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Robert W. Grupp
President and CEO
The Institute for Public Relations
www.instituteforpr.org

Practicing Public Relations in the “New Normal”
Gaining Foresight to Thrive in Changing Times

Honored Guests ... Ambassador Li ... Mr. Zheng ... Members of CIPRA ... delegates ... friends.

It is a great honor for me to be in China again.

I was in Beijing about 20 months ago when I was President of the International Public Relations Association – when we had the pleasure of co-hosting – with CIPRA – the 18th Public Relations World Congress.

Now, my thanks again go to Ambassador Li and Mr. Zheng – and the team at CIPRA -- for their warm and gracious hospitality at this conference.

I also thank my friend Richard Edelman for encouraging me to travel to China – and to Mark Hass. Mark is President of Edelman China – who is here. He is a Trustee on the Board of the Institute at Public Relations ... which I now lead.



In the past 20 months since we met, the world has become much more demanding and harder to navigate – challenging all of us who chose communications and public relations as a career. The economic recession that began in 2008 dealt a terrible blow to individuals, companies and governments globally.

Wars continue ... we are coping with natural and environmental disasters ... and senseless acts of violence that are hard to explain.

Change is never easy, and I believe change is occurring faster than any of us could possibly have anticipated ... and I'm afraid some people in public relations are having a hard time keeping up.

It is no wonder, then, that the world in which we are operating is described as a “new normal.” What that means is when global economic markets eventually do recover (and I believe they will), the social, economic and political context will not return to how it was.¹

Nevertheless, I know you are eager to embrace change – to grow in your professional lives – and lead change in our profession. I believe that is why you are here today.

I've had the privilege of traveling on four continents over the past five weeks. I have met and spoken with hundreds of colleagues in North and South America, in Europe and now in Asia. The intellectual engagement with public relations people from perhaps 50 countries has been energizing...and encouraging.

So this morning I would like to reflect on what I have observed recently – and briefly explore some challenges we face – and the skills set required of public relations professionals in the years just ahead.

I can identify at least three challenges that will have enormous impact on the future of our profession and on our jobs. I think of them as strategic imperatives – “necessary advances.”

- First, is integrating communications and public relations in strategic decision-making in companies and client organizations.
- Our second imperative is to anticipate the relentless advance of communications technology.
- And third is the need to embrace globalization – including an appreciation for the role that culture plays in public relations.

Let me touch on each of these briefly.

Strategic Integration

First, we need to do a more effective job integrating communications and public relations in strategic decision-making in companies and client organizations.

I cited this as a need when I spoke here in 2008, and although progress has been made, the catchphrase “two steps forward, one step back” seems to apply.

Undoubtedly, part of the reason why we struggle for recognition as strategic thinkers, first – and communicators, second – is because the origin of our modern profession is rooted in publicity.

¹ The New Normal, *McKinsey Quarterly*, March 2009, https://www.mckinseyquarterly.com/The_new_normal_2326

In North America, some say that public relations began with publicists in the late 1800's who specialized in promoting circuses, theatrical performances and other public spectacles.² But most Western historians point to men like Edward Bernays in the United States, or to Sir Basil Clarke in the UK, as founders of modern PR in the early part of the last century.

In China, I would like to believe that the importance of public relations can be traced to Confucius himself who, as I understand it, had a simple moral philosophy about relationship-building:

- To love others,
- To honor one's parents,
- To do what is right instead of what is of advantage,
- To practice "reciprocity," (in other words, "don't do to others, what you would not want yourself");
- And to lead by moral example instead of by force.

Nevertheless, there's little argument that early PR was in publicity and propaganda, which for decades defined public relations as a deliberate attempt:

- to manage the public's perception of a subject
- and help clients receive favorable image and media coverage.

Well, the world and our profession have come a long way since then – but there still are too many examples where leaders and organizations lose sight of the need to communicate in order to build relationships with their increasingly diverse stakeholders.

Whether it's a catastrophic oil spill in the Gulf of Mexico involving the British oil giant BP –or the expensive and brand-damaging product recall last January by Japan's Toyota – it is almost as if these organizations forget the "public" in their attempts at "public relations."

As these examples illustrate, public relations still is considered by many company leaders to be a function called upon to communicate after-the-fact – to "te!" audiences what they want audiences to hear.

Clearly, what's missing is acknowledgement of the role that we can and should play in helping to write management's game plans for strengthening the performance of the enterprise – and our role in shaping how business is conducted to achieve desired goals.

To all of you – and especially the younger people entering our profession – I say, strategic public relations is an acquired skill that earns us a decision-making role.

