Chapter aims

Public relations that deals with consumer products has to co-exist and interact with marketing communications. From the question of whether the relationship between PR and marketing is as adversarial as many marketing texts suggest, we move to a definition of consumerism and the role of PR in relation to both marketing communications and product branding. Consumer buying behaviour and customer retention are discussed.

Customer relations

Public relations in the field of consumer relations is often referred to as marketing communications or marketing PR (MPR). Marketing, as we have seen, is the identification of the needs of consumers and how to satisfy those needs profitably. Organisations that class consumers as one of their main publics or stakeholder groups are likely to be relating to them as buyers of their products. Moloney (2006) states that markets are one of the oldest of human institutions, where goods and services are distributed from suppliers to buyers. Within the field of consumer PR, several further specialisms exist. Each has to deal with the particular media within its area, and the specifics of the market. Fashion PR has to gear itself to the timetable of the seasons and the catwalk shows in the main cities of Milan, London and New York and lead times on influential magazines, while also looking ahead to the next best thing. Those who deal with clients who produce fast-moving consumer goods (FMCGs) have to have different approaches to those who deal with clients who produce white goods (fridges, household appliances) and cars, where the buyer is making a decision which will involve a substantial sum of money.

Grunig and Hunt see President Kennedy’s message to Congress in the early 1960s as the main impetus for the rise in consumer relations programmes: Kennedy ‘declared four basic consumer rights: the right to safety; the right to be heard; the right to choose; the right to be informed’ (1984: 316). Consumer specialists were appointed to the office of Special Assistant to the President for Consumer Affairs to respond to the needs of consumers. Companies gave added value to their products by producing general educational literature, such as an insurance company which produced booklets on managing stress and other health topics.
PR influences markets by sending persuasive messages to buyers, and consumers may feel they have been exploited if they receive inaccurate information. Moloney suggests that as much as 70 per cent of PR jobs are in the field of MPR (Moloney 2006a). Recent research by Kitchen found that 15 per cent of marketing budgets were spent on brand PR in the UK and that marketing professionals spent 70 per cent of their time on marketing communications (Bacot 2006).

However, C. Murphy (2005) points out that PR has traditionally been regarded as inferior in the marketing mix because of the difficulty of proving outcomes, and advises that PR practitioners need to demonstrate how their activities fulfill business objectives.

**PR vs marketing?**

Public relations and marketing are often seen as adversarial, although it may just be that they pursue similar goals in different ways. Marketeers tend to see PR as a subordinate part of their armoury of tools, and indeed businesses reinforce this by the organisation of their communications functions. Public relations practitioners often see marketing as part of their remit, for they believe it is primarily concerned with selling products to consumers. All organisations have a need for public relations, but not all are involved in marketing. The Fire Service carries out community and media relations, but does not try to convince people to start more fires and so use their services more. They may ‘market’ safety advice and the availability of the service, however.

Belch and Belch (2001: 576) see PR in the same bracket as publicity and promotions, to ‘generate buzz’. They also admit that PR is much more about changing attitudes than promoting specific products.

What is clear is that public relations and marketing should ideally be corporate allies, working together for common goals. Kitchen (1997: 227–234) gives details of a survey carried out among the marketing and PR personnel in seven UK firms to explore the relationship between the functions. Areas of overlap were found. While the growing importance of PR was generally agreed, it appeared that marketing budgets were still substantially higher. PR was viewed as important for marketing support by the marketeers, while PR executives saw this as a minor area and viewed issues management, employee communications and corporate communications as their priorities. However, there was general agreement that PR was part of integrated marketing communications.

Cutlip et al. (1985: 495–496) list seven forms of assistance to the marketing function which PR can perform:

1. publicising news and events related to the launching of new or improved products or services;
2. promoting established products or services, to the extent that they are newsworthy;
3. creating a favourable image of ‘the company behind the product’;
4. arranging for public appearances of marketing spokespersons;
5. probing public opinion in market areas;
6. focusing news media attention on sales conferences and other marketing events;
7. assisting in programmes concerning consumerism.

Kitchen suggests that while there is ‘a significant relationship between corporate public relations and marketing public relations’, the focus of each is different. He suggests that marketing aims to create exchanges with consumers and uses PR tools to that end. Public
relations on the other hand aims to ‘create and maintain mutually beneficial relations with publics who could impact on business success’ (Kitchen 1997: 234).

Moloney (2006a) lists five different relationships between PR and marketing – domination, subordination, separation, equality and identity. He suggests that the adaptability of public relations is an advantage, but that much of the tone of MPR communication is exaggerated. While increased market information results in more informed consumers, the resulting ‘wall of sound’ has produced a message-dense environment. It is estimated that the average American sees more than seven million advertisements in his or her lifetime.

