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**Between Convergence and Power Struggles:**

**How Public Relations and Marketing Communications Professionals Interact in Corporate Brand**

**Management**

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### Abstract

The last years have seen a new dynamic in the confluence of marketing communications and public relations. Trends and developments in the social and technical environment of organizations, like a growing concern for business' impact on the natural environment, critical stakeholder movements, and new ways of communication and content production on social media and web 2.0 platforms, confront both functions with a common challenge. While marketing theory and practice increasingly adopts traditional PR related approaches and dialogical modes of communication, PR has broadened its spheres of activity towards classical marketing areas (Hutton, 1996, 2010). And although, from a historical point of view, both functions derive from different paradigms, in today's working environment their scope of duties and functions are increasingly overlapping and hard to distinguish. Thus the need for integration and cooperation becomes greater. This is especially the case in areas where both parties have high stakes in, like e.g. corporate branding.

Building up a strong corporate brand (Schultz et al., 2005) and an integrated communication strategy with a common core and polyphonic instruments (Christensen et al., 2008) is a preferred solution to master the challenge of increasing homogeneity and interchangeability of products and services. However, the implementation of such strategies is often hindered by a struggle for power and conflicting worldviews between the marketing communications and public relations function.

In order to analyze the relationship of both functions in the process of corporate branding, we conducted an empirical study in four large German industries (energy, telecommunication, insurance, and chemical industry). In each company both the head of corporate communications/PR as well as the head of marketing communications were interviewed (n = 104; random sample, CATI telephone interviews). We used descriptive and analytical statistics with SPSS to analyze the data. The results of the study draw an interesting, in parts very contradictory picture. On the one hand we found a strong convergence of stakeholder priorities, goals and instruments of branding, and a high level of structural collaboration. But the data revealed a number of underlying conflicts, discrepancies and contradictory perceptions. Although integration seems to be rather advanced in day-to-day branding activities, marketing and PR managers do not share the same mindset. Perceptions of their roles and functions within the organization are very variant. PR managers still lack self-esteem on behalf of their value contribution to corporate success. Having these findings in mind, the paper argues for a change in the focus of scientific research. Research in strategic communication should not only focus on organizational structures and departmental power struggles, but identify the different mindsets and perceptions of the actors involved. Educational background, job experiences and overlapping or contradictory role perceptions in PR and marketing (Holtzhausen & Tindall, 2011) are important issues to be analyzed.

**Keywords:** Corporate Branding, Integrated Communications, Marketing Communications, Public Relations

## Introduction

Recent years have seen a new dynamic in the confluence of marketing communications and public relations (PR). Trends and developments in the social and technical environment of organizations, such as a growing concern for how businesses affect the natural environment, critical stakeholder movements, and new ways of communication and content production in social media settings, provide both functions with a common challenge.

A complex digital and virtual new world of media and communication, the decline of traditional journalism, and new areas of public conversations have led to new organizational challenges. Bold and simple forms of unidirectional marketing communications have come under fire. Customers and other stakeholders increasingly question traditional modes of production and sales. Intangible assets such as corporate image and reputation have gained in importance and have started to function as the basis of trust and credibility. In this context, the PR function has gained importance and broadened its spheres of activity towards classical marketing areas such as branding or corporate advertising. At the same time, marketing theory and practice have increasingly adopted traditional PR-related approaches and dialogical modes of communication. However, the revaluation of such society-oriented forms of communication has not necessarily led to an absolute devaluation of market-oriented communication. Instead, we find two broadly equal communication functions in many organizations today: marketing communications and PR. In today's working environment their scopes of duties, objectives and stakeholders are increasingly overlapping and hard to distinguish. Thus, the need for integration and cooperation is becoming greater. This is especially the case in areas where both sides have high stakes, such as corporate branding.

Corporate branding has for several years been a growing field of interest as it bears the potential to master the challenge of increasing homogeneity and the growing interchangeability of products and services (Schultz, Antorini, & Csaba, 2005). While, traditionally, brand management, especially product branding, has been located in the marketing function, because of the all-embracing concept of corporate branding, corporate brand management increasingly penetrates the scope of the PR function and is co-managed from there. Thus, the implementation is often hindered by a struggle for power and conflicting worldviews between the marketing communications and PR functions.

The aim of this paper is to analyze this field of tension. A literature review will provide a short overview on the academic debate about the relationship between the two functions. We will then investigate the increasing convergence of both disciplines because of developments inside and outside organizations that have led to a change in the conception of both functions. Following this, corporate branding is introduced as an example where this trend has become especially obvious. To underpin the impression gained from theory we present data from an empirical study.

### **Literature Review**

#### *Marketing and PR: Three Lines of Research*

The academic debate on the relationship between marketing and PR started in the late 1970s (Kotler & Mindak, 1978). That was about the time when PR departments and agencies became serious partners – or rivals – of marketing professionals. Since the late seventies both the academic debate and the relationship of both functions in business practice have undergone different phases and the focus of the debate has changed several times.

Today, we can identify three main lines of research:

1. The *organizational focus*: This is the oldest strand of research. Here the focus is mainly on the relationship of marketing and PR departments within an organization and different models on how to best structure and organize both functions (Kotler & Mindak, 1978; Lauzen, 1991; van Leuven, 1991a, 1991b; Spicer, 1991; Broom, Lauzen, & Tucker, 1991; Varey, 1998, Ehling, White, Grunig, 1992; Grunig & Grunig, 1998; Cornelissen & Lock, 2000a).
2. The *Integrated Marketing Communication (IMC)* approach and related concepts of *Corporate Communication(s)*: The declared aim of these approaches, which are advocated mainly by marketing scholars, is to integrate, coordinate and orchestrate all communication instruments, channels and messages of the corporation. By aligning symbols, messages, procedures, and behaviors, the organization hopes to appear consistent and coherent across different audiences and media. The advantage of this perspective is that it tries to combine and integrate all forms and functions of communication and thus aspires to overcome functional and disciplinary thinking. The disadvantage is, that this way all concepts dilute and become incorporated in a managerial,

marketing oriented perspective. Prominent representatives of the IMC approach are Schultz and Kitchen (Schultz, Tannenbaum, & Lauterborn, 1993, 1996; Schultz, Kerr, Kim, & Patti, 2007; Kitchen, Kim, & Schultz, 2008; Kitchen & Schultz 2009). Substantially related concepts of corporate communication are proposed, for instance, by van Riel and Fombrun (2007) and Argenti (2009).

