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## How Do Corporations Use Internet for Public Relations?

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### Abstract

*In today's dynamic environment characterised by higher advertising costs and lower efficiency of advertising, corporations are relying more and more on public relations (PR). We present new Internet technologies that can greatly improve corporations' relations such as RSS feeds, blogs and podcasts. We have also conducted a thorough analysis of 50 largest world corporations' web sites. We present some of the findings from this research and conclude with suggestions on how PR departments could improve their efforts.*

### 1. Increased Importance of Public Relations

In these years public relations are becoming one of the most important communications tools that can successfully perform numerous functions of conventional marketing (Kleiner, 1989). Advertising costs are rising, the reach is getting narrower, users are overloaded with ads; and all that leads to lower efficiency of advertising. Therefore, marketing is increasingly using various PR techniques. It can be expected, that the efficiency of PR will exceed the efficiency of classical advertising. The role of PR is changing from reactive to a more active one.

Whereas the main function of marketing is to influence behaviour, the task of PR is to form, maintain, or change public attitudes toward the organization or its products (Kotler, 1997). PR is the marketing communications function that carries out programs designed to earn public understanding and acceptance (Hollensen, 2004). An organization builds relations with different publics, such as media, investors, the government, customers, suppliers, employees, job seekers and others. Needs and requirements of these publics can be very diverse.

## 2. Public Relations and the Internet

PR is one of the most important tasks marketing has to perform. Relations with media and journalists can have a strong influence on the image of an organization among other publics. When using technology in PR with media, the goal should be focused on getting the job done quickly and as easy as possible. This is one of the rare situations where company can simultaneously perform better and at a lower cost. With the use of Internet related technologies, the costs of reaching journalists are much lower than classical ways of communication.

But even other publics (customers, employees, suppliers) are not so much dependent on the information from journals and editors as they used to be. They can use different independent communities and mediators, such as epinions.com.

The Internet offers several advantages when compared to the other media such as speed of communication, almost immediate product delivery, interactivity, customization and personalization; it can improve productivity, efficiency and issues management. The Internet also provides an ideal forum for group communication and interaction (Ashcroft, 2001, Macintosh, 2000, Sallot, 2004).

It has dramatically changed the way public relations practitioners distribute information, interact with key publics, deal with crises, and manage issues (Hallahan, 2004).

There are two major groups of tools organizations can use to improve PR efforts: special media web sites that are dedicated to the press and automatic dissemination of personalized content (RSS feed, podcasts).

### 2.1 Special Media Web Sites

Organizations can form special media related web sites, such as News @ Cisco: *newsroom.cisco.com*; Verizon News Center: *newscenter.verizon.com*; or DaimlerChrysler media services: *media.daimlerchrysler.com*. These web sites can offer tools and information such as:

- *different facts, information, news and archives*  
(Beside classic content such as information about products and services, company structure, company governance, markets, financial results, history, and awards, also contacts, clippings, customers' stories, biographies of key personnel, their views and perspectives of the company.),
- *calendar of activities*  
(Appearances of key personnel, events organized by the company with contacts of key contacts),
- *multimedia content*  
(Speeches, pictures and logos in different resolutions.) – Many media companies need graphical material for their editions (picture of products, packaging, customers while they are using the product or service, employees at their work, diagrams of key corporate processes, etc.),
- *links to external sources including those with negative comments and remarks*  
(Journalist will probably find those pages anyway. This way company gets the chance to respond in advance, even before any bad press can get out.),
- *the possibility to order news alerts, online newspapers, RSS feeds, podcasts, to arrange interviews, etc.*

One of the greatest advantages of the Internet is its ability to react quickly. That is especially important in crises. Companies can prepare crisis-ready web sites that enable

them a quick response. These sites can be 80% prebuild, URL's can be registered, and content approval procedures can be executed (Guineven, 2004, p. 6).