**Consumerism**

The last element of Cutlip’s list above refers to the increasing activism of consumers in their expectation that the goods and services they buy should fulfil the promises of related publicity material. Consumerism is ‘the idea that consumers should influence the design, quality, service and prices of goods and services provided by commercial enterprises’ (Macmillan 1986: 309). However, a survey in the US in 1977 found that consumerism had many meanings, including consuming things and ‘an obsessive interest in goods . . . akin to materialism’ (Mayer 1989: 3). Mayer gives a comprehensive history of consumerism as a social movement concerned with ‘protecting and enhancing the rights of buyers’, and attributes major pieces of legislation to consumer activism, such as the Pure Food and Drugs Act of 1906, in response to Upton Sinclair’s novel, *The Jungle*, which exposed the conditions in Chicago’s stockyards (Mayer 1989: 4, 17). One aspect of this can be seen in the rise of consumer watchdog programmes, which publicise where companies have failed to deliver a good response to complaints. In the early 1990s, Hoover was the subject of a hostile campaign by the BBC consumer affairs programme, Watchdog, with regard to a promotion which offered free flights with the purchase of certain products. The company underestimated the potential demand for their offer, with the result that it had underbooked the number of flights. In order to satisfy everyone who claimed their flights, a profitable promotion turned into a massive loss-maker. Watchdog sent an undercover researcher into one of the travel companies dealing with the claims, who managed to secretly record one of the managers briefing staff on how to discourage claimants from taking up their free flights. The company did not put up a spokesperson until Watchdog had featured the problem several times. The marketing manager in charge of the promotion was sacked, and the company lost a considerable amount of consumer goodwill. Obviously the most influential organisation in this field in the UK is the Consumers’ Association. Its magazine, *Which?*, also available online, carries reports on a vast range of products to enable consumers to pick the best available in their price range.

**Marketing communications and integrated marketing communications (IMC)**

Norman Hart (1995: 25) defines marketing communications as ‘across-the-board communications to help move a potential customer from a state of ignorance towards a position of decision and action’. He goes on to describe the adoption process:

1. **Awareness.** The individual becomes cognisant of the innovation but lacks information about it.
2. **Interest.** The individual is stimulated to seek information about the innovation.
3. **Evaluation.** The individual considers whether it would make sense to try the innovation.
4. Trial. The individual tries the innovation on a small scale to improve his or her estimation of its utility.

5. Adoption. The individual decides to make full and regular use of the innovation.

‘Marketing communications encompasses any form of communication that contributes to the conversion of a non-customer to a customer, and subsequently to the retention of such custom,’ says Hart (1995: 25). Hart suggests that customers do not buy a product but rather satisfaction, so that they buy holes rather than drills. Customers base decisions on the benefits they perceive from the product. Packaging and presentation will affect this perception. Size, weight, colour and smell all appeal, often on an unconscious level. Brand name is also part of the total ‘product offering’.

How does PR fit into marketing communications? Don Schultz coined the phrase integrated marketing in 1993, promoting the value of PR alongside other marketing disciplines (Jardine 2006). The traditional elements of the marketing mix are the four Ps – product, price, place and promotion. Price can indicate good or bad value for money; in some cases, a high price signals quality or prestige. Place means the channels of distribution and the kind of outlet where the product can be obtained – a product will be viewed differently if it is sold on a market stall rather than in a high street department store. Promotion refers to the media and messages used to influence buyer decisions. It is here that PR contributes most, bringing a range of activities which can support and supplement advertising and marketing. The selection of which medium to use to convey the messages will depend on the target market, and the combination of choices made for the most effective communication is often referred to as the ‘media mix’ Davis (2004). adds on three more Ps: people (customers), process (involvement of the consumer in production) and physical evidence (making the benefits of products tangible). People may also include employees.

The size of the market is the first consideration when deciding which tactics to use when communicating with various publics. A group of people who are involved in any decision are often called the buying decision unit, or BDU. If only ten BDUs are to be approached, personal contact would be the most appropriate medium. If there are 1,000, direct mail editorial publicity, demonstrations or telephone selling could be used. With 100,000, mass media advertising would be best. Different media have different kinds of impact – a press advert can make an impression only by means of text and photography, but if it is in a magazine it will have a longer life than a TV advert. The TV advert, however, has the advantage of movement, colour and sound. This is further exaggerated when shown in a cinema.

Stone (1995) quotes research from the 1970s which identified six main zones of influence within families when making decisions about buying various products. These were:

- man’s influence
- woman’s influence
- children’s influence
- man and woman
- man and children
- woman and children.

This was followed by research in 1991 which found that children were the main influence on the purchase of video games (61 per cent) and women were dominant in the purchase of dishwashers and food processors (69 per cent and 67 per cent). Only one area was male dominated – satellite television aerials (72 per cent) (Stone 1995). Information on
buying decisions can inform the public relations practitioner when devising campaigns and selecting the appropriate tactics to carry messages about particular products to specific publics.

The kind of message is the next consideration. A simple message could be conveyed by a poster, but a complex or technical one would need to be presented in the specialist press. In selecting media, cost must be considered in two ways. First the actual price of using the medium selected and whether this fits the budget available; and second, a cost per contact should be evaluated to see if the medium delivers cost-effectiveness. Personal contact by a salesperson will obviously cost more per contact than using the national press.

Timing also affects what medium is to be used. Television, radio and the press can deliver a message quickly, within 24 hours. Trade and specialist media have longer lead times; trade fairs and exhibitions are infrequent. Which medium is to be used will depend on when the message needs to be delivered. Davis (2004) suggests that PR is a more cost-effective alternative to spending on advertising. Advertising alone is not persuasive enough. Moloney (2006a) agrees that PR and marketing together are better able to handle promotions across a variety of channels such as media relations, events, sponsorship, exhibitions, roadshows and web-based materials.

