one in two has more than ten years of experience in the field. Results were analysed with methods of empirical research, and, where applicable, results have been statistically affirmed by ANNOVA tests.

HIGH STATUS, BUT LESS INFLUENTIAL THAN IN THE US

Throughout Europe, communication professionals have achieved a relevant status in all kinds of organisations. 75 per cent are taken seriously by senior management. However, only 64 per cent are actually involved in decision making and planning. Therefore, there is a clear gap between the advisory influence and the executive influence on strategic management. A comparison with parallel research conducted by the Annenberg School of Communication in the United States (Swerling et al., 2008) shows that the communication function in Europe is not currently as influential. Moreover, communication has a different standing in various organisations. Advisory influence is the strongest in public (publicly traded, joint stock) companies, with NGOs (non-governmental organisations) and private companies following, while governmental organisations fall behind. Executive influence is perceived as similarly low and in the same order for all four types of organisation. There is a still a long way to go on the old European continent to catch the status and standing of the communication profession in the New World.

CORPORATE OVERTAKES MARKETING At the moment, marketing/brand and consumer

Most important disciplines in communication management in Europe

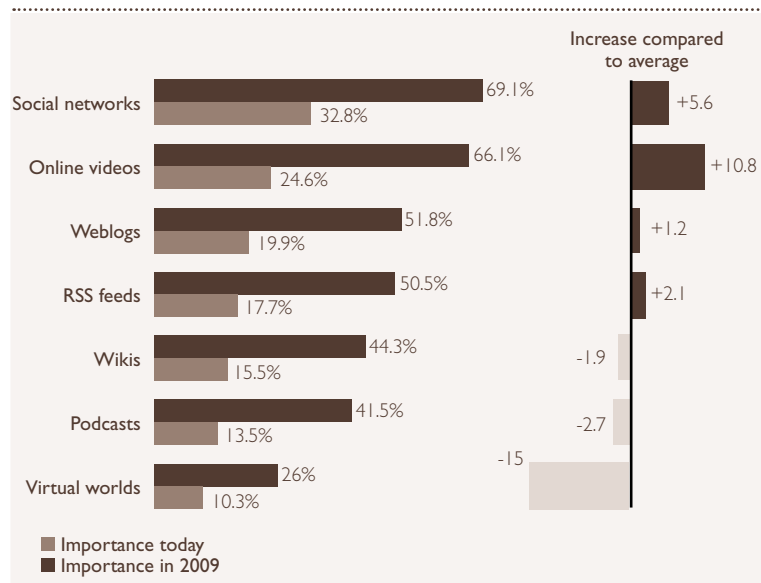
n= 1,524 PR Professionals from 37 countries; source: www.communicationmonitoreu

1. Marketing/Brand and Consumer Communication	1. Corporate Communication	↗
2. Corporate Communication	2. Marketing/Brand and Consumer Communication	↘
3. Crisis/Issue Management	3. Internal Communication and Change Management	↗
4. Investor Relations, Financial Communication	4. Sustainability/CSR	↗
5. Public Affairs/Lobbying	5. Crisis/Issue Management	↘

communication is the most important part of communication management in Europe – 62 per cent of practitioners think so. This is followed by corporate communication (59 per cent), crisis/issues management (42 per cent), investor relations/financial communication (40 per cent), followed by public affairs/lobbying, internal communication/change management, sustainability/corporate social responsibility, international communication, and personal coaching and training of communication skills. Projection for 2011 is fundamentally different: corporate communication overtakes marketing communication (which becomes the second most important area of operations), but this is then followed by internal communication/change manage-

Interactive channels relevant for public relations

n= 1,524 PR Professionals from 37 countries; source: www.communicationmonitoreu



Most important issues within the next three years

n= 1,524 PR Professionals from 37 countries; source: www.communicationmonitor.eu



ment, and sustainability/corporate social responsibility. Although the survey was carried out before the start of this year's financial crisis, professional communicators were already predicting a return back to business fundamentals: for internal and external stakeholders, it is more important who companies are than what they do; character is returning into life, ethos comes before logos and phatos.

