The Rising CCO V:

Chief Communications Officers' Perspectives on a Changing Media Environment

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Why we did it

Without a doubt, the media environment is vastly different today than it was years ago. Media consolidations, the proliferation of digital technologies, declining numbers of full-time journalists and the rise of citizen journalists are a sample of how vastly the media landscape has changed in a brief timeframe and continues to evolve.

How are the world's top communications professionals adapting to and managing in this rapidly-changing environment? Spencer Stuart and Weber Shandwick decided to explore the issues in the fifth installment of "The Rising CCO," an ongoing survey of global chief communications officers (CCOs). Debuting in 2007, the study explores the expectations, challenges and changing responsibilities of the CCO.

This year, we investigated the changes in communications that CCOs have already experienced and how they expect their responsibilities to evolve over time in an increasingly digitalised and media-fragmented world. We also explored how CCOs perceive the effectiveness of both traditional and social media and how they use each to manage their most critical activities.

We are delighted to share these findings with communications leaders worldwide.

How we did it

203 corporate communications professionals sampled globally:

- 99 North America
- 52 Europe
- 31 Asia Pacific (APAC)*
- 21 Latin America (LatAm)*

*Please note that due to small sample sizes in APAC and LatAm, findings should be regarded as directional, not quantitative.

Interviewing conducted online January 9 – March 7, 2014

The CCO Profile

Nearly six in 10 of the most senior communications professionals report to the top.

Most senior communications professionals report to… (multiple responses permitted)	Global CCOs	Region			
		North America	Europe*	APAC*	LatAm*
	%	%	%	%	%
CEO/Chair/Vice Chair/Board Member	57	54	44	60	86
Chief Human Resources Officer	16	22	11	0	0
Chief Marketing Officer	15	15	33	0	0
Head of Corporate Affairs/Head of PR/Chief Communications Officer	4	2	11	0	14
President/Business Unit Head	3	0	11	20	0
Chief Legal Officer	3	4	0	0	0
Chief Financial Officer	3	4	0	0	0
Other	9	9	11	20	0

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

The percentage of most senior communications professionals reporting to the top increased over the past two years.

The average tenure for the most senior communications professionals is just over six years.

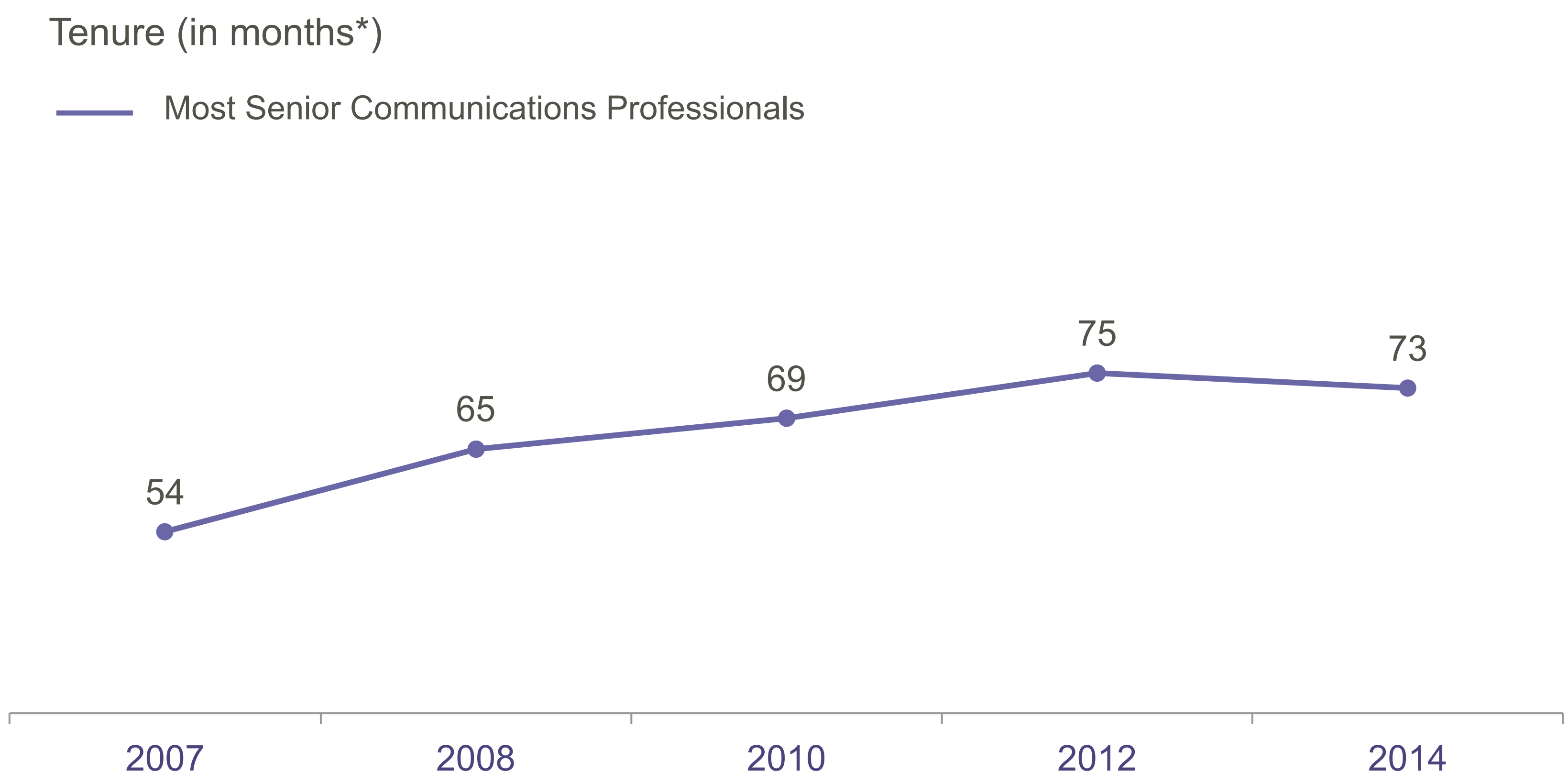
European CCOs have been in their positions the longest.

