Public relations is a management activity that attempts to shape the attitudes and opinions held by an organisation’s stakeholders. Through interaction and dialogue with these stakeholders, an organisation seeks to adjust its own position and/or strategy. Therefore, there is an attempt to identify with, and adjust an organisation’s policies to the interests of its stakeholders. To do this, it formulates and executes a programme of action to develop mutual goodwill and understanding. Profile communication strategies make substantial use of public relations when developing understanding about their intentions and who they are.

### Aims and learning objectives

The aim of this chapter is to explore the role and characteristics of public relations in the context of profiling organisations and their products.

The learning objectives of this chapter are to:

1. explain the nature and characteristics of public relations;
2. highlight the main audiences to which public relations activities are directed;
3. discuss the role of public relations in the communications mix;
4. appreciate ways in which public relations works;
5. provide an overview of some of the main tools used by public relations;
6. examine the nature and context of crisis management;
7. determine ways in which public relations can be integrated with the other tools of the marketing communications mix.

For an applied interpretation see Peter Betts’ MiniCase entitled *British Airways: the world’s least favourite airline?* at the end of this chapter.
Introduction

The shift in the degree of importance given by organisations to public relations over recent years is a testimony to its power and effectiveness. An increasing number of organisations are now recognising that the role that public relations can play in the external and internal communications of organisations is a tool for use by all organisations, regardless of the sector in which they operate. Therefore all organisations in the public, hybrid, not-for-profit and private sectors can use this tool to raise visibility, interest and goodwill.

Traditionally, public relations has been perceived as a tool that dealt with the manner and style with which an organisation interacted with its major ‘publics’. It sought to influence other organisations and individuals through public relations, projecting an identity that would affect the image that different publics held of the organisation. By spreading information and improving the levels of knowledge that people held about particular issues, the organisation sought ways to advance itself in the eyes of those it saw as influential. This approach is reflected in the definition of public relations provided by the Institute of Public Relations: 'Public Relations practice is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics.' Another definition has been provided by delegates attending a world convention of public relations associations in 1978, entitled the Mexican Statement: 'Public Relations is the art and social science of analysing trends, predicting their consequences, counselling organisations’ leadership and implementing planned programmes of action which will serve both the organisation’s and the public interest’ (Public Relations Educational Trust, 1991).

A more recent definition from Bruning and Ledingham (2000) is that public relations is the management of relationships between organisations and their stakeholders (publics). This last definition indicates the direction in which both public relations and marketing theory is moving.

Public relations has long been concerned with the development and communication of corporate and competitive strategies. Public relations provides visibility for an organisation, and this in turn, it is hoped, allows it to be properly identified, positioned and understood by all of its stakeholders. What some definitions do not emphasise or make apparent is that public relations should also be used by management as a means of understanding issues from a stakeholder perspective. Good relationships are developed by appreciating the views held by others and by ‘putting oneself in their shoes’.

Through this sympathetic and patient approach to planned communication, a dialogue can be developed that is not frustrated by punctuated interruptions (anger, disbelief, ignorance and objections). Public relations is a management activity that attempts to shape the attitudes and opinions held by an organisation’s stakeholders. It attempts to identify its policies with the interests of its stakeholders and formulates and executes a programme of action to develop mutual goodwill and understanding, and in turn develop relationships that are in the long-term interests of all parties.

Characteristics of public relations

Public relations should, therefore, be a planned activity, one that encompasses a wide range of events. However, there are a number of characteristics that single out this particular tool from the others in the marketing communications mix. The use of public relations does not require the purchase of airtime or space in media vehicles, such as television or magazines. The decision on whether an organisation’s public relations messages are transmitted or not rests with those charged with
managing the media resource, not the message sponsor. Those messages that are selected are perceived to be endorsements or the views of parties other than management. The outcome is that these messages usually carry greater perceived credibility than those messages transmitted through paid media, such as advertising.

The degree of trust and confidence generated by public relations singles out this tool from others in the marketing communications mix as an important means of reducing buyers’ perceived risk. However, while credibility may be high, the amount of control that management is able to bring to the transmission of the public relations message is very low. For example, a press release may have been carefully prepared in-house, but as soon as it is passed to the editor of a magazine or newspaper, a possible opinion former, all control is lost. The release may be destroyed (highly probable), printed as it stands (highly unlikely) or changed to fit the available space in the media vehicle (almost certain, if it is decided to use the material). This means that any changes will not have been agreed by management, so the context and style of the original message may be lost or corrupted.

The costs associated with public relations also make this an important tool in the marketing communications mix. The absolute costs are minimal, except for those organisations that retain an agency, but even then their costs are low compared with those of advertising. The relative costs (the costs associated with reaching each member of a target audience) are also very low. The main costs associated with public relations are the time and opportunity costs associated with the preparation of press releases and associated literature. If these types of activity are organised properly, many small organisations could develop and shape their visibility much more effectively and in a relatively inexpensive way.

A further characteristic of this tool is that it can be used to reach specific audiences in a way that paid media cannot. With increasing media fragmentation and finer segmentation (customisation) of markets, the use of public relations represents a cost-effective way of reaching such markets and audiences.

**ViewPoint 19.1 Kittens in need**

The KittenAid appeal in 2007, run by the Cats Protection charity, was designed to generate funds from the donors on the charity’s database. The number of kittens delivered to the charity was exceptionally large in 2007 due to un-neutered cats breeding in the warm weather.

The campaign was started with a vismail teaser, showing video clips of the charity’s kittens and announcing the arrival of kitten season. This was sent to the charity’s 18,000 esubscribers. This activity was then followed by direct mail activity, this time targeted at their 94,000 donors. The mailer was used to tell the story of the recovery of two very ill kittens, now in the care of the charity. The charity’s magazine *The Cat* ran the story while their 29 adoption centres and 252 branches actively discussed the story and associated issues with local media.

As a result of this public relations campaign the appeal generated 40 items of coverage in the media. On the morning of the first broadcast, the KittenAid message reached 1.5 million people and featured on various BBC Radio programmes. After just six weeks the donations reached £244,000, 15 per cent up on the whole of the previous year’s fund raising.


**Question**

What role did the vismail play in generating donations?

**Task**

Identify the direct marketing and public relations activities in the KittenAid example.
New technology has played a key role in the development and practice of public relations. Gregory (2004) refers to the Internet and electronic communication ‘transforming public relations’. With regard to the use of the Internet by public relations practitioners she identifies two main schools. One refers to those who use the Internet as an extension to traditional or pre-Internet forms of communication. The second sees opportunities through the Internet to develop two-way, enhanced communication. There can be little doubt that new technology has assisted communication management in terms of improving the transparency, speed and reach of public relations messages, while at the same time enabling interactive communication between an organisation and its specific audiences.

The main characteristics of public relations are that it represents a very cost-effective means of carrying messages with a high degree of credibility. However, the degree of control that management is able to exert over the transmission of messages can be limited.

**Publics or stakeholders?**

The first definition of public relations quoted earlier uses, as indeed does most of the public relations industry, the word *publics*. This word is used traditionally to refer to the various organisations and groups with which an organisation interacts. So far, this text has referred to these types of organisation as *stakeholders*. ‘Stakeholders’ is a term used in the field of strategic management, and as public relations is essentially concerned with strategic issues the word ‘stakeholders’ is used in this text to provide consistency and to reflect the strategic orientation and importance of this marketing communications tool.

The stakeholder concept recognises that various networks of stakeholders can be identified, with each network consisting of members who are oriented towards supporting the organisation either in an indirect way or directly through the added-value processes. For the purposes of this chapter it is useful to set out who the main stakeholders are likely to be. Stakeholder groups, it should be remembered, are not static and new groups can emerge in response to changes in the environment. The main core groups, however, tend to be the following.

**Employees (internal public relations)**

The employees of an organisation are major stakeholders and represent a major opportunity to use word-of-mouth communications. It has long been established that employees need to be motivated, involved and stimulated to perform their tasks at a high level. Their work as external communicators is less well-established, but their critical role in providing external cues as part of the corporate identity programme was discussed in Chapter 13.

**Financial groups (financial or investor relations)**

Shareholders require regular information to maintain their continued confidence in the organisation and to prevent them changing their portfolios and reducing the value of the organisation. In addition to the shareholders, there are those individuals who are either potential shareholders or who advise shareholders and investors. These represent the wider financial community, but nevertheless have a very strong influence on the stature, strength and value of an organisation. Financial analysts need to be supplied with information in order that they be up to date with the activities and performance outcomes of organisations, but also need to be advised of developments within the various markets that the organisation operates.

Organisations attempt to supply analysts with current information and materials about the organisation and the markets in which they are operating, to ensure that the potential and value of publicly quoted organisations is reflected in the share price. The success of any further attempts to increase investment and to secure any necessary capital will be determined
by the confidence that the financial community has in the organisation. Public relations, or investor relations, is an important form of communication in that it can create and shape these relationships. By developing confidence in this way the perception of risk held by investors can be lowered, funds are released and new products developed and launched.

