# DEVELOPING A BOTTOM-LINE PUBLIC RELATIONS MODEL

by

# JIA-YUN LIN

(Under the direction of Bryan H. Reber)

# ABSTRACT

The function and benefits of public relations to an organization have long been doubted by CEOs. Although several past studies provide evidence of the positive relationship between public relations and an organization's bottom-line, the results do not seem strong and convincing enough to CEOs. The purpose of this paper is, based on the results of prior studies, to delineate how public relations impacts an organization's bottom-line by describing the relationship between public relations and some common terms in the public relations. The result of this extensive literature review is the proposition of a new model, which includes ten most common terms in the public relations academic world: *PR activities, organization reputation/brand image, behavioral intent, consumer satisfaction, customer service, repurchase behavior, consumer trust, consumer commitment/loyalty, consumer relationship, and organization profit.* This model was then tested in in-depth interviews with public relations practitioners.

INDEX WORDS: Sustainable development, Consumer relationship management (CRM), and Organization profit

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# JIA-YUN LIN

B.S., Hsin-Shin University, Taiwan, 2006

 $C"Vj\ guku'Submitted\ to\ the\ Graduate\ Faculty\ of\ The\ University\ of\ Georgia\ in\ Partial\ Fulfillment$ 

qh'ý g'Requirements for the Degree

MASTER OF ARTS

ATHENS, GEORGIA

2010

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# JIA-YUN LIN

Major Professor: Bryan H. Reber

Committee: Barry Hollander Jeff Springston

Electronic Version Approved:

Maureen Grasso Dean of the Graduate School The University of Georgia August 2010

# ACKNOWLEDGEMENTS

As an international student, studying at Grady is not an easy task. Without my parents and friends, I might not be able to finish my thesis. I want to especially thank Dr. Reber for always being my consultant no matter what happen and when I need help with anything. Moreover, I want to thank my friends Jieyu Liang, and Ta-I Huang. They helped me so much when I was doing my interviews. Without their rides, by no means my thesis could be completed. Finally, I thank my parents who always fully support my decision. Without them, I could not pursue my dreams in the U.S at all.

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# CHAPTER 1

### INTRODUCTION

The connection between public relations and an organization's bottom-line has been the focus of scholarly discussion (e.g., Burger, 1983; Laborde and Pompper, 2006). Researchers and practitioners strive to prove the usefulness of public relations to CEOs; however, this issue remains unsolved (e.g., Gregory, 2001). Instead of providing convincing evidence of the direct connection between public relations and an organization's bottom-line, this study will show how public relations benefits an organization's profit through a series of elements. The function of public relations should be more meaningful and influential than a short-term effect; public relations should hold a long-term effect via Consumer Relationship Management (CRM); such results take time and effort for an organization to establish and maintain. In the proposed model, consumer relationship, an organization's final step, represents sustainable development.

This proposed model shows an organization's energy circle; through achieving success in each element in the model, sustainable development, the ultimate goal of every organization, will be eventually achieved. Although few past studies have attempted to conceive a complete map of how public relations works in an organization in terms of the impacts of public relations on an organization's bottom-line; this model reflects real world activities and indeed is supported by much scholarly research as shown in the literature review. This model could both answer doubts of the benefits of public relations for an organization and make public relations more lucid and accountable. Although I know the functions of public relations are many, the present task is to help public relations practitioners / departments in an organization make more sense to CEOs,

public relations practitioners, and scholars, and explain why public relations is an *invisible* asset for an organization. This study will also clearly explain how public relations impacts an organization's bottom-line.

The bottom-line public relations model includes ten elements: *PR activities, organization reputation / brand image, behavioral intent, consumer satisfaction, customer service, repurchase behavior, consumer trust, consumer commitment / loyalty, consumer relationship,* and *organization profit* (Figure 1). The elements are connected, and the order is arranged based on past studies. To better explain this model, details are explained in the following section.

# CHAPTER 2

#### LITERATURE REVIEW

#### Public relations practitioners' roles and bottleneck in an organization

The practice of public relations plays many important roles in an organization because of its varied functions. Researchers and scholars have long debated its definition. Based on past studies, public relations practitioners' roles, such as communication facilitator (Broom & Smith, 1979); problem-solving process facilitator (Baker & Schaffer, 1969); communication technician (Broom & Smith, 1979); public relations manager (Dozier, 1984); and media relations specialist (Dozier, 1984) are too many to enumerate. Finally, perhaps the best and most general definition of public relations is, according to Cameron, Wilcox, Reber, & Shin (2008), "management function that identifies, establishes, and maintains mutually beneficial relationships between an organization and the various publics on whom its success or failure depends" (p.35).

Basically, PR practitioners can be divided into two categories: the technician role and the manager role (Dozier, 1992). However, in the real world, what public relations is depends on how CEOs view it. In other words, the value of public relations is defined and perceived by the outside environment, especially CEOs' point of views (Berger & Reber, 2006). Although PR practitioners and pundits believe that public relations have irreplaceable value for an organization, some CEOs and other organizational decision makers, for a variety of reasons, do not consider public relations as valuable as public relations professionals themselves.

In some way, public relations practitioners cannot deny that they face an identity crisis. Budd (1990) provided an interesting but ironic description of public relations practitioners' image in an organization: "We act as publicists, yet we talk of counseling. We perform as technologists in communication but we aspire to be decision-makers dealing in policy" (p.6). Perhaps the fact that public relations plays so many roles confuses the public's understanding of the role that public relations plays in our society. Nevertheless, because of this identity crisis, public relations practitioners can encounter some difficulties in doing their jobs as they may feel that they are constrained in their workplace. Furthermore, this crisis influences how people, such as CEOs and clients view the effectiveness of public relations.

Most public relations practitioners, who are employed by for-profit organizations need to prove how the positive impact of their job can benefit an organization's bottom-line. The positive impact of public relations requires proving its marketing function in gaining profit for an organization. Though most public relations practitioners and scholars do not think the only goal of public relations is to increase sales; revenue is likely the most important goal in a CEOs' mind. Budd (1990) expressed his frustration about the devaluation of public relations from CEOs and outside environment by saying, "public relations is reduced to its lowest denominator— producing and publicizing events and marketing support of products. [...] But what concerns me is that it further locks our profession into the marketing function" (p.9).

Why do most PR practitioners wish to measure output if they believe that the results and effectiveness of their PR practices are too abstract and idiosyncratic to be measured? Burger's (1983) analysis of how management views public relations may provide an explanation:

"They don't consider it [PR] a very good place to put their money. Yet if you ask the average CEO if he would consider that a 'public relations problem,' it would be the last thought that would enter his mind. [...] what all this tells me is that the problems of public relations partly result from our failure to show the

senior corporate management of our organizations really what we do and how we can help them" (p.27-28).

As a part of an organization, public relations practitioners need to meet the organizations' goal, or CEOs will doubt the value of a public relations department. According to Laborde and Pompper's (2006) survey, a participant who was a senior public relations manager pointed out the cruel truth that "[I]f you're going to justify your function inside a corporation, you've got to justify it financially or you're not going to be a department anymore" (p.78). Still, the contributions of public relations are in some way intangible and only slight quantifiable at best. Although public relations practitioners and researchers believe the contributions of public relations practitioners and researchers believe the contributions of public relations practitioners.

Moreover, according to Laborde and Pompper's (2006) survey, a participant, who is a national restaurant chain's senior public relations director, said that when the economy turns worse, "one of the first places companies cut [is] their PR department" (p.78). Pieczka (2000) also concluded that media placement success is crucial evidence for public relations legitimization. Gregory (2001) further identified two reasons for public relations practitioners' result-oriented phenomenon: "first, the client or employing organization stipulated this as priority and second, there is confusion over the definition of objectives with both means (media relations) and desired impacts being included under the same heading" (p.185).

Public relations practitioners have long been constrained from the misunderstanding of outside environment, so they cannot be blamed for paying more attention to output, which is much easier and faster to measure, instead of outcome. Because public relations practitioners focus heavily on showing something to CEOs and clients, they must be results-oriented or output-oriented in order to prove their worth and to defend against encroachment (Pinsdorf, 2000). However, Gregory (2001) pointed out that "it could be that effects were in the longer term and the time constraints imposed by the awards scheme did not allow these effects to be apparent and measureable in any sensible way" (p.186). That is to say, the effectiveness of public relations is difficult to see and measure; the effectiveness of public relations is more likely discernible as long-term effects.

What is the core value of public relations? What is the ultimate goal of public relations? Grunig, Grunig, & Dozier (2002) stated both clearly.

"Public relations contributes to organizational effectiveness when it helps reconcile the organization's goal with the expectations of its strategic constituencies. This contribution has monetary value to the organization. Public relations contributes to effectiveness by building quality, long-term relationships with strategic constituencies. Public relations is most likely to contribute to effectiveness when the senior public relations manager is a member of the dominant coalition where he or she is able to shape the organization's goals and to help determine which external publics are most strategic" (p.97).

Furthermore, he claimed that "communication managers are enormously valuable when they identify and work to develop relationships with the groups most vital to the organization that employs them" (p.97). This statement indicates that the most valuable assets that public relations brings to an organization is a long-term relationship with its target public. Unfortunately, public relations practitioners have overlooked consumer relationships for a very long time. In other words, PR practitioners have missed the crucial connection between public relations and an organization's profit. Public relations practitioners believe that they can bring a positive impact to an organizations' bottom-line through achieving their public relations goal. To prove the assets that public relations can bring to an organization, public relations practitioners must make CEOs and clients discern and understand their merit. For several years, public relations practitioners strived to demonstrate that their invisible contributions have economic impact on an organizations' bottom-line, and research indeed significantly supports the relationship between public relations and an organization's bottom-line. However, little academic research, if any, includes a more complete map of how public relations works or helps an organization to achieve its ultimate goal of sustainable development, via long-term consumer relationships. The following sections will explain the statement above and the elements of the model in detail.

