

THE OUTSET AND DEVELOPMENT OF PUBLIC RELATIONS (PR) IN ROMANIAN ECONOMY AFTER 1990

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Abstract:

Currently, even in Romania the public relations (PR) develops in extremely diverse organizations, have varied frames of work and implies objectives sometimes hard to conciliate; they are practiced in and for governmental institutions, also in / for non-governmental organizations, for companies which pursue the profit, but also for civic associations, for banks, for educational or cultural institutions. The objectives of public relations are different too: from inducement of the public in favor of an organization to compelling an organization for changing its attitude towards public, and from sustaining democracy in a society to promotion of a company or celebrity interests.

The present paper is pointing out the reviewing of public relations evolution in Romanian economy after 1990, emphasizing the stage reached in the last years, as well as the trends in development of Romanian PR. Thus, are presented the results of different studies regarding the way of perceiving the PR activities by the local organizations, the understanding degree of their importance for companies development, the preferences for certain types of communication that are specific to the vast domain of public relations. Based on these data, it is prefigured the direction of PR Romanian market development, which is mainly represented by the agencies specialized in carrying out PR activities.

Keywords: PR, PR activities, PRS (PR specialist), PR agencies, PR market, on-line PR

JEL Classification: M19

1. INTRODUCTION

The public relations (PR) represent a continuous, systematic and planned effort through which the organizations try to obtain and maintain the confidence, sympathy, understanding and support of the public.

Despite the difficulties of rigorous quantification of PR activities results, even in Romanian business environment the companies need to create their own public communication structures (services, bureaus, public relations offices, bureaus and press attaché, spokesmen) and to develop a coherent relationship policy with the diverse public categories represents an imperative because the importance of public relations consist in the fact that they constitute a multiplier of organization power when they are used properly.

2. PREREQUISITES OF THE PR BEGINNING IN ROMANIA

As a consequence of the results registered during the two world wars, the PR activity records a considerable raising in post-war period; after a decade, almost all governmental agencies from West had a public relations structure; at the same time, as a very important matter, the public relations succeed in being recognized as indispensable for any organization which (come in the (to) mass-media attention) compel the mass-media attention.

Nevertheless, the public relations were late enough recognized in Europe as an independent profession. In 1964, France was the first state who made this by establishing a definition for public relations and press practitioners, which has been published in Journal Officiel de la République Française (the French „Official Gazette”). (1)

After 1990, the public relations have developed rapidly also in Central and East Europe, even in some states in which still exist totalitarian regimes because the public relations involve from

the organizations the cultivation of some direct contacts, consequently and systematic accomplished with the different public categories, with influent persons from other local or foreign organizations management, with mass-media, with public power representatives, with opinion leaders etc., for the purpose of obtaining the support of all these categories in the organizations effort to preserve and develop their interests. As a distinctive activity area, public relations are placed among the most modern instruments of communication policy in contemporaneous society, in the same time comprising also veritable promotional attributes.

In Romania, after a pioneering first stage, in which some journalists have „migrated” to public relations, the discipline began to be studied in schools and universities, which provides basic concepts about the general process of communication and public relations in particular. Meanwhile, government institutions and business organizations have realized more deeply the public relations significance for their general activity success. (2)

The multinational companies entrance (and not only) on the Romanian market, companies that develop businesses in the order of hundreds and even billions of euros annually, is and will be the ideal prerequisite for developing of a real business in public relations domain. (3) Whereas these multinational companies have come up with a specific organizational culture, but also sets of procedures, rules extremely well defined, inclusively for communication activities and public relations. (4)

If the necessity of a PR department inside the organization or the call to a company specialized in these type of services have been well understood by the multinationals and very large Romanian companies, not the same thing can be said about the Romanian companies which are developing now. This is due rather to the lack of tradition of the Romanian PR, and not to the quality of services provided by agencies on the market (even in the West boundaries between what is PR, media relations, communication, marketing and promotion are still quite vague).

However, increasing competition has made domestic entrepreneurs to realize that PR is not only the relationship with the press, but much more; that's for they begun to increasingly resort to the services provided by PR agencies. (5) The existence itself of these agencies is due to the increasingly demand for professionals and specialized communication services on the part of multinational companies which operate in Romania. And they need a local adaptation of their international message, approach that involves the call to Romanian PRS, whether employees in their PR department, whether they are employed in multinational agencies with branches in Romania or local PR agencies.

