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The Swedish PR Consulting Industry -
Development, Structure, and
Professionalism

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Abstract

There has been a rapid expansion of the PR and information industry during the last few years. An expansion like this might lead to structural changes in an industry. The aim of this thesis is to describe a part of this industry, namely the Swedish PR consulting industry, in terms of its development, structure and professionalism. Web sites of the consultancies in the industry has been analyzed. Furthermore, interviews have been conducted with three leading individuals in the industry. Structural changes can be seen since there is a trend towards further specialization among the consultancies. Some of the most common criteria for an industry to be characterized by professionalism are not achieved, but the industry is characterized by an aim towards increased professionalism.

Key words: Public Relations, PR, the Swedish PR consulting industry, structure, professionalism, specialization

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Contents

1	Introduction	1
1.1	The Increased Importance of Communication	1
1.2	Problem Definition	2
1.3	Disposition	2
2	Definitions	3
2.1	Public Relations - A Controversial Concept and Phenomenon .	3
2.2	PR Consultant - An Occupation with Several Names	4
2.3	A PR Consultancy	5
2.4	Definitions in this Thesis	6
3	Methodology	7
3.1	The Objects of Study	7
3.2	Data Collection Methods	8
4	The emergence of an industry	11
4.1	Public Relations - With its Roots in the U.S	11
4.2	The History of the Swedish PR Consulting Industry	12
5	Recent Studies	17
5.1	The Structure of the Industry at the Beginning of this Decade	17
5.2	Professionalism in the Industry at the Beginning of this Decade	19
5.3	A Framework for Structure and Professionalism	20
6	Empirical Findings and Analysis	25
6.1	The Current Structure of the Industry	25
6.2	The Current Degree of Professionalism in the Industry	29
6.3	The future of the Industry	30
7	Conclusions	33
	Bibliography	35
	Appendix - The PR Industry in Britain	37

Appendix - Intervjumall

39

1 Introduction

*You people are telling me what you think I want to know.
I want to know what is actually happening*

-Creighton Abrams

1.1 The Increased Importance of Communication

The crash of the IT-boom in the beginning of this decade had a large influence on the world economy. Companies that had seen their value on the stock exchanges doubled or tripled for every quarter was suddenly worth nothing. Many investors invested their money into something that turned out to lack substance. An explanation to this behavior might be that these new companies had understood the importance of communicating their messages to their customers, society, and media. By using non-commercial channels of communications the messages gained credibility. Media helped the IT companies by publishing articles and offered TV exposure in news. Reports that IT was the industry of the future were absorbed all over the world. One can argue that there was some kind of “hype”. But finally reality caught up and many of these companies could not deliver their promises. Consequently the market regulated that.

The importance for companies, and other organizations, to communicate in a clear and positive way should not be underestimated. Stock values rose due to high expectations which in turn partly came from effective communication. Today, companies can use communication in a similar way to maximize their value. Only advertising is not enough anymore in order to gain consumers’ and other stakeholders’ trust.

We have, at least in the developed world, moved from the industrial society to something many calls the information society. Is the next step a communicative society? Maybe the information and Public Relations (PR) industry will bring us there.

1.2 Problem Definition

The consulting part of the PR and information industry is currently thriving. A general economic upswing during this decade in combination with an increased awareness among organizations regarding the importance of communication, are contributing factors. There is a general trend in society today towards more and more specialization. Companies are focusing on their core values and the rest is bought in externally. In this environment the PR consulting industry has emerged, grown, and thrived. The companies operating in this industry are called PR consultancies. These companies have attracted an increased number of very competent and strong individuals. For example, today the former Prime Minister of Sweden, Göran Persson, works as a PR consultant. The situation is of course not the same in all regions. This discussion fits pretty well with Swedish conditions but not necessarily with other countries.

It is of high interest to illuminate this industry since it affects the society in many ways. It is also of great importance for the industry itself since studies of it might reveal its course. Researchers claim that Public Relations, and PR as an industry, is under-researched and poorly chronicled (van Ruler et.al., 2004, p. 37, Miller and Dinan, 2000, p. 5). In Sweden the consulting part of the PR and information industry is sparsely studied (Larsson, 2005b, p. 18).

The aim of this thesis is to describe the Swedish PR consulting industry in terms of development, structure, and professionalism. Is the industry characterized by a high degree of professionalism today?

1.3 Disposition

After this introduction the disposition of this thesis is as follows: In the second chapter there will be a clarification of a number of concepts relevant for this study. Presented is also an illustration of how a PR consultant can be seen in its surrounding environment. Thereafter, in chapter three the methodology is explained and motivated. In chapter four we present a review of the development and history of the Swedish PR consulting industry. In chapter five recent studies of the structure and professionalism in the industry are summarized. Here are also two figures presented that will be used as a framework when analyzing the structure and professionalism of the industry. Chapter six is where the empirical results are reported and analyzed. We end this thesis with a conclusion in chapter seven including interesting aspects when looking into the future.

2 Definitions

In this section the terms Public Relations, PR consultant and PR consultancy will be defined. In the last part of the section the definitions used in this thesis will be clarified. An illustration of what a PR consultancy is believed to be and where it is positioned relative to other actors will complete this part.

2.1 Public Relations - A Controversial Concept and Phenomenon

In one of the interviews within this study, when we asked for the definition of Public Relations the initial response was: *“you will probably receive as many definitions as the number of people you ask”* (Finnborg, 2008). In the American setting the definition of a public or publics is quite clear. However, in other culture settings, as in many parts of Europe, the term has been difficult to translate. In Sweden the term’s connection to the general public has been focused, but in the U.S this is only one of an organization’s publics (Larsson, 2002, p. 8). The term Public Relations original meaning is an organization’s relationships with different actors in its surrounding environment. It stands for the creation and maintenance of functioning or preferably well- functioning relations between an organization and its environment, including its internal environment (Larsson, 2002, p. 6).

In the literature the actors in the organization’s environment are often called its stakeholders. A stakeholder refers to anyone, both individuals and organizations, who in some way are affected by, and have an interest in the organization and its activities. Examples usually mentioned as an organizations stakeholders are its stockholders, investors, employees, suppliers, customers, and the general society. Some argues that media is one of the organization’s stakeholders (Sandberg in Larsson, 2002, p. 113) while others claim that media is a channel for communication (Aldemark, 2008).

In Sweden Public Relations as a concept and phenomenon began to be discredited in a time of medial and general critics towards commercial life and American influences. In both the business world and the public sector the term Public Relations began to be avoided (Larson 2005b, p.91). An example of this

avoidance is the Swedish Public Relations Association (SPRA)¹, an interest organization for individuals in the communication industry, which in 1991 changed its Swedish name to the “Swedish Information Association” (Larsson, 2005b, p. 120). In English though, the official name of the organization still is the Swedish Public Relations Association (Swedish Public Relations Association, 2008b). This can be seen as rather confusing.

The abbreviation PR for the term Public Relations has started to live its own life and is often referred to as activities with the aim of persuasions (Larsson, 2005a, s. 19). It is often perceived as tainted and carries negative associations. In a survey on trust in different occupations in the PR and advertising industries the views on PR-consultants changed markedly when the term PR was removed from the formulation and they instead were called consultants of information and communication (Larsson, 2007, p. 227). Today the concept of PR is rarely used in the PR and information industry at large². In companies the term is seldom used and never in government authorities. It is primarily used in and when talking about the consulting part of the industry (Larsson, 2005, p. 19).

2.2 PR Consultant - An Occupation with Several Names

According to Larsson PR consultants are experts at organizational communication and the management of relations. They assist organizations with information activities in a broad sense. In practice this means the planning and implementation of information and influence activities, often as campaigns. Larsson sees the PR consultants as “metaexperts” since they are experts at communication but often also in other areas. The actual work can include profiling, trademark management, consulting in strategy, relational and crisis issues and for some companies organizational and management issues (Larsson, 2005a, p. 48 and Larsson, 2005b, p. 16-17).