## **2.2 Web Blogs**

A web blog, a weblog or, in short, a blog is a publication which uses web technology. Its content is usually published periodically. Blogs enable readers to comment, providing a collaborative space. A newer "version" of blogs is represented by corporative blogs, where content is written by an individual or a group of employees. The purpose of a corporate blog is to spark informal conversation about the organization and its products and/or services among its publics (Albrycht, 2004, p. 14). The corporative blogs are already used by a range of companies from various industries. In a research performed by PRWeek among the U.S. CEOs, it was discovered that 7% of the U.S. CEOs have their own blog. They list key advantages of blogs as quick communication of new ideas, greater informality, quick internal response and a place for innovation and good leadership (Hood, 2005).

Most journalists use the Internet to explore the field, to search for news releases, to seek new sources or experts to interview or quote. More than half of journalists use blogs as a source of information (Euro RSCG Magnet, 2005). They trust more the information coming from individual bloggers who are the companies' employees than they trust information prepared by companies' PR department. One of the research showed, that at least half of respondents trust corporate blogs, and 77 % trust employees' blogs (Technoraty, 2005). Although they have confidence in blogs, the confidence is higher with individual employees. Therefore, the internal communication is of utter importance for the companies. And also in internal communication, blogs can be a powerful tool. One of the first companies that used blogs for internal communications was Disney Corporation.

Motives for an internal use of blogs are several: the reduction of imperfections of traditional information transfer, improved dissemination, archives, nurtured communications between teams and departments and easier search. Corporations can resort to blogs in order to directly communicate with different publics. For example, Cisco uses its Cisco High Tech Policy Blog ([www.cisco.com/gov/blog/](http://www.cisco.com/gov/blog/)) to communicate with governmental institutions. Mattel's Barbie wrote her first blog back in November 2002 ([www.myscene.com/friends/barbie](http://www.myscene.com/friends/barbie)). One of more recent examples of blogs with the similar goals is Nokia N90 ([n90.bloggercomm.com/](http://n90.bloggercomm.com/)). It offers information about the product, links to comments, and answers to different questions. Even more interestingly, it provides sources for generating ideas for new products. Nokia is already planning similar actions for its N71 and N91 models.

## **2.3 RSS Feeds**

It is estimated that the Internet doubles in size every 11 months and the World Wide Web doubles every 53 days (Ashcroft, 2001). All that leads to information overload and saturation (Ryan, 2003). PR practitioners today are faced with a situation where merely a continuously update of the content is not enough. What is needed is a set of tools for automatic dissemination of personalized content.

RSS is a family of XML dialects, which is used for syndication of the web content. RSS 2.0 stands for Really Simple Syndication. RSS feeds usually include a short description of the content with a link to a full version. Journalists and others can reduce the volume of information. For corporations, they represent an alternative communication channel that can be for direct communication with the target publics.

What differentiates RSS from e-mail is basically the feature that allows users to control incoming information streams. They can choose exactly what they would like to receive. If they like what they are receiving they will continue to be a subscriber, otherwise they will cancel their subscription. The second difference lies in the fact that the users don't have to read RSS, they can just skim through the titles. They don't have to worry about deleting an important email by mistake. Users are essentially in control.

Public relations industry also defined a customized XML - XPRL (eXtensible Public Relations Language). XPRL aims to assist practitioners to transfer data or information electronically. Its purpose is to automate information exchange as much as possible, the result being quicker and higher quality communication, with fewer errors (Gregory, 2004).

## **2.4 Podcasts**

Podcasting is similar to RSS and allows subscribers to subscribe to the feeds of a syndicated content. The main difference is that instead of reading the feeds on computer screen, users listen to and view the new content on their personal computer or mobile devices such as iPod. A podcast is a web feed of audio or video files placed on the Internet for anyone to subscribe to. As Wikipedia describes it podcasting's essence is about creating content (audio or video) for an audience that wants to listen when they want, where they want, and the way they want.

The key distinction between podcasts and audio video files is not in the content but rather in the delivery method. Podcasts can be used for internal communication: the CEO can use it for weekly communication of major business decisions, the marketing and R&D departments can communicate key features of a new product, etc.