# **Organization reputation / brand image**

Many scholars believe that corporate image is one of the most appreciated assets by consumers (e.g. Storey and Easingwood, 1998; De Ruyter and Wetzels, 2000). Definitions of brand image vary but are similar. According to Bromley (2002) and Sandberg (2002), corporate reputation is a socially shared impression of how a firm will behave in a given situation. Fombrun (1996) described another aspect of reputation in explaining it as a set of beliefs about an organization's stability and willingness to satisfy its public (as cited in Helm, 2007, p.23). Moreover, Fombrun, Gardberg, and Sever (2000, p.243) defined corporate reputation as a collective assessment of an organization's ability to provide valued outcomes to a representative group of stakeholders.

According to Nguyen (2006), an organization's image creates the first impression in consumer's mind when they first hear the brand name; in other words, to consumers, organization image is an important factor in his or her overall evaluation of a firm (Bitner, 1990). Hence, in the proposed model, brand image is the first step; an organization's brand image is to help an organization to stand out in its consumers' minds. For consumers, brand image is like a drawer that contains all understanding and impressions toward an organization. Without brand image, an organization is likely non-existent to its consumers.

In the early stage of brand management, the goal of public relations is to help an organization establish and maintain a positive image. Later in the history of brand management, practitioners realize that the importance of a brand for consumers is its irreplaceable position and value of the brand, so practitioners start to focus on creating a unique position in consumers' minds (Bivainienė, 2007). Therefore, a favorable brand image, according to past studies, is thought to increase consumer preference and usage, increase emotions in consumers, increase levels of trust and loyalty, encourage active processing on the part of the consumer, and provide a basis for product differentiation (Bivainienė, 2007). Nevertheless, since brand image will increase consumers' trust and preference, if an organization does not meet its consumers' expectation, its reputation will reversely be damaged by consumer's dissatisfaction (Bloemer, Ruyter, & Peeters, 1998).

#### The relationship between public relations and organization reputation / brand image

In terms of the relationship between public relations and brand image, according to Bivainienė (2007), the main strength of public relations for an organization is its ability to help an organization successfully develop its activities and maintain a favorable image. Bivainienė (2007) indicated if an organization can effectively use its marketing tools including public relations, advertising, sponsorship, and personal selling, the organization will be able to uphold its brand name and promote its product among consumers. Correspondingly, Hung (2008) provided strong evidence of the relationship between public relations and brand image; her empirical findings demonstrated that consumers' public relationship perception positively influences an organization's brand image.

#### The relationship between organization reputation / brand image and behavioral intent

The relationship between brand image and consumer's behavioral intent has been presented by numerous past studies. For example, MacGregor, Slovic, Dreman, & Berryl (2000) suggested that consumers' perception of a company's reputation is a key element in consumers' purchasing decision. Also, past research indicated consumers' perception of product quality is initially attributed to an organization's reputation (Bharadwaj and Menon, 1993; Andreassen and Lindestad, 1998). Further, many researchers and practitioners proclaimed that a good brand image will allow an organization to charge more than its competitors, and attract investors and better employees (e.g. Hammond and Slocum, 1996; Chaudhuri and Holbrook, 2001) because the organization differentiates itself from its competitors (Barnes, 2003).

Consumers value a brand and feel that no other alternatives could replace the organization because they believe the organization can provide a unique value to them (Jacoby and Chestnut, 1978; Pessemier, 1959; Reichheld, 1996). Besides unique value, another advantage that brand image brings to an organization is reduction of uncertainty. Empirical studies demonstrated that current and potential investors will feel more secure when they perceive an organization as having a good reputation (De Ruyter & Wetels, 2000). In other words, an organization with a good reputation can reduce consumers' uncertainty compared to other organizations with no or a bad reputation (Akerlof, 1970; Martı'nez and Pina, 2003; Helm, 2007). Additionally, according to Smith and Park (1992), an organization with good reputation can further benefit its brand line extensions which share the same commercial name; namely,

consumers' good impression of an organization will extend to the organization's line extensions, and in turn, bring more benefits to the organization (Milewiczz and Herbig,1994).

If an organization has a good corporate image, consumers will perceive the organization as more reliable. Therefore, the organization will have a better chance and higher possibility to win consumers' preference. Thus, a positive brand image influences consumers' purchasing decisions which will lead to further profits for an organization (e.g. Mazanec, 1995; Hung 2008).

The relationship between organization reputation/brand image and consumer satisfaction

In terms of consumer satisfaction, brand image plays an intimate role. Andreassen and Lanseng (1998), & Grönroos (1984) all agreed that corporate image mediates consumer perception and consumer satisfaction. Moreover, Davies, Chun, & Silva (2002) in research of the retailing context proved that brand image can positively impact consumer satisfaction. The findings of Walsh *et al.* (2006) suggested that brand image and consumer satisfaction are strongly correlated. Noteworthily, the relationship between brand image and consumer satisfaction is *reciprocal*. That is to say, these two elements are interlinked; they will either grow together or die with each other (Walsh *et al.*, 2006).

# The importance of customer service

Consistent with the above discussion, an organization's image should be able to reduce consumers' uncertainty, assist the organization to have chances to win investments; increase consumer satisfaction; and extend sales. However, one factor has been ignored by public relations scholars and practitioners.

*Customer service* is one of the most important factors that can either beneficially or negatively influence an organization's bottom-line. Although the concept of customer service is widely discussed in marketing research, it appears less often in the field of public relations. But,

customer service is seriously related to the practices of public relations and an organization's reputation. In other words, public relations and marketing departments should cooperate together because customer service not only represents an organization's front line, but also its attitude and image to consumers.

Nguyen and LeBalnc (1998) presented their study of the hotel market and indicated that consumers will have an overall positive image of an organization if they perceive the organization's good service quality repeatedly. Grönroos (1983) provided abundant research that indicated service quality is the most influential factor that affects brand image. Little and Dean (2006) reported that employees' good service quality and behavior will influence consumer's perception of the organization and further lead to a favorable image. Further, Getty and Thompson (1994) provided evidence that consumer experience based on satisfaction and service quality, will result in their intention to recommend products and services (as cited in Kandampully and Suhartanto, 2000, p. 347). Based on previous research findings, consumers who have either a positive or negative purchasing experience will respond to the organization quickly. In other words, the influence of customer service on consumers' purchasing experience and brand image is significant. Customer service could seriously impact consumers' purchase experiences and organizations' brand image. However, according to the proposed model and past research results, purchase experience will influence consumer satisfaction. Thus, the effect of customer service is crucial and *continuing*.

Bloemer and de Ruyter (1998), based on their study results, even argued that compared to brand image, perceived quality has a more influential effect on consumer satisfaction and loyalty. Therefore, the impact of customer service on an organization's reputation, loyalty, and especially consumer satisfaction should not be overlooked. In the proposed model, the reason why

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customer service influences consumer satisfaction is attributed to the definition of consumer satisfaction. Further explanation will be stated in the following paragraphs.

#### **Consumer Satisfaction**

Consumer satisfaction is viewed as one of the most important factors for a marketoriented organization (e.g. Kandampully and Suhartanto, 2000). Many scholars suggest that overall satisfaction is an important issue for a service organization (e.g. Alford and Sherrel, 1996; McDougall and Levesque , 2000; Jones and Suh, 2000; Eggert and Ulaga, 2002; Zuleanef, 2006). In the proposed model, consumer satisfaction represents a consumer's overall satisfaction towards an organization including product and service satisfactions. The definition of overall satisfaction, according to Oliver (1993), is a cumulative satisfaction and affection. Spreng and Olshavsky (1993) stated overall satisfaction as overall experience when a consumer purchases and uses products. Since customer service has an impact on purchase experience and because purchase experience is included in consumer satisfaction, customer service is included or similar with overall satisfaction. Several past studies provide evidence to support this statement as well.

According to Walsh *et al.* (2006), customer service quality is an important means to maintain consumer satisfaction in order to retain consumers. Brown, Cowles, & Tuten (1996) suggested that service consistency greatly influences consumer satisfaction. Oliver (1993) demonstrated a positive correlation between perceived quality and consumer satisfaction from the research of automobile and education industries. In addition, in service context, Gustafsson, Johnson, & Roos (2005) believed "overall satisfaction is similar to overall evaluations of service quality" (p.210). In other words, service quality can be viewed as a determinant of consumer satisfaction which then will influence purchase intention (J. Joseph Cronin and Taylor, 1992). Thus, in the proposed model, customer service is directly related to consumer satisfaction.

#### The relationship between public relations and consumer satisfaction

Ball (2004) stated that effective communication between an organization and its consumer can significantly impact the consumer, especially in the areas of consumer trust, satisfaction, and loyalty. According to Selnes (1998), honest and timely communications with consumers have a strong effect on both consumer trust and satisfaction. In other words, public relations, as a bridge between an organization and its consumers, has a prominent influence on consumers' perception including consumer trust, consumer satisfaction, and consumer loyalty toward an organization.

#### The relationship between consumer satisfaction and repurchase behavior

In terms of the impact on consumer satisfaction on bottom-line, most studies provide evidence of consumers' repurchase behavior to support the monetary benefit of consumer satisfaction to an organization. Zeithaml, Berry, & Parasuraman (1996) posited consumer satisfaction as a major antecedent of consumers' general attitude towards an organization; therefore, consumer satisfaction should be an influential factor that can impact an organization's reputation seriously.

Further, consumer satisfaction, according to Buttle and Burton (2001), should be an important determinant of consumers' future purchasing behavior. Corresponding to Buttle and Burton (2001), Oh (1999) demonstrated that service quality and consumer satisfaction have an important relationship with consumers' repurchasing decisions. Getty and Thompson (1994) suggested that service quality and consumer satisfaction also influence consumer's intention of recommending an organization (as cited in Kandampully *et al.*, 2007, p. 439). Alford and Sherrell's (1996) findings supported the relationship between service quality and consumer satisfaction as well. Boulding, Kalra, Staelin, & Zeithaml (1993) stated that overall satisfaction influences consumers' repurchase behavior and word of mouth (WOM) intention. And the antecedent of WOM, according to Spreng, Harrell, & Mackoy (1995) is consumer satisfaction.