In the communication industry there are at least 300 titles of occupations and the PR consultant is one of them (Aldemark, 2008). At the individual level in the PR consulting industry in Sweden, PR consultants often call themselves information consultants. Common British and American terms are senior/junior consultants and senior advisor and an additional American term is communication consultant (Swedish Public Relations Association, 2008b).

Some PR consultants are called spin-doctors or lobbyist consultants. They primarily work for political organizations. According to The Association of

¹For more info, see: <http://www.sverigesinformationsforening.se/hem.aspx>

²Larsson sees the industry in two layers where the PR and information industry stands for the work with information and public relations in organizational life at large. The second layer is the consulting part of the industry, thus being a part of the PR and information industry (Larsson, 2005a, p. 9 and 16).

Public Relations Consultancies in Sweden (PRECIS)³, a professional lobbyist, for example a lobbyist consultant, is a person who, for compensation, tries to initiate or influence an ongoing political or public process (PRECIS, 2008). Trade unions and political parties have become more important as clients. During the campaigns leading up to the latest elections in Sweden, consultants and spin-doctors have, to a greater degree, been hired. Larsson makes an interesting point here when he concludes that the political parties both are clients and targets for PR consultants (Larsson, 2005b, p. 53-54).

2.3 A PR Consultancy

There are three trade organizations with a direct influence on the PR consulting industry in Sweden. The first organization is The Association of Public Relation Consultancies in Sweden (PRECIS). The second is The Public Relations Agencies in Sweden⁴, in Swedish “Svenska PR-företagen”. In this thesis this organization will be abbreviated as “SPRF” for convenience. The third association of interest is The Swedish Public Relations Association (SPRA). In Swedish their name is “Sveriges Informationsförening”. Even though its English translation suggest a direct link to Public Relations the Swedish name that includes the word “information” is a more accurate description of this organization. Consultancies are members in PRECIS and SPRF. In SPRA membership is acquired on an individual basis.

According to PRECIS, a PR consultancy is a company that, on behalf of its clients, works with communication with the aim of influencing publics, inside as well as outside the client organization. They try to influence people’s opinions, attitudes and behaviours. The client might need help in influencing a political process, form an organizational culture or to sell a product. The client can be a political party, a public or non-profit organization or a commercial business (PRECIS, 2008). A majority of the clients are strong financially and most of them belong to the private sector (Larsson, 2005a, p. 53 and Larsson, 2005a, p. 109). Traditionally there are five types of specializations within the PR consulting industry: Corporate Communications, Investor Relations, Marketing Communications, Public Affairs and Internal Communications. These are internationally accepted definitions (PRECIS, 2008).

To become a member of SPRF a company needs to be offering counselling within the field of Public Relations. Examples include Strategic Counselling in communication, Analysis, Media Relations, Crisis Communication, Lobbying, Financial Communication, Market oriented Communication and Internal Communication (The Public Relations Agencies in Sweden, 2008).

³For more info see: <http://www.precis.se/>

⁴For more info see: <http://www.svenskaprforetagen.se/>

2.4 Definitions in this Thesis

In this thesis Public Relations is seen as an organization's relationships with its different stakeholders. In other words it is about an organization's relationships with any individual or other organization who are affected by the organization's activities. Since this is a study of the consulting part of the information industry and it is within this field that the concept of Public Relations and the abbreviation PR primarily are used, these very concepts are being used in the thesis. Therefore, when talking about a person who works in the consulting part of the industry the term PR consultant will be used. In the same way when we are talking about a company in the consulting part of the industry, the term PR consultancy will be used. A PR consultancy is a company that, on behalf of its client and using non-bought channels, works with information with the aim of influencing one or several or all of the client organization's stakeholders. Figure 2.1 presents an illustration of how a PR consultant can be seen in its surrounding environment.

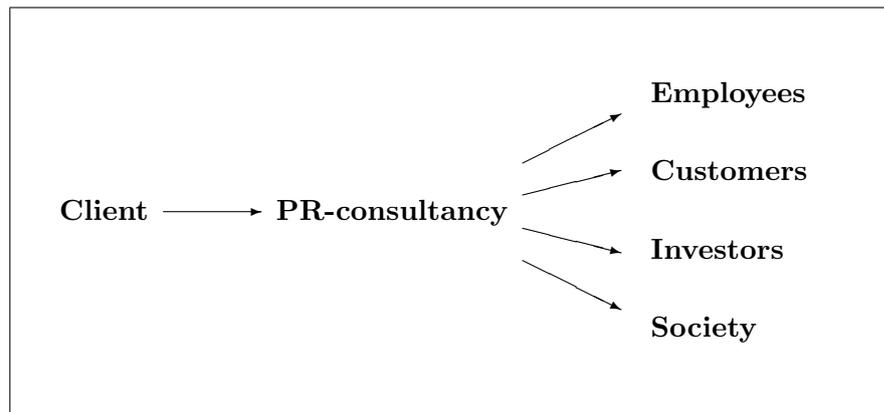


Figure 2.1: *The position of a PR consultancy relative its client and targets*

3 Methodology

In this section the chosen methodology is explained and motivated. First the objects of study are explained. Then the three-step-approach for this study is presented.

3.1 The Objects of Study

Since we are interested in describing the development, structure, and professionalism in the Swedish PR consulting industry there are a number of parameters to discuss with regards to available methodologies when collecting desirable data. Larsson (2005b, p. 7) argues that the consulting part of the PR and information industry can be separated as an analytical object but that it is harder to separate it empirically from the rest of the industry. In the part of his study where he analyzes the websites for a number of PR consultancies he defines and studies the industry as being the members of the trade organization PRECIS¹. Today the PR consulting industry in Sweden consists of roughly 73 companies plus a number, approximately 200, of really small firms containing just one consultant. These 73 companies are associated with either one of the two trade organizations PRECIS or SPRF. PRECIS has 42 members and SPRF 33. Two companies are associated with both organizations which gives 73 companies in total.

Since the Swedish PR consulting industry has suffered, at least from a public mind, from a relative weak degree of professionalism it has been very important for the companies in the industry to associate themselves with a trade organization in order to legitimize their business. This can be put into reference with the management consulting industry where the companies have managed to legitimize themselves very strong on their own so that a trade organization has not been necessary, at least not for the major players, in order to legitimize themselves. It is very hard for a trade organization to legitimize itself if, say, 80% of the total industry is not a member in the organization. The conclusion is that trade organizations are dependent on the major players in the industry and to keep them as members in order to legitimize themselves. There is a constant exchange of “legitimizing power” sort of speak. As for

¹The only trade organization in the industry at this time

the PR consulting industry the momentum of this power is in the hands of the trade organizations. Thus, the companies in this industry are seeking to become members of a trade organization and therefore it is rather simple to define the industry by using the members of these two organizations. This is exactly what has been done in this study.

As mentioned above there are an additional ~ 200 private consultants operating in this industry but these companies are emerging and disappearing depending on projects and other factors. These consultants are mostly senior consultants whom have retired but sometimes help companies in projects, sometimes obtain an official position within a company for a limited time and so forth. So it is very hard to “measure” what these consultants are doing, at least for the scope of this study. However, we cannot exclude that there indeed are consultancies not associated with these two trade organizations, especially if they are located in the more rural areas of Sweden. We have not put down any effort in pursuing such companies and thus are they omitted. The industry is indeed very well defined and the purpose of describing the structure in the industry can very well be achieved by studying the membership companies in these two trade organizations.

3.2 Data Collection Methods

With the discussion above in mind and to keep certain continuity in the methodology with respect to earlier studies (see section 5.1) this study has a three-step-approach for gathering information and data. These steps are:

1. A study of the PR consultancies' websites.
2. Interviews with three leading individuals in this industry.
3. The gathering of valuable information from other sources.

