

SA PR needs to lose cottage industry perception

 By Angelo Coppola: @angelo2711 14 Jan 2011

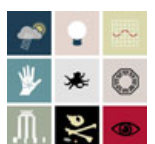
The public relations sector in South Africa is going to be an exciting environment in 2011.

1. The "techies", geeks and online players will have almost completed their **takeover** and domination of the local PR sector when it comes to social media client management and, despite a few outliers, the trend will continue.



2. The **growth in online reputation management (ORM) specialists** will continue until traditional PR agencies get to grips with the various social media platforms and how to position their clients in that space.
3. There will be **consolidation** in the traditional PR space as those agencies - struggling to justify their huge monthly fees - get forced to meet their equally huge overhead structures by reducing staff and cutting other costs.
4. Clients will continue to apply pressure to provide a **full-service offering for reduced monthly fees**. Clients will also start pushing to interact with the pitch team that originally won the business. The 'juniorisation' of the interaction between client and agency will be reversed.
5. Long-term contracts that were signed at the height of the latest recession, in a defensive move by agencies to hold on to business, are coming to an end and there will be numerous **large account moves**.
6. Clients will continue to look for **real value-added services** from PR agencies.
7. **Measurement of actual value** provided in PR terms will move away from the traditional AVE approach, to a triple- a quadruple-bottom-line approach, much like what their clients are being forced to measure themselves against, in terms of the various King Codes.
8. **BEE will continue to be a non-starter** in the PR space as skilled black PR professionals will be poached by clients and brought in-house to bolster their senior management BEE profiles.
9. Automatic annual fee increases remain a thing of the past. Clients will be more inclined to introduce a **hybrid fee structure**, partially based on a base retainer and topped-up with an incentive programme, measurable by coverage non-coverage received.
10. The **SME portion of the market will continue to grow** and will be bolstered by new entrants as the economy begins to show signs of growth again.
11. Students in PR will continue to **struggle to find internships** as SMEs still don't understand the dti guidelines and access to internship grants.

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