**Customers (media relations)**

The relationships that organisations develop with the media are extremely important in ensuring that their messages reach their current and potential customers. Customers represent a major stakeholder audience and are often the target of public relations activities, because although members of the public may not be current customers the potential they represent is significant. The attitudes and preferences towards the organisation and its products may be unfavourable, in which case it is unlikely that they will wish to purchase the product or speak positively about the organisation. By creating awareness and trust it is possible to create goodwill and interest, which may translate into purchase activity or favourable word-of-mouth communications. This is achieved through media relations.

**ViewPoint 19.2 Promoting cream for salads**

Established food brands need to be refreshed and repositioned on a regular basis in order to be of value to successive generations. Heinz Salad Cream, for example, is a brand that has been around for over 90 years and was generally perceived as a salad dressing preferred mainly by the older generation. Many adults have not even tried it, as they have been brought up using mayonnaise.

Rather than discontinue the brand, Heinz decided to reposition the product by introducing it to a new generation of young adults and surrounding it with a new set of associations and brand values. This was accomplished using public relations, advertising, radio and in-store promotions in concert with the web site. A launch event involving Denise van Outen and Graham Norton was used to generate media attention and, through sponsorship of a comedy tour, tasting opportunities were increased among the target audience.

**Question**

This example shows how public relations can help reposition a brand. Isn’t this the work of advertising?

**Task**

Why do you believe Denise van Outen and Graham Norton were used for this campaign?

Of all the media, the press is the most crucial, as it is always interested in newsworthy items and depends to a large extent on information being fed to it by a variety of corporate press officers. Consequently, publicity can be generated for a range of organisational events, activities and developments.

**Organisations and communities (corporate public relations)**

There are a variety of public, private, commercial and not-for-profit organisations and communities with whom organisations need to communicate and interact on a regular basis. Corporate public relations (sometimes referred to as corporate communications) are used to reach this wide spectrum of audiences and cover a range of activities. Each audience and set of issues have particular characteristics that lead to individual forms of public relations practice:
• public affairs – government and local authorities;
• community relations – members of local communities;
• industry relations – suppliers, associations and other trade stakeholders;
• issues management – various audiences concerning sensitive industries (e.g. tobacco or pharmaceuticals).

Organisations should seek to work with, rather than against, these stakeholder groups. As a result, public relations should be aimed at informing audiences of their strategic intentions and seeking ways in which the objectives of both parties can be satisfied.

**A framework of public relations**

Communications with such a wide variety of stakeholders need to vary to reflect different environmental conditions, organisational objectives and forms of relationship. Grunig and Hunt (1984) have attempted to capture the diversity of public relations activities through a framework. They set out four models to reflect the different ways in which public relations is, in their opinion, considered to work. These models, based on their experiences as public relations practitioners, constitute a useful approach to understanding the complexity of this form of communication. The four models are set out in Figure 19.1.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Press agentry/publicity</strong></td>
<td>Propaganda</td>
</tr>
<tr>
<td><strong>Nature of communication</strong></td>
<td>One way; complete truth not essential</td>
</tr>
<tr>
<td><strong>Communication model</strong></td>
<td>Source → Rec.*</td>
</tr>
<tr>
<td><strong>Nature of research</strong></td>
<td>Little; ‘counting house’</td>
</tr>
<tr>
<td><strong>Leading historical figures</strong></td>
<td>P.T. Barnum</td>
</tr>
<tr>
<td><strong>Where practised today</strong></td>
<td>Sports, theatre, product promotion</td>
</tr>
<tr>
<td><strong>Estimated percentage of organisations practising today</strong></td>
<td>15%</td>
</tr>
</tbody>
</table>

* Receiver.

**Figure 19.1**  Models of public relations
The press agentry/publicity model

The essence of this approach is that communication is used as a form of propaganda. That is, the communication flow is essentially one way, and the content is not bound to be strictly truthful as the objective is to convince the receiver of a new idea or offering. This can be observed in the growing proliferation of media events and press releases.

The public information model

Unlike the first model, this approach seeks to disseminate truthful information. While the flow is again one way, there is little focus on persuasion, more on the provision of information. This can best be seen through public health campaigns and government advice communications in respect of crime, education and health.

The two-way asymmetric model

Two-way communication is a major element of this model. Feedback from receivers is important, but as power is not equally distributed between the various stakeholders and the organisation, the relationship has to be regarded as asymmetric. The purpose remains to influence attitude and behaviour through persuasion.

The two-way symmetric model

This represents the most acceptable and mutually rewarding form of communication. Power is seen to be dispersed equally between the organisation and its stakeholders and the intent of the communication flow is considered to be reciprocal. The organisation and its respective publics are prepared to adjust their positions (attitudes and behaviours) in the light of the information flow. A true dialogue emerges through this interpretation, unlike any of the other three models, which see an unbalanced flow of information and expectations.

The model has attracted a great deal of attention and has been reviewed and appraised by a number of commentators (Miller, 1989). As a result of this and a search for excellence in public relations, Grunig (1992) revised the model to reflect the dominance of the ‘craft’ and the ‘professional’ approaches to public relations practices. That is, those practitioners who utilise public relations merely as a tool to achieve media visibility can be regarded as ‘craft’-oriented.

Those organisations whose managers seek to utilise public relations as a means of mediating their relationships with their various stakeholders are seen as ‘professional’ practitioners. They are considered to be using public relations as a longer-term and proactive form of planned communication. The former see public relations as an instrument, the latter as a means of conducting a dialogue.

These models are not intended to suggest that those responsible for communications should choose among them. Their use and interpretation depend upon the circumstances that prevail at any one time. Organisations use a number of these different approaches to manage the communication issues that exist between them and the variety of different stakeholder audiences with whom they interact. However, there is plenty of evidence to suggest that the press agentry model is the one most used by practitioners and that the two-way symmetrical model is harder to observe in practice.

These models have been subjected to further investigation and Grunig (1997) concluded that these four models are not independent but coexist with one another. Therefore, it is better to characterise public relations as dimensions of communication behaviour (Yun, 2006). These dimensions are direction, purpose, channel and ethics, and are explained at Table 19.1.
Public relations and relationship management

In addition, it is important to remember that the shift to a relationship management perspective effectively alters the way public relations is perceived and practised by organisations. Ehling (1992) suggests that instead of trying to manipulate audience opinion so that the organisation is of primary importance, the challenge is to use symbolic visual communication messages with behaviour such that the organisation–audience relationship improves for all parties. Kent and Taylor (2002) and Bruning and Ledingham (2000) develop this theme by suggesting that it is the ability of organisations to encourage and practise dialogue that really enables truly symmetrical relationships to develop. What follows from this is a change in evaluation, from measuring the decimation of messages to one that measures audience influence and behavioural and attitudinal change and, of course, relationship dynamics. Bruning and Ledingham describe this as a change from measuring outputs to one that measures outcomes.

In addition to this discernible shift in emphasis there has been a change in the way public relations is used by organisations. Traditionally, public relations has been used as a means of managing communication between parties, whereas now communication is regarded as a means of managing relationships (Kent and Taylor, 2002). In order to use communication to develop the full potential within relationships many argue that dialogic interaction should be encouraged. In Chapter 8 five tenets of dialogue were presented: mutuality, empathy, propinquity, risk and commitment. These have been offered by Kent and Taylor as the elements that may form a framework through which dialogue may be considered and developed. On a practical level they argue that organisations should place email, web addresses, 0800 telephone numbers and organisational addresses prominently in all forms of external communication, most notably advertisements and web sites, to enable dialogue.

In consideration of the role of public relations, namely to build relationships that are of mutual value, Bruning et al. (2008) conclude that input, interaction and participation of key...
public members in the organisation–public dynamic is critically important. In other words
dialogue, arising through interaction, and the personalisation of communications is important
for relationship development.

**Corporate public relations and marketing public relations**

Many writers and organisations are now challenging the traditional view of public relations.
The marketing dimension of public relations has been developed considerably in recent years.
This is a response to media rates increasing ahead of inflation, media and markets becoming
increasingly fragmented and marketing managers seeking more effective communication
mixes. As a result, public relations is being used actively to support and reinforce other ele-
ments of the communications mix (Kitchen, 1991).

The development of integrated marketing communications has helped bring marketing and
public relations closer together. The advantage of utilising a number of tools together is that
through coordination message impact is improved. For example, the Prostate Cancer Research
Foundation’s campaign, featuring the deceased comedian Bob Monkhouse, generated ad-
ditional exposure worth over £3m (Allen, 2008).

A performance network consists of those organisations (stakeholders) who directly
influence or are influenced by the value-added processes of the focus organisation. They can
engage in relational exchanges and often seek to develop long-term collaborative relationships.
The support network consists of those organisations that influence, and are influenced by, the
value-adding processes in an indirect way. They tend to engage in market exchanges that
courage a short-term perspective.