## **3. Research**

As there are many technological possibilities to improve PR efforts, we decided to analyse how the largest world's corporations are embracing this new possibilities. We chose the top 50 corporations from Fortune Global 500 list. The list is presented in the appendix. It includes companies from different countries and industries.

We analysed how their PR department used different Internet technologies (web sites, e-mail newsletters, RSS, podcasts and blogs) to communicate with different publics (media, investors, customers, suppliers, government & community, job seekers). If a technology or a tool was not present on their web sites, we assumed they do not use it for their PR efforts. Consequently, there is a possibility that we underestimate some PR efforts from these corporations. Let's illustrate this point with the following example. Toyota offers podcasts for their new Lexus model. As this is only featured on its microsite LexusFusion.com and it is not mentioned anywhere on the corporate web site, we did not mark it as a podcast effort from their PR department. The analysis was carried out in January 2006.

Although internal communication can be greatly supported by modern technologies, it was not included in the research, as it would require an input from the corporations and the cost structure of the research could not support the additional costs.

#### 4. Findings and Conclusions

All of the 50 analysed corporations had a web site. With the exception of one company all of them used the Internet to support PR. Most of them (38) used more than one technology.

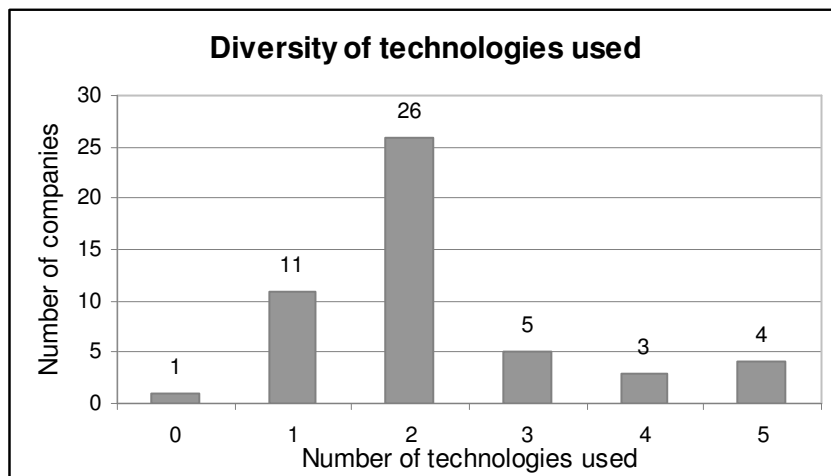


Figure 1: Diversity of technologies used for PR support

Companies using more than two technologies usually use different technologies to support PR with different groups. But there seem to be some rules. Typically job seekers are supported with a web site describing corporation's policies towards its employees and the listing of job opportunities. Most of these web sites also offer a web form where a candidate can post his or her resume and apply for a job. Several corporations also use e-mail alerts to keep users informed of new job openings.

Table 1: Technology used to support individual publics

	Web site	E-Mail	RSS feeds	Podcasts	Blogs
Suppliers	20	1			
Government & community	45	7	1		1
Career	45	19			
Investor	47	27	2	2	
Customers	47	7	2	1	3
Media	49	28	11	5	5

The most supported group (both in the sense of diversity and frequency of technologies used) is media. It is followed by investors, job seekers and customers.

In media relations e-mails are used to notify journalists about the corporate news and alert them about the forthcoming events. Some corporations even offer the option of setting the time lag between an alert and the event. Expectedly, the government, the community and suppliers are the least supported groups. Nevertheless, some corporations, e.g. Siemens and Deutsche Telekom, use technology to form and strengthen relationships with suppliers.

As it is shown in Figure 1 the corporations under study primarily use the web site and the e-mail as communication tools. But RSS feeds are gaining importance. 11 of analysed corporations used RSS feeds for media and news. IBM, for example, offers 300 different RSS feeds to choose from, ranging from special offers, press room, support to investor relations and many more. GM's Fastlane Blog (fastlane.gmblogs.com/) offers blogs and podcasts from categories such as auto shows, business and design. It also offers users RSS subscriptions to the new content.

