Public relations by newly privatized businesses in Bosnia-Herzegovina

Michael L. Kent a,*, Maureen Taylor a, Lejla Turcilo b

a School of Communication, 300 Spraux Tower, Western Michigan University, 1903 W. Michigan Avenue, Kalamazoo, MI 49008 5318, USA
b Department of Journalism, University of Sarajevo, Bosnia-Herzegovina

Received 20 December 2004; received in revised form 1 October 2005; accepted 4 October 2005

Abstract

Public relations as a communication function is emerging as an important organizational process in many parts of the world. This paper examines the development of public relations in a transitional economy: Bosnia-Herzegovina. Data from 38 newly privatized organizations show the perceived potential for public relations as these organizations attempt to communicate with new publics and gain market share in a difficult business environment. The results suggest that Bosnian public relations managers understand public relations as a relationship building function but are constrained from fulfilling this function by the realities of a transitional economy.

© 2005 Elsevier Inc. All rights reserved.

Keywords: Marketing; New communication technology; Transitional economy; Bosnia

1. Introduction

In 1992, a special issue of Public Relations Review encouraged public relations scholars to consider an undeveloped research topic: international practices of public relations. Taylor (2001) reviewed many of the articles that focused on international public relations and noted that since 1992 there have been many important contributions to the field of international public relations. Culbertson and Chen (1996), VanSyk Turk and Scanlan (1999), Sritamesh and Vercic (2003), and most recently, Van Ruler and Vercic (2004) have brought various international practitioners and researchers together in edited volumes to examine how public relations is theorized and practiced in nations on every continent. These international researchers provide valuable descriptions and frameworks for understanding the current state of the practice across the globe. The chapters appearing in the different books have offered benchmark studies of the development of public relations in particular nations.

The practice of benchmarking has a well-established history in business-related disciplines (Doerfel & Ruben, 2002). Grunig and Grunig (2003) noted that there should be “greater reliance on research for both planning purposes and benchmarking evaluation of results” in public relations (pp. 343–340). Benchmarking provides a baseline that allows organizations to draw conclusions about how their own practices compare to similar organizations. Doerfel and Ruben (2002) note there are two primary reasons why organizations and industries create benchmarks: assessment and...
progress toward innovation. The end goal of a benchmark study is to guide changes in the organization’s practices to understand “organizational success, survival, innovation and growth” (Doerfel & Ruben, 2002, p. 23). Much of what has been written about global public relations practices fits into a benchmarking framework.

The purpose of this article is to continue the exploration of global public relations. A recurring theme through much of our literature is about the relationship between public relations and marketing. While the public relations and marketing debate extends to almost all nations of the world, the issues are especially relevant for those nations that are currently experiencing a “transitional approach” (Van Ruler & Vercic, 2004, p. 9). Transitional economics are those where the central government has traditionally planned the economy. However, with the break-up of the former Soviet Union, newly independent East European nations are transitioning to a market economy. Nations that are changing from a command or government-dominated economy to a free market private enterprise system offer researchers unique opportunities to study the development of our field. Transitional nations are important because they allow researchers to watch the interplay of how unique cultural factors influence public relations tactics.

The nation of Bosnia-Herzegovina, once part of Yugoslavia, was selected as a site for our research. Although Brkic and Husic (2004) described public relations in both the private and public sectors in Bosnia, they did not provide any data or measurements about the practice. This research is a benchmark of Bosnian public relations that we can use to trace the development of the practice over time. The first section of this article discusses the context of transitional nations and explores the role of public relations and marketing in transitional economies. This section also outlines the key concepts that were benchmarked: (2.1) the relationship between marketing and public relations; (2.2) the ways that new technology helps organizations in transitional economies to reach key publics; and (2.3) the obstacles and suggestions for professionalism in the field. Sections 3 and 4 describe the research methodology and results of the study. The final section of the article describes the current public relations situation in Bosnia and extends the findings to how public relations in transitional nations might inform our understanding of global public relations theory and practice.

