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PR: A Strategic Marketing Partner

by Teresa Todd

There has long been the back and forth rhetoric among professionals and academic scholars as to which practice reigns supreme in the marketing mix: public relations or advertising. Of course there are other practices that factor into a brand's success, but communicating an organization or brand's value has been the realm of PR and advertising.

While the two disciplines certainly complement each other, there is a world of difference in mindset, approach and budget that makes it difficult for many companies to even know where to position public relations within the organization.

The view inside many corporations is that PR has been considered a secondary discipline to advertising. But in a time of economic strife, tighter budgets and focused attention on results and return on investment, the tide is turning as PR begins to emerge as an equal member of the marketing mix.

One word of caution: PR campaigns are not typically overnight successes, nor should they be considered one-shot wonders. Rather, strategic PR campaigns should be considered a slow-build strategy of relationship building to yield third party endorsements, which establishes credibility and solid, long-term positioning. A good advertising campaign helps reinforce and support the PR efforts.

In a recent study, ninety-one new product launches were examined; the highly successful product launches were found more likely to use PR-related activities than the less successful ones. In recent years, Starbucks, Amazon.com, Yahoo, eBay, Google, PlayStation, Harry Potter, Botox, Red Bull, Wal-Mart, Microsoft and BlackBerry have all risen to become superpower brands through PR initiatives. In their early launch stages, they all gained market superiority, brand recognition and customer loyalty.

What's the Buzz?

Jerry Swerling, professor and director of Public Relations studies at the Annenberg School for Communication on the University of Southern California's campus, directs applied research each year to track and define generally accepted practices (GAP) within the public relations field. Broadly defined, the purpose of the GAP study is to provide information businesses need to make informed decisions on budgeting, staffing, evaluation, reporting lines, organization and the use of agencies. It also monitors the health and perceptions of the profession, while providing academia information and data that can be used in research and classes.

GAP V, the fifth study over a seven-year period, was released in May. This latest study incorporated views and information provided by respondents representing 520 organizations ranging from small local charities and companies to global Fortune 500 companies. Overall, respondents reported PR budgets averaging \$4.4 million, an average increase of 7 percent over the previous year with anticipated budget increases of an additional 5 percent

in 2008. Fees to outside PR agencies averaged 30 percent of PR budgets. The full report is available at no cost at annenberg.usc.edu/sprc.

Key Findings of GAP V

Based on the longitudinal data from the five surveys, researchers are now able to identify statistically sound correlations and best practices in public relations for organizations of all types and sizes. In several survey areas, future studies will drill down to causality factors that researchers hope will explain the cause and effect relationships have been established.

One best practices relationship identified is PR with a reporting relationship to the C-Suite – chairperson, chief executive, or chief operating officer. The study found that this type of reporting relationship results in higher budgets relative to the organization’s gross revenues, broader responsibilities, more respect and greater influence within the organization.

The study also notes that reputational considerations, which are central to the PR/Communications function, are now commonly factored into organizational strategic planning by the C-Suite. Putting the two together, the report concludes with a reasonable degree of certainty that reporting to the C-Suite benefits the communications function.

Another key finding of the study examined the professional PR practices of not-for-profit and government agencies. The study found that these non-commercial organizations are now structuring their communication functions and measuring performance in the same way as the public and private commercial corporations against which they compete for awareness, public influence, national news exposure and global influence.

Measuring Effectiveness

In discussing the rise of the PR practice, the Ries’s anecdotally discuss the value of a candle. No longer is a candle’s value measured by light output, since it has long since lost its function for lighting a room with the advent of the light bulb. Yet every night millions of candles burn even though its value has no relationship to its light output.

Therein lies the biggest obstacle for the PR function: lack of measurement tools and quantifiable metrics. PR works, but the how and why remains elusive even to the industry’s top thought leaders. “Among the most sophisticated organizations – whether they’re Fortune 100 companies, major not-for-profits, or large government agencies – the most significant activities are carefully measured and evaluated based on broadly accepted metrics ... except for public relations,” said Swerling.

As the GAP V study indicates, 6 percent average expenditure for PR evaluation is too low. They also found that the traditional aggregating of circulation or broadcast reach into a simple totaling of media impressions or advertising equivalencies is becoming less and less credible.

“We need to find, fund and apply reliable and widely-accepted measurement tools of our own,” said Swerling. “Until we do, we will not see the kind of generous funding that sister-disciplines such as advertising and marketing regularly receive. Communications practitioners know the power and impact of their profession, as do most CEOs. Nonetheless, we do a disservice to our discipline by measuring it solely in terms of media-related outputs and asking that our effectiveness be accepted on faith.”

Stories that Resonate Editorially

Then again, some stories are just better suited for an editorial approach. Case in point is the Santa Clarita Auto Dealers Association. While each dealership markets their own established brands with various advertising and marketing initiatives, 13 dealers in the Valencia Auto Center come together as a non-profit organization with the primary purpose of promoting the City of Santa Clarita's "Shop Local" campaign.

The rationale for the "Shop Local" message is that while a consumer can buy a vehicle anywhere, making that purchase within city limits means that a portion of the taxable sale will return to the community to be used for funding facilities, roads and services. Since auto purchases are typically large taxable transactions, the incremental funds benefiting the community are proportionately larger and equal to many smaller consumer purchases.

Even with soaring gas prices and ridership on public transportation increasing daily, most people still find the need to own a vehicle. If consumers are still buying cars, why not encourage them to shop locally where their purchase has residual benefit to the community? That's the story. The arc of understanding is there, PR just has to make it interesting and something that resonates with its intended audience. Advertising should support that objective.

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