

PR's Double Vision

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In the post-bubble period of the American economy, there is a back-to-basics movement. Consider questions asked about:

- Accounting: What should auditors do?
- Wall Street analysts: What is their role on behalf of investors?
- Company boards: What is governance and what should directors be doing?
- CEOs: Why are they paid so much and why did so many fake revenues and earnings?

There will be changes, of course. Merrill Lynch's \$100 million payout to the government is not easily forgotten nor is the destruction of a major auditing firm. The specter and spectacle of Enron, Global Crossing, Xerox and other company meltdowns hangs over the economy and investors whose retirements and wealth were lost.

Communications conglomerates that vacuumed PR agencies into groups during the 1990s were driven by the same go-go spirit that valued growth over all. They too were wounded when the economy stopped. Nonetheless, in 12 years of acquisitions and mergers, the PR industry is different. Combines of PR agencies rule now, although they are blips within the media conglomerates that own them. How does this affect PR service, and what does back-to-basics mean for PR? Two streams of thinking and execution have driven PR from the beginning and will determine its future.

Press Agency

Press agency is ink. It is a sales-driven approach that does whatever it takes to get exposure for clients in the media without resorting to paid advertising. Press agency is not above truth-bending or lying to reach its pragmatic objective. It will make up facts if it

needs to do so. It includes an attitude misattributed to P.T. Barnum who apparently did not say, "There is a sucker born every minute," but acted as if there were. It is persuasion for short-term advantage. Press agency is a long-standing part of PR, and it won't go away. Press agency has transformed over the decades into "ink with ethics," that is getting exposure while maintaining respect for facts, but if all else fails, getting exposure is more important than facts.

Practitioners of press agency have included so-called fathers of modern PR – Ivy Lee and Edward Bernays. In the early 20th Century, both were Broadway press agents, when Broadway was the capital of the entertainment world, before moving on. Bernays' move into constructed news that accounts for audience perceptions and biases is a sophisticated form of press agency. His 1915 80-page press packet for the Diaghilev Ballet Russe American tour was an early example, and his work in 1932 publicizing autos for General Motors with testimonials from business and academic leaders was more elaborate.

Press agency relies on spin – interpreting facts to fit one's view and to get media coverage. Christopher Buckley's hilarious novel, "Thank You for Smoking" lampoons this type of practitioner brilliantly, and post-presidential debate commentary from Democrats and Republicans is a quadrennial example of spinning. Press agency includes any technique that manufactures news -- publicity stunts, faux surveys, fake committees, constructed events and other tactics practitioners continue to use.

Relationship Building

The second stream of thinking comes from a belief that business should build long-term

trust with the constituencies that allow it to survive and succeed. This point of view is best exemplified by Arthur W. Page's principles:

- Tell the truth
- Prove it with action
- Listen to the customer
- Manage for tomorrow
- Conduct public relations as if the whole company depends on it
- Remain calm, patient and good-humored.

Page, of course, was not the first to advocate relationship building. Ivy Lee in his handling of railroad accidents and coal strikes moved corporations from stonewalling to telling their side of a story. It is interesting that Page, the vice president of public relations for American Telephone and Telegraph Company (AT&T) from 1927 to 1946, worked for a regulated monopoly. AT&T spent enormous amounts of time cultivating public utility commissions. All heavily regulated companies in the U.S., such as utilities and pharmaceutical companies, understand the need to cultivate and keep the trust of regulators, and they understand the connection between customers and regulators. Trust has become a major issue in the post-bubble business world. It was lack of trust in Enron that sent it off the cliff and lack of trust in Arthur Andersen that destroyed that firm. Relationship building protects a firm's long-term competitiveness.

Tangled Tactics

Press agency and relationship building became entangled through the 20th Century and are inextricably entwined. In fact, with many PR practitioners, the two views of representation are largely treated as one, but they aren't. PR's audiences are not neutral about representation. Journalists, for example, can reject approaches as too self-interested and of no import to readers. They can and will expose "spin." They are not agents of organizations on which they report. Moreover, they evaluate individuals for trustworthiness in relaying facts. But

journalists are not immune to press agency – far from it. In the media, self-interest and long-term trust meet. Journalists are people and despite principles of journalism, they are susceptible to self-interest, quid pro quo and scoops. In fact, it is not even clear what a journalist is: Journalists themselves have difficulty defining their role. There always has been a blurred line between news and entertainment. Think of fan magazines, People and National Enquirer, entertainment news shows filled with celebrity interviews. This side of news encompasses Geraldo Rivera as well as Cindy Adams, Liz Smith and many others. They work in mass media vying for mass audiences. It was no different with the Hearst-Pulitzer newspaper wars of the 19th Century. The other side of journalism is serious about "saving the world." This branch is summed in nine principles developed by the Committee of Concerned Journalists:

- An obligation to truth
- Loyalty to citizens
- Practices the discipline of verification
- Independent from those covered
- An independent monitor of power
- A forum for public criticism and compromise
- Strives to make the significant interesting and relevant – story telling
- Keeps news comprehensive and proportional
- Practitioners exercise their personal conscience.

