Tipping the balance: A decision-making model for localization in global public relations agencies

Juan-Carlos Molleda a,1, Sarabdeep Kochhar b,2, Christopher Wilson c,∗

a Department of Public Relations, MAMC Global Strategic Communication, College of Journalism and Communications, University of Florida, United States
b Institute for Public Relations, United States
c School of Communications, Brigham Young University, United States

ABSTRACT

Global public relations scholarship has conceptualized standardization and localization as two ends of a continuum that need to be balanced to achieve organizational efficiency and public relations effectiveness. However, organizations with operations in more than one country are confronted with differences in geography, culture, politics, economy, communication, and demands for transparency that make finding an appropriate balance difficult. This study defines and documents the criteria used by global public relations agencies in consulting with MNCs to determine whether and how to localize strategies and tactics in host countries. Specifically, in-depth interviews of 25 senior-level public relations professionals at the leading global agencies were conducted to understand their views about the localization process. Responses from these interviews were used to develop a five-step decision-making model for localization. This model demonstrates the process that global agencies use to consult with MNCs about localization. The five steps encompass evaluations of the need to localize, the ability of MNCs to localize, the extent to which MNCs should localize, the tactics that could be localized, and the metrics to evaluate the success of localization efforts.

© 2015 Elsevier Inc. All rights reserved.

1. Introduction

Global public relations scholars have debated the issue of standardization (or integration) versus localization (national responsiveness or multinational flexibility) for more than two decades (Botan, 1992; Lim, 2010; Molleda & Laskin, 2010; Molleda and Roberts, 2008, 2010; Ovaitt, 1988; Wakefield, 2001). Scholars have conceptualized standardization and localization as two ends of a continuum (Coombs, Holladay, Hasenauer, & Signitzer, 1994) that need to be balanced to achieve organizational efficiency and public relations effectiveness (Lim, 2010; Molleda & Laskin, 2010; Wakefield, 2001). However, organizations with operations in more than one country are confronted with differences in geography, culture, politics, economy, communication (Molleda, 2009), and demands for transparency (Arthur W. Page Society, 2013) that make finding an appropriate balance difficult.
Finding this balance is increasingly important given the abundance of multinational corporations (MNCs) – the United Nations (2007) estimates there were 80,000 active MNCs in 2006 – and the need of these organizations to communicate with publics over a wide range of home and host countries (Arthur W. Page Society, 2013; Barrett, 2013). Not surprisingly, the international communication needs of MNCs coincide with a robust global public relations agency industry. According to the Holmes Report (2014), the global agency industry is worth $12.5 billion, employs more than 80,000 people, and continues to grow. The USC Annenberg Strategic Public Relations Center’s (2014) GAP VIII reported that 45% of study respondents worked for global or multinational organizations. In addition, nearly 100% of private and public companies work with public relations agencies to develop strategy, to enhance creative thinking, and to increase geographic reach. The report also notes that the new norm is for organizations to have ongoing relations with multiple public relations firms instead of relying on one agency of record.

Along with MNCs’ increased reliance on agencies to enhance their global communication efforts, practitioners at both agencies and companies have called attention to the importance of local communication strategies. Elise S. Mitchell, president and CEO of Mitchell Communications Group, Inc. predicted that one of the top public relations trends for 2013 would be localization (PRSA Staff, 2013). Furthermore, Hale (2013), director of corporate communications for Ford Asia Pacific and Africa, explained that localization is a key component of strategy because it enables MNCs to “avoid cultural pitfalls, understand local nuances and know what messages most resonate” (¶ 12). Moreover, Huerta (2012) of J-Spin, Inc. highlighted the importance of tailoring messages to local cultures and customs: “Cross-cultural communication has clearly now become a critical driving force of international public relations” (¶ 4).

While global public relations practitioners have developed their own theories of localization that guide decisions about whether and how to localize strategies and tactics, scholars have yet to come to an agreement about the conditions that necessitate localization and the philosophical reasons that justify it (Schmid & Kotulla, 2011). Moreover, scholarly attention in this area has mainly focused on the standardized management of global public relations and has fully explicated neither the dimensions of localization nor the role that agencies play in the process. In recent memory, there has not been rigorous research to define what works best at the local level under a given set of circumstances.

The aim of this study is to define and document the criteria used by global agencies in consulting with MNCs to determine whether and how to localize strategies and tactics. Specifically, this research seeks to identify the internal organizational factors of MNCs as well as the external pressures they face, both of which can affect the extent of localization suggested by an agency. Finally, the study will document the most-common localization strategies and tactics employed by agencies on behalf of their MNC clients and the methods used to evaluate their effectiveness.

2. Literature review

2.1. The standardization–localization paradox

Studies on public relations management in MNCs underscore the need for a balanced approach to standardization and localization (Lim, 2010; Molleda & Laskin, 2010; Newbury & Yakova, 2006). Balance is required because adopting one approach at the exclusion of the other can have unintended consequences for MNCs (Lewis, 2000). In an attempt to explain the delicate balance necessary between standardization and localization, Wakefield (2009) proposed that MNCs should “think global and local and act global and local” (p. 10, italics in original).

On the one hand, standardization improves organizational efficiency by integrating public relations operations in various world locations into a cohesive, collaborative unit through formal control and informal coordination. From this ethnocentric perspective, public relations techniques and efforts are the same in home and host countries (Grunig, 2006). Standardization enables MNCs to accomplish organizational goals and objectives through consistent communication at a reduced cost across geographical borders. It also allows MNCs to effectively manage transnational crises (Molleda & Laskin, 2010). However, a standardized approach to public relations programs can be less effective because it does not consider the social, cultural, and political differences between home and host countries (Botan, 1992).

On the other hand, localization improves public relations effectiveness – or the ability of a program or campaign to achieve a desired effect (Lim, 2010). This polycentric perspective assumes that public relations is practiced differently wherever an MNC has operations (Grunig, 2006). Localization allows subsidiaries to adapt corporate messages to address the self-interests, expectations, and cultural sensitivities of local stakeholders (Lim, 2010; Molleda & Laskin, 2010). A localized approach can also prevent issues from developing into crises through environmental scanning conducted at the local level (Lim, 2010; Molleda & Laskin, 2010). However, the increase in autonomy of the public relations departments of a subsidiary necessary to facilitate localization can lead to inconsistent communication about the organization (Botan, 1992; Wakefield, 2011).

2.2. The localization decision

While much of the research on global public relations has described factors that influence the standardization–localization decision, little research has been conducted to understand the decision-making process used by professionals in global agencies about whether and how to localize strategies and tactics. Verčič et al. (1996) and Wakefield (1997) conducted the first systematic studies of the standardization–localization paradox. Their research resulted in the generic/specific theory of global public relations. This theory proposed a set of eight universal principles derived from Excellence Theory and five...
دریافت فوری
متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات