

Public Relations – an Essential Communication Tool in Marketing and Media Environment

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ABSTRACT

Traditionally, public relations (PR) are an activity which in most companies has been structurally separated from marketing communications. It originated in the function of ‘press agent’, the main activity of who was to bridge the gap between the company’s point of view and media coverage of the company’s activities. Gradually, press agents became a vital part of the company’s communications efforts targeted at various publics or stakeholders, and the activity of ‘press relations’ evolved into the ‘public relations’ function. Staying in touch and creating goodwill with all types of audiences has become an extremely sophisticated and complex task. This is illustrated by the fact that in most companies the PR function directly reports to the chief executive officer (CEO). However, not only do the type and number of target groups of PR exceed marketing communications target groups, but also the nature of the objectives is quite specific, as well as the tools and instruments used, although some of the latter are similar to those used in marketing communications.

Keywords: Company environment, media exposure, promotional mix, brand-building, target groups, sponsorship, corporate impact, coverage

JEL Classification: M31, L81, L82

PR is more complex than marketing communications, due to the variety of objectives and target groups it has to take into account. PR also plays a vital role in integrating the company’s communications efforts. Integrated communications at the corporate level imply the creation of

synergies between all communications tools, especially marketing communications and corporate communications. PR is a very important component of the latter.

There are different definitions of public relations, which all stress one or more important aspects of this communications tool. Essentially, PR is a communications tool that is used to promote goodwill towards the firm as a whole. It is the projection of the personality of the company, the management of reputation. PR is the planned and sustained effort to establish and maintain good relationships, mutual understanding, sympathy and goodwill with publics, audiences or stakeholders. It is those efforts that identify and close the gap between how the organization is seen by its key publics and how it would like to be seen. Publicity is the term used to describe the free media coverage of news about the company or its products, often as a result of PR efforts. Publics are, besides customers and potential customers, groups of people that the company is not directly trying to sell products to (that is why these groups are sometimes called secondary target groups), but that are perceived as influencing opinions about the company. As such, publics can be considered as a component of the external company environment. The relations with these publics should be positive because they can be vital to the company's survival and success. Essential in most definitions of PR is that it is a two-way form of communication: the company learns from its publics and conveys information to them.

Furthermore, like any other communications activity, PR should be a planned effort. It is also a major component of a successful integrated communications activity, since it covers a range of activities that can be linked to other elements of the communications mix, such as the following:

1. Creation and maintenance of corporate identity and image, by communicating the company's philosophy and mission through corporate advertising, open days, etc.
2. Improving the company's standing as a good corporate citizen, by means of activities such as arts and sports sponsorship or community programmes.
3. Maintaining good relations with the media, both for disseminating good news and in times of crisis.
4. Attendance at trade exhibitions and the organization of contacts with suppliers and intermediaries.
5. Looking after internal communications, with the purpose of involving employees in the strategic priorities of the company.

PR is different from marketing communications in the strict sense of the word in a number of ways. Marketing communications tend to be commercial and short-term. Few marketers will jeopardize short-term benefits for the sake of long-term returns. Although PR executives recognize the importance of customer satisfaction and profits, and in that sense support core marketing communications efforts, their main concern is the long-term goodwill towards, and reputation of, the company as a whole. They want people to respect their organization. As a result, marketers will always have to keep PR people focused on marketing objectives. On the other hand, PR professionals will have to challenge marketing people in terms of the effects of their actions on a broader public.

The role of PR people is also to stress the importance of non-marketing audiences for the well-being of the company in the long run. Good PR lays the groundwork, and creates the platform for successful marketing communications. The relation between corporate and marketing reputation

is illustrated by the fact that most people seem to believe that a company that has a good reputation would not sell bad products, that old-established companies make the best products and that they would never buy products made by a company they have never heard of. Although advertising, sales efforts and direct mailing on the one hand, and PR – more specifically the publicity generated by PR activity – on the other, can both have a similar influence on the reputation of a company and its products, there are a number of important differences between the two types of instruments.