Finally, in research of hotel management strategy conducted by Kandampully and Suhartantao (2000), hotel image and consumer satisfaction will influence consumers' intention to repurchase, recommend, and further display their loyalty. Thus, consumer satisfaction can impact an organization's reputation via either positive or negative WOM (Hennig-Thurau, Gwinner, & Gremler, 2002).

However, according to past research, satisfied consumers still may switch service providers for reasons such as price and convenience (Keaveney, 1995). Therefore, according to the proposed model, if organizations want to retain their consumers, they must further strengthen consumer trust and loyalty.

#### The relationship between consumer satisfaction and consumer trust

After consumers gain enough satisfaction from purchase experiences which include customer service, they will begin to develop trust towards the organization. From the research findings, Salnes (1998) suggested satisfaction as a strong antecedent of trust. On the other hand, Gabarino and Johnson's (1999) finding indicated that consumer satisfaction is not an antecedent of loyalty. Thus, consumer satisfaction is more like a short-term result of consumers' one or several purchase experiences; however, consumer trust has a deeper meaning from an organization's point of view.

Consumers should have satisfaction first so that will develop trust toward an organization; that is, trust is more likely a long-term result of consumers' multiple enjoyable purchase experiences. In conclusion, consumer trust and satisfaction are close but separate concepts. Although both have effects on consumer loyalty based on past reasearch, in this paper, trust is more of an elevated mental state developed from consumer satisfaction, and it will lead to consumer loyalty. In terms of theoretical support, the model Chaudhuri and Holbrook (2001) proposed corresponds to the order of consumer trust and consumer loyalty of the proposed model. Zulganef's (2006) model has the same order as the proposed model as well; the model suggests that perceived quality will influence overall satisfaction, and later trust and consumers' intention to loyalty. Although neither model is linear, their orders are basically the same as the proposed model. In addition, Moon (2000) and Yoon (2002) demonstrated that overall satisfaction, consumer trust and consumer commitment are strongly correlated to consumers' intentions to interact with sellers.

#### The relationship between consumer satisfaction and consumer loyalty

In the studies that have investigated consumer loyalty to hotels, Kandampully and Suhartanto (2000, 2003), & Kandampully *et al.* (2007) both provided strong evidence of the direct impact of consumer satisfaction on consumer loyalty. Oliver (1999) identified consumer satisfaction as a necessary element in loyalty formation. However, several research findings indicated the disconnected relationship between consumer satisfaction and loyalty as well (e.g. Edwards, Gorrell, Johnson, & Shedroff, 1994; Romano, 1995; Wood, 1998). According to the proposed model, I believe that the missing element is *consumer trust*.

# **Consumer Trust**

*Consumer trust* is "a willingness to rely on an exchange partner in whom one has confidence" (Moorman, Deshpandé, & Zaltman, 1993, p.82). Based on the social exchange theory, consumer trust is consumers' perception of "confidence in the exchange partner's reliability and integrity to fulfill their expectation in the future" (e.g. Moorman, Zaltman, & Deshpande, 1992; Morgan & Hunt, 1994, Van Dyne, Vandewalle, Kostova, Latham, & Cummings, 2000; Delgado-Ballester and Munuera-Alemán, 2001; Svenson, 2001). Consumer trust is developed from satisfaction, and influenced by an organization's communication with its consumers (Ball, 2004). When consumers have satisfaction and trust towards an organization, they will be more willing to repurchase the organization's products and service compared to other consumers who have no trust or satisfaction toward the organization. When trust is accumulated to some degree, consumers will then positively commit to the organization (Garbarino & Johnson, 1999; Chaudhuri & Holbrook, 2001; Garbarino & Johnson, 1999; Singh & Sirdeshmukh, 2000; and Sirdeshmukh, Singh, & Sabol, 2002).

#### The relationship between consumer trust and consumer commitment / loyalty

Kingshott and Pecotich (2007) conducted research on the psychological contract, and their findings present that consumer trust can increase loyalty. Morris, Barnes, & Lynch (1999) believed that intimacy, consumer trust, and commitment are the cornerstones of loyalty. Sharma and Patterson (1999) provided evidence for the relationship between consumer trust and consumer commitment. Morgan and Hunt (1999) demonstrated that consumer trust is an antecedent of commitment; and they also found that trust and commitment are the main elements in consumer relationship. Above all, when consumers are in the element of consumer trust, their relation with an organization could potentially develop into a new element: consumer commitment / loyalty.

### **Consumer commitment / loyalty**

Many researchers (e.g. Morgan & Hunt, 1994; Gundlach *et al.*, 1995; Oliver, 1999; Buttle & Burton, 2002) define *consumer commitment* and *consumer loyalty* in the same way. Morgan and Hunt (1994) presented the term "consumer loyalty" as a conception quite similar to "consumer commitment." Gundlach *et al.* (1995), Oliver (1999), Buttle and Burton (2002), & Bennett and Rundle-Thiele (2002) have conceptualized "consumer commitment" and "consumer loyalty"

congruently. Dick and Basu (1994) & Oliver (1997) explicated the term "consumer loyalty" as consumers' deep commitment to repurchase or repatronize a favorable organization's product or service in the future. In the study of Bloemer *et al.* (1998), consumer loyalty is defined as a behavioral response that results from commitment. Therefore, in this paper, I argue and view "consumer commitment" and "consumer loyalty" to be the same element.

For a more detailed explanation of consumer loyalty, Dharmmesta (1999) defined loyalty as consumers' positive attitude towards a brand, commitment to the brand, and intention of repurchase behavior (as cited in Zulganef, 2006, p.306). Dwyer and Schurr (1987), Morgan and Hunt (1994), & Pritchard, Havitz, & Howard (1998) defined commitment as a stable condition in which consumers are not easily allured by competitors. Jacoby and Kyner (1973) suggested that brand loyalty includes repurchase behavior and attitudinal commitment. Dick and Basu (1994) defined two dimensions of consumer loyalty: attitudinal and behavioral loyalty and they believe that true loyalty includes both. Further explanation of these two loyalties will be developed in following paragraphs.

# The relationship between public relations and consumer commitment / loyalty

*Consumer loyalty* is mainly mediated by the organization's good communication and satisfaction (Ball, 2004). Organizations must build and maintain consumer loyalty because loyalty is akin to a psychological contract between consumers and the organization (Kingshott & Pecotich, 2007). The concept of psychological contract from the study of Kingshott and Pecotich (2007) is similar the concept of attitudinal loyalty.

*The relationship between consumer commitment / loyalty and bottom-line* 

Instead of expressing that consumer loyalty can bring monetary profit to an organization, what consumer loyalty does is more likely to stabilize and affirm an organization's customers. If an organization does not build up consumer loyalty with its consumers, the consumers could be easily be lured away by competitors (Bloemer *et al.*, 1998). In other words, as a consumer's commitment towards an organization increases, the likelihood that this consumer will prefer the organization's competitors decreases (Dick and Basu, 1994). Consumers will also be able to resist negative publicities about the organization because they believe in the organization (Ahluwalia, Burnkrant, & Unnava, 2000; Ball, 2004).

Consumer loyalty has two categories: *attitudinal loyalty* and *behavioral loyalty* (Ball, 2004). Behavioral loyalty is a consumer's direct response to an organization. They repurchase products and services from the organization and are motivated to recommend the organization to others (Fornell & Wernerfelt, 1988; Reichheld et al., 2000). According to Getty and Thompson (1994), attitudinal loyalty can refer to a consumer's intention to repurchase and recommend an organization (as cited in Kandampully and Suhartanto, 2000, p.347); attitudinal loyalty leads to a greater market share (Chaudhuri and Holbrook, 2001). Furthermore, attitudinal loyalty can lead to more profit for an organization because loyal consumers are willing to pay a higher price in the market place (Chaudhuri and Holbrook, 2001). In another aspect, consumer loyalty is like an exit barrier for consumers who want to switch. According to Aldisert (1999), loyal consumers will face feelings of risk if they consider switching allegiance—loyal consumers are not willing to switch.

The relationship between consumer commitment / loyalty and consumer relationship

The importance of "consumer loyalty" to a consumer relationship can be seen from the definitions of consumer loyalty. Consumer loyalty, defined by Dwyer *et al.* (1987), Moorman *et al.* (1992), Morgan and Hunt (1994), & Pritchard *et al.* (1999), is a consumer's durable desire to maintain a valuable relationship with the organization. According to Buttle and Burton (2001), consumer loyalty is an attitudinal state that reflects value, trust, and commitment within supplier—consumer relationships (p. 217). Kingshott and Pecotich (2007) demonstrated that consumer trust and commitment can enhance the organization's capability to create strong consumer loyalty as the central construct in a relationship between an organization and its consumers. Morgan and Hunt (1994) agreed with Ball and indicated that consumer trust and commitment elements in a consumer relationship, but they become central within consumers' beliefs and attitudes. Hence, consumer loyalty is an essential element in building and maintaining a long-term relationship between an organization and its consumers (Dwyer *et al.*, 1987; Morgan & Hunt 1994).

#### **Consumer relationship**

#### The relationship between public relations and consumer relationship

*Consumer relationship* is the final step in the proposed model from public relations activity to an organization's profit, and it has long been viewed as an ultimate goal of public relations. It is based on consumers' special emotional attachment to a specific organization and is different from consumers' repeat buying behavior (Barns, 2003). Because of the emotional value, consumer relationship causes consumers to view a specific organization as more important, valuable, and special. Hutton (1999) suggested that consumer relationship is constructed by consumer trust, consumer commitment, consumer communication, and the shared values of the consumers and the organization (as cited in Bruning, Castle, & Schrepfer, 2004, p. 436). Additionally, Ledingham (2003) emphasized that consumer relationship management (CRM) should be a general theory of public relations; this author believes that effective consumer relationships will finally result in mutual understanding and benefit for both the organization and its public (as cited in Bruning, Castle, & Schrepfer, 2004, p. 436). Bivainienė (2007) pointed out that good communication will provide an organization a possibility to maintain a relationship with its consumer. Grunig (1992) believed that public relations helps an organization to maintain good communications with its consumers and public relations further aids the goal of meeting the organization's mission (as cited in Bruning *et al.*, 2004, p. 436). This model further points out the usefulness of the consumer relationship in assisting an organization to achieve sustainable development.