The development of marketing public relations

Kitchen and Papasolomou prefer to use the term MPR to talk about the area where marketing and public relations merge. They refer to Kotler’s description of MPR as ‘a healthy offspring’ of the two disciplines. They also cite Duncan’s findings that MPR was thought to be particularly effective in some areas which may have originally been served by advertising, and also in brand building. They recommend Shrimp’s definition of MPR as public relations which ‘involves an organisation’s interactions with consumers . . . regarding marketing matters’. In addition, objectives for this area of public relations are related to Harris’ suggestions of introducing new products, cultivating new markets, influencing opinion-leaders and positioning companies as leaders and experts in order to extend the reach of advertising and gain exposure for products that cannot be advertised to consumers (quoted in Kitchen 1997: 258–267). Davis (2004) quotes Kotler’s 1991 definition of MPR as ‘a variety of programmes designed to improve, maintain or protect a company or product image’.

Kitchen and Papasolomou also use Kotler’s thoughts on the different tasks which could be undertaken by marketing, MPR and public relations. The first deals with market and customer assessment and segmentation as well as product advertising. MPR is concerned with corporate advertising, media strategy and surveys into employee attitudes and customer satisfaction. Public relations then takes responsibility for news, community relations, lobbying and social investments (Kitchen 1997: 255).

Willis (2006) suggests that ‘many marketing professionals now view PR as an effective way to win over hearts and minds of consumers’, and so stimulate sales of products and services. PR techniques are seen as particularly useful in changing attitudes and behaviours of consumers. Media relations can produce third-party endorsement by journalists which is more credible than advertising. Davis (2004) adds that PR can contribute to four marketing objectives: awareness, credibility, stimulation of the sales force and holding down promotional costs. Kitchen concluded that ‘in the real world, (PR and marketing) need one another’, and that MPR helped build relationships between consumers and brands (Jardine, 2006).
Branding

Consumer PR and marketing communications are most often concerned with brands – the value of a name of a product or company – and how this affects people’s buying behaviour. In some cases, the company name is the brand, such as Virgin, Sony or Kodak. Association with a corporate brand like this may affect consumer decisions. In others, the brand names are well known, such as Fairy Liquid, but the parent company less so, such as Unilever or Procter & Gamble. In some cases, such as soap powder, companies produce different brands which then complement each other in the marketplace by reaching different segments. Brands tend to appeal to emotional drivers in order to differentiate products.

‘Nobody in the world ever bought anything on price alone,’ states L.D. Young (2006). Brands enable corporations to add price premiums, such as Heinz baked beans, which retail for 44p against a supermarket’s own label at 15p. Young quotes a blind test of Heinz ketchup against an own-label brand, where 71 per cent of consumers preferred the own label. However, when they saw the label, 68 per cent preferred the Heinz ketchup.

There were nearly 26,000 new products launched in 1999 in the US, compared to only 12,000 in 1986 (Schneider 2001: 1). With the market saturated with new brands which can hardly be distinguished from each other, brand loyalty has declined. Consumers are tending to buy whatever is on offer, so that sales promotions and coupons have become more important in buying decisions (Belch and Belch 2001: 528).

Two different approaches can be taken to branding. HSBC Holdings chose to rebrand its Midland Bank operation in the UK. Richard Beck, Head of Group External Relations, stated: ‘By unifying the group, we will have better global recognition.’ In contrast, when Axa Equity and Law merged with Sun Life in July 1997, it chose not to rebrand Sun Life financial products, as the name was better known in the UK than the parent company (France 1999).

Naomi Klein feels that ‘the role of branding has been changing, particularly in the last 15 years . . . the brand itself has increasingly become the product’. Thus ‘Nike was about “sport” not shoes; Microsoft about “communications”, not software’ (Klein 2000). Companies are now projecting their brand onto many different products. Klein links this increase in branding activity with the tendency of multinationals to shift actual production away from where the goods are bought, and points to the dangers of corporate employment practices in developing countries. She quotes the protests in Paris and Seattle, where rioters attacked McDonald’s and Starbucks, as evidence of a backlash against global brands, where brands were seen as the embodiment of exploitation.

David Bright, Barclays’ Head of Market Research, also concludes that branding means everything that surrounds a company’s offerings, ‘from external communication to staff behaviour and physical surroundings’. He believes that both rational and emotional elements underpin the most enduring brands (Echo Research 1998) (Figure 17.1).

Al and Laura Ries, having written the seminal work The 22 Immutable Laws of Branding, turned their attention to public relations in 2002 with the controversially titled The Fall of Advertising and the Rise of PR. They state: ‘You can’t launch a new brand with advertising because [it] has no credibility . . . You can launch new brands only with . . . public relations.’ They also redefine advertising’s role as brand maintenance, and public relations’ as brand building. While their definition of public relations often seems to be simply about media relations, they insist that advertising spend is only effective if public relations has prepared the way and that ‘this is the key to success in today’s marketing arena’ (Ries and Ries 2001: xi, 266).
Using an existing brand name to promote a new product is referred to as a brand extension, transferring brand values onto new products. Thus Richard Branson has diversified into air travel, insurance, train travel, weddings and skin care using the same Virgin name and brand as his original record stores. Keller and Aaker’s 2003 research with 250 US undergraduates indicated that using an existing brand in this way directly benefited the acceptance of new products by consumers. They used a variety of emphases, including the corporation’s stance on product innovation, environmental credentials or community action. They measured the effect these messages had on credibility, corporate fit, beliefs about product attributes, perceived quality and how that related to purchase likelihood. Whilst environmental concerns and community involvement improved trust in an organisation, innovation had most effect on purchasing behaviour.