FROM PRINT TO MOVING IMAGES The study underlines the fact that communication managers throughout Europe are broadening their tool set at a high speed. Face-to-face communication is on the upswing. Managing relationships with online channels and social media gains dramatically in importance, while the traditional way of addressing gatekeepers is reinvented by contacting online journalists more intensively. However, interactive channels are judged in different ways. Wikis, podcasts and especially virtual worlds have less potential than other channels. This might reflect practice disappointment (for example with applications in Second Life) but can also highlight

Evaluation practice in Europe: Items measured or monitored today

n= 1,524 PR Professionals from 37 countries; source: www.communicationmonitor.eu

Outflow (microeconomic effect) Enhancing business goals, reputation, brand value	32.9%
Outcome (effects on stakeholders) Understanding, stakeholder attitudes, behaviour change	38.7%
Output (availability of messages/offerings) Clippings and media response, internet/intranet usage	72.5%
Input (initiation of communication) Process quality (internal workflow), media production costs	27.7%

the fact that many professionals are already using those channels, which delimitates the growth factor. Online videos and social networks are the hottest topics for the coming months. Whereas 25 per cent of the respondents think that online videos are a (very) important channel for public relations today, 66 per cent say that this will be true in 2009. The dawn of the video age will have a major impact on media relations and internal communication, affecting current rules and resources within those fields. Delivering product and image videos to consumers is the most popular measure, although this might just transfer the mechanism of TV spots. Only a minority (41 per cent) realise the potential of enhancing corporate media with moving pictures, for example by producing sustainability reports as online clips, including interviews with those supported by the company.

CONTRIBUTING TO THE BOTTOM LINE

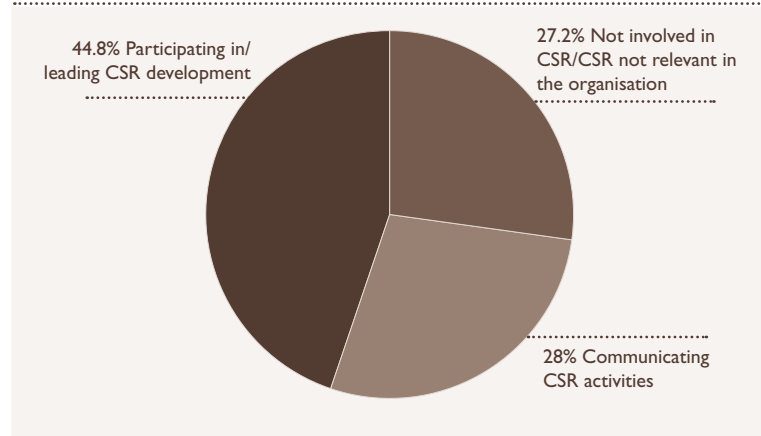
The most important and enduring issue communication professionals face is how to link business strategy and communication. Almost one in two respondents names this as a major challenge. If their superiors and colleagues understood that management is about communication, their lives would be easier, more respected and better remunerated. Likewise, communication professionals need to understand that this applies equally to their own profession. Communication is about management, and this inevitably means it is about controlling, analysing processes and demonstrating the overall value for the corporation. If communication managers in Europe still rely on media monitoring (83 per cent) and internet statistics (62 per cent)

to assess the effectiveness of their activities, one has to question their sophistication and competencies for understanding the business impact of their activities. All other methods of evaluation are less important than the two focused on outputs. Only 33 per cent measure micro-economic effects of their activities and less than 28 per cent have a look at process quality and media production costs. In such a reality, it is hard to expect CEOs and colleagues with a managerial mindset to value communication strategies. The most important undertaking for communication management is to be able to assess behavioural consequences of communication investments. Professionals should be able to report returns on investments in terms of creating operational profit or immaterial capital. Investments in communication are equal to investments in any other business function (R&D, marketing, operations, etc.) and, therefore, compete with them for funds. The study re-

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Responsibility of PR professionals for CSR activities

n= 1,524 PR Professionals from 37 countries; source: www.communicationmonitoreu



veals that it is not necessary to develop new instruments for evaluation. But professionals still have to integrate those available into consistent concepts for managing communication and demonstrating the bottom line.

CSR: IMAGE AND/OR SUBSTANCE? Corporate social responsibility (CSR) is becoming the most important, but ambiguous field of practice: 35 per cent of professionals in Europe consider it important today, while 73 per cent think that it will be important in three years. Yet, reputation management is the key driver for CSR activities in all

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types of organisation. This raises an important question about CSR activities: are they about image, substance or both? There is a real danger that the abundance of CSR programmes produces a cynical backlash for the society at large. Authenticity, sincerity and legitimacy will be crucial. Communication managers need to become critical of the promotional uses of CSR programmes. For example sponsorship is a communication tool and not an ethical activity in itself. The delusion of management that it is being socially responsible if it invests in activities that communicate (for example professional sports such as the Olympics) is self-defeating and has a negative impact.