#### The relationship between consumer relationship and the bottom-line

The benefits that positive consumer relationships can bring to an organization have been demonstrated by several studies. First, consumer relationship can be a strategic tool for an organization to differentiate its products (Ball, 2004); this point of view corresponds to Bivainien's (2007) thoughts in explicating the function of public relations for an organization. Second, the positive impact of consumer relationship on an organization's bottom-line has been supported by several studies (e.g. Ravald and Grönroos, 1996; Ledingham, Bruning, & Wilson, 2000). According to past research, an organization's special attention to the relationship with its consumers has a crucial influence on maintaining the organization's market share (e.g. Ledingham, Bruning, & Wilson, 1999; Barnes, 2003). Buttle and Burton (2001) further indicated that consumer relationship management (CRM) enhances revenue streams from consumers over a lifetime of transactions (p.218).

Altogether, "consumer relationship" includes "consumers' behavioral intent," "consumer trust," "satisfaction, commitment," and "patronage behavior" (Bruning, 2002; Bruning & Lambe, 2002). In another respect, Bruning *et al.*, (2004) suggested that an organization that fails to communicate well with its customers will undermine its ability to achieve its interest and goal.

#### How the bottom-line public relations model works

According to this model, *PR activities*, such as press releases, product promotions, campaigns, and other related events are sources of *organization profits*. Furthermore, this model emphasizes that the main function of public relations is to help an organization to achieve sustainable development via the establishment and preservation of on long-term relationships with its consumers.

First, in this model each element other than *PR activities* and *organization profit* can be removed. Every element besides *consumer trust*, according to past research, has a direct, positive relationship with *PR activities*. Any of the elements beside *PR activities* and *organization profits* can be discarded from the model, and the model would likely continue to function. However, the sequence of this model is unchangeable; the order of this model cannot be reversed. That is, the relationships between each element is fixed.

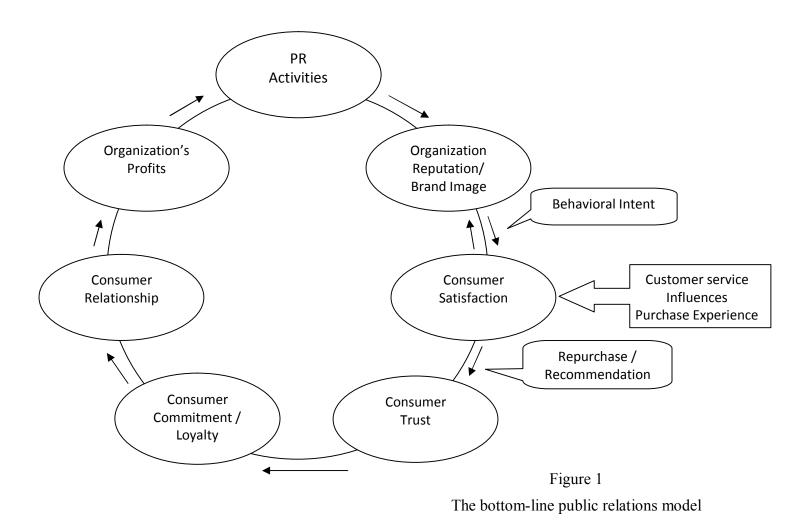
At the beginning, public relations practitioners produce *PR activities*, such as product promotion, press releases, campaigns, or other related events for their clients. Through experiencing the PR event, the clients'/organization's target audience will have an impression of the organization— that is *brand image*, or *organization reputation*. Positive brand image/organization reputation will produce greater *consumer satisfaction* and positively influence the target audience's decision when purchasing. For example, compared to an unknown brand, consumers usually will choose a brand they have heard of before even when they are buying a toothbrush. Here is

another example: people may gain much more *consumer satisfaction* from more well-known brands.

Furthermore, positive *brand image* may motivate the *behavioral intent* of some target audiences, so they will purchase a specific product or service from the organization. However, even if a good *brand image* can increase *behavioral intent* in a target audience's mind, an organization's bad *customer service* may ruin its reputation. During the purchase process, *customer service* plays an important role in producing the purchase experience, and the purchase experience will influence *consumer satisfaction*. As you see, *consumer satisfaction* in this model can affect *brand image*. Accordingly, *customer service* indirectly influences an *organization's reputation* in this proposed model.

After purchase, satisfaction with the product produces *consumer satisfaction*; in reverse, dissatisfaction with the product produces dissatisfaction which will result in an organization's bad reputation. Meanwhile, consumers may *share/recommend* their experience online or with their friends and families. They may give feedback to the organization about the product as well. Thus, *consumer satisfaction* is directly related to *organization reputation* either positively or negatively. As consumers feel positive *consumer satisfaction* toward the organization, the likelihood that they will *repurchase* the organization's products/service (or other products/service from the organization) increases. *Consumers' satisfaction* rises with positive purchase experiences, and consequently, consumers will cultivate *consumer trust* toward the organization. Additionally, consumers will start to have *consumer commitment*, and they will routinely purchase products from the organization. Finally, this routine behavior can become a firm relationship between the organization and its consumers. A stable *consumer relationship* will bring constant *profits* to the organization. In addition, the organization should continue *PR* 

*activities* to maintain positive relationship with its loyal consumers as well as to recruit new consumers.



# Conclusion

The explanations presented above should clarify the need for a positive relationship between three elements: 1) the relationship between public relations and common concepts (such as consumer satisfaction, consumer trust, consumer loyalty / consumer commitment, consumer relationship), 2) the relationship between these common concepts and an organization's bottomline, and 3) the relationship between public relations and an organization's bottomline. Almost every concept except for consumer trust has a direct and strong impact on an organization's bottom-line, and every term has a direct relationship with public relations. The proposed model delineates the relationship among ten elements: *PR activities, organization reputation/brand image, behavioral intent, consumer satisfaction, customer service, repurchase behavior, consumer trust, consumer commitment/loyalty, consumer relationship, and organization profit.* Furthermore, the proposed model directly explains the complicated relationship between *public relations* and *an organization's bottom-line*. Therefore, I argue that public relations indeed has a positive impact on an organization's bottom-line.

Public relations has long been viewed as an ambiguous tool by some CEOs and others inside organizations because they may fail to clearly see the long-term positive effects that public relations bring to an organization. It takes time for people to discover and understand the monetary value of public relations to an organization. Based on this model, if organizations continue to invest in public relations, they should be able to continually earn profits and recruit new consumers. The model is more like an energy cycle and should be endless; through the process of the model, organizations should achieve sustainable development.

However, beyond this proposed model, does it make sense to a practical world? This proposed model would not be useful unless public relations practitioners agree with it. If the model does not work, it may mean our past academic research results might have missed some important elements or pursued a mistaken direction in their research. Therefore, I initially test the model via in-depth interviews with five public relations practitioners. During the interviews, I provided them with the proposed elements disconnected from the model itself, and I asked them to assemble the ten elements from my model in a sequence to show me their own model and logic. The interviews help assure that public relations scholars examine the gap between the academic and professional worlds of public relations. The research questions I will use to test my model are:

- RQ1. In what sequence will public relations practitioners assemble the proposed elements together?
- RQ2. Are there any missing elements in the proposed model?
- RQ3. How will public relations practitioners view the proposed model based on their professional work experience?

# CHAPTER 3

### METHODOLOGY

# Purpose

As outlined in the research questions, the purpose of this project is to initially and informally test whether a new proposed model would resonate with public relations practitioners, to understand whether the proposed model matches public relations practitioners' logic of their jobs as well as their understanding of public relations. The interviewees' opinions will be valuable to set the direction of future studies. Moreover, information from interviewees' answers will provide public relations scholars with the ability to discover the gap/missing pieces between the academic and professional worlds of public relations.

# **In-depth interview**

In-depth interview, according to Wimmer and Dominick (2006), is generally a hybrid of the one-on-one interview approach. It is special for reasons, such as smaller samples, providing detailed information about the participant and the participant's thoughts and opinions. Typically, in-depth interviews are done with nonrandom samples, and the researcher can customize the focus of the interview to the participants. However, the main drawback of in-depth interviews is its generalizability; the interview results could be sensitively influenced by interviewee bias. The purpose of my interviews is to initially and informally test whether the proposed model is affirmed by public relations practitioners, so the issue of generalizability is not relevant to this project. In other words, my in-depth interviews will first determine how well the proposed model fits public relations practitioners' work experience and knowledge of public relations. If the interviewees' response is positive, then the bottom-line public relations model should be tested further in future studies.

The in-depth interview is a means of survey research. Generally, there are two types of surveys: descriptive and analytical. According to Wimmer and Dominick (2006), "a descriptive survey attempts to describe or document current conditions or attitudes" (p.179). Based on the motivation of my research, the in-depth interview will be most similar to a descriptive survey.

#### **Participants**

Five public relations practitioners participated in the interviewees. The purpose of these interviews was to initially determine how public relations practitioners view the new proposed model, so for the most meaningful results, I purposively chose veteran practitioners who live in Athens or Atlanta as my interviewees. Moreover, the participants worked as public relations practitioners for at least three years. In other words, I decided to use a convenience sample for the in-depth interview. Convenience samples are one kind of nonprobability sample. Although my nonprobability sample does not have any external validity, it was a convenient and useful way to test the proposed model. This in-depth interview should provide relevant information about how the elements of the proposed model match practitioners' work experience and knowledge of public relations. In addition, the result of the interview should provide direction as to whether further revising or testing of the proposed model is warranted. As a preliminary test, in-depth interviews with a nonprobability sample was appropriate for this study.

