

Role and objectives of pr marketing essay

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In this chapter, literature with relevance to the area of PR is reviewed and presented. The theories connected to the research area will be reviewed and presented in a conceptual framework, which will clarify the main subject matter and help in data collection. Existing literature in the area of PR is vast and numerous. To be able to answer the research questions and reach our purpose, the search of relevant theory and models has been selectively done. Some of the selected theories approach PR in general terms, while other theories aim at more specific aspects within the area of PR. A conceptual framework is necessary to conduct this research such that selected theories fit into the focus of this study.

1. 1 Role and Objectives of PR

1. 1. 1 PR: Definitions

The term PR within area of research is vast and wide with several definitions and what it actually involves. PR practitioners tend to view their activities as being strategic, while on the other hand marketers view PR as being a mere tactical ingredient of the promotion mix. This confusion and conflict of opinion has hindered the development of the PR profession to the extent of adding to the blurring of what exactly includes the area of PR (Lages & Simkin, 2003). A review of modern PR history gives a number of definitions, metaphors, and approaches to the field (Hutton, 1999). In the first two decades of this century, the prevailing theme in PR had been " using communications to build and hold goodwill". However, the term has now evolved and a review of recent PR definitions in literature and academic journals suggest a number of common themes, but there is still no true convergence. The most common components in the definition of PR appear

to be " management", " organization", and " publics". An exemplar of a widely quoted definition is;" Public relations are used to evaluate public attitudes and identify policies and procedures of an organization as a result of management function with regard to public interest. It executes a course of action to earn public understanding and acceptance" (Hutton, 1999).

Lages and Simkin (2003) propose that PR scholars conceptualize PR as a management discipline which is a change from the traditional view of PR being mainly a communication activity. Other authors referred by Lages & Simkin (2003) agree with Hutton (1999) and define PR as the " management of communication between an organization and its publics"; and emphasize that: " this definition equates public relations and communication management". PR is also defined as the " management function that identifies, establishes and maintains mutually beneficial relationships between an organization and the various publics on whom its success or failure depends". Lages & Simkin (2003) further define PR as " relationship management", which implies that the focus of public relations is the management of an organization's relationships with its publics through the four step management process of analysis, planning, implementation and evaluation. In this context, PR is used to communicate strategically (ibid). Frank Jefkins (1978) define PR as:" Public relations consist of all forms of planned communication, outwards and inwards, between an organization and its publics for the purpose of achieving specific objectives concerning mutual understanding". This definition points out that PR should be planned and organized similarly as production, sales and advertising programmes. The main objective, which is mutual understanding, means that the PR

practitioner seeks to understand other people and their attitudes, as well as to create an understanding of his organization and its people, policies, products, or services. Such interaction is the essence of communication. By the term objective, the author means that the system of management by objectives is implemented to deliberately plan and sustain PR. Furthermore, a separate PR strategy can and should be planned, budgeted and executed alongside marketing. Ideally this should be part of a complete management system, using PR to achieve corporate objectives (ibid). The Institute of Public Relations defines public relations as " the planned and sustained effort to establish and maintain good will and mutual understanding between an organization and its customers." Bankers today are facing some of their toughest challenges. As a result, banks at present times must integrate public relations into the decision making and planning processes if they seek to gain public concern and are forced to defend their fiscal strength as well as their credibility vis-à-vis customers, shareholders, employees and the community (Morvis, 1991). According to the German associates, an association of bankers in Germany, " every person in a bank, from the president to the record keeper in the base, and the guard at the door are involved in public relations activity". This statement proves that whether directly or indirectly, every individual in any bank is involved in the public relations activities of the organization. According to Hannelore Willingham in her article Tools for Bank Marketing, banks give a lot of importance to public relations. From the word itself, this has something to with the relationship of the bank to the customers or to the public. The expert author also argues that normally, people will not consider any product or service offered by a

