

Understanding Public Relations

Module 2

Meaning

- Public relations (PR) is the practice of deliberately managing the release and spread of information between an individual or an organization (such as a business, government agency, or a nonprofit organization) and the public. Public relations (PR) and publicity differ in that PR is controlled internally, whereas publicity is not controlled and contributed by external parties. Public relations may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. This differentiates it from advertising as a form of marketing communications. Public relations aims to create or obtain coverage for clients for free, also known as 'earned media', rather than paying for marketing or advertising. But in the 2010s, advertising is also a part of broader PR activities.

Importance of Public Relations

Importance of Public Relations in Marketing

- Building Image and Brand Equity
- Launching New Products
- Smooth Functioning of Business
- Press Relations
- Media Relations
- Event planning
- Corporate Social Responsibility

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Importance of Public Relations in an Organisation

- Acts as a means of communication
- Helps in creating the brand
- Prevents the negative image
- Helps in maintaining your presence
- Building connections

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Scope of Public Relations

External Measures

- Image Building
- Open House
- Exhibitions and Trade fairs
- Seminars and conferences
- Radio and Television
- Films
- Press
- Questionnaires and opinion polls
- Giving out press release and newsletter
- Attending to customer complaints
- Sports, cultural and social activities

Internal Measures

- Suggestion schemes
- Advice and counselling
- House organs
- Bulletins
- Notice boards
- Posters
- Handbooks and employee manuals
- Public address system
- Film shows
- Social get togethers
- Inter communication system



Emergence of Public Relations

Tracing the growth of Public Relations

Dissemination of new knowledge began in 15th century (translation of bible from latin to various languages)

Mass printing of books and newspapers began in huge number

Use of public relation expert were used in French and American revolution

PR took step in professionalism in 1918 when a country's independence was announced on Monday instead of Sunday to gain maximum public coverage

PR became a profession in 1903 after the Pennsylvania Railroad incident of workers strike

United States started with PR experts who spoke in interest of democracy

3 main principles of PR Given by Edward Bernays – Inform people, persuade people and integrate people with people

Investigative journalism began in same year to expose scandals associated with power, capitalism, corruption and to create public awareness for ethical business

Large organizations started hiring writers and publicists as the spokespeople to gain public approval





Reasons of emerging International PR

- International Public
- Varied consumer segments
- Competition
- Different cultural environment
- Local market preferences
- Global public unions
- Identity issues
- Commercial, legal and financial issues
- Foreign relationship issues

Evolution of PR in India

Great Indian Peninsular Railway Company set up a central publicity board in Mumbai promoting tourism in India through PR campaign in England involving mass media and pamphlets

During the 1st World war Central publicity board was set up at Bombay for disseminating war news to the public and press and to get feedback about its governance

Next stage began with world war II when British government created Ministry of Information and Broad casting in order to gain support for the war when public opinion was being shaped against it by Indian National congress and press.

Post Independence the GDP of India had already fallen , country had adopted mixed economy , public sector was expected to develop core sectors hence Central Public sector enterprises started its PR department and house journals for employees.

TATA Iron and Steel Company directed towards helping its employees and other needy people. The house of TATA formed a PR department at their head office in Mumbai in 1943 and started a monthly News Bulletin in 1944

The efforts of TATA India's first brush with PR started in India at same time when he started building houses and hospitals for needy and providing with amenities like clean drinking water and electricity.

However the state machinery was misused by ruling government and only media questioned them. Doordarshan was the only channel at that time and use to run as per government instructions which led to development of private channels

In early 50's and 60's private PR companies like Hindustan levers, Caltex, Esso and etc started organized PR in country

India witnessed globalization in 1990's with foreign investments and more MNC's coming in PR took a different shape. Global agencies like Ogilvy and Mather set up PR agencies leading to a remarkable revolution of PR in country.