2. Public relations in transitional economies

Lawniczak (2004) has provided a systematic analysis of the public relations environment in transitional nations of Eastern Europe. A transitional economy is one in which the ownership and direction of the economy is moved by market forces rather than governmental directives. Many times the relationships between publics, governments, media, and businesses that have traditionally existed become strained or in some cases, change entirely (Taylor & Kent, 2000). Economic transitions are times of enormous uncertainty. The World Bank suggests that privatization often results in a lowered standard of living for many who were once taken care of by former socialist government safety nets.

In transitional economies, there is a greater need for what public relations does best: build relationships. And, public relations also has a role to play in the actual economic and political transition. Lawniczak notes that “for the first time in the history of public relations, its strategies and instruments can be applied to assist in the peaceful transition from one political-economic system to another” (2003, p. 225). Nation building is a lofty goal for the profession. Yet, in many transitional economies, public relations is merely one of many organizational functions vying for organizational resources. Indeed, public relations is often considered to be the same as marketing.

2.1. Marketing as a dominant organizational function

In many parts of the world, marketing and public relations are treated the same. Marketing Communication (MARCOM) and Integrated Marketing Communication (IMC) are the most common ways that organizations conceptualize the two practices. The relationship between marketing and public relations was first raised when marketing professors Philip Kotler and William Mindak asked, “where does marketing end and public relations begin?” (1978, p. 13). Kotler and Mindak never really answered the question but instead posed three different models of the potential relationship between public relations and marketing: (1) marketing acting as the dominant function; (2) public relations acting as the dominant function; and (3) public relations and marketing acting in concert. In 1991, James Van Leuven edited a special issue of Public Relations Review dedicated to a discussion of the relationships between public relations and marketing. Researchers appearing in the issue included Broom, Lauzen, and Tucker (1991), Grunig and Grunig (1991), Lauzen (1991), and Spicer (1991). Each article reported on the conceptual, theoretical, and current status of how public relations and marketing serve organizational functions. Terms such as “marketing communication,” “encroachment,”
and “imperialism” were introduced or developed in that special issue to explain the opportunities and challenges of the marketing and public relations relationship.

Most of the scholarship on the relationship between marketing and public relations privileges an American perspective. However, a few research extensions that have helped explain the global issues involved in the public relations and marketing relationship exist. Van Ruler and De Lange (2003), for example, studied which organizational function was responsible for communication management in Dutch organizations. Van Ruler and De Lange found that people who had previously worked in marketing were more likely to hold a communication management position (p. 152). Van Ruler and De Lange also discovered that only 14% of the managers in their study had ties to public relations departments.

Wu and Taylor (2003) examined the link between public relations and marketing in Taiwan. They discovered that many practitioners see the future of public relations closely linked with marketing.

Organizations that operate in global contexts have to balance the diverse goals of public relations and marketing. And, in many nations, especially those where public relations is undeveloped as a professional communication function, the public relations function may suffer from “encroachment” (Lauzen, 1991). Encroachment describes how organizations with strong marketing departments sometimes allow individuals not skilled in public relations, such as people from marketing departments, to “manage the less powerful department” (p. 247) of public relations. Lauzen (1993) found that when the public relations and marketing teams share the same goals, then the marketing staff becomes more involved in public relations activities. The relationship of marketing to public relations has consequences for how the practice of public relations will develop in a particular organization and in a nation.

Encroachment is a major concern for the practice of public relations as it develops across the world. Public relations is a new field in the U.S. and an even younger profession in other parts of the world. For public relations to develop and serve its unique communication function, encroachment must be minimized so that public relations may serve its core function: relationship-building. Brkic and Husic (2004), and Cicic, Brkic, and Kamenica (2001) confirm that “there has been some confusion what the real role of marketing and public relations in Bosnia” (Brkic & Husic, 2004, p. 59). Our study collects data about Bosnian public relations to better understand the nature of the relationship between public relations and marketing.