bank that will give them a horrible experience especially when it comes to customer service. This is something that all banks should not take for granted. This should be given utmost attention and time because good public relations, excellent customer service and praise worthy reputation will definitely make a customer stay with a particular bank for quite some time. Banks with these things surely attract more customers and keep their existing customers at the same time. Aside from these, banks are also sensitive on their customers' needs. At present, most people prefer online banking but there are still people who do not. Therefore, banks have to address their needs accordingly (ibid). The banking industry is a service oriented one. For any service to be desired, there should be a conscious need for it, and such a need is generated by the knowledge of its ability to satisfy customer requirements (Okigbo 1990: 237). Organizations in the banking industry should strive hard to devise plans on how they expect their publics' perception to be, and this same image can then be communicated through the services offered and the overall attitudes of the employees within the bank. While some banks strive to make themselves seen as efficient and effective by setting up public relations departments to shape their image, other institutions in the same industry seem to allow less importance to the public relations practice. But then, how many people does it take to manage the image of a bank? From one end it is believed that image management falls under the responsibility of everyone from the plain receptionist to the chairman, and from the other end the responsibility of senior management selling visual identity, at times too often without thinking through clearly what the audiences will swallow (Worcester, 1997).

Public relations in banking first of all help in establishing most effective communication systems and creating sympathy about relationships between the bank and its customers by giving broadest information about its activities (Manisha, 2012). Modern public relations practitioners face much challenge such as information speed and globalization which keep altering the pace and landscape of the profession (Jiang, 2002). It is furthermore agreed that the internationalization of public relations is both an opportunity and a challenge for professionals and suggested that cultural variation, different norms of conduct and different levels of socio-political development will require different approaches to the practice (Taylor, 2001, p. 629-630).

1. 1. 2 PR: Objectives and Strategies

Dolphin & Fan (2000) discuss over whether PR is seen as a strategic function by corporate management. Their research indicates that a communication strategy is necessary for any organization. It needs to be managed and formulated by the information director in close cooperation with the executive team. When shaping PR strategy, the nature of the organization to its vision, mission and to its key stakeholders should be taken into consideration. The role of the information director is to act as a bridge between his organization and its audiences, and in this way create and sustain the corporate image and reputation. PR obviously should be linked closely to the organization's board room through the practitioner as it plays a key role in the strategic planning of an organization (ibid). Jefkins (2000) describes the ideal organization structure as one which has an autonomous PR department which is accountable directly to the CEO. However, if the PR executive is placed between the marketing, advertising or sales promotion

departments instead, the scope of PR within the company can sternly get limited. Lages and Simkin (2003) argue that if the positioning of PR was to be as a management discipline, it would imply that the PR activities are broader than both the communication techniques and the dedicated PR programs such as media relations. However, PR might not be efficient, as argued by many, when practitioners master technical skills without properly understanding when and why to use PR to enhance and make the organization more competent in terms of communication (ibid). Wells and Spinks (1999) portray community relations as being among some of the most important activities of an organization. The founding of ongoing, reliable and respected external communication processes should be considered as a priority. This involves relationships with customers, for thousands of satisfied customers might never make an argument, but one unsatisfied customer probably will. As explained by Worcester (1997), the attributes of the bank's image in the eyes of its publics are highly dynamic and never stagnant. Even if it looks static, it is hardly ever so. The importance for effective communication with many audiences such as its customers, clients and employees is obvious to most organizations. However, many of them fail to notice the importance of good communication with the community (Wells and Spink, 1999). Each organization has its own priorities, which obviously reflect its mission, and as such organizations divide their responsibilities differently. Some practitioners consider communication that aim at increasing sales and revenue, while also bringing in new business, PR objectives as stated by Wells et al. (2003) are designed to alter public's knowledge, attitudes, and behaviours related to a company,

