



## Public relations in a time of turbulence: A study on Turkish PR firms<sup>1</sup>

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### Abstract

2008 global economic crisis affected many companies. In order to survive and to become more competitive in today's turbulent business world, companies took drastic actions to gain cost reduction from every part of their business. Turkey, having been experienced a bigger crisis in 2001 and developed many models to manage the situation until 2008, is accepted as being more precautionous than other countries. Still, Turkish public relations (PR) firms have been subjected to many changes, particularly advances in communication technologies, which have forced PR firms to restructure their organizations and adapt to new business models. The main purpose of our research is to gain insight on how Turkish PR firms adapted to the time of turbulence. Our research is based on qualitative data obtained from leading PR firms that are the members of ICCO representative IDA (Communication Consultancy Companies Association) in Turkey.

**Key words:** public relation firms, turbulence, strategic communication, economic crisis, communication technologies

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## **Introduction**

Public relations (PR) firms and their success are often bittersweet—in that tough times and corporate crises can enhance their success. Economic crises are times when clients may take action to adopt new strategies often with the help of a PR firm. These actions may vary from making redundancies to downsizing business operations, or from reducing investments to cutting expenses. In a recession, the most common situation that communication practitioners and managers experience is budget restrictions. In turn, this threatens clients' investments in public relations practices. In order to survive in difficult times and retain a solid business after the recession period, companies should not neglect communication, particularly PR efforts, because PR is one of the most cost-effective mediums for sustaining reputation, enhancing visibility, and maintaining relations with the various stakeholders.

In turbulent times, companies seek alternative solutions to achieve positive communication on a reduced budget. Digital technology and the more interactive form of web, Web 2.0, enables companies to access a low cost medium. Although most PR consultants are still following a deliberate online platform with social media, it will not take long to integrate social media in traditional strategic communication programs.

The objective of this research is to provide knowledge about how Turkish PR firms have experienced the recent economic crisis, their approach to digital technology advances. It is also aimed to enlighten the common challenges faced in relations with clients.

### **1. Literature Review**

#### **1.1.Unexpected and undesirable situation: Crisis**

In today's continuous development of technology and rapidly growing world population (Perrow 1999) consumers are increasingly exposed to and impacted by various crisis situations. On the other hand, Pauchant and Mitroff (1992: 12) highlighted the effect of crises on the whole system, with their definition: "a disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, and its existential core." Ulmer, Sellnow and Seeger (2011) accept crises as part of human existence and indicate that they will become more prevalent. "As we move closer to a truly global society, the incidents on one continent can create a crisis an ocean away" (Ulmer, Sellnow and Seeger 2011: 12). Due to this fact, a crisis demands action, both proactively and reactively for companies in order to limit damage. Accordingly, Novak (2001) has divided

the process of work for those in charge of crises management into three time periods (Čerina and Rotar, 2009: 151): “(1) the period before the crises (the state of constant alert of the crises management); (2) the crises itself (i.e., the chaotic period) and (3) the phase after the crises (the return to normalcy)”.

Tench and Yeomans (2006: 397) define a crisis as “an event that disrupts normal operations of a company or organization and if badly managed can ruin hard-won reputations in just days and even, in some cases, write off companies”. This definition directly takes us to the importance of public relations efforts in times of crisis, since one of its core roles is accepted as managing and sustaining reputation (Cameron, Wilcox, Reber, and Shin 2008) of the organizations, or companies. Additionally, according to Dowling (2001: 253) “if a company suffering a crisis handles the affected parties and the media well, then damage can be minimized. This also raises public relations issues, which include developing good relations with all stakeholders but particularly the media.” Dowling (2001: 254) also mentioned that “over the years, public relations firms have taken the lead in helping companies communicate with stakeholders during crisis situations”.

### **1.2.Public Relations’ Struggle with Economic Crisis**

It is clear that facing a crisis means a great damage risk for both the organization and its stakeholders. Successful crisis management requires good crisis communication, which is one of the core responsibilities of public relations practitioners. Marra (1998: 461) suggests that “public relations is an important element in almost all successful crisis management efforts” since it can promote effective communication during a crisis, such as developing communication plans, assembling crisis team, and assigning the most credible spokesperson (Newsom, Turk, and Kruckeberg 2004). Today, it is common sense that one of the most important factors in dealing with the effects of crisis is communicating with stakeholders as effective and as immediate as possible. Veil, Reynolds, Sellnow, and Seeger (2008), referring to Seitel (2004: 498), state “the most effective crisis communicators are those who provide prompt, frank, and full information to the media at the moment of crisis because it is accepted that breakdowns in communication can increase harm as well.”.