3. *Interdisciplinary and critical approaches to Corporate Communications*: These are almost exclusively proposed by a small but influential circle of European scholars (Cheney & Christensen, 2000, Christensen, Cornelissen, & Morsing, 2007; Christensen, Morsing, & Cheney, 2008; Christensen, Firat, & Cornelissen, 2009; Christensen & Cornelissen, 2011) who are inspired by organizational studies, organizational communication, cultural studies, and the arts. These scholars criticize the conventional doctrines of integration and orchestration, and in contrast to their US colleagues stress the importance of contradictory and ambiguous messages from the organization. They argue that multiple interpretations of organizations exist and cannot be ignored. To proactively communicate them, creates the space for different identities and different audiences to coexist within the confines of the organizational unit and provides creative freedom, potential for innovations and strengthens employees' loyalty and identification.

As it is beyond the scope of this paper to treat the three schools equally, the further literature review will concentrate on the organizational relationship between marketing and public relations. This line of discussion will also be reflected in the empirical study. There are already good overview articles on the other two schools (Christensen & Cornelissen, 2011; Christensen et al., 2009; Torp, 2009; Schultz et al. 2007; Cornelissen & Lock, 2000b).

#### *Turf Wars and Power Struggles: The Organizational Relationship of Marketing and Public Relations*

The relationship of marketing and PR departments in organizations has been a controversial subject between marketing and PR scholars ever since. The discussion started with the first attempt by Kotler and Mindak (1978) to depicted several possible models of the marketing-PR-relationship (1978, p. 17). While marketing scholars usually favored the convergence of both function, going along with an

incorporation of the PR function, PR scholars have always been very eager in their search for “a clear justification for the establishment and departmentalization of the public relations function and for separating public relations management from marketing management” (Ehling et al., 1992, p. 366). In the early nineties many publications appeared in which PR scholars conceptualized PR as a distinct, separate management function in its own right, which can only function properly – and excellent – when being organized separate from the marketing function (Ehling et al., 1992; Grunig & Grunig, 1998, Broom et al., 1991). Any attempts, especially by marketing scholars, to integrate the PR function within an overall communication function were interpreted and attacked as hostile takeover and labeled with catchwords such as “imperialism” and “encroachment” (Lauzen, 1991; Spicer, 1991). Ehling et al.’s contribution to the Excellence Study is representative for the main line of argumentation. Their main argument is that “the public relations and marketing function as structured within an organization have different missions to fulfill and, therefore, appeal to different paradigms or models of the organization’s social environment and of the complex communications systems that are constructed and utilized in that environment” (Ehling et al., 1992, p. 358). They argue that when PR practitioners are reduced to the technician role, the organization loses a valuable mechanism for managing its interdependence with its strategic publics (1992, p. 357).

In most contributions, PR scholars drew a rather stereotype picture of the different purposes of marketing and PR in order to create and legitimate the organizational separation of both functions (Broom et al., 1991, Ehling et al., 1992).

In 1989 four distinguished marketing and PR scholars (Ehling, Jackson, Jones, and Kotler) met to clarify the concepts underlying both functions. They agreed, that the strategies, techniques and theoretical base are the same. Marketing and PR both deal with organizational relationships and employ similar processes. Thus, they concluded, the two functions have to be differentiated by mission or assignment and that the major difference is in the outcome they seek to achieve (Broom et al., 1991, 223). Accordingly, they settled on the following definitions, which clearly reflect the traditional, oversimplified conceptualization prevailing at that time. PR is thus defined as “the management process whose goal is to attain and maintain accord and positive behaviors among social groupings on which an

organization depends in order to achieve its mission. Its fundamental responsibility is to build and maintain a hospitable environment for an organization” (Broom et al., 1991, p. 223). Vice versa, marketing is conceptualized as “the management process whose goal is to attract and satisfy customers (or clients) on a long-term basis in order to achieve an organization’s economic objectives. Its fundamental responsibility is to build and maintain a market for an organization’s products or services” (ibid, pp. 223-224).

Empirical research in both marketing and PR has shown that both conceptualization are constantly confuted by reality. In fact, a lot of PR activity is market- and consumer-oriented and oftentimes PR is employed to support promotional activity. This had to be acknowledged even by the most fervent supporters of the above-noted definitions (Ehling et al., 1992, p. 366). Even PR grandees like Cutlip, Chase and Grunig himself could not help to acknowledge that the majority of PR practitioners concentrate on tools, devices and techniques, trying to set the public agenda through the dissemination of news or information, and trying to advance the interest of the employer by spotlighting the institution’s favorable news and softening or suppressing what would be unfavorable to the employer if it became known (Grunig, 2006, p. 4). In the eighties and nineties, most PR practitioners neither did have the education, being usually trained in schools of journalism (Johnson & Rabin, 1977; Kalupa & Allen, 1982; Walker, 1982), nor the experience to address their task more strategically. Therefore, particularly PR agencies “see as their concern that of providing clients with cheap mode of advertising their product or service by means of free publicity in the guise, or more appropriately, the disguise, of news stories” (Ehling et al., 1992, p. 366). The majority of PR agencies and practitioners were hired to cheaply provide the ‘blitz and glitz’ that marketing for whatever reasons fails to provide.

Today, things have often changed. Nevertheless, the “realities of the marketplace” (Neff, 2008, p. 500) still provide contradictory pictures. While in large, international corporations, PR is oftentimes organized as a separate function with its own areas of responsibility, which in some cases even come close to Grunig’s ideal conception of excellence, in many other firms the marketing function still dominates most communicative activity, even in non-profit organizations (Neff, 2008). Howard Chase’s statement in a Hall of Fame speech to the Arthur Page Society in 1989 that “a wider and wider gap between the genuinely

elite professionals represented in the room, and the hordes of communication technicians who are the little Sir Echoes of whoever pays them” (quoted after Grunig, 2006, p. 4) still applies today.

### *Towards a New Relationship*

The literature on the organizational relationship of marketing and PR has not changed much during the nineties. Arguments got repeated and turf wars stayed unsolved. However, the trend of marketing and PR’s increasing convergence in theory and practice continued, but went almost unnoticed (but see Hutton, 1996, 2010). While scholars still tried to distinguish marketing and PR on behalf of their mission and desired outcomes, this task appears to be impossible today. With the reappearance of critical and macromarketing approaches within the mainstream of marketing thought (Saren, Maclaran, Goulding, Elliot, Shankar, & Caterall, 2007, Shapiro, Tadajewski, & Shultz, 2009; Wilkie & Moore, 2006; Maclaran, Saren, Stern, & Tadajewski, 2010), the relationship between an organization and its environment as well as the responsibility of organizations on behalf of their environment returned to the focus of marketing scholarship. These developments can be situated within a fundamental reorientation of the economics as a whole, which increasingly rely on their grounding within the social sciences (Backhouse & Biddle, 2000; Backhouse & Fontaine, 2010; Redman, 1993). A revival that comes with no surprise as societal changes, such as the growing concern for the natural environment, stakeholders becoming more and more critical of large organizations and institutions, and the growing criticism of western lifestyle and its consumer society, are the breeding ground for the named fields of scholarly interest.