**Corporate branding**

A corporate brand encompasses a name and the perceived qualities or personality that are attached to it. Moloney (2006a) suggests public relations is the distribution system for the corporate brand, presenting the ideal of the organisation for its own advantage. Keller and Aaker (2003) noted that corporate marketing activity can provide a direct marketing benefit by building on a strong corporate brand, rather than using a new brand name.

Davis (2004) refers to three kinds of corporate brand. An attribute brand refers to beliefs about functional attributes associated with the name – is it reliable? Marks & Spencer relies on perceptions of quality, whatever product they are selling. An aspirational brand might recall the enviable lifestyles of buyers. A Rolex watch or Lexus car suggests that the owner is successful. An experiential brand plays on emotions and other associations. Virgin encompasses innovation and value for money. The corporate brand should be portrayed as a unified image by both the marketing and PR functions.

Moloney (2006a) warns that brands attract public attention which may not always be welcome. Brands such as McDonald’s have non-intended meanings, connected to popular culture. He also questions whether the paradigm of two-way symmetrical communication applies to corporate brandings, stating that the construction of the brand is asymmetrical and assumes acceptance by others. Thus brands can have both positive and negative connotations.
Public relations in the launch process

‘Done well, a launch helps a new product rapidly establish itself amongst its target users, gain market share and enhance the company’s brand position,’ says Joan Schneider, CEO of Schneider & Associates, a Boston-based public relations firm with more than 20 years’ experience in product launches. ‘Done poorly, however, it can negate all the time, money and human capital that went into developing the new product.’ With this in mind, Schneider commissioned Boston University to carry out a study into how launches were conducted to identify success factors and help product managers increase their launch success rate.

Interviews with twelve launch experts helped formulate the survey which was then administered to ninety-one consumer product executives with new product experience. A broad range of consumer product companies were represented in the sample, including food and beverage, sporting goods, health and beauty, and apparel and shoes. Participants were asked for detailed information about their most recent launches. The cases were then segmented into highly successful and less successful, based on market performance compared to goals.

The survey found that treating the launch as a separate phase rather than just the end of product development was more common in the successful launches, as was extending activities after the product was in-market. The best launches showed advance planning, with the development of the product occurring 1 to 2 years before shipping, along with selecting the advertising agency. Selection of the public relations agency took place 10 to 12 months before shipping, with public relations activities starting 4 to 6 months before and continuing for at least 9 months after the product was on the shelves. Timing was better if determined by internal strategic concerns rather than external, seasonal factors. More attention was paid during planning to public relations and media coverage to build the brand by those with successful products. However, having a detailed launch plan was not enough; the willingness to be flexible and to cope with delays was also important. Team formation and composition was critical to success, the best teams having six or seven members, including marketing and brand managers as well as operations, manufacturing or product development. Interestingly, the less senior the overall manager of the team, the better the result. Brand or product managers had a higher success rate than senior marketing personnel or CEOs. In terms of budgets, unsurprisingly those with larger budgets were more likely to succeed, as were those that concentrated on consumer-focused activities rather than trade-focused.

Finally, it was found that the use of public relations activities, while they were generally under-used in the launch arsenal, was highly significant. Public relations activities such as generating positive consumer and trade press mentions, reviews and retailer interest were seen as having far more impact for highly successful products. This would seem to support Ries and Ries’ assertions above.

‘Considering the amount of time and resources spent on new product development, new products have a surprisingly small window of opportunity during which their fates are sealed,’ says Schneider. ‘The keys to success are adequate planning and utilising public relations as one of the tools to create a favourable environment.’

Consumer buying behaviour

The PR practitioner also needs to consider the attributes of consumers, and what contributes to their buying decisions. Various writers have put forward suggestions about publics and their motivation.
Grunig and Hunt (1984: 160) define four kinds of publics:

- publics active on all issues;
- publics apathetic on all issues;
- publics active only on an issue or small number of issues that involve nearly everyone in the population;
- publics active only on a single issue.

These kinds of publics relate to environmental, minority and consumer issues. Grunig and Hunt also discuss the behavioural molecule developed by Richard Carter, which is related to consumer behaviour, and was further developed by Michael Ray, who suggests four stages in consumer behaviour:

- developing a need (detect);
- searching for and comparing alternatives (construct, define);
- purchasing (behave);
- post-purchase (detect).

Publics who recognise a problem and do not feel constrained are likely to be the most active users of consumer information. Grunig and Hunt’s research found three different kinds of consumer publics when they looked at how people decided which supermarket to use. The first, the working-class public, thought about comparing stores but was constrained by lack of transport from making changes. The second, professional public, where both partners were likely to be working, was constrained by time and simply shopped at the nearest supermarket. Finally, a middle-class public felt least constrained and was able to make a considered choice between supermarkets. This group were most likely to be aware of consumer programmes and advertisements.