Experienced managers need to appreciate that frequent communication is critical to maintain morale and motivation through economic crises (Arskaya 2009). Arskaya (2009) regards crisis as a perfect opportunity to demonstrate the strength of a company’s corporate culture

and values, and suggests that if the employees and managers could feel they are contributing to the survival of the company, they will be more committed to the organization. In brief, the essential role of communication during these tough economic times makes public relations efforts vital as well for companies to strive from crisis.

Brett Turner (2009), PR director of Jackson-Dawson Marketing Solutions in Greenville, SC, and president of the South Carolina Chapter of PRSA, has indicated ten key reasons why public relations matter, especially in a weak economy: *credibility, value, perception, trust, message strength, relationships, short-term vs. long-term, facts and speed, don't play hide and seek, bite into market share*. According to Turner (2009), with public relations efforts, messages that the company wanted to convey are most commonly distributed through unbiased decision-makers and channels such as traditional media, web-based communications, and even word of mouth, which each add a layer of credibility. When consumers are more skeptical about advertising, reliance on apparently non-commercial vehicles – such as newspaper and magazine write-ups – increases (Ang, Leong, and Kotler 2000), which directly addresses PR practices.

On the other hand, Turner (2009) indicates that PR is valuable since it provides better ROI than most other forms of communication. Miles Nadal (2008), chairman-CEO of MDC Partners, states: "The current economic situation translates into an increased focus on measurability and return on marketing investment."

The importance of the relationship underlined by Turner (2009) has been also highlighted by James Grunig, in addition to his other 3 principles. Grunig goes on to articulate four principles of crisis communications, as follows (Paine 2002: 2):

1. *The Relationship Principle*: An organization can better withstand both issues and crises if they have established good, long-term relationships with the publics who are at risk from the decisions and behaviors of the organization.
2. *The Accountability Principle*: Organizations should accept responsibility for a crisis regardless of its source.
3. *The Disclosure Principle*: In times of a crisis, an organization must disclose all that it knows about the crisis or problem involved. If this information is not known then it must promise full disclosure once it has additional information.

4. *The Symmetrical Communication Principle*: In times of crisis, an organization must consider the public interest to be at least as important as its own. Public safety, for example, is at least as important as profit. Therefore, the organization has no choice other than to engage in a true dialogue with its publics, and to practice socially responsible behavior when a crisis occurs.

To sum up, it can be clearly stated that public relations efforts allow organizations to engage with their stakeholders and enable them to build and/or maintain relationships, which are crucial particularly in times of economic difficulty.

### **1.3. 2008 Global Economic Downturn and PR Sector**

“2008 saw one of the worst financial downturns in the global economy in the world, which was actually felt in 2009. The 2008 Crisis was a type of unintentional crisis and it is described as downturns in the Economy” (Ulmer, Sellnow and Seeger 2011: 11). From 2008 through 2010 the United States experienced one of the most serious financial downturns in the economy since the Great Depression. “The crisis, caused by increased risk-taking in the banking industry and the collapse of the housing market, led to a complete collapse in the US financial system. Businesses large and small had very limited access to credit, and as a result, several banks went bankrupt or were taken over. “Economic downturns can create an unexpected crisis which has consequences that reach far beyond the organizations responsible for creating the problems” (Ulmer, Sellnow and Seeger 2011: 13).

According to the European Commission’s report published in 2009, the European economy is in the midst of the deepest recession since the 1930s, and real GDP was projected to shrink by some 4% in 2009, the sharpest contraction in the history of the European Union. The EU’s response to the downturn has been swift and decisive. Aside from intervention to stabilise, restore and reform the banking sector, the European Economic Recovery Plan (EERP) was launched in December 2008.

It was clear that Turkey has also been affected by recent economic downturns, like both the European and US markets. The effects of economic crisis on the Turkish economy have shown themselves both in the financial market and real economy. The Turkish economy has experienced crises of different scales since the foundation of Turkish Republic, either caused by the deficiencies in the management of the economy, or due to other countries’ economic

downturns. The 2000 and 2001 crises were caused by internal factors, while the 1929 and 1999 crises were caused by external crises (Yıldırım 2010).

The Turkish Ministry of Finance 2009 Annual Economic Report noted a 26% decrease in the number of companies established in Turkey in 2008. In the same period, figures show a 64.4% increase in the number of companies ceasing commercial activity. By the end of 2008, Gross Domestic Product (GDP) had declined by 0.9% while the growth rate in the industrial sector was only 1.1%; and production was 0.8 % lower when compared with the previous year (Turkish Ministry of Finance 2009). These figures demonstrate that the Turkish economy contracted as a result of the crisis.

PR professionals in Turkey had faced with the consequences of the crisis as their colleagues. But it didn't take long to cover up the effects of the crisis until 2010. The figures of 2009, 2010 and 2011 ICCO Annual Reports show the fluctuation of the PR sector. The effects of economic crisis weren't visible in 2008 for Turkey. In contrast, Turkey was one of the countries that had the highest growth in the sector. But in 2009 the negative consequences were felt by the public relations professionals in Turkey. Fortunately, this decline didn't take long since in 2011 the growth rate showed %7 growth with giving positive predictions for the coming year (ICCO World Report, 2009; ICCO World Report, 2010). The fluctuation of the figures for last three years has turned to growth and predictions for the coming year seem to give motivation to the public relations sector.

## **2. New Media Advances and the Rise of Social Media**

With advances in technology, the web has become an ultimate platform for collaboration, and this concept is now a cornerstone of Web 2.0, endorsing the many-to-many model valued so highly by content creators (Barefoot and Szabo 2009). Social Media and Web 2.0 are altering the entire media landscape, placing the power of influence in the hands of ordinary people with expertise, opinions, and the drive and passion to share their opinions. "This people-powered content evolution augments, rather than replaces the traditional media and expert influence" (Solis and Breakenridge 2009: 1).

The Internet has become a social forum, a living, responsive, interactive community, which can provide marketing communications practitioners the opportunity to gain customer insights. Companies should therefore also exploit this social media as consumers do in order to benefit from this powerful and effective Internet environment. Social Media can be

defined as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content” (Kaplan and Haenlein 2010: 61) such as Wikipedia, YouTube, Facebook, and SecondLife. “Its diffusion has been rapid and widespread, so that at present, for example, blogs are counted in billions” (Miguéns, Baggio and Costa 2008: 1). Social media allow users to collaboratively create, find, share, evaluate, and make sense of the mass of online information, and to connect, inform, inspire, and track other people (Hansen, Shneiderman, and Smith 2011).

It is now increasingly difficult for companies to reach their customers simply with traditional marketing methods and communication tools, in view of the empowerment of consumers. As digital media and social media have become more prevalent on the internet platform, so companies need to take an active role to determine how best to leverage this trend.

Similar to many areas and disciplines, social media is changing the landscape of public relations. As one the major roles of PR is to build relationships, social media that enables the achievement of an effective two-way communication can be considered as a powerful instrument for PR practices. Additionally, many public relations practitioners welcome the potential of new media, because technological advances enable them to directly communicate with their audiences, bypassing traditional media gatekeepers (Gillin, 2008). In his book, Scott (2007: 24) emphasizes the importance of social media as an alternative to conventional media relations actions: “instead of spending large sums on a media relations program aimed at a small number of reporters at select magazines, newspapers, and TV stations companies should be targeting the plugged-in bloggers, online news sites, micro publications, public speakers, analysts, and consultants that can reach the targeted audiences seeking what we have to offer”.

### **3. Methodology**

#### **3.1. Aim of the research**

The purpose of our research is ‘*to understand how Turkish PR consultant firms shift the way they do business in the time of turbulence*’, notably the details about their roles, professional environment and the new organizational structures in the broader perspective.

### *Procedure and sampling*

The main method used to achieve this was the formulation of 14 questions and eight profile related questions under following four basic topics:

- Participant profile
- Company profile
- Crisis management during economic turbulence
- New trends and digital opportunities

In this research semi-structured interview is used involving leading PR firms in Turkey identified by the IDA (Turkish Communication Consultancy Companies Association) members list. The total number of members of the IDA is 17; which represent over 50% of the total Turkish PR firms' revenue (ICCO 2010: 2). 10 of the 17 agencies, including the head of the IDA, granted face-to-face interviews that enabled us to observe their working circumstances. Thus, 10 respondents were considered sufficient to identify our research question.

The interview is considered one of the major and most commonly used methodological techniques (Denzin and Lincoln 1998), particularly when necessary to understand the experience of others and the meanings they make of that experience (Seidman 1998). As Bauer and Gaskell (2000) noted, interviews offer many functions to researchers, such as supplying a basis for generating a framework for further research, providing empirical data to test expectations and hypotheses developed out of a particular theoretical perspective and providing a 'thick description' of a particular social milieu.

In this research, all the interviews were conducted with the owner and/or partner of the agency which are based in İstanbul. One of the interviewed PR firm was 100% foreign capital based, five were affiliated to international PR networks with worldwide reputations, and the remaining four were national firms. The study was carried out over a period of one week in İstanbul, and the average interview time was 45 minutes. All interviews were audiotaped to avoid any loss of data.



The questionnaire<sup>4</sup> consists of four parts: The first part aims to reveal the basic demographic characteristics of the respondents and their experience and position in the organization. The questions in the second part seek to reveal information regarding company background, considering variables such as number of staff, foundation of capital, partnership, and enterprise scale. The third part focuses on the identification of the research question, related to operational practices during the economic recession. New trends, particularly the future business models that will be followed in the light of digital developments are analyzed in the final part.

We have intended to keep the interviews as semi-directive and open ended as possible in order to make the process more conversation-like and to allow freedom of expression and maximize the opportunity to expand on experiences. The qualitative data was analyzed and research findings are stated in the next section.

### **3.2. Findings**

**Research Question:** How do Turkish public relations consultancies shift the way they do business in the time of turbulence?

#### ***Part I-Participant Profile***

According to the data related with participant profile, it can be said that all the respondents are characterized by a high level of experience in the communication sector varying from 10 to 40 years, with an average age of 50.6 years. Demographic variables show that more than a half were women (6 of all 10 participants), which reflected the general dominance of women in the PR sector. Grunig (2001), Aldoory and Toth (2002) emphasized that presently 70% of PR practitioners are women, but they are not sufficiently represented in management level. However, in Turkey it is seen that female public relations professionals not only represent the majority, but are well-presented in high level managerial positions.

#### ***Part II-Company Profile***

Due to the company profile data, most of the firms have a history of more than 10 years in the sector. Only one firm was a hundred percent international company, but only four of the remaining firms had no contact with international networks. In addition, seven of the firms

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<sup>4</sup> The interview questions inspired from the key findings of ICCO World Report 2010. Additional questions also formed due to the authors' previous personal and academic experiences in the public relations sector.

involved have at least one sister company with which they cooperate in the area of communication.

During the interview it was observed that four of the participants had journalism backgrounds, while two had experience in marketing communications and advertising. The enterprise scale of the public relations companies involved was obtained in the light of the participants' personal evaluation, based on number of full time staff from a national perspective (# of staff 1-20= small, 20-30= medium, 30 and above= large). Accordingly, more than a third of the participants belonged to a medium size company with number of employees ranging from 20-30; three belong to a small size firms with around 10 full time staff; and the other four were from large-scale organisations with over 30 employees.

The participant and company structure related results are summarized in Table 1, which provides brief information about respondents' profile.

**Table 1:** Participant and Company Profile of interviewed firms. 4-7 2011, İstanbul, Turkey.

| Name            | Post                      | Participant's Experience (year) | Age/ Gender | Foundation Year | National / International Network           | Sister Company                 | # of Full Time Staff | Scale  |
|-----------------|---------------------------|---------------------------------|-------------|-----------------|--|--------------------------------|----------------------|--------|
| <b>Bersay</b>   | General Manager / Partner | 12                              | 37/F        | 1991            | National / Int. Network (Ketchum Pleon)    | Saydam PR (İDA member)         | 22                   | Medium |
| <b>BG</b>       | General Manager / Partner | 22                              | 53/F        | 1997            | National                                   | -                              | 10                   | Small  |
| <b>BPM Look</b> | General Manager /Owner    | 26 (PR exp.<9)                  | 49/M        | 1997            | National / Int. Network (Look)             | -                              | 24                   | Medium |
| <b>Excel</b>    | GM/ Partner               | 27 (Marketing Comm. Exp)        | 50/F        | 1994            | National/ Int. Network (Fleishman Hillard) | Mayatölye (BTL)                | 57                   | Large  |
| <b>Grup 7</b>   | General Manager /Owner    | 20                              | 54/M        | 1991            | National                                   | Acro Organization (Event Mng.) | 38                   | Large  |
| <b>Leo PR</b>   | General Manager           | 10 (Journalism exp.)            | 50/M        | 2001            | International Company (MS&L/ Publicis)     | Leo Burnett Ad. Agency         | 9                    | Small  |
| <b>MPR</b>      | General Manager /Owner    | 30 (Advertising exp.)           | 50/ F       | 1994            | National                                   | -                              | 32                   | Large  |
| <b>Stage</b>    | General Manager /Owner    | 12 (Journalism exp.)            | 52/F        | 1999            | National                                   | 9 Organization (Event Man.)    | 9+                   | Small  |

|                |                        |                         |       |      |   |   |    |        |
|----------------|------------------------|-------------------------|-------|------|---|---|----|--------|
| <b>Tribeca</b> | General Manager /Owner | 20<br>(Journalism exp.) | 50/ M | 1997 | National / Int. Network (Waggener Eddstrom) | Media relations firm                                    | 25 | Medium |
| <b>Zarakol</b> | General Manager /Owner | 40<br>(Journalism exp.) | 61/F  | 1993 | Burson-Marsteller                           | Zarakol 2.0 (social media), Uçan Süvariler (Event Mng.) | 48 | Large  |

### *Part III-The way they do business in the time of turbulence*

As reported in the European Communication Monitor (ECM) 2009, the worldwide economic downturn has significantly affected the public relations professions in Europe. According to the results of ECM (2009) research, nearly half of the professionals surveyed (46.9%) reported budget cuts and almost a quarter (21.9%) faced staff reductions during the recent economic downturn. Almost 60% of the respondents say that the main consequence of the recession is the need to focus on the most relevant issues and stakeholders, a view reflected in the interviews with Turkish PR consultants. However, there were a small number of points that distinguished Turkey from Europe. All similar and different points indicated by the respondents were summarized below.

#### *Changes in the organizational structure*

The first part of the interview focused on organizational changes in Turkish public relations firms. According to the answers, there were no significant changes among the majority of the interviewed firms. Four of ten respondents indicated no radical change, while two each mentioned downsizing, two mentioned reorganization, and growth in the staff size.

This view from Turkey was very similar to the public relations firms in United State. A study conducted by the USC Annenberg, Strategic Communication and Public Relations Center (SCPRC) (2009) has shown that organizations that participated in the study experienced no net change in PR/communication staffing in 2008, with staff reductions in some organizations being offset by no changes and/or new positions being created in others. According to this study, 63% of public relations agencies indicated no change in staff size in 2008, and 22% downsized their PR/communication staffs by about one-fifth (22%) last year. Another 15% (all of which have a full-time PR/communication staff of 1 – 17) reported staff growth. The worldwide economic downturn has significantly affected the public relations profession in Europe. Nearly half of the professionals (46.9%) are suffering budget cuts and

almost a quarter (21.9%) is facing staff reductions (Moreno, Verhoeven, Tench, Zerfast, 2010).

In 2008, when the global economic crisis first emerged, most of the world's economies were seriously affected. As claimed by Fullbrook (2009) assessment of the changing nature of economics, "except for a few outcasts, economists failed to see, even before the general public saw, the coming of the biggest economic meltdown of all time". However, Turkey was the country that in fact was relatively less affected, having been prepared for crisis by a national economic failure in 2001. This was a consensus among all participants as one the respondent pointed out:

"In Turkey, we are very well aware of economic crisis since we are living in threatening economic circumstances for many years. Turkey, being one the emerging countries, still could not achieve a stable economic platform, and is open to many surprises. For example, we experienced difficult days during the 2001 national crisis when most of the companies closed, the finance sector weakened, and staff losses exploded. Those were the days that made us more cautious and proactive, particularly in the 2008 recession."

Another respondent added a different dimension, including the changing role of PR consultants or practitioners:

"This is not the first recession we have seen and survived. I do not want to face with such days again but it is clear that 2001 national economic downturn has created many benefits for our (PR) business, mostly to the companies that could survive. Our role has gained higher expectations. Today lots of companies take the public relations discipline more seriously, and accepted its role as being more strategic than it was before 2001."

#### *Revenues and rate of operations:*

When identifying factors in the revenue and rate of operations related situation, the most common and the most radical change is observed to be the tendency of public relations agencies to reduce fees. Not surprisingly, this is reflected negatively in their profit margins, which showed a decrease in their profitability. According to ICCO report (2010) the growth of Turkish PR consultancies' 2009 Revenue vs. 2008 was realized as -1.5%. All respondents confirmed this, reporting that most of their clients have frozen or reduced the fees paid to public relations efforts.

