The role of market-oriented relations in public relations: The differing perspectives of managers and practitioners in the U.S. and Taiwan

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Abstract

This study explored the role of market-oriented public relations. The study involved two surveys; one explored the perspectives of business managers and another of the perspectives of public relations practitioners, and compared their views concerning market-oriented and non-market-oriented relations. While business managers and public relations practitioners of non-market-oriented relations valued the contribution of market-oriented public relations to organizational effectiveness in terms of revenue generation and cost reduction, practitioners of market-oriented public relations ascribed their contribution to organizational effectiveness in terms of media publicity and exposure. This paper concludes with a discussion of practical applications and theoretical implications.

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1. Introduction

Public relations and marketing practitioners have generally underscored the premium placed on building successful relationships between organizations and their publics. In the field of marketing, relationship marketing developed into a leading theoretical and practical paradigm during the 1990s (e.g., Aijo, 1996). Empirical research in the field of public relations suggests that public relations increases organizational effectiveness by building stable, high-quality, long-term relationships with strategic constituencies (Bruning & Ledingham, 2000; Huang, 2001b). Despite considerable research on how public relations and marketing contribute to strategic relationship management at the corporate level, there is little agreement on how public relations contributes to the critical stakeholder relationship (i.e., market-oriented relations).

There are two major problems. The first one concerns the potential overlap between public relations and marketing. At one extreme, Harris (1998) identified public relations as a key element in integrated marketing communications and defined marketing public relations (MPR) from the perspective of brand management: “The purpose of MPR is to gain awareness, stimulate sales, facilitate communication, and build relationships between consumers and companies and brands. The principal functions of MPR are the communication of credible information, the sponsorship of relevant events, and the support of causes that benefit society” (p. 21). In a similar way, corporate marketer and academic Levens (2012) defined marketing public relations as seeking “to achieve specific marketing objectives by targeting consumers with product-focused messages” (p. 233). Levens (2012), however, contrasted marketing public relations to corporate public relations and acknowledged that public relations is two-way communication with stakeholders inside or outside the organization, but from the perspective that public relations is a marketing tool, whereby the marketer influences or is influenced in some way.

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On the other hand, and adopting the perspective of strategic constituency, which emphasizes that an organization is effective to the extent that it satisfies its stakeholders, Grunig and Hunt (1984) considered public relations to be an independent function in an organization, defining public relations as “management of communication between an organization and its publics” (p. 6). J.E. Grunig (1992) maintained that one of the main factors differentiating the function of public relations from that of marketing is that public relations is expected to fulfill the need for maintaining positive relationships with various stakeholders or strategic publics, rather than merely with consumers, customers or clients.

The second area of debate concerns the inconclusive measures for assessing the performance or value of a particular function in an organization. In the discipline of marketing, measuring business performance is complex because of the multidimensional nature of organizational performance (Lenz, 1981). In the field of public relations, measuring public relations effectiveness has focused media publicity and coverage exposure (Bissland, 1990; Lindenmann, 1993). Heath’s (2001) theory used two paradigms to define the value of public relations to organizational effectiveness (i.e., revenue generation and cost reduction). Heath (2001) and Huang (in press) further argued that public relations practitioners are interested in a revenue-generating paradigm, whereas scholars are interested in a cost-reducing paradigm, so that the values which are often invisible would be accounted for.

These abovementioned considerations suggest a number of interesting questions. From the view of business people and public relations practitioners, what is the value of public relations in general? How does public relations contribute to market-oriented relations in particular? More specifically, how is market-oriented relations associated with the value of public relations with regard to media publicity, revenue generation, and cost reduction? Finally, are there any perception gaps between the perspectives of public relations practitioners who focus on market-oriented relations and those who do not?

Two surveys, which explored perspectives from both a business management and public relations view, were conducted as part of this study. The first sample included 143 respondents from an Executive Master of Business Administration (EMBA) program in Taiwan and the second utilized 225 public relations practitioners who are members of the Public Relations Society of America (PRSA). The Taiwanese executive MBA program, similar to executive business degree programs in the United States, requires students to have at least at least eight years of professional business work experience at the manager or above level when admitted to the program. The PRSA sample was divided further into two independent data sets in order to compare the views of public relations practitioners who focus on market-oriented relations and those who do not. The research design, depicting a holistic methodology, allowed simultaneous and multi-views tests to secure this study’s theoretical advancement in four respects.

First, the study takes the concept of public relations effectiveness to a higher conceptual and operational level by illustrating and theorizing the complex correlations between market-oriented relations and the value of public relations. Second, by investigating market-oriented relations, it extends the scope of previous studies which have focused on community relations (Hall, 2006), activist relations (Reber & Kim, 2006), employee relations (Stein, 2006), government relations (Liu & Horsley, 2006; Wise, 2006), and media relations (Reber & Kim, 2006). Third, it extends the theory of marketing public relations (Harris, 1995), as well as enriches the theoretical knowledge of relationship marketing and relationship management. Finally, because it was designed to reflect the real-world perspectives (a) of managers and practitioners, and (b) those who work in market-oriented relations and those who do not, its findings provide practical and relevant guidelines for public relations practitioners.

2. Conceptualization

This section conceptualizes the notions of marketing, public relations, marketing public relations (MPR), and market-oriented relations and explores three dimensions of public relations value.

In the field of marketing, Workman, Homburg, and Gruner (1998) acknowledged two perspectives affecting the definition of marketing, the activity-based perspective (e.g., Kotler & Levy, 1969) and the functional group perspective (e.g., Walker & Ruekert, 1987). The first perspective emphasizes activities traditionally considered as marketing and sales activities (e.g., advertising, product management, market research, sales, and customer service, all of which vary across organizations), while the latter focuses on marketing as a distinct organizational entity.

Using an activity-based perspective, this study adopted the American Marketing Association’s (AMA) definition of marketing (approved October 2007) as “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (American Marketing Association, 2011).

Houston and Gassenheimer (1987) defined a market as “the aggregation of the expression of individual needs and wants” (p. 4). They emphasized that “exchange” invariably leads to the concepts of a marketplace and market (Houston & Gassenheimer, 1987). Social exchange, defined as “the voluntary transference of some object or activity from one person to another in return for other objects or activities” (Roloff, 1981, p. 21), is often used to explain relationships in marketing. This theory is guided by the assumptions (a) that relationships involve people who are interdependent, and (b) that people are rational and self-serving, and therefore calculate rewards and costs based upon the exchange of resources during interactions (Folger & Stutman, 1993).

One academic view, adopting the perspective of relationship marketing, holds that people in organizational contexts are dependent on each other for the environment, for the division of a particular product market, or for group identity.
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