# Interview time duration

The purpose of the interview is to acquire an understanding of the participants' opinions toward the proposed model, so the focus of the interview should be concise. The planned duration of the interviews was forty-five minutes to one hour per participant. If the planned interview duration was not long enough to allow the researcher to understand participants' opinions during the interview, another interview session would be scheduled. No second sessions were necessary.

#### **Content of the In-depth interview**

The purpose of this interview was first, to gather the interviewees' job information, so analysis can be performed based on their job description; second, to understand the interviewees' logic and understanding of public relations, so I could discern the differences between public relations practitioners' practical experience and public relations scholars' academic thinking; and finally, to determine how the interviewees' view the proposed model, so I could ascertain the potential flaws within the proposed model.

# Procedure

However, in order to prevent the proposed model from influencing the interviewees' opinions and thoughts, the interviewees first participated in a simple card sorting exercise before they saw the proposed model. In addition, before the interviews began, the researcher told the participants that "there is no correct answer; the reason you are invited to participate in the interview is because I need to refer to your answers to correct the proposed model. Therefore, your answers are very valuable to this study." This statement was meant to eliminate the possibility of social desirability in interview responses.

After some basic questions about the interviewees' job description and thoughts about public relations, the interviewer showed the interviewees 10 notecards, each of which contains one of the 10 elements from the proposed model. On the notecards, the name of each element, such as PR activities, consumer relationship, and consumer commitment, is written on the front side, and the definitions of each element is written on the back. The interviewees could refer to the definitions on the notecards if they were confused with any of the elements/terms.

After the public relations practitioners saw the 10 notecards, the interviewer instructed the interviewees' to arrange the 10 elements into an order that makes sense to them. The interviewer gave the interviewees a piece of paper that suggests the framework of model in which the interviewees could write the names of each element as they arranged the cards. Therefore, the interviewees' models could help the interviewer clearly see in what sequence public relations practitioners assembled the proposed elements (RQ1) and whether there were any missing or new elements that needed to be added into the proposed model (RQ2). After the interviewees finished labeling their model, the interviewer asked them why they ordered the model in their particular way. Such discussion allowed the interviewer to understand the interviewees' logic and understanding of how public relations works through the 10 elements. After the exercise, the interviewer showed the bottom-line public relations model to the interviewees and asked them whether they affirm the bottom-line public relations model and to explain their reactions. Thus, the interviewer could know how public relations practitioners viewed the bottom-line public relations practitioners

#### **Evaluation of the new model**

I recorded each interview and transcribed the interview content in order to analyze each participant's answers carefully. Every interviewee's answer was quoted and extracted from the transcripts to report how public relations practitioners may view the bottom-line public relations model. I analyzed the differences between the proposed model and the interviewees' model and tried to further discover why the differences, if any, exist. If the bottom-line public relations model makes perfect sense to the interviewees, it would be significant to know that the proposed model represents a common ground between the academic and practical world. Future studies should further formally test the proposed model to support the results. However, if the bottomline public relations model differs from the interviewees' model and does not match the interviewees' work experience, the discrepancy provides a valuable chance for public relations researchers to further investigate the inconsistency. Such inconsistency plays a crucial role toward demystifying the gap between the academic and professional worlds of public relations. Every interviewee's opinion and thoughts are important and provide crucial information toward the direction of relevant future studies.

# **CHAPTER 4**

## INTERVIEW CONTENT ANALYSIS

### **Basic descriptions of interviewees**

Five individuals who work as public relations practitioners were the interviewees for this study. In questions 1 and 2, they were asked some basic information about their job, such as their job titles. They are all experienced practitioners in the public relations field; the most experienced one has been working in the public relations field for 28 years, and the youngest one has worked four years work experience in public relations. Three interviewees are females, and the remaining interviewees are males. Their work places include education, public relations agencies, and health care. Some of their job titles don't include the term "public relations" but use words, such as "communication" or "marketing" instead. Moreover, all of their job content includes varied tasks, such as media relations, pitching, social media, research, strategy, campaigns/events, and messaging. As one interviewee, who has worked as a public relations practitioner for four years, said: "you know, anything a PR person should do I do." Her words suggest how varied a public relations practitioner's job can be.

In question 3, I asked interviewees to define public relations according to their professional understanding. The answers were mostly consistent. They emphasized the importance of *communication* between the organization and its target publics including the media, stakeholders, and potential consumers; one of my interviewees even stresses "everyone" that he, as a PR practitioner, needs to communicate with. All interviewees mention similar concepts of "messaging" as part of the definition of public relations. For example, one of the interviewees

defined public relations as a way "to develop a comprehensive plan and strategy to successfully communicate a message that can influence a specific public's action or behavior." Another interviewee who has eight years experience defines public relations as "the face, voice, and embodiment of the organization; the liaison of not only the organization but media, stakeholders, potential consumers, anyone and everybody." Interestingly, one interviewee said his definition of public relations depends on his clients. He used the word "fluid" to describe the feature of public relations. The functions of these public relations practitioners varied widely, and time to time. For example, sometimes public relations could include pure media relations, a substitute for advertising, or marketing support.

In question 4, interviewees addressed any difficulties they have encountered as a public relations practitioner in an organization. Their answers were not surprising. Budget shortfalls were mentioned by four interviewees. In addition, CEO's disregard for public relations as well as a lack of understanding from the outside environment have been difficulties for the interviewees as well. In addition, one female interviewee indicated the glass ceiling phenomenon to women in the PR field; she said: "I'm thinking about that, but I think in general that statistically it's impossible for 70 percent of workforce to...uh...to be there and then have almost zero percent of that majority represented...at the top, the highest level of management. Something is going on, right?" Similarly, another female interviewee mentioned some of her clients' bias against women and referred to the PR field as a "good old boy system." Based on the interviewees' answers, gender matters, monetary controversies, and devaluation of the functions of public relations remain problems for public relations practitioners today.

Question 5 addressed the contributions of public relations to society and an organization. All of interviewees defined the role of public relations relative to "communication." For example, an

interviewee, who runs her own company, indicated that "public relations provides a channel for communication between anybody, such as culture to culture, business to business, or organization to its public." Another interviewee described public relations practitioners as a "communication expert." An interviewee who works in health care said: the primary job of public relations is to "change the negative impression or reputation, and to help, to influence, and to educate people to understand the meaning and value of the organization." Finally, one of my interviewees interestingly said public relations practitioners are like "interpreters" between different groups of people; she defined herself as a "dictionary" to her clients, so her clients could communicate with their target public audiences. Altogether, all of my interviewees underscore the communication function of public relations and believe that communication is the main contribution to their organization and society. In the following section, I present the five different models that my interviewees drew and compare their models to this study's proposed model.

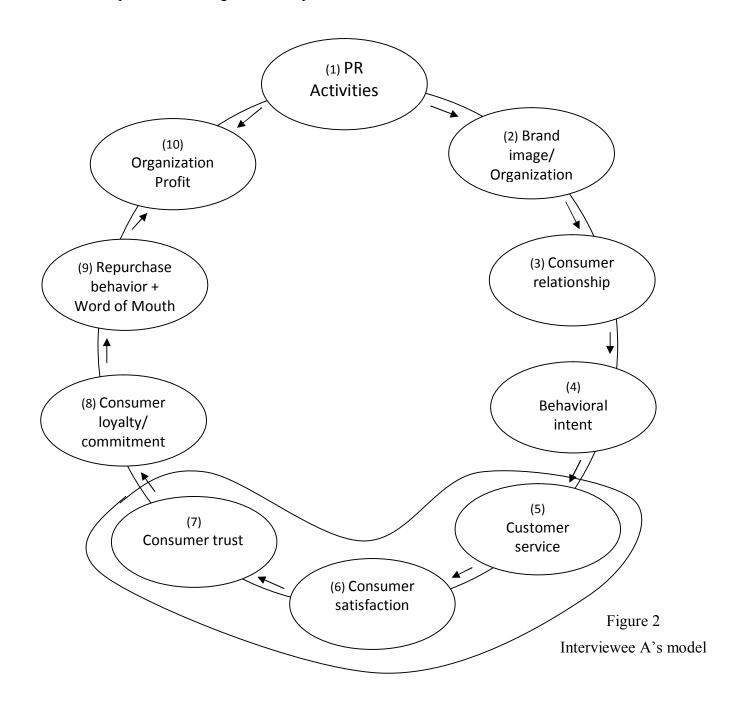
## Interviewee A's model

#### Model description

## Phase 1: Before purchase

Interviewee A works in education and has more than fifteen years of work experience in public relations. According to her explanations of her model, public relations practitioners must first implement public relations activities to establish brand image. People and potential consumers then notice and value an organization through its image and reputation, so the organization leaves an impression in people's mind, and this connection becomes consumer relationship. In other words, brand image "feeds directly to the relationship." When people have some positive impressions of and connections with an organization, they will have behavioral intent to buy

services or products from the organization. On the other hand, she also believed that public relations activities can directly influence an organization's bottom-line. That is, sometimes an organization does not need to experience that many steps, such as brand image and consumer relationship, to gain profits. A consumer may purchase an organization's products directly after he or she experiences the organization's public relations activities.



#### Phase 2: During purchase

Customer service, consumer satisfaction, and consumer trust are the next steps because these three elements represent the process of purchase. According to interviewee A's model, whether people are treated well and whether they are satisfied with the products or services and whether they trust the products, services, or the organization determines whether these people will become loyal consumers. In other words, according to the order of the elements interviewee A's model, if a consumer is treated well by an organization's customer service, he or she will be satisfied with the organization. Finally, satisfaction will further enhance consumers' trust toward an organization.

## Phase3: After purchase

When a consumer is satisfied and trusts an organization and its product, he or she will become the organization's loyal consumer. Then the organization's loyal consumers will repurchase its products or services. Moreover, in a school's aspect, interviewee A believes that repurchase behavior should be more like word of mouth and any other positive behavior. Interviewee A uses school as an example. If students are satisfied with what they learn from their school, they may send money or funding to support the school after they graduate or influence other people's behavior, such as encouraging them to apply to the school—which is profit.