Particularly, firms that work with both national and international clients experienced different approaches in the reaction to the recession, shown in the following statement:

“The international companies showed more drastic actions during the time of turbulence. They suddenly froze their budget and stopped many marketing activities, including public relations. They were much more careful when investing in communication. On the other hand, as Turkish companies have been familiar with such economic downturns for many years, so they were more flexible. Instead of frozen budget companies required fee reductions, and in contrast, increased public relations activities.”

Another respondent claimed that:

“Even we had only two clients requiring fee reductions, all of the companies we served requested extended payment periods. This is a really hard situation, to cover our cost for perhaps more than 90 days without payment. This was the major reason why many of public relations companies, especially small size ones, closed. It was critical to have the power of funding yourself for a long period in such payment conditions.”

Another participant pointed out how ‘natural selections’ affected public relations firms in the market during the economic crisis period, as noted in her following quote:

“After the 2001 natural economic downturn, lots of journalists were fired. Most of them felt themselves close to public relations sector, regarding their network from media without taking the strategic part of this discipline into consideration. After a while we acknowledged that approximately 1000 public relations firms of various sizes were serving the market. However, in 2008 most the firms without any strategic vision about public relations efforts, and saw the discipline as only media relations instrument, became victims of ‘natural selection’ and ended their activity.”

### *The way they do business*

In response to the reduction in profitability, most respondents stated that they had developed new models covering both their pricing strategy and the way they do business. To sum up all these comments, it can be said that although their organizational structure did not change, they radically applied cost effective business transactions. This is summed up in the following statement:

“We did not make any downsizing among our team, however we became very cost sensitive, particularly about our staff. The services given to our clients were evaluated not only on a time basis, but perhaps even on a per-minute base. Each project was measured on a man-hour

basis regarding its effectiveness, which means every minute spent for that particular activity was evaluated and priced accordingly to our client. This enables us to avoid unnecessary demands coming from our clients and ensures cost-effectiveness.”

Each participant emphasized different solutions for their cost reduction tactics:

“...we started to use human resources more effectively.”

“We stop outsourcing many services. In contrast, we invested in our own event organization inventory, such as sound systems, and decoration materials and so on.”

“We developed independent teams for each client and their requirements. The teams were responsible from their own budgets, which allow us to follow their effectiveness.”

“We adapted to a participative management model and started to follow budgets and objectives strictly. Each team in our firm became more transparent, strengthening the way we do business.”

With regard to the difference between national and international firm in the way the economic crisis was experienced, it was reported that the network member or affiliated public relations firms acted in a more inhibited and cautious way:

“Our international partner’s clients’ communication budgets were suddenly cut off, which affected them very negatively. They had difficult times. Since we are much more aware of such crisis, during this period, we encouraged them to keep calm and act positively.”

When asked about the core practice areas of PR discipline, based on demand in the time of turbulence, most participants commonly indicated that budget sensitive implementations, such as events, sponsorship, or publishing were dramatically cut back. They all addressed media relations as the highest performing area. One of the respondents explained the situation as follows:

“Since all marketing budgets were reduced, companies abstain from spending million dollars, particularly for advertising. They also hesitate over event organisation, activity sponsorship, or even publishing in an internal and/or external magazine, if not vital for their survival. The most important thing for them was to keep their reputation and to prove to their stakeholders that they are still strong organizations. So the media relations became crucial for them. We were under great pressure to develop more intense relations with media to ensure more places in their newspapers or TV programs.”

In contrast, another manager indicated that event spending increased during the crisis time. He explained the reason as follows:

“We are primarily serving FMCG (fast moving consumer goods) group companies. The intermediaries such as distributors, retailers, and sales forces are very important in enabling them to distribute their product accurately. So in order to motivate those intermediaries, our customers prefer to organize events which enable them to meet with all those parties, to inform about current situation and future plans, in other words, let them to show that they are surviving. This also helps them to develop a face-to-face relation which creates trust toward the company.”

When asked about the tendency of channel preferences clients during the economic crisis, all respondents indicated that they all focused on media relations. Moreira (2007: 15) suggests “the media can be used to convey instructions to the public, stimulate donations, reinforce efforts to gain broad public support for mitigating actions, engender confidence in community leadership, greatly reduce the number of enquiries from the public, and provide useful coverage that may facilitate future funding campaigns”. Being aware of this fact, all the clients mentioned in the interviews have started to demand a much stronger relationship with media to increase visibility.

All participant firms mentioned newspapers as the main channel for transmitting company messages, and as the most preferred tool among all other mass media during the economic turbulence.

