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A World in Crisis:
The Role of
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Crisis communication consulting: The (new) role of PR agencies in solving organizational crises

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Introduction and purpose of the study

REASON FOR THE STUDY

- The majority of the research papers and literature available in the territory of Croatia, which elaborates agency-client relationship and crisis communication management addresses the general/global role of PR practitioners, while the specific role of PR agencies perceived from the agency perspective, particularly in crisis communication management, is left unattended.

PURPOSE OF THE STUDY

- To investigate the real (and actual) nature of agency-client relationship in Croatia during crisis situations and to show the real (and expected) role of PR agencies in practice.

General overview

- While there are a number of people practicing as consultants only (they do not engage in the practical implementation of the advice and strategies they recommend), the majority of public relations companies are both consultants and agents *(Morley. M., 2003)*
- Agencies as suppliers are in submissive relations with their clients and buyers *(Hou J. Z., 2016)*
- PR agencies and their clients hold differing perceptions on why they enter into business relationships (why organizations hire public relations agencies) and what are the sources of conflict between them *(Verčič, D., Tench, R., Tkalac Verčič, A., 2018)*
- According to the “Generally Accepted Practices (GAP) Study”, the need for external crisis management expertise is one of the most important drivers behind agency relationships in the USA *(Swerling, J., 2014).*

Research questions

- **RQ1:** How do PR agencies in Croatia understand the concept and challenges of a modern communication crisis as a part of their operations for the client?
- **RQ2:** Can, and in what way, do PR agencies utilize crisis situations to establish a long-term agency-client relationships in the shortest possible period of time and ensure contracting long-term cooperation agreements?
- **RQ3:** What is the prevailing role of PR agencies in a crisis period, and do PR agencies have to listen to and fulfill clients' desires unconditionally, while ignoring their own advice in order to keep contracts with clients?

Research design

Research method	Interviewees	Target (n=15)	Questions
Qualitative research through a series of semi-structured, in-depth expert interviews (lasting 45-60 min)	CEOs from TOP 15 PR agencies operating in Croatia (all selected according to annual turnover)	15 PR agencies (annual turnover in 2016: 14.8 mil EUR = 91.8% of total PR market value in Croatia)	Three clusters of questions on three different topics
		*NOTE: Estimated total value of PR market in Croatia amounts to 16.1 mil EUR	

Quotes – RQ1:

RQ1: How do PR agencies in Croatia understand the concept and challenges of a modern communication crisis as a part of their operations for the client?

- **In terms of the impact on company, every crisis presents reputational risk, as well as organizational and functional disorder that prevents normal business operations (I1, I2, I3, I5, I7, I8).**
- Due to a large number of possible crisis sources clients nowadays tend to consider every insignificant risk as a true crisis, which means much more work for agencies, and the need for a stronger understanding of the background of potential problems (I1, I3, I4, I5, I10).
- **Although media still present the most frequent crisis source, clients nowadays have increasingly started rejecting any proactive communication with the media. They just want to distance themselves from the media, which makes it considerably more difficult for the agencies to place information in the public (I1, I2, I4, I6, I8).**
- If we are talking about the intensity of contemporary crises, then it should be noted that today's mainstream media are increasingly pushing and transmitting less critical crises, and this is one of the reasons why it is easier for the agency today to deal with crises, although agencies are more often confronted with crises (I3, I5, I6, I8, I10).

Quotes – RQ2:

RQ2: Can, and in what way, do PR agencies utilize crisis situations to establish a long-term agency-client relationships in the shortest possible period of time and ensure contracting long-term cooperation agreements?

- **In most cases the crisis is often an ideal occasion for the establishment of (new) cooperation with PR agency. When a crisis occurs companies often forget about the cost and only think about solving the problem (I1, I2, I3, I5, I6, I7, I9).**
- If the agency, through a proactive approach, creates the ‘impression’ that a client ‘depends’ on the agency and its assistance, then in most cases further cooperation is understood, even if the client considers that continued PR support is not required (I2, I3, I4, I5, I7, I9).
- **The client will always appreciate if you are going the extra mile. Besides professionalism and dedication, the agency must show appreciation! When clients feel neglected, separation is only a matter of time (I1, I2, I5, I6, I8, I10).**
- In crisis times, clients want to cooperate with individuals who they consider personally to be a good solution to the crisis. Good advice, acquaintance or good previous experience continues to be a guarantee for a new job (I1, I2, I4, I6, I10).

Quotes – RQ3:

RQ3: What is the prevailing role of PR agencies in a crisis period, and do PR agencies have to listen to and fulfill clients' desires unconditionally, while ignoring their own advice in order to keep contracts with clients?

- **Agency should be a credible partner to a client. This means that the agency needs to insist on the best communication solution despite a possible termination of the contract. Still, one should look at a sustainable business model in which if you cancel a contract for a single client, you need to acquire a new client (I2, I3, I5, I6, I8, I9).**
- Agency should advise their clients what to communicate and how to do it, but at the end of the day, clients will decide what kind of communication they want. It is up to agency to warn clients of the possible consequences (I5, I6, I7, I10).
- **Although counseling is the core function of an agency, it should also insist on engaging in operational implementation of communication in order to acquire control over information. (I1, I2, I3, I5, I7, I8).**
- Although this is not the most common case in practice, the role of the agency in larger companies should primarily be counseling rather than operational support. In smaller companies with no communication capacity, agencies often accept an operational role (I1, I2, I4, I6, I7, I9)

Conclusion

RQ1A → Crisis = reputational, organizational and functional risk / Crises = short-termed but more common and generally easier for agencies to deal with / Media = still main sources of crises / Clients are getting more concerned about 'insignificant' situations or potential risks due to large online influence.

RQ2 → Crisis = new business opportunity / Crisis = more lucrative contracts and faster engagement of new cooperation / Agency's appreciation towards the client = push for the extra mile, proactive proposing of new and innovative communication solutions (often at an unchanged fee) / Due to the shorter duration of the crisis agency has rather little time to establish quality long-standing agency-client relationship.

RQ3 → Consultancy = for large clients / Operational support = for smaller clients / Agency consults and proposes communication models, clients decides on implementation

Thank you for your attention!