Both these networks require public relations, but in different ways. The support network
needs public relations to help build and sustain goodwill between members and to create
relationships that acknowledge the direction and intent of the strategy being pursued by each
of them. This requires the work of a more traditional approach to public relations. The
performance network needs public relations to sustain an environment where there is not
only goodwill but also collaboration and trust, one where the satisfaction of particular target
segments is the goal of all members. This requires a marketing orientation where there is a
greater emphasis on the need to achieve certain levels of profitability as a result of meeting and
satisfying customer needs.

Bearing these points in mind and recalling the professional and craft designations set out
previously, it is not surprising that two types of public relations have begun to emerge: corpor-
ate public relations and marketing public relations. Corporate public relations, according to
Cutlip et al. (2006: 6), is ‘a function of management that establishes
and maintains mutually beneficial relationships between an organ-
isation and the various publics on whom its success and failure depend’. They regard marketing public relations as activities associ-
ated with specific publics, such as customers, consumers and clients,
characterised by exchange transactions.

This dichotomy is not intended to suggest that these are mutually
exclusive forms of public relations, since they are not, and, as Kitchen and Proctor (1991)
rightly point out, they are mutually interactive. The use of corporate communications has an
effect similar to that of ink being injected into a bottle of water: the diffusion produced can
assist all parts of an organisation and its stakeholders, whether they be in the performance or
support networks. Similarly, public relations at the product level can have an immediate effect
on the goodwill and perspective with which stakeholders perceive the whole organisation.
For example, an airline opening a new route and using marketing PR activities focused on customers in the hinterland of each destination will impact on both the product and the airline as a whole. Further examples of MPR can be observed by companies installing ‘care-lines’ that can be used by customers to contact them (to seek advice and complain) about aspects of the company’s products and services. The telephone number, which can be made visible on posters, receipts, catalogues, advertisements and shopping bags, serves to feed negative and positive aspects and, through the use of data analysis, can assist the development of new products and services. Indeed, Burger King has used this to develop new menus and merchandising items.

The net impact of either approach has to be reflected in the performance of the organisation, and for many that is the profitability of the unit. The identification of these two forms of public relations does not mean that this approach is a widely used practice. Indeed, at this stage only a minority of organisations recognise the benefits that this approach can bring. However, as an increasing number of organisations, in a variety of sectors, are expanding their use of PR, so more sophisticated approaches are likely to emerge, aimed at improving product, corporate and overall performance and satisfaction levels.

**Objectives of a public relations plan**

It can be seen that the main broad objectives of public relations activities are to provide visibility for the corporate body and support for the marketing agenda at the product level. The marketing communications objectives, established earlier in the plan, will have identified issues concerning the attitudes and relationships stakeholders have with an organisation and its products. Decisions will have been made to build awareness and to change perception, preferences or attitudes. The task of the public relations plan is to provide a series of coordinated programmes that complement the overall marketing communications strategy and develop and enhance some of the identity cues used by stakeholders. The overall goal should be to develop the relationship between the organisation and its different audiences.

Public relations can be used to address issues identified within the support and performance networks (Chapter 7). These will be concerned with communications that aim to develop positive attitudes and dispositions towards the organisation and generally concern strategic issues. Public relations can also contribute to the marketing needs of the organisation and will therefore be focused at the product level in the performance network and on consumers, seeking to change attitudes, preferences and awareness levels with respect to products and services offered. Therefore, a series of programmes is necessary – one to fulfil the corporate requirements and another to support the marketing of products and services.

**Cause-related marketing**

One major reason for the development of public relations and the associated corporate reputation activities, has been the rise in importance and use of cause-related marketing activities. This has partly been due to the increased awareness of the need to be perceived as credible, responsible and ethically sound. Developing a strong and socially oriented reputation has become a major form of differentiation for organisations operating in various markets, especially where price, quality and tangible attributes are relatively similar. Being able to present corporate brands as contributors to the wider...
social framework, a role beyond that of simple profit generators, has enabled many organisations to achieve stronger, more positive market positions.

Cause-related marketing is a commercial activity through which profit-oriented and not-for-profit organisations form partnerships to exploit, for mutual benefit, their association in the name of a particular cause.

The benefits from a properly planned and constructed cause-related campaign can accrue to all participants. Cause-related marketing helps improve corporate reputation, enables product differentiation and appears to contribute to improved customer retention through enhanced sales. In essence, cause-related marketing is a means by which relationships with stakeholders can be developed. As organisations outsource an increasingly larger part of their business activities and as the stakeholder networks become more complex, so the need to be perceived as (and to be) socially responsible becomes a critically important dimension of an organisation’s image.

ViewPoint 19.3 Pouring water on troubled Coke

Although WWF and the Coca-Cola Corporation had been working together for several years on a number of projects to conserve water and address water efficiency in the company’s operations, the announcement of a formal agreement between the two organisations marked a critical point for Coke.

The vast amount of water consumed by the Coca-Cola Corporation had led to widespread comment and criticism. In an attempt to change the perception held by the company’s stakeholders, the announcement in 2007 that they were pledging to invest $20m in WWF freshwater schemes, wherever they had a bottling plant, represented a public commitment to change.

Exhibit 19.1 WWF visual representing the drive to save freshwater ecosystems © Brent Stirton/Getty Images
A public relations programme consists of a number of planned events and activities that seek to satisfy communication objectives. The following represent some of the broad tools and techniques associated with public relations, but it should be noted that the list is not intended to be comprehensive.

**Public relations: methods and techniques**

An organisation’s corporate identity consists of those activities that reflect, to a large extent, the personality of an organisation (see Chapter 13). Public relations provides some of the deliberate cues that enable stakeholders to develop images and perceptions through which they recognise, understand, select and converse with organisations.

The range of public relations cues or methods available to organisations is immense. Different organisations use different permutations in order that they can communicate effectively with their various stakeholder audiences. For the purposes of this text a general outline is provided of the more commonly used methods.

A public relations programme consists of a number of planned events and activities that seek to satisfy communication objectives. The following represent some of the broad tools and techniques associated with public relations, but it should be noted that the list is not intended to be comprehensive.

**Question**

To what extent is this scheme a cynical ploy to soften Coke’s reputation?

**Task**

Find out how Pepsi are meeting the environmental challenge.

Neville Isdell, then Chairman of Coca-Cola, stated:

Our goal is to replace every drop of water we use in our beverages and their production. For us that means reducing the amount of water used to produce our beverages, recycling water used for manufacturing processes so it can be returned safely to the environment, and replenishing water in communities and nature through locally relevant projects.

As part of the deal WWF provide Coca-Cola with advice on a range of related environmental topics, including water conservation, usage and recycling in manufacturing, how to cut its energy and carbon footprint and how the organisation can replenish water in local communities. In addition, the agreement involves joint communications programmes and campaigns, framing the relationship under cause for water conservation.

This scheme enables Coca-Cola to be seen as a more environmentally aware and socially responsible company. The scheme helps WWF achieve its goals and move towards encouraging other leading companies to become involved in similar schemes.

useful benefit from such a sub-division. Cues are interchangeable and can be used to build credibility or to provide visibility for an organisation. It is the skill of the public relations practitioner that determines the right blend of techniques. The various types of cue are set out in Table 19.2.

While there is general agreement on a definition, there is a lower level of consensus over what constitutes public relations. This is partly because the range of activities is diverse and categorisation problematic. The approach adopted here is that public relations consists of a range of communication activities, of which media relations, publicity and event management appear to be the main ones used by practitioners.

### Media relations

Media relations consist of a range of activities designed to provide media journalists and editors with information. The intention is that they relay the information, through their media, for consumption by their audiences. Obviously, the original message may be changed and subject to information deviance as it is processed, but audiences perceive much of this information as highly credible simply because opinion formers (Chapter 2) have bestowed their judgement on the item. Of the various forms of media relations, press releases, interviews, press kits and press conferences are most used.

### Press releases

The press release is a common form of media relations activity. A written report concerning a change in the organisation is sent to various media houses for inclusion in the media vehicle as an item of news. The media house may cover a national area, but very often a local house will suffice. These written statements concern developments in the organisation, such as promotions, new products, awards, prizes, new contracts and customers. The statement is deliberately short and written in such a style that it attracts the attention of the editor. Further information can be obtained if it is to be included within the next publication or news broadcast.
Press conferences

Press conferences are used when a major event has occurred and where a press release cannot convey the appropriate tone or detail required by the organisation. Press conferences are mainly used by politicians, but organisations in crisis (e.g. accidents and mergers) and individuals appealing for help (e.g. police requesting assistance from the public with respect to a particular incident) can use this form of communication. Press kits containing a full reproduction of any statements, photographs and relevant background information should always be available.