#### ***Part IV-New trends and digital opportunities***

According to the survey conducted by Wright and Hinson (2008), about 66 % of participants believed that blogs and social media have enhanced public relations practice. In addition, many PR practitioners believe that technologies such as podcasting, blogs, and video sharing will be prevalent as strategic tools in the near future (Eyrich, Padman and Sweetser 2008). On the topic of new trends and digital developments all except one participant told the belief that emergence of new Internet developments including social media have changed the way companies communicated. All were trying to adapt their structures to these developments, and although they are still searching for most effective way to incorporate new technologies, most have gradually started to implement social media strategies for customers.

One respondent outlined that:

“I am not sure if the recent economic crisis had a direct impact on this, but it is obvious that the digital platform has gained great importance in 2009 and 2010. The new media will be priority growth area for most companies, which I believe will impact on our revenues in the future.”

Another respondent underlined the critical role of the digital media, particularly in online reputation management practices.

“It should be considered as a serious issue to avoid any virtual crisis that would be harmful for both our clients and their brand(s). Since it is very important to manage online reputation, the new media has to be accepted as PR area of specialization.”

The research conducted by the Society of Digital Agencies (2011: 33) shows that companies and agencies are tending to invest in digital-focused staff in 2011; particularly those specialized in social media and digital marketing. Similarly, majority of respondents in this study also reported that were considering investing in social media marketing professionals in the near future if companies continue to allocate increased budget to the new media:

“Today we are serving for our clients’ digital media demand via specialist sub-contractors, or in some cases, via external providers basically offering these services. But I believe in the near future we will be supplying in-house solutions in parallel to the estimated demand rise of our clients”

On the other hand, one of the consultant firms had already position itself as an expert on new media in addition to its traditional practices:

“We are sure that the digital trends in PR, particularly those that arose in 2009, will grow continuously in the following years. Our clients have forced us to be ready for social media engagement and I can say that our clients are savvier about digital media than most PR firms in Turkey. Day by day, their awareness of new media is increasing parallel with Web 2.0 service demands. We started to invest on this social media applications, and to train all employees regardless of whether they are creative or strategist. As a president, I am personally involved in that training program. Some PR firms have chosen to establish a new 2.0 firm as a sister.”

Another respondent also highlighted the necessity of a rapid entry into social media involvement as a whole team, to meet all clients’ requirements:



“We felt the importance of digital media and predicted that it will be the growing communication area for all our clients four years ago, which forced us to invest on it. Two years ago we invited digital media director of our partner, Burson Marsteller, to train both our team and our clients. Following their suggestions, we invested in a separate department focusing on social media; however, we believe this is not enough nowadays. Today, I think all the members of our firm should know about social media and its implementation opportunities, at least to be able to develop the right strategies. So, now even with a special social media section, all of us, including me myself as the owner, are being trained on this subject. I believe, in fact I noted it as a business target, in 2015, 50% of my company’s earnings will come from digital communication projects.”

However, in contrast with most participants, one respondent found a virtual medium as a complicated and inappropriate instrument for her clients; hence she seems to be rather slow in adopting social media. As it is confirmed in ICCO World Report (2010), Turkey is among the three countries that are lagging behind, with only between one quarter and one third of firms positioning themselves in digital services.

#### **4. Discussion and Conclusions**

The results of this study show that the recent economic trends, the turbulence resulting from the difficult times, and new developments in the digital area all affected Turkish public relations consultant firms. Accordingly, they were forced to change their business models and take various actions in their business processes. In some cases, the effects were very similar to the other countries’ public relations firms, particularly the European, and even US based firms. However, it was found that some cases differed from others in ways that were interesting.

According to the findings, the most common challenge faced by public relations firms in the time of turbulence was the budget constraints of clients, which was reflected as revenue lost. However, although most suffered budget cuts, only two respondents mentioned staff reductions. The rest faced no radical change; in contrast, two noted that they had enlarged their staff size. It was a common feeling among all respondents that the main consequence of the recession is the need to focus on expenses, mainly personnel costs. Another commonly indicated issue was increased demand for services, although clients all required serious reductions in PR consultants fees, due to the downturn.

It is obvious that the necessity of having a relationship and a dialogue with stakeholders makes PR not only an ordinary communication tool, but also the core of all marketing communications efforts, because relationship-building is at the core of public relations, which is a crucial activity, particularly when the marketing budget is drastically reduced.

