

VIRTUAL PR AGENCY UK MARKET REPORT

Conducted with The Pulse Business
Q4 2019



1. Source: PR and Communications Census 2019, produced by Norstat for the PRCA

| ABOUT THE SURVEY

In Q4 2019 the PRCA's Virtual PR Agency Group (VPRAG) conducted a focused quantitative and qualitative piece of research into awareness of and attitudes towards 'virtual agencies'. The research questioned 47 senior in-house communications leaders working across a range of industries including tech, telecommunications, energy, property, finance and consumer products.

For the purposes of this report, the VPRAG defines a virtual PR agency as *"an established business staffed predominantly by freelance experts"*.

| RESEARCH OBJECTIVES

1. Gauge awareness levels of the fast growing virtual agency sector
 2. Assess appetite amongst senior communications leaders for considering a non-traditional model
 3. Understand the perceived benefits and challenges of choosing a virtual agency
-

| METHODOLOGY

The survey was carried out by The Pulse Business during Q4 2019. It was sent out to 352 PR professionals all working as a communications director or head of communications, based in the UK with either a UK or broader geographic market remit. 47 people completed the survey.

The "Pulse" was made up of 6 multiple choice questions; it also asked respondents to provide additional anecdotal comments and observations to add context and colour to the data.

| SURVEY RESULTS

Question 1: Have you used a Virtual PR Agency before?



Sample: C350 In-House Communications Directors, Q4 2019

Insights

"I haven't willingly chosen a traditional model over a virtual model, or frankly considered one over the other. When inviting agencies for pitch I simply base it on my perception of their expertise, experience and type of work delivered in comparable sectors."

HEAD OF INTERNAL AND EXTERNAL COMMUNICATIONS - UTILITIES

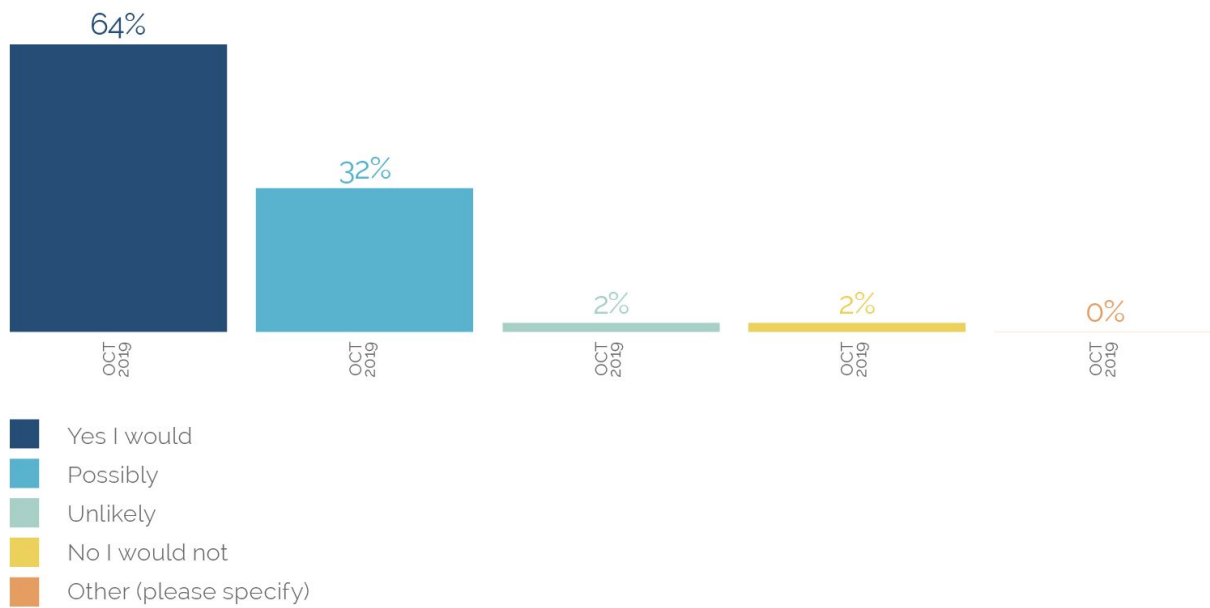
"Yes - in three different roles and for a variety of different jobs. In each role I was working as communications lead, twice for Fortune 500 companies and currently for a scale up organisation."