Interviews

Interviews with representatives of an organisation enable news and the organisation’s view of an issue or event to be conveyed. Other forms of media relations concern bylined articles.

ViewPoint 19.4  Press for Dyson

When James Dyson launched his revolutionary, upright vacuum cleaner he did not have the resources to fund an advertising campaign to support the launch. Although the design enabled the product to stand out in showrooms there was little to inform customers of the advantages of the product and to justify the starting price, which was double that of the competition.

Exhibit 19.2  Dyson

The manufacturer of this revolutionary new domestic appliance uses marketing communications to differentiate, remind, inform and persuade audiences.

Picture reproduced with the kind permission of Dyson.
One solution was to hang a brochure and a point-of-sales tag on the handle of each machine. The brochure folded out, provided basic information about each component and avoided any superlatives or attempts at persuasion. The sales tag, however, was used to tell the story about the experiences Dyson encountered trying to design and bring the new product to the market. People would be seen bending over avidly reading the Dyson story.

The second solution was to use press journalists to recall the same story because they could reach the target market and their messages would be highly credible in the eyes of the target audience. Rather than write press releases Dyson gave interviews to selected reporters, many of whom were from the quality press. The articles tended to be extremely positive about the product but concentrated more on the life experiences of James Dyson himself, and reinforced the messages conveyed through the sales tags. The personalised account of the development process and the frequency with which these articles appeared, provided readers with a way of identifying and becoming emotionally engaged with the whole Dyson experience. The language used and the repetition of the messages only served to increase the overall intensity of these marketing communication messages.

Source: Based on Boyle (2004).

**Question**
Why did retailers decide to stock Dyson when there was no advertising to pull consumers into the store?

**Task**
Storytelling can be powerful. Find another campaign in which storytelling was a central feature.

(articles written by a member of an organisation about an issue related to the company and offered for publication), speeches, letters to the editor, and photographs and captions.

Media relations can be planned and controlled to the extent of what is sent to the media and when it is released. While there is no control over what is actually used, media relations allow organisations to try to convey information concerning strategic issues and to reach particular stakeholders.

The quality of the relationship between an organisation and the media will dramatically affect the impact and dissemination of news and stories released by an organisation. The relationships referred to are those between an organisation’s public relations manager and the editor and journalists associated with both the press and the broadcast media.

**Publicity and events**

Control over public relations events is not as strong as that for media relations. Indeed, negative publicity can be generated by other parties, which can impact badly on an organisation by raising doubts about its financial status or perhaps the quality of its products. Three main event activity areas can be distinguished: product, corporate and community events.

**Product events**

Product-oriented events are normally focused on increasing sales. Cookery demonstrations, celebrities autographing their books and the opening of a new store by the CEO or local MP are events aimed at generating attention, interest and sales of a particular product. Alternatively events are designed to attract the attention of the media and, through stories and articles presented in the news, are able to reach a wide audience. For example, the public’s attention was drawn to the launch of *The Simpsons Movie* in July 2007, by a stunt involving the painting of a giant Homer Simpson next to the 180-foot chalk cut Cerne Abbas giant in Dorset. News coverage of the new work of art, Homer holding a doughnut, was in most national newspapers, on ITV, Sky and BBC television, plus radio coverage (see Exhibit 19.3).
CHAPTER 19
PUBLIC RELATIONS

Corporate events

Events designed to develop the corporate body are often held by an organisation with a view to providing some entertainment. These can generate considerable local media coverage, which in turn facilitates awareness, goodwill and interest. For example, events such as open days, factory visits and donations of products to local events can be very beneficial.

Community events

These are activities that contribute to the life of the local community. Sponsoring local fun runs and children’s play areas, making contributions to local community centres and the disabled are typical activities. The organisation attempts to become more involved with the local community as a good employer and good member of the community. This helps to develop goodwill and awareness in the community.

The choice of events an organisation becomes involved with is critical. The events should have a theme and be chosen to satisfy objectives established earlier in the communications plan. See Chapter 20 for an example of sponsorship of local community events.

In addition to these key activities the following are important forms of public relations:

- lobbying (out of personal selling and publicity);
- sponsorship (out of event management and advertising) (see Chapter 26);
- corporate advertising (out of corporate public relations and advertising);
- crisis management (which has developed out of issues management, a part of corporate public relations).
Lobbying

The representation of certain organisations or industries within government is an important form of public relations work. While legislation is being prepared, lobbyists provide a flow of information to their organisations to keep them informed about events (as a means of scanning the environment), but they also ensure that the views of the organisation are heard in order that legislation can be shaped appropriately, limiting any potential damage that new legislation might bring.

Moloney (1997) suggests that lobbying is inside public relations as it focuses on the members of an organisation who seek to persuade and negotiate with its stakeholders in government on matters of opportunity and or threat. He refers to in-house lobbyists (those members of the organisation who try to influence non-members) and hired lobbyists contracted to complete specific tasks.

His view of lobbying is that it is one of

- monitoring public policy-making for a group interest;
- building a case in favour of that interest;
- and putting it privately with varying degrees of pressure to public decision makers for their acceptance and support through favourable political intervention.

(p. 173)

Where local authorities interpret legislation and frame the activities of their citizens and constituent organisations, the government determines legislation and controls the activities of people and organisations across markets.

This control may be direct or indirect, but the power and influence of government are such that large organisations and trade associations seek to influence the direction and strength of legislation, because any adverse laws or regulations may affect the profitability and the value of the organisation. Recent initiatives by the UK government to reduce the length of time that new drugs are protected by patent were severely contested by representatives from drug manufacturers and their trade association, the Association of British Pharmaceutical Industries. Despite a great deal of lobbying the action was lost, and now manufacturers have only eight years to recover their investment before other manufacturers can replicate the drug. The pharmaceutical industry has also been actively lobbying the European Union with respect to legislation on new patent regulations and the information that must be carried in any marketing communications message. The tobacco industry is well known for its lobbying activities, as are chemical, transport and many other industries.

Corporate advertising

In an attempt to harness the advantages of both advertising and public relations, corporate advertising has been seen by some as a means of communicating more effectively with a range of stakeholders. The credibility of messages transmitted through public relations is high, but the control that management has over the message is limited. Advertising, however, allows management virtually total control over message dispersion, but the credibility of these messages is usually low. Corporate advertising is the combination of the best of advertising and the best of public relations.

Corporate advertising, that is advertising on behalf of an organisation rather than its products or services, has long been associated with public relations rather than the advertising department. This can be understood in terms of the origins and former use that organisations made of corporate advertising (Figure 19.2). The first major period was the 1960s, when
institutional advertising became prominent. According to Stanton (1964), the primary task of institutional advertising was to create goodwill. The next period was the 1970s, when corporate image advertising became popular. During this decade, organisations used issue and advocacy advertising as a means of promoting political and social ideas in an attempt to generate public support for the position adopted by an organisation.

During the 1980s, which witnessed a large number of mergers and takeovers, there was an increase in the use of umbrella advertising. Organisations used the name of the organisation as a broad banner, under which a range of products and services was promoted. As discussed previously, there has been a movement towards the incorporation of products and services in the use of public relations. This is reflected in the use of corporate advertising in the 1990s. Although the generation of goodwill continues to be a dominant theme, there is also a need to focus on organisations as discrete units. As many organisations de-layer and return to core business activities, so there is a need to focus communications on what they do best. Such focusing also enables them to reduce advertising expenditure on products because of increased media costs. Corporate advertising provides some opportunity for organisations to achieve these objectives.

However, the main purpose of corporate advertising appears to be the provision of cues by which stakeholders can identify and understand an organisation. This is achieved by presenting the personality of the organisation to a wide range of stakeholders, rather than presenting particular functions or products that the organisation markets. Schumann et al. (1991) conclude that a number of US studies indicate that the first goal of corporate advertising is to enhance the company’s reputation and the second is to provide support for the promotion of products and services. Table 19.3 sets out the most important goals that executives see corporate advertising as responsible for satisfying.

**Reasons for the use of corporate advertising**

The need to improve and maintain goodwill and to establish a positive reputation among an organisation’s stakeholders has already been mentioned. These are tasks that need to be undertaken consistently and continuously, with the aim of building a reputational reservoir. In addition, however, there are particular occasions when organisations need to use corporate advertising:

- during change and transition;
- when the organisation has a poor image;
- for product support;
- recruitment;
Change

When an organisation experiences a period of major change, perhaps the transition before, during and after a takeover or merger, corporate advertising can be used in a variety of ways. The first is defensively, to convince stakeholders, particularly shareholders, of the value of the organisation and of the need not to accept hostile offers; second, to inform and to advise of current positions; finally to position any ‘new’ organisation that may result from the merger activity. The defence of Marks & Spencer led by Stuart Rose, when Philip Green attempted a takeover in 2004, was based around messages communicated to current shareholders of the superior future value of the business under the current ownership and managers. This was intended to raise credibility and hence prevent a takeover based on differing projected values.