3. THE DEVELOPMENT OF PR ROMANIAN MARKET

The term of „PR agencies” has been applied to firms, individuals, partnerships and companies that were founded in the early years after the Second World War. At this stage, most of the services offered to customers consisted in the practical implementation of public relations tactics. Because only a few practitioners were trained in the journalism field, the consultancy element has developed based on the knowledge of the mass -media, on how the public may react to advertising media. (6)

The public relations companies (agencies) have developed in the United States along with business and American industry. At present, a public relations agency may have from some people (local agencies) to hundreds of people employed permanently or temporarily, placed in the same office or expanded in the world (international agencies), working on the same project or several projects, simultaneously or at different times.

The public relations agency is the institution whose main goal is to create the image, to make the communication media for a cause, an idea, a country etc., planning and carrying out concrete the public relations campaign. (7) In business area, this definition is broad, covering a wide range of services that may be offered by a PR agency, including a dvice on communication issues and not only.

The PR agencies market in Romania occurred with the entrance of multinational companies, which have brought with them the need to communicate with the public in a professional manner, especially with the press, and has developed with the economic and companies growth.

If 14 years ago, the PR agencies in Romania included only a few names, there are now over 20 major players who „dispute” the PR budgets of the larger and many companies on the market.

According to a study on the use of image and public relations conducted by the Club of Public Relations Companies (CPRC), the companies budget for PR in 2006 was approximately 70 000 euros, over 70% of managers from 200 local companies saying that they will allocate more financial resources to PR in the next periods, which shows a significant increase in interest for such services. (8)

As stated the CPRC representatives, the study targeted the top companies in terms of turnover and budget invested in advertising, companies from Fortune or Forbes tops that have branches in Romania, companies working with a PR agency or which have potential for public relations.

The study sought to identify general perceptions and attitudes of companies towards the PR and the role and importance of this type of communication management. Also, the questions concerned the circumstances of use the public relations as a form of communication - the type of services used, situations where PR is becoming a necessity, ways of planning, evaluation and budgeting activities. (9)

Thus, in 62,5% of cases, the top management is the one who decides to hire a PR agency. In 53,3% of cases, marketing departments are the main structures that are conducting the PR activities within the company, and distinctive public relations departments are found in only 35,7% of companies. (10)

Over half of those interviewed said that they use public relations both in marketing mix to promote brands and for corporate communication: 34,6% of companies are using exclusively corporate communication, and 13,7% use only marketing communication.

Over two thirds of companies interviewed stake on the continuity of public relations activity, while 31,9% use occasionally PR as a communication tool, when it is necessary. Moreover, 62,4% of companies consider that the PR activity must be continuously to be effective. This percentage, which will continue to grow, shows great understanding of the fact that major market leaders do not stop doing any time what communication suppose to mean, because they look beyond the moment. (11)

Then, the services of media relations remain the most requested even in our country, followed by organizing events, internal communication programs, media monitoring, crisis monitoring and CSR* (Corporate Social Responsibility) programs. As a consequence, companies in Romania have identified five categories of public relations use:

- creating a favorable image of the company;
- supporting services and products through communication;
- creating the reputation of company;
- involving and motivating the employees;
- crisis management.

The same categories are funded again in an similar order in the types of services required by companies to PR agencies: the organization of events and media relations dominate the top, with quite equal values (68,2% and 67,1%), being followed by media monitoring with 62,5%, consultancy on communication problems – 35,2%, crisis monitoring – 14,8% and CSR activities – 14,8%.

Among the companies which carry on PR activities, one third (32,4%) includes them in the marketing plan, while 37,4% included in the business strategy of the company, and 18,1% consider them as a part of integrated communication strategy. Only 12,1% considered the PR as a tactic activity, as a support for the general strategy of the company. (12)

Regarding the number of PRS, in Romania is currently working about 15 000 experts, compared with Italy, for example, where 75 000 are registered, but „qualitative differences are

present at the public administration level, where most officials are recycled, who not have specialized faculties. (...) On the other hand, where there are specialists, they are not taking into account by management or are used under the „designed parameters”, usually in relation with the press and the protocol” considers Bor un Dumitru, former president of the Association of Romanian Professionals in Public Relations (ARPR).

„The situation is different in the West, where the PR directory is part of active decision-making process. Another significant difference between the Romanian PR and civilized world”, says Borun, „is represented by the areas which were developed: in our country, in many places the PR is reduced to the events organizing and media relations; abroad, it attaches great importance to communication campaigns, image campaigns and internal communication. (13)

However, the public relations sector in Romania has real professionals in the field, but their number is insignificant for the growth level of the market (14), whereas „a public relations person must know his customers very well, must know which their strengths are and be a good friend in times of crisis. A PRS is not just a pretty smiling girl, but an informed, professional person, involved in the business which he represents” said Raluca Anghel, Managing Partner A & M PR Agency. (15) And these qualities require years of experience, difficult to gain in circumstances in which, although in Romania there is some PRS with at least 10 years seniority, we can talk about a real market of public relations and communication not more than 4 - 5 years.