Tenure among most senior communications professionals	Region				
	Global CCOs	North America	Europe*	APAC*	LatAm*
Average time in current position	73 months (6 years, 1 month)	74 months (6 years, 2 months)	96 months (8 years)	55 months (4 years, 7 months)	56 months (4 years, 8 months)

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

We historically reported CCO tenure in months to track with Spencer Stuart's CMO tenure tracking which was reported in months.

The average tenure of the most senior CCOs plateaued after having risen between 2007 and 2012.

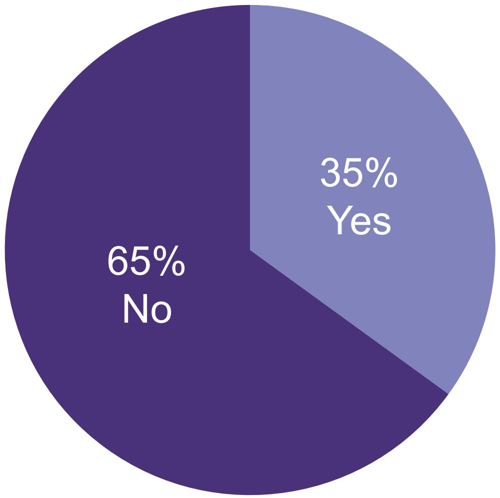


*We historically reported CCO tenure in months to track with Spencer Stuart's CMO tenure tracking which was reported in months.

More than one-third of global CCOs oversee marketing.

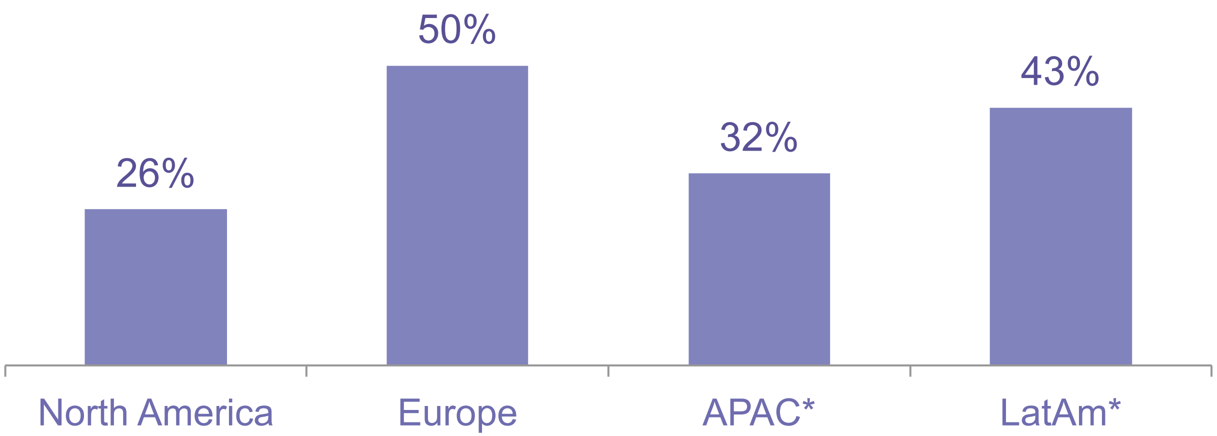
European and LatAm CCOs are more likely than CCOs from other regions to have marketing responsibilities. North American CCOs are the least likely to oversee marketing.