The experiences gained in the 2001 national economic crisis increased the perceived importance of the disciplines in the field, and this has been strengthened by the recent recession. The majority of the interviewees indicated media relations as the main expected role of public relations consultants, and the print media, particularly newspapers, was still the most favored tool. In the future, however, new channels such as social media and other online communication are expected to gain importance.

The Turkish PR firms' reaction to the 2008 crisis reflects the organizational renewal theory, which was stated by Ulmer et al (2010: 16) emphasizes opportunities to learn and grow as a result. The lessons learned during the 2001 national economic crisis has strengthened PR firms' resistance to every kind of economic downturn, whether national or international. To overcome crises, the theory focuses on creating opportunities inherent to the crisis events, and features broad leadership and organizational communication guidelines, which emphasizes strong positive values, an optimistic forward-looking perspective, and learning. In this theory there is organizational learning, ethical communication, prospective versus retrospective vision and effective organizational rhetoric. It can therefore be said that Turkish PR firms were all focused on strong positive values, an optimistic forward-looking perspective and learning to overcome the crisis. To conclude, in spite of the fact that Turkish PR consultancy firms have been negatively affected by the current economic crisis, experience with previous recessions resulted in a proactive and calm attitude, and consequently familiarity with difficult conditions and maneuverability against its negative effects is much higher than in many other countries.

On the other hand, whether intended or not, the emergence new Internet developments have resulted in global changes the way companies communicate. The Internet, including social media, is rapidly diffusing, and technology is evolving incredibly rapidly. With regarding to these developments, new media will keep restructuring its content. Moreover, our findings support the idea that social media has become a valuable tool and is expected to grow in influence further. It is observed that majority of interviewed PR firms are trying to adapt their structures to these developments and even though they are still following well-planned

policies, see flexibility as the most effective way to incorporate new technologies. As they believe that companies should keep pace with this ongoing process in order to engage with their customers, most are increasingly encouraging their clients to implement social media strategies.

## **5. Limitations and Further Research**

The obvious limitation of this study is that the interviews were conducted within one type of organization. While a PR firm is in some respects unique, it has commonalities with other complex organizations in the sector. However, the findings could be enriched by comparisons to other types of related organizations such as advertising agencies in further research. The other limitation is that the qualitative research method chosen requires face-to-face communication. This caused difficulties in terms of accessibility. Interviews required more than 45 minutes, and were held in different parts of İstanbul, some of which were difficult to reach by public transport. Furthermore, company workload meant that not all IDA members were able to grant interviews.

This paper may encourage future studies on the changes and new implementations among PR firms. Collaboration between academics and firms could be strengthened and extended. Findings suggest that similar outcomes of turbulent times among the interviewed PR firms, but it is likely that other firms experienced this period differently. A quantitative research could therefore be conducted in order to see how far the findings can be generalized to other PR consultancy firms. Besides, a cross-national research could be applied as a further study to compare the degrees of similarity between the actions of PR firms in times of turbulence in different countries.

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## **Appendix.**

### **Interview Guide**

#### ***Part I-Participant Profile***

1. Position in the company (level of experience)
2. Professional experience (years spend in the sector)
3. Age
4. Gender

#### ***Part II-Company Profile***

5. National/International (global network agency)
6. Number of full time staff
7. Partners
8. Enterprise Scale (Size) due to # of staff: Small ( ) Medium( ) Large ( )

#### ***Part III-The way they do business in the time of turbulence***

##### *Changes in the organizational structure*

1. Have you reorganized your organizational structure in the time of turbulence?
2. Were there any changes in the number of full time staff or were any new positions created?
3. Were you affected by the national 2001economic crisis and do you think 2001 recession experiences help sector to cope with the recent 2008 economic downturn?

##### *Revenues and rate of operations (business volume)*

4. Was there a marketing budget reduction in your clients that you serve?
5. Do you think there was a dampening demand toward PR services?
6. Did you experience any revenue reduction and/or profit shrinkage in your company?
7. Did small size PR companies or big size PR companies more affected from the crisis?
8. Have the role of traditional PR firms changed during crisis time period?

##### *The way they do business*

9. Which were the more important fields of practice in the time of turbulence?
10. Which were the more important channels and instruments for PR consultants regarding the demand from their customers in the time of turbulence?
11. Have you been developing new business models at recession?

12. How network PR firms affected during the economic crisis? Did they develop global strategies or did they follow local tactics?
13. Do you think the crisis has been over? And when do you think the negative effects will be recovered?

**Part IV-New trends and digital opportunities**

14. What do you think about new media? / How have you been benefit from new technologies?