PR targets important stakeholders and difficult-to-reach audiences such as opinion leaders, financial analysts and investors. Many of them are not interested in advertising or direct mailing, and even avoid it or are very skeptical towards it. Furthermore, they are shielded from salespeople by their assistants. On the other hand, they are often interested in news and may be reached indirectly by the media exposure generated through PR activity. PR professionals can advise companies on important trends and on the consequences of corporate activities on marketing effectiveness. PR can present the company as a good citizen and, as such, contributes to the corporate image and reputation. PR plays an important role in guiding the company through crises without too much damage to its reputation. Often, advertising and sales promotions are strictly regulated by governments. PR offers the opportunity of more message flexibility. PR is often relatively cost-effective because the media coverage generated is free. Getting media coverage often enables the company to reach a variety of audiences and a large number of people at a fraction of the cost that would have been required in an advertising campaign.

The most important advantage of PR and the resulting media exposure over marketing communications tools may be that the former is generally considered to be more objective and therefore more believable in the perception of target groups. News is also generally more exciting, or is presented as such. Marketing communications, on the other hand, are paid for by the company, and the public are aware of that. This results in a certain cynicism about the bias in the message. As a result, PR is capable of breaking through the communications clutter more effectively.

The major weakness of PR is the lack of control over the content of the press coverage of news releases. Evidently, the media have other priorities and other sources, and the published story may be quite different from the information disseminated by the PR department. The context and style of the original message may be substantially changed or completely lost. In advertising, for instance, the company has full control over the content of its communications. With PR, journalists act as gatekeepers: if a story is perceived as having not enough ‘news value’ it may not be published, especially in a period in which there is other important news to cover. The timing of ads and sales promotions is fully controlled by the company. The effectiveness of PR is hard to measure. Often, exposure measures, such as the amount of media coverage, are used, but they hardly say anything about the long-term effect of PR efforts on company goodwill or sales. Measuring the effectiveness of advertising is often more straightforward. PR is of growing importance for companies. In the USA, three out of four companies have a PR department. The number of people working in PR is estimated to be 145 000. The growth of the PR industry is estimated to be in double digits.

In recent years, the PR market has grown by approximately 10% per year. There are a number of trends that make PR an increasingly important communications tool. The maintenance of good employee relations is considered to be increasingly vital. This implies effective communications between management and employees. Corporate branding is of growing importance. PR plays a crucial role in corporate communications and, consequently, corporate brand-building. Growing consumer awareness leads to a stronger involvement of the public in the activities of companies, thereby increasing the need for proactive PR activity and crisis management. More and more 'single-issue' publics, such as animal liberation groups and consumer and environmental pressure groups, that use confrontation as a tactic, are emerging, and are seriously challenging the PR skills of companies. PR is an important tool in gaining an understanding of these changes, being aware of the influence of government regulations on marketing activity and laying the groundwork for effective market entry. PR departments are increasingly confronted with the need to operate globally and draw up international PR campaigns. PR activity is becoming increasingly specialized. In the past, PR firms tried to solve all the PR problems of a company. Nowadays, there is a growing trend of specialization and niches in the PR support that companies need and, as a result, in the way in which PR companies or departments have to organize themselves. PR suffers from a bad reputation stemming from the era in which PR activity was mainly associated with press conferences, manipulating the media and fancy parties for stakeholders. And although PR professionals view their activities as having strategic and corporate impact, many marketers classify PR as little more than a tactical ingredient of the promotional mix.

Attracting and keeping high-quality personnel and improving the image of the PR profession have become priorities for PR executives and management in general. Measuring the effect of PR is a difficult task. PR departments will have to upgrade their function into a strategic tool for top management and, consequently, will have to develop the tools to prove their effectiveness in supporting the company's long-term profit base. PR, as with all other forms of marketing communications, will have to adapt to the opportunities and threats and, more generally, the environment created by new technologies such as business television, the Internet and smart telephony. Good PR is based on a PR plan that contains the same fundamentals as any other communications plan. Target groups or audiences have to be defined, and the objectives and messages to be conveyed have to be determined. Communications channels, tools and instruments have to be put in place, and timing and a budget have to be decided on. The PR plan has to be implemented, and its effectiveness has to be measured. Different types of PR can be defined. Depending on the type of PR, different target groups, objectives and tools can be distinguished.