% GLOBAL CCOs WITH MARKETING OVERSIGHT



% CCOs WITH MARKETING OVERSIGHT

By Region



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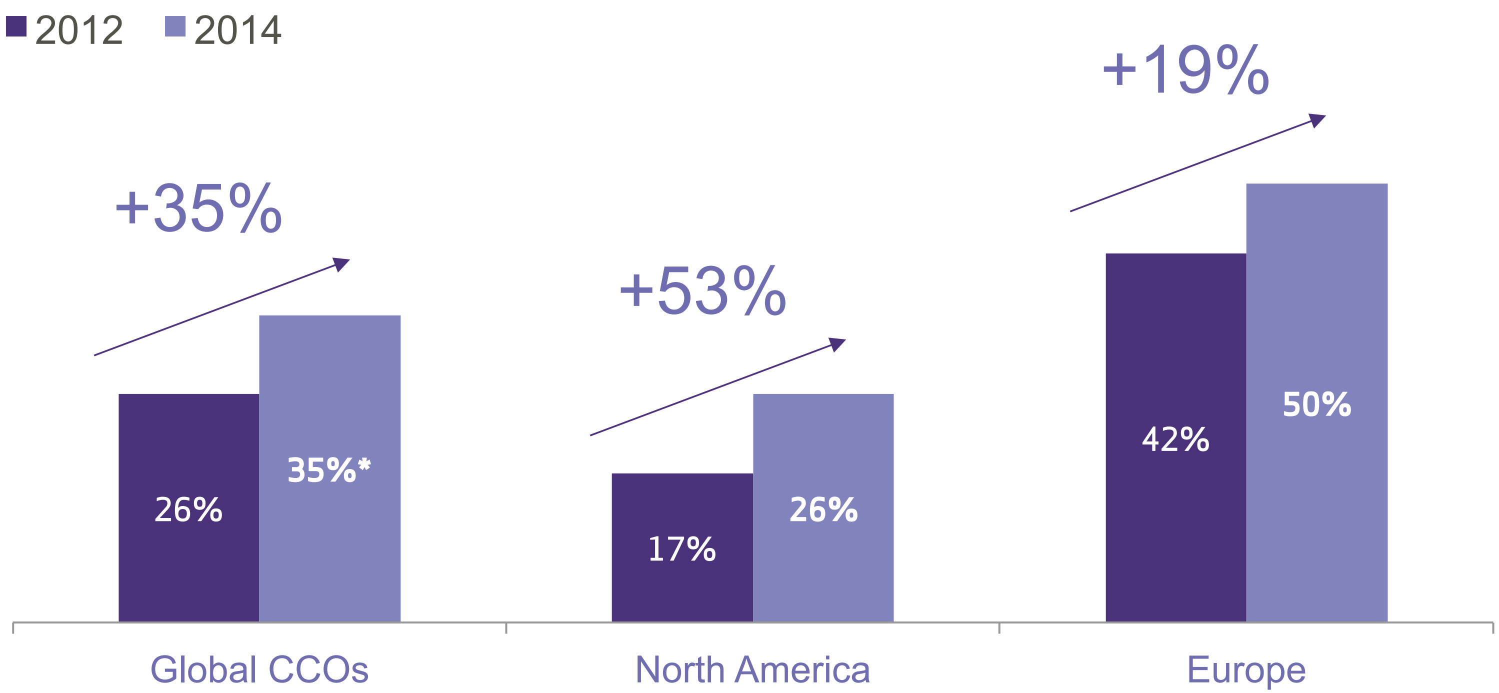
The rate of global CCOs who oversee marketing increased by 35% between 2012 and 2014.

The percentage of North American CCOs with marketing responsibilities increased by 53%. Half of European CCOs reported this year that they have marketing oversight.

% CCOs WITH MARKETING OVERSIGHT



* Denotes significant change over previous year

APAC and LatAm sample sizes too small to show change.

The rise in CCOs with marketing responsibilities is driven by B2C CCOs.

The percentage of CCOs with marketing oversight who work at B2C companies increased from 27% to 36% over the past two years.

CCOs with marketing oversight were more likely to report to the top in 2014 than in 2012 (59% vs. 47%, respectively).

	CCOs with marketing oversight (2012)	CCOs with marketing oversight (2014)
	%	%
Company Customer		
B2B	37	34
B2C	27	36
Combo	27	21
Reports to CEO/Chair/Vice Chair (among most senior CCOs)	47	59

The indivisibility of corporate and brand reputation today is likely driving increased marketing and communications convergence.

A majority of CCOs from every region agree that corporate and brand reputation are inextricably linked today. Likely quite closely associated with this coupling is a reported rise in the prominence of PR as a marketing mix component.

% Agree with statement (rated 4 or 5 on 5-point scale)	Global CCOs	Region: North America	Europe	APAC*	LatAm*
	%	%	%	%	%
Corporate reputation and brand reputation are indivisible today.	84	83	77	90	95
Public relations has risen in status in the marketing mix over the past few years.	62	57	65	58	86

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

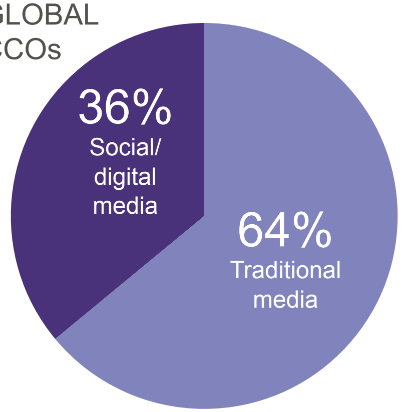
Integration of traditional and social media

Traditional media reigns. Approximately two-thirds of a company's external communications are focused on traditional.

Compared to CCOs from other regions, those from APAC report a greater focus of external communications on social and digital media.