GLOBAL DIRECTOR OF PR AND COMMUNICATIONS - TECHNOLOGY

"I was looking for a solution that could flex and evolve with our business needs, and the virtual agency proved the right solution."

SENIOR MANAGER, PR - TECHNOLOGY

Question 2: Would you consider using a Virtual PR Agency in the future?



Sample: C350 In-House Communications Directors, Q4 2019

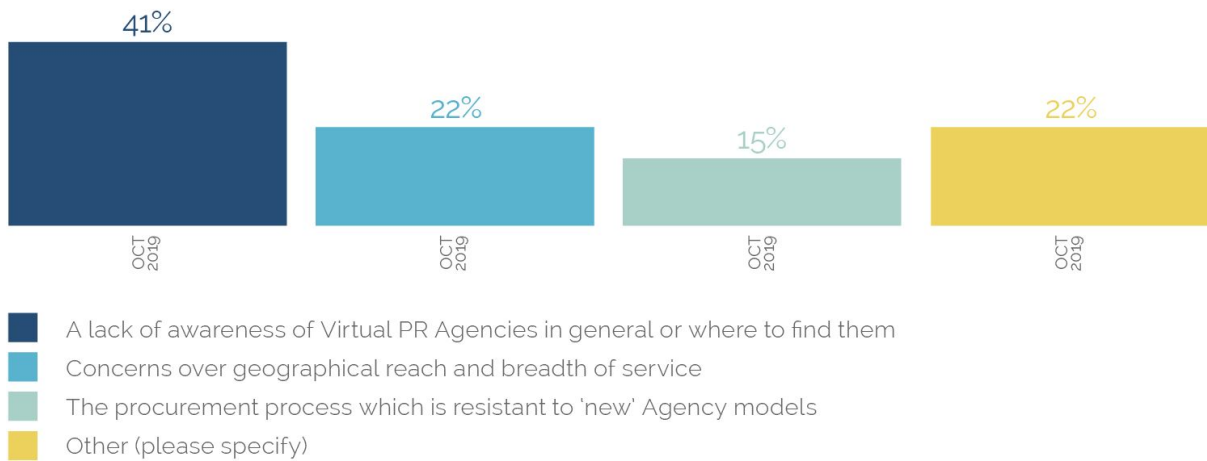
Insights

"I support flexible and agile working and therefore virtual PR seems a good model."
DIRECTOR OF EXTERNAL AFFAIRS - NON-PROFIT

"I like the idea of the flexibility, and having skilled/experienced PR pros who can have a more detailed (expert) knowledge of the company and industry than a more standard agency team. Also the ability to have a "contractor" model - but with the flexibility and ease of managing through an established agency."
SENIOR DIRECTOR, GLOBAL COMMUNICATIONS - TECHNOLOGY

"Yes - we don't see the people from any of our 'traditional agencies' everyday anyway, so the model works just as fine."
GLOBAL COMMUNICATIONS - PHARMACEUTICAL

Question 3: What one factor, if any might deter a client from hiring a Virtual PR Agency?