A good place to start to see if encroachment is occurring is to identify how Bosnian practitioners define public relations and marketing and how they view the relationship between the two professions. Gordon argued that definitions “play crucial roles both in societal processes and in the minds of those who study and practice public relations” (1997, p. 58). The first set of research questions asks about the definitions of public relations and marketing:

RQ 1: How do Bosnian organizations define public relations?
RQ 2: How do Bosnian organizations define marketing?

H1: Marketing and public relations will be understood by Bosnian practitioners to support similar communication activities.

The answers to these research questions and hypothesis provide a benchmark that can be used in later studies to trace the evolving relationship between public relations and marketing. Another area of interest is the use of new communication technologies in newly privatized organizations. Organizational Web sites appear to be “caught in the middle” of public relations and marketing. Public relations researchers argue that Web sites are tools for organizations to build relationships with publics (Kent & Taylor, 1998, 2002) while marketing researchers often claim the World Wide Web as a marketing tool (Nair, 2004).

Many of the newly privatized businesses in transitional nations first emerged in the late 1990s. This was the same decade that new communication technologies were hailed as “must have” marketing tools for growing businesses. Given the business landscape in Bosnia-Herzegovina, questions about how businesses are incorporating communication technologies into their communication with media, the public, and others need to be asked. The next section examines the prevalence of new technologies as public relations and marketing tools.

2.2. New communication technologies as public relations and marketing tools

One way that public relations may emerge as a unique communication practice that will separate it from marketing may be through its employment of new technologies. New communication technologies such as the World Wide Web and the Internet provide new ways for organizations to engage publics and the media (Kent & Taylor, 1998, 2002). While
much is known about the use of new technologies in public relations by American businesses (Esrock & Leichty, 1999; White & Raman, 1999) little is known about if, and how, the Internet and World Wide Web are considered valuable tools for newly privatized businesses in transitional economies.

Bosnian Internet usage is the third lowest in Europe (2.3%) just above Ukraine (1.9%) and Albania (1%) (www.internetworldstats.com/stats4.htm). To expand our understanding of Bosnian business use of new technologies, a third research question was posited to determine how new communication technologies are being used by Bosnian public relations practitioners and which specific organizational function these communication technologies support—marketing or public relations.

RQ 3: How are new communication technologies used to support public relations activities?

There are varying levels of societal acceptance of the public relations profession around the world. Lawniczak (2004) found that there was a legacy of mistrust about Eastern Europe that public relations was “suspicious propaganda” (p. 221). Public relations needs to emerge as a respected organizational communication function for it to best serve organizations. The next section identifies the obstacles and opportunities for enhancing the public relations profession in Bosnia-Herzegovina.

2.3. Developing professionalism

Across the globe, there are both societal and profession-based issues that influence the amount of respect public relations garners. Each nation has unique conditions that contextualize the development of the practice of public relations. Brkic and Husic (2004) reported that Bosnian public relations faced many obstacles including the lack of a formal university curriculum, a struggling economy, lack of organizational awareness about the importance of the consumer public, and the media situation. To clarify the obstacles and opportunities for public relations practice in Bosnia-Herzegovina, two final research questions were asked:

RQ 4: What are the perceived obstacles to the professionalization of public relations?
RQ 5: What will improve professionalism?

Taken together, the answers to these questions seek to provide a benchmark of Bosnia’s newly privatized organizations’ public relations practices, obstacles, and a road map for improvement.

3. Methodology of the study

The study is based on both quantitative and qualitative data collected from public relations practitioners in newly privatized Bosnian businesses. The researcher team consisted of two Americans and one Bosnian. Two members of the team first conducted interviews during spring 2001 with senior public relations directors. These interviews allowed the researchers to gain an in-depth understanding of the dynamics of public relations in Bosnia. At the completion of these interviews, the researchers then created and distributed a four-page questionnaire, with both open and closed ended questions, to other newly privatized Bosnian organizations. The survey included both quantitative and qualitative questions based on previous research conducted on public relations development in the region (Taylor, 2000, 2004; Vercic, 2003).