Journalism is a big tent. The two types of reporters sit side-by-side and are essential parts of a "media mix." Public relations reflects the media and is a mixture of press agents and strategists.

Client Interest

A PR firm represents client interests. A press-agent practitioner spins for short-term client advantage. A relationship practitioner seeks a long-term position that benefits a client and the public. Are either of these

going to change? No. Both views of how to execute PR strategies will continue. However, there might be a slight shift to relationship building after the bubble of the 1990s when some firms abandoned accuracy while flacking for dot-coms and “hot” companies. The 1990s were, in fact, a triumph of press agency. It was a period of doing and saying just about anything to make sure clients were mentioned and stock valuations supported in a skyrocketing market. The ruination of the dot-coms and the collapse of the market brought the introspection we now witness. (Strangely, little attention has been paid to PR and to Investor Relations, both of which aided and abetted the hype.) In the sober “new millennium,” there seems to be more profit in virtue and more questions about “how could we have done that?” It is a morning-after syndrome that realizes the public feels it has been burned, and there is a need to woo them back. PR and IR both reflect a resuscitated view of relationship building, although IR specialists at the behest of CEOs and CFOs stick to EBITDA (Earnings before Interest, tax, depreciation and amortization) reporting rather than net income. The problem with a shift toward relationship building is that one must hope individuals forget the past. Some do, but many don’t. It takes time to believe again after one feels betrayed – even if an individual recognizes personal culpability in the betrayal. (Journalists aided and abetted dot-com mania by suspending skepticism. They too suffer morning-after syndrome.)

How should PR return to basics? The task of PR CEOs is and will be to set the line for where a company fits between press agency and relationship building and how. Successful firms can be built at either extreme or in the middle as long as practitioners are clear about what they do and their limits. A press agent should eschew talk of building long-term trust while a strategist should avoid “spin.” Unfortunately, some practitioners don’t know the difference. For them, facts are malleable and interpreted “on

the fly.” Press agents must understand that their spinning is ephemeral and for short-term advantage. Strategists must understand if they use “spin,” they jeopardize the long-term positioning they are trying to build for a client.

A worrisome trend from the 90s is a move away from PR business to a PR revenue model. Some PR firms opt for neutrality in representation as long as they win business. They do not distinguish between press agency and relationship building nor between spin and accuracy. It is all revenue and the more the better. Emphasis on revenue growth shifts focus to internal concerns. Clients may gain neither short-term advantage nor long-term counseling because firms ignore communications in favor of maximizing staff hours and selling new business. As a result, individual and firm representation can become blurred with journalists, consumers, regulators and others. Even though journalists appear to vest credibility with individual PR practitioners more than firms or departments, individual credibility reflects on a firm. Reporters who do not trust individuals often mistrust firms from which individuals come. This is expressed in terms such as “What kind of outfit would hire a person like this?”

Practitioners can rarely be all things to all clients: They will lean toward short-term advantage or toward long-term strategy. They will play loosely with facts or guard them rigorously. Clients are no different. Some will strive for the moment and others for the long-term. In politics, President Clinton’s team mastered the art of short-term punching and counter-punching based on constant polling. They had more difficulty with long-term strategy because their vision of the White House was a political campaign. Some industries live or die in a day or two or at most a few weeks. Hollywood movie launches depend on the first weekend. Toys must survive Christmas. Clothing fashions last a season. On the other hand, other industries, once short-term in thinking, have moved to long-term relationship building.

Think of the auto industry, which has seen the average length of car ownership climb to the point where buying a new car is not an every three year activity that existed in the 1950s. The auto industry also has had numerous and continuing go-arounds with regulators who have demanded safer and less polluting cars.

PR practitioners tend to reflect clients they serve because of self-selection, if nothing else, but they might not understand differences between press agency and relationship building, especially in merged firms that join cultures under one banner. That is why building a culture or preserving one may be the single largest task that PR CEOs have. CEOs cannot absolve themselves from choosing work an agency will take nor from staff targeting by communications style. Some practitioners aren't good at press agency and others

cannot execute long-term strategy. Few can balance in the middle while gaining and maintaining credibility. The difference between press agency and relationship building is all the more important in companies that have abandoned "public relations" for a larger role as "communications firms" to foster growth. Treatment of facts, short-term advantage and long-term relationship building does not disappear with a name change and service expansion. However, under pressure to perform, it is easy to "smudge" facts and make them up press agents did and do. The bubble period of the 1990s saw accountants, lawyers, investment bankers and others move from larger concerns to self-interest and loss of accuracy that has harmed not only individuals but industries. Sadly, some still don't see what they have done is objectionable. PR should avoid that fate.

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