Belch and Belch put forward a basic model of how consumers make buying decisions, and link the five stages to internal psychological processes:

- problem recognition – motivation;
- information search – perception;
- alternative evaluation – attitude formation;
- purchase decision – integration;

‘While problem recognition is often a basic, simple process, the way a consumer perceives [it] and becomes motivated to solve it will influence the remainder of the decision process.’ (Belch and Belch 2001: 107, 109) Motivations for buying a watch – is it from a functional need to tell the time, or to make a fashion statement – will affect whether the consumer focuses on reliability versus design. Motivation is often linked to Maslow’s hierarchy of needs, which suggests that it is only after basic needs such as food, shelter and sex are satisfied that people can focus on safety, then love and belonging, and finally self-esteem and self-actualisation. Marketeers in the developed world assume that the basic needs are met, and may try to associate their products with one of the higher levels. Volvo concentrates on satisfying basic needs for safety in positioning its cars, while BMW focuses on the higher levels of self-esteem and status.
Kotler suggests that buying is the result of inputs and outputs (Williams 1989: 156). Stimuli for buying include price, quality, availability, service, style, options and image. These can be delivered to the consumer by a variety of channels, such as advertising, salespeople, friends, family and personal observation. After processing this information, the consumer makes a choice of product, brand, dealer, quantity and frequency. This is one of several ‘black box’ models, which concentrate on the external factors that can influence behaviour. The consumer’s thoughts are hidden in a black box and the marketeer evaluates the relative importance of the external stimuli in order to form a marketing strategy.

Other models of behaviour include personal variable models, which take account of values, beliefs and attitudes. Fishbein developed a model which stated that an attitude was built from beliefs about attributes of an object, weighted by the importance of each of these attributes. Comprehensive models attempt to take both external factors and personal variables into account. A useful summary of the main theoretical models can be found in Williams (1989).

Keller and Aaker (1998) conducted an experiment to find out what aspects of a marketing campaign affected consumers’ evaluations of corporate credibility. They suggested that there were three elements to this credibility: corporate expertise, where the company is thought to be able to competently make and sell its products and services; corporate trustworthiness, the extent to which a company is thought to be honest, dependable and sensitive to consumer needs; and corporate likeability, or how likeable, prestigious and interesting the company is.

They investigated three kinds of corporate marketing activity, emphasising product innovation, environmental concerns and community involvement. Corporate expertise was found to be the most important factor in the evaluation of any new product, rather than environmental or community concerns. This suggests that a new product offered under an existing strong brand name will benefit from that association, even if it is beyond the company’s normal product range. Examples of this in the UK have been seen particularly in relation to Virgin, which has expanded from record shops into other areas of leisure such as cinemas and air travel, as well as into financial products.

France (1999) has stated that: ‘The reputation of a company depends as much on the strength of its corporate brand as it does on the quality of the products it sells.’ In a competitive market, where products can easily be matched on price, the corporate brand may be the difference in building consumer loyalty. Giles Fraser, Managing Director of Information Industries at Hill & Knowlton, agrees with Keller and Aaker and thinks that strong brand names give companies an advantage in the market place. However, contrary to their findings, he believes that: ‘People are increasingly interested in not only the product and service they buy but the company behind the product. They want to know it is ethical in its business practices, that it pays a good wage to its people, that it puts something back into the community.’ (quoted in France 1999) He suggests that people buy from successful companies because it says something about them as consumers. Thus the Co-op stresses its ethical stance to appeal to certain sectors of the marketplace.

Fisk (2004) states that increasing complexity means that consumers don’t fit into conventional boxes anymore. They want to be more individualistic, so that product differentiation becomes key. ‘Most customers do not want relationships with companies and you cannot force the customer into a relationship with you.’

Another way to influence buying behaviour has been to associate brands with celebrities thought to appeal to the target market. Christian Aid uses Ronan Keating for its Trade Justice campaign, aimed at men and women aged 30 to 70 years old, although the majority of its supporters are over 50. Oxfam uses Coldplay’s Chris Martin and Kaiser Chiefs to
raise awareness amongst 16 to 25-year-olds. Consultancy Entertainment Media Research (EMR) rated artists’ popularity by asking a cross-section of 4,500 people to rate their emotional connection to a variety of celebrities. They found that Oxfam’s links worked well with their audience, while Christian Aid would have been better to use Kylie Minogue to reach their target demographic (Magee 2007).

**Keeping customers**

Marketing communications is not only concerned with obtaining customers, but with keeping them.

It is generally accepted that only about 10 per cent of dissatisfied customers ever complain. These are the ones you and your firm have the best chance of satisfying and retaining, because they have identified themselves and defined a problem for you. Of the other, silent 90 per cent, you can be pretty certain that only 10 per cent will ever buy from you again. The rest . . . are lost, possibly for ever. Even if you could get them back it would cost five times as much as keeping them happy in the first place.

(Stone 1995: 141)

Stone states that customer satisfaction is based on quality and meeting expectations. He suggests that it is easier to build relationships with customers if enhancements are offered, such as rewards or bonus points for regular shoppers (such as the plethora of supermarket loyalty cards). Other enhancements could include add-on services, such as free kitchen design from suppliers of kitchen units.