Conducting research in a transitional economy presents many challenges to researchers. There is no national business registry of privately owned businesses in Bosnia and thus no standard method for identifying potential participants. The researchers pieced together a list of newly privatized organizations through a variety of sources including the Chamber of Commerce in Sarajevo, the Rotary Club, and other professional associations. To increase the sampling frame, the researchers also looked at local newspaper stories, job postings, and advertisements to identify additional organizations.

The sampling frame included both large and small organizations. The researchers were able to find contact information including fax numbers, e-mail addresses, telephone numbers, and other contact information for a total of 100 organizations. The researchers specified that the organization’s public relations representative should fill out the survey. In the event that there was no public relations person, the researchers asked that the marketing manager/director
complete the survey. Thirty-eight organizations (38%) completed the surveys. This response rate may seem low, but research in international contexts often suffers from lower than desired response rates. Public relations studies about the Netherlands (Van Ruler & De Lange, 2003), Bulgaria (Karadjou, Kim, & Karavasilev, 2000) and Taiwan (Wu & Taylor, 2003) have reported response rates between 20% and 30% as acceptable.

The respondents provided basic demographic information about their organization’s public relations and marketing efforts, the size of the public relations and marketing departments, the title of person responsible for the public relations function, education levels, and number of years in public relations.

Open-ended questions asked respondents to define public relations and marketing and to give examples of each practice. To further understand the relationship between marketing and public relations, respondents were asked two questions using a 5-point Likert scale ranging from strongly agree to strongly disagree: (1) in our organization, public relations and marketing must work together; and (2) in our organization, public relations and marketing have very different goals.

To create the benchmark of how new technologies are being used in Bosnia, the researchers asked six questions using a 5-point Likert scale ranging from strongly agree to strongly disagree. The questions were based on this following statement: On a regular basis: (1) I send e-mail to media; (2) I send news releases via e-mail; (3) the media send me information via e-mail; (4) we use our Web site for public relations; (5) we use our Web site for marketing; and (6) we update our Web site frequently. Finally, open questions asked the practitioners to identify and explain any obstacles to the development of the field of public relations and to make suggestions for improving its professionalism.

4. Results

Thirty-eight organizations participated in the study. Twenty-six of the organizational respondents were male and 12 respondents were female. Respondents’ ages ranged from 20 to 60 years of age (M = 43.36, S.D. = 11.68). The number of years in the field of public relations ranged from one year to 40 years (M = 11.92, S.D. = 10.26). The educational levels of participants included basic high school education (40%), two-year professional training degrees (40%), and university degrees (20%). Organizational size varied widely with some organizations having more than 3000 employees and other organizations having fewer than 10 full-time employees. The number of individuals employed in the sample organizations’ public relations function was lower (M = 3.06, S.D. = 3.11) than the number employed in the marketing function (M = 11.10, S.D. = 25.95).

RQ 1 sought information about the ways in which the directors/managers of public relations defined the practice. There was very high agreement on this question. Twenty-three (60%) of the respondents indicated that public relations involved some combination of “communication,” “strategy,” “explanation,” and “the public.” Responses included comments like “the best interest of the public and us,” “public relations is strategically planned activities which will provide good public opinion,” “presentation of accurate, true, and educational information,” “an approach to the public in order to tell them what we do.” Other definitions included a focus on creating “positive attitude” and “promotion of the reputation” of the organization.

RQ 2 inquired about practitioners’ definitions of marketing. Thirty respondents (80%) provided references to practices such as “advertising,” “selling,” and “profit.” Sample responses included: “contacts with clients which bring [organizational] benefit,” “providing profit for the organization,” “selling messages about us in order to make people use our services,” and “to make a profit.”

