

Signs of recovery for in-house communications teams in latest PRCA Barometer

Submitted by: Public Relations Consultants Association

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London, 3rd August – Communications teams have seen their budgets increase for the first time this year, reveals the latest PRCA quarterly Barometer for the second quarter of 2012.

The results suggest that communications teams are starting to show signs of substantive recovery. Since its launch in 2011, the PRCA Barometer has only reported a reduction in budgets. Early economic data from the Office for National Statistics (ONS) suggests the UK economy shrank 0.7%, which makes the net 9% increase in budgets more impressive.

There was further good news for consultancies, as the reported net 9% increase in consultancy spend corroborated the Q2 Consultancy Barometer result that also pointed to increased client budgets.

Communications directors are becoming increasingly optimistic for their organisation (net 10% more optimistic) and for the PR and communications industry (net 10% more optimistic). They are also expecting to hire more staff (net 11% increase) and use more consultancies (net 2% increase).

Francis Ingham, PRCA Chief Executive, said: "These results are nothing short of remarkable in the current economic climate. However, we should not be completely surprised as the Consultancy Barometer pointed to an increase in budgets in the build up to the Olympics.

"The real test is still to come to see if budgets are maintained after the Olympics, and we must hope this isn't a one-off as the wider economy continues to falter".

Results

FOR THE PERIOD 1 APRIL TO 30 JUNE WHAT HAS HAPPENED TO YOUR PR/COMMUNICATIONS BUDGET?

Increased significantly	8%
Increased marginally	19%
Stayed the same	55%
Decreased marginally	15%
Decreased Significantly	3%

FOR THE PERIOD 1 APRIL TO 30 JUNE WHAT HAS HAPPENED TO YOUR PR/COMMUNICATIONS CONSULTANCY SPEND?

Increased significantly	8%
Increased marginally	18%
Stayed the same	57%
Decreased marginally	12%
Decreased significantly	5%

HAS THE LAST QUARTER MADE YOU FEEL MORE OR LESS OPTIMISTIC FOR YOUR BUSINESS?

More optimistic	30%
The same	50%
Less optimistic	20%

HAS THE LAST QUARTER MADE YOU FEEL MORE OR LESS OPTIMISTIC FOR THE PR/COMMUNICATIONS INDUSTRY?

More optimistic	25%
The same	52%
Less optimistic	23%

HOW DO YOU THINK THE GENERAL ECONOMIC CONDITION OF THE WIDER ECONOMY WILL CHANGE OVER THE NEXT QUARTER?

Improve	28%
Stay the same	40%
Get worse	32%
Don't know	0%

WHAT WILL HAPPEN TO STAFF NUMBERS IN THE NEXT QUARTER?

Staff numbers will increase	18%
Staff numbers will stay the same	75%
Staff numbers will decrease	7%

IN THE NEXT QUARTER WHAT WILL HAPPEN TO THE USE OF CONSULTANCIES RELATIVE TO THE PREVIOUS QUARTER?

Increase	20%
Decrease	18%
Stay the same	62%

IN THE NEXT QUARTER WHAT WILL HAPPEN TO THE USE OF FREELANCERS RELATIVE TO THE PREVIOUS QUARTER?

Increase	27%
Decrease	10%
Stay the same	63%

WHAT IS THE BIGGEST CHALLENGE YOU EXPECT TO HAVE OVER THE NEXT 12 MONTHS?

Reduced budgets	18%
Shortage of skilled staff	19%
Increased costs	8%
Increased scope of team's responsibility	26%
Organisation's buy into PR and Comms	6%
Social Media Management	18%
Regulatory Environment	5%

QuestionQ2
2012.....Q1 2012.....Q4 2011

What has happened to your Comms budget	9	.....	-26
.....	-33		
What has happened to your Consultancy spend.....	9	.....	-31
.....	-44		
Last quarter more or less optimistic for organisation.....	10	.....	-2
.....	-33		
Last quarter more or less optimistic for industry.....	2	.....	-5
.....	-22		
General Economic conditions over next 12 months	-4	.....	-20
.....	-44		
Staff numbers	11		
.....	0	.....	0
Use of consultancies in next quarter	2	.....
-27	-33		
Use of freelancers in next quarter	17	.....
4	11		
Biggest Challenge	Increased Resp 26%	Increased resp 53%
Increased responsibility 54%			

- ENDS -

Notes to editors

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About the PRCA

Who we are: Founded in 1969, the PRCA is the professional body that represents UK PR consultancies, in-house communications teams, PR freelancers and individuals. The PRCA promotes all aspects of public relations and internal communications work, helping teams and individuals maximise the value they deliver to clients and organisations.

What we do: The Association exists to raise standards in PR and communications, providing members with industry data, facilitating the sharing of communications best practice and creating networking

opportunities.

How we do it and make a difference: All PRCA members are bound by a professional charter and codes of conduct, and benefit from exceptional training. The Association also works for the greater benefit of the industry, sharing best practice and lobbying on the industry's behalf e.g. fighting the NLA's digital licence.

Who we represent: The PRCA represents many of the major consultancies in the UK, and currently has more than 250 agency members from around the world, including the majority of the top 100 UK consultancies. We also represent over 70 in-house communications teams from multinationals, UK charities and leading UK public sector organisations.