Sample: C350 In-House Communications Directors, Q4 2019

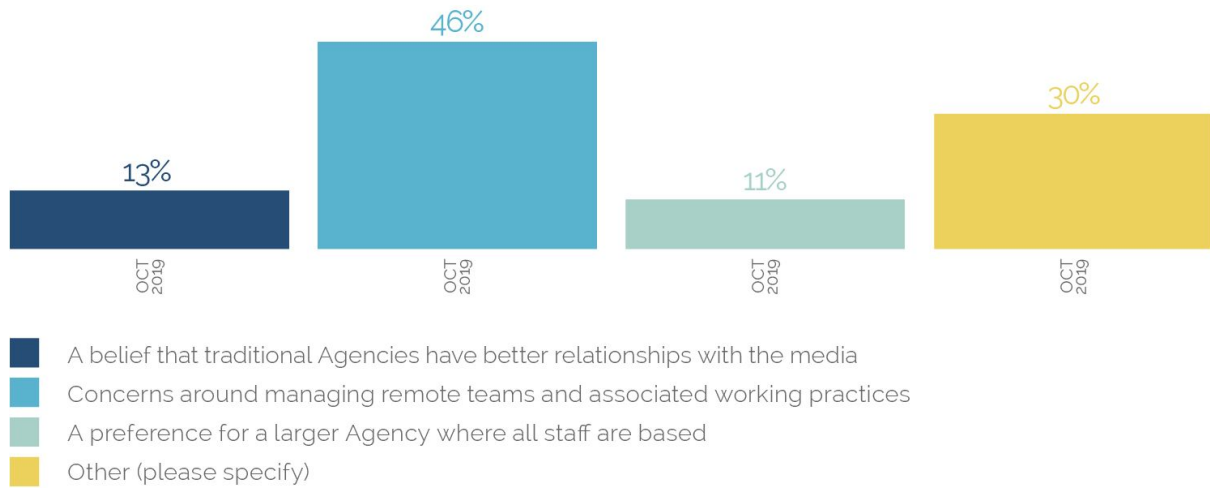
Insights

"Assurances over governance, SLAs, account management structure and team collaboration."
HEAD OF INTERNAL COMMUNICATIONS - AUTOMOTIVE

"I think people get concerned that there is no 'office' to call or that staff will be working on other projects, but that's no different to normal agency. It just comes with less overhead."
SENIOR MANAGER, PR - TECHNOLOGY

"Concerns re: quality assurance and experience/expertise of individual consultants across markets."
SENIOR COMMUNICATIONS MANAGER - TELECOMMUNICATIONS

Question 4: What other factor, if any, might deter a client from hiring a Virtual PR Agency?



Sample: C350 In-House Communications Directors, Q4 2019

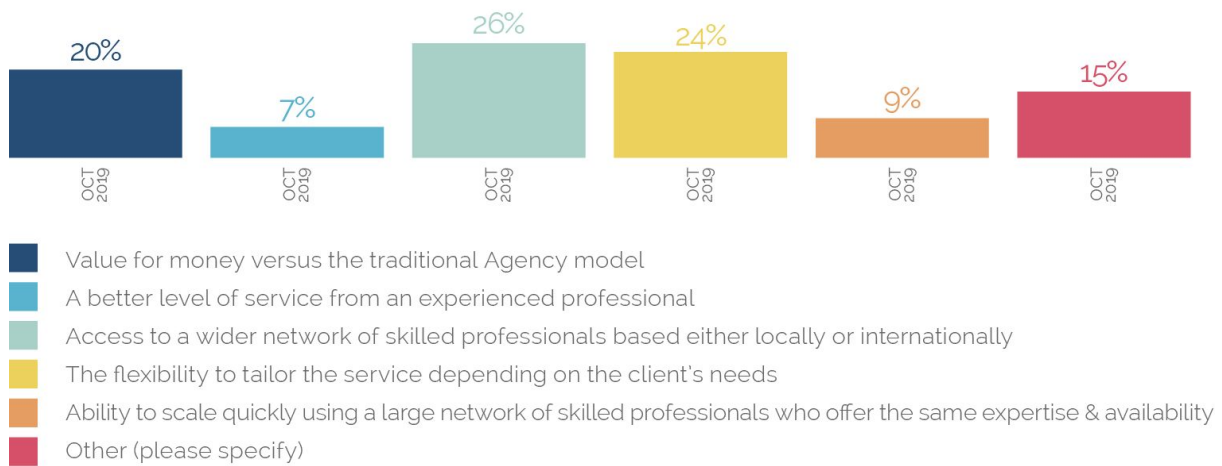
Insights

"Time management, where structures are less clear in the virtual agency structure."
DIRECTOR OF COMMUNICATIONS - EDUCATION

"Internal procurement processes are cumbersome and challenging at the best of times. Procurement departments would likely demand new procedures and metrics to assess quality of service, cost effectiveness and risk assessments before new agency models can be brought into existing financial systems."
DIRECTOR OF EXTERNAL COMMUNICATIONS - MOBILE

"Ensuring that the virtual PR agency's dispersed teams are brought up to speed properly on a project."
SENIOR COMMUNICATIONS MANAGER - MUSIC

Question 5: Which one of these, if any, is the main benefit to the Virtual PR Agency model?