To discern how marketing and public relations worked within organizations, the respondents were asked additional closed-ended questions. Table 1 shows that the respondents agree that marketing and public relations functions work together in their organizations (M = 4.45, S.D. = 1.20). Interviewees disagreed that marketing and public relations have different goals (M = 2.14, S.D. = 1.75). When these results are combined with the results of the open-ended questions asking respondents to define public relations it appears that respondents consider both marketing and public relations as similar and complementary tools for organizations to communicate with publics. H1 posited that the respondents would view marketing and public relations as serving similar communication functions. This hypothesis was supported.

RQ 3 asked about the way that practitioners employ technology. Table 1 indicates that most practitioners use e-mail regularly (M = 4.32, S.D. = 1.3), many use e-mail to send news releases (M = 3.74, S.D. = 1.6), and practitioners receive e-mail from the media (M = 3.42, S.D. = 1.8). More significant was the fact that most respondents indicated that they actively use their organization’s Web site for public relations (M = 4.44, S.D. = 1.2) and less often for marketing (M = 3.87, S.D. = 1.9). Web sites are not updated frequently (M = 2.67, S.D. = 1.5).
Table 1
Marketing and new technology activities of newly privatized organizations

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public relations and marketing work together</td>
<td>4.45</td>
<td>1.2</td>
</tr>
<tr>
<td>Public relations and marketing have different goals</td>
<td>2.14</td>
<td>1.7</td>
</tr>
<tr>
<td>Our organization uses our Web site for public relations</td>
<td>4.44</td>
<td>1.2</td>
</tr>
<tr>
<td>Our organization uses our Web site for marketing</td>
<td>3.87</td>
<td>1.9</td>
</tr>
<tr>
<td>Our organization updates our Web site frequently</td>
<td>2.67</td>
<td>1.5</td>
</tr>
<tr>
<td>I send e-mail to media</td>
<td>4.32</td>
<td>1.3</td>
</tr>
<tr>
<td>I send news releases via e-mail</td>
<td>3.74</td>
<td>1.6</td>
</tr>
<tr>
<td>The media send me information via e-mail</td>
<td>3.42</td>
<td>1.8</td>
</tr>
</tbody>
</table>

N = 38, scale: 1 = strongly disagree and 5 = strongly agree.

RQ 4 asked practitioners to identify the obstacles to public relations professionalism. Responses were mixed with about 18 (50%) of practitioners identifying environmental reasons: “the political situation,” “politics and laws,” and a “lack of access to media space” as obstacles to professionalization of the field. Additionally, the other half of the respondents noted more professional reasons such as “the lack of highly trained people,” “PR people who do not know what their responsibilities are,” and those who are “not honest in their communication.” Indeed, this half of the sample was convinced that many who work in the field “are not educated.”

RQ 5 asked the respondents to identify improvements to the practice. Thirty respondents (80%) identified “improved communication with the public,” “language skills,” and “education,” as the three most frequent suggestions to improve the reputation of the field. Less frequent suggestions included “persuasion” and “cooperation with the media.” Although Bosnian public relations practitioners might understand that public relations has more relationship-building goals, most also admit that their efforts have limited impact because they have “poor equipment,” “too many managers,” and “space in the media.” Additionally, divided or weak markets, a monopolistic infrastructure that still remains from the former economic and political system, no public opinion research (or means to conduct it), and poor media relations summarize the challenges they face on a daily basis.

5. Discussion

The study of newly privatized organizations’ provides insight into public relations practices in Bosnia. Taylor (2000) found that Bosnian NGOs relied on female presidents with little or no public relations experience to conduct public relations communication. This study shows that this sample of Bosnian public relations managers are older males averaging more than a decade of public relations experience. The mean time spent in the public relations field, 10 years, shows that many of these people actually began practicing public relations when Bosnia was still part of Yugoslavia. Consequently, many were practitioners when a large sector of the Yugoslavian economy was controlled by the state. Older practitioners have witnessed an enormous change in the last decade: declaring independence from Yugoslavia, civil war, and now economic transition.