% EXTERNAL COMMUNICATIONS FOCUSES ON TRADITIONAL VS. SOCIAL/DIGITAL MEDIA

GLOBAL CCOs



	Region			
	North America	Europe	APAC*	LatAm*
	%	%	%	%
Traditional media	64	66	55	72
Social/Digital media	36	34	43	28

"Changes are going rapidly but media continue to have more audiences than social media. We have to be prepared about what is coming but without forgetting what is working."
– European CCO

"Social media will gain even more importance and we will need to respond to new generations' needs and habits."
– European CCO

"Even though social media has been diffused and progressed dramatically, I think traditional media will maintain its influence."
– APAC CCO

"I think we'll see more and more the transition from traditional journalism to the use of social networks and informal information, with an increasing involvement of citizens as active agents of information."
– European CCO

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

According to global CCOs, traditional media placements are just as important or more important to senior leadership today as they were three years ago.

A large majority (85%) of global CCOs report that traditional media is more important (12%) or just as important (73%) to their senior leadership as it was three years ago.

European CCOs are more likely than those from other regions to say that traditional media placements and stories are less important to senior leadership today compared to three years ago.

Compared to three years ago, traditional media placements and stories are…to senior leadership	Region				
	Global CCOs	North America	Europe	APAC*	LatAm*
	%	%	%	%	%
More important	12	11	15	10	14
Just as important	73	77	63	81	71
Less important	14	12	21	10	14

> "News supply and demand will remain more or less the same regardless of emerging new tools like social media."
> – APAC CCO

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

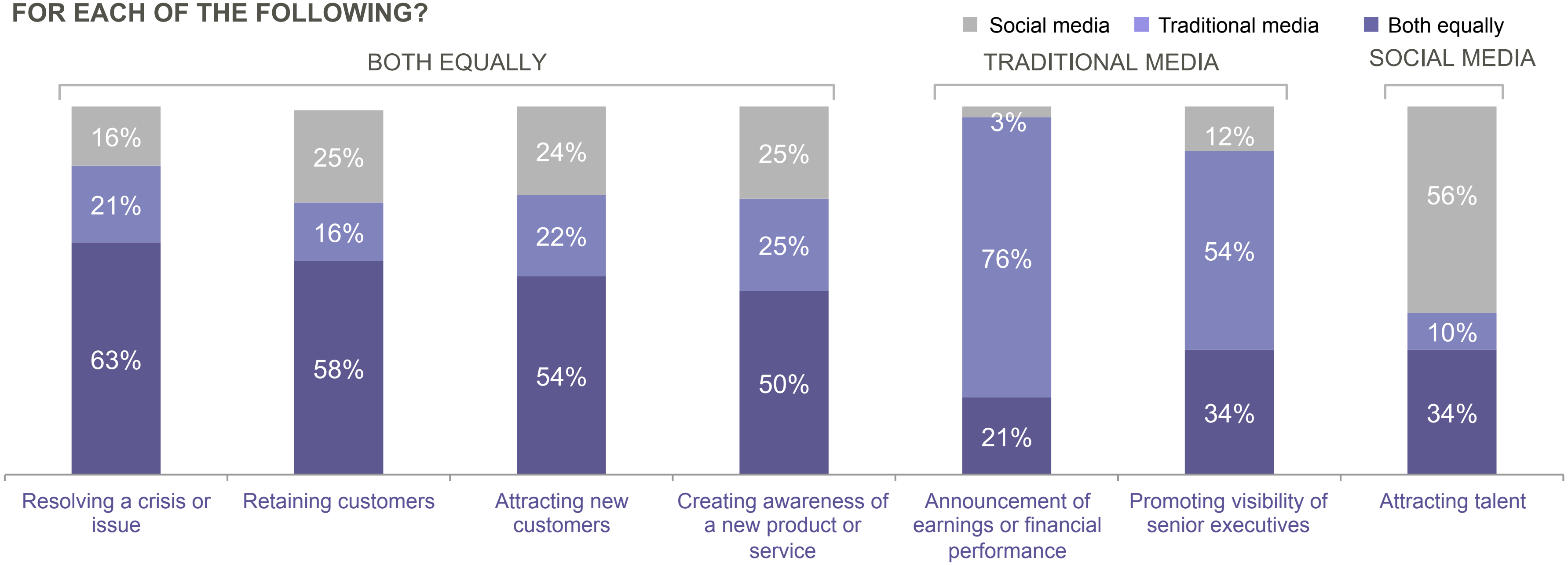
Global CCOs use traditional and social for different purposes, and see effectiveness in integrating both for some activities. Strategically understanding when to use each should be top priority for CCOs.

CCOs say that social and traditional media are equally effective for resolving a crisis or issue, creating awareness of a new product or service, and attracting and retaining customers.

Traditional media is considered more effective than social media for promoting the visibility of senior executives and announcing earnings or financial performance.

Social media is considered more effective than traditional media for attracting new talent.