a brand, or an organization. These objectives put emphasis on creating credibility, delivering information, and building favourable images. Typical PR objectives put forward by Well et al. (2003) include: Creating corporate brandRedefining or shaping a corporate reputationPositioning or repositioning a company or a brandDisseminating information about a brand, a company, or an organizationProviding information about a product or a brandChanging stakeholders attitudes, opinions, or behaviours about a brand or a companyCreating buzz-word of mouthInvolving people with a brandSound public relations practices are the determining factors for banks in order to improve the reputation of the institution and build enduring relationships with its publics (Reddi 2009, p229). Creating effective communications with customers is the fundamental aspect in service marketing and therefore the banking sector. Banks communicate with their existing and potential customer about what they are doing and what they are planning to do in the near future. Public relations therefore in this industry is very important and at the same time challenging as the nature of services is characterized by intangibility of the service product. Effective PR therefore provides information that plays a crucial role in adding value to a service product (Manisha, 2012). Morvis (1991) also highlights that never before have public relations played such a critical role in bank management. In fact, as media attention inexorably focuses on banking, most bankers are seeking communications strategies to help manage relations with the press and other critical publics. Rick Keating, President and Chief executive officer of Keating & Co., a strategic communications firm, explains that one of the key objectives of any PR campaign will likely be to differentiate the client's

brand from the competition. When it comes to banks, the average customer may find it difficult to tell the difference between all the banks on the block. In her article "The Important role of Public relations", Susan Jan highlights that Public relations in present times employs diverse to evaluate public opinion combined with a variety of high-tech techniques for distributing information in banks. As public image is important to all organizations, the role of public relations specialist becomes pertinent in crisis situations. Public relations agencies provide important and timely transmission of information that helps save the face of the organization. In the words of the Public Relations Society of America (PRSA), "Public relations help an organization and its public adapt mutually to one another." Bank managers have a tough road ahead in an increasingly complex financial services industry. Integrating public relations, especially issues management, corporate identity and crisis communications, into the overall business planning and decision-making process help bankers manage during these tough times (Morvis, 1991). Reddi (2009) also puts forward that banks need a separate public relations management under the function of top managers to handle its relationships since the public relations department in a bank forms the human bridge between the bank and its internal and external publics.

1. 1. 3 Defining Publics

Worcester (1997) highlights the necessity of identifying the publics of the organization. Every bank should carefully evaluate the audiences it is to deal with in order of importance. In many financial institutions for instance, the customers often stand this position. Expenditure decisions can then be based on relevance if the organization knows accurately who to target first.

Beavers-Moss (2001), state that once the various publics of a bank have been identified, relationships must be established in accordance with each group with regard to their needs and wants. Wells & Spinks (1999) recommend organizations to establish ongoing communications with the public community at large. Schultz & Barnes (1999) however suggest that the relationship with specific publics should be given more importance. Once an organization's publics has been defined, whether as being narrow or wide, segmentation can be done on basis of demographic, geographic or psychographic. Other tools such as covert power segmentation can as well be used, under which people within a community who exercise influence of a variety of issues or decisions are identified. Reputation segmentation on the other hand deals with classifying people who exert influence within social networks.

1. 1. 4 Proactive PR versus Reactive PR

PR can be classified as either proactive or reactive. Proactive PR is guided by a company's objectives and is oriented offensively rather than defensively. Proactive PR is seen as opportunity seeking rather than problem solving. Being integrated with other promotional activities, the main role of proactive PR is to endorse the products and services of an organization by giving them additional exposure, newsworthiness and credibility. The last factor, credibility, contributes to the effectiveness of proactive PR to a large extent. On the other hand, reactive PR describes the conduct of public relations in response to external influences. It is undertaken as a result of external influences such as shifts in consumer attitudes, changes in government policies or competitive actions amongst others. Reactive PR mostly handles

changes that have negative impacts for the organization, and aims at repairing the company's goodwill, preventing market erosion, or regaining lost sales (Shimp, 2000).

1. 1. 5 Hutton's Framework for defining public relations

Hutton (1999) has developed a three dimensional cube to allow a better analysis of PR roles through a framework. It consists of three dimensions, namely interest, initiative and image, which explain the significant differences among the various orientations of PR. InterestThe interest dimension can be described as the " balance of intended effects". It allows a perspective of what degree PR functions emphasize on client interest versus public interest. In simpler terms, it describes whether the main focus of the organization is on direct customers or on the public in general. InitiativeThe initiative dimension shows the extent to which the PR function is reactive versus proactive. This can be measured by PR activities that aim to forecast and help to shape up emerging organizational issues. ImageThe image dimension describes to what extent the organization is focused on perception versus reality, or image versus substance. This aspect reveals the overall focus of an organization's philosophy, thoughts and actions. PR activities under this framework reveal six distinct orientations of ht PR practice, namely; persuasion, advocacy, public information, cause-related public orientations, image-reputation management, and relationship management. PersuasionPersuasion includes the philosophies of PR that are proactive and geared towards persuading publics to think and act in a way that is beneficial to the organization. PR campaigns that are designed to focus on promotion or to create consent lie under this category, demarcating