5.1. Thinking about encroachment in another way

Bosnian practitioners are sophisticated in understanding the public relations function. They are, however, economically disadvantaged due to the transitional nature of the uncertain business sector. The encroachment literature has traditionally viewed the linkage and management of public relations by marketing as a negative situation. But, much of this literature and analysis has been focused on American organizations. This study provides an opening to think about encroachment in another way. Perhaps, encroachment is the first step of an organization recognizing the value of public relations by dedicating organizational resources to it. The location and the supervision of the function may not be as important here as the fact that public relations is actually being practiced by organizations. And, given the importance of marketing to the overall well being of Bosnian organizations, placing public relations with this key function might well signify its potential value to organizations.
The managers in this study seem to have a pretty solid grasp of their organizational role—i.e., as relationship builders and information providers to key organizational publics, rather than as product marketers. A majority of respondents acknowledge that they do work closely with marketing and this may prompt them to think that marketing and public relations have similar goals. The respondents’ definitions of public relations and marketing suggest that Bosnian public relations practitioners do not see the two functions as intertwined. However, their answers to the closed ended question did link the two functions as having similar goals. Perhaps the goals are not as specific as we in the Western capitalist states have come to expect. Perhaps the goals are about serving the organization and building its success. Differentiation of tasks will likely occur when the economy picks up and consumers gain more economic power to influence organizations. Only then might public relations truly be able to demonstrate how it is different from marketing.

5.2. The birth of Internet public relations in Bosnia-Herzegovina

In the area of new technology, Bosnian organizations are beginning to use their Web sites for public relations and marketing and often communicate with reporters via e-mail. The respondents showed high use rates of the Internet with 90% of the organizations reporting that they use their Web sites for public relations. Respondents also report extensive use of e-mail for communication with journalists (see Table 1). The Internet is being used by business elites. The general public still has very limited access to the Internet. In September 2004, only 2.3% of the Bosnian population used the Internet regularly (www.internetworldstats.com/stats4.htm).

At first glance, it seems unlikely that the Internet might be effective for traditional marketing purposes. Indeed, with such a small percentage of the population having access to the Internet, organizational messages appear to be directed to other business organizations, governmental organizations, and the media. At this point in the economic transition, these organizations appear to be the most valuable target publics for newly privatized businesses.

Few people can afford Internet services because of the nature of the transitional economy. Second, there are access problems caused by poor telecommunications infrastructure in countries like Bosnia. Many citizens use wireless technology, rather than land lines, for their telephone services. Given the lack of direct access to a customer based via the Internet that businesses in Europe and the U.S. enjoy, Internet marketing in Bosnia is more limited. Low use of the Internet for marketing suggests that organizations’ Web sites may be more effectively used for public relations purposes. Future research in Bosnia should examine the role played by these technologies as more citizens gain regular access to the Internet.

6. Conclusion

Previous research by Brkic and Husic (2004) suggested that public relations in Bosnia-Herzegovina is expected to rapidly develop over the next decade. The research conducted here provides a useful benchmark of the current public relations practices. This benchmark has utility for understanding what has taken place thus far in Bosnia. It can also be used later for drawing conclusions about the future growth of Bosnian public relations. Several areas are examined here: definitions guiding understandings of marketing/public relations, technology, an examination of obstacles, and suggestions for professionalism. The picture that emerges is of a transitional nation where public relations is closely linked to marketing. This linkage, however, is not because the practitioners are unaware of the potential of public relations. Rather, the daily reality of most practitioners suggests that they are limited by the current economic situation that faces their organizations and not by narrow definitions of public relations’ potential.

Transitional economies, especially one that recently emerged from a civil war, are complex business environments. The primary goal of any organization is to track investment and build trust with consumers. The public relations function in Bosnia-Herzegovina will become instrumental in building trust. Public relations appears to have a place in the newly privatized organizations in this study. Marketing and selling products or services is the dominant communication imperative in Bosnia. Public relations is in many ways still a luxury communication function. Yet, organizations are devoting scarce resources to the public relations function. Public relations is becoming institutionalized and with time and economic improvement, the public relations function will emerge as a distinct and valued organizational resource.
References