Companies are now starting to look at lifetime customer value (LCV). This takes into account the costs of acquiring a customer – direct mail, research, capital investment – as well as the likely profits to be made once the customer is won. In competitive businesses, the churn rate, or how many switch to a rival supplier in any one year and therefore how long an average customer is retained, must also be factored in. Market valuations for many e-commerce businesses make assumptions based on LCV. Amazon, with six million customers, is valued at over US$3,000 per customer (Wileman 1999). Companies need to define whether some customers are unprofitable, in that they cost much more to obtain and retain than they spend in return.

L.D. Young (2006) questions many popular marketing assumptions. He suggests that Reichheld’s loyalty effect is not always true; that sometimes it is cheaper to attract new customers than chase existing ones. Tom Peter’s assertion that a dissatisfied customer tells thirty people was said in the 1980s, and may not relate to the world today. While ‘thought leadership’ stresses innovation, of the top 180 brands in the world today, fifty were created before 1880 and demonstrate enduring value. He suggests that true marketing professionalism is about applying a unique judgement to each situation.

In fashion PR, emphasis lies squarely on media relations. Richard Edwards (1999) quotes a number of sources. Debenhams fashion PR head, Catherine Sturgess, reports that the company sees a noticeable increase in sales whenever one of its products appears in a magazine or newspaper, ‘People come in and ask for the products they have seen. Some of them come in clutching their copy of Marie Claire.’ Anne Rafter, Managing Director of Stephanie Churchill PR, says: ‘If you pick the right publication for the brand you are working on, well-targeted editorial can generate huge sales.’ However, this means a move away from the blanket coverage press release to a more focused and strategic approach. Regional as well as national press is important in targeting potential customers. Because
of their dialogue with fashion editors, and the need to have an awareness of consumer interest, fashion PR practitioners are developing two-way channels of information between the boardroom and the fashion media, which in turn influence consumer trends.

This awareness of consumer needs must extend to staff relations, particularly in the retail sector. Work on brand and corporate reputation can be undermined by a customer’s poor experience in a store. Peter Hutton of MORI says: ‘The first major study to reveal that happy and committed employees lead to happy and loyal customers was done in the early 1990s by Sears Roebuck in the States. It has had a major impact.’ Linda Barber of the Institute of Employment Studies found that stores where staff were more satisfied (because they were better managed and looked after) generated a £200,000 increase in sales per month (F. Murphy 1999). So, consumer PR needs to link into human resources and internal communications so that their work is not wasted.

**Types of campaign**

It is useful at this point to revisit the types of PR campaign that are available, so that PR activity in the consumer area can be viewed as part of a broader whole. According to Patrick Jackson of Jackson, Jackson and Wagner in New Hampshire (Newsom *et al.* 1993), there are six types:

- public awareness
- information with awareness
- public education
- reinforcing attitudes and behaviour
- changing attitudes
- modifying behaviour.

Hendrix (1995) sets out impact and output objectives for consumer relations programmes. The former might include increasing knowledge about the company’s products, promoting more favourable opinion towards the company, stimulating greater participation in consumer relations programmes, and encouraging more positive feedback from consumer groups. The last could involve distributing more consumer publications, developing employee consumer seminars and meeting with important consumer groups. All of these objectives should be underpinned with prior research into consumer attitudes and expressed in precise terms of percentages and timescales. Some tactical activities to meet these objectives include advising management and staff about consumer issues, developing an efficient consumer response system, handling customer complaints through a customer relations office and liaising with external activist consumer groups.

**Guerilla PR and viral marketing**

To counteract the effect of the message-dense environment, new techniques have to be used to attract the consumer’s attention. Guerilla PR uses stunts and humour to obtain media coverage. Powter’s sausages took a human-sized sausage on a tour of breakfast shows. The resulting coverage on BBC Radio 1 and 2, as well as local BBC radio, resulted in the best sales for the company over the Christmas period. Hatfield Galleria invented
the protest group the Bargain Liberation Front who protested outside Westminster. This linked into their advertising campaign, ‘I’m a Bargain Get Me Out of Here’, and to a local radio competition to find the best bargain-hunters. Sales increased by 5 per cent. Non-retail organisations can also use stunts to raise awareness, as when the Organ Donor Register illustrated its campaign to register one million people with 600 people in Trafalgar Square choreographed into the donor card’s heart beating (Blyth 2006). However, legal considerations must be taken into account. A cartoon network placed characters on public buildings across the US, but caused widespread panic in Boston when passers-by thought they might be terrorist devices.

Not every product is sexy, but creative public relations can emphasise unexpected qualities. Office Max publicised its ink filling stations by creating elaborate temporary tattoos. Its human art galley on the steps of the Art Institute of Chicago, organised by consultancy The Maccabee Group, made the front cover of the Chicago Tribune. Office Max also offered to paint the station’s logo on the arm of a newscaster making a remote broadcast (Hall and Jenkins 2006).

Buzz or ‘word of mouse’ can be created by viral marketing. This involves sending out a subtly branded video clip and hoping it will be passed on. Thirty-nine thousand video clips are added to the YouTube website every day, and more than 100 million are watched. The medium does have risks – if the clip is perceived to be a clumsy commercial it may receive a negative response, plus there is no guarantee who will be watching it. Clips can also be tampered with. However, some privately produced clips can have unexpected corporate benefits, such as a rap version of the Esure advert that got the message across to a younger audience (Fraser 2006). Other uses of the internet are discussed in Chapter 20.