each other mainly by their strategic choice of tactics rather than their basic objective (ibid). Advocacy Similar to persuasion in its objectives, this category is also different in its level of initiative and in the sense that it arises subject to controversy or active opposition. It defends the organization in the public's court of opinion, rather than a court of law. The type of strategy and tactics used is guided by the controversy or active opposition. The reactive nature of advocacy public relations suggests that a PR function may exist only if triggered by a crisis or any other catalyst. Subsequently, advocacy aims at persuading relevant publics to think or act in a certain pattern (ibid).

Public Information This category refers to the style of PR in which the organization initially serves as an information provider and educator. Some government agencies and trade associations or other member service organizations perform likewise (ibid). Cause related public relations Cause related PR is usually as much proactive as persuasion in its initiative as it aims to persuade the publics to think or act in specific ways. On the other hand, it is similar to advocacy in the sense that it is also triggered by a public event, or is otherwise non existent or reactive. In simpler terms, it is a complement of advocacy as long as it aims at serving a broader audience rather than any targeted group or individual based on interests. Putting emphasis onto strong and unorganized publics and media by means of lobbying and publicity is a major distinguishing aspect of cause-related PR. Some organizations that have adopted cause-related PR include the Red Cross and Amnesty International (ibid). Image/ Reputation Management This dimension focuses on the image or reputation of an organization based on its goodwill. Image or reputation management initially looks like publicity,

control and the manipulation of symbols. Nevertheless, reputation is seen to be less superficial in comparison to image, with an apparently deeper focus on reputable behaviours as the basis of a good reputation (ibid). Relationship Management This aspect refers to the function of PR as an instrument to identify mutual interests and benefits between a corporate body and its publics. This approach takes public interest into consideration when operating on behalf of the client organization. It follows the principle that public support and harmony are crucial for the achievement of long term objectives. Relationship management aims at enhancing the relationship of an organization with its publics by focusing on mutual trust, compromise, cooperation, and creating win-win situations as far as possible (ibid).

1. 1. 6 Hutton's hierarchy of public relations

Hutton (1999) has put forward a hierarchy framework for the primary roles, functions, and tools of PR. The advantage with such a hierarchy is that it allows scholars to make the difference between the umbrella definition of PR and its primary objectives within context. It also encourages a distinction between the roles and functions of PR, which are not end goals on their own but means to achieve a targeted object.

Figure 1: Hutton's hierarchy of public relations

Source: Hutton (1999)

1. 2 Functions and tools in PR

1. 2. 1 Types of PR

In PR there are specific types of relations which all have reference to relationships with various publics. Media relations Develops a relationship

with the media and investigates about who might be interested in the organization story. The term "public relations" is associated with publicity by most, which highlights the importance of this media function. The organization provides appropriate information to the media to initiate publicity. The PR person's reputation for honesty, accuracy and professionalism is the catalyst for a successful relationship with the editor. If this reputation is tarnished or lost, the role of the PR person as a liaison between the organization and the media becomes ineffective (Wells et. al. 2003).

Employee relations The employee relations programmes communicate with employees. This function belongs to both PR and Human resource management. These programmes are often referred to as internal marketing (ibid).

Financial relations Financial relations is all about communication efforts targeted at the financial community, such as press releases sent to business publications, meetings with investors and analysts, and annual reports which government require from public organizations (ibid).

Corporate relations These programmes focus on the image and reputation of the organization. It aims at persuading the public towards a positive perception of the company. The goal of reputation management in a corporate relations programme is to enhance the trust of stakeholders with regard to the organization. Since corporate reputation is a perception, it is earned through deeds, not created by advertising (ibid).