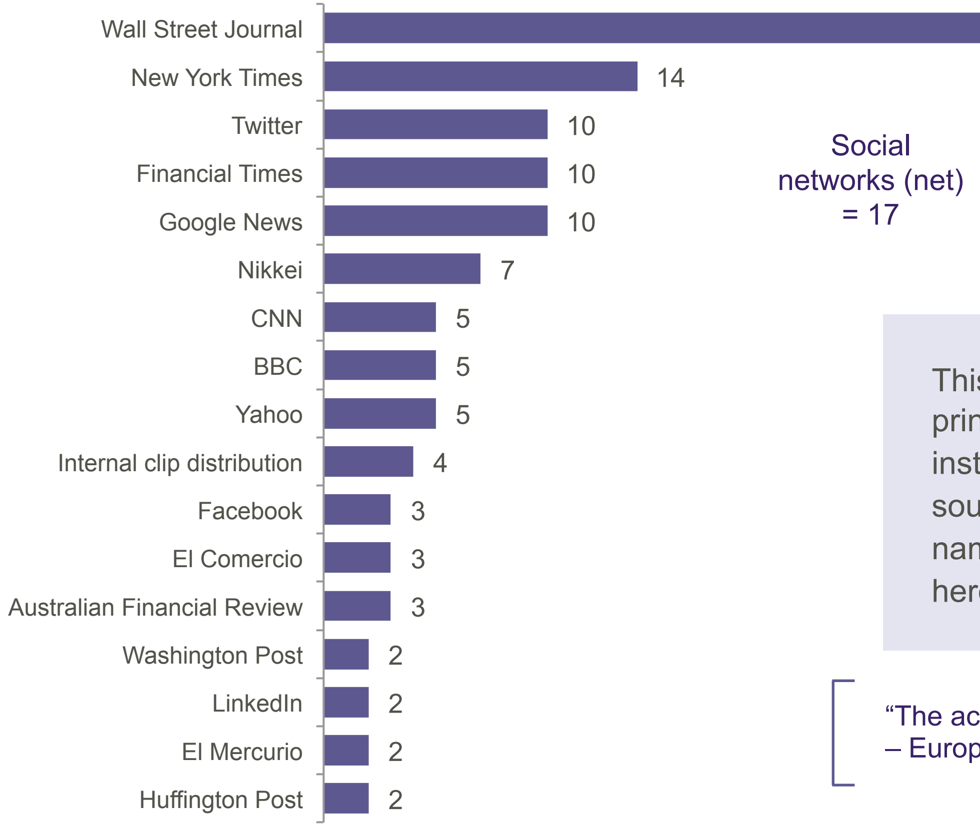
WHICH IS THE MORE EFFECTIVE CHANNEL FOR EACH OF THE FOLLOWING?



Even CCOs' own news preferences reflect an integrated model.

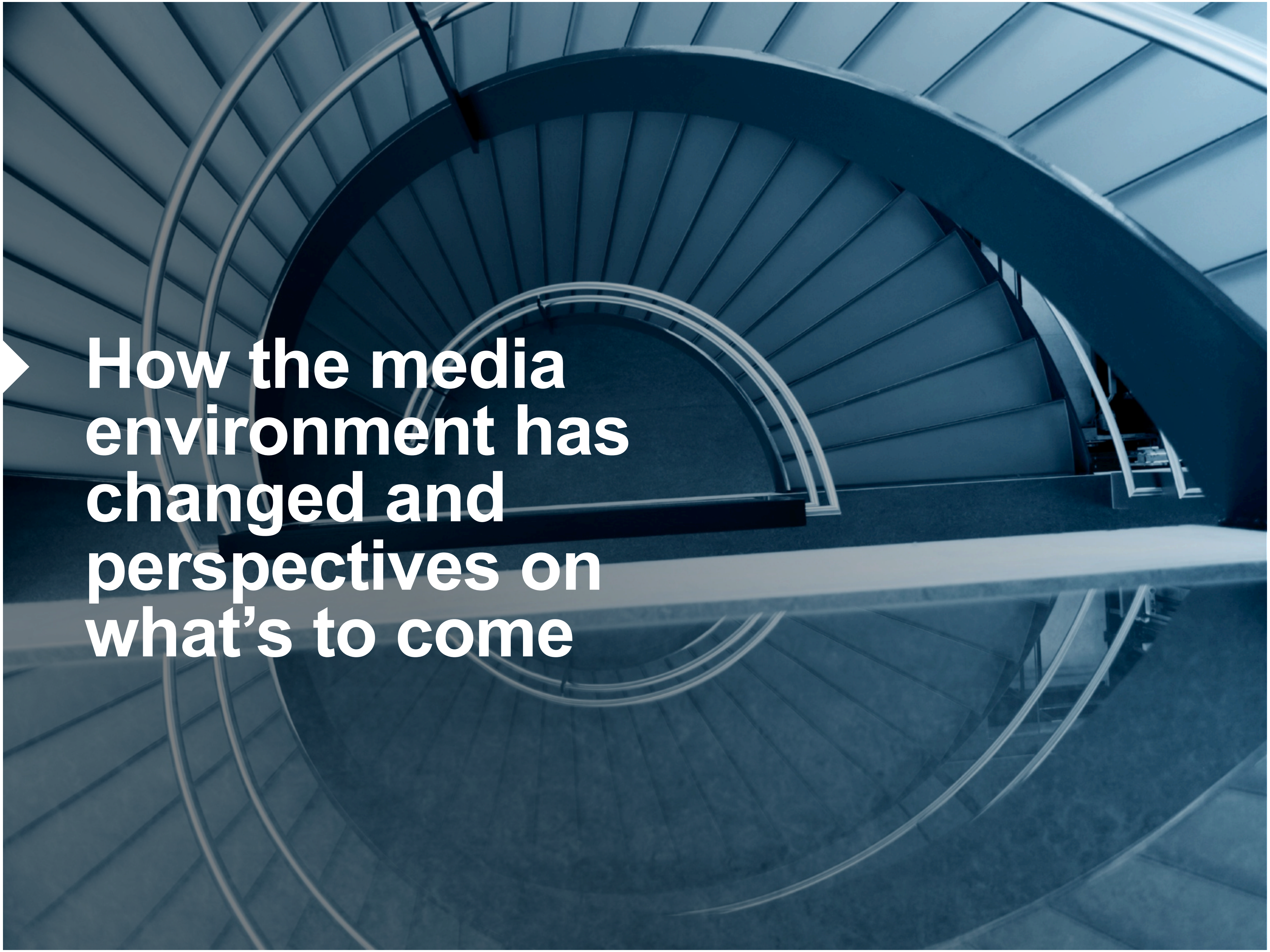
The Wall Street Journal is by far the top "must read" news source of CCOs. Social networks, combined, rank a distant second, but slightly surpass *The New York Times*.