Interviewee A states that public relations influences brand image and reputation and an organization's bottom-line most significantly. Although her model looks linear, she thinks that some arrows could connect the elements. For example, if a consumer trusts an organization, the consumer's trust could directly impact the organization's bottom-line.

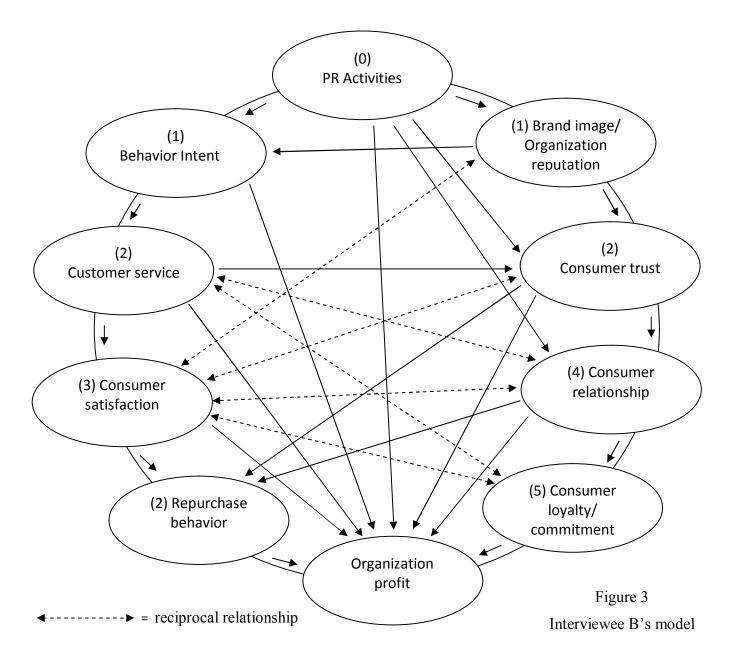
### Comparison

In the last two questions, interviewee A was shown the proposed model, and she said that the proposed model makes more sense to her. However, she thinks that *repurchase and recommendation behavior* should be placed further down in the model. When I asked her to correct it, she preferred to put *repurchase and recommendation behavior* after *consumer loyalty* or *consumer relationship* because she thinks without trust and commitment, consumers may not repurchase and recommend an organization's service or product. Finally, she agreed that the proposed model generally fits the real world and matches her work experience in the public relations field.

### **Interviewee B's model**

#### Model description

Interviewee B works in a hospital and has eight years work experience. According to his explanations of his model, first, public relations activities have a direct relationship with brand image, behavioral intent, consumer trust, consumer relationship, and organization profit; in other words, public relations activities can influence these elements directly. Second, in addition to, brand image, other elements all have direct relationships with an organization's bottom-line. In interview B's model, although consumer satisfaction does not have direct relationship to profit, it has a direct relationship with repurchase behavior. And repurchase behavior can bring profit to an organization; therefore, consumer satisfaction has a direct relationship with an organization's profit as well. Third, the sequence of the model is group to group; in other words, some elements are connected into a single step. For example, according his model, public relations activities will establish brand image and behavioral intent simultaneously; however, brand image can influence behavioral intent as well. Some groups of elements have cause and effect relationships



with each other; for example, brand image can influence behavioral intent, and some elements have reciprocal relationships with each other, such as, brand image and consumer satisfaction which influence each other. Detailed explanations are below.

First, PR practitioners produce PR activities to establish brand image and consumers' behavioral intent; meanwhile, brand image can influence consumers' behavioral intent as well. When consumers are purchasing, customer service plays a determinant role in influencing consumer

trust. If an organization's customer service satisfies its consumer, it will enhance consumer trust immediately and directly impact organization's bottom-line. The relationship between customer service and organization profit is very common. For example, if a consumer is treated well by an organization's customer service, the consumer may buy the organization's service or products because of the good treatment he or she receives. Furthermore, once a consumer trusts an organization, he or she should be willing to repurchase and recommend the organization's products or services to others; in other words, consumer trust can produce a Word of Mouth (WOM) effect. Therefore, customer services, consumer trust, and repurchase behavior are connected as a single step.

The repurchase behavior will need to happen several times and each purchasing experience should be positive. After the consumer's trust has accumulated to some degree, the consumer will become satisfied. However, consumer satisfaction has reciprocal relationships with brand image, consumer trust, and consumer relationship. In other words, to keep a consumer satisfied, an organization needs to maintain its positive brand image and its consumer's trust. When a consumer is satisfied with an organization and its products, he or she then should strength repurchase behavior and be willing to have long-term relationship with the organization. Also a stable consumer relationship will further cause a consumer to become loyal. Nevertheless, consumer relationship and consumer loyalty are reciprocally influenced by consumer satisfaction. In other words, if a loyal consumer becomes dissatisfied with an organization and its product, the consumer will then stop buying the organization's products and exit the relationship.

In the same sense, consumer relationship and consumer loyalty have reciprocal relationships with customer service. According to interviewee B, customer service plays an important role in maintaining an organization's consumer relationship and consumer loyalty. An

organization might lose its relationships with and loyalty from its consumers if a consumer has a bad experience with the organization's customer service department or personnel. In reverse, an organization's great customer service can reinforce the organization's relationships with its consumers and consumer loyalty.

### Comparison

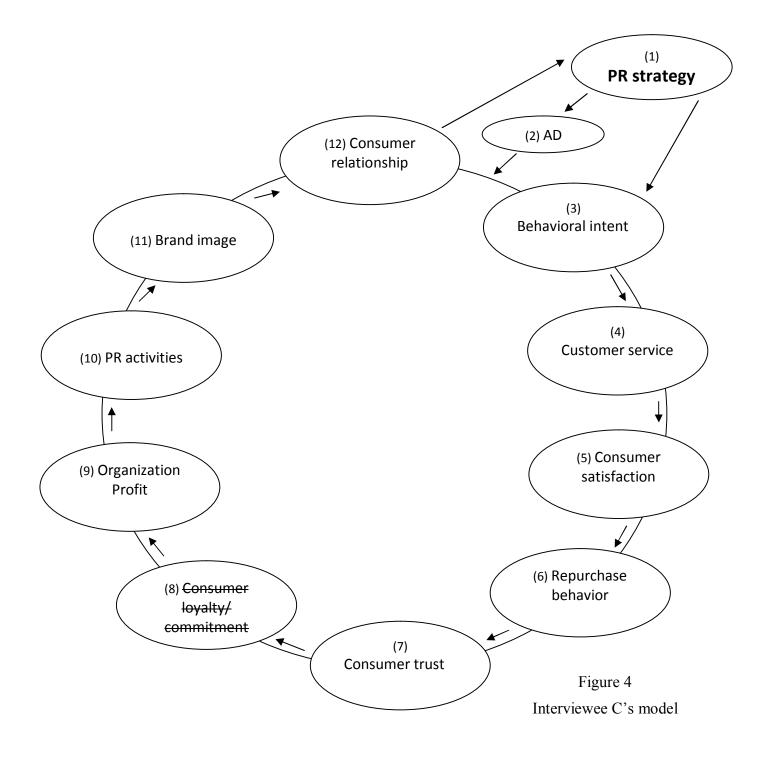
Although interviewee B's model is not an endless circle, his model well delineates how public relations works and brings profits to an organization. When he saw the proposed model, he noted that it is a workable and helpful but lacks flexibility and adaptation. As he said: "[...] but for me to say that I agree that I have to have a PR activity before I can create a consumer relationship, I don't agree with it." In other words, he thinks that in the real public relations world, not every element is needed in the process of how public relations works in an organization; some elements may be skipped in the model.

## Interviewee C's model

## Model description

Interviewee C's model is a particularly interesting one; she is the only interviewee who placed public relations activities in the late stage of the model. Interviewee C has four years work experience and is working in a public relations agency. According to her explanation of her model, an organization first will devise some public relations strategies to plan and choose its marketing tools, such as advertising; and public relations can be a marketing tool as well. However, the public relations strategies may not come from a public relations practitioner but from anyone in the organization. As she said, "People won't do PR activities until they have

profits." Therefore, before an organization gains its profit from its market, it may not go to public relations practitioners.



Marketing tools will intrigue consumers' behavioral intent to buy services or products from the organization. And further during the purchasing process, customer service plays a very important role. If the consumer is well treated, he or she will be satisfied with the organization. In reverse, if an organization's customer service gives a consumer a poor purchasing experience, he or she will not likely buy the organization's products or services even if it products or services are great. Thus, customer service is a determinant point that influences whether consumers will repurchase an organization's products. If a consumer is consistently treated well by the customer service, he or she will likely trust the organization; the consumer's repurchase behavior will also bring profits to the organization. After the organization gains enough profit, it will then implement public relations activities to establish the organization's reputation based on previous elements. Finally, the organization will establish a consumer relationship.

Originally, interviewee C placed consumer relationship after consumer trust and placed consumer loyalty after brand image; however, after she saw my proposed model, she changed her mind. She removed consumer loyalty and said because recently the market has been very competitive, consumer loyalty no longer exists. According to her, the model could be endless.

### Comparison

In the last two questions, interviewee C was shown the proposed model; however, she thought that her model was more appropriate to the professional world. When asked about the reasons why the proposed model was not appropriate, she said, "No, this (her model) fits the real world. This (the proposed model) is fine, it's not that far from professional world of the public relations." She thought the two models weren't that different from each other; nevertheless, hers might fit the professional world better. When I asked her how to correct the proposed model, she said to make it identical to hers.