This approach will offer an effective combination of sources and is sufficient for fulfilling the aim of this study. Other methods such as contacting a selected number of companies by phone and perform a wider number of interviews and more in-depth studies of individual companies and their history was considered but was turned down, mainly due to lack of time but also that the selected methods were considered being more effective for the aim of this study.

Websites

A tool for gaining an understanding of the structure of the Swedish PR consulting industry, is to study how consultancies present their services on their websites. Furthermore, information about localization, number of employees, age of the consultancy, and if they are active in any networks besides the trade organization further improves the insight to the structure.

Through the trade organizations PRECIS and SPRF the domain names to the membership companies were acquired. By studying the websites and what services they offer one can extract how the consultancy wants to be seen by its customers and whether or not they are specialized in any particular field. One example of specialization is the medical area where laws and legislations are rigorous and the PR consultant must have a very in-depth knowledge.

To include a service category it was decided that at least five companies must stress this very option on their websites. Nevertheless, it cannot be excluded that categories that should have been included have been omitted. Far from all companies list their services in a clear way. The information must sometimes be extracted from text and sometimes it is hard to find any information at all on a website. This means that services that consultancies work with might have been omitted due to failure of advertising them on their website. However, the aim of investigating websites is to understand the structure by assessing how companies want to be seen, so if any major field is omitted or if any minor field is lifted up and widely advertised this is indeed of interest.

This model of selecting and analyzing websites has been used before in academic research. For example, Bäcklund (2003) uses this method in an analysis pertaining to the management consulting industry in Sweden. Furthermore, Larsson (2005a, p. 45 ff) uses this method when conducting a similar analysis on the Swedish PR consulting industry. Therefore, to keep continuity and to be able to compare results this approach was very appealing.

It is possible to obtain a large amount of statistical information from websites. Examples include location of the company and number of employees. This information yields a more explicit base of knowledge in sense of how much this industry has been growing and if any particular areas in the country stand out in terms of localizations and growth.

Economical data present yet another form on which to compare companies. However, economical data are always somewhat historic and it turned out to be very time consuming and difficult to obtain up-to-date financial information for all included companies. Furthermore, it can sometimes be hard to compare various data and in terms of structure and professionalism we question whether financial figures would have contributed to our analysis. Therefore such data are omitted.

Interviews

Interviews are a very effective tool to gain information in a field. To expand the knowledge base on what is going on in the industry right now, and to receive some “inside information” it was decided to conduct three interviews with persons having a leading role in the industry. Therefore we met with Gabriella Finnborg who in 2005 founded the trade organization “The Public Relations Agencies in Sweden” (SPRF) in which she held the chairperson

post until the beginning of 2008. She has been working in the Swedish PR consulting industry for 10 years. In 2000 she founded her company PRAT PR. We also met with Kaj Flick, the secretary general of PRECIS. He has been in the business since 1992. Margaretha Sjöberg is the Managing Director of SPRA and we interviewed her as well to obtain this organizations view of the industry, both present and historical. The ~200 freely operating consultants are members, on a personal basis, in SPRA. This further motivates our interest in this organization.

Before the interviews we sent an email to the respondents containing proposed questions and topics for the interview. This allowed the respondents to be well prepared. The interviews were conducted at respective person's office and lasted in each case for about an hour. The interviews were semi-structured and the aim was to let each respondent give his/her view of where the industry is today, how it came there, and where it is heading. Each respondent's position and prior experience indeed affects the answers. It is valuable to receive first hand information from respondents who have worked in an industry for a long time and the integrated view that these three interviews provided should not be underestimated. However, one has to be aware of that interviewing a respondent gives his/her view of the selected topic. When interviewing a limited number of respondents this could lead to a bias in the results. Therefore the results must be regarded with this in mind.

It is worth noticing that we suffered no ethical issues during the interviews. All three respondents agreed to have the interview recorded for improved validity and reliability. We did not encounter any sensitive issues and all interviews had a positive atmosphere. A draft of the questions used during the interviews is found in Appendix.

Other Sources of Information

A number of books, articles, and press releases have been used to obtain an overall understanding of this industry and its development. Mainly historical facts but also theories and models can be accessed this way. This approach has been used mainly when gathering historical information of the Swedish PR consulting industry.

Having explained our selected methodology we are now ready to present our findings. First we will give an account of the history and development of the Swedish PR consulting industry. After this recent studies of the structure and professionalism will be presented. Finally we will present our own empirical findings and analysis.

4 The emergence of an industry

Today the global PR industry is dominated by a few big players, most of which originates from the U.S or the UK. Not surprisingly, the PR industry in the U.S is the largest and the British PR industry the second largest in the world (Miller & Dinan, p. 5 and 8). However, this thesis will put its emphasis on the Swedish PR consulting industry. Therefore, in this section, there will be a review of the history of and the development of the Swedish PR consulting industry. Since the concept of public relations has its roots in the U.S this part of the industry will be touched upon as well. When gaining knowledge about the history and development of the industry it will be easier to understand why it looks as it does today, in terms of structure and professionalism.

4.1 Public Relations - With its Roots in the U.S

Van Ruler et al. (2004, p. 36-37) claims that little is known about Public Relations in Europe despite its long history. They also claim that the situation in Public Relations in Europe is very complex and under-researched and misunderstood. Miller & Dinan (2000 p. 5), who has studied the development of the PR industry in Britain¹, argues that very little is known about PR as an industry. They also state that there are a number of perspectives on the role of PR in western countries but that the development of the industry is poorly chronicled. They are supported by Larsson who concludes that the Swedish PR- and information industry, especially the consulting part of it, is sparsely studied (Larsson, 2005b, p. 18). Larsson himself conducted a research project at Örebro University between 2000 and 2005 where the development and scope of the Swedish PR industry, its relation to journalism and its consequences for society and democracy was examined. The project resulted in two reports. A primary where the consultants' formation of opinion activities from a democratic perspective was studied (see Larsson 2005a) and a second where the PR and information industry in large, including its history and development, was described (see Larsson 2005b).

Larsson argues that since the concept of PR is rather indistinct in its original meaning it is also vague in its history. One can see public relations in

¹For a comparison of development, see Appendix for a summary of their findings

a broad perspective where it stands for the relation between a leader and the people and therefore something that has existed in all societies until today. Normally it is seen as the profession, industry, and activities that have emerged in modern time, i.e. the last hundred years (Larsson, 2002, p. 7). Miller & Dinan (2000, p. 7) claims that Public Relations generally is agreed to have originated in the U.S at the end of the 19th and at the beginning of the 20th century. Its development was a response to popular protests and demands for reforms and a result of threats to the interests of businesses and government. Larsson argues that PR was a consulting phenomenon right from when the term was born and initiated. The two most prominent figures during its birth, Ivy Lee and Edward Bernays², founded consultancies in the US in the 1920s. In Sweden though, Public Relations, from the start, was something for organizations in general (Larsson, 2002, p. 9-13). The development in Sweden was partly initiated during World War II and is associated with the build-up of the public sector and a need for accurate communication within the society. In the U.S the development of Public Relations has been more market oriented and an effect of the general industrial development (Falkheimer in Larsson, 2002, p. 23 and Larsson 2005b, p. 49).