Sample: C350 In-House Communications Directors, Q4 2019

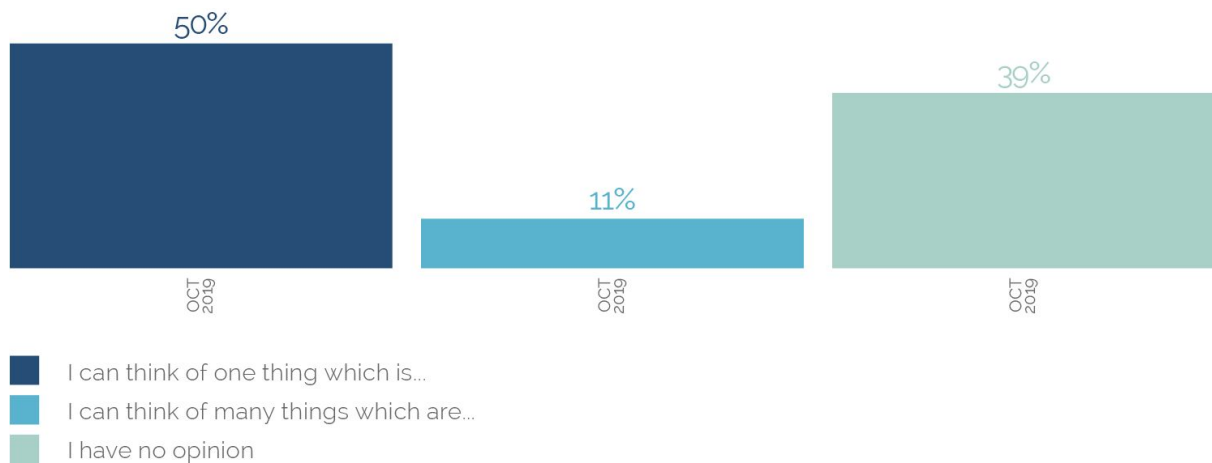
Insights

"I have found the virtual agency particularly effective where you need to provide distributed, regional support."
 DIRECTOR OF COMMUNICATIONS, INTERNATIONAL - TECHNOLOGY

"Bringing in the expertise to build the team rather than just who is available in a traditional agency (who are always sold as the very best of the best - but are really just the ones with capacity to work on a new client)."
 GLOBAL DIRECTOR OF PR AND COMMUNICATIONS - TECHNOLOGY

"Valuable particularly if the virtual agency can tap into vertical/sector expertise faster than traditional agencies."
 DIRECTOR OF EXTERNAL COMMUNICATIONS, ORANGE

Question 6: What one thing, if any, could improve the perception of Virtual PR Agencies?



Sample: C350 In-House Communications Directors, Q4 2019

Insights

"I think there is a genuine lack of awareness of virtual agencies - many organisations are simply used to the traditional model. Some agency and in-house relationships go back decades. Many in-house teams are starting to use more freelancers, from design, creative to general copywriting, mainly because of budget reductions and a lack of responsiveness and quality from traditional agencies. A virtual agency could be the bridge between both."
GROUP HEAD OF EXTERNAL COMMUNICATIONS - INSURANCE

"I think the focus is less on the model and more on the delivery. The benefits of the virtual model may be important, but are secondary to the work delivered. It's a little like cloud computing - it's almost not important now how it is delivered as long as the product works well and works effectively."
HEAD OF INTERNAL AND EXTERNAL COMMUNICATIONS - UTILITIES

"When I have used similar models, the key selling point for me has been the experience you get minus the overheads - so value for money for hard won experience (which needs to be better promoted)."
HEAD OF INTERNAL COMMUNICATIONS - AUTOMOTIVE

| EXECUTIVE SUMMARY

Nicky Regazzoni, Co-Chair, PRCA VPRAG, Co-Founder, The PR Network



“Virtual PR agencies are increasingly important, making a valuable contribution to overall UK PR industry revenues. The value of the UK PR industry was £14.9bn in 2019, up 7.9% from 2018. Virtual agency revenue is not yet measured officially but we are seeing above-market growth.