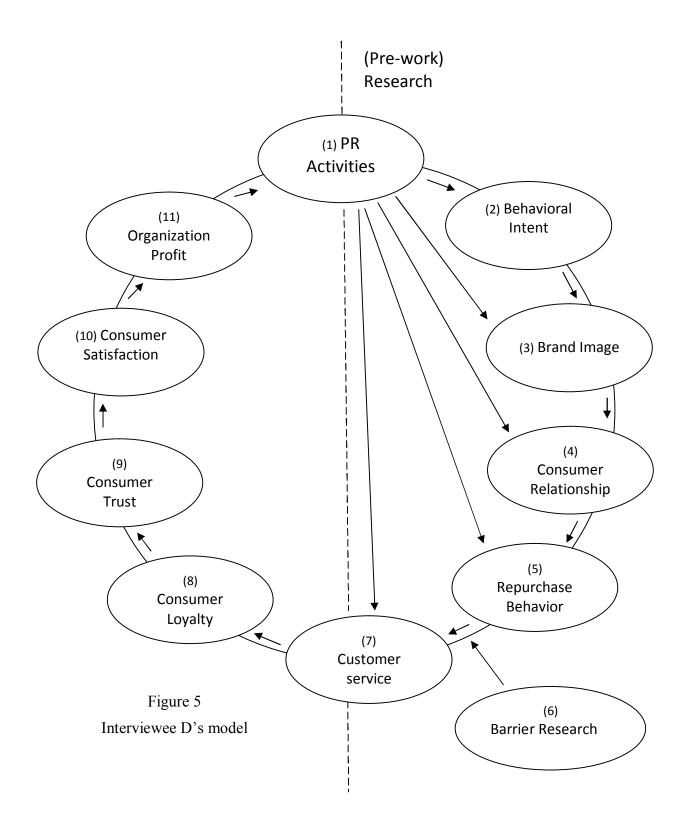
# **Interviewee D's model**

## Model description

Interviewee D has operated her own public relations company for twenty-eight years. She divided her model into two parts. The right part is pre-work or planning work, and the left part represents consumers' connections with an organization. According to her explanation, it is better if public relations practitioners do the planning part first, then consumer's connections will smoothly progress in the model. However, she thinks that most public relations practitioners don't do the planning part; rather, they only do public relations activities in reality. According to her explanation of her model, before public relations practitioners implement PR activities, they need to do the research of behavioral intent, brand image, consumer relationship, repurchase behavior, and barrier. For example, in terms of the research of behavioral intent, public relations practitioners will ask themselves "what makes their target consumers want to buy their products or services?" In other words, "what makes their consumers have behavioral intent to buy products or services from their organization?" In terms of the research barrier, public relations practitioners need, public relations practitioners need to investigate "what is in their way preventing them from gaining profits?" When the research part is done, public relations practitioners should be able to know how and what kind of public relations activities they should produce in order to reach their consumers. And the public relations activities are implemented in the step of customer service.

After the planning work, according to interviewee D, public relations activities are elements of customer service, which can help an organization to get in touch with consumers. When consumers are treated well by customer service, they will then start to feel loyalty and trust

toward the organization. Furthermore, once the consumers have loyalty and trust an organization, they will become satisfied, and consumer satisfaction makes money for an



organization. Hopefully, after an organization gains enough profit, it will re-invests money in public relations activities.

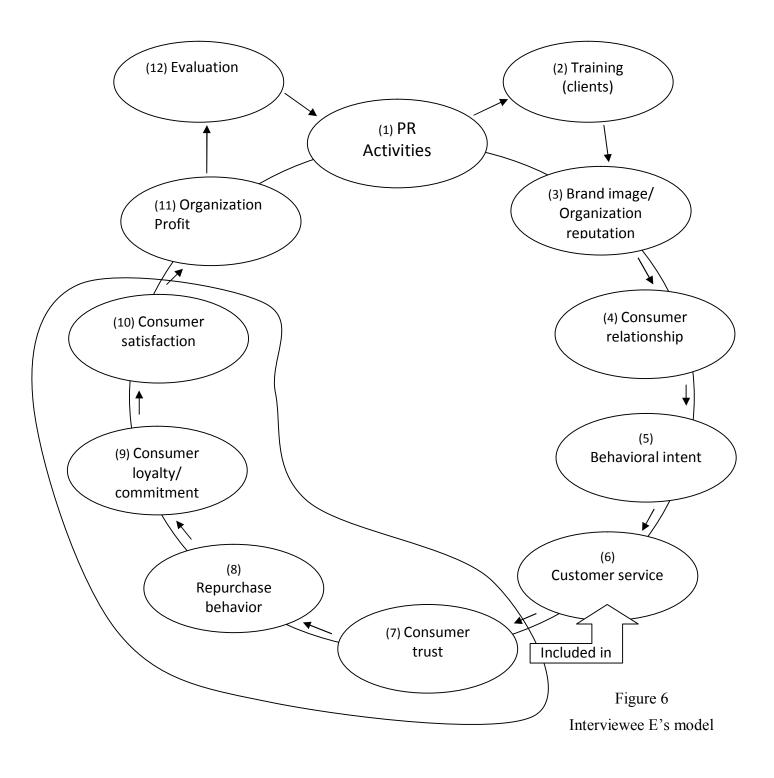
## Comparison

Basically, interviewee D's model is not similar to my proposed model; however, when I showed the proposed model to her, she said actually both models make the same sense to her. When I asked her why the two models were similar to her, she couldn't really explain. She thought both models fit the real world; nevertheless, by virtue of the budget problem, in the real world public relations practitioners might not have time to go through each step of the model. Public relations practitioners might skip some steps or only do some public relations activities because of time constrains, budget shortfalls, or other reasons. Altogether, both models are practical; nonetheless, neither model is implemented step by step in the real world in terms of some difficulties, such as the shortage of budget.

## **Interviewee E's model**

## Model description

Interview E works in a public relations agency and has eight years of professional work experience. According to his explanation of his model, public relations practitioners first implement PR activities; the PR activities include training and educating their clients. For instance, public relations practitioners need to train their clients how to speak in front of the media and how to attract public's attention. When the training is done, public relations practitioners should be able to assist their clients to establish positive brand image. Eventually, consumers will have an impression of the clients' organization and products; as a result, consumer relationship appears. Here, according to interviewee E, consumer relationship is more likely the consumers' impression of an organization.



When consumers have a positive impression of an organization, they will have behavioral intent to buy products or services from the organization. When purchasing, if the consumers are treated well by the customer service, they will begin to trust the organization. And consumer trust will positively impact consumers' repurchase behavior. As consumers continue to have positive purchase experiences from several repurchase behaviors, they will become the organization's loyal consumers. In addition, loyal consumers will enhance consumer satisfaction, and satisfied consumers will bring constant profits to the organization. Finally, after an organization gains profits, it will evaluate whether public relations is an option worthy of future investment. Hopefully the answer will be yes. Thus, the model should be an endless circle. Noteworthily, interviewee E thinks that consumer trust, repurchase behavior, consumer loyalty, and consumer satisfaction are seriously influenced by customer service. In other words, he thinks these four elements can be achieved if an organization has good customer service. He said: "if you have good customer service, you know you can achieve these steps." Therefore, in his model, the four elements, consumer trust, repurchase behavior, consumer loyalty, and consumer satisfaction could be directly included in the step of customer service because of the strong cause and effect relationship between customer service and these elements.

#### Comparison

In the last two questions, interviewee E was shown the proposed model. He thinks that both his model and the proposed one fit the real world. He thinks the proposed model has a good order as well. In other words, both models make sense to him and in fact are very similar. However, he emphasizes the importance of customer service. According to his thoughts, if an organization does not have good customer service, it will then "cut off" the organization's profits, and vice-versa.

Through the interviews with five public relations practitioners, the gap between the academic and professional worlds of public relations is made clear. Although interviewees A, B, C, D, and E are all public relations practitioners, they often have different viewpoints; these disparities may come from their contrasting work places and professional experiences. In addition, the interviewees' models do have some consistencies but the consistencies differ from academic definitions or past research findings. It is very intriguing to know how public relations practitioners perceive and experience ways in which public relations works in an organization. And the differences between the interviewees' models and the proposed model are the important contributions of this paper.

# **CHAPTER 5**

## DISCUSSION AND LIMITATIONS

Answering RQ 1 is difficult because of the diverse responses from the interviewees. Basically, two consistencies persist among the five models. The first consistency is the definition of consumer relationship. According to the models, all interviewees place consumer relationship in the very early stage of their models. The interviewees seem to define consumer relationship as an "impression" of an organization in consumers' minds. Therefore, once a consumer experiences the step of brand image, consumer relationship should soon be established.

Moreover, public relations practitioners seem to value consumer loyalty or consumer satisfaction more than consumer relationship. This conclusion is easy to see from the five models; four out of five models place consumer loyalty or satisfaction as the final step that impacts consumers' repurchase behavior or organizational profit. Apparently, public relations practitioners' definition of consumer relationship may be totally different from the academic definition, which emphasizes a long-term relationship. It is ironic to point out that in the public relations academic world, most researchers view consumer relationship as the most valuable asset to an organization, but none of my interviewees valued the relationship element as much as public relations scholars do.

The second consistency is the emphasis of customer service. Four out of five interviewees emphasize the importance of customer service in their explanation of their models. However, the reason why one interviewee does not talk about the importance of customer service is because she works in education. According to her explanation of her model, customer service is more like the quality and source of a school. If a school has courses with high quality and rich source, then its students will be satisfied. Her definition of customer service is different from the typical definition of customer service, so I do not count her as one who emphasizes customer service. Nonetheless, regardless of the definitions of customer service from each interviewee, all interviewees highly value customer service.

Interviewee E especially delineates the importance of customer service in his model. Finally, as one interviewee said: "[a]nd then their buying experience has to be good, uh, otherwise, they are gonna talk about, I mean, I just have a horrible experience in a store, I tell everybody and my mother about 'we bought the ring, but we had horrible customer service, we'll never go back.' So good customer service can make consumer satisfaction." This sentence clearly depicts the crucial role that customer service plays in an organization.

However, some interviewees think customer service is not included in the functions of public relations. Only interviewee D believes that customer service is the step that first gets in touch with an organization's target public. Although all interviewees agree that the influence of customer service is strong and vital, they are unable to control the performance of customer service. As a matter of fact, in the public relations academic world, customer service is not thoroughly discussed by researchers as well.