4.2 The History of the Swedish PR Consulting Industry

In 1948 the first course in Public Relations, administrated by the Advertising Association of Sweden³, was held. Among the participants were people from practice and academia, mostly from Stockholm School of Economics⁴ (Larsson, 2002, p. 13). The first PR consultancies in Sweden turned up in the 1950s. A few larger advertising agencies initiated PR units in their organizations. Some of these units spun off and formed their own PR consultancies. Lars Bunge-Meyer and Lennart Lagebrant each built up one-man PR consultancies in the beginning of the 1950s. Lagebrant was Hill & Knowltons⁵ representative in Sweden during the 1950s and 1960s and later became a representative for Edelman⁶ (Larsson, 2005b, p. 68-69). In 1956 Svenska PR-Byrån was founded. They are generally accepted as the oldest PR consultancy in Sweden. In 2001 the firm merged with Gullers Grupp⁷ (PRECIS, 2008). In 1950, the interest organization for individuals in the communication industry SPRA, was founded. The Swedish term was then “Sveriges Pressombudsmän”. In 1960 the name was switched to “Sveriges Public Relations Förening”. Today, in

²For more information about them see <http://www.aspekta.se/pdfs/30.pdf>

³For more info see: <http://www.reklam.se/>

⁴For more info see: http://www.hhs.se/sv_default.htm

⁵A large PR consultancy with its roots in the U.S. For more info see <http://www.hillandknowlton.com/>

⁶A global service public relations firm with its roots in the US. For more info see <http://www.edelman.com/>

⁷One of the largest in the industry. For more info see: <http://www.gullers.se/>

Swedish they are called “Sveriges Informationsförening”. The Swedish name was acquired to avoid the use of Public Relations, as mentioned in section 2.1.

In the beginning of the 1960s there were about ten PR consultancies in Sweden. Most of them were very small with just one or a few employees. One of them was Relationskonsult who has survived into the 21st century, but in a merged and renamed form. In 1988 they were bought up and formed the ground for the management consulting firm Carta which later was sold to the international corporation Booz Allen & Hamilton⁸. This is an example of a PR consultancy that has developed and enlarged its competence to counselling in management related issues (Larsson, 2005b, p. 80-83).

During the 1970s the PR consulting industry had a rather slow progress. Some original consultancies that had been on the market from the very start was terminated but others grew. Kreab⁹ and BNL¹⁰ now had about 25 people employed in each firm. These firms rather quickly profiled themselves into different client segments. Methods and strategies used in the consultancies at this time were far from as professional as today’s requirements (Larsson, 2005b, p. 97).

Larsson describes the 1980s as a transitional period for the PR and information industry. A general shift “...from the previous decade’s focus on social society and criticism of capitalism and mercantilism to the consecutive decade’s reversed trend”. During this period, as organizations cut down on their information units, a result from larger downsizings, an important prerequisite for the industry to grow was fulfilled. The information activities themselves also changed since there was an evolution of the printing and image techniques and new mediums, for example “text-tv”, emerged. The status of working within the PR and information industry rose and the information activities in themselves moved upwards in the organization’s hierarchy (Larsson, 2005b, p. 105-108).

According to Larsson it was not until the 1980s that the consulting part of the industry was considered as an activity and a profession on its own. There was a boost in the industry and many new PR consultancies were founded, among them JKL¹¹ (1985) and Gullers Grupp (1988). Kreab grew and became Sweden’s largest company in the industry with almost 180 employees. Local branches, now in their own names, of big international corporations like Hill & Knowlton and Burson-Marsteller¹², were now established in the Swedish PR consulting industry. Many consultancies broadened and strengthened their

⁸Large Management Consulting agency. For more info see: <http://www.boozallen.com/>

⁹A PR consulting firm with its origin in Sweden, today operating in nine countries. For more info see: <http://www.kreab.com/>

¹⁰Seased in 1990 but considered one of the pioneers. For historical info see: <http://www.aspekta.se/pdfs/30.pdf> for more historical info

¹¹One of the largest in the industry today, Göran Perssons employer. For more info see: <http://www.jkl.se/default.com.asp>

¹²For more info see: <http://www.burson-marsteller.com/default.aspx>

competence and provided more qualified counseling services at the strategic level of organizations. Worth noticing is that among the people involved in founding new PR companies during this time, a relative large fraction had a political background (Larsson, 2005b, p. 108-110).

Towards the end of the 1980s the larger universities in Sweden began to establish Media and Communication Studies. During the 1990s almost all colleges ran an education in the field. There were also courses and programs in Planned Communications and Public Relations. Consequently, the number of people employed in the PR and information industry holding academic degrees increased prominently (Larsson, 2005b, p. 114).

During the 1990s the conditions for the whole PR and information industry in Sweden were dramatically altered, which in turn lead to many structural changes. The reason behind this was a strong long-lasting economical upswing, increased market orientation in the society, and an increased political cooperation in Europe. The communication and information activities became more complex and the need for specialists was increased. Public Relations' connection to marketing re-emerged and the concept of Integrated Communication¹³ was discussed both in academia and in practice. In addition, there was an increased demand for the service of creating and sustaining public opinions. The computer was introduced at the end of the 1980s, followed by the Internet in the middle of the 1990s which consequently was followed by intranets. Methods used when working with information was changed in its very foundation. As in the 1980s, and now even more so, organizational changes in the form of rationalizations lead to an increased level of outsourcing, where the information units were among those who were downsized or eliminated. For the PR consulting industry this was a favorable climate and many new consultancies were founded. Examples include Rikta and Lexivision. There were also a number of mergers and changes of names among various firms. Some smaller consultancies were bought up by large international corporations. Larsson describes the growth of the industry as an amazing boom. Kreab was the largest consultancy both in income and the number of employees during the whole 1990s but also in the beginning of the 2000s. The first interest organization in the industry, The Association of Public Relations Consultancies in Sweden (PRECIS), was founded in 1990. 25 consultancies were members from its foundation (Larsson, 2005b, p. 112-118).

In the late 1990s the boom in the PR consultant industry reached its peak. The decline that was to come started with Lexivision going bankrupt. Kreab was involved in the so called "Trustor-scandal". Rikta, now one of the leading consultancies in the industry, ended up in trouble. This was mostly caused by an unsuccessful South Africa campaign that the consultancy implemented on behalf of the Swedish government. The company was accused in public

¹³The integration of communication channels, often meaning the integration of marketing and PR

and was forced to leave the industry. The IT-boom burst and consultancies specialized in this market now faced difficult times. There was a general downturn in the business cycle and a decrease in demand for the services which lead to the fact that the whole industry found itself overpopulated. Many of the consultancies were forced to downsize, some consultancies merged and some had to close down (Larsson, 2005b, p. 119-120).

In the beginning of the current decade JKL was growing and became the second largest firm in the industry. GCI¹⁴ also became one of the larger firms. Many of the new consultancies were specialized since they now only worked with a certain type of client or a certain industry. Anglo-American definitions became more apparent in the Swedish industry, as Investor Relations and Public Affairs. Furthermore, economic information and Crisis Communication became important practice areas and the consulting became even more strategic. Specialists at event and entertainment related issues emerged as well. There was not only a trend towards specialization on the organizational level but at the individual level as well (Larsson 2005b, p.115-118).

¹⁴For more info see: <http://www.gci.se/>

5 Recent Studies

Now that the history and development of the Swedish PR consulting industry has been summarized, it is time to have a look at recent studies of this part of the industry. A part of the research project at Örebro University mentioned in section 4.1 was a study of the structure of the Swedish PR consulting industry. In this section there will first be a summarize of the findings in this part of the study. After this, attention will be shifted to the view of the professionalism in the PR industry in the beginning of this decade. In the last part of the section, a framework which can be useful when analyzing the structure of and the professionalism in the industry, will be explained.

5.1 The Structure of the Industry at the Beginning of this Decade

Larsson sees similarities between the PR consulting industry and the marketing industry. Both are characterized by variability except for the larger and more established firms. Mergers, split-ups and staff transfers are common. Many consultancies are founded during favourable times and some are closed during less favourable conditions. Larsson argues that the PR consulting industry is characterized by variability when looking at the type of firms making up the industry. The industry ranges from the larger corporations with almost 150 employees, over the medium sized firms with 30-60 employees down to the companies employing just one or a few individuals (Larsson, 2005a, p. 47-48 and Larsson, 2005b, p. 138).

When studying the structure of the Swedish PR consulting industry Larsson made an analysis of the official websites of those firms that were members of the trade organization PRECIS in 2004. The top ten services mentioned by these consultancies are listed in Table 5.1.