TOP DAILY "MUST READ" NEWS SOURCES FOR GLOBAL CCOs (OPEN-ENDED RESPONSE)



This chart is inclusive of both online and print sources. This chart shows # of CCOs instead of % because the list of news sources was so fragmented; sources named by only one CCO – not reported here – made up the bulk of the list.

"The access to instant information is becoming addictive."
– European CCO



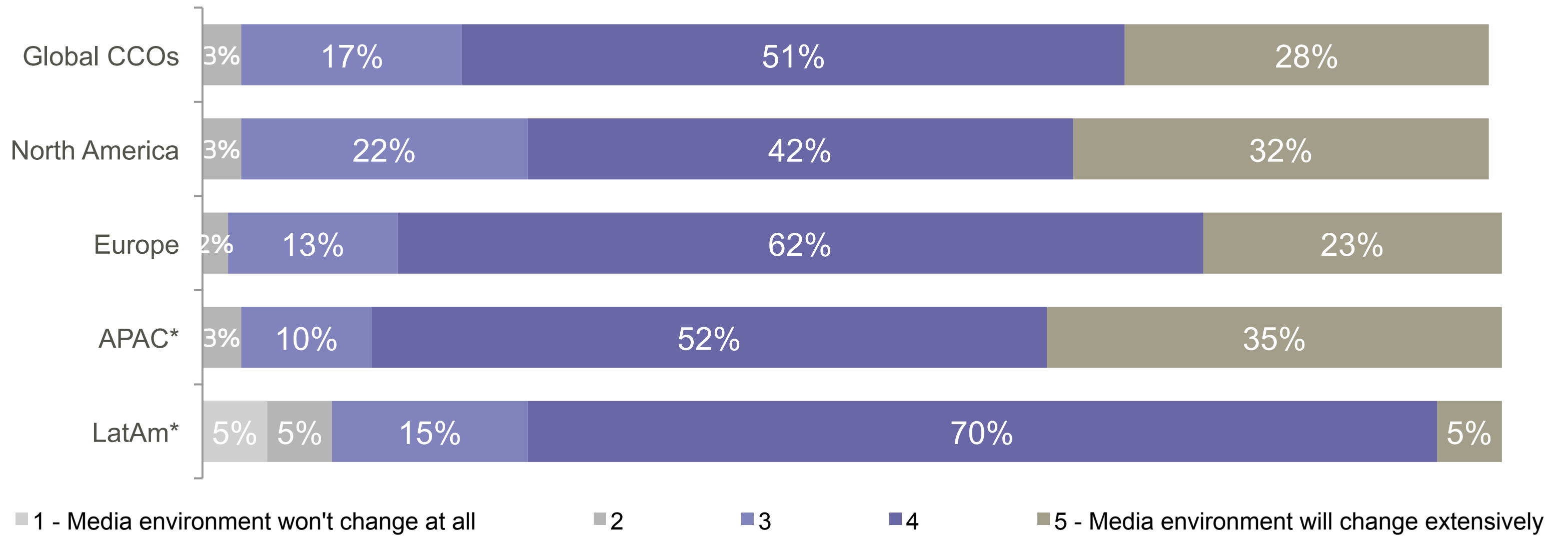
How the media environment has changed and perspectives on what's to come

Global CCOs anticipate great media environment changes ahead.

Slightly more than one-quarter of global CCOs (28%) expect the media environment to change extensively over the next few years. Another 51% are moderately bullish.

CCOs in North America and APAC are more likely than those from other regions to expect extensive changes in the media environment over the next few years.

ON A SCALE OF 1-5, WHERE 5 MEANS IT WILL CHANGE EXTENSIVELY AND 1 MEANS IT WON'T CHANGE AT ALL, TO WHAT EXTENT DO YOU BELIEVE THE MEDIA ENVIRONMENT WILL CHANGE OVER THE NEXT FEW YEARS?