² Wikipedia, The History of Public Relations, http://en.wikipedia.org/wiki/History_of_public_relations

To do this, our recommendations must be based on data-driven insights, and public relations strategies need to deliver precisely measured results. The business world – our clients – demand accountability and deserve evidence of the value we provide.

Data-driven decision making begins with deciding what you need to know. So the first step to any public relations program is having clear, precisely defined goals and objectives, and making them measurable. Then we need to define the types of results we can hope to achieve.³

Think of it as measuring outputs, outtakes and outcomes.⁴

Outputs – are what is generated as a result of a PR program or campaign that impacts a target audience to act or behave in some way. Typically, PR professionals focus on generating and measuring “outputs” – such as media clippings or mentions in social media – that don’t always connect with business goals and objectives.

Think of **Outtakes** as measures of what audiences have understood or taken away and responded to.

But to impact strategy and business goals, focus on **Outcomes** instead. These are the the quantifiable changes in awareness, knowledge, attitude, opinion and behavior that occur as a result of a public relations program. Outcomes are the consequence, or impact, of communication activities – and it is critical to measure these outcomes if you hope to influence behavior and effect change.

My point is, If we can provide senior management with data that demonstrates how we contribute to driving sales, recruiting members, attracting employees, building brands and corporate reputations, our strategic counsel will be valued.

And if the public relations perspective is needed, but not sought, then data becomes the evidence we need to provide counsel.

Another practice that is needed more than ever today is the capacity to listen and to anticipate public opinion, attitudes and issues that might impact – for good or bad – the strategies, plans and operations of organizations.

Which leads to a second strategic imperative for public relations professionals – understanding and mastering the use of digital and social media.

Embracing Technology and Social Media

³ Institute for Public Relations, “Using Public Relations Research to Drive Business Results,” http://www.instituteforpr.org/files/uploads/UsingResearch_DriveBusiness.pdf

⁴ “The Dictionary for Public Relations Measurement and Research” by Dr. Don Stacks of the University of Miami, available through the Institute for Public Relations, www.instituteforpr.org.

One of the most dramatic changes confronting organizations globally is the new way they have been forced to communicate with their stakeholders, whether they be employees, customers, shareholders or government regulators.

China is perhaps the best example of how digital technology has fundamentally changed the way people live – how they read news, shop, travel, play games, watch movies, express themselves, and relate to others. As this trend gains momentum, understanding the online impulses of these digital consumers has become a crucial – and increasingly urgent – prerequisite for engaging them.⁵

In the last three years, China’s digital generations have undergone a dramatic transformation. Yet there is still significant room for growth as the Internet penetrates further into China’s less-developed regions.

- China’s Internet user base reached 384 million in 2009, more than in the U.S. and Japan combined. That number is expected to be more than 650 million by 2015.
- Internet penetration is forecast to increase from its current 29 percent to nearly 50 percent by 2015 – and to reach almost 40 percent of China’s vast rural population.

Not only are more Chinese people using the Internet but they also use the Internet more than do consumers in the other fast-growing markets of Brazil, Russia, India, and Indonesia.

As a result of this relentless advance of technology, companies and their public relations agencies are scrambling to add people with skills to create, manage and monitor information at a lightning-fast pace – and not surprisingly, young people are emerging as the change-makers.

Companies and organizations that once were comfortable controlling messages don’t know what to do with social media.

Food giant Nestle received a storm of protests on Facebook and Twitter when it took a hostile approach to critics online.⁶ When the environmental activist group Greenpeace encouraged people to change their Facebook profile photos to anti-Nestle slogans using the company’s food logos – protestors started posting to the Nestle fan page en masse. Nestle countered with a mild threat, saying: “We welcome your comments, but please don’t post using an altered version of any of our logos as your profile picture – they will be deleted.”

Well, the blow-up by Nestle protestors on Facebook was massive.

There was no “IT department” in Nestle to support social media. Today, digital communications is coming from the bottom up and from outside in.

⁵ Boston Consulting Group, “China’s Digital Generations 2.0,”

http://publications.bcg.com/consumer_chinas_digital_generations?Chapter=1#chapter1

⁶ CNET Mews, “Nestle Mess Shows the Sticky Side of Facebook Pages,” http://news.cnet.com/8301-13577_3-20000805-36.html

And young people – those who we will hire in a few years or who already are in entry-level positions – seem to intrinsically understand the value of “community” and interaction online. As customers, they seem more ready to accommodate changing priorities and values.

One thing is clear: Interaction online will occur with us or without us, so one of our primary roles as public relations professionals must be helping companies and clients join the conversations enabled by social media.

The company that communicates in five years time as it did five years ago won't be in business in 2015. Open, transparent communications is the only way to thrive going forward.