The numbers after each service type in Table 5.1 indicates how many times the service is mentioned. It is pointed out that these service types are hard to isolate and sometimes overlap. Larsson argue that the website presentations and the services that the firms claim to provide is a way for the firms to show their competence. It also says something about what is considered important communication activities, what the firm wants to do and what kind of services

Table 5.1: *Top ten services in 2004. Sectors may overlap. The numbers indicates the number of times a service is mentioned. Data obtained from Larsson, 2005a, p. 50*

Offered Services	PRECIS
Media relations	(21)
Public Affairs/Opinions	(17)
Strategic Communication	(15)
Internal Relations	(14)
Crisis Communication	(14)
Guidance in Communication	(13)
Trademarks	(13)
Market Communication / Product launches	(11)
Analysis and Evaluations	(11)
Financial Communication	(10)
Investor Relations	(8)

clients are interested in. Some consultancies do not mention services provided and instead give a general presentation of the company or state what type of clients they are specialized towards (Larsson 2005a, p. 50).

Larsson see that Media Relations and Investor Relations stand out since they are mentioned as the only service provided by some of the consultancies. Many of the consultancies mention all of or nearly all of these services and are therefore called “full service” consultancies. Other consultancies are specialized to certain service types or client type (industries) and are then called “specialized firms” (Larsson, 2005a, p. 49-52).

Larsson sees that IT-related services are not mentioned to a high degree and claims that this is due to the major decrease in demand for these types of services during the years prior this study. When comparing with the year before he sees that Internal Communications and Crisis Communications have increased among the most mentioned services. He sees this as an indication of these services being seen as more important and as an indication of an increase in demand for these services. He mentions that Internal Communication has had a low status as a PR activity.

Larsson compares his findings with those of a survey¹ made by SPRA among their members. Here, Media Relations, Strategic Planning, Internal Communications, Management and Profiling/Trademark Management are stated as important service areas. This aligns well with Larssons findings (Larsson, 2005a, p. 51 and Larsson, 2005b, p. 151).

The study of the Swedish PR consulting industry was partly based on interviews with PR consultants. During these interviews the consultants stated

¹Info 2003, <http://www.sverigesinformationsforening.se/media/10615/info2003.pdf>

that communication is their primary activity. Some of them called themselves communication consultants. Some consultants stated that their work had expanded and today involved marketing and commercial based activities and organizational and strategic management. There has been a shift up in the corporate hierarchy which is believed to relate from an increased awareness of the communicational aspects of organizational life among the leaders in corporations. Highly ranked in the PR consulting industry are firms that also work with Management Consulting. In this way many of the large PR consultancies, but also a relative large group of individual consultants with a long career and great experience, are working. In the industry there seems to be an aspiration to work as high as possible at the strategic level where the most interesting and most well paid assignments are found (Larsson, 2005a, p. 55-57).

Many of the responding consultants describe their firms as full-service PR consultancies. However, most of them are focused on external communication. At the time for the interviews (2001-2002) there are few consultancies that profile themselves as experts at internal communication, but one of the respondents point out that there is a great need for this. Larsson concludes that internal communications is a more common activity among consultants today (2004) (Larsson, 2005a, p. 59).

5.2 Professionalism in the Industry at the Beginning of this Decade

It is important for PR consultants to be considered professional. It can be argued that this relates to the fact that the profession is relatively young and the field rather controversial. When PR consultants reflect on their own industry they generally conclude that the level of professionalism is high. They also generally conclude that it has increased during the 1990s (Larsson, 2005a, p. 65-66). Larsson argues that the information and PR industry for a long time has been characterized by an aim of increasing the degree of professionalism (Larsson, 2005b, p. 32).

Tjernström Ottestig (in Larsson, 2002, p. 153-168) has analyzed the degree of professionalism in the PR industry². She states that whether PR can be seen as a profession or not depends on which criteria one puts into the definition of a profession. She lists the most common criteria:

- **A common body of knowledge.** One could interpret Tjernström Ottestig's discussion as her seeing this criteria not being achieved. She refers to different co-operations with the aim of a universal body of knowledge which may indicate that this criterion soon may be achieved.

²Notice, not only the consulting part of the industry.

- **A strong profession association.** In the field of information and PR this criteria is generally considered achieved through the SPRA. Tjernström Ottestig argues that this criterion is achieved when it comes to the requirements of a high number of members and active representatives, but that it is questionable when it comes to other requirements, for example the requirement of a formal education for membership.
- **Ethical rules.** Tjernström Ottestig argue that this criterion can be seen as achieved since there are ethical rules that the members of the SPRA agrees to follow when signing as members. When it comes to the content, observance, and surveillance of the observance regarding the ethical rules she leaves the question unanswered.
- **Higher academic education.** Tjernström Ottestig points out that in Sweden the field of Public Relations is taught almost exclusively within the field of Media and Communications studies and that the term Public Relation is relatively uncommon to use in educational environments. She ends this discussion by asking how important it is with a common stance when it comes to education within a profession.

Larsson argues that the information and PR industry's responsibility and ethics was an issue in academic research during the 1990s. In recent years the issue has been discussed and the consulting part of the industry has particularly been doubted. During the interviews in his studies, many critical voices were raised to the ethical norms and regulations because they were considered vague. But almost all of these interviews took place before the changes that PRECIS and SPRA later instituted (Larsson, 2005a, p. 102-105). This is clarified in section 6.2.

Larsson found that a higher education is not a requirement when people are recruited to the industry. He argues that the criterion for a higher education is not achieved and that this is not that remarkable since a relevant education in the field has been missing for a long time. Both older and younger consultants in the industry doubt the need for a higher education in the field since the profession in many ways is practical and is about learning-by-doing (Larsson, 2005a, p. 67).

5.3 A Framework for Structure and Professionalism

Grunig (2006), one of the leading researchers in the field of Public Relations, state that "*public relations scholars need to develop both positive and normative theories - to understand how public relations is practiced and to improve its practice - for the organization, for publics, and for society*" (p. 152). Since the PR consulting industry has attracted relative little attention from academia there seems to be much to be done in terms of explicit theories in this area.

The theories that are available mostly relates to the field of communication or Public Relations in general.

Debates within the industry itself is rather intense and professionals from within present theoretical material from time to time. One such theory is presented by Lars Thalén in (Stegö Chiló, 2004, p. 97 ff) and concern the structure and professionalism in the industry. Thalén's theory must be regarded with a sense of skepticism. One has to remember that these two figures are not based on any academic work but rather his own experience and reflections of the industry. However, Thalén is a very experienced PR consultant; he has been active in the Swedish information industry since 1982 and he has, among other positions, been the CEO for the Swedish branch of Burson-Marsteller (Stegö Chiló, 2004, p. 98). In combination with the lack of academic research Thalén's model is very appealing as a tool to describe the structure and professionalism in the Swedish PR consulting industry.

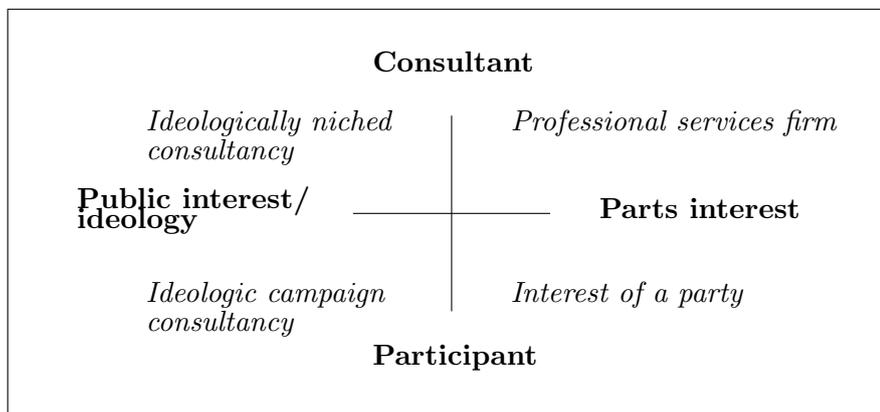


Figure 5.1: Presenting structural differences for were PR consultancies can be positioned with respect to whom they serve (mission) on the horizontal axis and what “business they are in” on the vertical axis. The latter can be further explained by if the main interest of the consultancy is to make money or promote a certain ideological standpoint

Thalén's theory is based on two figures and consequently is divided into two parts. The first part, concerning the structure in the industry, is presented in Figure 5.1 and can describe how consultancies are positioned relative each other and their clients. Here Thalén argues that there are two general axes in which the consultancies are positioned. The horizontal axes concern which client is served, i.e. the mission of the company. Companies can express their legitimacy by serving everybody who, within legal and ethical frames, has the right to expertise in this field (parts interest) or select their customers from an ideological perspective (public interest/ideology). The vertical axis represent the very definition of the business or “the business we are in” as Thalén puts it. The consultancy can choose to either make money by helping

various interests in a professional way (consulting) or with the help of selected missions promote a certain ideology (participant).