In addition, new structures, channels, and online applications, particularly social media, promoted the confluence of marketing and PR practice. Corporate communications will never again be purely monological and unidirectional. Organizations have to engage in dialogical, two-way communication, taking into account the views and interests of their stakeholders. While PR scholars have long cherished this idea, even before these ways of communication were made possible on a large scale through technical advancement, many marketing scholars have acknowledged this paradigm shift only recently (Finne & Grönroos, 2009). Thus, marketing is moving towards a PR related approach, becoming more

and more concerned with critical stakeholders in the entire environment of the organization rather than concentrating merely on customers (Süss, Zerfass, & Dühring, 2011).

The convergence was also advanced by the increasing managerial orientation of PR research starting with the Excellence Study (Grunig, 1992). As Sandhu (2009) observes, the functional/managerial perspective was buttressed by the import of various models based largely on rationalistic strategic management literature such as strategic planning, issues management, scenario planning, or methods of evaluation and accounting. PR willingly adopted many marketing ideas and strategies; as well as those from adjacent fields of management and organizational theory. Here, topics such as corporate identity, corporate culture, and corporate branding, which have gained importance in recent years, have been of increasing interest for both marketing and PR.

### **Corporate Brand Management as a Challenge**

The increasing convergence of marketing and PR can be observed in many areas of both theory and practice. However, a field where this is most obvious is corporate branding, an area discussed by both marketing and PR scholars for many years (Balmer, 2001; Schultz et al., 2005; Hatch & Schultz, 2008). Several reasons can be identified: Globalization without common legal or ethical boundaries motivates many stakeholders to ask for more transparency and a detailed legitimization of corporate interests: "The move towards greater transparency has generated a more holistic way of communicating who the organization is and what it contributes to its various stakeholders" (Schultz, 2005, p. 36). Moreover, it becomes more and more difficult and costly to establish individual product brands on a global scale. Corporate brands have the advantage of being able to brand the whole company, including its unique history and identity (Barney, 2007; Aaker, 2004). Schultz formulates the following definition of corporate branding:

"[...] corporate branding can be conceptualized in the following ways. As alignments between the origin and everyday practices of the organization (organizational culture); where the organization aspires to go (strategic vision); how the organization is

perceived by external stakeholders (image); all nested in perceptions of who the organization is (identity).” (2005, p. 24)

Thus, the corporate brand is not a “larger product brand”, but rather a complex construct, which is created and recreated in mutual relationships with different stakeholders. The shift from classic (product) branding to corporate branding includes a number of dimensions, which are summarized in Table 1.

	<b>Classic Branding</b>	<b>Corporate Branding</b>
Foundation	Individual products are the foundation of most brands	The company or organization is the foundation of the brand
Conceptualization	<ul style="list-style-type: none"> <li>• Marketing</li> <li>• Inside-out and outside-in thinking</li> </ul>	<ul style="list-style-type: none"> <li>• Cross-disciplinary</li> <li>• Combines inside-out with outside-in thinking</li> </ul>
Stakeholders	Consumers and customers	All stakeholders
Responsible for branding	Marketing and communication functions	All functions driven by top management
Time perspective	Short: product lifecycle	Long: organization lifecycle
Core process	Marketing and communication decide brand promises and marketing/communication mix	Managerial and organizational processes align the company behind brand identity
Key issues	<ul style="list-style-type: none"> <li>• Brand architecture</li> <li>• Brand positioning</li> <li>• Brand identity</li> </ul>	<ul style="list-style-type: none"> <li>• Brand as a strategic force</li> <li>• Relations among strategic vision, organizational culture and stakeholder image</li> <li>• Brand alignment</li> </ul>
Difficulties	<ul style="list-style-type: none"> <li>• Difficult to build and sustain product differentiation</li> <li>• Restricted involvement of employees and use of cultural heritage</li> <li>• Limited involvement of stakeholders in communication efforts</li> </ul>	<ul style="list-style-type: none"> <li>• Difficult to align internal and external stakeholders</li> <li>• Difficult to create credible and authentic identity</li> <li>• Difficult to involve different subcultures and shifting stakeholders</li> </ul>

**Table 1: Differences between classic branding and corporate branding**

Source: Schultz, 2005, p. 27

In this context, the two functions in question here – marketing communications and PR – have to be especially integrated and coordinated. Unfortunately, the literature provides little advice here. Authors state the problem but will not go beyond critical descriptions of the status quo and will not offer clear advice concerning the structuring and coordinating of the departments involved in the corporate branding process. Most marketing authors do not mention the problem at all, and naturally pinpoint the head of corporate branding in marketing while defining PR as a supportive function. However, corporate practice shows that this constellation is not prevalent everywhere. Instead, in an increasing number of companies corporate branding is managed by the corporate communications or PR function.

Obviously, a more sophisticated impression of the relationship between both functions in today's organizations is needed. In order to address this research gap, we conducted an empirical study in four large German industries.

**Research Questions and Hypotheses**

The study addressed the formal and informal structures of the marketing-PR-relationship in the context of corporate branding. Especially, the quality of collaboration, the leadership in brand management, and the communication manager's role perceptions were analyzed. Our research was guided by the following main research questions:

RQ1: What can be said about the level and quality of integration and cooperation of PR and marketing communications in general?

RQ2: What can be said about the level and quality of integration and cooperation of PR and marketing communications with regard to corporate branding?

RQ3: Who has the leading part in the conception and steering of the branding architecture and why?

RQ4: Do the communication managers share a common understanding of the functions and goals of communication management and branding?

In the formulation of our hypotheses, we started out from a rather tradition conceptualization of the scope of activities and assignments of marketing communications and PR in corporate practice. We did this in order to analyze whether or not the prevailing conceptualizations in literature are dominant in practice, too. Thus, the following hypotheses were generated:

- H1a: At least two-thirds of PR managers rely on inbound-oriented dimensions of communication.
- H1b: About two-thirds of marketing communications pursue outbound-oriented objectives of communication.
- H2a: The majority of marketing communication managers identifies customers and shareholders as their most important stakeholders.
- H2b: The majority of PR managers focus on policymakers and the general society.
- H3: In most companies, collaboration occurs in an ad hoc manner and sporadically and is not based on formal structures.
- H4: Marketing communications and PR use different branding instruments:
  - H4a: Marketing favor classical marketing instruments such as events and advertising.
  - H4b: PR favor instruments such as press relations and corporate social responsibility.
- H5: Communication managers differ in their assessments of branding objectives.