The difference with traditional agencies is that instead of permanent staff working out of a fixed office location, virtual agencies are predicated on agile teams of freelance experts working flexibly - where, when and for whom they choose. There are many permutations of this model, and all founding members of the VPRAG are working slightly differently in terms of a) the size of the permanent team (ranging from 1 - 7) and b) whether they choose to have any office space at all.

The broad nature of the proposition itself can cause confusion. The group's primary intention is to create clarity and confidence for clients and practitioners. We commissioned this research to understand awareness levels and perceived benefits and challenges. The insights will now help us collectively build a strong proposition, formalise the virtual category, and increase market share.

The survey results are positive, with 64% of comms leaders saying they would now consider hiring a virtual agency, but a lack of awareness of where to find one (41%) and concerns over the management of remote teams (46%), are the biggest barriers to adoption. The results show that more needs to be done to build confidence in the business model. Transparency over governance, robust account management structure and working practices are seen as a way to achieve this.

Amongst those surveyed, over half (51%) had used a virtual agency in the past, and more than a quarter (26%) felt the biggest benefit of a virtual structure was access to a wider network of skilled professionals based locally or internationally. Additional selling points were the flexibility to tailor the service depending on the client's needs (24%), value for money (20%), and the ability to scale quickly using a large network of skilled professionals (9%). Better visibility of the concept and client case studies were cited as potential ways to promote virtual PR agencies as a credible alternative to traditional models at the procurement stage.

This model is not new - we have been running a global virtual agency for 15 years. However, the market is now maturing and we must increase awareness of how virtual agencies work, dispelling concerns over team collaboration, governance and working practices. We also need to be better at our own PR, to give clients

confidence that we can stand alongside the best traditional agencies to deliver exceptional work. These are objectives for the VPRAG for 2020.”

| ABOUT THE PRCA VIRTUAL PR AGENCIES GROUP

PRCA Group Page

The VPRAG is co-chaired by Nicky Regazzoni and George Blizzard, co-founders of The PR Network, with 10 founding members from other well-established virtual agencies from the UK and Dubai. The sectoral group launched in 2019 with the support of Francis Ingham and the PRCA to establish virtual agencies as an increasingly important category within the global PR market, and to promote the model as a viable choice for PR practitioners and clients.

The group has identified four key pillars of work: **Reputation** (where the research project sits), **Growth and Leadership**, **Team and Culture** and **Technology**. Group members sit in sub-teams who are developing initiatives in each area to help advance the virtual agency market in 2020.

Co-Chairs:

Nicky Regazzoni and George Blizzard, Co-CEOs - [The PR Network](#) @prnetwork @nickyregazzoni @georgeblizzard

Founding Members:

Anne Bleeker, Founder - [In2 Consulting](#) @in2consulting

Isobel Camier, Founder - [Isobel Camier Communications](#) @isobelcamier

Jo Field, Founder & MD - [JFG Communications](#) @jfgcomms

Sarah Waddington, MD - [Astute.work](#) @mrswadds

Charlie Le Rougetel, Founder - [Big Top PR](#) @big_top_pr

Helen Neal, Founder - [HN Communications](#) @HNCommsUK

Matt Phillips, Founder - [PPR](#) @pprconsulting

Lesley Singleton, Head of Play - [Playtime PR](#) @playtimePRLtd

Angie Wiles, Founder - [The Difference Collective](#) @hellodifference

Sophie Wilson, CEO & Founder - [Tuesday Media](#) @Tuesday_Media



CONTACT INFORMATION

For further information on the [PRCA Virtual Agencies Group](#) or to speak to any of the founding members about what it means to work with or for a virtual agency, please contact nicky@thepr.network and george@thepr.network.

#virtualpragencies