Public affairs Public affairs, also termed as issue management, concentrate on corporate communication with governments and regulations. In addition, these programmes also monitor public opinion about issues related to the organization's interest and develop

programmes aiming at communicating to, and with the public about these issues (ibid).

1. 2. 2 PR tools

There are three categories that divide PR tools according to Wells et. al (2003), and these depend on the amount of control the company has in its communication. The tools which can be utilized in PR are well known tactics in organizations and hence are not described in further terms. Controlled PR This category refers to situation where a company has control over the use and placement of their PR tools, this means that they utilize controlled channels. Examples of tools in this category are: Publications: brochures, flyers, news magazines Annual reports Displays, exhibits Product placements Speakers Photographs Staged events (open houses, anniversary celebration) Uncontrolled PR When companies hand over the control of their use and placement of their PR to media, they are using uncontrolled channels. Examples of tools in this category are: Publicity (radio, TV and print media) News releases (print, audio, video, e-mail) Press conferences and media advisory (media kits, fact sheets, background information) By-lined articles Talk and interview shows Semi-controlled PR When the control of PR activities is controlled and initiated by the company while other aspects remain uncontrolled, they are utilizing semi-controlled channels. Examples in this category are: Special events and sponsorship Interpersonal communication Electronic communication (websites, chat rooms) Word of mouth When using the above mentioned tools, it is necessary that the PR team work closely with the marketing department. PR tends to complement advertising activities in an organization. While advertising is pushing the

desired message of the bank to its target audience, PR helps to sprinkle the message with credibility. Banks often realize the importance of PR activities, but sometimes utilize them in different ways in their marketing mix (Beavers-Moss, 2001).

1. 2. 3 The PR Toolkit

This framework has been developed by Phillips (2001) to set up and evaluate PR activities. The author proposes a five step approach to research and evaluation of these activities. The steps are: Audit research about the organization, its offerings, and audit of communication with its audiences. Research can aid to identify these and record the progress of the campaign and its end result. Consulting existing research is less costly in terms of money and time. The strategic role of PR can be established at this stage by involving management at the higher hierarchy. Objectives. These must mirror the strategic business goals of the organization in general. PR must be coordinated with advertising; direct marketing and sponsorship once the target audience, the channel, the desired reaction and the timing have been identified. Strategy and plan. The level of measurement must be decided. Output measures how the message was transmitted and who it reached while Out-take measures to what extent the message has been retained and understood. Outcome generally assess to what degree PR activity changed opinions, behaviours or attitudes. Measurement and evaluation. This aspect is a measure for the direction of activities. Typical questions that are generally involved are; are we getting there? And if so, do we stay on course? If not, then, Should we amend tactics, strategies or objectives? Result. A review of results based on the objectives set initially. Questions at

this stage include; what did we learn that can be fed back into the planning loop? What worked and what did not? What can we use again next time? In addition, Lages and Simkin (2003) support the importance to use overall planning, execution and evaluation of an organization's PR communication with external as well as internal publics.

1. 2. 4 PR: Effectiveness and evaluation

PR effectiveness and evaluation is based on setting measurable objectives in the beginning of the planning, just like advertising (Wells et. al, 2003). It is critical for most PR practice to monitor, measure, evaluate and plan content with relevance to its context to achieve competitive advantage (Phillips, 2001). PR practitioners, according to Wells (2003) must track the impact of a campaign in terms of output, how many new releases lead to stories or are mentioned in news, and outcome like change in attitudes or behaviours. However, there is evidence that there is a lack of knowledge on how many evaluation techniques there are, and how much it is worth to make use them so as to provide the organization with good evaluative information (Phillips, 2001). Wells et. al (2003) provides a guideline with common types of evaluation techniques used in PR: Output production. Numbers of PR products such as news releases or event activities generated. Distribution. Number of media outlets receiving PR products such as TV stations, newspapers. Coverage. Number and size of clips, column inches, seconds, or minutes of time or space. Impressions. Media placements multiplied by circulation or broadcast reach. Advertising value. Equivalent ad cost of time or space. Systematic content analysis. Positive or valence (whether the stories or mentions are more positive or negative), key messages (the idea

in the stories), sources, and prominence. Outcome Objectives achieved: Awareness. Aided and unaided to recall the target audience. Attitudes. Perceptions and preferences or intent of purchase. Behaviour. Did they do what you wanted them to? Jane Herbert argues that Public relations is an often misunderstood and under-valued management tool. Too many times it is seen as just another form of advertising while others dismiss PR as dealing with journalists and sending out press releases. In fact, PR can play a central role in the achievement of specific objectives at all levels of an organization's work by focusing, reinforcing and communicating an effective message. It is important for the bank to indentify what outcome is expected from the PR activities in terms of gain. If the objectives are defined explicitly and measurably, they are easier to achieve (Beavers-Moss, 2001).

The Effectiveness Yardstick model

Lindenmann (1993) has developed a set of guidelines or standards that simplifies the process of measuring effectiveness in PR activities, which PR practitioners can adopt to measure PR effectiveness (Macnamara, 2005). The guideline is called the " Public Relations Effectiveness Yardstick". The process consists of two steps; first, setting PR objectives, and then determine at what levels to measure PR effectiveness. Step one: Setting objectives What are the goals and objectives of the PR program? What the PR program is seeking to accomplish? In PR, what you seek to accomplish usually falls into one of these four categories; You, or your organization, are trying to deliver certain messages, themes or ideas. You would like these messages or ideas to be reached by a target audience. You envisage distributing these messages to your target audience though specific communication channels.

Step two: Determining levels of PR measurement Once PR objectives have been set, you need to decide what exactly you want to measure. This guideline points out three different measures of PR effectiveness.

Level 1: Basic level It measures outputs. Examining how well PR people present themselves and how they handle PR activities or events. PR practitioners must measure the amount of exposure the organization received in media, the total number of placements, impressions, and the likelihood of having reached specific key audience groups. PR practitioners mostly use content analysis techniques to measure outputs, that is, to track or measure publicity placements. Also, simple public opinion polls are used to find out if target audience groups have been exposed to certain messages delivered.

Level 2: Intermediate level At this level, a more sophisticated approach is used. PR practitioners measure whether or not target audience have actually received the messages delivered, that is, whether their attention was captured or not, whether the message was well understood or not, and whether or not the messages have been successfully retained in any shape. In order to measure the outgrowths, practitioners normally have recourse to a combination of qualitative and quantitative techniques, using methods such as focus groups, depth interviews with opinion-leader groups, and extensive polls targeted at key audience either by telephone, face-to-face or mail.

Level 3: Advanced level This level is the more advanced PR measurement level. When this higher end of the Effectiveness Yardstick is reached, the outcomes such as opinions, attitude, and behaviours change are measured. To measure these, techniques such as before-and after polls; the development and use of experimental research designs; use of inconspicuous data collection

methods such as observation, participation, and role-playing; with the use of advanced data analysis techniques such as psychographic analysis, factor and cluster analysis; or conducting of communications audits (ibid).

Figure PR effectiveness yardstick

Source: Macnamara (2005)

1. 3 Corporate reputation and PR

Review of literature in the areas of trust, credibility, and corporate reputation acquired by PR shows that the area is not thoroughly researched. As such, models and theories from existing literature are hard to find. Below are theories relevant to answer the research questions in this study.

1. 3. 1 Trust and Credibility

According to Seal (1998), trust is based on personal knowledge of the other part in a relationship. However, trust goes beyond possessing information about each other. Possession of information about someone does not directly match up to trust. Trust necessitates history as a reliable background and is as such endorsed in dependent relationships. Seal (1998) describes three types of trust in the organizational context; Contractual Trust means that partners keep their promises whether or not they are based on written agreements. Competence Trust is where there is the business ability to fulfill obligations. Goodwill Trust is where the organization can act on the behalf of its clients without detailed instructions. Today's bankers have discovered that they need to be concerned with negative publicity about other banks as well as their own. News coverage of industry problems can lead to increased public scrutiny of an institution, regardless of its soundness (Morvis, 1991).