However, currently, the market value of PR in Romania is estimated by industry players from around 20 million euros (according to data held by the agency „4 ACE”). Annual growth of around 25-30% registered constantly over the past 5 years make the public relations agencies attractive both to large groups of international communication, and for new local players. (16)

However, the PR market in Romania is difficult to estimate in the absence of rigorous specialized studies, especially at regional level. If the estimates are not made based on the invoiced amount of actual work performed by public relations agency (*fee billings*), but on the basis of turnover, the information is irrelevant, since there are agencies to which the *fee billings* share of the total turnover is 15-20% and others to which this share may be 60-70%, case which does not allow a comparison. Thus, the market share of an agency or another is relative. In addition, PR agencies reported higher turnover compared to low profit margins. This is because they run through the counts of agency the entire budget of the client, even if most of expenditure is for an event.

On the other hand, the PR budgets can be consumed directly by the companies, with or without the support of agencies or can be used for the PR services provided by the advertising agencies departments, which do not report separate amounts for PR.

It should also be noted that in order to quantify the PR Romanian market, can be applied the principle that 20% make 80%: practically, the 20 % of public relations agencies conducted 80% of the market. (17)

Regarding the comparison with markets in the region, Romania is on one of the first places, long before Hungary and being get ahead only of the Czech Republic. Explanation is given to the fact that here have central offices on the region many multinational companies; therefore, the need for PR is much higher. But the position held proves that Romania has grown with this market at a pace much faster than they neighbors (18), and the PR seems to found its bench marks and to have earned its place in the Romanian business environment.

Thus, in 2008, Paul Holmescel, the best known international PR analyst, said during the SABER awards that „Romania is the most creative and competitive market with such profile in Europe" (19).

4. THE TRENDS IN PR ACTIVITIES APPROACH

In the past five years, the public relations industry in Romania has an increasingly growth about 15-20% and will continue to grow at a sustained pace because its main engines of growth are related to education, and not only to economic conditions. Constantly increase the number of PR

clients and the companies which began to use this communication tool not waive it, but develops it.

(20)

Thus, communication is no longer seen as an exercise to promote easy, but a serious investment of time and experience both from the client / company and the PR agency / department. The briefs** does not include as an objective „the launching of press statements”, but presents the business situations, vision of development and concrete plans and seek to incorporate the communication in the transformation processes. (21)

An example in this meaning, along with many others in multinationals case, is the Unilever passing through a globally repositioning over the past two years. This strategic repositioning assumed the introduction of the Vitality concept for all its brands, redefining the logo, the mission and the environment in which the company has understood to express publicly. „It is a great advantage to have a keyword to help you send a message to all environments. It brings coherence, consistency and, ultimately, reputation”, is the opinion of Alexandra Olaru, corporate affairs director of Unilever South Central Europe (USCE). (22)

Evensys conducted a survey which involved questioning of 65 specialists from PR and advertising agencies and from communications departments of companies. (23) The survey revealed that the PR image in the business environment has evolved to better last year and that in the field exist many development opportunities. In view of PR specialists, the biggest trend in 2009 aims the increasing of initiatives in on-line environment, which is followed by diversification of PR. (24)

Thus, as a result of the survey, a hierarchical organization of the major trends of this year, according to the percentage that each trend occupies, is:

- the increasing of PR initiatives in the on-line environment (78%);
- the diversification of PR activities beyond its relationship with the press (70%);
- the increasing of number of CSR programs (67%).

Less „fashionable” in 2009 is the increasing of PR freelancer*** segment (34%), the detachment of several PR departments in independent agencies (25%) and less „trendy” is the entrance of some new international PR agencies (22%). (25) The small percentage in terms of entering on the Romanian market of some new international PR agencies can be put on the choice of multinational firms that operate in Romania either to call for the services offered by international agencies already on the market or for those offered by the Romanian agencies or to develop their own PR departments. Both hypotheses sustain the hiring of Romanian PRS because they know better the Romanian economic reality and the local publics level of understanding of various PR activities.

Moreover, the category of the most requested services PR this year is comprised of media relations (72%), on-line PR (61%) and CSR (48%). Regarding the evolution of perception of the PR in the business environment, 70% of practitioner respondents said that it is better, 28% think that it not has changed much and only 2% said that it is less good than before. However, at the question whether the benefits of PR are well understood, 94% of the public relations practitioners who took part in the poll have a negative answer.