"We have recently experienced a phase of very significant change. I don't expect that velocity to be matched in the next few years."
– North American CCO

"We see something new every day…and new ways to use technology. Our experience over the past give years has taught us that the next give will be just as 'exciting.'"
– North American CCO

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

CCOs attribute media environment changes to a variety of factors.

We asked CCOs to describe, in their own words, why they think the media environment will or won't change. Below are some themes that emerged from the responses (in order of prevalence) and illustrative quotes from survey respondents:

1. **Technological advancements**: "Look back at how we communicated five years ago and how we do now. Technology is advancing, is cheaper and everybody has access." – European CCO

2. **Social media:** "Social media will have a more relevant role in corporate communications. They will change the relationship between companies and groups of interest." – European CCO

3. **Development of media platforms:** "The more things change the more they stay the same. Planning, execution, truth, speed and relationships all still matter and will in the future. What will change are platforms." – North American CCO

4. **Decline of traditional media:** "Traditional print publications disappear or grow thinner daily. Fewer reporters on each beat and often covering multiple beats. Respect for blogs and online news outlets, or the online news channels of existing media outlets is growing." – North American CCO

5. **Customer demand/change in ways customers receive information:** "Technology is changing the way all things are working and I think the next focus will be how corporations communicate with the general population." – APAC CCO

6. **Rise of the citizen reporter/democratisation of information:** "Role of 'citizen journalists' and bloggers is growing, and their rules are fundamentally different from traditional journalists. And a single individual can create a tremendous amount of buzz – positive or especially negative." – North American CCO

7. **Corporate needs:** "Companies are still trying to determine the best ways to leverage new and emerging communications channels. It will take time to adapt to these changes and to evaluate new channels that are not yet commercialised." – North American CCO

8. **Financial:** "Further decline in quality journalism with traditional media under organisational/financial pressure." – APAC CCO

Nearly nine in 10 CCOs believe recent changes in the media environment have had a significant impact on communications strategies.

The vast majority (86%) of global CCOs agree that communications strategies have been significantly affected by the changes in the media environment of the past few years, and this sentiment is felt across our survey regions.

	Region				
	Global CCOs	North America	Europe	APAC*	LatAm*
% Agree with statement (rated 4 or 5 on 5-point scale)	%	%	%	%	%
The changes in the media environment in the past few years have had a significant impact on communications strategies.	86	87	85	81	95

"Planning, execution, truth, speed and relationships all still matter and will in the future."
– North American CCO

"The standard media environment today is one of change and instant response – so we feel we are well prepared for new demands that are undoubtedly coming down the pike."
– North American CCO

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

Global CCOs are evenly divided over whether corporate communications has successfully kept pace with the changing media environment so far.

Four in 10 CCOs believe that corporate communications has kept up with the evolving media environment and the exact same number believe it hasn't. Clearly, this is a point of contention for the leaders of the discipline.

Nearly one in five CCOs (18%) aren't sure whether corporate communications has kept pace with changes in media. With roughly three times as many non-North American CCOs being indecisive on this issue, it is possible that a changing media environment is less of a concern in other regions.

"The field of corporate communications has successfully kept pace with the changes in the media environment."	**Region**				
	Global CCOs	**North America**	**Europe**	**APAC***	**LatAm***
	%	%	%	%	%
Yes	41	44	37	42	33
No	41	46	38	35	33
Not sure	18	9	25	23	33

"Traditional media in Latin America, my region, is not in the middle of a survival crisis as in the U.S. But, I do believe we are in a period of change with online and social media not just because it is today easier and cheaper to create your own media, but for the amplification Twitter can create, especially on issues and crisis management."
– LatAm CCO

"Companies are still trying to determine the best ways to leverage new and emerging communications channels. It will take time to adapt to these changes and to evaluate new channels that are not yet commercialised."
– North American CCO

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

Global CCOs say their companies are doing an average of five more activities today compared to a few years ago, with employee communications and social media topping the list.

The activities that CCOs are most likely to say their companies are doing more of today compared to a few years ago are strengthening employee communications (78%) and hiring digital or social media experts (73%).

APAC CCOs are more likely to be developing relationships with journalists and thought leaders than hiring digital or social media experts. According to global CCOs, companies are doing more of an average of nearly five of these activities.

Compared to past few years, company is doing more of…		Region			
	Global CCOs	North America	Europe	APAC*	LatAm*
	%	%	%	%	%
Strengthening employee communications	78 (#1)	85 (#1)	69 (#2)	77 (#1)	71 (#2)
Hiring digital or social media experts	73 (#2)	77 (#2)	75 (#1)	55	76 (#1)
Developing relationships with influential bloggers and Tweeters	55 (#3)	53	63 (#3)	52	52
Developing relationships with journalists	54	56 (#3)	48	58 (#3)	57
Developing relationships with regulators or government representatives	51	54	48	42	62 (#3)
Developing relationships with thought leaders	46	44	42	61 (#2)	38
Developing relationships with NGOs or non-profits	41	42	38	42	38
Hiring big data analysts	25	24	33	19	14
Developing relationships with academics	25	21	25	35	24
Hiring journalists as company employees	17	16	12	19	29
Developing relationships with conference organisers	12	12	8	19	14
None of the above	1	3	0	0	0
Average # activities companies are doing more of	4.8	4.8	4.6	4.8	4.8

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

The trend of companies creating and publishing their own content is one way the media environment is impacting corporate communications.