Poor image

Corporate advertising can also be used to correct any misunderstanding that stakeholders might have of corporate reality (Reisman, 1989). For example, financial analysts may believe that an organisation is underperforming, but reality indicates that performance is good. As we have seen before, this can be a result of poor communication, and through corporate advertising the organisation can correct such misunderstandings and help establish strategic credibility with the financial community and other stakeholders.

Product support

Corporate advertising can also assist the launch of new products. The costs normally associated with a launch can be lowered, and it is feasible to assume, although difficult to measure, that the effectiveness of a product launch can be improved when corporate advertising has been used to establish good reputational equity.

Recruitment

Corporate advertising is used to recruit employees by creating a positive and attractive image of the organisation. The development of source credibility, in particular trust, is fundamental, and through the process of identification individuals can become attracted to the notion of working for a particular organisation and are stimulated to seek further information.

Table 19.3 Goals of corporate advertising

<table>
<thead>
<tr>
<th>Goals of corporate advertising</th>
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</thead>
<tbody>
<tr>
<td>Enhance corporate reputation</td>
</tr>
<tr>
<td>Improve credibility</td>
</tr>
<tr>
<td>Provide a point of differentiation</td>
</tr>
<tr>
<td>Support for products and services</td>
</tr>
<tr>
<td>Attract higher-quality employees</td>
</tr>
<tr>
<td>Underpin shareholder value</td>
</tr>
<tr>
<td>Easier access to new markets and suppliers</td>
</tr>
<tr>
<td>Advocacy of a position</td>
</tr>
<tr>
<td>Public communication of the company’s social and environmental actions</td>
</tr>
</tbody>
</table>
Repositioning

Organisations periodically undergo self-review that may lead to repositioning. Hewlett-Packard launched its ‘Invent’ campaign as part of a process of preparing stakeholders for the future. The campaign sought to take the company back to its roots, its original ideology ‘the rules of the garage’, in which the founders first developed the organisation and the values that are part of the corporate philosophy. The campaign sought to encourage invention and to legitimise exploration and risk taking, remembering, of course, that the HP way determines how employees work and that the customer defines whether the job is well done.
Organisations can be repositioned by the activities of competitor organisations. New products, new corporate messages, an improved trading performance or the arrival of a new CEO and the implementation of a new strategy can displace an organisation in the minds of its different stakeholders. This may require an adjustment by the focus organisation to re-establish itself. The Pepsi Challenge, referred to earlier, effectively dislodged Coca-Cola from its position as brand leader and led to a stream of product adjustments and messages from Coca-Cola aimed at repositioning itself.

**Advocacy**

The reasons presented so far for the use of corporate advertising are strongly related to image. A further traditional reason for the use of this tool is the opportunity for the organisation to inform its stakeholders of the position or stand that it has on a particular issue. This is referred to as advocacy advertising. Rather than promoting the organisation in a direct way, this form of corporate advertising associates an organisation with an issue of social concern, which public relations very often cannot achieve alone.

The organisation can be seen as a brand in much the same way as products and services are branded. Just as a product-based brand can be tracked, so can the corporate entity be tracked for levels of awareness, attitudes and preferences held by stakeholders.

**Crisis communications**

A growing and important part of the work associated with public relations is crisis communications. At one time, when a crisis such as a threat of takeover or workplace accident struck an organisation, the first stakeholders to be summoned by the CEOs were merchant bankers. Today the public relations consultant is first through the door. The power of corporate and marketing communications is beginning to be recognised and appreciated. Indeed, the astute CEO summons the public relations consultant in anticipation of crisis, on the basis that being prepared is a major step in diffusing the energy with which some crises can affect organisations.

Organisational crises can be usefully considered in the context of chaos theory (Seeger, 2002). Chaos occurs when complex systems break down and the established order and equilibrium is broken by events that are often abrupt and discontinuous. Chaos theory considers system breakdown as a necessary event in order that the system be refreshed. Seeger phrases this process as ‘disorder necessary for order, decay a precursor to renewal, decline a step in growth and collapse a prelude to rebuilding as one of the most attractive and optimistic features of chaos theory’ (p. 331).

Crisis can occur because of a simple or minor managerial mistake, an incorrect decision or because of a seemingly distant environmental event. All organisations face the prospect of managing a crisis, indeed, some commentators ominously suggest that all organisations have a crisis just around the corner (Fink, 2000). Crises are emerging with greater frequency as a result of a number of factors. Table 19.4 sets out some of the main factors that give rise to crises for organisations.

Figure 19.3 describes organisational crises in the context of two key variables. On the horizontal axis is the degree to which management has control over the origin of the crisis. Is the origin of the crisis outside management’s control, such as an earthquake, or is it within its control, such as those crises associated with poor trading results? The vertical axis reflects the potential impact that a crisis might have on an organisation. All crises, by definition, have a potential to inflict damage on an organisation. However, some can be contained, perhaps on a geographic basis, whereas others have the potential to cause tremendous damage to an organisation, such as those experienced through product tampering and environmental pollution.
As the Western world currently experiences growth and high levels of employment and countries in the developing world follow a fluctuating path of revitalisation and competition, this has brought some organisations and industries in the West to collapse (e.g. UK shipbuilding).

Human error and the pursuit of financial goals by some organisations give rise to the majority of disasters. For example, cutting costs at the expense of safety and repair of systems.

Issues concerning war and terrorism have encouraged kidnapping, as well as organisations having to change the locations of their business.

The climate is changing substantially in certain parts of the world, and this has brought disaster to those who lie in the wake of natural disturbances. For example, the hurricanes in 2004 that decimated the Cayman Islands and Grenada in the Caribbean; south-east Asia’s December 2004 tsunami.

The rate at which technology is advancing has brought about crises such as those associated with transportation systems and aircraft disasters. Human error is also a significant factor, often associated with the rate of technological change.

The age of electronic media and instant communication means that information can be disseminated throughout the world within 30 minutes of an event occurring.

The rise of consumer groups (e.g. Amnesty International and Greenpeace) and their ability to investigate and publicise the operations and policies of organisations.

<table>
<thead>
<tr>
<th>Origin of crisis</th>
<th>Explanation</th>
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</thead>
<tbody>
<tr>
<td>Economic</td>
<td>As the Western world currently experiences growth and high levels of employment and countries in the developing world follow a fluctuating path of revitalisation and competition, this has brought some organisations and industries in the West to collapse (e.g. UK shipbuilding).</td>
</tr>
<tr>
<td>Managerial</td>
<td>Human error and the pursuit of financial goals by some organisations give rise to the majority of disasters. For example, cutting costs at the expense of safety and repair of systems.</td>
</tr>
<tr>
<td>Political</td>
<td>Issues concerning war and terrorism have encouraged kidnapping, as well as organisations having to change the locations of their business.</td>
</tr>
<tr>
<td>Climate</td>
<td>The climate is changing substantially in certain parts of the world, and this has brought disaster to those who lie in the wake of natural disturbances. For example, the hurricanes in 2004 that decimated the Cayman Islands and Grenada in the Caribbean; south-east Asia’s December 2004 tsunami.</td>
</tr>
<tr>
<td>Technology</td>
<td>The rate at which technology is advancing has brought about crises such as those associated with transportation systems and aircraft disasters. Human error is also a significant factor, often associated with the rate of technological change.</td>
</tr>
<tr>
<td>New media</td>
<td>The age of electronic media and instant communication means that information can be disseminated throughout the world within 30 minutes of an event occurring.</td>
</tr>
<tr>
<td>Consumer groups</td>
<td>The rise of consumer groups (e.g. Amnesty International and Greenpeace) and their ability to investigate and publicise the operations and policies of organisations.</td>
</tr>
</tbody>
</table>
The increasing occurrence of crises throughout the world has prompted many organisations to review the manner in which they anticipate managing such events, should they be implicated. It is generally assumed that those organisations that take the care to plan in anticipation of disaster will experience more favourable outcomes than those that fail to plan. Quarantelli (1988) reports that there is only a partial correlation between those that plan and those that experience successful outcomes. He attributes this to the fact that only some of the organisations that take care to prepare do so in a professional way. Poor planning can only deliver poor results. Fink (2000) reports that organisations that do not plan experience crises that last over twice as long as those that do plan.

The second reason concerns the expectations of those who design and implement crisis plans. It is one thing to design a plan; it is entirely another to implement it. Crisis planning is about putting into position those elements that can effect speedy outcomes to the disaster sequence. When a crisis strikes, it is the application of contingency-based tactics by all those concerned with the event that will determine the strength of the outcome. Spillan (2003) sought to determine whether the experience of a crisis encourages concern and attention to preventing further crisis events. This was based on the evidence of Barton (2001) and Mitroff and Anagnos (2001) that most organisations only prepare crisis management plans after suffering and then recovering from a disaster. The central issue appears to revolve around the need to assess an organisation’s vulnerabilities at the earliest opportunity, before a crisis occurs (Caponigro, 2000, as cited by Spillan, 2003).

