


## 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

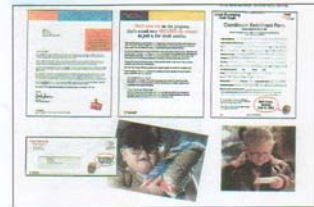
Newspaper circular



Direct Mailing to parents, teachers, etc.



Mailing to the prospective schools



Scholarships and Awards sponsored by Target



Additional programs sponsored



Teacher Scholarships



Partnership promotion with SC Johnson



## 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



## NBC Nightly News Broadcast

- 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)
  - <http://www.msnbc.com/news/654355.asp>

## 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 3<sup>rd</sup> 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?

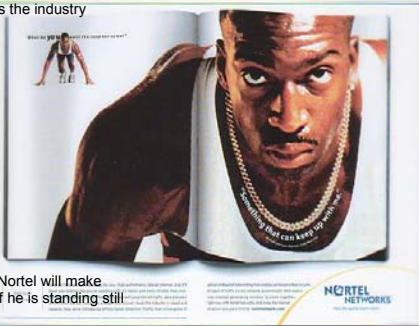
- Boost employee morale and improve relations
- Give investors information and reduce uncertainty
- Help diversified companies establish an identity
- Helps position the firm and reach target markets not reached through other forms of advertising

## 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

[illegible]

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

Source: Courtesy Nortel Networks Corporation.

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

**"THE WINNING TASTE IS PART OF MY ROUTINE!"**

Exotic. It was a trip to Australia and back more about the U.S. Synchronized Swimming National Team at [www.chickenofthesea.com](http://www.chickenofthesea.com)

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