A minority of workers agrees that e-mail and other technologies are hindering their productivity (Barkow, 2004, p. 12). Nevertheless spam, worms and other anomalies teach us that technology can quickly surpass our ability to manage it.

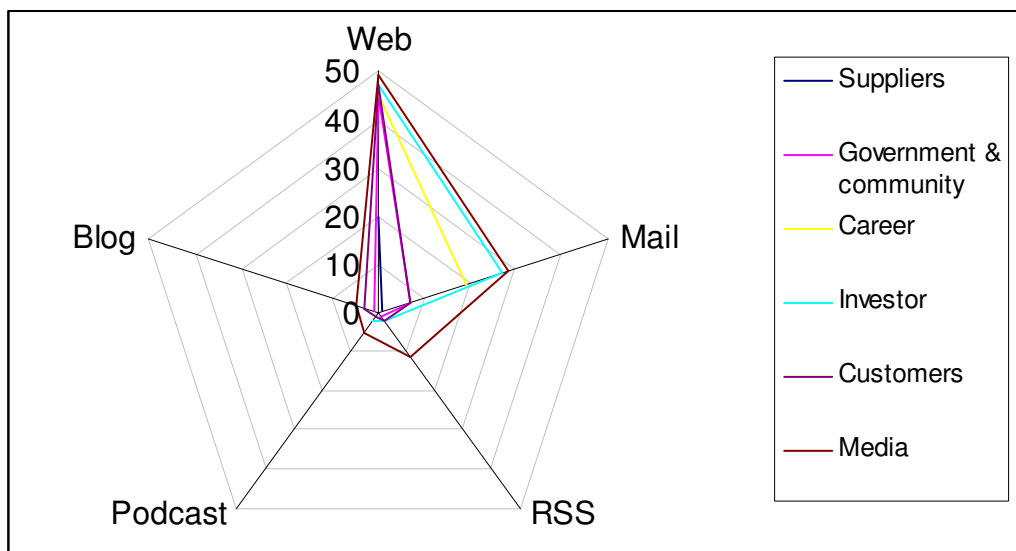


Figure 2: Use of different Internet tools for PR efforts

Although the strategic use of the internet has clearly empowered and enhanced the role of public relations practitioners (Sallot, 2004, str. 276) and regardless of the fact they have abandoned the debate about whether the Internet is useful in public relations (Ryan, 2003, str. 345), the exploitation of opportunities the Internet offers is shockingly low. All of the examined corporations have a web site, and almost all of them use it in some way to support relations with different groups. Our findings, however, show that there are a lot of unexplored and unexploited opportunities that could improve their PR efforts significantly. Most opportunities lie in the area of generating more content and adding it more frequently. The second opportunity that seems to be even more important for several of analysed corporations is hidden in the methods for automated distribution of customized web content, such as RSS feeds, podcasts and still e-mail alerts. Research

suggest also suggests that higher-ranking companies often offer more online than the lower-ranking ones (Callison, 2003, p. 29). That shows the industry in even worse light.

A part of the reason can be found with the largest PR agencies that are often responsible for the success of PR efforts made by the world's largest companies. One research showed that only for of the largest 50 PR agencies offered sign up for mailing lists and discussion groups (Anderson, 2005). The analysis also showed a very poor usage of the wide spectrum of opportunities.

Strategic use of the internet has clearly empowered and enhanced the role of public relations practitioners. They can use it as a "standard operating procedure"; as the "ultimate" research tool; as a way to "laser-target" publics and improve media relations; to better evaluate programs and campaigns, identify and manage issues and crises, and improve relationships with management and clients; to equalize gender, age, and tenure differences; and to advance their careers (Sallot, 2004). Some of the more prominent authors agree that the proper use of technology can lead to extraordinary results for global media relations (O'Keefe in Sparks, FitzGerald, 2003). Therefore further research is needed in the area of how efficient are companies in using these technologies and do small and medium size companies use them.

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