Nearly six in 10 (58%) global CCOs report that they are currently creating and publishing their own content and an additional 18% say they are in the process of preparing to become original content publishers. This trend will only instigate further changes in the media environment

	Region				
	Global CCOs	North America	Europe	APAC*	LatAm*
Company is currently…	%	%	%	%	%
Creating and publishing own content	58	69	56	52	24
In the process of preparing to become original content publisher	18	12	10	39	33
Considering becoming an original content publisher as a future initiative	14	11	21	6	24
None of the above	10	8	13	3	19

"Communication environment has developed enough for companies, so they are now ready to step out utilising their owned media."
– APAC CCO

"Content gains importance as SEO and search change but sales interactions become less important as people turn to search first."
– North American CCO

"Brand journalism, content marketing and consumer acceptance of getting messages from companies will disempower traditional media and give rise to more controlled media, owned media, corporate media and 'consumer as reporter.'"
– North American CCO

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

Global CCOs expect many functions to increase in importance as communications tools over the next few years, with social media leading the way.

The prominence of mobile and video tools will both power original content distribution and create demand for it.

Will increase in importance over next few years as a communications tool…	Global CCOs	Region: North America	Region: Europe	Region: APAC*	Region: LatAm*
	%	%	%	%	%
Social media	91 (#1)	92 (#1)	90 (#1)	83 (#1)	95 (#1)
Mobile	73 (#2)	79 (#2)	78 (#2)	63 (#3)	43
Video production, YouTube or other video channel	69 (#3)	75 (#3)	76 (#3)	43	62 (#3)
Digital community management	63	61	65	57	81 (#2)
Company website	55	58	45	67 (#2)	52
Earned media	40	49	31	47	10
Owned media	37	38	37	40	29
Big data	37	38	37	47	14
Sponsored content/native advertising	29	37	31	10	10
Paid media	16	21	12	13	10
Other	3	4	2	3	0

"Utilising mobile properly is where development will surge."
– European CCO

* Denotes small sample size. Findings should be regarded as directional, not quantitative.

Social media is expected to have the greatest impact on the CCO's job in the next few years.

Nearly half (49%) of CCOs cite social media as a factor with the most impact on their jobs in the near future - either because of its expanding reach or its power in the hands of advocates and detractors. LatAm CCOs are the most likely to expect their jobs to be affected by the use of social media by critics and detractors.

Will have the single greatest impact on CCO job over the next few years…	Region				
	Global CCOs	North America	Europe	APAC*	LatAm*
	%	%	%	%	%
Rapidly expanding reach of social media	30 (#1)	30 (#1)	31 (#1)	32 (#1)	24 (#2)
Use of social media by critics and detractors	19 (#2)	19 (#2)	12 (#3)	6	52 (#1)
Increased use of mobile tools	15 (#3)	14 (#3)	25 (#2)	6	10 (#3)
Greater consolidation of marketing and public relations	11	10	4	26 (#2)	10 (#3)
More companies turning their websites into media hubs/branded journalism	11	12	8	19 (#3)	0
Declining number of traditional media outlets	6	5	12 (#3)	6	0
Cyber attacks/data breaches	5	6	6	3	0
Other	1	1	2	0	5
None of the above	1	2	2	0	0

"The challenge is being able to adapt to the use of the new tools in a rapid manner."
– LatAm CCO

* Denotes small sample size. Findings should be regarded as directional, not quantitative.


Thank You

About Spencer Stuart

Privately held since 1956, Spencer Stuart helped establish the senior-level executive recruiting industry.

Today, with 55 offices in 30 countries, we are one of the world's leading executive search consulting firms.

We help select clients, ranging from major multinationals to emerging companies and nonprofit organisations across industries and geographies, address their leadership requirements.

As the market leader, we perform well over half of all director assignments handled by executive search firms.

The largest percentage of our annual 4,000 assignments focus on CEOs, presidents, COOs and other senior management roles.

More than 300 consultants possess a unique blend of professional search experience and in-depth industry expertise.

We are organised in industry and functional practices and work in teams, often across international boundaries, that maximise sector specialisation and knowledge.

About Weber Shandwick

Weber Shandwick is a leading global public relations firm with offices in 81 countries. The firm's diverse team of thinkers, strategists, analysts, producers, designers, developers and campaign activators has won the most prestigious awards in the world for innovative, creative approaches and impactful work, including being honoured as a 2014 *Ad Age* A-List Agency and winning four 2013 Cannes Lions. Weber Shandwick was also named *PRWeek's* International Consultancy of the Year and *The Holmes Report's* Best Healthcare Consultancy in the World in 2013, in addition to earning numerous best place to work accolades.

The firm deploys deep expertise across sectors and specialty areas, including consumer marketing, corporate reputation, healthcare, technology, public affairs, financial services, corporate social responsibility, financial communications and crisis management, using proprietary social, digital and analytics methodologies.

Weber Shandwick is part of the Interpublic Group (NYSE: IPG). For more information, visit http://www.webershandwick.com

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