And in this “new normal” world, our style of communicating needs to acknowledge the enormous complexities of today's social, economic and political issues (think BP: where 50,000 gallons of oil will continue spilling into the Gulf of Mexico today). Solutions are not easy and organizations need to get comfortable saying that.

There is an elegantly simple example of authentic communication by the UK drinks brand called Innocent Limited, which makes a popular beverage called *Smoothies*. The drink's label admits that the packaging contains a relatively low percentage of recycled material, along with the phrase: "but we're trying".⁷

These three short words illustrate that the company's performance may not be perfect, but it is at least aware of and willing to acknowledge its environmental responsibilities.

In today's world, we must master digital and social media to help organizations build trust, which relates to my third point this morning.

GLOBALIZATION 2.0

You can't have a discussion about the future of public relations without appreciating and understanding our interconnection globally.

As companies – especially those in mature economies – attempt to grow their top line revenue, they must turn to new and emerging markets.

And we can be sure that economic growth will occur in many places where we don't yet know how to communicate with each other to build relationships where trust is genuine and reciprocal.

As Chinese companies acquire Western brands to gain access to new markets, they will need to integrate existing consumer cultures and their own; or perhaps create a blended culture taking attributes from both. For example, this is what occurred with Lenovo, when it acquired IBM's personal computer business.

⁷ The Wall Street Journal, “*For Companies, the Best Defense for Reputations Is a Strong Offense*,” June 11, 2010, http://online.wsj.com/article/SB10001424052748703627704575298271590844914.html?mod=WSJ_latestheadlines

I like to use the example of The Walt Disney Company, which recently announced that after 20 years of relationship-building and negotiation, it won approval of China's central government to build a multi-billion-dollar Disneyland-style theme park in Shanghai.⁸

The question is, what role does public relations play in these efforts to penetrate complex new markets for growth? How, specifically, do we engage and partner with people whose culture and values are quite different than our own?

There can be little doubt that consumers and companies are culture bound. Understanding the needs, expectations and values of a diverse set of publics is becoming more important even as it is growing more complex.

For example, polling by Edelman Public Relations shows that the Western World's skepticism about business contrasts sharply with more positive opinions of business in here in Asia. In other words, trust in business is country-specific.

Trust in banks in China continues to be very high. And trust in business never declined last year because of the recession. Compare that with the USA, where three out of four Americans say they trust corporate CEOs less than they did two years ago.⁹

In China, trust in companies with U.S. headquarters is the highest in the world, which means Chinese influencers and consumers trust U.S.-based companies even more than Americans do!

Despite these differences, the Edelman research also shows a universal need for more frequent and meaningful communications from companies and their CEOs. This includes more transparent conversation about how businesses operate in China, which actually is not much different than the expectations for how a company should operate in the rest of the world.¹⁰

What we need in the public relations body of knowledge is more empirical research to understand the impact of culture and to help predict the best way to practice public relations in a particular country or region.¹¹

That's why our Institute for Public Relations is proposing an expansive new global study to identify public relations best practices calibrated for specific cultural, political, economic and media systems around the world.

This study will improve our understanding of how public relations brings value to organizations across different cultures, and we intend to disseminate research findings widely in formats and languages that are accessible to practitioners globally.

⁸ "China Approves a Disney Theme Park in Shanghai," *The Wall Street Journal*, Nov. 4, 2009, page B1

⁹ Don Baer, Chairman of [Penn, Schoen Berland](#) (PSB) and Worldwide Vice Chairman of [Burson-Marsteller](#), to the Institute for Public Relations Board of Trustees on April 7, 2010.

¹⁰ Mark Hass, Edelman China, http://www.youtube.com/watch?v=qmRQQqWsNQc&feature=player_embedded

¹¹ Krishnamurthy Sriramesh and Dejan Vercic, "The Global Public Relations Handbook" <http://bit.ly/99zV2K>

For this study, we are initially targeting China – as well as Brazil and sovereign states in the Persian Gulf Region – and we welcome participation by Chinese organizations and academics in this important new initiative.

ON LEADERSHIP

I have said repeatedly wherever in the world I am speaking that a fundamental purpose of public relations is building harmonious relationships.

Corporations and other organizations need to listen and embed collaboration, an understanding of diverse cultures, and a commitment to engagement and transparency deeply into their operations and practices.

And this will require inspired leadership from within the public relations profession.

Because I continue to believe what I said in Beijing nearly two years ago -- that we public relations people are living in a world that our profession is perfectly suited to serve.

This “new normal” nature of the world around us remains both our opportunity and a call to action!

Let’s identify ways to work together – let’s lead changes in both the perception and practice of public relations during these challenging times.

I look forward to talking with you further about these ideas, and I thank you very much for your kind attention.

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