Media public relations

Since the media are the most important intermediate public, developing and maintaining good contacts with radio, TV and the (trade) press are often extremely important. All the objectives to be met by end-publics are also important in media PR: to inform, build favorable attitudes, create a positive image and a reservoir of goodwill, and to ensure coverage of marketing-related news. Indirectly, media PR is aimed at generating favorable publicity about the company, its products and

brands and, more generally, all events and projects that support the image of the company and its marketing objectives. Good media PR can result in positive comments during the introduction of a product, can create goodwill for the company's activities and can generate publicity for a range of organizational events, activities and sponsorship programs. In the aftermath of the A Class moose test problems when a Mercedes A-Class model overturned while undertaking a traditional moose test, Mercedes was able to neutralize the bad publicity quickly by means of careful PR campaigns directed at the specialized press. Obtaining media attention for sponsorship projects can generate publicity that is, in terms of media exposure, worth much more than the initial investment in the event. In times of crisis, the media are a crucial audience in order to avoid or neutralize negative 'fallout' from the event that caused the crisis. Bad handling of media relations caused the Perrier problem (benzene in Perrier mineral water) to evolve into a major wave of bad publicity that resulted in enormous image and commercial damage to the brand and the company.

Marketing public relations

Marketing PR is directly related to selling products and/or supporting brands. As such, it is a part of marketing communications for which oft en product or brand managers are responsible. Marketing PR can be used to support the launch of a new product, for instance by inviting the trade press to test-drive a new car, or to see to it that a new CD gets enough 'airplay'. It can also be used to support and revive existing products, for instance by means of creating an event when the 50th shop is opened, or after the first 100 000 cars of a certain model have been sold. Sponsorship and special events can be used as PR tools to improve the relationship with suppliers and distributors, by offering free tickets for sports or arts events. Restaurants may invite journalists from the specialized press to encourage them to write a positive article and, as a result, boost sales. All these examples illustrate that marketing PR is an activity that is largely integrated with both corporate PR and other tools of the communications mix.

Depending on the problem and the objective, publics will have to be divided into primary and secondary audiences. Public relations efforts will be more intense towards primary target groups. Launching a new product, for instance, will generally imply more efforts towards the marketing PR target groups, the media and the general public than towards financial audiences or the government. Furthermore, an individual can belong to more than one public at a time. As a result, consistent PR communications across audiences is vital to avoid conveying contradictory messages to the same members of different publics.

Conclusions

At the end of the last year it was underlined that *press releases will evolve, real-time marketing will become more widespread, and visual content, specifically educational content, will be all the rage.* (Greene, 2014) Within the context of an outlook for 2015 there were identified five challenges for PR agencies: *agreeing with clients precisely which aspects of PR agencies' work needs to be measured, making sure brands get the best from their relationship with influencers; incorporating online video seamlessly into communications campaigns; maintaining customer*

interest in our clients' owned media and providing a consistent multi-platform service. (Gray, 2014) According to a PR Newswire's representative (starting with Julius Caesar, and being recognized as a profession thanks to George V. S. Michaelis in Boston in 1900 with the establishment of his Publicity Bureau, the PR profession has constantly evolved, including by shifting online at the beginning of the 21st century, PR - marketing objectives are becoming their key KPIs - marketing and social media being treated interconnected), in 2015: *PR will reach a point where hard-core technology skills will be just as important as people skills, if not more so; everyone will do PR, PR and reputation being vital for business of all sizes.* (arcticstartup.com, 2015)

PR is the management of reputation. It is about building and maintaining long-term goodwill vis-à-vis a large variety of audiences and stakeholders. Depending on the nature of these stakeholders, different types of PR can be distinguished. Marketing PR is directed towards marketing audiences and mainly supports marketing communications objectives. Corporate PR, such as public affairs, financial and media PR, supports corporate image and corporate reputation. A special type of PR activity is internal PR by means of which employees and shareholders are informed and/or motivated to co-operate in achieving the goals of the marketing and corporate communications plans. A broad variety of tools and media are used in PR, ranging from personal and oral communications in internal PR, to press releases, corporate advertising, direct mailing and annual reports in corporate PR. A specific task of PR is communicating in times of crisis. Building goodwill by means of pre-crisis PR is essential to limit the fallout from a crisis situation, although PR activity during the crisis is equally important.

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