### **Methodology**

To analyze the relationship between both functions in the context of communication management in general and in the processes of corporate branding specifically, we conducted an empirical study in four major industries in Germany. We investigated companies in the energy industry (32.7% of the respondents), telecommunication industry (17.3%), insurance industry (25%), and chemical industry (25%). Companies were chosen from a random sample. 52 companies which organize their

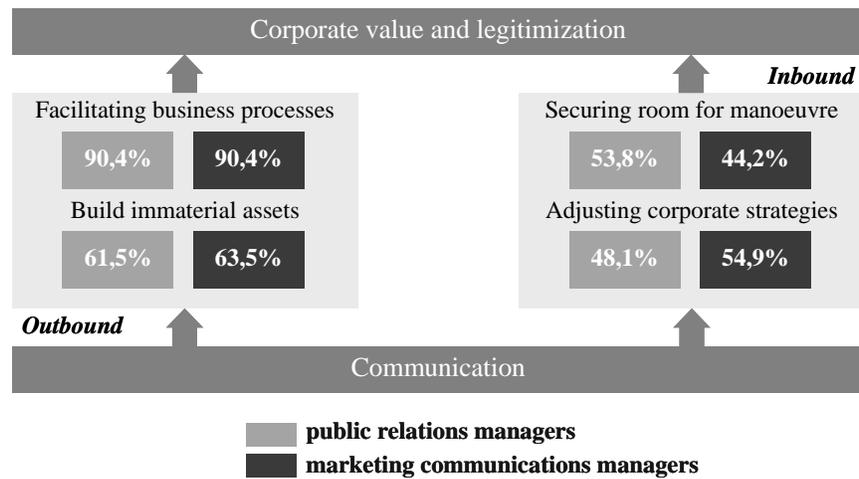
communication activities in two separate functions were deliberately selected. In each company, both the head of PR as well as the head of marketing (communications) were interviewed. Overall, 104 communication managers participated. The gender distribution was 57.7 per cent female and 42.3 per cent male. Most managers were between 40 and 49 years old (50.5%); almost one-fifth (19.4%) were 50 years or older, whereas 4.9 per cent were younger than 30 years. The average work experience was 17.3 years. The survey was conducted via computer assisted telephone interviews by a professional market research institution in February 2010. We used descriptive and analytical statistics with SPSS to analyze the data.

Owing to the fact that in each company both the head of PR and the head of marketing communications were interviewed, we were able to directly compare their answers to detect underlying conflicts, discrepancies, and contradictory perceptions.

### **Selected Results and Findings**

#### *High overlap concerning the assessment of goals and task of communication*

The study showed a strong convergence concerning the goals and tasks of both communication functions (Fig. 2). It was expected that marketing would favor outbound-oriented goals (hypothesis H1b), while PR would value more inbound-oriented goals (hypothesis H1a). But only hypothesis H1b could be verified. The data in figure 2 confirms our approach that the inclusion of topics and opinions from the social environment into the business and branding strategy is now estimated highly by marketing professionals, too. As well, we see a trend towards the managerialization of PR having assigned itself the task of value contribution.



**Figure 2: Assessment of objectives of communication**

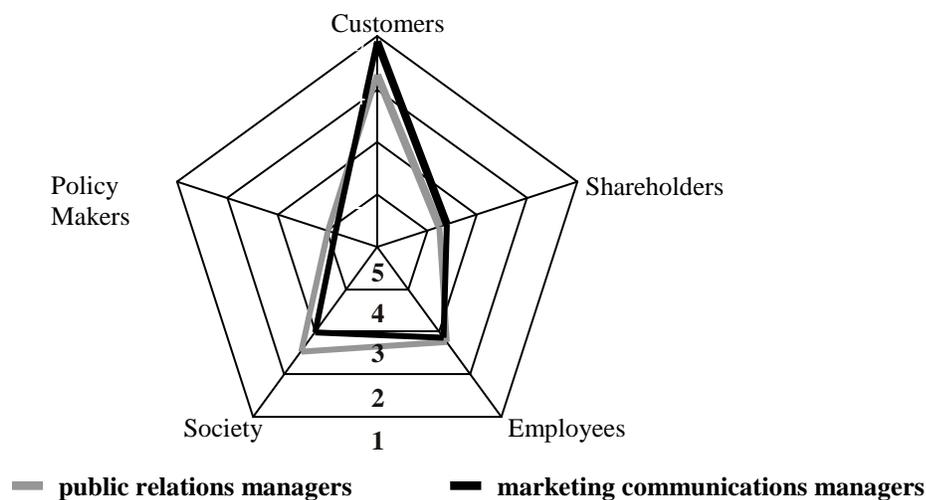
n = 104; perception of the goals and functions of communication (scale 1–6; goal accomplished = scale points 5 and 6)

#### *Overlapping Stakeholder Maps*

The stakeholder map in Fig. 3 shows that marketing and PR managers prioritize the same set of stakeholders. Both ranked customers first. This is not surprising on behalf of the marketing function, but rather surprising for PR. Here, we expected a preference for the social environment/public sphere and policymakers. The analysis shows that the interests and demands of both functions can no longer be separated. Hypotheses H2a and H2b could only partly be verified. We were right in our assumption that marketing communications stress the importance of customers, but they do not take responsibility for shareholders. PR managers surely take into consideration the perspective of the society at large but do not feel responsible for policymakers.

### *Structure and Quality of Cooperation*

PR can be considered an independent organizational function today. The perspective of PR being part of the marketing function, which is still perpetuated in marketing literature, is obsolete. In 86.5 per cent of the companies participating in our study, the PR department is organized as an independent function; only 13.5 per cent of PR departments are subordinated to marketing. This independent structure can be rated positively because it shows the value of PR in most companies today. By contrast, it can lead to functional silos. The functional structure of many companies is often referred to as an obstacle for integration. The focus on one's own department and inflexible hierarchies are a hindrance for better cooperation.



**Figure 3: Convergent stakeholder prioritization**

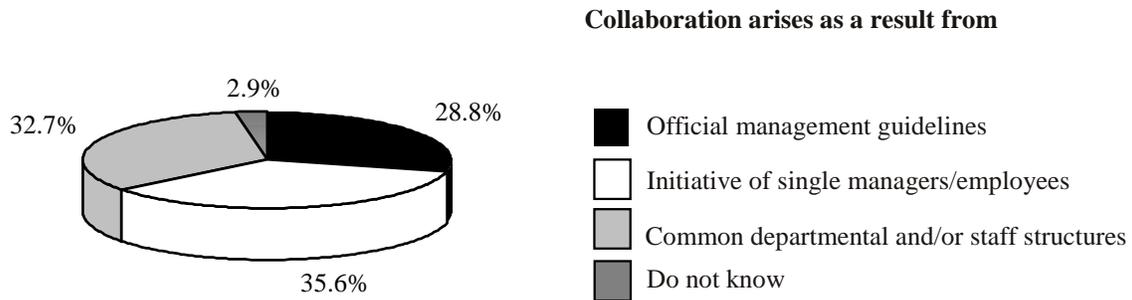
n = 104; importance of stakeholders in accordance to communication strategy; scale 1–6; important stakeholder = scale points 5 and 6; customer category statistical significant.