PUBLIC RELATIONS ENVIRONMENT

Social and Cultural Issues

- Value system
- Family relationships
- Perception of time
- Changing lifestyles
- Changing family structures
- Educational system and ties to business
- Class and economic distinction
- Fashion based demands
- Professional organizations and unions
- Demographic factors

Gender Stereotypes and roles

Perception of the product

Emphasis on the group

Concept of attachment to land

Economic issues

- Constitutes factors which influences customer's purchasing and spending patterns
- GDP, GNP, Interest rates
- Inflation and unemployment
- Availability of finance
- Competitors
- Market size

Political issues

- Political organization
- Political stability
- Foreign policy
- Country's image
- LPG
- Legislations of the country



SYSTEM THEORY OF PR

Introduction

- Used to create business systems and to find out the problems in it.
- Theory suggests that every organization itself is a part of system which also includes its public and goals
- Social environment consists of public such as customers, employees and neighbors and this environment is ever changing.
- In order to prosper organization must adjust with the changes.

STEP 1

- *Open the doors to feedback so that it helps in organizational development*

STEP 2


- *Identify the correct public*

STEP 3

- *Awareness of all the publics – shareholders, employees, customers and community members*

Conclusion

- Enables a PR professional to follow the above 3 steps to find out a formula for profitability and survival.
- Broom et.al concluded that system theory provides a useful framework to understand relationships within and outside the organization



SITUATIONAL THEORY OF PR

Introduction

- Put forth by Grunig in 1975.
- Theory looked after behavioral pattern of public.
- 3 assumptions of theory –
- Person will try to seek or give information only when something is missing in a particular situation.
- He/she will not seek for information if he faces a lot of constraints.
- A person who is highly involved will communicate actively in order to control behavior

Concept of Problem Recognition (P) and Constraint Recognition(C)

- Problem facing behavior – P High , C low or P_c
- Constrained behavior – P high , C high, P_C
- Routine behavior – P low, C low p_c
- Fantastic behavior – P low, C Low p_c

Note –

- ❖ P – refers to the extent to which a person recognized that something is missing in a situation.
- ❖ C- refers to the extent to which a person feels that constraints in the situation is restricting free behavior of the person.

Concept of Criterion Reference (R) and level of Involvement(I)

- R – Looked at previous knowledge or experience to decide his behavior
- I – took a person's tendency to connect himself with a situation into consideration.
- Based on above concepts Grunig categorised public into 16 combinations of behaviour which helped him to predict the kinds of publics who would show cognitive, attitudinal and behavioural effect in response to communication programmes.



