

MKTG3119 Final Exam Notes

1. Introduction

- The challenge of PR: multifaceted – requires skills in written & interpersonal communication, research, negotiation, creativity, logistics, problem solving etc.
- Ever-growing industry – expected growth of 23% in Asian revenue in the next 5 years
- Origins in WWI propaganda
- Difference between output and outcome: outcome is a change in behaviour
- No 'general public'
- Journalism vs. PR
 - Journalists use only two components: writing and media relations
 - Journalists: objective observers, PR professionals: advocates
 - Mass audience vs. Defined publics
- Differences between advertising and PR
 - Advertising: mass media outlets, external audiences
 - Advertising: communications function, PR is broader in scope
 - Advertising: sells goods and services, PR: creates a favourable environment for an organisation's survival
- PR supports marketing:
 - Develops new prospects
 - Provides third party endorsements
 - Generates sales leads
 - Paves the way for sales calls
 - Establishes credibility
 - Helps to sell minor products

Definition:

- Cutlip, Center & Broom: 'Public relations is the management function that identifies, establishes and maintains mutually beneficial relationships between an organisation and the various publics on whom its success or failure depends'

Public Relations as a Process

RACE:

1. Research – defining PR problems
2. Action – program planning

3. Communication – execution
4. Evaluation – evaluating the program

An Integrated Approach to Strategic Communication

- GRRIT:
 - Global/multicultural
 - Research based
 - Relationship focused
 - Internet/new media oriented
 - Toolbox-driven tactics

Public Relations Departments

Importance of PR to today's organisations:

- PR professionals seen as strategic communication managers
 - PR offers 184% ROI
 - CEOs want communication that is strategic, research-based and two-way
 - Business is no longer a black box – companies operate in a glass box with all viewing your actions
 - Factors determining the nature of PR's role – size of the firm, management attitudes & capabilities
 - Global reach – offices located in major cities/capitals
- PR professionals have little direct authority – indirectly influence others' work through suggestions, recommendations, advice etc.

Levels of Influence

- Advisory – management has no obligation to request or act on recommendations – purely advisory practitioners are often ineffective
- Compulsory-advisory – management is required to listen to PR before acting
- Concurring authority – PR and management must agree before decisions are made

Sources of Friction:

- Legal – different perspectives on public statements
 - Human resources – differences regarding employee communications, what are we telling our staff?
 - Advertising – competing for resources/expenditure
 - Marketing
- Campaign budgets

- More cost-effective to work in-house
- Hourly fees plus out-of-pocket expenses – mostly used by large firms
- Every three months, track 3 metrics: average revenue per client, overheads as % of revenue, gross profit margin
- Introduce and measure client KPIs: survey your clients and ask whether they would recommend you and whether they intend to renew their project

2. Research & Planning

Four Essential Steps of Effective PR:

- 1. Research**
- 2. Planning**
- 3. Communication**
- 4. Evaluation**

- Research: need to research our risks, consider channels of communications and how key audiences need the information delivered/in what form
- Planning: where do we want to be in the foreseeable future?

Research

- Marks the difference between PR as marketing and PR as management
- 5 steps:
 1. Gather
 2. Process
 3. Present
 4. Negotiate
 5. Explain
 6. Gather

GRUNIG'S 4 MODELS OF PUBLIC RELATIONS

	Press Agency	Public Information	2-way Asymmetrical	2-way Symmetrical
Purpose	Propaganda	Dissemination of information	persuasion	Mutual understanding
Nature of communication	1-way, truth not essential	1-way, truth important	2-way imbalanced	2-way balanced
Level of research	Very low, press clippings only	Low, readability tests & readership surveys	Moderate, some feedback, formative & evaluation	High, formative & evaluation of understanding

- Luck and assumptions are not solid strategic foundations
- Objectives (measured behaviour changes or cognitive shifts in a specific public within a nominated time frame):
 - Must be measurable and achievable
 - Are different from goals
 - Require a time frame
- Situation analysis (SWOT approach):
 - Strengths – personnel, relationships, culture
 - Weaknesses – reputation, communication channels
 - Opportunities – markets, acquisitions, research & development
 - Threats – competition, market fluctuation
- Who are my publics?
 - Key publics include employees, customers, shareholders etc.
 - Opinion leaders
- Research: a form of listening, controlled/objective information gathering
- Questions to ask before research design
 - What the problem is
 - Type of information needed
 - How results will be used
 - Public/s
 - How data will be analysed/reported
 - Timetable
 - Budget
- How research can be used in PR:
 - To identify new markets
 - To measure/gauge existing public attitudes
 - Test messages