The case studies presented below have been selected to illustrate different approaches to consumer PR. The first concerns work undertaken by the in-house department for Somerfield. The other examines how a consultancy worked with a specialist food producer in the south west to turn it into a national brand.

Case study 1: Somerfield’s wine range

Background

Somerfield is a national supermarket chain with more than 950 shops across the UK. While the chain seeks to promote key messages and products against the ‘big four’ supermarkets such as Tesco, its marketing budget is limited. The demographic of its customer tends to be within the 50-plus age group, with an average shopping trip spend of £8.50 compared to Tesco’s £25.

Head of Press and PR, Pete Williams, understands that Somerfield is smaller, so it has to pedal that much harder to market the brand to consumers and it aims to gain a greater share of voice through creative media stories and good relationships with key journalists. A key role for the PR team is the proactive promotion of its own-brand products to the consumer press, to ensure that they have a constant presence and endorsement in women’s magazines and foodie titles alongside its bigger rivals.

One of the biggest challenges has been Somerfield’s wine range. ‘We have more than 380 wines and sales representing 10 per cent of our total turnover for the business,’ Williams says. ‘However, while we have good coverage in the serious wine columns and weekend supplements, many of our regular customers didn’t have confidence in our wine range and would often buy elsewhere.'
‘One of our key strengths was our senior wine buyer, Angela Mount. She was well respected in the wine trade and known to wine buffs, but our challenge was to promote her to our older female customers and to play on her no-nonsense approach to wine and food matching.

‘Angela combined a demanding career at the top of the UK wine trade with young children and family commitments. One day she would be travelling the globe working with top wine growers to blend the perfect wine for our own-label range and the next day she would be catching up on the housework, baking, and ironing her children’s sports kit and attending their cricket matches.

‘We wanted to highlight Angela’s credentials and introduce her to a wider consumer audience, playing on her personality and easy approach, and let customers know that they could rely on her wine selection to help them make the right choice for a bottle of wine to accompany their meal.’

**Objective**

With only 20 per cent of customers regularly buying their wine at Somerfield, the primary objective was to increase this number to 30 per cent. There was no budget for TV advertising, so it fell to PR to achieve this dramatic sales increase. In addition, Somerfield was keen to increase the volume of linked purchases with cross-recommendations on food and wine and to assert its expertise in pairing wine and food.

**Strategy**

Together with specialist wine PR agency, Phipps PR, Somerfield’s brief was to reach the mass media with an engaging news story with a strong consumer focus. As 70 per cent of wine was bought by women, it was decided to concentrate on this key audience. The campaign was based around Angela Mount and her expertise at doing her job while being a working mum – to link to the key demographic of the target market and to appeal to the media with a great story.

The mechanic was simple and direct, and guaranteed media interest. Somerfield had so much confidence in its senior wine buyer that it decided to insure her taste buds for the unprecedented sum of £10 million. Once the vehicle had been decided upon, it took Williams almost a year to bring about buy-in from the Board, a willing underwriter and the necessary medicals for Angela. Williams says: ‘It was a winning story which fulfilled all of our objectives, enabled us to communicate our key messages and just had huge news appeal.’

**Tactics and results**

Once the insurance policy was in place, the press releases were quickly drafted and some publicity shots were taken. To build on the impact and resonance of the story, Somerfield took a stand at the 2002 BBC Good Food show to launch the story.

Williams negotiated the opportunity for Angela to host the main celebrity chef theatre – where, working with the likes of James Martin, Ken Hom and Antony Worrall Thompson, she matched Somerfield wines with their recipes – before audiences of thousands. Her broadcast media training paid off and she fielded national press, radio and TV interviews. Every national tabloid covered the story, as well as national and regional radio stations, including BBC Radio 4’s Food Programme. Channel 4’s lunchtime news did a live blind tasting with Angela. The story appeared in full with all of the key messages – Somerfield
had insured a key asset to the business for a phenomenal sum and most reports carried the comparison with other famous people who had insured body parts, including J-Lo and Beckham. This made the story a hot topic of conversation and gossip by the nation’s coffee machines. It also ensured even greater prominence in the press, with photographs of Angela and her fellow celebrity ‘insurees’.

The story has had genuine resonance and, despite having moved on to new pastures, Angela is still referred to today as the wine buyer with the £10 million tastebuds and Somerfield’s wine range is firmly on the map with more than 40 per cent of its regular customers purchasing at least one bottle of wine per week.

**Evaluation**

In total, the campaign scored an equivalent ad value of just under £61,000 (excluding Radio Five Live and Channel Four News) on a budget of just £2,000. As well as winning *The Grocer* Best PR Campaign Award, it was voted one of the top ten campaigns of 2005 by CIPR and *PR Week*.

Williams sees the wine campaign as typical of his efforts to get the brand recognition and positive coverage for its products. ‘It is certainly difficult to get a share of voice when faced with the scale of some of the other supermarkets and their budgets but PR has the power to cut through to consumers with our key messages. Taking a creative approach to every brief and challenge is key to keeping the brand alive in the national and consumer media. We utilise all of the tools available to PR from surveys to stunts, sponsorship and events, promotions and competitions and sound media relations.’

**Case study 2: Burts Chips**

**Background**

Thomas Jefferson introduced French fried potatoes to top tables in the US after a spell as ambassador to France. In the summer of 1883, Cornelius Vanderbilt sent back his French fried potatoes to the kitchen because they were too thick. The chef returned them to the table fried to a crisp. Vanderbilt loved them and the crisped chip was born. They remained an expensive luxury until the mechanical potato peeler was invented in the 1920s.