In the upper left corner one finds “Ideologically niched PR consultancies”. The consultancy takes a strong position in an issue and will serve customers that fulfill this with a high degree of professionalism. An example would be a PR consulting company with strong ethical values. In the lower left corner we find “Ideological campaign consultancies”. They only accept certain customers for certain missions. The difference with the upper left corner is that the interest has priority compared to financial success. In the lower right corner are companies that serve specific interests or “Interests of a party”. These companies use their knowledge within a field, for example politics, and help customers that often are in need of these services in particular. KREAB was founded with this positioning when the Swedish Employers Organization (SAF) outsourced their information service (Stegö Chiló, 2004, p. 104). The upper right corner relates to companies who sell their professional services to all actors in society as long as general legal and ethical rules are fulfilled. Within this field, according to Thalén, most multinational firms are found today.

The second part of Thalén’s theory, see Figure 5.2, relates more to the individual consultant. The same structure applies with two axes. The horizontal relates to the engagement a consultant has for a mission. To the left the consultant feels a strong personal commitment to the cause and to the right the consultant is neutral to the mission on a personal basis. The vertical axes relate to the degree of ethics. In the bottom the consultant has low or no ethical awareness or frame. In the top the consultant has a strong ethical awareness and behaves very professional in such matters.

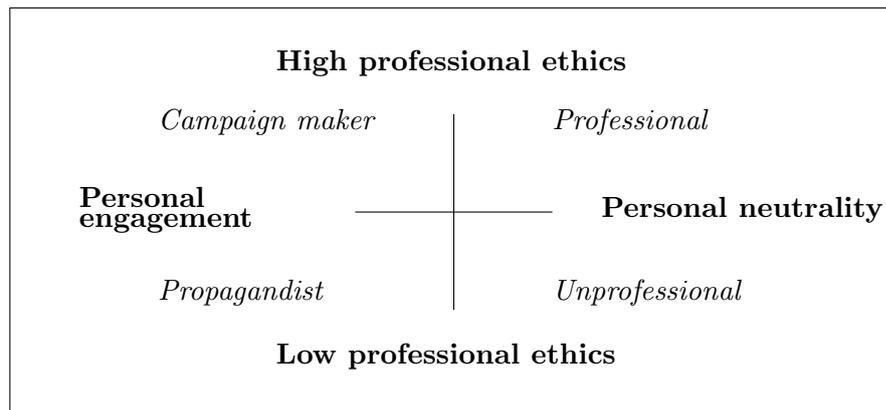


Figure 5.2: *Presenting various combinations for a consultant depending on ethical standards and level of engagement in projects*

In the lower left corner is the “Propagandist” found. Personal engagement but low ethics can cause this person to perform questionable actions to fulfill

the assignment. Thalén uses a strong example here; Joseph Goebbles³. In the upper left corner the “Campaign maker” is found. They are characterized by a strong drive for a course but with a sense of ethics in what is considered acceptable or not in how to achieve the goal. In the lower right corner is the “Unprofessional” found. They have no personal drive and will, if necessary, use questionable methods to fulfill a client’s needs? The “Professional” is situated in the upper right corner. High ethical standards are combined with personal neutrality to the mission from the consultant.

With the development and recent studies presented we are now ready to describe the current structure of, and the degree of professionalism in the Swedish PR consulting industry.

³The propaganda minister in Nazi Germany

6 Empirical Findings and Analysis

*In theory there is no difference between theory and practice.
In practice there is*

-Yoggi Berra

6.1 The Current Structure of the Industry

As mentioned in section 4.2 the trade organization PRECIS was founded in 1990 and during the 1990s the number of PR consultancies expanded. This led to that the organization in 1996-97 introduced a number of regulations for membership aspirants. This was to keep continuity within the organization since many of the new companies were rather small and their issues and problems did not align with the more mature companies in the organization (Flick, 2008). Shortly these regulations can be summarized into that a member has to have an annual income of SEK 5 million and around 5 employees (PRECIS, 2008). This left a number of small companies outside PRECIS. As the number of small companies increased during following years a larger fraction of the industry found itself without a trade organization to support their credibility. Credibility is indeed an important issue for small companies and as a reaction a new trade organization SPRF was founded in 2005. This organization does not have any “barriers” for entry (Finnborg, 2008).

Today PRECIS has 42 member companies and SPRF 33. As can be seen in Table 6.1 the average number of employees is far greater in companies associated with PRECIS compared with SPRF. The SPRF companies are also generally much younger as well. It is interesting how concentrated the Swedish market is to the capital region.

How the companies describe their ownership structure is presented in Table 6.2. Some evident difference is found in that the vast majority of the SPRF associated consultancies are purely Swedish. Similar number of companies, 31% and 39% show that they have active networks that they participate in.

The presence of two trade organizations can be discussed. From an external point of view it might look a bit odd that an industry needs two organiza-

Table 6.1: *Table representing general differences between companies associated with either PRECIS or SPRF. Data collected from company websites during April and May 2008. Data was not available for 10 members of PRECIS, corresponding number for SPRF was 12*

Object of Interest	PRECIS	SPRF
Number of member companies	42	33
Median year of foundation	1995	1999
Average number of employees	25.8	5.9
Percentage based in Stockholm	81% (34)	73% (24)

Table 6.2: *Ownership structure among companies associated with PRECIS or SPRF. Data collected from company websites during April and May 2008. Results presents how the companies describe their ownership structure. A company can be active in a network regardless of its ownership structure*

Ownership Structure	PRECIS	SPRF
Swedish	57% (24)	97% (32)
International	31% (13)	3% (1)
Owned by Group	12% (5)	0% (0)
Active in Networks	31% (13)	39% (13)

tions. One can suspect that something is not right here. However, we argue that the presence of two trade organizations was first of all a natural development but probably also the best thing that could happen to the industry to keep and strengthen its legitimacy. If PRECIS would not have introduced its limitations in the 1990s a shift among members toward consultancies with less employees and smaller turnovers would most likely have occurred. Small and large companies have a lot in common in this industry but also many different issues to address. The result of this would probably have been that the larger companies would have started to leave the organization due to that the issues treated at the meetings would have shifted (Flick, 2008). If this would have happened the legitimacy of PRECIS would have been in danger since the larger companies account for such a large part of the industry. PRECIS would have lost the “legitimizing power” which we mentioned in section 3.1. As the situation is now most companies remain in a trade organization. Furthermore, SPRF themselves are legitimized by the existence of PRECIS since they have the same ethical norms and standards (The Stockholm Charter)¹. This brings an overall credibility to the industry which it needs to strengthen itself.

