

Do PR practitioners have more power than ad agencies? (Part I)

 By [Peter Mann](#)

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The other day I was asked whether PR practitioners now have more power than ad agency bosses. Brian Berkman who was writing for *Advantage* magazine kindly told me I could disagree if I wished (I do) and he gave me 200 words in which to do so.

He re-sparked a very old debate. The two hoary annuals in the PR industry are "which is better, PR or advertising?"; and "the relationship between PR people and journalists" - or as I used to put it when I was still a journalist: "why do journalists hate PR people?"

Two things are still true: 1.) journalists don't like PR people and 2.) ad agency bosses are infinitely more powerful than we are. The second might probably not change in your lifetime or mine. Why? Well, just have a look at the vested interests.

Tony Koenderman's 2012 AdReview lists the "Major League" of the top 10 marketing and advertising groups ranked by staff at year-end 2011. One of the figures he lists is revenue. Some of the figures are estimates, e.g. R500m+ for Ogilvy as the US's Sarbanes-Oxley Act prevents it from disclosing actual figures.

However, he estimates that the top 10 SA agencies had revenues well over R2.3billion in 2011. They employed 3 250 people.

PR figures

Buried in the back of the same book is a table of South African public relations consultancies ranked by total employment at the end of 2011. He lists 17 of us, not 10, and we produce the following figures: revenues of about R258million and 436 people employed.

So, fewer ad agencies have nine times our revenue and employ 7.5 times more people.

Add to this that the extent of advertising and the vested interests off which they live are far more than what the agencies bill on their own.

The MediaShop measured total adspend for 2011 at more than R32bn - an 11% increase over the same period in 2010 - and adspend for 2012 is predicted to grow another whopping amount to R33.8bn.

I know those figures are overstated. In fact Karen Dyke, boss of Marketing, Media Intelligence and Strategy for Ads24, says: "The AdEx value is vastly inflated - it differs by medium but you can very safely discount by at least 12% to start with to get rid of agency commission."

But even if, as Karen advises, you discount that figure, it is sorely evident that everybody is making money out of advertising - except us of course!

There is a veritable host of media owners. Target Media, part of Newsclip, which monitors South African media says it watches 2 978 print titles in South Africa; 187 radio stations; 101 TV stations, including 89 national pay TV stations; and 569 online "titles" including 484 URLs and 85 blogs and web logs.

And this leaves out all the Out of Home or outdoor companies (Adspend of over R1.36 billion in 2011), cinema advertising (another R597m+) and direct mail (R70m). It also leaves out all of the point of sale material we see in shops.

All of this is living off that R32bn in adspend and more - because these figures leave out so-called "self promotion" - the media owners advertising themselves.

Putting adspend into context

Put that adspend into context. It's slightly less than South Africa's R41.6bn defence budget. Thankfully it's much less - and probably better spent - than our education budget (R207.3bn) and our national health budget (R121.9bn).

It's much more than the administration of justice including the National Prosecuting authority (R16.4bn) and prisons (R18.7bn). It's more than what is spent on all of South Africa's universities (R28.1bn). It's three times the cost of water affairs (R9.7bn), and almost twice the amount spent by the national Department of Health on hospitals, tertiary health services and human resource development (R18bn). It's more than what we spend on human settlements (28.2bn) and it's 21 times what we spend on tourism (R1.5bn). One could go on and on.

Compared to this adspend, PR is but a pimple on the behind of the marketing industry.

Do we have more power than the ad agency bosses? Well, the answer may be a definite maybe - as I will explain in the next part of this missive.

For more:

- [Why PR practitioners may have more power than ad agencies \(Part II\)](#)

ABOUT PETER MANN

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