In 1997, Burts started to develop its own chips, being unable to find a crisp that was not industrialised, over-processed and lacking flavour. It found a traditional chip fryer and started working out how to cook the chips. The company cooks one batch at a time in pure sunflower oil. The first batch came off the line on 1 April 1997, although production did not start until the autumn of that year. Jonty White and Nick Hurst took over the company in 2001.

Positive PR was employed to manage the handover from the original owner, Richard Burt.

**Objectives**

The original objectives were:

- to position Burts through the media and reinforce key messages – hand-fried, artisan product;
- to launch new additional flavours to the media;
- to forge links with other producers.
Over the last 6 years, these objectives have developed and now also include:

- raising awareness of Burts in national, regional and trade media;
- increasing TV and radio presence;
- creating new partnerships for the brand;
- working with the team to create new product ideas;
- planning and implementing new projects and PR campaigns;
- launching new products to the press;
- supporting the brand at exhibitions.

*Figure 17.2* Burts awareness-raising campaign with the Borneo Orangutan Trust was successful

*Source: Positive PR. Used by permission*
**Strategy**

Working closely with Jonty White and the team at Burts, Positive PR monitors the position of Burts as a brand within the premium crisp sector. Campaigns target specific food sectors. Trends within the food industry are monitored so that Burts can be proactive in launching new products. The strategy emphasises the artisan nature of the product and also addresses ethical questions such as the LEAF Marque, palm oil usage and children’s salt intake.

**Tactics**

Tactics are PR and marketing-based. ‘We do no above-the-line spending,’ says Managing Director Jonty White.’We don’t spend on advertising, but we have eight million adverts on our packets.’

A variety of methods are employed: attending consumer shows such as the Devon County Show; donating product to various community events for trialling; email; and the website. The website is just about to undergo a major overhaul to make it more consumer-oriented.

Burts is a sponsor of the Tavistock Food Festival, filling its branded Land Rover with packets so that people can guess how many are in it and win a year’s supply of chips. Regular press releases are released to ensure a constant drip-feed of information to the press. These releases form the foundation of every PR campaign as they keep target journalists informed of developments within Burts.

‘Although they are not our market, we also get involved with local schools,’ says Jonty White. Events have included attendance at a local community college food evening. ‘We want them to understand the food chain.’

Burts has also run an awareness campaign about the plight of the orangutans in Borneo, whose habitats are threatened by the growing of palm oil. The company changed the packaging of its chips to animal prints and printed information on the issue on the packets, linked with the Borneo Orangutan Foundation. ‘We got lots of emails and feedback, and sales also went up,’ says White.

White’s personal link with Great Ormond Street Hospital (GOSH) – his son was treated there – lay behind the other charity-related campaign. Burts developed a salt-free crisp and printed information about GOSH on each pack. While the product itself had limited sales, sales of other crisps rose and the company benefited from lots of press coverage.

Marketing and PR has a limited budget, however. ‘We are a small company in Devon, producing our product by hand. We can’t produce chips as cheaply as the mass-market brands are selling theirs for. Walkers spends more on advertising than our entire turnover.’

Burts has a presence at events to try to get people to try the product, plus capturing email addresses. It is about to launch a fan club to encourage people to register on the website.

**Results**

Over the last 6 years, Burts has seen continuous growth, resulting in a move to larger production facilities. Press coverage has been achieved each month in a variety of titles, including national, trade, lifestyle, regional and local press. Most importantly, target journalists see Burts as one of the leading brands in the premium chip market and continue to hold the product in high regard.
Figure 17.3 Burts linked their no-salt chip to Great Ormond Street Hospital

Source: Positive PR. Used by permission
Evaluation

The success of the PR for Burts has been measured through:

- the continued presence in target media;
- positive and relevant messages which reflect Burts’ brand values;
- media reach – targeting Burts’ typical customer;
- increased penetration of the product – cross-sector and number of retailers;
- the substantial and sustained growth of the business;
- media coverage, opportunities-to-see, advertising value and editorial equivalent.

With thanks to Burts Chips and Positive PR

Questions for discussion

1. How do public relations and marketing overlap in the area of consumer public relations?
2. Is it relevant to define public relations and marketing as separate disciplines in this area? Should all campaigns be carried out from an integrated marketing communications viewpoint?
3. Think of products which appeal to consumers’ basic needs of food and safety. How are they different from those which try to be linked with higher needs such as self-esteem and self-actualisation?
4. What is your reaction to the attributes of a successful launch, as investigated by the Schneider Associates/BU study? How do they relate to successful and unsuccessful product launches that you have been aware of?
5. What successful guerilla PR events are you aware of? What made them successful?
6. How might Somerfield build on its successful wine campaign to benefit other product ranges?
7. Which corporate brands are the most respected, in your opinion? Are they attribute, aspirational or experiential brands?
8. When might it be advantageous NOT to use an existing brand name when launching a new product?
9. Investigate Coca Cola’s and Mento’s responses to the Bellagio fountain stunt. Which company benefited most?
10. What part has ‘place’ in marketing? How might Burts Chips use this to its advantage?

Further reading