The road to today’s structure could have been smoother. A lot of indignation and frustration emerged among smaller companies that were not

¹Further explained in section 6.2

allowed membership in PRECIS and SPRF was founded out of this frustration. This led to frosty relations between the two organizations. Before SPRF was founded PRECIS had a standpoint where they stated that those smaller consultancies had a trade organization in SPRA. However, the smaller PR consultancies did not feel they matched in there since membership is based on a personal level and not for companies (Finnborg, 2008). It is a bit ironic for the industry that this situation emerged since we believe it could have been avoided with better communication between the actors. PRECIS could have listened and tried to better understand the smaller companies needs and wants while the smaller companies needs to understand that the difference can be rather big in terms of what is important for large and small companies. Today the relations are far better though and the two organizations respect each other and also briefly co-operates in terms of ethical standards etc (Finnborg, 2008 and Flick, 2008).

There are a few things to bear in mind when analyzing the results. As mentioned earlier the websites represent statistics on how the companies present themselves on their websites, i.e. what they want to show their customers and other stakeholders what they are doing. This does not have to be the same as what they are actually doing. The total amounts of services offered are quite large. Companies present similar services in different ways which make it rather difficult to perform a thorough and fair investigation and not omit certain aspects. Furthermore, two services that are presented on a website might in many cases be interconnected with each other in that sense that one of the services might be a part of the other. A common example is that companies list that they are helping their clients with Public Affairs and a little further down they are stating that they are also helping clients with lobbying. Lobbying is in general considered being a part of Public Affairs. This creates problems in how to interpret the results. This means that for our example with Lobbying and Public Affairs they are presented as two different entities.

The main results from our website survey can be seen in Table 6.3. The by far most common issue concerns Media Relations. 81% of PRECIS members and 73% for SPRF members state that they are working within this field. Education/Training/Counseling is another popular field with 69% for PRECIS and 61% for SPRF. Crisis Management has 67% and 64 % respectively. Strategy and Planning and Text and Graphic Production are also relatively common. A result that surprises us is that CSR related communication is not even on the list. A couple of consultancies mentioned it but in general it is very sparsely mentioned. This topic has been relative important from a communicative point of view during the last decade but this does not shine through here. The only conclusion is that other topics apparently are more important. It would be interesting in a few years time to investigate if todays increased awareness of global warming will suffer the same faith, i.e. not being mentioned as one of the leading issues by the PR consultancies.

The most interesting feature when comparing our results in Table 6.3 with

Table 6.3: *Most mentioned services for members of PRECIS or SPRF. Services may overlap. Data collected from company websites during April and May 2008*

Offered Services	PRECIS	SPRF
Media Relations	81% (34)	73% (24)
Education/Training/Counseling	69% (29)	61% (20)
Crisis Management	67% (28)	64% (21)
Strategy and Planning	52% (22)	58% (19)
Text and Graphic Production	52% (22)	52% (17)
Analysis	45% (19)	42% (14)
Internal Communication	43% (18)	36% (12)
Investor Relations (IR)	12% (16)	6% (2)
Events incl press conferences	36% (15)	24% (8)
Webb and IT related issues	33% (14)	18% (6)
Financial Communication	33% (14)	9% (3)
Opinion	33% (14)	9% (3)
Market and Consumer	31% (13)	24% (8)
Society and surrounding world	31% (13)	9% (3)
Trademarks	29% (12)	27% (9)
Lobbying	21% (9)	6% (2)
Public Affairs	21% (9)	6% (2)

Larssons results from Table 5.1 is that companies are more specific in their statements today. This might indicate a trend towards further specialization among the consultancies. However, it is indeed hard to assess whether Larsson packed various statements (for example lobbying) into larger categories (Public Affairs). If so, that would punctuate this indication.

SPRA conducted a survey² in 2007 in which they investigated which area within information that members see as most important today. This study follows the same framework as the study made in 2003, see section 5.1. Internal Information, Media Relations, and the Internet received the top three positions. Crisis Management ended up fifth and Counseling at 6th place. This aligns fairly well with our results even though this study was performed with a different purpose and in 2007.

When analyzing the structure of the industry by applying Thaléns theory, see Figure 5.1, there is one pattern that we can distinguish. Smaller companies are, due to its size, more often found on the left side of the figure, specializing in a particular field, for example health, lifestyle or technology. They can be called “specialized” consultancies. Larger companies can serve more types of clients thus enabling themselves to accept more various projects and are

²Info 2007, <http://www.sverigesinformationsforening.se/media/6759032/info2007.pdf>

more found on the Parts interest side. These consultancies can be called “full service consultancies”.

6.2 The Current Degree of Professionalism in the Industry

During the interviews it became evident that there is an aim towards an increased degree of professionalism in the Swedish PR consulting industry. A part of the trade organization SPRF:s aim is to represent their members interest by working for united branch norms and to improve the status for PR consultants through education, lectures and articles (The Public Relations Agencies in Sweden, 2008).

Tjernström Ottestig analyzed the degree of professionalism in the PR industry in the beginning of this decade and for this she used a number of criteria (see section 5.2). Her target of analysis was the whole PR industry, which can be interpreted as the whole PR and information industry as Larsson defines it. Of interest in this thesis is to see whether or not the consulting part of the Swedish industry can be characterized by a high degree of professionalism. The first criterion - **a common body of knowledge** - can, as with the PR industry in large, be seen as not yet achieved. People working in the industry comes from many different disciplines and as one of the respondents put it they “*speak different languages*” (Finnborg, 2008). We believe that this is an indication of the industry not yet having a common body of knowledge.

In the information and PR industry the criterion of **a strong profession association** is considered achieved through SPRA according to Tjernström Ottestig. Since the PR consulting industry can be seen as a part of the larger PR and information industry the criterion can be considered achieved here as well. It can also be considered not achieved through SPRA since the membership is on an individual basis. However, the PR consulting industry has two trade organizations who work for the consultancies interests thereby fulfilling the criteria. Both of these trade organizations has adapted “The Stockholm charter”³, the international **ethical branch norms** conducted by the ICCO (International Communications Consultancy Organization)⁴. Worth noticing is that PRECIS was the organization that developed these norms and that it was ICCO that decided to conform to these in 2003. PRECIS simply did not approve to the Rome Charter adopted by ICCO in 1986 (Flick, 2008). This indicates that the PR consulting industry in Sweden not only has adopted ethical rules but also had a leading role in its development. But as Tjernström Ottestig puts it, the question may still remain when it comes to its observance and the surveillance of the observance. During our interviews the respondents

³<http://www.iccopr.com/content/view/126/84/>

⁴For more information see <http://www.iccopr.com>

declared that they believed that the rules are being followed but their answers indicated a weak surveillance of its observance.

Larsson (2005a, p. 67) argued that a higher education was not a requirement for people being recruited to the industry. This is not totally aligned with our findings. There is no formal **higher academic education** to become a PR consultant. But the people working in the industry often have some kind of higher academic education, usually within the field of social science (Finnborg, 2008). Tjernström Ottestig wonders how important it is with a common stance when it comes to education within a profession. This may not be important but according to us it is apparent that the criterion of a formal higher education is not yet achieved.

The last criterion, **the demarcation to similar fields**, is also affected by the fact that people in the industry comes from many different disciplines. It is also affected by the high degree of specialization among the consultancies. During the interviews there were discussions about the fact that the PR consulting industry is not clearly demarked to similar fields. Marketing, which seems to be the closest field in resemblance, was mentioned but also Management Consulting. This does not seem to be regarded as a problem within the industry but instead as a natural affinity. However, regardless if this is a problem or not, we argue that the criterion of a demarcation to similar fields is not achieved.

The professionalism can also be analyzed with the second half of Thaléns theory, figure 5.2. There is a rather large debate within the PR consulting industry today concerning personal engagement in the projects (Stegö Chiló, 2004). Some consultants argue that it is necessary to have personal engagement while others argue that one should not have it. The debate is to a smaller degree concerned with ethical issues, and with respect to the discussion concerning ethical branch norms above we can conclude that the industry currently is more or less tilting between the “Professional” state and the “Campaign maker” in Thaléns theory. This is necessarily not a bad thing since both positions has its advantages and disadvantages in different projects. Inversely this could rather be a healthy thing for the industry since it brings multitude in a positive way.