AGENCIES DON'T UNDERSTAND THEIR CLIENTS

One of the most interesting insights into applied communication practice in Europe reveals a substantial misunderstanding that exists between public relations agencies and their clients; 83 per cent of the consultants think that they are engaged by their clients because of their strategic and/or marketing insight and experience. Their clients think otherwise: only 42 per cent employ agencies for these reasons. The main reason why organisations employ outside resources is still a need for additional arms and legs. This is similar to findings from the US study mentioned above. But while more than 70 per cent of clients in the US employ agencies for strategic insight and experience, the percentage for Europe is nearly half the number.

On the whole, European organisations are much more reluctant to outsource tasks than their counterparts in the US. This result can be interpreted in different ways. It may be an indication of lower sophistication of the communication function in Europe. One can argue that both the demand and supply side of professional communication services are at a less-developed stage. On the other hand, the empirical data can be seen as evidence for an emancipation of communication departments. Clients in Europe are less dependent on agencies than in the US, both in terms of operations and strategies. Institutionalising key competencies and resources is a prerequisite for influencing management decisions in daily business. Both interpretations provide hints about major opportunities for communication managers.

FIVE KEY LEARNING POINTS FOR 2009 We believe that a profession can develop only if its development is based on knowledge of empirical facts: this study presents a basic overview of the situation in the field of corporate communication and public relations in Europe. The most important conclusions are:

EXECUTIVE SUMMARY

Growing importance

- ➔ Communication management plays a major role in European organisations, but its decision making power is weaker in Europe than in the US.
- ➔ Professionals expect that, by 2011, corporate communication will succeed marketing/consumer communication as the most important field of practice.
- ➔ Internal/change communication and sustainability/CSR predicted to be the fastest-growing disciplines within communication management in Europe.
- ➔ Three major challenges ahead: linking communication management to business strategies; sustainable development and social responsibility; digital evolution and the social web.

1. Communication has entered the core of businesses, so communicators are business people. It will not be enough to “like working with people” to enter communication management – as with a managerial profession (such as finance, operations or R&D),

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THE SURVEY

European Communication Monitor:

With 1,524 participating professionals from 37 countries, this is the most comprehensive analysis of the European market that has been undertaken to date. Surveying was conducted in the summer of 2008. The study was organised by EUPRERA (the European Public Relations Education and Research Association), supported by Communication Director Magazine and Cision, an international supplier of services for reputation management.

Type of organisations:

- Communication departments – 67.4%
- Communication consultancies – 32.6%

Geographical and cultural distribution of the respondents:

- Northern Europe (e.g. Norway, United Kingdom, Latvia) – 22.2%
- Western Europe (e.g. Germany, Netherlands, France) – 50.3%
- Southern Europe (e.g. Italy, Slovenia, Croatia) – 15.9%
- Eastern Europe (e.g. Poland, Czech Republic, Bulgaria) – 11%

Age and experience:

- average age is 39.4 years
- 45.3% have more than 10 years of experience in communication management

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The full report is available at:
www.communicationmonitor.eu

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its occupants have to be members of the corporate managerial community, understand its concepts and talk its language.

2. Communication is about social responsibilities of organisations and sustainability is the key. People worldwide are becoming concerned that the way companies are conducting their business is endangering their natural and social environments, that the world in which they were born is changing rapidly and could collapse. Without a steady perspective both on shareholders and stakeholders, there can be no vision and no mission for companies to perform.

3. People are moving online, and so will corporate and marketing communication. As the online world adds interactivity, continuity and moving images to this process, it is taking the primacy. Public relations will rapidly move from offline to online, from print to video, from mass information to one-to-one communication.

4. Building and maintaining trust is the essence of sustainability for any business. If people lose trust in business, business collapses. This has been vividly demonstrated in 2008. If growth is to be restored and sustained, the same applies for trust. Credibility of business people is essential if they want to stay in business.

5. Business will need to become more transparent and treat publics as partners. Governments are already required to be transparent and to treat their citizens as partners. It is now clear that private (including publicly traded) businesses need to do the same and become similarly transparent and treat their publics and markets as their partners. By stimulating these relationships, communication management will be able to help gain competitive advantage in the Europe of tomorrow. |

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