Crisis phases

The number of phases through which a crisis passes varies according to author and the management model they are proposing. For example, Penrose (2000) mentions Littlejohn’s six-step model, Fink’s audit, Mitroff’s portfolio planning approach and Burnett’s crisis classification matrix. The number of phases is also influenced by the type of crisis management an organisation uses. Essentially there are two main models: organisations that plan in order to manage crisis events and in doing so attempt to contain the impact; secondly there are organisations that fail to plan and manage by reacting to crisis events (see Figure 19.4).

The differences between these two approaches are that there are fewer phases in the shorter ‘reactionary’ model and that the level of detail and attention given to the anticipation, management and consideration of crisis events is more deliberate in the planning model. Time is spent here considering the sequence of events within the planning model. A three-phase (and five-episode) framework is adopted: pre-impact, impact and readjustment phases. It should be remembered that the duration of each phase can vary considerably, depending upon the nature of the crisis and the manner in which management deals with the events associated with the crisis.

The first period is referred to as the pre-impact phase and consists of two main episodes, Scanning and planning and event identification and preparation. Good strategic management demands that the environment be scanned on a regular basis to detect the first signs of significant change. Organisations that pick up signals that are repeated are in a better position to prepare for disaster than those that do not scan the environment. Penrose (2000) reports that those who perceive the impact of a crisis to be severe or very damaging and plan accordingly tend to achieve more successful outcomes. Those that fail to scan are often taken by surprise and have to react with less time and control to manage the events that hit them. Even if they do pick up a signal, many organisations not only ignore it but also attempt to block it out (Pearson and Mitroff, 1993). It is as if management is attempting to deny the presence of the signals in order that any stability and certainty they may have could continue.

Many of the signals detected during the pre-impact phase wither and die. Some gather strength and develop with increasing force. The next episode is characterised by the identification of events that move from possible to probable status. There is increasing activity and
preparation in anticipation of the crisis, once its true nature and direction have been determined. Much of the activity should be geared to training and the preparation and deployment of crisis teams. The objective is not to prevent the crisis but to defuse it as much as possible, to inform significant stakeholders of its proximity and possible effects, and finally to manage the crisis process.

The impact phase is the period when the ‘crisis breaks out’ (Sturges et al., 1991). Management is tested to the limit and if a plan has been developed it is implemented with the expectation of ameliorating the damage inflicted by the crisis. One method of reducing the impact is to contain or localise the crisis. By neutralising and constraining the event it can be prevented from contaminating other parts of the organisation or stakeholders. Pearson and Mitroff (1993) suggest that the containment of oil spills and the evacuation of buildings and aircraft are examples of containment and neutralisation. Through the necessity to talk to all stakeholders, management at this point will inevitably reveal its attitude towards the crisis event. Is its attitude one of genuine concern for the victims and stakeholders? Is the attitude consistent with the expectations that stakeholders have of the management team? Alternatively, is there a perception that management is making lame excuses and distancing itself from the event, and is this consistent with expectations? Readers should note that within the reactionary model the pre-impact and impact phases are merged into one, simply because there is little or no planning, no scanning and, by definition, no preparation in anticipation of a crisis.

The readjustment phase within the planning model consists of three main episodes. The period concerns the recovery and realignment of the organisation and its stakeholders to the new environment, once the deepest part of the crisis event has passed. The essential tasks are to ensure that the needs of key stakeholders can still be met and, if they cannot, to determine
what must be done to ensure that they can be. For example, continuity of product supply is critically important. This may be achieved by servicing customers from other locations. Common characteristics of this phase are the investigations, police inquiries, public demonstrations, court cases and media probing that inevitably follow major crises and disasters. The manner in which an organisation handles this fall-out and tries to appear reasonable and consistent in its approach to such events can have a big impact on the perception that other stakeholders have of the organisation.

ViewPoint 19.5 Food in crisis!

In the summer of 2006 Cadbury’s had to recall over 1 million bars of chocolate. This was due to an outbreak of salmonella contamination that was thought to be caused by a leaking pipe at the company’s Marlbrook plant in Herefordshire. The outbreak seriously affected the health of over 40 people and cost Cadbury’s at least £30m. This event occurred at a time when sales of chocolate were declining and raw material prices were climbing.

In the same year an avian ‘flu outbreak struck the Bernard Matthews turkey plant. Although there was no need for product recall, thousands of birds were destroyed, and there was extensive media coverage. As a result of the crisis, sales of Bernard Matthews products plummeted, with supermarket sales down by 17 per cent over the previous year. This crisis followed poor publicity in the wake of Jamie Oliver’s plea to improve school meals and to get rid of the dubious ‘turkey twizzler’, a product that had helped propel the Bernard Matthews brand.

Both these brands had previously held a great deal of consumer trust but much of this was lost following these scares as confidence drained and reputation tumbled.


Question
How would you use public relations to rebuild trust in these brands?

Task
Identify another brand that experienced a crisis and track the way it used public relations to recover its position.

The rate at which organisations readjust depends partly on the strength of the image held by stakeholders prior to the crisis occurring. If the organisation had a strong reputation then the source credibility attributed to the organisation will be high. This means that messages transmitted by the organisation would be received favourably and trusted. However, if the reputation is poor, the effectiveness of any marketing communications is also going to be low. The level of source credibility held by the organisation will influence the speed with which stakeholders allow an organisation to readjust and recover after a crisis.

Benoit (1997) developed a theory concerning image restoration in the light of an organisational crisis. The theory states that there are five general approaches: denial, evade responsibility, reduce offensiveness, use corrective action and lastly mortification (see Table 19.5). Benoit has used these approaches to evaluate the responses given by a variety of organisations when faced by different disasters and crises (see Viewpoint 19.6).

Organisations that have not planned their management of crisis events and have survived a disaster may decide to instigate a more positive approach in order to mitigate the impact of future crisis events. This is not uncommon and crisis management planning may occur at the end of this cycle.
Internet crisis

The development of the Internet may have forced many organisations to reconsider the significance of corporate reputation as part of their communication strategies. With so much information about each organisation available instantaneously, it is important that brands that have gone online be transparent and open in the way they communicate. The problem is that they are prone to attack from a variety of stakeholders. There are customers who have gripes, and there are others who despise the company on trading, moral and ethical stances. There are others who enjoy the fun of the chase. Hollingworth (2000) lists the areas of attack in Table 19.6.

Other potential public relations-related problems have arisen as a result of the development of Web 2.0. The use of blogs, wikis and podcasts along with the influence of online communities and user-generated-content presents a series of new issues for the management of public relations. These tools have facilitated a steep rise in the use of word-of-mouth communication and the promotion of citizen journalism. People are now much more able than they used to be, and more willing, to comment on brands, organisations and events that affect their lives. One of the implications of this concerns the way in which brands are perceived (see Chapter 12). Another is the way in which organisations use public relations. Gray (2007) claims that organisations need to provide training and guidelines or policies for employees who blog. Organisations also need to ensure that blog sites provide transparency, full disclosure and are honest. Some companies have tried to create artificial blogs and deceive readers. These ‘floggs’ risk damaging the very entity they are trying to promote and endorse. One-way communications enable organisations a degree of control over what is said about a brand. Web 2.0 empowers interaction, which means reduced control over communications and an increased need to be prepared to deal with

<table>
<thead>
<tr>
<th>Damage retrieval</th>
<th>Explanation</th>
</tr>
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<tbody>
<tr>
<td>Simple denial</td>
<td>Outright rejection that the act was caused by them or even occurred in the first place, or shifting the blame by asserting that another organisation (person) was responsible for the act.</td>
</tr>
<tr>
<td>Evasion (of responsibility)</td>
<td>Provocation . . . a reasonable response to a prior act.</td>
</tr>
<tr>
<td></td>
<td>Defeasibility . . . the act occurred because of a lack of time or information.</td>
</tr>
<tr>
<td></td>
<td>Accident . . . the act was not committed purposefully.</td>
</tr>
<tr>
<td></td>
<td>Good intentions . . . the wrongful act was caused despite trying to do well.</td>
</tr>
<tr>
<td>Reducing offensiveness</td>
<td>This involves demonstrating that the act was of minor significance or by responding so as to reduce the impact of the accuser.</td>
</tr>
<tr>
<td>Corrective action</td>
<td>This may involve putting right what was damaged and taking steps to avoid a repeat occurrence.</td>
</tr>
<tr>
<td>Mortification</td>
<td>An apology or statement of regret for causing the act that gave offence.</td>
</tr>
</tbody>
</table>

Source: Benoit (1997).
more controversy and even digitally enabled brand-related crises. However, Kent (2008) claims that the role of blogs within public relations is not as extensive as suggested by many commentators.

