

Ten things you need to know about Public Relations

In this volume we look at aspects of business that aren't highlighted on specifications, but give great scope for getting application marks

1 Company statements are shaped by Public Relations

Whether a business is announcing its latest financial results or launching a new product, its public statements are rooted in Public Relations (PR). They are trying to get positive publicity.

Example: on 8 May 2023, when a video emerged showing apparent animal cruelty in one of its abattoirs, Morrisons issued a statement saying, 'we're confident that our training and monitoring systems are among the best in the industry'.

Advantage: effective PR helps build a strong, positive image and may help smooth over problems a firm faces in the short term.

Disadvantage: PR is about gloss not reality and, therefore, glossing things over rather than dealing with them.

2 Scepticism of PR should be your default position

President Trump's time in office threw up the fantastic phrase 'alternative facts'. The Trump team had their own set of 'facts'. Many politicians and businesspeople are the same.

Example: Ocado's Chief Executive Tim Steiner keeps promising that a breakthrough to profit is about to happen. The company is now more than 20 years old and hasn't made a profit selling groceries online.

Advantage: a sceptical mindset is a sound starting point; it doesn't mean you can't grow to admire the skill of some entrepreneurs, such as Ben Francis, Chief Executive of Gymshark (see pp. 26–27).

Disadvantage: occasionally, scepticism can make one slow to realise the insight shown by some businesses, such as TikTok's understanding that people like short flashes of entertainment.

3 Earned media

This is free editorial coverage of your event or message, either in the form of an article, a brief mention or photographic coverage.

Example: photos from the launch party of a new restaurant.

Advantage: free editorial coverage has more authenticity than paid-for advertising, so it can be more effective.

Disadvantage: achieving supposedly free coverage may be costly. When a new car is launched, motor journalists may be flown to a picturesque location, put up in a hotel and invited to drive and review the car. Could the review be biased? After all, the reviewer will want to be invited again in future.

4 Influencer marketing

A major PR job today is coordinating with the company's employed or freelance influencers. The influencers need to know what the company's latest plans are and the latest advertising messages.

Example: H&M has struggled recently but found an upsurge in sales thanks to a link-up with influencer Julie Sariñana.

Advantage: H&M can promote Sariñana's recommendations on its latest clothes.

Disadvantage: adidas found that when its main influencer, Kanye West, was accused of anti-Semitic statements the brand lost out globally.

5 Crisis management

A leak to the media can mean that a company faces an immediate crisis.

Example: someone at John Lewis leaked to *The Sunday Times* that the board was considering diluting its employee ownership model. This brought a wave of criticism, even outrage.

Advantage: the only advantage can come from a PR team that is skilled, knowledgeable and empowered enough to respond immediately to the problem.

Disadvantage: the downside comes when the PR team must wait for decisions by the head of the company or chair of the board of directors. Slow responses allow stories to spread and often get exaggerated in the retelling.

6 Greenwashing

A true attempt to be sustainable might force producers of fast fashion or oil to go out of business. Instead, they like to find ways to put a green gloss on their activities.

Example: in my opinion, no business has used greenwashing as blatantly as BP, for example in their green, sunflower-shaped logo.

Advantage: if firms can get away with greenwashing, they may be able to turn a threat into a marketing opportunity, as BP seems to have done successfully.

Disadvantage: the use of greenwashing has become so blatant that the Competition and Markets Authority has warned companies to put an end to its use, and the UK government has threatened legislation to make greenwashing unlawful.

7 Expectations management

Chief executives like to see their companies' share prices rise when the year's financial results are announced. For that to happen, the actual profit needs to be higher than financial analysts had expected.

Example: Simon Wolfson, Chief Executive of Next plc, is a master of managing expectations. As early as January 2023 he warned the market of difficult trading and the chance that 2023 profits would be down by 7.5%. This PR effort may ensure that, yet again, Next profits prove higher than the market expects.

Advantage: managing expectations downwards means that the actual result proves a pleasant surprise.

Disadvantage: in the short term, warning that things will be difficult (or bad) may result in bad publicity.

8 Spin

Spin is a term associated with the use of PR in politics, but it also applies to the way that companies wish to put their own 'spin' on events. In other words, they change the narrative so that it is more favourable to the company.

Example: the UK's water companies were privatised in the 1980s with no debts. By 2020 these companies had more than £60 billion of debt. PR spokespeople suggested this was due to high levels of investment, when it was actually due to cash dividends paid to the companies that controlled them.

Advantage: successful spin makes sure that the company comes up smelling of roses.

Disadvantage: successful spin tells firms they can get away with almost anything — until they find they can't.

9 Sportswashing

The 2022 Qatar World Cup brought the term sportswashing to prominence. It referred to Qatar's PR attempt to boost its image by association with the world's most popular sport (see pp. 18–19).

Example: Coca-Cola has long used football to move its image away from a sugary, unhealthy drink. Banks with poor reputations have often done the same thing, perhaps sponsoring cricket or golf.

Advantage: sports players are often happy to wear clothes that feature sponsors' names on the front or sleeves, and with a sport such as football a global audience is assured.

Disadvantage: the prevalence of gambling firms on the shirts of Premier League football teams has led to questions about the ethics of the teams concerned.

10 What if there were no PR department?

Business guru Robert Townsend wrote in his book *Up the Organisation: How to Stop the Corporation from Stifling People and Strangling Profits* that he would 'cut the PR department out like a cancer'. He urged companies to value truth and honesty and therefore reject PR, with its implication of manipulation of the truth.

Example: in April 2023 Elon Musk's SpaceX rocket launch became a fiasco as the rocket exploded a few seconds into its flight. A spokesperson called the explosion a 'rapid unscheduled disassembly' in an attempt to make the explosion seem less disastrous.

Advantage: it is true that some people bought Elon Musk's argument that the explosion was to be expected — again, normalising the process.

Disadvantage: any PR success in this situation risks encouraging staff to adopt a risk-on mindset, not obsessing about safety in the way that would be in the company's best interest.

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