In her article Public Relations as a management tool, Jane Herbert explains that a company can survive without PR, but with a planned PR programme the company can expect better results and an enhanced reputation. Obviously no amount of good relations can hide a bad product or protect an unethical company. For public relations to succeed the organization must be credible. PR alone cannot cure a terminally sick organization. What it can do is help to promote a positive corporate reputation and to minimize the damage that occurs when something does go wrong. PR is a means used to enhance demand for products and services through building credibility (Beavers-Moss, 2001). Managers in the service sector that are not well differentiated in terms of basic services should acknowledge that a well structured and valuable communication has a strong influence on consumer perceptions. It leads to trust, satisfaction, and loyalty. These communications should be used to enhance relationships, offer the customer useful and needed advice and information, packaged in such a way that is easy for the customer to understand and pleasant to assume (Ball et. al, 2004).

1. 3. 2 Corporate Reputation

" The purest treasure mortal times afford is spotless reputation; that away men are but gilded loam or painted clay" - Shakespeare, Richard II Good reputation is hard to build and cannot be bought, and is at the same time very fragile and easy to lose. Hutton et. al (2001) argued that companies with extensive corporate communication strategies were more likely to have strong reputations. The more a company is focused on managing relationships with non customer publics (reputation management) as its

guiding communication philosophy, the more likely it is to have a strong reputation management. Dolphin (2004) puts forward that any communication that makes an organization more transparent allows stakeholders to appreciate its operation more clearly, making a better reputation possible. The intangible equity in a corporate reputation is the organization's most lifelong asset. The reputation also allows a competitive advantage for the organization in an ever increasing marketplace. As such a good corporate reputation is an asset of great value. However, it is difficult to measure due to its intangibility and difficult to replicate as well. Corporate reputation of an organization reflects its capabilities as well as information about future performance (ibid). Today, there is no doubt that corporate reputation is given more attention than before since marketers and communicators are concerned about their companies' reputation and the advantages associated (Dolphin, 2000). Some clear differences between corporate reputation and corporate identity often cause confusion. Reputation is acquired over time and cannot be manipulated rapidly, unlike image, which can clearly be created and manipulated within a short period of time (Dolphin, 2004). With today's ongoing globalization and increasing competitive, bank marketers must know how to protect and maintain their reputation. Good PR can enhance a bank's marketing and improve its overall competitiveness (Beavers-Moss, 2001). Image and reputation is described as one of the most vital factors when analyzing consumer perception of service quality in the banking industry. Trustworthiness, tradition and reliability can enhance a favourable image that can in turn positively influence the perception of quality, value and satisfaction (Kangis & Voukelatos, 1997).

Expert author Jane Herbert, managing director of PR agency Pilotmax argues that a good corporate reputation can be associated to a healthy bank balance. The better the reputation, the more reputation credit is gained Vis a Vis stakeholders. In addition, when things go wrong the more credit a bank has in reputation, the better it will weather the storm provided the issue is properly managed. But what happens if an organization does not use PR? No matter how good the organization is, if it doesn't communicate with its public, it will not put the desired message across. As a matter of fact, the company will lose out to rivals who are using public relations more aggressively to ensure effective communication. It is not possible to abdicate from a public image." If you are not managing the information by which people form their opinions, their view of your company will be based solely on what they hear from other uncontrolled sources. In short, if you do not manage your reputation, others will do it for you. You cannot quantify what you lose if you don't use PR, but companies that do use it can see the benefits in increased awareness of themselves and their products" (Jane Herbert) Maintaining and communicating a strong corporate identity is now essential for successful banks. Creating an image means much more than developing a tag line to use behind the corporate name. It is a long-term process that involves communicating with each of the bank's audiences in a variety of ways to continuously demonstrate the bank's purpose and strengths while projecting cohesiveness and structure (Morvis, 1991). Strong, ongoing community relations also build a positive image. " Banks can enhance their image by publicizing their commitment to the community and their customers," advised Doug Adamson, executive vice president of the

Bank Marketing Association. " Banks have always been strong supporters of their communities, but they haven't always been good at letting people know about it. This is a particularly appropriate time to demonstrate the high-quality service and support a bank provides to its community."