The success of integrated communications, therefore, often depends on the actual formal and informal modes of cooperation beyond functional structures. These can be more or less institutionalized. In our study, the degree of institutionalization was about two-thirds, taking into consideration common

departmental or staff structures and management guidelines (Fig. 4). In more than one-third of the companies, the impulse to cooperate stems from individual efforts.

We found some contradictions in the statements concerning the depth and quality of co-operation. To analyze whether the perceptions of both marketing and PR managers within the same company corresponded, we compared their answers to different questions. There was an 82.7 per cent correspondence regarding the first statement "In project teams representatives of both departments work together". The second statement "We have regular meetings and exchange news about current projects" showed only 69.2 per cent correspondence; in 28.8 per cent of the companies involved, the communication professionals answered differently and 1.9 per cent said that this is not the case. Concerning the statement "We develop a communication strategy for the company", 30.8 per cent gave contradictory answers.

The numbers show that cooperation is more institutionalized than we expected it to be. Therefore, we consider hypothesis H3 as falsified.



**Figure 4: Initiators of cooperation**

n = 104: who takes the initiative in collaboration and integration?

*Who manages the corporate brand?*

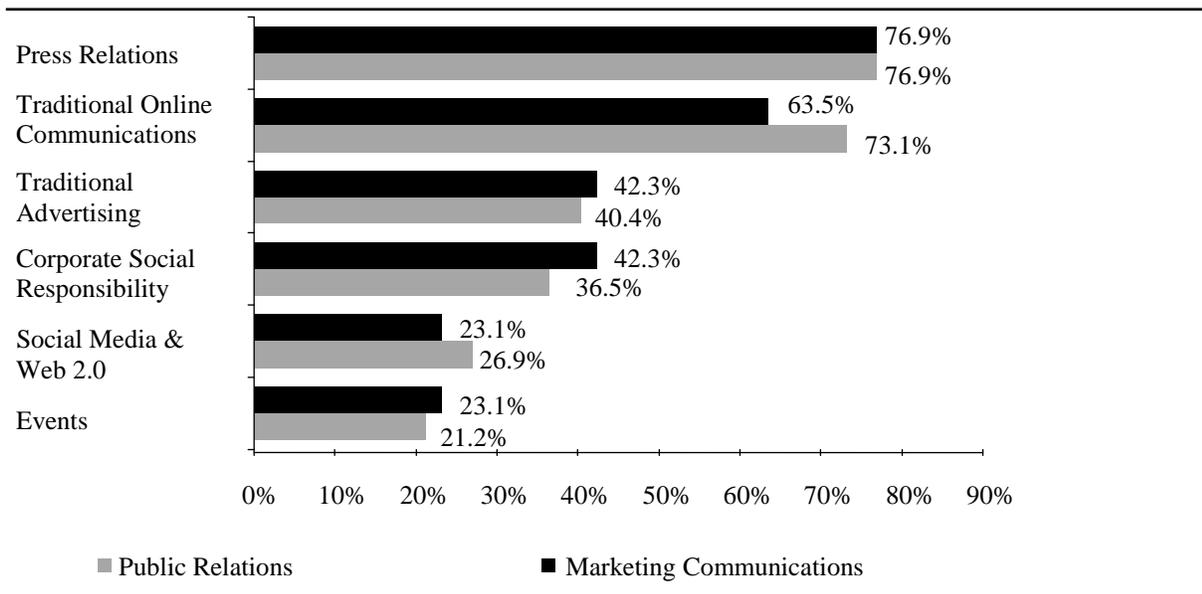
The data presented up to now analyzed the relationship between marketing and PR in general. In a next step, we took a more specific look at the relationship in the field of corporate branding. First, we were interested in the participation of both functions in the conception of the branding strategy. The study confirmed our expectations that the responsibility for the branding strategy is foremost in the hands of the marketing function. Altogether, 90.4 per cent of the marketing communicators, but just 73.1 per cent of the PR managers, stated that they were involved. In the majority of the companies (69.2%), marketing and PR share this task, in 21.2 per cent, just marketing is involved, and in 3.8 per cent just PR. Nevertheless, the final decisions on the conception and implementation of branding strategies are made by marketing communications professionals. In total, 62.5 per cent of this group state that they have the management responsibility. Only 25 per cent of the PR managers claim this role for themselves.

	PR	Marketing communications
We have the same objectives	54.1%	50.0%
Our scopes of functions are well separated	43.2%	42.5%
Our standpoints are always taken seriously and into consideration	32.4%	47.5%
We have a good and regular cooperation	59.5%	52.5%

**Table 2: Assessment of cooperation in the context of corporate branding**

When asked for the degree of satisfaction with cooperation in the field of corporate branding, the respondents were more critical than before (Table 2). Only 43.2 per cent think that the spheres of responsibility are well defined. On average, just 51.9 per cent say that both functions have the same objectives. Furthermore, just 55.8 per cent of the respondents state that both work well together. In addition, only 32.4 per cent of the PR managers have the impression that their points of view are seriously taken into consideration.

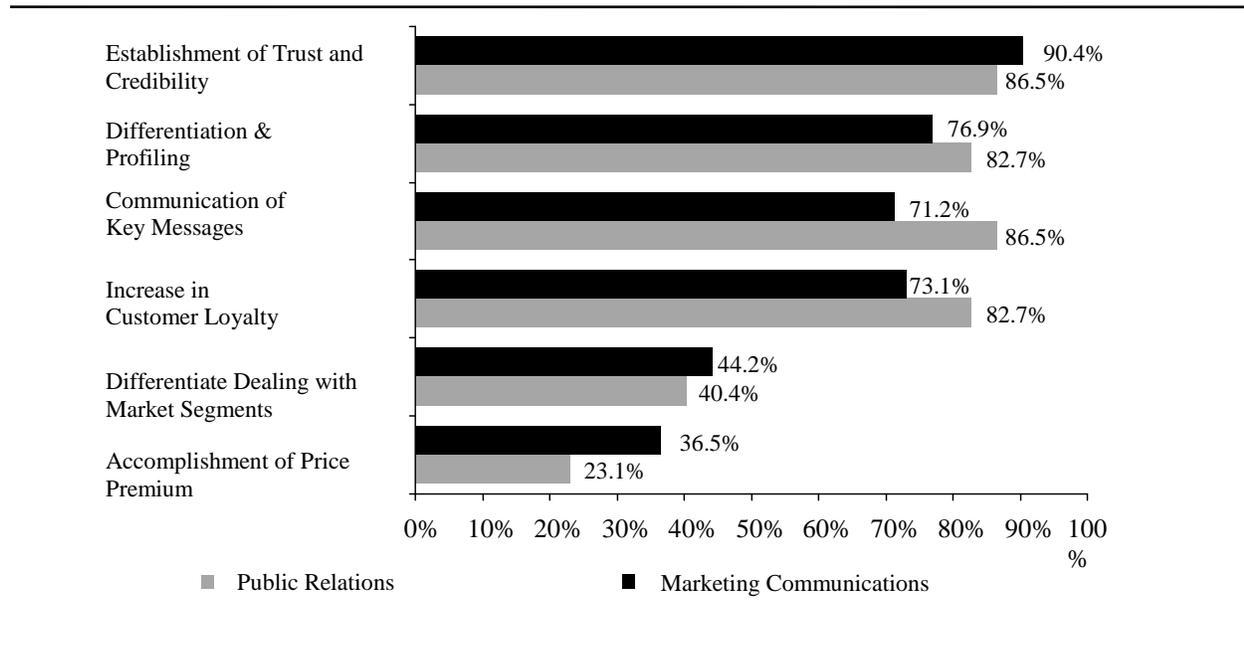
Despite these results, we find clear traces of convergence in the field of branding as well. We received interesting results when we asked the respondents for the importance of different instruments they use for branding activities. As can be seen in Fig. 6, marketing and PR practitioners ranked the instruments in the same order. It was assumed that PR managers prioritized press and media relations, but it was a surprise to see that marketing communications professionals in those industries do the same. They also stressed the importance of corporate social responsibility and were even more definite than were their PR colleagues. Hypotheses H4a and H4b were therefore falsified.



