Public Relations, Publicity, and Corporate Advertising

PR, Publicity, and Corporate Advertising

- Tools for communicating information about an organization, its products, and its services in order to benefit the firm and its offerings

Why Engage in PR?

- Goodwill
- Promote a Product or Company
- Internal Communications
- Lobbying

How has the Role of PR Changed?

**Traditional Role:**
Communicating and gaining acceptance of policies and programs in the community

**New Role:**
More marketing-oriented (Marketing Public Relations – MPR)
Operates within a marketing department to develop programs and policies
Supports marketing objectives and adds value to the IMC program

What is MPR?

- Developing programs that encourage purchase and satisfaction by communicating information and delivering impressions
- They link a company and its products with the needs and interests of consumer
- Has a sales focus but is perceived as credible

How can MPR be used?

- Builds a bond between the brand and customer
- Influence the influential
- Give consumers a reason to buy
- Helps introduce a product and build excitement for a product before advertising
Marketing Public Relations

- **Target** wanted to launch its own credit card to build long-term relationships with customers
- Devised a “Take Charge of Education” program, a fund raising program for local schools
  - 1% of purchases made with the Target card go directly to the school of their choice
- **Initial objective**: 100,000 new card users
- **Targeted**: parent with school age kids, female 25-54, living in suburbs, with HH income of $50,000+

Target’s IMC Campaign

- TV and print ads
- Sunday newspaper circular
- In-store kiosks with brochures
- In-store banners
- Direct mailing package distributed to 100,000 schools across the US announcing the program
- Also sponsored causes such as Grants for art education, “Good Neighbors” volunteer program, and “Earth Savers”, a kids environment club

Scholarships and Awards sponsored by Target

Teacher Scholarships

Additional programs sponsored

Direct Mailing to parents, teachers, etc.

Mailing to the prospective schools
Target’s Results

- 136,000 new credit cards in 9 months (36% over their goal)
- 32% of schools participated that received the enrollment kits (5,000 more than projected)
- Cardholders visited Target 2X as often as non-card holders and spent 3X more

What do PR people do?

- Determine the public’s existing attitude toward the firm
  - Helps planning
  - Serves as early warning system for problems
- Design a PR plan that is proactive rather than reactive
- Execute the plan
  - Determine relevant target audiences
  - Decide on tools
- Determine the effectiveness of the plan

Who are the Target Audiences?

- Internal: employees, stockholders, investors, customers, suppliers
- External: media, govt., educators, financial groups, civic groups

What are the Tools?

- Press release
- Video news releases (VNRs)
- Press conference
- Exclusives
- Interviews
- Community involvement – sponsor events
- Company newsletter

Newspaper Article from News Release

[Image of a newspaper page with headlines and articles]
Ad executive brought in to lead U.S. in war message
- Charlotte Beers, Undersecretary of State, former CEO of Ogilvy and Mather
- Mission: to market the U.S. “brand” and connect with “hearts and minds” abroad, “the best we can do is open a dialogue of mutual respect and understanding” (Beers)

How do we Measure the Effectiveness of our PR Efforts?
- Matching results with objectives
- Surveys
- Personal observation and reactions
- Audits

What are the Advantages of using Public Relations?
- Credibility
- Low cost
- Breaks through the clutter
- Image building
- Get over consumer resistance

What’s the downside?
- Lack of control over material
- Media time and space aren’t guaranteed
- Measurement is difficult

What is Publicity?
- Generating news about a product or service in the media
- Short-term strategy (whereas PR extends over a period of time)
- News isn’t always positive or under the control of the organization (whereas PR provides positive info about a firm and is usually controlled by the firm)
Why is Publicity so Powerful?
- Highly credible
  - Reported by a 3rd party like a newscaster, magazine, or newspaper, *Consumer Reports*.
- News value
- Generates a lot of impressions
- Word of mouth is high

What are the disadvantages?
- Timing – can’t be guaranteed
- Accuracy – what is aired or printed isn’t up to you

How do we Measure the Effectiveness of Publicity?

**Ketchum Effectiveness Yardstick:**
- Level 1 – media placements, impressions
- Level 2 – Awareness, comprehension, retention
- Level 3 – Opinion change, attitude change, behavioral change

Corporate Advertising
- Promoting the firm by enhancing its image, assuming a position on a social issue, or seeking involvement from the market

Why do Corporate Image Advertising?
- Boost employee morale and improve relations
- Give investors information and reduce uncertainty
- Help diversified companies establish an identity
- Helps position the firm and reach target markets not reached through other forms of advertising

Types of Corporate Advertising
- Image advertising
  - Promote the organization’s image through ads, sponsorship, recruiting
- Advocacy advertising
  - Promote a position on an issue rather than the firm directly
- Cause related advertising
  - Sponsor of a charity or non-profit organization
Nortel’s “What do you want the Internet to be?” campaign. Ads demonstrate the different ways that the Internet can be used:

- Demonstrates the Internet as a teacher through Nupur Lala, the 14-year-old National Spelling Bee Champion and Cyberphile.

Olympic Gold Medalist runner Michael Johnson – Nortel carries Internet traffic, data, and voice at a speed that leads the industry.

Copy notes that Nortel will make Michael look as if he is standing still.

Chicken of the Sea is a Corporate sponsor of the US Synchronized Swimming National Team.

CIT, today’s financing leader, is now Tyco Capital. Tomorrow’s financing leader.