1. 4 Conceptual Framework

This section aims at displaying a conceptualization for this study in order to help answer the research questions. This conceptual framework consists on a selection of models and theories that best fit to tackle the research topic.

1. 4. 1 Roles and objectives of PR

DefinitionsThe area of PR being vast with numbers of definitions, it is hard to give a concrete definition. Instead of narrowing those to using only one definition, this study will compare the collected data against different definitions provided by famous authors, Hutton (1999), Lages & Simkin (2003) and Jefkins (1978), to find out if there are similarities or differences between collected data and selected definitions. **Objectives and**

StrategiesThere are many objectives with the PR strategies, usually these objectives aim at creating credibility, delivering information and building positive images (Wells et. al, 2003). A communication strategy is important for any organization (Dolphin & Fan, 2000). Jefkins (2000) describes the ideal organizational structure as one having an independent PR department, directly accountable to the CEO. However, if the PR executive is positioned in the marketing, advertising or sales promotion department, the use of PR becomes strictly limited. Lages & Simkin (2003) explain that PR is a management discipline which is much wider than a communication

technique or a specialized program such as media relations. The public opinion is highly dynamic and as such the PR responses used by companies must be managed actively (Wells & Spinks, 1999; Worcester, 1997). Defining publics Wells & Spinks (1999) recommend that PR activities should be established with the community as a whole. The importance of identifying the organization's publics is emphasized by Worcester (1997), while Schultz & Barnes (1999) point out those specific publics should be targeted. Proactive PR versus reactive PR Public relations can be categorized as either being proactive or reactive. Proactive PR is offensive and seeks for opportunities, mainly used to promote products and services. Reactive PR is defensive and problem solving. Hutton's framework for defining public relations This framework proposed by Hutton (1999) is going to be used to analyze the PR practices of organizations. Therefore, it allows identifying the organization's role in PR, as one of the following: -Persuasion-Advocacy-Public Information-Cause related public relations-Image/reputation management-Relationship management Hutton's hierarchy of public relations The hierarchy of PR is described through a framework constructed by Hutton (1999). This instrument helps when defining the primary purposes and objectives of PR in a given context. It allows an overall picture of PR from the definition to the actual tools utilized. It also merged into other theories and models in the area and supports the overall concept of the topic.

1. 4. 2 Functions and tools in PR

Types of PR There are different types of relations which all resume to relationships with various stakeholders. The different types of PR will be describes using the types provided by Wells et. al (2003): -Media relations-

Employee relations-Financial relations-Corporate relations-Public affairsThe PR ToolkitThe five step framework developed by Phillips (2001) will be used to assess how to set up PR activities and evaluate them. The five steps are:- Audit research-Objectives-Strategy and plan-Measurement and evaluation-ResultPR toolsWells et. al (2003) state a model that differentiates the tools used within PR. There are three types of PR tools, controlled, uncontrolled, and semi-controlled. Effectiveness and Evaluation of PREvaluation needs to be done in order to measure the effectiveness of the PR activities initiated by an organization. There is evidence of a lack in knowledge on how much evaluation techniques there are, and what can be worth to evaluate (Phillips, 2001). A framework by Wells et. al (2003) with common types of evaluation techniques will help to answer how awareness, attitudes, and behaviours are affected by PR activities. The " Public Relations Effectiveness Yardstick" framework proposed by Lindenmann (1993) will help explain how effectiveness can be measured.

1. 4. 3 Corporate reputation and trust

Trust and CredibilityWell structured communications has strong influence on consumer perception, and leads to trust, satisfaction, and loyalty. Corporate communications should be used to enhance relationships and offer customers advice and information (Ball et. al, 2004). Corporate reputationCorporate reputation can allow a competitive edge for organizations in a crowded marketplace (Dolphin, 2000). Managing reputation has developed into an important tool for communication strategists (Dolphin, 2004). Corporate identity and corporate reputation should be used interchangeably and should not be mixed up (Dolphin, 2004).

Banks marketers should be conscious how to protect and uphold their reputation, since credibility and value is gained from it (Beavers-Moss, 2001).