**Figure 5: Importance of branding instruments**

n = 104; scale 1–6; method used = scale points 5 and 6; categories ‘traditional advertising’ and ‘corporate social responsibility’ statistical significant.

This impression was confirmed by the statements concerning the objectives of branding (Fig. 6). A typical PR objective is ranked in first place by marketing communications, too. Likewise, classical marketing objectives are also ranked very high by PR managers. Finally, the “accomplishment of price premium”, a rather traditional branding goal, is ranked last by both marketing and PR managers □ just another hint that traditional approaches towards corporate branding are under change. Therefore, hypothesis H5 was falsified.



**Figure 6: Importance of branding objectives**

n = 104; scale 1–6; Importance = scale points 5 and 6; category ‘accomplishment of price premium’ statistical significant.

#### *In-depth Analysis via Typologies*

In the descriptive analysis of the study, we illuminated different aspects in the field of tension between marketing communications and PR. To deepen the analysis, we constructed a typology of the participating organizations and communication professionals to identify distinct types of organizations and managers, apart from functional affiliations. Those types offer a deeper insight into the quality of integrated brand management and a look at the mindsets of respondents. Some conclusions can be drawn from these typologies on behalf of factors contributing to the success or failure of integrated brand management.

The basis of the organizational typology was the assumption that the participating organizations differ in their ways of planning and realizing a branding strategy and in their understandings of the roles and functions of branding. Thus, we took several questions as a basis for our matrix construction<sup>1</sup>.

We were able to identify four different types of organizations (see also Fig. 7):

- *Fragmented organizations*: Fragmented organizations constitute the majority of the companies (40.8%). In these companies, marketing communications and PR work together but do not share the same understanding of the contents and objectives of their work. Therefore, there is no foundation for a truly integrated brand management.
- *Champion organizations*: In about one-third of the companies (32.7%), we find both shared structures and a shared understanding. We named these “champions” despite the fact that there is still room for improvement. These companies have a good foundation as they have both integrated structures and a common understanding.
- *Isolated organizations*: In 14.3 per cent of the companies, we find no common structures, modes of collaboration, or shared visions about the functions and objectives of branding activities.
- *Focused organizations*: This group shows a lot of wasted potential. In 12.2 per cent of the companies questioned, marketing communications and PR have the same vision and understanding about the role and importance of corporate branding. But they do not collaborate at a structural level, so there is no chance to profit from synergies.

The most important findings of this typology were:

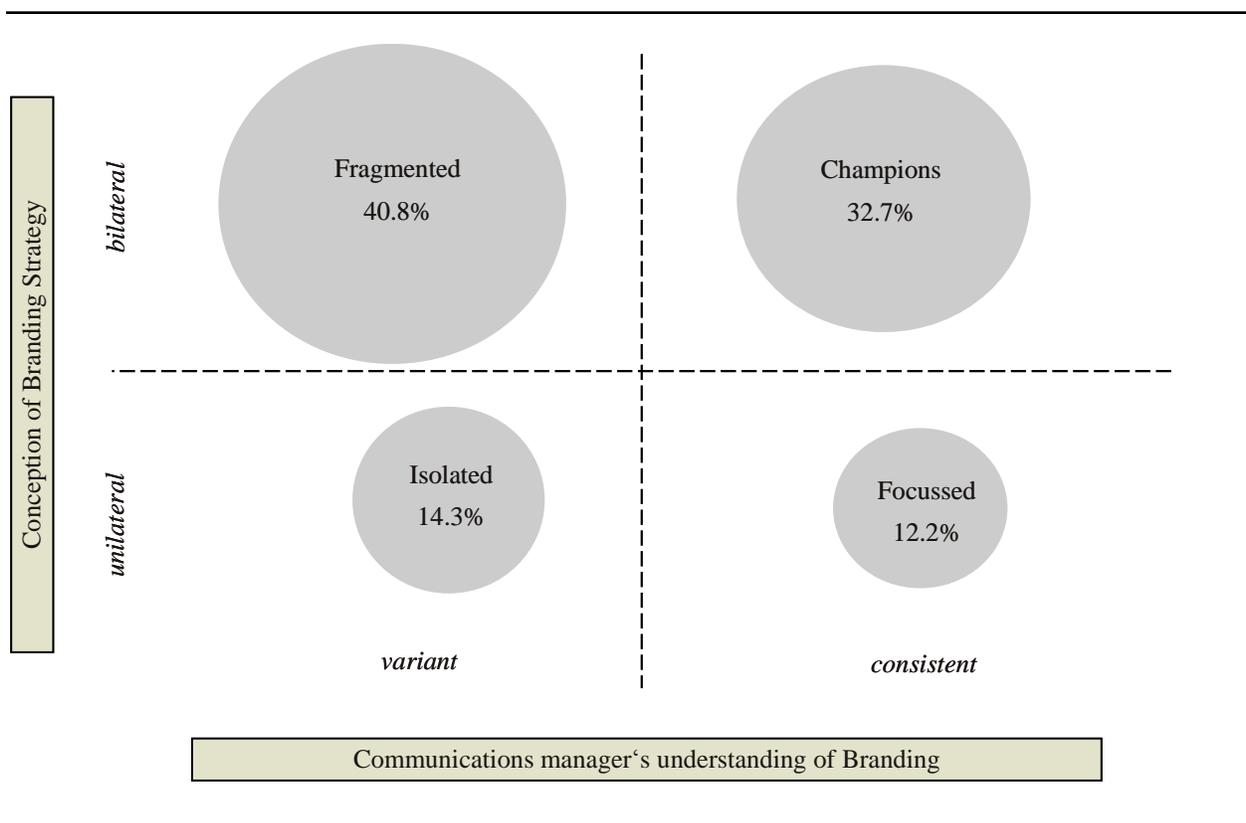
1. *High level of structural integration*. Overall, in 73.5 per cent of the companies in our sample marketing communications and PR work together during the planning and implementation of corporate branding strategies.