SOCIAL EXCHANGE THEORY OF PR

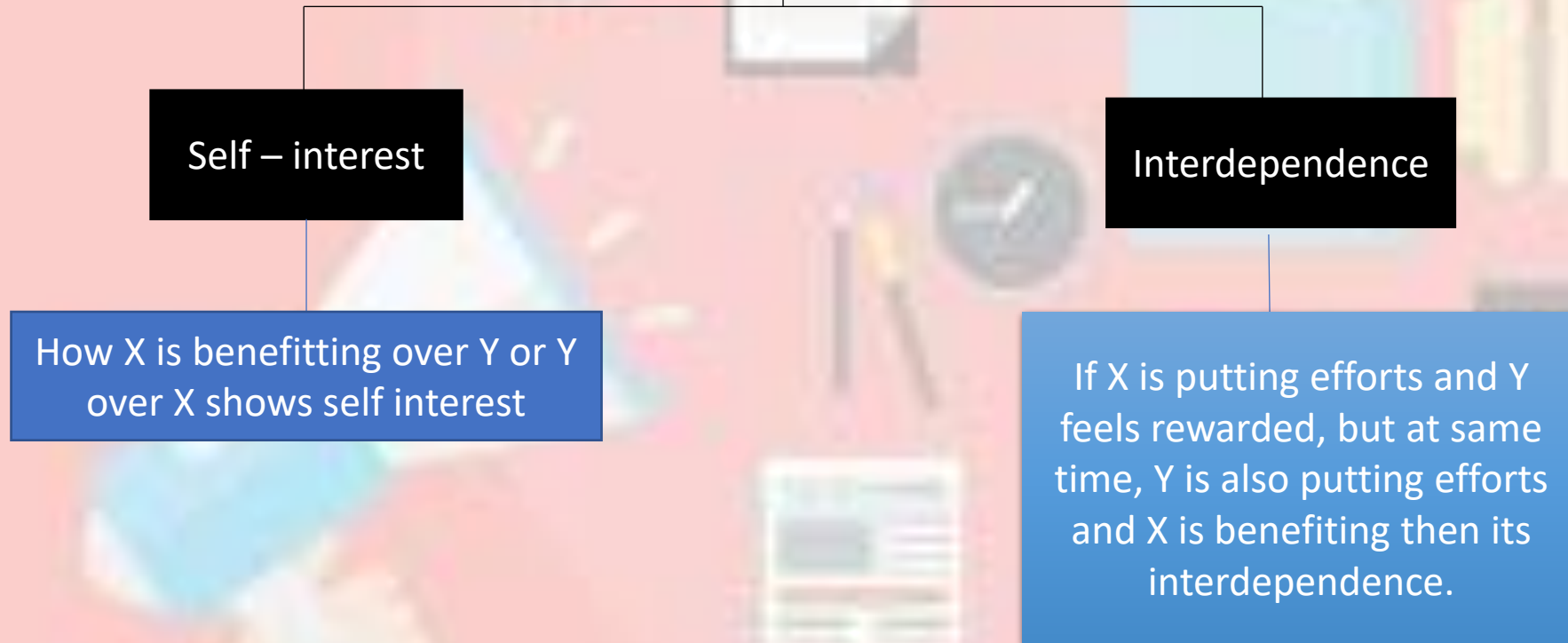
Introduction

- Given by psychologists Thibaut and Kelley and sociologist Homans and Blau
- Proposes that social behavior is an result of exchange process whose purpose is to maximize profit and minimize costs.
- As per the theory people, people indulge in profit motivated exchange.

MAIN FEATURES –

- Social behavior is a series of exchanges.
- Individuals try to maximize results and minimize costs.
- When a individual receives reward from others he feels a sense of obligation

2 main concepts



Costs v/s Rewards

- In the theory, money, effort and time put into a relationship can be considered as costs while acceptance, validation and companionship which are perceived positively may be taken as rewards.
- $\text{Worth of relationship} = \text{Benefits} - \text{costs}$.
- $\text{Positive relationship} = \text{Benefits} > \text{costs}$
- $\text{Negative relationships} = \text{costs} > \text{Benefits}$.

Comparison Levels

- When people weigh the benefits of relationship against the cost of relationship they do so by establishing a comparison level that is often influenced by social expectations and past experience.
- As per the theory people continue to compare costs and benefits of current relationships to past relationships.
- Comparison Level (CL) – Standard expectation that people use to evaluate the satisfaction of current relationship.
- CL_{alt} – Evaluation of alternatives is done by considering the alternatives outside the relationship.
- After doing a cost benefit analysis person will take final decision.

Criticism of theory

- As per Katherine Miller –
 - Not all inter-personal interactions are as rational as implied in theory.
 - Not all are self-serving or show openness and freedom in ideas.
 - Relationships may transcend social exchange.



DIFFUSION THEORY OF PR

Introduction

- Given by Everett Rogers.
- Explains Why, How and What rate new technologies and ideas spread.
- As per Roger, diffusion is the process by which an innovation is communicated over time among the participants in a social system.
 - 4 main elements –
 - ❖ The innovation itself.
 - ❖ Communication channel.
 - ❖ Time
 - ❖ Social System

Roggers' 5 stages

Awareness/
Knowledge

Interest/
Persuasion

Evaluation /
Decision

Trial /
Implementation

Adoption /
Confirmation

Types of Innovation decision

- *Optional decision – Made by an individual who is in some way distinguished by others.*
- *Collective decision – Made collectively by all participants.*
- *Authority decision – Made for the entire social system by individuals in position of influence or power*

5 different users of the product or idea

Innovators

Early Adaptors

Early Majority

Late Majority

Laggards