Then, 95% of respondents replied that the main tool used as on-line PR is the e-mail. Reading blogs is a current activity for 75% of practitioners, while 74% use the on-line monitoring. Also, 25% helps themselves by group's discussion, but only 15% use text ads, e.g. Google AdWords. (26)

In addition, the communication people interviewed about the factors limiting the development of on-line PR considered in proportion of 63%, that the main barrier is the misunderstanding of the environment. The next limiting factor is the absence of competences in the field, response with which agreed 60% of respondents, while 42% said that the on -line environment is very unpredictable and very difficult to control. The results of this survey are presented in a partial synthesis in Table no. 1. (27)

As a worldwide trend, „73% of U.S. journalists use blogs as a communication tool. So, PR does not have opportunities to develop as an industry if it does not use tools such as blogs. At this

time, even in the U.S. only 30% of specialists use PR blogging ", explained Loredana Visa, PR manager at Avon Canada. „Today, PR is using language accessible to all, not only to the press, but also to the public. In 2009 blogs, are called the *new press statements*”, said Loredana Visa. Thus, the bloggers are looked in 2009 as a different kind of journalists. Their power to influence the public has been called Social Media, concept which describes a living organism that is very sensitive to the authenticity of PR messages. (28)

It seems that in the next period, any PR message will be followed by users and verified. If it will not be authentic, the reaction can be very powerful, because now any citizen may express opinions on the blog and company image can be easily affected.

Table no.1. The synthesis results of the survey on the factors limiting the PR and the trends in the field

The factors limiting the development of several PR activities in the online environment		Major trends	
Environment misunderstanding	63%	The increase of PR initiatives in on-line environment	78%
There is not many competences in the field	60%	The diversification of PR activities beyond the media relation	70%
On-line environment is very unpredictable and very difficult to control	42%	The increase in number of CSR programs	67%
Too small budgets at disposal	34%	The pronouncement of some distinct specialization on the part of some agencies	47%
There is worry about the data security	34%	The finding out of some new canals for PR activities	45%
There isn't instruments for measuring the PR activities in on-line environment	29%	The increase of budgets allocated to public relations	42%
The costumers consider that the on-line environment is not adequate for PR	29%	The consolidation of PR agencies	34%
There is no interest toward media covering on the Internet	26%	The increase of „PR freelancer” segment	34%
The technology is hard to implemented	18%	The detachment of several PR departments in independent agencies	25%
There is no interest from community toward PR	11%	The entrance of some new international PR agencies	22%

The source: Adapted from www.adevarul.ro – The PR develops on-line.

5. CONCLUSIONS

It can be concluded that the areas of great interest for the present state and future of public relations in the Romanian economy are:

- the integrated communication (as a new way of communication with a public increasingly varied and pretentious; involves the use of synergistic opportunities for communication and a good understanding of all the company's operational activities and coordination within the team);
- the internal communication (to be effective for a better prevention of potential conflicts within the company, which has the duty to use those channels and means of communication recognized and appreciated by its employees, so they retain the loyalty and fidelity to the company);
- the financial communication (whatever is happening on global financial markets may affect firms in Romania, whether local or subsidiaries of multinational companies, in a very short time and with a huge impact);
- the crisis communication (with special emphasis placed on crisis prevention);
- the CSR programs (their role in the communication strategy of any mature and modern company);
- the relationship between PR and the press (to be effective and productive);

➤ the on-line in public relations activity.

Since Romania has passed the stage where the PR mean only press conferences and statements, and the Internet has become a relevant area to urban communities and this will increase (29), the conclusion of public relations specialists is that the communication market will increase due to increasing number of companies and customers who will need specialized communication services, respectively the complex services which belong to the public relations domain.

Along with the evolution of the companies, internationalization of business and growing competitiveness will be developed new types of communications activities appropriate to each category of publics, will diversify audiences and will enhance the PR activities.

ENDNOTES:

* CSR (Corporate Social Responsibility) – is a concept regarding to the contribution that the companies should have in the development of modern society. In time, this contribution was different theorized by more currents of thinking. The companies „responsible” initiatives were named in a variety of terms: *corporate citizenship, corporate philanthropy, corporate societal marketing, community affairs, community development* etc. (www.responsabilitatesociala.ro)

** Brief – (1) Accurate exposure, written or oral, which lay the foundations of a problem and the objectives to be achieved. (2) Term often used to describe the speech given by an announcer before his agency. (erbnic, D. – *Dictionarul comunicarii integrate de marketing*, Ed. ROSETTI EDUCATIONAL, Bucuresti, 2006, p. 31)

*** Freelancer – an independent contractor who provides services to different employers without being tied to any one of them, through a conventional long term commitment. From the employer point of view, the freelancer is a flexible source of working that can be called and also can be easily exempt from, depending on its needs. From the perspective of a freelancer, the main advantages are translated into a greater variety of tasks and a greater freedom to choose which hours, days or weeks are convenient to him. (www.carriereonline.ro)

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