Who is affected by crisis events? When a crisis hits an organisation, many different stakeholders are vulnerable to the repercussions. Pearson and Mitroff (1993) suggest that stakeholders may perceive the focus organisation adopting a particular role. This role may be as a hero, villain or even protector. Figure 19.5 depicts some of the roles that the focus organisation might be cast in; in much the same way, stakeholders themselves might be cast in a role that reflects the perception of the focus organisation. It is interesting to monitor the ascribed roles and to see whether stakeholders actually fulfil their designated role or perhaps another when crisis strikes. Perhaps a move from rescuer to enemy is not uncommon.

The importance of this perspective is that attention has to be focused on the different organisations, not just the one on which the crisis has had immediate impact. The stakeholder net is wide and the sensitivity among cohesive groups in particular can be acute. The organisation that has a crisis plan of value is one that has considered the impact upon its stakeholders.

Internet-based communications have radically altered the way in which previous communication processes were deemed to operate (Springston, 2001). Now anyone with Internet access can post and compare information while remaining anonymous if they wish. While the Internet has provided a valuable new form of external communication, users are also more open, more exposed and more vulnerable to a range of stakeholders. The Internet provides for crisis potential (ICP) as critical information about them, whether true or false, can erupt at anytime and spread rapidly around the globe.

Although measures to manage ICP should include managing stakeholders, preparing an Internet crisis communication plan and regularly monitoring the online environment, Conway et al. (2007) found that 77 per cent of organisations do not manage the ICP.

<table>
<thead>
<tr>
<th>Method</th>
<th>Explanation</th>
</tr>
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<tbody>
<tr>
<td>Cyber squatting</td>
<td>By registering and setting up domain names similar to established brand names, an attempt is made to mislead (gone out of business signs), misdirect (send them to other sites) or exploit (extract personal details) users.</td>
</tr>
<tr>
<td>Anti-corporate sites</td>
<td>Sometimes referred to as ‘suck sites’, these attempt to niggle large corporations (e.g. Mcspotlight) to extend their complaint or gripe.</td>
</tr>
<tr>
<td>Distributed denial of service</td>
<td>A DDOS attack comprises several hijacked computers simultaneously feeding information requests to a single site. This causes it to slow down or deny access.</td>
</tr>
<tr>
<td>Firewall attack</td>
<td>The defence shield surrounding a site becomes insecure and the host prone to data loss, misuse and corruption.</td>
</tr>
<tr>
<td>IP and web spoofing</td>
<td>These sites look and feel just like the master site. However, the intention may be to use the customer data fraudulently, to spy on the host site or just present a nuisance factor.</td>
</tr>
<tr>
<td>Direct/indirect site attacks</td>
<td>There are a number of forms of attack that vary from the indirect form by changing the style of the site text (e.g. to a biblical style) or by using Post-it style notes (e.g. ‘Will never use this xxxx service again’) to the more direct approach such as rewriting the web pages in real time and changing the prices.</td>
</tr>
<tr>
<td>Email</td>
<td>This is a potential problem for organisations – cyber harassment, defamation and the spread of viruses by email are unfortunately quite common.</td>
</tr>
<tr>
<td>Password capture</td>
<td>Entering networks with fake identities is a problem for companies as data destruction, corruption and misuse can seriously undermine customer confidence.</td>
</tr>
</tbody>
</table>

In 2007 many students not only used Facebook to maintain and develop their networks of friends and contacts, but some of them also used it to protest against the actions of the bank HSBC.

Faced with a perceived injustice, the National Union of Students decided to take action against the HSBC bank. The issue was that the bank had announced in the summer that it was to scrap the free £1,500 overdraft facility that it awarded to recent graduates. As a result 5,000 students signed up to group on the social network site ‘Stop the Great HSBC Rip-Off’. With offline public comment beginning to take a critical stance, the bank decided to reverse the decision by the end of August, as the bank decided to avoid a rough public debate and possible damage to its reputation.

The UK’s Labour Government, in conjunction with the mysociety.org political scrutiny charity, set up a petitions web site to engage further with the public. 1.79 million people signed the petition against proposed road pricing, and then received a four-page personal email response from the then Prime Minister Tony Blair, justifying his position.

The celebrity television chef Jamie Oliver collected 271,677 signatures via his Feed Me Better web site. His goal was to improve the quality of school meals and he succeeded in getting extra cash from the government (£280 million over three years) two hours before he handed in the petition to Downing Street.

Sources: Naughton (2005); Byers (2007); Gray (2007).

**Question**

Is the use of petitions merely a simple means of demonstrating volume of opinion or do they serve to bind communities together?

**Task**

Visit the government petition site (www.petitions.pm.gov.uk/) and see the range of topics currently available. Think of a petition you would like to post.
Integration of public relations in the communications mix

Public relations has three major roles to play within the communications programme of an organisation: the development and maintenance of corporate goodwill; the continuity necessary for good product support; and through these, the development and maintenance of suitable relationships.

The first is the traditional role of creating goodwill and stimulating interest between the organisation and its various key stakeholders. Its task is to provide a series of cues by which the stakeholders can recognise, understand and position the organisation in such a way that the organisation builds a strong reputation. This role is closely allied to the corporate strategy and the communication of strategic intent.

The second role of public relations is to support the marketing of the organisation’s products and services, and its task is to integrate with the other elements of the marketing communications mix. Public relations and advertising have complementary roles. For example, the launch of a new product commences not with advertising to build awareness in target customers but with the use of public relations to inform editors and news broadcasters that a new product is about to be launched. This news material can be used within the trade and consumer press before advertising occurs and the target buyers become aware (when the news is no longer news). To some extent this role is tactical rather than strategic, but if planned, and if events are timed and coordinated with the other elements of the marketing communications mix, then public relations can help build competitive advantage.

The third role is to provide the means by which relationships can be developed. To do this public relations has a responsibility to encourage dialogue to provide the means through which interaction, discourse and discussion can occur and to play a full part in the communication process and the messages that are conveyed, listened to, considered and acted upon.

Summary

In order to help consolidate your understanding of public relations, here are the key points summarised against each of the learning objectives:

1. **Explain the nature and characteristics of public relations.**

   Public relations is a communication discipline that can develop and maintain a portfolio of relationships with a range of key stakeholder audiences. The use of public relations does not require the purchase of airtime or space in media vehicles, such as television or magazines. The decision on whether an organisation’s public relations messages are transmitted or not rests with those charged with managing the media resource, not the message sponsor. The main characteristics of public relations are that it represents a very cost-effective means of carrying messages with a high degree of credibility. However, the degree of control that management is able to exert over the transmission of messages can be limited.

2. **Highlight the main audiences to which public relations activities are directed.**

   Public relations can be used to communicate with a range of publics (or stakeholders). These vary from employees (internal public relations), financial groups (financial or investor...
relations), customers (media relations) and organisations and communities (corporate public relations).

3. Discuss the role of public relations in the communications mix.

Public relations enables organisations to position themselves and provide stakeholders with a means of identifying and understanding an organisation. This may be accomplished inadvertently through inaction or deliberately through a planned presentation of a variety of visual cues. Using predetermined campaign objectives, these range from publicity through press releases, to the manner in which customers are treated, products perform, events are managed and expectations are met.

4. Appreciate ways in which public relations works.

Public relations can be seen to work at a practitioner level where the tool is used as a tool to achieve media visibility. At a different level public relations is seen as a means of mediating the relationships organisations develop with various stakeholders. Here, public relations is perceived as a longer-term and proactive form of planned communication. The former see public relations as an instrument, the latter as a means of conducting a dialogue (Ehling, 1992).

Public relations can be regarded as a dimension of communication behaviour. These dimensions are direction, purpose, channel and ethics (Yun, 2006).

5. Provide an overview of some of the main tools used by public relations.

Public relations consists of a range of communication activities, of which media relations, publicity and event management appear to be the main ones used by practitioners. However, in addition lobbying, corporate advertising and crisis communications form an important aspect of public relations activities.

6. Examine the nature and context of crisis management.

Public relations plays an important role in preparing for and constraining the impact of a crisis and re-establishing an organisation once a crisis has passed. Crisis planning is about putting into position those elements that can effect speedy outcomes to the disaster sequence.

7. Determine ways in which public relations can be integrated with the other tools of the marketing communications mix.

Public relations has three major roles to play within the communications programme of an organisation: the development and maintenance of corporate goodwill; the continuity necessary for good product support; and through these, the development and maintenance of suitable relationships. These roles can be accomplished more easily when public relations is integrated with the other tools and media of the communication mix.

Review questions

1. Define public relations and set out its principal characteristics.
2. Using an organisation of your choice, identify the main stakeholders and comment on why it is important to communicate with each of them.
3. Highlight the main objectives of using public relations.
4. What is the difference between corporate public relations and marketing public relations? Is this difference significant?
5. Write a brief paper describing the main methods of publicity.
6. Why do you think an increasing number of organisations are using sponsorship as a part of their marketing communications mix?