The role of customer service in the model of how public relations works in an organization is tricky; it is the only concept excluded from public relations researchers and practitioners' discussions. Future studies can focus more closely on the connection between public relations and customer service. On the other hand, the emphasis of customer service by the interviewees may suggest the need of more cooperation between the departments of public relations and marketing. Typically, in an organization, customer service is under control of

marketing; nevertheless, according to past studies and the interview results, the role customer service plays in an organization crucially impacts the organization's reputation and even bottomline. If the departments of public relations and marketing can cooperate on customer service, the organization may greatly benefit.

Fortunately, there is one coincident between the interviewees' models and the proposed model. Four out of five interviewees place brand image after the step of public relations activities. In addition, during the interviews, most interviewees agree that establishing brand image is public relations practitioners' primary job. Therefore, in terms of how public relations works in an organization, this finding requires that both PR researchers and practitioners have a common understanding of what the public relations practitioners' primary job is for an organization. Generally, most interviewees assemble their models in a linear pattern like the proposed model. Although interviewee B's model looks very complicated, according to his explanation, his model is very similar to the proposed model. Especially when compared to other models. In the explanation of the proposed model, the direct relationships between PR activities and other elements are described as well. However, only the proposed model emphasizes strong relationships between each element. Additionally, in interviewee D's model, the relationships between PR activities and behavioral intent, brand image, consumer relationship, repurchase behavior, and customer service represents the planning work that PR practitioners need to do; the arrows in interviewee D's model are not cause and effect relationships.

Finally, the cause and effect relationships between consumer satisfaction, consumer trust, and consumer loyalty in the five models are varied. Interviewee A's model is the same as the proposed model, other interviewees' models are different from each other. In interview B's model, the relationships between consumer satisfaction, consumer trust, and consumer loyalty

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are consumer trust $\rightarrow$ consumer satisfaction $\rightarrow$ consumer loyalty. In interviewee D's model, the order is consumer loyalty $\rightarrow$ consumer trust $\rightarrow$ consumer satisfaction. In interviewee E's model, the order is consumer trust $\rightarrow$ consumer loyalty $\rightarrow$ consumer satisfaction. (Interviewee C removes consumer loyalty, so her model is not counted in this discussion; however, apart from consumer loyalty, the order her model makes coincides with the proposed model.)

The varied sequences among consumer satisfaction, consumer trust, and consumer loyalty from the different interviewees' models show a bizarre phenomenon. According to past research, the sequence among the three elements is more like what the proposed model shows. These three elements should represent different degrees of affiliation or affection that a consumer has toward an organization; however, in most public relations practitioners' minds the definitions of these three elements are quite different from each other. Or, perhaps these three elements do not make any difference to public relations practitioners; even though their explanations all make sense to them. On the other hand, perhaps the relationships between consumer satisfaction, consumer trust, and consumer relationship need to be further investigated.

Noteworthily, compared to the other four interviewees' models, interviewee B places consumer trust very early in his model. Besides the possible explanations above, another possibility to explain interviewee B's different thinking about consumer trust is interviewee B's workplace. In this study, three out of five interviewees' workplaces are public relations agencies, interviewee A's work field is education, and interviewee B's work field is health care. According to interviewee B's work field, his model may indicate that consumer trust is the most urgent task for an organization in the field of health care to establish with its consumers. For example, according to interviewee B's model, if a hospital's consumer is satisfied with its customer service including doctors' and nurses' skills and service, the consumer / patient will soon trust the hospital and be willing to return to the same hospital for future health needs. In other words, in terms of consumer satisfaction, consumer trust, and consumer loyalty, perhaps different industries have different degrees of needs from these three elements. Therefore, the sequences among consumer satisfaction, trust, and loyalty are different between the interviewees' models. Future studies can focus on a specific industry to replicate this project. When looking at the results from practitioners within the same field, the models may be surprisingly similar. To answer RQ 3, generally, all of the interviewees agree the proposed model is useful. However, there is no unwavering support for the bottom-line public relations model, because none of the interviewees' models is consistent with it. Even though three out of five interviewees agreed that the proposed model fits the real world, one interviewee thinks the proposed model lacks adaptations and flexibility, and one interviewee thinks the proposed model is fine but no more realistic than her model. Therefore, at this stage, there are no universally agreed upon changes to the proposed model, although interviewee C removes consumer loyalty in her model, interviewee D adds "barrier research" as a new element, and interviewee E adds two new elements, "training (clients)" and "evaluation," in his model (RQ2). All of these issues may be attributable to the small and diverse (in terms of practice areas) interview sample.

In terms of the bizarre phenomenon described above (i.e., disagreement between practice and scholarship consumer relationship), it is noteworthy to know in the professional public relations world, public relations practitioners may not view these terms as different stages to determine their work progress. There may be many explanations for this phenomenon. For instance, public relations practitioners may not have clear sense of what they do will cause what effect in their jobs; therefore, they are not able to have a consistency in terms of the sequences of the models. And this explanation can be applied to each interviewees' models as well. Only two models had

the same sequence. Interviewee A's sequence is: PR activities  $\rightarrow$  brand image  $\rightarrow$  consumer relationship  $\rightarrow$  behavioral intent  $\rightarrow$  customer service. And interviewee E's sequence is: PR activities  $\rightarrow$  training  $\rightarrow$  brand image  $\rightarrow$  consumer relationship  $\rightarrow$  behavioral intent  $\rightarrow$  customer service. Other than this similarity, every interviewee has their own order for their models.

Another possible explanation for the phenomenon of disparity among the interviewees is that the academic terms do not congruently exist in public relations practitioners' minds. In other words, consumer satisfaction, consumer trust, consumer loyalty, and maybe the rest of the elements are terms produced by public relations researchers which do not exist in the practitioners' common parlance. This possibility indicates at least one disconnect between the academic and the professional worlds of public relations, although all the interviewees define public relations and describe their job very similar to academic definitions. Future study should focus on this part. If this explanation is true, public relations practitioners' work experience instead of inventing terms that do not match public relations practitioners' logic and understanding of their jobs. In other words, public relations scholars should find a common vocabulary with public relations practitioners.

Public relations scholars need to use terms with which public relations practitioners are familiar, then both sides will be able to communicate and exchange knowledge and experience about public relations. According to the interview results, it is apparent that both academic and professional worlds of public relations have consistent definitions of practice. For example, both sides emphasize "communicator" as one of the major roles that a public relations professional plays. However, the fact that both sides of public relations do not use the same *language* is evident as well. During the interviews, before the interviewees saw the bottom-line public

relations model, most of them arranged their models in a very different way; however, after the interviewees saw the bottom-line public relations model, most of them believed that both the bottom-line public relations model and their models made the same sense. That is, the bottomline public relations model indeed matches public relations practitioners' logic and understanding of public relations; nevertheless, the unfamiliar terms might confuse them when they were trying to arrange their models. If public relations scholars can use the terms that public relations practitioners are familiar with, then this *language problem* may be solved. Altogether, although only five interviewees participated in this research, their answers provide valuable contributions to public relations academic research. However, this study is the first step of the research of the bottom-line public relations model; future replications of this study are needed. If the results of the replications are similar, the findings will be more convincing. Moreover, in terms of the problem of generalization, future studies may use other research methods, such as surveys to increase credibility. For example, public relations scholars can dissemble the bottom-line public relations model into several chunks, such as public relations $\rightarrow$ brand image, and empirically test the relationship to see whether public relations indeed leads to increased positive perceptions of brand image. Additionally, further investigations should have larger samples, such as 25 to 30 participants, in order to come to more generalizable conclusions.

In addition, the goal of this study was to delineate how public relations works in an organization in terms of the impact of public relations on an organization's bottom-line. In terms of various functions that public relations has, other models are needed to determine how public relations works in a variety of settings. Therefore, this bottom-line public relations model cannot replace other models in the public relations academic world, but this model will help public relations researchers, practitioners and CEOs to understand the relationship between public

relations and an organization's profit. Furthermore, future research can develop different bottomline oriented public relations models that focus on different *publics* in different occasions. For example, future research can develop a specific model for organizations' activists or investors or employees. Public relations professionals should have different behavior patterns and strategies when facing different publics and occasions, then they will be able to predictably handle various situations. Hopefully, this direction can provide public relations scholars and practitioners a new idea to develop different oriented public relations models.

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## APPENDIX

#### **In-depth Interview Questionnaire**

1.To begin, let me ask a few questions about you first

- a. What is your job title?
- b. How many years have you been working as a public relations practitioner?
- c.Describe a typical day for you. Or, what is your job description and what do you spend most of your time doing?
- Please briefly explain what kind of public relations activities you typically do for your clients.
- 3.Please briefly define *public relations* according to your professional understanding.
- 4. Please briefly talk about the difficulties, if any, you encounter as a public relations

practitioner in your organization.

5. What do you think public relations contributes to an organization and to the society?

Now we are going to play a simple game. Here we have the 10 most common terms in the PR field written on the note cards: *PR activities, brand image, behavioral intent, consumer satisfaction, customer service, repurchase behavior, consumer trust, consumer loyalty, consumer relationship,* and *organization profit.* According past research, these 10 elements should have cause and effect relationships among each other. Based on your work experience, Please arrange these elements in a logical order. Please use label arrows to show the cause and effect relationships between elements. You can use both left right arrows ( $\leftrightarrow$ ) for a single pair of elements to describe two elements that are influenced by each other in a relationship. In addition, you can look at the back of the element cards for brief definitions of each PR term.

Please write down the element names on the plain blocks to show the model that makes sense to you.

(After the model has been formulated)

6.Could you explain in detail why you ordered the model as you did?

7. What other elements/steps, if any, do you think are crucial but missing in this model?

8.Do you think this model, as a whole, fits the real world?

Finally, here is my proposed model that developed based on past research. I am going to explain this model to you first, and then ask you few more questions.

# (Use Script)

- 9.Based on your work experience, do you think this model fits your logics and understanding of public relations? If not, please tell me why?
- 10.Based on your work experience, how would you correct this model if you think there is something that needs to be changed and added?