



Beyond The Buzz: How PR Drives Organizational Profitability

By Anthony Taiti

Across the world, profits play a major role in determining organizational success, which is understandable in our capitalistic society.

Unfortunately, many profit-driven organizations have long held the false belief that PR does not contribute to overall profit generation. They perceive PR departments as mindless spenders that only cause the hemorrhaging of monies that could have been used for more "important" roles. Regrettably, this causes PR to be undervalued and regarded as less important than other functions that bring in tangible income, such as sales and marketing. More often than not, PR professionals in such organizations are constantly guilt-ridden about their budgets because their departments allegedly do little and generate no revenues.

Nothing could be further from the truth. In reality, PR is a revenue engine for organizations as it enhances financial growth through effective strategies, such as building a strong brand reputation by leveraging creative storytelling, excellent community engagement, and strong media relations.

This false assumption is largely due to widespread misconceptions and ignorance about the role of PR, resulting in a narrow perspective that ignores its broader functions.

Historically, PR has been treated largely as a tool for spinning information, particularly during crises. This outdated notion ignores PR's strategic importance in building strong stakeholder relationships by maintaining values, such as honesty and authenticity. Crises can inflict lasting damage to an organization when handled poorly, resulting in massive financial losses from lawsuits, product boycotts, strikes, and so on. Effective PR can prevent such misfortunes. A case in point: in 2018, KFC leveraged good PR practices to manage a crisis of nationwide chicken shortage in the United Kingdom by engaging its customers in an honest

manner, leading them to remain patient and loyal. This allowed the company to avert a potentially detrimental impact that would cause a dip in profits.

PR promotes profitability through strategic communication. This is achieved by aligning PR initiatives with organizational goals, resulting in campaigns that have a direct, positive impact on the bottom line. For example, Spotify's viral "Wrapped" campaign, a PR-led initiative, increased customer engagement and attracted millions of new subscribers, boosting the company's revenue.

Through PR research, organizations can remain profitable by capitalizing on market trends. In February of this year, Apple leveraged this to great effect when it launched its Vision Pro headset, positioning it as a ground-breaking device in spatial computing. After thorough research, they devised a PR campaign strategy consisting of targeted keynote addresses, exclusive media previews, and influencer partnerships, which resulted in record-breaking pre-orders and a substantial revenue gain.

PR professionals are regarded as boundary spanners between organizations and their stakeholders, responsible for maintaining mutually beneficial ties between the two. Without well-managed relationships, it is difficult to achieve profit targets. Progressive companies like Apple and Google incorporate PR into their operations to maintain close relationships with both internal and external stakeholders. Their CEOs, Tim Cook and Sundar Pichai, are on record, acknowledging that public perception is inextricably linked to their company's financial success.

The Coca-Cola Company has progressively adopted PR strategies that resonate with community values and promote stakeholder participation, resulting in revenue growth. In Mauritius, the company ran a successful PR campaign between November 2023 and February 2024 dubbed "I Am Recyclable," which focused on sustainable packaging and environmental responsibility. It employed a

variety of PR initiatives, including media outreach and local community events, which reinforced consumer loyalty and increased sales in the region, leading to higher revenues.

In this era of increased stakeholder demand for corporate responsibility, PR has been at the forefront of helping organizations balance profitability with social advocacy through purpose-driven campaigns. Many organizations have increased their revenues by enhancing customer loyalty through the implementation of sustainable PR initiatives, such as community empowerment and humanitarian support. Consider Airbnb.org's Refugee Housing Initiative, which has supported thousands of refugees by offering them decent temporary housing. This PR initiative highlighted the company's human component of compassion, which increased customer trust, strengthened brand loyalty, and drew new customers to the platform. As a result, it has enjoyed sustained revenue growth.

Metrics such as media coverage can also be used to establish realistic monetary contributions from PR functions. For instance, when PR professionals create newsworthy press releases that are published by media outlets, an organization enjoys free publicity through earned media. Using rate cards, one can easily assess how much money would have been spent if the organization had paid for the story.

Ultimately, while PR performance in terms of revenue generation may be more difficult to quantify than straightforward revenue from sales or marketing, its tangible impact on an organization's bottom line is indisputable.

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