2. *Strong variations in the basic understanding of objectives and purposes of branding*.

Organizational structures are often identified as the main hurdle for integration. But the evaluation of this typology hints at other reasons. The cause for the manifold problems of integration seems to be grounded in the mindsets of the responsible managers, too. In 55.1 per cent of the companies, communication

managers do not share the same understanding of the objectives and purposes of corporate branding, of relevant stakeholders, and of branding instruments.

3. *Low level of satisfaction with cooperation, especially in champion organizations.* The results of the study revealed that high integration within formal or informal structures and the level of satisfaction with integration are not objective criteria for the actual quality and success of the branding strategy. An analysis of the four types concerning statements of general cooperation within the context of branding confirmed this assumption. Therefore, isolated organizations show an even higher level of integration and rely stronger on a common mindsets with their partners in the other departments than the champions organizations. A possible explanation would be that the champions reflect on their situations more critically and realistically, whereas the isolated do not.



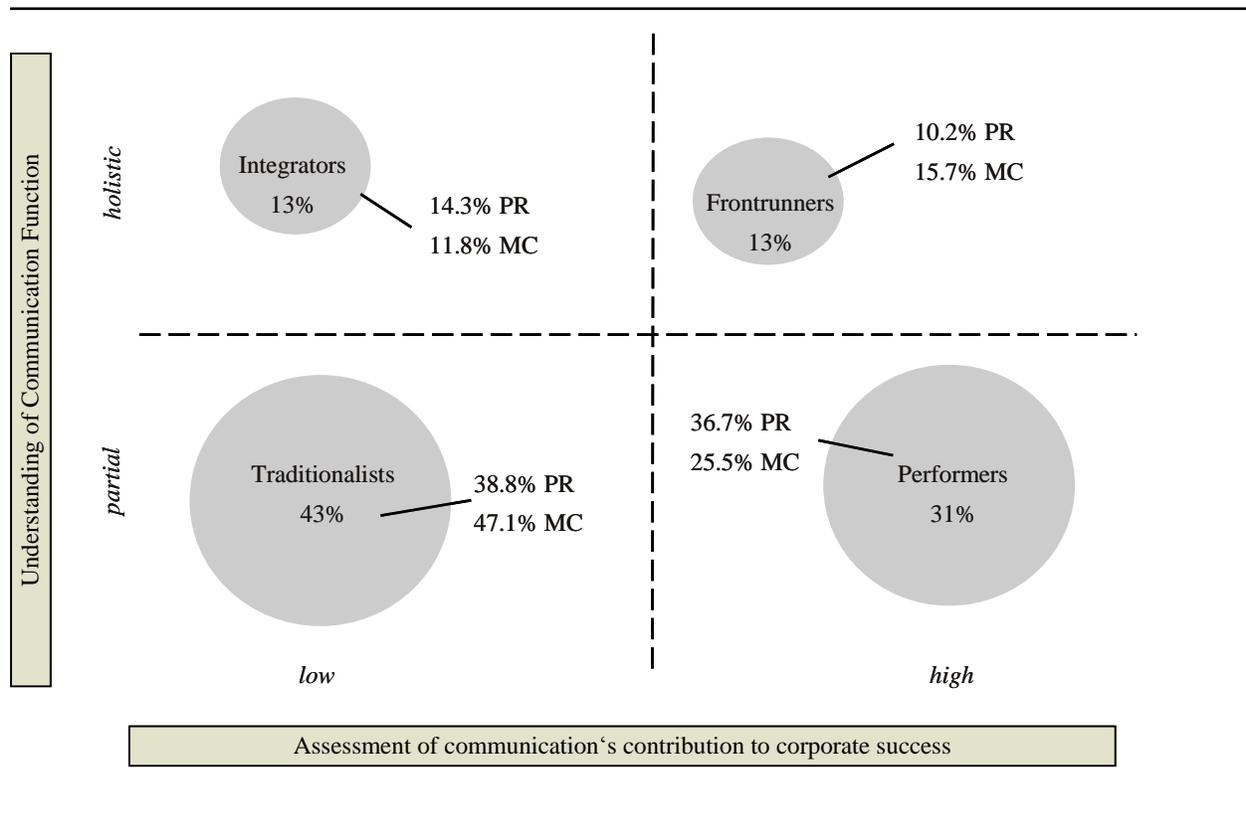
**Figure 7: Typology of organizations**

n = 98; y-axis deriving from the level of cooperation in the conception of branding strategy (structural level); x-axis formed by index deriving from discrepancies in the four answers of PR and marketing

communications managers within the same company (the objectives of branding, branding instruments, importance of sustainability, and conditions for a successful implementation of branding strategy).

*Typology of communication managers*

As confirmed by the organizational typology, important hurdles of integration are based on the communication managers themselves. This is why another typology would provide deeper knowledge about the mindsets of the communication managers involved in the branding process. The construction of the matrix was again based on two relevant variables from the study<sup>2</sup>.



**Figure 8: Typology of communication managers**

n = 100; x-axis: self-assessment of communication managers' value creation; y-axis: partial: inbound- or outbound-oriented understanding of communication function. Holistic: inbound- and outbound-oriented understanding of communication function.

In the matrix in Fig. 8, four different types of communication managers are located, independent of departmental affiliations:

- *Traditionalists*: The largest group (43%) consists of rather traditional thinking and acting communication managers who stick to old role models.
- *Integrators*: This type is more integrated, at least in its role understanding. These communication managers, which provide just 13 per cent of all respondents, are inbound- and outbound-oriented and have an extensive understanding of their roles and functions. But they assess their value contributions as low, which is either a sign of a lack of confidence or a restriction by organizational structures and hierarchies. The assessment might be grounded in the fact that they do not have access to top management and, therefore, the impression that their voices are not heard.
- *Performers*: The performers (31%) are just the contrary. They do not have an integrated, holistic understanding of the communication function but nonetheless assess their value contributions as high. It is hard to draw conclusions from an outside perspective as to whether this can be explained by hubris or better access to higher management levels.
- *Frontrunners*: The small group of frontrunners (13%) provides the best combination: a mixture of holistic understanding and a high value contribution to corporate success.