7. Suggest occasions when corporate advertising might be best employed.

8. Identify the main phases associated with crisis management.

9. What roles might stakeholders adopt when a crisis occurs?

10. Discuss the view that public relations can only ever be a support tool in the marketing communications mix.

**MiniCase**

**British Airways: the world’s least favourite airline?**

**Peter Betts: University of Central Lancashire**

**Turbulence Ahead**

In the words of Willie Walsh, the CEO of British Airways [BA], 27 March 2008 was to be a ‘once in a lifetime’ opportunity to transform the passenger experience at Britain’s Heathrow airport. Heathrow had long been recognised as being one of the worst airports in the world. According to the Association of European Airlines, during 2007 Heathrow suffered the most delays with over 35 per cent of flights delayed for more than 15 minutes; lost the most passenger baggage and was rated by passengers to have the worst level of customer service. BA recognised the need to improve the Heathrow experience for its customers, especially if it was to live up to the company’s acclaimed positioning as the ‘World’s Favourite Airline’. While Heathrow is the world’s busiest international airport, handling over half of the passenger traffic between North America and the European Union, its excessive use of capacity and the impending start to the open skies agreement in 2008 would further stretch its limited capacity and resources. As the home of BA, much depends on how Heathrow can adequately and competitively respond to the challenges it faces in the global passenger airline market.

**Open skies agreement**

The opening of Terminal 5 was seen as the start of a new era. Indeed, it was seen as being so integral to BA’s future, that the airline successfully lobbied the British government to delay the introduction of the open skies agreement between Europe and the United States so that it could move to the new terminal first. The introduction of the open skies agreement between Europe and the United States effectively allows any European airline to fly to any US city, effectively eliminating the long-standing Heathrow cartel. As a consequence, competition between airlines will increase to the particular benefit of business class passengers who will hopefully expect to see a reduction in prices. The arrival of new competitors at Heathrow would be of particular concern to BA who control over 40 per cent of the slots at the airport.

In response BA announced that it would be taking advantage of the open skies agreement by launching a new low-cost service to New York, flying out of Paris and Brussels. This new service to be operated by a BA subsidiary, ironically called Open Skies, would operate with a pilot workforce separate from its mainline operations. This announcement gave rise to the British Airline Pilots Association (Balpa) threatening strike action prior to, and on the day of, the launch of Terminal 5. The union argued that the new company would effectively drive down salaries and that jobs at the main company BA would ultimately be threatened. In order to forestall an impending pilot’s strike and to mitigate against a major disaster on the day of the opening of Terminal 5, BA sought to use European law to prevent the pilot’s strike. Balpa, in acknowledging that the company had a serious claim against it in terms of strike action, were disappointed that the company failed to negotiate through the normal channels and instead resorted to adopting the protection afforded through the European Courts.

**A new dawn?**

With a pilot’s strike for the moment successfully averted, BA was ready to take ‘delivery’ of its new flagship Terminal 5.
The building, one of the largest infrastructure projects ever undertaken in the United Kingdom was built on time and in budget at a cost £4.3bn. Its opening on 27 March 2008 was to be the dawn of a new era and in the words of Willie Walsh, the opportunity for BA to restore its ‘tarnished reputation’.

The omens, however, were not good. The notorious opening of Hong Kong’s Chek Lap Kok airport in 1998 led to severe mechanical, technical and organisational problems that hindered the airport for months after its launch. For BA, shifting 70 per cent of its flight capacity almost overnight was always going to be a major challenge. From the commencement of opening, Terminal 5 was geared to handling 30 million passengers per year, up to 12,000 bags an hour at peak time and be the home for up to 6,700 BA staff.

However, within hours of opening on 27 March, chaos reigned as aircraft were delayed and the baggage system ground to a halt, forcing BA to cancel flights and allow only hand baggage onto flights. Problems for BA started even before the first passengers entered the new terminal. Staff arriving for work at 4a.m. found queues for the car-parks which were filling up with passengers and sight-seers. When overflow car parks were finally opened, staff and passengers were left waiting for buses to ferry them to the new terminal.

Inside the new terminal building, lifts and escalators failed to operate while staff had to wait for their computer check-in facility to warm up. One of the biggest problems was the failure of the automated work-allocation system, which was meant to give staff instructions via hand-held computers on where they should be stationed. The system sent staff to the wrong places and many were unable to find the correct loading bays via the maize of corridors inside the terminal. BA and the British Airports Authority (BAA), the Spanish company that operate the airport, held a press conference two weeks prior to the opening stating that the state-of-the-art baggage system had back-up facilities that could cope with any problems. Mike Forster of BAA stated that they would have a ‘world class baggage handling system working perfectly on day one’.

At 6p.m. on the first evening, BA was faced with announcing the depressingly embarrassing statement that flights from Terminal 5 would depart with hand baggage only, due to the problems associated with processing customer’s baggage. The baggage system designed to handle 12,000 bags an hour automatically shuts off when it is full. Thousands of bags were arriving at multiple locations and yet there were not enough staff to unload them. This accounted for up to 14,000 bags being stuck in the system in the first two days of operation. Passengers with check-in baggage were turned away and offered only refunds or a chance to rebook their flights for another day.

The blame game

In the immediate aftermath of the Terminal 5 debacle, neither BA nor BAA offered any explanation for the breakdown in the baggage system. Colin Matthews, BAA Chief Executive said there was nothing to be gained in finger pointing saying that ‘jointly we shouldered the responsibility for providing good passenger service, and therefore we jointly need to solve the problem’. Willie Walsh acknowledged that both BA and BAA made mistakes but that he would ‘take responsibility for the mistakes we made’.

None the less, in the early days of the Terminal 5 disaster, accusations and counter-accusations started to surface. Jim McAusian, general secretary of Balpa said the T5 problems were ‘symptomatic of BA’s loss of focus on delivering a sound operation’. One BAA official claimed that apart from short-lived BAA system problems early in the day, the baggage systems had been functioning properly. Indeed, senior management at BA had been warned that staff familiarisation issues would be central to a smooth functioning terminal. Jonathan Counsell, Head of T5 development identified the need to familiarise more than 10,000 people with the building before it opened. Union leaders questioned whether this had been achieved with a considerable number of staff effectively finding themselves lost on day one inside the terminal.

By 7 April 2008, 11 days after the opening of Terminal 5, BA had been forced to cancel S01 flights because of operational problems in one of the biggest public relations disasters suffered by the airline. BA put the initial cost to the company of the cancelled flights at £16 million although conservative estimates put the cost in excess of £25 million. This was further compounded by the announcement that business class passengers had fallen by 5 per cent during March.

By now, BA had been hoping to operate a full schedule of flights after the initial problems with baggage handling in the first week and the airline now laid the blame for the problems firmly at the door of BAA. Furthermore, and in an attempt to diffuse the issues surrounding the opening of T5, Willie Walsh announced the departures of two senior executives inside BA. Operations Director Gareth Kirkwood and Customer Services Director David Noyes were both relieved of their responsibilities two weeks after the opening of T5. This after Walsh himself declared that ‘the buck stops with me’. In the city, BA’s share price, already under pressure from the surge in fuel costs and concerns...
regarding the underlying weakness in the UK and US economies, continued to fall sharply and at 208.5p was at its lowest since October 2004.

The knock-on effect of the T5 disaster further resulted in BA announcing on 11 April that the transfer of its long-haul flights from T4 to T5 would be delayed by up to five weeks. This would have an adverse effect on other airlines planning to move into the spaces vacated as a result of BA’s transfer to T5. Nigel Turner, Chief Executive of BMI, commented that ‘BAA and BA had shown a total disregard for all other airlines and their passengers at Heathrow in coming to this decision because of their own shortcomings and their inability to implement an agreed plan’.

David Frost, Director General of the British Chamber of Commerce said, ‘This shambles is yet another depressing chapter for the UK’s crumbling transport system and sends a depressing message to businesses around the world.’ Moreover for BA, the impact of the operational failures that plagued the opening of T5 were compounded by the lack of clear communication during the opening and subsequent days. Ironically, Gareth Kirkwood, the now ex-director of operations at Heathrow in the hours following the opening, read a statement apologising to customers but refused to take any question from journalists.

**MiniCase questions**

1. The operational failures at the opening of Heathrow’s Terminal 5 were a PR disaster for BA. Analyse the situation from a PR perspective and identify the key communication issues for BA immediately after the opening and going forward.
2. Identify, prioritise and justify the key stakeholders with whom BA needs to develop its communications after the opening of Terminal 5.
3. While there are always going to be teething problems with any major infrastructure project such as Terminal 5, nevertheless, both BA and BAA should have had a well-rehearsed ‘crisis plan’ to deal with all eventualities. Outline the main elements of a ‘crisis communication plan’ and consider the varying scenarios such a plan should have covered in relation to Terminal 5.

**References**