6.3 The future of the Industry

The future of the PR consulting Industry looks promising, at least today. The industry has benefitted from an exceptional growth during the last years and several factors have been driving. Examples include the general economic upswing during this decade but also an increased awareness among clients concerning the importance of sound Public Relations. One of our interviews revealed an interesting aspect concerning this awareness among clients to PR consultancies (Sjöberg, 2008). The first stage is the “insight” where the clients

realize that this field might be of importance. The second stage is “knowledge” where the clients know how and why this is important. The last stage is “conviction” (Sjöberg, 2008). So even though the business cycle might turn downwards, the increased awareness might act as a moderator reducing the downturn for this particular industry.

7 Conclusions

The aim of this study was to describe the development, structure, and professionalism in the Swedish PR consulting industry. Definitions were clarified and a brief review of the industry's history and development was accounted for in order to make the understanding of the industry's structure and degree of professionalism of today easier. To gain an overall understanding of the industry, secondary data was collected and analyzed. Recent studies of the industry's structure and professionalism plus a framework formed a base for our analysis. An analysis of the websites of the consultancies making up the industry was made in order to obtain a view of its structure. To obtain a deeper understanding of the industry three interviews were conducted with three leading individuals in the industry.

The Swedish PR consulting industry has two trade organizations which can be seen as positive for the industry. Typical members of PRECIS are larger, older, more mature, and often full-service consultancies. Conversely, a typical member of SPRF is smaller, younger, more often Swedish-owned, and more specialized. The top three of services mentioned at the consultancies web-sites are Media Relations, Counseling/Training/Education, and Crisis Management. A trend towards further specialization among the consultancies could be seen. The industry is characterized by an aim towards an increased level of professionalism. However, some of the most common criteria for a profession are not yet achieved.

When information is decoded, there should always be an awareness and precaution of the conclusions that are drawn from it. In this case there has been a high degree of translation of what the consultancies are doing in terms of services provided. This could have been prevented by simply asking the consultancies which services they provide, in interviews or in a survey. However, a part of this study includes the investigation on how the companies want to be seen and what can be regarded as important in the industry today. Additional interviews with consultants or a survey could have given a more accurate insight of the industry. The insight obtained in this study reflects what three leading individuals from the trade organizations of the industry has. But due to the limitations in time, and due to the scope of this study, this was not considered. In the future it will be interesting to see how the fact that the industry has two trade organizations will influence its structure

and the degree of professionalism. What also would be interesting to see is how the increased level of professionalism affects the quality of the provided services.

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<http://www.sverigesinformationsforening.se/informatoren/titlar-och-begrepp.aspx> (2008-03-31 through 2008-05-22)
- [17] The Public Relations Agencies in Sweden, 2008:
<http://www.svenskaprforetagen.se/?get=content&action=view&id=127-29> (2008-03-31 through 2008-05-22)

Appendix - The PR Industry in Britain

In Britain PR was well established in both government and industry by the 1980s. By now PR was also becoming more important in trade unions and various interest groups. In the consultancy sector of PR there was now a dramatic expansion and many new consultancies were formed. The industry had a peak in 1990 (combined fee income) but then suffered a severe decline. In 1992 the fee income had dropped by half and staffing levels fell by over 20 percent. Since then the industry has been characterized by a steady and slow recovery and in 1998 the fee income in real terms surpassed the levels recorded in 1990 (Miller & Dinan, p. 8 and p. 10).

In Britain there was an increase in PR spending by government organizations and corporations in attempts to influence government policies. Miller & Dinan found a relationship between deregulation and public relations containing several interrelated parts:

1. **Lobbying and preparation for deregulation** - the lobbying campaign was extremely effective and had already started by the 1978 Conservative Party conference.
2. **Spending on privatization by government/nationalized industries** - the government privatization program (including selling of very large assets such as British telecom (1984) and British Gas (1986)) provided a key financial boost for the PR industry and helped the industry to develop new markets in financial PR in Britain and in similar privatization projects abroad,
3. **The spending by newly privatized companies.**
4. **Spending on promotion by industries following the deregulation** - in the 1980s there was a deregulation of promotional and advertising legislation concerning professions such as law and accountancy. This contributed towards a culture with increased promotional spending.
5. **Increased spending on PR in the new business climate created by the deregulation of the City** - there was a deregulation of financial

services and privatization which created a new branch of PR known as Investor Relations (IR) (Miller & Dinan, p. 12-27).

One can summarize the British development by quoting Miller & Dinan (2000, p. 29):

The rise of the PR consultancy sector did not occur because of the emergence of new technology or because of a learning process inside business organizations, or because PR professionalism and expertise increased or because the PR industry became effective in marketing itself, although all of these things arguably have happened. Instead, PR grew as a result of a decisive political and economic change of direction in government, in the context of the rise of the global power of TNCs¹. The proof of this is that PR did not expand everywhere at the same rate and remains a comparatively marginal presence in a wide variety of national systems.

¹Transnational companies

Appendix - Intervjumall

Generell Intervjumall

Allmänt

- Hur definierar ni PR?
- Hur definierar ni en PR-konsult / PR-konsultföretag?
- Hur skulle ni vilja definiera PR-konsultbranschen? Vilka företag/organisationer ingår?
- Hur anser Du att branschen ser ut idag?
- Hur skulle du vilja beskriva PR-konsultbranschens framväxt?

Branschföreningsspecifikt:

- Varför grundades SPRA/PRECIS/Sveriges Informationsförening?
- Vilken är SPRA/PRECIS/Sveriges Informatonsförenings huvuduppgift?
- Hur startades SPRA/PRECIS/Sveriges Informationsförening?
- Ni har ett antal kriterier för medlemskap, hur ser dessa ut? Varför har ni dessa? (endast PRECIS)
- Egen marknadsföring? Är PR-branschen bra på att marknadsföra sig själv? Hur gör ni?
- Har ni någon form av samarbete/samordning med någon annan organisation? I så fall hur och varför?
- Hur upplever ni att era regler och normer följs? Är de tillräckligt bra?

Vår studie:

- Hur ser historien kring PR-konsultbranschen ut? När började branschen utkristallisera sig?
- Hur har framväxten sett ut?

- Hur anser du att strukturen ser ut i PR-konsultbranschen idag? Har det alltid sett ut så? (grad av professionalisering, konkurrens, specialisering mm)
- Blir det vanligare med ensamarbetande PR-konsulter? (enmansföretag)
- Ökar graden av specialiseringar av arbetsområden? Dvs typ av uppdrag man åtar sig? Typ av kunder? Nischer?
- Hur ser den ”typiske” PR-konsulten ut? (man/kvinna, ålder, utbildning mm)
- Bildas det många nya firmor just nu?
- Hur många går i konkurs/ blir uppköpta?
- Finns många företag som inte är med i branschorganisation? Varför?
- Befinner sig PR branschen i ett uppsving? (ekonomiskt etc)
- Hur ser en typisk klient ut? Har det skett någon förändring? Är till exempel offentliga instanser mer vanliga som kunder idag än tex 10 år sen? Tex, företag, offentliga instanser, politiska partier, fack, individer etc...
- Vilka arbetssätt finns det?
- Nationella/internationella PR operatörer, hur ser trenden ut, vad är vanligast?
- Finns det Fackföreningar? DIK. Påverkan på branschen?
- Finns det några normer och kriterier som man måste uppfylla för att få konkurrera om upphandlingar i offentlig sektor? Om det finns normer, varför finns de?
- Hur ser medvetenheten gällande PR och vikten av PR ut hos företag generellt?
- Händer det att PR konsulter upptäcker att det inte finns någon grund att bygga ett budskap att föra ut? Dvs, man får agera managementkonsult?
- Grad av professionalisering hos branschen?
- Vad tror din organisation är orsaken till att det idag finns flera branschorganisationer?