The most important findings from the second typology were:

1. *Lacking holistic approach*. A holistic approach towards their roles and functions seems to be the weak point of many communication managers. Overall, just 26 per cent share this kind of approach towards their jobs.

2. *Trend towards professionalization and feminization*. An analysis of the personal characteristics of the respondents confirms the assumption that the new generation of communication managers acts and thinks differently to their predecessors. Data revealed that the frontrunners are the youngest and least experienced group. It seems as if they were educated and trained differently. Younger managers seem to assess their tasks more professionally and acknowledge the advantages of an integrated

approach. Moreover, there is another trend expressed in this typology – the feminization of communication management. More than half of the frontrunners (61.5%) are female.

3. *Widespread traditional structures and mindsets*. This typology shows that some of the fundamental problems of integration have their origins in the mindsets of the communication managers themselves. A total of 43 per cent remain in obsolete structures and ways of thinking. Their own value contributions are judged rather low, and they act tactically rather than strategically. The devaluation of their own functions results in little motivation to change the current structures or to think in an interconnected and strategic manner. Thus, many communication managers engage in a rulebook slowdown without thinking about the possible ways to improve their own situations and that of communication management in general.

### **Discussion and Perspectives for Future Research**

The empirical study confirmed some of the insights we gained during our literature research. Today, the separation of marketing and PR on behalf of their different instruments, techniques, strategies or even their mission or assignments can no longer be uphold. Both academic discourse as well as corporate practice show that the relationship between both disciplines is changing. This is especially true in areas where both are highly involved, such as in corporate branding. The study revealed no significant differences in the assessment of communication channels and instruments between both functions. Thus, arguments for a strict separation of the two departments and separate spheres of action become shaky. PR has outgrown its roots in press relations and acts in many fields considered the traditional areas of marketing. Taking over the responsibility for corporate values is at the heart of the professional identity of modern PR. By contrast, concepts such as "license to operate", "intangible assets", "social responsibility" and "trust" are no longer dominated by the PR function but have become part of many marketing concepts.

Of course, traditional structures coined by historic development are still prevalent in many organizations (Süss, Zerfass, Dühning, 2011). But there are more and more communication managers who think and act ahead of these structures. Young PR professionals with a profound education and

training in communication science and economics enter organizations with new role models and job descriptions in their minds. In the long run, these managers and the actual challenges placed on communication management today might result in a structural transformation of the field. It has become obvious – and this can no longer be ignored by science and practice – that marketing communications and PR both contribute a great deal to corporate success. It is also clear that their impact depends on the level and quality of their coordination and integration. Many managers at the board level understand that the successful management of social capital (reputation, image, stakeholders) is as important as a good performance of real capital (production, sales) to reach advanced levels of performance. This offers great chances for communication management, but places it under pressure as well. Efficient organizations do not duplicate functions. Whether the increasing convergence of these concepts will result in organizational consolidation remains open. But certainly the demand for a clear allocation of responsibilities, structural collaboration, and coordination will increase. Today, unfortunately, neither marketing nor PR have truly overcome their departmental silos and turf wars. The latent pursuit of hegemony on both sides is one of the main reasons for the tensions and a loss in value creation. Thinking ahead, we will close by naming important challenges that have to be addressed by top management, communication managers, and academic research and teaching.

#### *Challenges for top management*

The orchestration of marketing communications and PR is a major management challenge. It is the task of top management to provide the adequate organizational frame and to openly discuss structures, processes, responsibilities, and hierarchies. Top management should encourage horizontal cooperation with mutual acknowledgement and respect. A holistic, all-embracing approach of corporate branding is only possible when all parties involved act in concert.

#### *Challenges for communication managers*

The study revealed that the main obstacles of integrated communications and brand management are not grounded in organizational structures. The mindsets of the communication

managers in charge are a major issue. Any sustainable change has to start in the hearts and minds of the professionals. Only when they accept and live new structures and processes does integration have a chance to succeed. A basic prerequisite is to remove existing prejudices about the functions and contents of other departments and to aim for common goals and values. In particular, the data showed that younger employees might act as forerunners.

#### *Challenges for academic research and teaching*

The new constellation of a still problematic relationship offers diverse topics for further scientific consideration. First, focus should be placed less on structures and more on the communication managers that actually work in and with these structures – or against them. Educational background, job experience, and overlapping or contradictory role perceptions in PR and marketing (Tindall & Holtzhausen, 2011) are important issues to be analyzed. Organizations that train these managers – including universities and private institutes for further education – should rethink their missions. Courses for training and studies in marketing communications and PR still proceed more or less parallel without intersections. Thus, marketing and PR managers enter companies with different mindsets. It is up to each company to invest in a reintegration of both functions. This would be a worthy goal and would help establish new forms of mutual knowledge exchange. For instance, marketing science, because of its position in business schools, possesses a more elaborate understanding of corporate processes and acts in a more market-oriented manner. PR, by contrast, has its roots in communication studies, possessing sophisticated approaches to (interpersonal) communication and social change. Interdisciplinary dialogue can be promoted via common research projects.

Going along with this, it is about time that both marketing and PR scholars part from their long hold grudge and prejudices against each other. Instead of stereotyped, biased perceptions concerning the scope and assignment of each other's research areas, it is time for a sophisticated understanding about what the other discipline is about and how both disciplines can profit from the research in the

respective other field. This also might have an influence on future marketing and PR practitioners, as respect and appreciation for other disciplines start during times of education.

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<sup>1</sup> On the vertical y-axis were the characteristics of the variable “development of branding strategy”, which refers to the question “Are you involved into the conception and implementation of the branding strategy?”, which in turn covers the structural integration of marketing and PR. When both parties are involved, the organization is classified as bilateral, whereas when just one party is involved, the organization is classified as unilateral. On the horizontal x-axis were the characteristics of the variable “understanding of the branding of the communication managers”. To analyze the congruent or differing understandings of branding of the managers working within the same organizations, we constructed an index based on the four questions concerning the objectives of branding, branding instruments, importance of sustainability, and conditions for a successful implementation of branding strategy. This procedure results in 18 criteria of differentiation. The index was constructed via the sum of deviations. The value 15 was assigned as threshold value ( $x=0$ , if value  $\geq 15$ ;  $x=1$ , if value  $< 15$ ).

<sup>2</sup> The y-axis was formed by a question concerning the basic understanding of the objectives and purposes of communication for the organization (see also Fig. 2). Communication managers that value all four dimensions high or very high were grouped as “holistic”, whereas those that just stress a selection of these dimensions were classified “partial”. The x-axis was defined by the assessment of value contribution to corporate success. In the category “high” were those respondents that assess their own contributions as high or very high ( $\geq 5$  on a 1-5 scale) and get the same assessment by their peers. In the category “low” ( $< 5$  on a 1-5 scale) were those who did not and those that were not esteemed by their colleagues.